ANNUAL REPORT
2025

Bangladesh finance
এখনই সময়

REBUILDING TRUST

STRENGTHENING FOUNDATION FOR THE FUTURE

TRUST FOUNDATION GROWTH TOGETHER SUSTAINABLE FUTURE



CONCEPT NOTE:

The theme of this year's Annual Report, **"Rebuilding Trust: Strengthening Foundation for the Future,"** reflects Bangladesh Finance PLC's commitment to restoring stakeholder confidence while reinforcing its institutional strength for sustainable long-term growth in an evolving and increasingly complex financial environment.

Trust remains the most critical pillar of any financial institution. In the context of macroeconomic uncertainty, regulatory evolution, and changing customer expectations, rebuilding trust requires consistent transparency, accountability, and strong governance. For Bangladesh Finance PLC, this means ensuring disciplined financial management, ethical practices, and reliable service delivery to all stakeholders.

Rebuilding trust is not only about perception but also about action; strengthening risk management, improving asset quality, enhancing compliance, and maintaining financial discipline. These efforts collectively reinforce the organization's credibility and stability.

Strengthening the foundation for the future focuses on building a more resilient and forward-looking institution through capital strengthening, operational efficiency, digital transformation, and human resource development. It also emphasizes customer-centric innovation and sustainable business practices to ensure long-term competitiveness and growth.

The theme highlights that trust and institutional strength are deeply interconnected; trust is built on a strong foundation, while a strong foundation is sustained through trust. Together, they create a pathway for stability, resilience, and sustainable progress for Bangladesh Finance PLC in the years ahead.

Letter of Transmittal

To
The Shareholders of Bangladesh Finance PLC,
Bangladesh Bank,
Bangladesh Securities and Exchange Commission,
The Registrar of Joint Stock Companies & Firms,
Dhaka Stock Exchange PLC,
Chittagong Stock Exchange PLC,
Central Depository Bangladesh Limited,
Financial Reporting Council, and
All other Stakeholders of Bangladesh Finance PLC
Subject: Annual Report for the year ended December 31, 2025.

Dear Sir(s):
We are pleased to present the Annual Report 2025, including the audited consolidated and solo financial statements for the year ended December 31, 2025. These include the Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Shareholders' Equity, and the notes to the financial statements of Bangladesh Finance PLC for your kind information and record. This report comprises a detailed overview of the financial performance, operational highlights, strategic initiatives, and stakeholder's engagement efforts, among others.

We, in our endeavor have tried our best to make fair disclosures on our financial and non-financial matter as part of our integrated reporting for your kind perusal and record. PDFs of the Annual Report, AGM Notice and relevant forms are available on Bangladesh Finance's website www.bd.finance.

Please let us know if you have any questions or require further information. Thank you for your ongoing support for Bangladesh Finance PLC.

Thanking you,
Yours sincerely,



Munshi Abu Naim FCS
Group Company Secretary

NOTICE OF THE 27TH ANNUAL GENERAL MEETING

Notice is hereby given that the 27th Annual General Meeting (AGM) of Bangladesh Finance PLC. will be held on Tuesday, 30 June 2026, at 11.30 AM in Hybrid System (Physically at BCIC Auditorium, BCIC Vhaban, 30-31 Dilkusha, Dhaka-1000 and online) to transact the following businesses:

1. To receive and adopt the Audited Financial Statements for the year ended on December 31, 2025, together with the Report of the Directors and the Auditors thereon.
2. To declare Dividend for the year ended on December 31, 2025.
3. To appoint/re-elect Directors according to the provisions of the Articles of Association of the Company.
4. To appoint Statutory Auditors for the year 2026 and to fix their remuneration.
5. To appoint Compliance Auditors as per the Corporate Governance Code for the year 2026 and to fix their remuneration.
6. To approve the appointment of the Independent Directors as per the Corporate Governance Code.

By the order of the Board,



Dated, Dhaka
04 June 2026

Munshi Abu Naim FCS
Company Secretary

NOTES:

a) The Record Date: 01 June 2026.

b) The shareholders' names appearing in the Members'/Depository Register on the Record Date will be eligible to attend and vote in the Annual General Meeting (AGM).

c) A Member entitled to attend and vote in the AGM, may appoint a proxy on his behalf. A copy of the proxy form duly stamped shall be sent to the head office (64 Motijheel C/A, Dhaka-1000.) or emailed at secy@bd.finance at least 48 hours before the meeting.

d) As per BSEC Notification No. BSEC/CMRRCD/2006 158/208/Admin/81 dated 20 June 2018, soft copies of the Annual Report 2025 along with a Proxy Form will be sent to the Members' respective email address available with us through CDBL record. The Annual Report will be available on the Company's website at: www.bd.finance.

e) Members are requested to update their particulars, including e-mail addresses and bank account information (if required) through their respective Depository Participants.

f)Please follow bangladeshfinance.bdvirtualagm.com for joining the 27th Annual General Meeting of Bangladesh Finance PLC through online.



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আমাদের বড় সাহেব আলহাজ্ব আনোয়ার হোসেন

বাংলাদেশের শিল্পায়নের রূপকার এবং
বাংলাদেশ ফাইন্যান্সের প্রতিষ্ঠাতা চেয়ারম্যান

আপনার দূরদর্শী নেতৃত্ব, সাহস ও স্বপ্ন
আজও আমাদের অনুপ্রাণিত করে
নতুন সম্ভাবনার পথে এগিয়ে যেতে...

TABLE OF CONTENT

1

Our Journey

Sustainability & Integrated Report 2025---08
About Us---13
Vision and Mission---14
Corporate Priorities---14
National Footprint---15
Business Ethics and Corporate Philosophy---16
Strategic Objectives---16
Our Strategy---17
Stakeholder Engagement---21
Stakeholder Identifications/ Relationships---22
Materiality Mapping and Material Topics---29
Core Values and Code of Conduct---31
Value Creation Model---32
Awards and Recognition---34
Financial Highlights (Solo and Consolidated)---36
Non-Financial Highlights---47
Key Milestones---48
Products and Services---50
Group Corporate Organogram---51
Director's Profile---52
Shari'ah Supervisory Committee---57
Management Profile---60
Chairman's Message---72

2

Management Discussion & Analysis

MD & CEO's Statement on the Performance---76
CFO's Statement---82
Performance Analysis of Management Committee (Consolidated and Solo)---87
DuPont Analysis---97
Share Price Sensitivity Analysis---99
Horizontal Analysis---100
Vertical Analysis---104
SWOT Analysis---108
PESTEL Analysis---110
Competitiveness and Our Responses---116

3

Director's Report to the Shareholders/Stewardship

Global Economy---120
World Economic Outlook 2026---121
Economy of Bangladesh ---122
Economic Outlook of Bangladesh 2026---125
NBFI Industry Outlook & Prospects---125
KPIs of Bangladesh Finance in 2025---126
Market Share of Bangladesh Finance---129
Sector Wise Classification of Investment 2025---130
Credit Rating of Bangladesh Finance---130
Short, Medium & Long Term Key Strategies of Bangladesh Finance---131
Sustainability Strategy with Measurable Targets---132
Responsibilities Towards the Staff (Including Health and Safety)---132
IT Systems and Controls Including Data Privacy and Cyber Security---132
Quarterly Operating Results---133
Statement of Directors on Financial Reporting Framework---134
Internal Control and Compliance at Bangladesh Finance---134
Going Concern---137
Review of Subsidiaries Performance---138
Economic Outlook 2026---138

4

Segment Analysis

Segment Analysis---148
Corporate Segment---149
SME Segment---151
Retail Segment---153
Islamic Financing Wing---155

5

Subsidiary Overview

Bangladesh Finance Securities limited---161
Bangladesh Finance Capital Limited---169

6 Sustainability Development Report

Sustainability Highlights----178
Environmental Stewardship Initiatives----179
Components of Sustainable Finance Rating----181
Our Commitment to Sustainable Development----182
Capitals' Summary----184
Financial Capital----185
Economic Value Added----190
Market Value Added----191
Value for Stakeholders----191
Manufactured Capital----193
Intellectual Capital----196
Human Capital----202
Human Resource Accounting----209
Social and Relationship Capital----210
Business Partner Capital----213
Natural Capital----216
External Sustainability Charters----222
Corporate Social Responsibility (CSR)----228

7 Governance and Risk Management

Corporate Governance
A. Corporate Governance Framework and Value Creation----236
B. Board of Directors, the Chairman and the CEO----237
C. Appointment of Directors including Independent Directors----243
D. Board of Directors' Meeting----244
E. Retirement /Re-election of Directors----245
F. Roles & Responsibilities of the Board and the Directors----249
G. Sub-committees of the Board----250
H. Governance of the Board of Directors of the Subsidiaries----254
I. Company Secretary, Chief Financial Officer and HICC----255
J. Ethics, Compliance & Transparency Disclosures----258
K. Internal Control & Risk Management----261
L. Appointment of External Auditors----264
M. Stakeholders' Engagement----264
N. Dividend Policy and Compliances----267
O. Status of Compliance of Recent Circulars of Regulatory Bodies----270
P. Environmental and Social Obligations----270
Report of the Audit Committee----271
Evaluation of the Quarterly Financials by the Audit Committee----276
Responsibility of CEO and CFO in respect of Financial Reporting----278
Certificate on compliance of conditions on Corporate Governance----279
Report on Compliance of BSEC's Notification on Corporate Governance----280
Statement of Director's Responsibility for Internal Control and Governance ----299
Investor's Relations----301
Financial Calendar 2025/2026----308
CRO Statement----310
Risk Management----315
Non-Performing Loans (NPLs) Management----326
Strategies to reduce NPL for the 2025----327
Disclosures under Pillar II-Market Discipline----328

8 H. Financial Statements

Independent Auditor's Report ----344
Consolidated Balance Sheet----349
Consolidated Profit & Loss Accounts----351
Consolidated Cash Flow Statement----353
Consolidated Statement of Changes in Shareholder's Equity----354
Bangladesh Finance Balance Sheet----356
Bangladesh Finance Profit & Loss Accounts----357
Bangladesh Finance Cash Flow Statement----359
Bangladesh Finance Statement of Changes in Shareholder's Equity----360
Notes to the Consolidated & Separate Financial Statements----362
Balance Sheet (Islamic Wing)----403
Profit and Loss Account (Islamic Wing)----404
Bangladesh Finance Securities Limited
A. Independent Auditor's Report----410
B. Audited Financial Statements----412
Bangladesh Finance Capital Limited
A. Independent Auditor's Report----434
B. Audited Financial Statements----436

9 Additional Information

Key Events----458
Media Highlights ----462
Form of Proxy ----465

SUSTAINABILITY & INTEGRATED REPORT 2025

Our sustainability and integrated report is the outcome of a groupwide reporting process. Our integrated thinking approach to decision-making, management and reporting enables us to create and preserve value as we fulfill our purpose to use our financial expertise to do good for individuals, businesses and society.

01 Our Purpose

Vision

To be the most innovative and popular financial service provider in the country with special focus on creating value for all stakeholders.

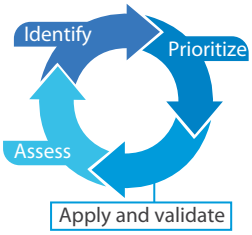
Values

How do we approach value creation, preservation and erosion?
Value creation, preservation and erosion are the consequences of how we apply and leverage our capitals as part of our strategy execution and are evident in how these capitals change over time, our financial performance, the outputs and outcomes for all stakeholders. Our value creation and preservation processes are embedded in our purpose, described as part of our business model, and are integrated into the way we think and make decisions. In our report, we use the icons in the next page to denote value creation, preservation and erosion.

02 Integrated Thinking

Risk	Short, medium and long-term outlook	Board and Board Committees
↕	↕	↕
Determining our materials matters	Developing our strategy	Delivering on our strategy
↕	↕	↕
Opportunities	Financial and Non-Financial targets	MANCOM and EMT Committees

How do we consider materiality and our material matters? We apply the principle of materiality in assessing what information should be included in our integrated report. This report focuses particularly on those issues, opportunities and challenges that impact materially on our six capitals and the company's ability to be a sustainable business that consistently creates, protects and minimizes the erosion of value for all stakeholders. Identifying our material matters is a responsibility and requires input from all business units and departments, an assessment of the risks and opportunities in our operating environment and input and feedback from all our stakeholders. Our material matters influence Bangladesh Finance's strategy, inform the evolution of our business model, our long-term business strategies as well as our short medium- and long-term targets.



Identify issues that have the potential to impact our sustainability and create, preserve or erode value for our stakeholders.
Prioritize those with the greatest relevance in our operating context as material matters.
Apply and validate the material matters to inform our strategy, our six capitals and targets.
Assess continually to ensure our strategy remains relevant.

Our Reporting Frameworks Suite

Sustainable Reporting	• The International Sustainability Standards Board (ISSB) • GRI standards -In Accordance (Core) • Sustainable Development Goals (SDG) Reporting
Financial Reporting	• International Financial Reporting Standards (IFRS) as adopted by the institute of Chartered Accountants of Bangladesh • The Finance Company Act 2023 and amendments thereto • Relevant circulars issued on reporting format by Bangladesh Bank • The Companies Act 1994 and amendments thereto • The Income Tax Act 2023 and VAT and supplementary Act 2012 and amendments thereto • Snehasish Mahmud & Co., Chartered Accountants
Corporate Governance	• Corporate Governance Code 2018 of The Bangladesh Securities and Exchange Commission (BSEC) • Corporate Governance Guideline of Bangladesh Bank • Listing Regulation, 2015 of Dhaka Stock Exchange • Relevant circulars of Bangladesh Bank, relevant directives of Bangladesh Securities and Exchange Commission • Bangladesh Secretarial Standards (BSS) issued by the Institute of Chartered Secretaries of Bangladesh (ICSB) • MNA Associates, Chartered Secretaries
Integrated Reporting	Integrated Reporting Framework of the International Integrated Reporting Council (including Revisions to the framework published in January (2021)

03 Integrated Reporting Process

International <IR> Framework	Coordinate assurance model	Bangladesh Finance sign off
Compiling our report	Validating the integrity of the report	Approving the integrated report
Reporting standards	Board and MANCOM review	Board approval

04 How to Navigate through This Report

Matters of interest To stakeholders	Where to find it in this report	Page Reference
How we bring our vision to life	Our Strategy and Value Creation Model	17, 32
Our leaders' views	Chairman's Message, MD& CEO's Statement	72, 76
Delivering on our strategy	Segment Analysis & Business Reports	148-157, 136
How our business is governed and managed	Risk Management, Corporate governance	315, 236
Measuring our success	Financial Information	36-46

INTEGRATED REPORTING BOUNDARY

PESTEL Analysis	Stakeholder Engagement	Our Strategy	Capital Summary
Page 112	Page 21	Page 17	Page 184

Financial Reporting Boundary

Non-Financial Reporting Boundary

Bangladesh Finance PLC

- Bangladesh Finance Capital Limited (Marchant Bank)
- Bangladesh Finance Securities Limited (Brokerage House)

NAVIGATION ICON

Financial Capital	185
Manufactured Capital	193
Intellectual Capital	196
Human Capital	202
Social and Relationship Capital	210
Natural Capital	216

STAKEHOLDERS

- Investors
- Customers
- Employees
- Suppliers & Business Partners
- Community & Environment
- Government & Regulatory Institutions

STRATEGIC PRIORITIES

- Customer Solutions
- Digital Transformation
- Innovative Business
- Organizational Realignment
- Empowered Staff

Scope and Boundary

Content Elements	What to look for	Referred topic	Page no.
Organizational overview and external environment	Organization's strategic objectives	Our Strategic	17
	Mission vision and values	Mission, Vision & Core Values	14, 31
	Ownership and operating structure	Distribution of Shareholding	301
	Principal activities and markets	Financial Statements (note 1.2)	362
	Competitive landscape and market positioning	Competitiveness and Our responses	116
	Key quantitative information	Horizontal and Vertical	100, 104
	Significant factors affecting the external environment	PESTEL Analysis	110
Governance	Leadership structure and their skills and diversity	Board of Directors Management Committee Senior Officials	52, 57, 60
	Overall corporate governance compliance and monitoring	Corporate Governance Report Corporate Governance Compliance Report	236, 279, 280
	Processes used to make strategic decisions and establish and monitor the culture of the organization	Our Value Creation Model Directors Responsibility Statement	134, 299
	Attitude to risk and mechanisms for addressing integrity and ethical issues	From the Desk of Chief Risk Officer Corporate Governance Report	310, 236
Business model	Entity's business model including key inputs, business activities, outputs & outcomes	Our Value Creation Model	32
Risks and opportunities	The sources of risks and opportunities	Risk Management Framework	315
	Assessment of the likelihood of occurrence and the magnitude of effect		
	Steps taken to mitigate or manage key risks		
Strategy and resource allocation	Organization's short, medium and long-term strategic objectives	Overall Strategic Objectives Strategy & Resource Allocation	16,17
	Strategies in place to achieve those strategic objectives		
	The resource allocation plans it has to implement its strategy		
Performance	Quantitative performance indicators with respect to targets, risks and opportunities	Financial Statements	359
	The organization's effects on the capitals	Our Six Capitals	185-221
	Key stakeholder relationships and the organization's response to them	Stakeholders Identification Stakeholder Engagement	21,22
	Linkages between organization's past and current performance	Five Years' Financial Summary	36

Content Elements	What to look for	Referred topic	Page no.
Outlook	Organization's expectations about external environment, risks, opportunities and challenges and their effects	SWOT Analysis PESTEL Analysis	108, 110
	Availability, quality and affordability of capitals the organization uses or affects including how key relationships are managed	Our Six Capitals Stakeholder Engagement	185-221, 22
	Organization's ability to create value over time	Value for Stakeholders	22-28,32
Basis of preparation And presentation	Organization's materiality determination process and key judgements	Materiality Assessment & Key Matters	29
	Identification of the reporting boundary and its determination process	About the Integrated Annual Report	8
	Significant frameworks and methods used to quantify or evaluate material matters	Financial Statements (Accounting policy notes)	362
	Risks, opportunities and outcomes attributable to or associated with other entities/stakeholders	Subsidiaries Financial Statements	410-455

Reporting period

This report covers the year 1 January to 31 December 2025. Any material events after this date and up to the Annual General Meeting Date of 30 June 2026 have also been included

Operating businesses

We report on the primary activities of the group, our business clusters, key support areas and subsidiaries in our all operations.

Financial and non-financial reporting

In line with the concept of double materiality, our integrated report extends beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create and preserve value sustainably, while minimizing value erosion.

Targets and strategy

We provide insight into the group's future strategy and financial and non-financial targets for the short, medium (two to three years) and long term (five years or more).

Governance and risk management

We have integrated our governance and risk management principles, practices and outcomes throughout our integrated report. In addition, specific board committee reports are placed in the relevant sections given the integrated nature of governance.

Targeted readers

This report is intended to address the information requirements of long-term investors (our equity shareholders, and prospective investors), but we also present information relevant to how we create, preserve and minimize the erosion of value for other key stakeholders, including our employees, clients, regulators and society.

SDGs and ESG reporting

We report on the sustainable-development actions and investments we have made in support of purpose-led business and our contribution to the United Nations (UN) Sustainable Development Goals (SDGs).

On behalf of the Board of Directors, I uphold our obligation to maintain the integrity of this Integrated Annual Report. We believe the Report adheres to the International Integrated Reporting Council (IIRC)'s Integrated Reporting <IR> Framework 2021, following its core principles and content requirements.

Sincerely,

Iqbal Uddin Ahmed
Chairman
Bangladesh Finance PLC

Joint Impact MODEL

UK International Development
Partnership | Progress | Prosperity

CERTIFICATE OF COMPLETION

This certificate is proudly presented to

Bangladesh Finance Limited

For successfully completing the Joint Impact Model Foundation's in-depth training on carbon accounting for financed emissions.

March 2025



ALEX MACGILLIVRAY
Executive Director

The Most Trusted Financial Partner of Bangladeshi People

Bangladesh Finance PLC is one of the most widely acclaimed Financial Institutions. As we carry the name of Bangladesh, we aim to deliver all financial products under one roof to meet our customers' evolving needs in a competitive market.

1999
INCORPORATION

647
TOTAL LENDING CUSTOMER

7,217
TOTAL DEPOSIT CUSTOMER

07
NUMBER OF BRANCH

155
NUMBER OF EMPLOYEE

- ICSB AWARD 2020, 2021, 2022
- ICAB AWARD 2020, 2021, 2022
- SAFA AWARD 2020, 2021, 2022
- SUSTAINABLE FINANCIAL INSTITUTIONS 2022, 2023
- AA & ST-2 CREDIT RATED



Mission

To reach out our financial services to the wider sections of the populace as part of our contribution towards inclusive, sustainable and quality growth with trust and confidence.

Vision

To be the most innovative and popular financial services provider in the country with special focus on creating value for all stakeholders.

Our Corporate Priorities

- Managing adverse credit impacts
- Redesign/ enhance the digital experience
- Increase investment in innovation
- Enhance data analytics capabilities to identify customer needs
- Update/ replace components of a legacy operating system
- Invest in and/ or partner with alternative fintech providers
- Cost discipline through end-to-end process streamlining and organizational simplification
- Enhance data analytics capabilities to identify customer needs

Our Key Differentiators

Skilled and loyal workforce

One-stop financial solution provider

Diversified portfolio

Being a responsible corporate citizen

Agility in responding to industry trends



NATIONAL FOOTPRINT



Head Office
Bangladesh Finance Tower
64, Motijheel C/A
Dhaka-1000

Principal Branch
Bangladesh Finance Tower
64, Motijheel C/A
Dhaka-1000

Jashore Branch
Rashid Center (3rd Floor),
7/A RN Road, Jashore

Gulshan Branch
Level 5, Tower of Aakash, 54
Gulshan Avenue, Dhaka

Uttara Branch
Zeenat Center-2 (5th Floor),
Plot No. 111/4 Road No.7,
Sector No. 4, Uttara,Dhaka-1230

Gazipur Branch
Riaz Tower (4th Floor),
Chandana Chowrasta, Gazipur

Sylhet Branch
Firoz Center (5th Floor),
891/Ka Chouhatta, Sylhet
Sadar-3100

Chattogram Branch
Aziz Court (19th floor),
North Side 88-90, Agrabad
C/A, Chattogram

BUSINESS ETHICS

Bangladesh Finance conducts its business in accordance with the law and regulations set by the Central Bank and other regulatory authorities. Bangladesh Finance does not finance in any project, detrimental to the community or country and thus prohibited by the credit policy of the company.

To remain compliant in the spirit of law and industry practice

Bangladesh Finance provides activities.employees with a workplace that offers equal employment opportunities without being hindered in or prevented from doing so by discriminatory practices on a person's race or ethnic origin, religion, age, sex, gender identity or expression, marital status, family status, disability, genetic characteristics or a conviction for which a pardon has been granted or a record suspended.

Bangladesh Finance offers quality services to its customers with the principles of warm friendship and mutual support

We strive for excellence through leading-edge research and analysis, through collaboration within the organization and with outside organizations, and through innovation in all aspects of our work.

To continue and increase CSR

Corporate Philosophy

Our customers, employees and shareholders are equally important to us. We want to achieve strong corporate growth through financial inclusion. With a firm commitment to provide better customer services, we are constantly developing innovative and technologically advanced products and services that satisfy our customers needs. We offer cutting-edge compensation package and good-work environment to our employees. We never forget our shareholders to make them pleased with financial well-being and increase the value their shares. This has given us a path to the growth and progress

Strategic Objectives

1. To increase shareholders' value.
2. To be the market leader in product innovation.
3. To be one of the top financial institutions in Bangladesh in terms of efficiency.
4. To be the best financial institutions in terms of market share in all significant market segments we 2 serve.
5. To achieve 5 economic value addition.

OUR STRATEGY

INTEGRATED APPROACH TO STRATEGY FORMULATION AND VALUE CREATION

- OUR CONTEXT
- PESTLE Analysis
- Stakeholder Engagement
- Competitiveness & Our Responses
- Risk Management

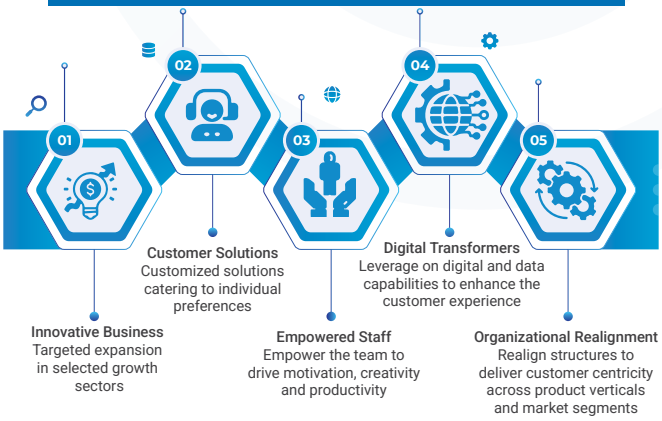
Material Matters

Out Strategy

Stakeholder's Engagement

Generated through actively managing our resources and relationships, categorized into 6 capitals.

STRATEGY OF BANGLADESH FINANCE



UNDERPINNED BY

- Commitment to Strong ESG Practice
- Operational Excellence

DELIVERED OVER 3 TIME HORIZONS

Short Term Goals

Strengthen competitive edge by enhancing digital capabilities, offering multifaceted value propositions, and providing ongoing assistance to clients as they navigate the current hurdles.

Mid Term Goals

Grow total assets-

- Increased diversity of revenue streams.
- Harnessing Group expertise and specialization to provide customized solutions.

Long Term Goals

Becoming one of the "Top FIs" for all Bangladeshi people with focus on improving financial inclusivity, digital financial product and services and social resilience.

Customer Solution

We aim to shift from a product-focused approach to a customer-centric strategy, delivering personalized solutions that address individual needs at every stage of the customer journey.

Highlights of 2025

Strategic Initiatives

During 2025, Bangladesh Finance further strengthened its customer-centric transformation by leveraging advanced data analytics and digital capabilities to better understand customer behavior and deliver more personalized financial solutions. The institution enhanced customer engagement models through data-driven insights, enabling responsive service delivery across diverse customer segments.

Resource Allocation

- Strengthened customer relationships through targeted and personalized engagement initiatives
- Increased investment in service excellence and customer experience enhancement programs
- Promoted a customer-centric culture across the organization
- Enhanced cross-functional collaboration to improve responsiveness to evolving customer needs

Measuring Progress

Key Performance Indicators

- Improved customer retention across key business segments
- Growth in customer acquisition through branch and digital channels
- Enhanced customer satisfaction and service efficiency

Measuring Progress

Risk and Opportunities in delivering strategy

Opportunities

- Growing adoption of digital financial services supports enhanced customer engagement
- Increasing demand for personalized financial solutions strengthens market positioning
- Regulatory support for digitalization may improve accessibility and operational efficiency

Risks

- Inflationary pressures and elevated interest rates may affect customer borrowing appetite
- Intensified competition may impact customer acquisition and retention
- Cybersecurity risks may affect trust in digital channels

Outlook for 2026

Priorities in 2026

- Expand customer-centric digital platforms
- Introduce enhanced loyalty programs
- Strengthen AI-driven customer insight capabilities
- Support customers in adapting to changing market conditions

Innovative Business

Our strategy focuses on shifting from a product-centric to a customer-centric approach, delivering personalized solutions that address individual needs throughout the entire customer journey.

Highlights of 2025

Strategic Initiatives

In 2025, Bangladesh Finance strengthened its focus on innovative and inclusive business solutions by aligning financing activities with priority economic sectors. The institution expanded support to emerging industries, sustainable businesses, and underserved customer groups while enhancing portfolio oversight.

Resource Allocation

- Increased lending focus on sustainable and climate-resilient sectors
- Strengthened relationship management for strategic customer segments
- Enhanced portfolio monitoring systems
- Continued inclusive finance initiatives for SME and women-led enterprises

Measuring Progress

Key Performance Indicators

- Growth in loans and advances
- Diversified funding base
- Improved portfolio quality

Measuring Progress

Risk and Opportunities in delivering strategy

Opportunities

- Expansion of sustainable finance and green investments
- Policy incentives supporting renewable energy and agriculture
- Growth opportunities in emerging entrepreneurial sectors

Risks

- Economic uncertainty may affect borrowers' repayment capacity
- Sector concentration risks may impact portfolio stability
- Regulatory changes may influence financing strategies

Outlook for 2026

Priorities in 2026

- Expand financing to sustainable sectors
- Strengthen SME support
- Enhance portfolio diversification
- Continue inclusive financing initiatives

Digital Transformation

Utilize digital infrastructure and data analytics to gain deeper insights into customer behavior and deliver tailored, customer-centric solutions.

Highlights of 2025

Strategic Initiatives

Bangladesh Finance accelerated its digital transformation in 2025 by modernizing internal systems, strengthening digital infrastructure, and expanding analytics capabilities. Advanced technologies were deployed to improve efficiency, risk oversight, and customer experience.

Resource Allocation

- Continued investment in digital infrastructure
- Expanded employee digital capability development
- Strengthened analytics and decision-support systems
- Enhanced cybersecurity frameworks

Measuring Progress

Key Performance Indicators

- Increased digital transaction volumes
- Improved operational efficiency
- Enhanced customer accessibility

Measuring Progress

Risk and Opportunities in delivering strategy

Opportunities

- Greater adoption of digital financial services
- Increased efficiency through emerging technologies
- Improved strategic responsiveness through analytics

Risks

- Cybersecurity threats
- System implementation challenges
- Rapid technological changes requiring continuous investment

Outlook for 2026

Priorities in 2026

- Advance group-wide digitalization
- Expand AI and predictive analytics usage
- Upgrade core systems
- Strengthen digital security and resilience

Organizational Realignment

We are committed to driving cohesive changes across the organizational structure to significantly enhance client centricity.

Highlights of 2025

Strategic Initiatives

During 2025, Bangladesh Finance continued organizational transformation by aligning internal structures to support strategic customer segments and improve integrated service delivery.

Resource Allocation

- Deployed dedicated relationship managers
- Strengthened inter-departmental coordination
- Enhanced branch-level customer service alignment
- Invested in organizational development initiatives

Measuring Progress

Key Performance Indicators

- Improved customer relationship depth
- Higher wallet share
- Diversified earnings profile

Measuring Progress

Risk and Opportunities in delivering strategy

Opportunities

- Stronger alignment improves agility
- Better collaboration supports cross-selling
- Improved customer management increases wallet share

Risks

- Structural changes may create temporary disruption
- Resistance to change may impact implementation
- Increased coordination complexity may affect speed

Outlook for 2026

Priorities in 2026

- Strengthen integrated relationship management
- Continue customer-centric branch practices
- Improve internal coordination
- Align structure with long-term growth

Empowered Staff

Foster a motivated, empowered, and high-performing team by enabling employee ownership and cultivating a culture of innovation and customer centricity.

Highlights of 2025

Strategic Initiatives

In 2025, Bangladesh Finance remained committed to building an empowered, agile, and high-performing workforce through talent development, employee engagement, and digital enablement initiatives.

Resource Allocation

- Continued investment in employee well-being and compensation
- Expanded training and development programs
- Strengthened succession planning
- Promoted diversity and inclusion

Measuring Progress

Key Performance Indicators

- Improved employee retention
- Increased training hours
- Enhanced diversity metrics
- Higher employee engagement

Measuring Progress

Risk and Opportunities in delivering strategy

Opportunities

- Digitally capable workforce supports innovation
- Adaptive employees enhance resilience
- Talent development strengthens sustainability

Risks

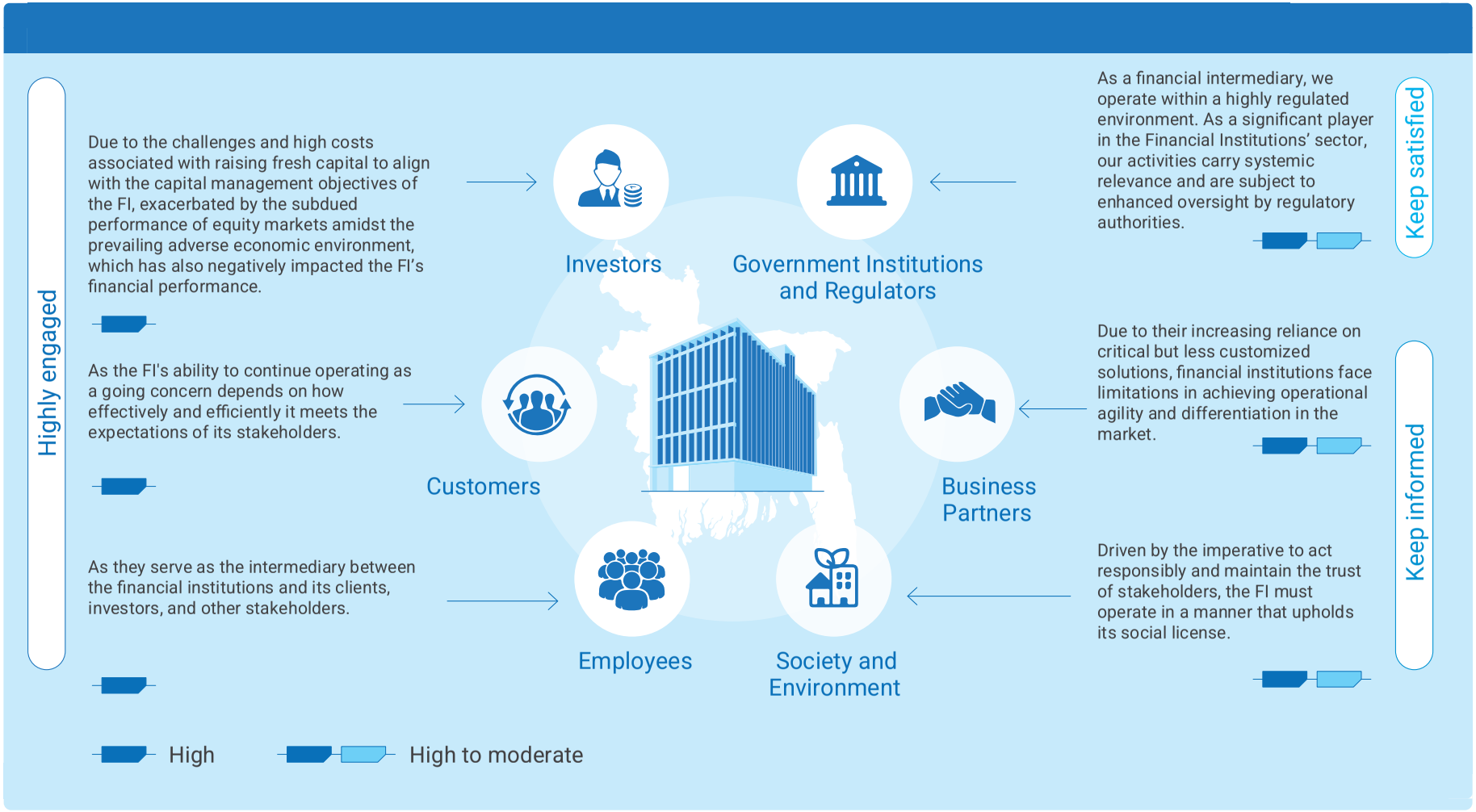
- Difficulty attracting and retaining skilled talent
- Competition for specialized professionals
- Emerging technology skill gaps

Outlook for 2026

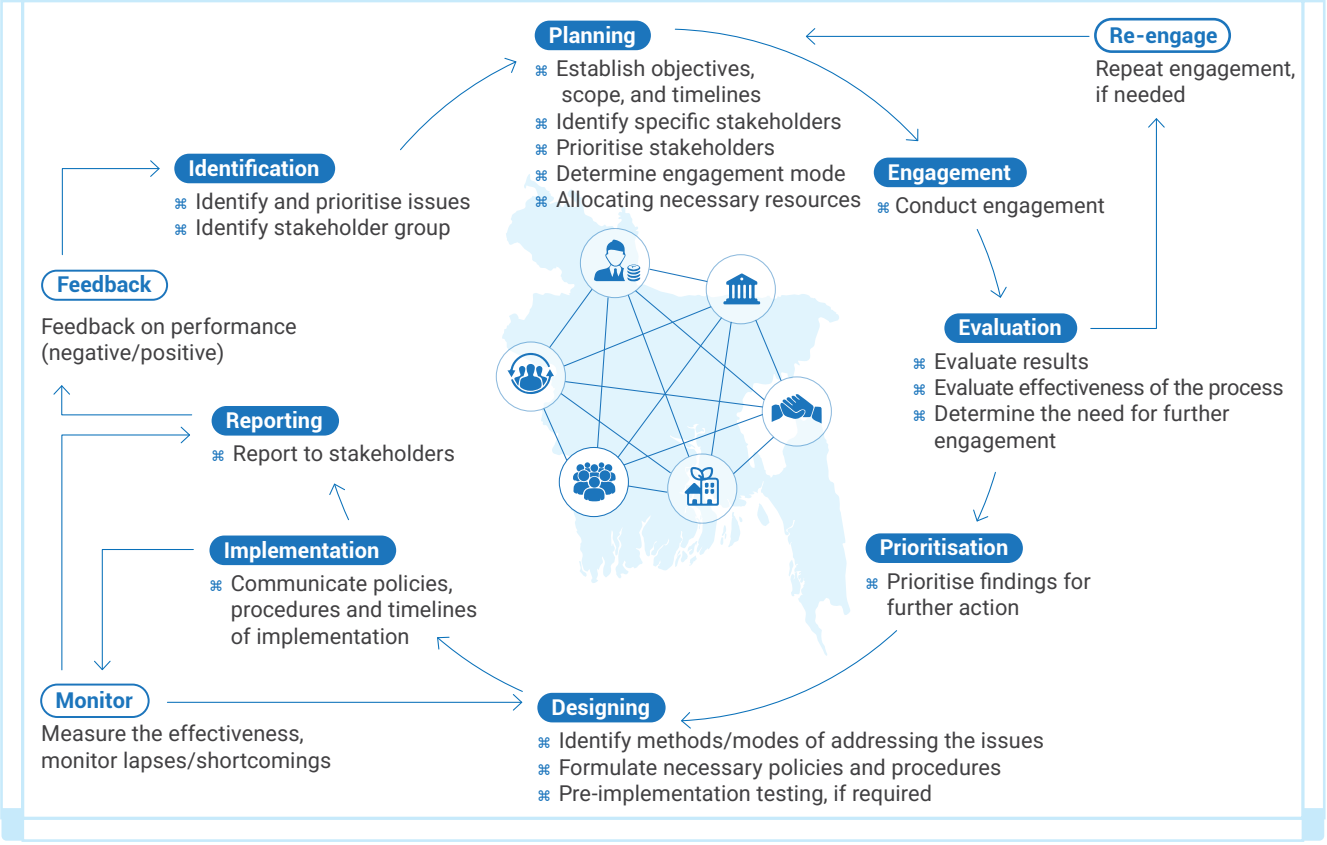
Priorities in 2026

- Strengthen competency-based recruitment
- Enhance succession planning
- Expand digital capability development
- Conduct compensation benchmarking

STAKEHOLDER ENGAGEMENT



Our stakeholder engagement process



We believe that regular engagement with our stakeholders enables us to benefit from their valuable insights and perspectives, helping shape our strategic direction and fostering innovation across the organization.

Stakeholders Identification

As a responsible and inclusive financial solutions provider, we are committed to contributing to sustainable development across our organization and the communities we serve. Guided by our vision, mission, purpose, and code of ethics, we remain dedicated to acting responsibly toward our valued stakeholders.

Our stakeholders include individuals, groups, and organizations that influence, or are influenced by, our strategic decisions and business operations. Identifying and understanding these stakeholders enables us to align our actions with their expectations while creating long-term sustainable value.

Stakeholders Engagement

We maintain continuous, year-round engagement with our stakeholders through a decentralized approach, utilizing a range of communication platforms tailored to the specific needs of each stakeholder group.

We recognize that our sustainable growth is closely linked to how our key stakeholders perceive the value we create for them. As such, we actively seek and value their feedback on concerns, expectations, and perceptions of value. This ongoing engagement is facilitated through various structured and informal channels designed to ensure open, transparent, and meaningful dialogue.

	Matters Relevant to the Stakeholder	Our Strategic Response to Stakeholder	Engagement Mechanism	Engagement Frequency
Shareholders and Other Investors **Management Philosophy** Ensuring long-term shareholder value and upholding the rights of the shareholder and supporting a broader shareholder constituency to ensure their wealth maximization	• Shareholder satisfaction regarding financial Position • Shareholder views on key governance and policy matters • Development of shareholder communication channels • Return on equity • Financial performance	• Ensuring sustainable return on investment • Engaging in greater transparency according to corporate governance code • Maintaining the FI's reputation and credibility Safeguarding asset quality	General Meetings	Annually/ Periodically
			Annual Report	Annually
			Interim Financial Statements	Quarterly
			Disclosures and announcements on DSE & CSE	Periodically
			Corporate website	24 hours 7 days

QUALITY OF RELATIONSHIP : STRONG

VALUE DELIVERED

0.76 BDT
EPS

2,522.37 MN
MARKET CAPITALIZATION

536.6%
PROVISION & SUSPENSE COVERAGE

13.75%
NPL

	Matters Relevant to the Stakeholder	Our Strategic Response to Stakeholder	Engagement Mechanism	Engagement Frequency
Employees **Management Philosophy** Commitment to create a conductive environment for the employees to develop and reach their potential, both professionally and personally.	• Ethical employment practices • Career development opportunities • Employee communication and Feedback • Rewards/recognition • Employee well-being • Work-life balance	• Competitive rewards and benefits to attract and retain best talent in the market • Promote greater diversity and inclusion • Develop from within through training and development • Encourage greater engagement and discourage grievance • Performance-based incentives • Maintain high standards of occupational health and safety • Foster a sense of belongingness	Employee forums	Regularly
			Grievance-handling Procedure	Regularly
			Business unit level Meetings	Regularly
			Intranet	24 hours 7 days
			Training	Regularly
			Get-togethers/ Events	Regularly
			CSR projects	Regularly

QUALITY OF RELATIONSHIP : STRONG

VALUE DELIVERED

43
PROMOTION

81%
RETENTION RATE

BDT **219.84** MN
INVESTMENT IN PERSONNEL

	Matters Relevant to the Stakeholder	Our Strategic Response to Stakeholder	Engagement Mechanism	Engagement Frequency
Customers **Management Philosophy** Uphold the customers' right to demand a stable and progressive banking environment which provides a superior service platform and promotes customer choice/convenience.	• Customer service • Customer security • Satisfaction on existing products • Brand perception and reputation • Need for innovations and customized solutions • Communication methods • Timely and relevant information on products and services • Customer touch-points	• Effective complaint resolution • Maintain service excellence • Deliver technology-driven solutions • Continuous introduction of innovative products which promote greater customer convenience • Effective marketing communication • Maintaining data security and customer privacy • Better market share	One-on-one feedback from customers	Regularly
			Social media interactions	24 hours 7 days
			Customer complaint handling mechanism	24 hours 7 days
			ATL, BTL and digital Communications	Regularly
			SMS Alerts	24 hours 7 days
			Corporate website	24 hours 7 days
			Call Center	24 hours 7 days

QUALITY OF RELATIONSHIP : STRONG

21.50%
OF LOAN BOOK SME

7,217
NUMBER OF DEPOSIT CUSTOMERS

VALUE DELIVERED

CUSTOMER EDUCATION & FINANCIAL LITERACY PROGRAMMES

647
NUMBER OF LOAN CUSTOMERS

	Matters Relevant to the Stakeholder	Our Strategic Response to Stakeholder	Engagement Mechanism	Engagement Frequency
Community **Management Philosophy** Working in tandem with global and local mandates which safeguard the environment and promote community empowerment.	• Community capacity building • Community empowerment • Social welfare of communities • Environmental degradation • Preservation of local culture	• Socially-responsive transformative CSR model • Transparency and governance • Community engagement • Employee volunteerism • Become a catalyst for change	Ground-level interactions with community leaders by staff	Regularly
			Interactions with social groups and volunteer organizations	Regularly
			Environment grievance handling mechanism	Regularly
			Discussions with Government Organizations	Regularly
			Digital media-based Forums	Regularly
			CSR projects	Regularly

QUALITY OF RELATIONSHIP : GOOD

VALUE DELIVERED

BDT 1.10 MN SPEND IN SOCIO-ECONOMIC PROGRAMMES

672 VOLUNTEERING HOURS

+48 EXTENDED FINANCE FACILITY FOR NEW ENTERPRENEURS

	Matters Relevant to the Stakeholder	Our Strategic Response to Stakeholder	Engagement Mechanism	Engagement Frequency
Suppliers and Service Providers **Management Philosophy** Striking the right balance between cost and quality and promoting ethical and transparent sourcing practices.	• Developing strategic partnerships • Promoting transparent and ethically responsible business practices • Continuous communication with suppliers and service providers • Regular reviews on quality of goods and services	• Engaging in fair and equitable procurement • Supplier risk assessment mechanism • Contractual agreements to promote sustainable procurement • Local sourcing • Maintenance of suppliers and service providers register	Interactions through the purchasing policy	Regularly
			Feedback evaluations	As and when required
			Meetings	As and when required
			Visits to supplier workshop/offices	Periodically
			Written communications (letters and e-mails)	Regularly
			Reviews and assessments	Regularly

QUALITY OF RELATIONSHIP : GOOD

+51
SUPPLIERS

VALUE DELIVERED

APPROX. BDT
44 MN
PAYMENT TO SUPPLIERS

	Matters Relevant to the Stakeholder	Our Strategic Response to Stakeholder	Engagement Mechanism	Engagement Frequency
Government & Regulators **Management Philosophy** Ensure compliance with all legal and regulatory requirements.	• Proper and prompt action on regulatory requirements introduced from time to time • Formulate the FI's policies in line with the broad objectives of the Central Bank.	• Compliance with regulations • Rectification actions on supervisory concerns • On-time submission of statutory returns and statutory payments • Response and contribution at meetings/forums and to initiatives of the regulators • Help investors to make better investment decisions	Policy directives/ circulars, guidelines and operating instructions	Regularly
			Meetings and forums	Periodically
			Press releases	Regularly
			Periodic and one-off returns	Periodically
			On-site Off-site supervision	Periodically
			Training programmes	Regularly

QUALITY OF RELATIONSHIP : GOOD

VALUE DELIVERED

BDT 27.38 MN WITHHOLDING TAX

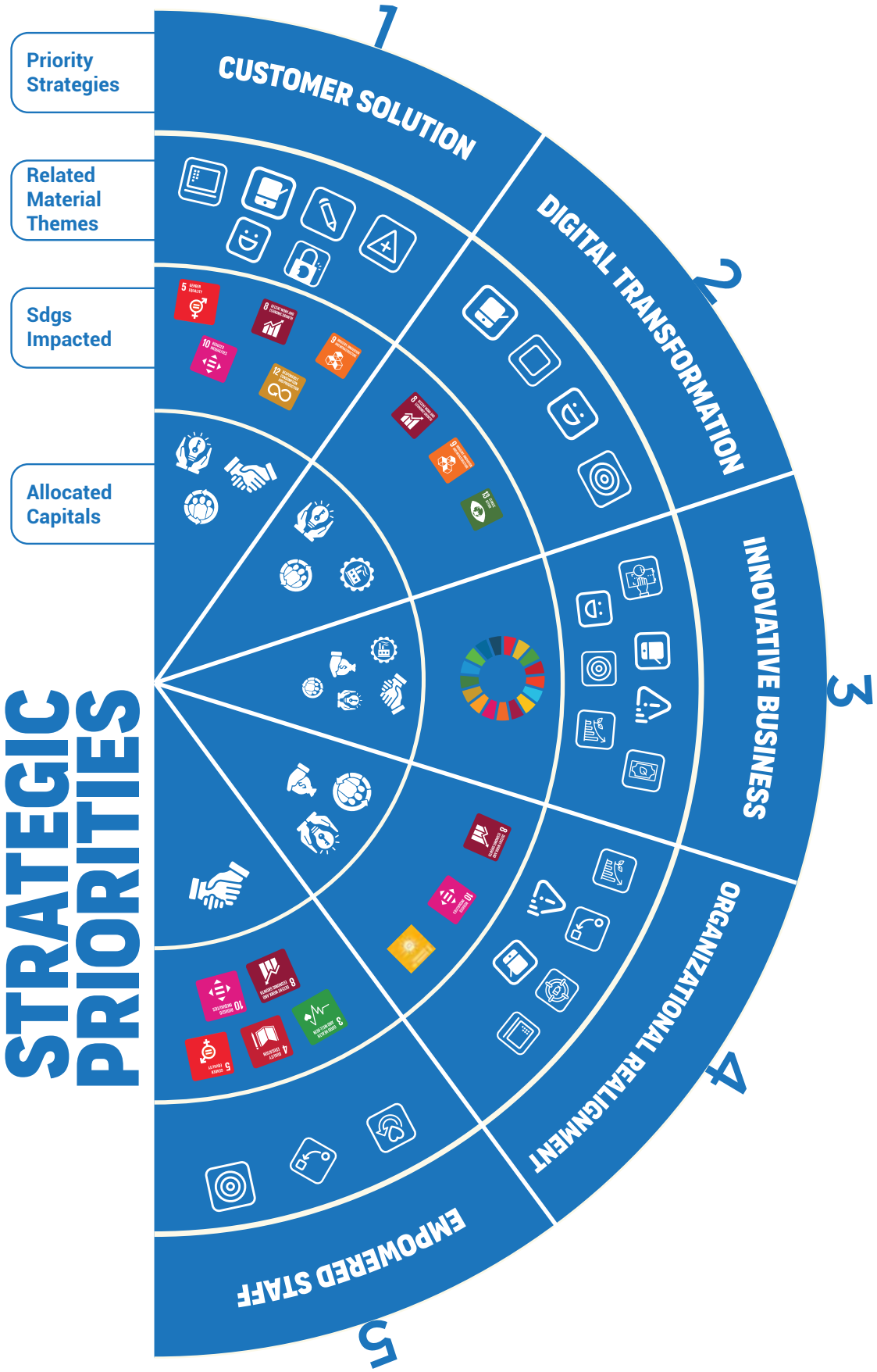
BDT 77.29 MN TOTAL CONTRIBUTION

BDT 23.30 MN VAT

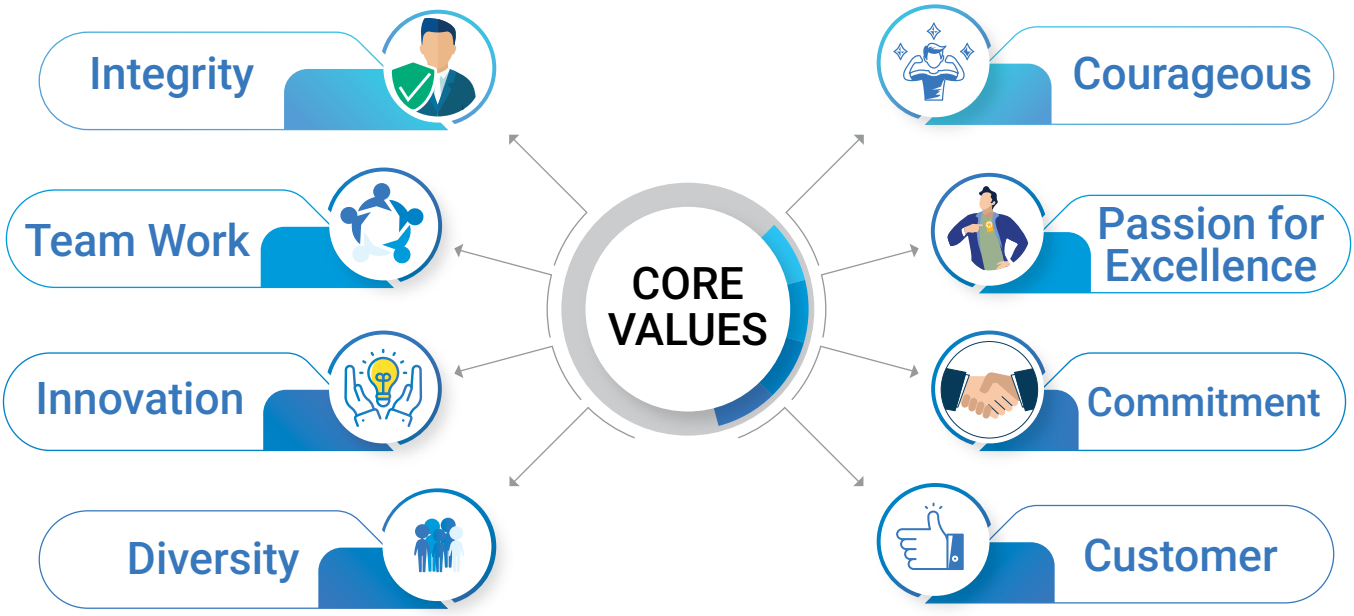
BDT 26.61 MN CORPORATE TAX

MATERIALITY

Material topic	Prioritization		Changes in materiality compared to last year	Stakeholder group impacted	Impact to SDGs	Topics Related
	Stakeholder impact	Impact on organisation				
Sustainable Growth	H	H	Significant groth in sustainable business development			Sustainability Highlights
Health and Safety	H	H	Increase in importance given evolving nature of pandemic			Human Capital Human Resource Accounting
Customer Satisfaction	H	H	Achieving sustainable growth through customer satisfaction			Stakeholder Engagement
Resource Optimization	M	H	Managing scarce resources to optimize economic outcomes			Manufactured Capital
Market and Liquidity Management	H	H	New topic reflecting market conditions			Performance Analysis of MANCOM
Human Talent Development	M	H	Combined with other people-related aspects			Human Capital
Facilitating Financial Inclusion and Literacy	H	M	Combined with literacy			Social & Relationship Capital
Innovation	M	H	Increased focus on digital channels with Voyage 2025 aspirations			Manufactured Capital Social & Relationship Capital
Responsible Lending	H	H	Concentration on agricultural and economic development			Social & Relationship Capital
Customer Privacy	H	H	Maintaining high-end security for customer data			Intellectual Capital
Community Engagement	H	M	New topic regarding stakeholder engagement			Stakeholder Engagement
Adapting to Post Pandemic Realities	M	H	New topic given evolving post pandemic and economic dynamic			Economic Outlook World Economic Outlook
Ethics, Integrity and Compliance	H	H	Maintaining compliance with all applicable laws, regulations and standards safeguard our social license to operate			Corporate Governance
Brand Positioning	M	H	New topic reflecting increased competitive intensity			Intellectual Capital
Elevated Importance of Risk Management	M	H	New topic given changes in external dynamics			Risk Management
Green Finance	M	H	To help businesses affected by climate change to adapt and contribute with our capacity as a financial services provider to build a low carbon economy as a participating Financial Institution.			Sustainability Highlights


Priority Strategies
Related Material Themes
Sdgs Impacted
Allocated Capitals
STRATEGIC PRIORITIES
1
CUSTOMER SOLUTION
2
DIGITAL TRANSFORMATION
3
INNOVATIVE BUSINESS
4
ORGANIZATIONAL REALIGNMENT
5
EMPOWERED STAFF

CORE VALUES



CODE OF CONDUCT

Our Code of Conduct is driven by the ethical values that we nurture in all our endeavors. In principle, following norms are in grained in us:

- ◊ No deviation from the standardized principle or policy;
- ◊ Acting with integrity & dignity along with ethical standard;
- ◊ Fair and truthful disclosures and thereby remaining transparent;
- ◊ Committed to deliver topnotch hassle-free services to our clientele;
- ◊ Want to remain law abiding corporate citizen.



VALUE CREATION MODEL

INPUTS

OUR RESOURCES & RELATIONSHIPS

Financial Capital

Equity Capital: Tk. (5,323) mn (2024: Tk. (5,425) mn)
- Customer Deposits: Tk. 8,539 mn (2024: Tk. 8,637 mn)
- Borrowings: Tk 3,250 mn (2024: Tk 3,795 mn)
- Capital Management: CAR -31.96% (2024: -33.81%)
- Market Capitalization (amount): Tk. 2,522 mn (2024: Tk. 2,221 mn)

Manufactured Capital

- 14 IT systems (2024: 12), which are being modernized as part of our technology journey
- Innovative digital channels for customer acquisition
- Market-leading digital products, services and client value propositions

Intellectual Capital

- Institutionalized knowledge
- Strong corporate brand image and value
- Good governance framework
- Market-leading IT capabilities (Managed Evolution and Digital Fast Lane)
- Effective internal control system
- Ethical business conduct

Social & Relationship Capital

- Over (7,864) customers in loans and deposits
- Healthy client relationships
- Over (51+) suppliers
- Transparent procurement policy
- Three-pillar focused CSR framework
- ESG considerations towards sustainable operations
- Promoting UN Sustainable Development Goals
- Compliance with GRI standards

Human Capital

A total of 155 employees, in 2025 (2024: 146), embracing a culture that is:
- client-driven and people-centered
- increasingly innovative and competitive
- strong in compliance and governance
- Reward structures linked to performance
- Experienced and diverse executive team and board
- A transformed workforce

Natural Capital

- Green lending products
- State-of-the-art core IT systems: Managed Evolution and Digital Fast Lane
- Handling garbage in a responsible manner
- Commitment towards paperless finance
- Four-pillared approach towards environmental stewardship

BUSINESS

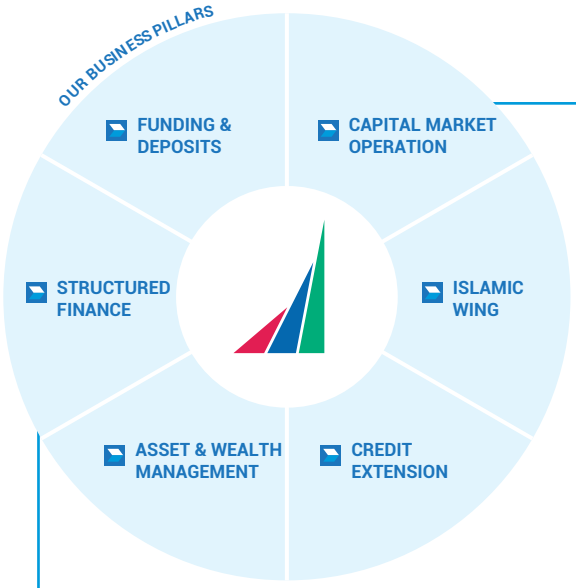
OUR STRATEGY AND FOCUS AREAS

OUR VISION

To be the most innovative and popular financial services provider in the country with special focus on creating value for all stakeholders.

OUR MISSION

To reach out our financial services to the wider sections of the populace as part of our contribution towards inclusive, sustainable and quality growth with trust and confidence



STRATEGY

- INNOVATIVE BUSINESS
- CUSTOMER SOLUTION
- DIGITAL TRANSFORMATION
- ORGANIZATIONAL REALIGNMENT
- EMPOWERED STAFF

MATERIAL MATTERS

Highly Material Topics

- Sustainable Growth
- Responsible Lending
- Health and Safety
- Customer Privacy
- Customer Satisfaction
- Community Engagement
- Resource Optimization
- Adapting to Post Pandemic Realities
- Market and Liquidity Management
- Ethics, Integrity and Compliance
- Human Talent Development
- Brand Positioning
- Facilitating Financial Inclusion and Literacy
- Elevated Importance of Risk Management
- Innovation
- Green Finance

OUR KPIs (2025)

Loans & Advances	BDT 13,230 mn
Deposits mobilized	BDT 8,539 mn
NPL	13.75%
Provision & Interest Suspense Coverage Ratio	536.64%
Liquid Asset Ratio	11.67%
Statutory Liquidity Reserve Ratio	8.85%

PURPOSE

OUR STAKEHOLDER PROPOSITIONS

CUSTOMER VALUE PROPOSITION

We prioritize our customers in every aspect of our service by:
- Delivering seamless and efficient banking experiences
- Offering tailored financial solutions to meet individual needs
- Ensuring secure and reliable digital platforms
- Upholding fairness and transparency in every interaction

EMPLOYEE VALUE PROPOSITION

We strive to make Bangladesh Finance the employer of choice by offering:
- Attractive compensation and comprehensive benefits
- Continuous learning and professional development opportunities
- A commitment to diversity, sustainability, and corporate responsibility
- A strong focus on employee health, safety, well-being, and welfare

SUPPLIERS & SERVICE PROVIDERS VALUE PROPOSITION

We build partnerships that promote shared goals by focusing on:
- Ensuring the safety, well-being, and continuity of our suppliers' operations
- Embedding sustainable procurement practices in our supply chain
- Fostering a competitive environment aligned with our strategic vision, enabling supplier growth and development

INVESTOR VALUE PROPOSITION

We uphold the highest standards of governance and integrity to foster trust by:
- Ensuring timely, accurate, and transparent disclosures
- Adopting a responsible and strategic approach to growth planning and execution
- Maintaining strong oversight, internal controls, independent assurance, and robust reporting mechanisms

COMMUNITY VALUE PROPOSITION

We are committed to fostering healthy, resilient communities across Bangladesh by:
- Supporting the lowest income groups through inclusive initiatives
- Prioritizing the needs of at-risk and vulnerable populations
- Mobilizing finance to promote a low-carbon, equitable, and sustainable economy

ACCOUNTABILITY

OUR INTERNAL CONTROLS

GOVERNANCE AND LEADERSHIP

Focus

Governance for oversight of effectiveness, adequacy and integrity of BDF's system of internal controls and risk management

Accountability

Board of Directors (BOD), Executive Committee (EC), Management Committee (MANCOM)

Controls

Internal and External Independent Audits and Assurance

GROUP KPIs AND SCORECARDS

Focus

Key measures on profitability, cost, capital, mid- to long-term strategic initiatives, people and sustainability, risk, audit and compliance positions

Accountability

BOD, CEO and Management Committee (MANCOM)

Controls

Management Committee (MANCOM)

CORE VALUES

Focus

Values to deliver impact the right way

Accountability

Head of Human Resources

Controls

People Engagement/Enculturation

KEY POLICIES

Focus

Progressive and inclusive policies that address material matters in addition to driving operational efficiencies and beyond-compliance motives lues to deliver impact the right way

Accountability

Functional Heads

Controls

Risk Management Committee
Board Audit Committee
Policy Review Committee

IMPACT

OUR VALUE CREATION 2025

Financial Capital
- BDT (1,059) mn Net interest income
- BDT 143 mn Profit generated
- NAV per share decreased to BDT (28.28)
- Earnings per share BDT 0.76

Manufactured Capital
- 14,977 Nos. of payment through digitally
- Customer on-boarding through e-KYC
- Digital Partnership Lending Solution Stakeholders Impacted

Intellectual Capital
- Market leading digital capabilities
- Attraction and retention of critical skills
- 20 Audit conducted by Internal Audit Dept
- Online treasury system integration with Bangladesh Bank

Social & Relationship Capital
- Improvements of customer satisfaction indicators
- BDT 77.29 mn tax contribution
- BDT 1.10 mn Socioeconomic spend

Human Capital
Maintained employee motivation, skills and diversity through:
- BDT 219.84 mn paid as salaries and benefits
- 4,335 hours of training
- Certified as great place to work
- 19% Attrition
- 81% Retention rate

Natural Capital
- Extended Finance Facility to new Entrepreneurs
- Extended Finance Facility to Rural Farmers & Introduced Exclusive Apps for Agriculture Finance under green finance
- BDT 82.44 Mn women entrepreneurs loan
- Digital office approval of 4,496 Nos

শ্রেষ্ঠত্বের স্বীকৃতি




SOUTH ASIAN FEDERATION OF ACCOUNTANTS
Gold
Bangladesh Finance Limited
2021
BRONZE AWARD
SOUTH ASIAN FEDERATION OF ACCOUNTANTS
Bangladesh Finance Limited
ICSB
Institute of Chartered Secretaries of Bangladesh
2022
SILVER AWARD
Bangladesh Finance Limited
ICSB
Institute of Chartered Secretaries of Bangladesh
2020
BRONZE AWARD
Sustainability Rating Recognition 2021
Congratulations
Bangladesh Finance Limited


9th Annual Banking Conference 2022
Bangladesh Finance
CA
SECOND
Best Presented Annual Reports
Financial Services Sector
Bangladesh Finance Ltd.
Sustainability Rating 2021
Congratulations
Bangladesh Finance Limited
Sustainable Finance Department
Bangladesh Bank
ICSB
CA
First Runner-up
Financial Services Sector
Bangladesh Finance Ltd.
INTERNATIONAL FINANCE AWARDS

FINANCIAL HIGHLIGHTS (SOLO)

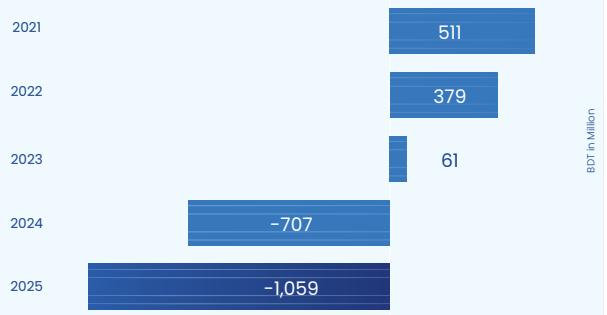
143 Mn
NET PROFIT AFTER TAX
▲ 102%

0.76
EARNINGS PER SHARE
▲ 102%

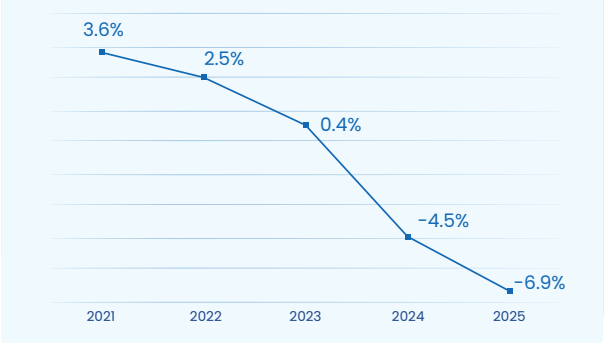
17,470 Mn
BALANCE SHEET SIZE
▼ 5.73%

0.79%
RETURN ON ASSET
▲ 102%

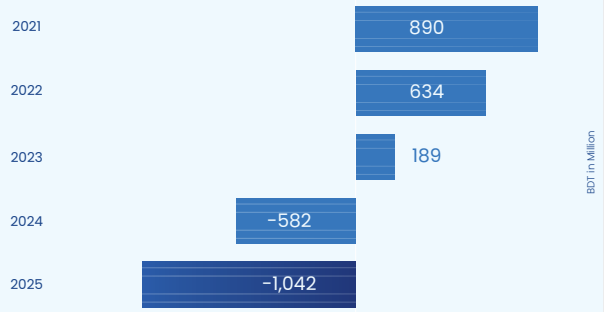
Net Interest Income



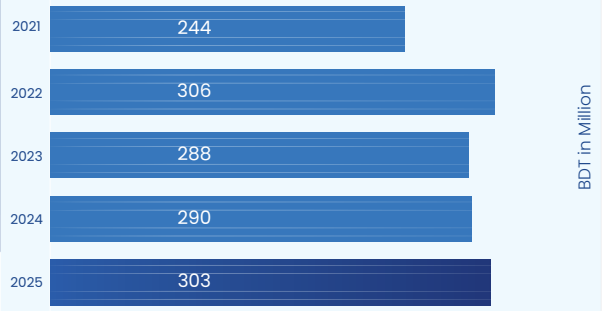
NIM (Gross Margin Ratio) (%)



Total Operaitng Income



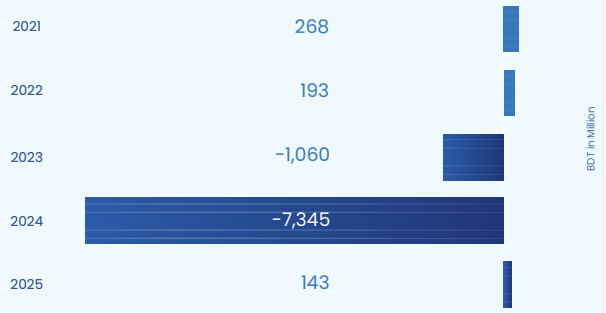
Operating Expenses



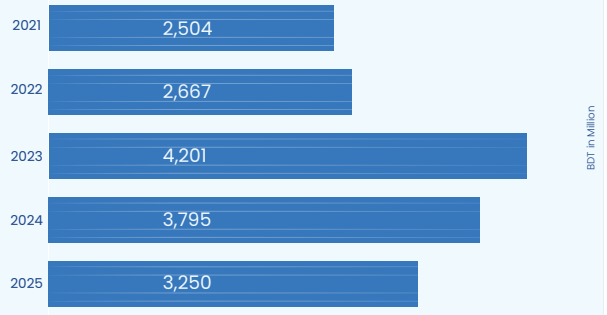
Net income tax expense



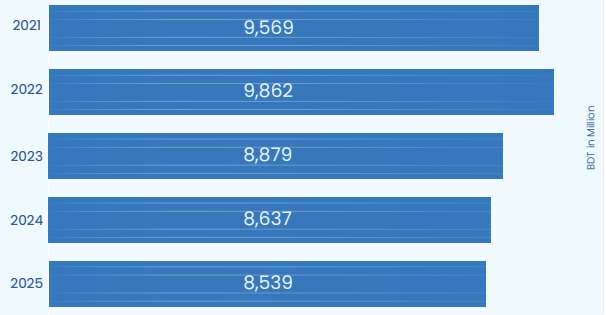
Profit After Tax



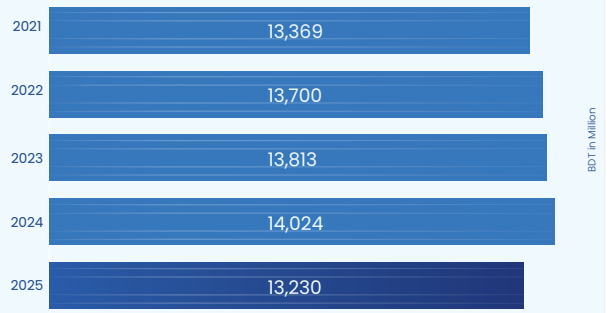
Borrowings



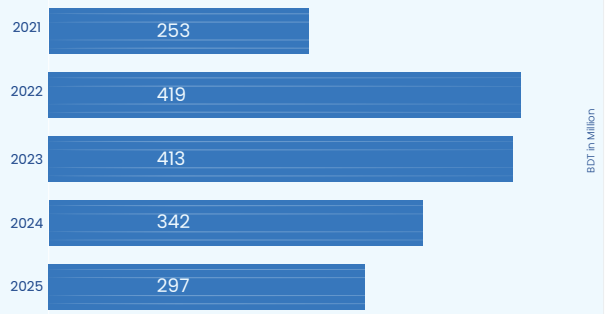
Total Deposit



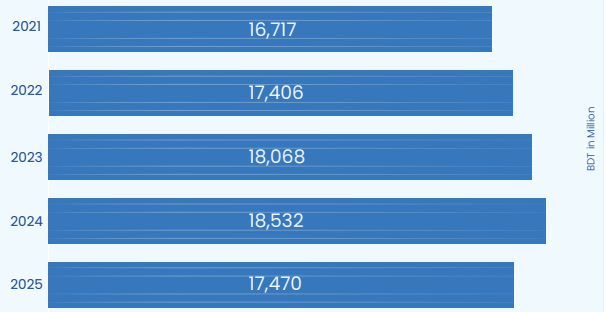
Loan Lease & Advances



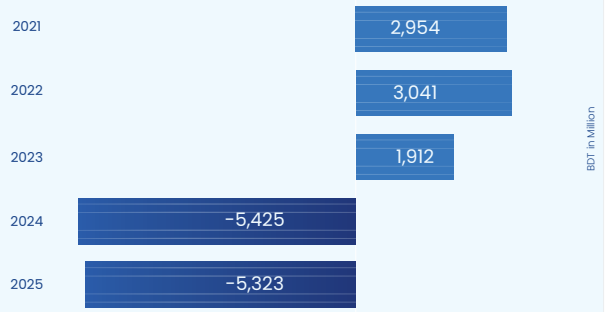
Investment



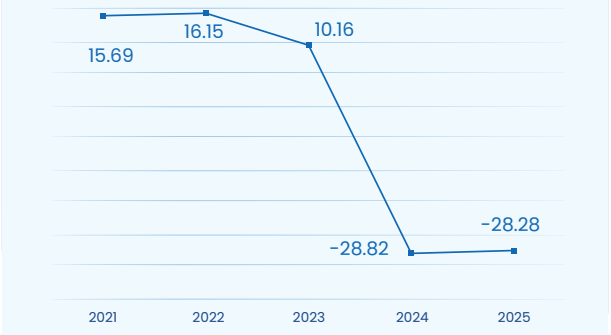
Total Asset



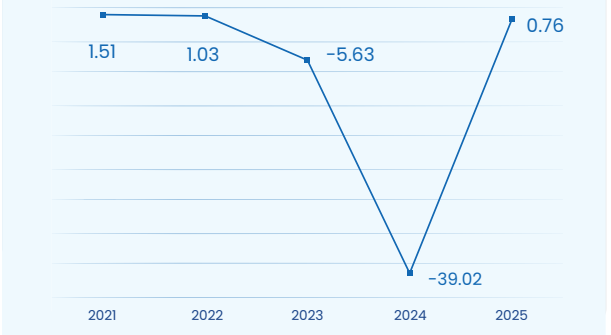
Shareholder Equity



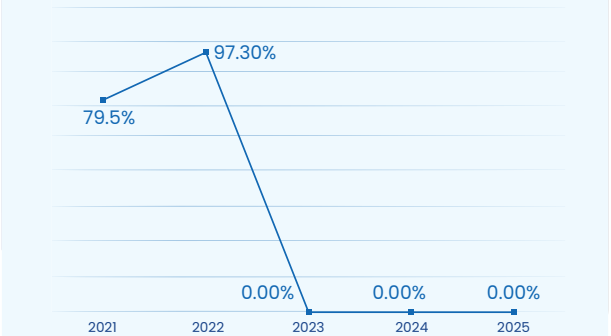
Net Asset Value Per Share



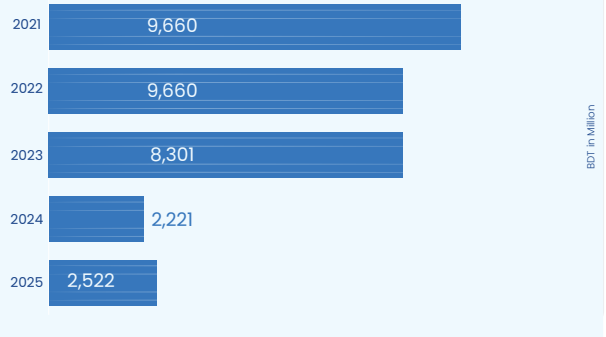
Earnings Per Share



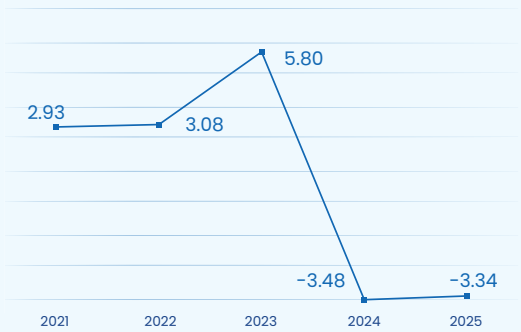
Dividend payout ratio (%)



