Annual Report 2016



National Housing
EQUAL HOUSING LENDER

National Housing Finance And Investments Limited

Table of Contents

Notice of the 18th Annual General Meeting	02
Corporate Information & Key Milestones	03
Our Vision & Goal	04
Our Mission & Core Values	05
Our Objectives	06
Code of Conduct & Ethical Principals	07
Corporate Social Responsibility	08
Products & Services	09
Our Departments	10
Shareholding Structure	11
Director's Profiles	12
Bankers	19
Management Team	20
Outstanding Portfolio	22
Financial Highlights	23
Sectoral Portfolio	24
Value Added Statement	25
Economic Value Added Statement	26
Market Value Added (MVA) Statement	27
Portfolio Mix	28
Message from the Chairman	30
Message from the Managing Director	32
Directors' Report to the Shareholders	35
Audit Committee Report	42
Treasury Operation	43
Report on Corporate Governance	46
Report on Financial Statements by Managing Director/CEO and CFO	64
Certificate on Compliance of Corporate Governance Guideline	65
Auditors' Report	66
Balance Sheet	69
Profit and Loss Account	71
Cash Flows Statement	72
Statement of Change in Equity	73
Liquidity Statement	74
Notes to the Financial Statements	75
Occasions and Events	109
Proxy Form	113

Notice Of The 18th Annual General Meeting

Notice is hereby given that the 18th Annual General Meeting of National Housing Finance And Investments Limited will be held at Eagle Hall, RAOWA Convention Hall, VIP Road, Mohakhali, Dhaka-1206 on Thursday, 11th May, 2017 at 11.00 a.m. to transact the following business:

Agenda

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31 December, 2016 together with reports of the Auditors.
2. Declaration of dividend for the year ended 31 December, 2016
3. To elect Directors in accordance with the relevant provisions of the Articles of Association of the Company.
4. To appoint Auditors and fix their remuneration for the year 2017.

By order of the Board

(Md. Sarwar Kamal, FCS)
Company Secretary
Dated: April 04, 2017

Notes:

i) The record date will be 25 April, 2017 to determine the rights of Shareholders to current dividend and to attend & vote at the meeting.

ii) Pursuant to Section 85 of the Companies Act, 1994, the Company gives notice that only the shareholders whose names are entered on the Register or Depository Register of Shareholders on record date will be entitled to attend and vote at the meeting and at any adjournment thereof.

iii) A shareholder may, as per Article 98 of the Articles of Association of the Company, appoint Proxy to attend and on a pool, to vote instead of him/her. The instrument appointing a proxy and the Power of Attorney, where applicable, must be deposited at the Corporate Office at least 48 hours before the time of holding the meeting. The Proxy Form must be affixed with revenue stamps of Tk. 20.00.

iv) Members are requested to notify change of address, if any, through their respective Depository Participants well in time.

v) The members are requested to update their respective BO Accounts with 12 digits e-TIN number before the Record Date. If any shareholder fails to update his/her BO Account with e-TIN disbursement of his/her dividend will be subject to deduction of Advance Income Tax (AIT) 15% instead of 10% (for individual) as per Section 54 of the amended Income Tax Ordinance, 1984.

vi) For convenience, the Shareholders/Proxy is requested to record their entry at the entrance of the AGM on 11th May, 2017 in between 9.00 a.m. to 11.00 a.m.

N.B: In compliance with the Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009 -193/154 dated October 24, 2013, no Gift/Gift Coupon/Food Box shall be distributed at the AGM.

Corporate Information & Key Milestones

Registered Name	: National Housing Finance and Investments Limited
Legal Form	: Public Limited Company under Companies Act, 1994
Incorporated on	: August 18, 1998
Registration Number	: C-36097(397)/98
Authorized Capital	: BDT 2,000 Million
Paid-up Capital	: BDT 1,063.92 Million
Certificate of Commencement	: August 18, 1998
Date of Bangladesh Bank License	: December 29, 1998
First Mortgage Loan	: June 16, 1999
Opening of Motijheel Branch	: August 18, 2001
First Lease Finance	: February 22, 2004
Opening of Chittagong Branch	: April 06, 2004
Opening of Gulshan Branch	: June 01, 2004
Date of Listing:-	
Dhaka Stock Exchange	: December 23, 2008
Chittagong Stock Exchange	: November 11, 2008
Opening of Bogra Branch	: April 19, 2009
Opening of Rangpur Branch	: October 16, 2014
Opening of Principal Branch	: March 22, 2016

Registered office:
National Plaza (7th & 8th Floor), 109, Bir Uttam C.R Datta Road (Ex-Sanargaon Road), Dhaka-1205
Tel: 9670612-4, 9677181-2, 9669800 Fax: 88-02-9671016

Corporate Head Office :
Concord Baksh Tower (7th Floor), Plot # 11-A, Road # 48, Block # CWN(A), Gulshan-2, Dhaka-1212
Tel : +88 09609 200555, Fax : 88-02-58811652

Web: www.nationalhousingbd.com
E-mail: info@nationalhousingbd.com

Auditors:
Howlader Yunus & Co.
Chartered Accountants
House: 14 (14 th Floor), Road: 16/A, Gulshan-1, Dhaka-1212

Governance Compliance Auditor
SA Rashid & Associates
Chartered Secretary in Practice
Noakhali Tower (10th Floor, 11-F), 55/B Purana Paltan, Dhaka-1000

Legal Advisor:
Barrister Masudur Rahman, (Masudur Rahman & Associates), Barrister ASM Abdur Razzaque, (Abdur Razzaque & Associates), Barrister Monzur Alam Khan (Legal Professional), Barrister Nuruzzaman (Justiciars), Advocate Abdul Kuddus, (Law and Remedy)

Membership:
Bangladesh Leasing & Finance Companies Association (BLFCA)
Metropolitan Chamber of Commerce & Industry (MCCI)
International Chamber of Commerce- Bangladesh (ICC- Bangladesh)
Bangladesh Association of Publicly Listed Companies (BAPLC)

Our Vision

Become the role-model financial institution with a keen sense of corporate social responsibility through maintaining the highest standards of business ethics . In doing so, the Company would add value to the wealth of the customers, employees, shareholders and society as a whole.

Our Goal

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

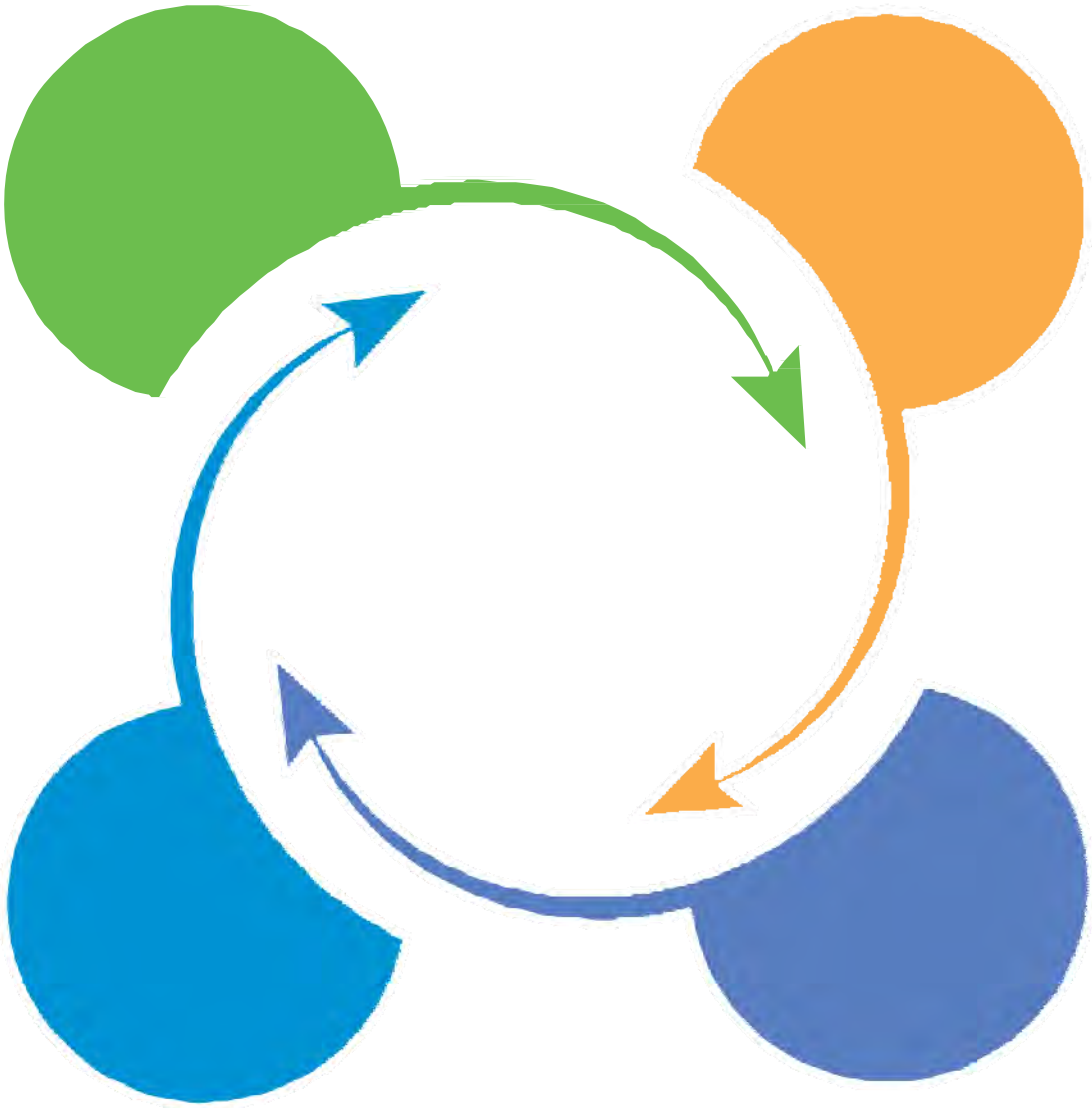
Our Mission

Be equal Housing Lender to all, irrespective of caste, creed and sex. Provide quality services with care and sophisticated technology, Create innovative products to cater to the requirement of the competitive marker. Build a high quality employee team by providing job satisfaction and prospect of out-standing career development. Maximize steady return on shareholders' equity by quality investment of funds.

Our Core Values

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

Our Objectives



Code of Conduct and Ethical Principles

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



Corporate Social Responsibility



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

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

- National Housing Finance has donated to Dhaka Shishu Hospital to help poor patient.
- National Housing Finance has provided 5,552 Home Mortgage Loans over the years at comparatively low interest rate on reasonable terms and for long durations.
- A good number of clients got waiver of interest due to their inability to pay the loan because of permanent disability or through death, furthermore, their loans are reschedule for reasonable durations with installments commensurate with their ability to pay their loans.
- National Housing is always strict on principle about not providing any lease/loan facilities for any environmentally hazardous or child labor oriented Company.

Products & Services

Home Mortgage Loan

- Purchase of apartment or house
- Self construction of own home / group home
- Renovation of existing house / apartment
- Housing plot purchase
- Commercial space and chamber of professionals
- Any purpose mortgage loan

Project Mortgage Loan

- Project mortgage loan for property development

Lease Finance

- Acquisition of industrial machineries, equipment, generator, power plant etc.
- Car purchase
- Medical / Hospital equipments

Term Loan for Industries

- Work order finance
- Factoring

SME Finance

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

Deposit Schemes with Attractive Return

- Term Deposit Account
- Double Money Account
- Triple Money Account
- Income Account
- Monthly Savings Scheme (MSS)
- Millionaire Savings Account

Our Departments



Shareholding Structure

Sponsor Shareholders	**81.64%**
- IFIC Bank Limited	
- National Bank Limited	
- United Commercial Bank Limited	
Insurance Companies	**33.15%**
- Eastern Insurance Company Limited	
- Eastland Insurance Company Limited	
- Jiban Bima Corporation	
- National Life Insurance Company Limited	
- Pragati Insurance Limited	
- Reliance Insurance Limited	
- Sadharan Bima Corporation	
Local Corporate / Business Group	**27.64%**
- Bangladesh Lamps Limited	
- Borak Travels (Pvt.) Limited	
- HRC Bangladesh Limited	
- Shaw Wallace Bangladesh Limited	
- Square Pharmaceuticals Limited	
- Unicorn Equities Limited	
Non-Residential Bangladeshi Investors	**6.70%**
- Overseas Investors Forum (UK)	
- Overseas Investors Forum (Zambia)	
General Shareholders	**18.36%**



Mr. Latifur Rahman
Chairman
Representing Bangladesh Lamps Limited

Mr. Latifur Rahman is the Chairman and CEO of Transcom Group, with annual turnover of around Taka 4800 crores, employing over 14000 people. The business originated with tea plantations in 1885.

Group companies dealing with beverages (Pepsi), snacks/breakfast cereals (Kurkure/Quaker) pharmaceuticals (SK+F, Novo Nordisk), electronics/lighting (TRANSTEC, SAMSUNG, Whirlpool, Hitachi), distribution (Heinz, Garnier, L'Oréal, Mars, Energizer, ConAgra), Restaurants (Pizza Hut/KFC), newspapers/FM Radio (The Daily Star, Prothom Alo, ABC Radio), Tea Plantations.

Transcom is an important stakeholder in General Insurance (Reliance Insurance Limited), housing finance (National Housing Finance and Investments Limited), non-banking financial institution (IDLC Finance Limited) and banking (Pubali Bank Limited).

Mr. Latifur Rahman has been elected as a Member of the Executive Board of International Chamber of Commerce, Paris. He is also the Vice-President of International Chamber of Commerce – Bangladesh.

Mr. Rahman is a former President of Metropolitan Chamber of Commerce & Industry, the position he held for seven terms and also a former President of Bangladesh Employers' Federation (two terms).

Mr. Latifur Rahman is a member of the Governing Body of BRAC – the largest NGO in the world.

Mr. Rahman was Chairman, Bangladesh Government's Tradebody Reforms Committee and member Bangladesh Better Business Forum, Advisory Committee on WTO. He was Member of the Executive Board of Bangladesh Bank (Central Bank).

Mr. Latifur Rahman is an Honoree of **'Oslo Business for Peace Award 2012'** and was awarded Business Executive of the Year 2001 by the American Chamber of Commerce in Bangladesh.



Mr. Mahbubur Rahman

Director
Representing Eastland Insurance Co. Ltd.

Mr. MAHBUBUR RAHMAN is the President of International Chamber of Commerce (ICC) – Bangladesh, The world business organization having its presence in 130 countries around the world.

Mr. Rahman is the Chairman & CEO of ETBL Holdings Limited - a conglomerate of 7 (Seven) wholly owned commercial & industrial affiliates and stake holder of 4 (Four) PLCs. He is the Founder Chairman of Eastland Insurance Co. Ltd., Bangladesh International Arbitration Centre (BIAC) – The Institution for Alternative Dispute Resolution and International Publications Limited (Publishers of The Financial Express – The National English Financial Daily).

Currently, Mr. Rahman is a Founder Member of Business Advisory Council (EBAC) of UN-ESCAP (United Nations Economic & Social Commission for Asia & the Pacific); Vice Chairman of Bangladesh Foreign Trade Institute (BFTI), Member of the Board of Governors of Institute of Business Administration (IBA) of the University of Dhaka, Founder Member of the Independent University Bangladesh (IUB) and a Board Director of Karnaphuli Fertilizer Co. Ltd. (KAFCO).

Mr. Rahman was the President of the Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) -- The Apex National Chamber of Bangladesh (1992-1994), The Dhaka Chamber of Commerce & Industry (DCCI) -- The Premier Chamber of the country (1985-86 and 1991-92), Founder Vice President (1993-95) of 8-Nation SAARC Chamber of Commerce and Vice President (West Asia) of 57-nation Islamic Chamber of Commerce in 1993-95.

During 1972-79, Mr. Rahman represented Government of Sri Lanka in Bangladesh before Colombo setup its Diplomatic Mission in Dhaka. He was a Founder Director and Chairman of National Bank Limited Former Board Member of BIMAN-Bangladesh Airlines, The Dhaka Stock Exchange and Member of the Board of Governors of Bangladesh Open University (BOU).

Mr. Rahman was awarded **The Lifetime Achievement Award** in 2012, by the "DHL-The Daily Star" sponsored most prestigious 'Bangladesh Business Award'.

Mr. Rahman was honoured as a **"Presidential Friend of Indonesia"** in 2012 at its 67th Independence Day in Jakarta by the President His Excellency Mr. Susilo Bambang Yodyono of Indonesia.

Mr. Rahman has been honoured by The Daily Star as eminent personalities for **Lifetime Contribution to Nation-Building in 2016.**

He hosted several International Business & Economic Events in Dhaka attended by Heads of many multi-lateral Agencies as well as Heads of Governments & led many Trade & Investment Delegations to a number of overseas destinations including heading a few Business Delegations as entourages of the President/Prime Minister of Bangladesh.



Mr. M Nurul Alam
Director
Representing Shaw Wallace Bangladesh Ltd.

Mr. M Nurul Alam is the Managing Director of Shaw Wallace Bangladesh Ltd and Nominated Director of Shaw Wallace Bangladesh Limited on the Board of National Housing Finance And Investments Ltd. He is also Managing Director of SW Shipping Ltd. and Director of SW Multimedia Ltd.

Mr. Alam had previously served various foreign and multinational companies including James Finlay PLC, P&O Nedlloyd Bangladesh Limited and Maersk Bangladesh Limited before joining Shaw Wallace in February 2008.

Mr. Alam took his Honours and Masters degrees in Economics from Chittagong University and later did MBA (major in Finance) from Institute of Business Administration, Dhaka University.



Mr. Md. Kabir Reza FCMA
Director
Representing Square Pharmaceuticals Ltd.

Md. Kabir Reza is the Executive Director (A&F) of Square Pharmaceuticals Ltd. and Managing Director of United Financial Trading Company Limited. He is a Fellow member of Institute of Cost and Management Accountant. He obtained B.Com (Hons.) M. Com. from Rajshahi University.

Mr. Reza started his career with Rafkhat Group of companies as an Assistant Manager (Accounts) from 1991 to 1993. Then he took the responsibility of chief accountant of Bangladesh Engineering & Technological Services limited during the period from 1993 to 1995. At the height of his professional career, he became the director of Accounts and Finance of Square Pharmaceuticals Limited on the year 2000. In addition to that he is a Director of Strategic Equity Management Limited (Asset Mgt. Company), Eastern Logistic Services Limited.



Mr. Syed Ali Jowher Rizvi
Director

Mr. Jowher Rizvi, Director and Chairman Executive Committee of NHFIL completed his MBA degree in International Finance and Accounting from Indiana University, USA. He also earned MA in Economics with Honors from Dhaka University.

Mr. Rizvi started his professional career with Bank of Credit and Commerce International (BCCI) in 1977 and at the same time was engaged with Institute of Business Administration (IBA) as a part time (Honorary) Lecturer. From 1991 to 1997, he served Union Bank Zambia Ltd., Zambia as its founder Managing Director. Returning to Bangladesh he established Alliance Holdings Limited (AHL) and started his journey as an entrepreneur. In 1997, along with his friend Mr. Muhammed Aziz Khan of Summit Group, he entered the Off-Dock business where Mr. Rizvi has since served as the Managing Director of Ocean Containers Limited (later on merged with Summit Alliance Port Limited). Subsequently in 2003, the two sponsors jointly made another valuable addition to the expanding Off-Dock industry of the Country by establishing Summit Alliance Port Limited (SAPL). SAPL is listed with the two major bourses of the country.

Mr. Rizvi, through AHL has substantial investments in Off-Docks, Textile, Garments, Prefabricated Steel Building Manufacturing, Real Estate Development, Financial Institutions, Lubricant Blending and Pharmaceutical etc. In spite of his busy schedule, he still finds time to pursue his favorite passion and teaches on part time (Honorary) basis at different educational institutions of the country including National Defense College (NDC).



Mr. Muminul Haque Chowdhury
Director
Representing Borak Travels (Pvt.) Limited

Mr. Muminul Haque Chowdhury holds an M.S. in Economics from University of Darmstadt of New York. He also holds a Post Graduate Diploma in Energy Management from the State University of New York.

His area of specialization includes Business Administration, Negotiation, Financial and Economic Analysis, Monitoring and overall Management. Mr. Chowdhury is also an Advisor of Unique Group of Companies Limited. He has actively participated in many professional seminars at home and abroad.



Mr. Akhtar Ahmed
Director
Representing Reliance Insurance Ltd

After completing B.A. (Honors) and M.A. from Dhaka University in 1970, Mr. Akhtar Ahmed joined Eastern Federal Union Insurance Company, the largest insurance company in the then Pakistan, as an Executive Officer. Following the nationalization of insurance industry in Bangladesh in 1972, his services were absorbed in Sadharan Bima Corporation.

In 1981 he joined Asian Reinsurance Corporation and served there in various Managerial position till 1989. In 1989 he joined Arab Insurance Group, the largest insurance organization of the Middle East and served for 14 years in various positions as Chief Manager, Regional General Manager and Chief Executive of its Far East operations, based in Hong Kong and Kuala Lumpur.

Mr. Ahmed returned back home in 2003 and served as Managing Director of Sadharan Bima Corporation till February 2004. In 2005 he completed an assignment as Consultant to KPMG, Abu Dhabi, on a project for setting up a large reinsurance company in the Middle East. Mr. Ahmed is Advisor of Reliance Insurance Ltd.

Mr. Ahmed is an Associate of Chartered Insurance Institute, UK.



Mr. Md. Manirul Islam
Director
Representing Pragati Insurance Ltd

Mr. Md. Manirul Islam is working with Pragati Insurance Limited as Managing Director and CEO since 1st October, 2012. He obtained B.Com (Honors) and M.Com from Dhaka University in 1976, Mr. Md. Manirul Islam joined Sadharan Bima Corporation in May 1981 as a Trainee Officer and after successful completion of the probation period he was absorbed as 'Deputy Manager'. He also obtained BIA Diploma from Bangladesh Insurance Academy in the year 1985. He retired voluntarily from Sadharan Bima Corporation on 30 th September, 2012 as General Manager.

Mr. Islam is associated with various social organizations. He is a councilor of Bangladesh Football Federation (BFF). He was also a councilor and Member of the Finance Committee of Bangladesh Cricket Board (BCB).

Mr. Ahmed is an Associate of Chartered Insurance Institute, UK.



Mr. Azmal Hossain
Director
Representing Eastern Insurance Co. Ltd.

Mr. Azmal Hossain, Director of National Housing Finance and Investments Limited and Vice Chairman of Eastern Insurance Co. Ltd. He is also Managing Director of Hashem Paper Mills Ltd. He has been involved in manufacturing of electric goods, paper, housing beside insurance.



Mr. A F M Shariful Islam
Director
Representing National Bank Limited

Mr. AFM Shariful Islam is the Managing Director of National Bank Limited with 25 years' practical experience in banking. His varied and diversified exposures on different more than aspects of Core Banking Operations have endowed him with a sound and matured professional background about the overall financial dynamics. He has been instrumental in creating an environment for learning, sharing and expanding coverage of financial services and adopting an unified regional strategy for profitable deployment of products offerings, enhancing market share and taking initiatives in the key areas which are crucial catalysts to dominate the future of the financial services industry.

Mr. Islam started his banking career in AB Bank Limited in October, 1986 as Probationary Officer and completed M.A. in Economics from Rajshahi University. He spent above 22 years with AB Bank Ltd, Dhaka Bank Ltd, Prime Bank Ltd, SIBL and Southeast Bank Ltd. holding important positions at branch offices and Head Office. Mr. Islam had been a regular Guest Speaker at Bangladesh Institute of Bank Management, Mirpur, Dhaka. He is married fathering three daughters.



Syed Tanveer Hussain
Independent Director

Syed Tanveer Hussain is a retired senior bureaucrat with more than 35 years experience in Government. After retiring, he now heads "The Climate Change Company", a climate and environmental services company.

Mr. Hussain has held the post of Secretary in several key ministries such as Housing and Public Works Ministry, Textile, Planning, the last being as Secretary, Ministry of Environment and Forests.

In 2001, Mr. Hussain was the National Censes Commissioner and conducted the national census for that year. Prior to his being Secretary Mr. Hussain was the Chief Controller of Insurance.



Professor Imran Rahman
Independent Director

Professor Imran Rahman is the Acting Vice Chancellor of the University of Liberal Arts Bangladesh (ULAB). He has thirty years of teaching experience, including twenty-two years at the Institute of Business Administrtion (IBA) as a teacher of investments, capital markets and corporate finance, in the MBA and BBA Programs.

He ran a merchant bank for six years in the 1990s, and has twenty five years of corporate consulting experience at home and in the UK. Professor Rahman was a doctoral researcher in finance at the Manchester Business School in the mid eighties. He has a MBA from IBA and a B.Sc. in Economics from the London School of Economics and Political Science.



Mr. Imtiaz Mahmood
Independent Director

Mr. Imtiaz Mahmood is a reputed Lawyer of Bangladesh Supreme Court. He has expertise in Company Law matters. He obtained his LL.B (Hon's) from University of London UK in 1993.

He started his legal career as an Associate of House of Law, Barrister, Solicitors, Advocate and Tax consultant. Later he worked as an Associate, in Dr. Kamal Hossain & Associates from September 1996 to May 2000. At present he is a partner of Mahmood Jabbar Khan, Barrister & Advocates, Dhaka.

Mr. Mahmood has experience in handling Legal matters of Direct Foreign Investment, Petroleum, Mineral Resources, Power, Telecommunication and in Commercial Arbitration both Foreign and Local including ICC.



Mr. Md. Khalilur Rahman
Managing Director

Mr. Md. Khalilur Rahman joined as Managing Director of National Housing Finance And Investments Ltd. (NHFIL) in February 2015. Prior to join as Managing Director he was Additional Managing Director of NHFIL from October 2013.

Mr. Rahman has more than 36 years experience in various Banks & NBFIs at home and abroad. He started his career with Bangladesh Shilpa Bank as Senior Officer (Financial Analyst) in the year 1979. He also worked with IFIC Bank as Senior AVP, Southeast Bank as VP, IIDFC as AMD and BIFC as MD. He has been successfully discharging his assignments while posted at various capacities of his career at home and abroad.

Mr. Rahman is an MBA from IBA, University of Dhaka.

