

DBH Finance PLC.

Auditor's Report and Audited Financial Statements

For the year ended 31 December 2025

Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Auditor's Report

To the Shareholders of DBH Finance PLC.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DBH Finance PLC. (the "Company"), which comprise the balance sheet as at 31 December 2025, the profit and loss account, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with rules and regulations issued by Bangladesh Bank and International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

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

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans and advances	
The process for estimating the provision for loans and advances portfolios associated with credit risk is significant and complex.	We tested the design and operating effectiveness of key controls focusing on the following:

For the individual analysis for large exposure, the provisions calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.

For the collective analysis of exposure on a portfolio basis, provision calculation and reporting are manually processed, which deal with voluminous databases, assumptions and estimates.

In Bangladesh, non-performing loans have been increasing day by day. Finance companies need to maintain provisions for additional non-performing loans in line with the Bangladesh Bank's guidelines.

Furthermore, management has an incentive to maintain lower provisions for loans and advances to overstate profit and large portfolio comprising a high number of loans with relatively small individual outstanding balances. Considering these factors, we have considered measurement of provision for loans, advances and leases as significant risk as well as a key audit matter.

As of 31 December 2025, the Company reported total gross loans and advances BDT 45,576,479,546 (31 December 2024: BDT 44,509,374,472) and provision for loans BDT 1,259,067,515 (31 December 2024: BDT 1,165,931,185).

We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:

- Completeness and timing of recognition of loss events in accordance with criteria set out in DFIM Circular no 04 dated 26 July 2021;
- For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows;
- Provision measurement is primarily dependent upon key assumptions relating to the probability of default, ability to repossess collateral and recovery rates.

- Credit appraisal, loan disbursement procedures, monitoring and provisioning process;
- Identification of loss events, including early warning and default warning indicators;
- Reviewed quarterly Classification of Loans (CL);

Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:

- Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines;
- Assessed the methodologies on which the provision amounts were based, recalculated the provisions and tested the completeness and accuracy of the underlying information;
- Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and
- Finally compared the amount of loan provision and loan classification disclosed in the financial statements with the quick summary report prepared by Bangladesh Bank.
- We have selected samples to check compliance with the above Bangladesh Bank instructions. Recalculated the provision amount of loans, and advances, and checked loan classification in line with the Bangladesh Bank Guidelines, and compared the amount of loan provision and loan classification disclosed in the financial statements and with the quick summary report issued by Bangladesh Bank.



See note no 7 and 12 to the financial statements	
Recognition of interest income on loans, advances and leases	
<p>Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income have involved complex IT environments.</p> <p>We identify recognition of interest income from loans, advances and leases as a key audit matter because this is one of the key performance indicators of the Company and therefore there is an inherent risk of fraud and error and overstatement in recognition of interest by management to meet specific targets or expectations.</p> <p>As at 31 December 2025, the Company reported gross interest income from loans and advances of BDT 7,918,373,015 (31 December 2024: BDT 7,339,329,315).</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans, advances and leases focusing on the following:</p> <ul style="list-style-type: none"> • Reviewing transfer of interests to the income account in line with the Bangladesh Bank's guideline; • Reviewed the grounds for approval for the transfer of interest to the income account. <p>We performed test of operating effectiveness on automated control in place to measure and recognize interest income.</p> <p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately in line with time-to-time movement of interest rate published by Bangladesh Bank.</p> <p>However, due to the current uncertainty of the overall economic situation both in Bangladesh and Globally there are inherent risk that the judgment applied by Management in assessing recoverability of interest income from classified loans may be different than the actual situation in future.</p>
See note no 18 to the financial statements	
Completeness of Deposits and Accuracy of Interest Expense Recognition	
<p>Deposits are the largest source of funding for the Company and form the backbone of its liquidity and regulatory compliance. The recognition of interest expense on deposits is significant, as it directly impacts profitability, capital adequacy, and customer trust.</p> <p>The process of measuring deposits and calculating interest expense is complex. It requires reconciling individual customer balances with the general ledger, applying interest rates correctly across</p>	<p>Our audit procedures addressed both the completeness of deposits and the accuracy of interest expense recognition. Specifically, we:</p> <ul style="list-style-type: none"> • Tested the design and operating effectiveness of controls over deposit account opening, maintenance, and interest calculation within the CBS;



<p>diverse deposit products, and ensuring compliance with Bangladesh Bank regulations. The Company relies heavily on its Core Banking System (CBS) to process voluminous transactions, calculate interest accruals, and maintain deposit records. Errors in CBS logic, manual overrides, or misclassification of deposit accounts could materially misstate both liabilities and interest expense.</p> <p>As at 31 December 2025, the Company reported deposits of BDT 46,736,461,380 (31 December 2024: BDT 45,775,344,891). Related interest expense amounted to BDT 5,431,729,586 (31 December 2024: BDT 4,675,063,290).</p> <p>Given the materiality of these balances and expenses, the complexity of CBS generated calculations, and the significant judgment required, we identified the completeness of deposits and accuracy of interest expense recognition as a Key Audit Matter.</p>	<ul style="list-style-type: none"> • Recalculated interest expense for sampled accounts manually and compared with CBS-generated calculations; • Tested the CBS interest calculation engine, including rate application, accrual timing, and reconciliation of balances; • Performed IT audit procedures to validate completeness, accuracy, and integrity of deposit and interest data processed by the CBS and • Evaluated the appropriateness and presentation of disclosures against IFRS and Bangladesh Bank circulars.
<p>See note no 11 and 19 to the financial statements</p>	
<p>Valuation of Treasury Bill and Treasury Bond</p>	
<p>The classification and measurement of T-Bill and T-Bonds require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques that may take into consideration direct or indirect unobservable market data and complex pricing models that require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Company to identify and confirm the existence of financial instruments.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the financial instruments' valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<p>See note no 6 to the financial statements.</p>	



Measurement of deferred tax assets/ liabilities	
<p>As at 31 December 2025, the Company reported total deferred tax asset of BDT 11,851,420 (31 December 2024: BDT 6,463,403), total deferred tax liability of BDT 47,810,026 (31 December 2024: BDT 46,038,454) and deferred tax income of BDT 3,616,445 (31 December 2024: deferred tax income of BDT 11,285,577).</p> <p>Significant judgment is required in relation to deferred tax assets/ liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of DTAs and DTLs and the assumptions used in estimating the Company's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. The Company has sufficient taxable profit to recover the deferred tax assets/ liabilities in the foreseeable future.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's/ DTL's.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax including the deduction of DTA/ DTL on specific provisions from regulatory capital.</p>
See notes no 9, 32 and Annexure-C to the financial statements	
Valuation of Defined Benefits and Pension Obligation	
<p>The Company operates a number of defined benefit schemes. At the year-end, the Company reported a net defined benefit asset (for gratuity) of BDT 27,743,674.</p> <p>The valuations of the retirement benefit liabilities are calculated with reference to a number of actuarial assumptions and inputs including discounting rate, rate of inflation and mortality rates. The net defined benefit asset is sensitive to changes in the assumptions.</p>	<p>We tested the design and operating effectiveness of key controls over the completeness and accuracy of data extracted and supplied to the Company's actuaries, which is used to calculate the pension assets and pension schemes' surplus or deficit.</p> <p>We also tested the control associated with the actuarial assumptions setting process and the measurement of the fair value of the schemes' assets. We concluded that the key controls were designed, implemented and operated efficiently.</p> <p>We obtained, evaluated and relied on the actuarial/valuation report prepared by the independent expert and tested the employee data used in calculating the obligation.</p> <p>We assessed the appropriateness and presentation of disclosures against IAS 19 Employee Benefits.</p>



See note no 9 and Annexure-B to the financial statements.	
Legal and regulatory matters	
<p>We focused on this area because the Company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Company's best estimate for existing legal matters that have a probable and estimable impact on the Company's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We inquired of the Company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Company's provisions and contingent liabilities disclosure.</p>
IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment; the large volume of transactions processed in numerous locations daily and the reliance on automated and IT-dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.</p> <p>The IT infrastructure is critical for the smooth functioning of the business operations as well as for timely and accurate financial accounting and reporting.</p> <p>Core Banking Solution (CBS) is primarily relevant for financial reporting. Due to the pervasive nature and complexity of the IT environment, we have ascertained Key Information technology ("IT")</p>	<p>We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Company's periodic review of access rights and reviewed requests for changes to systems for appropriate approval and authorization.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes</p>



<p>systems and controls used for CBS as a key audit matter.</p>	<p>that had a significant impact on financial reporting.</p> <p>We considered the control environment relating to various interfaces, configurations and other application layer controls identified as key to our audit.</p>
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Other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in note 2, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Finance Company Act, 2023 and the Bangladesh Bank Regulations require the management to ensure effective internal audit, internal control and risk management functions of the company. The management is also required to make a self- assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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



Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 2020, the Finance Company Act, 2023 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditures incurred were for the purpose of the Company's business for the year;
- (v) the financial statements of the Company have been drawn up in conformity with the Finance Company Act, 2023 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- (vi) adequate provisions have been made for loans, advances, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- (vii) based on our checking of sample, no advance or loan in excess of the amount determined by Bangladesh Bank from time to time has been sanctioned or allowed;
- (viii) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (ix) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- (x) statements sent to Bangladesh Bank have been checked on a sample basis and no inaccuracy has come to our attention;
- (xi) taxes and other duties were collected to be and deposited in the Government treasury by the Company as per Government instructions and found satisfactory based on test checking;
- (xii) nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- (xiii) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been properly complied with as disclosed to us by management;
- (xiv) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance functions of the Company are satisfactory and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- (xv) the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans were found satisfactory;



- (xvi) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 2,000 person hours for the audit of the books and accounts of the Company;
- (xvii) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- (xviii) the Company has complied with the 'First Schedule' of the Finance Company Act, 2023 in preparing these financial statements; and
- (xix) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Dhaka, 10 May 2026

DVC: 2605111512AS241954

Shaikh Hasibur Rahman FCA
Partner
Enrolment No: 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants



DBH FINANCE PLC.
Balance Sheet
As at 31 December 2025

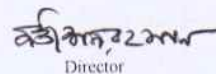
Particulars	Notes	Amount in Taka	
		31 December 2025	31 December 2024
PROPERTY AND ASSETS			
Cash		712,459,138	682,364,503
In hand	3.1	148,276	185,362
Balance with Bangladesh Bank and its agent Bank	3.2	712,310,862	682,179,141
Balance with other banks and financial institutions		14,095,488,972	9,380,539,393
In Bangladesh	4.1	14,095,488,972	9,380,539,393
Outside Bangladesh		-	-
Money at call and short notice	5	450,000,000	1,900,000,000
Investments	6	7,208,469,582	10,185,964,534
Government		6,065,905,996	9,125,625,604
Others		1,142,563,586	1,060,338,930
Loans and advances		45,576,479,546	44,509,374,472
Loans and advances	7	45,576,479,546	44,509,374,472
Fixed assets including land, building, furniture and equipments	8	393,254,090	264,832,694
Other assets	9	282,398,616	264,769,172
Total Assets		68,718,549,944	67,187,844,768
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	10	8,029,648,424	8,605,493,839
Deposits and other accounts		46,736,461,380	45,775,344,891
Fixed deposits	11.1	46,736,461,380	45,775,344,891
Other deposits		-	-
Other liabilities	12	3,900,783,154	3,408,746,433
Total Liabilities		58,666,892,958	57,789,585,163
Shareholders' equity			
Paid-up capital	13.2	2,028,679,740	1,988,901,710
Share premium	14	55,000,000	55,000,000
Statutory reserve	15	1,973,679,740	1,933,901,710
Other reserves	16	4,484,794,036	4,484,631,160
Retained earnings	33	1,509,503,470	935,825,025
Total equity		10,051,656,986	9,398,259,605
Total liabilities and Shareholders' equity		68,718,549,944	67,187,844,768
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	17.1		
Acceptances and endorsement		-	-
Letter of guarantee		-	-
Irrevocable letter of credits		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total contingent liabilities		-	-
Other commitments	17.2		
Documentary credit & short-term trade related transaction		-	-
Forward assets purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total Off-Balance Sheet items including contingent liabilities		-	-
Net Asset Value (Re-Stated : 2024)		49.55	46.33

Notes:

1. Independent Auditor's Report-Page 1 to 10.
2. The annexed notes 1 to 43 and annexure A - E, form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on 10 May 2026 and were signed on its behalf by


Director


Director


Director


Managing Director & CEO

Dhaka, 10 May 2026
DVC: 2605111512AS241954

Shaikh Hasibur Rahman, FCA
Partner
ICAB Enrollment # 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants




**DBH FINANCE PLC.
Profit and Loss Account
For the year ended 31 December 2025**

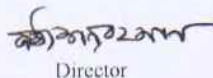
Particulars	Notes	Amount in Taka	
		2025	2024
Interest Income	18	7,918,357,345	7,339,329,315
Interest paid on deposits and borrowings etc.	19	(6,610,232,650)	(5,796,307,568)
Net Interest Income		1,308,124,695	1,543,021,747
Income from investment	20	1,005,728,139	809,106,058
Commission, exchange and brokerage	21	175,858,626	176,738,423
Other operating income	22	14,618,925	8,545,688
Total operating income		2,504,330,385	2,537,411,916
Salary and allowances	23	497,109,538	469,048,253
Rent, taxes, insurance, electricity etc.	24	26,597,178	21,253,621
Legal & professional expenses	25	20,358,942	21,837,523
Postage, stamp, telecommunication etc.	26	10,488,051	11,448,061
Stationery, printing, advertisements etc.	27	16,545,837	14,958,112
Managing Director's salary and fees		13,300,000	13,300,000
Directors' fees and expenses	28	886,860	1,252,335
Auditor's fees	29	1,092,500	920,000
Depreciation, repairs & maintenance	30	93,145,387	82,959,073
Other expenses	31	85,146,695	76,586,758
Total operating expenses		764,670,989	713,563,736
Profit before provisions		1,739,659,396	1,823,848,180
Provisions:			
Loans and advances	12.1.A	150,249,752	29,305,372
Diminution in value of investments	12.1.3	6,359,181	83,585,275
Other Assets		-	-
Total provisions		156,608,933	112,890,647
Profit before tax		1,583,050,463	1,710,957,533
Provision for tax:	32		
Current tax		635,097,146	713,684,462
Deferred tax expense/(income)		(3,616,445)	(11,285,576)
		631,480,701	702,398,886
Profit after tax		951,569,762	1,008,558,647
Appropriations			
Statutory reserve		39,778,030	-
General and other reserves		-	450,000,000
		39,778,030	450,000,000
Retained surplus		911,791,732	558,558,647
Earnings Per Share (Re-Stated : 2024)	34	4.69	4.97
		2024	2023
Earning Per Share (As per previous audited financial statements)		5.07	4.95

Notes:

1. Independent Auditor's Report-Page 1 to 10.
2. The annexed notes 1 to 43 and annexure A - E, form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on 10 May 2026 and were signed on its behalf by:



Chairman


Director


Director


Managing Director & CEO

Dhaka, 10 May 2026
DVC: 2605111512A5241954


Shaikh Hasibur Rahman, FCA
Partner
ICAB Enrollment # 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants



DBH Finance PLC
Statement of Changes in Equity
For the year ended 31 December 2025

Amount in Taka

Particulars	Paid-up Capital	Share Premium	Statutory Reserve	General & Other Reserves	Retained earnings	Total
Balance as on 1 January 2025	1,988,901,710	55,000,000	1,933,901,710	4,484,631,160	935,825,025	9,398,259,605
Net profit (after tax) for the period	-	-	-	-	951,569,762	951,569,762
Remeasurements gain/(loss) due to actuarial valuation	-	-	-	162,876	-	162,876
Transferred to reserve funds	39,778,030	-	-	-	(39,778,030)	-
Stock dividend issued	-	-	39,778,030	-	(39,778,030)	-
Cash dividend paid	-	-	-	-	(298,335,257)	(298,335,257)
Balance at 31 December 2025	2,028,679,740	55,000,000	1,973,679,740	4,484,794,036	1,509,503,470	10,051,656,986

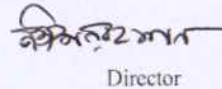
Statement of Changes in Equity
For the year ended 31 December 2024

Amount in Taka

Particulars	Paid-up Capital	Share Premium	Statutory Reserve	General & Other Reserves	Retained earnings	Total
Balance as on 1 January 2024	1,988,901,710	55,000,000	1,933,901,710	4,025,040,000	675,601,635	8,678,445,055
Net profit (after tax) for the period	-	-	-	-	1,008,558,647	1,008,558,647
Remeasurements gain/(loss) due to actuarial valuation	-	-	-	9,591,160	-	9,591,160
Transferred to reserve funds	-	-	-	450,000,000	(450,000,000)	-
Stock dividend issued	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	(298,335,257)	(298,335,257)
Balance at 31 December 2024	1,988,901,710	55,000,000	1,933,901,710	4,484,631,160	935,825,025	9,398,259,605