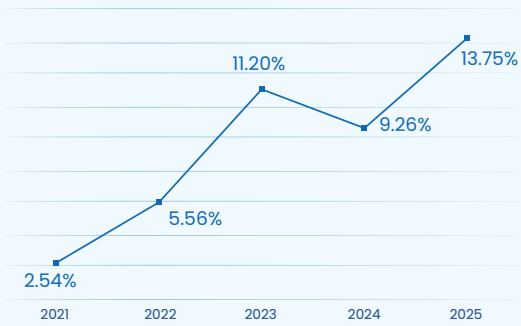
Market capitalization



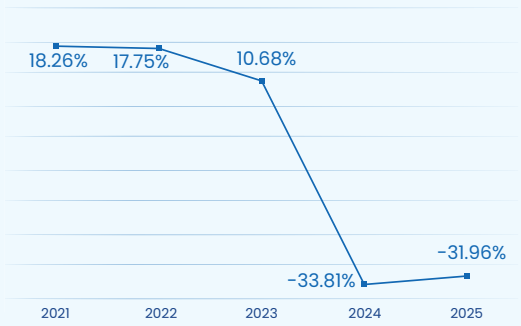
Debt to equity ratio



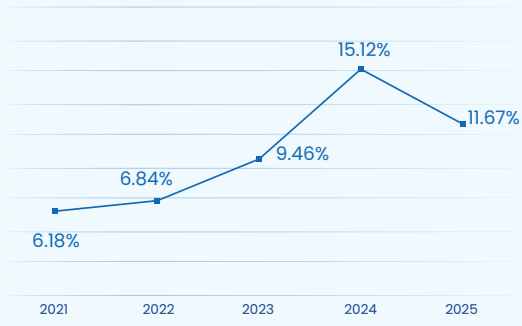
Non-performing loan ratio



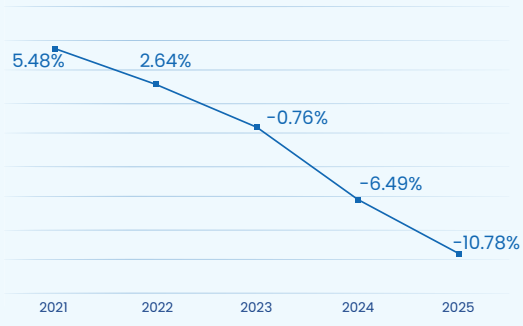
Capital Adequacy Ratio



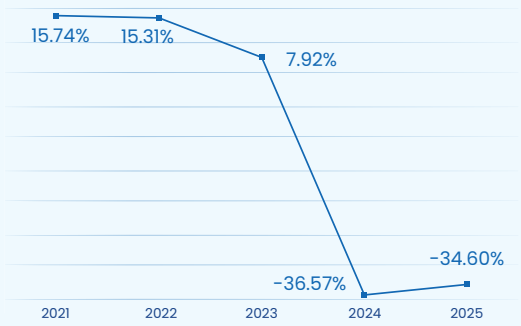
Liquid Assets Ratio



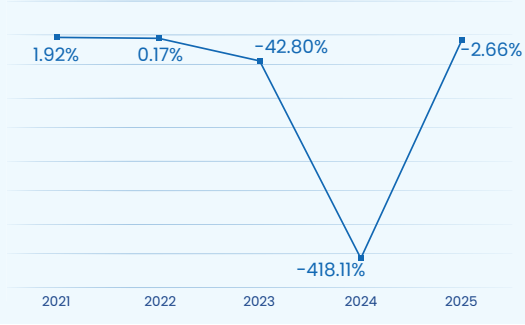
ROCE



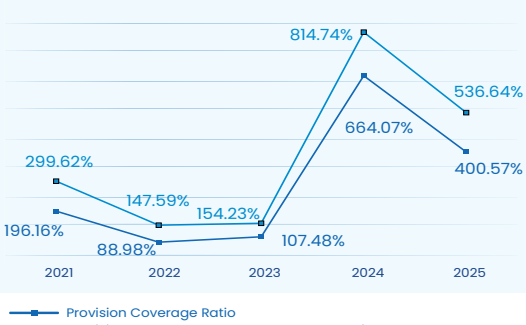
Cet 1 Ratio



ICGR



Provision Coverage Ratio



SUMMARY OF FINANCIAL HIGHLIGHTS (SOLO)

	2021	2022	2023	2024	2025
Profitability					
Net Interest Income	511	379	61	-707	-1059
NIM (Gross Profit Ratio)	3.6%	2.5%	0.4%	-4.5%	-6.9%
Total Operaitng Income	890	634	189	-582	-1042
Total Operating Expense	244	306	288	290	303
Cost/Income Ratio(%)	27.41%	48.31%	152.18%	-49.79%	-29.03%
Profit Before Depreciation and Taxes	442	241	-1021	-7879	68
Profit before income tax	403	196	-1069	-7921	32
Income tax expense(net)	135	3	-9	-576	-111
Net profit after tax	268	193	-1060	-7345	143
Net Profit Ratio	17.92%	14.06%	-97.64%	-1014.80%	40.13%
Assets,Liabilities & Equity					
Borrowings	2,504	2,667	4,201	3,795	3,250
Deposits	9,569	9,862	8,879	8,637	8,539
Loan Lease & Advances	13,369	13,700	13,813	14,024	13,230
Investment	253	419	413	342	297
Total assets	16,717	17,406	18,068	18,532	17,470
Loan Fund Ratio	88.97%	87.99%	92.14%	91.42%	90.10%
Total equity	2,954	3,041	1,912	(5,425)	(5,323)
Investor Information					
Net asset value per share	15.69	16.15	10.16	(28.82)	(28.28)
Market value per share	54.40	44.10	44.10	11.80	13.40
Earnings per share	1.51	1.03	(5.63)	(39.02)	0.76
Number of Outstanding Share	177.6	188.2	188.2	188.2	188.2
Market capitalization	9,660	8,301	8,301	2,221	2,522
Other Ratios					
Dividend yield	2.2%	2.3%	0%	0%	0%
Price earnings ratio	36.03	42.91	(7.83)	(0.30)	17.63
Non-performing loan ratio	2.54%	5.56%	11.20%	9.26%	13.75%
Liquid assets ratio	6.18%	6.84%	9.46%	15.12%	11.67%
Current Ratios	1.16	1.20	1.27	1.26	1.18
Debt to equity ratio (Leverage Ratio)	2.99	3.08	5.80	-3.48	(3.34)
Long Term Credit Rating	AA-	AA	AA	AA	AA
Short Term Credit Rating	ST-2	ST-1	ST-1	ST-1	ST-2
Key Performance Indicator					
ROA	1.64%	1.13%	-5.98%	-40.14%	0.79%
ROE	9.34%	6.45%	-42.80%	-418.11%	-2.66%
ROCE	5.48%	2.64%	-0.76%	-6.49%	-10.78%
Capital Adequacy Ratio	18.26%	17.75%	10.68%	-33.81%	-31.96%
Common Equity Tier 1 (%)	15.74%	15.31%	7.92%	-36.57%	-34.60%
Provision Coverage Ratio	196.16%	88.98%	107.48%	664.07%	400.57%
Provision & Interest Suspense Coverage Ratio	299.62%	147.59%	154.23%	814.74%	536.64%
ROI	136.40%	46.47%	12.97%	23.95%	0.35%
Customer Satisfaction Ratio	84.56%	82.41%	88.21%	86.95%	87.34%
Project Overdue (%)	15.56%	17.51%	18.43%	15.42%	16.92%

বিজয়

Bangladesh finance
এখনই সময়

আর্থিক স্বাধীনতার চাবিই আমার সুপারপাওয়ার!



bd.finance 16727

FINANCIAL HIGHLIGHTS (CONSO)

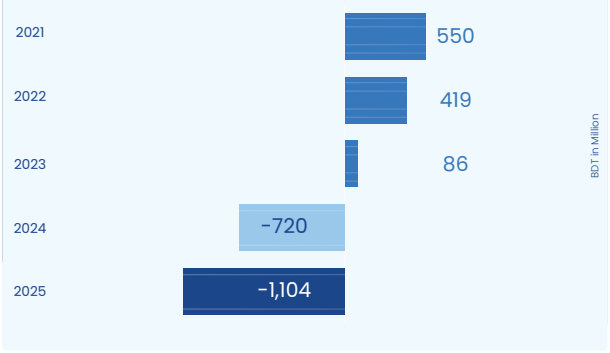
240 Mn
NET PROFIT AFTER TAX
▲ 103%

1.19
EARNINGS PER SHARE
▲ 103%

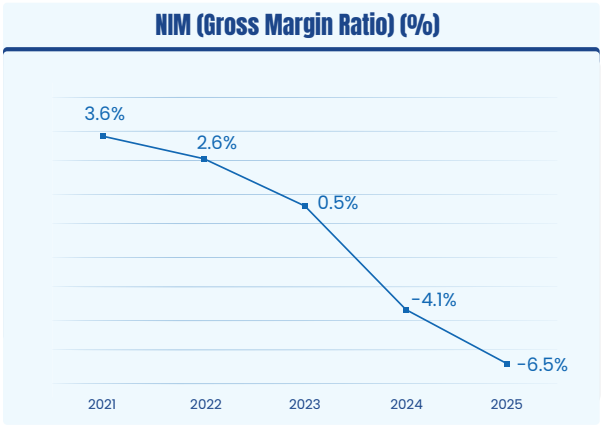
19,190 Mn
BALANCE SHEET SIZE
▼ 8.02%

1.20%
RETURN ON ASSET
▲ 103%

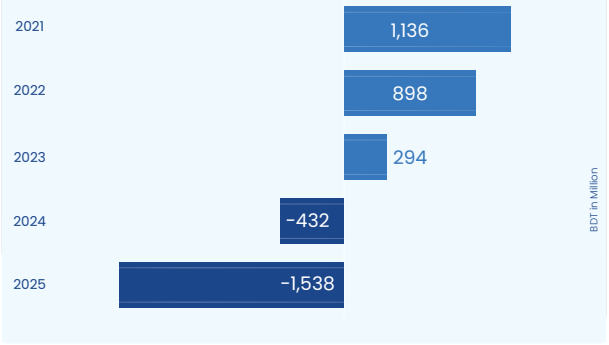
Net Interest Income



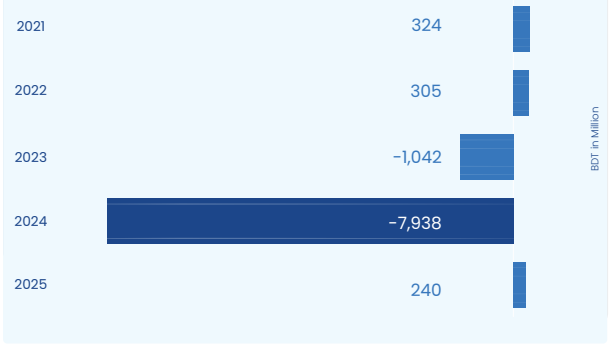
NIM (Gross Margin Ratio) (%)



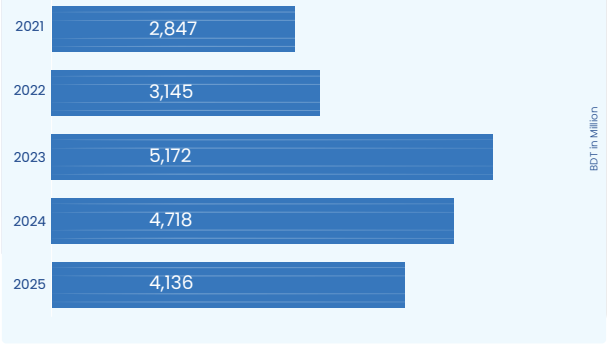
Total Operation Income



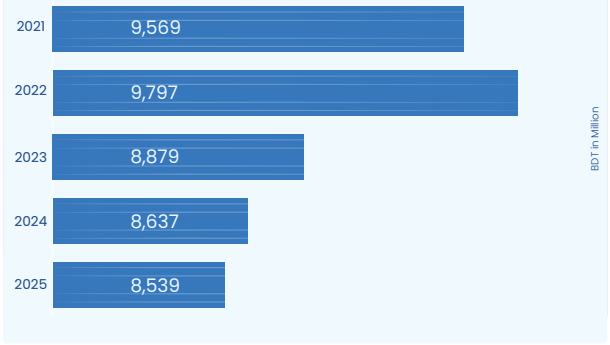
Profit After Tax



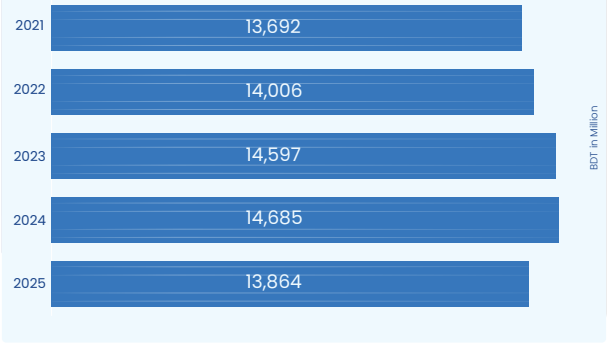
Borrowings



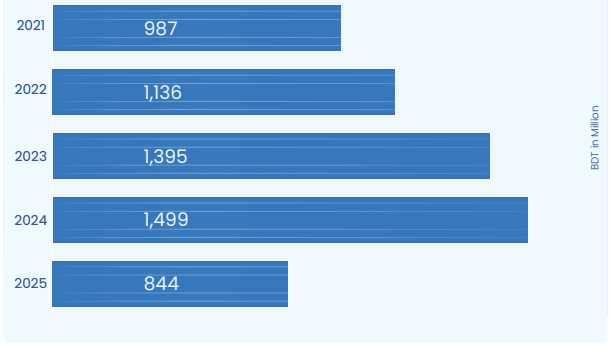
Total Deposit



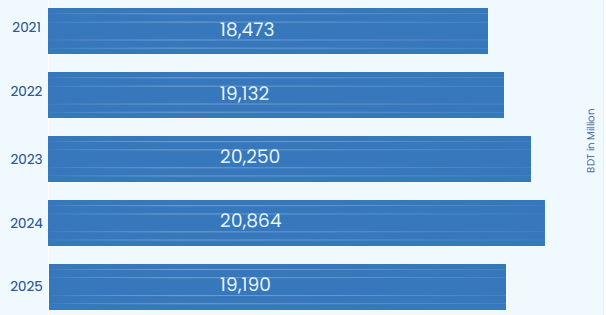
Loan Lease & Advances



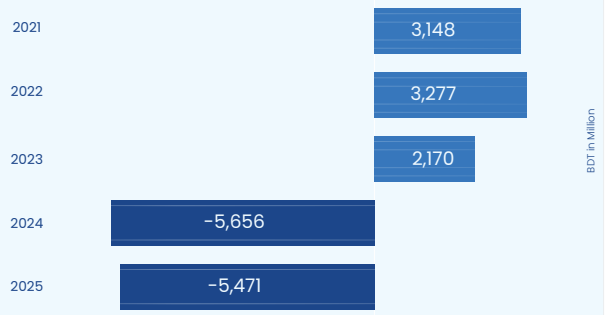
Investment



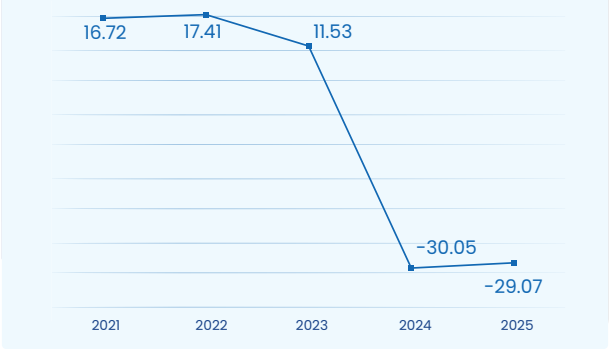
Total Asset



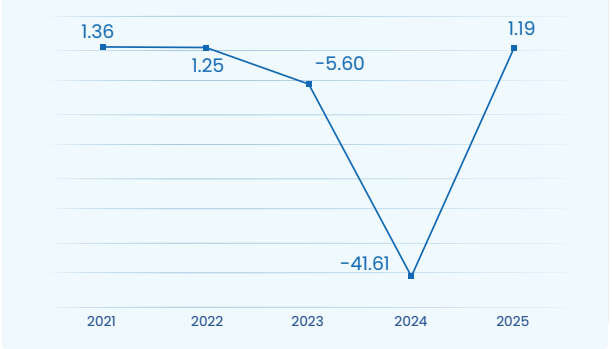
Shareholder Equity



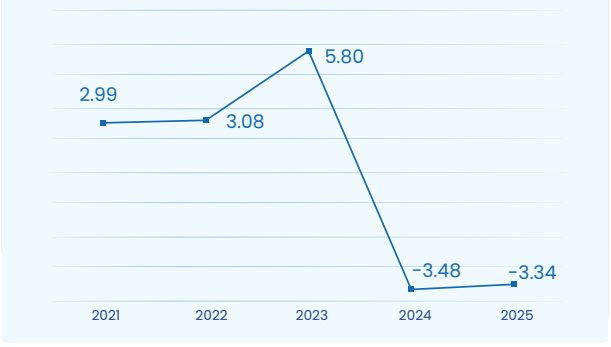
Net Asset Value Per Share



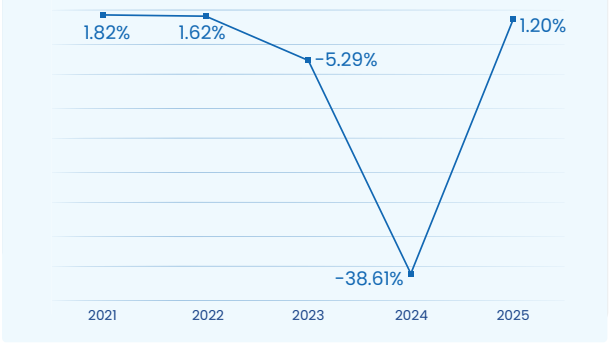
Earnings Per Share



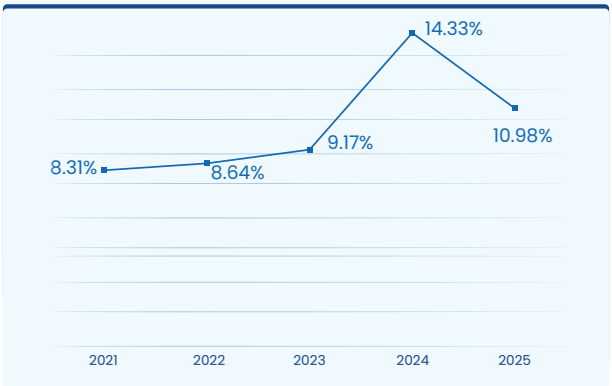
Debt to equity ratio



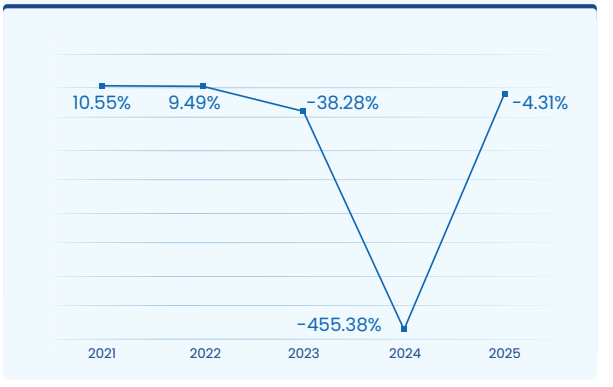
Return on Assets

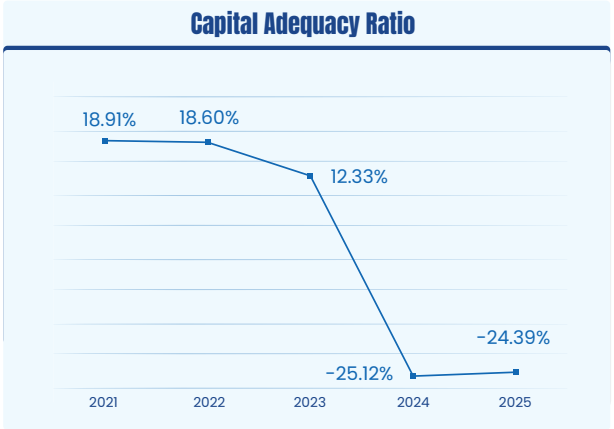


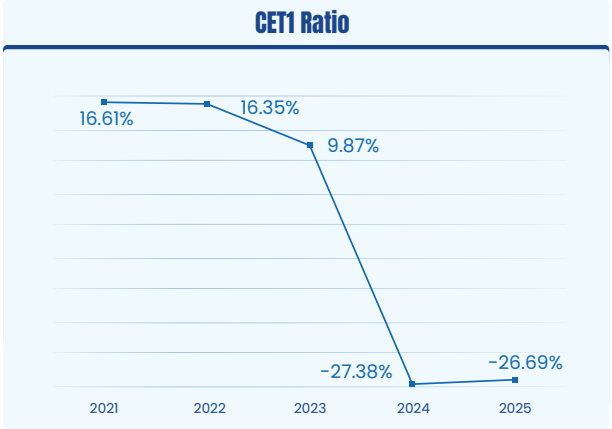
Liquid Assets Ratio

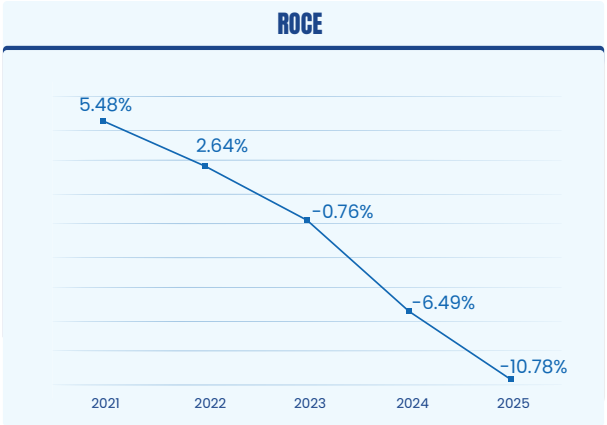


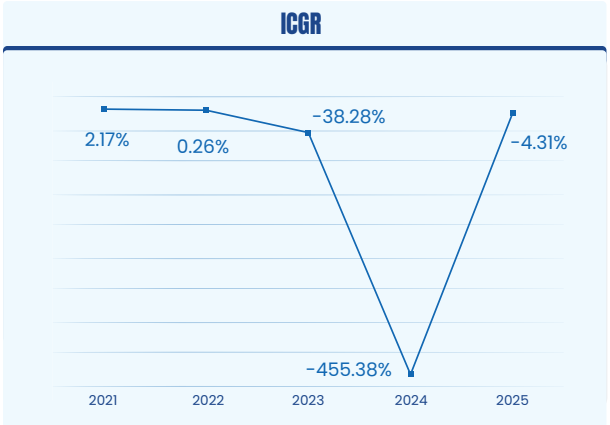
RETURN ON EQUITY




Capital Adequacy Ratio
18.91%
18.60%
12.33%
-25.12%
-24.39%
2021
2022
2023
2024
2025


CET1 Ratio
16.61%
16.35%
9.87%
-27.38%
-26.69%
2021
2022
2023
2024
2025


ROCE
5.48%
2.64%
-0.76%
-6.49%
-10.78%
2021
2022
2023
2024
2025


ICGR
2.17%
0.26%
-38.28%
-455.38%
-4.31%
2021
2022
2023
2024
2025

SUMMARY OF FINANCIAL HIGHLIGHTS (CONSO)

	2021	2022	2023	2024	2025
Profitability (Consolidated)					
Net Interest Income	550	419	86	-720	-1104
NIM (%)	3.6%	2.6%	0.5%	-4.1%	-6.5%
Total Operaitng Income	1136	898	294	-432	-1538
Total Operating Expense	297	379	360	354	370
Cost/Income Ratio(%)	26.17%	42.26%	122.29%	-81.87%	-24.04%
Profit before income tax	523	313	-1046	-8633	155
Income tax expense(net)	200	9	-4	-695	-85
Net profit after tax	324	305	-1042	-7938	240
Net Profit Margin	20.88%	21.04%	-89.35%	-975.45%	54.84%
Assets,Liabilities & Equity (Consolidated)					
Borrowings	2,847	3,145	5,172	4,718	4,136
Deposits	9,569	9,797	8,879	8,637	8,539
Loan Lease & Advances	13,692	14,006	14,597	14,685	13,864
Investment	987	1,136	1,395	1,499	844
Total assets	18,473	19,132	20,250	20,864	19,190
Total equity	3,148	3,277	2,170	(5,656)	(5,471)
Investor Information					
Net asset value per share	16.72	17.41	11.53	(30.05)	(29.07)
Market value per share	54.40	44.10	44.10	11.80	13.40
Earnings per share	1.36	1.25	(5.60)	(41.61)	1.19
Market capitalization	9,660	8,301	8,301	2,221	2,522
Other Ratios					
Dividend yield	2.21%	2.27%	0.00%	0.00%	0.00%
Price earnings ratio	40.02	35.17	(7.88)	(0.28)	11.28
Non-performing loan ratio	2.54%	5.56%	11.20%	9.26%	13.75%
Liquid assets ratio	8.31%	8.64%	9.17%	14.33%	10.98%
Current Ratios	1.16	1.20	1.27	1.26	1.18
Debt to equity ratio	2.99	3.08	5.80	-3.48	-3.34
Long Term Credit Rating	AA-	AA	AA	AA	AA
Short Term Credit Rating	ST-2	ST-1	ST-1	ST-1	ST-2
Key Performance Indicator					
ROA	1.82%	1.62%	-5.29%	-38.61%	1.20%
ROE	10.55%	9.49%	-38.28%	-455.38%	-4.31%
ROCE	5.48%	2.64%	-0.76%	-6.49%	-10.78%
Capital Adequacy Ratio	18.91%	18.60%	12.33%	-25.12%	-24.39%
Common Equity Tier 1 (%)	16.61%	16.35%	9.87%	-27.38%	-26.69%
ICGR	2.17%	0.26%	-38.28%	-455.38%	-4.31%

NON-FINANCIAL HIGHLIGHTS

PEOPLE

7,244
Beneficiaries from CSR Programme

146
People Trained under AML-CFT Programme

18
Internship Opportunities Provided

PLANET

IN 4 DECIMAL
Land trees planted through CSR activities

92 TREES
Saved through digital transactions and digital approval

11 CSR
Projects conducted under this year

BDT 389 MN
Financing of sustainaible linkage projects

PROFIT

BDT 0 MN
Value distributed to providers of capital

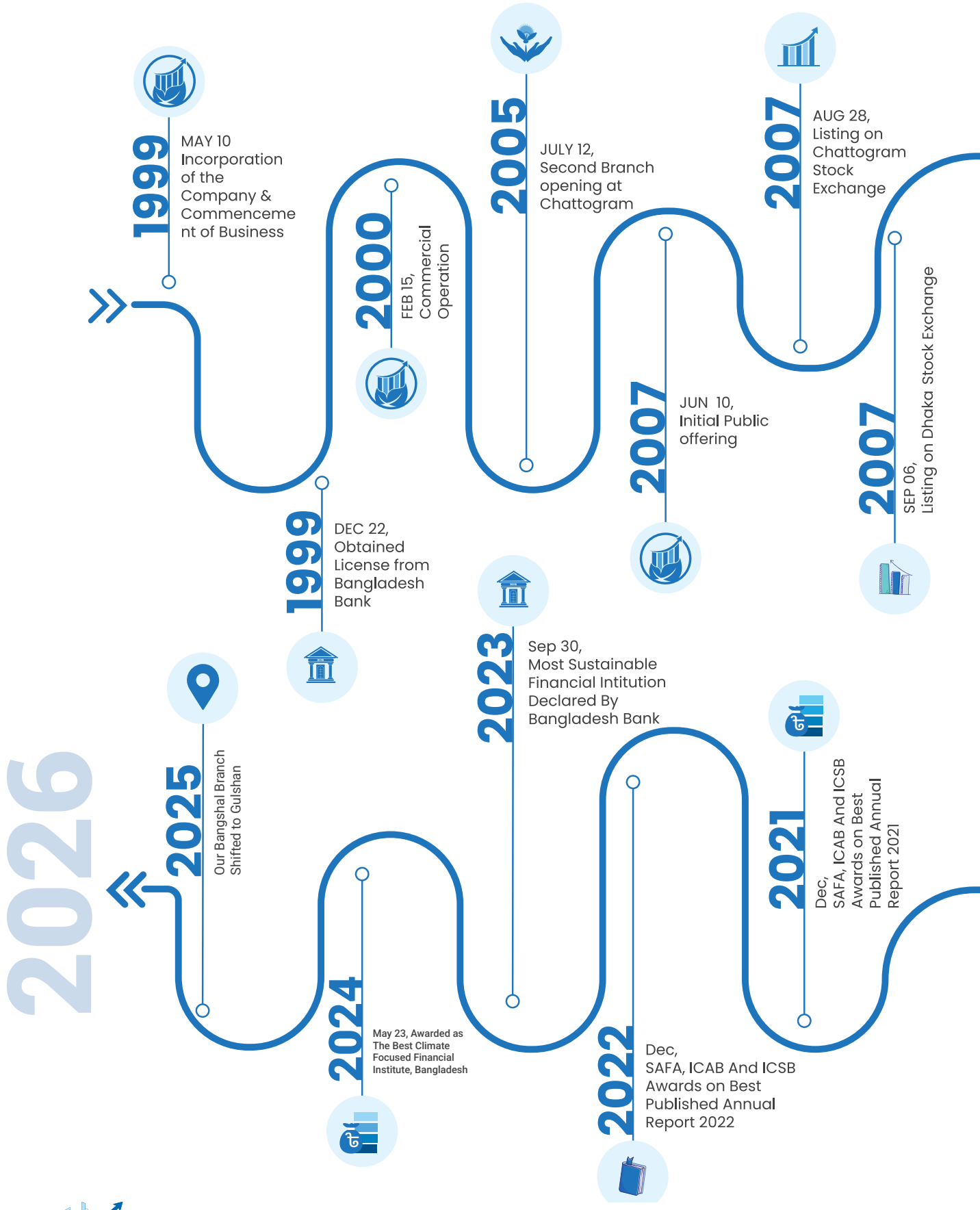
BDT 1.1 MN
Value distributed to the community

BDT 1,415.04 MN
Value distributed to depositors and lenders

BDT 77.29 MN
Value distributed to the Government

Revenue per Employee: **4.9 Mn**	Average Loan Processing Time: 4 Working Days for Women Loan/ 7 Working Days for SME Loan	Average Loan Size: **20.44 Mn**	Customer Acquisition Cost (CAC): **Tk. 6,820**	Customer Retention Ratio: **81%**
Turnaround Time (TAT): For Deposit Customer: 6 Hours, For Loan Customer: **12 Hours**	Training Hours per Employee: **30 Hours**	Employee Turnover Rate: **19%**	Compliance Ratios: **99%**	IT Spending as a Percentage of Total Expenditure: **15%**

OUR JOURNEY


1999
MAY 10
Incorporation of the Company & Commencement of Business
1999
DEC 22,
Obtained License from Bangladesh Bank
2000
FEB 15,
Commercial Operation
2005
JULY 12,
Second Branch opening at Chattogram
2007
JUN 10,
Initial Public offering
2007
AUG 28,
Listing on Chattogram Stock Exchange
2007
SEP 06,
Listing on Dhaka Stock Exchange
2021
Dec,
SAFA, ICAB And ICSB Awards on Best Published Annual Report 2021
2022
Dec,
SAFA, ICAB And ICSB Awards on Best Published Annual Report 2022
2023
Sep 30,
Most Sustainable Financial Intitution Declared By Bangladesh Bank
2024
May 23, Awarded as The Best Climate Focused Financial Institute, Bangladesh
2025
Our Bangshal Branch Shifted to Gulshan
2026

2007 SEP 11, Trading on DSE & CSE

2010 DEC 28, Equity Participation in Bangladesh Finance Securities Limited

2010 JUNE 08, Third Branch Opening at Bangshal

2011 AUG 10, Equity Participation on Bangladesh Finance Capital Ltd.

2014 SEP 08, Fourth and Fifth Branch Opening at Sylhet and Uttara

2016 JUNE 17, Launching of Bangladesh Finance First Mutual Fund

2017 SEP 07, Sixth Branch Opening at Gazipur

2018 DEC 27, Seventh Branch Opening at Jashore

2020 NOV 12, Primary Approval for Opening Islamic Shariah Based Wing

2020 JAN 23, International Finance Award 2019

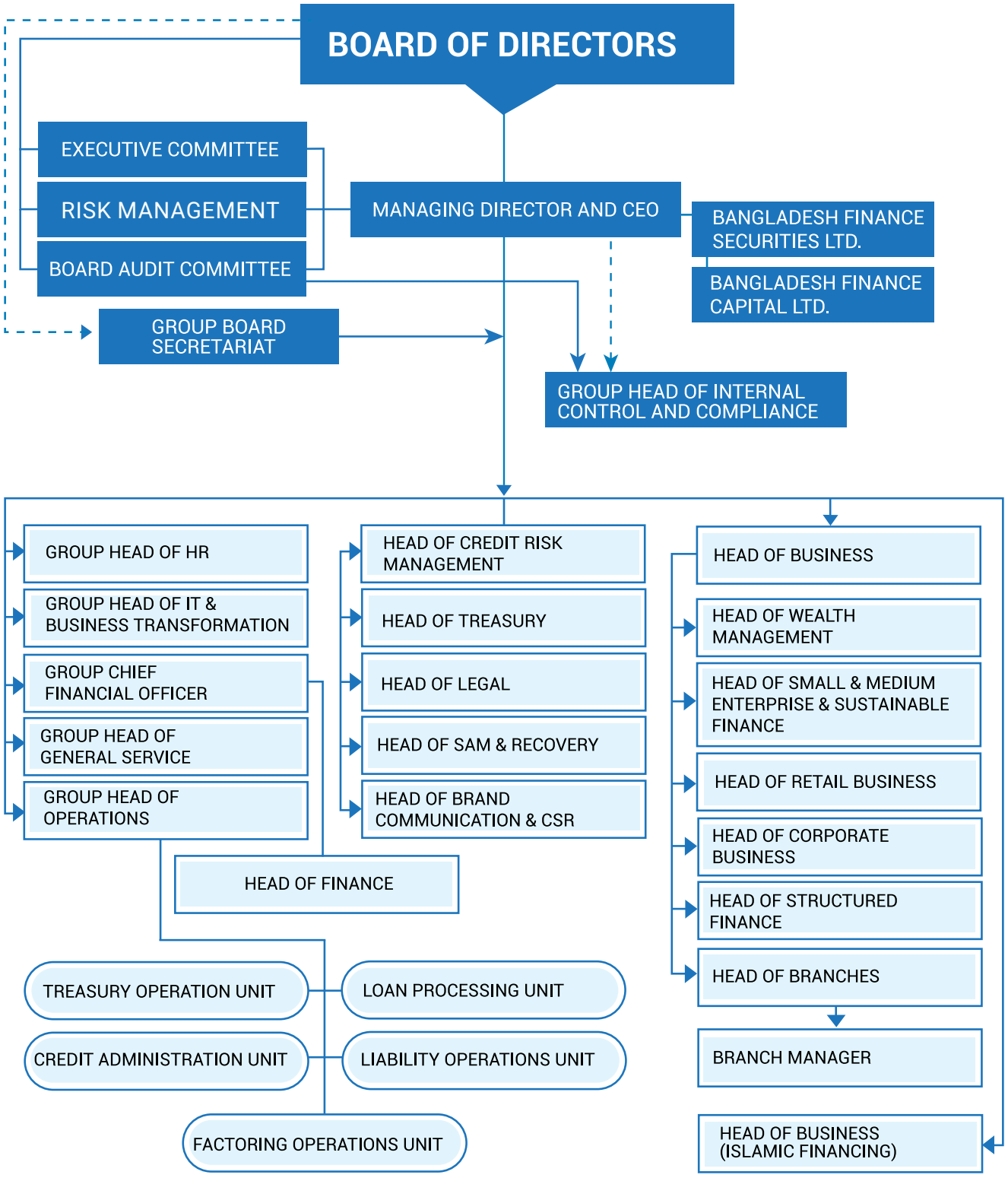
2021 JAN 21, Achieved AA- Credit Rating

2021 JULY 28, Rebranding of Bangladesh Finance

PRODUCTS & SERVICES

বীর প্রবাসীর স্বপ্নপূরণের প্ল্যাটফর্ম		টার্ম ডিপোজিট		বিজয়	
	Green Deposit		WORKING CAPITAL FINANCE		প্রফিট ফার্স্ট স্কিম
DOCTORS LOAN		ঘর AFFORDABLE HOME LOAN		Retirement Plan	
	গুণন		হোম লোন		কৃষি ঋণ
BLUE SIP		সুরক্ষা		মুদারাবাহ্ টিডিআর	
	মুদারাবাহ্ ওমরাহ্ স্কিম		মুদারাবাহ রিটায়ারমেন্ট প্ল্যান		মুদারাবাহ্ হজস্কিম
মুদারাবাহ্ মাসিক ডিপিএস		HOME FINANCE		AUTO FINANCE	
	INDUSTRIAL FINANCE		CAPITAL MECHINERIES & EXPENSION FINANCE		Others..

GROUP CORPORATE ORGANOGRAM



DIRECTOR'S PROFILE



Iqbal Uddin Ahmed

Chairman
Bangladesh Finance PLC

Mr. Iqbal U. Ahmed is a distinguished banking professional and corporate leader with more than 37 years of extensive experience in the banking and financial services industry of Bangladesh. Renowned for his strategic insight, prudent leadership, and deep understanding of financial risk management, he has played a significant role in strengthening the country's banking sector through his contributions across various leadership positions. Currently serving as the Chairman and Independent Director of Bangladesh Finance PLC, Mr. Ahmed brings decades of expertise in banking operations, governance, regulatory compliance, and institutional development. His professional journey reflects a strong commitment to excellence, innovation, and sustainable financial growth. Mr. Ahmed successfully concluded his banking career as the Managing Director of Trust Bank Limited, where he demonstrated exceptional leadership in driving operational efficiency, business expansion, and risk management practices. Under his stewardship, the bank strengthened its market position and enhanced its organizational capabilities in a highly competitive financial environment.

Following his tenure at Trust Bank Limited, he continued contributing to the financial sector as an Advisor and Alternate Director of NRB Bank Limited. His advisory role reflected his profound industry knowledge and his ability to provide strategic direction for institutional growth and governance. Throughout his illustrious career, Mr. Ahmed has earned widespread recognition for his remarkable contributions to banking and financial sector development in Bangladesh. He has been honored with several prestigious awards, including the Bangladesh Bank Award for his contribution to the "Managing Core Risk in Banking" Project in 2003, a landmark initiative aimed at strengthening risk governance and regulatory standards within the banking industry. In recognition of his professional excellence and leadership, he also received the Dhaka Post Gold Medal in 2007, awarded by a weekly publication from the United Kingdom.

In 2015, Mr. Ahmed was further honored with the Mother Teresa Golden Award by the Global Human Rights Organization, Bangladesh Foundation, acknowledging not only his professional accomplishments but also his dedication to ethical leadership and social responsibility.

Widely respected for his integrity, visionary leadership, and commitment to institutional excellence, Mr. Iqbal U. Ahmed continues to inspire professionals across the banking and corporate sectors. His vast experience and strategic guidance remain invaluable in fostering sustainable growth, sound governance, and innovation within Bangladesh's financial industry.



Kazi Rafiqul Hassan

Independent Director, member of Audit Committee and Risk Management Committee

Kazi Rafiqul Hassan, the former Executive Director of the Bangladesh Bank, is an accomplished central banker with 32 years of experience in the mainstream of central banking. Mr. Hassan served in various capacities in different important departments like Banking Inspection, Vigilance, Forex Reserve & Treasury Management, Foreign Exchange Policy, Foreign Exchange Investment, SME & Special Programs, Banker's Selection Committee Secretariat & Risk Management Unit of the Bank.

His professional journey began in 1993 as an Assistant Director, encompassing notable achievements, including an Employee Recognition Award in reserve management. Mr. Hassan has also represented Bangladesh in various national and international training programs, seminars, and workshops where he enhanced his expertise and contributed to cross-border financial knowledge exchange through visits to the USA, UK, Canada, Russia, Saudi Arabia, Turkey, Thailand, Singapore, Malaysia, Indonesia, Sri Lanka, India, Nepal, Bhutan, etc.

Mr. Hassan was a Director on the board of Karmashangthan Bank. He also worked as an Observer in the Board of National Bank Plc, BASIC Bank Ltd & Bangladesh Development Bank Ltd. He earned a Master's degree in English from the University of Dhaka. He has a deep understanding of banking operations, regulatory compliance and policy formulation, correspondence banking, etc. His valuable insights as a Member of the Audit Committee and Member of the Risk Management Committee will ensure robust governance, risk oversight, and compliance standards of the institution.



Md Helal Chowdhury

Director, Member of Executive Committee

Md Helal Chowdhury, appointed to the Board on 21 May 2024 and nominated by Anwar Ispat Limited, is a distinguished Bangladeshi executive with over 35 years of judicial service experience.

Holding an LL.B (Hon's) and LL.M from the University of Dhaka (1984), Mr. Chowdhury has held significant roles, including Director General of the SAARC Arbitration Council (2021-2024), District and Session Judge in Dhaka and Chattagram, Joint Secretary (Legal Support) at the Bangladesh Parliament Secretariat, Chairman of the Labour Court in Chattagram, and Chief Metropolitan Magistrate in Chattagram.

As an author, he has contributed key legal manuals such as the 'Union Parishad Administrative and Electoral Manual' and the "Parliament Handbook, 2015." He has participated in numerous national and international training programs, seminars, and workshops, and has served as a resource person for various training institutions, providing specialized training on banking laws. Throughout his illustrious career, Mr. Chowdhury has presided over numerous legal cases and held prestigious positions, including President of the Bangladesh Judicial Service Association, membership in the Bangladesh Judicial Service Commission, and the Bangladesh Law Association. His extensive career underscores his unwavering commitment to the legal profession and invaluable expertise.



Fatema Begum

Director, Member of Audit Committee

Fatema Begum holds the esteemed distinction of being the first woman in the country to choose a career in the police force following her success in the Bangladesh Civil Service (BCS) examination in 1984. With an impressive tenure spanning over 31 years, she retired from her illustrious role as Additional Inspector General in the Bangladesh Police in 2017. Throughout her extensive career, she has exhibited exceptional leadership skills and has consistently demonstrated exemplary performance across various units within the Bangladesh Police.

Ms. Fatema's experience encompasses a diverse range of working environments, including field operations, desk work, administration, training institutions, and the finance and development sector. Her invaluable contributions have left an indelible mark on each facet of her service. Furthermore, she had the privilege of serving in a UN peacekeeping mission, thereby gaining invaluable exposure to a multicultural environment and enhancing her expertise in international law enforcement.

In addition to her professional accomplishments, Ms. Fatema is a highly educated individual. She completed her master"s degree from the prestigious University of Dhaka and went on to attain an MS degree in Environmental Studies from the renowned Adelaide University of South Australia. Her pursuit of higher education was supported by the esteemed Aus-Aid scholarship program, further highlighting her commitment to personal and professional growth.

Throughout her career, Ms. Fatema Begum has consistently demonstrated steadfast dedication to upholding law and order, fostering security, and serving the community with unwavering commitment. Her tireless efforts and exceptional leadership have earned her the utmost respect and admiration within the law enforcement community in Bangladesh.



Kazi Mustak Ahmed, FCA

Independent Director

Kazi Mustak Ahmed, FCA, is a seasoned finance and governance professional with over 24 years of experience in financial leadership, corporate governance, and strategic management across leading local conglomerates and multinational organizations.

He is a Fellow Chartered Accountant (FCA) and a member of the Institute of Chartered Accountants of Bangladesh (ICAB). He holds an MBA and a BBA in Accounting & Information Systems from the University of Dhaka.

Mr. Ahmed is currently serving as Group CFO of DBL Group. Previously, he held senior leadership roles, including Group CFO at Anwar Group of Industries and AK Khan Group, and Chief Executive Officer (CEO) of AK Khan Securities Limited. His career also includes senior regional roles with Siemens in Bangladesh and the Middle East, as well as Vice President & Head of Corporate Head Office Audit at BRAC Bank PLC.



Imtiyaj Yousuf

Director, Member of EC

Imtiyaj Yousuf is a new-generation business entrepreneur. As a member of a reputed business-oriented family, Mr. Imtiyaj had the opportunity to observe and understand the business process at an early age.

He is the proprietor of Imtiyaj Steel and Omega International and has been actively involved in the automobile business for the last few years. With his innovative approach and entrepreneurial mindset, Mr. Imtiyaj continues to make significant contributions to the industries he is engaged in.



Md. Hasan Khan

Director

Hasan Khan holds a Master of Commerce (M.Com) degree in Management from the University of Dhaka, which has provided him with a strong academic foundation in business administration, organizational management, and financial systems. In addition to his postgraduate qualification, he is an Associate Member of the Bangladesh Insurance Academy (ABIA), reflecting his professional commitment to the insurance and financial services sector and his continuous pursuit of industry-relevant expertise.

Throughout his professional career, Mr. Khan has served in several important roles within City Insurance PLC, where he gained extensive experience in financial operations, risk management, and corporate financial governance. His career progression reflects a strong track record of responsibility and performance in the insurance industry.

Mr. Khan served as the Finance Controller at Anwar Group of Industries, one of the leading and most diversified conglomerates in Bangladesh. In this role, he was responsible for overseeing financial planning, budgeting, internal controls, and financial reporting, contributing to the group's overall financial discipline and strategic decision-making.



Mahfuza Khanam

Independent Director, Member of EC and Risk Management Committee

Mahfuza Khanam is a seasoned professional with nearly 30 years of distinguished service at Bangladesh Bank across various departments. She began her career in 1987 as a Senior Officer at Janata Bank, Dhaka, and subsequently joined Bangladesh Bank in 1989.

Throughout her tenure at the Central Bank, Ms. Khanam held key positions in several departments, including Foreign Exchange Operation, Agricultural Credit, Human Resources, Banking Inspection, Internal Audit, and Deposit Insurance. She also served as a Faculty Member at the Bangladesh Bank Training Academy, Dhaka.

Ms. Khanam earned her B.Sc. and M.Sc. degrees in Applied Physics and Electronics from the University of Rajshahi in 1982 and 1983, respectively. Over the course of her career, she has participated in numerous professional training programs, seminars, and lectures both at home and abroad.



Md. Kyser Hamid

Managing Director & CEO

Md. Kyser Hamid is a visionary leader in Bangladesh's financial sector, known for driving innovation and excellence through decades of dynamic leadership. Having held key roles at IDLC Finance, DBH, BRAC Bank, IPDC, and currently at Bangladesh Finance, his strategic vision has consistently delivered industry-leading growth and transformation.

He holds an MBA in Marketing from North South University and a BBA in Accounting and Information Systems from the University of Dhaka, complemented by international training in India, Malaysia, and Singapore. Actively engaged in global knowledge exchange, Kyser participates in industry forums across South Asia, the Middle East, Asia Pacific, the UK, and the USA.

Kyser serves as an Executive Committee Member of BAPLC, Standing Committee Member of FBCCI on NBFIs, and Vice-Chairman of BLFCA, contributing to policy and industry development. In academia, he is a visiting and adjunct faculty member at leading universities and serves on syllabus committees. His leadership continues to inspire progress and innovation across Bangladesh's financial ecosystem.

SHARI'AH SUPERVISORY COMMITTEE 2025



Prof. Dr. Giash Uddin Talukder
Chairman

Dr. Giash is currently heading the Shariah supervisory committee of Bangladesh Finance PLC as the Chairman. He studied Diploma in Arabic & Islamic Culture at King Saud University, Riyadh, KSA, and did PhD in The Miracle of the holy Quran- University of Chittagong.

At the age of 51, he brings expertise in Islamic Financing to the board of Bangladesh Finance Islamic Wing Shariah Supervisory Committee. Apart from this role, he is also leading Central Shari'ah Board for Islamic Banks of Bangladesh (CSBIB) as Chairman. He is also playing a role as a member of the Shari'ah Advisory Committee of Bangladesh Bank.

Along with these roles, he is also working as Chairman in some other prominent banks in Bangladesh and teaching at the University of Chittagong as a Professor of the Department of Arabic.



Md. Abdul Awwal Sarker
Member

Mr. Abdul Awwal is currently playing role at Bangladesh Finance Islamic wing as a member to the Shari'ah Supervisory Committee. In his academic life, he studied MS in International Finance at Loughborough University School of Business and Economics and completed M.A. in Economics from Rajshahi University. He has been working as a prominent researcher in Islamic Banking & Finance for quite a long period. Throughout his career he had served Bangladesh

Bank as an Executive Director (Research); Al-Arafah Islami Bank Training and Research Institute as Director General; Institute of Islamic Banking and Insurance (London, UK), Bangladesh Regional Office as Director General. Apart from these he is also a part of Shari'ah Supervisory Committee of several leading banks. He is also contributing as a working committee member of Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain.



Dr. Zubair Muhammad Ehsanul Haque, CSAA
Member

Dr. Zubair is currently working as a member of the Shari'ah Supervisory Committee of the Bangladesh Finance Islamic Wing. He is teaching at the University of Dhaka as a professor of department of Arabic. He has done his PhD from the University of Dhaka. He has served the Government of the Republic of Bangladesh as District Information Officer (20th BCS). Apart from this, he is also a part of the Shari'ah Supervisory Committee of several leading banks. He is also contributing to the Centre for Zakat Management (CZM) as a member of the Shari'ah Supervisory Committee. He is a Certified Shari'ah Supervisor and Auditor from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain.



Dr. Md. Ruhul Amin Rabbani
Member

Dr. Ruhul is currently working as a member of the Shari'ah Supervisory Committee of Bangladesh Finance Islamic Wing. He studied Doctor of Philosophy, Department of Fiqh and Usul al Fiqh at the International Islamic University Malaysia and completed Master of Theology & Islamic Studies from the Islamic University, Kushtia. Currently, he is working as an Assistant Professor of Islamic Studies at the Asian University of Bangladesh. He is also contributing as a member to the Shari'ah Supervisory Committee of several banks. Apart from this, he is also holding the position of Assistant Director at the Bangladesh Islamic Law Research and Legal Aid Centre.



Md. Kyser Hamid
Member

Md. Kyser Hamid is the Managing Director and CEO of Bangladesh Finance and a recognized leader in Bangladesh's financial services sector. He is known for transforming BRAC Bank's retail business and driving growth and change at IDLC Finance, DBH, and IPDC, where he played a key role in establishing the institution as a top AAA-rated financial organization.

Under his leadership, Bangladesh Finance has earned multiple prestigious recognitions, including an AA credit rating, ICAB, ICSB, SAFA, and the Most Sustainable Financial Institution awards. He holds an MBA in Marketing from North South University and a BBA in Accounting and Information Systems from the University of Dhaka, complemented by international training and global business exposure.

Mr. Hamid actively contributes to industry and social development as an Executive Committee Member of BAPLC, Standing Committee Member of FBCCI on NBFIs, and a member of BLFCA. He is also a veteran Rotary member (PHF) and has served as visiting and adjunct faculty at leading universities.



Munshi Md. Ashfaqul Alam
Member Secretary & Head of Islamic Wing

Mr. Munshi Md. Ashfaqul Alam is a seasoned professional in banking and financial institutions, currently serving as a Member of the Shari'ah Supervisory Committee of Bangladesh Finance (Islamic Wing) and Head of the Islamic Finance Division. His career reflects deep engagement in both conventional and Islamic financial systems, with a strong focus on Shari'ah-compliant banking practices.

He has built a distinguished professional track record across leading banks, financial institutions, and international organizations at home and abroad. His areas of specialization include Islamic finance, branch banking, inward foreign remittance, correspondent banking, channel development, sales force leadership, and investment risk management. His professional journey includes key roles at Social Islami Bank Ltd., Jamuna Bank Ltd., BRAC Bank Ltd., Asia Exchange Centre LLC (UAE), and UAE Exchange Centre LLC, as well as academic engagements at Atish Dipankar University of Science and Technology and the University of Information Technology & Sciences.

Mr. Munshi holds both an MBA and a BBA from the Department of Accounting & Information Systems, University of Dhaka. He is a Certified Shari'ah Advisor & Auditor (CSAA) from AAOIFI, Bahrain, and a Certified Islamic Banking & Finance Professional (CIBFP) from the Bangladesh Institute of Bank Management (BIBM).

MANAGEMENT COMMITTEE



Md. Kyser Hamid

Managing Director & CEO
Bangladesh Finance PLC

Md. Kyser Hamid stands as a visionary leader in Bangladesh's financial sector, ushering in a transformative period distinguished by innovation, excellence, and forward-thinking leadership. With over a decade of dynamic experience, he has played a crucial role in setting industry benchmarks and driving Bangladesh Finance toward exceptional successes and acclaim.

Mr. Hamid's career journey displays an unyielding drive to generate effective change. He has continuously shown that he is capable of carrying out audacious plans and achieving long-term success, as seen by his strategic contributions at IDLC Finance and Delta Brac Housing (DBH) as well as his revolutionary leadership positions at BRAC Bank and IPDC. His reputation as a driving force behind advancement in the financial sector has been strengthened by the way his strategic vision has taken institutions to new heights.

He graduated from the University of Dhaka with a BBA in Accounting and Information Systems and North South University with an MBA in Marketing. Specialized training received in Singapore, Malaysia, and India has further enhanced his professional development. Through his involvement in knowledge-sharing conferences and business trips around South Asia, the Middle East, Asia-Pacific, the United Kingdom, and the United States, Mr. Hamid also continues to be actively involved in the global industrial conversation.

Apart from his executive duties, Mr. Hamid makes significant contributions to a number of important industry organizations. He is the Vice-Chairman of the Bangladesh Leasing and Finance Companies Association (BLFCA), a member of the Standing Committee on Non-Bank Financial Institutions (NBFIs) at the Federation of Bangladesh Chambers of Commerce & Industry (FBCCI), and an Executive Committee member of the Bangladesh Association of Publicly Listed Companies (BAPLC). He actively participates in industry advocacy and policy creation in these capacities.

Mr. Hamid has made important contributions to academia outside of the business world. He has served as a guest lecturer at the University of Dhaka and held adjunct faculty and visiting professor positions at ASA University and BGMEA University. He has also developed academic programs that are focused on the future by serving as a member of the syllabus committees at both BRAC University and United International University.

The financial sector in Bangladesh has discovered a game-changing leader in Mr. Kyser Hamid, whose dedication to innovation, quality, and inclusive growth will continue to motivate and influence the country's financial future.



Kh. Mahmudul Hasan

Managing Director & CEO
Bangladesh Finance Securities Limited

Mr. Khondokar Mahmudul Hasan is a seasoned leader with nearly 20 years of experience in Bangladesh's capital market. He is the Managing Director and CEO of Bangladesh Finance Securities Limited, where his strategic vision drives innovation, growth, and long-term success. Under his guidance, the company has strengthened its market presence, embraced modern financial practices, and built a reputation for reliability and excellence.

Previously, he held senior roles including Head of Operations at Remons Investment & Securities Limited and COO at ANF Management Co. Ltd. and Bangladesh Finance Securities Limited. Across these positions, he consistently improved efficiency, strengthened client relationships, and spearheaded expansion initiatives that contributed to organizational resilience and profitability. His ability to align operational improvements with strategic goals has been a hallmark of his leadership style.

Beyond his executive career, Mr. Hasan contributes to industry development through training and seminars, reflecting his commitment to continuous learning and knowledge-sharing. Widely respected for his integrity and transparency, he champions investor empowerment, fosters trust among stakeholders, and promotes ethical business practices. His emphasis on collaboration and accountability has created a culture that values both performance and responsibility.

Under his capable leadership, Bangladesh Finance Securities Limited is well-positioned for sustained excellence, affirming his reputation as a transformative figure in the country's financial sector and underscoring his invaluable contribution to the growth and modernization of Bangladesh's capital market.



Suman Kumar Kundu

Chief Executive Officer
Bangladesh Finance Capital Limited

Chief Risk Officer, Bangladesh Finance PLC

Suman Kumar Kundu is a seasoned professional with over 17 years of extensive experience in Credit Risk Management and Business Analysis within the financial services industry. His deep understanding of financial risk and strategic business assessment has positioned him as a respected figure in the sector.

Mr. Kundu joined Bangladesh Finance in 2016, building upon a solid career foundation shaped by his previous roles at Alliance Financial Services Limited (AFSL) and Credit Rating Information and Services Limited (CRISL). In each of these roles, he consistently demonstrated a high level of analytical acumen and leadership capability, contributing to enhanced risk assessment frameworks and improved business performance.

Academically accomplished, Mr. Kundu holds both a Bachelor of Business Administration (BBA) and a Master of Business Administration (MBA) in Finance from the University of Dhaka. He has further broadened his professional qualifications by earning an LLB degree, completing Level I of the Chartered Financial Analyst (CFA) program, and achieving Executive Level II certification as a Chartered Secretary. His commitment to professional development is reflected in his active participation in numerous training programs, workshops, seminars, and conferences, particularly in the areas of financial analysis and credit risk.

Recently appointed as the Chief Executive Officer of Bangladesh Finance Capital Limited, a subsidiary of Bangladesh Finance, Mr. Kundu's elevation marks a significant milestone in his distinguished career. His strategic vision, robust financial expertise, and dedication to excellence are expected to drive the continued growth and success of the organization.



Md. Sajjadur Rahman Bhuiyan

Group Chief Financial Officer

Md. Sajjadur Rahman Bhuiyan is an accomplished finance professional with nearly 19 years of extensive experience in finance and accounts, internal control and compliance, planning and budgeting, and risk management within the financial sector. He joined Bangladesh Finance in 2007 and has held various key positions before being appointed as the Chief Financial Officer in 2015. He also serves as the Chief Anti-Money Laundering Compliance Officer (CAMLCO) of Bangladesh Finance.

Before joining Bangladesh Finance, Mr. Bhuiyan worked as an Audit Supervisor at Hoda Vasi Chowdhury & Co. (Chartered Accountants), where he gained hands-on experience in auditing and compliance.

His core areas of expertise include financial modeling, financial reporting, strategic planning and forecasting, business analysis, control and compliance, and policy development.

Mr. Bhuiyan holds a post-graduate degree in Accounting from Dhaka College. With extensive knowledge of financial analysis, tax and VAT, credit risk management, asset-liability management, and AML/CFT regulations, he continues to play a pivotal role in driving financial excellence and ensuring regulatory compliance within the organization.



Md. Rafiqul Amin

Group Head of Operations

Md. Rafiqul Amin brings over two decades of valuable experience in the Non-Bank Financial Institution (NBFI) sector, showcasing a steadfast commitment to operational excellence and strategic growth. Since beginning his professional journey with Bangladesh Finance in 2004, he has played an integral role in the organization's evolution and success.

Starting his career in the Accounts & Finance Department, Mr. Amin quickly distinguished himself through his expertise and dedication, eventually rising to the position of Head of Financial Accounting and Reporting (FAD). In 2019, he was entrusted with leading the Operations team, further expanding his impact across the organization.

Mr. Amin's professional strengths encompass a wide range of functional areas, including process development, project implementation, such as Core Banking System (CBS) deployment, strategic planning, credit administration, loan processing, liability operations, channel financing, and regulatory compliance. His ability to manage complex operations while maintaining a high standard of regulatory alignment has made him a key asset to the organization.

An alumnus of the University of Dhaka, Mr. Amin holds both a BBA and an MBA degree in Accounting and Information Systems. As a true example of homegrown leadership, he reflects Bangladesh Finance's commitment to nurturing talent from within and empowering professionals to reach their full potential.

With a deep understanding of the NBFI landscape and a strong foundation in finance and operations, Mr. Amin continues to contribute significantly to the organization's growth and to the broader financial services sector in Bangladesh.



Md. Faisal Hossain

Group Chief Technology Officer

Md. Faisal Hossain is a distinguished professional with over a decade of experience in the financial and technology sectors, recognized for his expertise in ICT and cybersecurity. He has held prominent roles across leading banks, Mobile Financial Services providers, and a Big Four audit firm, with deep knowledge in ICT governance, risk and compliance, IT audit, fraud investigations, and large-scale platform migrations.

His thought leadership is evident in his contribution to national policy, including the Bangladesh Bank's Guideline on ICT Security for Banks, v4.0 (2023), and his efforts to promote cybersecurity awareness through organizational initiatives. Academically, he holds a B.Sc. in Computer Science and Engineering and an MBA in MIS from the University of Dhaka, complemented by advanced certifications and participation in global workshops and summits.

Before joining Bangladesh Finance PLC, Mr. Faisal served as CISO at Mercantile Bank and held key technology and security positions at bKash, Mutual Trust Bank, Eastern Bank, Islami Bank Bangladesh PLC, and KPMG Bangladesh. He also contributes to academia as an adjunct faculty member at the University of Dhaka and Bangladesh University of Professionals, and serves as General Secretary of the CSEDU Alumni Association.



Md. Anwar Hossain

Head of SAM and Monitoring

Md. Anwar Hossain is a seasoned banking professional with over 27 years of experience, specializing in Special Asset Management for the past 15 years. He joined Bangladesh Finance in 2020, bringing with him a wealth of experience from his previous leadership roles, including Head of Special Asset Management at NRB Bank and Head of the Recovery Division at Prime Bank Limited.

Mr. Anwar's academic background is impressive, holding an MA from the National University and an MBA from Newcastle University. In addition, he is a registered Advocate and a member of the Dhaka Bar Association, reflecting his strong foundation in legal matters within the banking sector.

Throughout his career, Mr. Anwar has been committed to continuous professional development, actively participating in numerous training programs, workshops, seminars, and conferences focused on Special Asset Management. His deep expertise in this area, combined with his extensive experience, makes him a valuable asset to Bangladesh Finance PLC.



Md. Jubraj Hossain

Head of Treasury

Md. Jubraj Hossain is an accomplished financial professional with over 16 years of experience in treasury and investment management. He assumed the role of Head of Treasury at Bangladesh Finance PLC in November 2021, bringing with him a wealth of expertise gained from previous roles at Delta Brac Housing Finance Corporation Ltd and VIPB Asset Management Company Ltd. Throughout his career, Jubraj has collaborated with Bangladesh Bank and various prestigious local and international entities, contributing to the adoption of best practices in treasury management, fund management, and investment.

In his current role, Mr. Jubraj leads strategic initiatives in treasury and fund management at Bangladesh Finance PLC. His leadership has been instrumental in strengthening the company's position as a compliant, transparent, and high-performing financial institution, while driving significant growth in key areas.

Mr. Jubraj holds a BBA and an MBA with a specialization in Finance from the University of Dhaka. His areas of proficiency include Treasury operations, Portfolio Management, Investment strategies, and Risk Management. He has actively participated in numerous training programs and workshops related to Treasury management, Bond Market Development, Risk Mitigation, BASEL II compliance, and Stress Testing methodologies.

Outside of his professional accomplishments, Jubraj has a keen interest in sports and travel, reflecting his well-rounded personality and diverse passions. His ongoing commitment to professional development and leadership makes him a valuable asset to Bangladesh Finance PLC.



Munshi Abu Naim

Group Company Secretary

Munshi Abu Naim is a seasoned professional with over 20 years of multifaceted experience across both domestic and international platforms. His expertise spans a broad spectrum of areas, including customer service, accounting, auditing, taxation, and corporate secretarial functions.

Before joining Bangladesh Finance PLC, Mr. Naim held key positions at J Sainsbury's Plc, a prominent publicly listed company in the United Kingdom. His tenure there provided him with valuable insights into global business practices and operational excellence within a highly regulated corporate environment.

Mr. Naim holds a Postgraduate Diploma from Anglia Ruskin University in the UK and an MBA in Accounting and Information Systems from the University of Dhaka. He is also a Fellow of the Institute of Chartered Secretaries of Bangladesh (ICSB), a testament to his professional qualifications and dedication to corporate governance and regulatory compliance.

Throughout his career, Mr. Naim has actively engaged in numerous seminars and training programs, both locally and abroad, continually enhancing his professional knowledge and skillset. His extensive travel across Europe has further enriched his perspective, allowing him to adapt to and appreciate diverse cultures and multidimensional working environments.

Mr. Munshi Abu Naim's diverse experience, global exposure, and professional dedication position him as a valuable asset to Bangladesh Finance PLC and the broader financial industry.



Munshi Md. Ashfaqul Alam

Head of Islamic Wing

Munshi Md. Ashfaqul Alam has over 17 years of extensive experience in the banking and financial services sector. He currently serves as a member of the Shariáh Supervisory Committee for the Islamic wing at Bangladesh Finance and holds the position of Head of the Islamic Finance Division.

Throughout his career, Mr. Munshi has demonstrated exceptional professional achievements in various banking and financial institutions, both within Bangladesh and internationally. His areas of expertise include Islamic finance, branch banking, inward foreign remittance, correspondent banking, channel development, sales force management, and investment risk management. He has previously held prominent roles at institutions such as Social Islami Bank Limited, Jamuna Bank Limited, BRAC Bank Limited, Asia Exchange Centre LLC (UAE), UAE Exchange Centre LLC (UAE), Atish Dipankar University of Science and Technology, and the University of Information Technology & Sciences

Mr. Munshi earned his MBA and BBA degrees from the Department of Accounting & Information Systems at the University of Dhaka. He is a Certified Shariáh Advisor & Auditor (CSAA) from the Accounting & Auditing Organization for Islamic Financial Institutions (AAOIFI) in Bahrain and a Certified Islamic Banking & Finance Professional (CIBFP) from the Bangladesh Institute of Bank Management (BIBM).

With his vast expertise and international experience, Mr. Munshi continues to contribute significantly to the advancement of Islamic finance and the banking sector.



M. Kohinoor Hossain

Head of SME & Sustainable Finance

M. Kohinoor Hossain is a seasoned business analyst with 23 years of extensive experience in the financial sector, specializing in small business financing, corporate and sustainable finance, CMSME risk management, credit control, and financial product innovation. His profound understanding of global best practices has positioned him as a key driver of financial growth and sustainability within Bangladesh's evolving economic landscape.

Currently, Mr. Hossain serves as the Head of Sustainable Finance & SME at Bangladesh Finance, where he plays a crucial role in developing SME financing strategies, promoting sustainable investment initiatives, and implementing comprehensive credit risk management frameworks. His leadership is integral to enhancing financial inclusion and building economic resilience in the country.

Before joining Bangladesh Finance, Mr. Hossain held significant positions at Brac Bank Limited, Bangladesh Development Bank Limited, Union Capital, and CVC Finance Limited. In these roles, he contributed extensively to credit monitoring, product development, and strategic financial planning, showcasing a proven track record of driving financial innovation and executing impactful business strategies.

Mr. Hossain holds both a BSS Honors and an MSS in Economics from the University of Dhaka. He has further developed his expertise by actively participating in specialized training programs, workshops, and seminars on SME financing, green project financing, professional management development, and credit risk management.

With over two decades of experience, Mr. Hossain continues to lead in sustainable financial growth, SME empowerment, and the implementation of risk-optimized banking solutions, ensuring that Bangladesh Finance remains a frontrunner in the financial sector.



Amitav Debnath, FCA

Group Head of Internal Control & Compliance

Amitav Debnath brings over 15 years of comprehensive experience in finance and accounting, taxation, internal control and compliance, planning and budgeting, and risk management within the financial sector. He has held prominent roles such as Deputy Chief Financial Officer at NCC Bank Limited, Head of Head Office Audit at BRAC Bank Limited, and Manager of Audit and Consultancy at ACNABIN, Chartered Accountants.

Mr. Debnath's expertise spans corporate reporting, financial management, strategic planning, forecasting, financial and business analysis, internal control, compliance, and policy development. His in-depth knowledge and strategic vision have enabled him to contribute significantly to financial excellence and organizational growth.

A Fellow Chartered Accountant (FCA), Mr. Debnath, completed his Bachelor of Business Administration degree from BRAC University. His extensive skill set and leadership experience make him a highly valuable asset in driving financial performance and business success. He has also achieved the National Integrity Award 2024.



Mohammad Abu Obayed

Head of Wealth Management

With over 17 years of experience in the financial industry, Mohammad Abu Obayed joined Bangladesh Finance in 2020 as the Head of Wealth Management. He began his career at DBH, where he steadily advanced to the position of Sales Team Manager over the course of eight years. Subsequently, Mr. Obayed served as Regional Sales Manager at Brac Bank Ltd for two years before being appointed as the Regional Sales Head and Head of Liability at IPDC Finance.

Throughout his career, Mr. Obayed has demonstrated exceptional skills in driving deposit portfolio growth, increasing profitability, and developing innovative onboarding methods, which contributed to his swift promotion to the role of Head of Liability. He is well-regarded for his innovative leadership, effective sales strategies, and strong relationship management abilities.

Mr. Obayed holds a BA in English and an MBA in Finance. He has actively participated in numerous sales and communication training programs and has conducted workshops on sales, customer service, and communication. His outstanding performance in these areas has earned him several medals and diplomas. He has also achieved the National Integrity Award 2024.



Barrister M.Ibrahim Khalil

Head of Legal & Corporate Affairs

Barrister M. Ibrahim Khalil is a distinguished Advocate of the Bangladesh Supreme Court and a Barrister of the Honorable Society of the Middle Temple Inn, United Kingdom, with 13 years of extensive experience in the legal field. His expertise encompasses corporate law, litigation, legal strategy, and dispute resolution, positioning him as a leading legal professional in the financial sector.

Before joining Bangladesh Finance, Mr. Khalil developed a solid foundation in top-tier corporate and litigation law firms, where he provided expert legal advice, crafted effective legal strategies, and facilitated swift dispute resolution. His comprehensive experience in both corporate advisory and litigation has earned him widespread recognition for his professional acumen and strategic legal insight.

Mr. Khalil holds an LL.B. (Hons) from BPP Law School, London, UK, completed in 2013, and pursued his Bar Professional Training Course (BPTC) in 2015. He is a proud Advocate of the Supreme Court of Bangladesh, a member of the Honorable Society of the Middle Temple Inn, UK, and holds memberships in the Dhaka Bar Association, the Supreme Court Bar Association, and the Dhaka Taxes Bar Association.

Mr. Khalil is committed to continuous professional development and has actively participated in numerous training programs, workshops, seminars, and legal conferences, further enhancing his expertise in regulatory compliance, financial law, and corporate governance.

With over a decade of legal excellence, Mr. Khalil continues to play a pivotal role in safeguarding corporate interests, ensuring legal compliance, and driving strategic legal initiatives at Bangladesh Finance. He has also achieved the National Integrity Award 2024.

EXTENDED MANAGEMENT COMMITTEE



Mohammad Masud Rana

Head of Sales, SME & Retail,
and Head of Strategic Recovery

Mohammad Masud Rana brings 21 years of extensive experience in sales, business development, and customer relationship management. In 2022, he took on the role of Head of Sales at the SME & Retail Department of Bangladesh Finance, following his tenure as Regional Sales Head at IPDC Finance.

Mr. Rana holds Honors and Master's degrees in Accounting from the National University, along with an MBA in Bank Management from Stamford University, Bangladesh.

Beyond his academic credentials, Mr. Rana's leadership is pivotal in driving strategic initiatives, including asset sales and alternative channel development. His expertise in these areas highlights his dedication to optimizing performance and improving customer experiences. His strategic vision and hands-on approach position Bangladesh Finance for continued growth and success in the ever-evolving financial sector.



Md. Emran Hossain

Head of General Services

Md. Emran Hossain brings 15 years of extensive experience within financial institutions. Since joining Bangladesh Finance Limited in 2012, he has held key roles across various divisions, including Planning, Human Resources, Branch Control, Public Relations, and General Services. In 2020, he was appointed as the Head of the General Service Department.

With more than a decade of experience, Mr. Hossain's expertise spans strategy and policy formulation, effective communication strategies, resource and space optimization, marketing, and the development of value propositions tailored to a variety of enterprises.

Mr. Hossain holds an M.Phil. degree in Marketing from the Faculty of Business Studies at the University of Dhaka. Additionally, he earned his MSS and BSS in Mass Communication from Rajshahi University, as well as an MBA in Marketing from a well-regarded private university in Bangladesh. Throughout his career, he has actively participated in numerous training programs, workshops, seminars, and conferences, further enhancing his professional expertise. Mr. Hossain has also received various awards and recognitions, including the National Integrity Award 2020-2021 under the National Integrity Strategy of Bangladesh Bank



Md. Ashekul Arifin Patwary

Acting Head of Human Resources

Md. Ashekul Arifin Patwary is an accomplished AON-Certified Talent Management Professional with 14 years of extensive experience in Human Resources management within the financial sector. His expertise spans Talent Management, Organizational Development, Training & Evaluation, Performance Management, Employee Engagement, and Employee Lifecycle Management.

Since joining Bangladesh Finance Limited in February 2021, Mr. Patwary has played a pivotal role in overseeing key HR functions within the Bangladesh Finance Group. His responsibilities include Talent Management, Training & Development, Performance Management, Organizational Development, and HR Project & Compliance, contributing significantly to fostering a high-performing and engaged workforce.

Before joining Bangladesh Finance, Mr. Patwary served as Assistant Manager (HR) at United Finance for nearly three years, where he made significant contributions to HR strategy and employee engagement. His prior four-year tenure at LankaBangla Finance Limited further strengthened his expertise in Recruitment & Employer Branding, Performance Management, Organizational Development, HR Operations, and Learning & Development.

Mr. Patwary is an alumnus of the University of Dhaka, where he earned his BBA in Management and an MBA in Human Resource Management. His dedication to continuous learning and professional growth is demonstrated through his active participation in volunteering activities and specialized HR management courses affiliated with the University of Dhaka.

With over a decade of leadership in HR, Mr. Patwary continues to drive organizational growth, talent development, and people-first strategies, reinforcing Bangladesh Finance's position as an employer of choice.



Milton Kumar Roy

Chief Operating Officer
Capital Market Operations

Milton Kumar Roy is the Chief Operating Officer of Bangladesh Finance Capital Limited, with over 19 years of experience in capital market operations, merchant banking, financial management, and regulatory compliance. He has served the organization in several senior leadership roles, including Chief Financial Officer and Company Secretary, contributing significantly to operational efficiency, governance, and regulatory excellence.

Mr. Roy possesses strong expertise in brokerage and dealer operations, portfolio and treasury management, capital market compliance, and corporate advisory. He has worked closely with regulatory bodies and led key operational, financial, and system implementation initiatives across Bangladesh Finance Capital Limited and its subsidiaries.

He holds an M. Com in Accounting, an LLB, and is a qualified Income Tax Practitioner, with extensive professional training in securities laws, IPO processes, risk management, and AML/CFT.



Tapu Podder

FAVP & Head of Finance
Capital Market Operations

Tapu Podder is a First Assistant Vice President at Bangladesh Finance PLC and currently serves as the Head of Finance for Capital Market Operations. He brings nearly a decade of professional experience in financial administration, accounting, audit, and regulatory reporting across banking, non-banking financial institutions, and multinational organizations.

He holds an MBA in Accounting and Finance from American International University-Bangladesh (AIUB) with Cum Laude distinction and is a partly qualified Chartered Accountant (CA-Professional Level). Mr. Podder is also an Associate Member of the Institute of Bankers, Bangladesh (IBB).

Mr. Podder's core expertise includes budgeting and financial reporting, audit and compliance, tax and VAT management, regulatory liaison, and stakeholder reporting. He is recognized for his strong command of accounting standards, financial controls, and analytical review of financial statements, contributing to sound financial governance and operational excellence at Bangladesh Finance.



Md. Ashikur Rahman

Lead - Brand, Communication & Marketing

Md. Ashikur Rahman is a seasoned marketing professional with 9 years of experience across consumer goods, technology, financial services, and e-commerce. Skilled in brand strategy, digital marketing, customer engagement, and corporate communications, he has successfully led impactful campaigns and strengthened organizational visibility.

Before joining Bangladesh Finance, he held key roles at Evaly, UNICEF, Shohoz, and Square Toiletries Ltd., where he redefined brand positioning and executed data-driven strategies to boost market share and loyalty. A graduate of North South University with both BBA and MBA degrees in Marketing, he also holds certifications from Google and Facebook Blueprint in digital sales, campaign management, and analytics.

At Bangladesh Finance, Ashikur leads brand transformation, media relations, CSR, and customer experience management, playing a pivotal role in rebranding efforts that enhanced brand equity and stakeholder engagement. He has earned multiple accolades, including the CEO's Excellence Award, and contributes to social initiatives as a Director of the Rotary Club of Dhaka Mega City, supporting projects in education, health, and youth empowerment.

BRANCH LEADERSHIP



MOHAMMAD KOHINOOR HOSSAIN
SENIOR VICE PRESIDENT, HEAD OF BRANCHES & BRANCH MANAGER, PRINCIPAL BRANCH

M. Kohinoor Hossain is a seasoned banking professional with over 22 years of experience in SME financing, corporate lending, credit risk management, and sustainable finance. As Head of Branches & Manager, Principal Branch at Bangladesh Finance, he leads branch operations, drives deposit and asset portfolio growth, and ensures compliance with regulatory and risk frameworks, contributing significantly to financial inclusion and operational excellence.

He previously held senior roles at BRAC Bank, Bangladesh Development Bank, Union Capital, and CVC Finance, where he demonstrated strong expertise in credit monitoring, product development, and strategic financial planning. A graduate in Economics from the University of Dhaka, he has also completed specialized training in SME banking, green finance, risk management, and leadership, enabling him to continue driving sustainable growth and institutional resilience.



JOINAL ABEDIN SOHEL
SENIOR ASSISTANT VICE PRESIDENT & BRANCH MANAGER, GULSHAN BRANCH

Md. Joinal Abedin is a seasoned finance professional with over two decades of experience in operations, retail, and sales management within Bangladesh's financial and corporate sectors. Currently serving at Bangladesh Finance PLC, he has built a career marked by dedication, leadership, and expertise in financial services.
He began his professional journey with Anwar Landmark Ltd. and Assurance Development Ltd. as a Senior
Executive in Sales and Marketing, before moving to IPDC Finance Ltd., where he worked for a decade as Manager in Operations & Retail. His extensive background in client relations, operational efficiency, and strategic management has positioned him as a trusted figure in the industry.

Joinal holds an MBA in Management from the University of Rajshahi, where he also completed his BBS in Management. His academic foundation is complemented by strong analytical skills and a commitment to
continuous professional growth. Joinal Abedin continues to contribute meaningfully to Bangladesh's financial sector, embodying both personal responsibility and corporate excellence.



TANZEEM AHMED
VICE PRESIDENT & BRANCH MANAGER UTTARA BRANCH

Tanzeem Ahmed is an accomplished banking professional with nearly two decades of experience in credit analysis, branch management, corporate and SME financing, and compliance. As Vice President & Head of Uttara Branch at Bangladesh Finance, he leads branch operations with a strong focus on financial inclusion, sustainable growth, and regulatory compliance, bringing expertise in credit structuring, risk mitigation, and client relationship management.