Bankers

- Bank Al-Falah Limited
- Bank Asia Limited
- Eastern Bank Limited
- Islami Bank Bangladesh Limited
- Jamuna Bank Limited
- Mercantile Bank Limited
- National Bank Limited
- One Bank Limited
- Prime Bank Limited
- Pubali Bank Limited
- Shahjalal Islami Bank Limited
- Sonali Bank Limited
- Southeast Bank Limited
- The Premier Bank Limited
- The Trust Bank Limited
- United Commercial Bank Limited
- Woori Bank



Management Team



Managing Director

Md. Khalilur Rahman

Deputy Managing Director

S. M. Anisuzzaman

Senior Vice President

Shital Chandra Saha

Vice President

Md. Nazrul Islam
Md. Abdul Baten
Sayed Ahmed, FCMA
Abu Naser Md. Ahad Sarkar

Assistant Vice President

Md. Sarwar Kamal, FCS
Mahbubur Rashid Al-Amin

First Assistant Vice President

Md. Ziaul Karim
Md. Jahedul Islam
Mohammad Amin Sarif
Kabir Hossain
Md. Ruhul Amin

Manager

Israt Jahan
Sharmin Zahan
Md. Mezanur Rahman
A.M. Enayet Karim
Nayan Malakar
Md. Mashiur Rahman
Dilip Chandra Roy
Md. Ismail Hossain Mazumder
Mohammad Shahjahan
Md. Anower Hossain
Md. Azizur Rahman

Deputy Manager

Purna Chandra Deb Sharma
Masbha Uddin
Prabir Shel
Rumana Amin
Tanvir Ahmed
Md. Abu Faysal Rony
H. M. Mashiur Rahaman
Abdullah Al Kafi
Md. Humayun Ahmed
Md. Moyachan Ali (Chand)
Reza Karim Md. Khaled
Syed Sahrif Ahmed Sumon
Md. Junayed Abedin
Suraiya Yeasmin

Assistant Manager

Sheikh Farid
Kh. Sayful Islam Rana
Mohammad Mazharul Islam, ACS
Tania Afrose
Abu Jafar Md. Abdullah
Md. Alimul Islam
Md. Nasir Uddin
Robiul Haque
A.S. M. Hosne Mubarak
K. M. Iftekhar Hossain
Md. Golam Kabir
A.Q.M. Ambia Touhid

Chief Financial Officer

Sayed Ahmed, FCMA

Company Secretary

Md. Sarwar Kamal, FCS

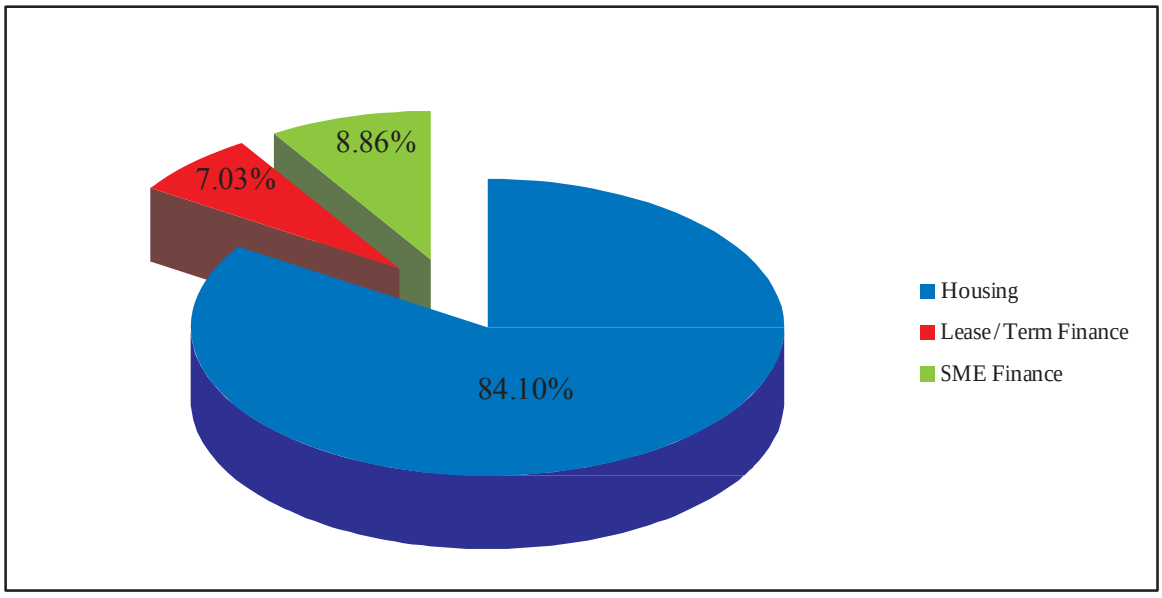
Branch In-Charge

Shital Chandra Saha	Principal Branch
Reza Karim Md. Khaled	Gulshan Branch
A.M. Enayet Karim	Motijheel Branch
Abu Naser Md. Ahad Sarkar	Bogra Branch
Mohammad Amin Sarif	Chittagong Branch
Md. Jahedul Islam	Rangpur Branch

Outstanding Portfolio

(Figure in million)

Particulars	Amount	(%)
Housing	7,604.64	84.10%
Lease/Term Finance	635.86	7.03%
SME Finance	801.55	8.86%
	9,042.05	



Financial Highlights

Business Environment and Its Likely Impact on the Financial Performance of NHFIL

These statements involve uncertainties and actual achievements may differ from plans and expectations due to changes in the business environment. Following are some major factors that may affect the business environment:

- Change in the country's general economic conditions.
- Changes in commodity price levels.
- Further volatility in interest rates.
- Changes in government policies
- Changes in Monetary policies of the Bangladesh Bank.
  - Increase in provisioning requirements.
  - Increase in statutory liquidity reserves and cash reserve requirements by the Bangladesh Bank.
  - Change in the Bangladesh Bank's re-financing scheme.

Key Operating and Financial Highlights

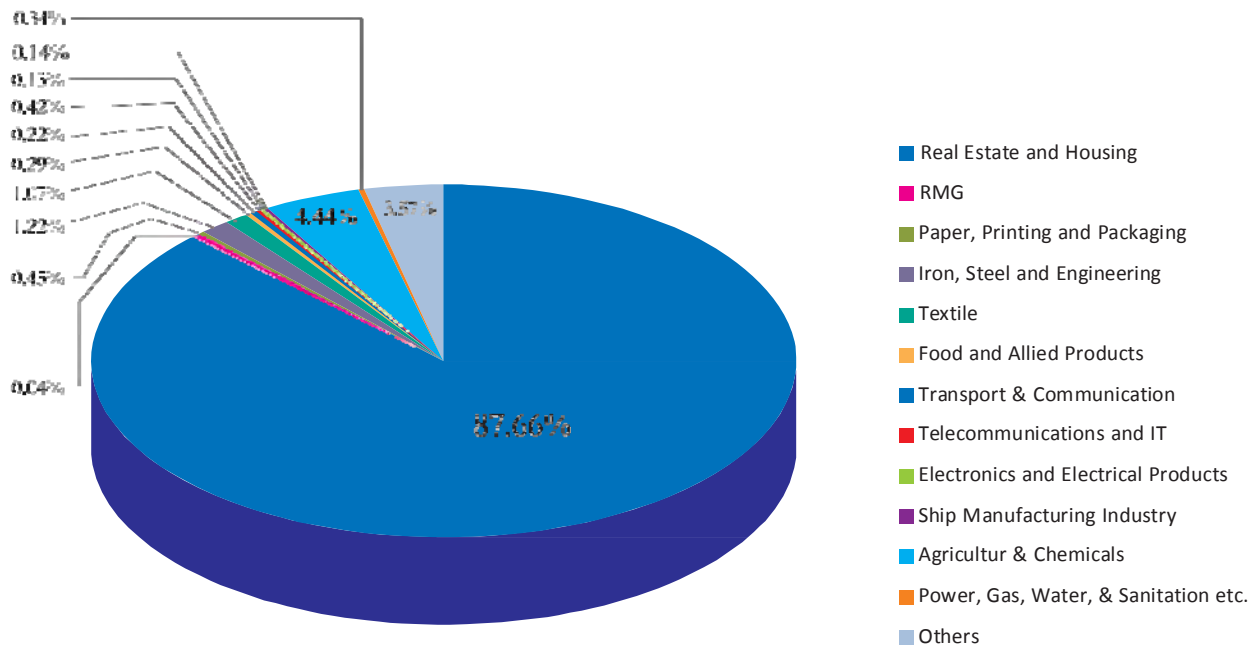
(Figures in Million Taka except ratios and per share data)

Particulars	2016	2015	2014	2013	2012
Operational Highlights					
Housing loan sanction	3,597.41	2,769.70	1,552.64	907.50	280.70
Lease, Term and SME loans sanction	354.10	372.15	518.41	629.60	788.50
Housing loan disbursed	2,856.04	2,299.52	1,126.72	836.35	183.77
Lease, Term and SME loans disbursed	454.64	403.01	554.17	555.88	738.32
Cumulative housing loan disbursed	12,637.11	9,781.07	7,481.55	6,354.84	5,518.49
Cumulative lease, Term and SME loans disbursed	7,591.00	7,136.36	6,733.35	6,179.18	5,623.30
Cumulative housing loan sanction	15,097.64	11,500.24	8,730.54	7,177.89	6,270.39
Cumulative lease, Term and SME loans sanction	7,787.55	7,433.45	7,061.30	6,542.89	5,913.29
Financial Highlights					
Operational income	603.30	553.27	436.00	368.22	248.95
Operational expenses	132.18	100.59	87.39	74.56	68.52
Financial expenses	625.43	517.58	469.13	524.72	480.62
Administrative Expenses	111.02	88.49	75.59	59.65	55.80
Profit before tax	417.82	399.56	337.40	233.92	80.01
Provision for taxes	174.05	168.60	127.80	66.45	38.57
Net profit after tax	243.77	230.96	209.60	167.47	41.44
Shareholders' fund	1,636.96	1,574.06	1,502.69	1,426.08	915.41
Total deposit	8,477.63	5,551.86	3,826.43	3,288.67	2,739.72
Total borrowing	1,009.95	879.03	967.21	1,007.38	1,193.26
Total loan portfolio	9,042.05	7,393.31	5,567.60	4,865.37	4,476.36
Total balance sheet size	12,250.39	8,824.10	6,857.11	6,266.52	5,466.81
NPL ratio (%)	4.95%	5.61%	5.71%	6.47%	10.10%
Financial ratios					
Earnings per share	2.29	2.17	1.97	1.57	0.39
Dividend per share	18.00%	17.00%	15.00%	12.50%	*5.00%
Net asset value per share	15.39	14.79	14.12	13.40	8.60
Financial expenses coverage (times)	1.67	1.77	1.72	1.45	1.17
Profit margin (before tax)	34.00%	37.31%	37.28%	26.20%	10.97%
Profit margin (after tax)	19.84%	21.57%	23.16%	18.76%	5.68%
Return on equity	15.18%	15.01%	14.31%	14.30%	4.63%
Debt equity ratio	4.47	4.47	3.45	3.25	4.68

* Stock Dividend

Sectoral Portfolio(%)

Real Estate and Housing	87.66%
RMG	0.04%
Paper, Printing and Packaging	0.45%
Iron, Steel and Engineering	1.22%
Textile	1.07%
Food and Allied Products	0.29%
Transport & Communication	0.22%
Telecommunications and IT	0.42%
Electronics and Electrical Products	0.13%
Ship Manufacturing Industry	0.14%
Agricultur & Chemicals	4.44%
Power, Gas, Water, & Sanitation etc.	0.34%
Others	3.57%
	Total - 100.00%



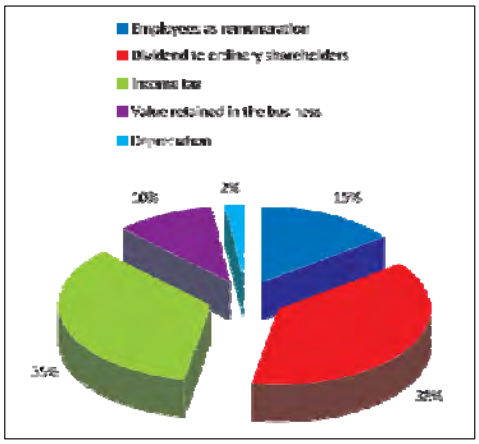
Value Added Statement

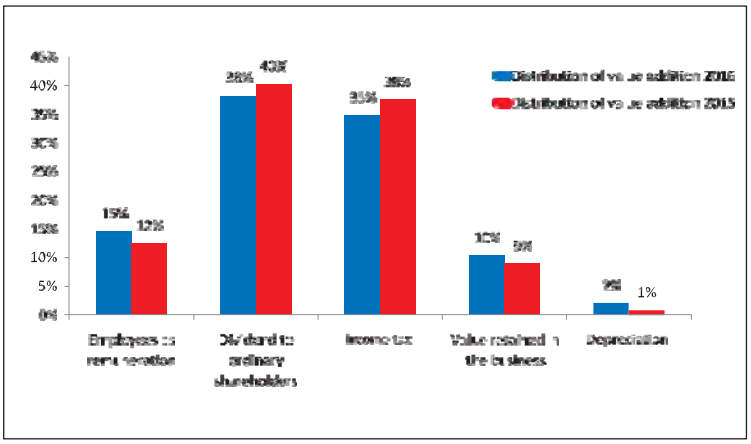
For the year ended December 31, 2016

The value added statement represents the value created by National Housing Finance And Investments Limited through operational activities and shows how it was distributed among major stakeholders of the Company (Shareholders, Government & Employees) to meet various obligations and reward those responsibilities for its creation. A portion of added value has also been retained in the company for future investment and expansion of NHFIL.

Figures in BDT

Particulars	31-Dec-16		31-Dec-15	
	Amount	%	Amount	%
Value added				
Net interest income	562,364,826	112.15%	509,690,407	110.98%
Fees earned	214,900	0.04%	139,650	0.03%
Investment income	8,010,174	1.60%	9,588,036	2.09%
Other income	32,706,368	6.52%	33,851,545	7.37%
Operating expenses excluding staff cost and depreciation	(48,388,991)	-9.67%	(50,874,398)	-8.90%
Provision for loan, advances & investments	(53,360,573)	-10.64%	(53,127,501)	-11.57%
Total value added by the company	501,546,705	100%	449,267,739	100%
Distribution of value addition				
Employees as remuneration	73,479,652	14.65%	56,110,316	12.49%
Dividend to ordinary shareholders	191,505,600	38.18%	180,866,400	40.26%
Income tax	174,078,841	34.71%	168,595,570	37.53%
	439,064,093	87.54%	405,572,286	90.27%
Retained for expansion and future growth				
Value retained in the business	52,265,186	10.42%	40,093,716	8.92%
Depreciation	10,217,426	2.04%	3,601,737	0.80%
Amount distributed	501,546,705	100%	449,267,739	100%
Number of employees at the end of the year	148		129	
Value created per employee (BDT)	3,388,829		3,482,696	
Number of shares	106,392,000		106,392,000	
Value created per share (BDT)	4.71		4.22	





Economic Value Added (EVA) Statement

For the year ended December 31, 2016

Economic value added is value based financial performance measures which reflects the absolute amount of shareholders' value created or destroyed during each year. It provides a measurement of a company's economic success or failure over a period of time. Such a yardstick is useful to investors who wish to place confidence with the company to retain their fund for better earnings as compared to other similar companies or similar industry. Economic value added is calculated by taking a company's net operating profit after tax subtracting from it cost of average equity.

EVA has been calculated by the following formula:

EVA= Net operating profit after tax- (Capital employed X Cost of equity)

NOPAT

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

Figures in BDT

Particulars	31-Dec-16	31-Dec-15
	Amount	Amount
Net operating profit	471,112,200	452,683,187
Provision for taxes	141,050,841	168,595,570
Net operating profit after tax (NOPAT	297,061,359	284,087,617

Charges for capital		
Capital employed	1,775,926,161	1,661,416,313
Cost of equity (%)	7.84%	8.00%
Capital charge	139,232,611	132,913,305
Economic value added	157,828,748	151,174,312
Number of shares	106,392,000	106,392,000
Economic Value Added Per Share	1.48	1.42

Cost of equity

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

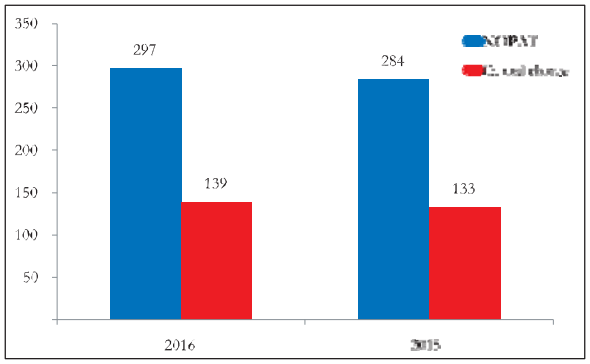
Interest rate on 5 (five) years Government Treasury Bond on December 31	5.84%	6.00%
Standard Risk Premium	2.00%	2.00%
Cost of equity	7.84%	8.00%

Capital employed as on December 31

Shareholder's equity	1,636,961,590	1,574,057,203
Accumulated provision for doubtful accounts and future losses	194,320,764	146,512,765
Total capital employed	1,831,282,354	1,720,569,968
Average capital employed	1,775,926,161	1,661,416,313

(Figures BDT in million)

Particulars	31-Dec-16	31-Dec-15
	Amount	Amount
NOPAT	297	284
Capital charge	139	133
Cost of equity (%)	7.84%	8.00%
Economic value added	158	151



Market Value Added (MVA) Statement

For the year ended December 31, 2016

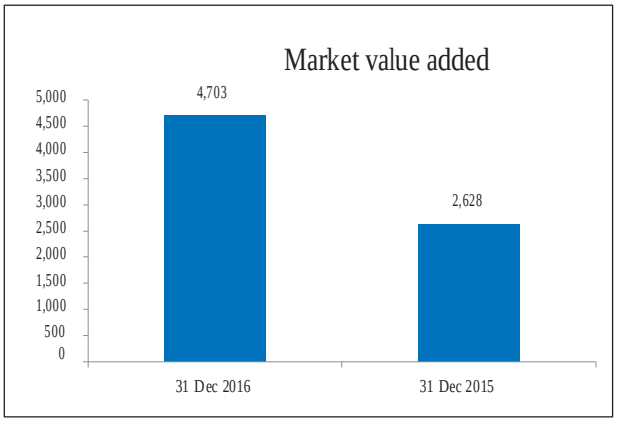
Market Value Added represents the confidence that the market places on the future stream of EVAs. Market Value Added statement gives a picture of the Company's performance evaluated by the capital market investors through the share price of the company. This statement depicts the difference between the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

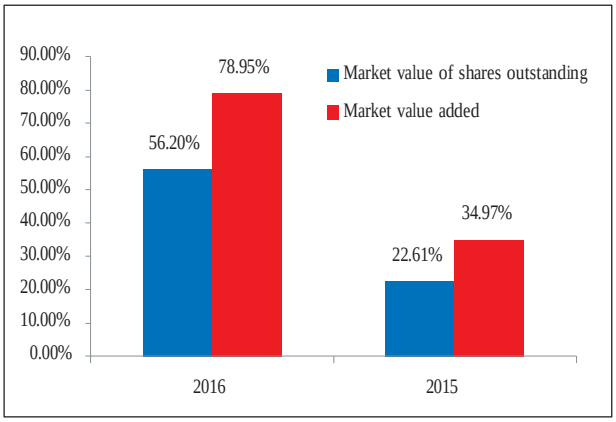
Higher MVA is better for the company. A high MVA indicates that company has created substantial wealth for the shareholders. A negative MVA means that the value of management's actions and investments are less than the value contributed to the company by the capital market. The following statement shows how MVA has been arrived at for the year ended December 31, 2016 and 2015.

Figures in BDT

Particulars	31-Dec-16	31-Dec-15
	Amount	Amount
Market value of shares outstanding	5,766,446,400	3,691,802,400
Book value of share outstanding	1,063,920,000	1,063,920,000
Market value added	4,702,526,400	2,627,882,400

(Figures BDT in million)

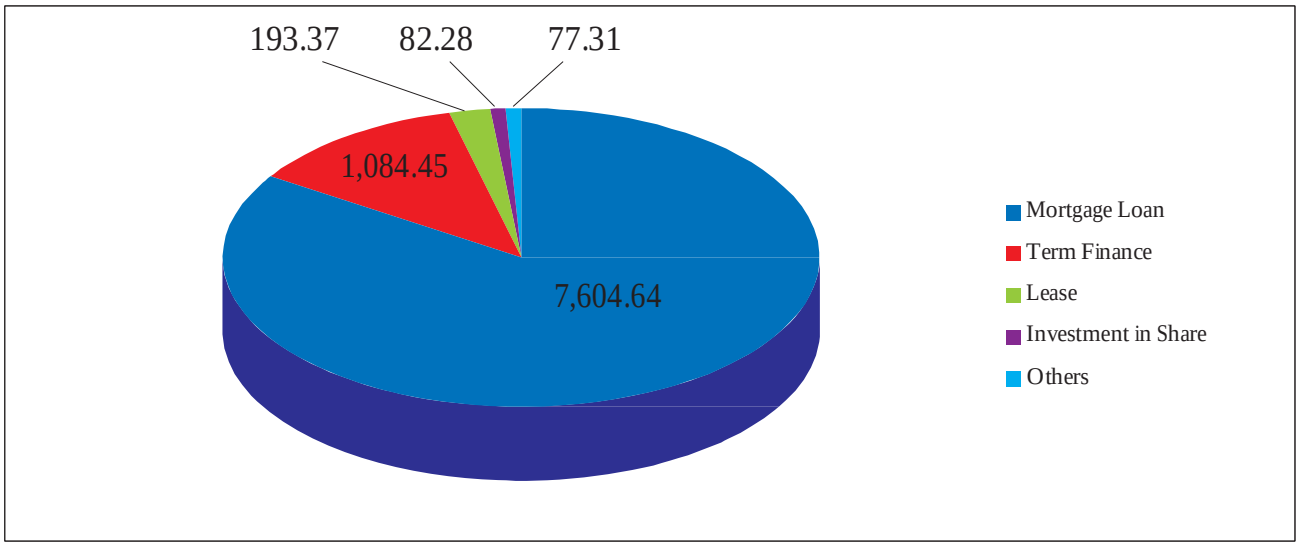




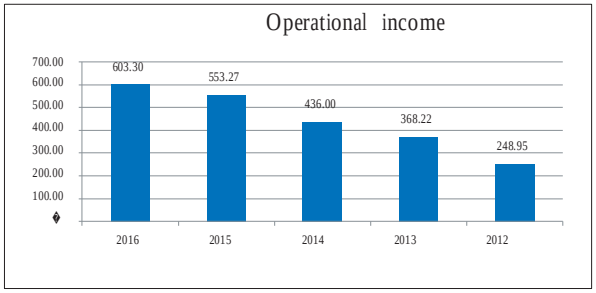
Portfolio Mix

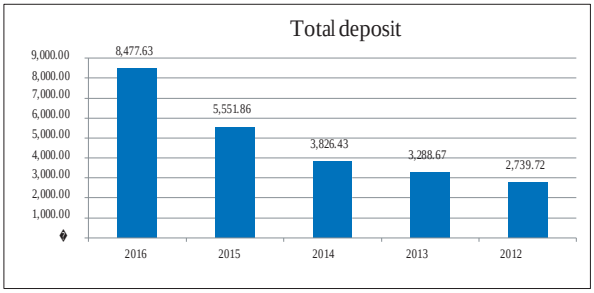
(Figures BDT in million)

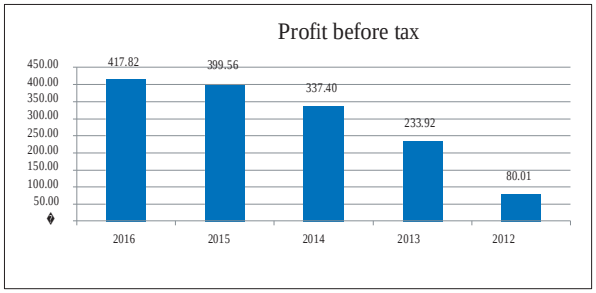
Mortgage Loan	7,604.64
Term Finance	1,084.45
Lease	193.37
Investment in Share	82.28
Others	77.31
	9,042.05

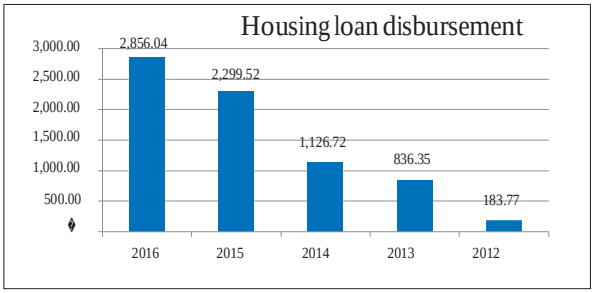


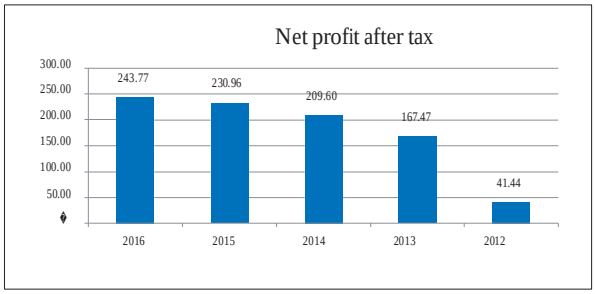
(Figures in Million Taka except ratios)

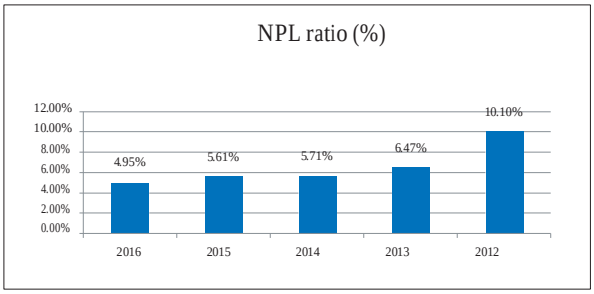


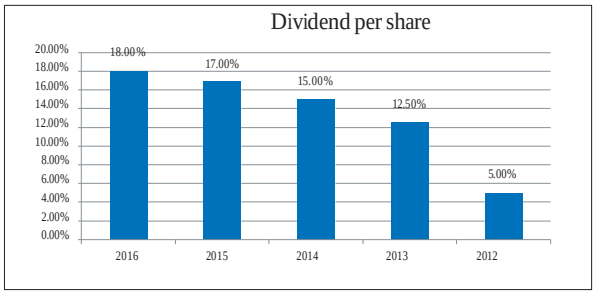


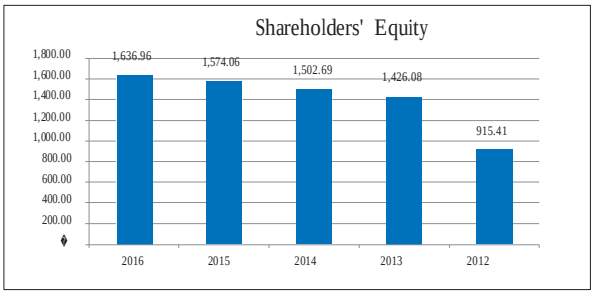


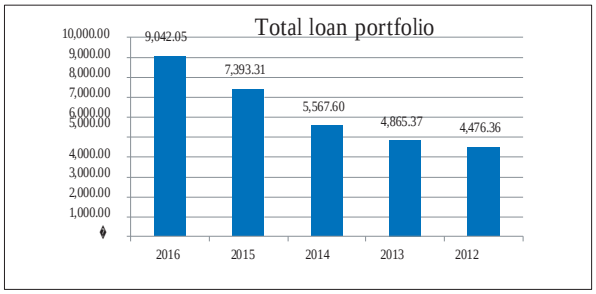


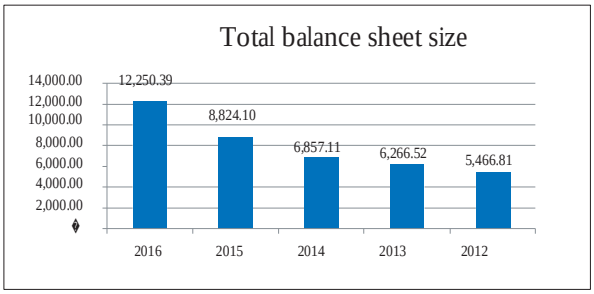














From the desk of Chairman

Bismillah Hir Rahmanir Rahim

Dear Shareholders, Members of the Board and respected guests:

Let me begin by expressing to our shareholders our gratitude for their continued support throughout the year in helping to run the business of the Company.

