# Bangladesh Finance PLC.

## Auditor's Report and Audited Consolidated and Separate Financial Statements

## as at and for the period ended 31 December 2025

Snehasish Mahmud & Co.

Snehasish Mahmud & Co.
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# Independent Auditor's Report
## Report on the Audit of the Consolidated and Separate Financial statements
## To the shareholders of Bangladesh Finance PLC

### Opinion

We have audited the consolidated financial statements of Bangladesh Finance PLC and its subsidiaries (hereinafter referred to as the "Group") as well as the separate financial statements of Bangladesh Finance PLC (the "Company"), which comprise the consolidated and separate statement of financial positions as at 31 December 2025 and the consolidated and separate profit and loss accounts, the consolidated and separate statements of changes in equity and the consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Company give a true and fair view of the consolidated financial position of the Group and separate financial position of the Company as at 31 December 2025, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and comply with the Finance Company Act, 2023, the rules and regulations issued by the Bangladesh Bank, the rules and regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable laws and regulations.

### Basis for Opinion

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

### Emphasis of matter

We draw attention to Note 2.4 to the Financial Statements, which describes that the Financial Statements for the year ended 31 December 2025 have been prepared on a going concern basis, despite the group having negative equity of BDT 5,471.48 million except non-controlling interest as of that date. As further explained in Note 2.4, the management has provided its justification as to why the Financial Statements have been prepared following going concern basis despite significant accumulated losses. Our opinion is not modified in respect of this matter.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed that matter is provided in that context. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

| Key audit matters | Our response to key audit matters |
|---|---|
| **1. Measurement of provision for loans, leases and advances:**<br>The process for estimating the provision for loans, leases and advances associated with credit risk is judgemental and complex. The identification of and provisioning for non-performing assets is done in accordance with DFIM Circular No. 04 dated 26 July 2021 issued by Bangladesh Bank. At year-end 31 December 2025, the Group reported total gross loans, leases and advances of BDT 13,864.22 million (2024: BDT 14,685.17 million) and in 2025, the Company reported total gross loans, leases and advances of BDT. 13,230.02 million (2024: BDT.14,024.29 million ), whereas at the year end of 2025, the Group reported provision for loans, leases and advances of BDT. 7,629.22 million (2024: BDT 9,650.39 million) and in 2025, the Company reported total provision for loans, leases, and advances of BDT. 7,288.80 million (2024: BDT. 8,263.50 million). Provision for loans, leases and advances is a key audit matter due to the level of regulatory and other stakeholders' focus as well as the judgements and estimates involved in determining the amount of provision. Significant judgements and estimates, related to the provision for loans, leases and advances that have a high degree of estimation uncertainty with a potential range of reasonable outcomes which could give rise to material misstatement are:<br>• The provision for identified non-performing loans, leases and advances is impacted by classification of non-performing loans, leases and advances, value of eligible collateral securities etc.<br>• The company is also required to apply its subjective judgement to determine the identification and provision required against non performing loans, leases and advances considering various quantitative as well as qualitative factors.<br>• Adequacy of provision and timing of recognition of loss events in accordance with criteria set out in DFIM Circular No 04 dated 26 July 2021. | We tested the design and operating effectiveness of key controls focusing on the following:<br><br>• Credit monitoring and provisioning process;<br><br>• Identification of loss events, including early warning and default warning indicators;<br><br>• Review of quarterly Classification of Loans (FICL).<br><br>Our substantive procedures in relation to the provision for loans, advances and leases portfolio comprised the following:<br><br>• Reviewed the adequacy of the general and specific provisions and loan classification disclosures in the financial statements in line with related Bangladesh Bank guidelines;<br><br>• Tested the inputs in computation of provision in terms of testing the accuracy of underlying information;<br><br>•Assessed the methodologies on which the provision amounts based (value of eligible securities, interest suspense), recalculated the provisions for loans, advances and leases;<br><br>• Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. |

| | |
|---|---|
| • Measurement for additional provision beyond the minimum regulatory prescribed is primarily dependent upon judgements and key assumptions relating to the probable financial position of default borrowers on a forward-looking basis reflecting a range of future economic conditions.<br>See Note 2.11.4 and 12.1 to the financial statements for the accounting policy and for relevant disclosure regarding the provision of loans, leases and advances respectively. | |
| **2. Loans, leases and advances**<br>The group's assets held in loans and advances amounted to BDT 13,864.22 million being equivalent to nearly 72% of the group's total assets, considered material to the financial statements.<br>A high volume of loan outstanding, loan origination and payment activity results in the risk of inaccurate recording, processing errors or fraudulent transactions, which requires special audit consideration because of the likelihood and potential magnitude of misstatements to the completeness, existence and accuracy of loans and advances. | • We tested the design and operating effectiveness of key controls focusing on credit appraisal, loan disbursement and documentation process of loans and advances.<br>• We have performed procedure to check whether the Company has ensured appropriate documentation as per Bangladesh Bank regulations and the Company's policy before disbursement of loans and advances.<br>• In addition, we have performed procedure to check whether the loans and advances are recorded completely and accurately and that are existed at the reporting date.<br>• Furthermore, we have assessed the appropriateness of disclosure against Bangladesh Bank guidelines. |
| **3. IT systems and controls:**<br>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in multiple locations daily and the reliance on automated and IT dependent manual controls.<br>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively. | • We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting.<br>• We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.<br>• We tested the Company's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.<br>• We considered the control environment relating to various interfaces, configurations and other application layer controls identified as key to our audit. |

| | |
|---|---|
| Core Banking Solution (CBS) [called FinUltimus 4.0.1.2] is primarily relevant for financial reporting. Due to the pervasive nature and complexity of the IT environment, we have ascertained Key Information technology ("IT") systems and controls used for CBS as a key audit matter. | • We performed the Tests of IT General Controls to evaluate the Application Development and Database, Hosting Platforms and segregation of incompatible duties relevant to application and database change management. |
| **4. Income tax provisioning and measurement of deferred tax**<br>The provision for income tax and the measurement of deferred tax asset is considered a key audit matter due to the significant judgement involved in determining both the current and deferred tax as well as the potential impact on the financial position and performance of the Company.<br>These areas involve complex estimates, application of tax laws and assessment of the future taxable income which require careful consideration and professional judgement. | • We have obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of both current tax and deferred tax, including the assumptions used in estimating the Company's taxable income.<br>• We carefully reviewed any ongoing tax litigation between the Company and the Income Tax Authority, as well as the tax positions for the years where income tax assessments are still pending. We also assessed the adequacy of the tax provision recorded by the Company. Special attention was given to any reversal or adjustments made to the income tax provision from prior years.<br>• We also assessed the completeness and accuracy of the data used for the estimations of furture taxable income to ensure that the Company has sufficient taxable profit to recover the deferred tax assets in foreseeable future. |
| Both income tax provisions and deferred tax assets relying on significant estimates. There is a risk that these estimates may be incorrect or overly optimistic, particularly in the case of deferred tax assets on unsed tax losses which can be recognized if it is probable that the Finance Company will have future taxable profits against which the deferred tax assets can be utilized.<br>Due to inherent complexity and estimation uncertainty in both areas and the materiality of the amounts involved, we have determined them as a key audit matter. | • We recalculated the current tax provision and deferred tax assets to ensure that the Company has determined them in accordance with the applicable laws and regulations.<br>• We engaged our tax specialist team to assess the key assumptions, controls, and the recognition and measurement of both current and deferred tax.<br>Finally, we assessed the appropiateness and presentation of the disclosures in accordance with IAS-12, Income Taxes. |

**Other Matters**

The financial statements of the subsidiaries, 'Bangladesh Finance Securities Limited and Bangladesh Finance Capital Limited for the year ended on 31 December 2025' have been audited by us. And we have expressed a unmodified opinion on the financial statements of the companies.

**Other Information**

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this audit's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the basis of accounting as explained in Note 2 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. The Finance Company Act 2023 and the Bangladesh Bank guidelines require the management to ensure effective internal audit, internal control and risk management functions of the Company. The Management is also required to make a self assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

**Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987, the Finance Company Act 2023 and the rules and regulations issued by Bangladesh Bank, we also report the following:

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

b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

c) the consolidated and separate balance sheet and consolidated and separate profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

d) the expenditures incurred, and payments made were for the purposes of the Company's business.

e) the financial statements of the Group and the Company have been drawn up in conformity with the Finance Company Act, 2023 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;

f) adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;

g) the financial statements of the Group and the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;

h) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;

i) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;

j) taxes and other duties were collected to be and deposited(except as reported in Management report) in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;

k) nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;

l) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;

m) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory (Except some deficiencies mentioned in Management report), and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;

n) 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;

o) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 2,620 person hours for the audit of the books and accounts of the Company;

p) the Company has complied with relevant instructions/guidelines/circulars, except those mentioned in our management letter, which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
q) the Company has complied with the Section 33 of the Finance Company Act 2023 in preparing these financial statements; and
r) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

DVC: 2604301550AS554939

Dated, 29 APR 2026
Dhaka

Sukanta Bhattacharjee, FCA
Enrolment No. 1550
Partner
Snehasish Mahmud & Co.
Chartered Accountants

Bangladesh Finance PLC.
Consolidated Balance Sheet
As at 31 December 2025

| | Note | 31-Dec-25 | 31-Dec-24 |
|---|---|---|---|
| | | Amount in BDT | |
| **PROPERTY AND ASSETS** | | | |
| **Cash** | | | |
| Cash in hand | 3.a | 60,368 | 94,015 |
| Balance with Bangladesh Bank | | 136,068,185 | 130,928,670 |
| | | **136,128,554** | **131,022,685** |
| **Balance with other Banks and Financial Institutions** | 4.a | | |
| Inside Bangladesh | | 1,306,490,597 | 1,607,350,029 |
| Outside Bangladesh | | - | - |
| | | **1,306,490,597** | **1,607,350,029** |
| **Money at call and short notice** | | - | - |
| **Investment in Securities** | 5.a | | |
| Government | | - | - |
| Others | | 844,071,214 | 1,498,715,777 |
| | | **844,071,214** | **1,498,715,777** |
| **Lease, Loans and Advances** | 6.a | | |
| In Bangladesh | | 13,864,222,230 | 14,685,177,896 |
| Outside Bangladesh | | - | - |
| | | **13,864,222,230** | **14,685,177,896** |
| Fixed Assets including Premises, Furniture and Fixtures | 7.a | 736,094,560 | 697,956,483 |
| Other Assets | 8.a | 2,132,540,327 | 2,073,262,975 |
| Non Financial Assets | 9 | 170,634,701 | 170,634,702 |
| **Total Assets** | | **19,190,182,185** | **20,864,120,546** |
| **LIABILITIES AND CAPITAL** | | | |
| **Liabilities** | | | |
| Financing (Borrowings) from other Banks, Financial Institutions and Agents | 10.a | 4,136,379,837 | 4,717,804,520 |
| Deposits and other Accounts | 11.a | 8,538,557,336 | 8,636,733,763 |
| Other Liabilities | 12.a | 11,575,510,555 | 12,769,233,068 |
| **Total Liabilities** | | **24,250,447,729** | **26,123,771,351** |
| **Capital/ Shareholders' Equity** | | | |
| Share Capital | 13.2 | 1,882,362,670 | 1,882,362,670 |
| Statutory Reserve | 14 | 529,763,278 | 501,151,365 |
| General Reserve | 15 | - | - |
| Capital Reserve | 16.1 | 101,632,480 | 98,971,128 |
| Revaluation Surplus on Land and Building | 7.b | 483,007,608 | 525,158,414 |
| Retained Earnings | 16.a | (8,468,251,527) | (8,663,577,901) |
| **Total Shareholders' Equity** | | **(5,471,485,491)** | **(5,655,934,324)** |
| **Non Controlling Interest** | 16.b | **411,219,948** | **396,283,519** |
| **Total equity** | | **(5,060,265,543)** | **(5,259,650,805)** |
| **Total Liabilities and Shareholders' Equity** | | **19,190,182,185** | **20,864,120,546** |

Shahadat Hossain Mahmud & Co. SMAC

Bangladesh Finance PLC.
Consolidated Balance Sheet
As at 31 December 2025

| | Note | Amount in BDT 31-Dec-25 | 31-Dec-24 |
|---|---|---|---|
| **OFF BALANCE SHEET EXPOSURES** | | | |
| **CONTINGENT LIABILITIES** | | | |
| Acceptances and Endorsements | | - | - |
| Letters of Guarantee | 17 | - | - |
| Irrevocable Letters of Credit | | - | - |
| Bills for Collection | | - | - |
| **Total** | | - | - |
| **OTHER COMMITMENTS** | | | |
| Documentary credits and short term trade related transactions | | - | - |
| Forward assets purchased and forward deposits placed | | - | - |
| Undrawn note issuance and revolving underwriting facilities | | - | - |
| Undrawn formal standby facilities, credit lines and other commitments | | - | - |
| Claims against the Bank not acknowledged as debts | | - | - |
| **Total** | | - | - |
| **Total Off-Balance Sheet items including contingent liabilities** | | - | - |
| **Net Asset Value (NAV) per share** | 45.a | (29.07) | (30.05) |

The annexed notes from 1 to 46 and Annexure A, B & C are an integral part of these financial statements

**Munshi Abu Naim FCS**
**Company Secretary**

**Md. Kyser Hamid**
**Managing Director & CEO**

**Kazi Mustak Ahmed , FCA**
**Director**

**Mahfuza Khanam**
**Director**

**Kazi Rafiqul Hassan**
**Director**

As per our report of the same date

DVC: 2604301550AS554939

**Sukanta Bhattacharjee, FCA**
**Enrollment No. 1550**
**Partner**
**Snehasish Mahmud & Co.**
**Chartered Accountants**

**Dated:** 29 APR 2026
**Dhaka**

**Bangladesh Finance PLC.**
**Consolidated Profit and Loss Account**
**For the year ended 31 December 2025**

| | | Amount in BDT | |
|---|---|---|---|
| | Note | 31-Dec-25 | 31-Dec-24 |
| Interest Income | 19.a | 437,145,374 | 813,759,910 |
| Less: Interest paid on Deposits and Borrowings etc. | 20.a | 1,541,424,757 | 1,534,014,821 |
| **Net Interest loss** | | **(1,104,279,384)** | **(720,254,911)** |
| Income from Investment | 21.a | (482,243,728) | 191,942,561 |
| Commission, Exchange and Brokerage | 21.b | 31,509,971 | 51,792,313 |
| Other Operating Income | 22.a | 16,616,327 | 44,463,644 |
| | | **(434,117,429)** | **288,198,518** |
| **Total Operating loss** | | **(1,538,396,812)** | **(432,056,393)** |
| Salaries and Allowances | 23.a | 242,088,443 | 226,621,963 |
| Rent, Taxes, Insurances, Electricity etc. | 24.a | 10,386,133 | 13,575,835 |
| Legal and Professional Fees | 25.a | 6,208,953 | 3,699,196 |
| Postage, Stamps, Telecommunication etc. | 26.a | 3,025,422 | 3,953,026 |
| Stationery, Printings, Advertisements etc. | 27.a | 9,692,743 | 6,527,897 |
| Managing Director's Salary and Allowances | 28 | 7,535,000 | 7,535,000 |
| Directors' Fees | 29.a | 2,491,000 | 1,958,000 |
| Audit Fees | 29.b | 646,397 | 667,000 |
| Depreciation and Repairs of Assets | 30.a | 59,751,856 | 59,683,438 |
| Other Expenses | 31.a | 28,055,572 | 29,521,574 |
| **Total Operating Expenses** | | **369,881,520** | **353,742,929** |
| **Total Profit/(Loss) before Provisions and Taxation** | | **(1,908,278,332)** | **(785,799,322)** |
| Specific Provisions for Classified Investment | 32 | 150,707,757 | 121,323,849 |
| General Provisions for Unclassified Investment | 32 | (1,775,017,466) | 6,612,065,374 |
| Special Provisions for Unclassified Investment | | - | - |
| Provisions for Other Assets | 32 | 330,865,815 | 254,317,250 |
| Provisions for Off-Balance Sheet exposures | | - | - |
| Provisions for Investment in Securities and Margin Loan | 32.a | (769,732,388) | 859,067,952 |
| **Total Provision** | | **(2,063,176,282)** | **7,846,774,426** |
| **Net Profit/(Loss) before Taxation** | | **154,897,950** | **(8,632,573,747)** |
| Current Tax Expenses | 12.4.a | 11,298,796 | 36,886,788 |
| Deferred Tax Expenses/(benefit) | 12.5.b | (96,142,408) | (731,604,449) |
| | | **(84,843,612)** | **(694,717,660)** |
| **Net Profit/(Loss) after Taxation** | | **239,741,562** | **(7,937,856,087)** |
| | | | |
| **Attributable to** | | **239,741,562** | **(7,937,856,087)** |
| Shareholder of the Company | | 223,670,333 | (7,833,155,228) |
| Non-controlling Interest | | 16,071,229 | (104,700,859) |
| **Net Profit/(Loss) available for distribution** | | **223,670,333** | **(7,833,155,228)** |



**Bangladesh Finance PLC.**
**Consolidated Profit and Loss Account**
**For the year ended 31 December 2025**

| | | Amount in BDT | |
|---|---|---|---|
| | Note | 31-Dec-25 | 31-Dec-24 |
| **Appropriations** | | | |
| Statutory Reserve | 14 | 28,611,913 | - |
| General Reserve | 15 | - | - |
| Retained Earnings | | 195,058,420 | (7,833,155,228) |
| | | **223,670,333** | **(7,833,155,228)** |
| **Basic Earnings Per Share** | **33a** | **1.19** | **(41.61)** |

The annexed notes from 1 to 46 and Annexure A, B & C are an integral part of these financial statements

**Munshi Abu Naim FCS**
**Company Secretary**

**Md. Kyser Hamid**
**Managing Director & CEO**

**Kazi Mustak Ahmed , FCA**
**Director**

**Mahfuza Khanam**
**Director**

**Kazi Rafiqul Hassan**
**Director**

As per our report of the same date

DVC: 2604301550AS554939

**Dated:**
**Dhaka** 29 APR 2026

**Sukanta Bhattacharjee, FCA**
**Enrollment No. 1550**
**Partner**
**Snehasish Mahmud & Co.**
**Chartered Accountants**

**Bangladesh Finance PLC.**
**Consolidated Cash Flow Statement**
**For the year ended 31 December 2025**

| | Amount in BDT | |
|---|---|---|
| | 31-Dec-25 | 31-Dec-24 |
| **Cash Flows from Operating Activities** | | |
| Interest received | 971,224,838 | 2,044,891,641 |
| Interest paid | (1,299,191,558) | (1,256,881,592) |
| Dividend received | 28,276,117 | 23,889,708 |
| Fees and Commission received | 45,587,905 | 74,726,427 |
| Cash Payments to Employees | (249,623,443) | (234,156,963) |
| Cash Payments to Suppliers | (10,802,628) | (7,838,556) |
| Income Tax Paid | (34,984,636) | (39,509,052) |
| Received from other Operating activities | (467,900,686) | 221,273,139 |
| Payments for other Operating activities | (73,071,595) | (84,544,191) |
| **Cash generated from operating activities before changes in Operating Assets and Liabilities** | **(1,090,485,686)** | **741,850,560** |
| **Changes in Operating Assets and Liabilities** | | |
| Purchases/Sale of Trading Securities | 654,644,563 | (103,802,129) |
| Loans and Lease Finance to Customers | 820,955,666 | (87,936,717) |
| Other Assets | 46,964,710 | 168,188,474 |
| Deposits | (98,176,426) | (242,107,601) |
| Net drawdown of Term Loans | 33,901,186 | (18,679,821) |
| Net drawdown of Short Term Loans | (639,825,868) | (474,074,542) |
| Other Liabilities | 78,461,919 | (98,342,543) |
| **Sub Total** | 896,925,749 | **(856,754,880)** |
| **A) Net Cash flows from Operating Activities** | **(193,559,936)** | **(114,904,319)** |
| **Cash flows from Investing Activities** | | |
| Proceeds from Sale of fixed assets | 826,499 | 3,250,003 |
| Proceeds from Sale of non banking assets | - | 50,000,000 |
| (Purchase)/disposal of fixed assets including right-of-use assets | (64,755,550) | (12,406,192) |
| **B) Net Cash flows from Investing Activities** | **(63,929,051)** | **40,843,812** |
| **Cash flows from Financing Activities** | | |
| Increase/(decrease) of borrowings | - | 38,691,453 |
| Payment for lease liabilities | (38,264,576) | (28,444,544) |
| **C) Net Cash flows from Financing Activities** | **(38,264,576)** | **10,246,909** |
| **D) Net Incr./(Dec.) in Cash and Cash Equivalents(A+B+C)** | **(295,753,563)** | **(63,813,599)** |
| **E) Cash and Cash Equivalents at the beginning of the period** | **1,738,372,714** | **1,802,186,312** |
| **F) Cash and Cash Equivalents at the end of the period(D+E)** | **1,442,619,151** | **1,738,372,714** |
| **Net Operating Cash Flows per share (NOCFPS)** | **(1.03)** | **(0.61)** |

The annexed notes from 1 to 46 and Annexure A, B & C are an integral part of these financial statements

**Munshi Abu Naim FCS**
**Company Secretary**

**Md. Kyser Hamid**
**Managing Director & CEO**

**Kazi Mustak Ahmed , FCA**
**Director**

**Mahfuza Khanam**
**Director**

**Kazi Rafiqul Hassan**
**Director**

**Dated:** 29 APR 2026
**Dhaka**

Ehasish Mahmud & SMAC

Bangladesh Finance PLC.
Consolidated Statement of Changes in Shareholders' Equity
For the year ended 31 December 2025

Amount in BDT

| Particulars | Share capital | Statutory reserve | General reserve | Capital reserve | Revaluation Surplus | Retained earnings | Total | Non Controlling Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 01 January 2025** | **1,882,362,670** | **501,151,365** | **-** | **98,971,128** | **525,158,410** | **(8,663,577,898)** | **(5,655,934,325)** | **396,283,519** | **(5,259,650,806)** |
| **Changes during the year 2025** | | | | | | | | | |
| Cash Dividend | - | - | - | - | - | - | - | - | - |
| Interim Cash Dividend | - | - | - | - | - | - | - | - | - |
| Profit/(Loss) for the year | - | - | - | - | - | 223,670,333 | 223,670,333 | 16,071,229 | 239,741,562 |
| Capital Reserve | - | - | - | 2,661,352 | - | (1,526,552) | 1,134,800 | (1,134,800) | - |
| Revaluation of Land and Building | - | - | - | - | - | - | - | - | - |
| Adjustment of Deferred Tax | - | - | - | - | (40,356,302) | - | (40,356,302) | - | (40,356,302) |
| Transfer to retained earnings | - | - | - | - | (1,794,504) | 1,794,504 | - | - | - |
| Transfer to statutory reserve | - | 28,611,913 | - | - | - | (28,611,913) | - | - | - |
| | **-** | **28,611,913** | **-** | **2,661,352** | **(42,150,806)** | **195,326,373** | **184,448,831** | **14,936,428** | **199,385,260** |
| **Balance as at 31 December 2025** | **1,882,362,670** | **529,763,278** | **-** | **101,632,480** | **483,007,604** | **(8,468,251,525)** | **(5,471,485,493)** | **411,219,947** | **(5,060,265,546)** |
| **Balance as at 01 January 2024** | **1,882,362,670** | **501,151,365** | **-** | **98,971,128** | **526,952,914** | **(839,730,814)** | **2,169,707,263** | **500,984,378** | **2,670,691,641** |
| **Changes during the year 2024** | | | | | | | | | |
| 10% Cash Dividend - 2022 | - | - | - | - | - | - | - | - | - |
| Interim Cash Dividend - 2022 | - | - | - | - | - | - | - | - | - |
| Profit/(Loss) for the year | - | - | - | - | - | (7,833,155,228) | (7,833,155,228) | (104,700,859) | (7,937,856,087) |
| Capital Reserve | - | - | - | - | - | - | - | - | - |
| Revaluation of Land and Building | - | - | - | - | - | - | - | - | - |
| Disposal of NBA | - | - | - | - | - | 7,513,640 | 7,513,640 | - | 7,513,640 |
| Transfer to retained earnings | - | - | - | - | (1,794,504) | 1,794,504 | - | - | - |
| Transfer to statutory reserve | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | (1,794,504) | (7,823,847,084) | (7,825,641,588) | (104,700,859) | (7,930,342,447) |
| **Balance as at 31 December 2024** | **1,882,362,670** | **501,151,365** | **-** | **98,971,128** | **525,158,410** | **(8,663,577,898)** | **(5,655,934,325)** | **396,283,519** | **(5,259,650,806)** |

The annexed notes from 1 to 46 and Annexure A, B & C are an integral part of these financial statements

| Munshi Abu Naim FCS | Md. Kyser Hamid | Kazi Mustak Ahmed , FCA | Mahfuza Khanam | Kazi Rafiqul Hassan |
|---|---|---|---|---|
| Company Secretary | Managing Director & CEO | Director | Director | Director |

Dated: 29 APR 2026
Dhaka



Suchasish Mahmud & Co. SMAC

**Bangladesh Finance PLC.**
**Balance Sheet**
**As at 31 December 2025**

| | Note | Amount in BDT 31-Dec-25 | 31-Dec-24 |
|---|---|---|---|
| **PROPERTY AND ASSETS** | | | |
| **Cash** | 3 | | |
| Cash in hand | | 30,804 | 54,817 |
| Balance with Bangladesh Bank | | 136,068,185 | 130,928,670 |
| | | **136,098,990** | **130,983,487** |
| **Balance with other Banks and Financial Institutions** | 4 | | |
| Inside Bangladesh | | 1,187,631,420 | 1,498,087,963 |
| Outside Bangladesh | | - | - |
| | | **1,187,631,420** | **1,498,087,963** |
| **Money at call and short notice** | | - | - |
| **Investment in Securities** | 5 | | |
| Government | | - | - |
| Others | | 297,013,513 | 342,370,588 |
| | | **297,013,513** | **342,370,588** |
| **Lease, Loans and Advances** | 6 | | |
| In Bangladesh | | 13,230,028,027 | 14,024,291,397 |
| Outside Bangladesh | | - | - |
| | | **13,230,028,027** | **14,024,291,397** |
| Fixed Assets including Premises, Furniture and Fixtures | 7 | 679,586,548 | 663,687,132 |
| Other Assets | 8 | 1,768,639,461 | 1,701,872,862 |
| Non Financial Assets | 9 | 170,634,701 | 170,634,702 |
| **Total Assets** | | **17,469,632,662** | **18,531,928,131** |
| **LIABILITIES AND CAPITAL** | | | |
| **Liabilities** | | | |
| Financing (Borrowings) from other Banks financial Institutions and Agents | 10 | 3,250,432,548 | 3,795,240,304 |
| **Deposits and other Accounts** | 11 | **8,538,557,336** | **8,636,733,763** |
| Term Deposits | | 8,453,828,903 | 8,578,176,583 |
| Other Deposits | | 66,834,471 | 37,829,912 |
| Advance Rent and Installments | | 17,893,962 | 20,727,267 |
| Bills Payable | | - | - |
| Other Liabilities | 12 | 11,003,392,309 | 11,525,406,858 |
| **Total Liabilities** | | **22,792,382,193** | **23,957,380,925** |
| **Capital/Shareholders' Equity** | | | |
| Share Capital | 13.2 | 1,882,362,670 | 1,882,362,670 |
| Statutory Reserve | 14 | 529,763,278 | 501,151,365 |
| General Reserve | 15 | - | - |
| Revaluation Surplus on Land and Building | 7.1 | 483,007,608 | 525,158,414 |
| Retained earnings | 16 | (8,217,883,087) | (8,334,125,242) |
| **Total Shareholders' Equity** | | **(5,322,749,531)** | **(5,425,452,793)** |
| **Total Liabilities and Shareholders' Equity** | | **17,469,632,662** | **18,531,928,132** |