Prior to this role, he held senior positions at Mercantile Bank and Prime Bank, managing large corporate portfolios exceeding BDT 1,000 crore and serving leading clients such as Apex Footwear, Golden Harvest, Robintex, and Uttara Motors. An MBA graduate from Multimedia University and a BBA graduate from Taylor's University, Malaysia, he has also completed extensive professional training in credit risk, project finance, general banking, and compliance, and continues to drive operational excellence in the financial sector.



MD. ABDULLAH-AL-MAMUN
AVP & BRANCH MANAGER
CHATTOGRAM BRANCH

Md. Abdullah-Al-Mamun is a banking professional with over 16 years of experience in branch management, credit analysis, recovery, AML/CFT compliance, and corporate relationship management. As Assistant Vice President & Branch Manager at Bangladesh Finance PLC, Chattogram Branch, he oversees branch operations, manages diverse loan portfolios, and ensures strong compliance and risk control while maintaining portfolio quality.

He has progressed through key leadership roles within Bangladesh Finance PLC, with expertise spanning term loans, lease finance, home and auto loans, and SOD facilities, alongside recovery and legal procedures. Earlier in his career, he worked as Senior Audit Manager at S. Ahmed & Co. (Chartered Accountants). A graduate in Accounting from Govt. Commerce College, Chattogram, and a CA (CC) under ICAB, he is also an Integrity Award (2022–2023) recipient, recognized for his ethical leadership and contribution to sustainable growth.



KHALAD BEN MOZAHAR
FAVP & BRANCH MANAGER
SYLHET BRANCH

Khalad Ben Mozahar is an accomplished banking and finance professional with over 15 years of experience in branch management, sales leadership, and customer relationship management. As Branch Manager at Bangladesh Finance Limited, Sylhet, he oversees asset and liability growth, compliance, and portfolio quality, with a strong focus on delivering business targets and enhancing customer experience.

He previously held key leadership roles at IPDC Finance, Eastern Bank Limited, IDLC Finance, and DBH, specializing in SME lending, deposit mobilization, and team development. Holding an MBA in Marketing and a Bachelor of Commerce in Accounting, he has also completed extensive training in banking operations, compliance, and leadership, enabling him to drive sustainable growth and build high-performing teams in the financial sector.



MD. ASHRAFUL ALOM
FAVP & BRANCH MANAGER
JASHORE BRANCH

Md. Ashraful Alom is a seasoned banking and financial services leader with over 18 years of experience in branch and regional operations, SME and retail financing, credit risk management, deposit mobilization, and recovery strategy. He has successfully managed Fund Under Management (FUM) exceeding BDT 850 crore and has a proven track record of transforming underperforming branches into profitable and sustainable business units.

He has held senior leadership roles at LankaBangla Finance PLC, BRAC Bank PLC, and other institutions, where he enhanced profitability, reduced NPLs, and expanded regional operations. A graduate of Shahjalal University of Science & Technology in Political Studies & Public Administration, he has also completed extensive training in leadership, compliance, and SME banking. Recognized with multiple national awards, he is known for his strong leadership, customer-centric approach, and contribution to sustainable growth in Bangladesh's financial sector.



SHAHIDUL HAQUE
SENIOR MANAGER & BRANCH MANAGER
GAZIPUR BRANCH

Shahidul Haque is a banking and finance professional with nearly two decades of experience in branch management, financial product sales and marketing, loan operations, and customer service. As Branch Manager at Bangladesh Finance PLC, he leads business operations, formulates growth strategies, and ensures compliance while maintaining strong portfolio quality.

He previously worked with IPDC Finance, DBH Finance, IDLC Finance, and Navana Group, gaining expertise in retail business, consumer finance, and loan supervision. A graduate in Physics from Govt. Saadat College, Tangail, he has also completed professional training in banking operations, customer service, sales, and AML/CFT compliance, and is recognized for his leadership, communication skills, and contribution to sustainable growth in the financial sector.

CHAIRMAN'S MESSAGE





"2025 was a year of disciplined recovery and strategic consolidation for Bangladesh Finance PLC. By prioritizing asset quality, prudent risk management, operational efficiency, and digital transformation, we strengthened the foundation for sustainable growth and long-term stakeholder value."

Dear Valued Shareholders, Partners, and Stakeholders,

Assalamualaikum,

It is my privilege to welcome you to the 27th Annual General Meeting of Bangladesh Finance PLC and to present the Annual Report and Audited Financial Statements for the year ended December 31, 2025.

The year 2025 marked a period of cautious recovery, disciplined transformation, and renewed strategic focus for Bangladesh Finance PLC. Following the significant financial adjustments and provisioning measures undertaken in 2024, our organization entered 2025 with a stronger commitment to transparency, resilience, and sustainable growth. While economic conditions remained challenging both globally and domestically, we concentrated on rebuilding confidence, strengthening asset quality, and enhancing operational efficiency to position the Company for long-term stability.

Global and Domestic Economic Outlook

The global economy in 2025 continued to navigate a fragile recovery path. Although inflationary pressures gradually eased across major economies, geopolitical tensions, elevated borrowing costs, and subdued global trade continued to weigh on business confidence and investment sentiment. Central banks across the world maintained cautious monetary policies to balance economic growth with price stability.

Bangladesh also experienced a year of economic adjustment. Persistent inflationary pressure, foreign exchange constraints, higher energy costs, and liquidity tightening continued to affect businesses and financial institutions alike. However, encouraging developments in export earnings, remittance inflows, and policy reforms supported gradual macroeconomic stabilization during the year.

The Government of Bangladesh and Bangladesh Bank continued to implement reform-oriented initiatives aimed at strengthening financial discipline, improving governance standards, modernizing the banking and financial sector, and restoring investor confidence. These measures are expected to create a stronger foundation for sustainable economic growth in the years ahead.

Bangladesh Finance PLC – Strengthening the Foundation

In 2025, Bangladesh Finance PLC remained focused on preserving financial stability, improving operational resilience, and strengthening its risk management framework. Building upon the conservative provisioning and governance measures adopted in the previous year, the Company emphasized disciplined credit monitoring, recovery initiatives, and portfolio optimization.

Our priority throughout the year was to improve asset quality and enhance liquidity management while maintaining compliance with all regulatory requirements. The Company continued its prudent approach toward loan classification, provisioning, and recognition of income, reflecting our unwavering commitment to transparency and responsible financial management.

We also intensified recovery efforts through dedicated collection strategies, strengthened client engagement, and proactive restructuring initiatives where appropriate. These measures contributed to gradual improvement in portfolio performance and operational stability.

Despite the continuing pressure on profitability arising from high funding costs and economic uncertainty, Bangladesh Finance remained committed to protecting stakeholder interests and maintaining institutional integrity.

Strategic Priorities and Business Transformation

• Digital Transformation and Customer Experience

Digital innovation remained one of our highest strategic priorities in 2025. We further enhanced our digital infrastructure to improve operational efficiency, customer convenience, and service accessibility.Key initiatives included:

- Expansion of digital onboarding and loan processing systems;
- Enhanced mobile and online deposit services;
- Improved cybersecurity and data protection frameworks;
- Automation of internal operational and compliance processes; and
- Strengthening digital customer engagement channels.
- These initiatives are helping Bangladesh Finance evolve into a more agile, technology-driven financial institution capable of meeting the evolving expectations of modern customers.

SME and Retail Financing

In line with national economic priorities, we continued to support small and medium enterprises (SMEs), which remain the backbone of Bangladesh's economy. Our financing solutions focused on productive sectors with strong growth potential, employment generation capacity, and sustainable business practices.

We also expanded selected retail financial products designed to provide greater accessibility, convenience, and financial inclusion for individual customers.

Islamic Finance

The Islamic Finance portfolio continued to demonstrate steady growth during 2025. With increasing demand for Shariah-compliant financial services, we strengthened our Islamic financing operations through product diversification, customer outreach, and enhanced service delivery.

We believe Islamic finance will continue to be an important growth area for Bangladesh Finance in the years ahead.

Sustainable and Green Finance

Bangladesh Finance remained committed to sustainable financing and environmentally responsible investments. In alignment with the sustainable finance guidelines of Bangladesh Bank, we continued to support projects in renewable energy, energy efficiency, green manufacturing, and environmentally sustainable enterprises.

We recognize that sustainable finance is not only a regulatory expectation but also a long-term responsibility toward future generations.

Human Capital and Organizational Culture

Our employees remain the driving force behind our progress. During 2025, we continued investing in talent development, leadership capability, employee engagement, and workplace wellbeing.

- We emphasized:
- Professional training and upskilling;
- Leadership development initiatives;
- Diversity and inclusion practices;
- Performance-driven culture; and
- Employee wellness and support programs.

We are committed to fostering a workplace culture built on integrity, collaboration, innovation, and accountability.

Subsidiary Performance and Capital Market Engagement

Our subsidiaries—Bangladesh Finance Securities Limited and Bangladesh Finance Capital Holdings Limited—continued to operate with professionalism and strategic focus amid a challenging capital market environment.

Both subsidiaries concentrated on compliance excellence, customer relationship development, operational efficiency, and selective business expansion. Their continued contribution supports the broader strategic objectives of Bangladesh Finance PLC by strengthening our integrated financial services ecosystem.

Outlook for 2026 and Beyond

Looking ahead, we remain cautiously optimistic about the future. While macroeconomic challenges and market uncertainties may persist in the short term, we believe the long-term fundamentals of Bangladesh's economy remain strong.

Bangladesh Finance PLC will continue to focus on:

- Strengthening asset quality and liquidity;
- Enhancing operational efficiency;
- Accelerating digital transformation;
- Expanding sustainable and Islamic finance;



- Supporting SMEs and productive sectors; and
- Strengthening governance and risk management practices.

Our strategy will continue to prioritize sustainable growth, prudent financial management, and long-term stakeholder value creation over short-term expansion.

Gratitude and Commitment

On behalf of the Board of Directors, I express my sincere gratitude to our valued shareholders for their continued trust and confidence in Bangladesh Finance PLC.

I also extend my appreciation to our customers, regulators, business partners, and all stakeholders for their unwavering support and cooperation throughout the year. We remain grateful to Bangladesh Bank, Bangladesh Securities and Exchange Commission, and the stock exchanges for their continued guidance and support.

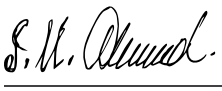
Most importantly, I would like to thank the management team and every employee of Bangladesh Finance PLC for their dedication, professionalism, and resilience during a demanding period of transformation and recovery.

Together, we will continue working toward building a financially sound, technologically advanced, ethically governed, and socially responsible institution.

May Allah bless us with wisdom, strength, and continued success.

May Allah bless us with strength, wisdom, and success.

Warm regards,



Iqbal Uddin Ahmed
Chairman
Bangladesh Finance PLC

MANAGING DIRECTOR & CEO'S STATEMENT



2025 was a year of stabilization, strategic recovery, and disciplined progress. Following the significant financial adjustments undertaken in the previous year, our focus shifted toward strengthening operational resilience, improving asset quality, and rebuilding institutional confidence. We remained steadfast in our commitment to transparency, prudent risk management, and responsible governance while continuing to invest in digital transformation, customer service, and sustainable growth initiatives. Although the operating environment remained challenging, the decisive actions taken over the past two years have positioned Bangladesh Finance PLC on a stronger foundation—more resilient, more agile, and better aligned with our long-term vision of being a trusted partner in the nation's economic development.

As we present our Annual Report for 2025, I reflect on a year marked by gradual economic stabilization, institutional recovery, and disciplined strategic execution. Following a period of significant adjustment and recalibration, Bangladesh Finance entered 2025 with renewed clarity of purpose and a stronger commitment to long-term resilience, prudent governance, and sustainable growth. Despite continuing market pressures and economic uncertainties, we have remained focused on strengthening our foundation, restoring confidence, and positioning the institution for the future.

The global economy in 2025 continued to navigate a fragile and uneven recovery path. While inflationary pressures began to moderate across many economies, geopolitical tensions, elevated interest rates, supply chain realignments, and persistent financial market volatility continued to influence global business sentiment. At the same time, rapid digital transformation, sustainability imperatives, and evolving customer expectations continued to reshape the financial services landscape worldwide. These shifts are no longer transitional—they are redefining how financial institutions operate, compete, and create long-term value.

Bangladesh also continued to face economic challenges throughout the year. Inflationary pressure, liquidity constraints, exchange rate volatility, and elevated funding costs remained key concerns across the banking and non-bank financial institution (NBFI) sectors. However, encouraging developments in remittance inflows, export performance, and ongoing policy reforms provided signs of gradual macroeconomic stabilization. In this evolving environment, Bangladesh Finance remained steadfast in its commitment not merely to withstand challenges, but to respond with discipline, strategic focus, and responsible financial stewardship.

Throughout 2025, we concentrated on improving asset quality, strengthening risk management practices, enhancing operational efficiency, and accelerating digital transformation initiatives. We continued to prioritize transparency, governance, and customer trust while investing in capabilities that will support sustainable and inclusive growth in the years ahead. The challenges we have faced reinforced our belief that resilience is built through prudent decisions, adaptability, and long-term vision.

Global Economic Landscape: Gradual Stabilization Amid Continued Uncertainty

The global economy in 2025 showed signs of gradual stabilization, although the recovery remained uneven and fragile across regions. Inflationary pressures moderated in several advanced economies compared to previous years, supported by tighter monetary policies and easing supply chain disruptions. However, elevated interest rates, geopolitical tensions, and subdued global trade activity continued to weigh on investment sentiment and economic expansion.

Major central banks, including the U.S. Federal Reserve and the European Central Bank, maintained a cautious policy stance throughout much of the year. While the pace of monetary tightening slowed, borrowing costs remained relatively high, creating continued pressure on businesses, consumers, and emerging markets. Global financial markets experienced periodic volatility amid concerns over economic slowdown, sovereign debt risks, and geopolitical instability, particularly in Eastern Europe and the Middle East.

At the same time, the pace of technological transformation accelerated significantly. Artificial intelligence, digital financial services, cybersecurity, and automation continued to reshape industries and redefine customer expectations worldwide. Sustainability and climate resilience also became increasingly central to global economic and financial agendas, with ESG-focused investments and green financing initiatives gaining further momentum. Financial institutions across the world are now being challenged to adapt rapidly to a more technology-driven, transparent, and sustainability-oriented operating environment.

Bangladesh Economy: Recovery Efforts Amid Structural Challenges

Against this global backdrop, Bangladesh's economy demonstrated resilience while continuing to navigate a challenging macroeconomic environment in 2025. Economic activity showed signs of gradual recovery supported by export growth, improving remittance inflows, and ongoing policy reforms. However, inflationary pressure, exchange rate volatility, elevated funding costs, and liquidity constraints continued to affect businesses and financial institutions throughout the year.

Although inflation moderated compared to the previous year, consumer purchasing power remained under pressure due to higher living costs and elevated interest rates. Import management measures, foreign currency constraints, and cautious private sector investment continued to influence overall economic momentum. The depreciation of the taka and rising operational costs also contributed to increased pressure across multiple sectors of the economy.

The banking and non-bank financial institution (NBFI) sectors continued to face liquidity stress and higher cost of funds amid tighter monetary conditions and evolving regulatory requirements. At the same time, ongoing reforms introduced by the Government of Bangladesh and Bangladesh Bank aimed to strengthen governance, improve financial discipline, enhance transparency, and support

Our pivot toward retail, SME, and green finance is not just a business shift—it's a strategic commitment to inclusive, sustainable growth. In 2025, we took bold steps to rebalance our portfolio, reduce concentration risk, and directly support the grassroots economy. Through innovative partnerships and pioneering products like 'Bijoy', we are expanding access to finance for underserved communities, especially women, and reinforcing our role as a catalyst for equitable economic development.

long-term sectoral stability.

The implementation of structural and regulatory reforms under the evolving financial sector framework created both opportunities and transitional challenges for financial institutions, particularly in areas relating to compliance, capital management, liquidity planning, and deposit mobilization. Nevertheless, these reforms are expected to contribute positively toward building a more resilient and sustainable financial system in Bangladesh over the long term.

Bangladesh Finance in 2025: A Year of Stabilization, Recovery, and Strategic Rebuilding

In 2025, Bangladesh Finance PLC continued its journey through a demanding and evolving financial landscape shaped by persistent liquidity pressure, elevated funding costs, economic uncertainty, and heightened regulatory expectations. Following the decisive balance sheet restructuring and aggressive provisioning measures undertaken in 2024, the Company entered 2025 with a clear strategic focus: restoring operational stability, strengthening asset quality, preserving liquidity, and rebuilding stakeholder confidence through disciplined execution and prudent governance.

The year represented a critical transition from financial recalibration toward institutional recovery. Rather than pursuing aggressive expansion, Bangladesh Finance concentrated on reinforcing the fundamentals of its business model through tighter risk controls, enhanced recovery initiatives, operational efficiency, and portfolio realignment.

As of December 31, 2025, the Company's total loans and advances stood at BDT 13,230.03 million, compared to BDT 14,024.29 million in 2024, reflecting a deliberate and cautious lending strategy focused on portfolio quality rather than volume growth. Deposits remained comparatively stable at BDT 8,538.56 million despite continued market-wide liquidity stress, demonstrating the confidence of customers and stakeholders in the institution's long-term stability.

Bank borrowing was significantly reduced to BDT 3,250.43 million from BDT 3,795.24 million in the previous year, reflecting the Company's emphasis on liquidity management, funding optimization, and balance sheet discipline amid elevated borrowing costs. At the same time, the cost of funds increased to 11.69% from 10.36% in 2024 due to continued pressure in the financial market and tighter monetary conditions.

The Company's classified loan portfolio increased to BDT 1,819.62 million in 2025 from BDT 1,298.59 million in 2024, resulting in a classification ratio of 13.75%. This increase largely reflects the continued recognition of stressed assets under a conservative and transparent risk assessment framework adopted by management. Bangladesh Finance remained committed to recognizing credit risks proactively and maintaining prudent provisioning practices in line with long-term institutional sustainability.

Despite the challenging operating environment, Bangladesh Finance achieved a remarkable turnaround in profitability during the year. The Company reported a net profit after tax of BDT 143.06 million in 2025, compared to a net loss after tax of BDT 7,344.99 million in 2024. On a consolidated basis, the Group reported a net profit after tax of BDT 239.74 million against a consolidated loss of BDT 7,937.86 million in the previous year. Earnings per share (EPS) also improved significantly to BDT 0.76 from negative BDT 39.02 in 2024. On a consolidated basis, Earnings per share (EPS) improved to 1.19 in 2025 from (41.61) in 2024.

This recovery was primarily driven by a substantial reduction in provisioning expenses following the extraordinary one-time provisioning measures undertaken in the prior year. Provision against investment and other stressed exposures declined considerably during 2025, allowing the Company to stabilize its earnings position while continuing to maintain prudent risk buffers.

However, the year remained operationally challenging. Interest income declined to BDT 356.49 million from BDT 723.79 million in 2024 due to lower earning assets, conservative income recognition policies, and reduced lending activities. At the same time, high funding costs continued to exert pressure on net interest margins, resulting in a negative net interest income position during the year. Non-interest income also remained subdued due to weak capital market activity and cautious investment strategies.

Recognizing these realities, Bangladesh Finance intensified its transformation and recovery initiatives throughout 2025, focusing on:

- Strengthening asset quality through enhanced credit monitoring and recovery efforts;
- Diversifying the loan portfolio toward SME, retail, and Islamic financing segments;
- Improving operational efficiency through digital process automation and technology-driven controls;
- Reducing funding costs and optimizing liquidity management;
- Enhancing collection and recovery mechanisms through legal actions, negotiations, settlements, and third-party recovery support; and
- Reinforcing governance, compliance, and enterprise risk management practices.

The management firmly believes that the strategic actions undertaken over the past two years have established a more resilient operational foundation for Bangladesh Finance. The disciplined recognition of risks, combined with cautious portfolio management and strengthened governance practices, has positioned the Company to gradually restore profitability and sustainable growth over the medium term.

As the Board of Directors approved the audited financial statements for the year ended December 31, 2025, Bangladesh Finance looks ahead with renewed determination and strategic clarity. The institution remains fully committed to rebuilding stakeholder confidence, delivering responsible financial solutions, and contributing meaningfully to the economic development of Bangladesh.

The journey through 2025 reaffirmed an important principle: resilience is not built through short-term success, but through disciplined decisions, transparency, and the courage to confront challenges directly. Bangladesh Finance continues to move forward with that conviction—focused on sustainable recovery, prudent growth, and long-term value creation for all stakeholders.

Strategic Transformation: Building a Diversified, Technology-Driven, and Sustainable Institution

Throughout 2025, Bangladesh Finance PLC continued its strategic transformation journey with a clear focus on building a more diversified, resilient, and inclusive business model. In an environment marked by economic uncertainty, liquidity pressure, and elevated credit risk, we remained committed to gradually reducing concentration risk while strengthening our presence in SME, retail, Islamic, and sustainable financing segments.

Rather than pursuing aggressive portfolio expansion, our strategy during the year centered on improving asset quality, strengthening customer diversification, and enhancing risk-adjusted returns. We continued to realign the loan portfolio away from large concentrated exposures and toward sectors with broader economic impact and stronger long-term sustainability.

Our SME and retail financing initiatives remained integral to this transformation strategy. Through selective and disciplined lending, we continued supporting entrepreneurs, small businesses, and individual customers who represent the backbone of Bangladesh's economic growth. We further expanded relationship-based financing models and strengthened partnerships with corporates, distributors, and ecosystem participants to reach underserved customer segments without significant branch expansion.

This collaborative financing approach has

"As we enter 2026, we recognize that the business environment will remain dynamic and challenging, shaped by evolving economic conditions, regulatory reforms, technological advancement, and changing customer expectations. The strategic measures undertaken over the past two years have strengthened our resilience and enhanced our ability to respond proactively to these changes. To ensure long-term sustainability and growth, Bangladesh Finance will continue to adapt through disciplined risk management, operational efficiency, digital transformation, and customer-centric innovation. Our focus remains on building a stronger, more agile, and future-ready institution capable of delivering sustainable value to all stakeholders."

enabled Bangladesh Finance to support value-chain financing across agriculture, trading, construction materials, and retail distribution networks. By leveraging strategic partnerships and technology-enabled delivery channels, we have continued extending accessible financial solutions to grassroots entrepreneurs, small merchants, and emerging businesses while maintaining disciplined recovery and monitoring mechanisms.

Women's financial inclusion also remained a key priority during 2025. Our dedicated women entrepreneur financing initiatives continued to support the growth of female-led enterprises through simplified processes, faster turnaround times, and customer-focused financing solutions. We strongly believe that empowering women entrepreneurs contributes not only to inclusive economic growth but also to broader social and financial resilience.

Digital Transformation and Operational Excellence

Digital transformation remained one of the central pillars of our long-term strategy in 2025. During the year, Bangladesh Finance continued investing in technology-driven operational improvements aimed at enhancing customer experience, improving efficiency, strengthening risk controls, and increasing organizational agility.

Key initiatives undertaken during the year included:

• Expansion of digital customer onboarding and service channels;

• Further automation of credit assessment and approval workflows;

• Strengthening cybersecurity and data protection frameworks;

• Enhancing digital deposit and payment capabilities; and

•Increasing operational efficiency through process digitization and centralized monitoring systems.

We firmly believe that digital transformation is no longer simply an operational enhancement—it is fundamental to the future sustainability and competitiveness of financial institutions. Our ongoing investments in technology are designed to build a more agile, customer-centric, and scalable organization capable of adapting to evolving market expectations.

Internally, Bangladesh Finance continued strengthening its human capital capabilities through targeted training, digital skill development, and data-driven decision-making frameworks. We also focused on improving collaboration, employee engagement, and operational adaptability to support a more resilient and future-ready organizational culture.

Commitment to Sustainability and Governance

Sustainability and responsible finance continued to remain core strategic priorities for Bangladesh Finance in 2025. In alignment with the sustainable finance framework of Bangladesh Bank, we continued financing environmentally responsible and socially impactful sectors, including renewable energy, energy-efficient projects, sustainable manufacturing, and climate-conscious business initiatives.

We recognize that sustainable finance is becoming increasingly important not only from a regulatory perspective but also as a long-term business imperative. Accordingly, we continued integrating environmental, social, and governance (ESG) considerations into our strategic planning, risk assessment, and financing decisions.

On the governance front, Bangladesh Finance further strengthened its institutional oversight and compliance framework during 2025. The Company continued enhancing board-level supervision, enterprise risk management practices, internal control systems, and audit functions to ensure greater accountability, transparency, and operational discipline.

We also remained focused on aligning our governance practices with international standards and strengthening stakeholder confidence through responsible financial management, transparent disclosures, and ethical business conduct.

The transformation journey of Bangladesh Finance is ongoing. While the operating environment remains challenging, the strategic initiatives undertaken over the past two years have created a stronger foundation for sustainable recovery and future growth. Our focus remains firmly on building a financially sound, technologically advanced, risk-conscious, and socially responsible institution that can create long-term value for all stakeholders.

Looking Ahead: The Strategic Roadmap for 2026

As we move into 2026, Bangladesh Finance PLC will continue focusing on sustainable recovery, operational resilience, and long-term value creation. Building on the strategic restructuring and stabilization initiatives undertaken over the past two years, our priorities for 2026 are centered on strengthening asset quality, accelerating digital transformation, expanding inclusive financing, and enhancing stakeholder confidence.

Our strategic focus areas for 2026 include:

1. Strengthening Retail and SME Financing



We will continue to expand our presence in the retail and SME segments through technology-enabled delivery channels, strategic partnerships, and customer-centric financing solutions. Particular emphasis will be placed on supporting micro and small enterprises, women entrepreneurs, and underserved customer segments with accessible and sustainable financial products.

2. Liability Diversification and Deposit Growth

Enhancing funding stability remains a strategic priority. In 2026, we aim to strengthen our retail deposit base, diversify liability sources, and introduce innovative savings and investment solutions to reduce reliance on high-cost institutional borrowing and improve overall liquidity management.

3. Expansion of Islamic Financial Services

Bangladesh Finance will continue expanding its Shariah-compliant financing portfolio to address growing market demand for Islamic financial solutions. We intend to strengthen product offerings, improve customer accessibility, and position Islamic finance as an important pillar of our long-term growth strategy.

4. Sustainable and Inclusive Finance

We remain committed to increasing our focus on green and sustainable financing initiatives aligned with national development priorities and ESG principles. In 2026, we will further support environmentally responsible projects, renewable energy initiatives, and inclusive financing programs that contribute to sustainable economic development.

5. Digital Transformation and Customer Experience

Digital innovation will remain central to our operational strategy. We plan to further enhance customer experience through automation, advanced analytics, digital onboarding, mobile-first services, and improved data-driven decision-making processes. Our goal is to build a faster, more efficient, and customer-centric financial ecosystem.

6. Risk Management and Governance Excellence

Maintaining institutional resilience remains critical in an evolving economic environment. We will continue strengthening enterprise risk management frameworks, compliance systems, internal controls, stress-testing capabilities, and governance practices to ensure transparency, accountability, and long-term sustainability.

A Closing Note of Gratitude and Commitment

As I complete another year as Managing Director & CEO of Bangladesh Finance PLC, I extend my sincere gratitude to our Board of Directors for their guidance and strategic support, to our regulators for their continued cooperation, and to our valued shareholders, customers, business partners, and stakeholders for their trust and confidence.

I would also like to express my deepest appreciation to every member of the Bangladesh Finance family. Your dedication, professionalism, and resilience continue to drive the institution forward through challenging times and evolving opportunities.

The journey of Bangladesh Finance is one of transformation, resilience, and long-term commitment. We are not defined solely by short-term financial outcomes, but by the strength of our values, the trust we build, and the sustainable future we strive to create.

As we move into 2026, we do so with greater preparedness, stronger institutional discipline, and a clearer strategic direction. While challenges remain, we are confident that Bangladesh Finance is steadily building a stronger, more resilient, and future-ready institution for the years ahead.



Md. Kyser Hamid
Managing Director & CEO
Bangladesh Finance PLC

Retirement Plan

Bangladesh finance
এখনই সময়

নির্ভাবনাময় অবসর

বাংলাদেশ ফাইন্যান্স
রিটায়ারমেন্ট প্ল্যান -এ



bd.finance 16727

CFO'S STATEMENT

"A YEAR OF TURNAROUND AND RECOVERY"

537%

PROVISION & SUSPENSE COVERAGE RATIO

Credit Rating
Long Term: AA
Short Term: ST-2



13.86B
Loan Portfolio

12.68B
Deposit & Borrowing

19.19B
Group Balance Sheet Size

The year 2025 marked a period of gradual recovery and operational stabilization for Bangladesh Finance PLC following the balance sheet strengthening initiatives undertaken in the previous year. Through focused recovery efforts, disciplined risk management, and strategic restructuring measures, the Company achieved notable improvement in its financial and operational performance.

The Company reported a consolidated net profit after tax of BDT 224.54 million in 2025, compared to a consolidated net loss of BDT 7,833.16 million in 2024. The turnaround was primarily driven by recovery and rescheduling of non-performing exposures, resulting in a significant provision write-back during the year.

Asset quality management remained a key priority, with the Non-Performing Loan (NPL) ratio standing at 13.75% as at 31 December 2025 and a strong Provision Coverage Ratio of 536.64%. During the year, the Company achieved recovery and collection of BDT 1,707 million, reflecting the effectiveness of its recovery initiatives and portfolio management efforts.

Total loans and advances stood at BDT 13,864 million compared to BDT 14,685 million in 2024, while deposits stood at BDT 8,539 million against BDT 8,637 million in the previous year. The Company also mobilized fresh deposits amounting to BDT 1,157 million during the year despite prevailing market liquidity challenges. The cost of fund increased to 11.69% from 10.36% in 2024 due to the challenging funding environment.

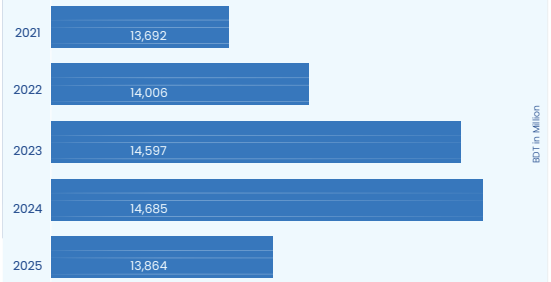
The Company's credit rating was reaffirmed at "AA" in the long term and "ST-2" in the short term, reflecting improving operational performance, strong provision coverage, and continued focus on financial stability.

Looking ahead, Bangladesh Finance PLC will continue to focus on recovery initiatives, prudent asset growth, liquidity strengthening, operational efficiency, and disciplined risk management to support sustainable growth and long-term financial stability.

Md. Sajjadur Rahman Bhuiyan
Group Chief Financial Officer
Bangladesh Finance PLC

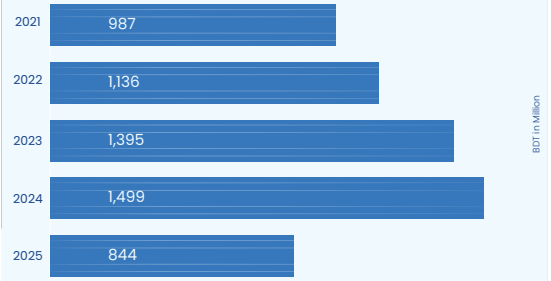
PERFORMANCE ANALYSIS (CONSO)

Loan Lease & Advances



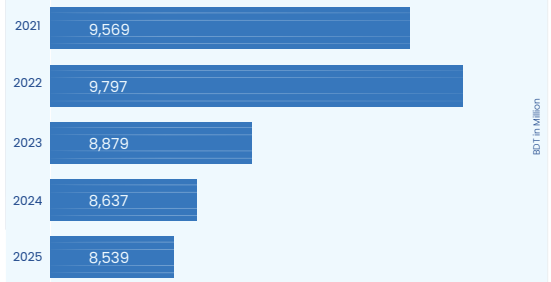
↓ 6%
Loan lease & Advance

Investment



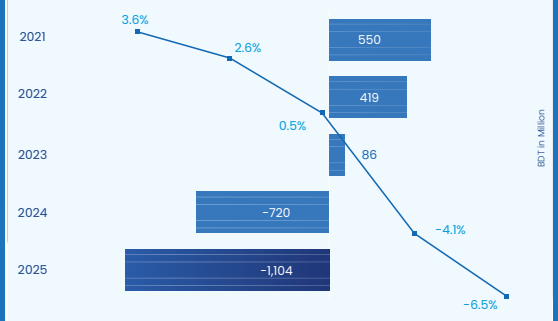
↓ 44%
Investment

Total Deposit



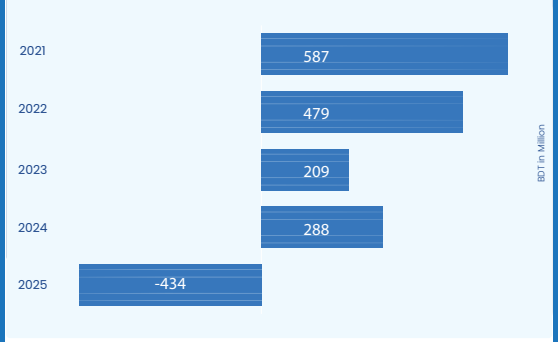
↓ 1%
Deposit

Net Interest income



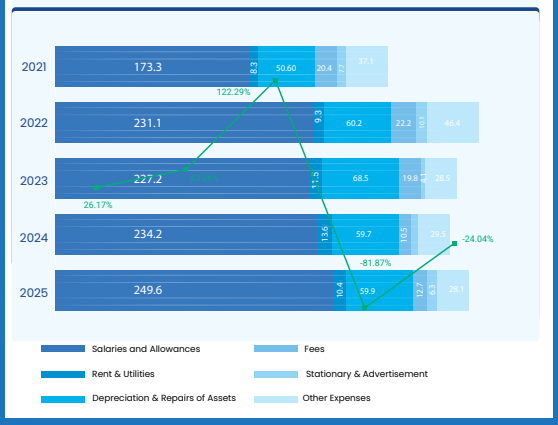
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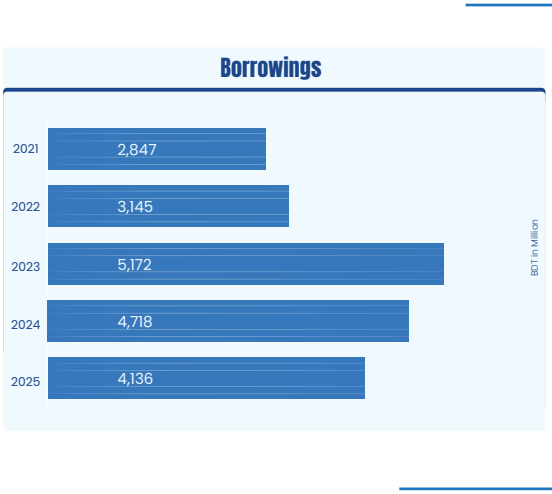
Non Interest Revenue



−

Composition of Operating Expenses Vs Cost to Income Ratio





↓12%
Borrowings

Net Interest Income

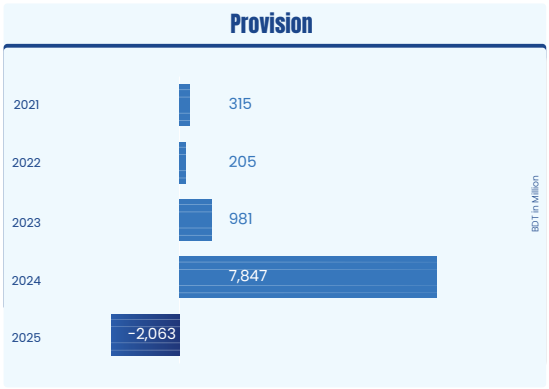
Net interest income declined by 53.32% compared to 2024, primarily attributable to the suspension of interest accrual on some stressed assets, despite a relatively lower decline of 5.59% in total loans, leases, and advances. Consequently, the Net Interest Margin (NIM) deteriorated year-on-year, decreasing from negative 4.1% to negative 6.5%.

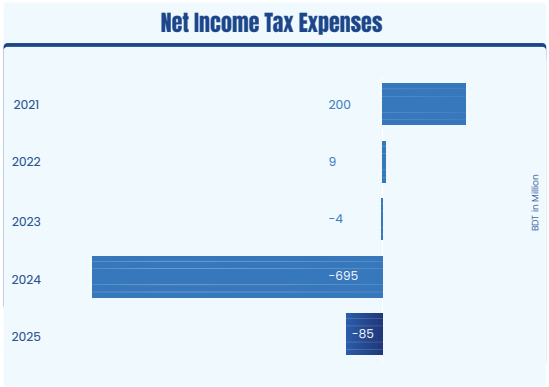
Non-Interest Income

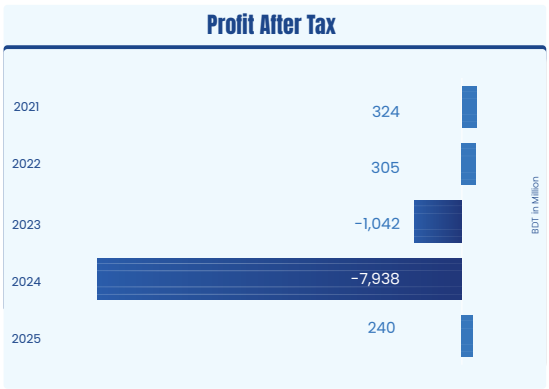
Non-interest income declined significantly by 250.63% compared to 2024. The decrease was impacted by realized losses arising from strategic portfolio rebalancing, including the divestment of underperforming investments. Additionally, the discontinuation of house rent income, which had previously been recognized under other income, also contributed to the overall decline.

Operating Expense

Operating expenses increased by 4.56% compared to 2024. The increase was primarily driven by a significant rise in Legal & Professional Fees by 68% for continued effort for recovery against stressed loans. However, the overall increase in operating expenses was partially offset by a 23% reduction in Rent and Utilities expenses.

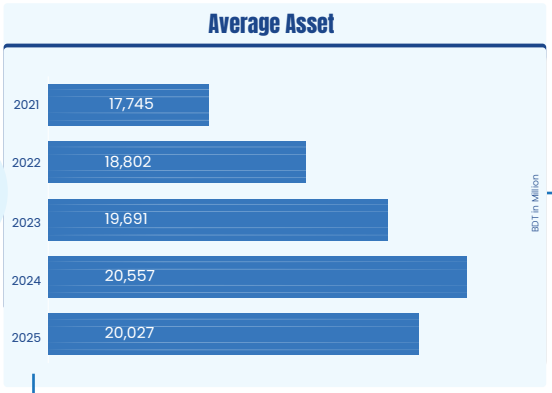






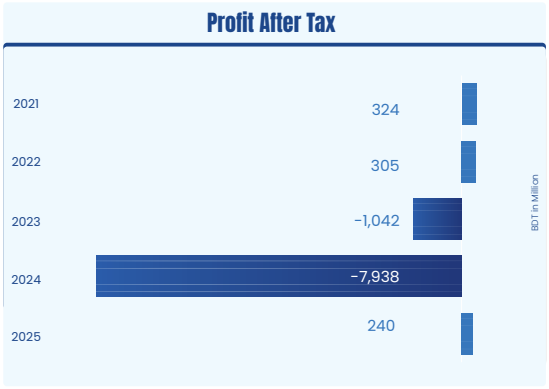
Return on Equity

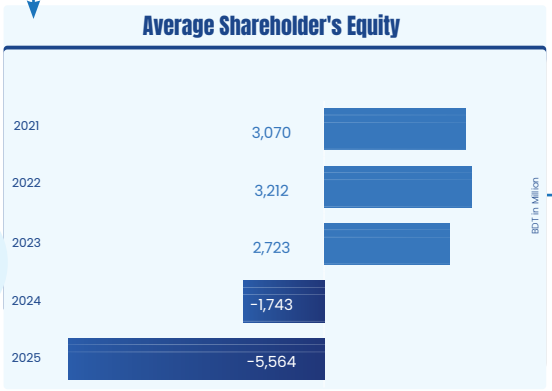
Our ROE is the most appropriate measure of our financial performance over time as it combines all of our critical drivers, including earnings growth and capital utilization, into a single metric. Internally we measure our return on equity by return on asset (ROA) & financial leverage as a more direct measure of earnings.



Average Asset

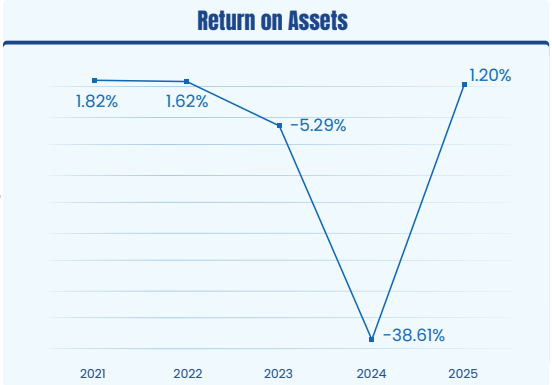
Group average asset decreased by 2.58% in 2025 to BDT 20,027 million, from BDT 20,557 million in 2024, mainly due to decrease in loan, lease & advances & investment in securities.





Average Shareholder's Equity

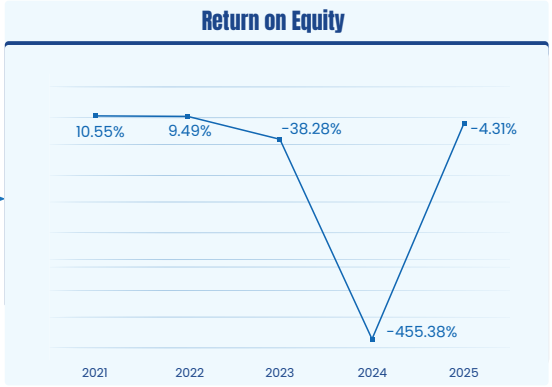
Group average shareholder's equity decreased by 219.18% in 2025 to BDT (5,564) million, from BDT (1,743) million in 2024.



Return on Asset

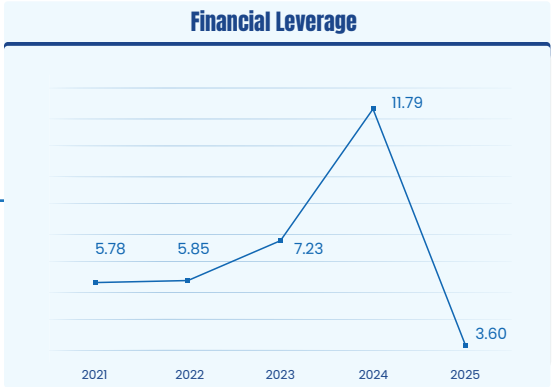
The group's Return on Assets (ROA) improved to 1.20% in 2025 from negative 38.61% in 2024, primarily driven by the turnaround to a net profit after tax position on a year-on-year basis.

X



Return on Equity

Return on Equity (ROE) improved significantly to negative 4.31% in 2025 from negative 455.38% in 2024, primarily driven by the recovery to a net profit after tax position in 2025 compared to the substantial net loss incurred in the previous year.



Financial Leverage

The group's financial leverage is the ratio of average asset to average shareholders' equity. Financial leverage measures the value of assets funded with each taka of equity capital. For 2025, financial leverage was 3.60 times, lower than 2024, due to lower average shareholder's equity in relation to average assets.

OUR PERFORMANCE

Net Interest Income

What it is: The interest received on lending products that we offer to our clients and investment in debt instruments, less the interest paid on the deposits that our clients place with us and debt funding sourced from other lenders.

Drivers: Number of clients, product offerings and pricing, level of economic and client activity, pricing in commodities and equity capital markets, competition, and market volatility.

Non-Interest Revenue

What it is: Comprises income from investment in securities, fees from commission exchange & brokerage & other operating income.

Drivers: Number of clients, transactional banking volumes and pricing, capital markets activity, trading volumes and market volatility, property related revenue and income from unquoted investments.

Operating Expense

What it is: Costs that are incurred to generate future and current revenues.

Drivers: Salaries and Allowances, Rent, Taxes, Insurances, Electricity, Legal & Professional Fees ,Postage, Stamps, Telecommunication, Stationery, Printings, Advertisements, Managing Director's Salary and Allowances, Directors' Fees and Conveyance, Auditors' Fees, Depreciation & Repairs of Assets, Other Expenses.

Provision

What it is: Provisions are created by recording an expense in the Income Statement and then establishing a corresponding liability in the Balance Sheet.

Drivers: Classified Investment, Unclassified Investment, Other Receivables & Investment in Securities.

Taxation

What it is: Includes current tax expense & adjustment with deffered tax expense/benefit.

Drivers: Corporate tax rates in the countries in which the group operates, level of profitability of our operations, interest income from certain bonds and treasury bills, dividends on investments that are exempted, and costs that are not tax deductible.

The Income Statement below reflects the revenue generated and costs incurred by our business activities, with material income statement line items explained. A detailed analysis on the group's financial performance and the principal headline earnings drivers for growth in our ROE, is on Dupont Analysis part.

Group Income Statement

For the year Ended December 31, 2025

	YOY(%)	2024	2025
Net Interest Income	**53.3%**	**(720)**	**(1,104)**
Interest Income	-46.3%	814	437
Interest Paid	0.5%	1,534	1,541
Non Interest Revenue	**-250.6%**	**288**	**(434)**
Income from Investment in securities	-351.2%	192	(482)
Commission, Exchange and Brokerage	-39.2%	52	32
Other Operating Income	-62.6%	44	17
Total Income	**256.1%**	**(432)**	**(1,538)**
Operating expenses	**4.6%**	**354**	**370**
Salary & Allowance	6.6%	234	250
Other operating expenses	0.6%	120	120
Profit Before Provision & Taxation	**142.8%**	**(786)**	**(1,908)**
Provision	**-126.3%**	**7,847**	**(2,063)**
Profit Before Taxation	**-101.8%**	**(8,633)**	**155**
Tax	**-87.8%**	**(695)**	**(85)**
Net Profit After Tax	**-103.0%**	**(7,938)**	**240**
Attributable to	**-103.0%**	**(7,938)**	**240**
Shareholder of the Company	-102.9%	(7,833)	224
Non-controlling Interest	-115.3%	(105)	16
Net Profit available for distribution	**-102.9%**	**(7,833)**	**224**



OUR RESILIENT BALANCE SHEET

Investment in Securities

What it is: Includes investing in quoted & unquoted securities.

Drivers: Stock market volatility, expected level of economic activity, GDP growth etc.

Lease, Loan & Advances

What it is: Includes our lending to our clients, corporations & banks.

Drivers: Number of clients, product offerings, competition, level of economic and client activity, repayments, inflation, real income of households & volatility in interest rate.

Non-Interest Earning Asset

What it is: Includes cash, investment in securities, fixed assets, other assets & non-banking assets.

Drivers: Depreciation of asset, investing in new assets to generate revenue, expected level of economic activity, capital market volatility.

Borrowings

What it is: Includes taking term loan & short term loan from other banks & FI's.

Drivers: Volatility in interest rate, volatility in demand for credit, shortage of capital & increasing business activity.

Deposits

What it is: It reflects our interest paying liabilities like term deposit, scheme deposit & other deposit. Increasing amount of deposit is also preferable as it allows us to give more lease, loan & advances & earn more as a form of spread & contribute to the broader financial system.

Drivers: Shortage of fund, volatility in interest rate, inflation, public spending, economic activity, client demands, transactions etc.

The balance sheet or statement of financial position shows the position of the group's assets, liabilities and equity, and reflects what the group owns, owes and the equity attributable to shareholders. Material line items have been discussed below.

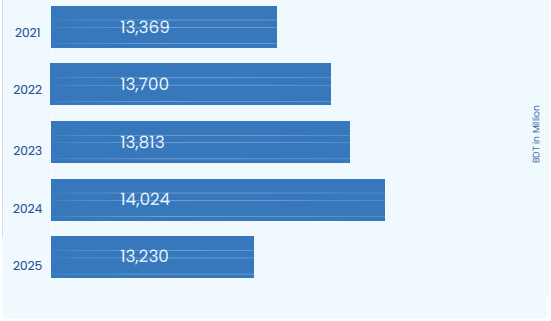
Group Balance Sheet

As at December 31, 2025

	YOY (%)	2024	2025
PROPERTY AND ASSETS			
Cash	3.9%	131	136
Balance with other Banks and Financial Institutions	-18.7%	1,607	1,306
Investment in Securities	-43.7%	1,499	844
Lease, Loans and Advances	-5.6%	14,685	13,864
Fixed Assets including Premises, Furniture	5.5%	698	736
Other Assets	2.9%	2,073	2,133
Non-Banking Assets	0.0%	171	171
Total Interest Earning Asset	**-6.9%**	**16,293**	**15,171**
Total Non-interest Earning Asset	**-12.1%**	**4,572**	**4,019**
Total Assets	-8.02%	20,864	19,190
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings	-12.3%	4,718	4,136
Deposits	-1.1%	8,637	8,539
Other Liabilities	-9.3%	12,769	11,576
Total Liabilities	**-7.2%**	**26,124**	**24,250**
Shareholders' Equity			
Total Shareholders' Equity	**-3.3%**	**(5,656)**	**(5,471)**
Non-Controlling Interest	3.8%	396	411
Total Liabilities & Shareholders' Equity	**-8.02%**	**20,864**	**19,190**

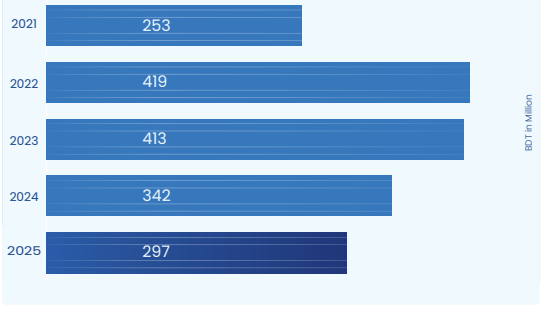
PERFORMANCE ANALYSIS SOLO

Loan Lease & Advances



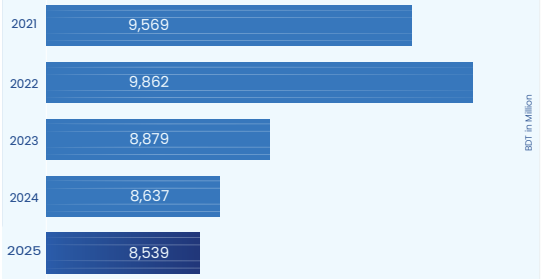
6%
Loan lease & Advance

Investment



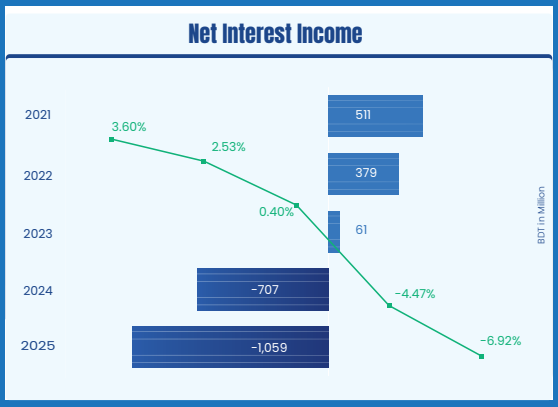
13%
Investment

Total Deposit



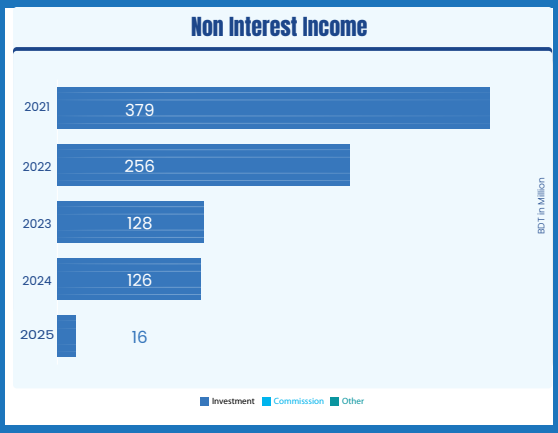
1%
Deposit

Net Interest Income



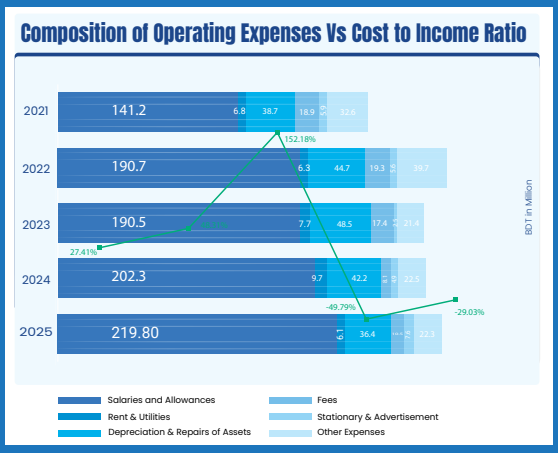
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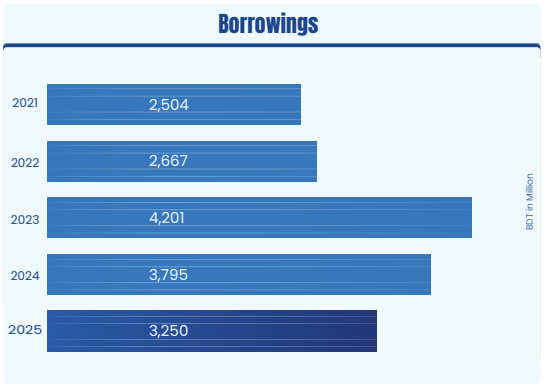
Non Interest Income



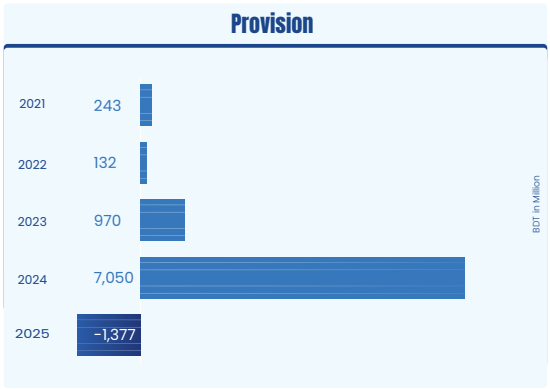
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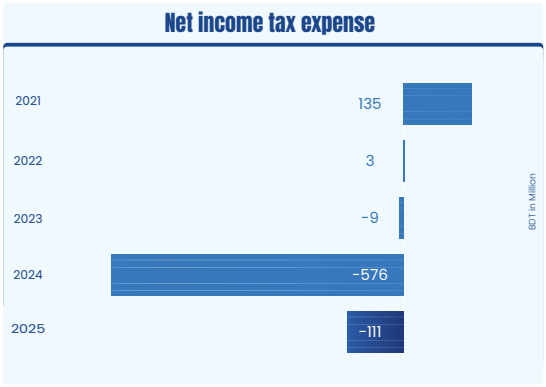
Composition of Operating Expenses Vs Cost to Income Ratio

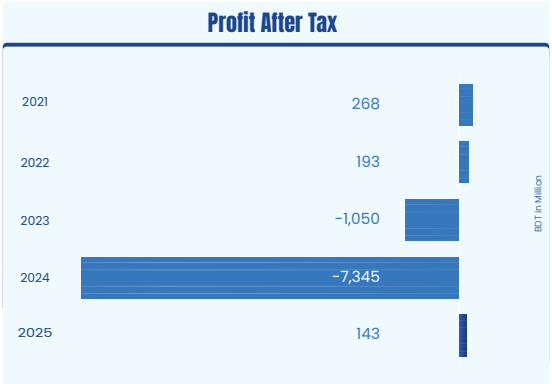




14%
Borrowings







Net Interest Income

Net interest income declined by 49.66% compared to 2024, primarily attributable to the suspension of interest accrual on some stressed assets, despite a relatively lower decline of 5.66% in total loans, leases, and advances. Consequently, the Net Interest Margin (NIM) deteriorated year-on-year, decreasing from negative 4.5% to negative 6.9%.

Non-Interest Income

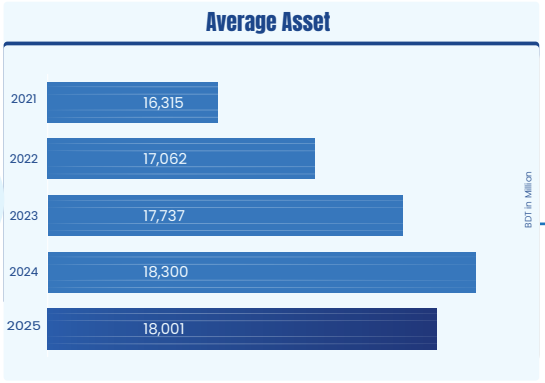
Non-interest income declined significantly by 87.03% compared to 2024. The decrease was impacted by realized losses arising from strategic portfolio rebalancing, including the divestment of underperforming investments. Additionally, the discontinuation of house rent income, which had previously been recognized under other income, also contributed to the overall decline.

Operating Expense

Operating expenses increased by 4.46% compared to 2024. The increase was primarily driven by a significant rise in Legal & Professional Fees by 74% for continued effort for recovery against stressed loans. However, the overall increase in operating expenses was partially offset by a 37% reduction in Rent and Utilities expenses.

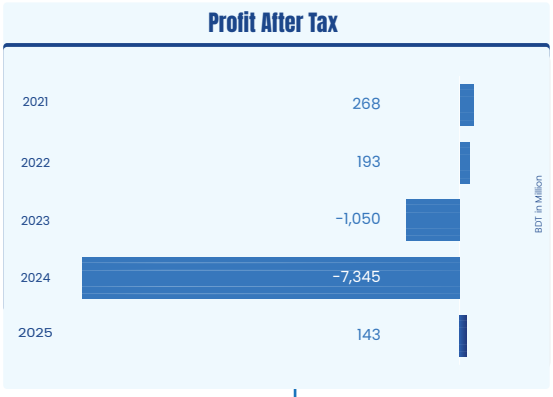
Return on equity

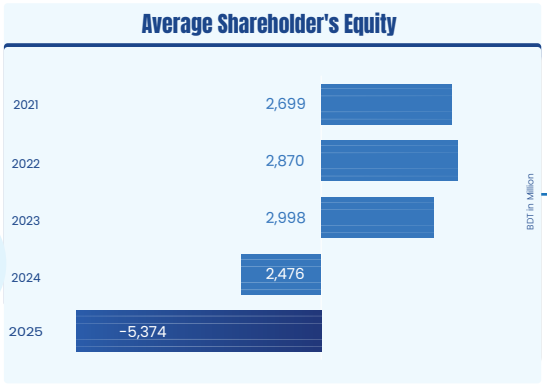
Our ROE is the most appropriate measure of our financial performance over time as it combines all of our critical drivers, including earnings growth and capital utilization, into a single metric. Internally we measure our return on equity by return on asset (ROA) & financial leverage as a more direct measure of earnings.



Average Asset

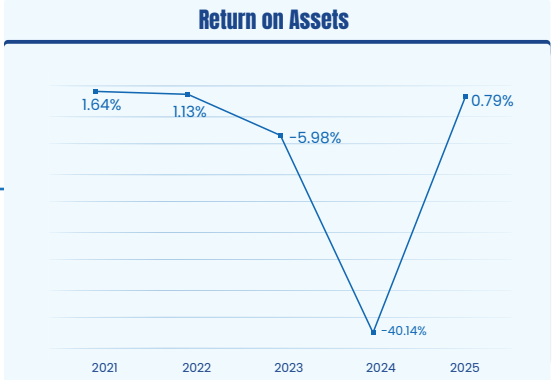
Bangladesh Finance's average assets decreased marginally by 1.63% in 2025 to BDT 18,001 million, compared to BDT 18,003 million in 2024. The decline was mainly driven by a reduction in the loan, lease, and advances portfolio.





Average Shareholder's Equity

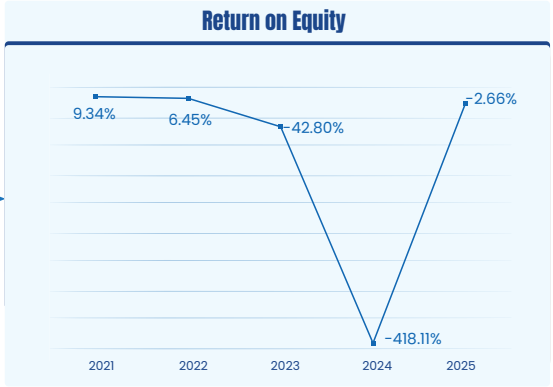
Average shareholders' equity declined by 205.92% in 2025 to a negative balance of BDT 5,374 million, compared to a negative BDT 1,757 million in 2024. The deterioration reflects a further erosion of equity base during the year.



Return on Asset

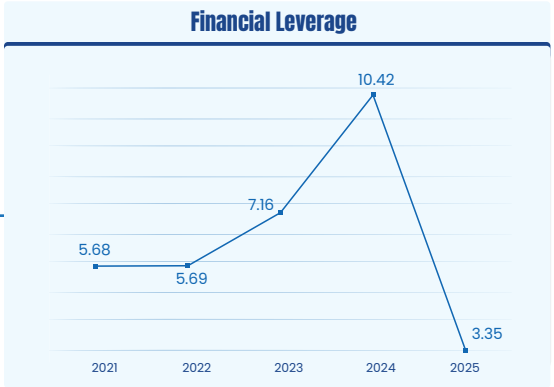
The company's ROA increased to 0.79% in 2025 from -40.14% in 2024, primarily driven by the turnaround to a net profit after tax position on a year-on-year basis.

X



Return on Equity

Our return on equity increased to -2.66% in 2025 from -418.11% in 2024, primarily driven by the recovery to a net profit after tax position in 2025 compared to the substantial net loss incurred in the previous year.



Financial Leverage

The company's financial leverage is the ratio of average asset to average shareholders' equity. Financial leverage measures the value of assets funded with each taka of equity capital. For 2025, financial leverage was 3.35 times, lower than 2024 due to lower average shareholder's equity in relation to average assets.

OUR PERFORMANCE

Net Interest Income

What it is: The interest received on lending products that we offer to our clients and investment in debt instruments, less the interest paid on the deposits that our clients place with us and debt funding sourced from other lenders.

Drivers: Number of clients, product offerings and pricing, level of economic and client activity, pricing in commodities and equity capital markets, competition, and market volatility.

Non-Interest Revenue

What it is: Comprises income from investment in securities, fees from commission exchange & brokerage & other operating income.

Drivers: Number of clients, transactional banking volumes and pricing, capital markets activity, trading volumes and market volatility, property related revenue and income from unquoted investments.

Operating Expense

What it is: Costs that are incurred to generate future and current revenues.

Drivers: Salaries and Allowances, Rent, Taxes, Insurances, Electricity, Legal & Professional Fees ,Postage, Stamps, Telecommunication, Stationery, Printings, Advertisements, Managing Director's Salary and Allowances, Directors' Fees and Conveyance, Auditors' Fees, Depreciation & Repairs of Assets, Other Expenses.

Provision

What it is: Provisions are created by recording an expense in the Income Statement and then establishing a corresponding liability in the Balance Sheet.

Drivers: Classified Investment, Unclassified Investment, Other Receivables & Investment in Securities.

Taxation

What it is: Includes current tax expense & adjustment with deffered tax expense/benefit.

Drivers: Corporate tax rates in the countries in which the group operates, level of profitability of our operations, interest income from certain bonds and treasury bills, dividends on investments that are exempted, and costs that are not tax deductible.

The Income Statement below reflects the revenue generated and costs incurred by our business activities, with material income statement line items explained. A detailed analysis on the group's financial performance and the principal headline earnings drivers for growth in our ROE, is on Dupont Analysis part.

Bangladesh Finance Income Statement

For the year Ended December 31, 2025

	YOY(%)	2024	2025
Net Interest Income	**49.7%**	**(707)**	**(1,059)**
Interest Income	-50.7%	724	356
Interest Paid	-1.1%	1,431	1,415
Non Interest Revenue	**-87.0%**	**126**	**16**
Income from Investment in securities	-98.7%	82	1
Commission, Exchange and Brokerage	0.00%	-	-
Other Operating Income	-65.0%	44	15
Total Income	**79.2%**	**(582)**	**(1,042)**
Operating expenses	**4.5%**	**290**	**303**
Salary & Allowance	8.7%	202	220
Other operating expenses	-5.3%	87	83
Profit Before Provision & Taxation	**54.3%**	**(871)**	**(1,345)**
Provision	**-119.5%**	**7,050**	**(1,377)**
Profit Before Taxation	**-100.4%**	**(7,921)**	**32**
Tax	**-80.7%**	**(576)**	**(111)**
Net Profit After Tax	**-101.9%**	**(7,345)**	**143**
Appropriations	**-101.9%**	**(7,345)**	**143**
Statutory Reserve		-	29
Retained Earnings	-101.6%	(7,345)	114

OUR RESILIENT BALANCE SHEET

Investment in Securities

What it is: Includes investing in quoted & unquoted securities.

Drivers: Stock market volatility, expected level of economic activity, GDP growth etc.

Lease, Loan & Advances

What it is: Includes our lending to our clients, corporations & banks.

Drivers: Number of clients, product offerings, competition, level of economic and client activity, repayments, inflation, real income of households & volatility in interest rate.

Non-Interest Earning Asset

What it is: Includes cash, investment in securities, fixed assets, other assets & non-banking assets.

Drivers: Depreciation of asset, investing in new assets to generate revenue, expected level of economic activity, capital market volatility.

Borrowings

What it is: Includes taking term loan & short term loan from other banks & FI's.

Drivers: Volatility in interest rate, volatility in demand for credit, shortage of capital & increasing business activity.

Deposits

What it is: It reflects our interest paying liabilities like term deposit, scheme deposit & other deposit. Increasing amount of deposit is also preferable as it allows us to give more lease, loan & advances & earn more as a form of spread & contribute to the broader financial system.

Drivers: Shortage of fund, volatility in interest rate, inflation, public spending, economic

The balance sheet or statement of financial position shows the position of the group's assets, liabilities and equity, and reflects what the group owns, owes and the equity attributable to shareholders. Material line items have been discussed below.

Bangladesh Finance Balance Sheet

As at December 31, 2025

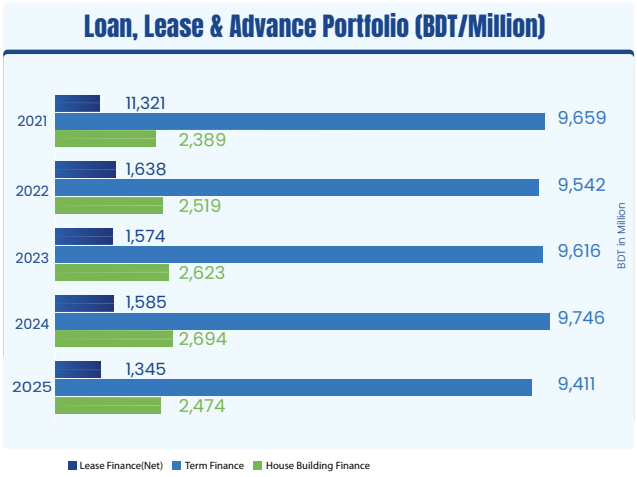
	YOY (%)	2024	2025
PROPERTY AND ASSETS			
Cash	3.9%	131	136
Balance with other Banks and Financial Institutions	-20.7%	1,498	1,188
Investment in Securities	-13.2%	342	297
Lease, Loans and Advances	-5.7%	14,024	13,230
Fixed Assets including Premises, Furniture	2.4%	664	680
Other Assets	3.9%	1,702	1,769
Non-Banking Assets	0.0%	171	171
Total Interest Earning Asset	**-7.1%**	**15,522**	**14,418**
Total Non-interest Earning Asset	**1.4%**	**3,010**	**3,052**
Total Assets	**-5.7%**	**18,532**	**17,470**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings	-14.4%	3,795	3,250
Deposits	-1.1%	8,637	8,539
Other Liabilities	-4.5%	11,525	11,003
Total Liabilities	**-4.9%**	**23,957**	**22,792**
Shareholders' Equity			
Total Shareholders' Equity	**-1.9%**	**(5,425)**	**(5,323)**
Total Liabilities & Shareholders' Equity	**-5.7%**	**18,532**	**17,470**

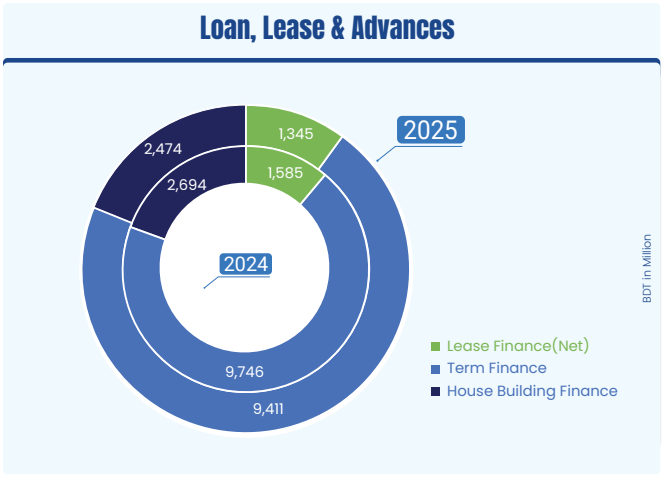
MAINTAINING OUR ROBUST BALANCE SHEET

Loan, Lease & Advances

Typically, the prime contributor for total asset of Bangladesh Finance is loan-lease & advances. However due to conservative disbursement, Leases, Loans and Advances portfolio decreased by 5.33% to BDT 13,230 million from BDT 14,024 in 2024.

Term loan concentrates 71.1% in the loan portfolio and stood at BDT 9,411 million in 2025 accounted for the majority portion. Subsequently housing finance was 18.7%, lease finance was 10.2%. In 2025 housing finance stood at BDT 2,474 million and lease finance stood at BDT 1,345 miilion.

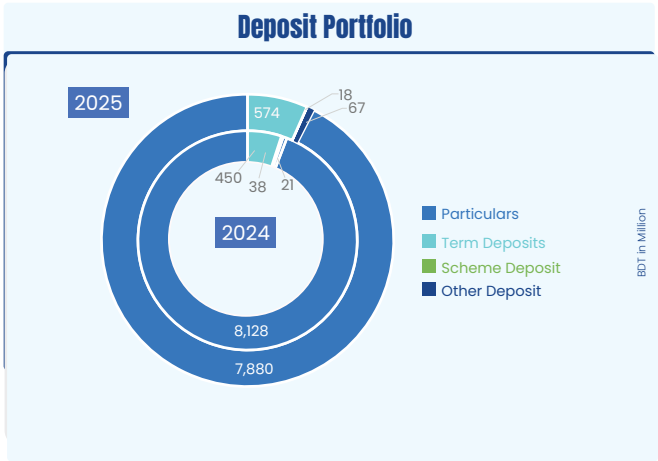




Funding & Liquidity

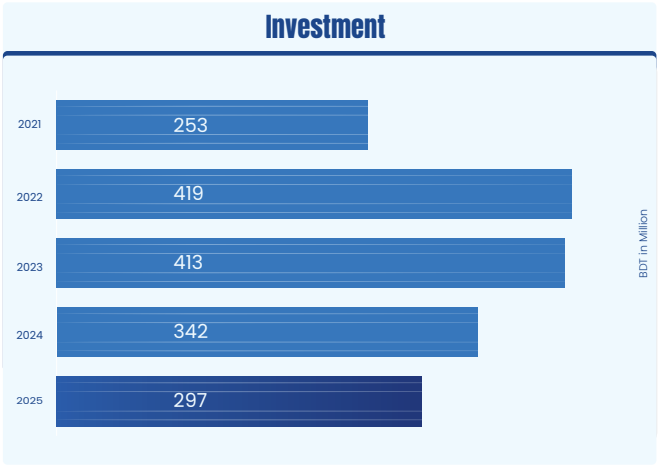
Deposits

Total deposit portfolio of Bangladesh Finance decreased by 1.14% from 2024 to 2025 & stood at BDT 8,637 million. The biggest contribution in the depository portfolio came from term deposit which constitutes 92.3% of total deposit besides scheme deposit, advance rent & installments & other deposits are comprised of 6.7%, 0.2%, 0.8% respectively.



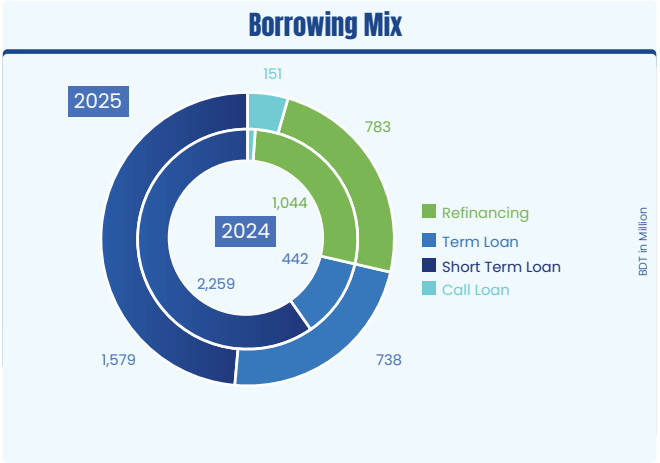
Investment in Securities

The investment portfolio of the Bangladesh Finance came to BDT 297 million from 342 million in 2025, which is 13.16% percent lower than that of preceding year. This decline in investment is strategical mainly due to the volatility risk in the context of present market situation.



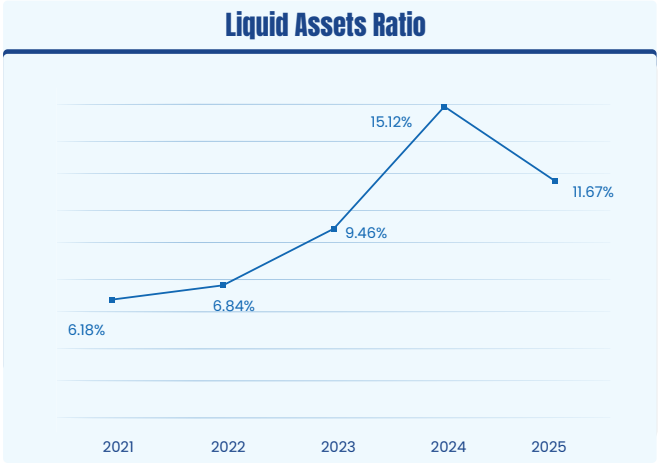
Borrowings

With the aim of minimizing our weighted average cost of funding and reducing our maturity gaps, we maintained the right funding blend between deposits and borrowings. At the end of 2025, bank borrowing stood at BDT 3,250 million and that depicts 14% decrease. However, Short term loan represents 49% of the total borrowing mix of Bangladesh Finance. Term loan, call loan & refinancing represents 23%, 5% & 24% of total borrowing mix respectively.



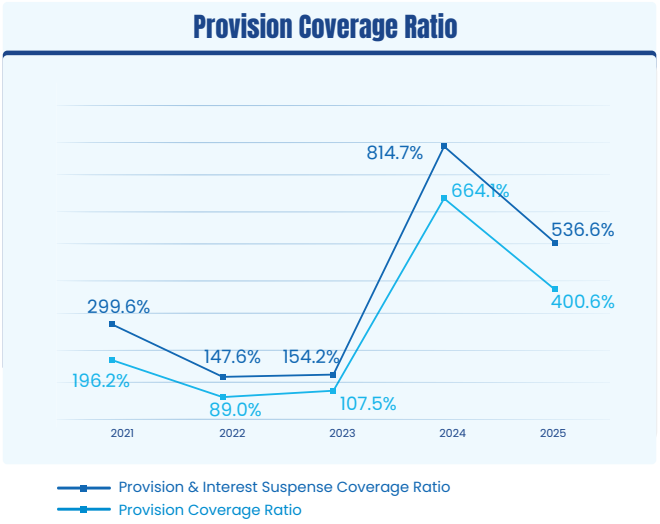
Liquid Asset Ratio

In general, Bangladesh Bank has determined liquid asset requirement in various form. The eligible range of asset varies, but in general it includes cash in hand, balance with Bangladesh Bank, balance with other bank & FIs. Liquid asset ratio provides an indication of liquidity available to meet the expected & unexpected demand for cash. At the end of 2025, liquid asset ratio of Bangladesh Finance stood at 11.67% which portrays a decrease of 3.46% requirement from previous year.