Dear Partners:

Non-Bank Financial Institutions (NBFIs) are a special breed of financial market activists; they usually do not provide general banking services or help businesses transact international trade or serve as guarantors or providers of working capital; nor do they engage in foreign exchange deals. They mostly, work with a single focus on small scale industrial and real estate funding. NBFIs search for and locate business houses, especially industrial and real estate enterprises that are badly in need of quick and special assistance and make financial interventions in terms of lease finance to help them recover from capital crunch causing inability to procure much needed machines and equipment or hindering construction or purchase of real estate properties.

Last year, I stated that "Bangladesh is, perhaps, going to take the shape over time akin to a city state like Singapore or Hong Kong considered in terms of the large size of her population and the small size of her land mass." I still hold the same notion.

The world economy is gradually recovering from its decade-old recession. We are optimistic that in future, South East Asia will eventually become the hub of global economic development In Japan in the fourth quarter of 2016 capital expenditure grew at its fastest rate in three years; Bangladesh is comfortably placed in the centre of this Asian hub and economic development and growth and will reap the benefits of developments taking place in India, China Hong Kong and Singapore. Consequently, as our standards of living improve, the demand for adequate and quality housing will take on an added dimension.

In 2016, National Housing's total investment stood at Tk. 331.00 cr., Tk. 60.00 cr. up from investment of Tk. 271.00 cr. in 2015, representing a rate of increase of 22%. In 2015, the rate of increase was even higher at 61%. Profits swelled proportionate to the amounts of disbursements. The Board has continuously impressed upon the management that in order to accomplish and sustain the positive developments of the last two years we must continue with our efforts. Furthermore from this year onwards our policies and strategies have been further accentuated to concentrate mainly on housing loans.

Considering the Company's growth trajectory over the past two years the Company Board has been pleased to recommend an 18% cash Dividend to the shareholders for the year 2016.

Before I take leave, may I take this opportunity to express to you my gratitude for the support you have reposed in this Company.

Thank you.

Latifur Rahman
Chairman



From the desk of Managing Director

Respected shareholders, honorable members of the Board of Directors and distinguished guests:

Assalamu Alaikum:
I feel privileged and honored in finding the opportunity in welcoming you to this august ceremony in the wake of the 18th Annual General Meeting of National Housing Finance and Investments Limited, to-day, the 11th of May, 2017. This occasion each year brings all of us, the honorable directors, the honorable shareholders, the employees and the other respected stakeholders together for – on presentation of information concerning operational status of the company by the directors – a joint evaluation of the performance of the last year. Then it lets you critically discuss issues of significance; take appropriate decisions; adjust policies and strategies that serve as milestone and help chart our course of actions for the year that follows. Annual general meetings are, therefore, crucial for all parties having certain interest in this company: we meet; we talk; we decide; in an overture of co-operation and sharing for the greater benefit of us, the providers and the clients, the receivers.

You are aware that country's capital market is still in shambles sequential to many years of disruptions and disasters. The money market has been suffering from shrinking demand for credits and oversupply of deposits piling up liability burdens for banks. Scars of the housing sector bust are still raw and continue to exist as a prominent economic sore for the nation. Amid these formidable odds, I am pleased to bring you good news that your company was successful in performing better in the year 2016, based mainly on its core business. The operating income during the period was BDT 603.37 million representing an increase of 9.06% upon that of the year 2015. The earnings per share (EPS) stood at 2.29 in 2016 as against 2.17 in 2015. Your company is engaged in the business of home loans, industrial term loans and in the SME sector, but in consideration of the ailing economic and business environment and dwindling consumer capacity, we placed greater emphasis on home loans as our core product in the year 2016. That contributed to increment of home loan disbursement by 24.20% over that of the year 2015.

One key strategy to ensure sustainability and growth is to monitor the changes and shifts in the external business, political, economic and regulatory climate and then to calibrate company policies, strategies, priorities and even modus operandi to fit in the trend. Under regular consultation with and frequent advices from directors of the board, who are men of poise, patience, perseverance and experience, we did strive all through the past year to cope up with changes in order that the pattern of your company's movement follows an upward path suitably compensating all stakeholders' efforts. Our policy to shuffle and re-shuffle strategies of business in response to the pulse of the market serves as an in-house proverbial dictum and prompt us to respond to calls of oscillating market behavior; as a part of which we have been building relationships with various developer companies by signing Memoranda of Understanding (MOUs) to secure and enhance our core business. An innovative, all-embracing and curiosity

provoking marketing and communication plan is being meticulously implemented to create a discernible brand-image of the company. That will, in all possibility, sharpen our competitive edge while we confront our competitors. Of serious consequences is the incidence of disproportionate non-performing loans (NPLs); the issue is taken even more seriously by our manag ment team. Case-to- case analysis is routinely made by responsible functionaries and remedial measures are taken, so we can arrest NPL volume to a level where requirements for financial provisions against such loans could be saddled up to a bare minimum with lesser impact on profitability. All this is expected to bolster business and benefits for all stakeholders over time.

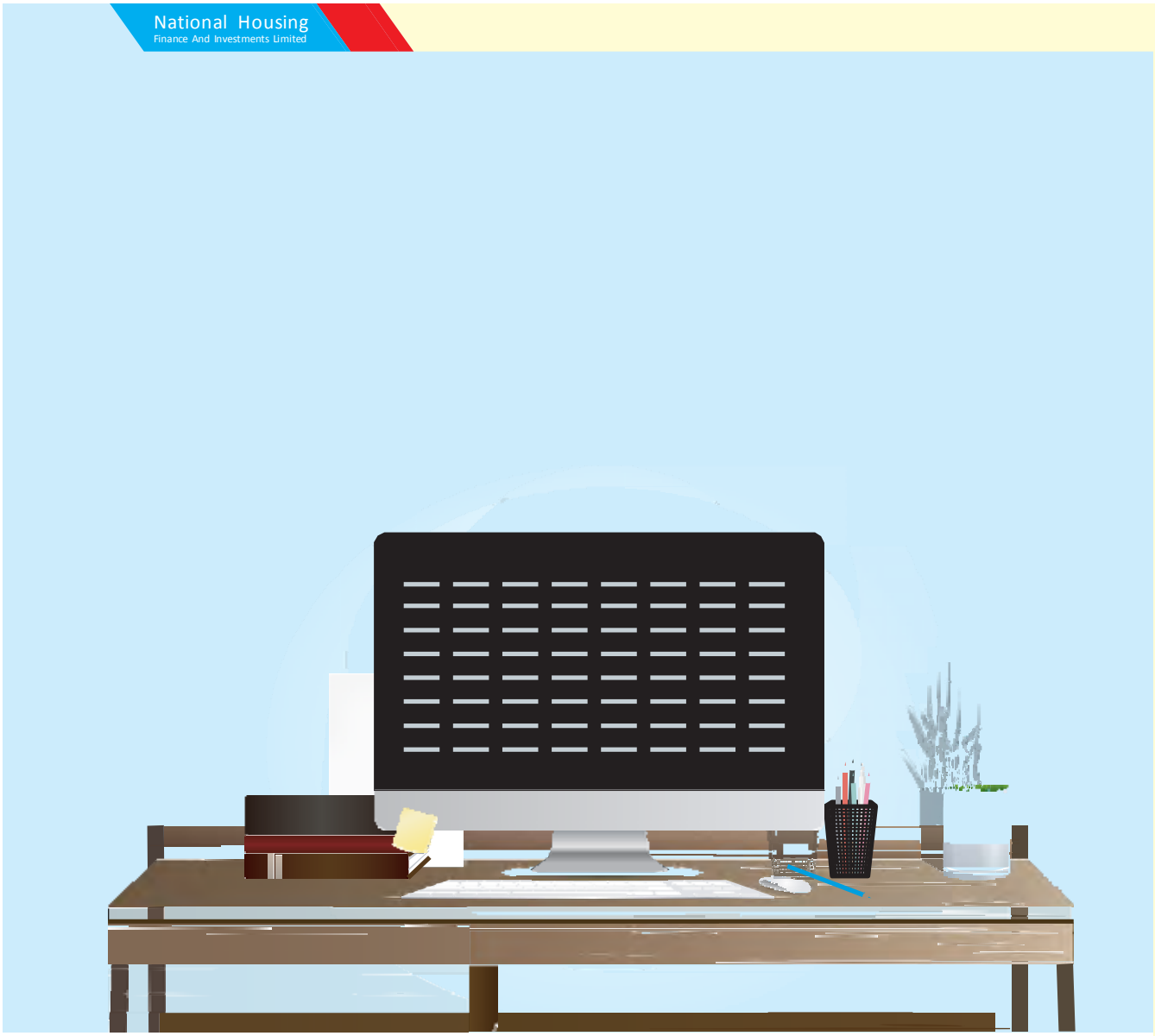
I would like to convey deep respect and profound gratitude to the Chairman and the Directors of the Board for the keen attention they paid and the efforts they undertook in offering policy guidelines, advices and business foresight to help us navigate through difficult and uncertain business conditions and in the end secure satisfactory dividends and financial rewards for all internal and external stakeholders. I would also like to thank the management team, officials of every layer for their research and hard work, short of which the company could not have reached the destination it was bound for bound by the pre-set business target. I express my gratitude to Bangladesh Bank, RJSC, BSEC, DSE, CSE, CDBL, our Auditors, customers and all our well wishers for their understanding and full cooperation.

Your partnership and patronization during years gone by have been precious for us, brought in benefits and most significantly, a sense of safety nurturing the sentiment that our benefactors are always with us while we toil at National Housing.

I humbly thank you for all of these kind gestures and acts.



Md. Khalilur Rahman
Managing Director



Directors' Report

Bismillah Hir Rahmanir Rahim

Dear Shareholders:

On behalf of the Board of Directors of National Housing Finance and Investments Limited, I have the honor to present before you the Annual Report and Audited Financial Statements reflecting performance of your Company in the year ending on December 31, 2016, together with the corresponding Auditors' Report.

The Directors' Report has been prepared in compliance with section 184 of the Companies Act 1994, Corporate Governance notification of BSEC dated 7 August, 2012, the Listing Regulations of DSE & CSE, Guidelines of Bangladesh Bank and other applicable Rules and Regulations. As per BSEC's Corporate Governance notification, a separate report titled 'Report on Corporate Governance' is furnished alongside the foregoing reports which shall constitute a part of this Directors' Report.

The Bangladesh Economy

Bangladesh has experienced high and steady growth (7.10 percent) exceeding the Government's anticipated 7.0 percent growth target. The Bangladeshi company has had an average growth rate of 6% for over a decade. Growth exceeded 7.0 percent in FY16, making Bangladesh the third highest growth performer in Asia. Measured at current market prices, the GDP of Bangladesh in FY16 was estimated at Taka 17,329 billion which was about 14.3 percent higher than that of FY15. The per capita GDP is estimated to have been Tk. 55,259 in FY16. However, the government has again set a target for GDP growth in FY16 at around 7.2 percent and inflation rate has been targeted at 5.8 percent with an expectation of accelerated growth in agriculture, industry and service sectors.

Outstanding bank credit (excluding foreign bills and inter-bank items) during FY16 rose by 16.16% to Taka 6654.76 billion as against an increase of 13.50% in FY15.

Bank deposits (excluding inter-bank items) increased by 18.84% to Taka 8,495.81 billion during FY16 against 12.64% increase in FY15. Most of the macro-economic indicators in Bangladesh are performing well and domestic demand remain buoyant. In recent months, prompt actions taken by the Bangladesh Government in the aftermath of the terrorist attacks in July 2016 helped restore investor confidence. Nonetheless, any fallout from the weaker external demand from a mediocre global growth needs to be closely monitored.

In 2015, Bangladesh reached the lower middle income country status, and expects to reach upper middle income status by 2030 or earlier. The government's focus on easing infrastructure bottlenecks and improving business climate would support potential growth and medium term growth performance. Prudent fiscal policy, accompanied by the Bangladesh Bank's cautiously expansionary monetary policy – targeting private credit growth at 16.5 % and overall growth at 16.4% - and effective supervision are expected to support macro-financial stability.

Aided by pragmatic policy support of the Bangladesh Government and Bangladesh Bank, the low and stable inflation accompanied by a macroeconomic environment helped Bangladesh become a role model of sustainable finance. Banks and financial institutions are playing a significant role by providing credit to the un-banked, un-served and under-served people, particularly to women through cost refinance windows of Bangladesh Bank for micro, small and medium enterprises and eco-friendly green projects. These policies would make finance and growth more sustainable.

From a macro perspective, domestic demand growth is expected to remain robust over the near and medium-term reflecting demographics, investments, and improving infrastructure and cost of doing business. Furthermore, favorable monetary conditions would likely support growth but economic spillovers from weaker external demand need to be closely monitored.

Money Market Scenario

Bangladesh Bank pursued a cautious yet growth friendly monetary and accommodative policy stance for FY16. The weighted average interest rates on deposits increased during FY10-FY13 and then started decreasing from FY14 and reached at 5.54 percent in FY16. Similarly, the weighted average interest rates on lending increased during the period of FY10 to FY12 and started declining thereafter and reached at 10.39 percent in FY16. Weighted average interest rate in the call money market was between FY16 at 3.9% to 5.7%.

Capital Market Activities

The DSE broad index and the market capitalization of Dhaka Stock Exchange Limited (DSE) were quite stable during July 2015 to February 2016. The market was declining during the third quarter of FY16. The DSEX (Dhaka stock Exchange Index) and the market capitalization declined to Taka 4,195.70 billion and Taka 2,999.90 billion respectively at the end of April 2016 from Taka 4,507.60 billion and Taka 3,185.70 billion in June 2016. However, the market became stable at the end of FY16 as a result of effective measures taken on the Capital market. DSE launched "DSE mobile application on 9 March 2016. DSE launched "Up-gradation of Listed Securities page in DSE Website" on 7 April 2016 and "New Book Building Software (BBS)" 26 May 2016. Eleven companies raised new equity of Taka 4.3 billion in the capital market in FY16, lower than Taka of 7.3 billion raised by the 21 companies in FY15. Of the new equity issued, Taka 0.8 billion rose through private placements and Taka 3.5 billion raised through public placements. In FY15, equity issued through private and public placements were Taka 1.7 billion and Taka 5.6 billion respectively.

Performance of the Financial Sector

Non-Bank Financial Institutions have been created for serving a special purpose financial activity. Present-day industrial and real estate enterprises depend on money market on one hand and the capital market on the other for financing their entrepreneurial initiatives in the forms of loans and equities. The money market comprises of banks and non-bank financial institutions. While banks play the major role in supplying the lion's share of the funding necessary by the industry, the Non-Bank Financial Institutions (NBFIs) provide a comparatively smaller portion but that represents a vital impetus to recipients in times of need.

In line with expectations, Bangladesh's Non-Bank Financial Institutions have been playing a crucial role by offering additional financial services that cannot always be provided by the banks, particularly easy and speedy services necessary for emergency and off-the- cuff requirements in industrial establishments. The NBFIs, with more multifaceted products and services have taken their place in the competitive financial market to satisfy the changing demands of customers. NBFIs also play an important role in the capital market as well as in real estate sector of Bangladesh. Presently, out of 33 NBFIs, 3 are Government-owned, 11 are joint ventures and 19 are privately-owned local entities. Meanwhile, the branch network increased to 220 as on 30 June 2016.

NBFIs are investing in various sectors of the economy, but their investments are mostly concentrated in industrial sector.

NBFIs are allowed to invest in the capital market to the extent indicated in the Financial Institution Act, 1993. In 2015, all NBFIs' total investment in capital market was Taka 19.4 billion compared to Taka 18.4 billion in 2014.

Investment in capital market accounted for 3.2 percent of the total assets of all NBFIs. At the end of June 2016, NBFIs total investment in capital market stood at Taka 21.1 billion.

NBFIs are allowed to mobilize term deposit only. At present, term liabilities are subject to a statutory liquidity requirement (SLR) of 5.0 percent inclusive of average 2.5 percent cash reserve ratio (CRR) on bi-weekly basis. The SLR for the NBFIs operating without taking term deposit is 2.5 percent.

Industry Outlook

Housing Finance

In our analysis of the last year, I would like to state that not much has changed since 2016. The growth of the real estate sector reached its peak in Bangladesh's history in 2006. The social, business and economic impact of quasi-perfect democracy and free enterprise during over one and half decade starting in 1991wrote the history – people were able to engage in employments they chose (jobs at home and abroad and self-employment meaning business – micro, medium or large), more employment meant more incomes, inflow of cash to people's hands could flow out to the fields of their choice. Financially self-reliant people have a natural tendency to build shelters, houses for themselves first before getting engaged in any other risky activities. The result was a housing boom hitherto unprecedented in the history of Bangladesh.

The housing sector, representing buying and selling of, and lending for lands, plots, apartments, buildings, commercial spaces, blocks for offices, universities, schools, colleges, hospitals, hotels and restaurants and the like plunged further 2010-11. The downswing continued until 2014 when a slow revival began. The process is still on due mainly to a comparative calm in the political spectrum and a resultant positive movement in trade and commerce.

Many factors led to the growth in the economic machinery besides relative stability in political and economic climate. Bangladesh is a country with a little land mass of 130, 168 sq km (excluding all water bodies as delimited by international boundaries/coastlines) packed with a huge population of 160 million representing a density of about 1237.51 persons per sq km. This high rate of population density, particularly, the great concentration of people in urban areas, mostly in Dhaka, the capital, is the lone determinant of the status of the real estate sector. The land-population ratio of the country makes it inevitable that clusters of architecturally modern houses and townships be built throughout the country if the growing population is to be accommodated at least in livable conditions. Though still not enough encouraging, the real estate market will expand in the near future. Shelter and for that matter housing essentially forms a part of the five-fold Basic Needs of a human being. An upward trajectory is already in sight as statistics presents: the total outstanding housing loans of banks and financial institutions as at end June, 2016, amounted to Taka 562.9 billion which is 15.73 percent higher than that of the previous year. And at our company, we disbursed Tk. 168.00 cr, 271.00 cr and Tk. 331.00 cr during 2014, 2015 and 2016 respectively, representing year-on- year growth rates of 74.46%., and 22.14% at the close of 2015 and 2016. Further pronounced demand and supply may be expected based on this trend in years ahead.

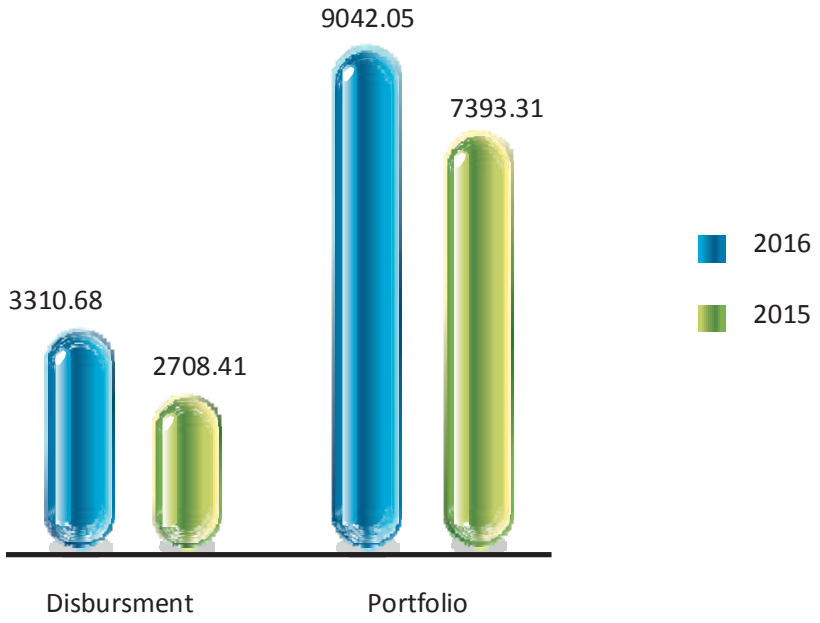
However, sustainable and prodigious developments in the sector will depend on a number of factors: firstly, stabilization of the conditions of politics and economics at the macro level; secondly, restoration of popular confidence in the capacity of the government in providing truly responsible safety and security systems covering threats to life, liberty and wealth; thirdly, re-building of investors' confidence in the capital market; fourthly, re- invigoration of business activities which have lost vigor due to many deterrents ranging from insufficient infrastructural facilities, scarcity of power and energy, poor law and order conditions, dearth of land and labor, inept government services and policies, corruption, bureaucratic inaccessibility, above all, existence of a government apparatus which is gradually becoming business friendly will greatly enhancement the purchasing power of the people by creating opportunities for higher wages and self employment.

Operational Overview of National Housing volume

Despite depression in the housing and construction sectors, NHFIL has been able to remarkably expand its business volumes during 2016 which can be seen from the data furnished below:

(Amount in BDT Million)

Particulars	2016		2015	
	Disbursement	Outstanding Portfolio	Disbursement	Outstanding Portfolio
Home mortgage loan	2,856.04	7,604.64	2,299.52	5,503.68
Lease & Term finance including SME and other	454.64	1,437.41	408.89	1,889.63
Total:	3,310.68	9,042.05	2,708.41	7,393.31



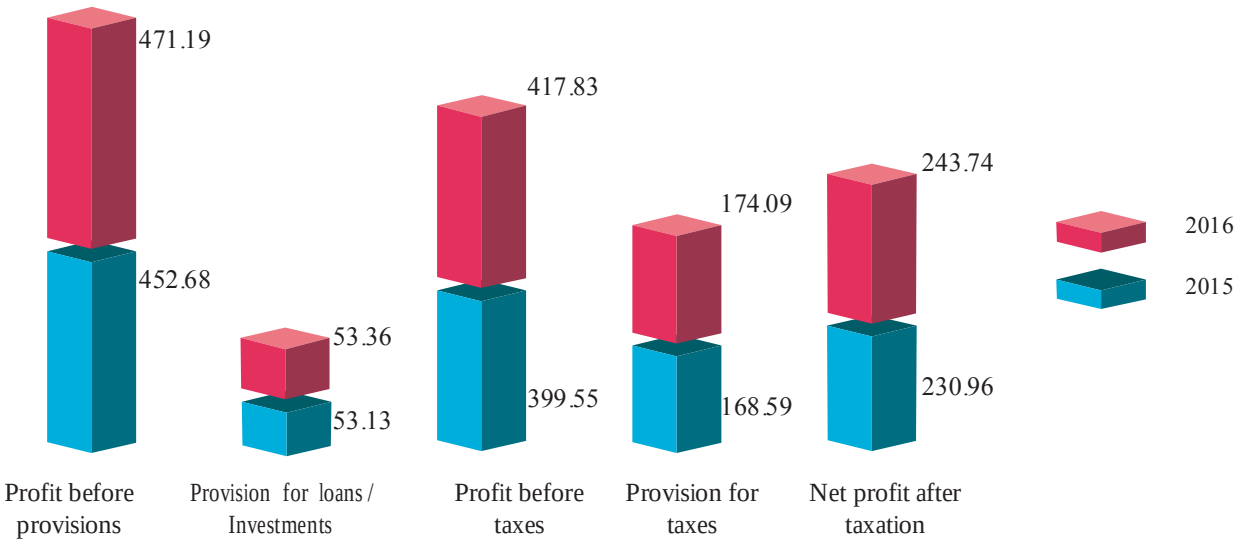
The total portfolio of the Company reached to Tk. 9,042.05 million from Tk. 7,393.31million during 2016, registering a growth rate of 22.30%.

The demand of dwelling houses, office buildings, shopping malls and so forth in a developing country like Bangladesh is dramatically increasing due to the fast process of urbanization and high economic growth rates. Not only rural people are migrating in serch of employment, but many wealthy people are moving to urban areas for fulfillment of their expectations for betterment of the lives of their future generations and for enjoying the modern facilities of city life.

Financial performance during the year 2016

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

Particulars	2016					2015
	Q1	Q2	Q3	Q4	Yearly	
Net interest income	139.84	141.88	123.16	157.48	562.36	509.70
Total operating income	152.31	153.45	131.55	165.99	603.30	553.27
Total operating expenses	24.75	28.02	28.52	50.89	132.18	100.59
Profit before provisions	127.56	125.43	103.03	115.10	471.12	452.68
Provision for loans / Investments	15.55	2.44	20.96	14.34	53.29	53.13
Profit before taxes	112.01	122.99	82.07	100.76	417.83	399.55
Provision for taxes	47.57	48.39	38.99	39.10	174.05	168.59
Net profit after taxation	64.44	74.56	43.08	61.66	243.77	230.96



Credit Rating

On 25 June, 2015, CRAB assigned 'A 1 ' rating in the Long Term and 'ST-3' in the Short Term to NHFIL based on financials up to 31 December, 2014. Banks/FIs rated as 'A 1 ' (Strong Capacity & High Quality) have strong capacity to meet financial commitments, maintain high quality, with low credit risk, but are susceptible to adverse changes in circumstances and economic conditions. In Short Term Rating Scales and Definitions ST-3 (Average Grade) means average capacity for timely repayment of obligations.