Shafiq Mahmud & Co. SMAC

Bangladesh Finance PLC.
Balance Sheet
As at 31 December 2025

| | Note | Amount in BDT 31-Dec-25 | 31-Dec-24 |
|---|---|---|---|
| **OFF BALANCE SHEET EXPOSURES** | | | |
| **CONTINGENT LIABILITIES** | | | |
| Acceptances and Endorsements | | - | - |
| Letters of Guarantee | 17 | - | - |
| Irrevocable Letters of Credit | | - | - |
| Bills for Collection | | - | - |
| **Total** | | - | - |
| **OTHER COMMITMENTS** | | | |
| Documentary credits and short term trade related transactions | | - | - |
| Forward assets purchased and forward deposits placed | | - | - |
| Undrawn note issuance and revolving underwriting facilities | | - | - |
| Undrawn formal standby facilities, credit lines and other commitments | | - | - |
| Claims against the Bank not acknowledged as debts | | - | - |
| **Total** | | - | - |
| **Total Off-Balance Sheet items including contingent liabilities** | | - | - |
| **Net Asset Value (NAV) per share** | 45 | (28.28) | (28.82) |

The annexed notes from 1 to 46 and Annexure A, B & C are an integral part of these financial statements

**Munshi Abu Naim FCS**
**Company Secretary**

**Md. Kyser Hamid**
**Managing Director & CEO**

**Kazi Mustak Ahmed , FCA**
**Director**

**Mahfuza Khanam**
**Director**

**Kazi Rafiqul Hassan**
**Director**

As per our report of the same date

DVC: 2604301550AS554939

**Sukanta Bhattacharjee, FCA**
**Enrollment No. 1550**
**Partner**
**Snehasish Mahmud & Co.**
**Chartered Accountants**

**Dated:** 29 APR 2026
**Dhaka**

**Bangladesh Finance PLC.**
**Profit and Loss Account**
**For the year ended 31 December 2025**

| | | Amount in BDT | |
|---|---|---|---|
| | Note | 31-Dec-25 | 31-Dec-24 |
| Interest Income | 19 | 356,489,305 | 723,785,783 |
| Less: Interest paid on Deposits and Borrowings etc. | 20 | 1,415,036,550 | 1,431,088,931 |
| **Net Interest Income/(Loss)** | | **(1,058,547,245)** | **(707,303,149)** |
| Income from Investment in securities | 21 | 1,050,980 | 82,002,926 |
| Commission, Exchange and Brokerage | | - | - |
| Other Operating Income | 22 | 15,229,042 | 43,527,229 |
| | | **16,280,022** | **125,530,155** |
| **Total Operating Loss** | | **(1,042,267,223)** | **(581,772,993)** |
| Salaries and Allowances | 23 | 212,300,888 | 194,770,284 |
| Rent, Taxes, Insurances, Electricity etc. | 24 | 6,091,699 | 9,676,824 |
| Legal and Professional Fees | 25 | 5,164,149 | 2,974,817 |
| Postage, Stamps, Telecommunication etc. | 26 | 1,782,693 | 2,526,890 |
| Stationery, Printings, Advertisements etc. | 27 | 8,695,974 | 5,586,008 |
| Managing Director's Salary and Allowances | 28 | 7,535,000 | 7,535,000 |
| Directors' Fees | 29 | 1,966,500 | 1,474,000 |
| Audit Fees | | 445,147 | 465,750 |
| Depreciation and Repairs of NBFI's Assets | 30 | 36,277,142 | 42,185,150 |
| Other Expenses | 31 | 22,311,080 | 22,461,523 |
| **Total Operating Expenses** | | **302,570,271** | **289,656,247** |
| **Total Profit/(Loss) before Provisions and Taxation** | | **(1,344,837,494)** | **(871,429,240)** |
| Specific provisions for Classified Investment | | 150,707,757 | 121,323,849 |
| General provisions for Unclassified Investment | | (1,775,017,466) | 6,612,065,374 |
| Special provisions for Unclassified Investment | | - | - |
| Provisions for other Assets | | 330,865,815 | 254,317,250 |
| Provisions for Off-Balance Sheet exposures | | - | - |
| Provisions for Investment in Securities | | (83,270,000) | 62,290,000 |
| **Total Provision** | 32 | **(1,376,713,894)** | **7,049,996,473** |
| **Net Profit/(Loss) before Taxation** | | **31,876,400** | **(7,921,425,713)** |
| Deferred Tax Expenses/(benefit) | 12.5.1 | (114,910,857) | (587,291,480) |
| Current Tax Expenses | 12.4 | 3,727,693 | 10,859,230 |
| | | **(111,183,164)** | **(576,432,250)** |
| **Net Profit/(Loss) after Taxation** | | **143,059,563** | **(7,344,993,463)** |

**Bangladesh Finance PLC.**
**Profit and Loss Account**
**For the year ended 31 December 2025**

| | Note | Amount in BDT 31-Dec-25 | 31-Dec-24 |
|---|---|---|---|
| **Appropriations** | | | |
| Statutory Reserve | 14 | 28,611,913 | - |
| General Reserve | 15 | - | - |
| Retained Earnings | | 114,447,651 | (7,344,993,463) |
| | | **143,059,563** | **(7,344,993,463)** |
| **Basic Earnings Per Share** | 33 | 0.76 | (39.02) |

The annexed notes from 1 to 46 and Annexure A, B & C are an integral part of these financial statements

**Munshi Abu Naim FCS**
**Company Secretary**

**Md. Kyser Hamid**
**Managing Director & CEO**

**Kazi Mustak Ahmed , FCA**
**Director**

**Mahfuza Khanam**
**Director**

**Kazi Rafiqul Hassan**
**Director**

As per our report of the same date

DVC: 2604301550AS554939

**Dated:** 29 APR 2026
**Dhaka**

**Sukanta Bhattacharjee, FCA**
**Enrollment No. 1550**
**Partner**
**Snehasish Mahmud & Co.**
**Chartered Accountants**

**Bangladesh Finance PLC.**
**Cash Flow Statement**
**For the year ended 31 December 2025**

| | Amount in BDT | |
|---|---|---|
| | 31-Dec-25 | 31-Dec-24 |
| **Cash Flows from Operating Activities** | | |
| Interest received | 890,597,696 | 1,954,949,262 |
| Interest paid | (1,172,803,351) | (1,134,641,491) |
| Dividend received | 40,876,869 | 5,264,583 |
| Fees and Commission received | - | - |
| Cash Payments to Employees | (219,835,888) | (202,305,284) |
| Cash Payments to Suppliers | (8,695,974) | (5,586,008) |
| Income Tax Paid | (26,606,835) | (24,414,259) |
| Received from other Operating activities | 1,273,084 | 110,350,471 |
| Payments for other Operating activities | (47,249,667) | (49,552,150) |
| **Cash generated from operating activities before changes in Operating Assets and Liabilities** | **(542,444,067)** | **654,065,123** |
| **Changes in Operating Assets and Liabilities** | | |
| Purchases/Sale of Trading Securities | 45,357,075 | 70,716,113 |
| Loans and Lease Finance to Customers | 794,263,370 | (210,815,777) |
| Other Assets | 7,873,982 | 169,729,217 |
| Deposits | (98,176,426) | (242,107,601) |
| Net drawdown of Term Loans | 33,901,186 | (18,679,821) |
| Net drawdown of Short Term Loans | (578,708,942) | (387,521,683) |
| Other Liabilities | 89,406,792 | (97,489,299) |
| **Sub Total** | **293,917,037** | **(716,168,852)** |
| **A) Net Cash from Operating Activities** | **(248,527,030)** | **(62,103,729)** |
| **Cash flows from Investing Activities** | | |
| Proceeds from Sale of fixed assets | - | 22,000 |
| Proceeds from Sale of non banking assets | - | 50,000,000 |
| (Purchase)/disposal of fixed assets including right-of-use assets | (44,819,194) | (11,941,116) |
| **B) Net Cash from Investing Activities** | **(44,819,194)** | **38,080,884** |
| **Cash flows from Financing Activities** | | |
| Payment for lease liabilities | (11,994,817) | (17,123,050) |
| **C) Net Cash from Financing Activities** | **(11,994,817)** | **(17,123,050)** |
| **D) Net Inc./(Dec.) in Cash and Cash Equivalents (A+B+C)** | **(305,341,041)** | **(41,145,894)** |
| E) Cash and cash equivalents at the beginning of the period | 1,629,071,450 | 1,670,217,343 |
| **F) Cash and cash equivalents at the end of the period (D+E)** | **1,323,730,410** | **1,629,071,450** |
| **Net Operating Cash Flow per share** | **(1.32)** | **(0.33)** |

The annexed notes from 1 to 46 and Annexure A, B & C are an integral part of these financial statements

**Munshi Abu Naim FCS**
**Company Secretary**

**Md. Kyser Hamid**
**Managing Director & CEO**

**Kazi Mustak Ahmed , FCA**
**Director**

**Mahfuza Khanam**
**Director**

**Kazi Rafiqul Hassan**
**Director**

**Dated:** 29 APR 2026
**Dhaka**

Suchasish Mahmud & Co. SMAC

Bangladesh Finance PLC.
Statement of Changes in Shareholders' Equity
For the year ended 31 December 2025

Amount in BDT

| Particular | Share capital | Statutory reserve | General reserve | Revaluation Surplus | Retained earnings | Total |
|---|---|---|---|---|---|---|
| **Balance as at 01 January 2025** | **1,882,362,670** | **501,151,365** | **-** | **525,158,410** | **(8,334,125,238)** | **(5,425,452,793)** |
| **Changes during the year 2025** | | | | | | |
| Profit/(Loss) for the year | - | - | - | - | 143,059,563 | 143,059,563 |
| Transfer to retained earnings | | | | (1,794,504) | 1,794,504 | - |
| Transfer to general reserve | - | - | - | - | - | - |
| Transfer to statutory reserve | - | 28,611,913 | - | - | (28,611,913) | - |
| Disposal of Non Financial Assets | - | - | - | - | - | - |
| Deferred Tax adjustment | | | | (40,356,302) | | (40,356,302) |
| Revaluation of Land & Building | - | - | - | - | - | - |
| | **-** | **28,611,913** | **-** | **(42,150,806)** | **116,242,155** | **102,703,261** |
| **Balance as at 31 December 2025** | **1,882,362,670** | **529,763,278** | **-** | **483,007,604** | **(8,217,883,083)** | **(5,322,749,531)** |
| **Balance as at 01 January 2024** | **1,882,362,670** | **501,151,365** | **-** | **526,952,914** | **(998,439,919)** | **1,912,027,030** |
| **Changes during the year 2024** | | | | | | |
| 10% Cash Dividend - 2022 | | | | | - | - |
| Profit/(Loss) for the year | - | - | - | - | (7,344,993,463) | (7,344,993,463) |
| Transfer to Retained Earnings | - | - | - | (1,794,504) | 1,794,504 | - |
| Transfer to general reserve | | | | - | | - |
| Transfer to statutory reserve | - | - | - | - | - | - |
| Disposal of Non Financial Assets | - | - | - | - | 7,513,640 | 7,513,640 |
| Revaluation of Land & Building | - | - | - | - | - | - |
| | **-** | **-** | **-** | **(1,794,504)** | **(7,335,685,319)** | **(7,337,479,823)** |
| **Balance as at 31 December 2024** | **1,882,362,670** | **501,151,365** | **-** | **525,158,410** | **(8,334,125,237)** | **(5,425,452,793)** |

The annexed notes from 1 to 46 and Annexure A, B & C are an integral part of these financial statements

| Munshi Abu Naim FCS | Md. Kyser Hamid | Kazi Mustak Ahmed, FCA | Mahfuza Khanam | Kazi Rafiqul Hassan |
|---|---|---|---|---|
| Company Secretary | Managing Director & CEO | Director | Director | Director |

Dated:
Dhaka 29 APR 2026



Shehasish Mahmud & Co. SMAC

Bangladesh Finance PLC.
Liquidity Statement
Assets and Liabilities Maturities Analysis
As at 31 December 2025

Amount in BDT

| Particulars | Up to 01 Month | 01-03 Months | 03-12 Months | 01-05 Years | Above 05 years | Total |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash in hand | 30,804 | - | - | - | - | 30,804 |
| Balance with Bangladesh Bank | 136,068,185 | - | - | - | - | 136,068,185 |
| Balance with other banks and financial institutions | 118,947,513 | - | 1,068,683,908 | - | - | 1,187,631,420 |
| Money at Call and Short Notice | - | - | - | - | - | - |
| Investment in securities | 147,013,513 | - | - | 150,000,000 | - | 297,013,513 |
| Investment (Loans and Advances) | 916,116,299 | 1,249,290,008 | 1,441,488,471 | 6,919,144,659 | 2,703,988,591 | 13,230,028,027 |
| Fixed Assets including premises, furniture and fixtures etc. | - | - | - | - | 679,586,548 | 679,586,548 |
| Other Assets | 22,119,841 | 790,194,242 | 29,553,433 | 56,095,990 | 870,675,955 | 1,768,639,461 |
| Non-banking Assets | - | - | - | - | 170,634,701 | 170,634,701 |
| **Total Assets (i)** | **1,340,296,155** | **2,039,484,250** | **2,539,725,811** | **7,125,240,649** | **4,424,885,794** | **17,469,632,660** |
| **Liabilities** | | | | | | |
| Borrowing from other banks, financial institutions and agents | 254,243,959 | 389,039,845 | 506,333,579 | 2,100,815,165 | - | 3,250,432,548 |
| Deposits and other accounts | 426,927,867 | 1,110,012,454 | 1,280,783,600 | 4,440,049,815 | 1,280,783,600 | 8,538,557,336 |
| Provision and other liabilities | 309,144,973 | 39,084,125 | 681,469,057 | 3,989,477,662 | 5,984,216,492 | 11,003,392,309 |
| **Total Liabilities (ii)** | **990,316,799** | **1,538,136,424** | **2,468,586,237** | **10,530,342,641** | **7,265,000,093** | **22,792,382,193** |
| **Net Liquidity Gap (i-ii)** | **349,979,356** | **501,347,826** | **71,139,575** | **(3,405,101,992)** | **(2,840,114,299)** | **(5,322,749,533)** |

| Munshi Abu Naim FCS | Md. Kyser Hamid | Kazi Mustak Ahmed , FCA | Mahfuza Khanam | Kazi Rafiqul Hassan |
|---|---|---|---|---|
| Company Secretary | Managing Director & CEO | Director | Director | Director |

Dated:
Dhaka 29 APR 2026

Suchasish Mahmud & Co. SMAC

## 1 Legal status and nature of the company

### 1.1 Domicile, legal form and country of incorporation

Bangladesh Finance PLC. ("Bangladesh Finance" or "the Company" or "FI") formerly known as "Bangladesh Finance and Investment Company Limited" is a Non-Banking Financial Institution engaged in lease, loan and investment financing operations. The Company having its registered office at Baitul Hossain Building, 27 Dilkusha C/A, Dhaka-1000, Bangladesh, was incorporated in Bangladesh on 10 May 1999 as a Public Limited Company under the Companies Act 1994. The license was issued from Bangladesh Bank on 22 December 1999 under the Financial Institutions Act 1993 which were then replaced by Finance Company Act 2023. The operational activities was started on 15 February 2000 through signing the first lease agreement on that day. Presently the Company is operating through seven branch offices at Dhaka, Chattogram, Sylhet, Gazipur and Jashore including Islamic Wing in six branches. The Company went for Initial Public Offering on 14 June 2007 and its shares were listed in both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 06 September 2007 and 28 August 2007 respectively.

### 1.2 Principal activities and nature of operation

The Company provides both Conventional and Islamic financial services to customers which includes lease finance for capital machinery to various industries including construction equipment, energy generating equipment, office equipment, medical equipment, transport etc. The Company also provides term finance, short-term finance, syndication finance, working capital finance, SME loan, women entrepreneur loan, factoring of accounts receivables, bill discounting, distributor finance, work order finance, assignment-based finance, home loan, loan against deposit and personal loan to the enterprises, professionals and others.

### 1.3 Islamic Wing

The Company obtained permission from Bangladesh Bank (the country's central bank) to operate the Islamic Wing vide Bangladesh Bank's letter no. DFIM(L)1053/56/2022-60 dated 04 January 2022. The company commenced operation of this wing from 04 January 2022. The Islamic Wing is governed under the rules and regulations of Bangladesh Bank.

### 1.4 Subsidiary companies

#### 1.4.1 Bangladesh Finance Securities Limited

Bangladesh Finance Securities Limited, a 57.36% owned subsidiary company of Bangladesh Finance PLC. was incorporated on 28 December 2010 as a public limited company under the Companies Act 1994 with authorized share capital of Tk. 500 crore. The main objective of the Bangladesh Finance Securities Limited is to act as a member of stock exchanges, operate the Central Depository System (CDS) and to carry on the business of brokers, jobbers or dealers in stocks, shares, securities, commodities, commercial papers, bonds, obligations, debentures etc.

#### 1.4.2 Bangladesh Finance Capital Limited

Bangladesh Finance Capital Limited, a fully owned (99.972% Share) subsidiary company of Bangladesh Finance PLC. was incorporated on 10 August 2011 as a public limited company under The Companies Act 1994 with authorized share capital of Tk. 200 crore. The main objective of the Bangladesh Finance Capital Limited is to carry on the business of Merchant Banking, fund management, managing portfolio investments, financial consultancy services etc.

## 2 Basis of preparation and significant accounting policies

### 2.1 Basis of preparation of the financial statements

The financial statements of the Company are prepared up to 31 December each year and are prepared under the historical cost convention and in accordance with the Finance Company Act, 2023 and Bangladesh Bank DFIM circular No. 11 dated 23 December, 2009. International Accounting Standard (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act. 1994, the Securities and Exchange Rules 1987 and other laws and regulations applicable in Bangladesh.
All figures appeared in the Financial Statements are rounded off to the nearest Taka.

### 2.1.1 Basis of consolidation of operations of subsidiaries

The financial statements of the Company and its subsidiaries, as mentioned in note No. 1.4.1 and 1.4.2 have been consolidated in accordance with International Financial Reporting Standard (IFRS) 10 "Consolidated Financial Statements". The consolidation of the financial statements have been prepared after eliminating all material inter company balances, income and expenses arising from inter-company transactions.

The total profits of the Company and its subsidiaries are shown in the consolidated profit and loss account with the proportion of profit after taxation pertaining to non-controlling shareholders being deducted as 'Non-controlling Interest'. NCI is measured at subsidiaries' proportionate share of identifiable net assets.

All assets and liabilities of the Company and of its subsidiaries are shown in the consolidated balance sheet. The interest of non-controlling shareholders of the subsidiary are shown separately in the consolidated balance sheet under the heading 'Non-controlling Interest'.

When Bangladesh Finance loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related NCI and other components of the equity. Any resulting gain or loss is recognised in the profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

**Branch accounting**

The Company has 07 branches, with no overseas branch as on December 31, 2025. Accounts of the branches are maintained at the head office from which these accounts are drawn up.

### 2.2 Components of the financial statements

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

a) Consolidated and Separate Balance Sheet as at December 31, 2025;

b) Consolidated and Separate Profit and Loss Account for the year ended December 31, 2025;

c) Consolidated and Separate Statement of Cash Flows for the year ended December 31, 2025;

d) Consolidated and Separate Statement of Changes in Equity for the year ended December 31, 2025;

e) Liquidity Statement as at December 31, 2025; and

f) Notes to the Consolidated and Separate Financial Statements as at and for the year ended December 31, 2025.

**Directors' responsibility statement**

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

**Date of authorisation**

The Board of directors has authorised this financial statements for public issue on 29 April 2026.

### 2.3 Basis of measurement

These financial statements have been prepared based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) and no adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

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

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

**2.4 Going concern basis of accounting**

The financial statements of the Company for the year ended 31 December 2025 have been prepared on a going concern basis, on the assumption that the Company will continue its operations in the foreseeable future and realize its assets and settle its liabilities in the normal course of business.

In compliance with Bangladesh Bank guidelines and IAS 1 – Presentation of Financial Statements, management has performed an assessment of the Company's ability to continue as a going concern, considering financial performance, asset quality, liquidity position, and capital structure. Based on this assessment, the Board of Directors is satisfied that the going concern basis remains appropriate.

The Company reported a consolidated net profit after tax of BDT 224.54 million in 2025, compared to a net loss of BDT 7,833.16 million in 2024. The improvement was primarily driven by recovery and rescheduling of non-performing exposures, resulting in provision write-back of BDT 2,127.59 million in 2025, compared to provision charge of BDT 7,846.77 million in 2024. As at 31 December 2025, the Company has a provision Coverage Ratio of 496.96% reflecting a strong buffer against potential credit losses.

Capital adequacy indicators, although negative, showed improvement during the year: Standalone CAR at -31.84% (2024: -33.81%) and Consolidated CAR at -24.29% (2024: -25.12%). Net Asset Value (NAV) per share also improved to -28.85 (consolidated) and -28.06 (standalone), compared to -30.05 and -28.82 respectively in 2024.

During the year, the Company formulated a Capital Management Plan, including a 7-year financial projection, and a Liquidity Management Plan to support capital restoration and ensure effective liquidity management.

Despite ongoing trust and confidence challenges in the financial sector, management believes these are temporary and will be addressed through regulatory support and the Company's ongoing recovery and restructuring initiatives.

Based on the above factors, the Board of Directors is of the opinion that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, no material uncertainty exists that would cast significant doubt on the Company's ability to continue as a going concern.

**2.5 Use of Judgments, Estimates, and Assumptions**

The preparation of the consolidated financial statements of the Group (comprising the Company and its subsidiaries) and the separate financial statements of the Company in accordance with International Financial Reporting Standards (IFRSs) requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. These estimates and underlying assumptions are based on historical experience and other relevant factors, and actual results may differ from these estimates.

Management reviews estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the period of revision and, if applicable, in future periods, in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

Significant areas requiring the use of management judgment and estimates include, but are not

- Revaluation of land and buildings
- Recognition and measurement of deferred tax assets and liabilities
- Valuation of gratuity obligations
- Determination of useful lives of property, plant, and equipment
- Provisions for income tax
- Accounting for leases under IFRS 16

As required by IAS 8, accounting policies are applied consistently for similar transactions, conditions, and events, unless a change is justified by an IFRS requirement or results in more reliable and relevant information. When changes in accounting policies occur, they are applied retrospectively, with prior period comparatives restated as if the new policy had always been in effect.

**2.6 Cash flow statement**

Cash flow statement has been prepared in accordance with IAS 7: Statement of cash flows and under the guideline of Department of Financial Institution and Management (DFIM) of Bangladesh Bank circular no. 11 dated 23 December 2009. The statement shows the structure of changes in cash and cash equivalents during the financial year.

**2.7 Reporting period**

These consolidated financial statements of the Group cover 1 (One) calendar year from 01 January to 31 December.

**2.8 Functional and presentation currency**

These consolidated financial statements are presented in Company's functional currency i.e. in Bangladeshi Taka.

**2.9 Liquidity statement**

The liquidity statement has been prepared mainly on the basis of remaining maturity grouping of assets and liabilities as at the close of the year as per following bases:

| Particulars | Basis of use |
|---|---|
| Cash, balance with other banks and financial institutions, money at call and short notice, etc. | Stated maturity/observed behavioral trend |
| Investments | Residual maturity term |
| Loans and advances | Repayment/maturity schedule and behavioral trend (non-maturity products) |
| Fixed Assets | Useful Life |
| Other Assets | Realization/amortization basis |
| Borrowings from other banks and financial | Maturity/repayment term |
| Deposits and other accounts | Maturity and behavioral trend (non-maturity |
| Other long term liability | Maturity term |
| Provision and other liability | Settlement/adjustment schedule basis |



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## 2.10 Statement of compliance

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as Financial Institutions (FIs). The Financial Institutions Act, 1993 was amended to require Non-Banking Financial Institutions to prepare their financial statements under such FRS.

As the FRS is yet to be issued as per the provisions of the FRA, the consolidated and separate financial statements of the Group and the Financial Institution have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and the requirements of the Finance Company Act, 2023 (as amended up to date) , the rules and regulations issued by Bangladesh Bank (BB) time to time, the Companies Act 1994, the Securities and Exchange Rules 1987. In case any requirement of the Finance Company Act, 2023 (as amended up to date), and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs, the requirements of the Finance Company Act, 2023 (as amended up to date), and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRSs are as follows:

**i) Presentation of financial statements:**

**IFRSs:** As per IAS 1 Presentation of financial statements, financial statements shall comprise a statement of financial position as at the end of the period, a statement of profit or loss and other comprehensive income for the period, a statement of changes in equity for the period, a statement of cash flows for the period, notes - comprising significant accounting policies and other explanatory information. As per IAS 1, the entity shall also present current and non-current assets and liabilities as separate classifications in its statement of financial position.

**Bangladesh Bank:** The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by DFIM Circular No. 11, dated 23 December 2009 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications. However, there is no financial impact for this departure in the financial statements.

**ii) Investments in Equity Instruments (Shares, Mutual funds, etc.)**

**IFRSs:** As per requirements of IFRS 9 Financial instruments, all equity investments (shares and mutual funds) are to be measured at fair value with value changes recognized in statement of profit or loss and other comprehensive income for the period, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income (OCI)'. If an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it through OCI with only dividend income recognized in profit or loss account.

**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; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.

**iii) Measurement of provision for leases, loans and advances (financial assets measured at**

**IFRSs:** As per IFRS 9 Financial instruments, Leases, loans and advances shall be recognized and measured at amortized cost (net of any write down for impairment). When any objective evidence of impairment (a loss allowance for expected credit losses) exists for such financial assets, impairment assessment should be undertaken individually or portfolio basis (when assets are not individually significant).

**Bangladesh Bank:** As per DFIM Circular no. 04 dated 26 July 2021, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans and Special Mentioned Accounts (SMA)) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances.

Also, provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of

**iv) Other comprehensive income and appropriation of profit**

**IFRSs:** As per IAS 1 Presentation of financial statements, other comprehensive income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income (OCI) statement. IFRSs do not require appropriation of profit to be shown on the face of the statement of comprehensive income.

**Bangladesh Bank:** The templates of financial statements issued by Bangladesh Bank do not include other comprehensive income or are the elements of other comprehensive income allowed to be included in a single other comprehensive income (OCI) statement. As such the Financial Institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity. Furthermore, the above templates require disclosure of appropriation of profit on the face of profit and loss account.

**v) Financial instruments - presentation and disclosure**

As per BB guidelines, in certain cases financial instruments are categorized, recognized, measured and presented differently from those prescribed in IFRS 7 Financial instruments - disclosure and IFRS 9: Financial instruments. As such some disclosures and presentation requirements of IFRS 7 and IFRS 9 cannot be fully made in these financial statements.

**vi) Recognition of interest in suspense**

**IFRSs:** Leases, Loans and advances to customers are generally classified as non-derivative financial assets measured at amortized cost as per IFRS 9 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is to be recognized in profit and loss account on the same basis on revised carrying amount.

**Bangladesh Bank:** As per DFIM Circular no. 04 dated 26 July 2021, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments is not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.

**vii) Non-financial assets**

**IFRSs:** No indication of non-financial assets is found in any IASs/IFRSs.

**Bangladesh Bank:** As per Department of Financial Institution and Market (DFIM) of Bangladesh Bank circular no. 11 dated 23 December 2009, there exists a face item named non-banking assets.

**viii) Cash flow statement**

**IFRSs:** Cash flow statement can be prepared either in direct method or indirect method. The presentation method is selected to present cash flow information in a manner that is most suitable for the business or industry. Whichever method selected should be applied consistently.

**Bangladesh Bank:** As per Department of Financial Institution and Market (DFIM) of Bangladesh Bank circular no. 11 dated 23 December 2009, cash flow statement is to be prepared following a mixture of direct and indirect method.