Provision Coverage ratio

Financial institutions set an amount of fund aside to recover when potential loan gets classified. Provision coverage ratio indicates the ability of financial institutions to pull through against non-performing loans. A high PCR can be beneficial to FIs to buffer themselves against losses if the NPAs start increasing faster. Provision and Interest suspense coverage ratio of Bangladesh Finance stood at 536.6%. This excess provision coverage of Bangladesh Finance depicts the resilience against classified loan



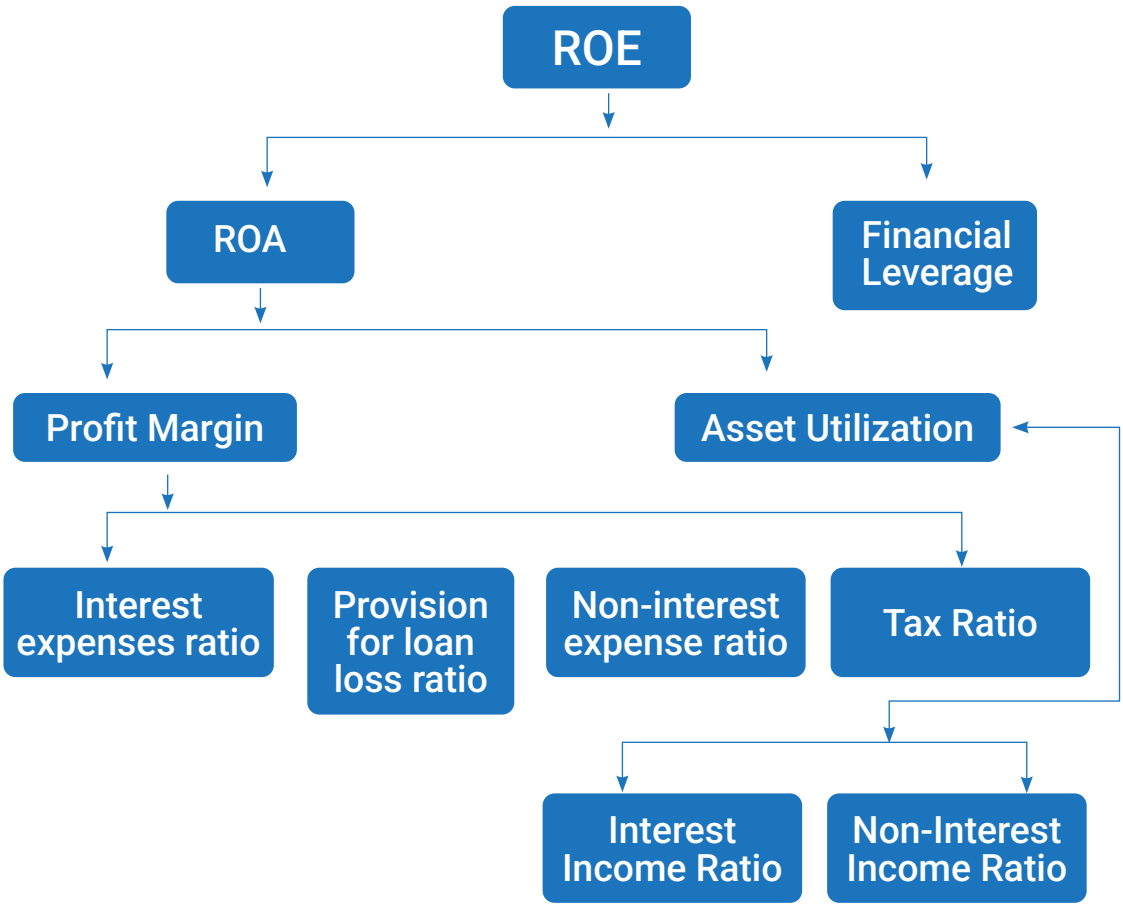
DUPONT ANALYSIS

DuPont 2025

First Level Breakdown

Second Level Breakdown

Third Level Breakdown



DuPont Consolidated

SL	Ratio	Description	2021	2022	2023	2024	2025
1	Net Interest Income	% of average asset	3.10%	2.23%	0.43%	-3.50%	-5.51%
2	Non Interest income	% of average asset	3.31%	2.55%	1.06%	1.40%	-2.17%
3	Operating Income	% of Avg Assets	6.40%	4.77%	1.49%	-2.10%	-7.68%
4	Operating Expenses	% of Avg Assets	1.68%	2.02%	1.83%	1.72%	1.85%
5	Cost/Income	% of operating income	26.2%	42.3%	122.3%	-81.9%	-24.0%
6	Operating Profit	% of Avg Assets	4.7%	2.8%	-0.3%	-3.8%	-9.5%
7	Provisions	% of Avg Assets	1.78%	1.09%	4.98%	38.17%	-10.30%
8	Profit Before Tax (PBT)	% of Avg Assets	2.9%	1.7%	-5.3%	-42.0%	0.8%
9	Tax ratio	% of PBT	38.1%	2.8%	0.4%	8.0%	-54.8%
10	Profit Margin Ratio	% of total operating income	28.5%	34.0%	-354.5%	1837.2%	-15.6%
11	ROA	% of Avg Asset	1.82%	1.62%	-5.29%	-38.61%	1.20%
12	Financial Leverage	Avg Asset / Avg Equity	5.78	5.85	7.23	11.79	3.60
13	ROE	(ROA * Equity Multiplier)	10.55%	9.49%	-38.28%	-455.38%	-4.31%

The DuPont analysis decomposes Return on Equity (ROE) into three components, providing a systematic framework to assess the strengths and weaknesses of a financial institution's profitability. Although shareholders generally expect a higher ROE, improvements in ROE may arise either from enhanced asset returns (ROA) or from increased financial leverage. Therefore, it is essential to identify the underlying driver of ROE movements, as an increase driven by higher leverage may indicate elevated solvency risk.

Over the last five years, the ROE of Bangladesh Finance Group has shown fluctuations. At the end of 2025, ROE stood at negative 4.31%, while financial leverage declined to 3.60 times. In contrast, ROA improved during the year, reaching 1.20% in 2025, indicating that the movement in profitability was primarily supported by improved asset performance rather than leverage expansion.

DuPont Solo

SL	Ratio	Description	2021	2022	2023	2024	2025
1	Interest income ratio	% of average asset	3.13%	2.22%	0.35%	-3.87%	-5.88%
2	Noninterest income ratio	% of average asset	2.33%	1.50%	0.72%	0.69%	0.09%
3	Operating Income	% of AvgAssets	5.46%	3.72%	1.07%	-3.18%	-5.79%
4	Operating Expenses	%of Avg Assets	1.50%	1.80%	1.62%	1.58%	1.68%
5	Cost/Income	% of operating income	27.41%	48.31%	152.18%	-49.79%	-29.03%
6	Operating Profit	% of Avg Assets	3.96%	1.92%	-0.56%	-4.76%	-7.47%
7	Provisions	% of average asset	1.49%	0.77%	5.47%	38.52%	-7.65%
8	Profit Before Tax (PBT)	% of Avg Assets	2.47%	1.15%	-6.03%	-43.29%	0.18%
9	Tax ratio	% of PBT	42.1%	11.3%	-0.9%	-0.1%	11.7%
10	Profit Margin Ratio	% of total operating income	30.1%	30.5%	-560.2%	1262.5%	-13.7%
11	ROA	(Profit Margin*Operating Income)	1.64%	1.13%	-5.98%	-40.14%	0.79%
12	Financial Leverage	Avg Asset / Avg Equity	5.68	5.69	7.16	10.42	3.35
13	ROE	(ROA * Equity Multiplier)	9.34%	6.45%	-42.80%	-418.11%	-2.66%

The DuPont analysis decomposes Return on Equity (ROE) into three components, providing a structured framework to assess the strengths and weaknesses of a financial institution's profitability. While shareholders generally expect a higher ROE, an improvement in ROE may stem either from enhanced operational performance (ROA) or increased financial leverage. Therefore, identifying the underlying drivers of ROE is essential, as an increase driven by higher leverage may signal elevated solvency risk.

Over the last five years, Bangladesh Finance PLC has experienced fluctuations in its ROE. At the end of 2025, ROE stood at negative 2.66%, while financial leverage decreased to 3.35 times. In contrast, Return on Assets (ROA) improved, reaching 0.79% in 2025, indicating that the improvement in profitability was primarily driven by operational performance rather than leverage expansion.

SHARE PRICE SENSITIVITY ANALYSIS

Current Financial Position (In Million BDT)	
Loan Outstanding	13,230
Total Deposit	8,539
Total Provision	7,289
Shares Outstanding	188
Market Price per Share (BDT)	13.40
Net Profit after Tax	143
EPS (BDT)	0.76
P/E Ratio	17.63

Share Price Sensitivity Analysis Using Key Variables

+2% Increase in Lending Interest Rates

After Tax Incremental Income	165
Revised Net Profit after Tax	308
Revised EPS (BDT)	1.64
Revised P/E Ratio	**8.18**

-2% Decrease in Lending Interest Rates

After Tax Incremental Income	(165)
Revised Net Profit after Tax	(22)
Revised EPS (BDT)	(0.12)
Revised P/E Ratio	**(113.03)**

+2% Increase in Deposit Interest Rates

After Tax Incremental Expense	107
Revised Net Profit after Tax	36
Revised EPS (BDT)	0.19
Revised P/E Ratio	**69.43**

-2% Decrease in Deposit Interest Rates

After Tax Incremental Expense	(107)
Revised Net Profit after Tax	250
Revised EPS (BDT)	1.33
Revised P/E Ratio	**10.10**

+2% Increase in Provision

Incremental Provision	265
Revised Net Profit after Tax	(122)
Revised EPS (BDT)	(0.65)
Revised P/E Ratio	**(20.75)**

-2% Decrease in Provision

Incremental Provision	(265)
Revised Net Profit after Tax	408
Revised EPS (BDT)	2.17
Revised P/E Ratio	**6.19**

HORIZONTAL ANALYSIS
CONSOLIDATED BALANCE SHEET

Particulars	2025	2024	2023	2022	2021
Property & Asset					
Cash	**3.90%**	**11.03%**	**0.16%**	**18.52%**	**32.34%**
Cash in hand	-35.79%	-2.24%	10.66%	32.34%	-47.46%
Balance with Bangladesh Bank	3.93%	11.04%	0.15%	18.52%	32.48%
Balance with other Banks and Financial Institutions	**-18.72%**	**-4.56%**	**6.91%**	**7.75%**	**57.35%**
Inside Bangladesh	-18.72%	-4.56%	6.91%	7.75%	57.35%
Outside Bangladesh	0.00%	0.00%	0.00%	0.00%	0.00%
Money at call and short notice	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Investment in Securities	**-43.68%**	**7.44%**	**22.83%**	**15.07%**	**24.03%**
Government	-	-	-	-	-
Others	-43.68%	7.44%	22.83%	15.07%	24.03%
Lease, Loans and Advances	**-5.59%**	**0.60%**	**4.22%**	**2.29%**	**6.36%**
In Bangladesh	-5.59%	0.60%	4.22%	2.29%	6.36%
Outside Bangladesh	-	-	-	-	-
Fixed Assets including Premises, Furniture and Fixtures	**5.46%**	**-4.71%**	**17.24%**	**14.82%**	**0.83%**
Other Assets	**2.86%**	**37.29%**	**3.52%**	**-1.18%**	**-6.24%**
Non-Banking Assets	**0.00%**	**-19.94%**	**0.00%**	**0.47%**	**0.00%**
Total Assets	**-8.02%**	**3.03%**	**5.85%**	**3.56%**	**8.67%**
Liabilities & Capital					
Liabilities					
Financing (Borrowings) from other Banks, Financial Institutions and Agents	**-12.32%**	**-8.78%**	**64.43%**	**10.46%**	**-7.07%**
Deposits and other Accounts	**-1.14%**	**-2.73%**	**-9.38%**	**2.39%**	**11.05%**
Term Deposits	-1.28%	-5.92%	-10.54%	3.26%	29.67%
Scheme Deposit	-3.71%	162.76%	-7.15%	21.65%	-78.70%
Other Deposits	76.67%	-74.80%	157.35%	-65.05%	-65.33%
Advance Rent & Installments	-13.67%	17.82%	59.60%	-36.11%	-84.23%
Bills Payable	0.00%	0.00%	0.00%	0.00%	0.00%
Other Liabilities	**-9.35%**	**261.87%**	**46.62%**	**0.11%**	**32.01%**
Total Liabilities	**-7.17%**	**48.60%**	**14.53%**	**3.57%**	**9.77%**
Capital/ Shareholders' Equity					
Share Capital	0.00%	0.00%	0.00%	6.00%	6.00%
Statutory Reserve	5.71%	0.00%	0.00%	8.37%	13.12%
General Reserve	-	-	-	0.00%	0.00%
Capital Reserve	2.69%	0.00%	193.29%	0.00%	0.00%
Revaluation Surplus on Land & Building	-8.03%	-0.34%	28.81%	-0.34%	-0.34%
Retained Earnings	2.25%	931.71%	-286.25%	-3.09%	0.56%
Total Shareholders' Equity	**3.26%**	**-360.68%**	**-33.79%**	**4.11%**	**5.19%**
Non-Controlling Interest	**3.77%**	**-20.90%**	**-0.78%**	**0.03%**	**-0.13%**
Total Liabilities & Shareholders' Equity	**-8.02%**	**3.03%**	**5.85%**	**3.56%**	**8.67%**
Net Asset Value Per Share	**3.26%**	**-360.68%**	**-33.79%**	**4.11%**	**-0.76%**



HORIZONTAL ANALYSIS
CONSOLIDATED PROFIT & LOSS ACCOUNT

Particulars	2025	2024	2023	2022	2021
Interest Income	-46.28%	-30.25%	-19.45%	-6.60%	-8.18%
Less: Interest paid on Deposits & Borrowings etc.	0.48%	41.88%	5.04%	2.80%	-16.11%
Net Interest Income	**-53.32%**	**-942.05%**	**-79.59%**	**-23.75%**	**10.94%**
Income from Investment in securities	-351.24%	200.38%	-79.42%	-27.74%	225.63%
Commission, Exchange and Brokerage	-39.16%	-25.80%	-36.37%	-11.33%	72.87%
Other Operating Income	-62.63%	-40.58%	28.35%	75.72%	-13.81%
Non-interest Income	**-250.63%**	**38.21%**	**-56.42%**	**-18.43%**	**142.38%**
Total Operating Income	**-256.06%**	**-246.93%**	**-67.24%**	**-21.00%**	**54.09%**
Salaries and Allowances	6.82%	3.02%	-1.53%	34.89%	27.34%
Rent, Taxes, Insurances, Electricity etc.	-23.50%	17.85%	23.99%	11.65%	31.15%
Legal & Professional Fees	67.85%	70.29%	-71.40%	46.89%	65.41%
Postage, Stamps, Telecommunication etc.	-23.47%	-16.60%	-7.85%	21.67%	12.19%
Stationery, Printings, Advertisements etc.	48.48%	-56.60%	-11.84%	5.58%	214.77%
Managing Director's Salary and Allowances	0.00%	3.80%	-5.73%	0.00%	81.96%
Directors' Fees and Conveyance	27.22%	58.93%	-34.88%	11.19%	47.61%
Auditors' Fees	-3.09%	0.87%	-0.19%	-19.91%	-22.10%
Depreciation & Repairs of Assets	0.11%	-12.90%	13.76%	19.06%	-5.51%
Other Expenses	-4.97%	3.68%	-38.60%	25.08%	-15.92%
Total Operating Expenses	**4.56%**	**-1.63%**	**-5.20%**	**27.56%**	**17.77%**
Profit before Provision	**-142.85%**	**1099.06%**	**-112.65%**	**-38.22%**	**73.01%**
Specific provisions for Classified Investment	217.12%	-121.38%	536.89%	-253.57%	-236.71%
General Provisions for Unclassified Investment	-125.87%	1408.94%	1022.86%	-78.68%	3700.00%
Special Provisions for Unclassified Investment	0.00%	0.00%	-100.00%	-101.99%	0.00%
Provisions for Other Receivables	30.10%	-382.57%	-550.00%	-33.33%	50.00%
Provision for Off- Balance Sheet exposures	0.00%	-100.00%	33.33%	-142.86%	0.00%
Provisions for Investment in Securities	-189.60%	5137.42%	-69.07%	-23.45%	-290.84%
Total Provision	**-126.29%**	**699.96%**	**378.87%**	**-35.05%**	**835.77%**
Total Profit before Provisions for Taxation	**101.79%**	**724.96%**	**-433.91%**	**-40.13%**	**16.03%**
Current Tax Expenses	-69.37%	33.17%	-60.44%	-70.85%	65.59%
Deferred Tax Expenses/(benefit)	86.86%	2211.34%	-48.41%	51.38%	377.36%
Net Tax Expense	**87.79%**	**17468.36%**	**-145.67%**	**-95.66%**	**46.21%**
Net Profit after Taxation	**103.02%**	**661.45%**	**-442.10%**	**-5.89%**	**2.93%**
Earnings Per Share	**102.86%**	**643.31%**	**-546.50%**	**-7.75%**	**-19.58%**



HORIZONTAL ANALYSIS
SOLO BALANCE SHEET

Particulars	2025	2024	2023	2022	2021
PROPERTY AND ASSETS					
Cash	**3.91%**	**11.02%**	**0.17%**	**18.54%**	**32.40%**
Cash in hand	-43.81%	-12.03%	57.33%	211.17%	-76.82%
Balance with Bangladesh Bank	3.93%	11.04%	0.15%	18.52%	32.48%
Balance with other Banks and Financial Institutions	**-20.72%**	**-3.49%**	**35.77%**	**15.33%**	**43.37%**
Inside Bangladesh	-20.72%	-3.49%	35.77%	15.33%	43.37%
Outside Bangladesh	-	-	-	0.00%	0.00%
Money at call and short notice	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Investment in Securities	**-13.25%**	**-17.12%**	**-1.41%**	**65.76%**	**23.82%**
Government	-	-	-	-	-
Others	-13.25%	-17.12%	-1.41%	65.76%	23.82%
Lease, Loans and Advances	**-5.66%**	**1.53%**	**0.83%**	**2.47%**	**4.09%**
In Bangladesh	-5.66%	1.53%	0.83%	2.47%	4.09%
Outside Bangladesh	-	-	-	-	-
Fixed Assets including Premises, Furniture and Fixtures	**2.40%**	**-3.15%**	**20.57%**	**8.70%**	**-0.29%**
Other Assets	**3.92%**	**33.72%**	**2.23%**	**-1.91%**	**-6.85%**
Non-Banking Assets	**0.00%**	**-19.94%**	**0.00%**	**0.47%**	**0.00%**
Total Assets	**-5.73%**	**2.57%**	**3.80%**	**4.12%**	**5.05%**
LIABILITIES AND CAPITAL					
Liabilities					
Financing (Borrowings) from other Banks, Financial Institutions & Agents	**-14.36%**	**-9.67%**	**57.56%**	**6.52%**	**-15.15%**
Deposits and other Accounts	**-1.14%**	**-2.73%**	**-9.97%**	**3.07%**	**11.05%**
Term Deposits	-1.45%	-1.53%	-11.05%	4.35%	16.94%
Other Deposits	76.67%	-74.80%	157.35%	-65.05%	-65.33%
Advance Rent & Installments	-13.67%	17.82%	59.60%	-36.11%	-84.23%
Bills Payable	-	-	-	-	-
Other Liabilities	**-4.53%**	**274.74%**	**67.49%**	**8.64%**	**8.34%**
Total Liabilities	**-4.86%**	**48.29%**	**12.46%**	**4.38%**	**4.84%**
Capital/ Shareholders' Equity					
Share Capital	0.00%	0.00%	0.00%	6.00%	6.00%
Statutory Reserve	5.71%	0.00%	0.00%	8.37%	13.12%
General Reserve	-	-	-	0.00%	0.00%
Revaluation Surplus on Land & Building	-8.03%	-0.34%	28.81%	-0.34%	-0.34%
Retained earnings	1.39%	734.71%	-502.05%	-18.65%	5.14%
Total Shareholders' Equity	**1.89%**	**-383.75%**	**-37.12%**	**2.94%**	**6.02%**
Total Liabilities & Shareholders' Equity	**-5.73%**	**2.57%**	**3.80%**	**4.12%**	**5.05%**
Net Asset Value per share (NAV)	**1.89%**	**-383.75%**	**-37.12%**	**2.94%**	**0.02%**

HORIZONTAL ANALYSIS
SOLO PROFIT & LOSS ACCOUNT

Particulars	2025	2024	2023	2022	2021
Interest Income	-50.75%	-33.32%	-21.10%	-8.07%	-9.82%
Less: Interest paid on Deposits & Borrowings etc.	-1.12%	39.73%	2.70%	1.18%	-15.49%
Net Interest Income	**-49.66%**	**-1252.47%**	**-83.79%**	**-25.93%**	**3.58%**
Income from Investment in securities	-98.72%	53.03%	-72.48%	-43.53%	805.91%
Commission, Exchange and Brokerage	0.00%	-100.00%	16.14%	-59.36%	400.97%
Other Operating Income	-65.01%	-39.45%	21.59%	100.23%	-20.59%
Non-interest Income	**-87.03%**	**-1.80%**	**-50.04%**	**-32.55%**	**397.54%**
Total Operating Income	**-79.15%**	**-407.48%**	**-70.18%**	**-28.75%**	**56.31%**
Salaries and Allowances	9.00%	6.32%	0.09%	37.16%	26.73%
Rent, Taxes, Insurances, Electricity etc.	-37.05%	25.87%	22.09%	-6.89%	20.65%
Legal & Professional Fees	73.60%	165.91%	-70.13%	-14.30%	85.05%
Postage, Stamps, Telecommunication etc.	-29.45%	-26.83%	-13.69%	17.52%	31.13%
Stationery, Printings, Advertisements etc.	55.67%	-59.95%	-9.04%	-1.19%	219.72%
Managing Director's Salary and Allowances	0.00%	3.80%	-5.73%	0.00%	81.96%
Directors' Fees and Conveyance	33.41%	56.54%	-34.76%	27.13%	25.46%
Auditors' Fees	-4.42%	1.25%	-0.28%	8.60%	-35.60%
Depreciation & Repairs of Assets	-14.00%	-13.00%	8.43%	15.65%	-7.05%
Other Expenses	-0.67%	5.09%	-46.20%	21.88%	69.40%
Total Operating Expenses	**4.46%**	**0.60%**	**-6.05%**	**25.59%**	**30.25%**
Profit before Provision	**-54.33%**	**782.70%**	**-130.10%**	**-49.26%**	**69.09%**
Specific provisions for Classified Investment	217.12%	-121.38%	536.89%	-253.57%	-236.71%
General Provisions for Unclassified Investment	-125.87%	1408.94%	1022.86%	-78.68%	3700.00%
Special Provisions for Unclassified Investment	0.00%	0.00%	-100.00%	100.00%	100.00%
Provisions for Other Receivables	30.10%	-382.57%	-550.00%	-33.33%	50.00%
Provisions for Off-Balance Sheet exposures	100.00%	100.00%	100.00%	100.00%	100.00%
Provisions for Investment in Securities	-233.68%	941.64%	-129.90%	607.72%	-91.44%
Total Provision	**-119.53%**	**626.45%**	**636.31%**	**-45.82%**	**557.44%**
Total Profit before Provisions for Taxation	**100.40%**	**640.88%**	**-645.14%**	**-51.34%**	**16.75%**
Deferred Tax Expenses/(benefit)	80.43%	3072.53%	-5.32%	-43.64%	339.84%
Current Tax Expenses	-65.67%	17.18%	-58.33%	-86.88%	33.20%
Net Tax Expense	**80.71%**	**6135.30%**	**-443.77%**	**-98.01%**	**12.94%**
Net Profit after Taxation	**101.95%**	**592.96%**	**-647.94%**	**-27.87%**	**18.76%**
Earnings Per Share	**101.95%**	**592.96%**	**-647.94%**	**-27.87%**	**12.19%**

VERTICAL ANALYSIS
CONSOLIDATED BALANCE SHEET

Particulars	2025	2024	2023	2022	2021
Property & Asset					
Cash	**0.71%**	**0.63%**	**0.58%**	**0.62%**	**0.54%**
Cash in hand	0.00%	0.00%	0.00%	0.00%	0.00%
Balance with Bangladesh Bank	0.71%	0.63%	0.58%	0.62%	0.54%
Balance with other Banks and Financial Institutions	**6.81%**	**7.70%**	**8.32%**	**8.23%**	**7.91%**
Inside Bangladesh	6.81%	7.70%	8.32%	8.23%	7.91%
Outside Bangladesh					
Money at call and short notice	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Investment in Securities	**4.40%**	**7.18%**	**6.89%**	**5.94%**	**5.34%**
Government					
Others	4.40%	7.18%	6.89%	5.94%	5.34%
Lease, Loans and Advances	**72.25%**	**70.38%**	**72.08%**	**73.21%**	**74.12%**
In Bangladesh	72.25%	70.38%	72.08%	73.21%	74.12%
Outside Bangladesh	-	-	-	-	-
Fixed Assets including Premises, Furniture and Fixtures	**3.84%**	**3.35%**	**3.62%**	**3.27%**	**2.95%**
Other Assets	**11.11%**	**9.94%**	**7.46%**	**7.63%**	**7.99%**
Non-Banking Assets	**0.89%**	**0.82%**	**1.05%**	**1.11%**	**1.15%**
Total Assets	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Liabilities and Capital					
Liabilities					
Financing (Borrowings) from other Banks, Financial Institutions and Agents	**21.55%**	**22.61%**	**25.54%**	**16.44%**	**15.41%**
Deposits and other Accounts	**44.49%**	**41.40%**	**43.85%**	**51.21%**	**51.80%**
Term Deposits	41.06%	38.26%	41.90%	49.57%	49.72%
Scheme Deposit	2.99%	2.86%	1.12%	1.28%	1.09%
Other Deposits	0.35%	0.18%	0.74%	0.30%	0.90%
Advance Rent & Installments	0.09%	0.10%	0.09%	0.06%	0.09%
Bills Payable	0.00%	0.00%	0.00%	0.00%	0.00%
Other Liabilities	**60.32%**	**61.20%**	**17.43%**	**12.58%**	**13.01%**
Total Liabilities	**126.37%**	**125.21%**	**86.81%**	**80.23%**	**80.23%**
Capital/ Shareholders' Equity					
Share Capital	9.81%	9.02%	9.30%	9.84%	9.61%
Statutory Reserve	2.76%	2.40%	2.47%	2.62%	2.50%
General Reserve	0.00%	0.00%	0.00%	0.00%	0.00%
Capital Reserve	0.53%	0.47%	0.49%	0.18%	0.18%
Revaluation Surplus on Land & Building	2.52%	2.52%	2.60%	2.14%	2.22%
Retained Earnings	-44.13%	-41.52%	-4.15%	2.36%	2.52%
Total Shareholders' Equity	**-28.51%**	**-27.11%**	**10.71%**	**17.13%**	**17.04%**
Non-Controlling Interest	**2.14%**	**1.90%**	**2.47%**	**2.64%**	**2.73%**
Total Liabilities & Shareholders' Equity	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

VERTICAL ANALYSIS
CONSOLIDATED PROFIT & LOSS ACCOUNT

Particulars	2025	2024	2023	2022	2021
Interest Income	-28.42%	-188.35%	396.77%	161.37%	136.49%
Less: Interest paid on Deposits & Borrowings etc.	-100.20%	-355.05%	367.68%	114.69%	88.13%
Net Interest Income	**71.78%**	**166.70%**	**29.09%**	**46.68%**	**48.36%**
Income from Investment in securities	31.35%	-44.43%	21.73%	34.60%	37.83%
Commission, Exchange and Brokerage	-2.05%	-11.99%	23.74%	12.22%	10.89%
Other Operating Income	-1.08%	-10.29%	25.44%	6.50%	2.92%
Non-interest Income	**28.22%**	**-66.70%**	**70.91%**	**53.32%**	**51.64%**
Total Operating Income	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Salaries and Allowances	-15.74%	-52.45%	74.81%	24.89%	14.58%
Rent, Taxes, Insurances, Electricity etc.	-0.68%	-3.14%	3.92%	1.04%	0.73%
Legal & Professional Fees	-0.40%	-0.86%	0.74%	0.85%	0.46%
Postage, Stamps, Telecommunication etc.	-0.20%	-0.91%	1.61%	0.57%	0.37%
Stationery, Printings, Advertisements etc.	-0.63%	-1.51%	5.11%	1.90%	1.42%
Managing Director's Salary and Allowances	-0.49%	-1.74%	2.47%	0.86%	0.68%
Directors' Fees and Conveyance	-0.16%	-0.45%	0.42%	0.21%	0.15%
Auditors' Fees	-0.04%	-0.15%	0.22%	0.07%	0.07%
Depreciation & Repairs of Assets	-3.88%	-13.81%	23.30%	6.71%	4.45%
Other Expenses	-1.82%	-6.83%	9.68%	5.17%	3.26%
Total Operating Expenses	**-24.04%**	**-81.87%**	**122.29%**	**42.26%**	**26.17%**
Profit before Provision	**124.04%**	**181.87%**	**-22.29%**	**57.74%**	**73.83%**
Specific provisions for Classified Investment	-9.80%	29.78%	204.63%	10.53%	-5.41%
General Provisions for Unclassified Investment	0.00%	0.00%	0.00%	4.51%	16.72%
Special Provisions for Unclassified Investment	0.00%	0.00%	0.00%	-0.19%	7.40%
Provisions for Other Receivables	0.00%	0.00%	0.00%	2.23%	2.64%
Provisions for Off-Balance Sheet exposures	0.00%	0.00%	-0.68%	-0.17%	0.31%
Provisions for Investment in Securities	50.03%	-198.83%	5.58%	5.91%	6.10%
Total Provision	**134.11%**	**-1816.15%**	**333.57%**	**22.82%**	**27.76%**
Total Profit before Provisions for Taxation	**-10.07%**	**1998.02%**	**-355.85%**	**34.92%**	**46.07%**
Current Tax Expenses	-0.73%	-8.54%	9.42%	7.80%	21.14%
Deferred Tax Expenses/(benefit)	6.25%	169.33%	-10.76%	-6.84%	-3.57%
Net Tax Expense	**5.52%**	**160.79%**	**-1.34%**	**0.96%**	**17.57%**
Net Profit after Taxation	**-15.58%**	**1837.23%**	**-354.51%**	**33.95%**	**28.50%**

VERTICAL ANALYSIS
SOLO BALANCE SHEET

Particulars	2025	2024	2023	2022	2021
PROPERTY AND ASSETS					
Cash	**0.78%**	**0.71%**	**0.65%**	**0.68%**	**0.59%**
Cash in hand	0.00%	0.00%	0.00%	0.00%	0.00%
Balance with Bangladesh Bank	0.78%	0.71%	0.65%	0.68%	0.59%
Balance with other Banks and Financial Institutions	**6.80%**	**8.08%**	**8.59%**	**6.57%**	**5.93%**
Inside Bangladesh	6.80%	8.08%	8.59%	6.57%	5.93%
Outside Bangladesh	0.00%	0.00%	0.00%	0.00%	0.00%
Money at call and short notice	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Investment in Securities	**1.70%**	**1.85%**	**2.29%**	**2.41%**	**1.51%**
Government	0.00%	0.00%	0.00%	-	-
Others	1.70%	1.85%	2.29%	2.41%	1.51%
Lease, Loans and Advances	**75.73%**	**75.68%**	**76.45%**	**78.71%**	**79.97%**
In Bangladesh	75.73%	75.68%	76.45%	78.71%	79.97%
Outside Bangladesh	-	-	-	-	-
Fixed Assets including Premises, Furniture and Fixtures	**3.89%**	**3.58%**	**3.79%**	**3.27%**	**3.13%**
Other Assets	**10.12%**	**9.18%**	**7.04%**	**7.15%**	**7.59%**
Non-Banking Assets	**0.98%**	**0.92%**	**1.18%**	**1.22%**	**1.27%**
Total Assets	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
LIABILITIES AND CAPITAL					
Liabilities					
Financing (Borrowings) from other Banks, Financial Institutions and Agents	**18.61%**	**20.48%**	**23.25%**	**15.32%**	**14.98%**
Deposits and other Accounts	**48.88%**	**46.60%**	**49.14%**	**56.66%**	**57.24%**
Term Deposits	48.39%	46.29%	48.21%	56.26%	56.14%
Other Deposits	0.38%	0.20%	0.83%	0.34%	1.00%
Advance Rent & Installments	0.10%	0.11%	0.10%	0.06%	0.10%
Bills Payable					
Other Liabilities	**62.99%**	**62.19%**	**17.02%**	**10.55%**	**10.11%**
Total Liabilities	**130.47%**	**129.28%**	**89.42%**	**82.53%**	**82.33%**
Capital/ Shareholders' Equity					
Share Capital	10.78%	10.16%	10.42%	10.81%	10.62%
Statutory Reserve	3.03%	2.70%	2.77%	2.88%	2.77%
General Reserve	0.00%	0.00%	0.00%	0.00%	0.00%
Revaluation Surplus on Land & Building	2.76%	2.83%	2.92%	2.35%	2.46%
Retained earnings	-47.04%	-44.97%	-5.53%	1.43%	1.83%
Total Shareholders' Equity	**-30.47%**	**-29.28%**	**10.58%**	**17.47%**	**17.67%**
Total Liabilities & Shareholders' Equity	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

VERTICAL ANALYSIS
SOLO PROFIT & LOSS ACCOUNT

Particulars	2025	2024	2023	2022	2021
Interest Income	-34.20%	-124.41%	573.73%	216.86%	168.09%
Less: Interest paid on Deposits & Borrowings etc.	-135.77%	-245.99%	541.30%	157.19%	110.69%
Net Interest Income	**101.56%**	**121.58%**	**32.44%**	**59.67%**	**57.40%**
Income from Investment in Securities	-0.10%	-14.10%	28.32%	30.69%	38.73%
Commission, Exchange and Brokerage	0.00%	0.00%	1.25%	0.32%	0.56%
Other Operating Income	-1.46%	-7.48%	37.99%	9.32%	3.32%
Non-Interest Income	**-1.56%**	**-21.58%**	**67.56%**	**40.33%**	**42.60%**
Total Operating Income	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Salaries and Allowances	-20.37%	-33.48%	96.83%	28.85%	14.99%
Rent, Taxes, Insurances, Electricity etc.	-0.58%	-1.66%	4.06%	0.99%	0.76%
Legal & Professional Fees	-0.50%	-0.51%	0.59%	0.59%	0.49%
Postage, Stamps, Telecommunication etc.	-0.17%	-0.43%	1.83%	0.63%	0.38%
Stationery, Printings, Advertisements etc.	-0.83%	-0.96%	7.37%	2.42%	1.74%
Managing Director's Salary and Allowances	-0.72%	-1.30%	3.84%	1.21%	0.86%
Directors' Fees and Conveyance	-0.19%	-0.25%	0.50%	0.23%	0.13%
Auditors' Fees	-0.04%	-0.08%	0.24%	0.07%	0.05%
Depreciation & Repairs of Assets	-3.48%	-7.25%	25.63%	7.05%	4.34%
Other Expenses	-2.14%	-3.86%	11.30%	6.26%	3.66%
Total Operating Expenses	**-29.03%**	**-49.79%**	**152.18%**	**48.31%**	**27.41%**
Profit before Provision	**129.03%**	**149.79%**	**-52.18%**	**51.69%**	**72.59%**
Specific provisions for Classified Investment	-14.46%	22.12%	318.03%	14.89%	-6.91%
General Provisions for Unclassified Investment	0.00%	0.00%	0.00%	6.38%	21.34%
Special provisions for Unclassified Investment	0.00%	0.00%	0.00%	-0.26%	9.45%
Provisions for Other Receivables	-31.74%	-43.71%	-47.57%	3.15%	3.37%
Provisions for Off-Balance Sheet Exposures	0.00%	0.00%	0.00%	-0.24%	0.39%
Provisions for Investment in Securities	7.99%	-10.71%	3.16%	-3.15%	-0.32%
Total Provision	**132.09%**	**-1211.81%**	**512.92%**	**20.78%**	**27.32%**
Total Profit before Provisions for Taxation	**-3.06%**	**1361.60%**	**-565.10%**	**30.92%**	**45.27%**
Deferred Tax Expenses/(Benefit)	11.03%	100.95%	-9.78%	-3.08%	-3.90%
Current Tax Expenses	-0.36%	-1.87%	4.90%	3.51%	19.05%
Net Tax Expense	**10.67%**	**99.08%**	**-4.89%**	**0.42%**	**12.94%**
Net Profit after Taxation	**-13.73%**	**1262.52%**	**-560.21%**	**30.49%**	**30.12%**

SWOT ANALYSIS

With 26 years of successful operation as a trusted financial partner, Bangladesh Finance PLC has established itself as a leading financial solutions provider in the country. To better understand both its internal capabilities and external challenges, the company has employed the SWOT framework—analyzing its strengths, weaknesses, opportunities, and threats. This strategic approach enables Bangladesh Finance PLC to accurately assess its current market position, support informed decision-making, develop effective strategies, and proactively address potential risks. Through this continuous evaluation, the company is steadily strengthening its competitive edge and advancing toward its long-term strategic objectives.

Strength

- 26 years of heritage along with serving more than 40 thousand people in Bangladesh
- Stability and strength of finances
- A diversified and well-capitalized financial solution
- Leveraging high creditworthiness and financial stability
- Effective reduction of loan defaults
- Implementation of cutting-edge technologies with adaptable infrastructure.
- A capital adequacy ratio over the required level

Weakness

- Limited geographical presence outside major urban areas.
- Higher cost of capital as a result of constrained access to funding
- Lack of cohesive plan to implement in-house automation technology
- The reliance on regional economies and business culture necessitates increased R&D to generate new revenue opportunities

- Rigorous competition among growing non-banking financial institution
- Escalated liquidity risk due to potential regulatory changes
- Intense competition from banks appearing in corporate-lending
- Overexposure to cyber security threats along with advent of FinTech disruption
- Generated political and economic unrest that is impeding Bangladesh's export trade.
- Turbulent foreign exchange market

Threat

Opportunity

- Intensifying the financial inclusion and literacy through serving the large underserved market in the age of marginalized profit
- Volatility of the stock market
- Positive economic recovery as evidenced by Bangladesh's rising GDP
- Curtailed deposit rates by the commercial banks Expanding into different geographic regions to meet evolving customer needs

PESTEL ANALYSIS

Political and Geopolitical Shift

Client Impact:
Adverse impact on revenue, disruption, constrained ability to access finance and unemployment.

Related Risk for Bangladesh Finance PLC:
Regulatory Risk, Strategic Risk

Impact On The Industry
- Stability in government policies can be beneficial for the overall growth of the financial industry.
- Arbitrary changes in regulations and policies may have an adverse impact on the industry.
- Future uncertainty may intensify as a result of political instability brought on by the public's shrinking faith.

Opportunities

Bangladesh is becoming a key player geopolitically in shaping the future of Asia. Therefore, as a center of trade, Banking and Financial Institution sectors will play a crucial role.

Bangladesh Finance PLC interacts with regulatory bodies directly and through various associations, advocating for enabling policy environments that promote national and regional objectives, and beneficial socio-economic outcomes.

PURPOSE-DRIVEN ORGANIZATION

STRATEGIC RESPONSE
Bangladesh Finance PLC plans to monitor and scrutinize the government policies and regulations on a frequent manner to modify their offerings and internal guidelines accordingly. Such as disbursing more long-term loans to tackle to short term political instability.

DEGREE OF IMPACT

Economic Trends

Client Impact:
Adverse impact on revenue, constrained ability to access finance, unemployment and high gearing.

Related Risk for Bangladesh Finance PLC:
Financial Crime Risk, Credit Risk, Market Risk, Liquidity and Funding Risk

Impact on the Industry
• Despite the economic slowdown, demand for private sector lending is increasing, which aligns with the observed rise in GDP growth rates in certain periods, possibly reflecting targeted recovery efforts or increased credit needs.
• Higher inflation may have suppressed demand for deposit products, as consumers could be altering their purchase behaviors due to decreased purchasing power or inflation expectations.
• Market Liquidity and Cost of Funds—particularly reduced deposit demand—may impact market liquidity and increase the cost of funds for financial institutions, affecting their lending capacity and financial stability.

Opportunities
Since Bangladesh's as well as global economy are sustaining economic reformation after COVID-19, investment and economic growth will heighten. Through strategic investments, Bangladesh Finance PLC can rip the advantage of such economic expansion and inaugurate itself as a prominent player in the sector. Also, increasing spread in FI sector directs toward higher interest income of Bangladesh Finance PLC.

STRONG GROWTH PROSPECTS

STRATEGIC RESPONSE
Bangladesh Finance PLC aims to intensely diversify its portfolio and investments to diminish the impact of economic fluctuations. Another measurement to consider is strengthening the credit-risk management team to deal with changing markets risks.

DEGREE OF IMPACT



Socio-cultural State

Client Impact:
Need to update skill sets and adapt business practices

Related risk for Bangladesh Finance PLC:
Strategic Risk, Reputation Risk

Impact on the Industry

Improved social standards and quality of life are the result of rising GDP and per capita income driven by economic advancement in Bangladesh.

- The needs of consumers do, however, vary depending on where they are geographically located, as evidenced by the rising demand towards
  eco-friendly sustainable products.
- Income inequality and debatable per capita income still indicates towards the dynamism of Bangladesh's social structure
- Digitalization and urbanization draw in more clients to meet the financing demands.

Opportunities

53% adults in Bangladesh is still outside the reach of financial services representing the under saturation of the financial industry. Bangladesh Finance intends to grab this portion as an opportunity to capture the financially excluded market. By maintaining a strong capital base, liquidity position and steady profitability level while adhering to regulatory requirements, Bangladesh Finance is able to maintain its reputation for reliability among customers and general public.

GROWING CLIENT BASE

STRATEGIC RESPONSE

Bangladesh Finance PLC plans to monitor and scrutinize the government policies and regulations on a frequent manner to modify their offerings and internal guidelines accordingly. Such as disbursing more long-term loans to tackle to short term political instability.

DEGREE OF IMPACT

Technological Future

Client Impact:

Enterprises and corporates expect embedded financial services, intuitive experiences, real-time individualized interactions and seamless service regardless of location

Related risk for Bangladesh Finance PLC:

Credit Risk, Operational Risk & Technological Risk

Impact on the Industry

- Adaption of Fintech is revolutionizing conventional financial products and service delivery.
- Govt. initiatives in Digital Bangladesh is immensely transforming the financial sector.
- Financial institutions can appraise the viability of investments, improve customer convenience, and operate more efficiently due to cashless transactions, big data, machine learning, artificial intelligence.
- However, Bangladesh has lower than 40% technology penetration rate, which require careful consideration immediately.

Opportunities

Bangladesh Finance is rapidly digitizing, and as a result, it will be able to offer customers with complete automated financial services. Thus, it is expecting the prospect to minimize transaction costs as a result of suboptimality.
Services and reporting would continue uninterrupted due to its adaption of remote access facilities and digitized account opening system.

DIGITIZATION OF BANGLADESH FINANCE PLC

STRATEGIC RESPONSE

To provide clients with improved value propositions, Bangladesh Finance strives to move fundamentally toward a sound digital eco-financing through task automation along with product digitization. It aims update IT security systems to eradicate the risk of cyber threats.

DEGREE OF IMPACT

Environmental State

Client Impact:
Have to adapt with the changing business behavior

Related risk for Bangladesh Finance PLC:
Strategic Risk, Operational Risk

Impact on the Industry
Bangladesh is extremely susceptible to the environmental deterioration brought on by climate change.

- The financial sector is mandated to invest in green practices, with a higher priority placed on environmental compliance.
- To promote sustainability, the government may commence giving tax rebate to industries that operate sustainably

Opportunities

Bangladesh Finance is focusing on reducing usage of energy, water & waste. Usage of energy & water is reduced by 9.8% from last year in Bangladesh Finance. Employees of Bangladesh Finance are encouraged to use electronic platform form communication, thereby minimizing the need of print. During 2024 we saved 1,040,000 Paper Sheets by transferred to digital platforms. In a nutshell Bangladesh Finance is taking strategic initiatives to be a green financial institution.

TOWARDS BECOMING A GREEN FINANCIAL INSTITUTION

STRATEGIC RESPONSE
Bangladesh Finance PLC intends to be known as a model environmental steward. Hence, it integrates sustainability into the core business strategy in order to avoid contributing to adverse social and environmental impacts at any level across the business.

DEGREE OF IMPACT

Legal/Regulatory State

Client Impact:
Costly and time-consuming processes to ensure regulatory compliance.

Related Risk for Bangladesh Finance PLC:
Market Risk, Strategic Risk, Legal Risk, Liquidity Risk

Impact on the Industry

- To prevent corporate failures and discrepancies, regulatory measures are being reinforced in the industry.
- In order to resurrect the post-pandemic economy, Bangladesh Bank has been actively providing the necessary policy support
- The main objective of the policies is to provide Banks and FIs with low-cost funding.
- Due to the rising usage of e-commerce in this industry, there are stringent compliance laws to prevent money laundering, and online payment fraud.

Opportunities

Bangladesh Finance PLC seeks to assist its clients manage their regulatory and compliance risk profiles by utilizing its understanding of various laws, regulations, and legislation in different nations. The risks associated with legal factors can be eliminated by close monitoring and reporting to the Board by the compliance unit on the company's adherence to different regulatory standards.

STRONG ETHICAL CULTURE

STRATEGIC RESPONSE
Bangladesh Finance PLC ensures strict verification of documents to comply with all applicable laws, regulations, and industry standards. Along with securing departmental compliance, it aims to confirm that every employee is informed and equipped to identify and report suspicious actions.

DEGREE OF IMPACT

COMPETITIVENESS AND OUR RESPONSES

At Bangladesh Finance, we remain mindful of our operating environment that is characterized by a high degree of competitive intensity. Yet, we are also focused on growing the share of the market in the true spirit of financial inclusion, as nearly half of Bangladesh remains outside of the formal banking territory. Thus, onboarding the SME customers, women entrepreneurs, small shopkeepers, agro-based industries are our main focus. We fulfill our objectives through key thrusts, including:

- Digital innovation
- Personalized solutions
- Superlative customer experiences
- Service excellence

As a financial institution with a longstanding heritage, we are focused on operating our business efficiently, managing risk prudently and delivering value to our clients and stakeholders. Thus, though the competitive intensity is high, our key competitive differentiators enable us to carve a niche and hence ensure sustainable growth.

THREAT OF SUBSTITUTE PRODUCTS

Factors influencing Threat of Substitute Products

» Threat of substitutes is negligible in the context of Bangladesh, as there is no direct replacement of credit/ deposit products in the economy

» However, suppliers accepting payments from customers in EMI (equated monthly installments), as a means of financing is a rising threat

» FinTech/digital first entities, although operating on a limited scale in the country, may represent a threat in the future

Our Response and Strategy Formulation

» We focus on innovation on digitization of products and services that enable us to stave-off any substitute threats

» With our proven financing solutions, we ensure that our customers enjoy a diverse choice of financing options that meet their specific needs, thus ensuring another front to counter the risk of substitution

THREAT OF NEW ENTRANTS

Factors Influencing Threat of New Entrants

» The threat of new entrants in the financial sector is relatively low on account of enormous upfront capital requirements being a deterrent to new players

» This threat is contingent on regulators' decision to award new FI licenses

» However, established FIs in other countries could enforce greater competitive intensity if regulator permits them to operate in Bangladesh

Our Response and Strategy Formulation

» Entering the market and competing on the same scale is not easy for a new FI. New entrant/s would have to establish a significant brand identity and delivery channel

» We are relentlessly focusing on tech and digital banking to maintain our competitive lead

» As a FI with a customer-first philosophy, we believe our continuous focus on excellence will help prevent any competitive pressures from new entrants.

LOW **MODERATE**

RIVALRY AMONG COMPETITORS

Factors Influencing Rivalry among Competitors

» Competition in the domestic banking industry is very high, with 61 scheduled banks, 5 non-scheduled banks and 34 financial institutions (FIs) competing for share of a highly concentrated industry

» Non-differentiated products and services among competitors, insignificant brand loyalty of customers and high exit barriers induce greater competitive intensity

Our Response and Strategy Formulation

» We focus on financial inclusion and empowerment as a means to onboard customers that are unbanked or underserved

» We offer the most favorable rates on our deposit products with personalized service

» We foster enhanced customer trust through our strong and dependable governance practices

» We demonstrate empathetic, speedy and sensitive customer service and prompt grievance resolution that only helps build customer confidence

BARGAINNING POWER OF SUPPLIER

Factors Influencing Bargainning Power of Supplier

- Depositors comprise the primary source of fund providers and hence they are a major supplier group for the industry
- The threat from individual depositors is higher, similar to their bargaining power
- Major corporate customers and high net-worth individuals have influence on account of their typically more sizeable deposits
- Suppliers of goods and services have very low bargaining power, but large IT service/infrastructure providers exercise a higher power because of their size

Our Response and Strategy Formulation

- We offer the most attractive interest rates on deposits, strengthened by our ability to draw low-cost funds through our superior credit ratings
- We offer a wide range of fixed deposit products across varying maturities that meet the myriad financial and socio-economic needs of our deposit-holders
- We manage bargaining power of goods and services suppliers through best practices in terms of our procurement policy

HIGH



BARGAINING POWER OF BUYER

Factors Influencing Bargaining Power of Buyer

- Large corporates and high net-worth individuals can exert influence on us
- Low switching costs enforces higher competitive intensity
- Location-agnostic services (alternative delivery channels, digital channels, etc.) can help sway customer decisions

Our Response and Strategy Formulation

- We focus on service as key differentiator. While it may be easy to copy a product, it is impossible to replicate service
- We offer amongst the industry's lowest loan TAT (turnaround time) to eligible borrowers
- Our digital product ensure banking at the fingertips.
- We focus on developing best-fit personalized product offerings that meet precise customer needs and expectations



Bangladesh finance
এখনই সময়

বিশ্বাসের সঞ্চয়

সমৃদ্ধির পথে
আপনার বিশ্বাস, আর আমাদের প্রতিশ্রুতি

প্রতিটি সম্পর্কের ভিত্তি হলো পারস্পরিক বিশ্বাস। আর সেই বিশ্বাসের ওপর ভর করেই আমরা একে অপরের প্রতি আস্থা রাখি। নিজের আর্থিক সমৃদ্ধির লক্ষ্য অর্জনে আস্থা রাখুন বাংলাদেশ ফাইন্যান্সে। আমাদের ওপর আপনার এই বিশ্বাসের সঞ্চয় সঙ্গী হোক আপনার সমৃদ্ধির পথচলায়

bd.finance 16727

DIRECTOR'S REPORT TO THE SHAREHOLDERS

Dear Shareholders,

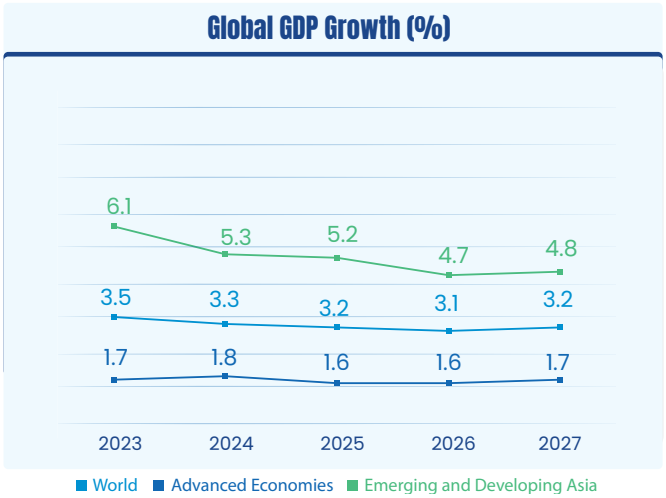
The Board of Directors of Bangladesh Finance PLC is pleased to welcome you to the 27th Annual General Meeting (AGM) of the company and present before you the Annual Report along with the Audited Standalone and Consolidated Financial Statements for the year ended December 31, 2025. The report includes a brief elaboration on the review of the business and its financial performance, as well as the underlying forces that have had an influence on them. This report has been prepared in compliance with section 184 of the Companies Act 1994, The Finance Company Act 2023 and the guidelines issued by Bangladesh Securities and Exchange Commission (BSEC), Bangladesh Bank and other regulatory authorities.

Global Economy

In 2025, the global economy continued its trajectory toward stabilization, supported by robust labor markets, recalibrated supply chains, and normalized interest rates following aggressive tightening. However, several challenges persisted, including heightened geopolitical fragmentation, escalating protectionist trade policies, and high sovereign debt. Despite these hurdles, the year was marked by structural adaptation. Major economies managed to balance sustained disinflation with the necessity to prevent broad economic contraction. The emphasis on AI-driven productivity gains, nearshoring, and energy security became more prominent as countries aimed to enhance long-term resilience. The global macroeconomic environment saw modest growth due to resilient consumer demand in the US, targeted fiscal stimulus in key emerging markets, and India's robust expansion. Nonetheless, uncertainty remained due to the enduring impacts of Middle Eastern conflicts, climate-related economic shocks, and the deepening fragmentation of global trade and investment flows.

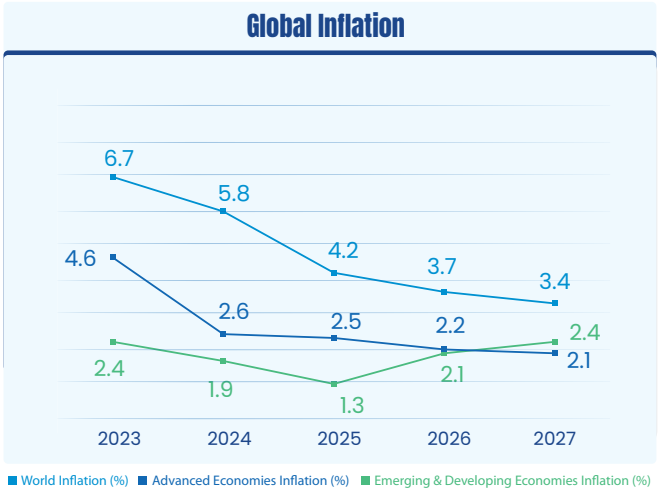
Global GDP Growth

Global GDP growth has undergone a marked slowdown since the post-pandemic rebound, spanning 2023 to 2027, with emerging and developing Asia serving as the principal engine amid broader moderation. Worldwide GDP expansion stabilized after reaching 3.5% in 2023, followed by a slight decline to 3.3% in 2024 and 3.2% in 2025, with forecasts indicating a modest rebound to 3.2% in 2026 and 3.3% in 2027. Advanced economies recorded 1.7% growth in 2023 and remained subdued at 1.6-1.7% throughout the forecast period, reflecting the impact of tighter monetary policies and weakened consumer demand. In contrast, emerging and developing Asia demonstrated resilience, with growth moderating slightly from approximately 5.3% in 2023 to 4.7% in 2024 before rebounding to 4.8% in 2026 and 5.2% in 2027, driven by robust domestic investment and demand in major markets such as China, India, and ASEAN economies. This regional strength underscores its pivotal role in sustaining global economic momentum amid challenging conditions.



Global Inflation

Global inflation moderated steadily from 6.7% in 2023 to 5.8% in 2024, reflecting the initial unwind of pandemic-era pressures, with projections showing continued decline to 4.2% in 2025 ahead of stabilizing at 3.7% in 2026 and 3.4% in 2027. Advanced economies demonstrated sharper disinflation, dropping from 4.6% in 2023 to 2.6% in 2024 and holding steady around 2.5% through the forecast horizon, driven by effective monetary tightening that curbed demand without triggering deep recessions. Emerging and developing Asia, starting from elevated levels near 7-8% in 2023, followed a more gradual path toward 4.1% by 2027, constrained by structural dependencies on imported commodities.

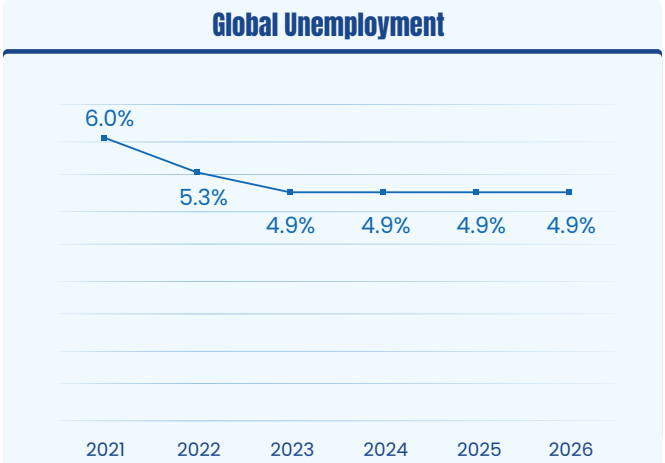


This trajectory stems from central banks' aggressive interest rate hikes since 2022, which anchored inflation expectations and cooled overheated demand, alongside falling energy prices as global supply chains healed from COVID-19 bottlenecks and the 2022 Russia-Ukraine war's initial shocks. In advanced economies, resilient labor markets and productivity gains supported a "soft landing," with services and wage-driven inflation easing progressively into 2026. Emerging Asia faced stickier dynamics due to food price volatility, weaker currency transmission of policy rates, and exposure to trade disruptions, though commodity stabilization and domestic reforms aided the descent.

For 2026 and 2027, forecasts anticipate a balanced global environment at 3.7% and 3.4%, respectively, assuming sustained policy normalization, improved energy markets, and efficient supply networks. Advanced economies are poised to maintain targets near 2%, bolstering consumer spending stability, while emerging Asia's convergence hinges on mitigating import risks and enhancing fiscal buffers. Risks to this outlook include escalating trade protectionism such as potential U.S. tariffs under the current administration along with geopolitical flare-ups, climate-induced commodity swings, and slower-than-expected growth in key markets, any of which could reignite pressures. For our company, these trends signal opportunities in cost containment and pricing predictability, but warrant proactive diversification of supply chains, hedging against energy volatility, and focus on high-productivity investments to navigate residual uncertainties in emerging regions. Long-term, accelerating green energy transitions and multilateral cooperation will be essential to lock in this disinflationary path.

Global Unemployment

Global unemployment rates have shown remarkable stability, hovering around 4.9% from 2023 through 2026, following a decline from 6.0% in 2021 and 5.3% in 2022 amid the post-COVID recovery. The International Labour Organization (ILO) projects this steady level to persist into 2026, reflecting robust labor market healing driven by economic expansion, pent-up demand, and supportive fiscal measures in major economies. This resilience mirrors the disinflationary trends observed in parallel global inflation data, where monetary tightening achieved a soft landing without widespread job losses.



Key factors sustaining this stability include strong hiring in services and technology sectors, bolstered by advanced economies' resilient consumer spending and productivity gains. Emerging markets, while contributing to the global average, face uneven progress due to structural challenges like skill mismatches and informal employment dominance. Youth unemployment remains a concern at elevated levels around 12-13%, with slower declines attributed to educational disruptions from the pandemic and barriers to entry-level roles. Gender gaps persist, particularly in low-income regions, where women's jobs gap exceeds men's by factors linked to caregiving burdens and limited access to quality employment.

For 2026, the ILO anticipates the 4.9% rate to hold firm, assuming continued growth above potential in key economies and no major shocks like trade escalations or energy crises. Risks include potential policy shifts under the current U.S. administration, which could introduce tariffs disrupting global supply chains and hiring. Demographic pressures, automation displacement, and climate-related disruptions in agriculture-heavy regions pose upside risks to unemployment. For our company, this outlook supports confident workforce planning and investment in upskilling, but underscores the importance of diversity initiatives, youth apprenticeships, and flexible hiring to mitigate regional vulnerabilities and capitalize on stable labor costs. Inclusive policies promoting gender equity and green job transitions will be vital for long-term sustainability.

World Economic Outlook 2026

According to the January 2026 edition of the World Economic Outlook (WEO), global growth is projected to remain steady at 3.1% in both 2026 and 2027. This forecast aligns with the projections made in October 2025 and reflects resilience in certain emerging economies—particularly the Indian market. However, growth prospects in many advanced markets and developing economies remain subdued. Overall, global growth continues to lag behind the 2000–2019 average of 3.8%.

The recalibration in economic activity is being supported by normalized interest rates, easing monetary policy, and stabilized energy conditions. Global inflation is forecast to decline from 4.5% in 2025 to 3.4% in 2026, and further to 2.8% in 2027. Following this progress, inflation will finally settle slightly below the pre-pandemic average of 3.5%. Disinflation is proceeding at varying speeds across regions, with advanced economies expected to cut their interest rates more quickly than emerging and developing economies, due to differing structural rigidities, wage trends, and currency movements.

While risks to the outlook remain broadly balanced today, they have shifted since late 2025. Potential upside risks include stronger-than-expected boosts from AI productivity gains and faster stabilization of global trade networks. Key downside risks include:

- Heightened geoeconomic fragmentation from retaliatory trade tariffs,
- Intensified shipping disruptions, particularly in the Red Sea, And commercial real estate volatility linked to shifting global workforce conditions.

High sovereign and corporate debt levels—especially in developing markets and low-income nations—pose structural financial vulnerabilities. In this context, the priority for most economies shifts toward rebuilding fiscal buffers, while ensuring economic expansion through vigilant use of targeted policy tools.

The WEO emphasizes the need for:

- Rapid sovereign debt restructuring frameworks, particularly to mitigate liquidity crises in low-income countries,

- Accelerated structural reforms, including investment in AI infrastructure and workforce upskilling, to bolster long-term economic growth,
- Better-targeted fiscal incentives for clean energy transitions still impacted by elevated infrastructure and capital costs, while gradually phasing out legacy fossil-fuel subsidies to rebuild buffers and avoid climate-related disruptions.

Lastly, the report underscores the importance of multilateral cooperation to safeguard the fragmented international economic order and to address pressing global challenges—most notably technology governance. Establishing AI frameworks, scaling up digital investments, and mobilizing transition finance for a secure digital economy are crucial to ensuring long-term sustainability and shared prosperity.

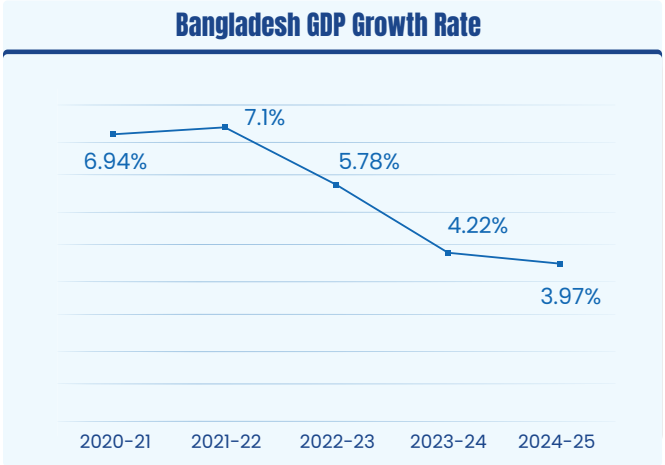
Gender disparities persist, particularly in technology-driven sectors. In 2025, the jobs gap for women in these industries was 21.4%, compared to 14.1% for men. This gap is attributed to factors such as unequal access to STEM reskilling opportunities and a disproportionate share of systemic algorithmic biases faced by women.

The ILO emphasizes the need for inclusive frameworks that address these disparities. Recommendations include investing in digital and technical development, promoting gender equality in the tech market, and creating pathways for youth empowerment. Such measures are crucial to ensure a more equitable and sustainable transition in the modern labor market.

Economy of Bangladesh

In 2025, Bangladesh's GDP growth slowed to 3.97%, continuing the decline from 4.22% in 2024 amid global inflation, high interest rates, and domestic challenges like banking weaknesses, energy shortages, and post-political transition turbulence under interim leader Muhammad Yunus.

Key strains included taka depreciation, weak garment exports, and climate disruptions, partially offset by IMF aid, remittances, and reforms in governance and youth entrepreneurship. Looking to 2026, recovery toward 4.9-5.0% growth per IMF, World Bank, and ADB forecasts depends on reform execution, banking stabilization, and navigating global trade barriers like U.S. tariffs.

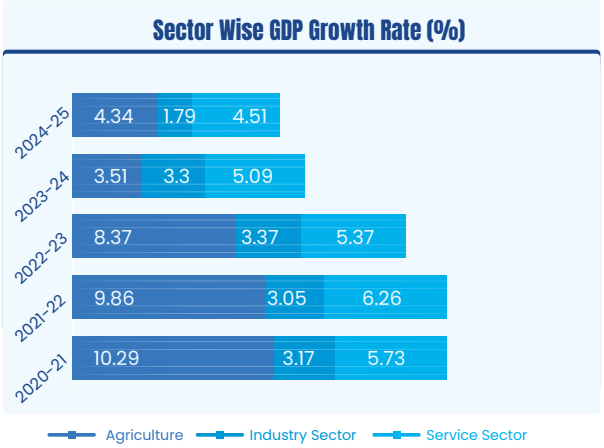


Sector wise economic progress

Bangladesh's sectoral economic performance in FY 2023–24 reflects a pressing need for strategic reforms to restore growth momentum. According to the Bangladesh Bureau of Statistics and Bangladesh Bank:

- Agriculture grew modestly at 3.30%, supported by favorable weather and subsidies, but hampered by high input costs and labor shortages.
- Industry contracted by 3.51%, driven by weakened global demand, energy supply issues, and challenges in the RMG and construction sectors.
- Services expanded by 5.09%, led by ICT and finance, though inflation dampened consumer-facing services

To foster sustainable recovery, the focus must be on modernizing agriculture, diversifying industry, boosting service sector innovation, and maintaining macroeconomic stability through coordinated policy action

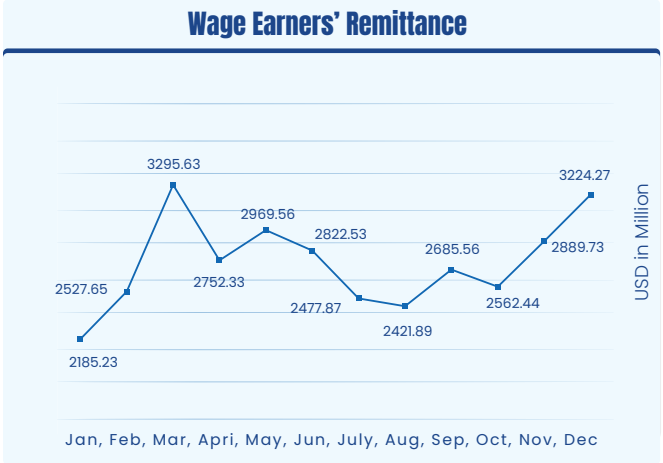


Bangladesh Budget at a Glance – FY25

Based on data from Bangladesh Bank, the national budget for Fiscal Year 2024–25 (FY25) was designed to tackle key macroeconomic challenges such as inflation, strict fiscal discipline, and economic stabilization. The government set a total revenue target of BDT 5,41,000 crore, marking an 8.2% increase from the revised target of the previous fiscal year. During the first quarter (July–September 2024), revenue collection amounted to BDT 87,500.5 crore, representing a notable year-on-year contraction driven by the July-August political and operational disruptions. The National Board of Revenue (NBR) accounted for the majority of this, generating BDT 70,902.3 crore—comprising BDT 22,150.1 crore in direct taxes and BDT 48,752.2 crore in indirect taxes. Additionally, non-tax revenue stood at BDT 16,598.2 crore. On the expenditure side, total government spending was restricted to BDT 845.2 billion, reflecting just 10.6% of the annual target. The quarter concluded with a limited fiscal deficit of BDT 52.4 billion, primarily financed through rationalized domestic borrowing, particularly from the banking sector.

Remittance

In 2025, Bangladesh's wage earners' remittances displayed robust resilience amid economic headwinds, totaling significant inflows that bolstered foreign exchange reserves and supported the current account, per Bangladesh Bureau of Statistics data. The year opened strongly with USD 2,185 million in January, surging to USD 2,528 million in February and peaking at USD 3,296 million in March, likely fueled by seasonal transfers, favorable exchange rates, and diaspora responses to domestic political transitions under interim leadership. A mild moderation followed in April (USD 2,752 million) before rebounding in May (USD 2,970 million) and sustaining elevated levels through June (USD 2,823 million), reflecting steady expatriate wage growth in key destinations like the Middle East and Asia.



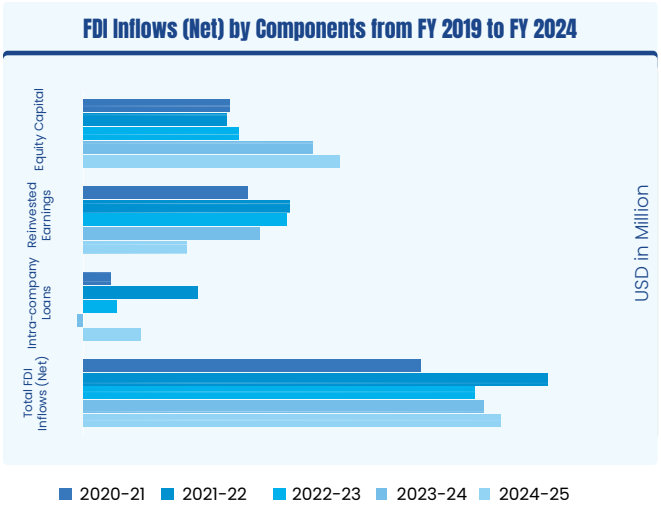
Mid-year saw a post-Eid dip to USD 2,478 million in July and USD 2,422 million in August, typical of seasonal patterns, with recovery accelerating in September (USD 2,686 million) and October (USD 2,562 million). November and December closed dynamically, rising to USD 2,890 million and culminating at USD 3,224 million, driven by year-end bonuses, holiday remittances, and policy incentives like streamlined banking channels introduced in Yunus-era reforms.

Overall, 2025 inflows underscored remittances' pivotal role exceeding USD 32 billion annually as a buffer against taka depreciation, export softness, and climate shocks, stabilizing rural consumption and funding imports critical for industries like garments. For our company in Dhaka, this trend enhances liquidity for procurement and expansion, recommending deepened ties with remittance corridors via fintech partnerships to harness sustained diaspora support amid 2026 recovery projections.

Direct Investment

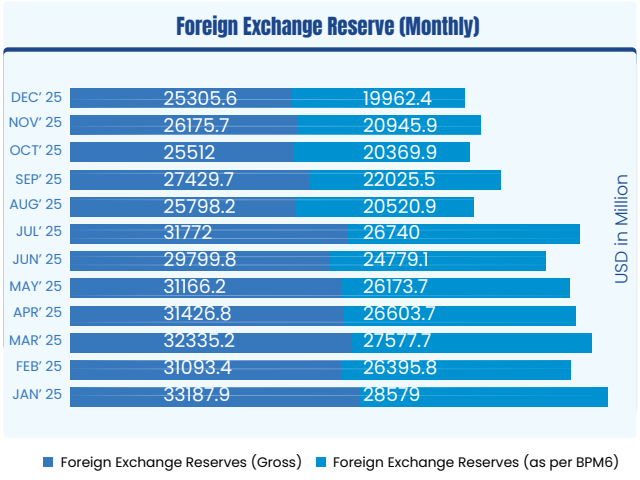
According to data from the Bangladesh Bank, net Foreign Direct Investment (FDI) inflows for FY 2024–25 totaled USD 1,280.3 million—a notable decline from USD 1,760.3 million in FY 2023–24. Despite this contraction, core investment foundations remain resilient. Reinvested earnings led overall contributions, while equity capital posted a modest upward recovery. Intra-company loans remained

the smallest contributor, experiencing a sharp moderation from the previous year. This trend signals sustained, albeit highly cautious, long-term investor confidence. To regain momentum and attract higher-quality, export-oriented FDI, Bangladesh must prioritize policy reforms and improvements in the ease of doing business



Foreign Exchange Reserve

In 2025, Bangladesh's foreign exchange reserves exhibited volatility yet ended on a strengthening note, with gross reserves reaching USD 33.19 billion by December, up from USD 25.31 billion in January, while BPM6-adjusted reserves rose to USD 28.58 billion from USD 19.96 billion. Notable fluctuations included a February peak at USD 26.18 billion gross (USD 20.95 billion BPM6), a mid-year surge to USD 31.77 billion gross in June (USD 26.74 billion BPM6) likely driven by robust remittances and IMF disbursements, and a steady climb through October's USD 32.34 billion gross (USD 27.58 billion BPM6) before stabilizing in November and surging in December. This upward trajectory, despite early-year dips like March's USD 25.51 billion gross amid taka pressures and import demands, reflects remittance resilience (over USD 32 billion inflows), export stabilization under Yunus reforms, and multilateral support offsetting garment slowdowns and energy costs. By year-end, reserves covered roughly 6 months of imports,

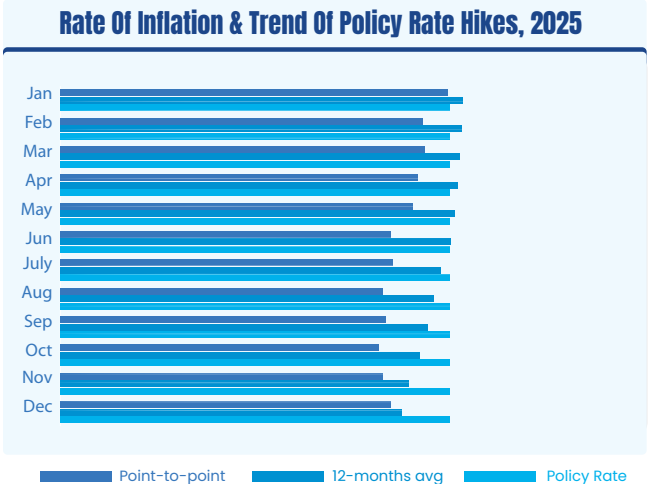


bolstering defenses against depreciation and dollar shortages while signaling improved external balance amid political transition.

For our Dhaka operations, this reserve buildup enhances currency stability for imports and investments, advising prudent hedging and remittance-linked financing to capitalize on 2026's projected 4.9-5% GDP recovery while mitigating trade barrier risks.

Inflation

Throughout 2025, Bangladesh faced lingering inflationary pressures, driven by lingering supply bottlenecks, elevated import costs, and structural realignments. In response, the Bangladesh Bank maintained unyielding policy rate rigidity aimed at anchoring inflation expectations and defending broader macroeconomic stability. Point-to-point inflation commenced at 9.94% in January before gradually moderating to an annual low of 8.17% by October, supported by sustained monetary tightening. To reinforce this trajectory, the central bank held its benchmark policy repo rate unaltered at a restrictive 10% across all twelve months. Moving forward, while external frictions temporarily nudged end-of-year inflation upward to 8.49%, long-term structural alignments and persistent demand-side absorption are projected to gradually ease price volatility toward more sustainable levels.



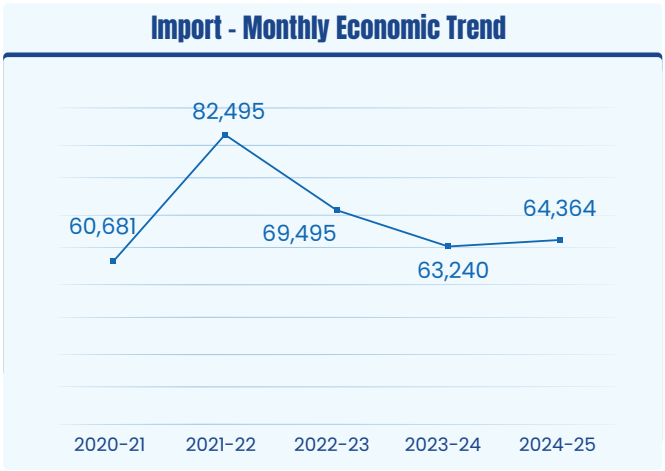
Export

Between FY2020-21 and FY2024-25, Bangladesh's exports fluctuated notably, peaking at USD 49,245 million in FY2021-22 before dipping to USD 46,431 million in FY2022-23 and USD 44,475 million in FY2023-24, then rebounding to an estimated USD 48,300 million in FY2024-25 per Bangladesh Bank data. The earlier decline stemmed from global demand slowdowns in ready-made garments (RMG) comprising over 80% of exports amid high inflation, supply chain issues, and geopolitical tensions, compounded by domestic energy shortages and taka depreciation. The FY2024-25 uptick reflects RMG recovery via diversified markets, policy incentives under Yunus reforms, and resilient labor costs, though vulnerability to U.S. tariffs and trade barriers persists.

This trend underscores exports' critical role in forex earnings and GDP, with RMG diversification into high-value segments like knitwear aiding resilience. For our Dhaka operations, it signals opportunities in export-linked supply chains, recommending quality upgrades and market hedging to leverage the rebound while navigating 2026 risks from global protectionism.

Import

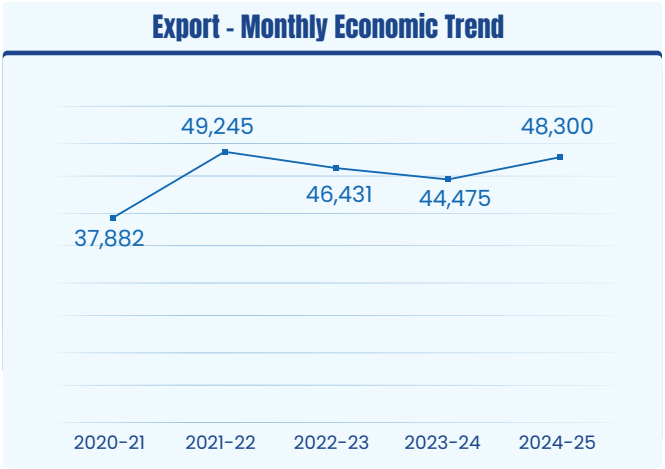
Between 2020 and 2025, Bangladesh's import performance saw notable volatility. In FY2022–23, imports fell by 15.76% to USD 69,495 million, largely due to central bank-imposed restrictions intended to address a dollar shortage. These measures led to reduced imports of capital machinery and industrial raw materials. The downward trend persisted in FY2023–24, with imports declining further by 9.00% to USD 63,240 million, reflecting continued economic challenges. However, FY2024–25 recorded a modest recovery, expanding by 1.78% to USD 64,364 million, signaling a stabilization in critical external supply chains alongside targeted policy adjustments.