Dividend

NHFIL has earned a net profit after tax of TK 243.74 million as against TK. 230.96 million in the previous year. The Board of Directors recommended a 18% Cash Dividend i.e. Tk. 1.80 for each share for the year ended 31 December, 2016, subject to approval at the 18th Annual General Meeting.

Directors

In terms of the Shareholders' Agreement, the following Directors are to retire in the 18th Annual General meeting.

SL#	Directors to Retire	Organization Represented
01	Mr. Latifur Rahman	Bangladesh Lamps Ltd.
02	Mr. Akhtar Ahmed	Reliance Insurance Ltd.
03	Mr. A F M Shariful Islam	National Bank Ltd.

The following shareholders being eligible for election/ re-election expressed their interest to be elected as Directors in the 18th AGM:

SL#	Directors to be Elected/re-elected	Organization Represented
01	Mr. Latifur Rahman	Bangladesh Lamps Ltd.
02	Mr. Akhtar Ahmed	Reliance Insurance Ltd.
03	Mr. M. A. Sabur	United Commercial Bank Ltd.

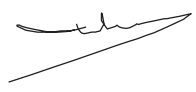
Auditors

The Company's Auditors, M/s Howladar, Yunus & Co., Chartered Accountants are due to retire at the 18th AGM. Having completed three years of audit work they are not eligible for re-appointment for the year 2017. Many "A" graded audit firms have expressed their interest to act as auditor. Upon appraisal by the Audit Committee, the Board recommended the appointment of M/s Syful Shamsul Alam & Co., Chartered Accountants for the year 2017 at a remuneration of Tk. 250,000.00.

Appreciation

While closing the submission of the Performance and Financial Report 2016 before you, I wish, on behalf of the Board of Directors, to ventilate our deep gratitude and sincere thanks to all of our shareholders, our partners in business, our clients, our associates for their kind assistance and support whenever needed and called for. For their patience and courage in walking with us all through these past windy years, and for the counsel and the comfort they so kindly offered.

We would like to make special mention of our Central Bank who were with us all the way in providing advise and support whenever required. We are also deeply indebted to all other regulatory authorities for their invaluable guidance. Finally we would like to express our gratitude to the Officers and Staff of NHFIL, without whose help and support we would not have achieved such success.



Latifur Rahman
Chairman
Dhaka, Dated 04 April 2017

AUDIT COMMITTEE REPORT

For the year ended 31st December, 2016

The Audit Committee consists of the following members:

Professor Imran Rahman, Independent Director	- Chairman
Mr. Md. Kabir Reza, Director	- Member
Mr. Akhtar Ahmed, Director	- Member
Mr. Azmal Hossain, Director	- Member
Syed Tanveer Hussain, Independent Director	- Member

Mr. Md. Khalilur Rahman, Managing Director was in attendance.

Mr. Md. Sarwar Kamal FCS, Company Secretary, acts as the Secretary of the Committee.

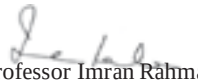
Functions and Activities:

The Committee

- met 4 (four) times in the year 2016 on 07.04.2016, 27.04.2016, 26.07.2016 and 27.10.2016;
- reviewed the internal control system and financial statements and the external audit report;
- conducted a formal evaluation of the effectiveness of the external audit process;
- considered the tenure, quality and fees of the auditors the committee recommended to the Board for appointment of M/s Howladar Yunus & Co, Chartered Accountants, at the 17th AGM on 22nd May 2016;
- reviewed internal control and risk management systems;
- considered the effectiveness of the Company's internal controls over financial reporting;
- reviewed impairment methodologies;
- reviewed reports from the Chief Financial Officer on the quarterly and annual financial statements, including other financial statements and disclosures prior to their publication;
- reviewed the Annual Report, these reviews incorporated the accounting policies and key judgments and estimates underpinning the financial statements as disclosed in Notes to the Account.
- received reports from the internal auditors;
- monitored the performance of the Internal Audit function;
- reviewed the Internal Audit Plan;
- reviewed appropriate systems and controls are in place for effectiveness of internal audit function;
- monitored independence of audit work.
- reviewed the effectiveness and independence of the statutory auditors;
- recommended appointment, remuneration of the statutory auditor;
- reviewed the annual audit activities and audit report.
- reviewed issues concerning inspection report of Bangladesh Bank;
- reviewed compliance with existing laws & regulations;
- reviewed its Terms of Reference to satisfy itself that they enable the Committee to fulfill its responsibilities.
- reviewed Credit Risk Management Manual;
- reviewed Anti Money Laundering and Combating Terrorist Financing Policy;
- reviewed IT policy;
- monitored prevailing of appropriate administration culture as prevailing;
- monitored the steps taken against findings of inspection team of regulatory authority.

Reporting by the Audit Committee:

- The Committee reports directly to the Board of Directors on its activities.
- The Committee did not find any material deviation, discrepancies or any adverse observations in the areas of reporting.



Professor Imran Rahman
Chairman
Audit Committee
Dhaka, Dated 02 April, 2017

Treasury at National Housing Finance

Assuring Liquidity, Ensuring Profitability

Overview

Treasury Division has been playing an enhanced strategic role in the balance sheet growth of NHFIL over the past few years. It has also established itself as a key profit generating unit through diversified investments in money market and thus making a significant contribution to revenue.Treasury performs a pivotal role in many activities beyond day-to-day fund management. It is responsible for developing and maintaining relationships with both the internal and external stakeholders. The department ensures the efficient functioning of following areas:

- Short Term and Long-term liquidity planning and Fund diversification
- Business growth monitoring and Capita Planning
- Conducting the ALCO meeting on a monthly basis and highlight the major changes in liquidity and interest rate risk
- Liquidity profile, Interest rate and gap analysis

Funding and Liquidity Management

Effective liquidity management is to ensure that we can meet regular customer loan requests, customer deposit maturities/ early encashment and other commitments efficiently under both normal operating conditions and stressed situations. We have undertaken an extensive review of liquidity risk management through structural liquidity analysis to measure and manage liquidity risk within a broader time span. It is calculated showing maturing liabilities as cash outflows and maturing assets as cash inflows under corresponding time buckets to find the gap under various time buckets. We continuously analyse and monitor our liquidity risk, maintain required liquidity and access diverse funding sources including our stable deposit base. Beside day to day fund management, NHFIL's liquidity position is reviewed regularly to keep our focus on ensuring adherence to prudential limits set by the Bangladesh Bank or Board.

Cost of Funds (CoF) Management

Market interest rate was in declining trend throughout the year as excess liquidity piled up in the banking sector. our balance sheet is positioned to benefit from lower interest rates. We took the opportunity of low interest rate environment and lowered our deposit rates several times in 2016. Customer deposit being the major source of funding, reduction in interest rate on deposits had a significant impact on overall cost of fund.

Asset Liability Management (ALM) at NHFIL

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

The ALCO assumes the responsibility of

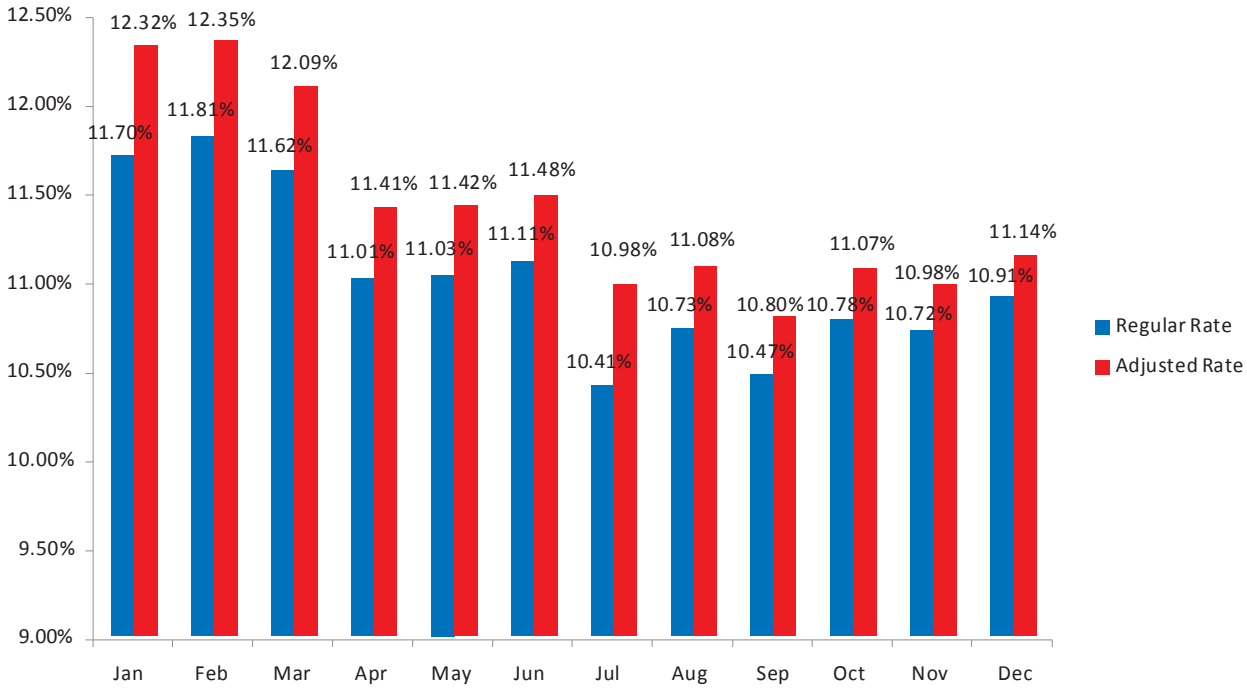
- Reviewing and formulating pricing strategies for both the deposit products and asset products.
- Ensuring systematic management process for tracking the balance sheet risks in a timely manner.
- Reviewing and managing potential liquidity risks and interest rate risks proactively which may arise from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

Base Rate System

To promote transparency in product pricing and encourage healthy competition in the economy, Bangladesh Bank has enhanced its policy support with the inclusion of Base Rate System. It captures all the elements of lending rates that are common across all categories of borrowers. Consolidating the monthly data of the FIs, Bangladesh Bank prepares and publishes a monthly weighted average Cost of Fund Index (CoFI) on its website. It serves as a reference rate for pricing variable interest rate loan products. However, the actual lending rates charged to the borrowers is the Base Rate plus borrower-specific charges, which include product-specific operating costs, risk premium and tenor premium. In compliance with the "Guidelines on the Base Rate System for Non-Bank Financial Institutions" issued by Bangladesh Bank (DFIM Circular No.-6) on August 20, 2013, we reviews the Base rate on a monthly basis which is approved by the Asset Liability Management Committee (ALCO) and is reviewed by the Board on quarterly basis. The Base rate of NHFIL is exhibited on the website for being transparent in the pricing of floating rate lending product The mothly base rate of National Housing Finance And Investments Ltd. for the year 2016 are as shown below.

Base Rate Analysis for the year 2016

Base Rate 2016	January	February	March	April	May	June	July	August	September	October	November	December
Regular Rate	11.70%	11.81%	11.62%	11.01%	11.03%	11.11%	10.41%	10.73%	10.47%	10.78%	10.72%	10.91%
Adjusted Rate	12.32%	12.35%	12.09%	11.41%	11.42%	11.48%	10.98%	11.08%	10.80%	11.07%	10.98%	11.14%



Our Treasury vision

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

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

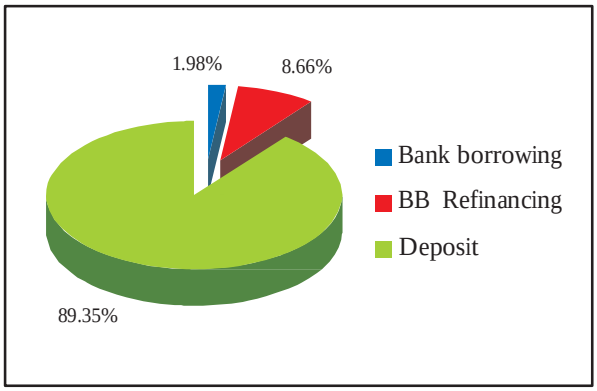
Managing our cost of funds (CoF)

For the year ended December 31, 2016

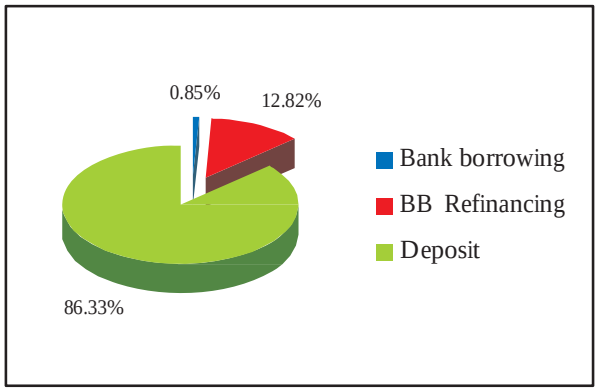
Despite assuming inherent shortcomings of not offering and savings accounts to clients on account of our status

Figures in BDT

Particulars	December 31, 2016	%	December 31, 2015	%
Bank borrowing	187,921,972	1.98%	54,866,929	0.85%
BB Refinancing	822,031,860	8.66%	824,158,361	12.82%
Deposit	8,477,629,762	89.35%	5,551,858,667	86.33%
	9,487,583,593		6,430,883,957	



As of December 31, 2016



As of December 31, 2015

Report on Corporate Governance

Corporate Governance broadly refers to the mechanisms, procedures, systems, practices, norms, customs by which a corporate body is run to achieve its pre-set objectives and goals. Governance mechanisms include applying and monitoring policies, strategies, rules, practices and decisions of corporations, their subsidiaries, agents and other stake holders.

Corporate governance has also been more narrowly defined as a system of law and sound approaches by which corporations are directed and controlled focusing on the internal and external corporate structures with the intention of monitoring the actions of management and directors and thereby, mitigating agency risks which may stem from the misdeeds of corporate officers."

Corporate governance principles widely followed are based on three documents released since 1990: The Cadbury Report (UK, 1992), the Principles of Corporate Governance (Organization for Economic Co-operation and Development (OECD), 1999, 2004 and 2015), the Sarbanes-Oxley Act of 2002 (US, 2002).
The core issues put forward by the principles cover the following:

- **Rights and equitable treatment of shareholders :** Organizations should respect the rights of shareholders and help shareholders to exercise those rights. They can help shareholders exercise their rights by openly and effectively communicating information and by encouraging shareholders to participate in general meetings.
- **Interests of other stakeholders :** Organizations should recognize that they have legal, contractual, social, and market driven obligations to non-shareholder stakeholders, including employees, investors, creditors, suppliers, local communities, customers, and policy makers.
- **Role and responsibilities of the board :** The board needs sufficient relevant skills and understanding to review and challenge management performance. It also needs adequate size and appropriate levels of independence and commitment.
- **Integrity and ethical behavior :** Integrity should be a fundamental requirement in choosing corporate officers and board members. Organizations should develop a code of conduct for their directors and executives that promotes ethical and responsible decision making.
- **Disclosure and transparency :** Organizations should clarify and make publicly known the roles and responsibilities of board and management to provide stakeholders with a level of accountability. They should also implement procedures to independently verify and safeguard the integrity of the company's financial reporting. Disclosure of material matters concerning the organization should be timely and balanced to ensure that all investors have access to clear, factual information.

In contemporary business corporations, the main external stakeholder groups are shareholders, debtholders, trade creditors and suppliers, customers, and communities affected by the corporation's activities. Internal stakeholders are the board of directors, executives, and other employees.

Much of the significance of corporate governance lies in the mitigation of the conflicts of interests between these stakeholders. Ways of mitigating or preventing these conflicts of interests include the processes, customs, policies, laws, and institutions which affect the way a company is controlled. The most important theme of governance is the nature and extent of corporate accountability.

At NHFIL, we have embraced these corporate governance principles with all earnestness and strive to manage the affairs of the company in a fair and transparent manner ensuring rights and responsibilities of participants including the board of directors, managers and executives, shareholders, creditors, regulators, auditors, and other stakeholders.

The company is fully alert to its legal, contractual, market-related and social responsibilities and we consider it our inalienable obligation to make adequate and transparent disclosure of information reflecting our portfolios, financials and performance as well as the quality of leadership and governance of the Company.

Risks and Concerns

Business is a **"risk and gain game."** Productive efforts entail risks all along which may crop up either from internal or external sources. Despite relentless efforts to arrest risks, some of them can be removed while some other remain beyond control. The management identifies the following risks that may hit the company any time and cause concern and financial and nonfinancial losses; viz, interest rate risk, credit risk, liquidity risk, industry risk, market and technology related risk, exchange rate risk, operational risk, capital adequacy risk, competitor inflicted risk, non-performing loans risk, changes in regulatory policies, changes in government policies, changes in economic and political conditions, assets quality risk, history of non-operation, if any, etc.

The methodology followed in our risk management operations is to firstly, ensure strict adherence to relevant laws and practices, and guidelines of the central bank made available from time to time. Secondly, meticulously weigh each and every business proposal against standards set in respect of each risk. Proposals passing such scrutiny and evalution are undertaken for execution remaining focused on the basic objectives of maintaining optimum profitability, fortifying capitals, equities, reserves and other resources, more importantly, safeguarding the company from assaults that could restrict its progressive growth and damage goodwill.Thirdly, to perform functions concerning loan processing and disbursements, day-to-day management, recruitment and retrenchment of personnel, vertical and horizontal reporting, maintenance of relationship with external stake holders, disclosure of vital information etc. with complete transparency, trust and integrity and full accountability.

Internal Control and Compliance

The Company's internal control system was commensurate with its size and nature of business. The system minimized operational risks through effective control, systematic reviews and on-going audit. The internal auditors undertook a comprehensive audit of all functional areas and operations, their findings were referred to the Audit Committee of the Board.

NHFIL made relevant mandatory disclosures reflecting its financial statements under the regulatory framework, including compliance with the provisions of International Accounting Standards (IAS), Bangladesh Accounting Standards (BAS), International Financial Reporting Standard (IFRS) and Bangladesh Financial Reporting Standard (BFRS). The annual financial statements are audited by reputed chartered accountants firms and issues unqualified audit reports. There is an independent Internal Control and Compliance Department which looks after compliance with the organizational policies by different departments.

Delegation of Authority

There is clearly spelled out delegation of authority in sanctioning loans as well as operational and capital expenditure with specific task-authority relationship.

Board of Directors and Role of the Board

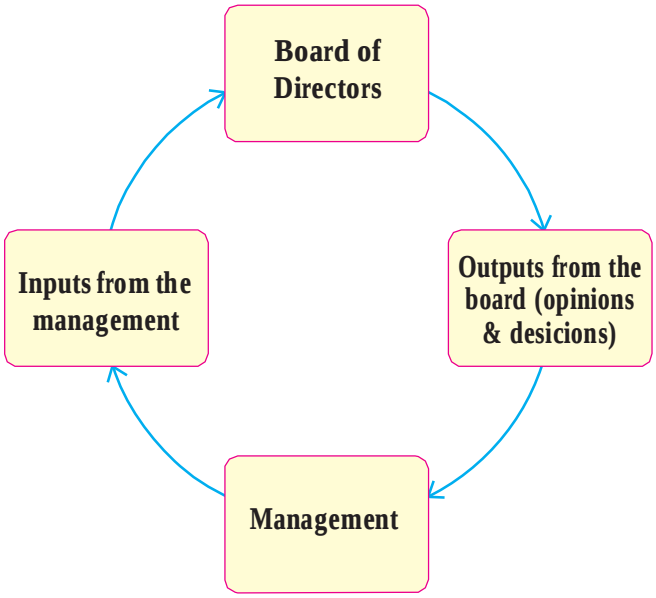
The Board of Directors of NHFIL is collectively responsible for short term profitability and long term growth and sustainability of the Company. Its role is essentially fivefold - to provide leadership, to oversee management, to ensure that all stakeholder's, particularly, shareholders' stakes are consistently enhanced, to maintain transparency, integrity and trustworthiness all along the operational course of the Company, and to allow stakeholders full access to all information pertinent to their interest.

The Board's leadership responsibilities involve working with management to set corporate values and to develop policies and strategies, including setting standards as to risks it is prepared to take in pursuing its strategic objectives. Its oversight responsibilities involve erecting constructive challenges to overcome to the benefit of the organization before the management team in relation to operational aspects of the business, including setting budgets, time-bound assignments and targets for expansion, diversification and growth and questioning whether risk management strategies and internal controls are sound. Its responsibility to uphold the interest of stakeholders include seeing to it that company's volume of business and profitability follow a realistic growth trajectory over time, and interest of other internal and external stakeholders are met justifiably. Its task in relation to maintaining transparency, integrity and trustworthiness involves standing as a vanguard setting standards of practice and code of conduct, and serving as a filter to hold the company free of malpractice of all sorts. Its role as the source of corporate information involves causing flow of clean information to and from stakeholders through presentation of accurate, timely and understandable information about the Company by means of Annual Reports, the Interim Reports at half-yearly intervals and other statements, in the wake of Annual General Meetings and other occasions. This role also confers upon it the crucial responsibility of deciding upon appropriate time and manner for disclosure of market-sensitive information, and communications with regulators concerning statutory obligations.

The basic responsibility of the Board of Directors is to govern the affairs of the company exercising reasonable business judgments and to act as a light house helping it navigate safely and gainfully remaining responsive to the needs of its environment and to proceed forward towards a destination that promises steady growth. The Company's day-to-day business is conducted by its employees under the direction and supervision of the Managing Director. The management ensures that all provisions of law, rules-regulations of the central bank are complied with and related practices are taken care of. The management develops Company's strategy, coordinates it with the Board of Directors, and ensures its implementation. Vertical and horizontal interactions meaning discourses and discussions between the board and the management, and among company functionaries serve as the core method that makes way for taking decisions and embarking on any and all business initiatives. In the process,

inputs in terms of information and proposals are placed before the board by the management, the board examines the same, provides opinions and decisions, and then the management implements the collective decision that culminates in an output constituting an investment, a loan, a lease finance or any scheme that bears potential for financial rewards . In pursuing their job the management ensures compliance with appropriate risk management and risk controlling measures so that stakeholders are not exposed to threats of losses and liabilities uncalled for. The Board members have collective experience in diverse fields like finance, banking, insurance, economics, corporate laws and administration.

The interactive decision making process that is followed at NHFIL can be visually portrayed as follows:



Short bio-data of all the Directors are given on Pages 12 to 18 of this Annual Report.

Board Meetings

The Board of Directors meet at regular intervals with a formal schedule of matters specifically reserved for its attention to ensure that it exercises full control over significant strategic, financial, operational and compliance matters. The Board of Directors is regularly briefed and updated on the key activities of the business and is provided with briefings and presentations on other matters concerning the Company on a need basis. Besides, information about statutory compliance, minutes of the sub-committees of the Board and information as required under Securities Law are also provided to the Directors on a regular basis. The dates of the Board meetings are fixed in advance and notices are served adequately ahead of the meetings to facilitate proper attention and maximum attendance of the Directors. During the year 2016, 13 (thirteen) meetings of the Board of Directors were held. Detail of the Board Meetings is given on page 55 of this Annual Report.

Chairman

The Chairman's primary responsibility is to lead the Board of Directors, to ensure that it has a common purpose, is effective as a group and at individual Director's level and that it upholds and promotes high standards of integrity, probity and corporate governance. The Chairman is the link between the Board of Directors and the Company. He is specifically responsible for establishing and maintaining an effective working relationship with the Managing Director, for ensuring effective and appropriate communications with shareholders and for ensuring that members of the Board develop and maintain an understanding of the views of shareholders.

Managing Director

The Managing Director has day-to-day management responsibilities for the running of the Company's operations and for the implementation of Company strategy and policies agreed by the Board of Directors. He also has a key role in the process of setting and reviewing of policies and strategies. The Managing Director instills the company's culture and standards, which include appropriate corporate governance throughout the Company. In execution of his responsibilities, the Managing Director is supported by the Chief Financial Officer and the Company Secretary, who, together with the Managing Director, is responsible for ensuring that high quality and authentic information is provided to the Board on the Company's financial and strategic performance.

Company Secretary

The Company Secretary's responsibilities include recording proceedings of the board, disseminating advices and directives of the board, ensuring that instructions and decisions of the Board are followed, assisting the Chairman in relation to corporate governance matters and ensuring compliance by the Company with its legal and regulatory requirements. He is also responsible for ensuring proper information flow to and from the Board and its Committees and between the management and the non-executive directors. He also serves as a bridge between the regulators/stakeholders and the Company.

Role of the Head of Internal Control and Compliance

The head of Internal Control and Compliance is responsible for reporting to the Board Audit Committee regarding deviations from accounting and internal control systems. He is also leads the internal audit team of the Company.

Chairman and Managing Director of the Company are different persons

The Chairman of the board and the Managing Director of the Company are different persons with different roles and responsibilities as defined by the board. This prevents unregulated powers of decision making in a single hand. The Chairman is a non-executive Director while the Managing Director is an Executive Director.

Accounting Standards

The Company has complied with the applicable Accounting Standards. The financial statements present fairly, in all material respects and comply with the Financial Institution Act 1993, the

Companies Act 1994, the Securities and Exchange Rules 1987 & other applicable laws and regulations.

Auditors Certificate on Corporate Governance

The Company has complied with all mandatory requirements of Corporate Governance Guidelines as enumerated in the Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7August, 2012 and its subsequent amendments by Bangladesh Securities and Exchange Commission. Mr. S. Abdur Rashid FCS, Chartered Secretary in Practice has certified that the Company has complied with the conditions of Corporate Governance as stipulated under the Corporate Governance Guidelines which is annexed in the page no. 60.

Remuneration paid to Directors including Independent Directors

The members of board get only fees for attending board/committee meetings and they are not allowed other remunerations or incentives. According to the ceiling fixed by the Bangladesh Bank, the directors get a remuneration of Tk.8,000.00 per meeting. The total remuneration paid to the directors for meetings of the Board of Directors, Audit Committee and the Executive Committee during 2016 is shown at page 57 of this Annual Report.

Board Committees

There are two committees constituted by the members of the board to assist the Board in discharging its responsibilities, namely, the Audit Committee and the Executive Committee. The board fixes the terms of reference for each Committee and also delegates powers from time to time. Various recommendations of the Committees are submitted to the board for approval.