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**ix) Balance with Bangladesh Bank (cash reserve requirement)**

**IFRSs:** Balance with Bangladesh Bank should be treated as other assets as it is not available for use in day-to-day operations as per IAS 7: Statement of cash flows.

**Bangladesh Bank:** Balance with Bangladesh Bank should be treated as cash and cash equivalents.

**x) Presentation of loans and advance net of provision**

**IFRSs:** Loans and advances shall be presented at amortized cost net of any write down for impairment (expected credit losses that result from all possible default events over the life of the financial instrument).

**Bangladesh Bank:** As per DFIM circular no. 11 dated 23 December 2009, provision on loans and advances should be presented separately as liability and cannot be netted off against loans and advances.

**xi) Presentation of intangible asset**

**IFRSs:** An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.

**Bangladesh Bank:** There is no regulation for intangible assets.

**xii) Off-balance sheet items**

**IFRSs:** No concept of off-balance sheet items in any IFRS/IAS/IFRIC; so, nothing to disclose as off-balance sheet items.

**Bangladesh Bank:** As per DFIM circular no. 11 dated 23 December 2009, off-balance sheet items i.e. letter of credit (LC), letter of guarantee (LG), acceptance should be disclosed separately on the face of the balance sheet.

**xiii) Measurement of deferred tax assets**

**IFRSs:** A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

**Bangladesh Bank:** As per DFIM circular No. 7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against the provision for lease, loans and advances.

## 2.11 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by group entities except otherwise instructed by Bangladesh Bank as the primary regulator.

### 2.11.1 Comparative Information

As guided in paragraph 36 and 38 of IAS 1 Presentation of Financial Statements, comparative information in respect of the previous year have been presented in all numerical information in the financial statements and the narrative and descriptive information where, it is relevant for understanding of the current year's financial statements.

Previous year/period figures has been rearranged to conform with the current year/period presentation where applicable.

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### 2.11.2 Recognition of fixed asset and Depreciation

**i) Recognition and measurement**

Items of fixed assets are stated at cost or revaluation less accumulated depreciation. The cost of the assets is the cost of acquisition or construction together with purchase price and other directly attributable costs for bringing the assets to working conditions for their intended use inclusive of inward freight, duties and non refundable taxes as per International Accounting Standard (IAS) 16: Property, Plant and Equipment.

**ii) Subsequent expenditure on fixed assets**

Subsequent expenditure is capitalized only when it increases the future economic benefit from the assets and that cost can be measured reliably. All other expenditures are recognized as an expense as and when they are incurred.

**iii) Depreciation**

Depreciation is provided on a new asset for the period in use in the year of purchase. Full month's depreciation has been charged on additions irrespective of date when the related assets are put into use. Depreciation is calculated on the cost of the assets in order to write-off such amounts over the estimated useful life of such assets. Bangladesh Finance followed the Straight-line method of depreciation and annual rates are as under:

| Assets | Depreciation rate |
|---|---|
| Building | 10% |
| Office equipment | 25% |
| Office Renovation | 20% |
| Furniture and fixtures | 20% |
| Motor vehicles | 20% |
| Other assets | 20% |
| Right-of-use Asset | Lease term |

The-right-of use asset is depreciated using the straight line methods from the commencement date (from the beginning of 2019) to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

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

### 2.11.3 Intangible Assets

**i) Components**

The main item included in intangible asset is software.

**ii) Basis of recognition**

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

**iii) Subsequent expenditure**

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

**iv) Amortization**

Intangible asset is amortized on straight line basis at 25% to write off the cost of intangible assets.

### 2.11.4 Impairment of assets

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36: Impairment of assets. At the end of each reporting period, Bangladesh Finance and its subsidiaries review the carrying value of financial and non-financial assets (other than investment in subsidiaries) and assess whether there is any indication that an asset may be impaired and/or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recovered. If any such indication exists, Bangladesh Finance and the subsidiaries make an estimate of the recoverable amount of the asset. The carrying value of the asset is reduced to its recoverable amount if the recoverable amount is less than its carrying amount with associated impairment losses recognized in the profit and loss account. However, impairment of any financial assets is guided by relevant Bangladesh Bank circulars/instructions and IFRS 9.

### 2.11.5 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, term deposits and investment in call loan that are readily convertible to a known amount of cash and that are subject to an insignificant risk of change in value.

### 2.11.6 Investments in Securities

Investments are valued in compliance with FID Circular no .08, dated 03 august, 2002 in lieu of IFRS-9. All investment securities are initially recognized at cost.

Investment in securities are classified broadly in two categories and accounted for as under:

**a. Investment in quoted securities:**

These securities are bought and held primarily for the purpose of selling them in near term. These are reported at cost. Adequate provision is made for excess of cost over market value.

**b. Investment in un-quoted securities:**

Investment in un-quoted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in

### 2.11.7 Capital/shareholders' equity

**Authorised capital**

Authorised capital is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association.

**Paid-up capital**

Paid up capital represents total amount of share capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of winding-up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to receive any residual proceeds of liquidation.

**Statutory reserve**

As per the Financial Institutions Regulations, 1994, finance companies are required to transfer 20% of their profit to the statutory reserve before declaring any dividend. if the financial institution's sum of Share Premium Account (if any) and Statutory Reserves is less than the required paid up capital of that financial institution. Accordingly to DFIM Circular no 05, dated July 24, 2011, required capital for financial institution should not be less than BDT 100 crore or minimum capital required based on risk-weighted asset. In compliance with this regulation, Bangladesh Finance PLC. transfers 20% of its post-tax profit to the statutory reserve.

**Revaluation**

Revaluation reserve arises from the revaluation of Land and Building. The tax effects on revaluation gain are measured and recognised in the financial statements as per IAS 12 "Income Taxes". When an fixed asset's carrying amount is increased as a result of revaluation, the increased amount has been credited directly to equity under the head of revaluation reserve as per IAS 16 " Property, Plant and Equipment". The revaluation surplus included in equity transferred directly to retained earnings with the amount of the surplus from the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost as per the para 41 of IAS 16.

**Non-controlling (minority) interest in subsidiaries**

A Non-controlling (minority) interest (NCI), is ownership of less than 50% of a company's equity by an investor or another company. For accounting purposes, minority interest is a fractional share of a company amounting to less than 50% of the voting shares. Minority interest shows up as a noncurrent liability on the balance sheet of companies with a majority interest in a company, representing the proportion of its subsidiaries owned by minority shareholders. Also, minority interest is reported on the consolidated income statement as a share of profit belonging to minority shareholders.

**General Reserve**

Generally fund from Retained Earnings is transferred to General Reserve once in a year with the consent of the Board of Directors.

**2.11.8 Retirement Benefit**

**(a) Provident Fund**

The company operates a contributory provident fund scheme for its permanent employees. The Provident fund is administered by a Board of Trustees and is funded by contribution partly from the employees and partly from the Company at 10% of basic salaries of the employees. The contributions are invested separately from the Company's asset.

**(b) Gratuity**

The Company operates non-funded gratuity scheme, provision in respect of which is made annually covering all permanent eligible employees. Gratuity fund benefits are given to the staff of Bangladesh Finance in accordance with the Company's service rules. The gratuity is calculated on the basis of eligibility and as per IAS-19 "Employee Benefits" and payable as per the modalities of the rules. Gratuity so calculated are transferred to the Gratuity fund and charged to expenses of the Company.

| Duration of the services | Amount entitled of receive |
|---|---|
| For services from 05 to below 10 years | One month's basic pay for each year of service |
| For services from 10 to below 15 years | One and three-quarter month's basic pay for each year of |
| For services from 15 years & above | Two months' basic pay for each year of service |

**(c) Other employees benefit obligation**

The Company operates group life insurance and hospitalization scheme for its permanent employees.

**2.11.9 Income Tax**

**i) Current tax**

Provision for current income tax has been made @ 37.50% as prescribed in the Finance Act 2023 on the accounting Profit made after considering some of the taxable add back income and disallowance of expenditure in compliance with IAS-12.

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**ii) Deferred tax**

Pursuant to International Accounting Standard (IAS) 12: Income Taxes, deferred tax is provided for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes. Adequate provision has been made in calculating temporary timing differences. Deferred tax assets and liabilities are not offset and are presented separately as per Bangladesh Bank directives.

**2.11.10 Accrued expenses and other payables**

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

**2.11.11 Revenue recognition**

Revenue is only recognized when it meets the following five steps model framework as per IFRS-15:

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

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

**2.11.12 Lease income**

The excess of aggregate rental receivable over the cost of lease constitutes the total unearned interest income at the commencement of the contract. This income is allocated over the period of lease that reflect a constant periodic return on net investment.

**2.11.13 Income from Term loan and short term Finance**

Interest income on Term loan and short term Finance is recognized on Accrual Basis. Interest portion of the installments that become receivable is credited to the Profit and Loss Account.

**2.11.14 Fees base income, etc.**

Fees on services rendered by the company are recognized as and when services are rendered.

**2.11.15 Dividend income**

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

**2.11.16 Accounting for term finance and other finances**

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

**2.11.17 Accounting for margin loan**

Margin loan to portfolio investors is given at an agreed ratio (not more than the ratio prescribed by BSEC) between investor's deposit and loan amount to purchase securities against respective investor account. The new investor are to maintain the margin as per set rules and regulations. The margin is monitored on daily basis as it changes due to changes in market price of share. If the margin falls below the minimum requirement, the investors are required to deposit additional fund to maintain the margin as per rules otherwise the securities are sold to bring the margin to the required level.

### 2.11.18 Loans, Advances and Provision

**Loans and advances (initial recognition):**

Loans and advances comprise of non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. These are recognized at gross amount on the date on which they are originated. The group has not designated any loans and advances upon initial recognition as at fair value through profit and loss account or other comprehensive income.

After initial recognition, loans, advances and interest receivables are subsequently measured at amortized cost using effective interest rate (EIR) over the relevant periods. The amortized cost of a financial asset is the amount at which the asset is measured at initial recognition less principal repayments, using EIR method. The EIR is the rate that exactly discounts estimated future cash receipts (estimates cash flows considering all contractual terms of the instrument but not future credit losses) during the expected life of the financial instrument.

Provision for investments and advances is an estimate of the losses that may be sustained in the investment portfolio. The provision is based on two principles (1) International Accounting Standards (IAS) 37; Provisions, contingent liabilities and contingent assets, and (2) Bangladesh Bank guidelines. Bangladesh Finance's methodology for measuring the appropriate level of the provision relies on several key elements, which include both quantitative and qualitative factors as set forth in the Bangladesh Bank Guidelines. Provision for loans and advances is made on the basis of periodical review by the management and of instructions contained in Bangladesh Bank DFIM Circular no. 04 dated 26 July 2021 and DFIM Circular Letter No. 37 dated 04 December 2024. The classification rates are given below:

| Particulars | Rate |
|---|---|
| **General provision on:** | |
| Standard-Non-SME | 1% |
| Standard-SME | 0.25% |
| Standard-Brokerage | 2% |
| Special mention account-Non-SME | 5% |
| Special mention account-SME | 5% |
| Off-Balance sheet exposure | 1% |
| **Specific provision on:** | |
| Substandard-SME | 5% |
| Substandard-Non-SME | 20% |
| Doubtful-SME | 20% |
| Doubtful-Non-SME | 50% |
| Bad/loss loans and advances | 100% |

**Loans and advances (written-off):**

Loans and advance are written off to the extent that there is no realistic prospect of recovery in the proximate future, classified as bad/ loss and adequate provision are maintained as per DFIM circular no.02 dated 01 April 2019 and DFIM circular no. 08 dated 07 June 2022. No loans and advances are written off without prior approval of the Board of Directors in compliance with the said circulars. At each reporting period end, the NBFI assesses loans and advances to be written off as per organization's own process in compliance with BB guideline. Details of loans and advances written off are given in the note 6.8 (xi) in the financial statements.

**Loans and advances (recovery from written off):**

The Company puts continuous effort for recovery from written off loans and advances in compliance with DFIM circular no. 02 dated 01 April 2019. The Company takes necessary legal measures against default borrowers for recovery against written off loans and advances as per relevant BB guidelines and Artha Rin Adalat Act-2003. Legal cost incurred against those borrowers are initially charged to the profit and loss account of Bangladesh Finance.

However, recovery including any legal cost against written off loans and advances are recognized in profit and loss account as earned and on settlement basis. Details of recovery are given in note 6.8 (x) in the Financial Statements.

**2.11.19 Significant accounting policies - IFRS 16: Leases**

**Bangladesh Finance as a lessee**

Bangladesh Finance recognizes a right of use asset and a lease liability from the beginning of 2019. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The-right-of use asset is depreciated using the straight line methods from the commencement date (from the beginning of 2019) to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date (from the beginning of 2019), discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Bangladesh Finance's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Bangladesh Finance 's estimate of the amount expected to be payable under a residual value guarantee, or if Bangladesh Finance changes its assessment of whether it will exercise purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Bangladesh Finance presents right of use assets in Annexure A and lease liabilities in note-12.7.

**Bangladesh Finance as a lessor**

When Bangladesh Finance acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, Bangladesh Finance makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, Bangladesh Finance considers certain indicators such as whether the lease is for the major part of the economic life of the asset. If an arrangement contains lease and non-lease components, Bangladesh Finance applies IFRS 15 to allocate the consideration in the contract. Bangladesh Finance recognizes lease payments received under operating leases as income over the lease term.

**Impacts on financial statements**

Bangladesh Finance has 9 contracts for renting premises which were classified as operating lease under IAS 17. As per para C5(b) of IFRS 16 Lease, the company has taken the decision to apply IFRS 16 retrospectively with modified approach with the cumulative effect of initially applying the standards recognized at the date of initial application from 01 January 2019.

| Particulars | Amount |
|---|---|
| Depreciation charge for right-of-use assets | 5,968,635 |
| Interest expense on lease liabilities | 1,441,260 |
| Total cash out flow for lease | 11,994,817 |
| Addition to right-of-use assets | 16,842,003 |
| Carrying amount of right-of-use assets at the end of the year | 20,303,462 |

**2.11.20 Gain/Loss on Sale of Securities**

Capital gain/Loss on sale of securities listed in the stock exchanges is recognized only when the securities are sold in the market.

**Brokerage commission**

Brokerage commission is recognised as income when selling or buying order is signed and trade is executed.

**Foreign Currency Transactions and Translation**

The Company did not have any foreign currency transactions during the year. As such, no translation of foreign currency amounts was required, and there were no exchange gains or losses recognized in the financial statements.

**2.11.21 Risk and uncertainty for use of estimates (Provisions)**

The preparation of Financial Statements in conformity with International Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and disclosure requirements for contingent assets and liabilities during the reporting period and on the dates of the financial statements. Due to inherent uncertainty involved in making estimates, actual results reported could differ from those estimates.

In accordance with the guidelines as prescribed by International Accounting Standards (IAS) 37: Provisions, contingent liabilities and contingent assets, provisions are recognized in the following situations:

a. When the Company has an obligation as a result of past events;
b. When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
c. Reliable estimate can be made of the amount of the obligation.

**2.12 Borrowing Costs**

Borrowing costs are recognized as expense in the year in which they are incurred unless capitalization is permitted under International Accounting Standard (IAS) 23: "Borrowing Costs".

**2.13 Interest Suspense Account**

Accrued interest on lease, term finance, real estate finance, hire purchase agreement classified as Special Mentioned Account, Sub-Standard, Doubtful and Bad loan are not recognized as income rather transferred to interest suspense accounts as complied with Bangladesh Bank guidelines. Recovery of overdue credited to interest suspense account is recognized as income on realization basis.

**2.14 Litigation**

The Company has no party to any lawsuits except those arising in the normal course of business, which were filed against the default clients for non-performance in loan/lease repayment. The Company, however, provides adequate provision against such doubtful finance.

2.15 **Proposed dividend**

Proposed dividend has been shown separately under the shareholders' equity in accordance with International Accounting Standards (IAS)-10 " Events After the Reporting Period".

IAS 1: Presentation of Financial Statements, also requires the dividend proposed after the reporting period but before the financial statements are authorized for issue, be disclosed in the notes to the financial statement. Accordingly, the Company has disclosed the amount of proposed dividend in notes.

2.16 **Earnings Per Share (EPS)**

The Company calculates Earnings Per Share (EPS) in accordance with IAS 33: Earnings Per Share, which has been shown on the face of Profit and Loss Account, and the computation of EPS is

**Basic Earnings**

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

**Weighted average number of Ordinary Shares outstanding during the period**

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

**Basic earnings per share**

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding for the period.

**Diluted Earnings Per Share**

No diluted EPS is required to be calculated for the period, as there was no scope for dilution during the period under review.

2.17 **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.

2.18 **Risk Management and Regulatory Compliance**

2.18.1 **BASEL II & its implementation**

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

2.18.2 **Related party disclosures:**

A party is considered related to a company if:

1. It controls, is controlled by, or is under common control with the company (directly or indirectly)
2. It has significant influence or joint control over the company.
3. It is an associate or a joint venture of the company.
4. It is part of the key management personnel of the company or its parent.
5. It is a close family member of any individual in points 1 or 4.
6. It is an entity influenced or controlled by individuals mentioned in points 4 or 5.
7. It is a post-employment benefit plan for employees of the company or its related entities.

2.18.3 **Credit Risk**

Credit risk is the risk of loss that may occur from the default of any counterparty to repay in accordance with agreed terms and conditions and/or deterioration of creditworthiness. Board of Directors is the apex body for credit approval of the company. However, they delegate authority to the Managing Director & CEO or other officers. The Board also sets credit policies to the management for setting procedures, which together has structured the CRM framework in the company.

The Credit Manual contains the core principles for identifying, measuring, approving and managing credit risk in the company. The policy covers corporate, retail, Small and Medium Enterprise (SME) exposures. Policies and procedures together have structured and standardised CRM process both in obligor and portfolio level. There is a comprehensive credit appraisal procedure that covers industry/business risk, management risk, financial risk, facility structure risk, security risk, environmental risk, reputational risk, and account performance risk.

2.18.4 **Operational risk**

Operational risk addresses the risk associated with fraud, forgery, unauthorised activities, error, omission, system failure and external events among others. The Company is managing these risks through written procedures, regular training, awareness programs and monitoring of the implementation of these procedures.

Operational risks are analyzed through review of various control tools like Departmental Control Function Check List (DCFCL), Quarterly Operations Report (QOR), Loan Documentation Check List (LDCL), and Self Assessment Anti Fraud Internal Control Check list. This is a self-assessment process for detecting high risk areas and finding mitigates of those risks. The effectiveness of the company's Internal control are monitored on an ongoing basis, Key/high risk items are identified and monitored as part of daily activities."

2.18.5 **Interest rate risk**

Interest rate risk is the risk to earnings or capital of the company arising from movement of interest rates. The movement of interest rates affects companies' reported earnings and capital by changing:

- Net interest income
- The market value of trading accounts (and other instruments accounted for by market value), and
- Other interest sensitive income and expenses.

To manage interest rate risk, ALCO regularly monitors various ratios and parameters. The company deploys several analysis techniques (e.g. rate sensitive gap analysis, duration gap analysis) to measure interest rate risk, its impact on net interest income and takes insight about course of actions."



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### 2.18.6 Liquidity risk

"The objective of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Company is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balance. Responsibility of managing and controlling liquidity of the company lies with Asset Liability Committee (ALCO) that meets at least once in a month. Asset Liability Management (ALM) desk being primarily responsible for management of liquidity risk closely monitors and controls liquidity requirements on a daily basis by appropriate coordination of funding activities. A monthly projection of fund flows is reviewed in ALCO meeting regularly. On monthly basis, ALCO monitors liquidity management by examining key ratios, maximum cumulative outflow, upcoming funding requirement from all business units, asset-liability mismatch etc.

ALCO also monitors concentration of deposits on large institutional depositors which is volatile in nature. In addition to these ratios, the company prepares structural liquidity profile, maturity profile of term deposit, cash flow modelling and contingency funding plan on monthly basis, which are analysed in ALCO meeting to ensure liquidity at the level acceptable to the company and regulators."

### 2.18.7 Market risk

Risk Management Unit (RMU) is responsible for overall monitoring, control and reporting of market risk while treasury mid office is an integral part of market risk management which independently evaluates and monitors treasury department's transaction from risk perspective. Overall risk parameters and exposures of the company are monitored by RMU and periodically reported to company's Risk Management Committee (RMC).

Market risk can be subdivided into three categories depending on risk factors: interest rate risk, foreign exchange risk, and equity price risk.

### 2.18.8 Equity price risk

Equity price risk is the risk of losses caused by changes in equity prices. These losses could arise because of changes in the value of listed shares held directly by the company; changes in the value of listed shares used as collateral for loans whether the loan was made for the purpose of buying the shares; and changes in the value of unlisted shares. Mark to Market is the tool the company applies for making full provision against losses arisen from changes in market price of securities.

### 2.18.9 Information and communication technology risk

Bangladesh Finance adheres to the IT Security policies and procedures in line with ICT Security guideline of Bangladesh Bank. To prevent attack from Cyber criminals/fraudsters, Bangladesh Finance IT has established standard physical and logical security measures for all sensitive IT infrastructures (e.g. Data Centre, Disaster Recovery Site, etc.). Besides, Bangladesh Finance has standard logical IT security measures like access control system, intrusion detection, access log and periodic security asIT team has also taken initiatives to create awareness about cybersecurity among all Bangladesh Finance employees and customers through retail and corporate channels. We have separate information system audit to identify control gaps and improve continually.sessment for all systems. Vulnerability assessment exercises, both internally and externally, are conducted regularly to identify security weakness and implementing control for mitigation.

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### 2.18.10 Money Laundering and Terrorist Financing Risk

In Bangladesh Finance, money laundering and terrorist financing risk takes two broad dimensions:
a) Business risk which is the risk that Bangladesh Finance may be used for money laundering or for the financing of terrorism and
b) Regulatory risk which is the risk that Bangladesh Finance fails to meet regulatory obligations under the Money Laundering Prevention Act 2012 (subsequently amended in 2015) and the Anti-Terrorism Act 2009 (subsequently amended in 2012 and 2013).

To mitigate the risks, Bangladesh Finance, while adhering to various guidelines and circulars issued by the Bangladesh Financial Intelligence Unit (BFIU), has in place a strict compliance program consisting of the following components:
a) Internal policies, procedures and controls, which are continually updated as and when required, to identify and report instances of money laundering and terrorism financing;
b) A dedicated structure and sub-structure within the organisation, headed by a Central Compliance Unit (CCU), for proactively managing AML and CFT compliance;
c) Appointment of an AML/CFT Compliance Officer, known as the Chief Anti Money Laundering Officer (CAMLCO), to lead AML/CFT efforts throughout the company;
d) Independent audit functions, including internal and external audit, to test the programs;
e) Ongoing employee training programs.

## 2.19 Additional risks required to be addressed under regulatory requirements

DFIM Circular No.03 of 2016, introduced the Integrated Risk Management Guidelines for Financial Institutions ("the guidelines"). These guidelines supplement, and do not replace, existing risk management guidelines.
The Integrated Risk Management Guidelines for Financial Institutions specify a number of additional risks that financial institutions are now required to manage in a more structured manner. Key among these are:

### 2.19.1 Strategic Risk

Strategic risk has been defined as the risk of possible losses that might arise from adverse business decisions, substandard execution and failure to respond properly to changes in the business environment. The guidelines set out the respective roles of the board of the directors, senior management and business units in managing strategic risks, identify the steps to be followed in the strategic risk management process and also suggest measures for strategic risk control.
Bangladesh Finance has been managing strategic risks ever since its inception. This is evident from the constantly evolving business model of the company over the years. The company has a clear strategic vision as to what it wants to be and a mission statement that states what it will do to achieve its vision. Strategic issues are discussed at a variety of forums including meetings of the Management Committee and of the Bangladesh Finance Board. Over the past few years, Bangladesh Finance has a separate Strategic Planning department has been set up to assist senior management in this regard. The culmination of all these efforts are reflected in annual Strategy and Budget sessions, where the company sets outs its plans for the next year. Bangladesh Finance keeps track on internal and external factors to align and update the strategy as and when required, monitors implementation, evaluates performance for strategic risk management.



### 2.19.2 Compliance Risk

Compliance risk is defined as the current or prospective risk of legal sanction and/or material financial loss that an organisation may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best practice as well as from the possibility of incorrect interpretation of laws or regulations. The guidelines set out the respective roles of the board, senior management and compliance function units in managing compliance risks and also require formulation of a written compliance risk management policy.

Historically, Bangladesh Finance has always fostered a compliance oriented culture. This has been reinforced in a variety of ways, ranging from formal requirements to sign declarations of compliance with the Bangladesh Finance code of conduct (which requires compliance with the law & regulations) to repeated communications from senior management stressing the need to do business in a compliant manner. In general, compliance risk management is embedded in the day to day to business processes and practices of the company. Concerned departments are kept informed of latest legal and regulatory requirements by the ICC and Corporate Affairs departments. A consideration of compliance (or any potential non-compliance) with laws and regulations is a standard part of the company's regular decision making processes. Wherever deemed necessary, appropriate legal advice is sought from qualified internal and/or external legal counsel. In addition, compliance with laws and regulations has been introduced as a Key Control Standard (KCS) under the Operational Risk Management self-assessment toolkit. Unit operational risk managers are required to actively consider relevant legal and regulatory compliance requirements using the toolkit.

### 2.19.3 Reputation Risk

Reputation risk may be defined as the risk of loss arising from damage to an organization's reputation. The guidelines set out the respective roles of the Board and senior management in managing reputation risk and also require financial institutions to implement a sound and comprehensive risk management process to identify, monitor, control and report all reputational risks.

Bangladesh Finance has already established a set of non-financial reputational risk indicators and put in place a process for monitoring these and any other matters that might give rise to potential reputational risk issues. Till date, no material reputational risk issue involving the company has been identified.

### 2.20 Segment Reporting:

According to IFRS 8 "Operating Segments", an operating segment is defined as a component of an entity that (a) engages in business activities from which it may earn revenues and incur expenses, including transactions with other segments of the same entity; (b) has its operating results regularly reviewed by the entity's Chief Operating Decision Maker to make decisions regarding the allocation of resources and to assess performance; and (c) has discrete financial information available. Bangladesh Finance identifies its operating segments based on the nature of its business activities. The reported segments include Conventional Banking, Islamic Wing, Bangladesh Finance Securities Limited, and Bangladesh Finance Capital Limited.