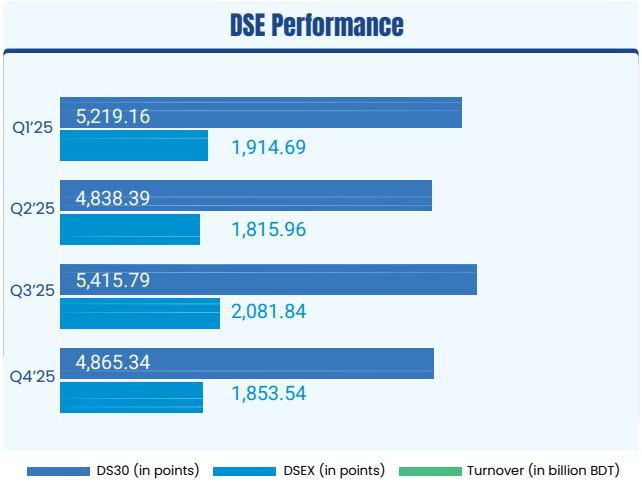


Capital Market Overview

Dhaka Stock Exchange (DSE)

The Dhaka Stock Exchange (DSE) reported an annual market capitalization of BDT 6,782,000 million in 2025, marking a slight aggregate recovery from BDT 6,621,373 million in 2024, anchored largely by treasury bonds. Throughout 2025, the DSE experienced





persistent volatility. Facing a challenging macroeconomic landscape, the benchmark DSEX index declined by 6.7%, closing the year at 4,865 points. Pure equity valuations suffered under systemic liquidity constraints and unyielding double-digit interest rates, driving average daily turnover down by 17.5%.

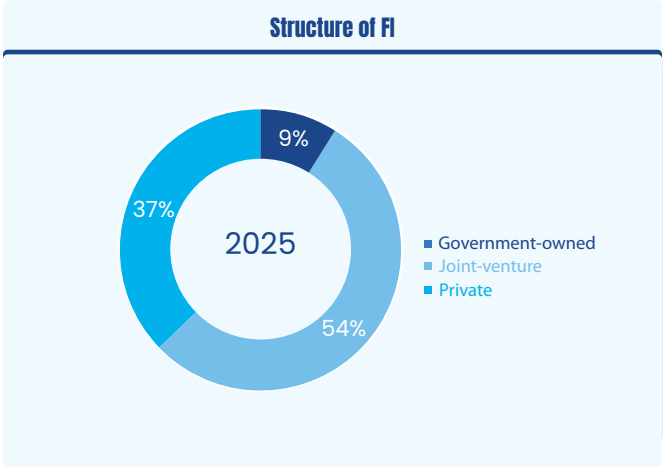
Sectors dependent on domestic consumption underperformed, while institutional debt instruments and defensive multinationals showed relative resilience. In my view, despite these setbacks, this transitional consolidation is ultimately positive; purging speculative excesses and aligning valuations with strict monetary realities establishes a much healthier, fundamentally sound foundation for sustainable long-term market growth.

Economic Outlook of Bangladesh 2026

Bangladesh's economic journey ahead up until 2026 is that of cautious recovery from two successive years of major macroeconomic headwinds. From a strong rate of 7.10% in 2022, real GDP growth shrunk low to 3.97% in 2025. The slowdown was most of the time caused by a series of global economic changes and domestic disruptions. A major challenge over this entire period has been to keep inflationary pressure under control. The domestic point to point inflation rate climbed higher to 9.74% during the 2022-2023 fiscal year. The rate has moderately ticked up to 8.58% for the current 2025-2026 fiscal year based on data up to January 2026. In response to these factors and rising prices, the central bank and government regulators have been forced to preserve contractionary monetary policies to contain inflation and preserve purchasing power. Looking forward to the fiscal year ending June 2026, a substantial cooling and stabilisation in the macroeconomic environment is expected. Aided by continued targeted fiscal reforms and persistent monetary tightening, domestic inflation is expected to finally come down below the 7% mark by the end of 2026. This expected slowing of inflation, which runs alongside the expected 5.50% improvement in GDP growth, is expect ed to signal a more favourable operating and lending environment in the financial sector.

NBFI Industry Outlook & Prospects

Finance companies serve as a significant engine for economic expansion in Bangladesh, actively fostering industrial productivity and employment generation. These institutions offer a comprehensive suite of financial solutions, including term financing, SME credit, factoring, syndicated financing, equity investment, merchant banking, venture capital, and working capital facilities. Notably, they provide specialized instruments such as asset-based lending, which necessitates minimal collateralization—a critical advantage for nascent and small-scale enterprises.



There are 35 NBFIs in Bangladesh consisting of 19 privately owned , 13 joint ventures and 3 govt. From these 35 NBFIs Bangladesh Bank has started working to liquidate 9 of them aimed to protect depositors cash. Approximately 73.5% of the sector's total defaulted loans are concentrated within just 12 NBFIs. This high concentration of non-performing assets suggests that the majority of the sector's remaining institutions continue to maintain a stable financial performance

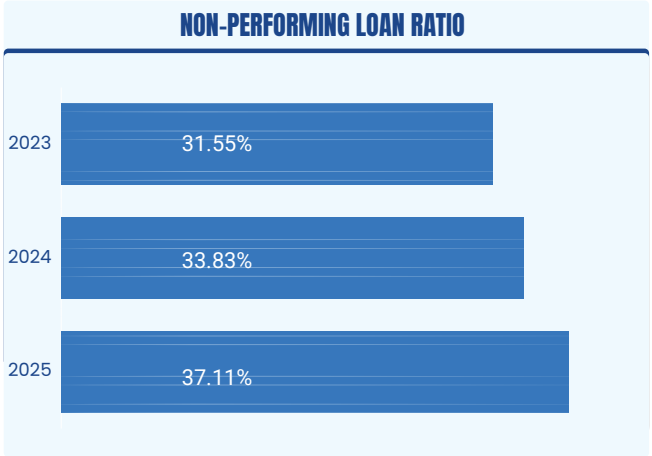
Industry Loan Portfolio

Non banking financial Institutes bad loans or non performing loans has again risen to 37.1% as of September, 2025 according to official Data. This was 33.52% in 2024. This increase of non performing loans reflects how the stress is growing in the overall financial sector, slowing down the recoveries and weak credit growth. These things become a governance challenge in the long term.

The total loan portfolio consists of 79,251 crore loans; from this amount, 29,408 crores are non-performing loans. It is one of the main reasons to lose depositors' confidence in this industry. It might lead to the collapse of the sector if proper actions are not taken in time. Regulatory bodies and governance play a pivotal role as NBFIs who helps industry, trade, commerce, infrastructure, and consumer finance, will be in danger.

Classified Loans and Leases

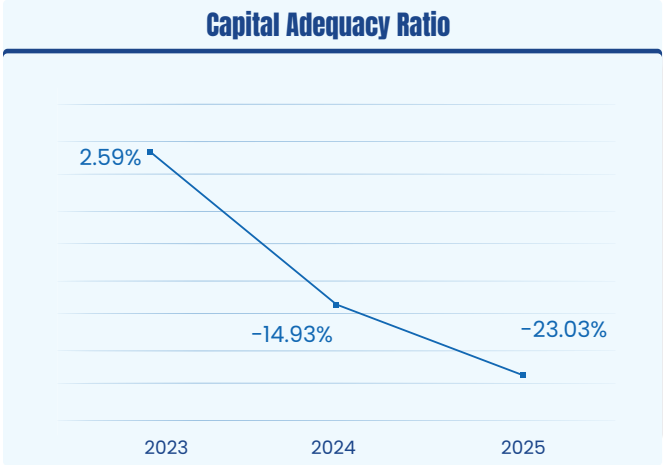
As of September 2025, the non-performing loan (NPL) ratio continued its upward trajectory, climbing to 37.11% of total disbursed loans, compared to 33.83% at the end of 2024. This reflects an increase of 3.28 percentage points over the period. The consistent year-over-year escalation—rising steadily from 23.88% in 2022 and 31.55% in 2023—underscores the persistent and deepening asset quality stress within the sector.



Industry CAR

There is a major downfall in the financial stability of the NBFI sector in 2025, where the industry's average Capital Adequacy Ratio (CAR) steadily plummeted from a marginal 1.62% in 2023 to -16.76% in 2024, reaching a critically insolvent -23.03% in 2025. Whereas the industry was instructed to maintain 10% CAR. This steep downward trajectory indicates that the sector has suffered massive capital erosion, likely driven by a surge in non-performing loans (NPLs) and chronic liquidity shortages that have completely wiped out the industry's aggregate equity. Essentially, the sector has transitioned from a state of fragility

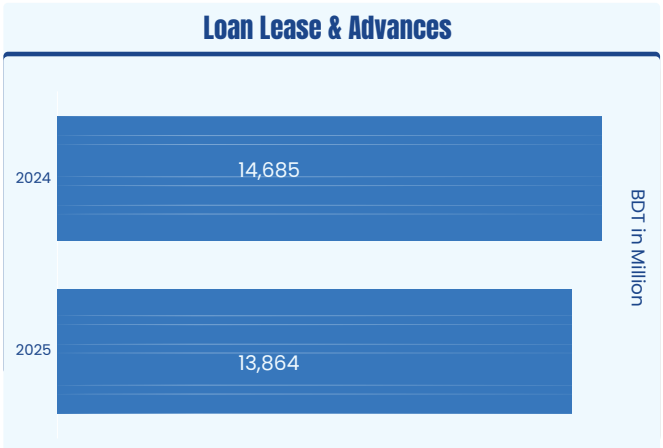
to systemic distress, operating with a deep capital deficit where liabilities now far exceed the safety buffers needed to absorb financial shocks amid a continued deterioration in asset quality. Persistently high default levels have severely weakened the capital base of many NBFIs, compromising their financial stability and overall resilience.



KPIs of Bangladesh Finance in 2025

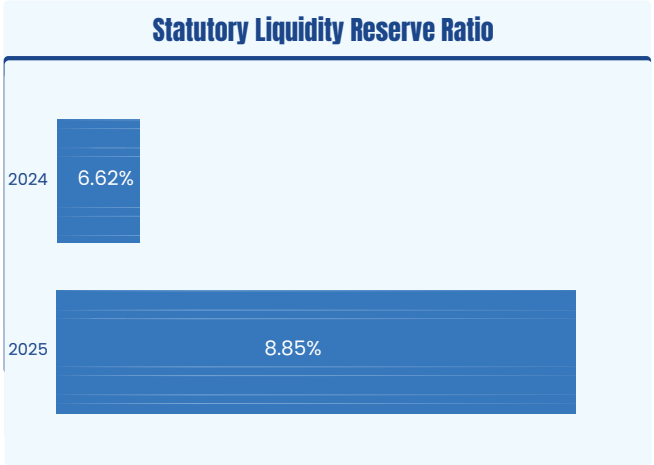
Loans, Leases, and Advances

Bangladesh Finance aims to enhance its portfolio by acquiring high-quality assets and ensuring long-term growth. For a while, the banking industry has faced significant headwinds. Severe liquidity crises, reputational issues, and rising non-performing loans continue to be major concerns for the industry. During Bangladesh's 2025 economic downfall situation, Bangladesh Finance focused more on SME loan to expand its loan portfolio and leveraged improved liquidity and credit demand to help productive sectors. Their consistency helped them to have a minimal impact in Loans, Leases, and Advances, which is BDT 13,864 million by 2025, reflecting responsible portfolio contraction. Stakeholders are assured that this contraction is consistent with risk-adjusted return targets, high asset quality, and national financial inclusion initiatives.



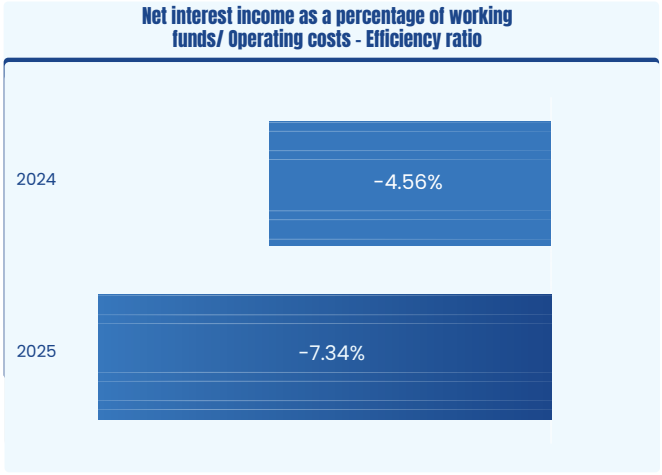
Statutory Liquidity Reserve Ratio

The expansion in the SLR to 8.85%, remaining above the regulatory requirement of 5%, reflects our strategic intent to enhance return on assets without compromising liquidity stability. The released capital has been prudently reallocated to high-performing, secured lending segments to drive long-term shareholder value.



Net interest income as a percentage of working funds/operating Costs-Efficiency Ratio

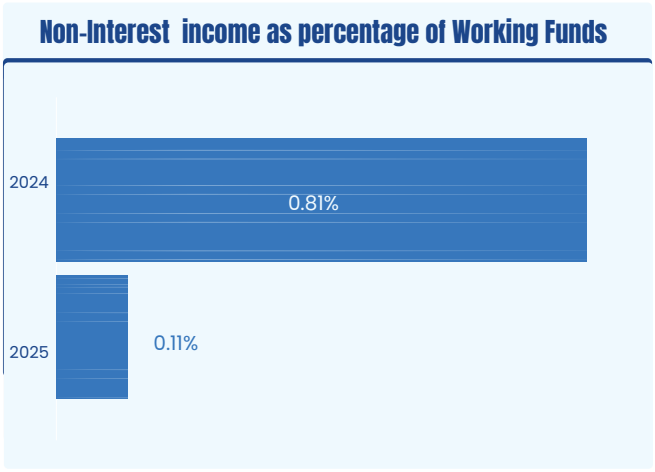
The negative cost-to-income ratio reflects a period of extraordinary stress, driven by a sharp drop in operating income that we recovered moderately in 2025 but due to market volatility, provisioning requirements, and a strategic pause in aggressive lending. While headline figures may appear distorted, the management of Bangladesh Finance is proactively executing a structural turnaround, focused on restoring income momentum, rationalizing operating costs, and strengthening the balance sheet to emerge more resilient and efficient in the coming quarters.



Non-Interest income as percentage of Working Funds

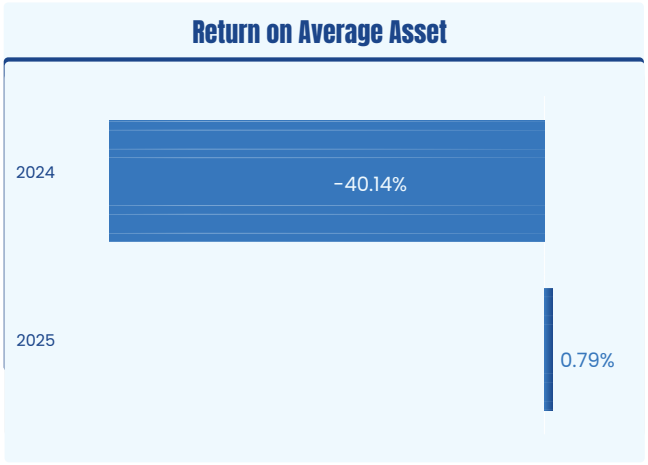
A decline in Non-Interest Income as a percentage of Working Funds from 0.81% to 0.11% during 2025, though numerically poor but holds strategic significance for Bangladesh Finance. It reflects a cautious recalibration of ancillary revenue streams in a challenging macro environment. To address this, the FI is initiating targeted strategies to

scale diversified income channels while safeguarding core margins. environment. To address this, the FI is initiating targeted strategies to scale diversified income channels while safeguarding core margins.



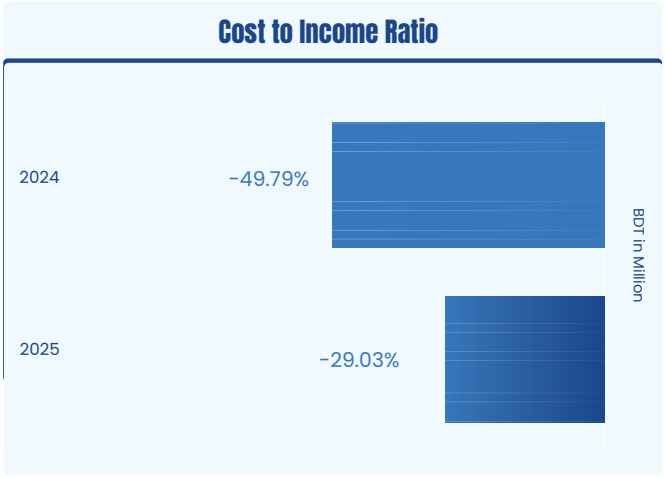
Return on Average Asset

The steep decline on Return on Average Assets from 2024 that was attributed to exceptional one-time charges, we have successfully pulled it to positive from -40.14% to 0.79% in 2025. There is portfolio stress in specific sectors, and strategic investments that have yet to yield returns yet. While the headline figure appears severe, the management is continuously initiating multi-pronged recovery strategies focused on asset quality improvement, operating cost rationalization, and revenue diversification. Bangladesh Finance remains committed to restoring profitability and ensuring long-term shareholder value.



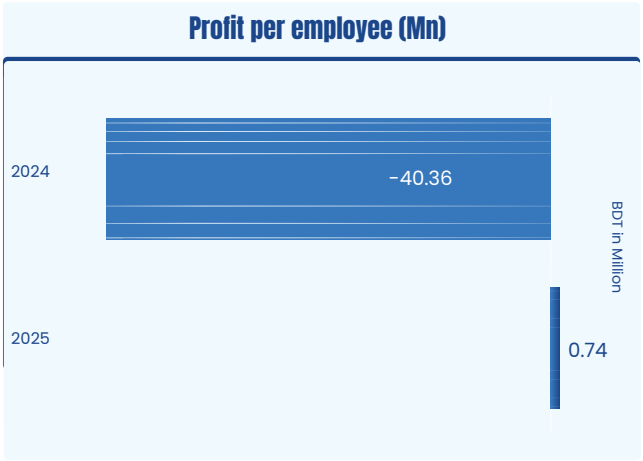
Cost to Income Ratio

The negative cost-to-income ratio reflects a period of extraordinary stress, driven by a sharp drop in operating income that we recovered moderately in 2025 but due to market volatility, provisioning requirements, and a strategic pause in aggressive lending. While headline figures may appear distorted, the management of Bangladesh Finance is proactively executing a structural turnaround, focused on restoring income momentum, rationalizing operating costs, and strengthening the balance sheet to emerge more resilient and efficient in the coming quarters.

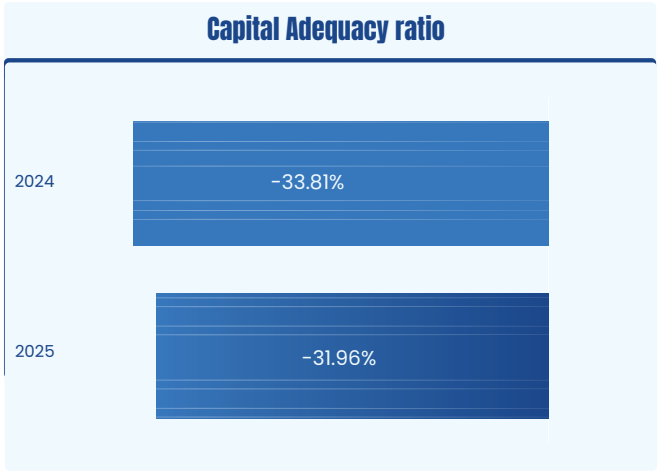


Profit per Employee

The recovery in Profit per Employee from negative BDT (40.36) Million to 0.74 Million in 2025 reflects a confluence of lower provisioning, revenue recovery, and Proactive financial adjustments during a turbulent financial period. While the headline number is adverse, it is a temporary reflection of our strategic pivot. The management has initiated a workforce productivity and cost optimization strategy to ensure alignment between human capital deployment and financial outcomes.



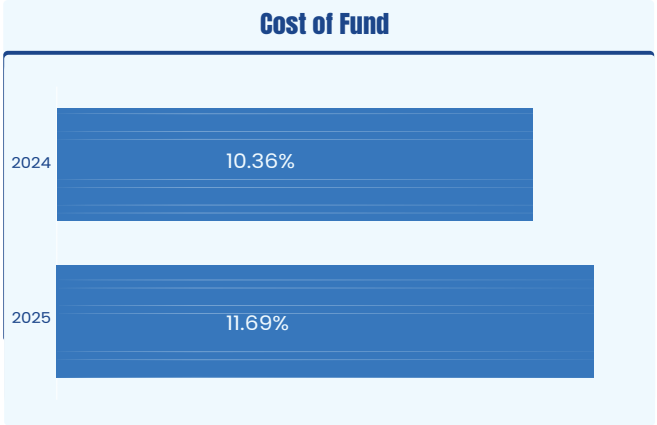
Capital Adequacy Ratio



The negative Capital Adequacy Ratio reflects a series of extraordinary losses stemming from asset impairments and provisioning for non-performing loans. While this has resulted in regulatory non compliance, the Board and management are engaged in an aggressive recapitalization and recovery strategy. We are in active discussions with potential investors and regulators to restore capital adequacy and ensure long-term institutional viability.

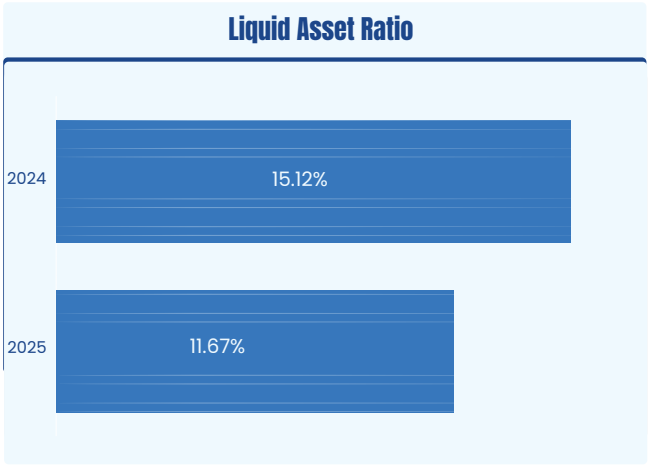
Cost of Fund

The rise in Cost of Fund to 11.69% is a reflection of market-wide interest rate pressures and a conservative shift in our funding mix towards more secure but slightly higher-cost instruments. While this has compressed margins in the short term, our liquidity profile remains strong, and we are actively pursuing strategies to diversify funding sources and reprice assets to protect long-term profitability.



Liquid Asset Ratio

The fall in our liquid asset ratio from 15.12% to 11.67% in 2025 reflects a move to safeguard the institution's liquidity in a volatile environment. While profitability challenges remain under active remediation, Bangladesh Finance has prioritized balance sheet resilience and cash flow readiness to ensure uninterrupted obligations to customers, counterparties, and regulators. Our liquidity management framework remains aligned with prudential standards and supports our broader recovery strategy.



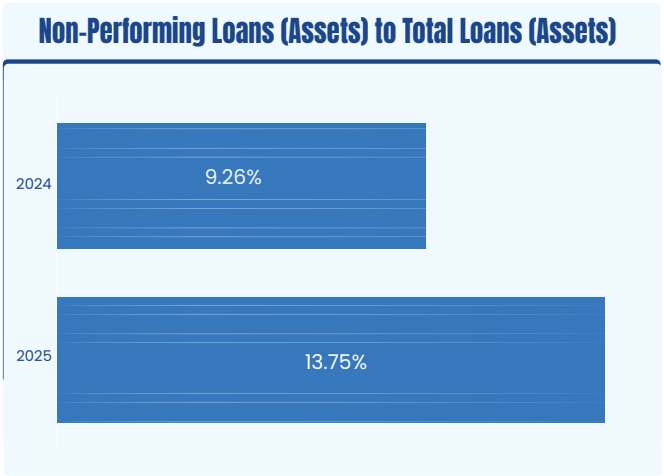
Dividend Cover Ratio

In 2025, the Dividend Cover Ratio for Bangladesh Finance remained zero. Given the institution's current financial position, including accumulated losses and regulatory capital shortfalls, the Board has prudently chosen to withhold dividend payments to preserve capital and strengthen the balance sheet. This conservative stance is aligned with regulatory guidance and reflects our commitment to long term institutional stability and shareholder value protection. Once profitability and capital adequacy are restored, dividend distributions will be reviewed with the highest level of fiduciary responsibility.



Non-Performing Loans (Assets) to Total Loans (Assets)

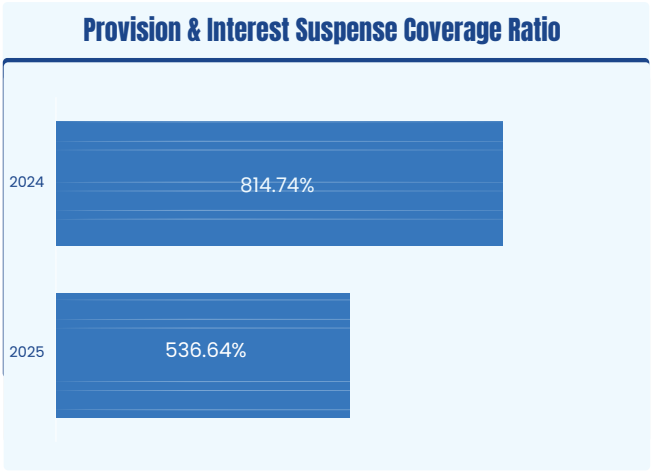
Bangladesh Finance has a rise in Non-Performing Loan ratio from 9.26% to 13.75%, Our focus remains firmly on the continuous optimization of our credit risk management framework. To support this, we are currently deploying stricter underwriting standards, accelerating targeted recovery initiatives, and applying a highly disciplined approach to our overall portfolio management. These strategic actions are essential components of our commitment to managing asset quality and ensuring long-term financial stability.



Provision & Interest Suspense Coverage Ratio

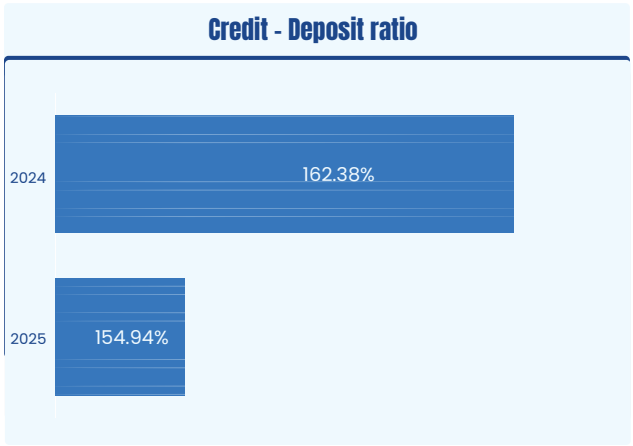
There is a decrease in our Provision & Interest Suspense Coverage Ratio to 536.64% in 2025 still higher that underscores our prudent, forward-looking approach to credit risk management. In light of evolving macroeconomic conditions and a comprehensive review of

our loan book, we have taken the strategic decision to increase our provisioning buffers. This action is not a reflection of panic, but a calculated move to position the institution for sustainable recovery, greater transparency, and regulatory confidence.

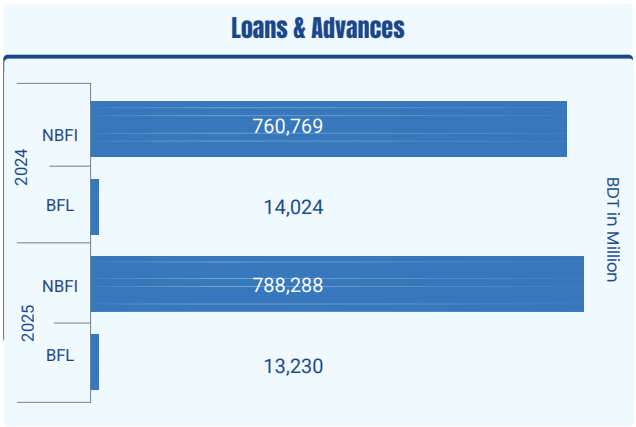


Credit Deposit Ratio

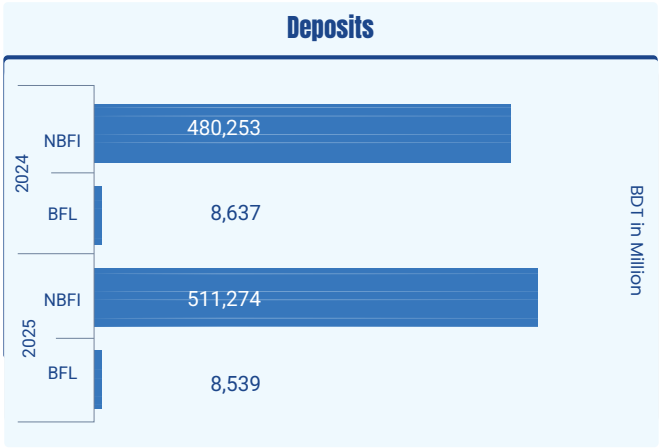
The Credit-Deposit Ratio has decreased due to strategic loan portfolio contraction, and limited deposit mobilization capacity in the current



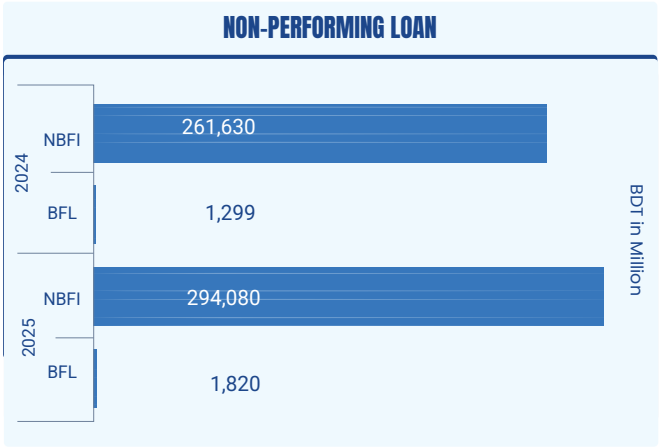
Market Share of Bangladesh Finance



Loans & Advances presents a comparative analysis of all the Non-Bank Financial Institutions (NBFIs) and Bangladesh Finance PLC (BFL) over two fiscal years: 2024 and 2025. In 2024, NBFIs recorded a substantial loan portfolio of BDT 760,769 million, whereas BFL posted a comparatively lower figure of 14,024 million BDT. By 2025, the overall trend showed mixed performance between the two entities. NBFIs increased their loans and advances to 788,288 million BDT, reflecting a moderate year-on-year growth. In contrast, BFL experienced a decline in its loan portfolio, decreasing to 13,230 million BDT from 14,024 million BDT in the previous year.



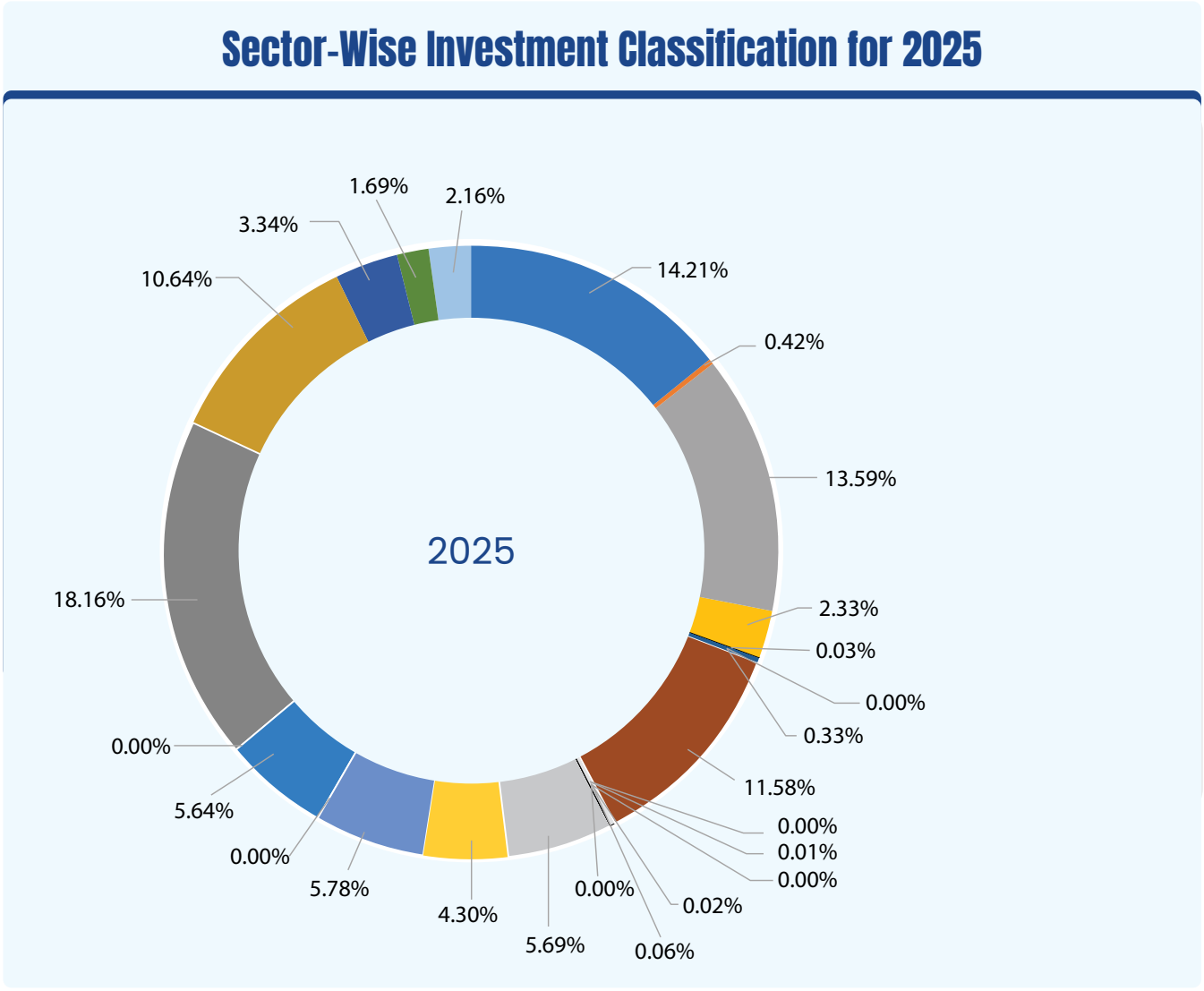
Deposits present a comparative assessment of deposit volumes held by all the Non-Bank Financial Institutions (NBFIs) and Bangladesh Finance PLC (BFL) over the fiscal years 2024 and 2025. In 2024, NBFIs accumulated deposits totaling BDT 480,253 million, while BFL reported deposits amounting to 8,637 million BDT. By 2025, NBFIs demonstrated a notable increase in deposit volumes, reaching 511,274 million BDT, which reflects steady year-on-year growth. In contrast, BFL experienced a slight decline in deposits, decreasing to 8,539 million BDT from 8,637 million BDT in the previous year.



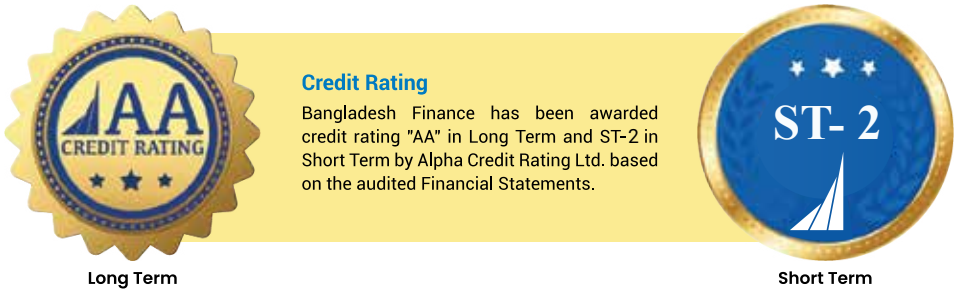
The NPL (Non-Performing Loans) provides a comparative analysis of asset quality between all the Non-Bank Financial Institutions (NBFIs) and Bangladesh Finance PLC for the years 2024 and 2025. In 2024, NBFIs reported NPLs totaling BDT 261,630 million, which increased significantly to BDT 294,080 million in 2025, indicating a further deterioration in credit quality and persistent stress in the lending portfolios across the sector.

In contrast, Bangladesh Finance PLC (BFL) also experienced an increase in NPLs, rising from 1,299 million BDT in 2024 to 1,820 million BDT in 2025. This suggests a weakening in asset quality compared to the previous year, which may be attributable to challenging macroeconomic conditions, higher borrower stress, and slower recovery of overdue accounts. However, despite the increase, BFL's NPL level remains considerably lower than the overall NBFI industry average, reflecting comparatively better credit risk management and portfolio quality.

Sector wise classification of Investment 2025



Credit Rating of Bangladesh Finance



environment. While this has shrunk our asset book slightly, we recognize the structural imbalance it presents. Management has initiated a shift toward diversified funding sources and improved liability duration management to ensure long term financial sustainability

Risk Management

Credit exposure is a core aspect of our business, and managing the associated risks in lending activities remains a critical challenge. At Bangladesh Finance, our risk management practices are undergoing a significant transformation, with an increased focus on the systematic analysis and assessment of lease and loan quality. We are developing both qualitative and quantitative measures to mitigate internal and external risks effectively.

Our credit operations are guided by a comprehensive credit policy, carefully designed to address all relevant risk factors. To ensure robust risk oversight, we have established several specialized committees, including the Credit Committee, Risk Management Forum, Internal Control and Compliance, and the Anti-Money Laundering/Central Compliance Unit. These committees meet regularly to evaluate risk-related issues and implement strategies for effective risk mitigation.

The Board of Directors plays a pivotal role in overseeing risk exposure, regularly reviewing and updating policies to strike a balance between risk and sustainable growth. While the Board defines the overarching risk policies, it is the responsibility of management to ensure their consistent implementation across the organization.

Appointment/Re-election of Directors

As per Articles 121, 126 and 127 of the Articles of Association of the Company in compliance with the pertinent company law of the country, one-third of the Board of Directors (Excluding the Managing Director and Independent Directors) shall retire by rotation.

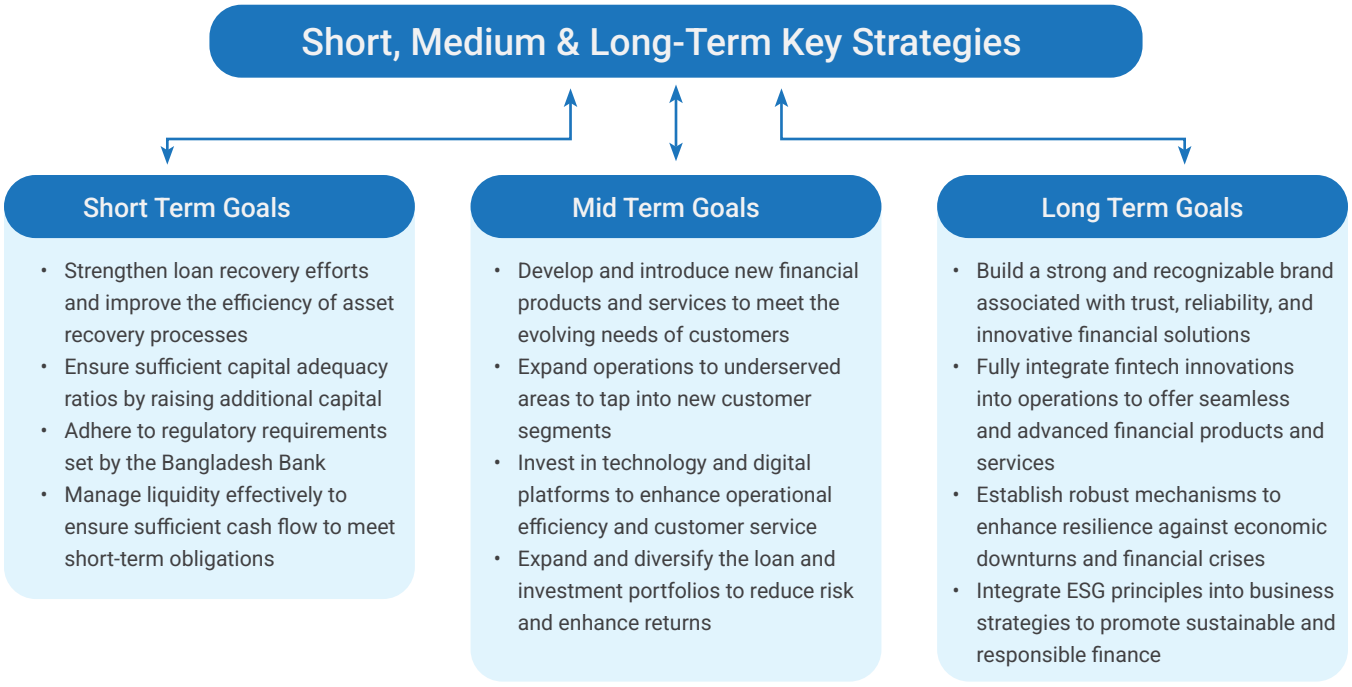
The concern authority of Anwar Silk Mills Ltd. and Anwar Ispat Ltd. has withdraw the nomination of Ms. Fatema Begum and Mr. Helal Chowdhury respectively with replacements. However the appointment of new nominated Directors is under the process of Bangladesh Bank approval.

The appointment of the following directors will be ratified/approved in the 27th AGM in line with DFIM Circular No. 1 dated 29 February 2024.

1. Mr. Kazi Rafiqul Hassan (Appointment as an Independent Director)
2. Mr. Kazi Mustak Ahmed (Appointment as an Independent Director)
3. Mrs. Mahfuza Khanam (Appointment as an Independent Director)

Short, Medium- & Long-Term Key Strategies of Bangladesh Finance and Process of Resource Allocation:

Bangladesh Finance prioritizes strategic target areas based on short-term, mid-term, and long-term goals to adapt to the changing financial



market. It prioritizes sustainable business growth while protecting the interests of investors and stakeholders.

SUSTAINABILITY STRATEGY WITH MEASURABLE TARGETS

	Sustainable Strategy	Objectives/Targets
Financial capital	• Quality asset growth • Rationalize deposit and operational Expenses • Income increase through sustainable business	• Streamlined investment • operations and continuous follow up • Obtain small ticket size deposit and avoid unnecessary operating expenses • Introduced new products & restructuring existing products
Human Capital	• Create a performance driven Culture • Develop a highly motivated, qualified and experienced Team • Provide safe and healthy work environment	• Linking performance with reward • Attract qualified employees and provide learning opportunities • Recruit employees in line with growth of business • Arrange effective and timely training programs
Manufactured Capital	• Increase customer touch point • Provide a superior customer • experience • Deliver operational excellence by improving efficiency	• Expansion in geographical presence • Relocation with modern layouts • Investment in IT infrastructure and digitalization
Social and Relationship Capital	• Experience superior customer service • Improve customer loyalty • Sustain investor confidence • Supplier networking	• Continuous training on service excellence • Uninterrupted customer support during pandemic • Strengthen partnerships with suppliers • Engaging with the community

Responsibilities Towards the Staff (Including Health and Safety)

- **Respectful and Inclusive Work Environment:** Promote a culture of respect, openness, and collaboration that nurtures creativity and innovation among employees.
- **Ongoing Training and Professional Development:** Offer continuous learning opportunities to help employees stay ahead in the evolving financial services industry.
- **Competitive Compensation and Benefits:** Provide attractive salary packages complemented by bonuses, allowances, and comprehensive retirement benefits, demonstrating our commitment to employee welfare and financial stability.
- **Health and Safety Assurance:** Maintain a safe and secure workplace through the implementation of rigorous health and safety protocols. Additionally, promote staff well-being through wellness initiatives that support both physical and mental health.
- **Dedicated Medical Support:** Engage a full-time Medical Consultant to address health concerns, provide guidance, and raise health awareness within the organization.
- **Support for Employees' Families:** Extend support beyond the workplace by offering annual financial awards to employees' families and providing maternity leave benefits to assist new mothers during a vital period of transition.

IT Systems and Controls Including Data Privacy and Cyber Security:

Ensuring robust infrastructure and network security is a top priority for Bangladesh Finance. We deploy secure network systems fortified with advanced firewalls and encrypted data protocols to prevent unauthorized access and safeguard against cyber threats. Regular IT audits are conducted to identify vulnerabilities and ensure adherence to industry security standards.

To further enhance protection, we implement stringent access control mechanisms such as Role-Based Access Control (RBAC) and Multi-Factor Authentication (MFA), limiting access to sensitive data to authorized personnel only. Data privacy is maintained through comprehensive data protection policies aligned with international regulations, including the General Data Protection Regulation (GDPR).

Our cybersecurity framework includes well-defined incident response plans, routine simulation drills, and rigorous third-party vendor management to ensure operational resilience. Additionally, we place strong emphasis on employee training and awareness programs to reduce the risk of internal breaches and social engineering attacks.

By embedding cybersecurity into our overall business strategy, Bangladesh Finance ensures that security initiatives are closely aligned with organizational objectives and regulatory requirements, promoting a proactive and resilient approach to cyber risk management.

Related Party Transactions:

In the normal course of business, Bangladesh Finance entered into very few transactions with related parties during the year 2025. Disclosure of all related party transactions including nature and basis of such transactions have been furnished in the Financial Statements, note no. 43.

Quarterly Operating Results

Bangladesh Finance experienced a decline in loans and advances during the 4th Quarter of 2025 compared to the 1st, 2nd, and 3rd Quarters (QoQ), and also registered a negative growth trend on a Year-on-Year (YoY) basis due to the Company's cautious lending approach and focus on maintaining asset quality amid ongoing economic challenges. However, deposits and other accounts showed improvement in Q4'25 over Q2'25 and Q3'25 despite intense competition in the money market, persistent liquidity pressure, and the overall economic slowdown. Revenue declined on a QoQ basis in Q4'25 primarily due to the suspension of interest income against stressed loans and leases. Operating profit remained negative during the year as the Company continued its prudent provisioning strategy. Nevertheless, net profit after tax improved in Q4'25 compared to the earlier quarters of 2025, supported by recovery initiatives and cost optimization measures. Bangladesh Finance continued its conservative policy of maintaining adequate provisions against stressed assets to strengthen the balance sheet and ensure long-term financial resilience.

Quarterly Operating Results

Particulars	Q1'25	Q2'25
Loans & Advances	**13,871**	**13,676**
Growth (%)-QoQ	-1.09%	-1.41%
Growth (%)-YoY	1.79%	0.36%
Deposits & Other Accounts	**8,510**	**8,360**
Growth (%)-QoQ	-1.46%	-1.77%
Growth (%)-YoY	-1.16%	-3.32%
Revenue	**286**	**236**
Growth (%)-QoQ	-211.59%	-17.35%
Growth (%)-YoY	-29.75%	-40.99%
Operating Profit	**-153**	**-185**
Growth (%)-QoQ	-81.09%	20.56%
Growth (%)-YoY	-517.83%	-826.62%
Profit After Tax	**8**	**46**
Growth (%)-QoQ	-100.10%	508.06%
Growth (%)-YoY	-52.09%	1982.53%

Quarterly Operating Results

Particulars	Q3'25	Q4'25
Loans & Advances	**13,616**	**13,230**
Growth (%)-QoQ	-0.44%	-2.84%
Growth (%)-YoY	0.33%	-5.66%
Deposits & Other Accounts	**8,396**	**8,539**
Growth (%)-QoQ	0.43%	1.70%
Growth (%)-YoY	-2.26%	-1.14%
Revenue	**179**	**(328)**
Growth (%)-QoQ	-24.24%	-283.40%
Growth (%)-YoY	-40.00%	28.15%
Operating Profit	**(270)**	**(736)**
Growth (%)-QoQ	46.24%	172.27%
Growth (%)-YoY	120.89%	-9.24%
Profit After Tax	**5**	**85**
Growth (%)-QoQ	-89.26%	1631.07%
Growth (%)-YoY	-103.02%	-101.18%

Cost to Income Ratio	-89.14%	-75.02%
Growth (%)-QoQ	-39.36%	14.12%
Growth (%)-YoY	-154.47%	-144.14%
Classified Loan Ratio (%)	**10.83%**	**9.98%**
Growth (%)-QoQ	1.57%	-0.85%
Growth (%)-YoY	-21.13%	-20.10%

Cost to Income Ratio	-55.04%	-29.03%
Growth (%)-QoQ	19.98%	26.01%
Growth (%)-YoY	-194.08%	20.76%
Classified Loan Ratio (%)	**10.54%**	**13.75%**
Growth (%)-QoQ	0.56%	3.21%
Growth (%)-YoY	-33.80%	4.49%

Insider Trading

The members of the Board of Bangladesh Finance as well as its sub-committees, or its senior management and their family members did not engage in any insider trading and did not violate the provision with regard to insider trading. Management's Discussion and Analysis A detailed discussion and analysis of financials, as delivered by the MD & CEO in line with the Corporate Governance Code, is appended on page no 76.

A declaration by the Managing Director & CEO and the Chief Financial Officer, as prescribed in the Corporate Governance Code has been appended on page no 278.

Statement of Directors on Financial Reporting Framework:

The directors are responsible for the governance of the company and as part of preparation and presentation of the financial statements. We, the directors confirm compliance with the financial reporting framework in line with the Corporate Governance Code issued by Bangladesh Securities & Exchange Commission in the following matters:

- The financial statements prepared by the management present fairly its state of affairs, the result of its operation, cash flow and statement of changes in shareholders' equity;
- Proper books of accounts of the company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable & prudent judgment;
- The International Accounting Standards (IAS) or applicable International Financial Reporting Standards (IFRS), as applied in Bangladesh, have been followed in preparation of the financial statements any departure therefrom has been adequately disclosed;
- Internal Control System is sound in design and has been effectively implemented & monitored;
- There is no significant doubt upon the ability of the company to continue as a going concern.
- Although there are some quarterly deviations due to the change in funding cost, at the year-end there are no significant deviations from the last year's operating results.

We (Board of Directors) also hereby confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, profit or loss of the company;
- Adequate disclosures have been provided for the users of financial statements to understand the impact of financial information, other events and conditions on the entity's financial position and financial performance.
- Reasonable effort has been made to safeguard company's assets and to detect/prevent any fraud or irregularities.
- The minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.

Internal Control and Compliance at Bangladesh Finance

The Internal Control and Compliance (ICC) function at Bangladesh Finance is essential for achieving the FI's objectives. It ensures a systematic, methodical, and consistent approach to risk governance, thereby promoting overall effectiveness in operations and compliance.

Key Responsibilities of the ICC Division

1. **Risk Management Systems:**
   - Assessment: Evaluating the adequacy, improvements and effectiveness of the FI's risk management systems.
   - Enhancement: Implementing to mitigate identified risks.

2. **Financial and Operational Information:**
   - Accuracy: Ensuring that financial and operational information is accurate and reliable.
   - Timeliness: Guaranteeing the timely reporting of significant information.
3. **Compliance:**
   - Policy Adherence: Monitoring employee actions to ensure compliance with internal policies, standards, and procedures.
   - Regulatory Compliance: Ensuring adherence to laws and regulations governing the financial sector.
4. **Resource Utilization:**
   - Efficiency: Promoting the economical and efficient use of available resources.
   - Effectiveness: Ensuring resources are used to achieve the FI's programs, plans, and objectives.
5. **Control Process Improvement:**
   - Quality Assurance: Fostering continuous improvement in the FI's control processes.
   - Remediation: Identifying deficiencies and initiating appropriate remedial measures.
6. **Legislative and Regulatory Management:**
   - Legislative Compliance: Managing legislative issues that impact the FI.
   - Regulatory Updates: Keeping up-to-date with regulatory changes and ensuring compliance.

Primary Objectives of Bangladesh Finance's Internal Control System

The internal control system at Bangladesh Finance aims to ensure overall control, risk mitigation, and provide a reasonable level of assurance regarding the sustainability of the framework. The primary objectives and key functions established to assure the integrity and adequacy of internal controls are outlined below.

Primary Objectives

1. **Efficient and Effective Operating Model:**
   - Establish an efficient and effective operating model that enhances the overall performance and productivity of the FI.
2. **Risk-Aware Culture:**
   - Develop and promote a "risk-aware" culture across the FI, ensuring that employees at all levels understand and manage risks appropriately.
3. **Information Reliability:**
   - Ensure the reliability of both internal and external information, including accounting and financial data, to support informed decision-making.
4. **Safeguard Operations and Assets:**
   - Protect the FI's operations and assets, ensuring compliance with laws, regulatory requirements, and internal policies.

Key Functions

1. **Effectiveness of Daily Operations:**
   - The FI has established various committees by the Board to oversee and ensure the effectiveness of daily operations.
2. **Alignment with Corporate Objectives:**
   - Ensure that the FI's operations align with corporate objectives, strategic priorities, annual budget, and long-term goals.
3. **Internal Audit Compliance Checks:**
   - The internal audit department is tasked with checking compliance with established policies and procedures to ensure adherence and identify areas for improvement.

By focusing on these objectives and functions, Bangladesh Finance's internal control system aims to provide a robust framework for risk management, operational efficiency, and regulatory compliance, ultimately ensuring the sustainability and integrity of the FI's operations.

The Audit Department at Bangladesh Finance serves as an independent assurance provider, enhancing the overall effectiveness of the FI's internal controls and compliance framework. The department is composed of a diverse team of professional accountants, technology specialists, and experienced techno-commercial personnel. It adheres to best professional practices and employs risk-based internal audit methodologies to conduct comprehensive audits.

Key Functions and Structure

The Audit Department conducts its activities through two specialized units:

1. Head Office Audit Unit: Focuses on auditing the centralized functions of various divisions, departments, and subsidiaries.
2. Branch Audit Unit: Conducts audits on branches.

Audit Process and Reporting

- Risk-Based Audits: Audits are conducted based on the level of risk assessed independently and objectively.
- Audit Committee: Findings are submitted to the Audit Committee of the Board, which reviews internal control issues and evaluates the adequacy and effectiveness of risk management and internal control systems. The minutes of these meetings are periodically tabled at the Board meetings.
- Anti-Fraud Controls: Self-assessment of anti-fraud internal controls is conducted semi-annually and reported to Bangladesh FI as required by regulatory guidelines.

The Audit Department aims to assist the FI in achieving its objectives by providing a systematic approach to assessing and enhancing the efficacy of risk management, controls, and governance processes.



Compliance Department

The Compliance Department at Bangladesh Finance fosters a strong compliance culture, ensuring adherence to policies, procedures, and regulatory requirements. It operates under the Internal Control and Compliance Division (ICCD) and is divided into three wings:

1. **Regulatory Compliance Unit:**
   - Supports regulatory inspections and ensures timely submission of compliance responses.
   - Monitors compliance across branches, divisions, and departments.
   - Conducts compliance testing and reviews on regulatory requirements.
   - Verifies internal control systems as per regulatory guidelines.
2. **Internal Compliance Unit:**
   - Implements observations from internal and concurrent auditors.
   - Reports compliance status to the Monitoring Department for further verification.

The Compliance Department meets the reporting obligations of management, the Board Audit Committee, and regulators.

Extra-Ordinary Gain or Loss

During the year 2025, Bangladesh Finance realized gain/loss of 1.05 million (solo) and (482.24) million (consolidated) respectively from the investment in shares from capital market.

Key Operating and Financial Data

Key operating & financial data over the last five years as per requirement of BSEC Notification No. BSEC/ CMRRCD/2006-158/207/ Admin/80 dated June 03, 2018 are presented in annexure-III to this report on page no. 143. Highlights of overall operations of the company as per DFIM Circular No. 11 dated December 23, 2009 have also been presented on page no. 40.

Dividend

The Board of Directors of Bangladesh Finance has not recommended any dividend for the year ended December 31, 2025, in view of the net loss and negative equity on a consolidated basis.

Shareholding Pattern

According to the CDBL report there was 8,756 number of registered ordinary shareholders as on December 31, 2025. The shareholding pattern of the company as on December 31, 2025 is disclosed as per new Corporate Governance Code of BSEC in Annexure-I of this Director's Report.

Meetings Attendance & Remuneration

During the year 2025 a total 7 (Seven) Board Meetings, 4 (Four) Audit Committee meetings and 3 (Three) Risk Management Committee meetings were held. The details of meeting attendance by the Directors along with remuneration paid to them are disclosed in Annexure- II of this Director's Report.

Contribution to National Economy

Like many other financial institutions, Bangladesh Finance also has a contribution towards the national economy. The contribution is done through the national exchequer, and also through financing in productive enterprises and creating employment thereby. Bangladesh Finance has a financial contribution towards various successful projects in the private sector over the last two decades.

The total deposit by Bangladesh Finance is BDT. 77.29 million during the year 2025 in the form of corporate tax, withholding tax, excise duty and VAT to the national exchequer.

Contribution to the Society and Environment

Bangladesh Finance always cares about the society and its people. Therefore, it always makes sure to contribute towards the society and environment as a corporate citizen. Bangladesh Finance mainly focuses on CMSME sector in order to support the small entrepreneurs who play a prominent role in the country's economy. As a part of its CSR activities, Bangladesh Finance is associated with numerous social and environmental initiatives.

Appointment of Independent Director

The Independent Directors were duly appointed according to the Corporate Governance Code as prescribed by Bangladesh Securities and Exchange Commission (BSEC). The Board of directors appointed MR. KAZI RAFIQUL HASSAN as the independent director of Bangladesh Finance on its 282th Board meeting held on 17th April 2025. Again, MRS. MAHFUZA KHANAM also reappointed as another independent director in the 285th Board meeting held on 17 July 2025. Both the appointments of the directors are duly approved by the Bangladesh Securities and Exchange Commission and Bangladesh Bank.

Contribution to the Society & Environment

As a corporate citizen, Bangladesh Finance always considers to contribute towards the society and environment. Bangladesh Finance is focusing in CMSME sector with a view to support the small entrepreneurs who play an important role in the economy of the country. Bangladesh Finance is engaged with various social and environmental initiatives as part of its CSR activities.

Statutory Auditor

Snehasish Mahmud & Co., Chartered Accountants are the current statutory Auditors of Bangladesh Finance who (the audit firm) were reappointed in the 26th Annual General Meeting held on 29 May 2025 for the year 2025 until 27th Annual General Meeting. On the basis of the proposal of the Board Audit Committee, the Board recommends Snehasish Mahmud & Co., chartered Accountants to be appointed as the statutory auditor of the company for the year 2026 at a remuneration of BDT 325,000.00 only (excluding VAT) up-to the 28th Annual General Meeting.

Compliance Auditor

MNA Associates, Chartered secretaries was the compliance auditor of Bangladesh Finance PLC. for the year 2025. Based on the suggestion of the Audit committee, the Board of Bangladesh Finance PLC. recommended MS Khan & Co. as the compliance auditor for the year 2026 at a fees of Tk. 50,000 excluding VAT subject to approval by the shareholders in the 27th AGM.

Status of Compliance on Corporate Governance

Status of the compliance of conditions of Corporate Governance Code imposed by Bangladesh Securities and Exchange Commission under Notification No. SEC/ CMRRCD/2006-158/207/Admin/80 dated June 03 2018 along with a certificate from a compliance auditor in practice has been enclosed as page no. 279 to the Corporate Governance Section. We also appended a statement of compliance on the good governance guidelines issued by Bangladesh Bank as additional Disclosure in the Corporate Governance Section.

Going Concern

Going Concern is one of the fundamental accounting concepts that determines the basis of preparation of the financial statement. According to going concern concept, an entity is deemed to have perpetual succession; i.e. to be continued in operation for foreseeable future. The management of an entity is responsible to assess the entity's ability to continue as a going concern company before preparing the financial statement. The assessment is pertinent as it is required/guided by International Accounting Standard, Companies Act, Listing Rules of concern issue and Corporate Governance Code of BSEC. The financial statements of the company for the year ended 31 December 2025 have been prepared on a going concern basis, which assumes that the company will continue to realize its assets and discharge its liabilities in the ordinary course of business. After a thorough assessment of the company's financial position, liquidity, capital structure, and operational resilience, the Board of Directors and management are confident in the company's ability to continue its operations in the foreseeable future. Considering the following major indicators, the management of Bangladesh Finance has come to the decision that preparation of financial statement of Bangladesh Finance for the year 2025 on going concern assumption is appropriate:

Indicating Factors	Response/Status of the Company
Dependency on Bank Borrowing	As on 31 December 2025, the bank borrowing of Bangladesh Finance is Taka 3,250 million against Term and Scheme deposit of Taka 8,539 million. Again, the bank borrowing is 14.26% of total liabilities which indicates that the company has no significant dependency on bank borrowings.
Equity Base	Bangladesh Finance has an equity base which stands at Taka (5,323) million as of December 31, 2025.
Credibility in payment of loan obligations and encashment of deposit	Bangladesh Finance has strong credibility in terms of payment of its obligations to lenders. The payment history of the company is smooth towards both the lenders and depositors.
Renew of borrowing facilities	At the end of year 2025, total borrowing from other banks and financial institutions becomes Taka 3,250 million. Based on our relation, reputation and past experience, it can be said that a major part of the debt would be renewed further.
Faith and confidence of depositors towards the company	Bangladesh Finance has good relationship with the depositors and good track record in settling its obligation towards its depositors. The confidence and continuos support from the depositors helped the company to maintain a good amount of deposit consistently.

Financial Ratios	The key operating and financial ratios have given in Financial Highlight part.
Non-performing Loan	The company has an excellent track record for improvement of non-performing loan. As of 31 December 2025, the NPL stands at 13.75% whereas the industry average is 37.11%
Payment of Dividend	Bangladesh Finance has been paying dividend consistently to its shareholders over the years. However, the Board of Directors did not recommend a dividend for the year 2025 due to the negative equity.
Working Environment and Employee Satisfaction	The employees of Bangladesh Finance enjoy a good working environment. They dedicatedly work for the company and the company cares for them by providing benefits and recognition.
Ability to meet operational expenses	Bangladesh Finance has not faced difficulties in paying its day-to day operational expenses. It has a culture to pay the vendors on time.
Off Balance sheet Liability	Bangladesh Finance has no amount of off-balance sheet liability.
Maintenance of Capital Adequacy Ratio	Bangladesh Finance has been maintaining the required CAR consistently as per the instruction of Bangladesh Bank (DFIM Circular Number 14, dated December 28, 2011). But due to the provision of full stressed loans and leases, as of December 31, 2025, the CAR stands at -31.96% against the required rate of 10.00%
Change in Government Policy	The management of Bangladesh Finance does not anticipate any significant changes in legislation or government policy, which may materially affect the business of the Company.

Review of Subsidiaries

Performance Bangladesh Finance has mainly two subsidiaries:

1. Bangladesh Finance Securities Limited (BD Securities)

2. Bangladesh Finance Capital Limited (BD Capital)

Bangladesh Finance Securities Limited (BD Securities)

The First subsidiary (57.36%) of Bangladesh Finance is BD Securities that offers full-fledged international standard brokerage service for retail and institutional clients. It started its operation from November 2011. It also has seats on Dhaka Stock Exchange Limited. Bangladesh Finance Securities has managed to come out as a strong market player in the sector within a short period of time. The total investment portfolio size of Bangladesh Finance Securities stood at Tk. 158 million at the end of the year 2025. While the total asset is Tk.1,926 million. Earnings Per Share (EPS) is Tk. 0.35

Bangladesh Finance Capital Limited (BD Capital)

Bangladesh Finance Capital Limited, known as BD Capital is a 99.972% subsidiary of Bangladesh Finance. It started its operation from February 26, 2012 as a full-fledged Merchant Bank. Portfolio management, issue management, underwriting of securities and advisory services are the main activities of the company. BD Capital has achieved a sustainable growth in the Merchant Banking Industry within a short time period. It indicates a further potential growth of the company in the near future. The Total Asset of BD Capital stood at Tk. 784 million at the end of the year 2025.

Outlook 2026

The year 2026 is expected to be a pivotal period for the financial sector in Bangladesh as the economy gradually adjusts to the prolonged effects of inflationary pressure, elevated interest rates, exchange rate volatility, and constrained private sector investment. While signs of macroeconomic stabilization may begin to emerge, the financial industry is likely to continue operating in a challenging environment marked by tight liquidity, cautious business sentiment, and persistent asset quality concerns.

For the non-bank financial institution (NBFI) sector, including Bangladesh Finance PLC, the high level of non-performing loans (NPLs) and stressed assets across the broader financial system will remain a key challenge in 2026. Continued pressure on borrower repayment capacity, especially among businesses affected by higher financing costs and slower economic activity, may constrain credit growth. At the same time, evolving monetary policy, potential reforms in the banking sector, and regulatory tightening are expected to reshape the competitive landscape.

Against this backdrop, Bangladesh Finance will remain focused on preserving financial resilience through prudent risk management, disciplined asset growth, and enhanced operational efficiency. The Company aims to capitalize on emerging opportunities by strengthening its diversified portfolio and expanding into high-potential sectors that align with the country's long-term development priorities.



Our strategic priorities for 2026 include:

- **Asset Quality Enhancement:** Continued emphasis will be placed on improving the quality of the loan portfolio through proactive recovery measures, reduction of classified loans, and strengthened credit monitoring systems.
- **Retail and SME Expansion:** The Company will further expand its retail and SME businesses in both deposits and loans & advances, leveraging technology-driven customer engagement and tailored financial solutions.
- **Low-Cost Fund Mobilization:** Special initiatives will be undertaken to mobilize stable, low-cost deposits from rural and semi-urban markets, enabling improved liquidity management and competitive lending rates.
- **Digital Transformation:** Greater investment will be made in digital platforms and process automation to improve customer service, operational efficiency, and data-driven decision-making.
- **Sector Diversification:** Lending focus will continue to expand into promising sectors such as ICT, renewable energy, healthcare, logistics, light engineering, agro-processing, and infrastructure-related businesses. Fee-Based Business Growth: The Company will strengthen its structured finance and advisory services to increase non-funded and fee-based income streams, reducing dependence on traditional interest income.
- **Islamic Finance Expansion:** Building on market demand, Bangladesh Finance will advance its Shariah-compliant financing initiatives to serve a broader customer base and diversify product offerings.
- **Sustainable Financing:** In line with national and global sustainability goals, greater attention will be given to financing environmentally responsible projects, green initiatives, and climate-resilient businesses.
- **Human Capital Development:** Continuous investment in employee capability, performance culture, and organizational agility will remain a key priority to support long-term transformation.

Through these strategic initiatives, Bangladesh Finance aims to navigate the evolving economic landscape of 2026 with resilience and adaptability, while creating sustainable value for its shareholders, customers, employees, and other stakeholders. The Company remains committed to strengthening its financial foundation and positioning itself for long-term growth amid an increasingly competitive and dynamic market environment.

Acknowledgement

The Board of Directors extends its heartfelt appreciation and sincere gratitude to our valued clients, lenders, depositors, bankers, and business associates for their unwavering support and cooperation throughout the year. We also wish to acknowledge and thank Bangladesh Bank, the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, National Board of Revenue, the Registrar of Joint Stock Companies & Firms, and other regulatory authorities for their continued guidance and support.

Our deepest appreciation goes to the dedicated employees of Bangladesh Finance for their loyalty, hard work, and unwavering commitment to the organization's success.

Finally, we express our profound thanks to our esteemed shareholders for their trust in the Board and Management. We assure you that our efforts to strengthen and grow the company will continue with renewed focus, aiming to enhance long-term value for all stakeholders.

For and on behalf of the Board of Directors,



Iqbal Uddin Ahmed
Chairman
Bangladesh Finance PLC

ANNEXURE-I

Shareholders	Position	No. of shares held	% of total shares of BDFINANCE
A) Parent/Subsidiary/Associated Companies and other related parties (name-wise details)			
Bangladesh Finance Securities Ltd.	57.36% (owned by Bangladesh Finance)		
Bangladesh Finance Capital Ltd.	99.97% (owned by Bangladesh Finance)		
B) Directors, Sponsors, CEO, Company Secretary, CFO, Head of Internal Audit and Compliance and their spouse and minor children			
ANWAR ISPAT LTD	Director	14,223,130	7.56%
MR. MD. HELAL CHOWDHURY (NOMINATED BY ANWAR ISPAT LTD)	Nominated Director	-	-
ANWAR SILK MILLS LTD.	Director	3,805,265	2.02%
MS. FATEMA BEGUM (NOMINATED BY ANWAR SILK MILLS LTD)	Nominated Director	-	-
MEHMUD INDUSTRIES (PVT.) LTD.	Director	7,125,828	3.79%
MR. MD. HASAN KHAN (NOMINATED BY MEHMUD INDUSTRIES (PVT.) LTD)	Nominated Director	-	-
MR. IMTIYAJ YOUSUF	Director	8,189,251	4.35%
MR. ABDUR RASHID SALAM	Sponsor	1,363,052	0.72%
MR. CHOWDHURY MONWAR AHMED SIDDIQUI	Sponsor	432,339	0.23%
MR. IHTESHAMUR RAHMAN	Sponsor	402,260	0.21%
MR. CHOWDHURY ERTEZA AHMED SIDDIQUI	Sponsor	10,321	0.01%
MR. MD. KAZI RAFIQUL HASSAN	Independent Director (Non-shareholding)	-	-
MR. IQBAL UDDIN AHMED	Independent Director (Non-shareholding)	-	-
MRS. MAHFUZA KHANAM	Independent Director (Non-shareholding)		
MR. MD. KYSER HAMID	Managing Director &CEO	-	-
Sub-total:		**35,551,446**	**18.89%**
C) Executive (Top five person other than CEO, CFO, CS, HIAC)			
Mr. Md. Anwar Hossain	Senior Executive Vice President	Nil	-
Mr. Md. Faisal Hossain	Executive Vice President	Nil	-
Mr. Md. Kohinoor Hossain	Senior Vice President	Nil	-
Mr. Munshi Md. Ashfaqul Alam	Senior Vice President	Nil	-
Mr. Mohammad Abu Obayed	Senior Vice President	Nil	-
D) Shareholders holding 10% or more voting right	-	Nil	-

N.B: There is no shareholders' who soley holds 10% or more shares in Bangladesh Finance PLC.