Chairman


Director


Director


Managing Director & CEO



**DBH FINANCE PLC.
Cash Flow Statement
For the year ended 31 December 2025**

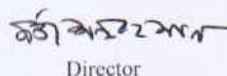
Particulars	Notes	Amount in Taka	
		2025	2024
Cash flows from operating activities			
Interest receipts		7,878,643,391	7,302,944,056
Interest payments		(6,017,915,176)	(5,345,794,219)
Dividend receipts		31,121,332	26,957,306
Fees and commission receipts in cash		175,858,626	176,738,423
Cash payments to employees, suppliers and various operating expense		(717,367,664)	(655,381,020)
Income tax paid		(797,553,917)	(640,215,791)
Receipts from other operating activities		1,012,276,146	836,726,887
Cash generated from operating activities before changes in operating assets and liabilities		1,565,062,738	1,701,975,642
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers		(1,135,271,086)	(835,919,672)
Investment in trading securities		(101,885,672)	(111,793,538)
Other assets		28,672,979	37,239,110
Loans and deposits from banks and other customers		961,116,489	(880,607,805)
Interest suspense		-10,178,708	3,595,601
Other liabilities		186,127,067	10,214,593
Cash generated/ (utilized) in operating assets and liabilities		(51,061,515)	(1,777,271,711)
Net cash flows from/(used in) operating activities	37	1,514,001,223	(75,296,069)
Cash flows from investing activities			
Net proceeds(Payments) for sale/purchase of Treasury Bond		3,059,719,608	(4,940,111,924)
Other investments		-	-
Purchase of property, plant & equipment		(85,963,194)	(71,410,794)
Proceeds from sell of property, plant & equipment		266,630	1,077,482
Net cash flows from/(used in) investing activities		2,974,023,044	(5,010,445,236)
Cash flows from financing activities			
Net receipt from bank and financial institute		540,452,134	(3,400,145,867)
Net receipt by DBH Affordable Housing Bond & ZCB		(1,439,850,000)	2,626,461,393
Cash dividend paid		(298,335,257)	(298,335,257)
Net cash flows from/(used in) financing activities		(1,197,733,123)	(1,072,019,731)
Net increase/(decrease) in cash and cash equivalents		3,290,291,144	(6,157,761,035)
Effects of exchange rate changes on cash and cash equivalents			
		-	-
Cash and cash equivalents (net off overdraft) at the beginning of the period		11,799,089,800	17,956,850,835
Cash and cash equivalents (net off overdraft) at the end of the period	37A	15,089,380,944	11,799,089,800

Notes:

1. Independent Auditor's Report-Page 1 to 10.
2. The annexed notes 1 to 43 and annexure A - E, form an integral part of these financial statements
3. These financial statements were approved by the Board of Directors on 10 May 2026 and were signed on its behalf by:


Chairman


Director


Director


Managing Director & CEO



DBH Finance PLC
Liquidity Statement
As at 31 December 2025

Amount in Taka

Particulars	Up to 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Above 5 Years	Total
Assets						
Cash (In hand and balance with Bangladesh Bank and its' agent bank)	712,459,138	-	-	-	-	712,459,138
Balance with other banks and financial institutions	5,634,794,515	4,571,507,752	3,889,186,705	-	-	14,095,488,972
Money at call on short notice	450,000,000	-	-	-	-	450,000,000
Investments	1,157,745,910	1,437,045,574	2,880,073,273	206,311,685	1,527,293,140	7,208,469,582
Loans and advances	721,457,312	1,416,333,354	5,739,093,147	21,192,476,772	16,507,118,962	45,576,479,546
Fixed assets including land, building, furniture, equipments & ROU asset	5,168,938	10,337,876	44,765,013	194,287,451	138,694,811	393,254,090
Other assets	-	-	-	-	282,398,616	282,398,616
Total Assets	8,681,625,814	7,435,224,556	12,553,118,137	21,593,075,908	18,455,505,528	68,718,549,944
Liabilities						
Borrowing from other banks and financial institutions	1,243,550,389	2,686,512,024	1,507,899,197	2,591,686,814	-	8,029,648,424
Deposits and other accounts	1,828,707,984	3,991,460,333	11,152,158,204	18,655,444,297	11,108,690,562	46,736,461,380
Other liabilities	480,244,246	633,523,932	1,239,702,474	11,982,282	1,535,330,221	3,900,783,154
Total liabilities	3,552,502,618	7,311,496,289	13,899,759,875	21,259,113,393	12,644,020,784	58,666,892,958
Net liquidity gap	5,129,123,196	123,728,267	(1,346,641,738)	333,962,515	5,811,484,745	10,051,656,986



DBH FINANCE PLC.
Notes to the Financial Statements
As at and for the year ended 31 December 2025

1.0 Company and its activities**1.01 Domicile, legal form, country of incorporation and registered office**

DBH Finance PLC. (here-in-after referred to as "DBH" or "the Company") formerly known as Delta Brac Housing Finance Corporation Ltd. was incorporated as a public limited company and obtained the Certificate of Commencement of Business under Companies Act 1994 on May 11, 1996. The Company has also been granted license under the Financial Institutions Act 1993 on July 15, 1996. The registered address of the Company is situated at Landmark Building, (9th floor), 12-14 Gulshan C/A, Gulshan-2, Dhaka. The Company went for public issue in 2007-08 and the shares of the Company are listed in Dhaka and Chittagong Stock Exchanges in Bangladesh.

1.02 Principal activities and nature of operations

- i) The principal activities of the Company are providing loans for construction of houses, purchases of flats or houses, extensions and improvements of existing houses or flats and purchase of housing plots.
- ii) The Company has also various investment and financing products like term deposit scheme, cumulative deposit, triple money deposit, double money deposit, annual income deposit, quarterly income deposit, monthly income deposit, easy way deposit etc. for its individual and corporate clients.

2.0 Basis of preparation and significant accounting policies**2.01 Statement of compliance**

The financial statements of the Company have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, except the circumstances where local regulations differ, and the Companies Act, 1994, the Finance Company Act, 2023, Securities and Exchange Rules, 2020 & the (Listing) Regulation, 2015 of Dhaka & Chittagong Stock Exchanges and other applicable laws and regulations in Bangladesh and practices generally followed by Housing Finance Institutions.

The presentation of the financial statements has been made as per the requirements of DFIM Circular No. 11, dated December 23, 2009 issued by the Department of Financial Institutions and Markets (DFIM) of the Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for financial institutions, have been kept blank in the financial statements. The financial statements are prepared on the historical cost basis and therefore, did not take into consideration the effect of inflation.

The requirements of accounting standards as per IFRS that have been departed to comply with Bangladesh Bank requirements have been disclosed in detail in note - 2.49

However, this departure with IFRS has been made by following all of the relevant provisions of IAS-1 and the details disclosures are given in note-2.3 & 3 by following the provision of Para 20 of IAS-1 (Presentation of Financial Statements)

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

Bangladesh Bank (the local Central Bank) is the prime regulatory body for Financial Institutions in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provision standards of IAS and IFRS. As such the company has departed from those contradictory requirements of IAS/IFRS in order to comply with the rules and regulations of Bangladesh Bank, which are disclosed in **Note -2.49** along with financial impact where applicable.

2.03 Components of the financial statements

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

- (i) Balance Sheet as at 31 December 2025;
- (ii) Profit and Loss Account for the year ended 31 December 2025;
- (iii) Changes in Equity for the year ended 31 December 2025;
- (iv) Cash Flows for the year ended 31 December 2025;
- (v) Liquidity Statement for the year ended 31 December 2025;
- (vi) Notes to the Financial Statements for the year ended 31 December 2025.

2.04 Directors' responsibility statement

The Board of Directors' takes the responsibility for the preparation and presentation of these financial statements.

2.05 Date of authorization

The Board of directors has authorized this financial statements for public issue on 10 May 2026.

2.06 Reporting period

The financial statements of the company covers one year period ranging from 1 January 2025 to 31 December 2025.



2.07 Presentation and functional currency and level of precision

The financial statements are presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest BDT.

2.08 Going Concern

The accompanying financial statements have been prepared on a going concern basis, which assumes that the company will continue its operations for the foreseeable future. The company has neither the intention nor any legal or regulatory obligation to liquidate or materially curtail the scale of its operations.

Key financial indicators of the company, including liquidity position, profitability, asset quality, adequacy of provisions, and capital adequacy ratio, have demonstrated stable and satisfactory performance over the past few years.

Based on the above assessments, management is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern.

2.09 Use of estimates and judgments

The preparation of financial statements in conformity with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. Such estimates and assumptions are made on historical experience and other factors that are considered reasonable under the required circumstances.

The most critical estimates and judgments are applied to the following:

- (i) Provision of impairment loans and advances, and investments
- (ii) Gratuity
- (iii) Useful life of depreciable assets

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised. In accordance with the guidelines as prescribed by IAS 37: "Provisions, Contingent Liabilities and Contingent Assets", provisions are recognized in the following situations:

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Impairment losses on loans and advances

In addition to the provision made for loans and advances based on the guideline of Bangladesh Bank, DBH reviews its loans and advances portfolio on monthly basis to assess whether any further allowances/ write back for impairment should be provided in the income statement. The judgment by the management is required in the estimation of these amounts and such estimations are based on assumption about a number of factors though actual results may differ, resulting in future changes to the provisions.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of financial institution; or the Group has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise legal claims under arbitration or court process in respect of which a liability is not likely to occur.

Contingent Assets:

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of financial institution. Contingent assets are never recognized, rather they are disclosed in the financial statements when they arise.

2.10 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by International Accounting Standard (IAS) 1, 'Presentation of Financial Statements'. No amount has been set off unless the DBH has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

2.11 Foreign currency transactions

Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing at the balance sheet date. Exchange differences are recognized in profit or loss in the period in which they arise.



2.12 Status of compliance of International Accounting Standards and International Financial Reporting Standards

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	**
Inventories	2	N/A
Statement of Cash Flows	7	**
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Governments Assistance	20	N/A
The Effect of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefits Plans	26	N/A
Separate Financial Statements	27	N/A
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Financial Instruments: Presentation	32	**
Earnings per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A
First-time adoption of International financial Reporting Standards	1	N/A
Share-based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-currents Assets held for sale and discontinued operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments : Disclosures	7	**
Operating Segments	8	Applied
Financial Instruments	9	**
Consolidated Financial Statements	10	N/A
Joint Arrangements	11	N/A
Disclosure of Interests in other Entities	12	N/A
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with Customers	15	Applied
Leases	16	Applied

** DBH management has followed the principles of IAS & IFRS consistently in the preparation of the financial statements to that extent as applicable to the financial institution. Some of the standards have not been complied with, about which Bangladesh Bank has special guideline.

N/A = Not applicable

2.13 Offsetting

Financial assets and financial liabilities are presented on a net basis in the balance sheet only when the Company has a legally enforceable right and is permitted by the standard to offset the recognized amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

The right of set-off must be unconditional and not dependent on future events. It must also be legally enforceable in the normal course of business as well as in the event of default, insolvency, or bankruptcy of the Company or the counterparty. Assets and Liabilities and income and expenses are not set-off unless permitted by the International Accounting Standards (IASs).

2.14 Branch accounting

The Company operates through sixteen offices comprising one Head Office and fifteen branches. As of December 31, 2025, the Company does not have any overseas branches.

The accounts of all branches are centrally maintained at the Head Office. Transactions undertaken by the branches are recorded in the books of account maintained at the Head Office in accordance with the Company's accounting policies and applicable financial reporting standards.

Accordingly, the financial statements incorporate the accounts of the Head Office and all branches, and present the financial position and results of operations of the Company as a single reporting entity.



2.15 Accounting for term finance & other finances

Books of accounts for term finance operation are maintained based on the accrual method of accounting. Outstanding loans, along with the accrued interest thereon, for short-term finance, and unrealized principal for long-term finance, real estate finance, car loans and other finances are accounted for as term finance assets of the Company. Interest earnings are recognized as operational revenue periodically.

2.16 Accounting policy for Leases (IFRS 16)

As a lessee

DBH recognizes a right of use asset and a lease liability from the beginning of 2020. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is depreciated using the straight line methods from the commencement date (from the beginning of 2020) to the earlier of the end of the useful life of the right of use asset or the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date (from the beginning of 2020), discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, DBH's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in DBH's estimate of the amount expected to be payable under a residual value guarantee, or if DBH changes its assessment of whether it will exercise purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right to use asset, or is recorded in profit or loss if the carrying amount of the right to use asset has been reduced to zero.

DBH presents right of use assets in **Annexure A** and lease liabilities in note: 12.4 separately.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balance with Bangladesh Bank and its agent bank and balance with other banks and financial institutions. For the purpose of statement of cash flow, cash and cash equivalents are prepared net off bank overdrafts.

Cash Flow Statement

The Statement of Cash Flows has been prepared principally in accordance with IAS 7 "Statement of Cash Flows" and in compliance with the guidelines set out in DFIM Circular No. 11 dated 23 December 2009 issued by Bangladesh Bank.

The statement presents the structure of and changes in cash and cash equivalents of the Company during the year. Cash flows for the period have been prepared using the direct method and have been classified into operating, investing, and financing activities in accordance with the relevant accounting standards and regulatory requirements.

2.18 Investment in securities

Investments are initially recognized at cost including acquisition charges with the investments. After initial recognition, investments in marketable securities except DBH 1st Mutual Fund, Green Delta 1st Mutual Fund have been valued at cost or market price whichever is lower on an aggregate portfolio basis. Above mutual funds and Peninsula SBC Unit Fund-1and Peninsula AMCL Unit Fund have been valued at 85 % of latest published NAV as on December 31, 2025 or cost price whichever is lower. Investment in non marketable securities have been valued at cost. Full provision for diminution in value of securities at the year end on aggregate portfolio basis excepts investment in mutual funds and unit funds are made in the financial statements as required by Bangladesh Bank DFIM circular No. 02 dated January 31, 2012. Provision for above mutual funds and unit funds at the year end is made as required by Bangladesh Bank DFIM circular No. 05 dated May 11, 2015.

Investment in Government Treasury Bond

As per IFRS 9, Financial assets are classified as either (i) amortized cost (ii) fair value through profit or loss (iii) fair value through other comprehensive income. In case of valuation of investment in Government Bonds, DBH followed amortized cost method, as it meets both the business model assessment and Contractual cash flow assessment.

2.19 Provision for loans and advances

Provision for investments and advances is an estimate of the losses that may be sustained in the investment portfolio. The provision is based on Bangladesh Bank guidelines.

the Company's policy is to make provision for the loans and advances to cover the principal amount in respect of non performing loans when installments are outstanding for more than six months and any other overdue accounts on the basis of management's assessment where there are possibilities of impairment in future. The Company has made adequate provision which is more than the minimum regulatory requirement.

DBH's methodology for measuring the appropriate level of the provision relies on several key elements, which include both quantitative and qualitative factors as set forth in the Bangladesh Bank guidelines. Provision for loans and advances is made on the basis of periodical review by the management and of instructions of Bangladesh Bank.



The Classification rates are given below:

Particulars	Rate
General provision on:	
Unclassified loans and advances	1.00%
Financing to the Subsidiaries and/or Sister Concerns, Brokerage House, Merchant Banks and Stock Dealers (CL-6C)	2.00%
Special mention account (SMA)	5.00%
Specific provision on:	
Substandard loans and advances (SS)	20.00%
Doubtful loans and advances (DF)	50.00%
Bad/loss loans and advances (BL)	100.00%

2.20 Fixed assets including land, building, furniture and equipment

i) Recognition and measurement

Own assets

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Property, plant and equipment are stated at cost less accumulated depreciation in compliance with the International Accounting Standard (IAS) 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes, if any.

ii) Subsequent expenditure on fixed assets

Expenditure incurred after the assets have been put into operation, such as repair and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the profit and loss account as expenses.

iii) Disposal

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sales proceeds.

iv) Depreciation

Depreciation of an asset begins when the asset is available for use. Depreciation is provided for the period in use of the assets. Full month's depreciation has been charged on additions irrespective of date when the related assets are put into use and no depreciation is charged for the month of disposal. Depreciation is provided at the following rates on straight-line basis over the periods appropriate to the estimated useful lives of the different types of assets:

Category of assets	Rates of depreciation per annum	Estimated useful life
Furniture & Fixtures	15% - 20%	5- 6.67 years
Equipment	20% - 25%	4 - 5 years
Computer and computer equipment	20% - 25%	4 - 5 years
Vehicles	20%	5 years
Building	3%	33.33 years
Intangible asset	20%	5 years
Right-of-use asset	Based on lease term	Lease term
Land	Not depreciated	-

Depreciation on newly acquired assets are calculated from the month of acquisition (full month) and no depreciation is charged for the month in which the assets are disposed off.

v) De-recognition

An item of property, plant and equipment is de-recognized on its disposal. Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss on sale of assets are recognized in profit & loss account as per provision of IAS 16 "Property, Plant and Equipment". Such gain or loss is determined as the difference between sales proceeds and carrying amount of the asset.

2.21 Intangible assets and amortization of intangible assets

Components

The main item included in intangible asset is software.

Basis of recognition

An intangible asset shall only be recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably in accordance with IAS 38: Intangible Assets. Accordingly, these assets are stated in the Balance Sheet at cost less accumulated amortization.

Subsequent costs

Subsequent expenditure on intangible asset is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

Amortization

Intangible asset is valued at amortized cost and written down within 5 years.



2.22 Impairment of assets

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment in line with International Accounting Standard 36: Impairment of Assets. If any such indication exists, the recoverable amount of assets is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable impairment losses are recognized in the profit and loss account.

An impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount in accordance with another standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with the other standard. After the recognition of an impairment loss, the depreciation/amortization charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

2.23 Receivables

Accounts receivables

Accounts receivables include mainly dividend receivable, interest receivable, and sundry receivable. No such receivables are accounted for if the loans are classified as bad and loss. Receivables carry interest for the periods for which the delay in payments of the amounts due from the clients continues. Such interest is not recognized as income until it is received in cash.

2.24 Bank loans, deposits etc.

Interest bearing bank loans are recorded at the proceeds received. Interest on bank loans is accounted for on an accrued basis to profit and loss account under the head of financial expense at the implicit rate of interest. The accrued expenses are not added to carrying amounts of the loans.

2.25 Financial instruments:

Financial instrument includes non-derivative financial instruments such as cash and equivalents, money at call and on short notice, investments in shares, loans, advances, borrowing from other banks and financial institutions, deposits etc.

2.26 Employees benefit plans

DBH offers a number of benefit plans which include contributory provident fund, gratuity plan, death and disability plan, and hospitalization benefit including annual health check-up and maternity benefits. The recognition and disclosure for employee benefits are made in accordance with International Accounting Standard 19: Employee Benefits.

2.27 Statutory reserve

As per clause no. 06 of Financial Institutions Regulations, 1994, financial institution is required to transfer at least 20% of its profit after tax and before appropriation of dividend in a particular year, if the financial institution's sum of share premium account (if any) and statutory reserves is less than the required paid up capital of that financial institution. As per DFIM Circular No. 05, dated July 24, 2011, required capital for financial institution should not be less than BDT 100 crore or minimum capital required based on risk-weighted asset.

2.28 Litigation

The Company is not a party to any lawsuits except those arising in the normal course of business, which were filed against the default clients for non-performance in loans repayment and against various level of tax authority regarding some disputed tax issues. The Company, however, provides adequate provisions as per guidelines of International Accounting Standard (IAS) 37: Provisions, contingent liabilities and contingent assets.

2.29 Revenue recognition

Revenue is only recognized when it meets the following five steps model framework as per IFRS 15: "Revenue from Contracts with Customers"

- a) identify the contract (s) with a customers;
- b) identify the performance obligations in the contract;
- c) determine the transaction price;
- d) allocate the transaction price to the performance obligations in the contract;
- e) recognize revenue when (or as) the entity satisfies a performance obligation.

Interest income from loans and other sources is recognized on an accrual basis of accounting and where applicable, on the basis of instruction from Bangladesh Bank considering on the future risk of recovery.

Interest income

Interest income on loans and advances / profit on investment is recognized on accrual basis except overdue interest and interest of the loan accounts considered as non-performing. Interest income is suspended and full provision is made against the interest receivables on all non-performing loans when the installments are outstanding for more than six months or any other accounts which are considered doubtful of recovery on the basis of judgment of the management.

Profit on investment (Islamic Banking)

Mark-up on investment is taken into income account proportionately from profit receivable account. Overdue charge/compensation on classified investments are transferred to profit suspense account instead of income account.

Fees and other charges on loans

Receipt of loan processing/servicing fees and other fees are recognized as income when the performance obligations are satisfied and the amount of the transaction price is allocated to the performance obligations.



Dividend income

Dividend income is recognized on accrual basis when the right to receive income is established. Dividend income from ordinary shares is recognized when the shareholders' legal rights to receive payments have been established i.e. during the period in which dividend is declared in the Annual General Meeting. Dividend declared but not received is recognized as deemed dividend. Dividend from preference shares is recognized on cash basis.

Interest suspense account

Interest on non-performing loans is not recognized as revenue and credited to interest suspense account. Non performing loans refer to the loans when the installments are outstanding for more than six months and any other accounts which are considered impaired on the basis of judgments of the management.

Gain on sale of securities

Capital gain on disposal of securities listed in the stock exchanges is recorded on realized basis. i.e. only when the securities are sold in the market. Unrealized capital gains are not accounted for in the profit and loss account.

2.30 Provision for doubtful losses

The provision for doubtful losses is maintained at a level that management considers adequate to absorb identified credit related losses in the portfolio as well as losses that have been incurred but are not yet identifiable. The provision is increased by the provision for doubtful losses, which is charged to profit and loss account, and decreased by the amount of write-offs,

net of reverses
The provision is determined based on management's identification and evaluation of problem accounts, estimated probable losses that exist on the remaining portfolio and on other factors including the composition and quality of the portfolio and changes in economic condition.

The provision is estimated based on two principles: (1) International Accounting Standard (IAS) 37: Provisions, contingent liabilities and contingent assets, and (2) Bangladesh Bank guidelines. Methodology for measuring the appropriate level of the provision relies on several key elements, which include both quantitative and qualitative factors as set forth in the Bangladesh Bank guidelines. FID circular 08 dated August 03, 2002 and subsequent updated by Bangladesh Bank in this regard is the basis for calculating the provision for doubtful losses.

2.31 Income tax

Income tax expense represents the sum of current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years or are never taxable or deductible. Company's liability for current tax is calculated using, the tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax

The Company accounts for deferred tax as per International Accounting Standard (IAS) 12: "Income Taxes". Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the date of reporting of the financial statements. The Company provides disclosures based on the classes of assets and liabilities related to the temporary differences.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax liabilities are recognized for all taxable temporary differences and it is probable that temporary differences will not reverse in the foreseeable future. Both the Deferred tax assets and liabilities are reviewed at each reporting date considering the probability of benefit or detriment realizable. Deferred tax assets and liabilities are not offset and are presented separately as per Bangladesh Bank directive.

2.32 Dividend to company's shareholders

Final dividend is recognized when it is approved by the shareholders.

The proposed cash dividend is not recognized as a liability in the balance sheet in accordance with the International Accounting Standard (IAS) 10: 'Events After the Reporting Period'. Dividend payable to the Company's shareholders are recognized as a liability and deducted from shareholders equity in the period in which the shareholders right to receive payment is established.

International Accounting Standard (IAS) 1: 'Presentation of Financial Statements', also requires the dividend proposed after the balance sheet date but before the financial statements are authorized for issue, be disclosed in the notes to the financial statements. Accordingly, the Company has disclosed the same in the notes to the financial statements.

2.33 Earnings per share

The Company calculates Earnings Per Share (EPS) in accordance with International Accounting Standard (IAS) 33: 'Earnings Per Share', which has been shown on the face of Profit and Loss account, and the computation of EPS is stated in the notes to the financial statements.

Basic earnings per share

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.



Diluted earnings per share

Diluted earnings per share reflects the potential dilution that could occur if additional ordinary shares are assumed to be issued under securities or contracts that entitle their holders to obtain ordinary shares in future, to the extent such entitlement is not subject to unresolved contingencies.

Effect of dilution to weighted average number of ordinary shares is given for potential ordinary shares. At 31 December 2025, there was no scope for dilution and hence no diluted EPS is required to be calculated.

Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the numbers of days the specific shares were outstanding as a proportion of the total number of days in the year.

2.34 Cash flow statements:

The Statement of Cash Flows has been prepared principally in accordance with IAS 7 "Statement of Cash Flows" and in compliance with the guidelines set out in DFIM Circular No. 11 dated 23 December 2009 issued by Bangladesh Bank.

The statement presents the structure of and changes in cash and cash equivalents of the Company during the year. Cash flows for the period have been prepared using the direct method and have been classified into operating, investing, and financing activities in accordance with the relevant accounting standards and regulatory requirements.

2.35 Liquidity statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following bases:

(i) Balances with other banks and financial institutions, money at call on short notice, etc. are on the basis of their maturity term and past historical trend.

(ii) Investments are on the basis of their expected liquidation & residual maturity term.

(iii) Loans and advances are on the basis of their repayment schedule and past trend of early settlement.

(iv) Fixed assets are on the basis of their useful lives.

(v) Other assets are on the basis of their realization / amortization.

(vi) Borrowings from other banks, and financial institutions and agents as per their maturity/repayment terms.

(vii) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by depositors.

(viii) Other long term liabilities are on the basis of their maturity terms.

(ix) Other liabilities are on the basis of their settlement terms.

2.36 Accrued expenses and other payables

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

2.37 Employee benefits

2.37.1 Defined contribution plan

Defined Contribution plan (Contributory provident fund)

The Company has a contributory provident fund for its regular employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustees and is contributed equally by the Company and the

2.37.2 Defined benefit plan

Gratuity scheme

The Company has a funded gratuity scheme for all confirmed employees who complete minimum 5 years of service with the Company. Required amount of gratuity is calculated on the basis of last basic pay depending on the length of service for every completed year as well as proportionate to the fraction period of service as of the respective financial year. This scheme is approved by the National Board of Revenue (NBR) and administered by an independent Board of Trustees. Actuarial valuation of the gratuity scheme was made in 2025 to assess the adequacy of the liability for the scheme as per International Accounting Standard - 19 "Employee Benefits".

Following benefits are payable on retirement, death or leaving service:

Less than 5 year of service - Nil

Service between 5 and 10 year - One month's last drawn basic pay for every completed year of service.

On completion of 10 years confirmed service and above - Two month's last drawn basic pay for every completed year of service.

Maximum benefits - 50 times basic pay

2.37.3 Workers Profit Participation and Welfare Fund (WPPF)

Establishment of Workers' Profit Participation and Welfare Fund (WPPF) is a matter of Banking and Financial Institutions Sector as a whole. Ministry of Finance through its letters no. 53.00.0000.311.22.002.17-130 dated February 14, 2017 and no. 53.00.0000.311.22.002.17-140 dated February 25, 2018 expressed its opinion that Chapter 15 on "Participation in Company Profits by Workers" in the Bangladesh Labor Act 2006 and amendments made therein on July 22, 2013 should not be applicable for Banks and Financial Institutions and requested to the Ministry of Labor and Employment to take necessary steps in this regard as well as not to apply the said chapter of Labor Act 2006 for Banks and Financial Institutions. Therefore, like other Banks and Financial Institutions, DBH did not recognize the WPPF.

2.38 Loans - secured

Repayment of mortgage loans is made by way of Equated Monthly Installments (EMI) consisting of principal and interest. There are two modes of interest calculation on loans i.e., monthly reducing or annual reducing method as per loan agreement between customer and DBH. Effective interest rate is same as the rate quoted in case of monthly reducing method but higher under annual reducing method. EMI commences once the entire loans are disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month.



2.39 Write off

Write off refers to recognition of the reduced or zero value of an asset. It also refers to an investment for which a return on the investment is now impossible or unlikely. Potential return along with such investment is thus cancelled and removed ("written off") from the company's balance sheet.

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

2.40 Interest expense

The Company has incurred interest and related expenses on account of term loan, deposit, overdraft and short term loan. In terms of provision of the International Accounting Standard (IAS) -1 "Presentation of Financial Statements" interest expenses are recognized on accrual basis.

2.41 Interest suspense account

Accrued interest on term finance, real estate finance, car loans and personal loans classified as Special Mentioned Account, Sub-Standard, Doubtful and Bad loan are not recognized as income rather transferred to interest suspense account as complied with Bangladesh Bank guidelines. Recovery of overdue credited to interest suspense account is recognized as income on cash

2.42 Related party transactions

Related parties are identified and disclosed as per International Accounting Standard (IAS) 24: 'Related Party Disclosure'. Related party disclosures have been given in note 40.

2.43 Interim financial reporting

In accordance with International Accounting Standard (IAS) 34: 'Interim Financial Reporting', publicly traded entities encourages to provide interim financial reports that conform to the recognition, measurement and disclosure principles set out in this standard. Timely and reliable interim financial reporting improves the ability of investors, creditors, and others to understand an entity's capacity to generate earnings and cash flows and its financial condition and liquidity.

DBH apply the same accounting policies in its interim financial statements as are applied in its annual financial statements.

2.44 BASEL II & its implementation

To cope with the international best practices and to make the capital more risks sensitive as well as more shock resilient, guidelines on 'Basel Accord for Financial Institutions (BAFI)' were introduced on January 01, 2011 on test basis by the Bangladesh Bank. At the end of test run period, Basel Accord regime started and the guidelines namely "Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions (CAMD)" came fully into force from January 01, 2012 with its subsequent supplements/revisions. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital, and Disclosure requirement as stated in these guidelines have to be followed by all FIs for the purpose of statutory compliance. As per CAMD guidelines, Financial Institutions should maintain a Capital Adequacy Ratio (CAR) of minimum 10%. In line with CAMD guideline's requirement, DBH has already formed BASEL Implementation Unit (BIU) to ensure timely implementation of BASEL II accord. Latest status of Capital Adequacy Ratio (CAR) has been shown in note-13.5.

2.45 Financial risk management

The Company always concentrates on delivering high value to its stakeholders through appropriate trade-off between risk and return. A well structured and proactive risk management system comprising risk management forum supported by risk management unit is in place within the Company to address risks relating to credit, market, liquidity and operations. In addition to the industry best practices for assessing, identifying and measuring risks, the Company also considers guidelines for managing core risks of financial institutions issued by the Country's Central Bank, Bangladesh Bank, vide FID Circular No. 10 dated September 18, 2005 for management of risks and DFIM Circular No. 03 dated 24 January 2016.

Credit risk

To encounter and mitigate credit risk, the company employed multilayer approval process, policy for customers maximum asset exposure limit, mandatory search for credit report from Credit Information Bureau, looking into payment performance of customer before financing, annual review of clients, adequate insurance coverage for funded assets, vigorous monitoring and follow up by special assets management team, strong follow up of compliance of credit policies by internal audit department, taking collateral, seeking external legal opinion, maintaining neutrality in politics and following arm's length approach in related party transactions, regular review of market situation and industry exposure etc.

Market risk

The Asset Liability Committee (ALCO) of the Company regularly meets to assess the changes in interest rate, market conditions, carry out asset liability maturity gap analysis, re-pricing of products and thereby takes effective measures to monitor and control interest rate risk. To encounter market risk we are negotiating for facilities that match the maturity structure with ideal interest rate, maintaining a balanced diversification in investments and maintaining prudent provisioning policies. The Company has also strong access to money market and credit lines at a competitive rate through good reputation, strong earnings, financial strength and credit rating.

Liquidity Risk

Liquidity risk arises when a company is unable to meet the short term obligation to its lenders and stakeholders. This arises from the adverse mismatch of maturities of assets and liabilities. Liquidity requirements are managed on a day to day basis by the Treasury Division which is responsible for ensuring that sufficient funds are available to meet short term obligations, even in a crisis scenario and for maintaining a diversity of funding sources. Treasury Division maintains liquidity based on historical requirements, anticipated funding requirements from operations, current liquidity positions, collections from financing, available sources of funds and risks and returns.



Operational Risk

Operational risk is the potential loss arising from a breakdown in company's systems and procedures, internal control, compliance requirements or corporate governance practices that results in human error, fraud, failure, damage of reputations, delay to perform or compromise of the company's interests by employees. Appropriate internal control measures are in place, at the Company, to address operational risks. The Company has also established an internal control & compliance department (ICCD) to address operational risk and to frame and implement policies to encounter such risks. This department assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and manage operational risk.

Money Laundering and Terrorist Financing Risk

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

- i) Business risk i.e. the risk that DBH may be used for money laundering or terrorism financing &
- ii) Regulatory risk i.e. the risk that DBH fails to meet regulatory obligations under the Money Laundering Prevention Act 2012 and Anti-Terrorism Act 2009 (amended in 2013).

DBH has been adhering to various guidelines and circulars issued by the Bangladesh Financial Intelligence Unit (BFIU) and put in place a strict compliance program consisting of the following components to mitigate above risk:

- a) Development and implementation of internal policies, procedures and controls to identify and report instances of money laundering and terrorist financing;
- b) Creation of structure and sub-structure within the organization, headed by a Central Compliance Unit (CCU), for AML and CFT compliance;
- c) Appointment of an AML/CFT Compliance Officer, known as the Chief Anti Money Laundering Officer (CAMLCO), to lead the CCU;
- d) Independent testing procedures carried out by internal audit function to ensure effectiveness of AML/CFT program.
- e) Ongoing employee training programs.

Additional risks required to be addressed under new regulatory requirements

The Integrated Risk Management Guidelines for Financial Institutions which was issued by DFIM through Circular No. 03 dated 24 January 2016 explains a number of following additional risks that financial institutions are now required to address to cover all the major aspects of risks which may arise at any point of time.

Strategic Risk

Strategic risk means the current or prospective risk to earnings and capital arising from imperfection in business strategy formulation, inefficiencies in implementing business strategy, less adaptability with the changes in the business environment and adverse business decisions. Strategic risk induces operational loss that consequentially hampers the capital base. Major roles of the board of the directors, senior management and business units in managing strategic risks, steps to be followed in the strategic risk management process and also measures for strategic risk control are explained in the guidelines.

Since its inception, DBH has been managing strategic risks which are evident from the dynamic business model of the company over the years. Major organizational units are assigned to address the major strategic risks aspects with a view to minimize the negative impact of those risks.

Compliance Risk

Compliance risk is the risk of legal sanctions, material financial loss or loss to reputation the FI may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best/good practice. Compliance risk is sometimes also referred to as integrity risk because a FI's reputation is closely connected with its adherence to principles of integrity and fair dealing.

The guidelines set out the respective roles of the board, senior management and compliance function units in managing compliance risks and the FI's board of directors is responsible for overseeing the management of the FI's compliance risk. The board should establish a compliance function and approve the FI's policies and processes. The Board discharges its responsibilities itself and through delegation of authorities to Executive Committee, Audit Committee and Risk Management Committee of the Board. The Compliance department of DBH is responsible for assessing compliance risk in relation to institutional matters such as governance, best practices and corporate social responsibility.