Audit Committee

The primary role of the Audit Committee is to oversee the financial reporting process and disclosure of financial information, review the financial statements before submission to the board, review adequacy of internal control systems, as well as findings of internal investigations, besides recommending appointment/ removal of statutory auditors and fixing their remuneration. The Committee holds discussions with the statutory auditors to review the annual financial statements before submission to the board with special emphasis on accounting policies, compliance of accounting standards and other legal requirements relating to financial statements. The Committee reviews all issues which are required to be reviewed by the Audit Committee pursuant to guidelines issued by the BSEC, as well as those recommended by the board, if any.

The Audit Committee was reconstituted on 22nd May 2016 and the members are:

- Professor Imran Rahman, Independent Director as the Chairman
- Mr. Md. Kabir Reza, FCMA representing Square Pharmaceuticals Ltd.

- Mr. Akhtar Ahmed representing Reliance Insurance Ltd.
- Mr. Azmal Hossain representing Eastern Insurance Co. Ltd.
- Syed Tanveer Hussain, Independent Director.

Mr. Md. Khalilur Rahman, Managing Director acts as its ex-officio member, while Mr. Md. Sarwar Kamal, FCS, Company Secretary, acts as Secretary of the Committee. During the year 2016, 4 (four) meetings of the Audit Committee were held.

Executive Committee

The Executive Committee is authorized to review and approve the proposals of loans and advances within prescribed limits set by the board. The EC reviews all other proposals relating to loans and advances above the limits, as well as other matters for board's approval.

The EC was reconstituted on 22nd May 2016 and the members are:

- Mr. Syed Ali Jowher Rizvi as the Chairman.
- Mr. M. Nurul Alam representing Shaw Wallace Bangladesh Ltd.
- Mr. Muminul Haque Chowdhury representing Borak Travels (Pvt.) Ltd.
- Mr. Md. Kabir Reza, FCMA representing Square Pharmaceuticals Ltd.
- Syed Tanveer Hussain, Independent Director

Mr. Md. Khalilur Rahman, Managing Director acts as its ex-officio member, while Mr. Md. Sarwar Kamal, FCS, Company Secretary, acts as Secretary of the Committee. During the year 2016, 17 (seventeen) meetings of the Executive Committee were held.

Related Party Transactions

Transactions with related parties are made on arm's length basis and are in the ordinary course of business. Detailed transactions with related parties are described at notes: 54 of the Financial Statements at the page no. 106 of this Annual Report.

Statement of Managing Director / CEO and CFO regarding Financial Statements

A separate statement as to the fairness and presentation of the Financial Statements of the Company is given at page 64 of this report.

Key operating and financial data of at least last preceding 5 (five) years

Key operating and financial data of last preceding 5 (five) years are shown under the heading of Operational Highlights and Financial Highlights at page 23 of this Annual Report.

Corporate and Financial Reporting Framework

The members of the board, in accordance with the Securities and Exchange Commission's Notification no. SEC/CMRRCD/2006-158/Admin/129/43, dated 07 August, 2012, confirm compliance with the financial reporting framework for the following:

- The financial statements prepared by the Management of NHFIL present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of account of the issuer company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure thereof has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the issuer company's ability to continue as a going concern.

Going Concern

The financial statements of the Company have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Board of Directors of NHFIL has made annual assessment as to whether there exists any material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern, including review of budget and internal and external uncertainties that may pose threats to the interests of the Company in future.

Based on the different indications, directors feel it appropriate to adopt going concern assumptions and no material uncertainty exists in preparing the financial statements.

Shareholding Pattern

Shareholding patterns of the Company as at the end of the year 2016 is shown at page 58 of this report.

Annual General Meeting (AGM)

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

The Company's operational outcomes and official news releases are displayed on the Company's website and on the websites of the Dhaka and Chittagong Stock Exchanges. The Company also publishes the news required to be published in national daily newspapers. Resolutions passed at the previous AGM, i.e. 17th AGM held on 22nd May 2016

Details of the previous AGM are as follows:

Particulars	Date & Time Venue	Venue
17th AGM	Sunday the 22nd May 2016, at 11.00 a.m.	Lakeshore Hotel, Road: 41, House: 46, Gulshan 2, Dhaka.

The matters approved of by the shareholders in the last AGM are as follows:

- Financial Statements for the year ended December 31, 2015;
- Dividend (Cash @ 17.00%);
- **Election/re-election of Directors:** Directors who were eligible for re-election and expressed their interest to be elected as Directors in the 17th AGM are: Mr. A F M Shariful Islam representing National Bank Ltd., Mr. Mahbubur Rahman representing Eastland Insurance Co. Ltd., Mr. M. Nurul Alam representing Shaw Wallace Bangladesh Ltd. and Mr. Md. Kabir Reza representing Square Pharmaceuticals Ltd.:
- **Appointment of Auditors:** M/s Howladar, Yunus & Co., Chartered Accountants as external auditor of the Company;
- **Appointment of Independent Directors:** The Board of Directors re-appointed Syed Tanveer Hussain and Mr. Imtiaz Mahmood as Independent Director of the Company for a further period of 3 (three) years

General Shareholders' Information for 18th AGM:

- **Date :** 11th day of May 2017; Time 11.00 am
- **Venue:** Eagle Hall, RAOWA Convention Hall, VIP Road, Mohakhali, Dhaka-1206.
- **Financial Reporting Calendar :** 1st January 2016 to 31st December 2016
- **Dates of Book Closure/Record date :** 25th day of April 2017

Agenda to be discussed:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31 December, 2016 together with reports of the Auditors;
2. To declare dividend for the year ended 31 December, 2016;
3. To elect directors in accordance with the relevant provisions of the Articles of Association of the Company;
4. To appoint Auditors and fix their remuneration for the year 2017;

- **Dividend Payment Date:** The dividend if declared by the shareholders at the AGM shall be paid on or before 10 June, 2017, i.e. within 30 days from the date of declaration.

Listing on Stock Exchanges:

The securities of the Company are listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

Board Meeting and attendance of Directors

During the year 2016 the 13 meeting of the Board were held. Attendance of the Director is stated below:

Name of the Directors	Nominated by	Designation	Number of Meetings		Change During 2016
			Held	Attended	
Mr. Latifur Rahman	Bangladesh Lamps Ltd.	Chairman	13	12	
Mr. Akhtar Ahmed	Reliance Insurance Limited	Director	13	11	
Mr. Md. Manirul Islam	Pragati Insurance Ltd.	Director	13	13	
Mr. Muminul Haque Chowdhury	Borak Travels (Pvt.) Ltd.	Director	13	13	
Mr. Azmal Hossain	Eastern Insurance Co. Ltd.	Director	13	13	
Mr. Mizanur Rahman	Shaw Wallace Bangladesh Ltd.	Director	2	-	Resigned on 31.01.2016
Mr. M. Nurul Alam	Shaw Wallace Bangladesh Ltd.	Director	11	10	Appointed on 06.03.2016
Mr. Mahbubur Rahman	Eastland Insurance Co. Ltd.	Director	13	11	
Mr. A F M Shariful Islam	National Bank Ltd.	Director	9	1	Appointed on 22.05.2016
Mr. Md. Kabir Reza	Square Pharmaceuticals Ltd.	Director	13	12	
Mr. Syed Ali Jowher Rizvi		Director	13	13	
Syed Tanveer Hussain		Independent Director	13	13	
Professor Imran Rahman		Independent Director	13	9	
Mr. Imtiaz Mahmood		Independent Director	13	11	

Executive Committee Meeting and attendance of Directors

During the year 2016 the 17 meeting of the Executive Committee were held. Attendance of the Director is stated below:

Name of the Directors	Nominated by	Designation	Number of Meetings		Change During 2016
			Held	Attended	
Mr. Syed Ali Jowher Rizvi		Chairman	17	17	
Mr. Mizanur Rahman	Shaw Wallace Bangladesh Ltd.	Member	2	-	Resigned on 31.01.2016
Mr. M Nurul Alam	Shaw Wallace Bangladesh Ltd.	Member	9	8	Appointed on 22.05.2016
Mr. Muminul Haque Chowdhury	Borak Travels (Pvt.) Ltd.	Member	17	17	
Mr. Md. Kabir Reza	Square Pharmaceuticals Ltd.	Member	17	17	
Syed Tanveer Hussain	Independent Director	Member	17	17	

Audit Committee Meeting and attendance of Directors

During the year 2016 the 4 meeting of the Audit Committee were held. Attendance of the Director is stated below:

Name of the Directors	Nominated by	Designation	Number of Meetings		Change During 2016
			Held	Attended	
Professor Imran Rahman,	Independent Director	Chairman	4	4	
Mr. Md. Kabir Reza, FCMA	Square Pharmaceuticals Ltd.	Member	4	4	
Mr. Akhtar Ahmed	Reliance Insurance Ltd.	Member	4	3	
Mr. Azmal Hossain	Eastern Insurance Co. Ltd.	Member	4	3	
Syed Tanveer Hussain	Independent Director	Member	4	4	

Remuneration paid to Directors including Independent Director (excluding VAT) during the year 2016

Amount in Taka

Name of the Directors	Nominated by	Designation	Board Meeting	Executive Committee	Audit Committee	Total
Mr. Latifur Rahman	Bangladesh Lamps Ltd.	Chairman	96,000	-	-	96,000
Mr. Akhtar Ahmed	Reliance Insurance Limited	Director	88,000	-	24,000	112,000
Mr. Md. Manirul Islam	Pragati Insurance Ltd.	Director	104,000	-	-	104,000
Mr. Muminul Haque Chowdhury	Borak Travels (Pvt.) Ltd.	Director	104,000	136,000	-	240,000
Mr. Azmal Hossain	Eastern Insurance Co. Ltd.	Director	104,000	-	24,000	128,000
Mr. Mizanur Rahman	Shaw Wallace Bangladesh Ltd.	Director	-	-	-	-
Mr. M. Nurul Alam	Shaw Wallace Bangladesh Ltd.	Director	80,000	64,000	-	144,000
Mr. Mahbubur Rahman	Eastland Insurance Co. Ltd.	Director	88,000	-	-	88,000
Mr. A F M Shariful Islam	National Bank Ltd.	Director	8,000	-	-	8,000
Mr. Md. Kabir Reza, FCMA	Square Pharmaceuticals Ltd.	Director	96,000	136, 000	32,000	264,000
Mr. Syed Ali Jowher Rizvi		Director	104,000	136,000	-	240,000
Syed Tanveer Hussain		Independent Director	104,000	136,000	32,000	272,000
Professor Imran Rahman		Independent Director	72,000	-	32,000	104,000
Mr. Imtiaz Mahmood		Independent Director	88,000	-	-	88,000

Pattern of Shareholding

Shareholding Pattern of the Company as on 31st December 2016 On the basis of shareholders types:

Group Name	No. of Shareholder(s)	No. of Share(s)	Percentage (%)
Company	95	11,805,447	11.10%
General Public	3,185	7,049,024	6.63%
Investor Account (Omnibus)	51	326,051	0.31%
Mutual Fund	1	200,000	0.19%
NRB (Non Residential)	53	23,380	0.02%
Sponsor Share	34	86,857,557	81.64%
Unit Fund	2	130,541	0.12%
Total :	**3,421**	**106,392,000**	**100.00%**

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

Shareholding Range	Number of Shareholder(s)	No. of Shares	Percentage (%)
1 - 500	2115	166,879	0.16%
501 - 5000	1029	1,642,510	1.54%
5001 - 10000	117	859,165	0.81%
10001 - 20000	45	688,920	0.65%
20001 - 30000	20	503,524	0.47%
30001 - 40000	13	451,302	0.42%
40001 - 50000	7	323,583	0.30%
50001 - 100000	20	1,474,228	1.39%
100001 - 1000000	28	7,066,271	6.64%
1000001 to above	27	93,215,618	87.62%
Total :	**3,421**	**106, 392,000**	**100.00**

Shareholding status of Parent/Subsidiary/Associated Companies and other related parties, Directors* and CEO & their spouses & minor children

Name of Director/ Shareholder	Nominated by	Designation	No. of Share(s) held	Percent (%)
Parent/Subsidiary/Associated Companies and other related parties			Nil	Nil
Mr. Latifur Rahman	Bangladesh Lamps Ltd.	Chairman	5,123,276	4.82
Mr. Akhtar Ahmed	Reliance Insurance Ltd.	Director	5,123,295	4.82
Mr. Md. Manirul Islam	Pragati Insurance Ltd.	Director	4,840,420	4.55
Mr. Muminul Haque Chowdhury	Borak Travels (Pvt.) Ltd.	Director	5,123,295	4.82
Mr. Azmal Hossain	Eastern Insurance Co. Ltd.	Director	5,123,295	4.82
Mr. M. Nurul Alam	Shaw Wallace Bangladesh Ltd.	Director	4,808,100	4.52
Mr. Mahbubur Rahman	Eastland Insurance Co. Ltd.	Director	5,123,295	4.82
Mr. A F M Shariful Islam	National Bank Ltd.	Director	5,123,295	4.82
Mr. Md. Kabir Reza	Square Pharmaceuticals Ltd.	Director	5,023,450	4.72
Mr. Syed Ali Jowher Rizvi		Director	2,884,860	2.71
Syed Tanveer Hussain		Independent Director	Nil	Nil
Professor Imran Rahman		Independent Director	Nil	Nil
Mr. Imtiaz Mahmood		Independent Director	Nil	Nil
Mr. Md. Khalilur Rahman		Managing Director	Nil	Nil
Shareholders holding ten percent (10%) or more voting interest in the company			Nil	Nil

* All the Directors except Mr. Syed Ali Jowher Rizvi and Independent Directors are Directors' nominated by institutions and they do not hold any share in their personal names.

Shareholding status of CFO, CS and Head of Internal Audit & their spouses & minor children

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

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

Name of the Executive	Designation	No. of Share(s) held	Percent (%)
Mr. S. M. Anisuzzaman	Deputy Managing Director	Nil	Nil
Mr. Shital Chandra Saha	SVP & Head of Principal Branch	Nil	Nil
Mr. Md. Nazrul Islam	VP & Head of Recovery	Nil	Nil
Mr. Md. Abdul Baten	VP & Head of Marketing	Nil	Nil
Mr. Abu Naser Md. Ahad Sarker	VP & Head of Bogra Branch	Nil	Nil

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Natification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

[Report under Condition No. 7.00]

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1	**BOARD OF DIRECTORS:**			
1.1	Board's Size [number of Board members to be 5 – 20]	√		
1.2	**Independent Directors**			
1.2(i)	Number of Independent Directors [at least one fifth]	√		
1.2 (ii)	**Independent Director (ID) means a director:**			
1.2 (ii) (a)	Holding no share or holding less than 1% shares	√		
1.2 (ii) (b)	Not being a sponsor and connected with any sponsor or director or shareholder holding 1% or more shares	√		
1.2(ii) (c)	Not having any pecuniary or otherwise relationship with the company or its subsidiary/associated companies	√		
1.2 (ii) (d)	Not being member/director/officer of any stock exchange	√		
1.2 (ii) (e)	Not being shareholder/director/officer of any member of stock exchange or intermediary of capital market	√		
1.2 (ii) (f)	Not being partner/excutive at present or during the preceding 3 years of the company's statutory audit firm	√		
1.2 (ii) (g)	Not being an ID in more than 3 listed companies	√		
1.2 (ii) (h)	Not convicted as defaulter in any loan of a bank or NBFI	√		
1.2 (ii) (i)	Not convicted for a criminal offence	√		
1.2 (iii)	To be appointed by BOD and approved in the AGM	√		
1.2 (iv)	The post cannot remain vacant for more than 90 days			N/A
1.2 (v)	Laying down of code of conduct of Board members and recording of annual compliance of the code	√		
1.2 (vi)	Tenure of ID : 3 years, may be extended for one term	√		
1.3	**Qualification of Independent Director**			
1.3 (i)	Being knowledgeable, having integrity, ability to ensure compliance with laws and make meaningful contribution	√		
1.3 (ii)	Being a Business Leader/ Corporate Leader/ Bureaucrat/ University Teacher(Economics/Business/Law)/CA/CMA/CS having 12 years of management/professional experience	√		
1.3 (iii)	Prior approval of the Commission in special cases			N/A
1.4	Appointment of Chairman and CEO, defining their roles	√		
1.5	**The Director's Report to Shareholders shall include**			
1.5 (i)	Industry outlook and possible future developments	√		
1.5 (ii)	Segment-wise or product-wise performance	√		
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	Discussion on COGS, Gross Profit and Net Profit Margins	√		
1.5 (v)	Discussion on continuity of Extra-Ordinary gain or loss			N/A
1.5 (vi)	Basis for and a statement of related party transactions	√		
1.5 (vii)	Utilization of proceeds from issuing instruments			N/A
1.5(viii)	Explanation, if the financial results deteriorate after going for IPO, RPO, Right Offer, Direct Listing, etc			N/A
1.5 (ix)	Explantion about significant variance between quarterly Financial performance and Annual Financial Statements			N/A

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.5 (x)	Remuneration to directors including IDs	√		
1.5 (xi)	Fair presentation in financial statements	√		
1.5 (xii)	Maintaining proper books of accounts	√		
1.5 (xiii)	Consistent application of appropriate accounting policies, and accounting estimates being reasonable and prudent	√		
1.5 (xiv)	Following applicable IAS/BAS/IFRS/BFRS, and adequate disclosure for any departure there-from, if any	√		
1.5 (xv)	Soundness and monitoring of internal control system	√		
1.5 (xvi)	Statement regarding ability to continue as going concern	√		
1.5 (xvii)	Significant deviations from last year's operating results			N/A
1.5 (xviii)	Summary of key operating/financial data of last 5 years	√		
1.5 (xix)	Reason for non declaration of Dividend			N/A
1.5 (xx)	Number of Board meetings and attendance of directors	√		
1.5 (xxi)	**Pattern of shareholding (along with name wise details) by-**			
1.5 (xxi) (a)	Parent/Subsidiary/Associate Companies & related parties	√		
1.5 (xxi) (b)	Directors, CEO, CS, CFO, HOIA, their spouses & children	√		
1.5 (xxi) (c)	Executives (Top 5 salaried employees other than above)	√		
1.5 (xxi) (d)	Shareholders holding 10% or more voting interest	√		
1.5 (xxii)	**In case of the appointment/re-appointment of a director,**			
1.5 (xxii) (a)	A brief resume of the director	√		
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas	√		
1.5 (xxii) (c)	Names of companies in which he/she holds directorship and the membership of committees of the board	√		
2	**CFO, HEAD OF INTERNAL AUDIT AND CS:**			
2.1	Appointment of a CFO, a Head of Internal Audit and a CS and defining their roles, responsibilities & duties	√		
2.2	Attendance of CFO and CS in the meetings of the Board	√		
3	**AUDIT COMMITTEE:**			
3 (i)	Having Audit Committee as a sub-committee of the BOD	√		
3 (ii)	Audit Committee to assist the BOD in ensuring fairness of financial statements and a good monitoring system	√		
3 (iii)	Audit Committee being responsible to the BOD; duties of Audit Committee to be clearly set forth in writing	√		
3.1	**Constitution of the Audit Committee**			
3.1(i)	Audit Committee to be composed of at least 3 members	√		
3.1 (ii)	Directors (at least one Independent Director), as Audit Committee Members, to be appointed by BOD	√		
3.1 (iii)	Audit Committee members to be "financially literate" and at least one to have accounting/financial experience	√		
3.1 (iv)	Vacancy in Audit Committee making the number lower than 3 to be filled up immediately and within 1 month			N/A
3.1 (v)	The CS to act as the secretary of the Audit Committee	√		
3.1 (vi)	No quorum in Audit Committee meeting without one ID	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
3.2	**Chairman of the Audit Committee**			
3.2 (i)	Chairman to be Independent Director, selected by BOD	√		
3.2 (ii)	Chairman of audit committee to remain present in AGM	√		
3.3	**Role of Audit Committee**			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		
3.3 (iii)	Monitor Internal Control Risk management process	√		
3.3 (iv)	Oversee hiring and performance of external auditors	√		
3.3 (v)	Review the annual financial statements	√		
3.3 (vi)	Review the quarterly and half yearly financial statements	√		
3.3 (vii)	Review the adequacy of internal audit function	√		
3.3 (viii)	Review statement of significant related party transactions	√		
3.3 (ix)	Review Letters issued by statutory auditors	√		
3.3 (x)	Review disclosures/statements/declarations about uses of funds raised through IPO/RPO/Rights Issue	√		
3.4	**Reporting of the Audit Committee**			
3.4.1	**Reporting to the Board of Directors**			
3.4.1 (i)	Reporting on the activities of Audit Committee	√		
3.4.1 (ii) (a)	Reporting on conflicts of interests			N/A
3.4.1 (ii) (b)	Reporting on suspected/presumed fraud or irregularity or material defect in the internal control system			N/A
3.4.1 (ii) (c)	Reporting on suspected infringement of laws			N/A
3.4.1 (ii) (d)	Reporting on any other matter to disclose immediately			N/A
3.4.2	Reporting to BSEC			N/A
3.5	Reporting to the Shareholders and General Investors	√		
4	**EXTERNAL / STATUTORY AUDITORS**			
4.00 (i)	Non-engagement in appraisal/valuation/fairness opinions	√		
4.00 (ii)	Non-engagement in designing & implementation of FIS	√		
4.00 (iii)	Non-engagement in Book Keeping or accounting	√		
4.00 (iv)	Non-engagement in Broker-Dealer services	√		
4.00 (v)	Non-engagement in Actuarial services	√		
4.00 (vi)	Non-engagement in Internal Audit services	√		
4.00 (vii)	Non-engagement in services determined by Audit Com.	√		
4.00 (viii)	Possessing no share by any partner or employee of the external audit firm during the tenure of assignment	√		
5	**SUBSIDIARY COMPANY**			
5 (i)	Composition of BOD to be similar to holding company			N/A
5 (ii)	One ID to be in both holding and subsidiary company			N/A
5 (iii)	Minutes of Board meetings of subsidiary company to be placed at following Board meeting of holding company			N/A
5 (iv)	Minutes of respective Board meeting of holding company to state that affairs of subsidiary company be reviewed			N/A
5 (v)	Audit Committee of holding company to review financial statements / investments of subsidiary company			N/A

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
6	**DUTIES OF CEO AND CFO:**			
6 (i) (a)	To certify that they've reviewed FSs which contain no untrue or misleading statement or omit no material fact	√		
6 (i) (b)	To certify that the statements present a true and fair view of affairs and are in compliance with accounting standards and applicable laws	√		
6 (ii)	To certify that no transaction is fraudulent, illegal or violation of company's code of conduct	√		
7	**REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:**			
7 (i)	Obtaining certificate regarding compliance and sending it to shareholders along with the Annual Report	√		
7 (ii)	To state, in accordance with annexure, in directors' report whether the conditions has been complied with	√		

Report on Financial Statements by Managing Director/CEO and CFO

The Financial Statements of the National Housing Finance And Investments Limited are prepared in compliance with International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS) and other applicable laws, rules and regulations.

The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view. The form and substance of transactions and the Company's state of affairs reasonably presented. To ensure this, the Company has taken proper and adequate care in installing a system of internal control and accounting records. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed. However, there are inherent limitations that should be recognized in weighing the assurance provided by any system of internal controls and accounting.

In this regard, we also certify to the Board that:-

i. We have reviewed financial statements for the year ended 2016 and that to the best of our knowledge and belief:

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

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

ii. There are, to the best of knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

Sayed Ahmed FCMA
VP & Chief Financial Officer

Md. Khalilur Rahman
Managing Director

National Housing

S. Abdur Rashid FCS

BCGn (Ho118), P.6S (FNncie & Baridng). t.eA (Finance), PGOHRM. LLB. AIPM
Charmrad secratary In Practice
,.,..._._ ..._.,., ,_.....,.....No 003
.-..... ,__,__ ....:
Ph-R •8802965878e, •880172e533855
E-mail: &a'lll!hld12000(b'ahoo.com

SARahid & Associates
{Ch U'te N SectW.trtu)
NoaktlaiT0\IIIIH' (12th Flo«, 13-0)
66.9 Pu111118 Pabn.lbka-IOOO,Ilqladelh
&mal: SIIIIIII niil.oom

Certl'flcate on Compliance of Corporate Governance Guidelines

[Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012)

I have reviewed the Compliance of Conditions of the Corporate Governance Guidelines by NaOonal Housing Finance and Inwelment8 Umlted ("the Company") for the year ended 31 December 2016. Such Compliance is the responsibility of the Company as stipulated in the above mentioned notification issued by Bangladesh Securities and Exchange CommistJion (BSEC).

I have conducted my review in a manner that has provided me a reasonable basis for evaluating the compliances and eJCpressing my opinion thereon. This review has been limited to the measures adopted by the Company in ensuring such compliances and this has not been for elq)l'eSflion of opinion on the financial statements or fuh.Jre viability of the Company.

According to the information and explanations provided to me by the Company, I hereby certify that al the conditions of the Corporate Governance Guidelines have been complied with by lhe Company.

S. Abdur Raahld FCS

Dhaka, 25 April 2017

Auditors' Report & Audited Financial Statement



Howladar Yunus & Co.

Gulshan Office :
Howladar Yunus & Co.
House 14 (14th floor)
Road 16A, Gulshan 1
Dhaka 1212 Bangladesh
T +88 (0)2 9883863
F +88 (0)2 9552989
www.howladaryunus.com

Independent Auditors' Report to the Shareholders of National Housing Finance and Investments Limited

We have audited the accompanying financial statements of National Housing Finance and Investments Limited ("the Company"), which comprise the balance sheet as at 31 December, 2016, and profit and loss account, statements of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note 2.00, the Financial Institutions Act 1993, the rules and regulations issued by Bangladesh Bank, the Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements of the Company based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements of the Company are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements of the Company. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements the Company, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements of the Company that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion of the effectiveness of the entities internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements of the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for ouraudit opinion.

Opinion

In our opinion,the financial statements of the Company give a true and fair view of the financial position of the Companyas at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.00.

Howladar Yunus & Co.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Financial Institutions Act 1993, the rules and regulations issued by Bangladesh Bank, the Securities and Exchange Rules 1987 and other applicable laws and regulations. we also report the following:

(a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;

(c) the balance sheet , profit and loss account of the company together with annexed form 1 to 54 dealt with by the report are in agreement with the books of account and returns;

(d) the expenditure incurred was for the purposes of the Company business during the year;

(e) the financial statements of the Company have been drawn up in conformity with prevailing rules, regulations and Bangladesh Financial Reporting Standards as explained in note 2.00 as well as with related guidance, circulars issued by Bangladesh Bank;

(f) adequate provisions have been made for the loans and advances, leases and other assetswhich are, in our opinion, doubtful of recovery;

(g) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(h) the information and explanation required by us have been received and found satisfactory; and

(i) the internal control and the compliance of the company is satisfactory, and effective measures have been taken to prevent possible fraud forgery and internal policies are being followed appropriately.