ANNEXURE-II

Meeting Attended by the Directors of Bangladesh Finance during 2025

Name of Director	Designation	Board of Directors Meeting			Audit Committee Meeting			Risk Management Committee Meeting			Total Remuneration paid for the year-2024
		Attend Ratio	Attendance as % of total Meeting held	Remuneration Paid for attending the meeting	Attend Ratio	Attendance as % of total Meeting held	Remuneration Paid for attending the meeting	Attend Ratio	Attendance as % of total Meeting held	Remuneration Paid for attending the meeting	
MR. MANWAR HOSSAIN (NOMINATED BY HOSSAIN DYING & PRNTING MILLS LTD)	Chairman	1/3	34	9,000	-	-	-	-	-		9,000
MR. IQBAL UDDIN AHMED	Independent Director	6/7	86	54,000	-	-		3/3	100	27,000	81,000
MR. MD. ROKONUZZAMAN, FCA	Independent Director	4/5	80	36,000	3/3	100	27,000	-		-	63,000
"MR. FURKAAN MUHAMMAD N HOSSAIN (NOMINATED BY ANWAR STEEL MILLS LTD)"	Director	0/3	0	-	0/2	0	-	-	-	-	0
"MR. MD. HELAL CHOWDHURY (NOMINATED BY ANWAR ISPAT LTD)"	Director	7/7	100	63,000	-	-	-	-	-	-	63,000
MR. MD. ASADUZZAMAN KHAN (NOMINATED BY KHALED IRON & STEEL MILLS LTD)	Director	3/3	100	27,000	2/2	100	18,000	-			45,000

MS. FATEMA BEGUM (NOMINATED BY ANWAR SILK MILLS LTD)	Director	7/7	100	63,000	4/4	100	36,000	-	-	-	99,000
MR. IMTIYAJ YOUSUF	Director	1/7	14	9,000	-	-	-	-	-	-	9,000
MR. MD. HASAN KHAN (NOMINATED BY MEHMUD INDUSTRIES (PVT.) LTD)	Director	7/7	100	63,000	-	-	-	-	-	-	63,000
MR. KAZI RAFIQUL HASSAN	Independent Director	3/3	100	27,000	2/2	100	18,000	3/3	100	27,000	72,000
MRS. MAHFUZA KHANAM	Independent Director	2/2	100	18,000	1/1	100	9,000	1/1	100	9,000	36,000
MR. MD. KYSER HAMID	Managing Director & CEO	7/7	100		4-Apr	-	-	3/3	100	-	
Total Remuneration paid			-	**369,000**	-	-	**108,000**	-	-	**63,000**	**540,000**

Shariah Supervisory Committee					
Sl No.	**Name of the Members**	**Designation**	**Attend Ratio**	**Attend (%)**	**Remuneration (BDT)**
1	Prof. Dr. Mohammad Gias Uddin Talukder	Chairman	2/2	100%	18,000
2	Mr. Md. Abdul Awwal Sarker	Member	2/2	100%	18,000
3	Dr. Zubair Mohammad Ehsanul Hoque CSAA	Member	2/2	100%	18,000
4	Dr. Md. Ruhul Amin Rabbani	Member	2/2	100%	18,000
5	Mr. Md. Kyser Hamid	"Managing Director & CEO (Ex-officio)"	2/2	100%	-
6	Munshi Md. Ashfaqul Alam	Member Secretary	2/2	100%	-
	Total				**72,000**

ANNEXURE-III

Five Year's Financial Performance Highlights

BDT in Million

	2021	2022	2023	2024	2025
BALANCE SHEET MATRIX					
Authorized Capital	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Paid-up Capital	1,775.81	1,882.36	1,882.36	1,882.36	1,882.36
Shareholders' Equity	2,954.06	3,040.95	1,912.03	(5,425.45)	(5,322.75)
Deposits	9,568.98	9,862.35	8,878.84	8,636.73	8,538.56
Loans, Leases and Advances	13,369.10	13,699.68	13,813.48	14,024.29	13,230.03
Investments	252.78	419.00	413.09	342.37	297.01
Fixed Assets	522.84	568.33	685.24	663.69	679.59
Total Assets	16,716.79	17,406.25	18,067.89	18,531.93	17,469.63
Interest Earning Assets	14,360.45	14,843.00	15,365.72	15,522.38	14,417.66
Non-Interest Earnings Assets	2,356.34	2,563.26	2,702.17	3,009.55	3,051.97
INCOME STATEMENT MATRIX					
Interest Income	1,496.58	1,375.75	1,085.53	723.79	356.49
Interest Expenses	985.56	997.21	1,024.16	1,431.09	1,415.04
Net Interest Income	511.02	378.53	61.37	(707.30)	(1,058.55)
Non-Interest Income	379.33	255.86	127.83	125.53	16.28
Profit before Provision and Tax	646.32	327.93	(98.72)	(871.43)	(1,344.84)
Provision for Loans and Advances & Other Provision	243.25	131.80	970.47	7,050.00	(1,376.71)
Profit Before Taxation	403.07	196.13	(1,069.19)	(7,921.43)	31.88
Net Profit After Tax	268.19	193.44	(1,059.95)	(7,344.99)	143.06
CAPITAL MEASURES					
Total Risk Weighted Assets (RWA)	16,156.55	17,186.67	17,480.97	16,269.98	16,779.78
Tier-1 Capital	2,543.56	2,631.85	1,385.07	(5,950.61)	(5,805.76)
Tier-2 Capital	407.21	419.38	481.99	449.01	442.39
Total Capital/Regulatory Capital	2,950.76	3,051.23	1,867.06	(5,501.60)	(5,363.37)
Capital Surplus/ (Deficit)	1,335.11	1,332.57	118.97	(7,128.60)	(7,041.34)
Tier-1 Capital to RWA	15.74%	15.31%	7.92%	-36.57%	-34.60%
Tier-2 Capital to RWA	2.52%	2.44%	2.76%	2.76%	2.64%
Capital Adequacy Ratio (CAR)	18.26%	17.75%	10.68%	-33.81%	-31.96%
CREDIT QUALITY					
Non-performing Loans (NPLs)	340.03	762.00	1,547.71	1,298.59	1,819.62
Provision for Unclassified Loan	234.75	439.50	899.79	7,766.17	6,322.02
Provision for classified Loan	142.36	117.93	732.71	857.33	966.78
NPLs to total Loans and Advances	2.54%	5.56%	11.20%	9.26%	13.75%

BDT in Million

	2021	2022	2023	2024	2025
INVESTORS INFORMATION					
Market price per share	54.40	44.10	44.10	11.80	13.40
No. of Shares Outstanding	177.58	188.24	188.24	188.24	188.24
Earnings per Share (BDT)	1.51	1.03	(5.63)	(39.02)	0.76
Dividend					
Cash	6%	10%	0%	0%	0%
Stock	6%	0%	0%	0%	0%
Market Capitalization	9,660.43	8,301.22	8,301.22	2,221.19	2,522.37
Net Asset Value per Share	15.69	16.15	10.16	-28.82	(28.28)
OPERATING PROFIT RATIO					
Net Interest Margin (NIM)	3.60%	2.53%	0.40%	-4.47%	-6.92%
Cost of Deposit	8.65%	7.99%	8.22%	10.71%	12.61%
Spread	3.09%	2.89%	2.46%	2.94%	
Return on Average Assets	1.64%	1.13%	-5.98%	-40.14%	0.79%
Return on Average Equity	9.34%	6.45%	-42.80%	-418.11%	-2.66%
PERFORMANCE RATIO					
Profit per Employee	1.60	1.28	(5.95)	(40.36)	0.74
Salary Exp. to total Operating Exp.	57.84%	62.24%	66.15%	69.84%	72.66%
Cost to Income /Efficiency Ratio	27.41%	48.31%	152.18%	-49.79%	-29.03%
OTHER INFORMATION					
No. of Branches	7	7	7	7	7
No. of Employees	168	151	178	182	193
Credit Rating					
Rating					
Long Term	AA-	AA	AA	AA	AA
Short Term	ST-2	ST-1	ST-1	ST-1	ST-2
Capital Adequacy Ratio	18.26%	17.75%	10.68%	-33.81%	-31.96%

Bangladesh finance
এখনই সময়

TRUST STRENGTHENED AGAIN BY

AA & ST2 CREDIT RATINGS

BANGLADESH FINANCE PLC
YOUR MOST TRUSTED FINANCIAL PARTNER



বীর

প্রবাসীর স্বপ্নপূরণের প্ল্যাটফর্ম



Bangladesh finance
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প্রবাসী বাংলাদেশীদের
স্বপ্ন পূরণে
বাংলাদেশ ফাইন্যান্স
বীর আছে আপনার পাশে

বীর-এর সুবিধা-সমূহ

ব্যক্তিগত সুবিধা

- জীবন ও স্বাস্থ্য বীমা
- পেনশন স্কিম
- হোম লোন

পারিবারিক স্বপ্ন বাস্তবায়ন

- নারী উদ্যোক্তা লোন
- এস এম ই লোন
- কৃষি লোন

বিমানবন্দরে বিশেষ সুবিধা

- পিক ও ড্রপ সেবা
- মিট এন্ড গ্রিট
- লাউঞ্জ এক্সেস

"বীর" সেভিংস স্কিম

- মাসিক ডি পি এস
- টার্ম ডিপোজিট
- মাসিক প্রফিট আর্নার্স স্কিম

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SEGMENT ANALYSIS

BDT in Million

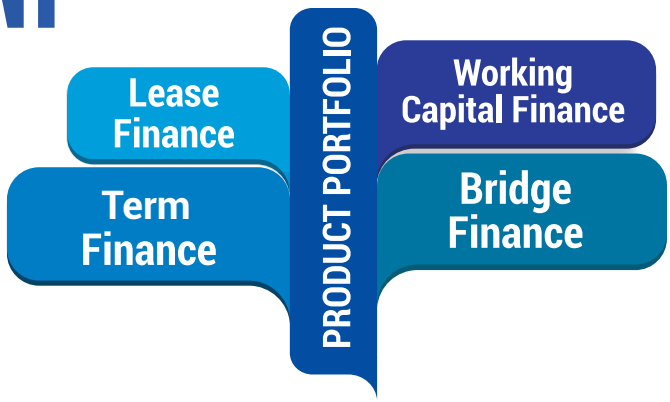
Segment's Profit & Loss						31st Dec, 2025
Segments	Corporate	Retail	SME	Capital Market	Others	Total
Interest Income	152	50	55	-	100	356
Interest Expense	835	276	304	-	-	1,415
Net Interest Income	**-684**	**-226**	**-249**	**-**	**100**	**-1,059**
Income From Investment in securities	-	-	-	-14	15	1
Commission, Exchange & Brokerage	-	-	-	-	-	-
Other operating income	-	-	-	-	15	15
Total Operating Income	**-684**	**-226**	**-249**	**-14**	**130**	**-1,042**
Operating Expense	-	-	-	-	-	303
Profit Before provision & Taxation	-	-	-	-	-	-1,345
Provision	-	-	-	-	-	-1,377
Tax	-	-	-	-	-	-111
Net Profit After Taxation	**-**	**-**	**-**	**-**	**-**	**143**

BDT in Million

Segment's Asset & Liability						31st Dec, 2025
Segments	Corporate	Retail	SME	Capital Market	Others	Total
Cash	-	-	-	-	136	136
Balance with Banks & FIs	-	-	-	-	1,188	1,188
Investment in securities	-	-	-	157	140	297
Lease, Loan & Advances	7,809	2,577	2,844	-	-	13,230
Fixed Asset	-	-	-	-	680	680
Other Assets	-	-	-		1,769	1,769
Non Banking Asset	-	-	-	-	171	171
Total Asset	**7,809**	**2,577**	**2,844**	**157**	**4,083**	**17,470**
Liability						
Financing (borrowing)	-	-	-	-	3,250	3,250
Deposits	2,178	6,276	-	-	85	8,539
Other Liabilities	-	-	-	-	11,003	11,003
Total Liabilities	**2,178**	**6,276**	**-**	**-**	**14,339**	**22,792**
Equity						
Shareholder's Equity	-	-	-	-	-5,323	-5,323
Total Liability & Shareholder's Equity	**-**	**-**	**-**	**-**	**-**	**17,470**

CORPORATE SEGMENT

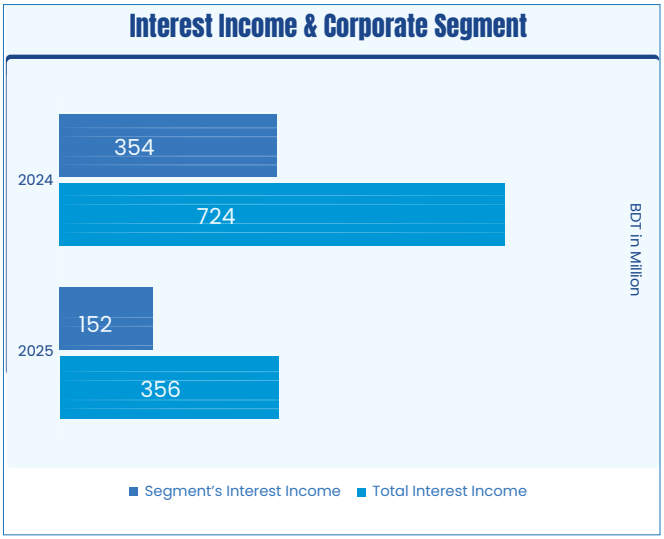
Bangladesh Finance prioritizes small-scale corporate loans as part of its risk mitigation strategy, focusing on high-potential sectors such as Agriculture, Construction, ICT, Power, Home Textiles, and Ready-Made Garments. The institution places strong emphasis on deepening relationships with existing clients who demonstrate high creditworthiness and a proven track record. Rather than focusing solely on lending revenue, Bangladesh Finance values building strong, lasting corporate relationships to enhance customer retention in an increasingly competitive market environment.

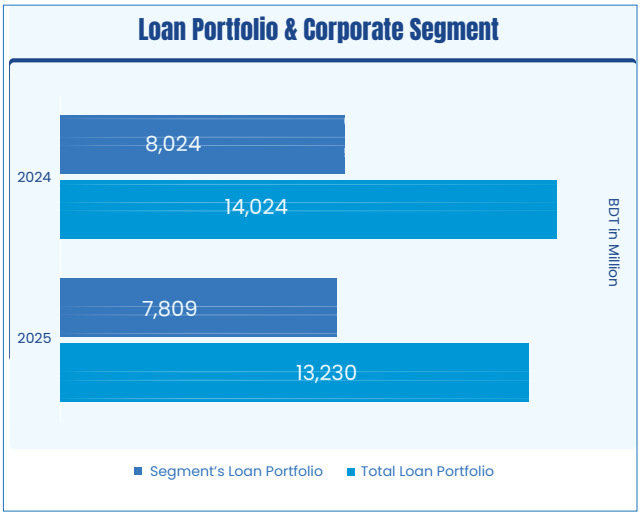


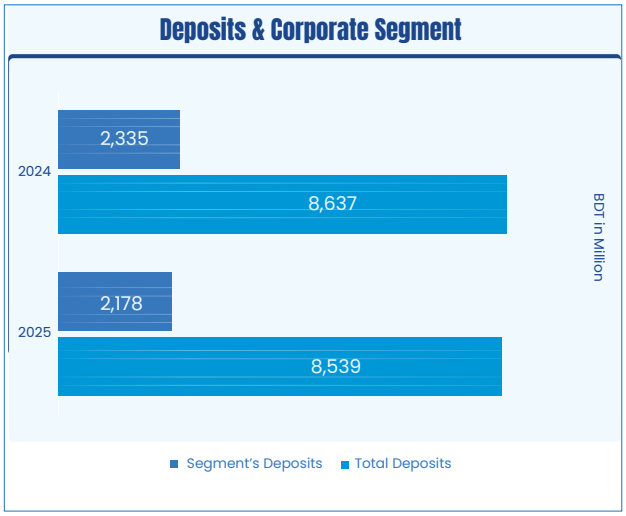
Operating Environment	Consumer spending, borrowing costs, and overall business investment decisions	Effective supply chain management sourcing, logistics, and distribution	Financial performance metrics, including profitability, liquidity management, and capital structure, serve as essential benchmarks
Strategy	Client targeting, segmentation, and relationship management	Digital transformation along with regulatory compliances	Sustainable projects, cross-selling and upselling
Performance	Interest Income of BDT 152 MN	Loan Portfolio of BDT 7,809 MN	Deposits of BDT 2,178 MN
Risk & Opportunity	Risks include market volatility and competitive pressures	Opportunities for innovation market differentiation and technological advancements	Transformation of strategic alliances, mergers and diversification of business portfolios
Way Forward	ESG-focused financial products can attract a new wave of clients	Upskilling of staff and fostering a culture of innovation will ensure responsive market changes	Digital technologies to streamline operations & innovative financial solutions

Strategy and Performance Review

In the year 2025, we have gone through strong loan monitoring rather than aggressive lending. Total corporate loan portfolio concentration decreased as per the strategic decision & stood at BDT 7,809 million at the end of 2025 which is a 2.68 % decrease from the previous year. Corporate loan, lease & advances consist 59.03% of the total loan, lease & advances. Deposit from the corporate segment stood at BDT 2,178 million at the end of 2025 which embodies 25.50% of the total deposit. The corporate segment is the largest contributor of interest income. At the end of the year 2025, Bangladesh Finance had a gross interest income of BDT 152 million.







Operating Environment

BDT 7,809 MN Corporate Loan Portfolio	Increased work force, networking	Proactive customer engagement facilities	Digital workflow system	Concentration on green financing
Financial Capital	Human Capital	Social and Relationship Capital	Intellectual Capital	Manufactured Capital
BDT 152 MN interest income earned	Technical & soft skill development	Customer satisfaction and retention	Improved turnaround time for onboarding	More focused on renewable energy and other green sector

Value Creation

Product Strategy

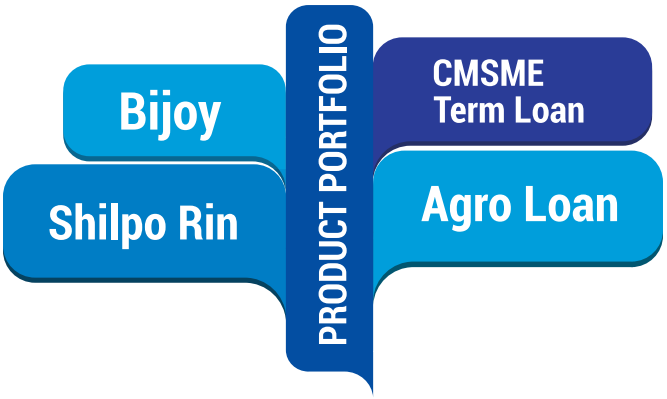
Bangladesh Finance is committed to developing customized lending products designed to meet diverse business needs. Our strategy focuses on enhancing digital lending capabilities to deliver a seamless borrowing experience through online loan applications, digital disbursements, and intuitive loan management tools. By offering personalized financing solutions, we aim to differentiate ourselves from competitors and create greater value for our customers. Additionally, Bangladesh Finance is actively developing sustainable financing options to support environmentally and socially responsible projects, including renewable energy initiatives, sustainable agriculture, and socially impactful businesses.

Outlook

Looking ahead to 2026, we anticipate that the global fiscal environment will create new opportunities for corporate lending as businesses seek to invest and expand. However, the regulatory landscape is expected to remain stringent, requiring Bangladesh Finance to maintain strong compliance practices and robust risk management frameworks to mitigate credit risks effectively. Staying attuned to industry trends and continuously adapting lending strategies will be critical to sustaining our competitive edge. Economic and political stability will play a vital role in supporting industry growth, with the Central Bank's cautiously accommodative monetary policy likely to contribute to credit portfolio expansion over the medium term. In the short term, however, challenges are expected to persist, including pressure on portfolio quality, profitability, and continued compliance with Basel II obligations. In 2026, Bangladesh Finance will prioritize the automation of routine processes to optimize cost efficiency and enhance profitability, while driving digital transformation initiatives. This strategic shift will be supported by upskilling and recruiting talent to meet evolving technological demands.

SME SEGMENT

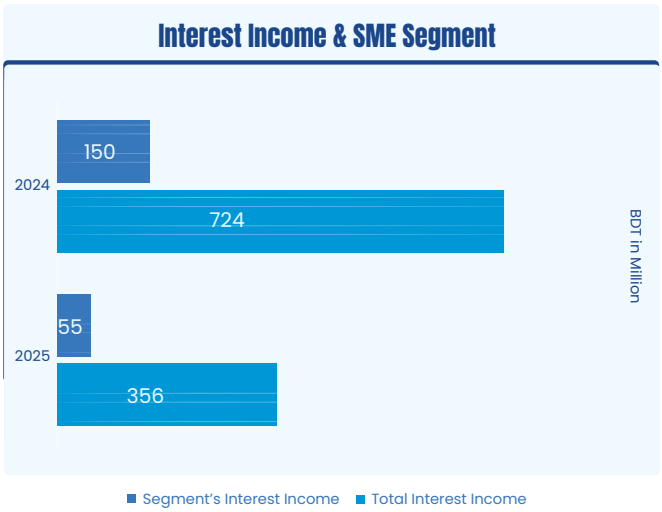
Bangladesh Finance remains optimistic that the Government's expansionary monetary and fiscal policies will create new opportunities for CMSME credit growth. Our focus for small entrepreneurs, including women, will be on enhancing profitability and maintaining portfolio quality through digital collaboration financing and a cluster-based business model. In line with this vision, we aim to build more partnerships and develop digital collaboration models to expand CMSME financing, particularly reaching rural customers through digital business transformation. Our goal is to become the most CMSME-friendly financial institution in the country. Reflecting this commitment, CMSME currently represents 21.50% of our total portfolio.

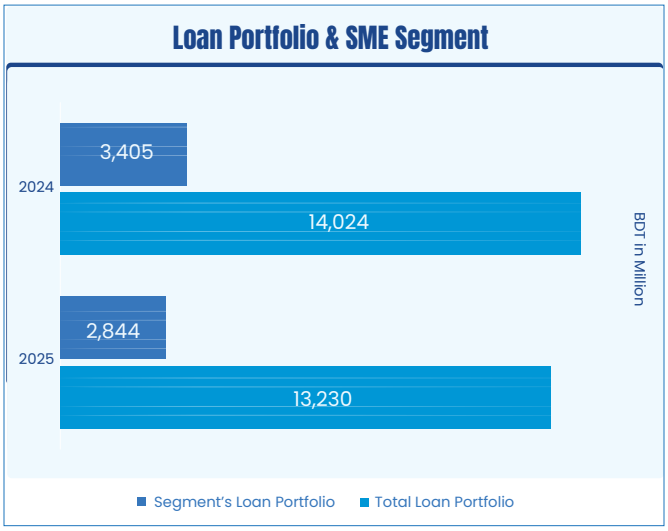


Operating Environment	Operating SME business through seven branches in Jashore, Sylhet, Chattogram, Gazipur, and Dhaka	Prefinancing schemes include new refinance, women entrepreneur refinance, Agro processing refinance, and JICA refinance.	NGO-linked CMSME financing available in Jashore, Jhenaida, Chuadanga, Meherpur, Magura, Kushtia, Pabna, Sirajganj, Mymensingh, and Gazipur.
Strategy	We began with SME & Sustainable finance and are now a leading provider of innovative financial services for small businesses.	Bangladesh Finance offers exclusive products to empower women and help them achieve their dreams.	Financing landmark projects, advising, and connecting local entrepreneurs with international technical partners.
Performance	Interest Income of **BDT 55 MN**	Loan Portfolio **BDT 2,844 MN**	SME segment holds **21.50%** share
Risk & Opportunity	Opportunities for digital financing facilities to unbanked and backward CMSME's	The national microenterprise segment is poised for growth, driving sustained demand for rural microenterprise loans.	Capacity to assist 2500+ rural enterprises via NGO, digital financing partners, and our branch network
Way Forward	33% of female entrepreneurs can be offered concessional rated loan benefits	Promoting unified collaboration among corporations, micro and small enterprises	Positive environmental impact through community initiatives

Strategy and Performance Review

In 2025, Bangladesh Finance expanded its operations to support over 2,500 rural enterprises through partnerships with NGOs and digital financing initiatives, alongside our branch network. By leveraging digital platforms, we facilitated access to funding for unbanked and underserved CMSMEs, driving meaningful improvements in their businesses. Our emphasis on digital financing and NGO-linked collaboration, delivered through both branches and strategic partnerships, has generated significant societal impact. By the end of 2025, our SME loan portfolio stood at BDT 2,844 million, and generated a gross interest income of BDT 55 million.





Operating Environment

BDT 2,844 MN Loan Portfolio	Increased Sales Force	Proactive customer engagement facilities	Digital workflow system	Concentration on green financing
Financial Capital	Human Capital	Social and Relationship Capital	Intellectual Capital	Manufactured Capital
BDT 55 MN Interest Income earned	Technical skill development	Customer satisfaction and retention	Improved turnaround time for onboarding	More focused on renewable energy and other green sector

Value Creation

Product Strategy

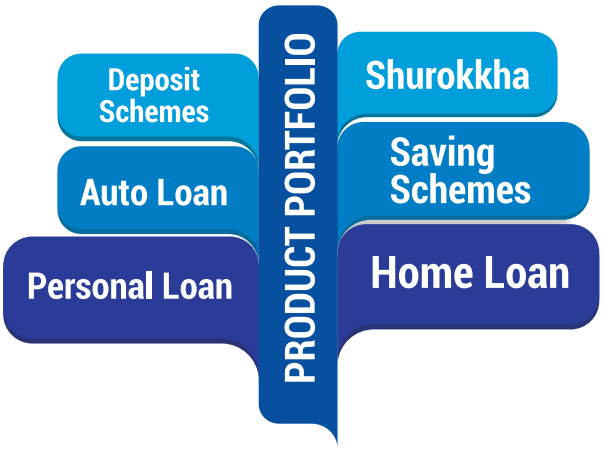
Bangladesh Finance began its journey with a strong focus on SME and Sustainable Finance and has since evolved into one of the most innovative providers of financial services to small businesses in Bangladesh. Through a targeted growth strategy, we achieved industry-leading absolute portfolio growth in CMSME finance over the year.

Outlook

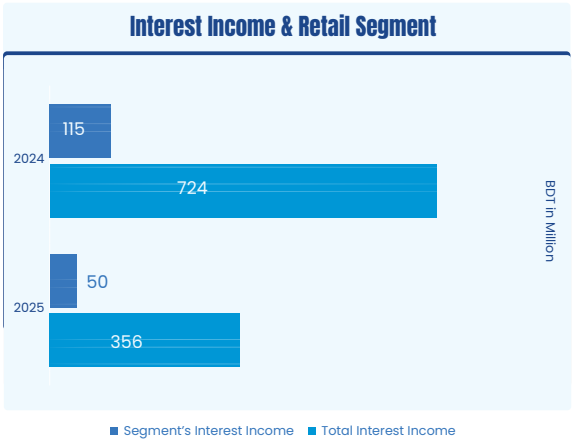
Fostering the establishment of new enterprises across the country remains a core commitment of Bangladesh Finance. There is a growing entrepreneurial spirit among the younger demographic; however, many emerging entrepreneurs face significant financial barriers due to limited business experience and a lack of essential skills and knowledge to effectively commercialize their ideas. To address this, Bangladesh Finance sees strong potential to stimulate new entrepreneurial ventures by forging strategic partnerships with key market participants, enabling access to appropriate financing solutions such as venture capital and supply chain finance.

RETAIL SEGMENT

Over the past 26 years, Bangladesh Finance has been fortunate to build a strong and loyal base of asset clients, growing alongside them each day. Competitive interest rates and a fast-track sanction process have enabled our clients to meet their financing needs efficiently. In 2025, new product development initiatives were undertaken to further strengthen the retail portfolio. During the year, Bangladesh Finance introduced Personal Loans for salaried individuals and professionals, while continuing to offer Affordable Home Loans, Doctor's Loans, and Auto Loans under a partnership model—products initially launched the previous year. Through these efforts, the management aimed to expand the existing Retail Credit portfolio, which reached BDT 2,577 million by the end of 2025.

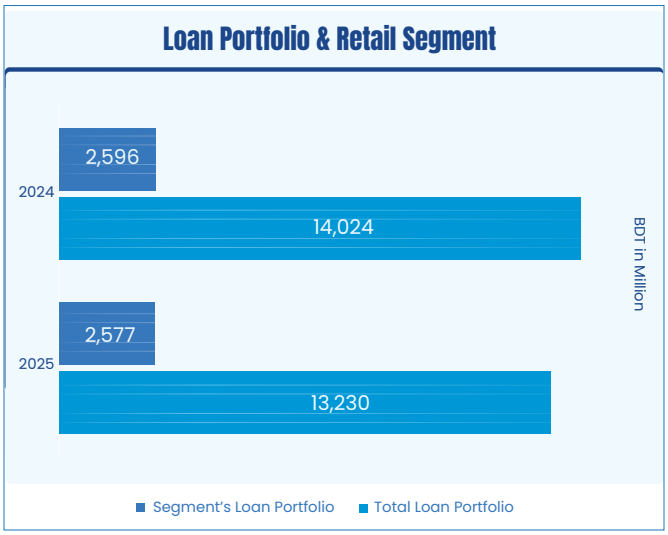


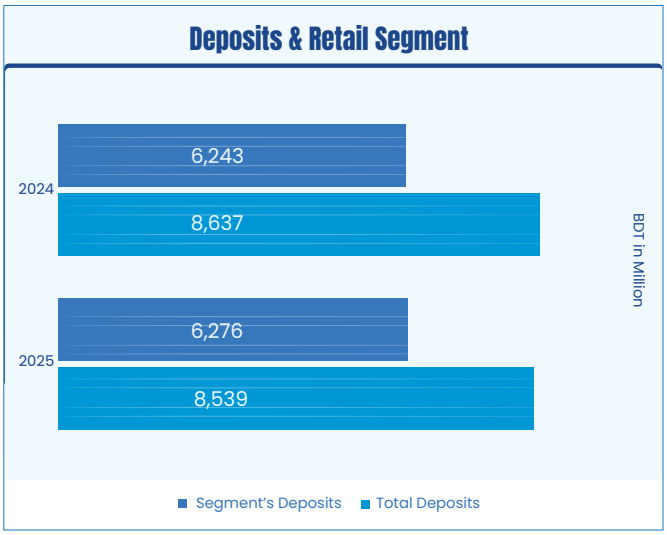
Operating Environment	Subject to stringent regulations ensuring financial stability, consumer protection, and anti-money laundering (AML) compliance	Intense Competition with numerous players vying for products planning	Online banking, mobile apps, and digital wallets are increasingly popular for their convenience and accessibility
Strategy	Expanding into rural areas via digital platforms and branch networks	Offering packages that combine multiple banking services, often at a discounted rate	Ensuring a consistent experience across all channels (branch, online, mobile, call center)
Performance	Interest Income of BDT 50 MN	Loan portfolio of BDT 2,577 MN	Total Deposit Portfolio BDT 6,276 MN
Risk & Opportunity	Increased risk of loan defaults, interest rate fluctuations, legal Penalties	Opportunities of digital banking growth, omni-channel Integration and green projects.	Leveraging government incentives and programs aimed at boosting economic growth and financial stability
Way Forward	Capitalizing on economic recovery phases to expand lending and investment services	Taking advantage of regulatory changes that promote financial innovation and inclusion	Engaging in community development and social responsibility initiatives to build brand loyalty and trust



Strategy and Performance Review

In 2025, Bangladesh Finance implemented priority programs aimed at delivering specialized services to retail customers, with an increased focus on regularizing early-stage irregular accounts. This was accomplished through close monitoring, proactive follow-ups on stressed accounts, and continuous client engagement. By the end of 2025, the retail loan portfolio stood at BDT 2,577 million, while retail deposits reached BDT 6,276 million. During the year, the retail segment generated a gross interest income of BDT 50 million, contributing 14.03% of the total interest income of Bangladesh Finance.





Operating Environment

BDT 2,577 MN Loan Portfolio	Employee training & community outreach programs	Customer Engagement and demographic programs	Digital workflow system	Concentration on green financing
Financial Capital	Human Capital	Social and Relationship Capital	Intellectual Capital	Manufactured Capital
BDT 50 MN Interest Income earned	Technical and communication skill development	Improved customer satisfaction	Inhouse innovation for digital work flow	Reduced Cost of providing Services

Value Creation

Product Strategy

Bangladesh Finance's management has successfully achieved an 19.48% portfolio share in the retail credit segment out of the total loan portfolio and is targeting over 25% in the near future. This will be driven by a focus on product diversification, particularly through affordable home loans for lower-middle-income groups, such as teachers, government employees, and small business owners. To achieve industry-leading growth, the company will prioritize enhancing the customer experience with personalized services, including offerings like salary advances. Innovation will be a key strategy, with the introduction of new products designed to differentiate Bangladesh Finance from its competitors by offering unique features and enhanced functionality. While continuing to provide attractive offers, the company will also tighten its credit criteria to maintain the quality of its portfolio. Overall, their strategy focuses on delivering tailored services to retail customers, especially those in the middle-income segment.

Outlook

Bangladesh's retail sector has experienced steady growth in recent years, driven by rising consumer spending, increased disposable income, and a growing middle class. Despite challenges posed by the economic recession, 2026 is poised for continued expansion as the economy recovers post-pandemic, leading to increased consumer spending and creating opportunities for retailers to broaden their customer base and boost sales. The rise of e-commerce and online platforms will also fuel industry growth, providing adaptable retailers with a competitive advantage. However, the sector faces intense competition, particularly from numerous small and medium-sized retailers. Those who prioritize efficiency, cost reduction, and enhancing customer experiences will be well-positioned to succeed in this competitive landscape.

ISLAMIC FINANCING WING

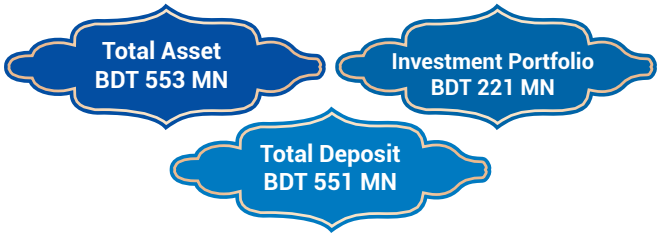
Bangladesh Finance PLC became the first financial institution in Bangladesh to launch branch-based Islamic financing operations in 2022. Following the final approval from Bangladesh Bank on January 4, 2022, the Islamic wing officially commenced operations across six branches on January 5, 2022.



Operating Environment	Operates under Shari'ah principles	Shari'ah-compliant financial instruments and contracts	Global efforts to standardize and harmonize Islamic finance practices and regulations are ongoing
Strategy	Creating a wide variety of Shari'ah-compliant financial products like Murabaha, Ijarah, Musharakah, and Sukuk to meet diverse customer needs and market demands	Forming a Shari'ah Supervisory Board of Islamic scholars to oversee and authorize all Islamic financial products and operations	Utilizing cutting-edge technology to improve customer access and management of Sharia-compliant financial products via digital platforms
Performance	Total Asset of **BDT 553 MN**	Investment Portfolio of **BDT 221 MN**	Total Deposit Portfolio **BDT 551 MN**
Risk & Opportunity	Volatility in Shari'ah-compliant assets and investments, which may affect portfolio performance	Opportunities of digital banking growth, omni-channel Integration and green projects.	Offering financial services to Muslim communities that are underserved and seeking ethical finance options
Way Forward	Contributing to financial stability by promoting ethical investments and responsible financing practices	Integrating technology to enhance customer experience and operational efficiency in Islamic banking services	Collaborating with international partners and institutions to promote cross-border Islamic financial transactions

Strategy and Performance Review

The Islamic wing of Bangladesh Finance launched its operations across six branches nationwide. By the end of 2025, the wing's investment portfolio stood at BDT 221 million, while deposits totaled BDT 551 million. During the year, the division generated BDT 62 million in gross investment income and paid BDT 62 million as profit on deposits, resulting in a net investment income of BDT 0.1 million.



Investment Income BDT 62 MN

Profit on Deposit BDT 62 MN

Other Operating Income BDT (11) MN

Operating Expenses BDT 6 MN

Operating Profit BDT(17)MN

Operating Environment

BDT 221 MN Investment	Increased expert sales force	Proactive customer engagement facilities	Digital workflow system	Concentration on small client base
Financial Capital	Human Capital	Social and Relationship Capital	Intellectual Capital	Manufactured Capital
BDT 62 MN Profit on investment earned	Modern and Technical skill development	Customer satisfaction and retention	Improved turnaround time for onboarding	More focused on SME and retail client groups

Value Creation

Product Strategy

In its financing operations, Bangladesh Finance offers Shari'ah-compliant solutions through modes such as Bai' Murabaha, Bai' Muazzal, and Hire Purchase under Shirkatul Melk (HPSM). The institution provides financing across various sectors, including agriculture, women entrepreneurship, business expansion, working capital, construction, auto finance, home finance, Hajj and Umrah finance, and personal finance, with the goal of promoting sustainable socio-economic development in the country. Bangladesh Finance also offers a wide range of Shari'ah-compliant retail, CMSME (Cottage, Micro, Small, and Medium Enterprises), and corporate financing facilities to meet the diverse needs of its customers.

Outlook

Bangladesh Finance has developed comprehensive Product Program Guidelines (PPG) and Shari'ah Manuals to govern both its asset and liability operations. The institution offers a diverse range of deposit products based on Mudaraba principles, including Mudarabah Term Deposit Receipts (TDR), Mudarabah Profit Earners Scheme, Mudarabah Cash Waqf Scheme, as well as specialized offerings such as the Mudarabah Monthly DPS, Mudarabah Hajj Scheme, Mudarabah Umrah Scheme, Mudarabah Retirement Plan, and the Barakah SME Deposit Scheme.

BOOM

Bangladesh finance capital
এখনই সময়



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প্রিয় সন্তান বেড়ে উঠুক যত্নে
সাথে আপনার
সঞ্চয় বাড়ুক নিশ্চিন্তে

বাংলাদেশ ফাইন্যান্স এফ ডি আর স্কিমে সঞ্চয় করে আপনার সন্তানের ভবিষ্যত করুন ভাবনাহীন, সাথে যে কোনো প্রয়োজনে **৯০%** পর্যন্ত ঋণ সুবিধাতো থাকছেই।



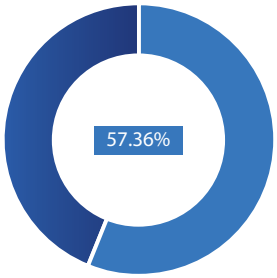
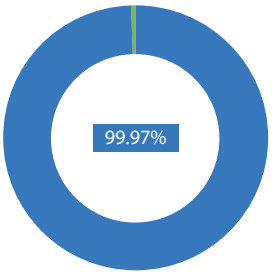
Green Deposit

Bangladesh finance
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আপনার সঠিক বিনিয়োগে গড়ে উঠুক সমৃদ্ধ আগামী



SUBSIDIARY OVERVIEW

Subsidiaries	Bangladesh Finance Securities Limited	Bangladesh Finance Capital Limited
Year of Incorporation	December, 2010	August, 2011
Ownership		
Paid Up Capital	1,072 million BDT	269 million BDT
Principal Activities	Providing ultimate brokerage service for the individuals and corporations of Bangladesh.	Providing ultimate capital market solutions to individuals & corporations.
Status of the Company	Public Limited	Public Limited

Bangladesh Finance Securities Limited	
Financial Highlights	BDT. million
Profit after tax	38
Total assets	1,926
ROE (%)	3.83%
ROA (%)	1.81%
EPS	0.35

Bangladesh Finance Capital Limited	
Financial Highlights	BDT. million
Profit after tax	59
Total assets	784
ROE (%)	73.78%
ROA (%)	6.09%
EPS	2.20

BANGLADESH FINANCE SECURITIES LIMITED

Overview

Bangladesh Finance Securities Ltd. (BFSL) is a subsidiary of Bangladesh Finance providing brokerage services to its clients with a membership of the Dhaka Stock Exchange PLC. Bangladesh Finance Securities commenced its operation in November 2011 and within a short span of time the company has emerged as one of the leading brokerage houses of the country holding an average of 1.69% market share of DSE trade volume. The Company has a strong team of highly skilled and experienced professionals to achieve its ultimate objectives. Exceptional quality and professionalism in its service offering to clients.

Key Strengths

- An experienced and dedicated senior management team.
- A trained and professional team.
- A competent equity market research unit.
- Online Trading Facility from anywhere.

Strategic Objectives

- Create synergy by combining quality and balanced portfolio.
- Offering a wide range of services to our clients.
- Maximize corporate value through sustained growth.
- Strengthening position in stock market operation.

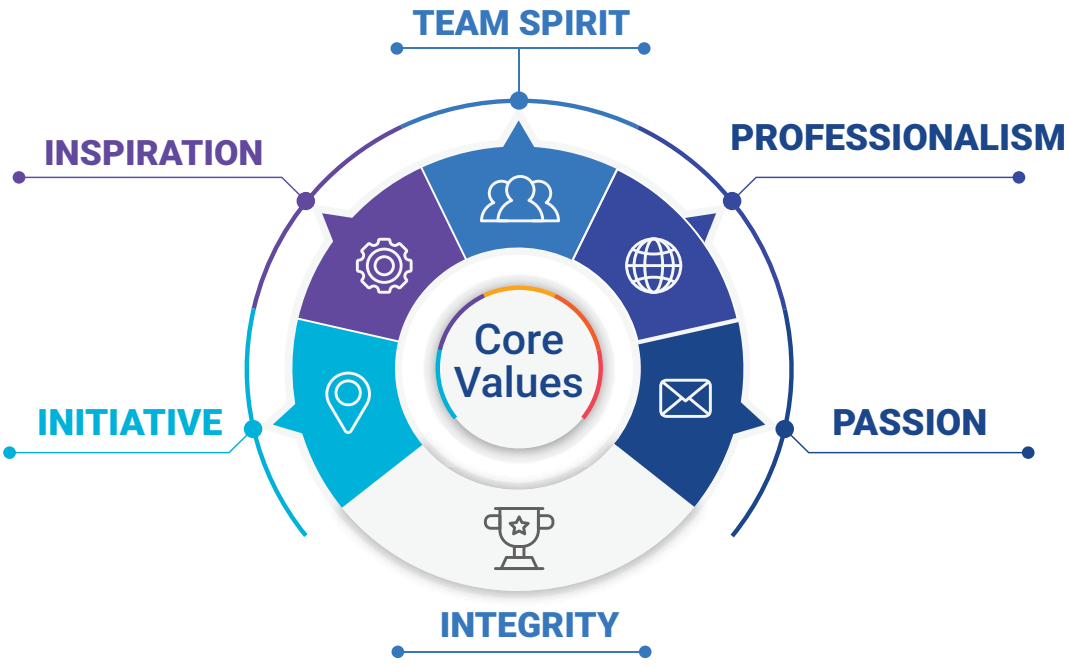
IPO

It is no longer an “Inept Process Offline” rather it has become “Instant Purchase Online”. Investment in IPO was never as easy as it is now with BFSL.

CTA Investors can buy or sell securities by providing the capital needed to fund the transaction without relying on the use of margin. Cash Trading is achieved by using a cash account, which is a type of brokerage account that requires the investor to pay for securities within one day from when the purchase is made.

MTA

Investors have the option of trading with margin loan. Margin trading account allows investors to buy more stock than they would be able to normally. This is different from a regular cash account, in which investor trades using the money in the account. The margin loan and interest rate will differ as per management decision. The margin account may be part of your standard account opening agreement or may be a completely separate agreement.



DIRECTOR'S PROFILE



Al-Amin

Chairman

Al-Amin is a highly accomplished academic and consultant with extensive experience in the field of accounting and information systems. He currently holds the position of Professor at the Department of Accounting & Information Systems, University of Dhaka. In this role, he is responsible for imparting knowledge and shaping the minds of the next generation of business leaders. Apart from his academic pursuits, Mr. Al-Amin has been providing consultancy services on capital market issues to various listed companies in Bangladesh for the past 19 years. His vast knowledge and expertise have helped these companies to navigate complex financial issues and make informed decisions. Mr. Al-Amin's dedication to his profession and his commitment to excellence have earned him the respect and admiration of his colleagues and students alike. He is a highly sought-after expert in the field of accounting and information systems, and his insights are highly valued in the business community. With his extensive experience and knowledge, Mr. Al-Amin has made significant contributions to the development of the accounting and information systems field in Bangladesh. He is an inspiration to his students and colleagues and a role model for anyone seeking to make a difference in the world of academia and business.



Md. Kyser Hamid

Director

Md. Kyser Hamid brings a distinguished professional background in finance and business development to the Board. His deep understanding of capital markets, brokerage operations, and financial services enables him to contribute effectively to strategic planning and policy formulation. Through his insights and guidance, he supports BFSL's strategic initiatives, enhances operational efficiency, and helps drive sustainable business performance.



Haji M A Taher

Director

Haji M A Taher is a seasoned financial professional with broad experience in investment management and corporate strategy. His expertise provides the Board with valuable perspectives on regulatory compliance, risk management, and governance best practices. He plays an important role in promoting transparency, accountability, and sound decision-making, thereby strengthening the overall integrity and credibility of BFSL.



Forkan Ahmed Moon

Director

Mr. Forkan Ahmed Moon is a corporate finance specialist with proven expertise in strategic partnerships and business development. He has been instrumental in expanding BFSL's institutional client base and supporting the development of innovative financial products aligned with evolving market demands. His practical approach and market insight contribute significantly to the company's growth, competitiveness, and long-term value creation.



Ihtiaz Yousuf

Director

Mr. Ihtiaz Yousuf possesses extensive experience in financial sector development and capital market operations. His strategic insights and regulatory understanding assist BFSL in navigating complex market dynamics and compliance requirements. By emphasizing operational excellence and prudent governance, he supports the company's objective of maintaining resilience, efficiency, and sustainable performance in a changing regulatory environment.



Kazi Rafiqul Hassan

Director

Kazi Rafiqul Hassan, former Executive Director of Bangladesh Bank, is an experienced central banker with over 32 years of service. He worked in key departments including Banking Inspection, Foreign Exchange Policy, Treasury Management, SME & Special Programs, and Risk Management. He also served on the boards of several banks in governance and oversight roles. He holds a Master's degree in English from the University of Dhaka and has strong expertise in banking regulation.



Khondoker Mahmudul Hasan

Managing Director & CEO

Khondoker Mahmudul Hasan is responsible for the overall management, strategic execution, and day-to-day operations of BFSL. With comprehensive knowledge of regulatory frameworks and capital market practices, he ensures that the organization operates with integrity, efficiency, and compliance. His commitment to innovation, disciplined execution, and stakeholder value creation continues to drive BFSL's growth and reinforce its reputation as a trusted market participant.

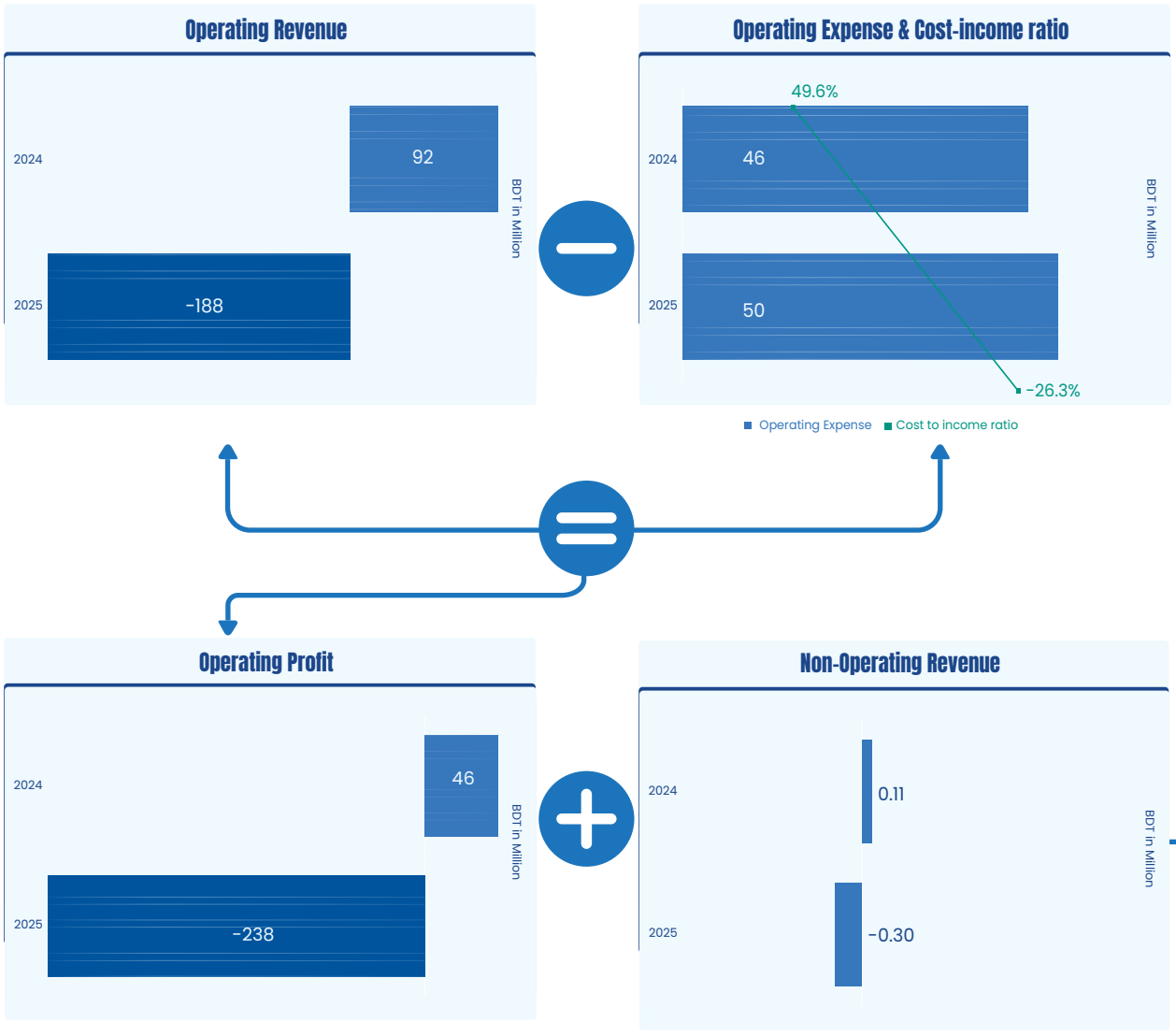
Operational Performance

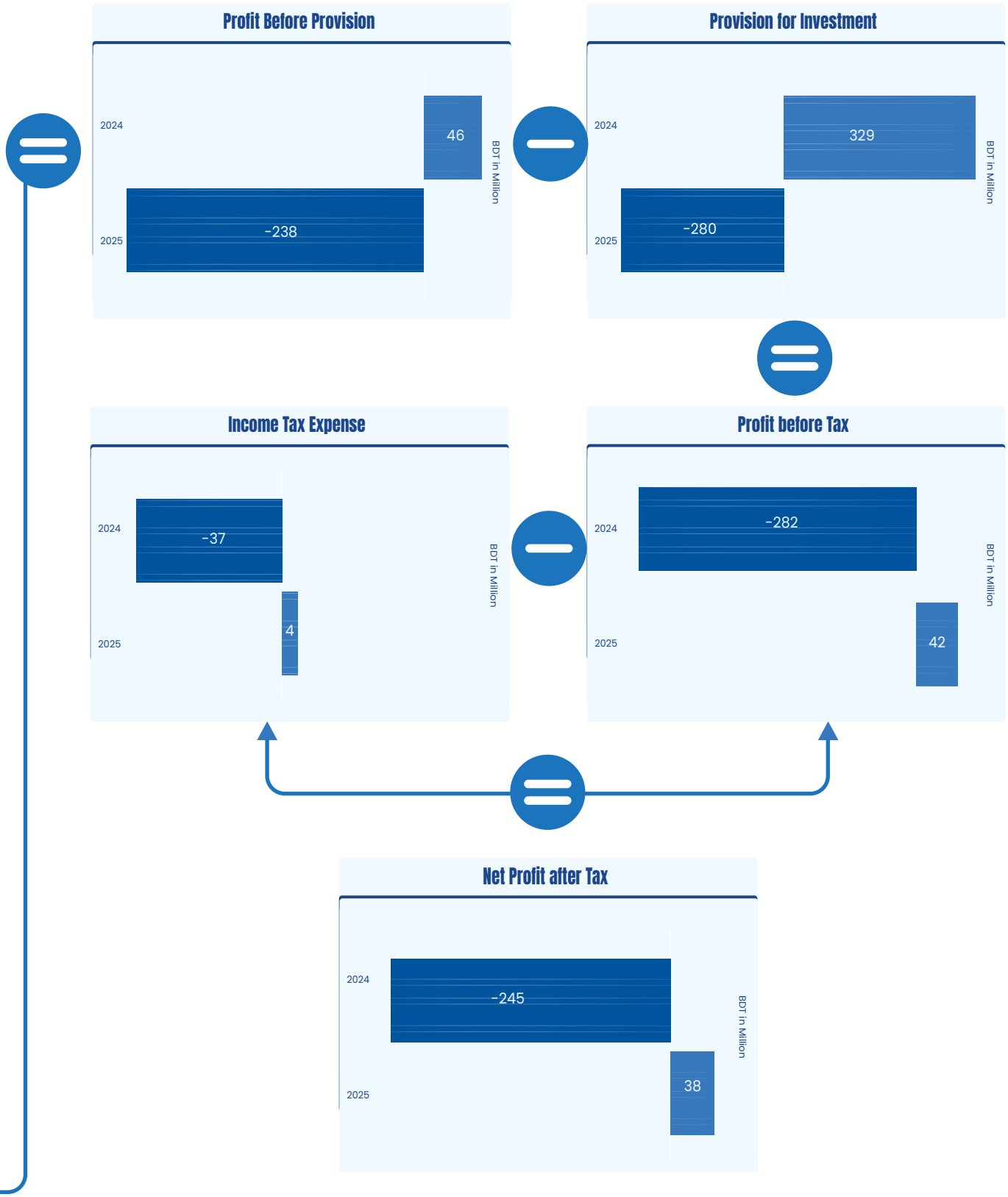
The year 2025 remained challenging for the Bangladesh capital market due to macroeconomic pressures, constrained liquidity, weak investor sentiment, and lower market participation. Amid this environment, Bangladesh Finance Securities Limited (BFSL) maintained operational resilience through prudent financial management, effective risk mitigation, and disciplined cost control. Consequently, total assets declined to Tk. 1,926 million in 2025 from Tk. 2,227 million in 2024.

The Company recorded an operating loss of Tk. 188 million in 2025 against an operating income of Tk. 92 million in 2024, mainly due to weak market conditions and reduced business activities. Operating expenses increased moderately to Tk. 50 million from Tk. 46 million.

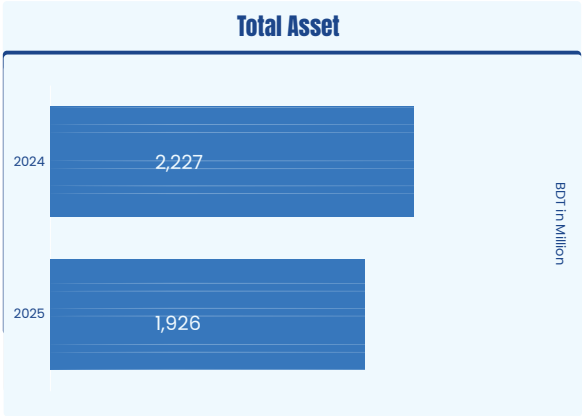
Despite these challenges, BFSL returned to profitability with a net profit after tax of Tk. 38 million in 2025 compared to a net loss of Tk. 245 million in 2024, primarily driven by strategic share sales and reversal of provisions against investments and margin loans. As a result, EPS improved to Tk. 0.35 from negative Tk. 2.29 in 2024.

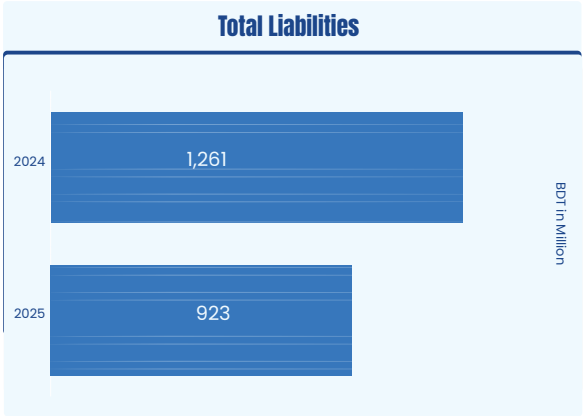
The improved performance reflects the Company's resilience, prudent financial management, and focus on strengthening its financial position amid challenging market conditions

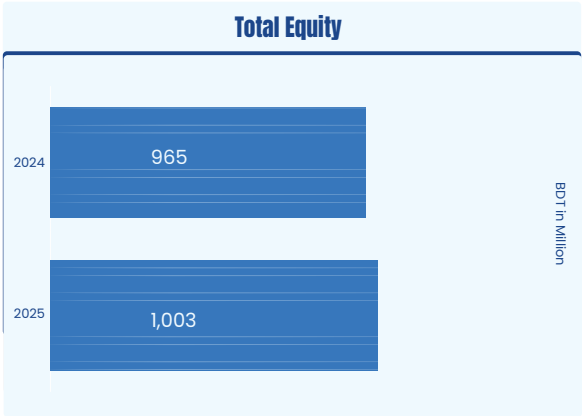


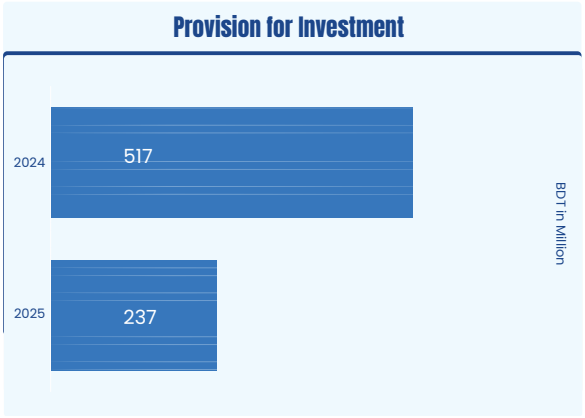

Profit Before Provision
2024
46
2025
-238
BDT in Million
Provision for Investment
2024
329
2025
-280
BDT in Million
Income Tax Expense
2024
-37
2025
4
BDT in Million
Profit before Tax
2024
-282
2025
42
BDT in Million
Net Profit after Tax
2024
-245
2025
38
BDT in Million

Financial Performance

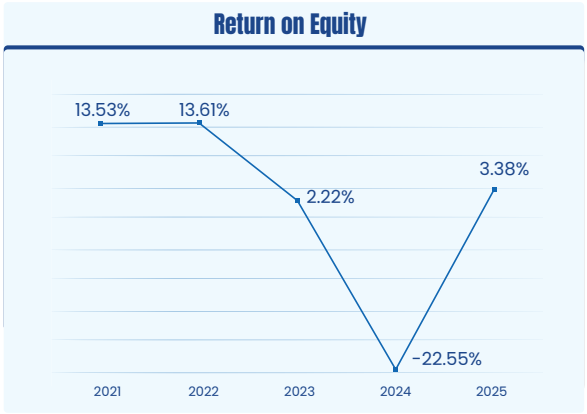


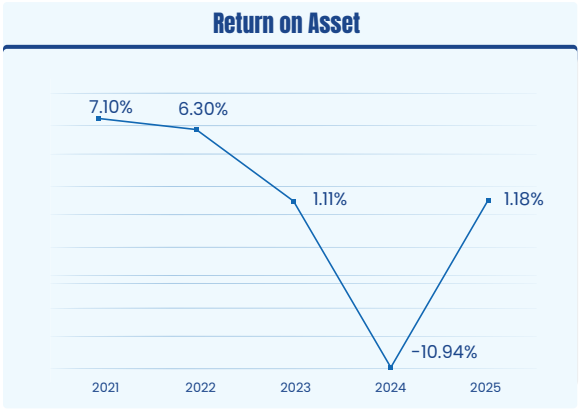


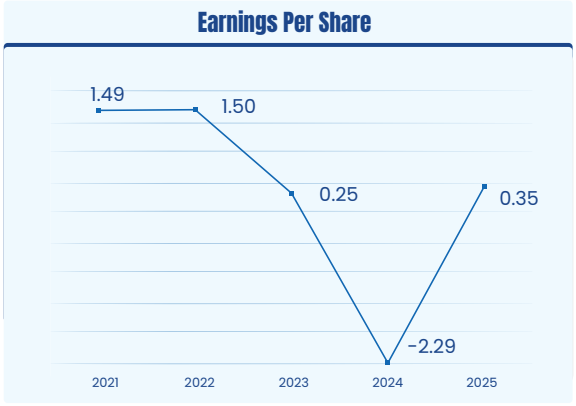


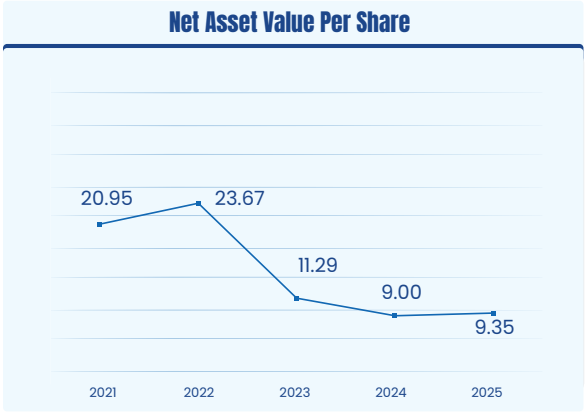


Key Performance Indicator









Financial Summary of Bangladesh Finance Securities Limited

BDT in Million

Financial Highlights	2021	2022	2023	2024	2025
Operating Revenue	299	273	104	92	(188)
Operating Expenses	41	56	58	46	50
Net Profit After Tax	159	161	27	(245)	38
Total Asset	2,246	2,553	2,257	2,227	1,926
ROE	13.53%	13.61%	2.22%	-22.55%	3.83%
ROA	7.10%	6.30%	1.11%	-10.94%	1.81%
EPS	1.49	1.50	0.25	(2.29)	0.35
NAV/share	20.95	23.67	11.29	9.00	9.35

Bangladesh Finance Securities Limited demonstrated strong profitability during 2021 and 2022, supported by healthy operating revenue, stable asset growth, and robust returns reflected in ROE and ROA. However, from 2023 onward, the company experienced significant financial pressure due to a sharp decline in operating revenue, which adversely impacted overall profitability and shareholder returns.

In 2024, the company incurred a substantial net loss, resulting in negative ROE, ROA, and EPS, indicating operational and market challenges within the capital market environment. Despite this setback, 2025 reflects an encouraging turnaround, with the company returning to profitability and improving key performance indicators, including ROE, ROA, EPS, and NAV per share.

Although operating revenue remained negative in 2025, the recovery in net profit suggests improved cost management, operational efficiency, and strategic adjustments undertaken by management. Overall, the financial position indicates that the company is gradually stabilizing after a difficult period, With continued focus on revenue growth and asset optimization, the company is well-positioned to enhance long-term financial sustainability and create greater value for shareholders.

Bangladesh finance securities
এখনই সময়

ক্যাপিটাল মার্কেট ইনভেস্টমেন্টে

বাংলাদেশ ফাইন্যান্স সিকিউরিটিজ

আপনার সেরা সঙ্গী



bfsl.bd.finance 16727

BANGLADESH FINANCE CAPITAL LIMITED

Overview

Bangladesh Finance Capital Limited is a full-fledged Merchant Bank licensed by Bangladesh Securities and Exchange Commission (BSEC) on February 26, 2012. Bangladesh Finance Capital is a fully owned subsidiary of Bangladesh Finance PLC and is a Depository Participant with Central Depository Bangladesh Limited (CDBL) catering to individual Investors, Corporate and NRB clients. Bangladesh Finance Capital started its journey on August 19, 2013 with authorized capital of Tk. 200 crore and paid up capital of Tk. 26.87 crore. The organization is run by a team of professionals under leadership of highly experienced and leading personalities of this field.

Strategic Objective

- Create synergy by combining quality and balanced portfolio.
- Offering a wide range of services to our clients
- Maximize corporate value through sustained growth
- Strengthening position in stock market operation

Secondary Market Service

Expert & highly skilled portfolio management team & capital market research team of Bangladesh Finance Capital offers different products aiming to serve all group of investors:

- Investors' Discretionary Accounts (IDA)
- Management Discretionary Accounts (MDA)
- Non-Margin Investor's Discretionary Account (NM-IDA).
- Professional Portfolio Management (PPM)
- Non-Resident Investor's Taka Account (NITA)
- SIP (Systematic Investment Plan)
- Shariah Portfolio Management

Primary Market Services

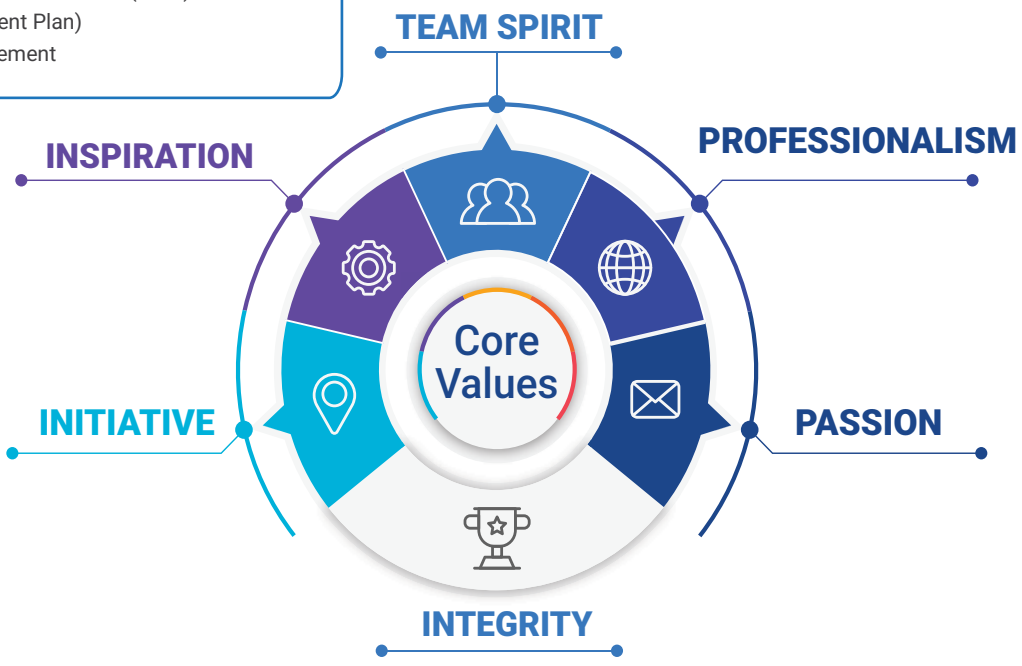
BFCL's primary market services offer end-to-end solutions for companies seeking to raise capital through Initial Public Offerings (IPO), Repeat Public Offerings (RPO), and Rights Offers. The company acts as an Issue Manager and Underwriter, helping clients navigate regulatory frameworks and ensuring successful public market transactions. BFCL also provides Mergers & Acquisitions (M&A) advisory services, supporting clients in executing strategic deals with expert valuation, negotiation, and execution support.

In addition to equity solutions, the company delivers robust debt capital market services, including structuring and issuance of corporate bonds directly to the public or institutions. Leveraging its strong institutional network, BFCL also facilitates private placements and negotiates capital raising initiatives with high-net-worth individuals (HNIs) and strategic investors.

Corporate Advisory Services

Bangladesh Finance Capital provides a full range of advisory services under one umbrella:

- Long term debt & equity finance.
- Financial Modelling
- M&A Advisory, Fairness Valuation



DIRECTOR'S PROFILE



Al-Amin

Chairman

Al-Amin is a highly accomplished academic and consultant with extensive experience in the field of accounting and information systems. He currently holds the position of Professor at the Department of Accounting & Information Systems, University of Dhaka. In this role, he is responsible for imparting knowledge and shaping the minds of the next generation of business leaders. Apart from his academic pursuits, Mr. Al-Amin has been providing consultancy services on capital market issues to various listed companies in Bangladesh for the past 19 years. His vast knowledge and expertise have helped these companies to navigate complex financial issues and make informed decisions. Mr. Al-Amin's dedication to his profession and his commitment to excellence have earned him the respect and admiration of his colleagues and students alike. He is a highly sought-after expert in the field of accounting and information systems, and his insights are highly valued in the business community. With his extensive experience and knowledge, Mr. Al-Amin has made significant contributions to the development of the accounting and information systems field in Bangladesh. He is an inspiration to his students and colleagues and a role model for anyone seeking to make a difference in the world of academia and business.



Md. Kyser Hamid

Director

Md. Kyser Hamid brings a distinguished professional background in finance and business development to the Board. His deep understanding of capital markets, brokerage operations, and financial services enables him to contribute effectively to strategic planning and policy formulation. Through his insights and guidance, he supports BFCL's strategic initiatives, enhances operational efficiency, and helps drive sustainable business performance.



Yousuf Aman

Director

Mr. Yousuf Aman is a business professional with a B.A. (Hon's) in Business (Marketing) from the University of West London. He began his career with A S Watson Group in the United Kingdom and later returned to Bangladesh, gaining experience in the textile sector. With a strong entrepreneurial mindset and diverse industry exposure, he has developed valuable skills in strategy and business development. Mr. Aman has established a respected position in the business community and continues to focus on sustainable growth, operational excellence, and long-term value creation.



Mahfuza Khanam

Director

Mahfuza Khanam is a seasoned professional with nearly 30 years of distinguished service at Bangladesh Bank across various departments. She began her career in 1987 as a Senior Officer at Janata Bank, Dhaka, and subsequently joined Bangladesh Bank in 1989. Throughout her tenure at the Central Bank, Ms. Khanam held key positions in several departments, including Foreign Exchange Operation, Agricultural Credit, Human Resources, Banking Inspection, Internal Audit, and Deposit Insurance. She also served as a Faculty Member at the Bangladesh Bank Training Academy, Dhaka. Ms. Khanam earned her B.Sc. and M.Sc. degrees in Applied Physics and Electronics from the University of Rajshahi in 1982 and 1983, respectively. Over the course of her career, she has participated in numerous professional training programs, seminars, and lectures both at home and abroad.



Suman Kumar Kundu

Chief Executive Officer

Suman Kumar Kundu is an experienced financial professional with over 17 years of expertise in credit risk management and business analysis within the financial services industry. He has been associated with Bangladesh Finance since 2016, following earlier roles at Alliance Financial Services Limited (AFSL) and Credit Rating Information and Services Limited (CRISL), where he contributed significantly to risk assessment and analytical excellence. He holds a BBA and MBA in Finance from the University of Dhaka, along with additional professional qualifications, including an LLB, CFA Level I, and Executive Level II Chartered Secretary certification. Recently appointed as Managing Director and Chief Executive Officer of Bangladesh Finance Capital Limited, a subsidiary of Bangladesh Finance, Mr. Kundu brings strong strategic insight, financial expertise, and leadership to drive the organization's continued growth and success.

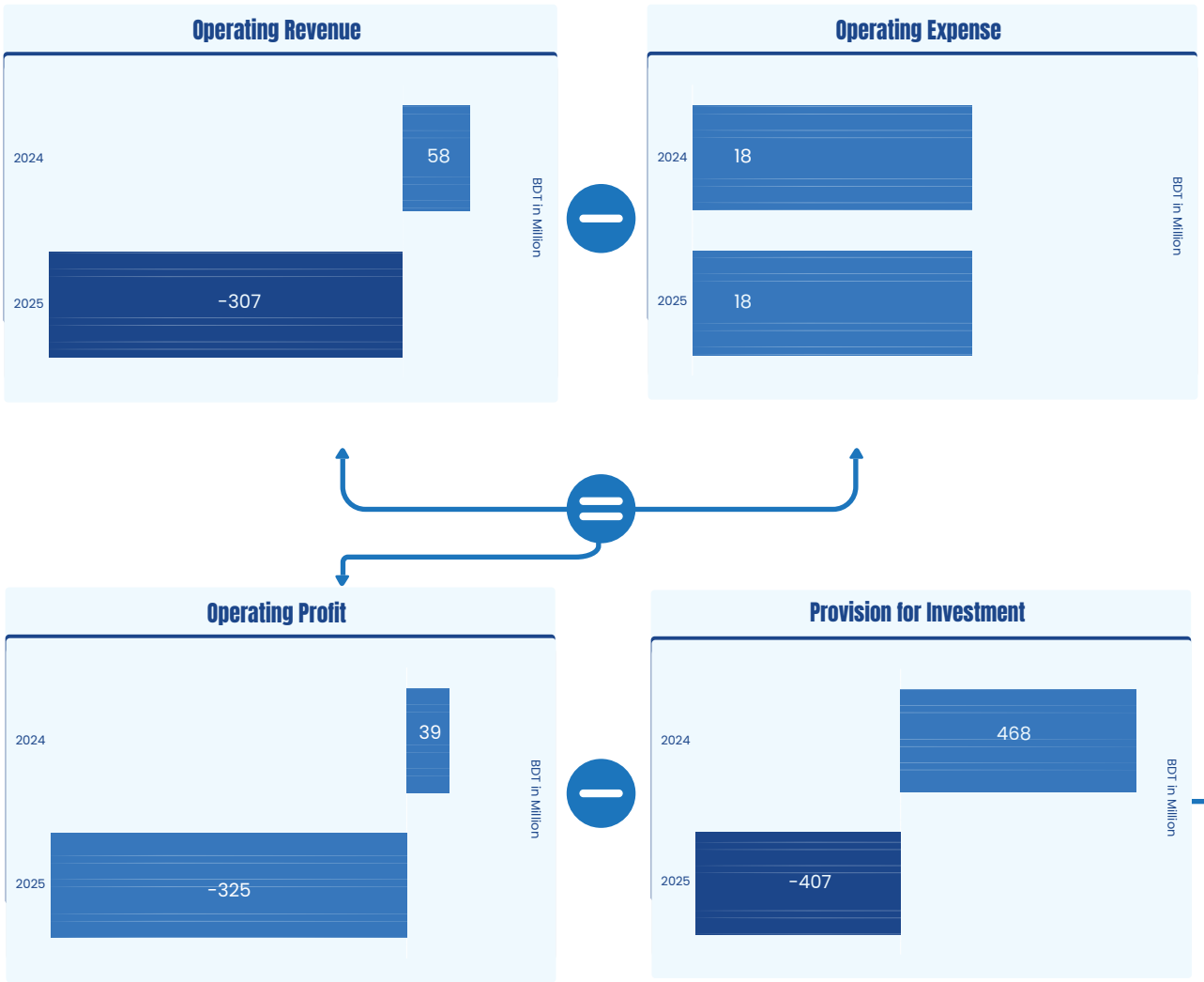
Operational Performance

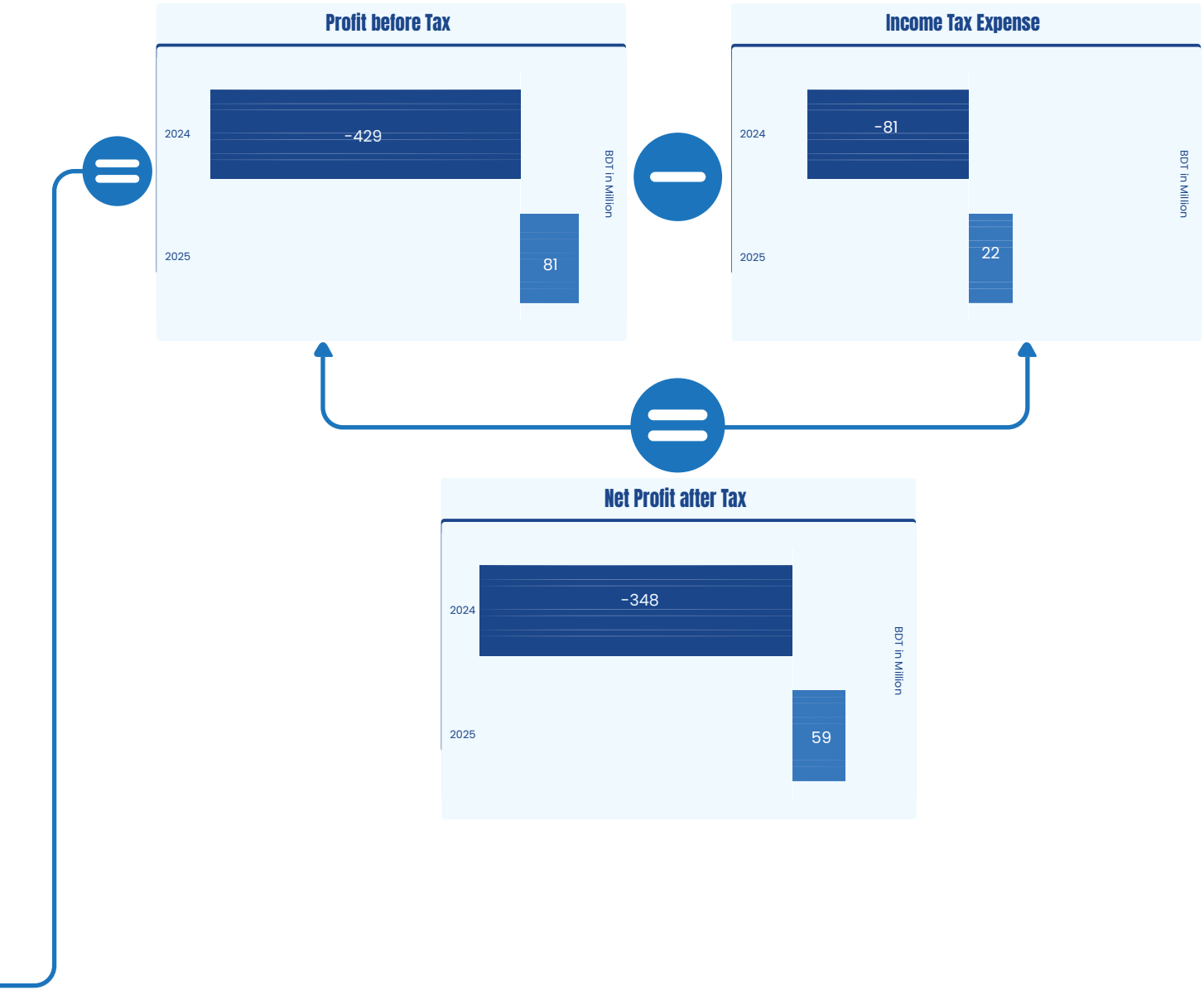
During 2025, the Bangladesh capital market remained volatile with weak investor participation and continued pressure on the DSEX index. Amid this challenging environment, Bangladesh Finance Capital Ltd. adopted a cautious investment approach, emphasizing portfolio rationalization, cost optimization, and prudent risk management, resulting in total assets declining to Tk. 784 million from Tk. 1,155 million in 2024.

The Company recorded an operating loss of Tk. 308 million in 2025 compared to an operating income of Tk. 58 million in 2024 due to weak market conditions and lower investment income. However, operating expenses decreased slightly through continued cost control measures.

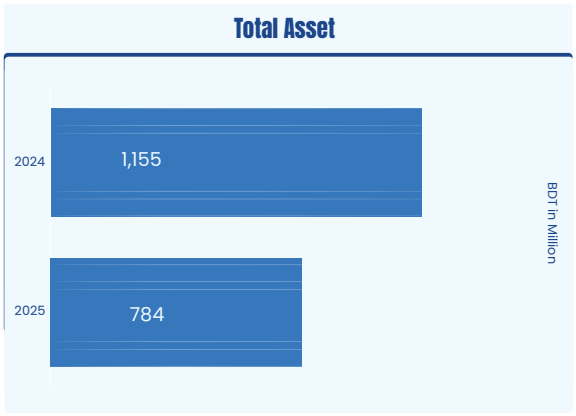
Despite these challenges, the Company returned to profitability with a net profit after tax of Tk. 59 million in 2025 against a net loss of Tk. 348 million in 2024, mainly due to a significant reduction in provisions against investments and margin loans. Accordingly, EPS improved to Tk. 2.20 from negative Tk. 12.93 in 2024.

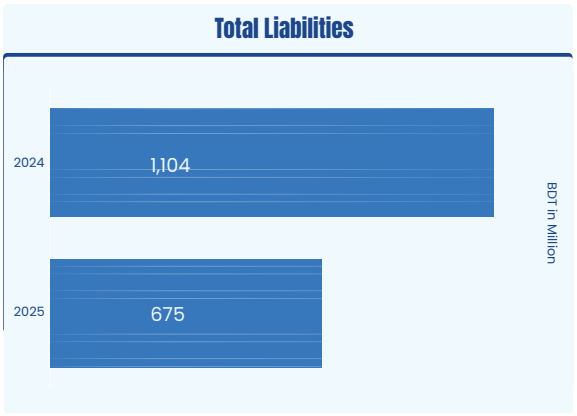
The improved performance reflects the Company's resilience, prudent financial management, and focus on long-term sustainability.