The objective is to identify any compliance risks at an early stage that may undermine the integrity and the success of DBH and to mitigate the risks in most appropriate way.

Reputation Risk

Reputational risk is defined as the risk of losses, falling business volume or income as well as reduced value of the company arising from business events that may reduce the confidence of the customers & clients, shareholders, investors, counterparties, business partners, credit rating agencies, regulators and general public on DBH.

The guidelines explain the roles of the Board and senior management in managing reputation risk. The management ensures that DBH is aware of any changes in market perceptions as soon as possible. Accordingly, all business policies and transactions are subjected to careful consideration. DBH takes necessary precautions to avoid business policies and transactions that may result in significant tax, legal or environmental risks. Reputational risk is also factored into major credit decisions that may lead to credit proposal being declined.

Environmental and Social Risk

Environmental risk is a facilitating element of credit risk arising from environmental issues. DBH uses Environmental Risk Rating (EnvRR) while financing to new projects. Company is making its credit appraisal process to be much more stringent from an Environment and Social (E&S) perspective – evaluating all the environmental and social factors such as project impacts on the environment and the community in the long run, prior to approving a loan.



2.46 Islamic Finance Wing

The Board of Directors of DBH Finance PLC. (DBH) at its 124th meeting held on September 2, 2021 approved the proposal for opening of Islamic Financing Wing (IFW) at all the existing DBH branches in addition to its Conventional Financing subject to the approval of Bangladesh Bank. Accordingly, DBH applied to Bangladesh Bank (BB) and received a letter on March 09, 2022 from them to proceed with conditions and submissions of necessary documents for opening DBH IFW. As per their letter, DBH amended its Memorandum of Association and Articles of Association and incorporated the provision of Shari'ah-based Islamic Financing businesses as well as the appointment of Shari'ah Supervisory Committee. Afterward, DBH formed Shari'ah Supervisory Committee and Islamic Financing Division (IFD) including its Organizational Structure and provided training to the concerned Executives and Officials of its IFW. It also adopted required policies, processes and Product Programme Guidelines (PPGs). Besides, Islamic Core Business Software (i-CBS) has been developed by DBH IT Department for operating Shari'ah-based businesses. On January 16, 2023 DBH applied to BB for approval of opening DBH IFW at all the existing branches of DBH. In response, on February 23, 2023 we received conditional approval from DFIM of Bangladesh Bank including their instruction of submitting further few documents for obtaining final approval for opening DBH IFW.

The company obtained permission from Bangladesh Bank (the country's central bank) to operate the Islamic wing vide Bangladesh Bank's letter no. DFIM(L) 1053/46/2023-1298, dated April 10, 2023. The company commenced operation of this wing from May 07, 2023. The Islamic Wing is governed under the rules and regulation of Bangladesh Bank. A glimpse of financial performance of Islamic Finance Wing has been presented at Annexure - E.

2.47 Events after the reporting date

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

2.48 Comparative figures

Comparative figures has been disclosed in respect of the year ended 31 December 2025 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements.

To facilitate comparison, certain relevant balances of the year 2024 pertaining to the comparatives have been rearranged/ restated/ reclassified considered necessary to ensure comparability with the current year.



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

SL No.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 "Financial Instruments"	An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to: a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).	As per FID circular No. 08, dated 03 August 2002, FID circular No. 03, dated 03 May 2006, FID circular No. 03, dated 29 April 2013 and DFIM circular No. 04, dated 26 July 2021, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans and Special Mentioned Accounts (SMA)) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances. Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.	In financial statements, an amount of Taka 13.86 million has been increased against general provision for loans and advances for the year ended 31.12.2025. Accumulated provisions for loans and advances as at 31.12.2025 stand at Taka 1021.1 million.
2	Valuation of Investments in quoted and unquoted shares	IFRS 9 "Financial Instruments"	Investment in shares falls either under at "fair value through profit/loss (FVTPL)" or "fair value through other comprehensive income (FVTOCI)" where any change in the fair value in case of FVTPL at the year-end is taken to profit of loss, and any change in fair value in case of FVTOCI is taken to other comprehensive income.	As per FID circular No. 08, dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.	During this year, total market value of investment in Quoted shares of DBH Finance PLC is less than its cost price. As on December 31, 2025 there was a provision of BDT 237.96 million for unrealized loss on investment in quoted shares.
3	Recognition of interest income for SMA and classified lease, loans and advances.	IFRS 9 "Financial Instruments"	Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount.	As per FID circular No. 03, dated 03 May 2006, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.	DBH Finance PLC. maintained interest suspense accordingly.

SL No.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
4	Presentation of cash and cash equivalent	IAS 7 "Statement of Cash Flows"	Cash equivalent are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day to day operations.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements provided detail presentation for statement of cash flows.	Financial Statements for 2025 and corresponding year 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
5	Measurement of deferred tax asset	IAS 12 "Income Tax"	A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.	As per DFIM circular No. 7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against the provision for lease, loans and advances.	During this year there is no impact in the financial statements due to this departure as the Company did not consider any deductible temporary difference against the provision for loans and advances.
6	Presentation and disclosure of Financial Statements and Financial Instruments	IAS 1 "Presentation of Financial Statements" IFRS 9 "Financial Instruments" & IFRS 7 "Financial Instruments: Disclosure"	Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement. IAS 1 requires separate line item for intangible assets on the face of statement of financial position. IFRS 9 and IFRS 7 require specific presentation and disclosure relating to all financial instruments.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement. Intangibles assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets. As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IAS 39. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.	Financial Statements for 2025 and corresponding year 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.

SL No.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
7	Preparation of "Statement of Cash Flows"	IAS 7 "Statement of Cash Flows"	The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per DFIM Circular No. 11, dated 23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Financial Statements for 2025 and corresponding year 2024 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.
8	Current/Non-current distinction	IAS 1 "Presentation of Financial Statement"	As per Para 60 of IAS 1 "Presentation of Financial statement" An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.	As per DFIM Circular No. 11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In this templates there is no current and non-current segmentation of assets and liabilities.	Financial Statements for 2025 and corresponding year 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. Moreover, the liquidity statement shows the aging profile of all financial assets and liabilities from where current/non-current portion of assets and liabilities can be obtained.
9	Off-balance sheet items	IAS 1 "Presentation of Financial Statements"	There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.	As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	Financial Statements for 2025 and corresponding year 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure but there is a disclosure in the financial statements.
10	Impairment of Margin Loan (Loans and receivables)	IFRS 9 "Financial Instruments"	Measurement after initial recognition at amortized cost and recording of changes through profit and loss.	As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMRRCD/2009-193/196 dated 28 December 2016, provisions for the year 2016 on impairment of principal portion of margin loan shall be kept at 20% on each quarter for the five quarters starting from December 2016.	There is no such impact for this.



SL No.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
11	Complete set of financial statements	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" complete set of financial statements are i) statement of financial position, ii) statement of profit or loss and other comprehensive income, iii) statement of changes in equity, iv) statement of cash flows, v) notes, comprising significant accounting policies and other explanatory information and vi) statement of financial position at the beginning of preceding period for retrospective restatement.	As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are i) balance sheet, ii) profit and loss account, iii) cash flow statement, iv) statement of changes in equity, v) liquidity statement, vi) notes, comprising significant accounting policies and other explanatory information.	Financial Statements for 2025 and corresponding year 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
12	Intangible asset	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" para 54: the statement of financial position shall include separate line item for intangible assets.	As per DFIM Circular No. 11, dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in annexure-A as separate line item.	Financial Statements for 2025 and corresponding year 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
13	Other comprehensive income	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single OCI statement.	Bangladesh Bank has issued templates for financial statements which will strictly be followed by financial institutions. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement. As such the financial institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.	Financial Statements for 2025 and corresponding year 2024 have been prepared as per the guideline and templates issued by Bangladesh Bank. There is no financial impact for this departure in the financial statements.
14	Disclosure of presentation of profit	N/A	There is no requirement to show appropriation of profit in the face of statement of comprehensive income.	As per DFIM circular no 11, dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account.	Financial Statements for 2025 and corresponding year 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.



SL No.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
15	Lease liability	IAS 1 "Presentation of Financial Statements"	In accordance with International Accounting Standard 1 (IAS 1) – Presentation of Financial Statements, liabilities are classified into current and non-current portions in the statement of financial position. The portion of liabilities payable within twelve months from the reporting date is presented as current liabilities, while the remaining balance is presented as non-current liabilities.	Bangladesh Bank has issued templates for financial statements which will strictly be followed by financial institutions. The templates of financial statements issued by Bangladesh Bank do not include current and non-current portion of lease liability. Accordingly, the financial institution does not present the lease liability separately between current and non-current portions in the statement of financial position.	Financial Statements for 2025 and corresponding year 2024 have been prepared as per the guideline and templates issued by Bangladesh Bank. There is no financial impact for this departure in the financial statements.



	31-Dec-25 Taka	31-Dec-24 Taka
3 Cash		
3.1 Cash in hand		
Local Currency	148,276	185,362
Foreign Currency	-	-
	148,276	185,362
3.2 Balance with Bangladesh Bank and its agent bank		
Bangladesh Bank		
Local Currency	711,930,648	681,824,955
Foreign Currency	284,975	272,267
	712,215,623	682,097,222
Balance with Sonali Bank being an agent of Bangladesh Bank	95,239	81,919
	712,310,862	682,179,141
3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)		
Cash Reserve Requirement and Statutory Liquidity Reserve have been calculated and maintained in accordance with Finance Company Act 2023 and DFIM circular no. 03 dated June 21, 2020.		
Cash Reserve Requirement (CRR) has been calculated at the rate of 1.5% on 'Total Term Deposits' which is preserved in current account maintained with Bangladesh Bank. 'Total Term Deposits' means Term or Fixed Deposit, Security Deposit against Lease/Loan and other Term Deposits, received from individuals and institutions (except Banks & Financial Institutions).		
Statutory Liquidity Reserve (SLR) has been calculated at the rate of 5.0% on Total Liabilities, including CRR of 1.5% on Total Term Deposit. SLR is maintained in liquid assets in the form of cash in hand (notes & coin in BDT), Balance with Bangladesh Bank and other Banks and Financial Institutions, unencumbered treasury bills & bonds & any other assets approved in Government Gazette or by Bangladesh Bank.		
3.3.1 Cash Reserve Requirement (CRR)		
Required reserve	695,658,531	663,190,289
Actual average reserve maintained	717,221,277	885,390,270
Surplus/(deficit)	21,562,746	222,199,981
3.3.2 Statutory Liquidity Reserve (SLR)		
Required reserve (including CRR)	2,460,604,468	2,365,496,284
Actual reserve maintained (including CRR note -3.3.1)	19,263,194,132	16,653,380,249
Surplus/(deficit)	16,802,589,664	14,287,883,965
3.3.3 Actual Reserve Maintained (Including CRR)		
Al-Arafah Islami Bank PLC	1,740,069	3,831,940,345
Bangladesh Bank	612,922,431	1,655,465,340
BRAC Bank PLC	1,951,217	933,364
Bank Al-Falah	-	1,113,990
Bank Asia PLC	-	55,156
Cash in Hand	148,276	185,362
Commercial Bank of Ceylon PLC	2,429,230	-
Citi Bank NA	2,496,231	12,208,998
Dhaka Bank PLC	404,290,597	706,553,341
Export Import Bank of Bangladesh PLC(Proposed: Shommlito Islami Bank PLC)	2,105,541,095	2,500,209,367
IFIC Bank PLC	-	1,000,070,685
Meghna Bank PLC	661,411,205	-
Mercantile Bank PLC	3,064,605,861	-
Modhumoti Bank PLC	200,000,000	-
NCC Bank PLC	1,500,000,000	-
NRB Bank PLC	1,139,571,432	640,443,688
Prime Bank PLC	1,862,759	15,531,380
Pubali Bank PLC	137,758	24,224,578
Standard Chartered Bank	32,160,904	82,323,075
Shimanto Bank PLC	300,000,000	-
Standard Bank PLC	1,972,878,830	800,969,709
Sonali Bank PLC	-	250,686
City Bank PLC	52,775	-
Trust Bank PLC	480,588	461,719
United Commercial Bank PLC	1,899,718,982	-
Govt Treasury Bill & Treasury Bonds	5,358,793,890	5,380,439,466
	19,263,194,132	16,653,380,249
4 Balance with other banks and financial institutions		
In Bangladesh (Note 4.1)	14,095,488,972	9,380,539,393
Outside Bangladesh	-	-
	14,095,488,972	9,380,539,393
4.1 In Bangladesh		
Current deposits	128,210,446	93,235,857
Short-term deposits	6,195,770,770	5,541,641,401
Fixed deposits	7,771,507,756	3,745,662,135
	14,095,488,972	9,380,539,393



	31-Dec-25 Taka	31-Dec-24 Taka
4.2 Maturity grouping of balance with other banks and financial institutions		
Payable on demand	1,984,529,001	1,743,235,857
Up to 1 month	3,650,265,514	3,247,025,951
Over 1 month but not more than 3 months	4,571,507,752	3,727,087,294
Over 3 months but not more than 6 months	2,200,000,000	663,190,291
Over 6 months but not more than 1 year	1,689,186,705	-
Over 1 year but not more than 5 years	-	-
Over 5 years	-	-
	14,095,488,972	9,380,539,393
4.3 Current deposits		
Citi Bank NA	78,890,362	34,552,794
Commercial Bank of Ceylon PLC	2,684,964	2,046,785
NRB Bank PLC	7,807,979	5,891,637
Rupali Bank PLC	60,179	61,329
Standard Chartered Bank	38,766,962	50,683,312
	128,210,446	93,235,857
4.4 Short-term deposits		
Al-Arafah Islami Bank PLC	595,954,443	1,956,499,398
Bank Al-falah	-	1,152
Bank Asia PLC	107,820	84,140
BRAC Bank PLC	1,837,040	1,512,867
Citi Bank NA	-	1,810,020
City Bank PLC	52,775	850,640
Commercial Bank of Ceylon PLC	137,909	137,909
Dhaka Bank PLC	1,664,334	762,011,191
Export Import Bank of Bangladesh PLC (Proposed: Shommilito Islami Bank PLC)	2,176,173,415	2,074,899,379
IFIC Bank PLC	-	110,091
Meghna Bank PLC	856,811,925	-
Mercantile Bank PLC	176,772,443	-
NRB Bank PLC	543,714,872	554,232,853
Prime Bank PLC	6,549,898	7,712,089
Pubali Bank PLC	68,277,982	72,700,029
Standard Bank PLC	1,047,421,059	104,323,586
Standard Chartered Bank	20,092,952	4,301,953
Trust Bank PLC	482,921	454,105
United Commercial Bank PLC	699,718,982	-
	6,195,770,770	5,541,641,401
4.5 Fixed deposits		
Al-Arafah Islami Bank PLC	500,000,000	-
Bengal Commercial Bank PLC	500,000,000	250,000,000
Citizens Bank PLC	400,000,000	-
Dhaka Bank PLC	600,000,000	-
Export Import Bank of Bangladesh PLC (Proposed: Shommilito Islami Bank PLC)	-	500,000,000
IFIC Bank PLC	-	1,150,000,000
Mercantile Bank PLC	1,800,000,000	-
Modhumoti Bank PLC	200,000,000	-
NCC Bank PLC	500,000,000	-
NRB Bank PLC	350,000,000	-
Shimanto Bank PLC	500,000,000	-
Standard Bank PLC	1,221,507,756	1,845,662,135
United Commercial Bank PLC	1,200,000,000	-
	7,771,507,756	3,745,662,135

The Company maintains a Special Notice Deposit (SND) account with Shommilito Islami Bank PLC (formerly EXIM Bank PLC), carrying a balance of BDT 2,176,173,415 as at the reporting date. Following a regulatory-mandated merger of five distressed banks, Bangladesh Bank issued BRD Circular Letter No. 01 dated 29 December 2025 (the "Resolution Scheme"), under which all deposits held by individuals and institutions with the merged entity are explicitly protected and will be repaid in a phased manner.

Pursuant to the instructions received from the Financial Institutions Inspection Department (FIID) of Bangladesh Bank during its summary inspection, the Company has not recognized unrealized interest income of BDT 15.68 crore accrued on this account during the year ended 31 December 2025. This amount has been deferred and classified under a suspense account on the liability side of the statement of financial position, pending actual receipt (Note 18).

Given that the principal deposit balance is fully protected under the aforementioned Resolution Scheme of Bangladesh Bank, management has assessed that no additional provision against the outstanding balance is required at this stage. The Company will continue to monitor developments and reassess the recoverability of both the principal and deferred income in subsequent reporting periods.