2.21 **Status of compliance of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)**

In addition to compliance with local regulatory requirements, in preparing the Consolidated Financial Statements and Separate Financial Statements, Bangladesh Finance applied following

| Name of the IASs | IAS No. | Status |
|---|---|---|
| Presentation of Financial Statements | 1 | Applied * |
| Inventories | 2 | N/A |
| Statement of Cash Flows | 7 | Applied |
| Accounting Policies, Changes in Accounting Estimates and Er | 8 | Applied |
| Events after the Reporting Period | 10 | Applied |
| Income Taxes | 12 | Applied |
| Property, Plant and Equipment | 16 | Applied |
| Employee Benefits | 19 | Applied |
| Accounting for Government Grants and Disclosure of | 20 | N/A |
| The Effects of Changes in Foreign Exchange Rates | 21 | N/A |
| Borrowing Costs | 23 | Applied |
| Related Party Disclosures | 24 | Applied |
| Accounting and Reporting by Retirement Benefit Plans | 26 | N/A |
| Separate Financial Statements | 27 | Applied |
| Investment in Associates and Joint Ventures | 28 | N/A |
| Financial Reporting in Hyper-inflationary Economics | 29 | N/A |
| Interests in Joint Ventures | 31 | N/A |
| Earnings per share | 33 | Applied |
| Interim Financial Reporting | 34 | Applied |
| Impairment of Assets | 36 | Applied * |
| Provisions, Contingent Liabilities and Contingent Assets | 37 | Applied |
| Intangible Assets | 38 | Applied |
| Investment Property | 40 | N/A |
| Agriculture | 41 | N/A |

| Name of the IFRS | IFRS No. | Status |
|---|---|---|
| Share Base payment | 2 | N/A |
| Business combination | 3 | N/A |
| Insurance Contracts | 4 | N/A |
| Non-current assets held for sale and discontinued operation | 5 | N/A |
| Exploration for and Evaluation of Mineral Resource | 6 | N/A |
| Financial Instruments: Disclosures | 7 | Applied * |
| Operating Segments | 8 | Applied |
| Financial Instruments | 9 | Applied * |
| Consolidated Financial Statements | 10 | Applied |
| Joint Arrangement | 11 | N/A |
| Disclosure of Interest in Other Entities | 12 | N/A |
| Fair Value Measurement | 13 | Applied* |
| Revenue from Contracts with customers | 15 | Applied |
| Leases | 16 | Applied |
| N/A= Not Applicable | | |

* As the regulatory requirements differ with the standards, relevant disclosures have been made in accordance with Bangladesh Bank's requirements (please see note 2.10 and Annexure-C3).

| | | Amount in BDT | |
|---|---|---|---|
| | | 31-Dec-25 | 31-Dec-24 |
| 3 | **Cash** | | |
| | Cash in hand (Notes - 3.1) | 30,804 | 54,817 |
| | Balance with Bangladesh Bank (Notes - 3.2) | 136,068,185 | 130,928,670 |
| | | **136,098,990** | **130,983,487** |
| 3.a | **Cash in hand (Consolidated)** | | |
| | Bangladesh Finance | 30,804 | 54,817 |
| | Bangladesh Finance Securities Limited | 26,569 | 30,063 |
| | Bangladesh Finance Capital Limited | 2,995 | 9,135 |
| | | **60,368** | **94,015** |
| 3.1 | **Cash in hand (including foreign currencies)** | | |
| | In local currency | 30,804 | 54,817 |
| | In foreign currency | - | - |
| | | **30,804** | **54,817** |
| 3.2 | **Balance with Bangladesh Bank (including foreign currencies)** | | |
| | In local currency | 136,068,185 | 130,928,670 |
| | In foreign currency | - | - |
| | | **136,068,185** | **130,928,670** |

**3.3 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)**

Cash Reserve Requirement and Statutory Liquidity Reserve have been calculated and maintained in accordance with Finance Company Act, 2023 & Financial Institutions Regulations, 1994, FID Circular No. 06, dated November 06, 2003, FID Circular No. 02 dated November 10, 2004, DFIM Circular Letter No. 01, dated January 12, 2017 and DFIM Circular Letter No. 03, dated June 21, 2020.

| | | | |
|---|---|---|---|
| 3.4 | **Cash Reserve Ratio (CRR): 1.5% of Average Demand and Time Liabilities** | | |
| | Required Reserve | 91,745,008 | 93,188,076 |
| | Actual Reserve held with Bangladesh Bank **(local currency)** | 134,862,623 | 135,628,237 |
| | **Surplus** | **43,117,615** | **42,440,161** |
| 3.5 | **Statutory Liquidity Requirement (SLR): 5% (including 1.5% CRR) of Average Demand and Time Liabilities** | | |
| | Required Reserve | 387,736,653 | 519,493,087 |
| | Actual Reserve held (Note - 3.6) | 686,204,654 | 687,839,785 |
| | **Surplus** | **298,468,002** | **168,346,697** |
| 3.6 | **Held for Statutory Liquidity Requirement** | | |
| | Cash in hand | 30,804 | 54,817 |
| | Balance with Bangladesh Bank | 136,068,185 | 130,928,670 |
| | Balance with other bank and Financial Institutions (Note - 4)* | 1,187,631,420 | 1,498,087,963 |
| | | **1,323,730,410** | **1,629,071,450** |
| | *Balance with other bank and Financial Institutions | **1,187,631,420** | **1,498,087,963** |
| | Unencumbered | 550,105,665 | 670,348,698 |
| | Encumbered | 637,525,756 | 827,739,265 |
| | Unencumbered balance* | 550,105,665 | 556,856,298 |
| | Balance with Bangladesh Bank | 136,068,185 | 130,928,670 |
| | Cash in hand | 30,804 | 54,817 |
| | **Total eligible balance for SLR** | **686,204,654** | **687,839,785** |

*According to the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank Circular Letter No. 27, dated August 23, 2021, unencumbered balances held with other banks or financial institutions are eligible to qualify for the Statutory Liquidity Ratio (SLR).

| | | | |
|---|---|---|---|
| 4 | **Balance with other Banks and Financial Institutions** | | |
| | Inside Bangladesh (Note - 4.1) | 1,187,631,420 | 1,498,087,963 |
| | Outside Bangladesh (Note - 4.2) | - | - |
| | | **1,187,631,420** | **1,498,087,963** |

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| | | | |
|---|---|---|---|
| 4.a | **Balance with other Banks and Financial Institutions (Consolidated)** | | |
| | Bangladesh Finance | 1,187,631,420 | 1,498,087,963 |
| | Bangladesh Finance Securities Limited | 101,944,753 | 97,312,588 |
| | Bangladesh Finance Capital Limited | 16,914,424 | 11,949,478 |
| | | 1,306,490,597 | 1,607,350,029 |
| | Less: Inter-company transactions | - | - |
| | | **1,306,490,597** | **1,607,350,029** |
| 4.1 | **Inside Bangladesh** | | |
| | **Current Account** | | |
| | Commercial Bank of Ceylon | 137,994 | 138,339 |
| | Midland Bank Limited | 32,344 | 655 |
| | NCC Bank Ltd | 72,673 | 255,298 |
| | Prime Bank Limited | - | 59 |
| | Shahjalal Islami Bank Limited | 808,079 | 91,349 |
| | Social Islami Bank Limited | 81,432 | 263,250 |
| | The City Bank Limited (Islamic) | 85,950,409 | 83,204,045 |
| | The City Bank Limited | 204,590 | 465,476 |
| | | **87,287,522** | **84,418,470** |
| | **STD Account** | | |
| | Bank Asia Limited | 185,010 | 186,160 |
| | BRAC Bank Limited | 162,035 | 4,696,190 |
| | Citizens Bank PLC | 109,601 | 38,460 |
| | Dutch Bangla Bank Limited | 4,988,238 | 4,024,575 |
| | EXIM Bank Limited | 2,542,404 | 2,492,278 |
| | EXIM Bank Limited (Islamic) | 43,375 | 1,661,584 |
| | Islami Bank BD Ltd. | 437,412 | 499,336 |
| | Jamuna Bank Limited | 8,020,895 | 70,526 |
| | Mutual Trust Bank Limited | 162,975 | 3,746,548 |
| | Mutual Trust Bank Limited (Islamic) | 174,217 | 1,859,020 |
| | Rupali Bank Limited | 28,218 | 29,303 |
| | Southeast Bank Limited | 4,652,462 | 20,986,987 |
| | Southeast Bank Limited (Islamic) | 5,940,331 | 1,480,209 |
| | The City Bank Limited | 253,336 | 3,086,776 |
| | United Commercial Bank Limited | 3,696,064 | 2,078,837 |
| | Dhaka Bank PLC | 263,418 | - |
| | | **31,659,990** | **46,936,789** |
| | **FDR with Banks** | **637,525,756** | **827,739,265** |
| | **FDR with NBFIs** | **431,158,152** | **538,993,439** |
| | **Total Balance with other Banks and Financial Institutions** | **1,187,631,420** | **1,498,087,963** |
| | **FDR with Banks** | | |
| | BASIC Bank Ltd. | - | 169,365,191 |
| | Citizens Bank Ltd. | 53,000,000 | 53,000,000 |
| | Exim Bank Ltd. (Islamic) | - | 26,344,074 |
| | Rupali Bank Ltd. | 500,000,000 | 499,800,000 |
| | Jamuna Bank Limited | 84,525,756 | 79,230,000 |
| | | **637,525,756** | **827,739,265** |
| | **FDR with NBFIs** | | |
| | CVC Finance Limited | - | - |
| | Industrial and Infrastructure Development Finance Company (IIDFC) PLC. | 100,000,000 | 100,000,000 |
| | Hajj Finance Company Limited | - | 47,500,000 |
| | Bay Leasing & Investment Limited | - | 90,200,000 |
| | International Leasing and Financial Services Ltd. (ILFSL)* | 331,158,152 | 301,293,439 |
| | | **431,158,152** | **538,993,439** |

*Bangladesh Finance PLC. placed Term Deposits amounting to Tk. 200,000,000 with International Leasing & Financial Services Ltd. (ILFSL) during the years 2017 and 2018.
In light of ILFSL's ongoing financial distress, the management has suspended the recognition of interest income on these deposits from the year 2020. As of the reporting date, an amount of Tk. 131,158,152 has been transferred to the Interest Suspense Account.
Considering the prolonged financial constraints of ILFSL and the uncertainty surrounding the recovery of the principal, the management has recognized a full provision against the outstanding investment of Tk. 200,000,000.
ILFSL continues to experience severe liquidity shortages and a high level of non-performing assets, which have adversely impacted its ability to meet financial obligations and maintain operational stability. The company remains under regulatory scrutiny and is undergoing restructuring; however, the timing and extent of recovery remain uncertain.

| | | | |
|---|---|---|---|
| 4.2 | **Outside Bangladesh** | | |
| | **Cash at Foreign Bank** | - | - |
| | **Total Cash at Bank (Bangladesh & Foreign)** | **1,187,631,420** | **1,498,087,963** |
| 4.3 | **Maturity-wise groupings of balance with other banks and FI's** | | |
| | On Demand | 87,287,522 | 1,214,425 |
| | Not more than 3 months | 31,659,990 | 130,140,834 |
| | More than 3 months but less than 1 year | 1,068,683,908 | 1,366,732,704 |
| | More than 1 year but less than 5 years | - | - |
| | More than 5 years | - | - |
| | | **1,187,631,420** | **1,498,087,963** |
| 5 | **Investment in Securities** | | |
| | i) Government | - | - |
| | ii) Others | 297,013,513 | 342,370,588 |
| | | **297,013,513** | **342,370,588** |
| 5.a | **Investment in Securities (Consolidated)** | | |
| | Bangladesh Finance | 297,013,513 | 342,370,588 |
| | Bangladesh Finance Securities Limited | 157,979,415 | 487,047,604 |
| | Bangladesh Finance Capital Limited | 529,078,286 | 842,797,585 |
| | | 984,071,214 | 1,672,215,777 |
| | Less: Inter-company transactions | 140,000,000 | 173,500,000 |
| | | **844,071,214** | **1,498,715,777** |
| 5.i. | **Investment in Securities-Government** | - | - |
| 5.ii. | **Investment in Securities-Others** | | |
| | Investment in shares (quoted) | 147,013,513 | 192,370,588 |
| | Investment in shares (un-quoted) | 10,000,000 | 10,000,000 |
| | Investment in preference shares | 140,000,000 | 140,000,000 |
| | | **297,013,513** | **342,370,588** |
| | **Maturity-wise Grouping of Investment in Securities:** | | |
| | On demand | 147,013,513 | 192,370,588 |
| | Not more than 3 months | - | - |
| | More than 3 months but less than 1 year | - | - |
| | More than 1 year but less than 5 years | 150,000,000 | 150,000,000 |
| | More than 5 years | - | - |
| | | **297,013,513** | **342,370,588** |

5.1 **Quoted Shares**

| Segments | Cost Price 2025 | Market Price 2025 | Cost Price 2024 |
|---|---|---|---|
| Bank | - | - | 7,644,720 |
| Engineering | - | - | 19,979,298 |
| Insurance | 128,639,134 | 141,033,150 | 147,771,220 |
| Miscellaneous | 16,975,350 | 11,560,500 | 16,975,350 |
| Pharmaceuticals & Chemicals | 1,399,029 | 1,397,155 | - |
| | **147,013,514** | **153,990,805** | **192,370,588** |

5.2 Unquoted Shares

| Segments | Cost Price 2025 | Market Price 2025 | Cost Price 2024 |
|---|---|---|---|
| Miscellaneous | 10,000,000 | - | 10,000,000 |
| | **10,000,000** | **-** | **10,000,000** |
| | **157,013,514** | **153,990,805** | **202,370,588** |

Bangladesh Finance has recognized a provision of Tk. 10,000,000 against unquoted shares. No provision has been made for quoted shares, as the aggregate market value of these investments exceeds their cost, and accordingly, no impairment is required.

| | | | |
|---|---|---|---|
| 5.3 | **Investment in preference shares** | | |
| | Bangladesh Finance Securities Limited | 120,000,000 | 120,000,000 |
| | Bangladesh Finance Capital Limited | 20,000,000 | 20,000,000 |
| | | **140,000,000** | **140,000,000** |
| 6 | **Lease, Loans and Advances** | | |
| a) | **Inside Bangladesh** | | |
| | Investment in Lease Finance | | |
| | Gross lease rental receivable | 1,505,514,189 | 3,256,899,337 |
| | **Less:** Unearned interest income | 160,514,950 | 1,671,876,452 |
| | i) Investment in Lease Finance | 1,344,999,239 | 1,585,022,885 |
| | ii) Term Finance | 9,410,571,115 | 9,745,635,878 |
| | iii) Housing Finance | 2,474,457,673 | 2,693,632,634 |
| | **Total Loans and Lease inside Bangladesh (i+ii+iii)** | **13,230,028,027** | **14,024,291,397** |
| b) | **Outside Bangladesh** | - | - |
| | **Total Loans and Lease Finance (a+b)** | **13,230,028,027** | **14,024,291,397** |
| 6.a | **Lease, Loans and Advances (Consolidated)** | | |
| | Bangladesh Finance | 13,230,028,027 | 14,024,291,397 |
| | Bangladesh Finance Securities Limited | 562,844,715 | 559,221,582 |
| | Bangladesh Finance Capital Limited | 71,349,488 | 101,664,916 |
| | | 13,864,222,230 | 14,685,177,896 |
| | Less: Inter-company transactions | - | - |
| | | **13,864,222,230** | **14,685,177,896** |
| 6.1 | **Maturity wise Classification of Investments:** | | |
| | **With a residual maturity of** | | |
| | Receivable on Demand | 916,116,299 | 916,116,299 |
| | Not more than 3 months | 1,249,290,008 | 1,352,544,246 |
| | Over 3 months but not more than 1 year | 1,441,488,471 | 1,560,627,976 |
| | Over 1 year but not more than 5 years | 6,919,144,659 | 7,491,014,285 |
| | Over 5 years | 2,703,988,591 | 2,703,988,591 |
| | | **13,230,028,027** | **14,024,291,397** |
| 6.2 | **Investments on the basis of significant concentration:** | | |
| | Investments to allied concern of Directors (Note - 43.5) | - | - |
| | Investments to Executives/Officers | 57,484,721 | 57,484,721 |
| | Investments to Customer Groups | 7,045,030,903 | 7,514,008,794 |
| | Industrial Investment | 5,842,023,780 | 6,047,624,201 |
| | Others | 285,488,622 | 405,173,681 |
| | | **13,230,028,027** | **14,024,291,397** |
| 6.3 | **Number of client's with amount of outstanding and classified loans, to whom loans and advances sanctioned more than 15% of total capital:** | | |
| | Total outstanding amount to such customers at end of the year | 8,326,070,399 | 9,337,298,214 |
| | Number of such types of customers | 31 | 15 |
| | Amount of Classified Investments thereon | 1,179,443,185 | 540,004,698 |
| | Measures taken for recovery | | |



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## 6.4 Sector-wise Classification of Investment:

| Sector | As at 31 December 2025 | | As at 31 December 2024 | |
|---|---|---|---|---|
| | Amount | Composition | Amount | Composition |
| 1. Trade & Commerce | 1,879,837,318 | 14.21% | 2,268,308,385 | 16.17% |
| 2. Industry | 5,842,023,780 | 44.16% | 6,047,624,201 | 43.12% |
| A. Garments & Knitwear | 55,475,846 | 0.42% | 102,714,676 | 0.73% |
| B. Textiles | 1,797,663,774 | 13.59% | 1,740,766,987 | 12.41% |
| C. Food Production, Processing & Rice Mills | 308,334,533 | 2.33% | 328,814,187 | 2.34% |
| D. Jute & Jute products | - | 0.00% | - | 0.00% |
| E. Plastic & Rubber Industry | 3,764,685 | 0.03% | 29,594,542 | 0.21% |
| F. Leather & Leather goods | 44,211,461 | 0.33% | 56,509,919 | 0.40% |
| G. Iron, Steel & Engineering | 1,532,685,433 | 11.58% | 1,492,081,897 | 10.64% |
| H. Pharmaceuticals & Chemicals | 3,248,180 | 0.02% | 5,094,645 | 0.04% |
| I. Cement & Allied Industry | - | 0.00% | - | 0.00% |
| J. Paper, Packaging, Printing, | 8,148,936 | 0.06% | 9,073,575 | 0.06% |
| K. Wood, Furniture & Fixture | - | 0.00% | - | 0.00% |
| L. Glass, Glassware & Ceramic | 847,105 | 0.01% | 2,208,568 | 0.02% |
| M. Ship Manufacturing & Breaking | - | 0.00% | - | 0.00% |
| N. Electronics & Electrical Products | 753,258,848 | 5.69% | 723,635,140 | 5.16% |
| O. Power, Gas, Petroleum, Water & Sanitary | 569,241,956 | 4.30% | 653,212,461 | 4.66% |
| P. Transport & Aviation | 765,143,025 | 5.78% | 903,917,605 | 6.45% |
| Q. Others | - | 0.00% | - | 0.00% |
| 3. Agriculture | 746,533,464 | 5.64% | 904,561,346 | 6.45% |
| 4. Mining & Quarrying | - | 0.00% | - | 0.00% |
| 5. Housing | 2,403,170,267 | 18.16% | 2,461,821,597 | 17.55% |
| 6. Financial Corporation | 1,407,676,928 | 10.64% | 1,294,780,341 | 9.23% |
| 7. Service | 442,084,578 | 3.34% | 455,089,006 | 3.25% |
| 8. Consumer Finance | 223,213,070 | 1.69% | 186,932,840 | 1.33% |
| 9. Others | 285,488,622 | 2.16% | 405,173,681 | 2.89% |
| | **13,230,028,027** | **100.00%** | **14,024,291,397** | **100.00%** |

## 6.5 Geographical Location-wise loans and lease Finance:

| Location | As at 31 December 2025 | | As at 31 December 2024 | |
|---|---|---|---|---|
| | Amount | Composition | Amount | Composition |
| Dhaka Division | 9,628,330,621 | 72.78% | 10,350,934,552 | 73.81% |
| Chattogram Division | 3,554,859,617 | 26.87% | 3,544,485,425 | 25.27% |
| Khulna Division | 18,842,540 | 0.14% | 88,339,378 | 0.63% |
| Sylhet Division | 27,995,250 | 0.21% | 40,532,043 | 0.29% |
| | **13,230,028,027** | **100.00%** | **14,024,291,397** | **100.00%** |

## 6.6 Grouping of Investment as per Classification Rules of Bangladesh Bank:

| Particulars | As at 31 December 2025 | | As at 31 December 2024 | |
|---|---|---|---|---|
| | Amount | Composition | Amount | Composition |
| **Unclassified** | | | | |
| Standard | 10,556,524,078 | 79.79% | 12,235,315,987 | 87.24% |
| Special Mention Account (SMA) | 853,887,620 | 6.45% | 490,388,415 | 3.50% |
| | **11,410,411,698** | | **12,725,704,402** | |
| **Classified** | | | | |
| Substandard | 82,283,227 | 0.62% | 16,873,323 | 0.12% |
| Doubtful | 13,278,030 | 0.10% | 42,116,312 | 0.30% |
| Bad and Loss | 1,724,055,072 | 13.03% | 1,239,597,359 | 8.84% |
| | **1,819,616,329** | | **1,298,586,995** | |
| | **13,230,028,027** | **100.00%** | **14,024,291,397** | **100.00%** |



6.7 **Particulars of provision for loans, lease and investments**

| Status | Rate | Basis for Provision | Amount 2025 | Amount 2024 |
|---|---|---|---|---|
| **General Provision (for Unclassified portion)** | | | | |
| Standard Non-SME | 1% | 2,337,398,341 | 23,373,983 | 46,221,626 |
| Standard-SME | 0.25% | 350,886,334 | 877,216 | 2,322,547 |
| Standard-Brokerage | 2.00% | - | - | - |
| Standard-Special* | 2.00% | 4,121,219,147 | 82,424,383 | 82,424,383 |
| Special Mention Account Non-SME | 5% | 710,023,916 | 35,501,196 | 17,249,194 |
| Special Mention Account-SME | 0.25% | 78,776,425 | 196,941 | 4,926,120 |
| | | | **142,373,719** | **153,143,870** |

*The amount represents the provision for unclassified loans, leases, and advances availing deferral benefits in accordance with the Department of Financial Institutions and Markets (DFIM) circular letter no. 33 dated December 19, 2021, and letter no. DFIM(P)1052/27/2022-08 dated January 2, 2022, in addition to the standard general provision.

| | | | | |
|---|---|---|---|---|
| **Specific Provision** | | | | |
| Substandard Non-SME | 20% | 48,774,848 | 9,754,970 | 25,518 |
| Substandard-SME | 5% | 16,400,585 | 820,029 | 2,749,648 |
| Doubtful Non-SME | 50% | 586,566 | 293,283 | 194,658 |
| Doubtful-SME | 20% | 8,194,745 | 1,638,949 | 15,678,048 |
| Bad or loss | 100% | 954,269,943 | 954,269,943 | 588,160,926 |
| | | | **966,777,174** | **606,808,799** |
| Provision Required for Loans and Lease Finance | | | 1,109,150,893 | 759,952,669 |
| Provision for Stressed Loans, Lease and Investments | | | 4,714,555,540 | 6,465,100,000 |
| Provision for Rescheduled Loans | | | 85,662,898 | 135,600,000 |
| Provision for Other Assets | | | 590,713,065 | 21,130,000 |
| **Total provision required** | | | **6,500,082,396** | **7,381,782,669** |
| Total provision maintained {note # 12.1(a), (b), (c) & (d)} | | | 7,288,799,551 | 8,623,505,973 |
| **Additional Provision** | | | **788,717,155** | **1,241,723,305** |

Bangladesh Finance has provided general provision on unclassified investment Tk. 5,648,884,930 (note # 12.1.b), special provision for unclassified investment Tk. 82,424,382 (note # 12.1.c), specific provision for classified investment Tk. 966,777,174 (note # 12.1.a), and provision for other assets Tk. 590,713,065 (note # 12.1.d). The total provision as of 31 December 2025 stood at Tk. 7,288,799,551. As per the guidance of Bangladesh Bank, Bangladesh Finance has provided additional provisions for stressed Loan, Lease and Investments for preventing further deterioration and potential defaults. This year, total provision of Tk. 1,293,443,894 was released through successful recovery initiatives and the rescheduling of loan and lease accounts under the policy support of Bangladesh Bank. (note # 12.1.a,b and d)

The details of provision and suspense maintained against Loans, Leases and Investments are as follows:

| Particulars | 31-Dec-2025 | 31-Dec-2024 |
|---|---|---|
| Provision for Loans and Advances | 6,698,086,486 | 8,363,658,723 |
| Interest Suspense for Loans and Advances | 2,344,757,543 | 1,855,304,035 |
| **Total Provision and Suspense for Loans and Advances (A)** | **9,042,844,029** | **10,218,962,758** |
| Provision for Investment in FDR | 200,000,000 | 200,000,000 |
| Interest Suspense against FDR | 131,158,152 | 101,293,439 |
| **Total Provision and Suspense for Investment in FDR (B)** | **331,158,152** | **301,293,439** |
| Provision for Investment in Securities | 10,000,000 | 93,270,000 |
| Provision for Investment in Shares under private placement | 38,717,250 | 38,717,250 |
| **Total Provision for investment in shares (C)** | **48,717,250** | **131,987,250** |

| | | | |
|---|---|---|---|
| | Provision for Legal Expenses | 5,530,000 | 5,530,000 |
| | Provision for Preference Share Dividend Receivables | - | 15,600,000 |
| | Provision for Non-Financial Assets | 161,965,815 | - |
| | Provision for Investment in BD Finance Vanguard Mutual Fund One | 8,000,000 | - |
| | Provision for Equity Investments in Subsidiaries | 176,500,000 | - |
| | **Total Provision for Other Assets (D)** | **351,995,815** | **21,130,000** |
| | **Total Provision and Suspense against Loan, Lease and Investments (A+B+C+D)** | **9,774,715,246** | **10,673,373,447** |
| 6.8 | **Particulars of Investments:** | | |
| (i) | Loans, advances and leases considered good in respect of which the financial institution is fully secured | 2,779,130,265 | 3,140,310,981 |
| (ii) | Loans, advances and leases considered good against which the financial institution holds no security other than the debtors' personal guarantee | 3,797,497,635 | 3,424,520,492 |
| (iii) | Loans, advances and leases considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors | 6,653,400,127 | 7,459,459,924 |
| | | **13,230,028,027** | **14,024,291,397** |
| (iv) | Loans, advances and leases adversely classified; provision not maintained there against | - | - |
| (v) | Loans, advances and leases due by directors or officers of the financial institution or any of them either separately or jointly with any other persons | 51,191,684 | 57,484,721 |
| (vi) | Loans, advances and leases due from companies or firms in which the directors of the financial institution have interest as directors, partners or managing agents or in case of private companies, as members (Note 43.5). | - | - |
| (vii) | Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the financial institution or any of them either separately or jointly with any other person | | |
| (viii) | Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the financial institution have interest as directors, partners or managing agents or in the case of private companies, as member | - | - |
| (ix) | Due from other Non-Banking Financial Institutions (NBFIs) | - | - |
| (x) | Amount of classified loans, advances and leases on which interest has not been charged to the P&L | 1,819,616,329 | 1,298,586,995 |
| | a) Increase/(decrease) in specific provision | 150,707,757 | 121,323,849 |
| | Amount of written off loans, advances and leases | - | - |
| | Total amount realized against loans and leases previously written off | 26,823,320 | 19,600,320 |
| | b) Amount of provision kept against loans, advances and leases classified as bad/loss at the date of balance sheet | 954,269,943 | 588,160,926 |
| | c) Interest credited to Interest Suspense Account | 2,475,915,695 | 1,956,597,474 |
| (xi) | Cumulative amount of written off loans, advances and leases | | |
| | Balance at the beginning of the year | 614,196,519 | 614,196,519 |
| | Amount written off during the year | 182,118,660 | - |
| | | 796,315,179 | 614,196,519 |
| | The amount of written off loans, advances and leases for which law suits have been filed | 796,315,179 | 614,196,519 |
| 7 | **Fixed Assets including Premises, Furniture & Fixtures** | | |
| | **A. Cost:** | | |
| | Opening balance | 854,370,858 | 861,460,548 |
| | Addition during the year | 44,819,194 | 11,941,116 |
| | **Add:** Revaluation During the year | - | - |
| | **Less:** Disposal during the year | 22,837,833 | 19,030,806 |
| | **Closing balance at cost** | **876,352,218** | **854,370,858** |

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| | | | |
|---|---|---|---|
| | **B. Depreciation:** | | |
| | Opening balance | 190,683,726 | 176,220,695 |
| | **Less:** Adjustment | - | - |
| | Addition during the year | 26,788,742 | 32,212,805 |
| | **Less:** Adjustment on disposal during the year | 20,706,797 | 17,749,773 |
| | **Accumulated Depreciation** | **196,765,671** | **190,683,726** |
| | **Carrying value** | **679,586,548** | **663,687,132** |
| | *Details are given in Annexure-A | | |
| 7.a | **Fixed Assets including Premises, Furniture and Fixtures (Consolidated)** | | |
| | Bangladesh Finance | 679,586,548 | 663,687,132 |
| | Bangladesh Finance Securities Limited- PPE | 18,680,351 | 8,661,338 |
| | Bangladesh Finance Securities Limited-ROU | 26,066,715 | 17,789,624 |
| | Bangladesh Finance Capital Limited | 4,031,992 | 2,062,782 |
| | Bangladesh Finance Capital Limited-ROU | 7,728,954 | 5,755,607 |
| | | **736,094,560** | **697,956,483** |
| 7.1 | **Revaluation Surplus on Land And Building** | | |
| | Revalued Amount | 629,443,786 | 629,443,786 |
| | Less: Acquisition Value | 52,925,188 | 52,925,188 |
| | Less: Deferred Tax Adjustment | 85,708,834 | 45,352,532 |
| | Less: Transferred to Retained Earnings | 7,802,156 | 6,007,652 |
| | **Revaluation Surplus** | **483,007,608** | **525,158,414** |