(j) taxes and other duties collected and deposited to Government treasury by the company as per Government instructions found satisfactory.

(k) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions issued by Bangladesh Bank and other regulatory have been complied properly.

(l) 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/leases found satisfactory.

(m) all other issues which are important for the shareholders of the company have been adequately disclosed in the audit report.

(n) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 1250 person hours for the audit of the books and accounts of the Company.

Chartered Accountants

Dated: Dhaka
April 04, 2017

NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED
Balance Sheet
As at December 31, 2016

	Note	2016 Taka	2015 Taka
Property and Assets			
Cash:	4.00		
In hand (including foreign currencies)		63,599	54,395
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		164,826,047	128,613,635
		164,889,646	**128,668,030**
Balance with banks and other financial institutions:	5.00		
In Bangladesh		2,291,412,919	968,405,753
Outside Bangladesh		-	-
		2,291,412,919	**968,405,753**
Money at call and on short notice	6.00	**-**	-
Investments:	7.00		
Government		-	-
Others		82,280,995	82,550,573
		82,280,995	**82,550,573**
Loans and advances:	8.00		
Loans, cash credits, overdrafts etc.		8,959,772,086	7,310,757,322
Bills purchased and discounted		-	-
		8,959,772,086	**7,310,757,322**
Fixed assets including premises, furniture and fixtures	9.00	**234,721,338**	**28,465,045**
Other assets	10.00	**517,312,672**	**305,248,350**
Non-banking assets	11.00	-	-
Total Assets		**12,250,389,655**	**8,824,095,072**
Liabilities and capital			
Liabilities:			
Borrowing from other banks, financial institutions and agents	12.00	**1,009,953,831**	**879,025,290**
Deposits and other accounts:	13.00		
Current accounts and other accounts etc.		-	-
Bills payable		-	-
Savings bank deposits		-	-
Fixed deposits		8,459,160,226	5,526,062,366
Bearer certificate of deposits		-	-
Other deposits		18,469,536	25,796,301
		8,477,629,762	**5,551,858,667**
Other liabilities	14.00	**1,125,844,472**	**819,153,912**
Total Liabilities		**10,613,428,066**	**7,250,037,869**
Capital / Shareholders' equity:			
Paid up capital	15.02	1,063,920,000	1,063,920,000
Statutory reserve	16.00	360,355,287	311,601,129
Retained earnings	17.00	212,686,303	198,536,074
Total Shareholders' equity		**1,636,961,590**	**1,574,057,203**
Total liabilities and Shareholders' equity		**12,250,389,655**	**8,824,095,072**

	Note	2016 Taka	2015 Taka
Off-Balance Sheet Items			
Contingent Liabilities:		-	-
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		22,256,919	22,256,919
		22,256,919	**22,256,919**
Other Commitments:		-	-
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities			
Un-disbursed contracted loans and leases	41.00	625,122,527	439,324,215
Undrawn formal standby facilities, credit lines and other commitments		-	-
		625,122,527	**439,324,215**
Total Off-Balance Sheet Items including contingent liabilities		647,379,446	461,581,134

The accompanying notes form an integral part of these financial statements

Md. Khalilur Rahman	**Md.Kabir Reza**	**Syed Tanveer Hussain**	**Latifur Rahman**
Managing Director	Director	Independent Director	Chairman

This is the balance sheet referred to in our separate report of even date.

Chartered Accountants

Dated: Dhaka
April 04, 2017

NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

Profit and Loss Account

For the year ended December 31, 2016

	Note	2016 Taka	2015 Taka
Interest Income	19.00	1,187,793,699	1,027,266,465
Interest paid on deposits, borrowings etc.	20.00	625,428,872	517,576,058
Net interest income		**562,364,826**	**509,690,407**
Investment Income	21.00	8,010,174	9,588,036
Commission, exchange and brokerage	22.00	214,900	139,650
Other operating income	23.00	32,706,368	33,851,545
		40,931,442	**43,579,231**
Total operating income		**603,296,269**	**553,269,638**
Salaries and allowances	24.02	73,479,652	56,110,316
Rent, taxes, insurance, electricity etc.	24.03	7,178,200	7,608,638
Legal expenses	24.04	3,172,440	823,032
Postage, stamps, telecommunication etc.	25.00	3,390,700	3,195,048
Stationery, printing, advertisement etc.	26.00	15,333,735	15,010,565
Managing Director's salary and fees	27.00	6,004,000	4,430,903
Directors' fees and expenses	24.01	2,171,200	1,112,150
Auditors' fees	28.00	287,500	187,500
Charges on loan losses		-	-
Depreciation and repairs to assets	29.00	10,532,662	4,031,695
Other expenses	30.00	10,633,980	8,076,604
Total operating expenses		**132,184,069**	**100,586,451**
Profit / (Loss) before provisions		**471,112,200**	**452,683,187**
Provisions for			
Loans, advances and leases	31.00	55,102,806	48,593,519
Diminution in value of investments	31.01	(5,017,887)	3,503,795
Others	31.02	3,205,654	1,030,187
Total provisions		**53,290,573**	**53,127,501**
Total profit / (loss) before taxation		**417,821,627**	**399,555,686**
Provisions for taxation			
Current	14.07	(177,760,363)	(168,595,570)
Deffered	10.03(a)	3,709,522	-
		(174,050,841)	**(168,595,570)**
Net Profit / (loss) after taxation		**243,770,786**	**230,960,116**
Appropriations:			
Statutory reserve	16.00	48,754,157	46,192,023
General reserve		-	-
Dividend etc.		-	-
		48,754,157	**46,192,023**
Retained surplus		**195,016,629**	**184,768,093**
Earnings per share	32.00	2.29	2.17

The accompanying notes form an integral part of these financial statements

Md. Khalilur Rahman	**Md.Kabir Reza**	**Syed Tanveer Hussain**	**Latifur Rahman**
Managing Director	Director	Independent Director	Chairman

This is the profit & loss account referred to in our separate report of even date.

Chartered Accountants

Dated: Dhaka
April 04,2017

NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

Cash Flow Statement

For the year ended December 31, 2016

	Note	2016 Taka	2015 Taka
A. Cash flows from operating activities			
Interest receipts in cash	33.00	1,188,610,521	1,018,916,555
Interest payments	34.00	(576,262,019)	(478,148,680)
Dividend receipts		2,972,308	1,128,463
Fees and commissions receipts in cash	35.00	214,900	139,650
Recoveries on loans previously written off		70,000	-
Cash payments to employees	36.00	(79,225,907)	(60,352,227)
Cash payments to suppliers	37.00	(19,039,671)	(18,635,571)
Income taxes paid		(172,539,464)	(147,938,687)
Receipts from other operating activities	38.00	33,811,660	37,623,618
Payments for other operating activities	39.00	(23,343,320)	(17,977,765)
Cash generated from operating activities before changes in operating assets and liabilities		**355,269,008**	**334,755,355**
Increase / (decrease) in operating assets and liabilities:			
Statutory deposits		-	-
Purchase / sale of trading securities		-	-
Loans, advances and leases to the client		(1,653,986,659)	(1,769,464,652)
Other assets		(35,055,098)	976,227
Term deposits	40.00	2,933,097,860	1,734,994,422
Other deposits	40.00	(7,326,765)	(9,564,742)
Trading liabilities		-	-
Other liabilities		33,372,436	3,212,793
		1,270,101,774	**(39,845,952)**
Net cash flow from operating activities		**1,625,370,782**	**294,909,403**
B. Cash flows from investing activities			
Proceeds from sale of securities		269,578	(61,743,313)
Payments for purchase of securities		-	-
Purchase / sale of property, plant & equipment		(216,473,719)	(1,628,405)
Purchase / sale of subsidiary		-	-
Net cash from investing activities		**(216,204,141)**	**(63,371,718)**
C. Cash flows from financing activities			
Receipts from issue of loan capital & debt securities		-	-
Payments for redemption of loan capital & debt securities		-	-
Receipt from ordinary shares		-	-
Loan from banks		130,928,541	(88,179,813)
Dividend paid		(180,866,400)	(159,588,000)
Net cash from financing activities		**(49,937,859)**	**(247,767,813)**
D. Net increase / (decrease) in cash		**1,359,228,782**	**(16,230,129)**
E. Effects of exchange rate changes on cash and cash equivalent		-	-
F. Cash and cash equivalent at beginning of the year		1,097,073,783	1,113,303,912
G. Cash and cash equivalent at end of the year		**2,456,302,565**	**1,097,073,783**
Cash and cash equivalent at end of the year			
Cash in hand (including foreign currencies)		63,599	54,395
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)		164,826,047	128,613,635
Balance with banks and other financial institutions		2,291,412,919	968,405,753
Money at call and on short notice		-	-
		2,456,302,565	**1,097,073,783**

The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.

Md. Khalilur Rahman	**Md.Kabir Reza**	**Syed Tanveer Hussain**	**Latifur Rahman**
Managing Director	Director	Independent Director	Chairman

NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

Statement of Changes in Equity

For the year: ended December 31, 2016

F.wwrs in T..t.r.b

Particulan	Paid-up Capital	Statutory Reaerve	General Rese!ve	Retained Earnibgs	Total
Balance as at January 01, 2016	1,063,920,000	311,601,129		198,536,074	1,574,057,203
Changes in accounting policy					
Resated balance	1,063,920,000	311,601,129		198,536,074	1,574,057,203
Swplus/deficit on account of revaluation of properties					
Swplus/deficit on account of revaluation of Investments					
Cuttency tranBaction differences					
Net gain/loss not recognized in the income statement					
Net profit for the year				243,770,786	243,770,7&6
Dividends				(180,866,400)	(180,866,400)
TI2D.Sfer tx> statutory reserve		48,754,157		(48,754,157)	
Balance aa at December 32016	063,920,000	360,355,287		212,686,303	636,961,590

The accompanying notes foml an inkgral part of these financial statements and are to be read in conjunction therewith.

Md. Khalilur Rahman	Md.Kabir Rez:a	Syed Tanveer HU88ain	Latifur Rahman
Managing Director	Directnr	Independent Directnr	Chairman

NATIONAL HOUSING FINANCE AND INVESTMENTS UMITED

Li.quidity Statement

(Matw:i.ty Analysis ofAaaets & Liabilities)

AsatDecember31.2016

Figures ill Tab

Pardc::ulars	Up to lro011th	1-3 ro01lths	3-12 months	1-Syears	Syears	Total
Asset						
Cash .inband	63,599	-	-	-	-	63,599
Balancewith Bangl2desh Bank anditsagents	164,826,047	-	-	-	-	164,826,047
Balance with other banks and Fls	221,412,919	900,000,000	1,070,000,000	100,000,000	-	2,291,412,919
Investments	42,280,994.86	10,000,000	10,000,000	20,000,000	-	82,280,995
Money at call and on short notice	-	-	-	-	-	-
Loans, advances and leases	967.;320,057	420,295,480	1,294,733,789	1,224,588,041	5,052,834,718	8,959,772,086
Fixed assets including premises furnitures and fixtures	-	-	-	-	234,721.;338	234,721,338
Other assets	77,598,006	-	433,056,104	6,604,102	54,460	517.;312,672
Non-financial institution assets	-	-	-	-	-	-
Total Asset	1,473,501,623	1,330,295,480	2,807'789,893	1,351,192,143	5,287,610,516	12,250,389,655
Liabilitiee						
Bonowing &om banks, other fiM.ncia.l institutions and agenu	240,755,604	84,182,079	208,845,686	476,170,462	-	1,009,953,831
Deposits and other accounts	615,049,805	-	3,020,044,770	3,551.;318,437	1,291,216,750.19	8,477,629,762
Provision & other liabilities	266,515,789	8,766,203	555,381,950	295,180,531	-	1,125,844,472
Total Liabilities	1,122,321,197	92,948,282	3,784,272,406	4,322,669,430	1,291,216,750	10,613,428,066
Net Liquidity Gap	351,180,426	1,237,347,198	(976,482,513)	(2,971,471,287)	3,996,393,766	1;636,961,590

Net .te.ult of the liquidity sbltemen.t t:eptaents the "Sha.teholden' Equity" ofNHFIL.

The2ce0mpanying notes fotm an inregral part of these fiM.ncW stat:em.ents and ll.tC to be read .in conjunction therewith.

Md. Kha lilu:r Rahman
Managing Director

Md-Eabir Rcza
Din:ctor

SyedTanveerHUNain
l!ldeperuieot Director

Latifur Rahm .....
rhoift'no:Jf"'l

National Housing
Finance And Investments Limited

1.1 Company and its activities

1.2 Legal status and nature of the company

National Housing Finance and Investments Limited (NHFIL) was incorporated on August 18, 1998 as a public limited company under the Companies Act 1994, obtaining license from Bangladesh Bank under the Financial Institutions Act 1993 on December 29, 1998. The main objectives of the Company are to carry on the business of financing the acquisition, construction, development and purchase of houses, plots, apartments, real estates, commercial spaces, etc.

The Company has obtained permission from Bangladesh Bank on June 03, 2003 to enter into lease finance operation keeping housing finance as its core business. The Company extends lease finance for all types of industrial, manufacturing and service equipments including vehicles to individual companies and corporate houses.

The registered office of the Company is located at National Plaza (7th & 8th floor), 109, Bir Uttam C.R. Datta Road (Ex-Sonargaon Road), Dhaka -1205.

1.3 Principal Activities of NHFIL

The Company provides loan to the extent of 70.00% of the total purchase price of houses, plots and apartments under usual repayable terms varying from 5 years to 20 years. The properties for which loans are disbursed are kept under registered / equitable mortgage as security. In addition to this NHFIL also involves with other activities such as accepting deposits, SME, lease financing, project financing etc.

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

2.1 Statement of Compliance

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

2.2 Basis of Accounting

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

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

Bangladesh Bank (the local Central Bank) is the prime regulatory body for Non-Banking Financial Institutions (NBFI) in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provision standards of BAS and BFRS. As such the Company has departed from those contradictory requirements of BAS/BFRS in order to comply with the rules and regulations of Bangladesh Bank.

2.3.1 Investment in shares and securities

BFRS: As per requirements of BAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

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

Provision should be made for any loss arising from diminution in value of investment. As such the Company measures and recognizes investment in quoted and unquoted shares at cost if the year-end market value (for quoted shares) and book value (for unquoted shares) are higher than the cost. In order to comply with the requirement specified in DFIM Circular No. 11, the company has charged the entire amount of difference in market value and cost price of marketable securities to the profit and loss account. However as per requirements of BAS 39 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve respectively.

2.3.2 Provision on loans and advances/investments

BFRS: As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per FID circular No. 08 dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and DFIM circular No. 03, dated 29 April 2013 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained. However such general provision satisfy the conditions of provision as per BAS 39. At the year end the Company has recognized an accumulated general provision of BDT 68,171,725 (out of accumulated provision of BDT 146,512,765) under liabilities.

2.3.3 Recognition of interest income in suspense

BFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognized in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per DFIM circular no. 08 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

2.3.4 Other comprehensive income

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

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

2.03.05 Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in BAS 39. As such full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

2.03.06 Write off

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

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

2.4 Date of Authorization

The Board of Directors has Authorized this financial statements for public issue on April 04, 2017.

2.5 Functional and Presentation Currency

The figures of the financial statements are presented in Bangladesh Currency (Taka) and have been rounded off to the nearest Taka, which is the functional currency of NHFIL.

2.6 Use of Estimates and Judgments

The preparation of financial statements in conformity with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

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

- Provision for impairment of loans, leases and investments
- Gratuity
- Useful life of depreciable assets

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

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

Contingent liabilities and contingent assets

The Company does not recognize contingent liability and contingent asset but discloses the existence of contingent liability in the financial statements. A contingent liability is a probable obligation that arises from past events whose existence will be confirmed by occurrence or non-occurrence of uncertain future events not within the control of the Company or a present obligation that is not recognized because outflow of resources is not likely or obligation cannot be measured reliably.

2.7 Liquidity Analysis

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

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

2.8 Reporting Period

These financial statements have been prepared for the period from January 01, 2016 to December 31, 2016.

2.9 Cash Flow Statement

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

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

2.9.1 Cash and cash equivalent

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

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

2.9.2 Non-banking asset

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

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

2.10 Implementation of BASEL-II

To comply with international best practices to make the FI's capital more risk sensitive as well as to make the FI industry more shock absorbent and stable, Bangladesh Bank provided regulatory capital framework "Risk Based Capital Adequacy for FI's with effect from January 01, 2012.

National Housing Finance and Investments Limited management is aware about guideline of Bangladesh Bank and implemented Capital Adequacy requirement according to BASEL-II. BASEL-II implementation is headed by Managing Director.

3.1 Significant accounting policies

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

3.2 Authorized Capital

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

3.3 Paid up Capital

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

3.4 Statutory Reserve

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

3.5 Revenue Recognition

3.5.1 Interest Income

Mortgage Loans

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

Lease Finance

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

Term Finance

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

Fixed Deposits

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

3.5.2 Investment Income

Income on investment is recognized on accrual basis.

3.5.3 Fees and Commission Income

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

3.6 Expenditure Recognition

3.6.1 Interest Paid and Other Expenses

Interest paid and other expenses are recognized on accrual basis.

3.6.2 Loan Loss Provision

General provision @ 1.00% & 0.25% on the unclassified loans are made as per policy prescribed by the Bangladesh Bank. In addition to Bangladesh Bank's policy for provision against non-performing loans, the Company follows a stringent policy to make provision against its non-performing loans.

3.6.3 Fixed Assets

i) Recognition and measurement

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

ii). Subsequent Cost

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

iii) Depreciation

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

Items	Rates
Land and Building	10.00%
Newly acquired Building	3.00%
Furniture	10.00%
Office Equipment	20.00%
Motor Vehicle	20.00%

3.7 Employee Benefits

3.7.1 Provident Fund

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

3.7.2 Gratuity Fund

The Company has introduced a Funded Gratuity Scheme in the year 2004 obtaining necessary approval from the National Board of Revenue, GoB. The Gratuity Scheme is administered by a Board of Trustees. Members are eligible to get the gratuity benefit after completion of minimum 5(five) years of confirmed service in the company. Gratuity is calculated on the basis of last basic salary and is payable at the rate of one month's basic pay for every completed year of service.

3.8 Income Tax

3.8.1 Current Tax :

Provision for current year's taxation has been made as per the provision of Income Tax Ordinance 1984 at the ruling rate prescribed in the Finance Act, 2016 and consistent with the past practice.

3.8.2 Deferred Tax

Deferred Tax has been accounted for as per Bangladesh Accounting Standard (BAS)-12: Income Taxes. It arises due to temporary difference, deductible or taxable, for the events or transaction recognized in the income statement. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount/reported amount in the financial statement. Deferred Tax asset or liability is the amount of income tax payable or recoverable in future period (s) recognized in the current period. The Deferred Tax asset/income or liability/expense does not create a legal liability/recoverability to and from the income tax authority.

3.9 Earnings Per Share (EPS)

Earnings Per Share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding as at December 31, 2016. The Company calculates EPS in accordance with IAS 33: Earnings Per Share, which has been shown on the face of Profit & Loss Account, and the computation of EPS is stated in note 32.00. This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

3.10 Dividend

Dividend on ordinary shares are recognized as a liability and deducted from retained earnings after due approval by the shareholders in the respective Annual General Meeting (AGM). Dividend recommended by the Board of Directors for approval of the shareholders for the year 2016 has been stated as post balance sheet events in note 48.00.

3.11 Related party disclosure

As per Bangladesh Accounting Standards (BAS) 24 "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party disclosures have been given in note-54 .

3.12 Regulatory & Legal Compliances

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

a) The Financial Institutions Act 1993;

b) The Companies Act 1994;

c) Rules and Regulations Issued by Bangladesh Bank;

d) The Securities and Exchange Rules-1987;

e) The Securities and Exchange Ordinance-1969;

f) The Securities and Exchange Commission Act-1993;

g) The Securities and Exchange Commission(Public Issue) Rules-2006;

h) The Income Tax Ordinance 1984;

i) The VAT Act 1991;

j) The 1st Schedule (under section 38) of Banking Companies Act 1991 for preparation of Financial Statements.

3.12 Compliance of Bangladesh Accounting Standard (BAS) & Bangladesh Financial Reporting Standard (BFRS)

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

BAS/BFRS	Reference	Status of Compliance
Presentation of Financial Statements	BAS-01	Applied
Inventories	BAS-02	Not Applicable
Cash Flow Statements	BAS-07	Applied
Accounting Policies, Changes in Accounting Estimates & Errors	BAS-08	Applied
Events after the Reporting Period	BAS-10	Applied
Construction Contract	BAS-11	Not Applicable
Income Taxes	BAS-12	Applied
Property, Plant & Equipment	BAS-16	Applied
Leases	BAS-17	Applied
Revenue	BAS-18	Applied
Employee Benefits	BAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS-20	Not Applicable
The Effect of Changes in Foreign Exchange Rates	BAS-21	Not Applicable
Borrowing Costs	BAS-23	Applied
Related Party Disclosure	BAS-24	Applied
Accounting and Reporting by Retirement Benefit	BAS-26	Not Applicable
Consolidated and Separate Financial Statements	BAS-27	Not Applicable
Investments in Associates Financial Instruments: Presentation	BAS-28 BAS-32	Not Applicable Applicable
Earnings Per Share	BAS-33	Applied
Interim Financial Reporting	BAS-34	Applied
Impairment of Assets	BAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS-37	Applied
Intangible Assets	BAS-38	Applied
Financial Instruments: Recognition and Measurement	BAS-39	Applicable
Investment Property	BAS-40	Not Applicable
Agriculture First Time adoption of IFRS	BAS-41 BFRS-1	Not Applicable Not Applicable
Share Based Payment	BFRS-2	Not Applicable
Business Combination	BFRS-3	Not Applicable
Insurance Contracts	BFRS-4	Not Applicable
Non-current Assets held for Sale and Discontinued Operations	BFRS-5	Not Applicable
Explanation for and Evaluation of Mineral Resources	BFRS-6	Not Applicable
Financial Instruments: Disclosures	BFRS-7	Applicable
Operating Segments	BFRS-8	Applied
Joint Arrangements	BFRS-11	Not Applicable
Disclosure of Interests in Other Entities Financial	BFRS-12	Not Applicable
Fair Value Measurement	BFRS-13	Applicable

		2016 Taka	2015 Taka
4.1	**Cash**		
	Cash in hand:		
	Local currency	63,599	54,395
	Foreign currencies	-	-
		63,599	**54,395**
	Balance with Bangladesh Bank and its agent Bank:		
	Local currency	164,826,047	128,613,635
	Foreign currencies	-	-
		164,826,047	**128,613,635**
		164,889,646	**128,668,030**

4.2 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR) have been calculated and maintained in accordance with section 19 of the Financial Institutions Act 1993, rules 5 of the Financial Institutions Regulations 1994 and FID circular # 6 dated November 06, 2003.

The CRR on the Company's term deposits received from public @ 2.5% has been calculated and maintained with Bangladesh Bank in current account and 5% SLR, including CRR, on the total liabilities has been maintained in the form of balance with banks and other financial institutions. Both the reserves maintained by the Company are in excess of the statutory requirements. Details of CRR & SLR maintained by the company are shown in the note: 4.01.01 & 4.01.02.

4.2.1	**Cash Reserve Requirement (CRR)**		
	Required reserve	158,420,425	115,319,779
	Actual reserve held	164,826,047	128,613,635
	Surplus / (deficit)	**6,405,622**	**13,293,856**
4.2.2	**Statutory Liquidity Reserve (SLR)**		
	Required reserve	348,453,017	298,540,000
	Actual reserve held	2,260,959,155	1,049,619,000
	Surplus / (deficit)	**1,912,506,138**	**751,079,000**
5.1	**Balance with banks and other financial institutions**		
5.2	**In Bangladesh**		
	On current accounts (note: 5.01.01)	9,250,012	5,671,579
	On Short Term Deposit (STD) Accounts (note: 5.01.02)	212,162,907	112,734,174
	On Fixed Deposit Account (note: 5.01.03)	2,070,000,000	850,000,000
		2,291,412,919	**968,405,753**
	Outside Bangladesh	-	-
		2,291,412,919	**968,405,753**
5.2.1	**On Current Accounts**		
	AB Bank Limited	184,465	184,465
	Bank Asia Limited	42,266	2,888,215
	EXIM Bank Limited	782,973	371,037
	National Bank Limited	1,588,221	283,242
	One Bank Limited	546	39,271
	Woori Bank Limited	7,525	-
	Trust Bank Limited	15,510	16,085
	Mercantile Bank Limited	6,627,526	1,887,595
	The City Bank Limited	979	1,669
		9,250,012	**5,671,579**

		2016 Taka	2015 Taka
5.2.2	**On Short Term Deposit (STD) Accounts**		
	Islami Bank Bangladesh Limited	229,700	721,587
	AB Bank Limited	13,782	14,539
	Bank Asia Limited	26,953,067	8,940,312
	Dhaka Bank Limited	-	-
	Eastern Bank Limited	4,799,302	11,277,605
	Exim Bank Limited	4,752	4,712
	Jamuna Bank Limited	20,576,417	38,935,839
	National Bank Limited	636,865	1,372,940
	One Bank Limited	2,538,340	1,220,893
	Premier Bank Limited	9,627,932	1,258,111
	Pubali Bank Limited	116,571,559	22,843,303
	Shahjalal Islami Bank Limited	1,599,345	3,930,465
	Sonali Bank Limited	2,089	2,089
	Southeast Bank Limited	7,343,100	8,277,866
	Trust Bank Limited	7,198,730	1,570,057
	United Commercial Bank Limited	1,977	3,054
	Bank Alfalah Limited	5,603,486	6,631,180
	H.S.B.C Bank Limited	-	-
	Mercantile Bank Limited	8,462,464	5,729,622
		212,162,907	**112,734,174**
5.2.3	**On Fixed Deposit Account**		
	MIDAS Finance Limited	150,000,000	-
	BD Finance Limited	150,000,000	-
	Meridian Finance Limited	50,000,000	-
	Jamuna Bank Limited	550,000,000	270,000,000
	Peoples Leasing and Financial Services Limited (PLFSL)		150,000,000
	CAPM Venture Capital & Finance Limited	150,000,000	-
	Premier leasing & Finance Limited	200,000,000	50,000,000
	First Lease Finance Limited		100,000,000
	SBAC Bank Limited	120,000,000	30,000,000
	Union Capital Limited	200,000,000	100,000,000
	GSP Finance (BD) Limited	100,000,000	-
	Hajj Finance Company Limited	200,000,000	-
	Phoenix Finance & Investments Limited	50,000,000	-
	The Farmers Bank Limited	50,000,000	-
	FAS Finance & Investments Limited	100,000,000	150,000,000
		2,070,000,000	**850,000,000**
5.3	**Maturity Grouping of Balance with other Banks and Financial Institutions**		
	On demand	221,412,919	118,405,753
	Up to 3(three) months	900,000,000	250,000,000
	More than 3(three) months but not more than 1(one) year	1,070,000,000	600,000,000
	More than 1(one) year but not more than 5(five) years	100,000,000	-
	More than 5(five) years	-	-
		2,291,412,919	**968,405,753**

		2016 Taka	2015 Taka
6.00	**Money at call and on short notice** **With Banking Companies**		
		-	-
		-	**-**
7.1	**Investments**		
	Government securities	-	-
	Other investments (note: 7.01)	82,280,995	82,550,573
		82,280,995	**82,550,573**
7.2	**Other Investments**		
	Preference Shares	40,000,000	50,000,000
	Ordinary Shares (note: 7.01.01)	42,280,995	32,550,573
		82,280,995	**82,550,573**

7.2.1 Investment in ordinary shares

Name of Company	Cost Price	Number of Shares	Cost Value	Market Price	Market Value	Provision for diminution in value of share
The ACME Laboratories	100.04	85,000	8,503,464	99.00	8,415,000	88,464
Agni Systems Limited	19.52	288,250	5,625,688	20.90	6,024,425	(398,737)
Bangladesh Submarine Cable Company Limited	117.54	55,629	6,538,790	118.60	6,597,599	(58,809)
Jamuna oil company	195.35	52,633	10,281,632	181.60	9,558,153	723,479
Square Pharmaseceuticals Limited	245.13	38,000	9,314,989	249.10	9,465,800	(150,811)
Safco Spinning Mills	14.36	140,394	2,016,433	14.50	2,035,713	(19,280)
Total			**42,280,995**		**42,096,690**	**184,305**

Opening Balance	5,202,192
Charge /(recovery) during the year	(5,017,887)
Balance as on December 31, 2016	**184,305**

7.2.2	**Maturity-wise Grouping**		
	On demand	42,280,995	32,550,573
	Up to 3(three) months	10,000,000	10,000,000
	More than 3(three) months but not more than 1(one) year	10,000,000	10,000,000
	More than 1(one) year but not more than 5(five) years	20,000,000	30,000,000
		82,280,995	**82,550,573**
8.1	**Loans and advances**		
	Mortgage loans	7,593,489,758	5,497,891,329
	Lease finance	193,368,339	285,455,007
	Term loans	282,897,825	647,971,400
	Small & Medium Enterprises Loan	801,554,712	834,775,717
	Loan Against Fixed Deposits	58,989,007	21,835,555
	Staff loan (note: 8.05)	29,472,444	22,828,313
		8,959,772,086	**7,310,757,322**

Note - Figure in 2015 has been restated due to changes in presentation.