5 Money at call and short notice

United Commercial Bank PLC.	-	1,500,000,000
United Finance PLC.	450,000,000	400,000,000
	450,000,000	1,900,000,000

6 Investments

Government securities		
Treasury Bonds	4,149,161,702	4,152,171,134
Treasury Bills	1,916,744,294	4,973,454,470
	6,065,905,996	9,125,625,604



	31-Dec-25 Taka	31-Dec-24 Taka
Other investments:		
Non marketable securities (Note-6.1)	124,499,500	124,499,500
Preference Share	99,998,900	-
Marketable securities (Note-6.2)	918,065,186	935,839,430
	1,142,563,586	1,060,338,930
	7,208,469,582	10,185,964,534

6.1 Investment in non-marketable securities

	No. of shares		
Bangladesh Rating Agencies Ltd.	24,995	2,499,500	2,499,500
Peninsula SBC Unit Fund-I	4,000,000	40,000,000	40,000,000
Peninsula AMCL BDBL Unit Fund-I	250,000	2,500,000	2,500,000
Ekush Growth Fund	1,000,000	10,000,000	10,000,000
Green Delta Dragon Enhanced Blue Chip Growth Fund	5,000,000	50,000,000	50,000,000
Energyprima Ltd. (Pre-IPO shares)	100,000	9,500,000	9,500,000
Vanguard AML Growth Fund	761,614	10,000,000	10,000,000
		124,499,500	124,499,500

6.2 Investment in marketable securities

Sectors	Market price 31 Dec 2025	Cost price	Cost price
Bank	145,729,445	131,453,030	118,045,592
Cement	8,172,500	10,347,963	12,606,155
Engineering	8,000,000	20,991,385	31,286,656
Financial Institutions	26,293,014	33,376,190	30,915,947
Food & Allied	70,035,686	115,558,781	116,798,079
Fuel & Power	13,013,100	30,061,579	31,823,734
Insurance	12,801,936	21,491,213	21,663,409
IT Sector	-	-	20,222,773
Miscellaneous	19,237,400	27,133,901	19,215,212
Mutual Funds	135,000,000	209,742,100	209,742,081
Pharmaceuticals & Chemicals	157,049,832	209,751,321	196,880,056
Services & Real Estate	8,030,000	8,913,924	15,656,495
Telecommunication	66,681,900	82,762,059	95,276,318
Textile	10,858,000	13,284,288	12,509,471
Travel & Leisure	1,910,000	3,197,452	3,197,452
	682,812,813	918,065,186	935,839,430

All investment in marketable securities are valued on an aggregate portfolio basis except Mutual Funds. Mutual Funds have been valued at 85% of latest published NAV available as on December 31, 2025. As on December 31, 2025 there was Tk. 215,268,354 provision on investment in marketable listed securities and Tk. 22,697,305 for non-marketable securities (Bangladesh Rating Agencies Ltd., Prime energy Ltd., Vanguard AML Growth Fund, Peninsula AMCL Unit Fund and SBC Peninsula Unit Fund). Market value has been determined on the basis of the value of securities at last trading date of December 2025 (last trading date was December 29, 2025).

6.3 Maturity grouping of investments:

On demand*	958,065,186	975,839,430
Up to 1 month	179,680,725	995,878,124
Over 1 month but not more than 3 months	1,437,045,574	1,666,403,262
Over 3 months but not more than 6 months	1,879,985,824	476,682,692
Over 6 months but not more than 1 year	1,000,087,448	1,834,490,392
Over 1 year but not more than 5 years	206,311,685	2,599,914,795
Over 5 years	1,547,293,140	1,636,755,840
	7,208,469,582	10,185,964,534

*Excluding BDT 20,000,000 investment in DBH 1st Mutual Fund

7 Loans and advances

Inside Bangladesh

Housing Loan	36,623,489,873	37,206,129,085
Term Loan	4,277,674,114	4,240,839,756
Investment in HPSM	4,364,673,189	2,669,274,554
Loan against Deposits	117,867,040	219,488,486
Staff loan	192,775,330	173,642,591
	45,576,479,546	44,509,374,472

Outside Bangladesh

	45,576,479,546	44,509,374,472
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7.1 Maturity grouping of loans and advances

Repayable on demand	401,400,523	333,173,350
Not more than 3 months	1,736,390,143	1,849,453,162
Over 3 months but not more than 1 year	5,739,093,146	5,686,213,352
Over 1 year but not more than 5 years	21,192,476,772	20,734,929,320
Over 5 years	16,507,118,962	15,905,605,288
	45,576,479,546	44,509,374,472



	31-Dec-25 Taka	31-Dec-24 Taka
7.2 Loans and advances (Inside Bangladesh)		
Opening balance	44,509,374,472	43,669,788,473
Disbursement during the year	12,296,607,808	12,494,304,969
	56,805,982,280	56,164,093,442
Realization during the year	11,229,502,734	11,654,718,970
Closing balance	45,576,479,546	44,509,374,472
7.3		
a) Loans and advances to institutions in which directors have interest	-	-
b) Loans and advances to chief executive	-	-
c) Loans and advances to senior executives	40,996,987	33,623,770
d) Loans and advances to customer group:		
i) Housing loan - customer	40,699,633,376	39,711,792,882
ii) Staff loan-housing & others	151,778,343	140,018,821
iii) Loan to depositors	117,867,040	219,488,486
iv) Term Loan	4,566,203,800	4,404,450,513
	45,576,479,546	44,509,374,472
e) Details of loan and advances industry-wise		
i) Housing Finance/ Real Estate	40,825,014,663	39,900,838,608
ii) Consumer Finance	4,654,409,860	4,515,006,448
ii) Brokerage	78,911,161	84,397,129
ii) Others	18,143,862	9,132,287
	45,576,479,546	44,509,374,472
7.4 Loans and advances - geographical location-wise		
Inside Bangladesh:		
Urban		
Dhaka	36,458,418,336	36,877,397,851
Chattogram	2,075,416,404	2,186,764,549
Sylhet	201,132,130	230,764,261
Cumilla	887,652,146	741,420,198
Gazipur	2,867,138,966	2,511,391,595
Narayanganj	704,708,529	661,594,546
Khulna	790,975,149	496,273,935
Rajshahi	372,741,406	307,851,546
Rangpur	501,300,408	344,275,645
Mymensingh	334,241,677	100,139,383
Barisal	382,754,395	51,500,963
	45,576,479,546	44,509,374,472
Outside Bangladesh:	-	-
	45,576,479,546	44,509,374,472
7.5 Details of large loans and advances		
There were no clients with outstanding amount and classified loans/advances exceeding 15% of total capital of the institution.		
7.6 Particulars of Loans and advances		
i) Loans and advances considered good in respect of which the financial institution is fully secured.	45,424,296,183	44,338,367,916
ii) Loans and advances considered good against which the financial institution holds no security other than the debtors personal security.	3,771,282	9,691,240
iii) Loan and advances considered good and secured by the personal security of one or more parties in addition to personal guarantee of debtors.	148,412,081	161,315,316
iv) Loan and advances adversely classified: for which no provision is created.	-	-
	45,576,479,546	44,509,374,472
v) Loans and advances due by directors and officers of the financial institution or any of them either separately or jointly with any other persons.	198,070,503	173,642,591
vi) Loans and advances due by companies or firms in which the directors of the financial institution have interest as directors, partners or managing agents or in case of private companies, as members.	-	-
vii) Maximum total amount of advances including temporary advances made at any time during the period to director, managers or officers of the financial institution or any of them either separately or jointly with any other person.	198,070,503	174,705,546
viii) Maximum total amount of advances, including temporary advances, granted during the period to companies or firms in which the directors of the financial institution have interest as directors, partners or managing agents or in the case of private companies as members.	-	-
ix) Due from other bank and financial institutions	-	-
x) Information in respect of classified loans and advances		
a) Classified loans for which interest/ profit not credited to income		
i) Increase/(decrease) of provision (specific)	136,384,150	21,998,946
ii) Amount of written off debt against fully provided debts	78,874,565	-
iii) Amount of debt recovered against the debt which was previously written off	100,000	-
b) Amount of provision kept against loan classified as bad/loss at balance sheet date	275,871,459	353,435,369
c) Amount of interest creditable to interest suspense account	90,926,070	80,747,362
xi) Cumulative amount of written off loans and advances		
Opening Balance	8,820,658	8,820,658
Amount written off during the year	78,874,565	-
Amount recovered against loans and advances previously written off	100,000	-
Balance of written off loans and advances yet to be recovered	87,595,223	8,820,658
The amount of written off loans, advances for which law suits have been filed.	87,595,223	9,425,086



	31-Dec-25 Taka	31-Dec-24 Taka
10 Borrowing from other banks, financial institutions and agents		
Inside Bangladesh (Note 10.1)	8,029,648,424	8,605,493,839
Outside Bangladesh	-	-
	8,029,648,424	8,605,493,839
10.1 Inside Bangladesh		
a Secured Short-term loan:		
Standard Chartered Bank	1,640,000,000	1,300,000,000
Citi Bank, NA	1,180,000,000	-
	2,820,000,000	1,300,000,000
b Unsecured Short-term loan:		
Standard Bank PLC	1,200,000,000	150,000,000
Meridian Finance & Investment Limited	-	25,000,000
	1,200,000,000	175,000,000
c Unsecured long-term loan:		
Bangladesh Bank (Housing refinance)	634,123,552	808,671,418
	634,123,552	808,671,418
d Bank overdraft:		
Woori Bank	163,046,392	163,798,945
Pubali Bank PLC	4,847	15,151
Standard Chartered Bank	5,515,927	-
	168,567,166	163,814,096
e Call loans:		
Community Bank Bangladesh PLC	-	50,000,000
Jamuna Bank PLC	-	700,000,000
NRB Bank PLC	-	700,000,000
Shiranto Bank PLC	-	380,000,000
	-	1,830,000,000
f Bond:		
DBH Affordable Housing Bond	2,944,250,082	3,358,232,106
Zero Coupon Bond		
AK Khan Company Limited	20,972,468	171,041,805
American Life Insurance Company Ltd.	141,442,222	410,977,487
Bangla Telecom Limited	5,996,541	17,514,846
Chittagong Stock Exchange Ltd	27,931,389	81,576,232
Concord Real Estate Ltd.	5,846,853	84,769,056
Mr. Shahriar Kamal	487,238	2,384,011
Ms. Yasmin Khan Kabir	2,971,892	8,676,064
Sena Kalyan Insurance Company Ltd.	998,270	2,915,631
UCB Asset Management Ltd	-	27,026,762
UCB Investment Ltd.	56,060,751	162,894,326
	262,707,624	969,776,219
	3,206,957,706	4,328,008,325
Total inside Bangladesh(a+b+c+d+e+f)	8,029,648,424	8,605,493,839

Total inside Bangladesh(a+b+c+d+e+f)

DBH Finance PLC has issued the "DBH Affordable Housing Bond," a non-convertible redeemable fixed coupon senior bond, with each lot valued at BDT 1 million, exclusively for international investors, to raise up to BDT 3,500 million. The purpose of this bond is to provide affordable housing finance to middle-income families in Bangladesh.

The International Finance Corporation (IFC) has fully subscribed to the bond, and after discounting, DBH Finance PLC received net proceeds of BDT 3,285 million.

The bond will be repaid in eight equal half-yearly installments of BDT 437.5 million each, commencing from the second year of issuance. Additionally, during the first year, interest payments will be made in two separate installments for utilizing the funds.

In accordance with IFRS 9 - Financial Instruments, the bond has been initially recognized at its fair value of BDT 3,285,000,000, less transaction costs of BDT 28,982,314, resulting in an initial carrying amount of BDT 3,256,017,686. The bond is subsequently measured at amortized cost, incorporating the effective interest rate of 8.83%.

The aforesaid secured short term loans (10.1 a) and DBH affordable Housing Bond (10.1 f) are secured by first charge on company's all present and future movable and immovable assets including book debts ranking pari-passu security charges with other lenders of the company. Bank overdraft from Pubali Bank Ltd are secured by pari-passu security charges and overdraft from Woori bank and Standard Chartered Bank is secured by FDR.

10.2 Security against borrowings from other banks, financial institutions and agents

Secured	5,932,817,248	4,822,046,202
Unsecured	2,096,831,176	3,783,447,637
	8,029,648,424	8,605,493,839

10.3 Maturity grouping of borrowings from other banks, financial institutions and agents

Payable on demand	-	1,830,000,000
Up to 1 month	1,243,550,389	219,247,956
Over 1 month but within 3 months	2,686,512,024	1,338,662,370
Over 3 months but within 1 year	1,507,899,197	1,370,291,662
Over 1 year but within 3 years	2,591,686,814	3,830,664,507
Over 3 years	-	16,627,344
	8,029,648,424	8,605,493,839



	31-Dec-25 Taka	31-Dec-24 Taka
11 Deposits and other accounts		
Fixed deposits (Note: 11.1)	46,736,461,380	45,775,344,891
Other deposits	-	-
	46,736,461,380	45,775,344,891
11.1 Fixed deposits		
Opening balance	45,775,344,891	46,655,952,696
Addition during the year	96,958,744,312	102,924,094,193
	142,734,089,203	149,580,046,889
Repayment made during the year	95,997,627,823	103,804,701,998
Closing balance	46,736,461,380	45,775,344,891
11.2 Group-wise break-up of deposits and others accounts		
Government	56,803,256	396,305,484
Bank	400,000,000	412,675,556
Other institutions	17,957,767,395	19,189,676,051
Individuals	28,321,890,729	25,776,687,800
	46,736,461,380	45,775,344,891
11.3 Maturity analysis of deposits		
Payable on demand	-	-
Up to 1 month	1,828,707,983	2,293,586,200
Over 1 month but within 6 months	9,489,129,899	7,990,348,387
Over 6 months but within 1 year	5,654,488,638	5,811,697,178
Over 1 year but within 5 years	18,655,444,297	18,183,492,496
Over 5 years but within 10 years	2,727,630,809	2,545,495,594
Over 10 years	8,381,059,754	8,950,725,036
	46,736,461,380	45,775,344,891
12 Other liabilities		
Provision for loans & investment (Note: 12.1)	1,259,067,515	1,165,931,185
Provision for income tax (Note: 12.2)	211,894,419	374,351,190
Interest suspense (Note: 12.3)	90,926,070	80,747,362
Other payables (Note: 12.4)	2,127,930,167	1,734,781,117
Un-realized income as per Bangladesh Bank requirement	156,800,000	-
Deferred tax liability (Annexure C)	47,810,026	46,038,454
Other Assets Provision	1,328,217	1,328,217
Unclaimed dividend account	5,026,740	5,568,908
	3,900,783,154	3,408,746,433
As per the BSEC directive No BSEC/CMRCD/2021 dated 14/1/2021, a separate line item is required to be presented in the Statement of Financial Position for Unclaimed dividend account. DBH, being a financial institution, is required to prepare and present financial statements as per DFIM Circular No 11, dated 23 December 2009 and there is no scope of such presentation. Therefore, a separate line item for Unclaimed dividend account is presented in notes to the financial statements.		
12.1 Provision for loans and investment		
Opening balance	1,165,931,185	1,053,040,538
Provision written off	(63,472,603)	-
Provision recovered for the year	-	-
Provision charged/ (released) for the year	156,608,933	112,890,647
Provision no longer required written back	-	-
Recoveries of amounts previously written off	-	-
Closing balance	1,259,067,515	1,165,931,185
12.1.1 General provision		
Opening balance	444,169,269	437,925,038
Charged during the year	13,865,602	6,244,231
Closing balance	458,034,871	444,169,269
12.1.2 Specific provision		
Opening balance	490,155,439	467,094,298
Provision written off	(63,472,603)	-
Provision recovered during the year	-	-
Provision charged/ (released) for the year	136,384,150	23,061,141
Provision no longer required written back	-	-
Recoveries of amounts previously written off	-	-
Closing balance	563,066,986	490,155,439
12.1.3 Provision for diminutions in the value of investments		
Opening balance	231,606,477	148,021,202
Provision charged/(released) during the year	6,359,181	83,585,275
Closing balance	237,965,658	231,606,477
12.1.A Provision on loans and advances		
General Provision charged/(released) during the year	13,865,602	6,244,231
Specific Provision charged/(released) during the year	136,384,150	23,061,141
	150,249,752	29,305,372



