

National Housing Finance And Investments Ltd.

Nature of Business	Housing Finance
Subscription Open	October 05, 2008
Subscription Close	October 12, 2008
For Non resident	October 05, 2008 to October 21, 2008
Offer Price (Tk.)	100.00
Face Value (Tk.)	100.00
Market lot (Share)	50
Sponsors Portion (Share)	47,00,000
Public Offer (Share)	5,00,000
Total Issued Shares	52,00,000
Total Paid up Capital (after IPO)	520,000,000
Reason for IPO:	To strengthen the capital base of the Company and augment business expansion.
Diluted EPS (as per prospectus)	15.82 (as on 31.12.2007)
Diluted NAV per share (as per prospectus)	131.98 (as on 31.12.2007)
Manager to the Issue	Equity Partners Limited
Website	www.nationalhousingbd.com

(If there is any contrary information please communicate with DSE through e-mail: listing@dsebd.org)

Disclaimer:

The contents of this presentation are entirely based on disclosures made by the company. Therefore, DSE does not assume any responsibility on the authenticity of the facts and figures presented thereof.

Brief Overview of the Company

1. Date of Incorporation: August 18, 1998
2. Date of Commencement of Operation: August 18, 1998
2. Authorized Capital: Tk. 2000 million.
3. Paid up Capital: Tk. 470.00 million (Pre IPO).

Details of the Issue

Description	Ordinary Shares	Face Value In Taka	Capital in Taka
Pre-IPO Placement	–		–
Public Offering	500,000	100	50,000,000

Paid up Capital after IPO

Particulars	Ordinary Shares	Face Value (Tk.)	Capital in Taka
Pre-IPO Paid up capital	4,700,000	100	470,000,000
IPO	500,000	100	50,000,000
Paid up capital after IPO	5,200,000	100	520,000,000

Board of Directors :

Sl. No	Name of Individual Directors	Designation	% of Share Held	Directorship /Sponsorship/Ownership with other Companies
1	Mr. M. Haider Chowdhury	Chairman	5.28	<ul style="list-style-type: none"> • Chairman, National Life Insurance Co. Ltd • Director, Industrial and Infrastructure Development Finance Co. Ltd. (IIDFC). • Director, Credit Rating Agency of Bangladesh Ltd.
2	Mr. Mirza Ejaz Ahmed	Director	5.28	MD, HRC Bangladesh Ltd.
3	M. Shah Alam Sarwar	Director	Do	MD, UCBL
4	Md. Abdur Rahman Sarker	Director	Do	MD, National Bank Ltd.
5	Mr. Md. Hanif	Director	5.00	MD, Jiban Bima Corporation
6	Mr. A.K.M. Iftekhar Ahmad	Director	5.28	MD, Eastern Insurance Co. Ltd.
7	Mr. A.K.M. Rafiqul Islam	Director	Do	<ul style="list-style-type: none"> • Founder Managing Director, Pragati Insurance Limited . • Sponsor Director, Pragati Life Insurance Limited. • Sponsor Director, Credit Rating Agency of Bangladesh Ltd. (CRAB) • Director, Industrial and Infrastructure Development Finance Co. Ltd. (IIDFC). • Director, Central Depository Bangladesh Ltd. (CDBL)

Sl. No	Name of Individual Directors	Designation	% of Share Held	Directorship / Sponsorship / Ownership with other Companies
8	Mr. Muminul Haque Chowdhury	Director	5.28	Advisor, Unique Group Advisor , Broak Travels (Pvt.) Limited.
9	Mr. Abu Zafar Humayun	Director	Do	Chairman, Unicorn Equities Ltd.
10	Mr. Syed Ali Jowher Rizvi	Director	5.22	Shareholder, Overseas Investors Forum Zambia. MD, Global Beverage Co. Ltd. Director , Summit Alliance Port Limited. Managing Director, Ocean Containers Limited. Director, Union Accessories Limited Director, Alliance Properties Limited.

Performance at a Glance:

(Tk. In million)

Particulars	31-12-03	31-12-04	31-12-05	31-12-06	31-12-07
Operating Revenue	98.67	142.26	143.70	157.30	178.32
<i>Growth</i>		44.18%	1.01%	9.46%	13.36%
Operating Expenses	23.20	30.64	27.76	29.34	31.64
<i>Growth</i>		32.07%	-9.40%	5.69%	7.84%
Operating Profit	75.47	111.62	118.57	128.11	166.02
<i>Growth</i>		47.90%	6.23%	8.05%	29.59%
Net Profit after tax	47.88	54.32	102.35	87.95	74.35
<i>Growth</i>		13.45%	88.42%	-14.07%	-15.46%
Total Assets	1799.28	3427.43	3825.58	3522.93	4464.84
<i>Growth</i>		90.49%	11.62%	-7.91%	26.74%
Net Assets	464.91	475.24	497.98	545.94	620.29
<i>Growth</i>		2.22%	4.78%	9.63%	13.62%