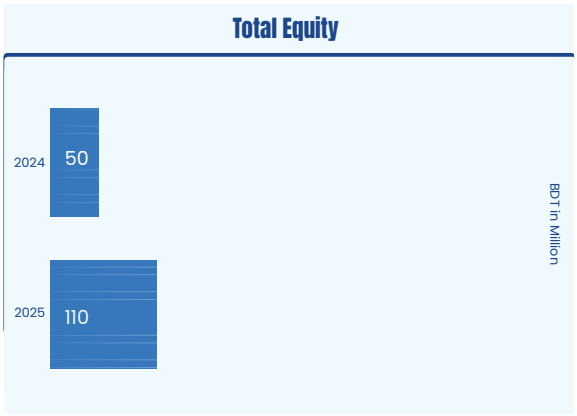


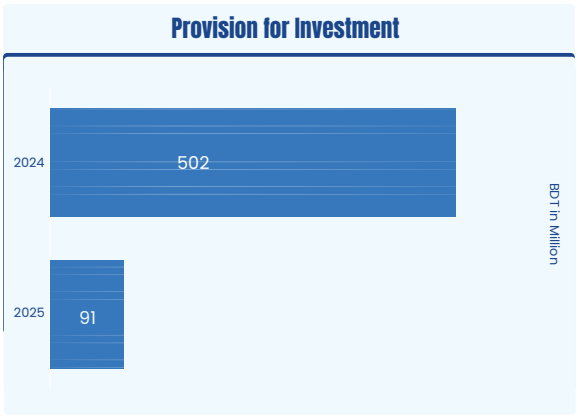

Profit before Tax
2024
-429
2025
81
BDT in Million
Income Tax Expense
2024
-81
2025
22
BDT in Million
Net Profit after Tax
2024
-348
2025
59
BDT in Million

Financial Performance

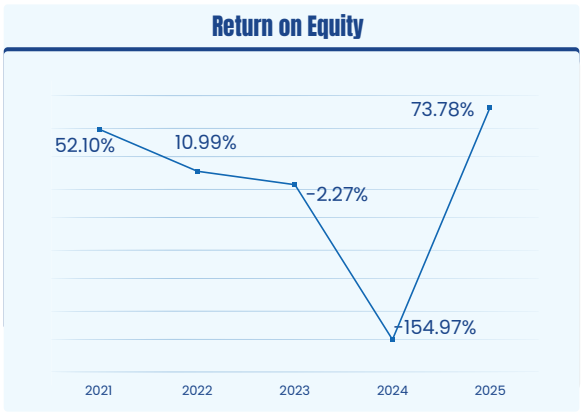


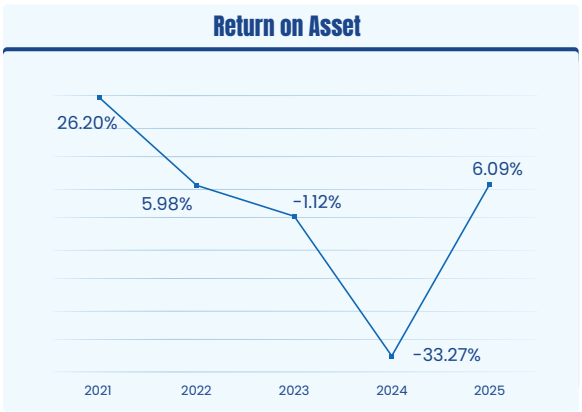


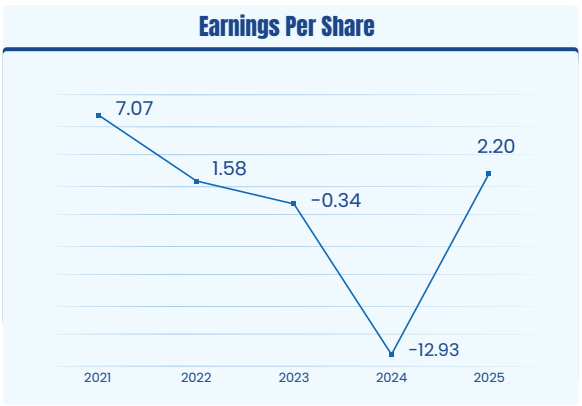


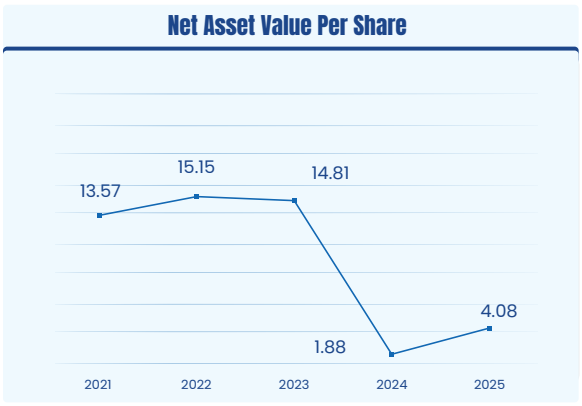


Key Performance Indicator









Financial Summary of Bangladesh Finance Capital Limited

BDT in Million

Financial Highlights	2021	2022	2023	2024	2025
Operating Revenue	242.66	85.52	3.46	58	(307)
Operating Expenses	15.96	20.10	15.86	18	18
Net Profit After Tax	190.12	42.42	(9.14)	(348)	59
Total Asset	724.88	693.39	934.41	1,155	784
ROE	52.10%	10.99%	-2.27%	-154.97%	73.78%
ROA	26.20%	5.98%	-1.12%	-33.27%	6.09%
EPS	7.07	1.58	(0.34)	-12.93	2.20
NAV/share	13.57	15.15	14.81	1.88	4.08

Bangladesh Finance Capital Limited exhibited exceptionally strong financial performance in 2021, driven by high operating revenue, strong profitability, and impressive return indicators, including ROE and ROA. However, the company experienced a continuous decline in operating revenue over the subsequent years, reflecting the challenging conditions prevailing in the capital market and investment sector.

The financial performance weakened significantly in 2023 and further deteriorated in 2024, when the company incurred a substantial net loss. Consequently, key indicators such as ROE, ROA, EPS, and NAV per share turned sharply negative or declined considerably, indicating severe pressure on profitability and shareholders' value. Despite an increase in total assets in 2024, the earnings performance remained under stress due to reduced revenue generation and market volatility.

In 2025, the company demonstrated a notable recovery by returning to profitability, with positive improvements in net profit, ROE, ROA, EPS, and NAV per share. The recovery suggests that management initiatives, operational restructuring, and improved investment performance contributed positively to the company's turnaround. While the negative operating revenue reported during the year indicates that certain revenue-generation challenges persist, the Company's strengthened financial fundamentals, disciplined strategic approach, and continued focus on operational efficiency are expected to support sustainable growth and long-term value creation in the years ahead.


BANGLADES


SH FINANCE

SUCCESSFUL FINANCIAL MANAGEMENT

Sustainability Highlights

FOR OUR CUSTOMERS

- Disbursed finance to **BDT 178 MN** micro-SMEs in Bangladesh.
- **BDT 14.04 MN** extended financial facility CMSME

FOR OUR COMMUNITY

- **BDT 1.10 MN** financed for Socio- economic spend, which incorporates total **13** CSR projects, **7** CSR events.
- Loan Portfolio **BDT 82.44 MN** Women Entrepreneurship
- Benefitted Over **1,840+** lives touched across Bangladesh through our financial services and community programs.

FOR OUR PEOPLE

- **14%** of our total workforce are women.
- Our Sustainability Learning Programs saw the participation of a total of **4,335** hours of learning.

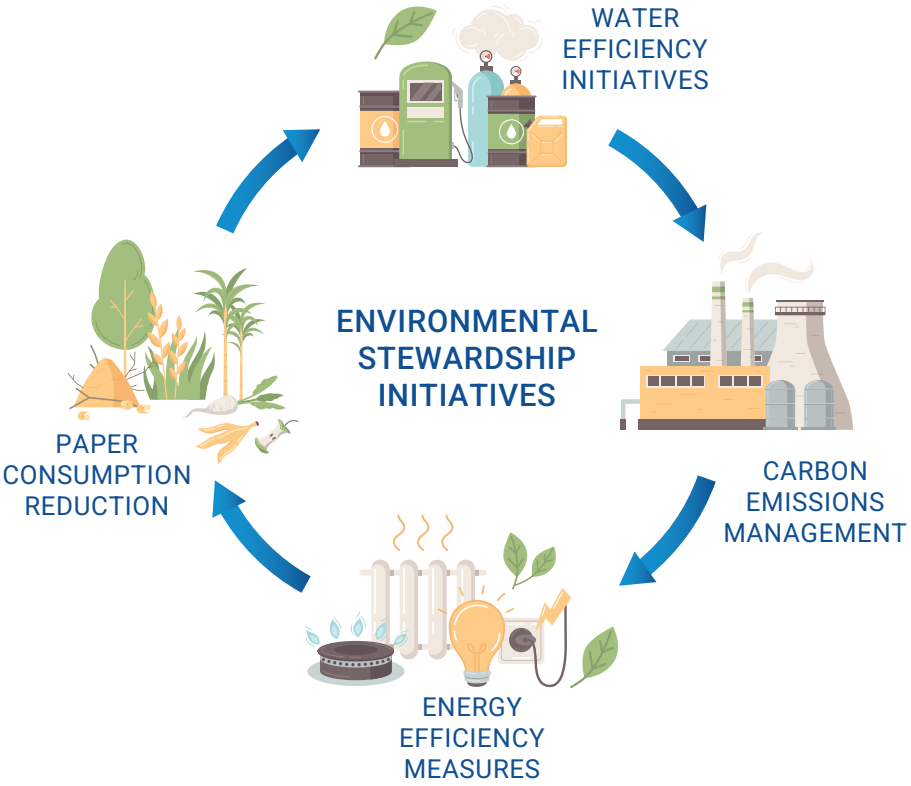
FOR OUR ENVIRONMENT

- Saved about **BDT 12.10 MN** financing by inhouse IT development.
- About **15.11%** for Green loans has been provided.
- About **6.48%** financing for sustainability related loans and green loans has been provided.

ENVIRONMENTAL STEWARDSHIP INITIATIVES

At Bangladesh Finance, sustainability is at the heart of our operations. We focus on reducing carbon emissions, improving energy efficiency, and optimizing the use of water and materials. Our environmental impact is closely monitored across all business areas to drive continuous improvement.

Environmental responsibility is deeply rooted in our corporate culture, with employees actively engaged through campaigns, competitions, and everyday practices like energy conservation and recycling to promote eco-friendly habits.



Carbon Emissions Management

12% reduction from total emissions.

Water Efficiency Initiatives

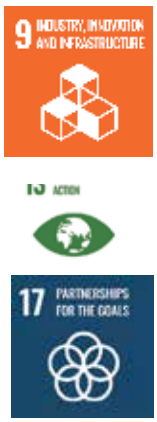
100% Of Branches And Corporate Offices Equipped With Ro Water Purifiers.

Paper Consumption Reduction

Saved **1,040,000** Paper Sheets by transferred to digital platforms.

Energy Efficiency Measures

100% transition to energy-efficient lighting (LED, CFL bulbs).

Environmental Framework	Key Achievements in 2025	UN SDG
Carbon Emissions Management	• Video Conferencing: Adopted to link the Head Office with branches, reducing inter-office travel and emissions. • Virtual Workforce Training: Shifted to platforms like Zoom and Microsoft Teams, contributing to a low-carbon strategy. • Green Financing: Actively participates in Bangladesh Bank's refinance scheme to support the transition to a low-carbon economy.	
Water Efficiency Initiatives	• Water Conservation Focus: Resources are primarily used for drinking needs. • RO Purifiers: All branches and corporate offices are equipped with Reverse Osmosis purifiers for clean water. • Usage Monitoring: Management actively monitors water usage to minimize wastage.	
Energy Efficiency Measures	• Using natural daylight for over 20% annual electricity savings. • Implementing energy-efficient LED and CFL lighting. • Promoting digital communication to reduce paper use and energy consumption.	
Paper Consumption Reduction	• Digitization Focus: Prioritizes digital platforms in sustainability efforts. • Paperless Workflows: Uses email platforms, operational modules, and document management systems. • Benefits: Reduces printed records, supports forest conservation, and improves administrative efficiency.	

COMPONENTS OF SUSTAINABLE FINANCE RATING

1.1. SUSTAINABLE FINANCE INDICATORS				
SL	**Components**	**Year 2025**	**Year 2024**	**Year 2023**
1	Green Finance (GF) as % of Total Term Loan Disbursed	15.11%	17.99%	14.80%
2	Sustainable Finance (SF) as % of Total Loan Disbursed	6.48%	38.38%	55.20%
3	Number of Borrowers with SF as % of Total Borrowers	5.81%	14.15%	50.80%
4	Number of Borrowers with GF as % of Total SF Borrowers	9.09%	24.44%	22.50%
5	SF in rural areas as % of Total SF	100.00%	30.79%	38.90%
6	Number of Women Borrowers with SF as % of Total Borrowers with SF	40%	25.97%	19.40%
7	Sustainable Agriculture as % of Total Loan Disbursed with SF	47.21%	3.44%	24.20%
8	Sustainable CMSMEs as % of Total Loan Disbursed with SF	100%	100%	86.40%
9	SRF as % of Total Loan Disbursed with SF	17.33%	0%	43.70%
10	Number of Categories belong to GF	1	2	2
11	Number of Products/Projects/Initiatives belong to GF	1	4	5
12	ESDD Rated project finance as % Total Finance	7.88%	56.95%	4%
13	NPLs in SF as % of Total NPLs	3.43%	4.80%	0.06%
14	NPLs in SF as % of Total Outstanding	4.72%	4%	0.01%
In-house Green Banking practices				
19	Solar powered branches as % of total branches	29%	29%	29%
20	Branches with rainwater harvesting as % of total branches	0%	0%	0%
Green Investment				
21	Green Investment as % of Total Investments	1.40%	2.24%	3.23%
22	Green Equity as % of Shareholders' Equity	0	0	0

1.2. CSR ACTIVITIES			
SL	**Components**	**Year 2025**	**Year 2024**
1	Education	80%	44%
2	Health	3%	44%
3	Environment & Climate Change Mitigation and Adaptation	10%	4%
4	Others	7%	7%

OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT

- Empowering communities through microfinance initiatives.
- Microfinancing **BDT 112.90** million.
- Financial inclusion & women empowerment initiatives.

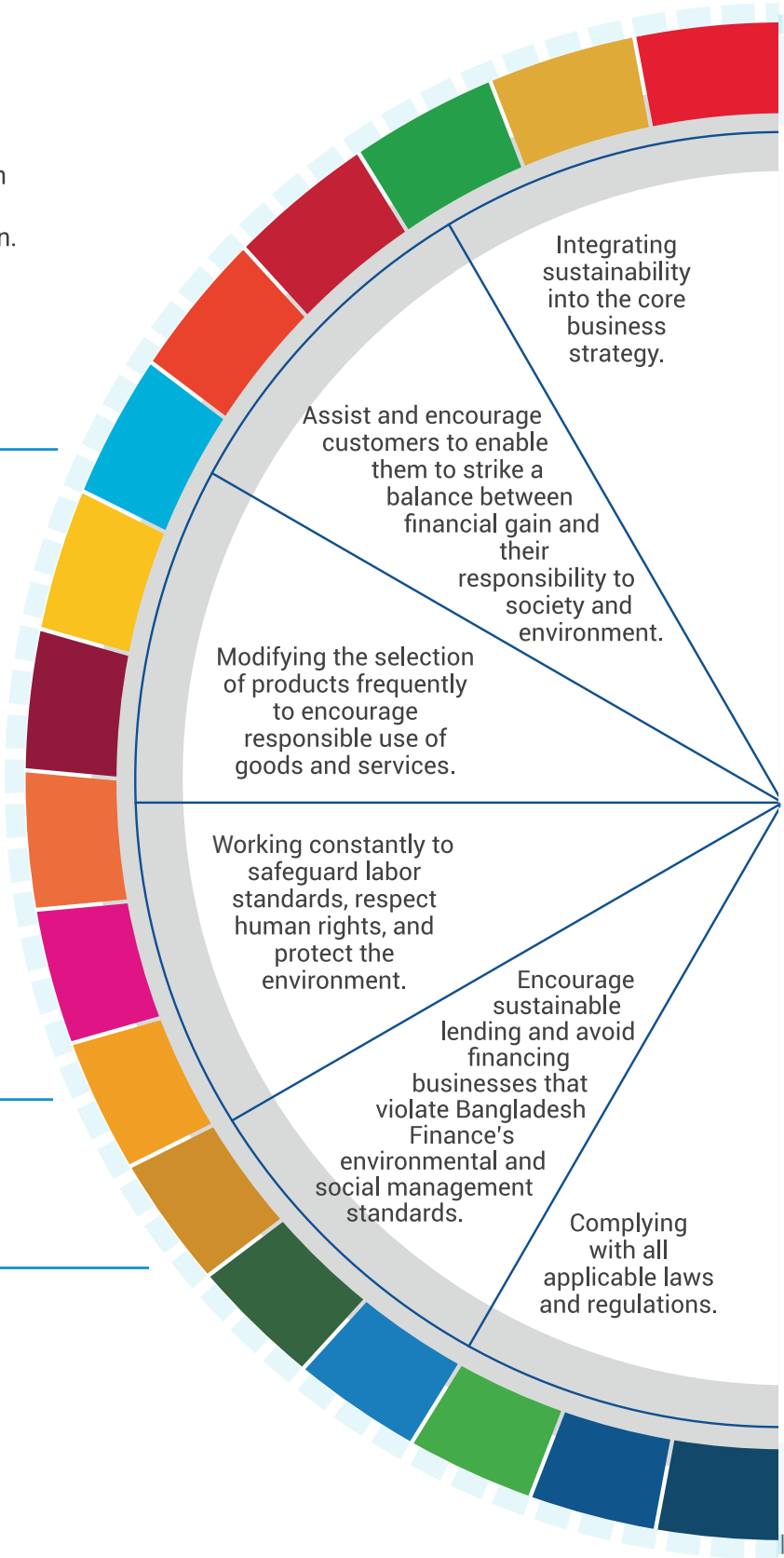
- Loan to women entrepreneur(s) to upgrade their economic condition
- Loan to farmers for cattle farming in village areas

- Donation to clinical dentistry symposium
- Donation to ISD inclusion symposium

- Knowledge sharing and capacity building several sessions for customers.
- Arranging 1 Scholarship program for internal stakeholders.

- Empowering women through supportive workplace.

- Health and sanitation awareness program



- Establishment of energy efficient branches

- Internship opportunities for undergraduates.
- Competitive pay, growth, and safe environment
- Number of permanent employees: **155**
- Retention rate: **81%**

- SME lending fuels small business growth

- Fostering diversity and equal opportunity
- Female representation rate: **14%**

- Structured housing loan solutions for customers.

- Year-on-year reduction in paper waste attributed to increased digitalization.
- Diverse, affordable non-banking solutions

- Conversion of two branches to solar energy system for sustainable energy.

- Funding to eco-friendly agri-based sector to save water and natural eco-system

- Invest in emission and energy management
- Inclusive industrialization
- SME lending

- Accountability, integrity, transparency, anti-corruption, whistleblowing

- Refinancing unit channels credit via partnerships.

CAPITALS' SUMMARY

Our value creation model focuses on sustainable, long-term outcomes, consistently exceeding capital allocation costs. We strategically deploy capital across various areas, including raising funds and offering innovative products, to strengthen competitive positioning and drive growth, providing market differentiation. Our 'Key capitals' are essential to this approach.

Financial Capital

Financial capital fuels businesses by providing tailored financial solutions through strategic allocation of resources.

Total Financial Capital **19,020 MN**

Manufactured Capital

Built on advanced technology and modern infrastructure, supporting efficient service delivery and business operations.

2 **Branches under solar system**

Intellectual Capital

Strengthened by our brand value, innovation capabilities, and intellectual assets, we create technologies and solutions that ensure long-term business success.

14,900+ transactions in digital channels

Human Capital

100% employees covered by performance appraisal and career development plan

Social & Relationship Capital

76%-87%
Percentage of Workday on Screen.

Natural Capital

100% employees involved in sustainability training and green practices

FINANCIAL CAPITAL

The financial capital is undoubtedly one of the most significant capitals in the financial sector. By means of the financial capital, Finance Company are able to perform financial intermediation, raising and accumulate funds in the market and granting loans to customers and society, attributing interest rates that remunerate business risks and their providers of financial capital.

Moving Ahead: Sustainable and Resilient

AA
Long-Term Credit Rating



ST-2
Short-Term Credit Rating





1.19
Earnings per share

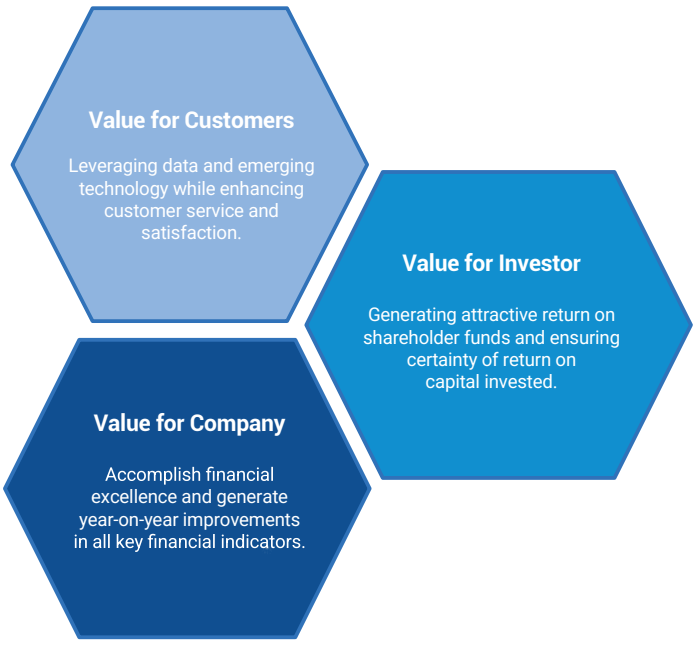


19,190 Mn
Balance Sheet Size

Origin of Financial Capital (BDT in million)			
Liabilities	**2023**	**2024**	**2025**
Financial Borrowings from other Banks	5,172	4,718	4,136
Deposits	8,879	8,637	8,539
Other Liabilities	3,529	12,769	11,576
Shareholder's Equity	2,170	(5,656)	(5,471)
Non-Controlling Interest	501	396	411
Total Liabilities & Equity	**20,250**	**20,864**	**19,190**

Allocation of Financial Capital (BDT in million)			
Assets	**2023**	**2024**	**2025**
Cash	118	131	136
Balance with other Banks and Financial Institutions	1,684	1,607	1,306
Investments	1,395	1,499	844
Loan Lease and Advances	14,597	14,685	13,864
Fixed asset	732	698	736
Other asset	1,510	2,073	2,133
Non-banking asset	213	171	171
Total Assets	**20,250**	**20,864**	**19,190**

Creating sustainable stakeholder value has always been the fundamental goal of managing our financial capital while efficiently utilizing our funds obtained through shareholder investments and borrowings. Our debt metrics have been further strengthened, and the company's ability to manage its total cost of capital makes a significant contribution to the sustainability and its ability to fund expansion of its distributable income.



CONTRIBUTING TO OUR MISSION

- To mobilize public funds through the innovation of investment products aimed at maximizing value for our depositors.
- To support entrepreneurs by engaging in prudent lending practices that facilitate wealth



SDGs Impacted



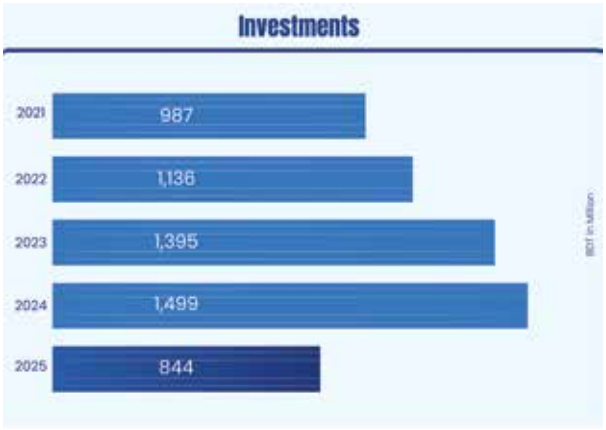
Related Strategic Imperatives

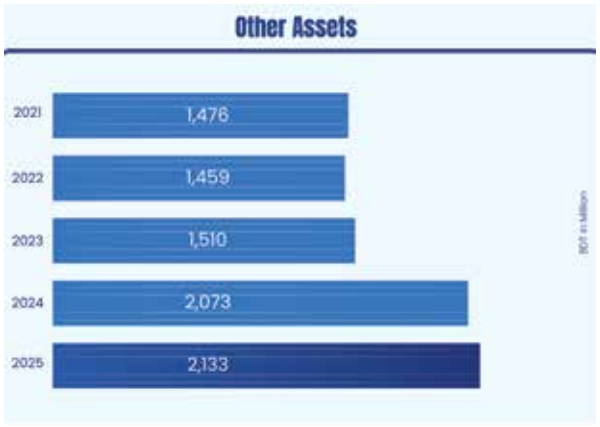
- Pursuing sustainable growth exposures prudently, aligned to risk appetite
- Augmenting customer experience
- Achieving execution excellence
- Promoting efficient resource use

Our Financial Capital is Made of Four Operations:

Bangladesh Finance Group navigated a challenging year with resilience, maintaining business momentum with ending fiscal year 2025 with a net profit after tax of BDT 240 million.







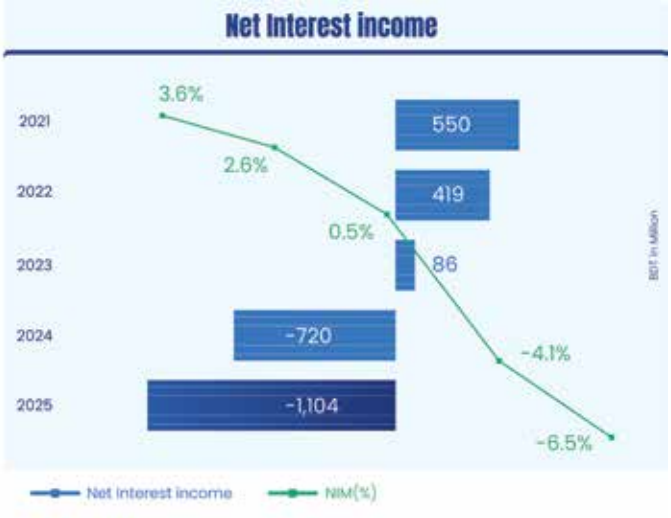




Our financial capital is composed of the financial resources available and allocated to the business, our own or third parties', obtained as financial products and services. Total financial capital of the company as of 31st December 2025 stood at BDT 19,020 mn from BDT 20,693 mn, which represents a 8.09% decrease from last year.

Loan Lease and Advances

Total loan, lease, and advance portfolio of the group as of 31st December 2025 stood at BDT 13,864 million in comparison to BDT 14,685 million as at 31st December 2024. This portfolio represents approximately 70.97% of the Financial Capital of the Company.



Operating Expense

Operating expenses increased by 4.56% compared to 2024. The increase was primarily driven by a significant rise in Legal & Professional Fees by 68% for continued effort for recovery against stressed loans. However, the overall increase in operating expenses was partially offset by a 23% reduction in Rent and Utilities expenses

Investment

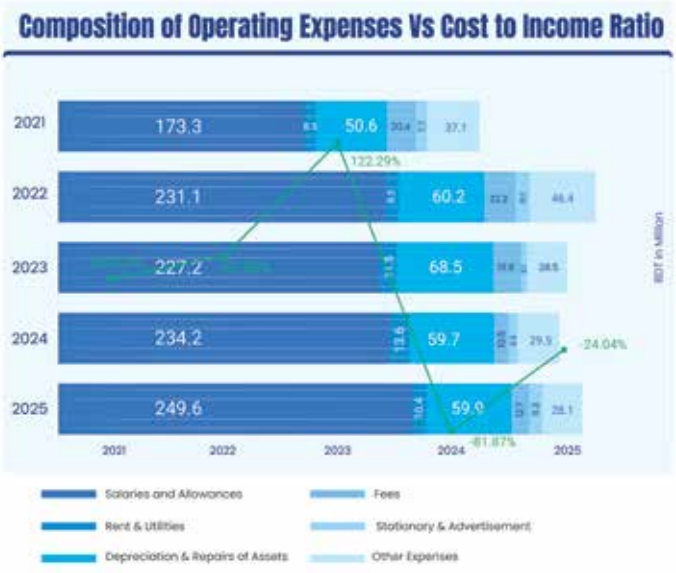
As of 31 December 2025, the Company's capital market investments stood at BDT 844 million. This reflects a year-on-year decline of 43.68% compared to BDT 1,499 million in 2024. Over the period from 2021 to 2025, investments consistent upward trajectory fell down, decreasing by 14.47% from BDT 987 million in 2021. This volatility, despite the lingering effects of the pandemic and prevailing economic challenges, highlights the Company's prudent investment strategy and the economic pressure in the capital market.

Financial Assets & Other Assets

As of 31st December 2025, other assets of the Company stood at BDT 2,133 million, compared to BDT 2,073 million as at 31st December 2024, reflecting a significant growth of 10.02% over the year. In the previous years, other assets remained relatively stable, recorded at BDT 1,476 million in 2021, BDT 1,459 million in 2022, and BDT 1,510 million in 2023. The noticeable increase in 2025 indicates an expansion in the Company's asset base beyond core financial assets, strengthening overall.

Net Interest Income

Net interest income decreased by 53.32% from 2024 due to providing of additional interest suspense of Tk. 123.31 Crore for stressed loans and advances following total loan, lease & advances decreased by 5.59%. Net interest margin (NIM) decreased year-on-year from -4.1% to -6.5%



Revenue Composition Ratio

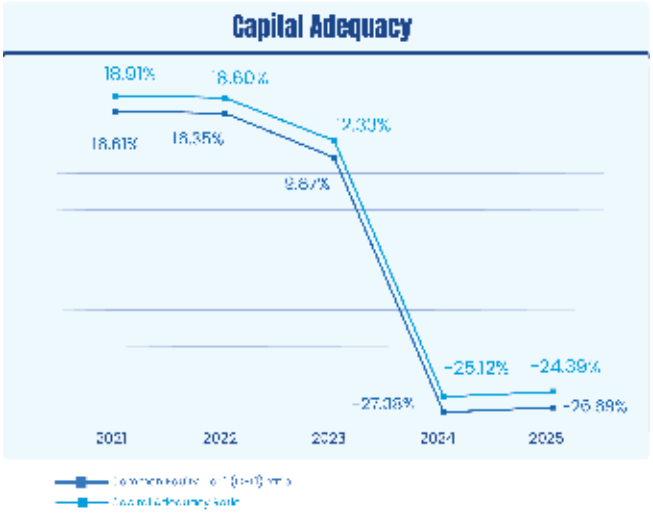


The company's earnings structure remained under pressure during 2025, primarily due to the increase in negative net interest income and losses from investment activities. Net interest income declined further from BDT (720) million in 2024 to BDT (1,104) million in 2025, reflecting higher funding costs and continued challenges in generating interest-based income. In addition, investment income shifted from a positive contribution of BDT 192 million in 2024 to a loss of BDT (482) million in 2025, indicating the adverse impact of market volatility and weakened capital market performance.

Despite these challenges, the company maintained positive contributions from commission income and other operating income, which continued to support overall business operations. Although commission income and other income experienced a moderate decline in 2025, the continued presence of diversified revenue streams demonstrates the company's operational continuity and business potential. Management's ongoing focus on restructuring, cost optimization, and strengthening core business activities is expected to support gradual improvement in earnings stability and overall financial performance in the coming periods.

Capital Adequacy Ratio

The Capital Adequacy Ratio (CAR) and Common Equity Tier 1 (CET1) ratio of the company remained strong and well-maintained during 2021 and 2022, reflecting a solid capital base and adequate loss-absorption capacity. Although both ratios experienced a significant decline from 2023 onward due to challenging market conditions, operational stress, and substantial losses incurred during the period, the company continued to focus on strengthening its financial resilience and capital management framework.



The gradual improvement in overall profitability and operational performance observed in 2025 indicates positive recovery momentum, which is expected to support future capital restoration initiatives. The management remains committed to improving asset quality, enhancing operational efficiency, and implementing strategic measures to rebuild the capital position over the coming years.

Economic Value Added (EVA)

Financial value generated through the effective use of financial capital is distributed or shared with key stakeholders of the Company after retaining the required portion for its future growth. Yet, on account of the increased impairment charges, and reduction in income growth with the impact of post pandemic the Company's economic value distribution had exceeded the economic value generated.

Particulars	2024 BDT (million)	2025 BDT (million)
Direct economic value generated		
Interest Income	723.79	356.49
Fees and commission income	-	-
Other operating income	125.53	16.28
Economic value generated	**849.32**	**372.77**
Economic value distributed to providers of capital	**1,431.09**	**1,415.04**
Dividend to equity holders	-	-
Interest to borrowings	393.83	359.41
Interest to deposit holders	1,037.26	1,055.63
To Employees	**202.31**	**219.84**
Salaries and other benefits	202.31	219.84
To Government	**(576.43)**	**(111.18)**
Income tax expenses	(576.43)	(111.18)
To Community	**1.44**	**1.10**
CSR and donation	1.44	1.10
Operating cost	**7,137.35**	**(1,293.98)**
Depreciation and amortization	42.19	36.28
Impairment charges for loans and receivables and other losses	7,050.00	(1,376.71)
Other operating expenses	45.17	46.46
Economic value distributed	**8,195.75**	**230.81**
Economic value retained	**(7,346.43)**	**141.96**

Indicators	2024	2025
Return on asset %	-40.14%	0.79%
Return on equity %	-418.11%	-2.66%
Earning per share	(39.02)	0.76
Net assets value per share	(28.82)	(28.28)

Particulars	2024	2025
Tier 1 Capital	(5,951)	(5,806)
Total eligible capital	(5,502)	(5,363)
Total risk weighted assets amount	16,270	16,780
Tier 1 capital ratio	-36.57%	-34.60%
Capital adequacy ratio	-33.81%	-31.96%

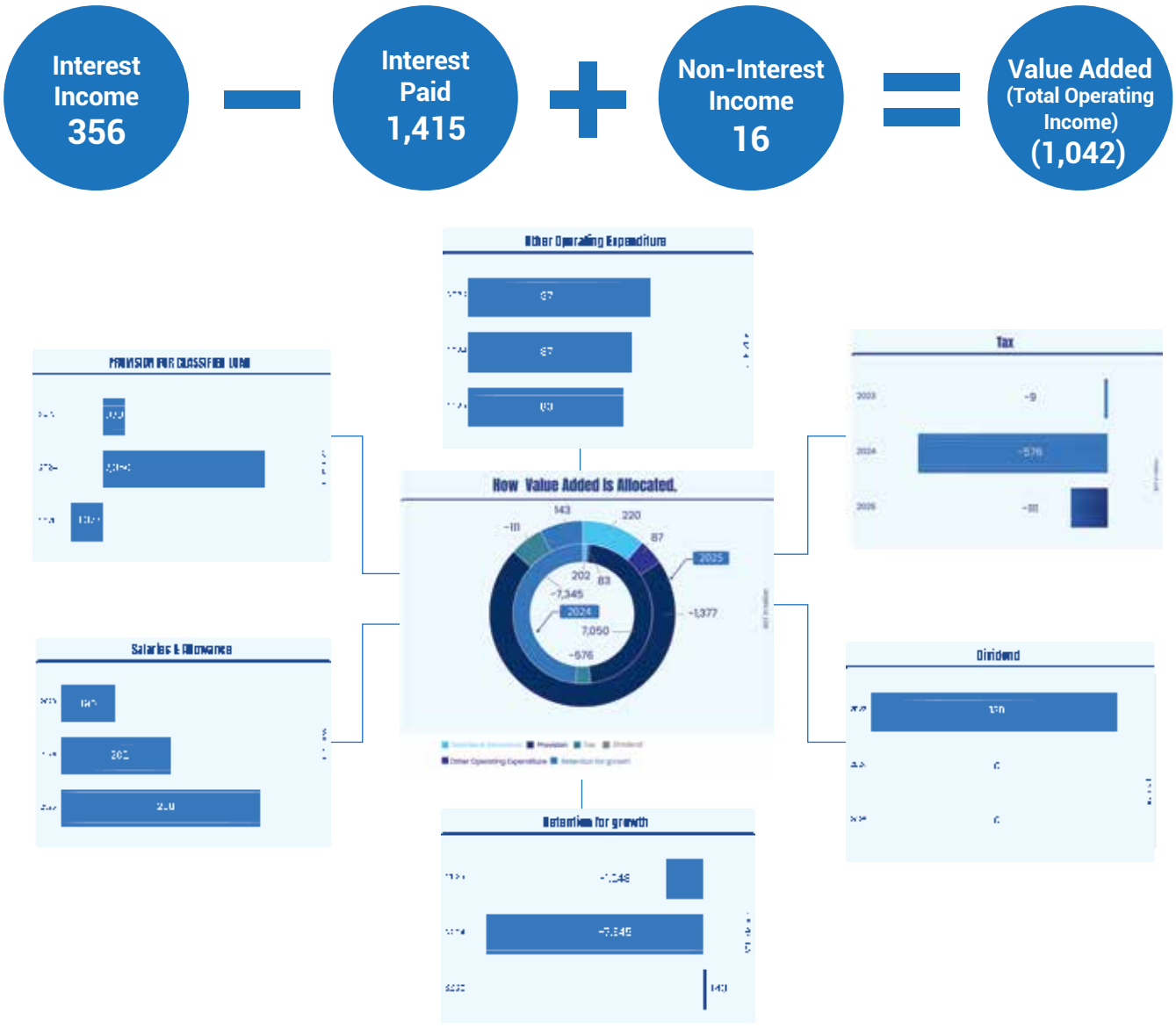
Market Value Added (MVA)

The Market Value Added (MVA) statement reflects a company's market performance based on its share price. It represents the difference between the market value of a company and the capital invested by shareholders. A positive MVA indicates value creation and strong performance, while a negative MVA suggests value erosion. The MVA for the years ended December 31, 2024, and 2025 is presented below:

Value Added	2024	2025
Market capitalization/ market value of equity	2,221.19	2,522.37
Less: Book Value of Shares Outstanding	1,882.36	1,882.36
Market value added	**338.83**	**640.00**

Value for Stakeholders

Bangladesh Finance remains dedicated to contributing meaningfully to society and the economy. Guided by our purpose of leveraging financial expertise for the greater good, we continue to create value for our employees, clients, shareholders, regulators, and the broader community. In 2025, our focus was not solely on profitability or returns, but on supporting our stakeholders through challenging times.

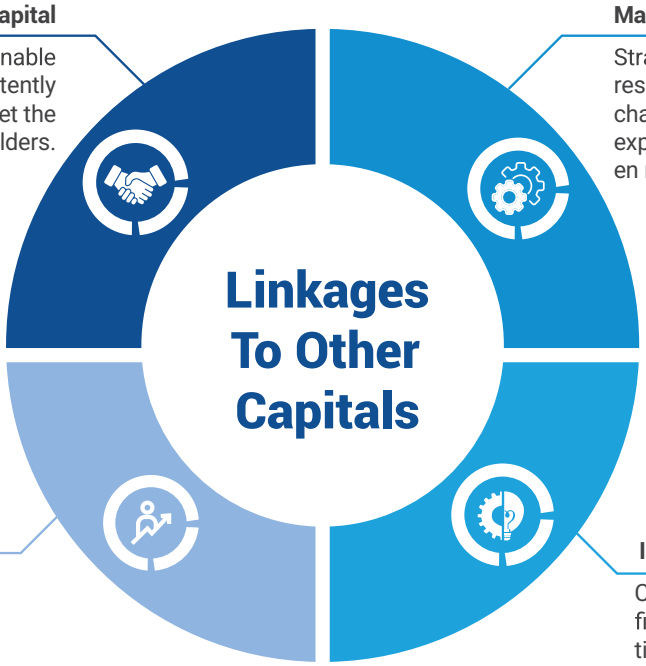


Initiatives in 2025

- Enhanced Provisioning for Loan Portfolio Stability.
- Strengthening Governance through Compliance with the Finance Company Act 2023.
- Commitment to Sustainable Financing Practices.
- Exploration of Strategic Mergers and Acquisitions.
- Adoption of Sustainable Finance Disclosure Standards.

Future Prospects

- Leveraging Digital Financial Platforms for Capital Efficiency.
- Leveraging Alternative Investment Platforms and Securitization.
- Strategic Alliances with Banks and Multilateral Institutions.



Social and Relationship Capital

Strong financial results will enable the company to consistently allocate resources to meet the needs of all key stakeholders.

Manufactured Capital

Strategic allocation of financial resources to develop delivery channels in line with the company's expansion strategy will help strengthen market reach.

Human Capital

Consistent improvement in financial performance over time serves to enhance the company's credibility and reputation in the industry.

Intellectual Capital

Consistent improvement in financial performance over time serves to enhance the company's credibility and reputation in the industry.

S Diversified sources of funding and prudent asset-liability management practices to ensure financial stability and sustainability.

W High concentration on a narrow portfolio of products.

O Capitalize on the expanding market for green and impact investment funds.

T Shrinking profit margins resulting from heightened competitive pressures.

MANUFACTURED CAPITALS

The manufactured capital of Bangladesh Finance Ltd. consists of our reach, IT infrastructure, and other property, plant, and equipment used in our operation. The management of manufactured capital is crucial to the organization's growth due to its direct impact on productivity, client satisfaction, profitability, and progress.



7 Physical Branches



7,217
Deposit Customers

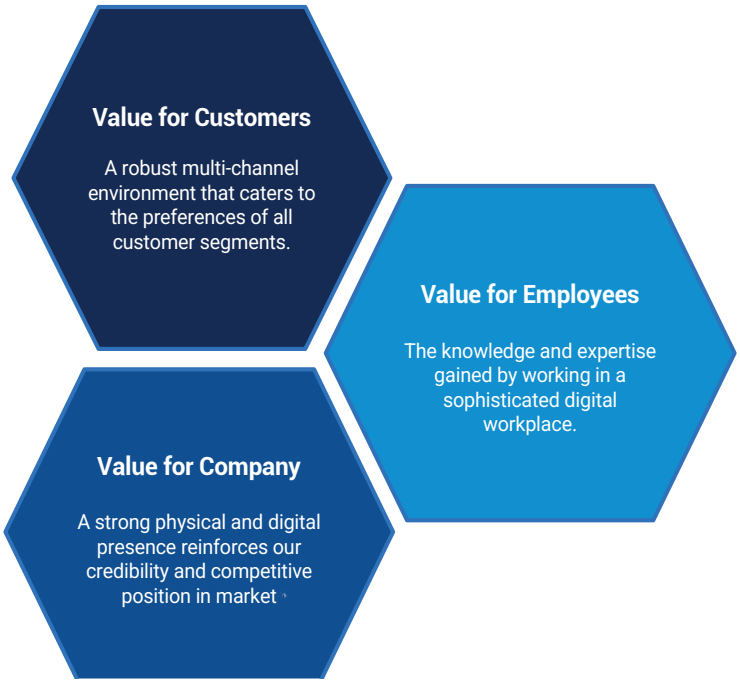


647
Loan Customers



252+
Customers Using Business Channels

As a dynamic financial institution, we have consistently expanded our operations to adapt swiftly to sudden market shifts and seize unforeseen opportunities that demand prompt decision-making. By setting ambitious targets and making strategic investments in our infrastructure, we have prioritized enhancing our operational scalability. As a result, our manufactured capital has significantly advanced in recent years, reflecting the organization's strong growth-driven approach.



CONTRIBUTING TO OUR MISSION

- To mobilize public funds through the innovation of investment products aimed at maximizing value for our depositors.
- To support entrepreneurs by engaging in prudent lending practices that facilitate wealth

CONTRIBUTION TO OUR VALUES



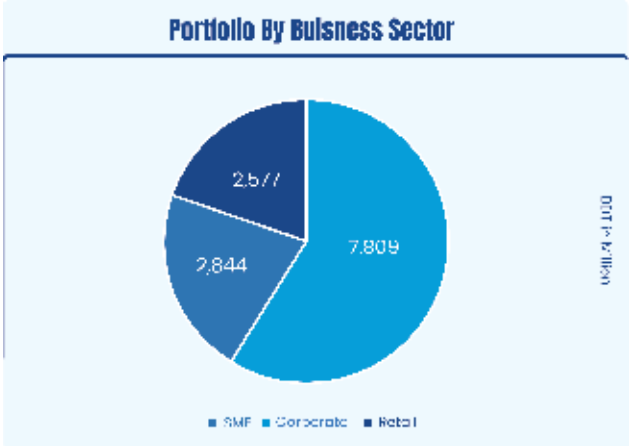
SDGs Impacted



Related Strategic Imperatives

- Pursuing sustainable growth exposures prudently, aligned to risk appetite
- Augmenting customer experience
- Achieving execution excellence
- Promoting efficient resource use

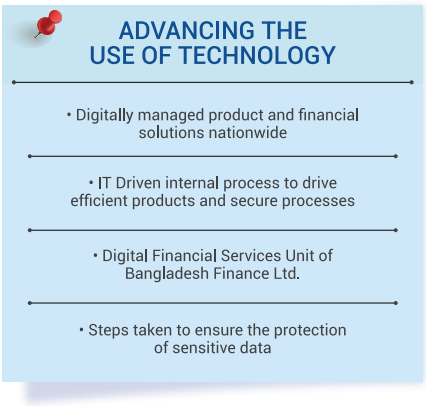
As a dynamic financial institution, we have consistently expanded our operations to adapt swiftly to sudden market shifts and seize unforeseen opportunities that demand prompt decision-making. By setting ambitious targets and making strategic investments in our infrastructure, we have prioritized enhancing our operational scalability. As a result, our manufactured capital has significantly advanced in recent years, reflecting the organization's strong growth-driven approach.



In the year 2025, we continued to emphasize strong loan monitoring rather than aggressive lending. Total corporate loan portfolio concentration stood at BDT 7,809 million at the end of 2025, maintaining its dominance in our overall portfolio mix. Following the strategic objective to expand our SME and Retail segments, specialized programs were undertaken to enhance services for retail customers and to regularize early-stage irregular accounts. As a result, the Retail loan portfolio amounted to BDT 2,577 million, reflecting a decline of 0.75% compared to the previous year. Similarly, the SME loan portfolio stood at BDT 2,844 million, registering a decrease of 16.46% from 2024. The shift in portfolio distribution reflects our cautious approach toward lending, aligning with the market dynamics and ensuring sustainable asset quality.

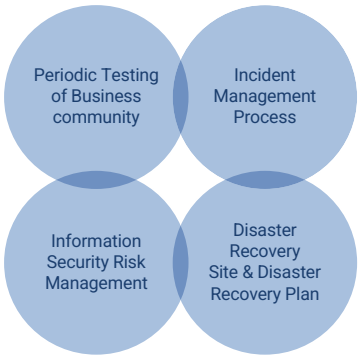
Leveraging Use of Modern IT Infrastructure

Utilizing advanced IT infrastructure, the IT department has played a pivotal role in enhancing the company's performance by converting strategic business objectives into innovative features and services. This integration has led to higher profitability, an expanded customer base, and a notable increase in overall business volume. Our operations are deeply collaborative, with seamless coordination between the IT department and other functional areas. We have also successfully adopted e-KYC to enable the digital onboarding of our customers.



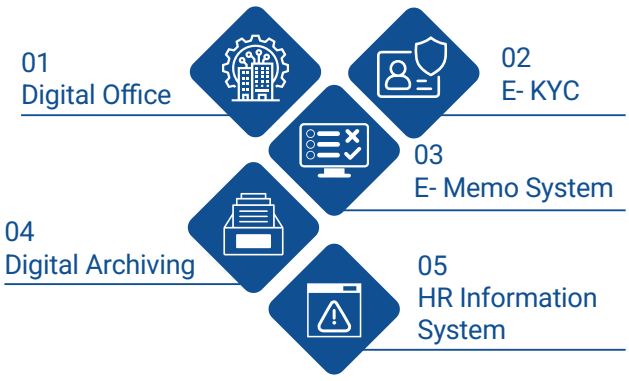
Management Approach

The digital revolution in financial services has opened up numerous opportunities to transform how we conduct business and engage with our clients. At Bangladesh Finance, we continue to prioritize automation, operational efficiency, cybersecurity, and customer convenience through the strategic use of IT and digital channels. Our approach is carefully structured to capitalize on these advancements, with the Digital Financial Services Unit responsible for executing the organization's digital strategy.



A Timely & Strategic IT Approach

Our IT strategy is an integral part of our broader business objectives, shaped by evolving operational dynamics. From the early stages of product development, we plan and integrate the necessary ICT infrastructure ranging from solutions and applications to support systems. We deploy state-of-the-art hardware and leverage the expertise of skilled professionals to ensure our technological framework meets organizational needs. Additionally, we utilize advanced digital tools in our marketing efforts to effectively reach and engage a broader audience.



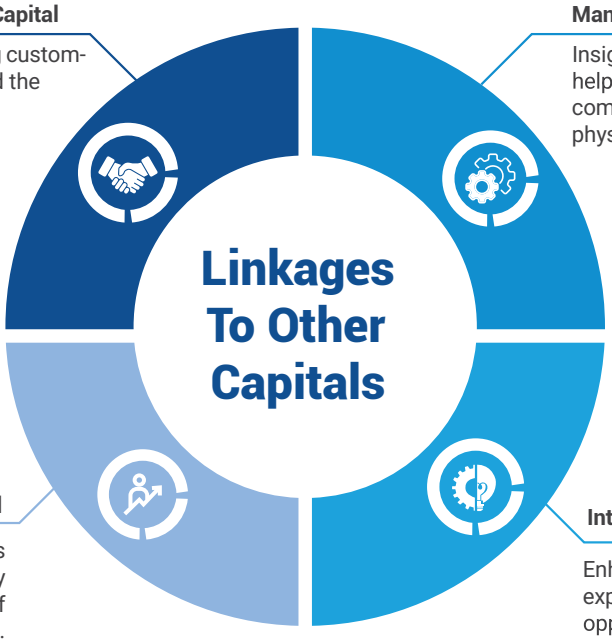
We maintained our commitment to technological investments to support secure operations and improve overall efficiency. Consequently, a number of significant projects were implemented during the year, aimed at optimizing our IT-enabled internal processes.

Initiatives in 2025

- Predictive analytics for early loan default detection
- Loan access via mobile financial services (MFS)
- Integrated online treasury operations.
- Upgraded automated lead management system.
- Digital Archiving

Future Prospects

- Automated Credit Document Workflow
- Next-Generation Delinquency Management
- Data-Driven Financial Planning Tools
- Streamlined credit assessment by reducing expert's involvement.



Social and Relationship Capital

Capital builds trust among customers, business partners and the community.

Manufactured Capital

Insights gained from customers help to prioritize the finance company's investments across physical and digital channels

Human Capital

Feedback from customers helps to build employee capacity by improving the relevance of training activities.

Intellectual Capital

Enhancing the overall customer experience provides the opportunity for the finance company to grow revenue streams.

S Strongly established nationwide branch network ensuring broad market reach.

W Limited digital presence restricting broader customer engagement and service delivery.

O Enhance Average Fixed Cost (AFC) market reach by strategically investing in the expansion of its digital footprint.

T Intense competition in the digital landscape from immediate peers and emerging FinTech companies.

INTELLECTUAL CAPITAL

Intellectual capital is a fundamental driver of value creation at Bangladesh Finance PLC. It encompasses a range of intangible assets, including institutional knowledge, skilled human resources, brand reputation, corporate culture, policies, and customer perceptions. These elements interact to generate sustained value and competitive advantage. In this section, we explore how Bangladesh Finance's intellectual capital contributes to its long-term strategic positioning, agility in adapting to future challenges, and ability to effectively engage and retain key stakeholders.



At Bangladesh Finance, our corporate culture is firmly grounded in our vision, mission, and core values, which prioritize innovation, knowledge sharing, and inclusivity. We foster a dynamic environment that encourages employee involvement in decision-making and promotes creative, out-of-the-box thinking. Our commitment to continuous learning and growth is reflected in our robust investment in training and development programs, cultivating a performance-driven culture that empowers employees to excel. This approach not only supports the achievement of our strategic goals but also nurtures the future potential of our organization.

We recognize intellectual capital as a critical business asset that significantly contributes to our success. While quantifying the exact value and impact of intellectual capital can be challenging, its importance cannot be overstated. The knowledge, expertise, and innovation embedded within our workforce, culture, and processes drive business operations and will likely become one of the most valuable assets for Bangladesh Finance in the years ahead. As we continue to invest in and leverage our intellectual capital, we strengthen our competitive advantage and long-term sustainability.

Value for Customers

A robust multi-channel environment that caters to the preferences of all customer segments.

Value for Employees

The knowledge and expertise gained by working in a sophisticated digital workplace.

Value for Company

A strong physical and digital presence reinforces our credibility and competitive position in market

CONTRIBUTING TO OUR MISSION

- To mobilize public funds through the innovation of investment products aimed at maximizing value for our depositors.
- To support entrepreneurs by engaging in prudent lending practices that facilitate wealth creation.

CONTRIBUTION TO OUR VALUES

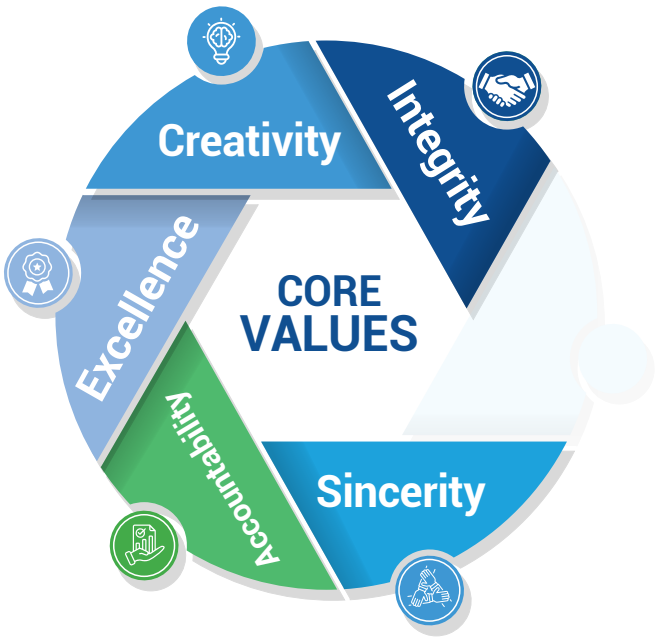
Excellence Innovation Quality

SDGs Impacted



Related Strategic Imperatives

- Pursuing sustainable growth exposures prudently, aligned to risk appetite
- Augmenting customer experience
- Achieving execution excellence



Ethics and Integrity

At Bangladesh Finance PLC, we are firmly committed to upholding the highest standards of transparency, integrity, and ethical conduct in all our interactions with stakeholders. Beyond fulfilling our regulatory, contractual, and fiduciary obligations, employee conduct is guided by our comprehensive Compliance Policy and Code of Conduct. These frameworks clearly define the expected standards for engaging with both internal teams and external partners, reinforcing our culture of responsibility and accountability.

Procurement Policy

Our Board-approved procurement policy is designed to ensure fairness, transparency, and uniformity in the selection and evaluation of suppliers. The policy is executed by a four-member procurement committee appointed by the CEO, and it has consistently delivered cost efficiency and enhanced the quality of goods and services acquired. Bangladesh Finance Ltd. sources office supplies, IT equipment, software, and other materials from a diverse supplier base, including both small businesses and larger corporations.

Group Synergy

Bangladesh Finance PLC.'s digital infrastructure has significantly strengthened our nationwide presence, enabling customers to access our services anytime, anywhere. Through strategic horizontal integration, we have implemented e-KYC to simplify and expedite customer onboarding, resulting in increased digital deposits and portfolio growth. Our synergy across two subsidiaries and two business models allows us to offer a broader range of financial products. Furthermore, our shared distribution network enhances outreach while optimizing operational costs. Centralized procurement also empowers us to negotiate more effectively on pricing and quality, contributing to overall organizational efficiency.

Systems and Processes

Bangladesh Finance PLC. has established a comprehensive suite of structures, systems, and processes that clearly define responsibilities and guide decision-making. These frameworks, developed over years of experience and operations, are continuously reviewed and refined to adapt to evolving business needs and the changing landscape. As part of our commitment to innovation, we have prioritized the transition to a paperless office, leveraging automation to streamline workflows and reduce inefficiencies. By embracing digital solutions, we ensure seamless operations, enhanced productivity, and reduced environmental impact. Our robust governance structures are integral in maintaining the organization's reputation and managing risk effectively, ensuring that every process aligns with our strategic objectives and regulatory requirements.

Institutionalized Knowledge

Our deep-rooted expertise in the SME sector, supported by both intellectual and human capital, enables us to meet industry-specific demands with precision. We strongly believe that a skilled and well-trained workforce is the cornerstone of our operational success. Our team is a blend of seasoned professionals and energetic new talent, where the more experienced staff members mentor junior colleagues, fostering a culture of continuous learning and knowledge transfer.

Digitization of Products and Services

Digitizing our products and services is a central pillar of our strategy, as we continue to invest in cutting-edge platforms and innovative solutions that enhance client value. By embracing digital transformation, we are not only improving the efficiency and accessibility of our offerings but also tailoring them to meet the evolving needs of our customers. This ongoing investment in technology allows us to deliver seamless, scalable, and personalized experiences, ensuring that we stay ahead of industry trends and continue to provide exceptional value to our clients.

Most Valuable Finance Company in Bangladesh

At Bangladesh Finance, our brand embodies our unwavering commitment to delivering exceptional experiences to all stakeholders while driving meaningful, positive change in both individual lives and society at large. We take pride in our reputation as a prominent and respected finance company in Bangladesh built on a foundation of reliability, product quality, and customer trust, which together contribute to strong client retention. Our efforts to simplify financial transactions through innovative solutions are aimed at making everyday life more convenient for our customers.

Brand Values

As a leading financial services brand, Bangladesh Finance is built upon three core pillars: trust, growth, and prosperity. By earning and nurturing trust, we aim to be a dependable financial partner throughout our customers' journeys whether they are saving for the future or launching new ventures. Our commitment to growth is rooted in this relationship-driven approach, while our ultimate aspiration is to contribute meaningfully to the prosperity of both the nation and its people.

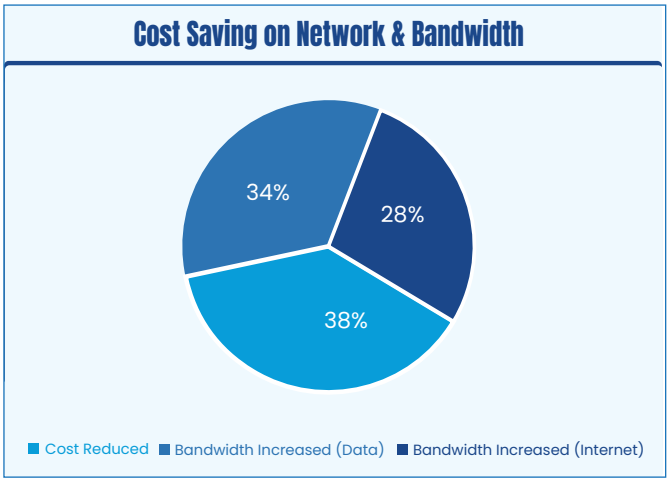
Brand Performance

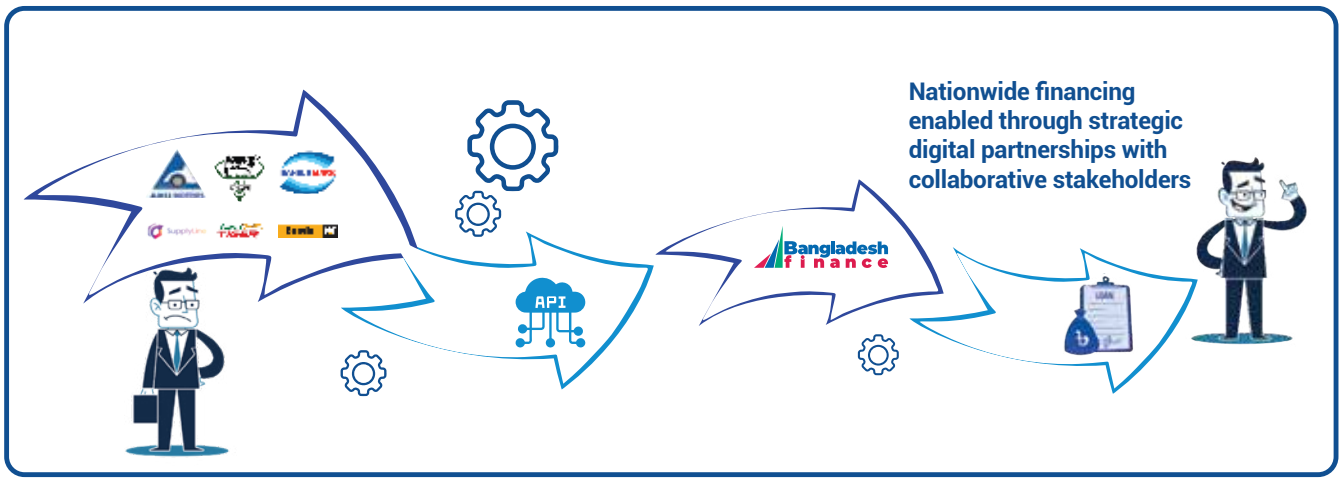
Over the years, Bangladesh Finance has established a strong and reliable presence in the financial sector, gaining recognition for consistently delivering high-quality services. Our customer-centric philosophy has played a pivotal role in building a loyal and satisfied client base, thereby enhancing our brand equity. In recognition of our performance, Bangladesh Finance was acknowledged by the central bank as one of the most sustainable financial institutions in the country in 2024 highlighted by our continued AA credit rating and the maintenance of low non-performing loans (NPLs) compared to industry averages.

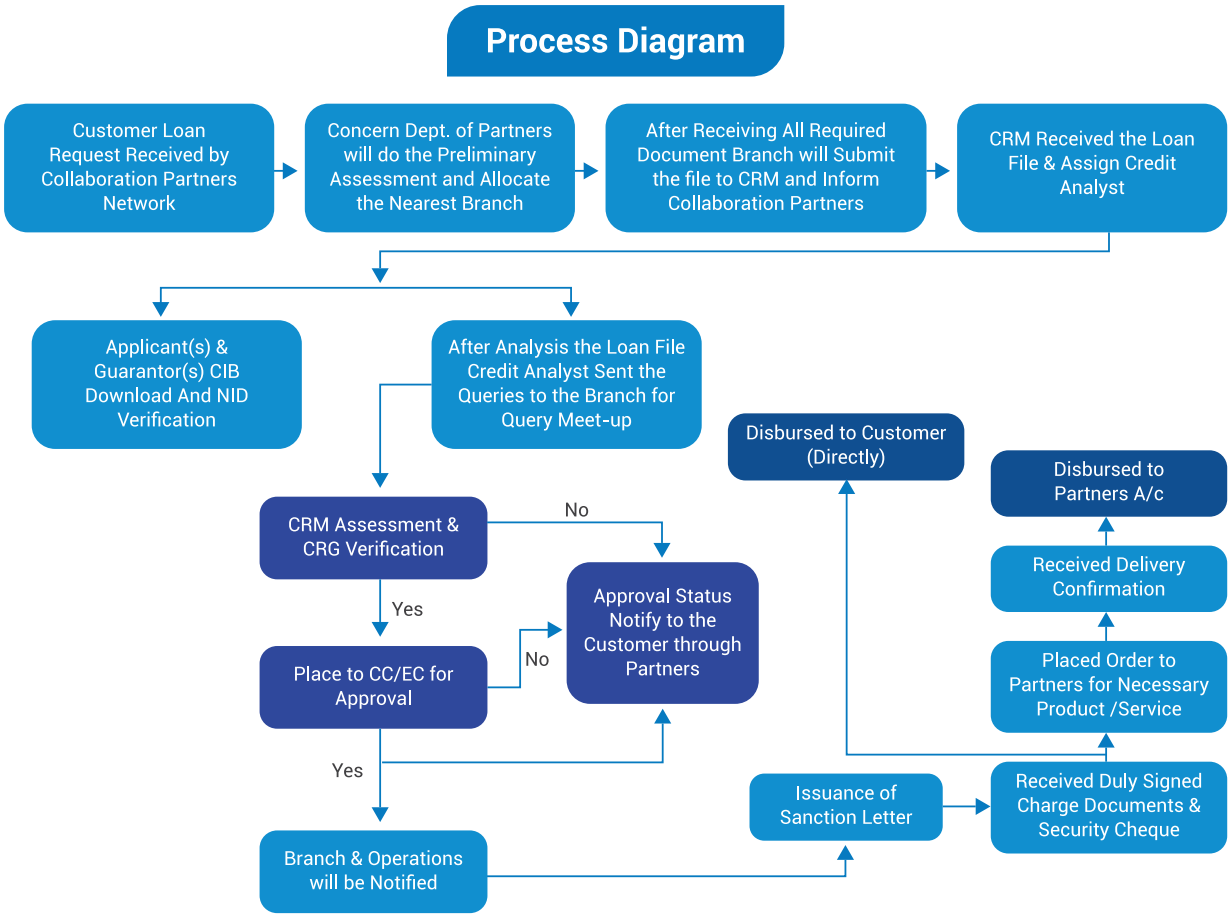
+940 accounts open in app



14,977 transactions in digital channels







Digital Transformation

We are continuously integrating innovative technologies into our business operations, driving a transformation that sets us apart in the marketplace. By aligning emerging trends with our competitive advantages, we strive to redefine how we engage with customers and conduct business. Our approach focuses on striking a balance between efficient transactions and exceptional client experiences. In parallel, we prioritize robust cybersecurity measures, including continuous simulations of potential threats and defenses against cyber risks, ensuring security across the entire technology ecosystem. Furthermore, we invest in cutting-edge technologies to protect our clients' sensitive data, reinforcing our commitment to maintaining the highest standards of privacy and security.

Inhouse API Development

API (Application Programming Interface)	Approximate Estimation of Saved Cost (BDT)
NID Verification API From Election Commission	2,000,000
Deposit Premium Collection API	200,000
Loan EMI Collection API	200,000
CMSME Loan Proposal Collection API From Third-Party Vendors	1,000,000
Total	**3,400,000**

Inhouse Software Module Development

Module Name	Approximate Estimation of Saved cost (BDT)
Encashment automation	100,000
Individual Customer Account Opening Automation	250,000
Lead Management System	4,000,000
Daily Visit Reporting (DVR)	300,000
Deposit onboarding	200,000
DgDocX v2	250,000
Governance Risk and Compliance automation module	1,500,000
IT Asset Management module	700,000
PMS V2	3,600,000
e-KYC Module	1,200,000
Total	**12,100,000**

Cost Saving, It Infrstructure

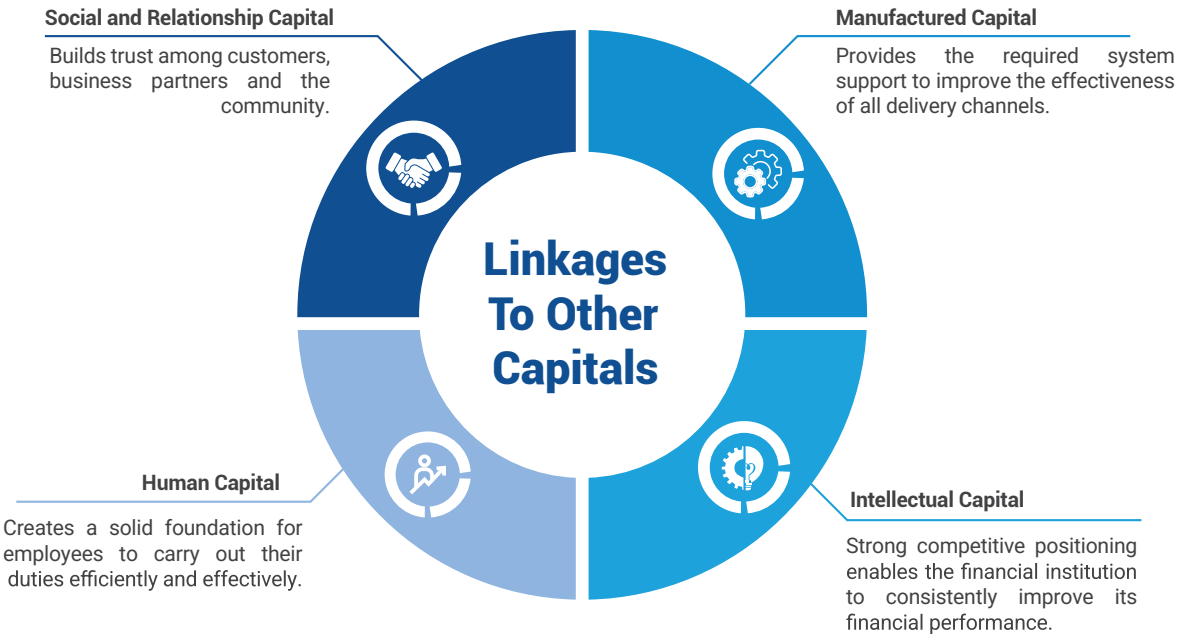
Category	License	Amount (Bdt)
Active Directory Domain Controller	200+ users	1,500,000
VMware vSphere 7.0	vSphere Enterprise Plus	2,000,000
Manage Engine OpManager EDS/RTGS/Refinance Secondary Data Connectivity	OpManager Enterprise Edition (250 devices)	1,500,000
Monthly Bandwidth Cost (Internet + Data)	Monthly Bandwidth for internet & data	247,200
RTGS Middleware Upgradation	RTGS software version upgradation	120,000
	Secondary Data Connectivity	66,000
	TOTAL COST SAVINGS	**5,433,200**

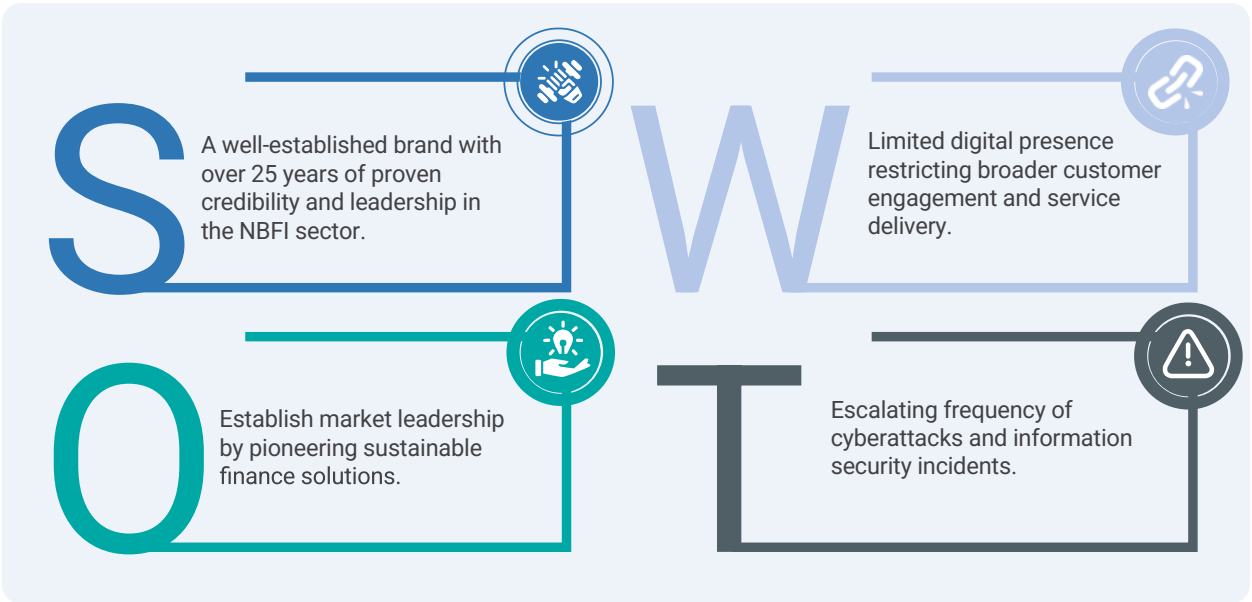
Initiatives in 2025

- QR- BASED FILE ARCHIVING SYSTEM (DG-docX)
- Revamped Websites -> BFL and Islamic
- SSL Certification
- SIEM Deployment
- Data Center Migration
- Deposit Onboarding

Future Prospects

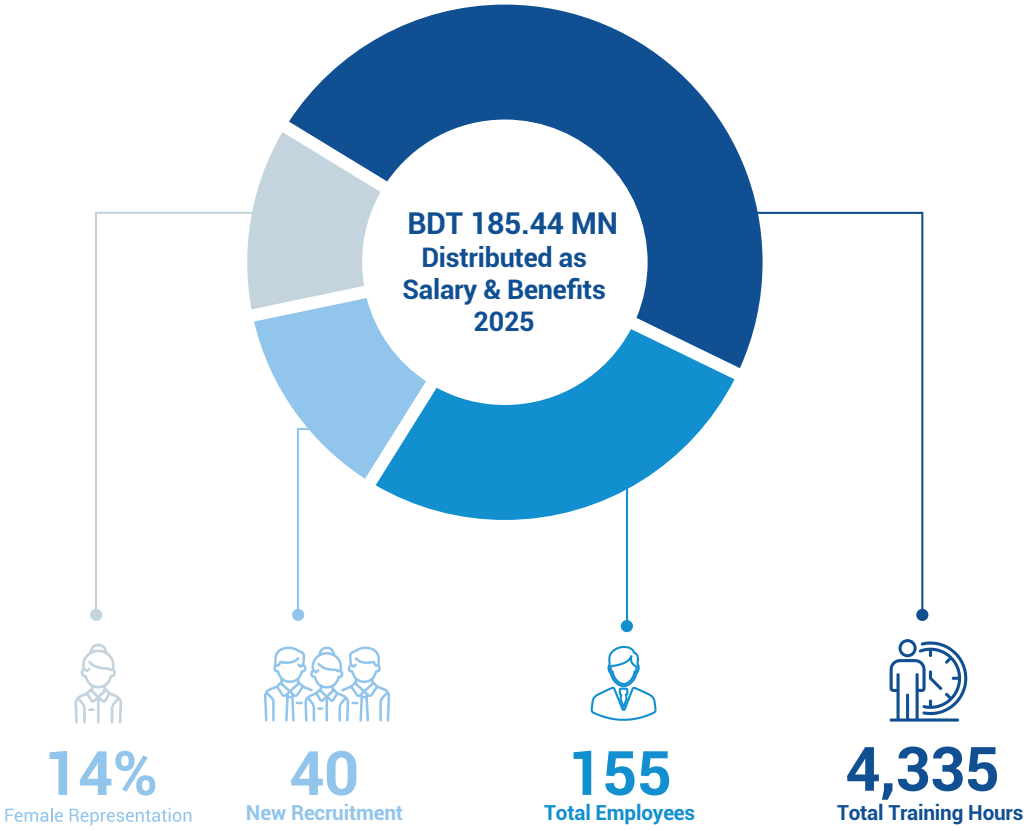
- Performance Management System (PMS)
- Client Portal
- Mobile Super app
- IIVMS- Integrated Inventory and Vendor Management System



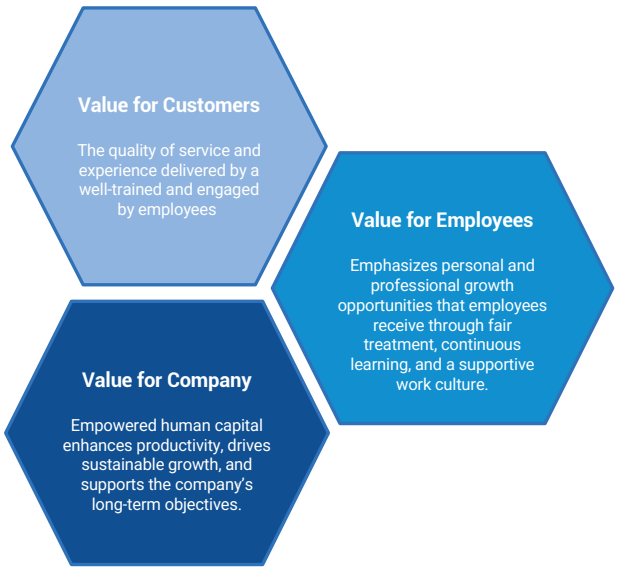


HUMAN CAPITAL

At Bangladesh Finance PLC, we place people at the heart of everything we do. Believing in the power of Human Capital, we are committed to cultivating the skills and potential of our team to drive sustainable growth and strategic advantage. Our leadership approach is shaped by the belief that our people are our most valuable asset — key to long-term success and organizational resilience. We actively promote a workplace culture rooted in diversity, continuous learning, and innovation, ensuring excellence in service delivery and fostering meaningful, lasting impacts for all stakeholders.



Bangladesh Finance values fairness and equality as the foundation for employee success. To achieve its vision and goals, the company seeks to attract, develop, and retain talented individuals with diverse skills and expertise.