Note: Bangladesh Finance holds a 50% ownership stake in a four-story commercial building located at 64 Motijheel, Dhaka, on a land area of 12.76 decimals. Acquired in 2009 at a cost of Tk. 52,925,188, the property has undergone multiple revaluations. The most recent revaluation, conducted in 2023 by M/s. H M Enam & Co., Chartered Accountants (registered at House No-151/5, Block-13, Ward-27, Monipuripara, Farmgate, Tejgaon, Dhaka-1215), assessed the property's value at Tk. 629,443,786, up from Tk. 481,992,633 in 2020.

| | | | |
|---|---|---|---|
| 7.b | **Revaluation Reserve (Consolidated)** | | |
| | Bangladesh Finance | 483,007,608 | 525,158,414 |
| | Bangladesh Finance Securities Limited | - | - |
| | Bangladesh Finance Capital Limited | - | - |
| | | **483,007,608** | **525,158,414** |
| 8 | **Other Assets** | | |
| | Investment in Subsidiaries (Note: 8.1) | 849,930,000 | 849,930,000 |
| | Investment in BD Finance Vanguard Mutual Fund One | 20,000,000 | 20,000,000 |
| | Receivables, Advances & Deposits (Note 8.2) | 898,709,461 | 831,942,862 |
| | | **1,768,639,461** | **1,701,872,862** |
| 8.a | **Other Assets (Consolidated)** | | |
| | Bangladesh Finance | 918,709,461 | 851,942,862 |
| | Bangladesh Finance Securities Ltd. | 1,058,476,053 | 1,056,464,449 |
| | Bangladesh Finance Capital Ltd. | 155,354,813 | 190,725,593 |
| | | 2,132,540,327 | 2,099,132,905 |
| | Less: Inter-company transactions | - | 25,869,930 |
| | | **2,132,540,327** | **2,073,262,975** |
| 8.1 | **Investment In Subsidiaries** | | |
| | Investment In paid up capital (Bangladesh Finance Capital Limited) | 249,930,000 | 249,930,000 |
| | Investment In paid up capital (Bangladesh Finance Securities Limited) | 600,000,000 | 600,000,000 |
| | | **849,930,000** | **849,930,000** |

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8.2 **Receivables, Advances & Deposits**

**a) Other receivables**

| | | |
|---|---|---|
| Interest on investment in FDR | 16,845,332 | 31,635,501 |
| Receivable Interest on BB Stimulus Package | 5,950,210 | 5,950,210 |
| Receivable Advisory Fees | 3,131,000 | 3,131,000 |
| Re-imbursable expenses | 3,284,911 | 3,315,486 |
| Receivable Interest on Short Term Finance | 50,017 | - |
| Receivable against sale of shares | 291,962 | 366,992 |
| Dividend Receivable | - | 25,869,931 |
| Receivable-Others | 22,045,281 | 15,965,076 |
| Stock of Stamp | 74,560 | 65,210 |
| | **51,673,274** | **86,299,406** |

**b) Advance, deposits and prepayments**

| | | |
|---|---|---|
| Advance interest on TDR | 11,214,120 | 21,185,546 |
| Pre-IPO Placement | 38,100,000 | 38,717,250 |
| Advance others | 6,781,871 | 10,051,126 |
| | **56,095,990** | **69,953,922** |

**c) Deposits with others**

| | | |
|---|---|---|
| Deposits with BTTB & Mobile | 89,200 | 89,200 |
| Deposits with Baitul Hossain Building | 203,814 | 203,814 |
| Deposit with Land Lord Bangshal Branch | 24,700 | 24,700 |
| Deposit with CDBL | 413,241 | 413,241 |
| Deposit with Sadharan Bima | 15,000 | 15,000 |
| | **745,955** | **745,955** |

**d) Deferred Tax Asset**

Deferred tax assets were recognized in accordance with IAS 12: Income Taxes on the basis of temporary differences between the carrying amount of assets and liabilities in the financial statements and their tax base.
The calculation of deferred tax assets are given as under:

**Deductible temporary difference**

| | | |
|---|---|---|
| Building | 1,376,112 | 1,448,539 |
| Furniture & Fixture | 10,865,014 | 11,437,470 |
| Motor Vehicles | 10,900,275 | 5,131,526 |
| Machinery & Equipment | 12,622,468 | 10,661,019 |
| Office Renovation | 11,235,458 | 9,516,111 |
| Software | 2,573,267 | 2,446,792 |
| Gratuity provision | 3,426,727 | 7,692,011 |
| Right of Use Assets (ROU) | - | 470,949 |
| Unabsorbed Business Loss | 1,453,889,878 | 1,453,889,878 |
| Provisions for other Receivables & Off-Balance Sheet exposures | 590,713,065 | 259,847,250 |
| | **2,097,602,263** | **1,762,541,544** |
| Tax | 37.50% | 37.50% |
| | **786,600,849** | **660,953,079** |
| Unabsorbed Loss on Sale of Shares | 13,955,958 | - |
| Provisions for investment in securities | 10,000,000 | 93,270,000 |
| | **23,955,958** | **93,270,000** |
| Tax | 15.00% | 15.00% |
| | **3,593,394** | **13,990,500** |
| **Total Deferred tax assets** | **790,194,242** | **674,943,579** |

Movement of deferred tax assets is as follows:

| | | |
|---|---|---|
| Balance at the beginning of the year | 674,943,579 | 88,731,143 |
| Credited/(debited) to profit and loss account during the year | 115,250,663 | 586,212,436 |
| Balance at the end of the year | **790,194,242** | **674,943,579** |
| **Total Receivables, Advances & Deposits (a+b+c+d)** | **898,709,461** | **831,942,862** |

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| | | | |
|---|---|---|---|
| 8.2.a | **Consolidated Deferred Tax Assets** | | |
| | Balance at the beginning of the year | 880,641,212 | 150,115,807 |
| | Add: Recognized during the period | | |
| | Bangladesh Finance | 115,250,663 | 586,212,436 |
| | Bangladesh Finance Securities Limited | 1,691,022 | 55,289,504 |
| | Bangladesh Finance Capital Limited | - | 89,023,464 |
| | | **116,941,685** | **730,525,405** |
| | Less: Adjustment during the period | - | - |
| | **Closing balance*** | **997,582,897** | **880,641,212** |
| 8.3 | **Maturity wise classification of other assets** | | |
| | Receivable on Demand | 22,119,841 | 16,030,286 |
| | Not more than 3 months | 790,194,242 | 674,943,579 |
| | Over 3 months but not more than 1 year | 29,553,433 | 70,269,120 |
| | Over 1 year but not more than 5 years | 56,095,990 | 69,953,922 |
| | Over 5 years | 870,675,955 | 870,675,955 |
| | | **1,768,639,461** | **1,701,872,862** |
| 9. | **Non-Financial Assets** | | |
| | Income Generating | - | - |
| | Non-Income Generating | 170,634,701 | 170,634,702 |
| | | **170,634,701** | **170,634,702** |

Bangladesh Finance acquired absolute ownership of mortgaged properties (land) related to seven loan/lease accounts in 2015, through verdicts issued by the Honorable Court under Section 33(7) of the Artha Rin Adalat Ain, 2003. These assets have been recognized as non-financial assets in the Company's books.

In 2024, one property - part of a group of three assets originally transferred from the loan account of M/S Energotech - was sold for Tk. 50,000,000. The sale fully covered the total carrying amount of Tk. 42,486,361 that had been recognized at initial acquisition for the three properties. Of the remaining two properties, one is currently subject to legal dispute, while the other is expected to be available for sale upon resolution of documentation discrepancies.

| | | | |
|---|---|---|---|
| 10. | **Borrowing from other banks, Financial Institutions and agents** | | |
| | Secured | 0 | 155,226,529 |
| | Un secured | 3,250,432,548 | 3,640,013,775 |
| | | **3,250,432,548** | **3,795,240,304** |
| | In Bangladesh | 3,250,432,548 | 3,795,240,304 |
| | Outside Bangladesh | - | - |
| | | **3,250,432,548** | **3,795,240,304** |
| 10.a | **Borrowing from other banks, Financial Institutions and agents** | | |
| | Bangladesh Finance | 3,250,432,548 | 3,795,240,304 |
| | Bangladesh Finance Securities Limited | 378,662,514 | 422,962,091 |
| | Bangladesh Finance Securities Limited- Preference Shares | 178,441,453 | 179,441,453 |
| | Bangladesh Finance Capital Limited | 212,353,037 | 212,149,870 |
| | Bangladesh Finance Capital Limited- Preference Shares | 29,500,000 | 37,500,000 |
| | Bangladesh Finance Capital Limited- Margin Loan | 226,990,286 | 244,010,802 |
| | | 4,276,379,837 | 4,891,304,520 |
| | Less: Inter-company transactions | 140,000,000 | 173,500,000 |
| | | **4,136,379,837** | **4,717,804,520** |
| 10.1 | **In Bangladesh** | | |
| | Refinance against SME loan from Bangladesh Bank | 755,601,972 | 998,701,255 |
| | Refinance against Housing loan from Bangladesh Bank | 26,786 | 44,643 |
| | Refinance against SME loan from JICA | 26,892,352 | 45,688,795 |
| | Term Loan from other Banks | 738,077,859 | 442,263,090 |
| | Short Term Loan from other banks | 506,333,579 | 1,008,841,029 |
| | Short Term Borrowing | 1,073,000,000 | 1,250,200,000 |
| | Margin Loan | - | 1,492 |
| | Call Loan | 150,500,000 | 49,500,000 |
| | | **3,250,432,548** | **3,795,240,304** |

Shahasish Mahmud & Co. SMRE

| | | | |
|---|---|---|---|
| **10.2** | **Term loan from Other Banks** | | |
| | Basic Bank Ltd. | 114,622,392 | 107,217,135 |
| | Jamuna Bank Ltd | 29,594,407 | 27,298,450 |
| | Midland Bank Ltd. | - | 70,228,147 |
| | NCC Bank Ltd. | 48,802,699 | 48,179,721 |
| | Prime Bank Ltd. | - | 3,211,573 |
| | Shahjalal Islami Bank Ltd. | 184,107,198 | 186,128,063 |
| | Southeast Bank Ltd. | 125,103,245 | - |
| | Mercantile Bank PLC | 235,847,917 | - |
| | | **738,077,859** | **442,263,090** |
| **10.3** | **Short Term Loan from Other Banks** | | |
| | Basic Bank Ltd. | - | 155,226,529 |
| | Jamuna Bank Ltd. | 184,942,325 | 156,938,874 |
| | Mercantile Bank Ltd. | - | 207,012,616 |
| | Midland Bank limited | - | 110,039,934 |
| | Mutual Trust Bank Ltd. | 202,497,033 | 175,806,089 |
| | Southeast Bank Ltd. | 50,000 | 100,050,000 |
| | Uttara Bank Ltd. | 118,844,221 | 103,766,986 |
| | | **506,333,579** | **1,008,841,029** |
| **10.4** | **Maturity wise classification of loan** | | |
| | Repayable on demand | 150,500,000 | 49,500,000 |
| | Within 1 month | 103,743,959 | 109,475,971 |
| | Over 1 months but not more than 3 months | 389,039,845 | 410,534,891 |
| | Over 3 months but not more than 1 year | 506,333,579 | 1,008,841,029 |
| | Over 1 year but not more than 5 years | 2,100,815,165 | 2,216,888,413 |
| | Over 5 years | - | - |
| | | **3,250,432,548** | **3,795,240,304** |

**Notes:** The loans are secured by a first charge on all fixed and floating assets of the company, ranking pari passu among all lenders. The loan tenure ranges from three to five years.

| | | | |
|---|---|---|---|
| **11.** | **Deposits and Other Accounts:** | | |
| | Term Deposits | 7,879,825,461 | 7,982,045,021 |
| | Scheme Deposits | 574,003,442 | 596,131,563 |
| | Other Deposits | 66,834,471 | 37,829,912 |
| | Advance Rent and Instalments | 17,893,962 | 20,727,267 |
| | | **8,538,557,336** | **8,636,733,763** |
| **11.a** | **Deposits and Other Accounts (Consolidated)** | | |
| | Bangladesh Finance | 8,538,557,336 | 8,636,733,763 |
| | Bangladesh Finance Securities Limited | - | - |
| | Bangladesh Finance Capital Limited | - | - |
| | | 8,538,557,336 | 8,636,733,763 |
| | Less: Inter-company transactions | - | - |
| | | **8,538,557,336** | **8,636,733,763** |
| **11.1** | **Term Deposits** | | |
| | General Deposits | 5,702,325,461 | 5,646,845,021 |
| | Deposit from Other Banks and FI's (Note - 11.5) | 2,177,500,000 | 2,335,200,000 |
| | | **7,879,825,461** | **7,982,045,021** |
| **11.2** | **Scheme Deposits** | | |
| | General Deposits | 574,003,442 | 596,131,563 |
| | Deposit from Other Banks and FI's | - | - |
| | | **574,003,442** | **596,131,563** |
| **11.3** | **Other Deposits** | | |
| | Loan and Lease deposits | 266,847 | 18,520 |
| | Security deposits | 244,170 | 244,170 |
| | Sundry Creditors | 66,323,454 | 37,567,223 |
| | | **66,834,471** | **37,829,912** |

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| | | | |
|---|---|---|---|
| **11.4** | **Advance Rent and Instalments** | | |
| | Advance Lease Rent | 3,807,642 | 4,019,027 |
| | Advance Term Instalments | 14,086,320 | 16,708,240 |
| | | **17,893,962** | **20,727,267** |
| **11.5** | **Term Deposits from other bank and FI's** | | |
| | Term Deposits from Banks | 2,077,500,000 | 2,097,500,000 |
| | Term Deposits from NBFIs | 100,000,000 | 237,700,000 |
| | | **2,177,500,000** | **2,335,200,000** |
| | **Term Deposits from Banks** | | |
| | Agrani Bank Ltd. | 900,000,000 | 900,000,000 |
| | Janata Bank Ltd. | 550,000,000 | 550,000,000 |
| | Modhumoti Bank Ltd | 270,000,000 | 270,000,000 |
| | Sonali Bank Ltd. | 177,500,000 | 177,500,000 |
| | South Bangla Agriculture And Commerce Bank Ltd | 200,000,000 | 200,000,000 |
| | | **2,077,500,000** | **2,097,500,000** |
| | **Term Deposits from NBFIs** | | |
| | Industrial and Infrastructure Development Finance Company Ltd. (IIDFC) | 100,000,000 | 100,000,000 |
| | Bay Leasing & Investment Limited | - | 90,200,000 |
| | Hajj Finance Company Limited | - | 47,500,000 |
| | | **100,000,000** | **237,700,000** |
| **11.6** | **Maturity wise classification of Deposits** | | |
| | Repayable on demand | - | - |
| | Within 1 month | 426,927,867 | 431,836,688 |
| | Over 1 months but not more than 3 months | 1,110,012,454 | 1,122,775,389 |
| | Over 3 months but not more than 1 year | 1,280,783,600 | 1,295,510,064 |
| | Over 1 year but not more than 5 years | 4,440,049,815 | 4,491,101,557 |
| | Over 5 year to 10 years | 1,280,783,600 | 1,295,510,064 |
| | Over 10 years | - | - |
| | | **8,538,557,336** | **8,636,733,763** |
| **12.** | **Other Liabilities** | | |
| | Provision for Loans, Leases and Investments (Note - 12.1 ) | 7,288,799,551 | 8,623,505,973 |
| | Provisions for Investment in Securities (Note - 12.2) | 10,000,000 | 93,270,000 |
| | Interest Suspense (Note - 12.3) | 2,475,915,695 | 1,956,597,474 |
| | Provision for Taxation (Note - 12.4) | 28,795,644 | 51,674,786 |
| | Deferred Tax (Note - 12.5) | 85,905,081 | 45,208,972 |
| | Interest payable on Borrowing and Deposits (Note - 12.6) | 681,469,057 | 439,235,858 |
| | Payable & Provision against expenditure (Note - 12.7) | 421,222,282 | 298,474,324 |
| | Advance Excise Duty Received | 3,877,771 | 5,751,195 |
| | Gratuity Fund (Note - 12.8) | 3,426,727 | 7,692,011 |
| | Unclaimed/undistributed Dividend | 3,980,500 | 3,996,265 |
| | | **11,003,392,309** | **11,525,406,858** |
| **12.a** | **Other Liabilities (Consolidated)** | | |
| | Bangladesh Finance | 11,003,392,309 | 11,525,406,858 |
| | Bangladesh Finance Securities Limited | 366,026,184 | 658,887,020 |
| | Bangladesh Finance Capital Limited | 206,092,063 | 610,809,120 |
| | | 11,575,510,555 | 12,795,102,998 |
| | Less: Inter-company transactions | - | 25,869,930 |
| | | **11,575,510,555** | **12,769,233,068** |
| **12.1** | **Provision for Investment:** | | |
| | **(a) Provision on Classified Investment:** | | |
| | Provision held at the beginning of the year | 857,331,945 | 732,708,596 |
| | Provision adjustment for Loan/Lease written off during the year | (48,485,528) | - |
| | Recovery against Loan/Lease previously written off | 7,223,000 | 3,299,500 |
| | Net charge to Profit & Loss Account (Note - 32) | 150,707,757 | 121,323,849 |
| | **Provision held at the end of the year** | **966,777,174** | **857,331,945** |

| | | |
|---|---|---|
| **(b) General Provision on Unclassified Investment:** | | |
| Provision held at the beginning of the year | 7,423,902,396 | 811,837,022 |
| Net charge to Profit & Loss Account (Note - 32) | (1,775,017,466) | 6,612,065,374 |
| Balance at the end of the year | **5,648,884,930** | **7,423,902,396** |
| **(c) Special General Provision on Unclassified Investment:** | | |
| Provision held at the beginning of the year | 82,424,382 | 82,424,382 |
| Net charge to Profit & Loss Account (Note - 32) | - | - |
| Balance at the end of the year | **82,424,382** | **82,424,382** |
| *Provision no longer required for settlement of loan/lease account during the period | | |
| **(d) Provision on Other Assets:** | | |
| Provision held at the beginning of the year | 259,847,250 | 5,530,000 |
| Net charge to Profit & Loss Account (Note - 32) | 330,865,815 | 254,317,250 |
| Balance at the end of the year | **590,713,065** | **259,847,250** |
| **Total Provision for Investments** | **7,288,799,551** | **8,623,505,973** |
| **Breakdown of Provision for Other Assets:** | | |
| Provision for Legal Expenses | 5,530,000 | 5,530,000 |
| Provision against FDR with International Leasing and Financial Services (ILFSI | 200,000,000 | 200,000,000 |
| Provision for Investment in Shares under Private Placement | 38,717,250 | 38,717,250 |
| Provision for Preference Share Dividend Receivables | - | 15,600,000 |
| Provision for Non-Financial Assets | 161,965,815 | - |
| Provision for Investment in BD Finance Vanguard Mutual Fund One | 8,000,000 | - |
| Provision for Equity Investments in Subsidiaries | 176,500,000 | - |
| | **590,713,065** | **259,847,250** |
| **Net charge to Profit & Loss Account (Note - 32)** | **330,865,815** | **254,317,250** |

**12.2 Provision for Investment in Securities:**

| | | |
|---|---|---|
| Provision held at the beginning of the year | 93,270,000 | 30,980,000 |
| Addition/(Adjustment) during the year (note - 32) | (83,270,000) | 62,290,000 |
| **Balance at the end of the year** | **10,000,000** | **93,270,000** |

**12.3 Interest Suspense Account:**

| | | |
|---|---|---|
| Balance at the beginning of the year | 1,956,597,474 | 723,540,037 |
| Amount transferred to suspense account during the year | 519,318,221 | 1,233,057,437 |
| Interest Suspense adjustment for loan/lease written-off during the year | - | - |
| Amount recovered from suspense account during the year | - | - |
| **Balance at the end of the year** | **2,475,915,695** | **1,956,597,474** |

As per the guidance of Bangladesh Bank, Bangladesh Finance transferred interest suspense against stressed loan, lease and investments, in addition to the regular suspense. During the year, an amount of Tk. 519,318,221 was added to the interest suspense account, bringing the cumulative balance to Tk. 2,475,915,695. The total interest suspense also includes Tk. 131,158,152 against interest receivable on FDRs with International Leasing and Financial Services Ltd.

**12.4 Provision for Taxation**

| | | |
|---|---|---|
| **Provision** | | |
| Balance at the beginning of the year | 1,421,397,404 | 1,410,538,174 |
| Less: Adjustment during the year | - | - |
| | 1,421,397,404 | 1,410,538,174 |
| Add: Provision made during the year | 3,727,693 | 10,859,230 |
| | 1,425,125,098 | 1,421,397,404 |
| Settlement of previous year's tax liability | - | - |
| **Balance at the end of the year** | **1,425,125,098** | **1,421,397,404** |
| **Advance tax** | | |
| Balance at the beginning of the year | 1,369,722,618 | 1,345,308,359 |
| Add: Payment made during the year | | |
| Under sections 154 and 173 of ITA, 2023 | 37,500 | 2,345,000 |
| Deduction at source | 26,569,335 | 22,069,259 |
| | **1,396,329,454** | **1,369,722,618** |
| Less: Adjustment during the year | - | - |
| **Balance at the end of the year** | **1,396,329,454** | **1,369,722,618** |
| **Net balance at the end of the year** | **28,795,644** | **51,674,786** |

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**Average effective tax rate**

The average effective tax rate is calculated below as per International Accounting Standard (IAS) 12: "Income Taxes".

| | | |
|---|---|---|
| Tax expenses (A) | (111,183,164) | (576,432,250) |
| Accounting profit before tax (B) | 31,876,400 | (7,921,425,713) |
| **Average effective tax rate (A÷B)** | **-348.79%** | **7.28%** |

**Uncertainty over income tax treatment**

Assessment Years 2011–2012, 2012–2013, 2013–2014 and 2014–2015 are currently pending before the Honorable High Court Division. Assessment Years 2015–2016, 2016–2017 and 2018–2019 are under process for filing before the Honorable High Court Division. For Assessment Year 2018–2019, an application for appeal against the order of the Deputy Commissioner of Taxes (DCT) has been submitted. For Assessment Year 2020–2021, an application has been filed before the Tax Tribunal against the appeal order.

Tax returns for Assessment Years 2019–2020, 2021–2022, 2022–2023, 2023–2024, 2024–2025 and 2025–2026 have been duly submitted and are awaiting assessment by the DCT.

For the assessment years pending before various tax authorities, management estimates that, should the tax authorities prevail in their positions, an additional tax liability amounting to Tk. 217,131,711 may arise, representing a shortfall against the existing tax provision. However, no provision has been recognized in the financial statements in respect of this amount, as management believes that Bangladesh Finance PLC has complied with the applicable tax laws and regulations in prior years and that it is probable the Company would successfully defend its tax positions upon final adjudication.

Based on management's assessment, including interpretations of prevailing tax laws and prior experience relating to similar matters, the Company believes that the existing tax provisions are adequate for all open assessment years.

**12.4.a Consolidated Provision for Current Tax**

| | | |
|---|---|---|
| Balance at the beginning of the year* | 1,728,831,875 | 1,691,945,087 |
| Add: Provision made during the year | | |
| Bangladesh Finance | 3,727,693 | 10,859,230 |
| Bangladesh Finance Securities Limited | 5,696,959 | 18,251,877 |
| Bangladesh Finance Capital Limited | 1,874,144 | 7,775,681 |
| | **11,298,796** | **36,886,788** |
| Less: Adjustment during the year | - | - |
| | **1,740,130,671** | **1,728,831,876** |

**12.5 Deferred Tax Liabilities**

Deferred tax liabilities were recognized in accordance with IAS 12: Income Taxes on the basis of temporary differences between the carrying amount of assets and liabilities in the financial statements and their tax base.
The calculation of deferred tax liabilities are given as under:

**Taxable temporary difference**

| | | |
|---|---|---|
| Revaluation surplus | 563,317,651 | 565,112,155 |
| Tax | 15% | 8% |
| | **84,497,648** | **45,208,972** |
| Right-of-use Assets | 3,753,155 | - |
| System & Software | - | - |
| Motor vehicles | - | - |
| | 3,753,155 | - |
| Tax | 37.50% | 37.50% |
| | **1,407,433** | **-** |
| **Total deferred tax liabilities** | **85,905,081** | **45,208,972** |

**Movement of deferred tax liabilities is as follows**

| | | |
|---|---|---|
| Balance at the beginning of the year | 45,208,972 | 46,288,016 |
| Adjustment for Revaluation Reserve | 40,356,302 | - |
| Credited/(debited) to profit and loss account during the year | 339,806 | (1,079,044) |
| **Balance at the end of the year** | **85,905,081** | **45,208,972** |

| | | | |
|---|---|---|---|
| **12.5.1** | **Adjustment of Deferred Tax** | | |
| | Deferred Tax Assets (Note 8.2d) | (115,250,663) | (586,212,436) |
| | Deferred Tax Liabilities (Note 12.5) | 339,806 | (1,079,044) |
| | **Net Charged to profit and loss account** | **(114,910,857)** | **(587,291,480)** |
| **12.5.a** | **Consolidated Deferred Tax Liabilities** | | |
| | Balance at the beginning of the year | 18,098,181 | 18,098,181 |
| | Add: Recognized during the period | | |
| | Bangladesh Finance | 339,806 | (1,079,044) |
| | Bangladesh Finance Securities Limited | - | - |
| | Bangladesh Finance Capital Limited | 20,459,471 | - |
| | | **20,799,277** | **(1,079,044)** |
| | Less: Adjustment during the period | - | - |
| | Closing balance* | **38,897,458** | **17,019,137** |
| **12.5.b** | **Adjustment of Consolidated Deferred Tax** | | |
| | Deferred Tax Assets (Note 8.2.a) | (116,941,685) | (730,525,405) |
| | Deferred Tax Liabilities (Note 12.5.a) | 20,799,277 | (1,079,044) |
| | **Net Charged to profit and loss account** | **(96,142,408)** | **(731,604,449)** |
| **12.6** | **Interest payable on Borrowing and Deposits** | | |
| | Interest payable on TDR and other deposits | 649,102,413 | 394,843,951 |
| | Interest payable on Term and Short Term Loan | 16,464,675 | 16,949,116 |
| | Interest Payable on Bank Overdraft | - | 14,379,167 |
| | Interest payable on Refinancing loan from BB (SME) | 10,859,268 | 9,107,861 |
| | Interest payable on Refinancing loan from BB (Housing) | 102,940 | 58,688 |
| | Interest payable on Refinancing loan from JICA | 4,620,188 | 3,638,462 |
| | Interest payable on BB Stimulus Package | 227,278 | 227,278 |
| | Interest Payable on Call loan | 92,294 | 31,335 |
| | **Balance at the end of the year** | **681,469,057** | **439,235,858** |
| **12.7** | **Payable & Provision against expenditure** | | |
| | Advance transfer price | 3,001 | 3,001 |
| | Payable others | 27,874,429 | 21,028,930 |
| | Payable to BD Finance Foundation | 32,545,948 | 33,645,238 |
| | Liability for Lease Rent | 16,550,307 | 12,032,079 |
| | Withholding Excise Duty | 39,084,125 | 29,278,762 |
| | Withholding Tax | 298,354,343 | 199,002,658 |
| | Withholding VAT | 6,810,130 | 3,483,656 |
| | **Balance at the end of the year** | **421,222,282** | **298,474,324** |
| **12.8** | **Gratuity Fund** | | |
| | Opening balance | 7,692,011 | 26,900,997 |
| | Add: Provision during the year | 10,444,041 | 7,692,011 |
| | Less: Payment during the year | (14,709,325) | (26,900,997) |
| | Closing balance | **3,426,727** | **7,692,011** |
| **12.9** | **Maturity wise classification of other liabilities** | | |
| | Repayable on demand | 3,980,500 | 3,996,265 |
| | Within 1 month | 305,164,473 | 202,486,314 |
| | Over 1 months but not more than 3 months | 39,084,125 | 29,278,762 |
| | Over 3 months but not more than 1 year | 681,469,057 | 439,235,858 |
| | Over 1 year but not more than 5 years | 3,989,477,662 | 4,340,163,863 |
| | Over 5 years | 5,984,216,492 | 6,510,245,795 |
| | **Balance at the end of the year** | **11,003,392,309** | **11,525,406,858** |
| **13.** | **Capital** | | |
| **13.1** | **Authorized Capital:** | | |
| | 600,000,000 ordinary shares of Tk. 10 each | **6,000,000,000** | **6,000,000,000** |