		2016 Taka	2015 Taka
8.2	**Maturity-wise Grouping of loans and advances**		
	Up to 1 (one) months	967,320,057	1,118,835,172
	Up to 3(three) months	420,295,480	117,265,147
	More than 3(three) months but not more than 1(one) year	1,294,733,789	1,092,207,424
	More than 1(one) year but not more than 5(five) years	1,224,588,041	1,192,051,714
	More than 5(five) years	5,052,834,718	3,790,397,864
		8,959,772,086	**7,310,757,322**
8.3	**Loans, Advances and Leases**		
	In Bangladesh		
	Loans	7,964,849,034	6,190,526,597
	Leases	994,923,051	1,120,230,724
	Overdraft	-	-
	Cash Credit	-	-
		8,959,772,086	**7,310,757,322**
	Outside Bangladesh	-	-
		8,959,772,086	**7,310,757,322**
8.4	**Geographical Location-wise Grouping**		
	In Bangladesh		
	Dhaka division	6,992,341,116	5,780,845,699
	Chittagong division	636,370,533	491,830,421
	Khulna division	-	-
	Sylhet division	-	-
	Barisal division	-	-
	Rajshahi division	1,331,060,437	1,038,081,202
		8,959,772,086	**7,310,757,322**
	Outside Bangladesh	-	-
		8,959,772,086	**7,310,757,322**
8.5	**Significant Concentration-wise Grouping**		
	Directors & their related parties (Note: 54.00)	-	-
	Staff:		
	Managing Director	-	-
	Senior Executives	29,472,444	22,828,313
	Others	58,989,007	21,835,555
		88,461,451	**44,663,868**
	Industries:		
	Agricultural loan	401,696,215	422,902,484
	Large and medium enterprises	912,017,536	1,341,586,607
	Small and cottage	38,071,823	3,713,033
		1,351,785,574	**1,768,202,124**
	Mortgage Loan		
	Home mortgage loan	6,391,138,516	4,612,686,835
	Commercial mortgage loan	790,459,334	423,492,610
	Project mortgage loan	337,927,210	461,711,884
		7,519,525,060	**5,497,891,329**
	Trade & commercial	-	-
		8,959,772,086	**7,310,757,322**

		2016 Taka	2015 Taka
8.6	**Staff Loan**		
	Personal loan	14,496,753	14,494,246
	Car loan	3,823,149	2,543,447
	House building loan	11,152,542	5,790,620
		29,472,444	**22,828,313**

8.7 Details of Large Loan

As at 31st December 2016 there was no client with whom amount of outstanding and classified loans, advances and leases exceeded 15.00% of the total capital of the Company. Total capital of the Company was Taka 1,781.77 million and Taka 1,700.35 million respectively as at 2016 & 2015 respectively (note: 15.05).

8.8	**Grouping as per Classification Rules**		
	Unclassified:		
	Standard	7,994,286,479	6,572,338,348
	Special Mention Account	522,233,942	328,174,558
	Classified: Sub-	**8,516,520,421**	**6,900,512,906**
	standard	110,429,646	115,190,266
	Doubtful	90,122,971	67,830,341
	Bad/loss	242,699,048	227,223,809
		443,251,665	**410,244,416**
		8,959,772,086	**7,310,757,322**
8.9	**Loan Type-wise Classified Loan**		
	Mortgage loans	239,037,139	205,238,738
	Lease finance	65,193,892	47,150,286
	Term Finance	18,540,846	42,383,249
	Small & Medium Enterprises	120,479,788	115,472,143
		443,251,665	**410,244,416**
8.10	**Sector-wise Allocation of Loans, Advances and Leases**		
	Government		
	Private:		
	Mortgage loan	6,818,065,877	5,083,444,385
	Industry	193,368,339	285,455,007
	Term Finance	282,897,825	647,971,400
	Commercial loan	775,423,881	414,446,944
	SME Loan	801,554,712	834,775,717
	Miscellaneous	88,461,451	44,663,868
		8,959,772,086	**7,310,757,322**
8.11	**Securities Against Loans, Advances and Leases**		
	Collateral of moveable/immoveable assets	7,530,677,602	5,503,681,949
	Fixed Deposit Receipts (FDR)	58,989,007	311,540,031
	Fixed Deposit of other banks	371,845,995	221,845,995
	Personal guarantee	227,647,398	227,508,647
	Others	770,612,083	1,046,180,699
		8,959,772,086	**7,310,757,322**

8.12 Particulars of Required Provision for Loans, Advances and Leases

Status	Outstanding Loans, Advances and Leases as at 31.12.2016	Base for Provision	Rate of Required Provision	Required Provision	Required Provision
For Loans, Advances and Leases:					
Unclassified-General Provision:					
All unclassified Loans	7,994,286,479	7,994,286,479	0.25% & 1%	75,233,009	60,659,921
Special Mention Account (SMA)	522,233,942	490,307,490	5.00%	24,515,375	15,629,237
Sub-total:	**8,516,520,421**	**8,484,593,969**		**99,748,384**	**76,289,158**
Classified - Specific Provision:					
Sub-standard	110,429,646	21,421,971	20.00%	4,284,394	5,711,734
Doubtful	90,122,971	25,265,596	50.00%	12,632,798	5,187,284
Bad/Loss	242,699,048	32,891,114	100.00%	32,891,114	39,688,314
Sub-total:	**443,251,665**	**79,578,681**		**49,808,306**	**50,587,332**
Grand-total:	**8,959,772,086**	**8,564,172,649**		**149,556,690**	**126,876,489**

8.12 While calculating provision for bad loan S. A Telecom Systems Limited has not been considered as classified due to a stay order from Honorable High Court Division, in the Supreme Court of Bangladesh. As per Bangladesh Bank letter vide Reference-DFIM(C)1054 /002013-874, Bank has been advised to follow the Court instruction until receiving final decision in these regard.

	2016 Taka	2015 Taka
8.13 Particulars of Loans, Advances and Leases		
Loans considered good in respect of which the Company is fully secured		
Loans considered good against which the Company holds no securit other than debtors' personal guarantee		
Loans considered good secured by the personal undertaking of one or mor parties in addition to the personal guarantee of the debtors		
Loans adversely classified-no provision not maintained there against		
Loans due by directors or officers of the bank or any of them either separately or jointly with any other persons	29,472,444	22,828,313
Loans due from companies or firms in which the directors or officers of the Company have interest as directors, partners or managing agents or, in case of private companies, as members	-	-
Maximum total amount of advance, including temporary advance made at any time during the year to directors or managers or officers of the Company or any of them either separately or jointly with any other person	-	-
Maximum total amount of advance, including temporary advances granted during the year to companies or firms in which the directors of the Company are interested as directors, partners or managing agents or, in case of private companies, as members.	-	-
Due from banks/financial institutions	-	-
Classified loans, advances and leases:		
a) Classified loans, advances and leases on which interest has not been charged (Note-8.09)	443,251,665	410,244,416
b) Loans written off	6,644,114	6,538,577
c) Realized from previous written off	-	-
d) Provision on bad loans, advances and leases	49,808,306	50,587,332
e) Interest credited to the interest suspense account (Note-14.05)	99,726,389	74,688,157
f) Cumulative amount of the written off loans/Leases:		
Opening balance	253,239,202	246,700,625
Amount written off during the year	6,644,114	6,538,577
Cumulative to date	259,883,316	253,239,202
Recovery from write-off	70,000	-
Written off loans for which law suit filed	259,813,316	253,239,202

8.14 The directors of the Company have not taken any loan from National Housing during the year or there is no outstanding loan balances with any directors of the company.

9.00 Fixed assets including premises, furniture and fixures for 2016

Figures in Tm

Particulars	Cost				Rate	Depreciation				Written down value as on 31.12.16	Written down value as on 31.12.15
	Balance as on 01.01.16	Disposed during the year	Addition during the year	Balance as on 31.12.16		Balance as on 01.01.16	Adjust-mentsfor disposal	Charged during the year	Balance as on 31.12.16		
Land & building	41,565,093	-	197,499,215	239,064,308	10%	24,749,771	-	5,730,588	30,480,359	208,583,949	16,815,32
[Furniture	12,363,698	-	9,711,729	22,075,427	10%	5,695,455	-	1,637,989	7,333,444	14,741,983	6,668,243
Office equipment	11,976,809	-	2,563,891	14,540,700	20%	8,810,814	-	1,145,976	9,956,790	4,583,910	3,165,995
nror"	4,838,600	-	6,698,884	11,537,484	20%	3,023,115	-	1,702,873	4,725,988	6,811,496	1,815,485
	70,744,200	-	216,473,719	287,217,919		42,279,155	-	10,217,426	52,496,581	234,721,338	28,465,045

National Housing
Finance And Investments Limited

		2016 Taka	2015 Taka
10.1	**Other assets**		
	Income Generating Other Assets: Non-income Generating Other Assets: Advance	-	-
	against fixed assets	6,604,102	-
	Security deposits	54,460	754,460
	Advance income tax (note: 10.01)	430,620,104	258,080,640
	Advance against branch office	5,926	559
	Advance against office rent	2,436,000	3,434,400
	Stamp & Security Paper	146,200	130,300
	Deferred tax assets	3,399,235	-
	Other receivables (note: 10.02)	74,046,645	42,847,991
		517,312,672	**305,248,350**
10.2	**Advance Income Tax**		
	Balance as at 1st January	**258,080,640**	**110,141,952**
	Add: Advance tax for the year:		
	Tax paid during the year	161,964,017	139,757,161
	Tax deducted at source	10,575,447	8,181,526
	Less: Adjusted against tax provision	-	-
		172,539,464	**147,938,687**
	Balance as at 31st December	**430,620,104**	**258,080,640**
10.3	**Other Receivables**		
	Cheque dishonored charges	782,860	946,435
	Accounts receivable	9,580,665	7,693,318
	Interest on bank deposits	19,859,290	20,676,112
	Receivable from Multi Securities	8,070	8,070
	Receivable from ETBL Securities	3,071,345	2,400,221
	Receivable from UFT Co. Ltd	31,295,886	2,117,281
	Legal charges receivable	8,753,837	8,587,551
	Others	694,693	419,005
		74,046,645	**42,847,991**
	Note - Figure in 2015 has been restated due to changes in presentation.		
10.4	**Deferred tax assets**		
	Balance as at 1st January	(310,287)	-
	Add: Addition during the year (note: 10.03(a))	3,709,522	-
		3,399,235	**-**
10.03(a)	**Calculation of deffered tax**		
	Carrying amount of Fixed Assets (excluding land)	8,904,853	-
	Tax base value of Fixed Assets	18,178,658	-
	Deductible temporary difference	9,273,805	-
	Applicable tax rate	40.00%	-
	Deferred tax assets on fixed assets	3,709,522	-
	Deferred tax assets / (liability) at the beginning of year	-	-
	Deferred tax income / (Expenses)	**3,709,522**	**-**

		2016 Taka	2015 Taka
11.00	Non-banking assets	-	
12.00	**Borrowing from banks, other financial institutions and agents**		
	Secured		
	In Bangladesh:		
	Secured Overdraft		
	Banking companies:		
	Eastern Bank Limited	11,971,238	1,791,900
	Mercantile Bank Ltd.	6,062,891	1,959,847
	Prime Bank Ltd.	3,607,601	14,383,204
	Pubali Bank Ltd.	372,867	18,997,439
	United Commercial Bank Ltd.	51,455	34,900
		22,066,053	**37,167,289**
	Non-banking financial institution	-	-
		22,066,053	**37,167,289**
	Outside Bangladesh	-	-
	Sub-total:	**22,066,053**	**37,167,289**
	Term Loan :		
	Banking companies:		
	Bank Al-Falah Limited	7,855,918	7,699,640
	Eastern Bank Limited	8,000,000	10,000,000
	Woori Bank Ltd.	150,000,000	-
		165,855,918	**17,699,640**
	Non-banking financial institution	-	-
		165,855,918	**17,699,640**
	Outside Bangladesh	-	-
	Sub-total:	**165,855,918**	**17,699,640**
	Bangladesh Bank Loan:		
	SME loan	532,304,206	506,714,499
	HML Refinance Scheme	289,727,654	317,443,862
	Sub-total:	**822,031,860**	**824,158,361**
	Un-secured		
	Money at call and on short notice:		
	Banking companies:		
	Sonali Bank Limited	-	-
	One Bank Limited	-	-
		-	-
	Non-banking financial institution	-	-
		-	-
	Outside Bangladesh	-	-
	Sub-total:	-	-
	Total:	**1,009,953,831**	**879,025,290**
12.01	**Remaining Maturity Grouping of Borrowing**		
	Payable on demand	-	-
	Up to 1 (one) month	240,755,604	20,761,398
	Over 1(one) month to 3(three) months	84,182,079	27,502,657
	Over 3(three) months to 1(one) year	208,845,686	212,383,618
	Over 1(one) year to 5(five) years	476,170,462	525,021,485
	More than 5(five) years	-	93,356,132
		1,009,953,831	**879,025,290**

		2016 Taka	2015 Taka
13.1	**Deposits and other accounts**		
	Term deposits	8,459,160,226	5,526,062,366
	Other deposits (note: 13.02)	18,469,536	25,796,301
		8,477,629,762	**5,551,858,667**
13.2	**Remaining Maturity Grouping of Deposits and Other Accounts**		
	Payable on demand	-	-
	Within 1(one) month	615,049,805	382,957,161
	Over 1(one) month to 6(six) months	1,698,889,489	982,919,160
	Over 6(six) months to 1(one) year	1,321,155,281	546,131,310
	Over 1(one) year to 5(five) years	3,551,318,437	3,546,485,104
	Over 5(five) years to 10(ten) years	1,291,216,750	93,365,932
	More than 10(ten) years	-	-
		8,477,629,762	**5,551,858,667**
13.3	**Other Deposits**		
	Home mortgage loan deposit	2,705,382	2,912,107
	Margin deposit	3,480,970	2,759,060
	Refundable share money deposit	6,210,394	6,210,394
	Lease deposit	6,072,790	13,914,740
		18,469,536	**25,796,301**
14.1	**Other liabilities**		
	Provision for loans, advances, investments and others(note: 14.01 to 14.04)	194,320,764	146,512,765
	Interest suspense (note: 14.05)	99,726,389	74,688,157
	Provision for gratuity (note: 14.06)	3,113,945	5,186,725
	Withholding tax payable	1,085,910	501,511
	VAT & Excise duty payable	631,077	82,950
	Provision for current tax (note: 14.07)	555,381,950	377,621,587
	Provision for deferred tax	-	310,287
	Interest payable	245,577,815	196,410,961
	Accrued expenses (note: 14.09)	287,500	187,500
	Unclaimed dividend	11,396,111	10,537,357
	Accounts Payable	4,423,431	4,165,686
	Sundry deposit	8,766,203	1,815,049
	Sundry liabilities	1,133,378	1,133,378
		1,125,844,472	**819,153,912**
14.2	**Specific Provision on Loans, Advances**		
	Balance as at 1st January	66,216,571	40,243,650
	Less: Fully provided debt written off	(4,971,895)	(5,496,392)
	Provision after written off	61,244,676	34,747,258
	Add: Provision made during the year	113,648,276	116,473,074
	Less: Provision recovered	(100,639,268)	(85,003,761)
	Net charge in the profit & loss account	**13,009,008**	**31,469,313**
	Add: Recoveries of amounts previously written off	70,000	-
	Less: Written off of provision no longer required	-	-
	Provisions held at 31st December	**74,323,684**	**66,216,571**

		2016 Taka	2015 Taka
14.3	**General Provision on Loans, Advances and Leases**		
	Balance as at 1st January	68,171,725	51,047,519
	Add: Provision made during the year	286,379,230	147,300,853
	Less: Provision recovered	(244,285,432)	(130,176,647)
	Net charge in the profit & loss account	42,093,798	17,124,206
	Balance as at 31st December	**110,265,523**	**68,171,725**
14.4	**Provision on investments in share**		
	Balance as at 1st January	5,202,192	1,698,397
	Add: Provision made during the year	3,039,436	5,626,971
	Less: Provision recovered	(8,057,323)	(2,123,176)
	Net charge in the profit & loss account	(5,017,887)	3,503,795
	Balance as at 31st December	**184,305**	**5,202,192**
14.5	**Provision on others**		
	Balance as at 1st January	6,922,277	6,588,005
	Add: Provision made during the year	3,889,790	1,622,549
	Less: Provision recovered	(684,137)	(592,362)
	Net charge in the profit & loss account	3,205,654	1,030,187
		10,127,930	7,618,192
	Less: Fully provided debt written off	(580,678)	(695,916)
	Provisions held at 31st December	**9,547,252**	**6,922,277**
14.6	**Interest Suspense Account**		
	Balance as at 1st January	74,688,157	76,805,687
	Add: Interest suspense charged during the year	110,358,609	106,256,256
	Less: Interest suspense realized during the year	(84,226,218)	(108,027,517)
	Net charge in the profit & loss account	26,132,391	(1,771,261)
		100,820,548	75,034,426
	Less: Interest written off	(1,094,159)	(346,269)
	Balance as at 31st December	**99,726,389**	**74,688,157**

Write-off of Loans/Leases

As per FID Circular no. 03 dated 15th March 2007 of Bangladesh Bank a financial institution should write-off its loans/leases to clean-up its financial statements subject to fulfillment of the criteria. As per Bangladesh Bank guidelines, National Housing Finance and Investments Limited has written-off its loans/leases as under:

(Figures in Taka)

Balance at 1st January	253,239,202	246,700,625
Net loans/leases written-off during the year	6,644,114	6,538,577
No. of agreements written-off	18	13
No. of clients written-off	15	10
Interest suspense against written-off loans/leases	(1,094,159)	(346,269)
Provision adjusted against written-off loans/leases	(5,549,955)	(6,192,308)
Recovery of loans/leases write-off loans/leases	70,000	-
Balance of loans/leases written-off at 31st December 2016	**259,813,316**	**253,239,202**

14.7	**Provision for Gratuity**		
	Balance as at 1st January	5,186,725	2,379,490
	Add: Provision made during the year	3,426,805	5,186,725
	Less: Payment made during the year	(5,499,585)	(2,379,490)
	Less: Provision written back during the year	-	-
	Balance as at 31st December	**3,113,945**	**5,186,725**

		2016 Taka	2015 Taka
14.8	**Provision for Current Tax**		
	Balance as on 1st January	377,621,587	209,076,043
	Add: Provision made during the year	177,760,363	168,545,544
	Add: Short provision	-	-
	Less: Adjustment of advance tax	-	-
	Balance as at 31st December	**555,381,950**	**377,621,587**
14.9	**Provision for Deferred Tax**		
	Balance as at 1st January	-	260,262
	Add: Provision for deferred tax	-	50,026
	Balance as at 31st December	**-**	**310,287**
14.08.01	**Provision for taxation Net Charged for in the Profit & Loss Account**		
	Current tax (note: 14.07)	177,760,363	168,545,544
	Add: Deferred tax	-	50,026
		177,760,363	**168,595,570**

Provisions for current tax has been made on the basis of the profit for the year as adjusted for taxation purposes in accordance with the provisions of Income Tax Ordinance, 1984 and amendments made thereto. The current tax rate for the Company is 40.00% on taxable income.

14.10	**Accrued Expenses**		
	Promotion and publicity	-	-
	Audit fees	287,500	187,500
	Sundry creditors	-	-
		287,500	**187,500**
15.1	**Share Capital**		
15.2	**Authorized Capital:**		
	200,000,000 ordinary shares of Tk.10 each	2,000,000,000	2,000,000,000
15.3	**Issued, Subscribed and fully Paid-up Capital:**		
	106,392,000 ordinary shares of Tk.10 each	**1,063,920,000**	**1,063,920,000**
	% of holding:	**% of holding**	**% of holding**
	Sponsors	81.64%	82.23%
	General public	18.36%	17.77%
		100.00%	**100.00%**
	Number of holding:		
	Sponsors	86,857,557	87,486,142
	General public	19,534,443	18,905,858
		106,392,000	**106,392,000**

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

Number of shares	No of shareholders	No of shares	% of holding
Less than 500	2115	166,879	0.16%
501 to 5,000	1029	1,642,510	1.54%
5,001 to 10,000	117	859,165	0.81%
10,001 to 20,000	45	688,920	0.65%
20,001 to 30,000	20	503,524	0.47%
30,001 to 40,000	13	451,302	0.42%
40,001 to 50,000	7	323,583	0.30%
50,001 to 100,000	20	1,474,228	1.39%
100,001 to 1,000,000	28	7,066,271	6.64%
Above 1,000,000	27	93,215,618	87.62%
Total:	**3421**	**106,392,000**	**100.00%**

The shares of the Company are listed with Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd.

15.04 Capital Requirement

As per DFIM circular no. 05 dated July 24, 2011 of Bangladesh Bank, an NBFI requires to have Tk.100 crore as its minimum capital which shall be deemed to be adequate capital. When the core capital equals or exceeds its minimum capital then the capital shall be treated as adequate capital of NBFI. Core capital consists of paid-up capital, retained earnings, statutory reserve and balance of current year's profit but in case of total capital it includes core capital plus general provision on good loans/leases. Status of the capital has given bellow:

	2016 Taka	2015 Taka
Core capital (paid-up capital, retained earnings & statutory reserve etc.)	1,636,961,590	1,574,057,203
Less: Required minimum capital	(1,000,000,000)	(1,000,000,000)
Surplus over minimum required capital	**636,961,590**	**574,057,203**
Core capital (paid-up capital, retained earnings & statutory reserve etc.)	1,636,961,590	1,574,057,203
Add: Provision on good loan/leases	110,265,523	68,171,725
Total capital	**1,747,227,113**	**1,642,228,928**
Less: Required minimum capital	(1,000,000,000)	(1,000,000,000)
	747,227,113	**642,228,928**

		2016 Taka	2015 Taka
15.05	**Capital Adequacy Ratio-As per BASEL-II**		
	1. Tier-1 (Core Capital)		
1.1	Fully Paid-up Capital/Capital Deposited with BB	1,063,920,000	1,063,920,000
1.2	Statutory Reserve	360,355,287	311,601,129
1.3	Non-repayable share premium account	-	-
1.4	General Reserve	-	-
1.5	Retained Earnings	212,686,303	198,536,074
1.6	Minority interest in Subsidiaries	-	-
1.7	Non-Cumulative irredeemable Preference shares	-	-
1.8	Dividend Equalization Account	-	-
1.9	Others (if any item approved by Bangladesh Bank)	-	-
1.10'	**Sub-Total (1.1 to 1.9)**	**1,636,961,590**	**1,574,057,203**
	Deductions from Tier-1 (Core Capital)		
1.11	Book Value of Goodwill and value of any contingent assets which are shown as assets	-	-
1.12	Shortfall in provisions required against classified assets	-	-
1.13	Shortfall in provisions required against investment in shares	-	-
1.14	Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.	-	-
1.15	Any investment exceeding the approved limit.	-	-
1.16	Investments in subsidiaries which are not consolidated	-	-
1.17	Increase in equity capital resulting from a securitization exposure	-	-
1.18	Other (if any)	-	-
1.19	Sub-Total (1.11 to 1.18)	-	-
1.20'	**Total Eligible Tire-1 Capital (1.10-1.19)**	**1,636,961,590**	**1,574,057,203**
	2. Tier-2 (Supplementary Capital)		
2.1	General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheet exposure)	104,841,847	76,289,158
2.2	Assets Revaluation Reserve up to 50%	-	-
2.3	Revaluation Reserve for Securities up to 45%	-	-
2.4	Revaluation Reserve for equity instrument up to 10%	-	
2.5	All other preference shares	40,000,000	50,000,000
2.6	Other (if any item approved by Bangladesh Bank)	-	-
2.7	Sub-Total (2.1 to 2.6)	**144,841,847**	**126,289,158**
2.8	Applicable Deductions if any	-	-
2.9	**Total Eligible Tire-2 Capital (2.7-2.8)**	**144,841,847**	**126,289,158**
	Total Capital	**1,781,803,437**	**1,700,346,361**
	Total risk weighted assets	9,158,416,180	6,313,210,733
	Required minimum capital 10% of RWA or Tk. 100.00 crore, which is higher.	1,000,000,000	1,000,000,000
	Surplus	781,803,437	700,346,361
	Capital Adequacy Ratio	19.57%	26.93%

16.00	**Statutory reserve**		
	Balance as at 1st January	311,601,129	265,409,106
	Reserve made during the year	48,754,157	46,192,023
	Balance as at 31st December	**360,355,287**	**311,601,129**

Statutory reserve has been created at the rate of 20.00% of the net profit of Tk.243,770,786 as per Bangladesh Bank's guidelines.