Particulars	31-12-03	31-12-04	31-12-05	31-12-06	31-12-07
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NAV per share	116.23	118.81	124.50	136.49	155.07
<i>Growth</i>		2.22%	4.78%	9.63%	-3.30%
Diluted NAV per share	98.92	101.11	105.95	116.16	131.98
EPS (Basic)	11.97	13.58	25.59	21.99	18.59
<i>Growth</i>		13.45%	88.42%	0.97%	-28.05%
Diluted EPS considering post-IPO paid-up capital	9.21	10.45	19.68	16.91	14.30

Shareholders Equity	464.91	475.24	497.98	545.94	620.29
No. of Shares	4000000	4000000	4000000	4000000	4000000
Paid-up Shares after IPO	5200000	5200000	5200000	5200000	5200000
ROE	10.30%	11.43%	20.55%	16.11%	11.99%
ROA	2.66%	1.58%	2.68%	2.50%	1.67%
Net Profit Margin	48.53%	38.18%	71.22%	55.91%	41.69%
Asset Utilization	5.48%	4.15%	3.76%	4.47%	3.99%
Equity Multiplier	3.87	7.21	7.68	6.45	7.20
Short-term Debt	1095.43	2625.98	2982.96	2441.64	3229.71
Long-term Debt	238.94	326.21	344.64	535.35	614.84
Total Debt	1334.37	2952.19	3327.6	2976.99	3844.55
Total Debt to Total Asset	74.16%	86.13%	86.98%	84.50%	86.11%
STD to Total Capital	60.88%	76.62%	77.97%	69.31%	72.34%
LTD to Total Capital	13.28%	9.52%	9.01%	15.20%	13.77%
Interest Expense	78.17	207.65	286.58	323.18	368.8
EBIT	153.64	319.27	405.15	451.29	534.82
Time Interest Earned Ratio	1.97	1.54	1.41	1.40	1.45

USE OF PROCEEDS:

The public issue to be executed is in compliance with relevant statutory requirements. The proceeds will strengthen the capital base of the Company and thus the ability to augment business expansion. The funds to be raised through this public issue will be generally used for investment and lending.

RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT RISKS:

As with all investments, investors should be aware that there are risks associated with an investment in the Company. These risks could result in loss of income or capital investment. Investors are encouraged to seek independent financial advice.

Interest rate risk

Increase in interest rates on borrowing could narrow/eliminate the spread, or result in a negative spread, and hence, may have a material adverse effect on the Company's business, financial condition and/or results of operations.

Although the consequences of unusual and abrupt increase in borrowing rate cannot be avoided but the Company offers its products at variable rates which in turn minimizes exposure to such risks.

Industry risk

The Company is operating in a highly competitive market. Some of the competitors have more resources than those of the Company. It is difficult to predict in advance the move of the competitors in the coming years.

The Company is always cautious in offering its products and services at competitive terms and conditions which in turn minimizes its industry risk exposure.

Exchange Rate Risk

The Company operates in the domestic housing finance and leasing industry of Bangladesh. Neither the borrowing nor the financing of the

Company is any way connected with fluctuation of foreign exchange rate. Hence, the Company does not have any exposure to such risks.

Market and technology related risk

In the wide market of 21st century, advanced technology obsoletes the old service/product strategy. So the existing technology may not be sufficient to cope with the future business trends and needs.

The Board of the Company always emphasizes on development and implementation of the state of the art technology and is always committed to invest in modern and updated information technology.

Potential or existing government regulations

The Company operates under the specific guidelines as laid down by the Bangladesh Bank as well as the Securities and Exchange Commission (SEC). Any sudden change of the guidelines /policies formulated by the Bangladesh Bank, and/ or the SEC may affect the business of the Company adversely.

Unless the regulatory authorities adopt any adverse policies which may materially affect the industry as a whole, the business of the Company will not be affected that much since we are always particular in complying with rules and regulations of the authorities.

Potential changes in global or national policies

The Company operates in the domestic market of financial institutions in Bangladesh. Any potential changes in either global or national policies might adversely affect the financial institutions and thus the businesses of the Company in future.

The management of the Company is always concerned about the prevailing and upcoming changes in the global and national policy and shall take any corrective actions as may be required in future.

Operational risk

Risks in the form of classified debts origination from the borrowers' end due to their management failure, financial impudence, unfavorable shift in market for their products and services, negative external and uncontrollable impact on the industry in which the borrower operates, civil disturbances or natural and environmental calamities and hazards disrupting the borrowers' ability to conduct businesses as usual.

Such risks exist in the industry of the Company's operation. The Company scrutinizes all of its clients and the associated risks systematically using up to date risk evaluation techniques and thereby have been able to maintain good asset quality so far and expects the same in the future. Some other systematic (Market) risks might arise from the external environment of the Company, similar to any other financial institutions.

Economic slowdown

The overall demand for the Company's products is linked to macro parameters like GDP growth, demand for project finance, healthy capital markets and the overall growth of Bangladesh economy. A slowdown in economic growth will have an adverse impact on the demand for credit and on quality of borrowers.

We always review the changes in the local as well as global economic factors so that we can take necessary steps to address its impact on business of the Company. Due to the availability of diversified products and services, the Company expects to minimize the effect of aforesaid risks.