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## 13.2 Issued, Subscribed and Paid up Capital:

| | | |
|---|---|---|
| 188,236,267 fully paid ordinary shares of Tk. 10 each subscribed and paid up by the sponsor Shareholders & General Shareholders | **1,882,362,670** | **1,882,362,670** |
| Sponsor Shareholders Group | 355,578,308 | 574,308,851 |
| General Shareholders Group | 1,526,784,362 | 1,308,053,819 |
| | **1,882,362,670** | **1,882,362,670** |
| **General Shareholders Group:** | | |
| General Public (Individuals) | 1,006,122,847 | 1,006,122,847 |
| Institutions | 301,930,972 | 301,930,972 |
| Unit fund | - | - |
| Investors Account | 574,308,851 | 574,308,851 |
| Mutual Fund | - | - |
| | **1,882,362,670** | **1,882,362,670** |

| Classification of Shareholders by holding: | No. of Shareholders | No. of Shares | Percentage of Share Holding |
|---|---|---|---|
| Less than 500 shares | 3,806 | 557,863 | 0.30% |
| 500 to 5,000 shares | 3,511 | 6,480,983 | 3.44% |
| 5,001 to 10,000 shares | 545 | 4,034,517 | 2.14% |
| 10,001 to 20,000 shares | 362 | 5,195,456 | 2.76% |
| 20,001 to 30,000 shares | 147 | 3,632,356 | 1.93% |
| 30,001 to 40,000 shares | 72 | 2,525,452 | 1.34% |
| 40,001 to 50,000 shares | 56 | 2,588,760 | 1.38% |
| 50,001 to 1,00,000 shares | 97 | 7,044,599 | 3.74% |
| 1,00,001 to 10,00,000 shares | 125 | 34,586,598 | 18.37% |
| 10,00,001 to 1,00,00,00,000 shares | 35 | 121,589,683 | 64.59% |
| **Total** | **8,756** | **188,236,267** | **100.00%** |

| Year | Declaration | No of Shares | Value of Shares | Cumulative value of shares |
|---|---|---|---|---|
| 1999 | Sponsored Share | 500,000 | 5,000,000 | 5,000,000 |
| 1999 | Allotment Share | 4,500,000 | 45,000,000 | 50,000,000 |
| 2003 | Bonus Share | 500,000 | 5,000,000 | 55,000,000 |
| 2003 | Right Share | 1,000,000 | 10,000,000 | 65,000,000 |
| 2004 | Right Share | 7,506,000 | 75,060,000 | 140,060,000 |
| 2004 | Bonus Share | 780,000 | 7,800,000 | 147,860,000 |
| 2005 | Right Share | 4,201,800 | 42,018,000 | 189,878,000 |
| 2005 | Bonus Share | 1,478,600 | 14,786,000 | 204,664,000 |
| 2006 | Bonus Share | 2,865,290 | 28,652,900 | 233,316,900 |
| 2007 | IPO | 7,000,000 | 70,000,000 | 303,316,900 |
| 2008 | Bonus Share | 3,033,160 | 30,331,600 | 333,648,500 |
| 2009 | Bonus Share | 3,336,480 | 33,364,800 | 367,013,300 |
| 2010 | Bonus Share | 7,340,260 | 73,402,600 | 440,415,900 |
| 2011 | Bonus Share | 9,689,149 | 96,891,490 | 537,307,390 |
| 2012 | Bonus Share | 5,373,073 | 53,730,730 | 591,038,120 |
| 2013 | Bonus Share | 5,910,380 | 59,103,810 | 650,141,930 |
| 2013 | Right Share | 39,008,515 | 390,085,150 | 1,040,227,080 |
| 2014 | Bonus Share | 10,402,270 | 104,022,700 | 1,144,249,780 |
| 2015 | Bonus Share | 11,442,497 | 114,424,970 | 1,258,674,750 |
| 2016 | Bonus Share | 12,586,747 | 125,867,470 | 1,384,542,220 |
| 2017 | Bonus Share | 13,845,422 | 138,454,220 | 1,522,996,440 |
| 2018 | Bonus Share | 15,229,964 | 152,299,640 | 1,675,296,080 |
| 2019 | - | - | - | 1,675,296,080 |
| 2020 | Bonus Share | 10,051,776 | 100,517,760 | 1,775,813,840 |
| 2021 | Bonus Share | 10,654,883 | 106,548,830 | 1,882,362,670 |
| 2022 | - | - | - | 1,882,362,670 |
| 2023 | - | - | - | 1,882,362,670 |
| 2024 | - | - | - | 1,882,362,670 |

Ehasish Mahmud & Co.

## 13.3 Capital under Capital Adequacy and Market Discipline (CAMD)

As per the section 4 (GHA) of the Financial Institutions Rule, 1994 and subsequent DFIM circular no. 05, dated July 24, 2011, the minimum paid-up capital of the Financial Institution (FI) shall be Taka 100 crore; provided that the sum of paid-up capital and reserves shall not be less than the minimum capital required under the Risk-Based Assets of the company, criteria determined by the Bangladesh Bank.

The Surplus eligible capital of the company on solo and consolidated basis at the close of business on 31 December 2025 were Taka -7,041,344,913 and Taka -7,142,113,823 respectively.

**Details are as follows:**

| | Bangladesh Finance PLC | | Bangladesh Finance Group | |
|---|---|---|---|---|
| | 31-Dec-2025 Taka | 31-Dec-2024 Taka | 31-Dec-2025 Taka | 31-Dec-2024 Taka |
| **a) Core Capital (Tier -I):** | | | | |
| i) Paid-up Capital | 1,882,362,670 | 1,882,362,670 | 1,882,362,670 | 1,882,362,670 |
| ii) Statutory Reserve (Note # 14) | 529,763,278 | 501,151,365 | 529,763,278 | 501,151,365 |
| iii) General Reserve (Note # 15) | - | - | - | - |
| iv) Retained Earnings (Note # 16) | (8,217,883,087) | (8,334,125,242) | (8,468,251,527) | (8,663,577,901) |
| v) Minority interest (Note # 16.b) | - | - | 411,219,948 | 396,283,519 |
| vi) Others (If any approved by Bangladesh Bank) | - | - | 101,632,480 | 98,971,128 |
| | **(5,805,757,139)** | **(5,950,611,207)** | **(5,543,273,152)** | **(5,784,809,219)** |
| **b) Supplementary Capital (Tier-II):** | **442,389,817** | **449,012,799** | **477,696,452** | **476,969,630** |
| i) General Provision (Unclassified loans up to specified limit+SMA+Off Balance sheet exposures) {Note 12.1(b)}* | 200,886,013 | 186,433,592 | 236,192,648 | 214,390,423 |
| ii) Assets Revaluation Reserves up to 50% | 241,503,804 | 262,579,207 | 241,503,804 | 262,579,207 |
| iii) Revaluation Reserves for Securities up to 45% | - | - | - | - |
| iv) Revaluation reserve for Equity Instruments up to 10% | - | - | - | - |
| v) All others preference Shares | - | - | - | - |
| vi) Others (If any approved by Bangladesh Bank) | - | - | - | - |
| **c) Total eligible capital (a +b)** | **(5,363,367,322)** | **(5,501,598,408)** | **(5,065,576,700)** | **(5,307,839,589)** |
| **Total Assets Including off-balance sheet exposer** | 17,469,632,662 | 18,531,928,131 | 19,190,182,185 | 20,864,120,546 |
| **D) Total risk weighted Assets** | 16,779,775,905 | 16,269,976,521 | 20,765,371,236 | 21,126,132,832 |
| **E) Required Capital Based on risk weighted Assets (10% of D)** | 1,677,977,590 | 1,626,997,652 | 2,076,537,124 | 2,112,613,283 |
| **F) Surplus (C-E)** | (7,041,344,913) | (7,128,596,060) | (7,142,113,823) | (7,420,452,872) |
| Capital adequacy Ratio (%) | -31.96% | -33.81% | -24.39% | -25.12% |

* Limited to 1.25% of RWA for credit risk as per CAMD guideline.

The Capital Adequacy Ratio (CAR) of the Company demonstrated an improving trend during the year ended 31 December 2025, supported by a return to profitability and enhanced asset quality management. The Company reported a consolidated net profit after tax in 2025, compared to a significant net loss in 2024, primarily driven by recovery and rescheduling of non-performing exposures, which resulted in substantial provision write-backs during the year.

As a result, capital adequacy indicators showed measurable improvement, with both standalone and consolidated CAR positions strengthening compared to the previous year. This positive movement reflects the early impact of the Company's focused recovery initiatives, prudent risk management practices, and stabilization of its balance sheet.

The improvement in CAR is aligned with the Company's strategic emphasis on resolving stressed assets, optimizing portfolio quality, and reinforcing its financial position under the regulatory guidance of Bangladesh Bank.

During 2025, the Company further strengthened its forward-looking approach by formulating a comprehensive Capital Management Plan, supported by a multi-year financial projection, alongside a Liquidity Management Plan aimed at ensuring effective liquidity oversight and supporting the capital restoration process.

Management remains confident that the continued execution of these strategic initiatives, combined with sustained recovery efforts and disciplined risk governance, will progressively enhance the Company's capital position and support a sustainable return to regulatory compliance over the medium term.

| | | | |
|---|---|---|---|
| **14.** | **Statutory Reserve** | | |
| | Opening balance | 501,151,365 | 501,151,365 |
| | **Add:** Addition during the period | 28,611,913 | - |
| | | **529,763,278** | **501,151,365** |
| **15.** | **General Reserve** | | |
| | Opening balance | - | - |
| | **Add:** Transfer from Retained Earning | - | - |
| | **Less:** Distribution During the period | - | - |
| | | - | - |
| **16.** | **Retained Earnings** | | |
| | Opening balance | (8,334,125,242) | (998,439,919) |
| | Add: Profit After Tax during the period | 143,059,563 | (7,344,993,463) |
| | Add: Adjustment of Revaluation of Building | 1,794,504 | 1,794,500 |
| | Less: Transfer to Statutory Reserve | (28,611,913) | - |
| | Add: Disposal of Non Financial Assets | - | 7,513,640 |
| | Less: Cash Dividend | - | - |
| | | **(8,217,883,087)** | **(8,334,125,242)** |
| **16.a** | **Retained Earnings (Consolidated)** | | |
| | Bangladesh Finance | (8,217,883,087) | (8,334,125,242) |
| | Bangladesh Finance Securities Limited | (107,768,510) | (142,758,895) |
| | Bangladesh Finance Capital Limited | (188,605,232) | (247,635,495) |
| | Adjustment for Non-controlling Interest | 46,005,302 | 60,941,731 |
| | | **(8,468,251,527)** | **(8,663,577,901)** |
| **16.b** | **Non Controlling Interest (Consolidated)** | | |
| | **Bangladesh Finance Securities** | | |
| | Paid up Capital | 457,150,000 | 457,150,000 |
| | Retained Profit/(Loss) | (45,952,493) | (60,872,393) |
| | | **411,197,507** | **396,277,607** |
| | **Bangladesh Finance Capital.** | | |
| | Paid up Capital | 75,250 | 75,250 |
| | Retained Profit/(Loss) | (52,809) | (69,338) |
| | | **22,441** | **5,912** |
| | | **411,219,948** | **396,283,519** |
| **16.1** | **Capital Reserve** | | |
| | Bangladesh Finance Limited* | 33,744,750 | 33,744,750 |
| | Bangladesh Finance Capital | 29,380,798 | 29,380,798 |
| | Bangladesh Finance Securities | 38,506,932 | 35,845,580 |
| | | **101,632,480** | **98,971,128** |

*In the year 2014, a capital reserve was established to offset interim Stock Dividends received from subsidiaries.

| | | | |
|---|---|---|---|
| **17.** | **Letters of Guarantees** | | |
| | Letters of guarantee | - | - |
| | Less: Margin | - | - |
| | | - | - |

| | | 31-Dec-25<br>BDT | 31-Dec-24<br>BDT |
|---|---|---|---|
| 18. | **Profit and Loss Account** | | |
| | **Income** | | |
| | Interest, discount and similar income (Note - 19) | 356,489,305 | 723,785,783 |
| | Dividend income (Note - 21) | 15,006,938 | 15,499,684 |
| | Commission, Exchange and Brokerage | - | - |
| | Gains/(loss) arising from investment in securities (Note - 21) | (13,955,958) | 66,503,242 |
| | Other operating income (Note - 22) | 15,229,042 | 43,527,229 |
| | | **372,769,327** | **849,315,938** |
| | **Expenses:** | | |
| | Interest paid on Deposits & Borrowing (Note - 20) | 1,415,036,550 | 1,431,088,931 |
| | Administrative expenses | 243,982,050 | 225,009,574 |
| | Other operating expenses (Note - 31) | 22,311,080 | 22,461,523 |
| | Depreciation on Fixed assets {Note-30(a)+30(b)+Note-30(c)} | 36,277,142 | 42,185,150 |
| | | **1,717,606,821** | **1,720,745,178** |
| | **Income over expenditure** | **(1,344,837,494)** | **(871,429,240)** |
| 19. | **Interest income** | | |
| | Interest income on Loans & Lease Finance (Note - 19.1) | 256,833,576 | 619,542,951 |
| | Interest on placement with other Banks & FIs (Note - 19.2) | 99,655,729 | 104,242,832 |
| | | **356,489,305** | **723,785,783** |
| 19.a | **Interest Income (Consolidated)** | | |
| | Bangladesh Finance | 356,489,305 | 723,785,783 |
| | Bangladesh Finance Securities Limited | 67,329,771 | 76,193,960 |
| | Bangladesh Finance Capital Limited | 13,326,297 | 13,780,168 |
| | | 437,145,374 | 813,759,910 |
| | Less: Inter-company transactions | - | - |
| | | **437,145,374** | **813,759,910** |
| 19.1 | **Interest on Loans & Lease Finance** | | |
| | Interest income on lease finance | 40,158,386 | 108,120,532 |
| | Interest income on term finance | 127,229,572 | 191,402,736 |
| | Interest on housing finance | 89,445,618 | 320,019,683 |
| | | **256,833,576** | **619,542,951** |
| 19.1.1 | **Interest on Loans & Lease Finance** | | |
| | Gross Interest Income on Loans & Lease Finance | 776,151,798 | 1,852,600,388 |
| | Less: Interest Income transferred to Interest Suspense Account | (519,318,221) | (1,233,057,437) |
| | Add: Interest Income transferred from Interest Suspense Account | - | - |
| | | **256,833,576** | **619,542,951** |
| 19.2 | **Interest on placement with other banks & FIS** | | |
| | Interest on FDR | 98,148,238 | 102,771,681 |
| | Interest on STD accounts | 1,507,491 | 1,471,150 |
| | Interest on fund placements | - | - |
| | | **99,655,729** | **104,242,832** |
| 20. | **Interest paid on deposits & borrowing** | | |
| | Interest paid on deposits | 1,055,630,197 | 1,037,263,599 |
| | Interest paid on borrowings (Note - 20.1) | 357,965,093 | 391,820,454 |
| | Interest on lease liabilities | 1,441,260 | 2,004,879 |
| | | **1,415,036,550** | **1,431,088,931** |

| | | | |
|---|---|---|---|
| **20.a** | **Interest Expenses (Consolidated)** | | |
| | Bangladesh Finance | 1,415,036,550 | 1,431,088,931 |
| | Bangladesh Finance Securities Limited | 74,361,787 | 65,696,599 |
| | Bangladesh Finance Capital Limited | 64,627,172 | 49,858,124 |
| | | 1,554,025,508 | 1,546,643,654 |
| | Less: Inter-company transactions | 12,600,751 | 12,628,833 |
| | | **1,541,424,757** | **1,534,014,821** |
| **20.1** | **Interest paid on borrowing** | | |
| | Interest Expenses on Term and Short Term Loan | 217,441,997 | 218,463,631 |
| | Interest Expenses on SOD Loan | 102,841,144 | 138,869,690 |
| | Interest Expenses on Call Loan | 13,866,635 | 6,186,606 |
| | Interest Expenses on Margin Loan | 48 | 4,301,913 |
| | Interest Expenses on Re-financing loan | 23,815,268 | 23,998,614 |
| | | **357,965,093** | **391,820,454** |
| **21.** | **Income from Investment in Securities** | | |
| | Gain/(Loss) from Investment in Shares | (13,955,958) | 66,503,242 |
| | Dividend Income | 15,006,938 | 15,499,684 |
| | | **1,050,980** | **82,002,926** |
| **21.a** | **Income from Investment (Consolidated)** | | |
| | Bangladesh Finance | 1,050,980 | 82,002,926 |
| | Bangladesh Finance Securities Limited | (208,614,555) | 34,541,337 |
| | Bangladesh Finance Capital Limited | (262,079,401) | 88,027,130 |
| | | (469,642,976) | 204,571,394 |
| | Less: Inter-company transactions | 12,600,751 | 12,628,833 |
| | | **(482,243,728)** | **191,942,561** |
| **21.b** | **Commission, Exchange and Brokerage (Consolidated)** | | |
| | Bangladesh Finance | - | - |
| | Bangladesh Finance Securities Limited | 27,307,040 | 46,977,523 |
| | Bangladesh Finance Capital Limited | 4,202,932 | 4,814,790 |
| | | 31,509,971 | 51,792,313 |
| | Less: Inter-company transactions | - | - |
| | | **31,509,971** | **51,792,313** |
| **22.** | **Other Operating Income:** | | |
| | Penal Interest | 14,158,521 | 28,500,226 |
| | Loan Settlement & Others | - | 27,669 |
| | Ledger management (LM) | - | 6,000 |
| | Transfer Price | 23,500 | 11,500 |
| | Processing fees | 140,600 | 1,440,348 |
| | Legal & Documentation charge | 120,330 | 4,460,176 |
| | Advisory fees | 786,091 | 208,000 |
| | Office Rent (64 Motijheel) | - | 8,851,310 |
| | Other Income (Note-22.1) | - | 22,000 |
| | | **15,229,042** | **43,527,229** |
| **22.a** | **Other Operating Income (Consolidated)** | | |
| | Bangladesh Finance | 15,229,042 | 43,527,229 |
| | Bangladesh Finance Securities Limited | (302,305) | 114,710 |
| | Bangladesh Finance Capital Limited | 1,689,590 | 821,705 |
| | | 16,616,327 | 44,463,644 |
| | Less: Inter-company transactions | - | - |
| | | **16,616,327** | **44,463,644** |
| **22.1** | **Other Income** | | |
| | Gain/(loss) on sale of fixed assets | - | 22,000 |
| | | - | **22,000** |

Shafiq Basish Mahmud & Co.
SMAC

| | | | |
|---|---|---|---|
| 23. | **Salary & Allowances** | | |
| | Basic Salary | 88,365,696 | 80,886,133 |
| | Allowances | 79,257,131 | 70,382,662 |
| | Bonus | 24,355,692 | 23,853,672 |
| | Retirement benefits and gratuity | 10,444,041 | 9,451,064 |
| | Earned Leave Encashment | 1,006,684 | 1,177,978 |
| | Employer's Contribution to Provident fund | 7,559,172 | 6,648,537 |
| | Wages | 1,312,471 | 2,370,238 |
| | | **212,300,888** | **194,770,284** |
| 23.a | **Salary & Allowances (Consolidated)** | | |
| | Bangladesh Finance | 212,300,888 | 194,770,284 |
| | Bangladesh Finance Securities Limited | 20,825,967 | 21,118,102 |
| | Bangladesh Finance Capital Limited | 8,961,588 | 10,733,577 |
| | | **242,088,443** | **226,621,963** |
| 24. | **Rent, Taxes, Insurance, Electricity etc.** | | |
| | Rent, Rates & Taxes* | 1,932,600 | 5,644,462 |
| | Insurance | - | - |
| | Electricity & Lighting, WASA, Gas etc. | 4,159,099 | 4,032,362 |
| | | **6,091,699** | **9,676,824** |

*The total amount includes Tk. 1,139,047 paid as VAT on office rent to the Government Exchequer, which has been accounted for separately in accordance with IFRS 16.

| | | | |
|---|---|---|---|
| 24.1 | **Disclosure related to rent, rate and taxes:** | | |
| | Actual rent expenses (inclusive of VAT) | 9,433,881 | 23,599,976 |
| | Less: Reclassification of rent expenses (as per IFRS 16: Leases) | 7,501,281 | 17,955,514 |
| | Rent expenses as reported | **1,932,600** | **5,644,462** |

In addition to the above mentioned change in rent expense, implementation of IFRS 16 has resulted in charging of depreciation against

| | | | |
|---|---|---|---|
| 24.a | **Rent, Taxes, Insurance, Electricity etc.(Consolidated)** | | |
| | Bangladesh Finance | 6,091,699 | 9,676,824 |
| | Bangladesh Finance Securities Limited | 2,878,340 | 3,219,932 |
| | Bangladesh Finance Capital Limited | 1,416,094 | 679,079 |
| | | **10,386,133** | **13,575,835** |
| 25. | **Legal & Professional Fees** | | |
| | Legal Fees & Charge | 5,164,149 | 2,974,817 |
| | Other Legal Expenses | - | - |
| | | **5,164,149** | **2,974,817** |
| 25.a | **Legal & Professional Fees (Consolidated)** | | |
| | Bangladesh Finance | 5,164,149 | 2,974,817 |
| | Bangladesh Finance Securities Limited | 1,032,026 | 652,195 |
| | Bangladesh Finance Capital Limited | 12,778 | 72,184 |
| | | 6,208,953 | 3,699,196 |
| | Less: Inter-company transactions | | - |
| | | **6,208,953** | **3,699,196** |
| 26. | **Postage, Stamps, Telecommunication etc.** | | |
| | Stamp & Court Fees | 45,650 | 341,470 |
| | Commission on purchase of stamps | - | - |
| | Internet expenses | 1,107,325 | 1,304,822 |
| | Postage & Courier Expenses | 48,865 | 62,320 |
| | Telephone & Fax Expenses | 63,574 | 57,453 |
| | Mobile Expenses | 517,279 | 760,825 |
| | | **1,782,693** | **2,526,890** |

Shyashish Mahmud & Co.

| | | | |
|---|---|---|---|
| 26.a | **Postage, Stamps, Telecommunication (Consolidated)** | | |
| | Bangladesh Finance | 1,782,693 | 2,526,890 |
| | Bangladesh Finance Securities Limited | 1,237,664 | 1,424,135 |
| | Bangladesh Finance Capital Limited | 5,065 | 2,001 |
| | | **3,025,422** | **3,953,026** |
| 27. | **Stationery, Printing, Advertisements etc.** | | |
| | Stationary-Toner & Cartridge | 1,800 | 3,600 |
| | Stationary Expenses | 448,713 | 600,820 |
| | Printing Expenses | 1,185,651 | 1,266,954 |
| | Advertisement and Publicity | 7,059,810 | 3,714,635 |
| | | **8,695,974** | **5,586,008** |
| 27.a | **Stationery, Printing, Advertisements etc.(Consolidated)** | | |
| | Bangladesh Finance | 8,695,974 | 5,586,008 |
| | Bangladesh Finance Securities Limited | 868,990 | 828,413 |
| | Bangladesh Finance Capital Limited | 127,779 | 113,476 |
| | | **9,692,743** | **6,527,897** |
| 28. | **Managing Director's Salary and Allowances** | | |
| | Basic Salary | 3,630,000 | 3,630,000 |
| | Allowances | 3,300,000 | 3,300,000 |
| | Bonus | 605,000 | 605,000 |
| | | **7,535,000** | **7,535,000** |
| 29. | **Directors' Fees** | | |
| | Honorarium for attending meeting | 678,500 | 770,000 |
| | Independent Directors' Honorarium | 1,288,000 | 704,000 |
| | Incidental expenses for attending meeting | - | - |
| | | **1,966,500** | **1,474,000** |

Total 07 nos. of Board meetings, No Executive Committee meetings, 04 Audit Committee meetings and 03 Risk Management Committee meetings were held during the period from 1st January 2025 to 31 December 2025. Each Director was paid Tk. 10,000 for attending in the meeting as per Bangladesh Bank DFIM Circular No. 01 Dated 29 February, 2024

| | | | |
|---|---|---|---|
| 29.a | **Directors' Fees (Consolidated)** | | |
| | Bangladesh Finance | 1,966,500 | 1,474,000 |
| | Bangladesh Finance Securities Limited | 296,500 | 275,000 |
| | Bangladesh Finance Capital Limited | 228,000 | 209,000 |
| | | **2,491,000** | **1,958,000** |
| 29.b | **Audit Fees (Consolidated)** | | |
| | Bangladesh Finance | 445,147 | 465,750 |
| | Bangladesh Finance Securities Limited | 115,000 | 115,000 |
| | Bangladesh Finance Capital Limited | 86,251 | 86,250 |
| | | **646,397** | **667,000** |
| 30. | **Depreciation and Repair of Assets** | | |
| | **a) Depreciation of Assets** | | |
| | Building | 1,794,504 | 1,794,500 |
| | Furniture & Fixtures | 820,083 | 844,314 |
| | Office Equipment | 4,003,991 | 4,058,158 |
| | Motor Vehicles | 8,656,127 | 7,611,384 |
| | System & Software | 800,000 | 862,500 |
| | Office Renovation | 4,745,403 | 1,472,817 |
| | Right-of-use Asset | 5,968,635 | 15,569,131 |
| | | **26,788,742** | **32,212,805** |
| | **b) Repair of Assets** | | |
| | Office Equipment | 421,508 | 285,476 |
| | Office Furniture & Fixtures | - | 25,850 |
| | Motor Vehicles | 9,066,892 | 9,661,019 |
| | | **9,488,400** | **9,972,345** |
| | | **36,277,142** | **42,185,150** |

| | | | |
|---|---|---|---|
| **30.a** | **Depreciation and Repair of Assets (Consolidated)** | | |
| | Bangladesh Finance | 36,277,142 | 42,185,150 |
| | Bangladesh Finance Securities Limited | 6,026,671 | 5,095,463 |
| | Bangladesh Finance Securities Limited Right-of-use Asset | 12,359,797 | 9,262,166 |
| | Bangladesh Finance Capital Limited Right-of-use Asset | 3,946,705 | 2,100,607 |
| | Bangladesh Finance Capital Limited | 1,141,542 | 1,040,052 |
| | | **59,751,856** | **59,683,438** |
| **31.** | **Other Expenses** | | |
| | Petrol, Oil, Lubricants, CNG & others | 2,616,846 | 1,981,062 |
| | Entertainment | 2,878,658 | 2,632,078 |
| | Donation, Fees and Subscription | 3,123,387 | 2,371,062 |
| | Traveling and Conveyance | 1,490,499 | 1,513,903 |
| | Training Expenses | 212,201 | 114,998 |
| | Registration & Renewal Expenses | 474,442 | 430,525 |
| | Papers & Periodicals | 33,504 | 31,307 |
| | Office Maintenance | 4,419,947 | 3,283,683 |
| | Office Supplies | 3,373,225 | 2,262,156 |
| | Software Maintenance & other IT enabled services | 299,141 | 3,508,939 |
| | Uniform & Liveries | 60,000 | 62,963 |
| | Bank Charges & Excise Duty | 1,298,466 | 2,107,045 |
| | Security Service-Outsourcing | 1,927,577 | 1,891,440 |
| | AGM & Meeting expenses | 83,155 | 225,000 |
| | Miscellaneous Expenses | 20,033 | 45,364 |
| | | **22,311,080** | **22,461,523** |
| **31.a** | **Other Expenses (Consolidated)** | | |
| | Bangladesh Finance | 22,311,080 | 22,461,523 |
| | Bangladesh Finance Securities Limited | 3,968,333 | 3,677,413 |
| | Bangladesh Finance Capital Limited | 1,776,159 | 3,382,637 |
| | | 28,055,572 | 29,521,574 |
| | Less: Inter-company transactions | - | - |
| | | **28,055,572** | **29,521,574** |
| **32.** | **Provision against loans, lease finance & Others** | | |
| | Provision on classified loans {Note-12.1(a)} | 150,707,757 | 121,323,849 |
| | Loan/Lease written off during the year | - | - |
| | General provision on unclassified Loans & Advances {Note-12.1(b)} | (1,775,017,466) | 6,612,065,374 |
| | Provision for Off-Balance Sheet Exposures | - | - |
| | Provision for other Assets {Note-12.1(d)} | 330,865,815 | 254,317,250 |
| | Provisions on Investment in Securities (Note - 12.2) | (83,270,000) | 62,290,000 |
| | | **(1,376,713,894)** | **7,049,996,473** |
| **32.a** | **Provision on Investment in Securities and Margin Loan (Consolidated)** | | |
| | Bangladesh Finance - Investment in Securities | (83,270,000) | 62,290,000 |
| | Bangladesh Finance Securities Limited- Investment in Securities | (295,445,428) | 329,917,741 |
| | Bangladesh Finance Securities Limited - Margin Loan | 15,536,632 | (1,099,116) |
| | Bangladesh Finance Capital Limited - Margin Loan | 4,727,323 | 6,368,772 |
| | Bangladesh Finance Capital Limited - Investment in Securities | (411,280,915) | 461,590,555 |
| | | **(769,732,388)** | **859,067,952** |
| **33.** | **Earnings Per Share (EPS)** | | |
| | The calculation of basic earnings per share based on profit of the Company attributable to ordinary shareholders and weighted average number of ordinary shares outstanding is as follows: | | |
| | Calculation of Earnings Per Share (Note - 2.16) | | |
| | Net Profit after Tax | 143,059,563 | (7,344,993,463) |
| | **Weighted average number of Ordinary Shares outstanding (Denominator)** | | |
| | Opening ordinary shares outstanding | 188,236,267 | 188,236,267 |
| | Impact of bonus share issue | - | - |
| | Weighted average number of Ordinary Shares outstanding (Denominator) | **188,236,267** | **188,236,267** |
| | **Basic Earnings Per Share (Taka)** | **0.76** | **(39.02)** |

**Diluted Earnings Per Share**

As there was no indication for dilution of shares, no diluted EPS was required to be calculated for the year ended 31 December 2025.