		2016 Taka	2015 Taka
17.00	**Retained earnings**		
	Balance as at 1st January		
	Add: Net profit after tax for the year		
	Less: Allocations:		
	Transferred to statutory reserve		
	Issue of Bonus Share		
	Dividend		
	Balance as at 31st December		
18.00	**Income statement**		
	Income:		
	Interest, discount and other similar income (note: 19.00)	1,187,793,699	1,027,266,465
	Dividend income (note: 21.00)	6,904,882	5,815,963
	Fees, commission & brokerage (note: 22.00)	214,900	139,650
	Gains less losses arising from investment in securities(note: 21.00)	1,105,292	3,772,073
	Other operating income (note: 23.00)	32,706,368	33,851,545
		1,228,725,141	**1,070,845,696**
	Expenses:		
	Interest on borrowing, fees and commission (note: 20.00)	625,428,872	517,576,058
	Losses on loan, advances and leases (note: 31.00)	55,102,806	48,593,519
	Administrative expenses	111,017,427	88,478,152
	Other operating expenses (note: 30.00)	10,633,980	8,076,604
	Depreciation on banking assets (note: 29.00)	10,532,662	4,031,695
		812,715,747	**666,756,028**
		416,009,394	**404,089,668**
19.00	**Interest income**		
	Interest on mortgage loan:		
	Home mortgage loan	831,022,472	604,020,762
	Commercial mortgage loan	47,381,326	31,831,903
	Project mortgage loan	49,196,589	66,679,785
		927,600,387	**702,532,450**
	Less: Interest suspense	(17,486,941)	8,653,358
		910,113,446	**711,185,808**
	Interest on lease finance:		
	Industrial equipment	21,678,117	37,569,132
	Vehicles	10,758,581	21,367,242
	Delinquent interest	20,412,020	11,686,827
		52,848,718	**70,623,201**
	Less: Interest suspense	(8,645,450)	(6,882,097)
		44,203,268	**63,741,104**
	Interest on term finance	136,317,453	170,574,492
	Interest on fixed deposits	85,287,497	74,499,612
	Interest on short term deposit	5,230,739	2,826,333
	Interest on loan against FDR	4,792,631	2,547,009
	Interest on staff loan	1,848,665	1,892,107
		1,187,793,699	**1,027,266,465**

		2016 Taka	2015 Taka
20.00	**Interest paid on deposits, borrowings etc.**		
	Call money interest	1,394,903	1,662,056
	Secured overdraft interest	3,354,829	5,224,739
	Term deposit interest	84,314,669	64,569,542
	Term loan interest	2,536,164	4,835,987
	Customer deposit interest - Term Deposit	418,574,453	319,147,338
	Customer deposit interest - Income Account	50,770,056	54,453,735
	Customer deposit interest - Double Money Account	20,177,256	27,963,458
	Customer deposit interest - Triple Money Account	254,850	104,299
	Customer deposit interest-MSS	1,076,787	624,258
	Customer deposit interest-MLNR	2,646,078	1,974,333
	HML refinance interest	15,258,292	13,493,839
	SME loan interest	25,070,535	23,522,475
		625,428,872	**517,576,058**
21.00	**Investment Income**		
	Dividend on ordinary shares	1,592,382	1,128,463
	Dividend on preference shares	5,312,500	4,687,500
	Gain on sale of shares	1,790,316	3,867,280
	Loss on sale of shares	(685,024)	(95,207)
		8,010,174	**9,588,036**
22.00	**Commission, exchange and brokerage**		
	Fees	214,900	139,650
		214,900	**139,650**
23.00	**Other operating income**		
	Application, processing and documentation fees	30,497,358	31,428,967
	Delinquent charge-MSS,MLNR etc.	8,308	7,931
	Interest on call Money lending	153,097	-
	Other income	2,047,605	2,414,647
		32,706,368	**33,851,545**
24.1	**Administrative expenses**		
24.2	**Directors' fees and expenses**		
	This represents fees paid for attending board meetings and other committee meetings @ Tk. 8,000/- per attendance per person.	2,171,200	1,112,150
		2,171,200	**1,112,150**
24.3	**Salaries and allowances**		
	Salary & allowances (note: 24.02.01)	58,016,700	43,830,258
	Provident fund contribution	2,942,782	2,267,155
	Gratuity	3,426,805	2,124,651
	Bonus	9,093,365	7,888,252
		73,479,652	**56,110,316**

		2016 Taka	2015 Taka
24.02.01	This includes managerial remuneration of Taka 36.88 million and balance amount Taka 14.35 million is on account of staff salary, bonus and other allowances. The number of employees including contract based employees were 148 and 129 for the year 2016 & 2015 respectively.		
24.03	**Rent, taxes, insurance, electricity etc.**		
	Office occupancy cost	4,476,191	3,120,332
	City corporation Taxes	52,351	50,508
	Electricity	1,041,496	1,514,591
	Utilities	1,127,974	2,556,214
	Insurance (note: 24.03.01)	480,188	366,993
		7,178,200	**7,608,638**
24.03.01	Taka 106,965 being premium paid for insurance coverage against damages/loss of the Company's fixed assets by fire, earthquake etc.		
24.04	**Legal expenses**		
	Legal and professional	1,655,822	191,250
	Legal charges	39,250	-
	Membership fees and subscription	1,477,368	631,782
		3,172,440	**823,032**
25.00	**Postage, stamps, telecommunication etc.**		
	Courier	151,038	409,757
	Postage	10,450	28,623
	Stamps & security paper	1,965,370	1,882,928
	Telephone, fax & e-mail	1,263,842	873,740
		3,390,700	**3,195,048**
26.00	**Stationery, printing, advertisement etc.**		
	Printing	542,131	1,239,788
	Stationery	844,606	851,288
	Business Commission	2,909,110	3,326,832
	Promotion & publicity	11,037,888	9,592,657
		15,333,735	**15,010,565**
27.00	**Managing Director's salary and fees**		
	Salary & allowances	4,164,000	3,813,046
	Provident fund contribution	240,000	217,857
	Bonus	1,600,000	400,000
		6,004,000	**4,430,903**
28.00	**Auditors' fees**	**287,500**	**187,500**
29.00	**Depreciation on and repairs to assets**		
	Depreciation:		
	Building	5,730,588	1,615,476
	Furniture	1,637,989	740,893
	Office equipment	1,145,976	791,492
	Motor vehicle	1,702,873	453,876
		10,217,426	**3,601,737**
	Repair and maintenance	315,236	429,958
		10,532,662	**4,031,695**

		2016 Taka	2015 Taka
30.00	**Other expenses**		
	Traveling and conveyance	1,930,520	1,486,996
	Training	186,013	83,000
	Bank charges and excise duty	1,110,121	901,342
	Books and periodicals	62,483	60,281
	Office refreshments	1,142,028	839,269
	Motor car	5,232,432	3,735,867
	Office general expenses	485,908	424,667
	AGM Expenses	349,855	416,676
	Trade License Fees	108,480	121,900
	Investment expenses share	26,140	6,606
		10,633,980	**8,076,604**
31.1	**Provisions for loan and advances**		
	For classified loans, advances and leases	13,009,008	31,469,313
	For unclassified loans, advances and leases	42,093,798	17,124,206
		55,102,806	**48,593,519**
31.2	**Provision for investments**		
	Made during the year	3,039,436	5,626,971
	Recovery during the year	(8,057,323)	(2,123,176)
		(5,017,887)	**3,503,795**
31.3	**Others**		
	Provisions for legal charges & professional fees	3,327,088	1,025,472
	Provisions for cheque dishonored & clearing charges	(121,435)	4,716
		3,205,654	**1,030,187**
32.1	**Earnings per share**		
	a) Earnings attributable to the ordinary shareholders(Taka)	243,770,786	230,960,116
	b) Number of ordinary shares outstanding during the year	106,392,000	106,392,000
	c) Weighted average number of ordinary shares outstanding during the year	106,392,000	106,392,000
	d) Basic earnings per share (a/c)	**2.29**	**2.17**

Prior year Basic Earning Per Share calculation has been revised due to calculation of weighted average number of ordinary shares. Earnings per share (EPS) has been computed by dividing the net profit after tax (NPAT) by the weighted average number of ordinary shares outstanding as on 31st December 2016 as per BAS-33" Earnings Per Share". No diluted EPS was required to be calculated for the year since there was no scope for dilution of shares during the year.

33.00	**Interest receipts in cash**		
	Interest income from loans, advances & leases	1,187,793,699	1,027,266,465
	(Increase)/decrease in interest receivable on loans, advances and leases		-
	(Increase)/decrease in other receivable	816,822	(8,349,910)
		1,188,610,521	**1,018,916,555**
34.00	**Interest payments**		
	Total interest expenses (note: 20.00)	625,428,872	517,576,058
	Add: Opening balance of interest payable	196,410,961	156,983,584
	Less: Closing balance of interest payable	(245,577,815)	(196,410,961)
		576,262,019	**478,148,680**

		2016 Taka	2015 Taka
35.00	**Fees and commissions receipts in cash**		
	Fees, commission and brokerage (note: 22.00)	214,900	139,650
	Add: Opening balance of fees, commission and brokerage	-	-
	Less: Closing balance of fees, commission and brokerage	-	-
		214,900	**139,650**
36.00	**Cash payments to employees**		
	Staff salaries and allowances (note: 24.02)	73,479,652	56,110,316
	Managing Director's salaries and allowances (note: 27.00)	6,004,000	4,430,903
	Add: Opening balance of staff dues	4,165,686	3,976,694
	Less: Closing balance of staff dues	(4,423,431)	(4,165,686)
		79,225,907	**60,352,227**
37.00	**Cash payments to suppliers**		
	Printing, stationary and advertisement etc. (note: 26.00)	15,333,735	15,010,565
	Postage, stamps, telecommunication etc. (note: 25.00)	3,390,700	3,195,048
	Repair & maintenance (note: 29.00)	315,236	429,958
	Add: Opening balance of suppliers dues	-	-
	Less: Closing balance of suppliers dues	-	-
		19,039,671	**18,635,571**
38.00	**Receipts from other operating activities**		
	Other operating income (note: 23.00)	32,706,368	33,851,545
	Profit on sale of share (note: 21.00)	1,790,316	3,867,280
	Loss on sale of share (note: 21.00)	(685,024)	(95,207)
		33,811,660	**37,623,618**
39.00	**Payments for other operating activities**		
	Detectors' fees	2,171,200	1,112,150
	Legal expenses	3,172,440	823,032
	Auditor's fees	287,500	187,500
	Office occupancy cost	4,476,191	3,120,332
	City Corporation Taxes	52,351	50,508
	Electricity	1,041,496	1,514,591
	Utilities	1,127,974	2,556,214
	Insurance	480,188	366,993
	Other expenses (note: 30.00)	10,633,980	8,076,604
	Add: Opening balance of outstanding payable	187,500	357,341
	Less: Closing balance of outstanding payable	(287,500)	(187,500)
		23,343,320	**17,977,765**
40.00	**Increase / (Decrease) of other deposits**		
	Closing balance:		
	Term deposits	8,459,160,226	5,526,062,366
	Other deposits	18,469,536	25,796,301
		8,477,629,762	**5,551,858,667**
	Opening balance:		
	Term deposits	5,526,062,366	3,791,067,944
	Other deposits	25,796,301	35,361,043
		5,551,858,667	**3,826,428,987**
		2,925,771,095	**1,725,429,680**

		2016 Taka	2015 Taka
41.00	**Sanction and disbursement**		
	Sanction	3,935,806,883	3,141,850,000
	Disbursement	3,310,684,356	2,702,525,785
	Undisbursed	**625,122,527**	**439,324,215**
41.a			
	Contingent liabilities		
	Government	-	-
	Directors	-	-
	Bank and other Financial Institution	-	-
	Other	**625,122,527**	**439,324,215**

42.1 Audit committee of the board

The audit committee was formed by the Board of Directors of National Housing Finance And Investments Limited. The members of the committee are as under:

SL No	Name	Status with the Company	Status with the Committee	Educational Qualification
01	Professor Imran Rahman	Independent Director	Chairman	MBA (IBA), BSC (Eco.) in Math. Economics UK
02	Mr. Md. Kabir Reza	Director	Member	M.Com (Acc.), FCMA
03	Mr. Azmal Hossain	Director	Member	B.Com
04	Mr. Akhtar Ahmed	Director	Member	B.A (Hons), M.A.(DU), ACII
05	Syed Tanveer Hussain	Independent Director	Member	M.A. In Development Economics (USA)

The Audit Committee of the Board was duly constituted by the Board of Directors of the Company in accordance with the Bangladesh Bank's DFIM circular no. 13, dated October 26, 2011 and Bangladesh Securities and Exchange Commission notification ref. no. SEC/CMRRCD/2006-158/129/Admin/43, dated July 03, 2012. During the year the committee meet 4(four) times in which among others, the following issues were discussed:

1. Audit and inspection report of Bangladesh Bank Inspection Team and External Auditors of National Housing.
2. Ensuring an effective Internal Control System and Risk Management System.
3. Review the findings of auditors and management response thereto.
4. Stressing on the importance of the regulatory compliance.
5. Review of conflict of interests.
6. Review of the credit policy of the Company.
7. Any other matters which deems necessary.

43.00 Highlights of overall activities

Highlights of the overall activities of the Company as at end for the year ende 31st December, 2016 are :

SL #	Details	2016	2015
01	Paid-up Capital	1,063,920,000	1,063,920,000
02	Total Capital	1,636,961,590	1,574,057,203
03	Capital surplus/(deficit)	636,961,590	574,057,203
04	Total assets	12,250,389,655	8,824,095,072
05	Total deposits	8,477,629,762	5,551,858,667
06	Total loans, advances, leases & Others	8,959,772,086	7,310,757,322
07	Total contingent liabilities and commitments	647,379,446	461,581,134
08	Credit deposit ratio	105.69%	131.68%
09	% of Classified loans against total loans and advances	4.95%	5.61%
10	Profit after tax and provisions	243,770,786	230,960,116
11	Amount of classified loans during the year	443,251,665	410,244,416
12	Provisions kept against classified loans	49,808,306	50,587,332
13	Provisions surplus/(deficit)	44,764,074	19,636,275
14	Cost of fund	9.34%	10.26%
15	Interest earnings assets	11,498,355,646	8,490,381,677
16	Non-interest earnings assets	752,034,010	333,713,395
17	Return on investments (ROI)	5.56%	6.76%
18	Return on assets (ROA)	2.31%	3.06%
19	Income from investments	8,010,174	9,588,036
20	Weighted average earnings per share	2.29	2.17
21	Net income per share	2.29	2.17
22	Price earning ratio	15.14	15.98
23	Return on equity (ROE)	15.18%	15.01%
24	Net asset value per share (NAV)	15.39	14.79

44.00 Company information

Last year's figures and account heads have been rearranged to conform current year's presentation in accordance with the Bangladesh Bank DFIM Circular # 11 dated December 23, 2009.

45.00 Geographical area of operation

Company's geographical area of operation was in Dhaka, Chittagong, Bogra and Rangpur in the year 2016.

46.00 Capital expenditure commitment

There was neither any outstanding contract nor any Board authorization for capital expenditure as at December 31, 2016.

47.00 Contingent liabilities

There is a difference in provision for taxation made by the company and tax claimed by Tax Authority for Taka 22,256,919. The assessment of tax for different year is pending at different Tax Authority. Thus the difference of provision for taxation considered as Contingent Liability.

48.00 Subsequent events-disclosure under BAS 10: "events after the balance sheet date"

No material event has been occurred after the Balance Sheet date, which could materially effect the value of the financial statements except the Board of Directors in its 185th Meeting held on April 04, 2017 has recommended 18.00% cash dividend subject to the approval of the shareholders at the 18th Annual General Meeting.

49.00 Claims against the company not acknowledge as debt

There is no claim at the Balance Sheet date, which has not been acknowledged by the Company.

50.00 Credit facility availed

There was no credit facility available to the Company under any contract as on Balance Sheet date other than trade credit available in the ordinary course of business.

51.00 Closing price of share

The Company traded its ordinary shares in CDBL through DSE & CSE from 1st January 2009. The closing market price on the closing of the year was Tk.54.00 and Tk.54.40 respectively in the DSE & CSE.

52.00 "Worker's Profit Participation Fund" (WPPF)

The company did not make any provision for Worker's Profit Participation Fund (WPPF). The matter will be considered in future.

53.00 Previous year's figures have been rearranged where necessary to conform to current year's presentation. Figures have been rounded nearest Taka.

54.00 Related party disclosure :

Name of Director	Position in NHFIL	Name of the firms/companies in which interest as proprietor, partner, director, managing agent, guarantor, employee etc.	Position in interested entity
Mr. Latifur Rahman Representing Bangladesh Lamps Ltd.	Chairman	Transcom Limited	Chairman
		Eskayef Pharmaceuticals Ltd.	Chairman
		Transcom Beverages Ltd.	Chairman
		Transcom Consumer Products Ltd.	Chairman
		Transcom Distribution Company Ltd.	Chairman
		Transcom Foods Ltd.	Chairman
		Transcom Electronics Ltd.	Chairman
		Bangladesh Electrical Industries Ltd.	Chairman
		Mediastar Ltd.	Chairman
		Ayna Broadcasting Corporation Ltd.	Chairman
		Tea Holdings Ltd.	Chairman
		Transcraft Ltd.	Chairman
		Transfin Trading Ltd.	Chairman
		Trinco Ltd.	Chairman
		Transcom Mobile Ltd.	Chairman
		W. Rahman Jute Mills Ltd.	Managing Director
		Bangladesh Lamps Ltd.	Managing Director
		Mediaworld Ltd.	Director
		Monipur Tea Company Ltd.	Director
		M. Rahman Tea Company Ltd.	Director
		Marina Tea Co. Ltd.	Director
		BRAC	Member of the Governing Body
Mr. Mahbubur Rahman Representing Eastland Insurance Co. Ltd.	Director	ETBL Holdings Ltd.	Chairman
		Eastern Trading (Bangladesh) Ltd.	Chairman
		ETBL Development Construction Ltd.	Chairman
		ETBL Securities & Exchanges Ltd.	Chairman
		Progressive Investments Ltd. (successors to the National Rubber Industries)	Chairman
		Century Cold Storage Ltd	Chairman
		Eastland Insurance Co. Ltd.	Chairman
		International Publications Ltd.	Chairman

Name of Director	Position in NHFIL	Name of the firms/companies in which interest as proprietor, partner, director, managing agent, guarantor, employee etc.	Position in interested entity
Mr. Akhtar Ahmed Representing Reliance Insurance Ltd.	Director	Reliance Insurance Ltd	Advisor
Mr. Muminul Haque Chowdhury Representing Borak Travels (Pvt.) Ltd.	Director	Borak Travels (Pvt.) Limited	Advisor
Mr. Azmal Hossain Representing Eastern Insurance Co. Ltd.	Director	Eastern Insurance Co. Ltd.	Vice Chairman
		Hashem Paper Mills Ltd.	Managing Director
Mr. M. NurulAlam Representing Shaw wallace Bangladesh Ltd.	Director	Shaw Wallace Bangladesh Ltd	Managing Director
		SW Shipping Ltd.	Managing Director
Mr. Manirul Islam Representing Pragati Insurance Ltd.	Director	Pragati Insurance Ltd.	Managing Director
Mr. Md. Kabir Reza, FCMA Representing Square Pharmaceuticals Ltd.	Director	Square Pharmaceuticals Ltd.	Executive Director (F&A)
		United Financial Trading Company Limited	Managing Director
Mr. Syed Ali Jowher Rizvi	Director	Alliance Holdings Limited (AHL)	Chairman
		Oriental Oil Company Ltd	Chairman
		PEB Steel Alliance Ltd	Managing Director
		Summit Alliance Port Limited	Managing Director
		Ispahani Summit Alliance Terminals Ltd	Director
		Ispahani Alliance Phamaceuticals Ltd	Director
		Alliance Properties Ltd	Director
		Union Accessories Ltd	Director
		Union Knitting & Dyeing Ltd	Director
		Fountain Garments Manufacturing Ltd	Director
		Rabab Washing Industry Ltd	Director
		Rabab Fashion Industries Ltd	Director
Professor Imran Rahman	Independent Director	University of Liberal Arts Bangladesh (ULAB)	Acting Vice Chancellor

54.01 Significant contract where FI is party and wherein Directors have interest-Nil

54.2 Significant contract where the Company is party and wherein Directors have interest - Nil

54.3 There is no loans, advances and leases given to Directors and their related concern.

54.4 Investment in the Securities of Directors and their related concern-Nil

54.5 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with or without common Directors and key management positions. The Company has entered into transaction with other related entities in normal course of business that fall within the definition of related party as per Bangladesh Accounting Standard 24: " Related Party Disclosures." Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials and do not involve more than a normal risk.

Name of related	Transaction	Balance at year end receivable (payable)
		Taka
United Commercial Bank Ltd. (Sponsor shareholder)	Over draft	(51,455)
	STD/CD account	1,977
National Bank Ltd. (Sponsor Director)	STD/CD account	2,225,086
National Life Insurance Co. Ltd. (Sponsor Director)	Term deposit	(380,242,500)
Square Pharmaceuticals Ltd. (Sponsor Director)	Term deposit	(745,401,805)
Jiban Bima Corporation (Sponsor Director)	Term deposit	(190,550,000)
Reliance Insurance Co. Ltd. (Sponsor Director)	Term deposit	(444,000,000)
Bangladesh Lamps Ltd. (Sponsor Director)	Term deposit	(57,185,268)
Mr. Syed Ali Jowher Rizvi (Director)	Term deposit	(12,354,370)
		(1,827,558,336)

Md. Khalilur Rahman
Managing Director

Md. Kabir Reza
Director

Syed Tanveer Hussain
Independent Director

Latifur Rahman
Chairman

Occasions and Events



17th Annual General Meeting in Progress





Ingaugural Ceremomy of Corporate Head Office at Gulshan



Workshop on
Anti Money Laundering

Annual Business Conference





Donation Cheque Handover to
Dhaka Shishu Hospital Under CSR Activities



Perticipation at REHAB Fair 2016







MOU signing with ABC Realestate Ltd.

Project financed by NHFIL





National HousingFinance And Investments Limited

Registered Office : National Plaza (7th & 8th Floor), 109, Bir Uttam C.R. Datta Road
(Ex-Sonargaon Road), Dhaka-1205

PROXY FORM

I/We.....
of.....
being member of National Housing Finance and Investments Limited, hereby appointed.....
of.....
as my/our proxy to attend and vote for me /us and on my/ our behalf at the 18th Annual General Meeting of the Company to be held on Thursday May 11, 2017 at 11.00 A.M. and of at any adjourment thereof. As witness my hand this..... day of 2017

Signature Shareholder

(Signature of the Proxy)

Revenu Stamp Tk. 20

Register Folio No. _____

or

BO A/C No. _____

No. of Share Held _____

Note :
A Shareholder entitled to attend and vote at the annual Genaral Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form duly completed must be deposited at the Registered office of the Company not later than 48 ahours baefor the time fixed for the meeting.

National HousingFinance And Investments Limited

Registered Office : National Plaza (7th & 8th Floor), 109, Bir Uttam C.R. Datta Road
(Ex-Sonargaon Road), Dhaka-1205

ATTENDANCE SLIP

Please complete the attendance slip and hand it over at the entrance of the hall.
I hereby record my attendance at the 18th Annual General Meeting of the Company being held on Thursday May 11, 2017 at 11.00 A. M. at Eagle Hall, RAOWA Convention Hall, VIP Road, Mohakhali, Dhaka-1206.

Name of Member/Proxy .....

Register Folio No. _____

or

BO A/C No. _____

Signature
Shareholder/Proxy

Registered Office :
National Plaza (7th & 8th floor), 109, Bir Uttam C.R. Datta Road
(Ex-Sonargaon Road), Dhaka-1205. Tel : 9670612-4, 9677181-3, 9669800
Fax : 88-02-9671016, E-mail: info@nationalhousingbd.com

Corporate Head Office :
Concord Baksh Tower (7th Floor), Plot # 11-A, Road # 48, Block # CWN(A) Gulshan-2, Dhaka-1212, Tel : +88 09609 200555
Fax : 88-02-58811652, E-mail : info@nationalhousingbd.com

Principal Branch :
National Plaza (8th floor), 109, Bir Uttam C.R. Datta Road
(Ex-Sonargaon Road), Dhaka-1205, Tel : 9670612-4, 9677181-3, 9669800
Fax : 88-02-9671016, E-mail: principal@nationalhousingbd.com

Gulshan Branch :
Concord Baksh Tower (7th Floor), Plot # 11-A, Road # 48, Block # CWN(A) Gulshan-2, Dhaka-1212, Tel : +88 09609 200555
Fax : 88-02-58811652, E-mail: gulshan@nationalhousingbd.com

Motijheel Branch :
Fazlur Rahman Center (2nd floor), 72, Dilkusha, Dhaka-1000.
Tel : 9567103, 9550071, 01817 042212, Fax : 88-02-9565493
E-mail: motijheel@nationalhousingbd.com

Chittagong Branch :
Madina Tower (3rd floor), 805/A, CDA Avenue, Chittagong.
Tel : 031-2863007, 01817 042215 Fax : 88-031-2863009
E-mail: chittagong@nationalhousingbd.com

Bogra Branch :
Jamil Shopping Center (3rd Floor), Borogola, Bogra-5800
Tel : 051-62696, 63994, Fax: 051-62696, Ext.106
Email : bogra@nationalhousingbd.com

Rangpur Branch :
Pressclub Complex Biponi Bitan (2nd floor), Station Road, Rangpur.
Tel : 0521-56381-2, 01712 840808
E-mail: rangpur@nationalhousingbd.com

Web: www.nationalhousingbd.com