	31-Dec-25 Taka	31-Dec-24 Taka	
12.2 Provision for income tax			
Provision			
Opening balance	7,768,785,435	7,055,100,973	
Less: Adjustment during the year for completed tax assessment	-	-	
Less: Excess/(Short) provision adjustment	-	-	
	7,768,785,435	7,055,100,973	
Add: Provision made during the year	635,097,146	713,684,462	
Closing balance	8,403,882,581	7,768,785,435	
Advance tax			
Opening balance	7,394,434,245	6,754,218,455	
Add: Payment made during the year			
Under Section 155 of Income Tax Act 2023	298,169,050	180,000,000	
Deduction at source	499,384,867	460,215,790	
	8,191,988,162	7,394,434,245	
Less: Adjustment during the year for completed tax assessment	-	-	
Closing balance	8,191,988,162	7,394,434,245	
Net balance	211,894,419	374,351,190	
Tax assessments of DBH have been completed up to Assessment Year 2023-2024, except for Assessment Years 2004-2005 (Income Year 2003-2004) and 2005-2006 (Income Year 2004-2005), which are currently pending before the High Court. The tax audit for Assessment Year 2022-2023 (Income Year 2021) is presently in progress. The returns for Assessment Years 2024-2025 (Income Year 2023) and 2025-2026 (Income Year 2024) have been duly filed under section 180 of the Income Tax Act, 2023. The tax return for Income Year 2025 will be filed in due course within the stipulated time.			
12.3 Interest suspense			
Opening balance	80,747,362	77,151,761	
Interest suspended during the year	25,580,670	3,595,601	
Written off suspended interest during the year	(15,401,962)	-	
Closing balance	90,926,070	80,747,362	
12.4 Other payables			
Interest payable on deposits & loans	1,635,278,085	1,361,759,993	
Lease liability	163,162,333	47,128,999	
Sundry creditors	97,956,842	125,545,837	
Unclaimed instruments	18,677,207	16,521,707	
Payable to clients	116,380,320	101,731,374	
Loan under litigation	15,337,541	20,477,822	
Privileged creditors	71,211,694	54,222,298	
Profit Equalization fund	1,670,889	1,497,948	
HPSM compensation realized charity A/c	1,213,401	170,668	
Liability for expenses	7,041,855	5,724,471	
	2,127,930,167	1,734,781,117	
13 Share capital			
13.1 Authorized capital			
399,950,000 Ordinary shares of Tk. 10 each	3,999,500,000	3,999,500,000	
5,000 Preference shares of Tk. 100 each	500,000	500,000	
	4,000,000,000	4,000,000,000	
13.2 Issued, subscribed, called and paid-up capital			
Ordinary shares			
Opening	1,988,901,710	1,988,901,710	
3,977,803 Ordinary shares of Taka 10 each issued as bonus share	39,778,030	-	
	2,028,679,740	1,988,901,710	
13.3 Capital of the Company is held by the following shareholders			
	31 December 2025		
	No of shares	Taka	
Ordinary shares			
Local shareholders:			
BRAC	37,304,183	373,041,830	
Delta Life Insurance Company Ltd	35,760,368	357,603,680	
Green Delta Insurance Company Ltd	31,049,587	310,495,870	
General shareholders	92,184,876	921,848,760	
	196,299,014	1,962,990,140	
Foreign shareholders:			
General shareholders	6,568,960	65,689,600	
	6,568,960	65,689,600	
	202,867,974	2,028,679,740	
13.4 Break-up of Paid-up capital:			
	31 December 2025		
	Number of Shares	Face Value	Amount
Date of Issue			
11 May 1996 to 28 June 1998	2,000,000	100	200,000,000
12-Dec-06	200,000	100	20,000,000
09-Apr-08	500,000	100	50,000,000
02-Dec-08	810,000	100	81,000,000
23-Nov-09	526,500	100	52,650,000
08-Dec-10	1,009,125	100	100,912,500
22-Nov-11	5,045,625	100	504,562,500
Total	10,091,250	100	1,009,125,000
Face Value Change (2011)			
14-Nov-12	100,912,500	10	1,009,125,000
14-Nov-12	15,136,875	10	151,368,750
24-Nov-16	5,802,468	10	58,024,680
31-Mar-19	12,185,184	10	121,851,840
17-Jun-20	20,105,554	10	201,055,540
17-May-21	23,121,387	10	231,213,870
05-May-22	17,726,396	10	177,263,960
28-May-23	3,899,807	10	38,998,070
29-Jun-25	3,977,803	10	39,778,030
Total paid-up capital	202,867,974	10	2,028,679,740



13.5 Capital adequacy ratio - As per BASEL-II

1. Tier-1 (Core Capital)

- 1.1 Fully Paid-up Capital/Capital Deposited with BB
- 1.2 Statutory Reserve
- 1.3 Non-repayable Share premium account
- 1.4 General Reserve
- 1.5 Retained Earnings
- 1.6 Minority interest in Subsidiaries
- 1.7 Non-Cumulative irredeemable Preferences shares
- 1.8 Dividend Equalization Account
- 1.9 Others (if any item approved by Bangladesh Bank)
- 1.10 Sub-Total (1.1 to 1.9)

	31-Dec-25 Taka	31-Dec-24 Taka
1.1	2,028,679,740	1,988,901,710
1.2	1,973,679,740	1,933,901,710
1.3	55,000,000	55,000,000
1.4	3,784,794,036	3,784,631,160
1.5	1,509,503,470	935,825,025
1.6	-	-
1.7	-	-
1.8	700,000,000	700,000,000
1.9	-	-
1.10	10,051,656,986	9,398,259,605

Deductions from Tier-1 (Core Capital)

- 1.11 Book value of Goodwill and value of any contingent assets which are shown as assets
- 1.12 Shortfall in provisions required against classified assets
- 1.13 Shortfall in provisions required against investment in shares
- 1.14 Remaining deficit on account of revaluation of investments in securities after netting off from any other
- 1.15 Any investment exceeding the approved limit
- 1.16 Investments in subsidiaries which are not consolidated
- 1.17 Increase in equity capital resulting from a securitization exposure
- 1.18 Other (if any)
- 1.19 Sub Total (1.11-1.18)
- 1.20 Total Eligible Tier-1 Capital (1.10-1.19)

1.11	-	-
1.12	-	-
1.13	-	-
1.14	-	-
1.15	-	-
1.16	-	-
1.17	-	-
1.18	-	-
1.19	-	-
1.20	10,051,656,986	9,398,259,605

2. Tier-2 (Supplementary Capital)

- 2.1 General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheet exposure)
- 2.2 Assets Revaluation Reserves up to 50%
- 2.3 Revaluation Reserve for Securities up to 45%
- 2.4 Revaluation reserve for equity instrument up to 10%
- 2.5 All other preference shares
- 2.6 Other (if any item approved by Bangladesh Bank)
- 2.7 Sub-Total (2.1 to 2.6)
- 2.8 Applicable Deductions (if any)
- 2.9 Total Eligible Tier-2 Capital (2.7-2.8)

2.1	356,781,031	338,889,264
2.2	-	-
2.3	-	-
2.4	-	-
2.5	-	-
2.6	-	-
2.7	356,781,031	338,889,264
2.8	-	-
2.9	356,781,031	338,889,264

Total capital

	10,408,438,016	9,737,148,869
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Total risk weighted assets

	33,875,963,412	31,965,792,340
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Required capital based on risk weighted assets(10%)

	3,387,596,341	3,196,579,234
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Surplus

	7,020,841,675	6,540,569,635
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Capital Adequacy Ratio:

- On core capital
- On actual capital (against standard of minimum 10%)
- Supplementary Capital to risk weighted assets

On core capital	29.67%	29.40%
On actual capital (against standard of minimum 10%)	30.73%	30.46%
Supplementary Capital to risk weighted assets	1.05%	1.06%

14 Share premium account

Ordinary shares

	55,000,000	55,000,000
	55,000,000	55,000,000

15 Statutory reserve

- Opening balance
- Add: addition during the year
- Closing balance

Opening balance	1,933,901,710	1,933,901,710
Add: addition during the year	39,778,030	-
Closing balance	1,973,679,740	1,933,901,710

16 Other reserves

- Contingency Reserve (Note 16.1)
- General Reserve (Note 16.2)
- Dividend equalization reserve (Note 16.3)
- Remeasurements gain/(loss) due to actuarial valuation
- Capital redemption reserve

Contingency Reserve (Note 16.1)	1,275,000,000	1,275,000,000
General Reserve (Note 16.2)	2,500,000,000	2,500,000,000
Dividend equalization reserve (Note 16.3)	700,000,000	700,000,000
Remeasurements gain/(loss) due to actuarial valuation	9,754,036	9,591,160
Capital redemption reserve	40,000	40,000
	4,484,794,036	4,484,631,160

An amount of Tk. 40,000/- was transferred in FY 2013-14 out of profit to "Capital redemption reserve" in redeeming 400 no's of preference share @ Tk. 100 each as per section 154(1)(C) of Companies Act 1994.

16.1 Contingency reserve

- Opening balance
- Add: addition during the year
- Closing balance

Opening balance	1,275,000,000	1,275,000,000
Add: addition during the year	-	-
Closing balance	1,275,000,000	1,275,000,000



	31-Dec-25 Taka	31-Dec-24 Taka
16.2 General reserve		
Opening balance	2,500,000,000	2,500,000,000
Add: addition during the year	-	-
Closing balance	<u>2,500,000,000</u>	<u>2,500,000,000</u>
16.3 Dividend equalization reserve		
Opening balance	700,000,000	250,000,000
Add: addition during the year	-	450,000,000
Closing balance	<u>700,000,000</u>	<u>700,000,000</u>
17 Business commitments and contingencies		
17.1 Contingent liabilities		
There is no contingent liability during the year to disclose.		
17.2 Other commitments		
In the normal course of business, the company makes various commitments, contracts and disbursements. No material losses are anticipated as a result of these transactions.		
17.3 Capital expenditure commitments		
a) Contracted and incurred but not provided for in the accounts	Nil	Nil
b) Approved by the Board but not contracted for	Nil	Nil
17.4 Unacknowledged debts		
The Company had no claim, legal or other against it, which has not been acknowledged as debt at the balance sheet date.		



	2025 Taka	2024 Taka
18 Interest income		
Interest on loans	6,096,493,992	5,377,974,669
Interest on placement with other banks & BB FX deposits	1,896,128,394	1,822,287,077
Interest on short term investment	82,534,959	139,067,569
Un-realized income as per Bangladesh Bank requirement	(156,800,000)	-
	7,918,357,345	7,339,329,315
19 Interest paid on deposits and borrowings etc.		
Interest on term loans	35,825,357	45,867,527
Interest on deposits	5,431,729,586	4,675,063,290
Interest on short-term borrowing	425,941,162	469,913,565
Interest on overdraft	15,248,911	12,632,761
Interest on Bond	356,200,201	328,876,498
Interest on DBH affordable housing bond	282,127,126	241,959,420
Profit on Term Deposit (Treasury)	50,615,671	17,742,409
Interest expense-lease	12,544,636	4,252,098
	6,610,232,650	5,796,307,568
20 Income from investments		
Gain/(loss) on sale of marketable securities	(19,661,017)	(31,001,508)
Dividend income	27,465,499	26,316,894
Interest on Treasury Bond	997,923,657	813,790,672
	1,005,728,139	809,106,058
21 Commission, exchange and brokerage		
Loan fees	117,942,887	115,326,612
Other charges and fees	57,915,739	61,411,811
	175,858,626	176,738,423
22 Other operating income		
Property service income	749,890	887,404
Trustee Fee Income	10,475,435	5,184,479
Gain on sale of fixed assets	266,435	1,075,320
Other receipts	3,127,165	1,398,485
	14,618,925	8,545,688
23 Salary and allowances	497,109,538	469,048,253
Salary and allowances include annual contribution of Tk. 17,655,414 to DBH Staff Provident Fund and Tk. 22,962,871 to DBH Employees Gratuity Fund which are recognized by NBR.		
24 Rent, taxes, insurance, electricity etc.		
Rent, rates & taxes	10,047,410	8,189,523
Insurance	6,846,791	4,723,098
Electricity	8,986,163	7,711,873
Water	716,814	629,127
	26,597,178	21,253,621
24.1 Disclosure related to Rent, rates and taxes		
Actual expenses	60,226,200	52,268,028
Less: Re-classification of rent expenses as per IFRS-16	50,178,790	44,078,505
	10,047,410	8,189,523
25 Legal and professional expenses		
Law charges	17,252,842	19,076,973
Other professional charges	3,106,100	2,760,550
	20,358,942	21,837,523
26 Postage, stamp, telecommunication etc.		
Postage & courier service	782,372	902,049
Stamp expenses	3,788,364	3,306,716
Telephone & internet	5,917,315	7,239,296
	10,488,051	11,448,061
27 Stationery, printing, advertisements etc.		
Printing	2,704,912	3,349,908
Stationery	3,365,857	2,673,238
Publicity and advertisement	10,475,068	8,934,966
	16,545,837	14,958,112
28 Directors' fees and expenses		
Fees for attending meeting	689,400	847,185
Incidental meeting expenses	197,460	405,150
	886,860	1,252,335
In compliance with condition 12.2 (Ka) of DFIM Circular No 01, dated on February 29, 2024, BDT 10,000 has been paid to the Directors of the Board excluding the CEO & Managing Director for attending per meeting of the Board and its Sub-committees of DBH Finance PLC.		
In compliance with condition 12.2 (Ga) of DFIM Circular No 01, dated on February 29, 2024, and condition 5 (Ka) of DFIM Circular No 02, dated March 13, 2024, the Independent Directors will be entitled to a maximum of BDT 50,000.00 (subject to applicable tax deduction) as fixed remuneration per month other than meeting attendance fee.		
* Directors' fee includes BDT 96,400 for Shari'ah Supervisory Committee's Fees for the year 2025.		
29 Statutory annual audit fees (including VAT)	1,092,500	920,000
	1,092,500	920,000



	2025 Taka	2024 Taka		
30 Depreciation/Amortization, repairs & maintenance				
Depreciation/Amortization:				
Freehold assets	29,458,008	21,916,445		
Right-of-use Asset	42,962,989	41,030,424		
Intangible assets	1,153,939	1,088,185		
	73,574,936	64,035,054		
Repairs & maintenance:				
Vehicle	2,240,070	2,737,516		
Office equipment & premises	14,770,021	13,663,126		
Computer hardware & software	2,560,360	2,523,377		
	19,570,451	18,924,019		
	93,145,387	82,959,073		
31 Other expenses				
Staff training & recruitment expense	1,819,654	1,555,246		
Office security	6,353,724	5,407,944		
Transportation, traveling & conveyance	38,578,132	35,342,019		
Canteen expense	3,392,054	2,712,418		
Business promotion & entertainment	2,873,665	2,124,302		
Car fuel	2,696,499	2,229,600		
Books and papers	62,009	82,705		
Bank charges	5,119,035	6,131,294		
Recovery expenses	2,359,683	2,452,087		
Donation, subscription and Fees	8,538,875	6,487,757		
Public relation & AGM expense	187,000	126,000		
Outsource agency charges	8,619,495	8,422,039		
Brokerage	2,893,800	2,630,758		
Staff welfare expense	1,653,070	882,589		
	85,146,695	76,586,758		
32 Provision for tax				
Current tax				
Provision for income tax	635,097,146	713,684,462		
Less: Excess/(Short) provision adjustment	-	-		
	635,097,146	713,684,462		
Deferred tax				
Expense/(Income) on deductible temporary differences (Annexure C)	5,388,017	(3,911,632)		
Expense/(Income) on taxable temporary differences (Annexure C)	(1,771,572)	(7,373,944)		
	3,616,445	(11,285,576)		
Reconciliation of effective tax rate				
	2025	2024		
	Taka	%	Taka	%
Tax using the company's tax rate	593,643,924	37.50%	641,609,076	37.50%
Tax effect of:				
Provision for non-deductible expenses	31,097,394	1.96%	32,841,659	1.92%
Adjustment/provision released during the year	58,728,350	3.71%	42,333,993	2.47%
Other components of tax as per ITA 2023	(50,731,773)	-3.20%	(5,193,788)	-0.30%
Difference between accounting and tax depreciation	2,359,252	0.15%	2,093,523	0.12%
Effective tax rate	635,097,146	40.12%	713,684,462	41.71%
33 Retained earnings				
Opening balance	935,825,025	675,601,635		
Prior year adjustment	-	-		
Add: Profit after tax for the year transferred from Profit & Loss Account	951,569,762	1,008,558,647		
Add: Remeasurements gain/(loss) due to actuarial valuation	-	-		
Accumulated profit available for distribution	1,887,394,787	1,684,160,282		
Less: Appropriations				
Transferred to statutory reserve	39,778,030	-		
Transferred to general reserve	-	-		
Transferred to contingency reserve	-	-		
Transferred to dividend equalization reserve	-	450,000,000		
Issue of bonus shares for previous year	39,778,030	-		
Cash dividend paid for last year	298,335,257	298,335,257		
	377,891,317	748,335,257		
Closing balance	1,509,503,470	935,825,025		
34 Earnings per share				
Profit after Tax	951,569,762	1,008,558,647		
Profit available for ordinary shareholders	951,569,762	1,008,558,647		
Number of shares outstanding for calculating basic EPS	202,867,974	202,867,974		
Basic earnings per share (Re-Styled : 2024)	4.69	4.97		
No diluted earning per share is required to be calculated for the year as there was no convertible securities for dilution during the year				
35 Net asset value (NAV) per share				
Shareholders' Equity	10,051,656,986	9,398,259,605		
Number of Share	202,867,974	202,867,974		
Net asset value (NAV) per share (As at 31 December) (Re-Styled : 2024)	49.55	46.33		



	2025 Taka	2024 Taka
36 Net operating cash flows per share (NOCFPS)		
Net cash from operating activities	1,514,001,223	(75,296,069)
Number of Share	202,867,974	202,867,974
Net operating cash flows per share (NOCFPS) (Re-Stated : 2024)	7.46	(0.37)

37 Reconciliation of net profit with cash flows from operational activities on indirect method:

Particulars	Amount in Taka	
	2025	2024
Profit after tax	951,569,762	1,008,558,646
Provision for income tax	631,480,701	702,398,884
Depreciation	73,574,936	64,035,054
Provision for Loans and advances	150,249,752	29,305,372
Provision for Diminution in value of investment	6,359,181	83,585,275
Interest Suspense	10,178,708	3,595,601
Gain/loss on sale of fixed assets	Non-operating item (266,435)	(1,075,320)
Interest Accrued on DBH Affordable Housing Bond & ZCB	Non cash item 318,799,384	69,612,174
Accrual for dividend, LAD and interest receivable	Changes in accrual (36,058,121)	(35,744,846)
Accrual for expenses	Changes in accrual 247,246,480	390,514,687
Purchase & sale of trading securities	(Inc)/Dec of assets (82,224,655)	(80,792,030)
Loans and advances	(Inc)/Dec of assets (1,135,271,086)	(835,919,672)
Other Assets	(Inc)/Dec of assets 28,672,979	37,239,110
Loan and deposit from Banks and Customer	Inc(Dec) of liabilities 961,116,489	(880,607,805)
Other liabilities	Inc(Dec) of liabilities 186,127,067	10,214,593
Income tax paid	(797,553,918)	(640,215,791)
Net cash flows from operating activities	1,514,001,223	(75,296,069)

37A Cash and cash equivalents (net off overdraft) at the end of the period

In hand	148,276	185,362
Balance with Bangladesh Bank and its agent Bank	712,310,862	682,179,141
Balance with other banks and financial institutions	14,095,488,972	9,380,539,393
Money at call on short notice	450,000,000	1,900,000,000
Bank Overdraft	(168,567,166)	(163,814,096)
	15,089,380,944	11,799,089,800

38 Dividend on ordinary shares(Events after the reporting period)

Proposed dividend:

The Board of Directors in its 165th meeting held on 10 May 2026 has recommended cash dividend @ 15% (i.e. Taka 1.50 per ordinary share) for the year ended 31 December 2025 for placement before the shareholders for approval at 30th AGM of the company.