**33.a Earnings Per Share (EPS) (Consolidated)**

The calculation of basic earnings per share based on profit of the Company attributable to ordinary shareholders and weighted average number of ordinary shares outstanding is as follows:

| | | |
|---|---|---|
| Calculation of Earnings Per Share (Note - 2.16) | | |
| Net Profit after Tax | 223,670,333 | (7,833,155,228) |
| Weighted average number of Ordinary Shares outstanding (Denominator) Note | 188,236,267 | 188,236,267 |
| **Basic Earnings Per Share** | **1.19** | **(41.61)** |

**Reason for changes in Earnings Per Share (EPS) (Consolidated)**

The Company's consolidated EPS improved significantly in 2025, reflecting a strong turnaround from the prior year. This improvement was primarily driven by the return to profitability, supported by the reversal of provisions through successful recovery initiatives and the rescheduling of loan and lease accounts under the policy support of Bangladesh Bank.

The prior year's performance was impacted by elevated provisioning in line with regulatory directives and prudent risk management practices. The positive movement in the current year indicates early benefits of those measures, alongside continued focus on asset quality improvement and balance sheet strengthening.

Management remains committed to sustaining this positive momentum through disciplined risk management, enhanced recovery efforts, and strategic business initiatives aimed at delivering consistent and long-term shareholder value.

**34. Interest received**

| | | |
|---|---|---|
| Interest received (Note-19) | 356,489,305 | 723,785,783 |
| **Add:** Opening interest Receivable on FDR | 31,635,501 | 32,042,723 |
| **Less:** Closing interest receivable on FDR | (16,845,332) | (31,635,501) |
| **Add:** Closing interest suspense account | 2,475,915,695 | 1,956,597,474 |
| **Less:** Opening Interest Suspense Account | (1,956,597,474) | (723,540,037) |
| **Add:** Opening Receivable Interest on BB Stimulus Package | 5,950,210 | 3,649,031 |
| **Less:** Closing Receivable Interest on BB Stimulus Package | (5,950,210) | (5,950,210) |
| **Add:** Opening Receivable of Grace Period Interest | - | - |
| **Less:** Closing Receivable Grace Period Interest | - | - |
| | **890,597,696** | **1,954,949,262** |

**35. Interest Paid on Deposits & Borrowings**

| | | |
|---|---|---|
| Interest Paid on Deposits & Borrowings (Note-20) | 1,415,036,550 | 1,431,088,931 |
| **Add:** Opening interest payable on deposit & borrowings | 439,235,858 | 142,788,418 |
| **Less:** Closing interest payable on deposit & borrowings | (681,469,057) | (439,235,858) |
| | **1,172,803,351** | **1,134,641,491** |

**36. Cash Received from other Operating activities**

| | | |
|---|---|---|
| Income from investment in shares (Note 21) | (13,955,958) | 66,503,242 |
| Other operating income (except gain/(loss) on sales of fixed assets) | 15,229,042 | 43,847,229 |
| | **1,273,084** | **110,350,471** |

**37. Cash Payments for other Operating activities**

| | | |
|---|---|---|
| Rent, Taxes, Insurance, Lighting etc. | 6,091,699 | 9,676,824 |
| Legal & Professional Fees | 5,164,149 | 2,974,817 |
| Postage, Stamp, Telegram & Telephone | 1,782,693 | 2,526,890 |
| Directors' Fee & Expenses | 1,966,500 | 1,474,000 |
| Auditors' Fee | 445,147 | 465,750 |
| Repair, Maintenance of NBFI's Assets | 9,488,400 | 9,972,345 |
| Other Expenses | 22,311,080 | 22,461,523 |
| | **47,249,667** | **49,552,150** |

Shyamal Mahmud & Co.

38. **Cash Increase/ Decrease in Other Assets**

| | | |
|---|---|---|
| Re-imbursable Expenses | 3,284,911 | 3,315,486 |
| Receivable Others | 22,045,281 | 15,965,076 |
| Receivable against sale of shares | 291,962 | 366,992 |
| Investment In Subsidiaries | 849,930,000 | 849,930,000 |
| Investment in BD Finance Vanguard Mutual Fund One | 20,000,000 | 20,000,000 |
| Advance against expenditure {Note-8.2(c)} | 56,095,990 | 69,953,922 |
| Deposits {with other organization Note-8.2(d)} | 745,955 | 745,955 |
| Stock of Stamp | 74,560 | 65,210 |
| | **952,468,659** | **960,342,641** |
| **Cash (Increase)/ Decrease in Other Assets** | **7,873,982** | **169,729,217** |

39. **Cash Increase/ (Decrease) in Other Liabilities**

| | | |
|---|---|---|
| Payable & Provision against expenditure | 268,410,104 | 172,848,838 |
| Advance Excise Duty | 3,877,771 | 5,751,195 |
| Gratuity Fund | 3,426,727 | 7,692,011 |
| Dividend payable | 3,980,500 | 3,996,265 |
| | **279,695,102** | **190,288,310** |
| **Cash Increase/ (Decrease) in Other Liabilities** | **89,406,792** | **(97,489,299)** |

40. **Cash and Cash Equivalents**

| | | |
|---|---|---|
| Cash in Hand | 30,804 | 54,817 |
| Balance with Bangladesh Bank | 136,068,185 | 130,928,670 |
| Balance with Other Banks & Financial Institutions | 1,187,631,420 | 1,498,087,963 |
| | **1,323,730,410** | **1,629,071,450** |

41. **Number of Employees**

The number of employees engaged for the whole period or part thereof who received a total remuneration of Tk. 36,000 or above were 153 (In the year 2024 it was 146).

42. **Audit Committee**

a) **Particulars of Audit Committee**

Pursuant to the Condition no 3 of the notifications no SEC/CMRRCD/2006-158/Admin/02-08 dated 20 February, 2006 of Securities Exchange Commission the Board of Director's of Bangladesh Finance formed a Five members Audit Committee named "Board Audit Committee".

| Name | Status with Bangladesh Finance | Status with the Committee | Educational Qualification |
|---|---|---|---|
| Mr. Kazi Mustak Ahmed, FCA | Independent Director | Chairman | MBA and BBA in Accounting & Information Systems from the University of Dhaka, FCA (ICAB) |
| Mr. Kazi Rafiqul Hassan | Independent Director | Member | B.A., M.A. (English), University of Dhaka. |
| Mrs. Mahfuza Khanam | Independent Director | Member | B.Sc. & M.Sc. in Applied Physics and Electronics, University of Rajshahi. |

The members of the Board Audit Committee are all having good exposure in the NBFI's business. They are all playing active role in the Committee Meeting.

b) **Meeting of Audit Committee**

During 1 January to 31 December 2025, the Audit Committee of the Board conducted 04 meetings in which among others, the following issues were discussed:-

i) Regular review of the Internal and External (including Bangladesh Bank) Inspection & Audit Report with a view to implementing the suggestion of Internal and External Auditors in respect of Internal Control structure and techniques.

ii) Minimize expenditure in all operational activities where possible.

iii) Reviewing the Accounting procedure with a view to ascertain that the International Financial Reporting Standard (IFRS) has been applied in maintaining books and records of the company.

c) **Internal Control:**

The following steps have been taken for implementation of Internal Control Procedure of the company :

i) Audit & Inspection division of the company carried out Internal Audit with a view to enrich the compliance culture and full control on the exertion of the Bangladesh Finance's operations. The division directly report simultaneously to the Board Audit Committee;

ii) Regular monitoring has been done for the effectiveness of the quality control policies and procedures with the effect to evaluate the application of internal Control System and Internal Audit Policy, Policy for financial risk, existing rules and regulation; and

iii) To establish Planning, Organizing and Supervising culture and monitoring of Audit and Inspection of the Branches and different divisions of Head Office and surprise inspection of the Branches.

**43. Related Party Disclosures:**

**43.1 Name of the Directors and their interest in different entities:**

| Name of the Directors of Bangladesh Finance | Firms/Companies related to the Director | Nature and Value of interest in the firm/companies |
|---|---|---|
| Kazi Rafiqul Hassan<br>Independent Director | Bangladesh Finance Securities Ltd. | Director |
| Kazi Mustak Ahmed, FCA<br>Independent Director | Nil | Nil |
| Mr. Md Helal Chowdhury<br>Director | Nil | Nil |
| Ms. Fatema Begum<br>Director | Nil | Nil |
| Mr. Imtiyaj Yousuf<br>Director | Omega Motors<br>Imtiyaj Steel<br>Precious Steel Corporation | Proprietor<br>Proprietor<br>Proprietor |
| Ms. Mahfuza Khanam<br>Independent Director | Bangladesh Finance Capital Ltd. | Director |
| Mr. Md. Hasan Khan<br>Director | Mehmud Industries (Pvt.) Limited. | Director |
| Mr. Md. Kyser Hamid<br>Managing Director & CEO | Bangladesh Finance Securities Ltd.<br>Bangladesh Finance Capital Ltd. | Director<br>Director |

**43.2** Significant Contracts where Bangladesh Finance is a party and wherein Directors have interest: Nil

**43.3** Shares issued to Directors & Executives without consideration or exercise at discount: Nil

**43.4 Lending Policies to related parties:**

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 International 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.

43.5 **Investment (Lease, Loan and Advances) to Directors and their related Concern (Note-6.2):**

**Investment in Preference Shares**

| | Name of the parties | Related By | Nature of transaction | Amount in Tk. | Status |
|---|---|---|---|---|---|
| i) | Bangladesh Finance Securities Limitec | Common Director | Investment | 120,000,000 | |
| ii) | Bangladesh Finance Capital Limited | Common Director | Investment | 20,000,000 | |
| | | | | **140,000,000** | |

43.6 **Deposit from Directors and their related concern**

| Name of the parties | Related By | Nature of transaction | Amount in Taka | No. of accounts |
|---|---|---|---|---|
| Kazi Rafiqul Hassan | Independent Director | | - | 0 |
| Kazi Mustak Ahmed, FCA | Independent Director | | - | 0 |
| Mahfuza Khanam | Independent Director | | - | 0 |
| Md. Helal Chowdhury | Director | | - | 0 |
| Fatema Begum | Director | Term Deposit | 2,747,960 | 3 |
| Imtiyaj Yousuf | Director | Term Deposit | 45,066,428 | 6 |
| Hasan Khan | Director | | - | 0 |
| Md. Kyser Hamid | Managing Director & CEO | Monthly DPS | 196,901 | 1 |
| Anwar Silk Mills Ltd. | Common Director | Term Deposit | 14,088,085 | 6 |
| Anwar Ispat Limited | Common Director | Term Deposit | 71,459,727 | 8 |
| Mehmud Industries (Pvt) Ltd. | Director | Term Deposit | 20,663,064 | 8 |
| **Total** | | | **154,222,164** | **32** |

44 **Events after the Reporting Period**

No material events occurred after the reporting date, non-disclosure of which could affect the ability of the users of this financial statement to make proper evaluation and decision.

**Rationale Behind Non-Declaration of Dividend for 2025**

The Board of Directors of Bangladesh Finance has not recommended any dividend for the year ended December 31, 2025.

The Company returned to profitability during the year, reflecting a significant improvement over the previous period. This performance was primarily driven by successful recovery initiatives and the rescheduling of loan and lease accounts under the policy support of Bangladesh Bank, resulting in the reversal of provisions.

In line with a prudent financial strategy, the Board has decided to retain the earnings to restore the capital base, further strengthen the Company's financial position, support ongoing recovery efforts, and reinforce long-term business sustainability.

This approach reflects the Company's commitment to building a solid foundation for sustained growth and enhancing future shareholder value.

| | | 31-Dec-25 BDT | 31-Dec-24 BDT |
|---|---|---|---|
| 45 | **Net asset value (NAV) per share** | | |
| | Net asset | -5,322,749,531 | -5,425,452,793 |
| | Number of outstanding shares | 188,236,267 | 188,236,267 |
| | **Net asset value (NAV) per share** | (28.28) | (28.82) |
| 45.a | **Net asset value (NAV) per share (Consolidated)** | | |
| | Net asset | -5,471,485,491 | -5,655,934,324 |
| | Number of outstanding shares | 188,236,267 | 188,236,267 |
| | Net asset value (NAV) per share | (29.07) | (30.05) |

**Reason for changes in Net asset value (NAV) per share (Consolidated):**

The consolidated NAV per share improved during the year, reflecting a positive shift in the Company's overall financial position compared to the previous year.

This improvement was primarily driven by the return to profitability, supported by provision write-backs arising from recoveries and the rescheduling of non-performing loan and lease exposures under the policy support of Bangladesh Bank.

The movement indicates early progress in balance sheet stabilization following the challenges experienced in the prior year. Management remains focused on strengthening the Company's financial fundamentals through continued recovery efforts, prudent risk management, and strategic restructuring initiatives, with the objective of further enhancing shareholders' value over the long term.

| 46 | **Net operating cash flows per share (NOCPS)** | | |
|---|---|---|---|
| | Net operating cash flows | (248,527,030) | (62,103,729) |
| | Number of outstanding shares | 188,236,267 | 188,236,267 |
| | **Net operating cash flows per share (NOCPS)** | **(1.32)** | **(0.33)** |

| 46.a | **Net operating cash flows per share (NOCPS) (Consolidated)** | | |
|---|---|---|---|
| | Net operating cash flows | (193,559,936) | (114,904,319) |
| | Number of outstanding shares | 188,236,267 | 188,236,267 |
| | Net operating cash flows per share (NOCPS) | (1.03) | (0.61) |

**Reason for changes in Net Operating Cash Flows Per Share (NOCFPS) (Consolidated):**

The consolidated NOCFPS declined mainly due to reduced interest income and the recognition of realized losses from the disposal of trading securities, compared to the corresponding period of the previous year.

**Munshi Abu Naim FCS**
**Company Secretary**

**Md. Kyser Hamid**
**Managing Director & CEO**

**Kazi Mustak Ahmed , FCA**
**Director**

**Mahfuza Khanam**
**Director**

**Kazi Rafiqul Hassan**
**Director**

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ANNEXURE-A

**Bangladesh Finance PLC.**
**Fixed Asset Schedule**
**For the year ended 31 December 2025**

Amount in BDT

| Particulars | COST | | | | | Rate of Depreciation | DEPRECIATION | | | | Written down value at 31 December 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as on 1 January 2025 | Revaluation Surplus | Addition during the year | Disposal/ Transfer during the period | Balance at 31 December 2025 | | Balance as on 1 January 2025 | Transfer/ Adjustment during the year | Charged for the year | Balance as at 31 December 2025 | |
| Land | 606,100,000 | - | - | - | 606,100,000 | - | - | - | - | - | 606,100,000 |
| Building | 23,343,786 | - | - | - | 23,343,786 | 10% | 11,406,443 | - | 1,794,504 | 13,200,947 | 10,142,839 |
| Furniture & Fixture | 24,240,578 | - | 860,495 | - | 25,101,073 | 20% | 22,613,156 | - | 820,083 | 23,433,239 | 1,667,834 |
| Office Equipment | 44,233,396 | - | 4,180,817 | - | 48,414,212 | 25% | 38,649,804 | - | 4,003,991 | 42,653,795 | 5,760,417 |
| Office Renovation | 27,126,983 | - | 17,835,872 | - | 44,962,855 | 20% | 24,218,412 | - | 4,745,403 | 28,963,815 | 15,999,041 |
| Motor Vehicle | 65,769,359 | - | 5,100,007 | - | 70,869,366 | 20% | 42,721,118 | - | 8,656,127 | 51,377,245 | 19,492,121 |
| Other Assets | 182,667 | - | - | - | 182,667 | 20% | 182,667 | - | - | 182,667 | - |
| System and Software | 23,326,250 | - | - | - | 23,326,250 | 25% | 22,405,417 | - | 800,000 | 23,205,417 | 120,833 |
| ROU-Asset for Lease Rent | 40,047,839 | - | 16,842,003 | 22,837,833 | 34,052,008 | | 28,486,709 | 20,706,797 | 5,968,635 | 13,748,546 | 20,303,462 |
| **Carrying amount-2025** | **854,370,858** | **-** | **44,819,194** | **22,837,833** | **876,352,218** | | **190,683,726** | **20,706,797** | **26,788,742** | **196,765,671** | **679,586,548** |
| **Carrying amount-2024** | **861,460,548** | **-** | **11,941,116** | **19,030,806** | **854,370,858** | | **176,220,695** | **17,749,773** | **32,212,805** | **190,683,726** | **663,687,132** |

ANNEXURE-B1

## Bangladesh Finance PLC.
## Reconciliation of Net Profit with Cash Flows from Operating Activities

| | Amount in BDT | |
|---|---|---|
| | 31-Dec-25 | 31-Dec-24 |
| **Net profit after tax** | **143,059,563** | **(7,344,993,463)** |
| **Items not involved in cash movement:** | | |
| Add: Depreciation/amortization | 26,788,742 | 32,212,805 |
| Add: Provision for loans and investments | (1,376,713,894) | 7,049,996,473 |
| Add: Provision for taxation | (111,183,164) | (576,432,250) |
| Add/(Less): Accrued expenses | 122,747,959 | 83,084,588 |
| Add/(Less): Accrued income | 40,660,100 | 162,141,467 |
| Increase/(Decrease) in Employee gratuity | (4,265,284) | (19,208,986) |
| Increase/(Decrease) in Deferred tax (Liability) | 40,696,108 | (1,079,044) |
| **Adjustments to reconcile net profit after tax to net cash provided by operating activities** | **(1,118,209,869)** | **(614,278,410)** |
| **Increase/(decrease) in operating assets and liabilities** | | |
| (Increase)/Decrease in Trading Securities | 45,357,075 | 70,716,113 |
| (Increase)/Decrease in Loans & advances | 794,263,370 | (210,815,777) |
| (Increase)/Decrease in Other assets | (107,376,681) | (591,264,582) |
| Increase/(Decrease) in Other Liabilities | 45,478,673 | 426,757,416 |
| Increase/(Decrease) in Term & other deposits | (98,176,426) | (242,107,601) |
| Increase/(Decrease) in Term & Short term loans | (544,807,756) | (406,201,504) |
| Increase/(Decrease) in Payable and accrued expenses | 242,233,199 | 296,447,440 |
| (Increase)/Decrease in Income tax | (26,606,835) | (24,414,259) |
| Increase/(Decrease) in Interest suspense | 519,318,221 | 1,233,057,437 |
| | **869,682,839** | **552,174,682** |
| **Net cash flows from/(used in) operating activities** | **(248,527,030)** | **(62,103,729)** |

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ANNEXURE-B2

## Bangladesh Finance PLC.
## Reconciliation of Net Profit with Cash Flows from Operating Activities

| | Amount in BDT | |
|---|---|---|
| | 31-Dec-25 | 31-Dec-24 |
| **Net profit after tax** | **239,741,562** | **(7,937,856,087)** |
| **Items not involved in cash movement:** | | |
| Add: Depreciation/amortization | 50,263,457 | 49,711,093 |
| Add: Provision for loans and investments | (2,063,176,282) | 7,846,774,426 |
| Add: Provision for taxation | (84,843,612) | (694,717,660) |
| Add/(Less): Accrued expenses | 110,959,267 | 100,914,087 |
| Add/(Less): Accrued income | 40,893,692 | 165,037,627 |
| Increase/(Decrease) in Employee gratuity | (9,506,306) | (18,327,920) |
| Increase/(Decrease) in Deferred tax (Liability) | 40,696,108 | (1,079,044) |
| **Adjustments to reconcile net profit after tax to net cash provided by operating activities** | **(1,674,972,114)** | **(489,543,479)** |
| **Increase/(decrease) in operating assets and liabilities** | | |
| (Increase)/Decrease in Trading Securities | 654,644,563 | (103,802,129) |
| (Increase)/Decrease in Loans & advances | 820,955,666 | (87,936,717) |
| (Increase)/Decrease in Other assets | (98,446,113) | (591,264,582) |
| Increase/(Decrease) in Other Liabilities | 85,237,564 | 403,384,980 |
| Increase/(Decrease) in Term & other deposits | (98,176,426) | (242,107,601) |
| Increase/(Decrease) in Term & Short term loans | (605,924,682) | (492,754,363) |
| Increase/(Decrease) in Payable and accrued expenses | 243,454,440 | 295,571,188 |
| (Increase)/Decrease in Income tax | (39,651,055) | (39,509,052) |
| Increase/(Decrease) in Interest suspense | 519,318,221 | 1,233,057,437 |
| | **1,481,412,178** | **374,639,160** |
| **Net cash flows from/(used in) operating activities** | **(193,559,936)** | **(114,904,319)** |

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ANNEXURE-C

**Bangladesh Finance PLC.**
**Highlights on the overall activities of the Company**
**as at and for the periods 2025 and 2024**

| Sl. No. | Particulars | 2025 | 2024 |
|---|---|---|---|
| 1 | Paid up Capital | 1,882,362,670 | 1,882,362,670 |
| 2 | Total Shareholders' Equity | (5,322,749,531) | (5,425,452,793) |
| 3 | Capital Surplus/(Deficit) | (7,041,344,913) | (7,128,596,060) |
| 4 | Total Assets | 17,469,632,662 | 18,531,928,131 |
| 5 | Total Deposit | 8,538,557,336 | 8,636,733,763 |
| 6 | Total Loans/Lease Finance | 13,230,028,027 | 14,024,291,397 |
| 7 | Total Contingent Liabilities and Commitment | - | - |
| 8 | Investment Deposit Ratio (%) | 154.94% | 162.38% |
| 9 | Percentage of Classified Loan against total Loans and Advances | 13.75% | 9.26% |
| 10 | Profit after Tax and Provision | 143,059,563 | (7,344,993,463) |
| 11 | Amount of Classified Investment | 1,819,616,329 | 1,298,586,995 |
| 12 | Provisions kept against Classified Investment | 1,557,490,239 | 1,117,179,195 |
| 13 | Provisions surplus | 788,717,155 | 1,065,005,973 |
| 14 | Cost of Fund | 11.69% | 10.36% |
| 15 | Interest Earning Assets | 14,627,385,439 | 15,863,535,524 |
| 16 | Non-Profit Earning Assets | 2,842,247,223 | 2,668,392,608 |
| 17 | Return on Investment in Securities (ROI) | 0.33% | 21.71% |
| 18 | Return on Assets (ROA) | 0.79% | -40.14% |
| 19 | Income from Investment in Securities | 1,050,980 | 82,002,926 |
| 20 | Earnings Per Share | 0.76 | (39.02) |
| 21 | Price Earning Ratio (Times) | 15.53 | (0.30) |
| 22 | Book value per share (Per 10 Tk.) | (28.28) | (28.82) |

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ANNEXURE-C1

# Bangladesh Finance PLC.
## Balance Sheet (Islamic Wing)
## As at 31 December 2025

| | Amount in BDT | |
|---|---|---|
| | 31-Dec-25 | 31-Dec-24 |
| **PROPERTY AND ASSETS** | | |
| **Cash** | | |
| Cash in hand | - | - |
| Balance with Bangladesh Bank | 128,234,500 | 16,734,500 |
| | **128,234,500** | **16,734,500** |
| **Balance with other Banks and Financial Institutions** | | |
| Inside Bangladesh | 92,108,332 | 162,048,932 |
| Outside Bangladesh | - | - |
| | **92,108,332** | **162,048,932** |
| **Placement with banks & other financial institutions** | - | - |
| **Investments in Shares & Securities** | | |
| Government | - | - |
| Others | (0) | 19,979,298 |
| | **(0)** | **19,979,298** |
| **Investments** | | |
| General Investments etc. | 220,658,297 | 216,679,347 |
| Bills Purchased & Discounted | - | - |
| | **220,658,297** | **216,679,347** |
| Fixed Assets including Premises, Furniture and Fixtures | **2,766,697** | **4,475,134** |
| Other Assets | **109,617,031** | **69,535,508** |
| Non Banking Assets | - | - |
| **Total Assets** | **553,384,857** | **489,452,718** |
| **LIABILITIES AND CAPITAL** | | |
| **Liabilities** | | |
| **Placement from banks & other financial institutions** | - | - |
| **Deposits and other Accounts** | **551,293,438** | **485,972,355** |
| Mudaraba Term Deposits | 435,296,726 | 339,903,936 |
| Mudarabah Scheme Deposits | 115,996,712 | 146,068,419 |
| Other Mudaraba Deposits | - | - |
| Al-Wadeeah Current and Other Deposit Accounts | - | - |
| Bills payable | - | - |
| **Other Liabilities** | **38,451,795** | **36,351,321** |
| **Total Liabilities** | **589,745,232** | **522,323,677** |
| **Capital/ Shareholders' Equity** | | |
| Paid-up Capital | - | - |
| Statutory Reserve | - | - |
| Other Reserve | - | - |
| Retained Earnings | (36,360,375) | (32,870,958) |
| **Total Shareholders' Equity** | **(36,360,375)** | **(32,870,958)** |
| **Total Liabilities & Shareholders' Equity** | **553,384,857** | **489,452,718** |