39 Foreign currency inward/outward remittance

During this year no such transaction occurred that should be reported.

40 Related party transactions

The company has entered into transactions with other entities in normal course of business that fall within the definition of related party as per International Accounting Standard-24 "Related Party Disclosures". The terms of related party transaction are not significantly different from those that could have been obtained from third parties. The significant related party transactions are as follows:

Name of the related parties	Relationship	Particulars	Expenses incurred during the year (Taka)
Delta Life Insurance Company Limited (DLIC)	Shareholder	Insurance premium	4,466,499
Green Delta Insurance Company Limited(GDICL)	Shareholder	Insurance premium	1,937,043

Name of the related parties	Relationship	Share Buy (Taka)	Share Sale (Taka)	Balance (Taka)
Green Delta Securities Ltd.	Subsidiary of GDICL	158,954,671	156,448,118	8,143
DLIC Securities Ltd.	Subsidiary of DLICL	-	-	49,174

Name of the related parties	Relationship	Deposits Received (Taka)	Interest & Principal Paid during the period (Taka)	Balance (Taka)
Delta Life Insurance Company Limited (DLICL)	Shareholder	190,000,000	187,955,790	197,000,000
Green Delta Insurance Company Limited(GDICL)	Shareholder	-	3,908,022	27,209,904
BRAC	Shareholder	500,000,000	722,442,249	1,309,488,884

Name of the related parties	Relationship	Deposits Received during the period (Taka)	Interest & Principal Paid during the period (Taka)	Balance (Taka)
Mr. Syed Moinuddin Ahmed	Chairman	-	255,784	2,264,448
Mr. Syed Alauddin Ahmed	Chairman's brother	-	277,697	2,500,000
Prof. Nausheen Rahman	Independent Director	-	118	20,000

Name of the related parties	Relationship	Loan amount (Taka)	Recovered during the period (Taka)	Balance (Taka)
Green Delta Insurance PLC	Shareholder	3,040,000	77,591	2,962,409
Green Delta Insurance PLC	Shareholder	2,360,000	62,726	2,297,274

In the year 2025 (Jan'25 – Dec'25) Taka 56,802,080/- was paid as salary and allowances to the top 5 employees of the company. The amount includes short-term employee benefits of Taka 54,890,300/- and post-employment benefits of Taka 1,911,780/-.



41. Operating Segment Reporting

Revenue & profit	For the year ended 2025		
	Core Financing Business	Islamic Financing Business	Total
External Revenue			
Net interest income / Profit on investment	1,195,288,194	112,836,501	1,308,124,695
Investment income	1,005,728,139	-	1,005,728,139
Commission & brokerage	154,173,286	21,685,340	175,858,626
Other operating income	14,056,840	562,085	14,618,925
Inter-segment revenue/interest expense	(5,549,874)	5,549,874	-
Total segment revenue (A)	2,363,696,585	140,633,800	2,504,330,385
Other operating expenses	678,910,539	12,185,514	691,096,053
Major non-cash expenses			
Depreciation	73,574,936	-	73,574,936
Provision for future losses	129,792,254	26,816,679	156,608,933
Inter-segment expenses	-	-	-
Total segment expenses (B)	882,277,729	39,002,193	921,279,922
Reportable segment profit before tax (A-B)	1,481,418,856	101,631,607	1,583,050,463

Revenue & profit	For the year ended 2024		
	Core Financing Business	Islamic Financing Business	Total
External Revenue			
Net interest income / Profit on investment	1,491,264,128	51,757,619	1,543,021,747
Investment income	809,106,058	-	809,106,058
Commission & brokerage	157,189,687	19,548,736	176,738,423
Other operating income	7,858,665	687,023	8,545,688
Inter-segment revenue/interest expense	(2,765,121)	2,765,121	-
Total segment revenue (A)	2,462,653,417	74,758,499	2,537,411,916
Other operating expenses	645,696,994	3,831,688	649,528,682
Major non-cash expenses			
Depreciation	64,035,054	-	64,035,054
Provision for future losses	95,790,973	17,099,673	112,890,647
Inter-segment expenses	-	-	-
Total segment expenses (B)	805,523,021	20,931,361	826,454,383
Reportable segment profit before tax (A-B)	1,657,130,396	53,827,139	1,710,957,535

Segment assets & liabilities	As at 31 December 2025		
	Core Financing Business	Islamic Financing Business	Total
External Asset			
Total asset	62,697,134,556	6,021,415,388	68,718,549,944
Inter-segment asset	-	-	-
Total segment asset	62,697,134,556	6,021,415,388	68,718,549,944
External liabilities			
Total liabilities	52,729,894,112	5,936,998,846	58,666,892,958
Inter-segment liabilities	-	-	-
Total segment liabilities	52,729,894,112	5,936,998,846	58,666,892,958

Segment assets & liabilities	As at 31 December 2024		
	Core Financing Business	Islamic Financing Business	Total
External Asset			
Total asset	64,207,762,803	2,980,081,965	67,187,844,768
Inter-segment asset	-	-	-
Total segment asset	64,207,762,803	2,980,081,965	67,187,844,768
External liabilities			
Total liabilities	54,843,924,912	2,945,660,251	57,789,585,163
Inter-segment liabilities	-	-	-
Total segment liabilities	54,843,924,912	2,945,660,251	57,789,585,163



42.0 During the year under audit, there were 349 (2024: 303) employees employed for the full period and 54 (2024: 68) employees for less than full period at a remuneration of Taka 3,000 and above per month.

43.0 **General Disclosure**

43.1 Name of Directors and entities in which they have interest as Director as at **31 December 2025:**

Name	Position at DBH	Involvement in other organization	
		Name of the Organization in which they have interest	Position
Mr. Syed Moinuddin Ahmed	Chairman	Green Delta Insurance PLC	Additional Managing Director
		GD Assist Ltd.	Managing Director
		Green Delta Dragon AMC	Director (Representing GDIC)
		Professional Advancement Bangladesh	Director (Representing GDIC)
Prof. Imran Rahman	Vice Chairman & Independent Director	University of Liberal Arts Bangladesh (ULAB)	Professor, School of Business
Mr. Khandkar Manwarul Islam	Director	Styllent Knit Limited	Managing Director & CEO
		Ha-Meem Group Sweater Division	CEO
Mr. Nazir Rahim Chowdhury	Director	M.I.M. Fashion Wear Ltd.	Vice Chairman
Mr. Mohammad Anisur Rahman	Director	BRAC	Senior Director Enterprises
		BRAC Services Limited	Managing Director
		BRAC Healthcare Limited	Managing Director
Prof. Nausheen Rahman	Independent Director	University of Dhaka	Professor, Department of Finance

Mr. Syed Moinuddin Ahmed is the Representative Director of Green Delta Insurance PLC. Mr. Khandkar Manwarul Islam and Mr. Nazir Rahim Chowdhury are the Representative Directors of Delta Life Insurance Company Ltd. Mr. Mohammad Anisur Rahman is the Representative Director of BRAC.



43.2 Audit committee

The Audit Committee consists of the following Directors of the Board as at **31 December 2025**:

Name	Status with the Company	Status with the Committee	Educational Qualification
Prof. Imran Rahman	Independent Director	Chairman	Doctoral Research (ABD)
Mr. Khandkar Manwarul Islam	Director	Member	MBA
Mr. Mohammad Anisur Rahman	Director	Member	MBA

During the period from January to December 2025, the audit committee of the Board conducted 5 (five) meetings.

Sl. No.	Meeting No	Meeting Date
1	71	21-Jan-25
2	72	24-Mar-25
3	73	05-May-25
4	74	29-Jul-25
5	75	19-Oct-25

The Committee discussed among others, the following issues:

Review of Internal Compliance Report.

Review of the un-audited quarterly financial statements and the audited financial statements.

Appointment / Re-appointment of Statutory Auditors.

43.3 Disclosure as required by FRC

Ref no.-178/FRC/APR/2021/28(7) dated 22 Dec 2021 with further reference of DFIM Circular no.-08 dated 17 August 2021.

DBH has a very fewer number of corporate clients or Public Interest Entities in its loan portfolio. As of 31 December 2025, it had 22 nos corporate clients and their portfolio was Taka 33.88 crore (0.74% of the total portfolio) only. The company disbursed Taka 6.55 crore to five Public Interest Entities during the year. It has collected Statutory Audit reports of the entities and checked the authenticity of the information of 100% of the files through the DVS system.

43.4 Comparative information

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

Chairman

Director

Director

Managing Director & CEO



DBH Finance PLC
Schedule of Fixed assets and Intangible assets
For the year 2025

Particulars	Cost				Depreciation/Amortization				Amount in Taka
	Balance as on 1 January 2025	Additions during the year	Disposals during the year	Balance as at 31 December 2025	Balance as on 1 January 2025	Charged for the year	Adjustment on disposals	Balance as at 31 December 2025	Written down value as
									at 31 December 2025
Furniture & fixtures	86,777,538	10,267,518	141,711	96,903,345	70,781,102	5,689,681	141,675	76,329,109	20,574,236
Office Equipment	37,033,564	6,473,968	789,978	42,717,554	32,563,864	2,395,775	789,966	34,169,673	8,547,881
Computer and computer equipment	60,580,269	28,360,464	2,627,391	86,313,342	54,733,023	8,903,433	2,627,246	61,009,210	25,304,132
Vehicles	72,924,726	667,000	230,720	73,361,006	52,022,011	6,540,569	230,718	58,331,862	15,029,144
Building	198,480,625	-	-	198,480,625	48,830,089	5,928,550	-	54,758,639	143,721,986
Land	13,658,300	-	-	13,658,300	-	-	-	-	13,658,300
Right of use asset	133,595,081	157,846,325	76,103,508	215,337,898	82,190,843	42,962,989	74,241,518	50,912,314	164,425,584
	603,050,103	203,615,275	79,893,308	726,772,070	341,120,932	72,420,997	78,031,123	335,510,807	391,261,263
Intangible asset:									
Software	13,051,205	243,243	-	13,294,448	10,147,682	1,153,939	-	11,301,621	1,992,827
Total 2025	616,101,308	203,858,518	79,893,308	740,066,518	351,268,614	73,574,936	78,031,123	346,812,428	393,254,090



Annexure B - Net Defined Benefit

	31-Dec-25 Taka	31-Dec-24 Taka
Net defined benefit (GF)*		
Net defined benefit assets & liabilities		
Defined benefit obligation	(233,692,537)	(221,305,666)
Fair value of plan assets	261,436,211	237,050,849
Surplus	27,743,674	15,745,183

*An actuarial investigation of the DBH Employees' Gratuity Fund (the 'Fund') as of 31 December 2025 was audited by Z. Halim & Associates. The investigation reveals a past service liability of BDT. 233.69 million. The value of total assets in the Fund as on the investigation date is BDT 261.44 million. Comparing liability with the value of the fund reveals a surplus of around BDT 27.74 million.

Change in benefit obligation

Defined benefit obligation as on opening date	(221,305,666)	(200,669,845)
Current service cost	(12,386,871)	(20,635,821)
Interest expense	(17,704,453)	(16,053,588)
Actual net benefits payments	12,823,824	9,774,434
Experience (gain)/loss	4,880,629	6,279,154
Defined benefit obligation as on closing date	(233,692,537)	(221,305,666)

Change in fair value of plan assets

Fair value of plan asset as on opening date	237,050,849	210,409,892
Interest income	18,964,068	16,832,791
Actual employer contribution	22,962,871	16,270,594
Actual net benefits payments	(12,823,824)	(9,774,434)
Actuarial gains/(losses) on plan assets	(4,717,753)	3,312,006
Fair value of plan asset as on closing date	261,436,211	237,050,849

Fair Value of plan assets at year end split by major asset

Investment in Shares & Securities	14,952,517	14,952,517
Investment in fixed deposit	240,094,670	207,633,526
Receivable from Green Delta Securities Ltd.	18,173	18,623
Dividend Receivable	-	116,803
Accrued interest	3,462,002	4,704,107
Cash at Bank	2,908,849	3,848,775
Others (Advance Tax)	-	5,776,498
Total fair value of plan asset	261,436,211	237,050,849

Principal actuarial assumptions	Rate	
Discount rate	8.00%	8.00%
Expected rate of return on plan assets	8.00%	8.00%
Rate of increases in pensionable salaries	6.00%	6.50%
Life table used	Indian Assured Lives Mortality (2006-2008) Ult	



Annexure C - Deferred Tax

Particulars	31-Dec-25 Taka	31-Dec-24 Taka	Deferred tax (expense)/income accounted during the year
Deferred tax asset (Note 9)	11,851,420	6,463,403	5,388,017
Deferred tax liability (Note 12)	47,810,026	46,038,454	(1,771,572)
			3,616,445

Deferred tax asset arrived as follows:	As on 31.12.2025		
	Carrying value	Tax base	(Taxable)/deductible temporary difference
Fixed asset (Excluding land) net of depreciation (Annex A)	215,170,207	218,006,203	2,835,996
Difference of vehicles*	(8,502,780)	-	8,502,780
loss on sale of securities (Unadjusted)	(50,662,525)	-	50,662,525
	<u>156,004,902</u>	<u>218,006,203</u>	<u>62,001,301</u>
Applicable tax rate for business or profession		37.50%	4,252,041
Applicable tax rate for loss on sale of secondary shares		15.00%	7,599,379
Deferred tax asset as on 31.12.2025			11,851,420

Deferred tax asset arrived as follows:	As on 31.12.2024		
	Carrying value	Tax base	(Taxable)/deductible temporary difference
Fixed asset (Excluding land) net-off depreciation (Annex A)	199,770,156	196,739,694	(3,030,462)
Difference of vehicles*	(11,999,135)	-	11,999,135
loss on sale of securities (Unadjusted)	(31,001,508)	-	31,001,508
	<u>156,769,513</u>	<u>196,739,694</u>	<u>39,970,181</u>
Applicable tax rate for business or profession		37.50%	3,363,252
Applicable tax rate for loss on sale of secondary shares		10.00%	3,100,151
Deferred tax asset as on 31.12.2024			6,463,403

Deferred tax liability arrived as follows:	As on 31.12.2025		
	Carrying value	Tax base	(Taxable)/deductible temporary difference
ROU asset less ROU lease liability	1,263,251	-	(1,263,251)
Interest Receivables on FDR & SND accounts	126,230,153	-	(126,230,153)
Dividend receivables	-	-	-
	<u>127,493,404</u>	<u>-</u>	<u>(127,493,404)</u>
Applicable tax rate for business or profession		37.50%	47,810,026
Applicable tax rate for dividend		20.00%	-
Deferred tax liability as on 31.12.2025			47,810,026

Deferred tax liability arrived as follows:	As on 31.12.2024		
	Carrying value	Tax base	(Taxable)/deductible temporary difference
ROU asset net-off ROU lease liability	4,275,236	-	(4,275,236)
Interest Receivables on FDR & SND accounts	116,544,199	-	(116,544,199)
Dividend receivables	3,655,833	-	(3,655,833)
	<u>124,475,268</u>	<u>-</u>	<u>(124,475,268)</u>
Applicable tax rate for business or profession		37.50%	45,307,288
Applicable tax rate for dividend		20.00%	731,166
Deferred tax liability as on 31.12.2024			46,038,454

*This represents a permanent difference in respect of sedan cars, not plying for hire, owned by DBH. Under the provisions of the Income Tax Act, 2023, depreciation on such vehicles is allowable for tax purposes only up to a specified cost limit (currently BDT 3 million per car). Accordingly, the difference represents the portion of depreciation expense attributable to the cost exceeding this prescribed limit.