ANNEXURE-C2

**Bangladesh Finance PLC.**
**Profit and Loss Account (Islamic Wing)**
**For the year ended 31 December 2025**

| | Amount in BDT | |
|---|---|---|
| | 31-Dec-25 | 31-Dec-24 |
| Investment Income | 62,210,617 | 31,113,309 |
| Profit Paid on Deposits | 62,102,012 | 45,906,359 |
| **Net Investment Income/(loss)** | **108,604** | **(14,793,050)** |
| Income from Investment in Shares & Securities | (11,625,569) | - |
| Commission, Exchange and Brokerage | - | - |
| Other Operating Income | 86,782 | 785,572 |
| | **(11,538,787)** | **785,572** |
| **Total Operating loss** | **(11,430,182)** | **(14,007,478)** |
| Salaries and Allowances | 4,017,948 | 4,858,031 |
| Rent, Taxes, Insurances, Electricity etc. | - | - |
| Legal Expenses | - | 23,640 |
| Postage, Stamps and Telecommunication etc. | - | 312,848 |
| Stationery, Printings and Advertisements etc. | 21,563 | 46,124 |
| Chief Executive's Salary & Fees | - | - |
| Shari'ah Supervisory Committee's Fees & Expenses | 92,000 | 33,000 |
| Auditors' Fees | - | - |
| Charges on Investment Losses | - | - |
| Depreciation and Repairs to Bank's Assets | 1,708,437 | 1,708,452 |
| Zakat Expenses | - | - |
| Other Expenses | 189,287 | 59,953 |
| **Total Operating Expenses** | **6,029,235** | **7,042,047** |
| **Profit/(Loss) before Provision** | **(17,459,417)** | **(21,049,525)** |



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Bangladesh Finance PLC.
Notes to the Financial Statements (Islamic Wing)
As at and for the period ended 31 December 2025

| | | 31-Dec-25<br>Taka | 31-Dec-24<br>Taka |
|---|---|---|---|
| 1. | **Cash** | | |
| | Cash in hand | - | - |
| | Balance with Bangladesh Bank | 128,234,500 | 16,734,500 |
| | | **128,234,500** | **16,734,500** |
| 2. | **Balance with other Banks and Finacial Institutions** | | |
| | Inside Bangladesh | 92,108,332 | 162,048,932 |
| | Outside Bangladesh | - | - |
| | | **92,108,332** | **162,048,932** |
| 2.1. | **Inside Bangladesh** | | |
| | **Current Account** | | |
| | The City Bank PLC.- Islamic | 85,950,409 | 83,204,045 |
| | | **85,950,409** | **83,204,045** |
| | **STD Account** | | |
| | Exim Bank Ltd. | 43,375 | 1,661,584 |
| | Mutual Trust Bank Ltd. | 174,217 | 1,859,020 |
| | Southeast Bank Ltd. | 5,940,331 | 1,480,209 |
| | | **6,157,923** | **5,000,813** |
| | **Mudarabah Term Deposit With Bank** | 0 | 26,499,074 |
| | **Mudarabah Term Deposit With NBFI** | - | 47,500,000 |
| | **Cash at Bank** | 92,108,332 | 162,203,932 |
| | **Total Cash and Cash Equivalent (a+b)** | **220,342,832** | **178,938,432** |
| 3. | **Investments in Shares & Securities** | | |
| | a) Government | - | - |
| | b) Others | (0) | 19,979,298 |
| | | **(0)** | **19,979,298** |
| 3.a. | **Investments in Shares & Securities** | | |
| | Investment in shares (in quoted companies) | (0) | 19,979,298 |
| | Investment in shares (in un-quoted companies) | - | - |
| | | **(0)** | **19,979,298** |
| 4. | **Investments** | | |
| | Lease Finance -Ijarah | - | - |
| | Hire Purchase Under Shirkatul Melk-HPSM | 135,156,377 | 189,619,222 |
| | Short Term Investments | 85,501,920 | 27,060,125 |
| | **Total Lease, Loans and Advances** | **220,658,297** | **216,679,347** |
| 5. | **Fixed Assets including Premises, Furniture and Fixtures** | | |
| | Total Cost of Fixed Assets | 8,092,186 | 8,092,186 |
| | Add: Revaluation Surplus | - | - |
| | Less: Accumulated Depreciation | (5,325,489) | (3,617,052) |
| | | 2,766,697 | 4,475,134 |

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| | | 31-Dec-25<br>Taka | 31-Dec-24<br>Taka |
|---|---|---|---|
| **6.** | **Other Assets** | | |
| | Advances & Prepayment | 3,126,019 | 1,708,237 |
| | Deferred Tax Assets | - | - |
| | Profit and other Income Receivable | - | 1,486,441 |
| | Security Deposit | - | - |
| | Preliminary Expenses, Prepaid Promotional & Development Expenses & Others | 106,491,012 | 66,340,830 |
| | | **109,617,031** | **69,535,508** |
| **6.1** | **Advances & Prepayment** | | |
| | **a) Advances** | | |
| | Advance Office Rent | - | - |
| | Receivable Interest on BB Stimulus Package | 57,639 | 57,639 |
| | Advance against Advertisement | - | - |
| | Advance to Suppliers | - | - |
| | Advance Income Tax | 3,068,380 | 1,650,598 |
| | Advance Profit Payment | - | - |
| | Advance for Expenses | - | - |
| | Advance against Vehicle Maintenance | - | - |
| | | **3,126,019** | **1,708,237** |
| | **b) Prepayment & Others** | | |
| | Advance Salary | - | - |
| | Deferred Expenditure | - | - |
| | | - | - |
| **6.2** | **Deferred Tax Assets** | | |
| | Balance at the beginning of the year | - | - |
| | Adjustment during the year | - | - |
| | **Balance at the end of the year** | - | - |
| **6.3** | **Profit and other Income Receivable** | | |
| | Profit Receivable on Banks and NBFI | - | 1,486,441 |
| | Other Income Receivable | - | - |
| | Penalty Receivables | - | - |
| | | - | **1,486,441** |
| **6.3** | **Security Deposit** | | |
| | Deposit With CDBL | - | - |
| | Deposit With Shadharan Bima Corporation | - | - |
| | Security Deposit for Mobile Phone | - | - |
| | Security Deposit for Land Phone | - | - |
| | | - | - |
| **6.4** | **Preliminary Expenses, Prepaid Promotional & Development Expenses & Others** | | |
| | Inter Company/Branch Receivable | - | - |
| | Receivable from Brokerage House against Sale of Shares | 68,373 | 15,880 |
| | Balance with Head Office | 106,422,639 | 66,324,950 |
| | | **106,491,012** | **66,340,830** |

Shahasish Mahmud & Co.

| | | 31-Dec-25<br>Taka | 31-Dec-24<br>Taka |
|---|---|---|---|
| 7. | **Placement from banks & other financial institutions** | | |
| | In Bangladesh | - | - |
| | Outside Bangladesh | - | - |
| | | - | - |
| 8. | **Deposits & Other Accounts** | | |
| | Mudarabah Term Deposits | 435,296,726 | 292,403,936 |
| | Mudarabah Bank/NBFI Deposit | - | 47,500,000 |
| | Mudarabah Scheme Deposits | 115,996,712 | 146,068,419 |
| | Other Deposit | - | - |
| | | 551,293,438 | 485,972,355 |
| 9. | **Other Liabilities** | | |
| | Provision for Investments (Note 9.1 ) | - | - |
| | Provision for Loss on Value of Shares | - | 13,970,000 |
| | Provision on Off-Balance Sheet Exposures | - | - |
| | Profit Suspense Account | 3,057,545 | 3,937,597 |
| | Compensation Account | 92,359 | 116,334 |
| | Provision for Current Tax (Note 9.2) | - | - |
| | Provision for Deferred Tax (Note 9.3) | - | - |
| | Financial Expenses Payable | 25,560,951 | 15,659,018 |
| | Advance and Security Deposit | 1,013,240 | 885,953 |
| | Deferred Liabilities | 26,317 | 52,877 |
| | Accrued Expenses and Other Payable | 1,127,950 | 930,900 |
| | Liabilities for Lease Rent | - | - |
| | Excise Duty Payable | 1,297,500 | 662,800 |
| | Withholding Tax & VAT Payable | 6,275,933 | 135,842 |
| | Account Payable for Customers | - | - |
| | Profit Equalization Reserve | - | - |
| | | 38,451,795 | 36,351,321 |
| 9.1. | **Provision for Investments** | | |
| | **(a) Provision on Classified Investment:** | | |
| | Provision held at the beginning of the year | - | - |
| | Provision adjustment for Investment written off during the ye | - | - |
| | Recovery against Investment previously written off | - | - |
| | Net charge to Profit & Loss Account (Note - 26) | - | - |
| | **Provision held at the end of the year** | - | - |
| | **(b) Provision on Unclassified Investment:** | | |
| | Provision held at the beginning of the year | - | - |
| | Net charge to Profit & Loss Account (Note - 26) | - | - |
| | Balance at the end of the year | - | - |
| | **(c) Provision for Other Assets:** | | |
| | Provision held at the beginning of the year | - | - |
| | Net charge to Profit & Loss Account (Note - 26) | - | - |
| | Balance at the end of the year | - | - |
| | **Total Provision for Investments (a+b+c)** | - | - |

| | 31-Dec-25<br>Taka | 31-Dec-24<br>Taka |
|---|---|---|
| **9.2. Provision for Taxation** | | |
| Provision | | |
| Opening Balance | - | - |
| Deferred Tax Adjustments | - | - |
| Addition during the period | - | - |
| | - | - |
| Advance tax | | |
| Opening Balance | - | - |
| Addition during the year | - | - |
| Adjustment during the year | - | - |
| | - | - |
| **Net balance** | - | - |
| **9.3. Provision for Deferred Tax Liabilities** | | |
| Balance at the beginning of the year | - | - |
| Adjustment during the year | - | - |
| **Balance at the end of the year** | - | - |
| **10. Share Capital** | | |
| Paid Up Capital | - | - |
| | - | - |
| **11. Statutory Reserve** | | |
| Opening Balance | - | - |
| Addition during the period | - | - |
| | - | - |
| **12. Other Reserve** | | |
| Opening Balance | - | - |
| Distribution During the period (Bonus Dividend) | - | - |
| Less: Adjustment During the Period | - | - |
| | - | - |
| **13. Retained Earnings** | | |
| Opening Balance | (32,870,958) | 498,567 |
| Profit/(Loss) during the period | (3,489,417) | (33,369,525) |
| Transfer to Statutory Reserve | - | - |
| Cash Dividend | - | - |
| Bonus Dividend | - | - |
| | (36,360,375) | (32,870,958) |

| | 31-Dec-25<br>Taka | 31-Dec-24<br>Taka |
|---|---|---|
| **14. Investment income** | | |
| Profit on Investment (Note-14.1) | 56,696,627 | 25,208,249 |
| Profit on Deposit With Bank and NBFI (Note-14.2) | 5,513,990 | 5,905,060 |
| | **62,210,617** | **31,113,309** |
| **14.1. Interest income on Investment** | | |
| Lease Finance -Ijarah | - | - |
| Hire Purchase Under Shirkatul Melk-HPSM | 22,394,970 | 23,762,416 |
| Short Term Investments | - | 1,445,833 |
| Profit on Treasury Investment | 34,301,657 | - |
| | **56,696,627** | **25,208,249** |
| **14.2. Profit on Deposit With Bank and NBFI** | | |
| Profit Received from Bank | 237,774 | 151,398 |
| Profit on Investment In MTDR | 5,276,215 | 5,753,662 |
| Profit on Call Loan Placement | - | - |
| | **5,513,990** | **5,905,060** |
| **15. Profit Paid on Deposits** | | |
| Profit Paid on Deposit | 53,495,276 | 42,545,734 |
| Profit Paid on Bank/NBFI Deposits | 8,606,736 | 3,360,625 |
| Profit Paid on Other Deposits | - | - |
| Profit Paid on Borrowings | - | - |
| | **62,102,012** | **45,906,359** |
| **16. Income from Investment in Shares & Securities** | | |
| Profit Received on Quoted Shares | (11,625,569) | - |
| Profit Received on Securities | - | - |
| | **(11,625,569)** | **-** |
| **17. Other operational income** | | |
| Investment Processing Fee | 28,072 | 729,832 |
| Investment Documentation Charges | 46,000 | 52,400 |
| Early Settlement Fees | - | - |
| Transfer Fees | 2,000 | 2,000 |
| CIB and Application Form Fee | 10,710 | 1,340 |
| Contact point verification (CPV) | - | - |
| Ledger management (LM) | - | - |
| House Rent Income | - | - |
| Miscellaneous Income | - | - |
| Gain/Loss on Disposal of Fixed Assets | - | - |
| | **86,782** | **785,572** |
| **18. Rent, Taxes, Insurance, Electricity etc.** | | |
| Rent, Rates & Taxes | - | - |
| Insurance | - | - |
| Power and Electricity | - | - |
| | **-** | **-** |

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| | | 31-Dec-25<br>Taka | 31-Dec-24<br>Taka |
|---|---|---|---|
| 19. | **Legal Expenses** | | |
| | Legal Fees & Charges | - | 3,195 |
| | Other Professional Fees | - | 20,445 |
| | | - | 23,640 |
| 20. | **Postage, Stamps, Telecommunication etc.** | | |
| | Postage | - | - |
| | Telecommunication and Internet | - | 312,848 |
| | | - | 312,848 |
| 21. | **Stationery, Printing, Advertisements etc.** | | |
| | Toner & Cartridge | - | - |
| | Stationary Expenses | - | - |
| | Printing Expenses | 21,563 | 4,591 |
| | Advertisement and Publicity | - | 41,533 |
| | | 21,563 | 46,124 |
| 22. | **Chief Executive's Salary & Fees** | | |
| | Basic Salary | - | - |
| | Allowances | - | - |
| | Bonus | - | - |
| | | - | - |
| 23. | **Directors' Fees & Expenses** | | |
| | Dircetor Fees | - | - |
| | Local Conveyance | - | - |
| | | - | - |
| 24. | **Depreciation and Repair of NBFI's Assets** | | |
| | **a) Depreciation of NBFI's Assets** | | |
| | Building | - | - |
| | Furniture & Fixtures | - | - |
| | Office Equipments | - | - |
| | Motor Vehicles | 1,060,000 | 1,060,007 |
| | Right-of-use Asset | - | - |
| | | 1,060,000 | 1,060,007 |
| | **b) Amortization Expenses** | | |
| | System & Software | 450,000 | 450,000 |
| | Office Renovation | 198,437 | 198,445 |
| | | 648,437 | 648,445 |
| | **c) Repair of NBFI's Assets** | | |
| | Office Equipment | - | - |
| | Office Furniture & Fixtures | - | - |
| | Motor Vehicles | - | - |
| | | - | - |
| | | 1,708,437 | 1,708,452 |

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| | 31-Dec-25<br>Taka | 31-Dec-24<br>Taka |
|---|---|---|
| **25. Other Expenses** | | |
| Bank Charges | 121,668 | 57,422 |
| Books and Periodicals | 1,844 | - |
| Motor Vehicle Expenses | - | - |
| Donations and Subscriptions | - | - |
| Entertainment and Public Relations | 48,374 | 2,531 |
| Office Service Expenses | - | - |
| Training Expenses | - | - |
| Travelling & Conveyance | 17,402 | - |
| AGM/EGM Expenses | - | - |
| Deposit Mobilization Expense | - | - |
| Incentive Bonus for Recovery | - | - |
| Employee Reward and Recognition Expense | - | - |
| Other Operational Expenses | - | - |
| Profit Equalization Fund | - | - |
| Registration Renewal and Subscription Fees | - | - |
| | **189,287** | **59,953** |
| **26. Total Provision against Investments** | | |
| General Provision on Unclassified Investments | - | - |
| Specific Provision on Classified investment | - | - |
| Provision for Other Assets | - | - |
| Provision for Diminution on Value Of Investment | (13,970,000) | 12,320,000 |
| Provision for Off-Balance Sheet Exposures | - | - |
| Write-off Against Investment | - | - |
| | **(13,970,000)** | **12,320,000** |

**Annexure-C3: Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with Bangladesh Bank's requirements**

| SL No. | Nature of Departure | Title of IAS/ IFRS | Treatment of IAS/IFRS | Treatment Adopted as per Bangladesh Bank | Financial or Presentation Effect of the Departure |
|---|---|---|---|---|---|
| 1 | Complete set of financial statements | IAS 1 "Presentation of Financial Statements" | As per IAS 1: 'Presentaion of Financial Statements' complete set of financial statements are<br>i) statement of fincancial postion, ii) statement of profit or loss and other comprehensive income,<br>iii) statement of changes in equity<br>iv) statement of cash flows<br>v) notes, comprising significant accounting policies and other explanotory information and<br>vi) statement of financial position at the beginning of preceding period for retrospective restatement. | As per DFIM Circular No.11 dated 23 Decemeber 2009, complete set of financial statements are<br>i) balance sheet<br>ii) profit and loss account<br>iii) statement of cash flows<br>iv) statement of changes in equity<br>v) statement of liquidity<br>vi) notes, comprising significant accounting policies and other explanatory information. | Financial statements for 2025 and corresponding period of 2024 have been prepared as per guideline (DFIM Circular No.11, dated 23 December 2009) of Bangladesh Bank.<br><br>There is no financial impact for this departure in the financial statements. |
| 2 | Other Comprehensive income | IAS 1 "Presentation of Financial Statements" | As per IAS 1: "Presentation of Financial Statements"other comprehesive income (OCI) is a component of financial statements or the elements of OCI are to be included in a single OCI statement. | Bangladesh Bank has issued templates for financial statements which will strictly be followed by financial institutions. The templates of financial statements issued by Bangladesh Bank do not include other comprehensive income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement.<br><br>As such the financial institution does not prepare the other comprehensive income statement. However, elements of OCI, if any are shown in the statements of changes in equity. | Finanical Statements for 2025 and corresponding period of 2024 have been prepared as per the guideline and templates issued by Bangladesh Bank.<br><br>There is non financial impact for this departure in the financial statements. |

**Annexure-C3: Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with Bangladesh Bank's requirements**

| SL No. | Nature of Departure | Title of IAS/ IFRS | Treatment of IAS/IFRS | Treatment Adopted as per Bangladesh Bank | Financial or Presentation Effect of the Departure |
|---|---|---|---|---|---|
| 3 | Presentation and Disclosure of Financial Statements and Financial Instruments | IAS 1 "Presentation of Finacnial Statements"<br><br>IFRS 9 "Financial Instruments"<br><br>&<br><br>IFRS 7 "Financial Instruments Disclosure" | Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.<br><br>IAS 1 requires separate line item for intangible assets on the face of statement of financial position.<br><br>IFRS 9 and IFRS 7 require specific presentation and disclosure relating to all financial instruments. | Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs.<br><br>The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement.<br><br>Intangibles assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets.<br><br>As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IAS 39. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts. | Financial Statements for 2025 and corresponding period of 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. |

**Annexure-C3: Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with Bangladesh Bank's requirements**

| SL No. | Nature of Departure | Title of IAS/ IFRS | Treatment of IAS/IFRS | Treatment Adopted as per Bangladesh Bank | Financial or Presentation Effect of the Departure |
|---|---|---|---|---|---|
| 4 | Intangible Asset | IAS 1 "Presentation of Financial Statements" | As per IAS 1: Presentaion of Financial Statements' PARA 54: the statements of financial postion shall include separate line item for intangible assets. | As per DFIM Circular No.11 dated 23 Decemeber 2009, there is no option for separate line item for intangible asset in the balance sheet.<br><br>We present intangible asset in the balance sheet as part of fixed assets and provide details in annexure-A as separate line item | Financial Statements for 2025 and corresponding period of 2024 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.<br><br>There is no financial impact for this departure in the financial statement. |
| 5 | Off-Balance sheet items | IAS 1 "Presentation of Financial Statements" | There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the blance sheet. | As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet. | Financial Statements for 2025 and corresponding period of 2024 have been prepared as per guideline (DFIM Circular No. 11,dated 23 December 2009) of Bangladesh Bank.<br><br>There is no financial impact for this departure but there is a disclosure in the financial statements. |
| 6 | Current/Non-Current Distinction | IAS 1 "Presentation of Financial Statement" | As per Para 60 of IAS 1 "Presentation of Financial statement" An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position. | As per DFIM Circular No.11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Instirutions. In this templates there is no current and non-current segmentation of assets and liabilities. | Financial Statements for 2025 and corresponding period of 2024 have been prepared as per guideline (DFIM Circular No. 11,dated 23 December 2009) of Bangladesh Bank. |
| 7 | Preparation of "Statement of Cash Flows" | IAS 7 "Statement of Cash flows" | The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently. | As per DFIM circular No. 11, dated 23 December 2009, Cash Flow Statement has been guided by Bangladesh Bank which is the mixture of direct and indirect method. | Financial Statements for 2025 and corresponding period of 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. |

**Annexure-C3: Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with Bangladesh Bank's requirements**

| SL No. | Nature of Departure | Title of IAS/ IFRS | Treatment of IAS/IFRS | Treatment Adopted as per Bangladesh Bank | Financial or Presentation Effect of the Departure |
|---|---|---|---|---|---|
| 8 | Presentation of cash and cash equivalent | IAS 7 "Statement of Cash Flows" | Cash equivalent is short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day-to-day operations. | Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements provided detail presentation for statement of cash flows. | Financial Statements for 2025 and corresponding period of 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. |
| 9 | Measurment of deffered tax asset | IAS 12 "Income Tax" | A deffered tax asset shall be recognized for all deductible temporarily differeences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. | As per DFIM circular No. 7, dated 31 July 2011, no deffered tax asset can be recognised for any deductible temporary difference against the provision for lease, loans and advances. | During the year there is no impact in the financial statements due to this departure as the company did not consider any deductible temporary difference against the provision for leases, loans and advances. |
| 10 | Valuation of Investments in listed and non-listed securities | IFRS 9 "Financial Instruments" | As per requirements of IFRS 9 Financial instruments, all equity investments (shares and mutual funds) are to be measured at fair value with value changes recognized in statement of profit or loss and other comprehensive income for the period, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income (OCI)'. If an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it through OCI with only dividend income recognized in profit or loss account. | As per DFIM circular No. 03, dated 07 July 2025 investments in listed securities and unlisted securities are revalued at the year end at market price and as per net assets value (NAV) of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only. | During the period, the aggregate market value of the quoted shares held by Bangladesh Finance PLC and its subsidiaries remained lower than the aggregate cost price of the investment portfolio. As of December 31, 2025, In seprate Financial Statements, Bangladesh Finance PLC recognized an unrealized loss of BDT 10.00 million on investments in non-listed securities, while investments in listed securities reflected an unrealized gain of BDT 6.98 million under marketable securities. |

**Annexure-C3: Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with Bangladesh Bank's requirements**

| SL No. | Nature of Departure | Title of IAS/ IFRS | Treatment of IAS/IFRS | Treatment Adopted as per Bangladesh Bank | Financial or Presentation Effect of the Departure |
|---|---|---|---|---|---|
| 11 | Measurement of provision for leases, loans and advances (financial assets measured at amortized cost) | IFRS 9 "Financial Instruments" | An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired.<br><br>If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to:<br><br>a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or<br>b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). | As per DFIM Circular No. 04 dated 26 July 2021 and DFIM Circular Letter No. 37 dated 04 December 2024, general provision at rates ranging from 0.25% to 5% is required to be maintained against different categories of unclassified loans and advances, including Standard (Good) and Special Mention Accounts (SMA), irrespective of the existence of any objective evidence of impairment on leases, loans and advances.<br><br>In addition, specific provisions are required to be maintained against classified investments based on the aging of overdue periods. For Non-SME loans/leases, provision rates are 20% for Substandard, 50% for Doubtful and 100% for Bad/Loss categories. For CMSME loans/leases, provision rates are 5% for Substandard, 20% for Doubtful and 100% for Bad/Loss categories. | In the separate Financial Statements, provision amounting to BDT 1,624.31 million against leases, loans and advances has been released for the year ended 31 December 2025 following recovery and rescheduling under the policy support of Bangladesh Bank. Accordingly, the accumulated provision against leases, loans and advances stood at BDT 6,698.09 million as at 31 December 2025 in the separate Financial Statements.<br>In the consolidated Financial Statements, provision amounting to BDT 20.26 million was charged against margin loans during the year. Consequently, a net provision release of BDT 1,604.05 million was recognized against loans, leases and advances for the year ended 31 December 2025.<br>Accordingly, the accumulated provision against loans, leases and advances, including margin loans, stood at BDT 6,925.53 million as at 31 December 2025 in the consolidated Financial Statements. |

**Annexure-C3: Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with Bangladesh Bank's requirements**

| SL No. | Nature of Departure | Title of IAS/ IFRS | Treatment of IAS/IFRS | Treatment Adopted as per Bangladesh Bank | Financial or Presentation Effect of the Departure |
|---|---|---|---|---|---|
| 12 | Recognition of interest income for SMA and classified lease, loans and advances | IFRS 9 "Financial Instruments" | Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount. | As per DFIM Circular No. 04, dated July 26, 2021, any loan/lease or investment account classified as "Special Mention Account (SMA)", "Substandard", or "Doubtful", the accrued interest on these investments should not be recognized as income. Instead, the accrued interest must be credited to a liability account, such as an interest suspense account. | As at 31 December 2025, the balance of interest suspense account in the separate Financial Statements increased to BDT 2,475.91 million from BDT 1,956.59 million in the previous year, resulting in an increase of BDT 519.32 million during the year. The said amount has been presented under "Other Liabilities" in Note 12.3. |
| 13 | Impairment of Margin Loan (Loans and receivables | IFRS 9 "Financial Instruments" | Measurement after initial recognition at amortized cost and recording of changes through profit and loss. | As per Bangladesh Securities and Exchange Commission (BSEC) Directives No. BSEC/CMRRCD/2009-193/196 dated 28 December 2016, BSEC/CMRRCD/2009-193/203 dated 28 December 2017, BSEC/SRI/NE/2020/605 and 606 dated 28 December 2022, BSEC/SRI/NE/2023/840 dated 22 October 2023 and BSEC/SMMID/NE/2023/1690 dated 28 March 2024, provisions for impairment of principal portion of margin loan shall be kept at 20% on each quarter for the five quarters starting from December 2016 which is extended up to 31 January 2025. | There is no such impact for this. However, we have been maintaining full provision for unrealized loss (if any) of margin loan in the portfolio |

**Annexure-C3: Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with Bangladesh Bank's requirements**

| SL No. | Nature of Departure | Title of IAS/ IFRS | Treatment of IAS/IFRS | Treatment Adopted as per Bangladesh Bank | Financial or Presentation Effect of the Departure |
|---|---|---|---|---|---|
| 14 | Disclosure of Presentation of Profit | N/A | There is no requirement to show appropriation of profit in the face of statement of comprehensive income. | As per DFIM circular no.11 dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account. | Financial Statements for 2025 and corresponding period of 2024 have been prepared as per guideline (DFIM Circular No. 11 , dated 23 December 2009) of Bangladesh Bank.<br><br>There is no finacnial impact for this departure in the financial statements. |
| 15 | Non-banking assets | N/A | No indication of non-financial assets is found in any IASs/IFRSs. | As per Department of Financial Institution and Market (DFIM) of Bangladesh Bank circular no. 11 dated 23 December 2009, there exists a face item named non-banking assets. | At the year end, in separate Financial Statements non-banking assets amounting to BDT 170.63 million has shown under separate line item under property and assets in note 9.<br><br>There is no finacnial impact for this departure in the financial statements. |