**DBH Finance PLC.
Highlights
(As per Bangladesh Bank guidelines)**

In Million			
SL No.	Key indicators	2025	2024
1	Paid-up capital	2,028.68	1,988.90
2	Total capital	10,051.66	9,398.26
3	Capital surplus	7,020.84	6,540.57
4	Total assets	68,718.55	67,187.84
5	Total deposits	46,736.46	45,775.34
6	Total loans, advances and leases	45,576.48	44,509.37
7	Total contingent liabilities and commitments	-	-
8	Credit deposit ratio	0.98	0.97
9	Percentage of classified loans against total loans,	0.84%	0.97%
10	Profit after tax and provision	951.57	1,008.56
11	Amount of classified loans during current period	383.18	431.74
12	Provisions kept against classified loans	563.07	490.16
13	Provision surplus against classified loan	179.89	58.41
14	Cost of fund	10.60%	10.89%
15	Interest earnings assets	67,330.44	65,975.88
16	Non-interest earnings assets	1,388.11	1,211.97
17	Return on investment (ROI)	1.43%	1.52%
18	Return on assets (ROA)	1.40%	1.50%
19	Income from investment	1,005.73	809.11
20	Earnings Per Share (EPS)	4.69	4.97
21	Net income per share	4.69	4.97
22	Market price per share	34.60	38.90
23	Price earnings (PE) ratio	7.38	7.82



**DBH Finance PLC.
Islamic Financing Wing (IFW)
Balance sheet
As at Dec 31, 2025**

Particulars	Note	Amount in Taka	
		As on Dec 31, 2025	As on Dec 31, 2024
<u>Property & Assets</u>			
Cash		62,558,904	33,000,000
In Hand		-	-
Balance with BB and agent Bank	3	62,558,904	33,000,000
Balance with other Banks and Financial Institutions	4	1,589,854,855	272,657,771
In Bangladesh		1,589,854,855	272,657,771
Outside Bangladesh		-	-
Placement with Banks & other financial institutions	5	-	-
Investments in securities	6	-	-
Government		-	-
Others		-	-
Investments in HPSM	7	4,369,001,629	2,672,670,804
Fixed Assets	8	-	-
Other assets	9	-	1,753,390
Total Assets		6,021,415,388	2,980,081,965
<u>Liabilities and Capital</u>			
Liabilities			
Placement from Banks and other Financial Institutions	10	1,200,000,000	175,000,000
Mudaraba Term Deposits and Other accounts	11	4,545,321,326	2,670,527,419
Bank & FI		400,000,000	412,675,556
Other Deposits		4,145,321,326	2,257,851,863
Other liabilities	12	191,677,520	100,132,832
Total liabilities		5,936,998,846	2,945,660,251
Shareholders' Equity			
Share capital		-	-
Share premium		-	-
Statutory reserve		-	-
Other reserve		-	-
Retained earnings		84,416,542	34,421,713
Total Equity		84,416,542	34,421,713
Total liabilities and shareholders equity		6,021,415,388	2,980,081,965



**DBH Finance PLC.
Islamic Financing Wing (IFW)
Profit and Loss Account
For the period ended Dec 31, 2025**

Particulars	Note	Amount in Taka	
		2025	2024
Operating income			
Investment Income	13	670,527,627	280,153,036
Profit and other expenses distributed on Deposits and placements	14	557,691,126	228,395,417
Net Investment Income		112,836,501	51,757,619
Fees and misc. reimbursement investment in HPSM	15	21,685,340	19,548,736
Other Operating income	16	562,085	687,023
<i>Total operating income</i>		135,083,926	71,993,378
Operating expenses			
Salary and allowances	17	11,060,724	2,553,100
Rent, taxes, insurance, electricity etc.	18	-	-
Legal & professional expenses	19	-	-
Postage, stamp, telecommunication etc.	20	-	-
Stationery, printing advertisement etc.	21	573,920	797,481
Shariah Supervisory Committee's fee	22	101,200	125,504
Auditors fees	23	-	-
Depreciation repair & maintenance exp.	24	-	33,220
Other expenses	25	449,670	322,383
<i>Total operating expenses</i>		12,185,514	3,831,688
Operating profit before provision		122,898,412	68,161,690
Provision for			
Provision for investments		26,816,679	17,099,673
Provision for other assets		-	-
Diminution in value of investment in securities		-	-
Total provision		26,816,679	17,099,673
Pre-tax profit		96,081,733	51,062,017
Provision for tax			
Current		46,744,426	25,963,854
Deferred		(657,521)	(403,228)
		46,086,905	25,560,626
Profit after tax		49,994,828	25,501,391
Appropriation			
Statutory reserve		-	-
General reserve		-	-
Contingency reserve		-	-
Interim Dividend or ordinary dividend		-	-
Transfer to Dividend Equilisation Fund		-	-
Total appropriations		-	-
Retained surplus		49,994,828	25,501,391



**DBH Finance PLC.
Islamic Finance Wing (IFW)
Notes to the Financial Statements
For the year ended on 31 December 2025**

1.0 About Islamic Financing Wing**1.01 Status of the Wing**

DBH Finance PLC operates an Islamic Financing Wing (IFW) offering Shariah-compliant financing and deposit products including Hire Purchase under Shirkatul Meelk (HPSM) and Mudaraba deposit schemes. The operations of IFW are conducted under the approval and supervision of Bangladesh Bank. The company obtained permission from Bangladesh Bank to operate Islamic Finance Wing on 10 April 2023 vide letter No.-DFIM (L)1053/46/2023-1298. It started its operation of Islamic Finance Wing on 07 May 2023.

The Islamic Financing Wing maintains a separate Shariah Supervisory Committee (SSC) which oversees compliance with Islamic Shariah principles, product structure, documentation, and operational practices.

1.02 Principal activities and nature of operation

The Islamic Finance Wing of DBH Finance PLC is dedicated to delivering Shariah-compliant financial solutions through a separate operational and governance framework. Its principal activities include offering home investment product under Hire Purchase Shirkatul Meelk (HPSM), mobilizing deposits through Mudaraba-based schemes, and managing profit distribution in accordance with predetermined Income Sharing Ratios. The Wing conducts its financing, deposit mobilization, and treasury placements strictly within Shariah principles, supported by segregated systems, dedicated personnel, and independent oversight. Through these activities, the Islamic Finance Wing aims to expand access to ethical, asset-backed housing finance and responsible investment opportunities for its customers.

To ensure compliance with Islamic governance standards:

- Islamic funds are maintained separately from conventional funds;
- Dedicated Mudaraba Special Notice Deposit (MSND) accounts are operated with an Islamic bank
- Dedicated Current account is maintained with Bangladesh Bank for maintaining balance as per CRR regulation of Bangladesh Bank
- Separate general ledger and accounting systems (i-CBS) are maintained for Islamic operations
- Separate Product Program Guidelines (PPGs), SOPs, and operational approvals govern IFW activity.

The IFW prepares separate schedules of assets, liabilities, revenue, and expenses for reporting and audit purposes.

2.0 Significant accounting policies and methods of preparation:**2.1 Basis of Accounting & Reporting Framework:**

The financial statements of the IFW are prepared

- In accordance with International Financial Reporting Standards (IFRS) as adopted locally, including IFRS 9, IFRS 15, IAS 1 and IAS 32;
- With reference to AAOIFI Financial Accounting Standards applicable to Islamic modes of financing and deposit structures
- and in compliance with Bangladesh Bank Islamic banking guidelines

Where differences exist between IFRS measurement requirements and Shariah contractual form, the IFW structures contracts to ensure Shariah compliance, while measurement and recognition criteria follow IFRS unless contradictory to Shariah.

2.2 Recognition of Income from HPSM Financing:

Under HPSM financing arrangements:

- Income is recognized on an accrual basis consistent with IFRS 9 effective profit method and AAOIFI principles regarding deferred profit;
- No rental income is collected during construction or grace periods
- Profit attributable to the construction period is accrued as unearned income
- Upon completion, accrued profit is realized either
 - > in a lump sum, in which case risk premium is waived; or
 - > spread evenly over the remaining tenure



Financing assets are subject to provisions as per NPL guidelines of Bangladesh Bank and NPL policy of DBH. Income is not recognized on non-performing assets beyond Bangladesh Bank permitted boundaries

2.3 Deposit and Allocation of cost of deposit

The Islamic Finance Wing of DBH Finance PLC mobilizes deposits through Shariah-compliant Mudaraba schemes, under which depositors participate as Rabb-ul-Mal and share in the income generated from Shariah-based financing activities. Returns to depositors are not predetermined; rather, they are allocated based on pre-agreed Income Sharing Ratios (ISR) that reflect the respective roles and risk exposures of the parties. Funds collected through these schemes are pooled and invested exclusively in permissible asset-backed transactions, and the resulting income rate is distributed after necessary provisions and allocations, including adjustments to the Profit Equalization Fund where applicable as per the agreed ISR ratio. This framework ensures transparency and fairness while maintaining adherence to Islamic principles in managing depositors' funds.

ISR varies from time to time based on market scenario. In earlier of 2025, ISR was 76% to 80% which is now

2.4 Cost Recognition Principal

The Islamic Finance Wing recognizes costs on an accrual basis, whereby expenses are charged monthly in the period in which they are incurred. Direct costs attributable to IFW operations—including personnel expenses of dedicated Islamic staff, and direct operating costs such as stationery, printing, legal and documentation fees, bank charges, training, stamp duties, and advertising—are charged to the Wing's accounts as they arise. No indirect cost allocations are made for shared resources, as employees engaged in conventional operations, including loan and deposit sales personnel and other support functions, provide assistance to the Wing without cost attribution. The only indirect charge applied is the incentive bonus payable to all employees, which is calculated at 5% of profit before tax and allocated to the IFW accordingly. This approach ensures that costs recognized reflect the true direct expenditure of the Islamic operations while maintaining transparency and fairness in shared service arrangements.

2.5 Late payment compensation charge

Late payment charges collected from clients are not recognized as income. Such charges are credited to a Compensation Realized Charity Account. These funds will be used solely for CSR / charitable purposes; the funds cannot be used for operational or shareholder benefit. This treatment is in line with Shariah prohibitions on Riba and IFRS liability recognition.



DBH Finance PLC.
Islamic Financing Wing (IFW)
Notes to the Financial Statements
As at 31 December 2025

	31 December 2025	31 December 2024
3 Balance with Bangladesh Bank and its agent banks		
Bangladesh Bank - Al Wadiah Current Account	62,558,904	33,000,000
BB FX deposit	-	-
Sonali Bank	-	-
	62,558,904	33,000,000
4 Balance with other bank and financial institutions		
In Bangladesh		
Current deposits & STD		
Export Import Bank of Bangladesh PLC(Proposed: Shommilito Islami Bank PLC)	-	519,045
Dhaka Bank PLC	127,719	441,592
NRB Bank PLC	4,715,169	4,138,320
Standard Chartered Bank	20,092,952	3,302,596
Meghna Bank PLC	451,374,107	-
Al-Arafah Bank PLC	66,256,751	160,397,270
Standard Bank PLC	1,047,288,157	103,858,948
	1,589,854,855	272,657,771
5 Placement with Banks & other financial institutions	-	-
6 Investments in securities		
<i>Government securities:</i>		
Bangladesh Government Islamic Investment Bond	-	-
<i>Other investments:</i>		
Investment Sukuk	-	-
Mudaraba Bond	-	-
	-	-
7 Investments in HPSM		
Inside Bangladesh		
Investment in HPSM	4,369,001,629	2,672,670,804
Out side Bangladesh	-	-
	4,369,001,629	2,672,670,804
7.1 HPSM Investment		
Housing Finance		
Opening balance	2,672,670,804	961,340,485
Disbursement during the year	2,475,015,244	1,990,609,446
	5,147,686,048	2,951,949,931
Realization during the year	778,684,419	279,279,127
Closing balance	4,369,001,629	2,672,670,804
8 Fixed assets		
Cost		
Balance as of 01 January	-	-
Addition during the year	-	-
Disposal/Adjustments	-	-
Balance as of 31 December	-	-
Depreciation		
Balance as of 01 January	-	-
Addition during the year	-	-
Disposal/Adjustments	-	-
Balance as of 31 December	-	-
Written down value	-	-
9 Other Assets		
Accounts receivable	-	1,753,390
Advance deposit and prepayments	-	-
Deferred tax assets	-	-
Stamps & Pay order	-	-
	-	1,753,390
9.1 Accounts receivable		
Profit Receivable on BGIB	-	-
Grace Period Profit Receivable	-	-
Coupon Profit/Rent Receivable on Investment Sukuk	-	-
Profit receivable on SND accounts	-	1,753,390
	-	1,753,390
9.2 Advance deposits and prepayments		
Prepaid expenses	-	-
Advance to supplier	-	-
Security deposits	-	-
Stamps & Pay order	-	-
	-	-



	31 December 2025	31 December 2024
10 Placement from banks & other financial institutions		
Inside Bangladesh		
Short Term Placement-MST	1,200,000,000	175,000,000
Treasury Line	-	-
Bank overdraft	-	-
	1,200,000,000	175,000,000
Total Inside Bangladesh	1,200,000,000	175,000,000
Outside Bangladesh	-	-
	1,200,000,000	175,000,000
11 Mudaraba Term Deposits and Other accounts		
Opening balance	2,670,527,419	1,120,697,643
New deposits	9,988,987,333	5,499,136,619
Repayment	(8,114,193,426)	(3,949,306,843)
Balance	4,545,321,326	2,670,527,419
12 Other liabilities		
Provision for Finance (12.1)	53,543,387	26,726,708
Provision for income tax (12.2)	22,914,808	15,090,059
Profit/Rent suspense (12.3)	980,216	-
Other payables (12.4)	114,239,109	58,316,065
	191,677,520	100,132,832
12.1 Provision for investment		
1% General provision	43,690,016	26,726,708
Specific provision	9,853,371	-
	53,543,387	26,726,708
12.2 Provision For Taxation:		
Opening balance	15,090,059	-
Addition during the period	46,744,426	25,963,854
Advance tax paid	(38,919,677)	(10,873,795)
Tax payable/ (receivable)	22,914,808	15,090,059
12.3 Profit/Rent suspense	980,216	-
12.4 Other payables		
Profit Payable on Short Term Placement	2,833,333	177,153
Profit payable-deposit	80,652,686	40,531,276
Privileged creditor	6,928,181	2,921,732
Incentive provision	4,804,086	2,553,100
Profit Equalization Fund	1,670,889	1,497,948
Unclaimed instrument	569,545	484,378
Payable to clients	15,566,988	9,322,289
Deferred Tax current Liability/(Asset)	-	657,521
HPSM Compensation/ Realized Charity A/C	1,213,401	170,668
	114,239,109	58,316,065



DBH Finance PLC.
Islamic Financing Wing (IFW)
Notes to the Financial Statements
For the year ended 31 December 2025

	2025	2024
13 Investment income		
Investment income on HPSM	477,684,757	228,157,115
Investment income on MTDR	-	-
Investment income on STD	192,842,870	45,970,921
Investment income on placement with other Bank/FI	-	6,025,000
	<u>670,527,627</u>	<u>280,153,036</u>
14 Profit and other expenses distributed on Deposits and placements		
Profit distributed on short term placement from other Bank/FI	-	-
Profit distributed on Treasury line Placement/Deposit	139,365,764	25,540,736
Profit distributed on Mudaraba Bond	-	-
Profit on Treasury Funding	139,365,764	25,540,736
Profit distributed on term investment	-	-
Profit distributed on Term Deposit (Treasury)	50,615,671	17,742,409
Profit distributed on term deposit	367,709,691	185,112,272
	<u>557,691,126</u>	<u>228,395,417</u>
15 Commission exchange and brokerage		
Application Fees	-	-
Other fees	-	-
Investment processing fees	17,655,729	15,757,800
Stamp Charges.	531,801	485,175
CIB Charges.	165,604	157,500
Legal & Valuation Fees.	3,332,206	3,148,261
Prepayment charge	-	-
	<u>21,685,340</u>	<u>19,548,736</u>
16 Other operating income		
Property Service charge	535,274	632,663
Other receipts	26,811	54,360
	<u>562,085</u>	<u>687,023</u>
17 Salary and allowances		
Salary and allowances	6,256,638	-
Utility Expenses	-	-
Employee welfare Reimbursement	-	-
Incentive Bonus	4,804,086	2,553,100
Leave fare assistance	-	-
Other Allowance	-	-
	<u>11,060,724</u>	<u>2,553,100</u>
18 Rent, taxes, insurance, electricity etc.		
Rent, rate & taxes	-	-
Insurance	-	-
Electricity	-	-
Water	-	-
	<u>-</u>	<u>-</u>



	2025	2024
19 Legal & Professional expenses		
Other professional Fees	-	-
Law fees & expenses	-	-
	-	-
20 Postage, stamps and telecommunication		
Postage & courier service	-	-
Stamp expenses	-	-
Telephone & internet	-	-
	-	-
21 Stationery, printing, advertising etc.		
Printing	-	-
Stationery	-	-
Publicity and advertisement	573,920	797,481
	573,920	797,481
22 Shariah Supervisory Committee's fee		
Honorarium for attending meetings	96,400	99,200
Incidental expenses for attending meeting	4,800	26,304
	101,200	125,504
23 Auditors' fees		
Statutory annual audit fees(including VAT)	-	-
	-	-
24 Depreciation, repair & maintenance		
Freehold assets	-	-
Leasehold assets	-	-
Intangible assets	-	-
	-	-
Repair & maintenance		
Vehicle	-	-
Office equipment and premises	-	33,220
Computer hardware and software	-	-
	-	33,220
25 Other expenses		
Staff training & recruitment expenses	24,055	47,217
Transportation, travelling & conveyance	-	-
Canteen expense	21,626	3,193
Business promotion & entertainment	96,000	-
Referral Commission	-	-
Recovery expenses	-	-
Car Fuel	-	-
Bank charges	307,989	271,973
	449,670	322,383