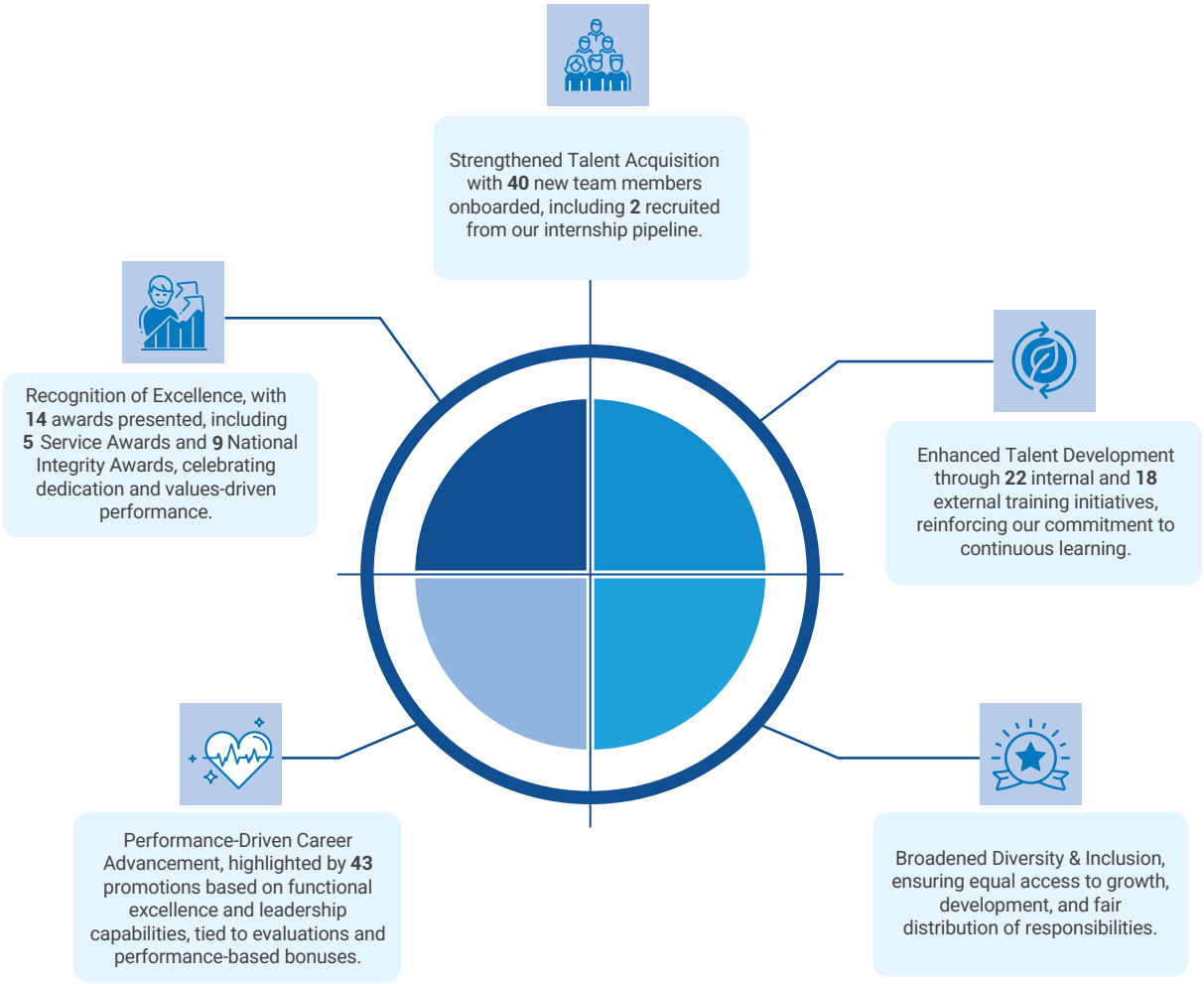
SDGs Impacted



Related Strategic Imperatives

- Ensure Equal Opportunities
- Empower Women and Girls
- End Gender-Based Violence

UNBOUND ACHIEVEMENTS OF 2025

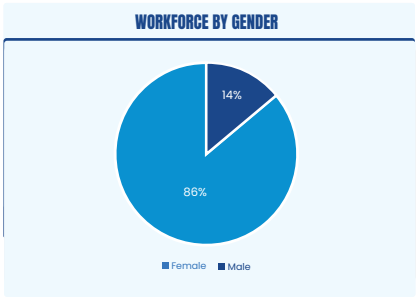


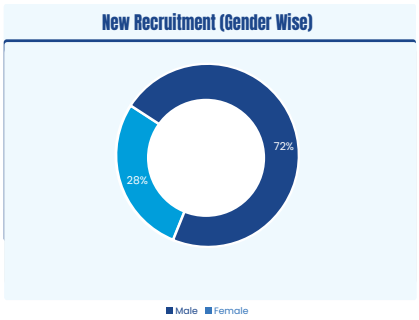
Recruitment at Bangladesh Finance

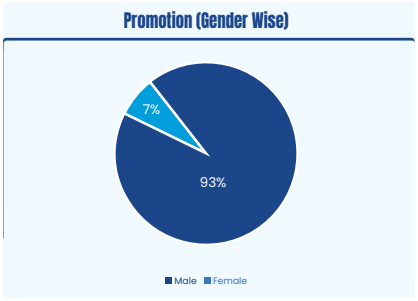
At Bangladesh Finance, we believe diverse and inclusive hiring drives growth and innovation.
We are reimagining the candidate experience by ensuring diversity in interview panels and slates, and designing job descriptions that attract a wide range of talent.

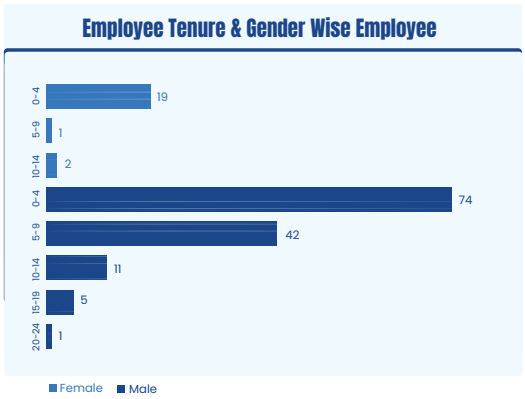
This approach strengthens our commitment to diversity, equity, and inclusion — and powers the potential of our people.

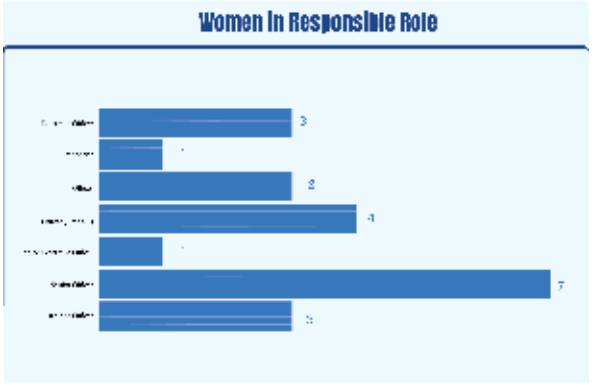
Diversity, Equity & Inclusion

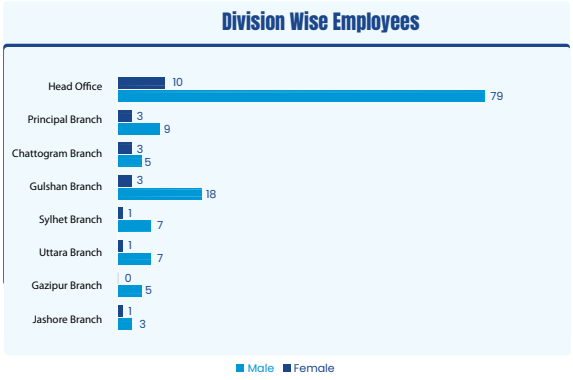


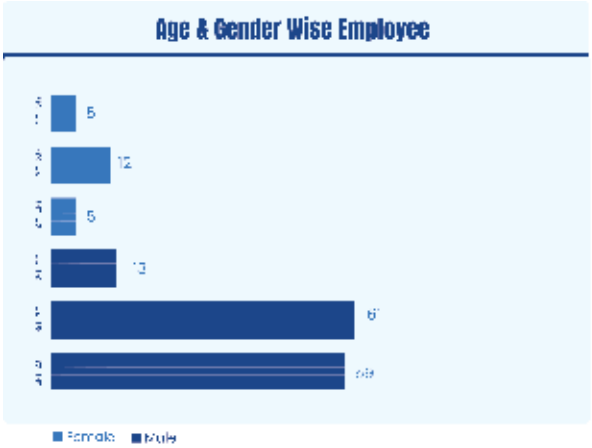










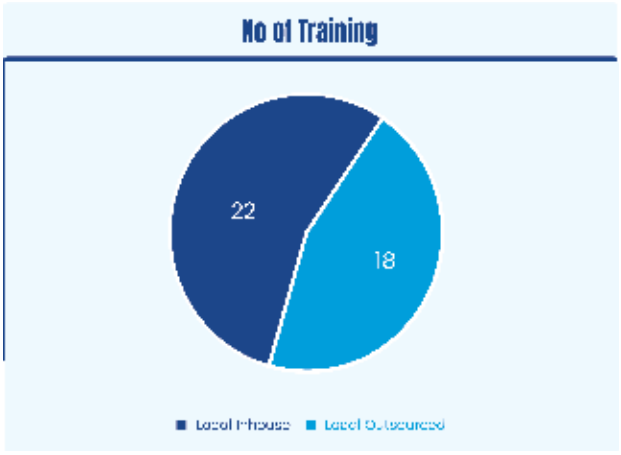


Bangladesh Finance is dedicated to a diverse, inclusive workplace that values women's contributions and promotes gender equality. We ensure a supportive environment where women feel at home and have equal opportunities to thrive.

Learning & Development Ecosystem

Our learning ecosystem supports various learning styles through on-demand and instructor-led courses covering technical and professional skills. We also offer mentorship, leadership programs, and development opportunities—especially for women and underrepresented groups—to enhance visibility, confidence, and career mobility.

Through our People Leader Center, managers receive targeted leadership training, including courses on managing unconscious bias, reinforcing our commitment to DEI. Career growth and leadership development are central to performance conversations, ensuring equitable opportunities for all.





Type of Training	No of Participants	No of Training Hours	Total Man-Days
Local Inhouse	1,305	3,585	370
Local Outsourced	248	750	99
Total	**1,533**	**4,335**	**469**

Leadership Development Programs

RiseTogether Mentorship Program 2025

Mentors provide guidance, share industry insights, support skill-building, and help mentees set and achieve goals through regular check-ins.

Mentees benefit from personalized advice, professional networking, and continuous development to advance their careers.

The "Rise Together" Mentorship Program at Bangladesh Finance fosters career and personal growth by connecting experienced mentors with aspiring mentees.

i. Check-ins: Weekly or bi-weekly discussions.
ii. Progress Tracking: Mentors submit evaluation feedback to HR every 3 months.

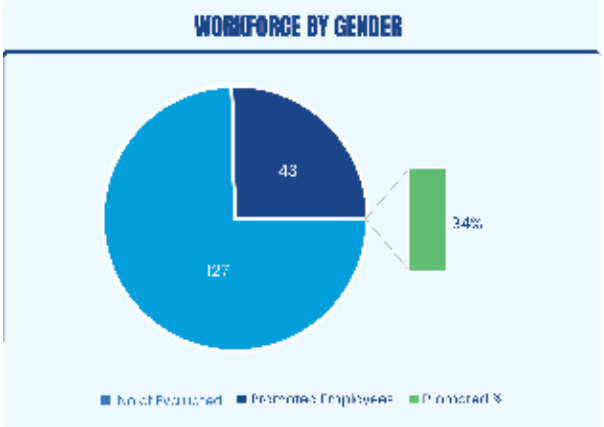
EMPLOYEE RECOGNITION

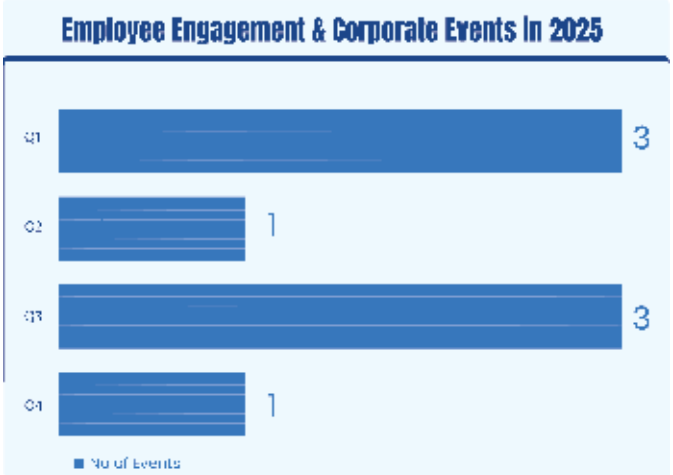
Bangladesh Finance upholds a strong culture of performance excellence through a structured management system. Employee performance is regularly assessed alongside individual development plans, ensuring alignment with both organizational goals and core values. Based on these evaluations, we implement merit-based compensation or targeted Performance Improvement Plans (PIPs) where necessary. High performers are consistently recognized through a variety of financial and non-financial rewards, fostering motivation and a results-driven work environment throughout the year.

Performance Appraisal in 2025

No. of Evaluated Employees	127
Promoted Employees	43
Promoted %	34%

	Male	Female
Promotion (Gender Wise)	93%	7%





8 Corporate Events Were Held In 2025 Including,

- International Women's Day
- Promotions & Awards
- International Men's Day
- Boshonto Boron
- Gorbo Agami
- Cricket Tournament
- Town Hall Meeting
- Medical Check-up events

Beyond Work: Support for Every Step

- Employee health check-up camps organized for the wellbeing of the employees.
- Life Event Celebrations, including customized care packages for major milestones (wedding, childbirth, etc.)
- Flexible Work Arrangements for better work-life balance and family care
- Employee Assistance Program (EAP) for confidential counselling and personal support services

Bijoy

Leadership Development	Career Progression Support	Emotional Support	Safe Workplace Culture
Building confidence and guiding women toward leadership roles	Providing resources and guidance for professional advancement	Promoting mental wellness and work-life balance	Ensuring a respectful and grievance-free environment

Compliance with Implementation	Compliance Status
Provident Fund The company offers a contributory provident fund scheme for its permanent employees. This fund is managed by a Board of Trustees and is supported by contributions from both the employees and the company, with each contributing 10% of the employees' basic salaries.	✓ Complied
Gratuity The company provides a non-funded gratuity scheme, with annual provisions made for all eligible permanent employees. Gratuity benefits are granted in accordance with the company's service rules.	✓ Complied
Earned Leave Encashment Employees can encash unused earned leave as per company policy, with the amount based on their current basic salary, payable upon separation or retirement.	✓ Complied



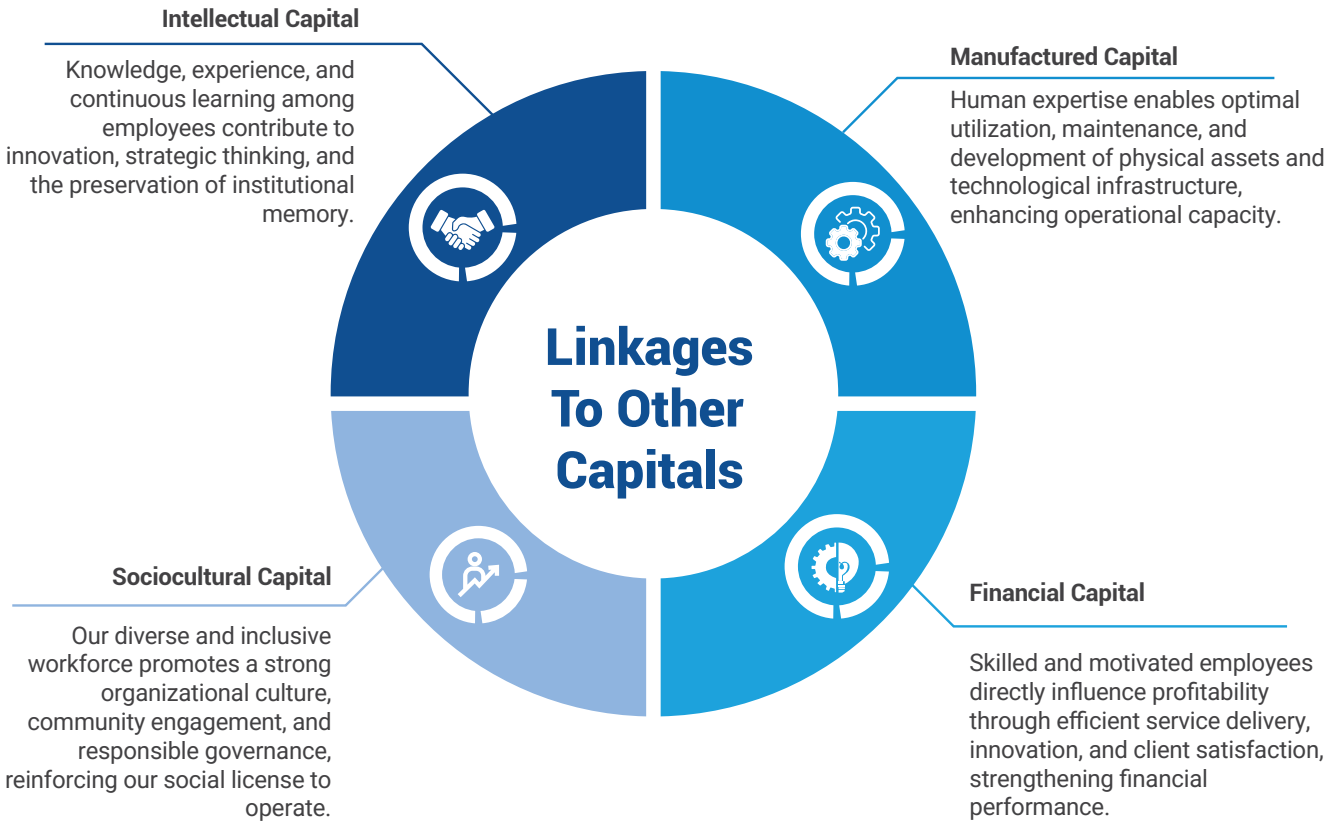
HR Initiatives in 2025

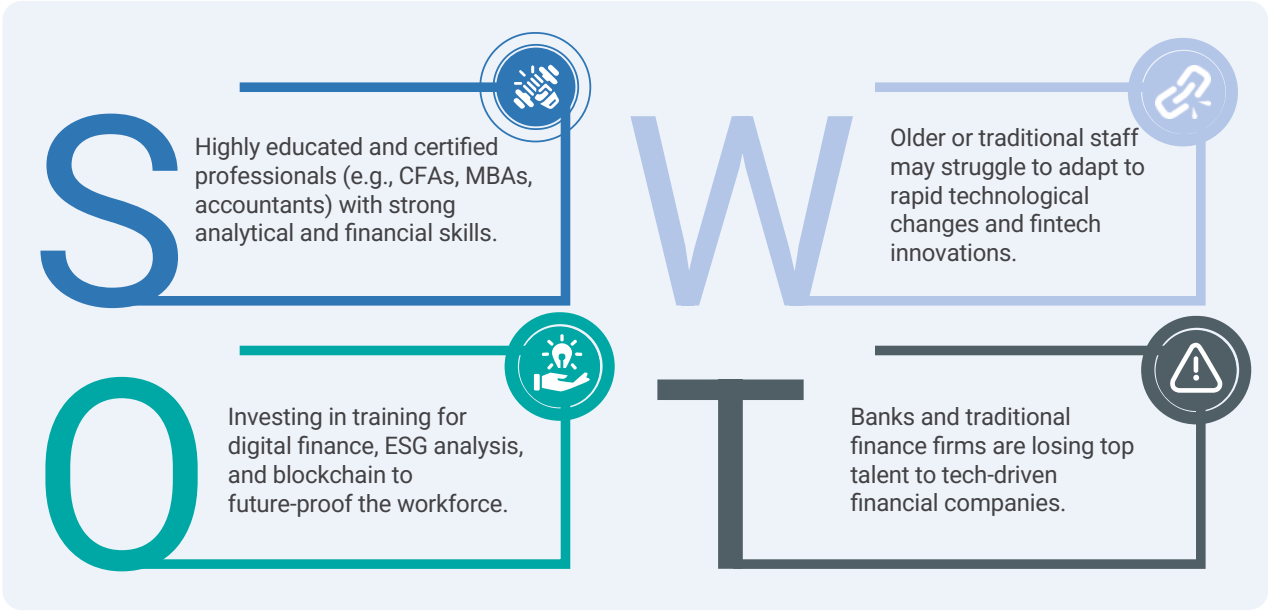
Initiatives in 2025

1. Inclusion of new PMS on HRIS.
2. New Women's Forum Committee Members to amplify female leadership.
3. Attended 1 job fair, 2 Career Session, 2 On Campus Recruitment session
4. Major hiring of DA batch by the end of second quarter of 2025.

Future Prospects

- Digital-First Employee Experience Expanding intelligent HR platforms that automate workflows, personalize services, and enhance employee interaction and insight.
- Leadership Pipeline Development Structuring robust programs to identify and fast-track future leaders through targeted mentorship, cross-functional exposure, and advanced learning.
- Gamified Learning Ecosystem Introducing interactive, game-based training models to boost engagement and retention of skills in a fun and impactful way.


Intellectual Capital
Knowledge, experience, and continuous learning among employees contribute to innovation, strategic thinking, and the preservation of institutional memory.
Manufactured Capital
Human expertise enables optimal utilization, maintenance, and development of physical assets and technological infrastructure, enhancing operational capacity.
Linkages To Other Capitals
Sociocultural Capital
Our diverse and inclusive workforce promotes a strong organizational culture, community engagement, and responsible governance, reinforcing our social license to operate.
Financial Capital
Skilled and motivated employees directly influence profitability through efficient service delivery, innovation, and client satisfaction, strengthening financial performance.


S
Highly educated and certified professionals (e.g., CFAs, MBAs, accountants) with strong analytical and financial skills.
W
Older or traditional staff may struggle to adapt to rapid technological changes and fintech innovations.
O
Investing in training for digital finance, ESG analysis, and blockchain to future-proof the workforce.
T
Banks and traditional finance firms are losing top talent to tech-driven financial companies.

HUMAN RESOURCE ACCOUNTING

Human Resource Accounting is a system that recognizes the investments made in an organization's human resources. By quantifying these expenditures, organizations can more accurately determine the return on investment (ROI) through the profits generated. Bangladesh Finance incorporates Human Resource Accounting in both regulatory reporting and management reporting, ensuring a consistent, data-driven approach to managing and evaluating human capital by following GRI guidelines.

For the year ended 31st December 2025

GRI Standard	Human Strength	2025
401-1	Total workforce (Number)	155
401-1	Female Representation (%)	14%
401-1	Recruitments for the year (Number)	40
202-2	Local hiring of senior managers (%)	0%
401-1	Attrition rate (%)	19%
401-3	Retention rate after maternal leave (%)	0%
403-2	Number of injuries	0
404-1	Total Training hours	4335
404-1	Training hours per participant as an average (Hours)	30 Hours
404-1	Training hours per female as an average (Hours)	28.16%
404-1	Training hours per male as an average (Hours)	71.84%
404-3	Employee performance appraisal as a percentage of total workforce (%) (127 People in appraisal)	82%
103-2	Employee grievances reported and resolved (Number)	0
406-1	408-1,409-1, 103-2 Human rights violation	0

Purpose of Human Resource Accounting

Human Resource Accounting (HRA) aims to measure and report the cost and value of employees, helping management and HR professionals to use human capital more effectively.

Employee Retention and Turnover

Bangladesh Finance continues to uphold a strong employee-centric approach, resulting in a Total Retention Rate of 81%. The Total Turnover Rate stands at 19%, dramatic reduction in attrition to just 2% underscores the success of our employee-focused initiatives—driving engagement, satisfaction, and long-term commitment across the organization.

Implications of Bangladesh Finance PLC.

To date, Bangladesh Finance has relied on traditional accounting practices without formal HR-specific accounting standards. The HRIS management has significantly enhanced the efficiency and accuracy of our HR data management. By applying HR accounting principles, we now quantify employee productivity and integrate those insights into strategic decision-making.

SOCIAL & RELATIONSHIP CAPITAL

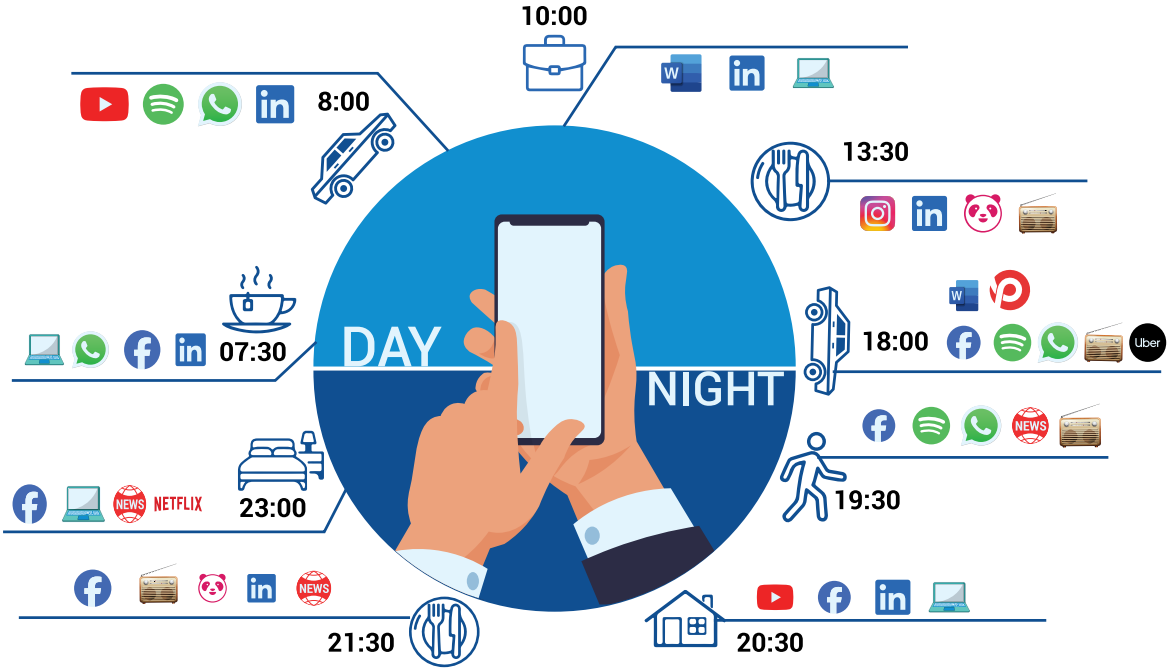
BDT 1.1 Mn
invested in community development projects

11 CSR
Projects



Financial services are deeply rooted in the fabric of society, and as such, Bangladesh Finance PLC. views social and relationship capital as a vital bridge between our business and the broader community. By effectively managing and strengthening this capital, we are able to uncover new opportunities that generate lasting value and foster mutual growth for both the organization and the communities we serve.

As financial services are inherently integrated within the community, Bangladesh Finance views social and relationship capital as a critical connection between our operations and society. Through the strategic management of this capital, we continuously identify and develop opportunities that generate lasting value and foster mutual growth for both our institution and the communities



Value for Customers
- Enhancing Service Excellence
- Enhancing Financial Trust
- Startup Development Opportunities

Value for Company
- Quality Procurement Assurance
- Strengthened Continuity Assurance
- Emerging Technology Adoption

Value for Employees
- Prompt Obligation Settlement
- Long-term partnerships potential
- Resilient Revenue Stream

Stakeholders Impacted

- Investors
- Customers
- Suppliers and Business Partners
- Community and Environment

Relationship with Regulatory Bodies



How We Focus

Sustaining long-term value creation requires deep-rooted and meaningful stakeholder relationships. At Bangladesh Finance, we refer to these vital connections as our social and relationship capital. It encompasses our engagements with institutions, customers, business partners, and community networks that influence and are influenced by our operations.

Customer Capital Overview

Who are our customers?	Why do our customers choose us?	Critical success factors
» Individuals, SMEs, and large corporates who utilize our diverse range of investment, financing, and advisory solutions, alongside tailored digital services. » Emerging tech entrepreneurs and startups seeking customized financial support for innovation-driven growth.	» Individuals, SMEs, and large corporates who utilize our diverse range of investment, financing, and advisory solutions, alongside tailored digital services. » Emerging tech entrepreneurs and startups seeking customized financial support for innovation-driven growth.	» Deployment of AI and data analytics to personalize customer experience and predict client needs. » Enhanced cybersecurity to ensure safe and secure digital financial interactions » Omni-channel service platforms offering consistent, convenient experiences across digital and physical touchpoints.

Ensuring Trust and Safety

At Bangladesh Finance PLC, trust forms the foundation of our operations. Building and maintaining customer trust is a core priority. We are committed to uphold the customer rights by creating a secure and respectful service environment. Our Code of Conduct clearly defines the ethical behaviors expected from all employees when interacting with customers. In addition, continuous training programs are conducted to educate employees on customer protection, integrity, and ethical practices.

Data Privacy, Customer Privacy, and Information Security

Bangladesh Finance PLC strictly adheres to all regulations related to data protection and customer privacy. We have established robust security measures to safeguard personal information from loss, misuse, or unauthorized access. Our compliance with evolving data privacy laws ensures that customer information remains secure, reflecting our dedication to maintaining confidentiality, trust, and service excellence.

এখনই সময়

BUSINESS PARTNER CAPITAL

Our business partners are critical components of the Company value chain.

Why does BDF need suppliers and business partners?

To expand their business alongside a trusted Finance Company by delivering specialized goods and services that support financial innovation and operational excellence.

Why do business partners choose BDF?

To ensure seamless operations by acquiring critical financial solutions, technologies, and services that enable efficient delivery of our products to clients.

SUPPLY CHAIN MANAGEMENT APPROACH

Suppliers, a crucial component of our value chain ensures the smooth functioning of daily operations. Recognizing their overall importance, Bangladesh Finance has centralized all supply chain management activities—excluding IT under the General Services Department. This department oversees procurement activities to ensure transparency, fairness, and compliance with our Procurement Policy, which promotes unbiased selection processes and equitable payment terms.

DEVELOPING SUPPLIERS AS STRATEGIC PARTNERS

The General Services Department plays a key role in selecting suppliers and fostering regular communication to align them with our social and environmental standards. Our aim is to nurture suppliers as long-term strategic partners, ensuring mutual growth and sustainability. Despite disruptions during the COVID-19 pandemic, we maintained supplier engagement through digital platforms and online communication channels to ensure continuity and collaboration.

Why We Engage with Communities

» To co-create financial inclusion and literacy programs that address local needs, foster economic empowerment, and advance our sustainability goals.

Why Communities Choose Us

» For accessible, transparent, and impact-driven financing solutions that support long-term local development and social well-being.

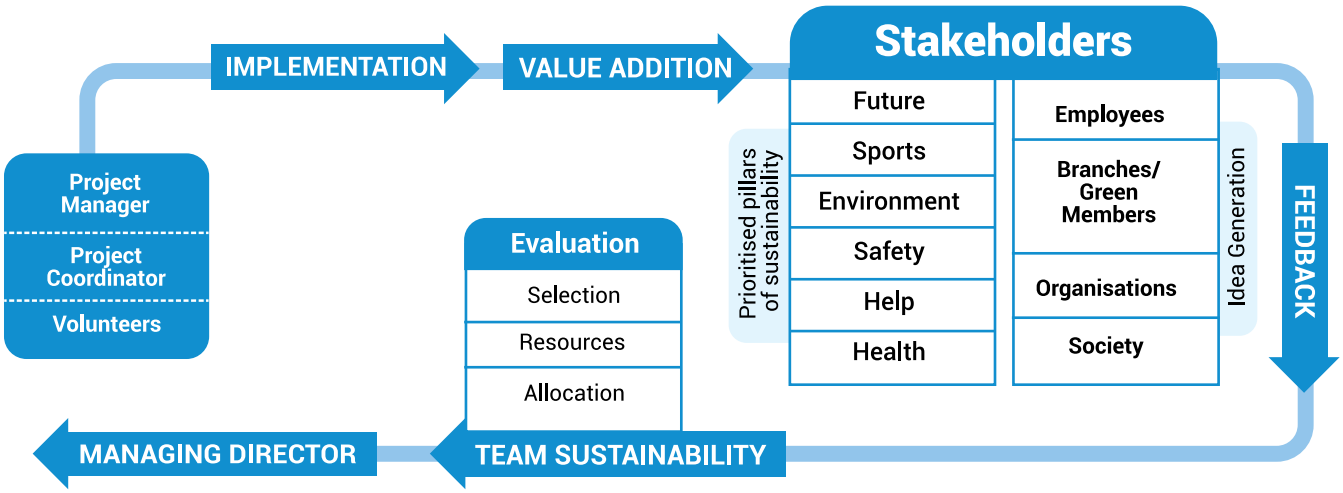
COMMUNITY ENGAGEMENT STRATEGY

At Bangladesh Finance PLC, Corporate Social Responsibility (CSR) is integral to our core mission as a financial services provider. Our commitment extends beyond traditional philanthropy, aiming to drive meaningful and sustainable change. We focus on creating systemic solutions that deliver long-term positive outcomes. By leveraging our deep financial expertise, nationwide presence, skilled workforce, and leadership in technology and innovation, we are committed to addressing community challenges and contributing to socio-economic development across Bangladesh.



OUR BRAND IN SOCIAL NETWORK

Asset & material	Financial service provider	IT	Outsourced services	Other services
• Vehicles • Furniture • Office equipment • Stationary	• Banks and financial institutions	• IT hardware suppliers • Software development services. • Network service security • Software services	• Security • Food and drinking water • Sanitary facilities • Traveling and transport • Courier	• Auditors • Utility services • Media • Consultancy • Premises providers



CSR CONTRIBUTION

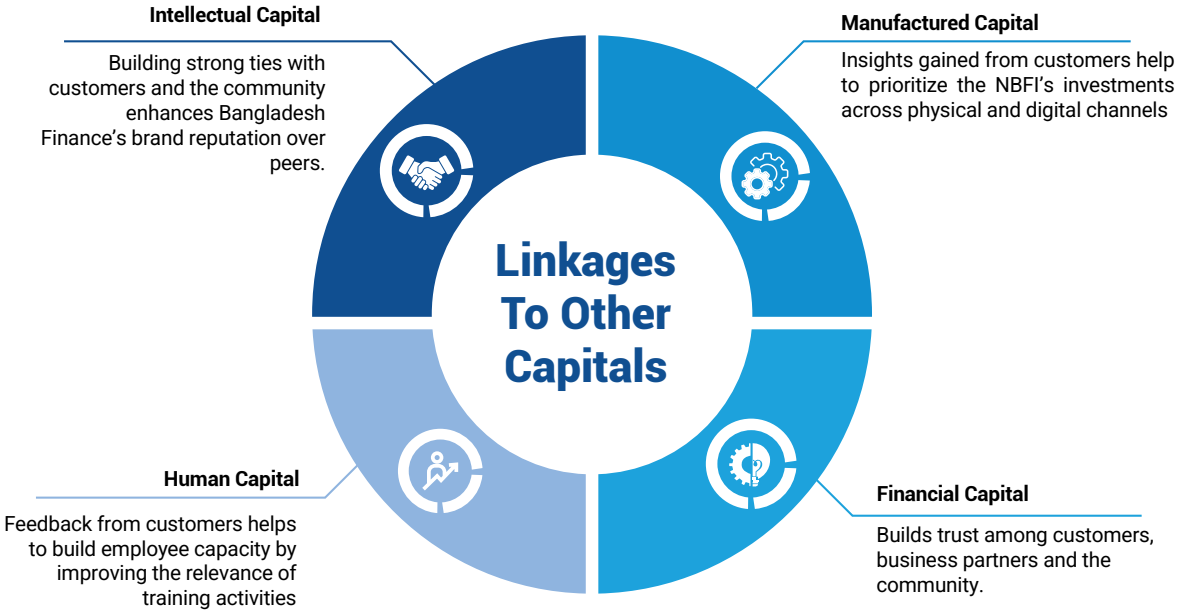
	Education	Environment	Health	Others	TOTAL BDT 1,099,290
PROJECT	5	2	3	1	
AMOUNT	884,450	109,840	30,000	75,000	

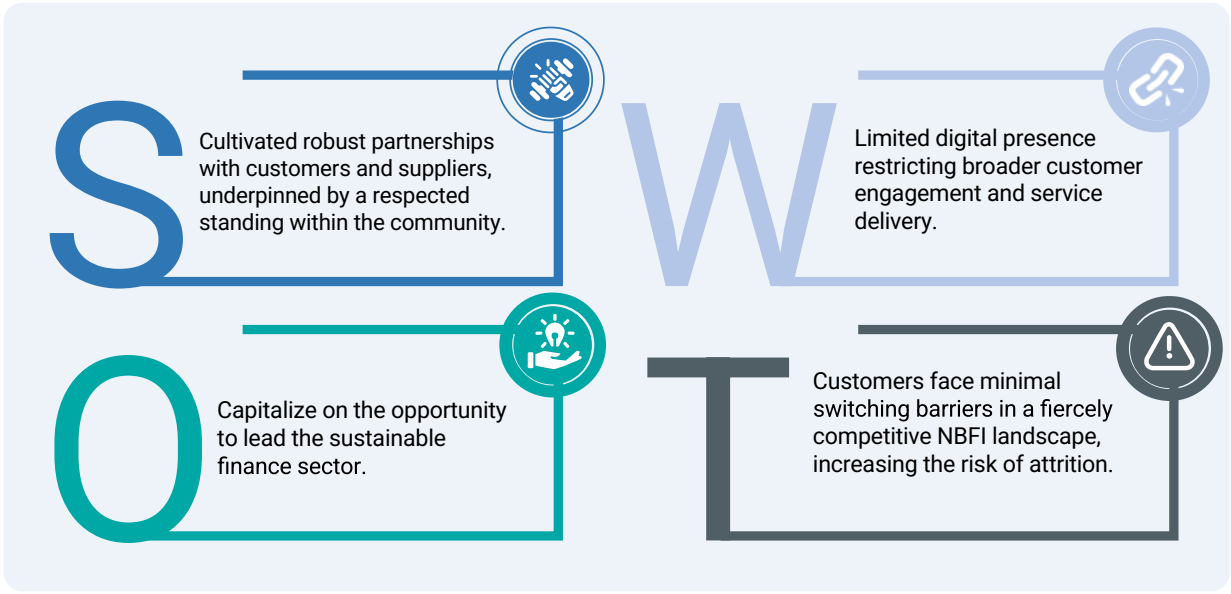
Initiatives in 2025

- Diversified financial service offerings tailored to meet the specific needs of different customer segments.
- Organized extensive workshops on financial literacy and hosted a special event to empower women entrepreneurs, reaching over 2.000 viewers.
- Strengthened social investment initiatives to reinforce our commitment to societal development.

Future Prospects

- Safeguard our social and relationship capital as a foundation for future success.
- Broaden our financial service divisions to deliver enhanced value and meet the evolving needs of our esteemed clients.





NATURAL CAPITAL

As a future-focused finance company, Bangladesh Finance acts as a catalyst for environmental sustainability by promoting eco-efficient operations. In 2025, we implemented digital workflows to reduce paper use, introduced energy-efficient lighting in branches, and monitored CO_2 emissions, electricity, and water usage across all locations. These efforts reflect our commitment to minimizing environmental impact while creating long-term value for society and the nation.

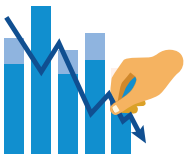
112
Trees Saved
Through Digital Engagement

2,100 liters
Reduced
Fuel Consumption

41%
Increase
of E-statements

BDT 303 MN
Financed for Sustainability









While climate change has not yet had a direct impact on our operations, Bangladesh Finance recognizes its moral duty to act responsibly. We are dedicated to manage our environmental impact through sustainable practices and are committed to implementing green initiatives across the organization to conserve natural resources and support climate resilience.

Value for Customers
Access to a seamless multi-channel service experience tailored to diverse customer preferences.

Value for Company
Strengthened physical and digital presence enhances brand credibility and trust.

Value for Employees
Opportunity to build knowledge and expertise by operating within an advanced digital environment.

Stakeholders Impacted

- Investors
- Customers
- Suppliers and Business Partners
- Community and Environment

SDGs Impacted



Related Strategic Imperatives:

- Embodying responsible stewardship
- Promoting efficient resource use

Managing Our Waste

Bangladesh Finance has established a comprehensive, non-hazardous waste management framework to minimize environmental impact and promote circularity



Water Management Initiatives

Focus Pillar	Action Taken
Reduce Consumption	• Fit low-flow aerators on taps • Conduct monthly manual leak-checks • Use spray nozzles for vehicle/office cleaning
Awareness	• Place simple water-saving posters (in Bengali) near sinks • Send periodic WhatsApp reminders to staff • Invite employee ideas via a “Save Water” suggestion box
Reuse	• Collect AC drip-water to water potted plants • Reuse hand-wash rinse water for mopping floors or cleaning outside areas
Policies and procedures	• Include basic water-conservation guidelines in the staff handbook • Review monthly water bills in admin meetings • Acknowledge (“Water Star” award) the team with lowest usage each quarter

Energy Management Initiatives

Focus Pillar	Action Taken
Reduce Consumption	• Replacing old equipment with energy-efficient models (like LED monitors, energy-rated ACs) • Installing motion-sensor lights in low-traffic areas • Turning off signboard lights after business hours • Rearranging office layouts to maximize use of daylight
Awareness	• Posting simple energy-saving posters in office corners • Monthly awareness SMS/email tips for employees • Short weekly tips during staff meetings
Reuse	• Encouraging remote work days to reduce office energy use • Promoting the reuse of cooled air by partitioning working zones efficiently
Policies and procedures	• Introducing a “Switch Off Before You Leave” checklist • Including energy-saving practices in new employee orientation • Tracking and reviewing branch-level electricity bills monthly to monitor savings

Emission Management Initiatives

Focus Pillar	Action Taken
Reduce Consumption	• Encouraging employees to use shared or public transport for office commutes • Promoting virtual meetings to minimize travel emissions • Planning official travel routes efficiently to reduce unnecessary trips
Awareness	• Regularly sharing low-carbon lifestyle tips via emails and notice boards • Conducting internal campaigns on carbon footprint reduction • Motivating business partners and customers to adopt eco-friendly practices
Reuse	• Promoting the reuse of office resources to reduce manufacturing-related emissions • Setting an example by adopting simple carbon tracking methods for internal reporting
Policies and procedures	• Including carbon-reduction goals in internal sustainability policies • Introducing “Green Office Practices” guidelines for all staff members

Waste Management Initiatives

Focus Pillar	Action Taken
Refuse	• Encouraging digital documentation to minimize paper dependency • Using an internal shared drive for paperless communication • Implementing strategies to minimize paper usage through digitization and responsible document management
Reduce	• Careful monitoring of office supply usage to prevent excess consumption • Setting monthly targets to reduce printed material
Recycle	• Placing separate recycling bins for paper and e-waste at all branches • Partnering with local recycling vendors for safe disposal of used paper and outdated IT equipment • Recycling all paper waste through Neptune Recyclers
Reuse	• Promoting the reuse of printed paper for internal drafts and notes • Reusing files, folders, and office envelopes for internal communications

Economical Use of Paper

At Bangladesh Finance, we continue to prioritize the efficient use of paper through enhanced digitization and automation efforts. Over the past few years, we have promoted online transactions, paperless statements, and digital documentation to minimize paper dependency. A major milestone was the introduction of the e-memo system in 2025, which further accelerated our transition towards a paperless workplace. Employees are actively encouraged to utilize internal electronic platforms for communication to reduce the need for printing. Additionally, we collaborate with Department of Environment (DOE) approved recycling partners to ensure that any wastepaper generated is responsibly recycled, supporting our broader commitment to environmental sustainability.

Customer Processes

41% Increase in e-statements



Saved **1,040,000** Paper Sheets consumption in FY 2025

Internal Processes

- Implemented automation across the organization through workflow enhancements and robotic process automation (RPA) solutions.
- Launched the Operational Efficiency and Effectiveness (OEE) program to streamline processes and optimize performance company-wide.

3 Pillar Environmental Strategy

At Bangladesh Finance, the three-pillar environmental strategy serves as a foundation to promote enhanced green consciousness across all value chain activities. This strategy is focused on optimizing our environmental impact, reducing negative consequences, and strengthening conservation efforts. The first pillar, Environmental Responsibility, ensures that we embed responsible practices throughout all operations, minimizing environmental risks and promoting sustainability. The second pillar, Resource Efficiency, emphasizes the effective use of energy, water, and other resources to reduce waste and limit our environmental footprint. Lastly, the third pillar, Sustainable Innovation, drives our commitment to investing in eco-friendly technologies and green initiatives that foster long-term environmental stewardship and resilience. Together, these pillars support our mission to create a greener, more sustainable future for the communities in which we operate.

Green Awareness

Employees are encouraged to monitor and reduce their carbon footprint through ongoing sustainability initiatives.



Responsible Finance

Financed **BDT 33.5** million in 2025 for green and sustainability-linked projects.

Green Operation

Our Environmental Management System (EMS) drives resource efficiency and eco-friendly operations.

Sustainable Resource Optimization

Digital Payments
Online transfer through BEFTN (Bangladesh Electronic Fund Transfer Network) and mobile financial services

ICT Development
In house ICT developments to enhance existing and create innovative platforms.



Floor Arrangements
Internal arrangement of the floors has been revised in order to optimize building utilization.

Activated Customer
Activation of substantial number of customers on our platform digitally.

Particulars	2025 Quantity	2025 Net Savings (BDT in Million)	2024 Quantity	2024 Net Savings (BDT in Million)
SMS Alert	225,910	0.2486	280,754	0.309
E-Fund Transfer	14,977	0.005	13,214	0.004
Digital Attendance	77,935	0.0282	60,877	0.022
E-mail Correspondence	726,844	0.792	706,972	0.770
TOTAL	**1,050,162**	**1.073**	**1,061,817**	**1.115**

8R Approach Toward Sustainability

We strive to strengthen our stewardship of natural capital by optimizing resource use, investing in green technologies, curbing reliance on fossil fuels, and eliminating waste through recycling wherever possible. Our comprehensive 8R framework guides these efforts and underpins our commitment to reducing ecological impact and ensuring the long-term resilience of natural resources:



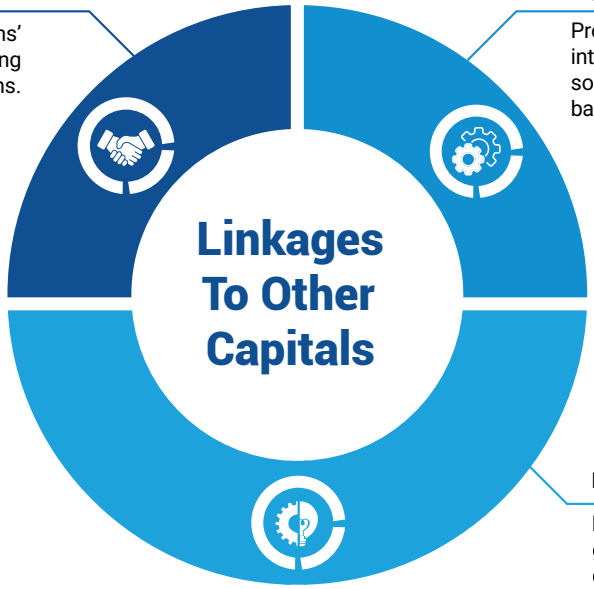
Outcome of Climate Variability

Climate change presents significant challenges, including credit risks and investment devaluation, requiring immediate adaptation toward a low-carbon economy. At Bangladesh Finance, we view these challenges as opportunities for sustainable growth. Through proactive engagement in green and sustainable financing, strategic investment in green assets, and the adoption of forward-looking practices, we are strengthening our commitment to Environmental, Social, and Governance (ESG) principles. Guided by our Environmental Risk Management (ERM) guidelines, we remain resilient in mitigating risks while expanding our sustainability initiatives and reinforcing our role in building a greener economy.

Envisioned Strategy

- Regularly monitoring and reporting our environmental performance covering carbon emissions, energy consumption, and waste generation to underscore our dedication to sustainability.
- Investing in sustainability-focused research and development to uncover emerging trends and technologies, and to create innovative, eco-friendly products and services that meet customer demand.
- Establishing a comprehensive sustainability strategy with clear environmental targets and a robust progress-tracking framework to ensure continuous improvement.

Linkages To Other Capitals



Intellectual Capital

Enhancing the organizations' reputation through prioritizing sustainable operations.

Manufactured Capital

Provides the opportunity to introduce innovative new solutions to update traditional banking models.

Financial Capital

Higher market share in the green financing area will help to drive revenue and profit targets.

S Front-runner in the climate finance sector.

W Limited market awareness of environmental sustain-ability initiatives

O Forge strategic alliances to advance high-impact climate action initiatives.

T Intense competition within the Non-Banking Financial Institution (NBFI) sector.

EXTERNAL SUSTAINABILITY CHARTERS

At Bangladesh Finance, we are committed to sustainable growth and ethical practices. By aligning with the United Nations Global Compact (UNGC) principles, we integrate Human Rights, Labor, Environment, and Anti-Corruption standards into our sustainability framework. This alignment helps us benchmark against global best practices, ensuring continuous improvement in policies and performance. It shapes our corporate ethos, stakeholder engagement, and risk management, reinforcing our role as a responsible corporate citizen and supporting the UNGC's mission for a sustainable global economy.

Bangladesh Finance Global Compact Considerations 10 Principles (FY 2025)

Human Rights

1. **Support Human Rights:** Bangladesh Finance upholds human rights in policies and decisions, ensuring compliance with international standards.
2. **Avoid Complicity in Abuses:** No human rights violations were recorded, and Bangladesh Finance fosters a respectful, inclusive work environment.

Labour

3. **Freedom of Association & Collective Bargaining:** Bangladesh Finance encourages open communication and feedback, with strong grievance resolution mechanisms.
4. **Elimination of Forced Labor:** Bangladesh Finance ensures transparent, voluntary recruitment practices.
5. **Abolition of Child Labour:** A zero-tolerance policy for child labor is strictly enforced.
6. **Elimination of Discrimination:** Bangladesh Finance maintains a merit-based, non-discriminatory approach to employment.

Environment

7. **Precautionary Environmental Approach:** Bangladesh Finance integrates environmental protection into its business operations, minimizing resource consumption.
8. **Promote Environmental Responsibility:** Initiatives to support biodiversity conservation are a priority.
9. **Support Environmentally Friendly Technologies:** Bangladesh Finance promotes sustainable practices, including partnerships for e-waste management and potential solar power integration.
10. **Work Against Corruption:** Bangladesh Finance enforces a strict anti-corruption policy with a Whistleblowing and Fraud Policy to ensure ethical conduct.

Future Outlook for Sustainable Tomorrow

Bangladesh Finance is committed to shaping a greener, more inclusive future. Driving two major sustainable movements — **ESG (Environmental, Social, and Governance)** and **EGC (Efficiency Improvements, Governance, and Customer Experience)** — we integrate environmental stewardship, strong governance, efficiency and customer experience impact into our core operations. Through these initiatives, we are building a resilient tomorrow, ensuring lasting value for society, the environment, and future generations.

ESG (Environmental, Social, and Governance) in Focus

In recent years,the financial services sector has been rocked by various scandals and has suffered much reputational damage as a result. With increasing social unrest worldwide, governance has never been higher on the agenda.

Bangladesh Finance's Sustainability Movement during 2025

Regulatory Risk Mitigation
ESG integration helps us stay ahead of rising regulatory requirements and manage risks more effectively
Building Public Trust
By going transparency we strengthen customer and stakeholder confidence in its operations.
Sustainable Investment Products
We are committed to offering investment solutions that align with growing investor demand for ethical and sustainable choices.
Driving a Sustainable Economy
We acknowledge its critical role in promoting environmental responsibility, social inclusiveness, and strong governance to build a resilient economy

ESG Focus

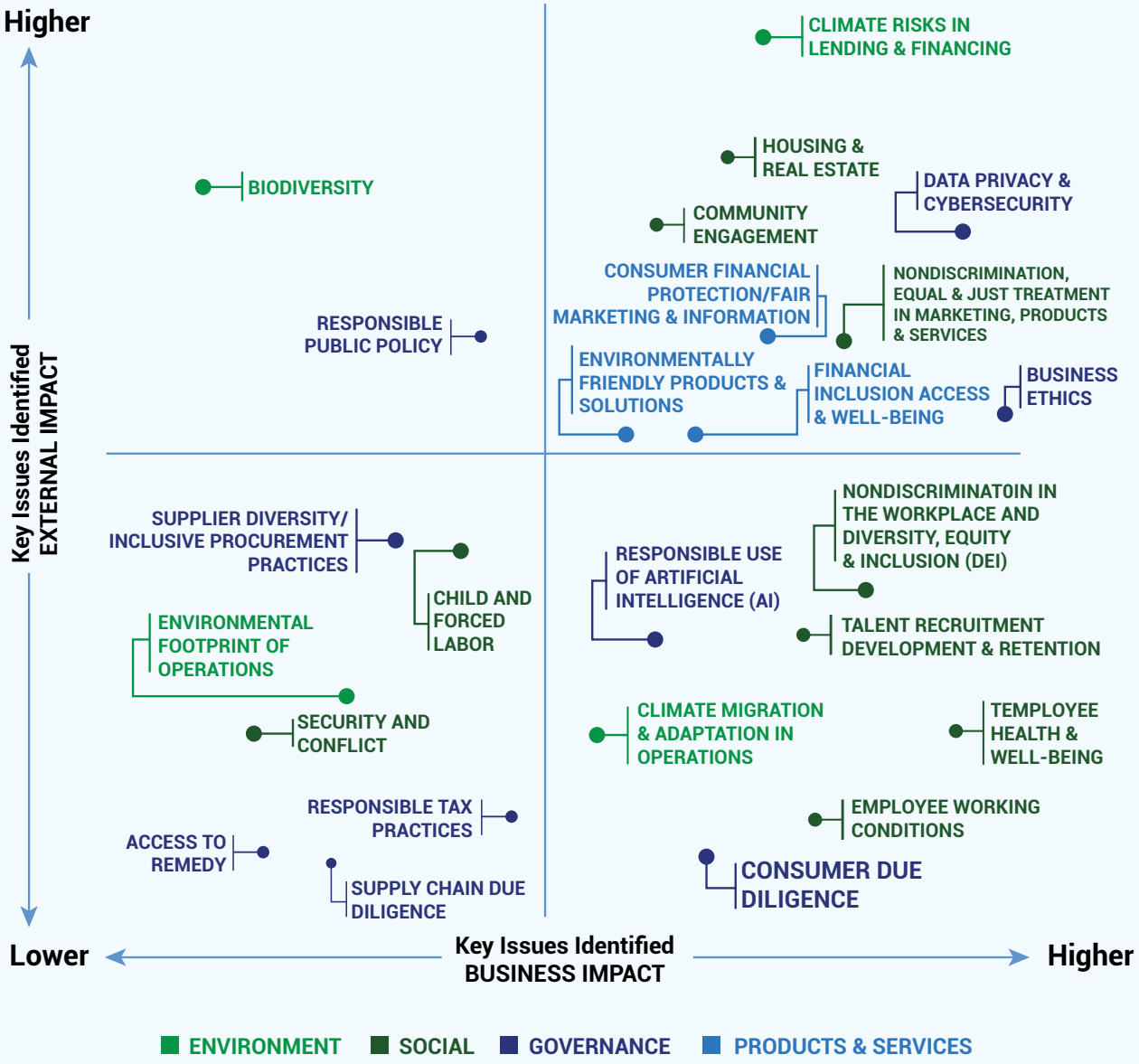
Our Approach: ESG priorities of the group and the SDGs which are aligned to these focus areas are presented below. Progress made of these priorities is outlined in the ESG Scorecard.



ESG Double Materiality Assessment

We evaluated sustainability topics across a comprehensive spectrum of environmental, social, and governance issues, encompassing those directly related to Bangladesh Finance's products and services.

MATRIX OF CORE SUSTAINABILITY TOPICS



Pillar	Key Focus Areas	Achievements /Metrics	Status
SDGs Served 			
Environmental (E) 	Green Financing Initiatives	Partnered with Green Transformation Fund (GTF); launched 5 green projects	On Track
	Carbon Footprint Reduction	15% reduction in office energy consumption	On Track
	Paperless Operations	80% transactions conducted via digital platforms	In Progress
Social (S) 	Employee Development	40 training programs conducted; 43 promotions	On Track
	Diversity & Inclusion	28% female recruitment in 2025 hiring	On Track
	Community Engagement	12 CSR activities benefiting 1,840+ people	On Track
Governance (G) 	Ethical Business Practices	100% of employees trained on Code of Conduct	On Track
	Board Diversity	10% female directors on Board	In Progress
	Transparency & Reporting	100% Published Integrated Report (IR)	On Track

Performance Indicators
On Track = Goal achieved or progressing well
In Progress = On the way but needs continued focus
Off Track = Immediate action needed

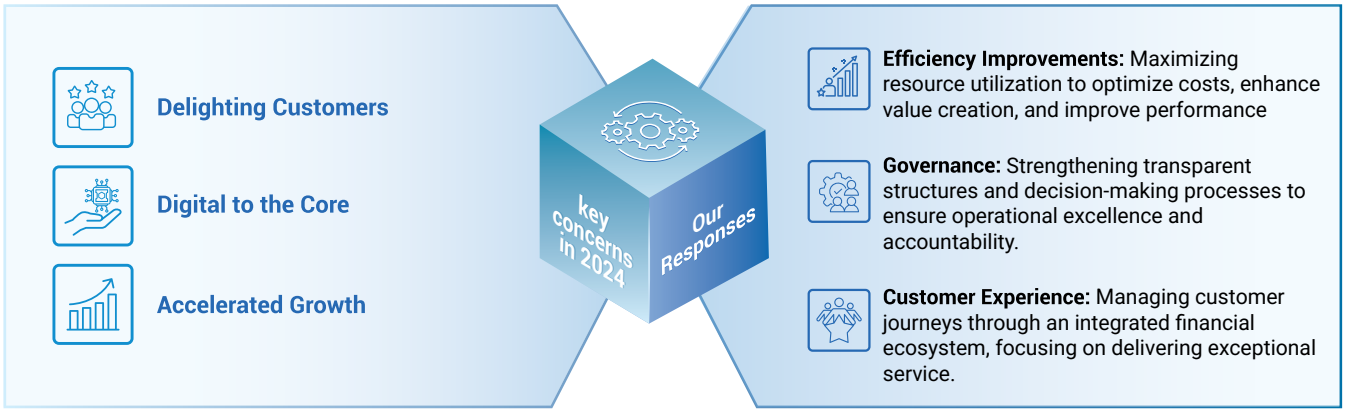
ESG Committee Composition

Name	Designation	Position on the Committee
Mohammad Kohinoor Hossain	Head of Sustainable Finance	President
Md. Anwar Hossain	Head of SAM & Monitoring	Member
Md. Sajjadur Rahman Bhuiyan	Group Chief Financial Officer	Member
Md. Faisal Hossain	Group Chief Technology Officer	Member
Md. Rafiqul Amin	Group Head of Operations	Member
Amitav Debnath	Group Head of ICC	Member
Suman Kumar Kundu	Chief Risk Officer	Member
Md. Emran Hossain	Group Head of General Services Department	Member
Ashekul Arifin Patwary	Acting Head of Human Resources	Member
Ullash Kumar Roy	Manager, SME & Sustainable Finance	Member Secretary

EGC (Efficiency Improvements, Governance, and Customer Experience) in Focus

At Bangladesh Finance, 2025 marks a renewed commitment to Efficiency Improvements, Governance, and Customer Experience (EGC). We are streamlining operations to enhance productivity, strengthening governance frameworks to ensure greater transparency,

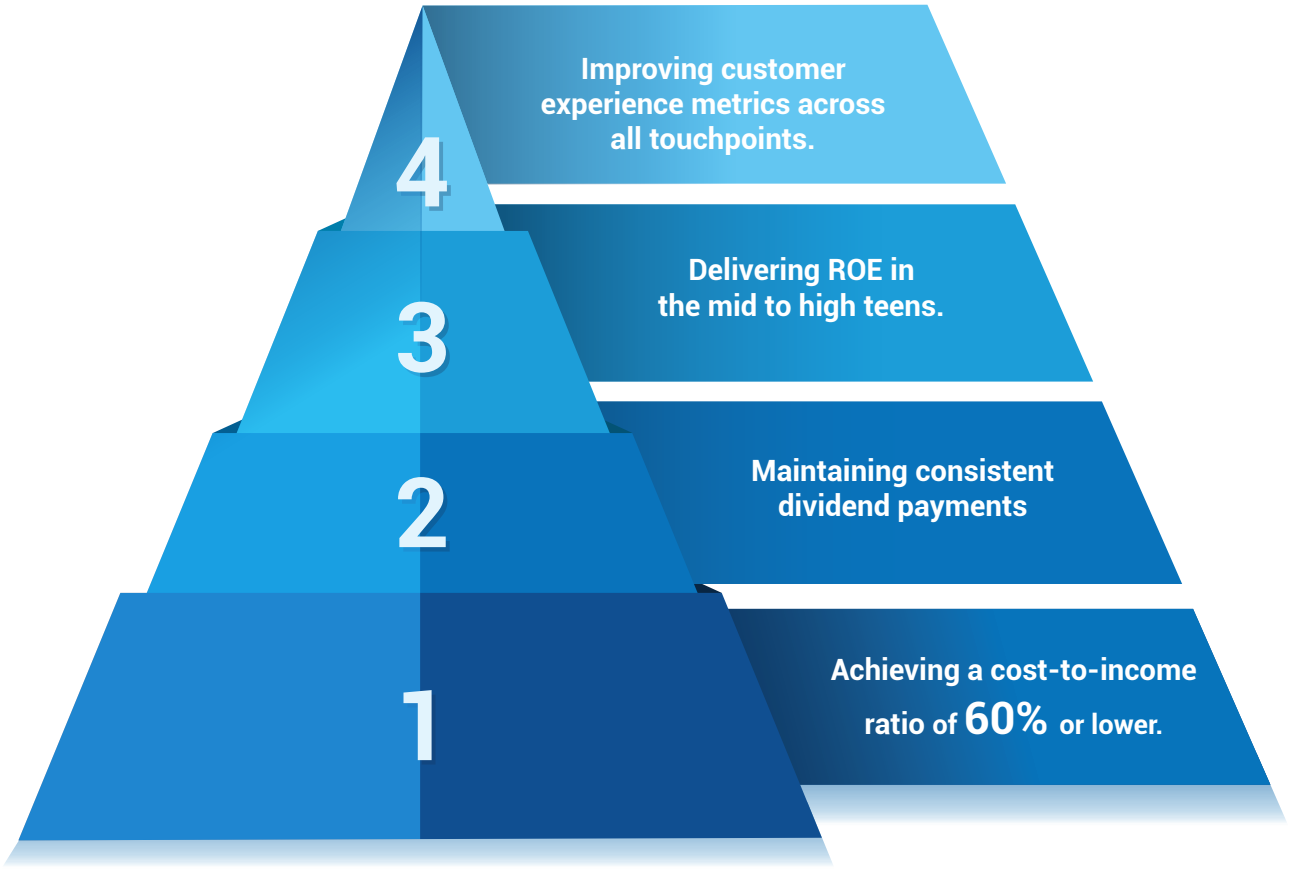
EGC Outlook in 2026



Our team members are empowered as **EGC Champions,** taking active roles in enriching the lives of our customers, colleagues, and communities by:

- Identifying value-add opportunities,
- Executing strategic plans to improve performance and shareholder returns,
- Enhancing productivity and empowering employees,
- Driving effective decision-making and business transformation.

Key Success Measures:



Our EGC-driven strategic focus represents Bangladesh Finance's commitment to delivering superior financial services, advancing governance standards, and building a more agile, customer-centric organization in an evolving financial landscape.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

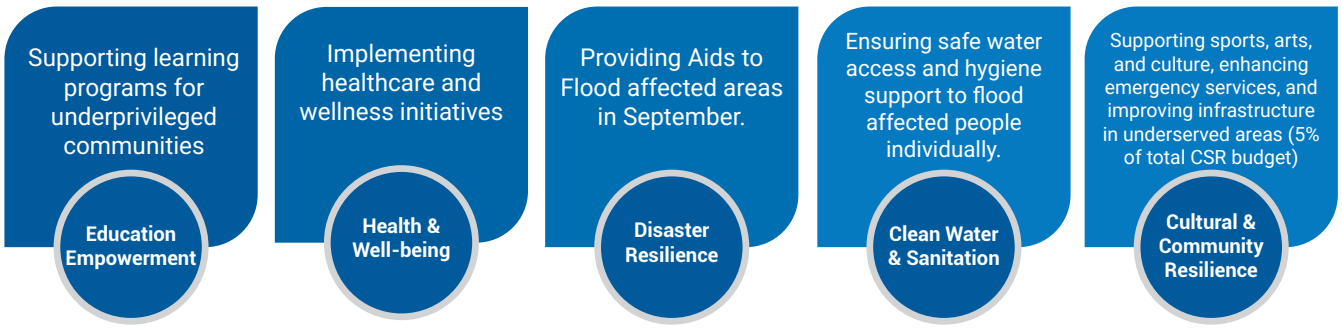
Committed to the Greater Good

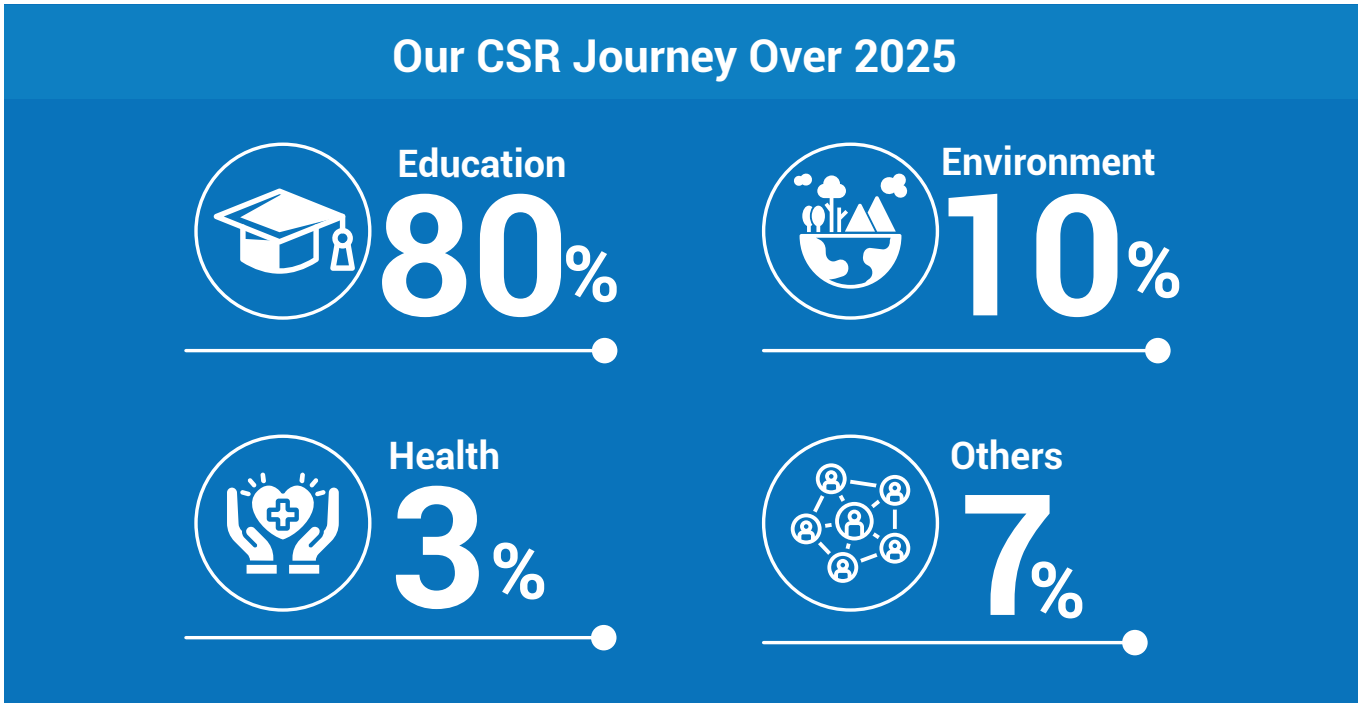
At Bangladesh Finance, our 2024 CSR initiatives placed community well-being at the heart of our sustainability strategy. We integrated social responsibility into our core operations, viewing CSR not just as a duty, but as a driver of national development and a vital part of our license to operate. Rather than focusing on one-off charitable acts, we invested in long-term programs designed to create meaningful, lasting change. Our approach emphasizes empowerment over aid—uplifting individuals, strengthening communities, and building a more inclusive future.
In 2024, our key focus areas included education, healthcare, disaster resilience, cultural enrichment, and access to clean water. Through these efforts, Bangladesh Finance actively contributed to the Sustainable Development Goals (SDGs), reinforcing our role as a catalyst for positive social impact.

Framework for Driving Social Impact



Education Empowerment	Supporting learning programs for underprivileged communities
Health & Well-being	Implementing healthcare and wellness initiatives
Disaster Resilience	Facilitates the implementation of the Bank's Board-approved sustainability strategy by Providing Aids to Flood affected areas in September.
Clean Water & Sanitation	Ensuring safe water access and hygiene support to flood affected people individually.
Cultural & Community Resilience	Supporting sports, arts, and culture, enhancing emergency services, and improving infrastructure in underserved areas (5% of total CSR budget)





Empowering Future Leaders: 'Gorbo Agami'

The "Gorbo Agami" scholarship reflects our core values of investing in education and supporting the aspirations of our people. We are committed to providing our employees with the tools they need to grow, while also investing in the development of the next generation of leaders. This initiative is part of our broader CSR strategy, aligning with SDG 1 - Quality Education, as we believe that accessible education is key to building a sustainable and prosperous future.

Through "Gorbo Agami", Bangladesh Finance is reinforcing its role as an organization that champions growth, progress, and a commitment to the well-being of its people.

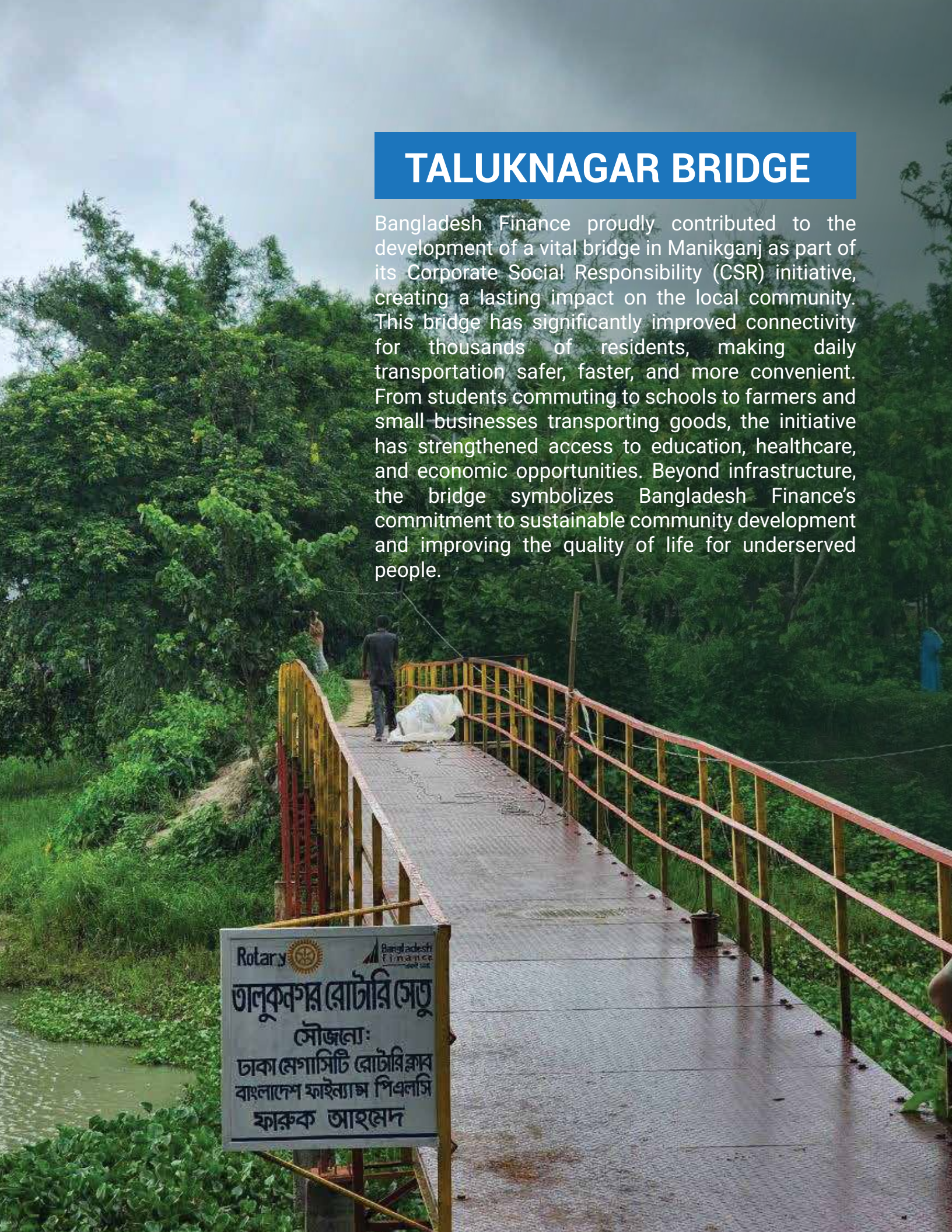






TALUKNAGAR BRIDGE

Bangladesh Finance proudly contributed to the development of a vital bridge in Manikganj as part of its Corporate Social Responsibility (CSR) initiative, creating a lasting impact on the local community. This bridge has significantly improved connectivity for thousands of residents, making daily transportation safer, faster, and more convenient. From students commuting to schools to farmers and small businesses transporting goods, the initiative has strengthened access to education, healthcare, and economic opportunities. Beyond infrastructure, the bridge symbolizes Bangladesh Finance's commitment to sustainable community development and improving the quality of life for underserved people.





BANGLADESH FINANCE
TREE PLANTATION

Bangladesh Finance undertook a tree plantation initiative as part of its environmental responsibility, promoting green practices and contributing to sustainable development.

BANGLADESH BANK
SME FAIR

Bangladesh Finance participated in the Bangladesh Bank SME Fair, supporting small and medium enterprises by showcasing financial solutions and fostering business growth.





SIR JOHN WILSON
STEM FEST

Bangladesh Finance engaged in the Sir John Wilson STEM Fest, encouraging innovation and supporting youth development through education and technology-focused initiatives.



As part of its ongoing commitment to youth empowerment and educational development, Bangladesh Finance recently hosted a "Cycle Distribution Among Brilliant Students" initiative. This Corporate Social Responsibility (CSR) program is designed to recognize academic excellence and remove logistical barriers for meritorious students. By providing reliable transportation, Bangladesh Finance aims to ease the students' daily commutes, allowing them to focus fully on their academic pursuits and future success.



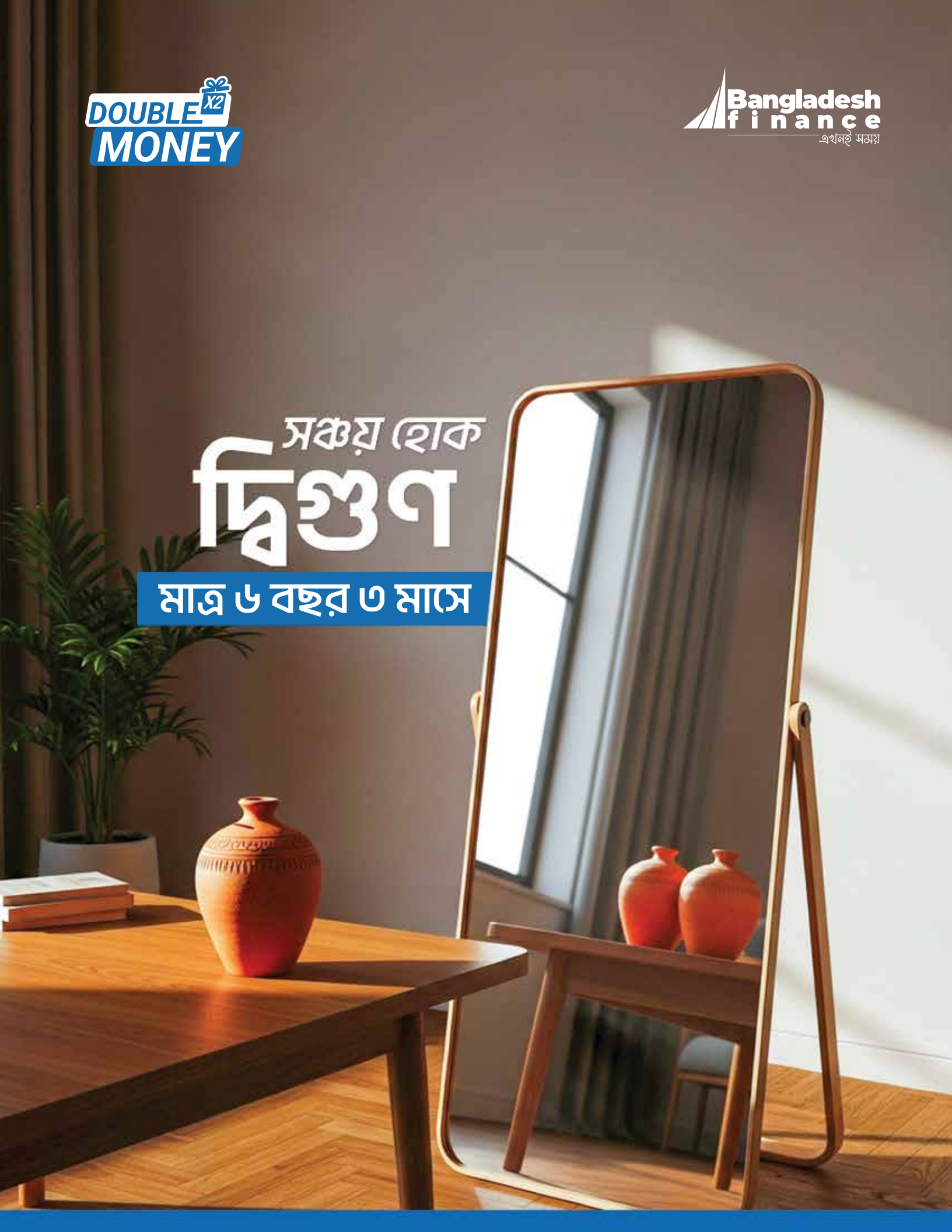
LAPTOP & BAG DISTRIBUTION PROGRAM

Driven by the motto "Supporting education for a better future," Bangladesh Finance partnered with the Rotary Club and the Department of Computer Science & Engineering at the University of Dhaka to host a Laptop and Bag Distribution Ceremony. This strategic CSR initiative is designed to bridge the digital divide by equipping meritorious students with essential technological tools and academic resources. By investing in the next generation of tech innovators, Bangladesh Finance reinforces its commitment to empowering youth and fostering a smarter, more capable workforce for the future.

বিনিয়োগের গোলক ধাঁধায় না হারিয়ে আস্থা রাখুন বাংলাদেশ ফাইন্যান্সে

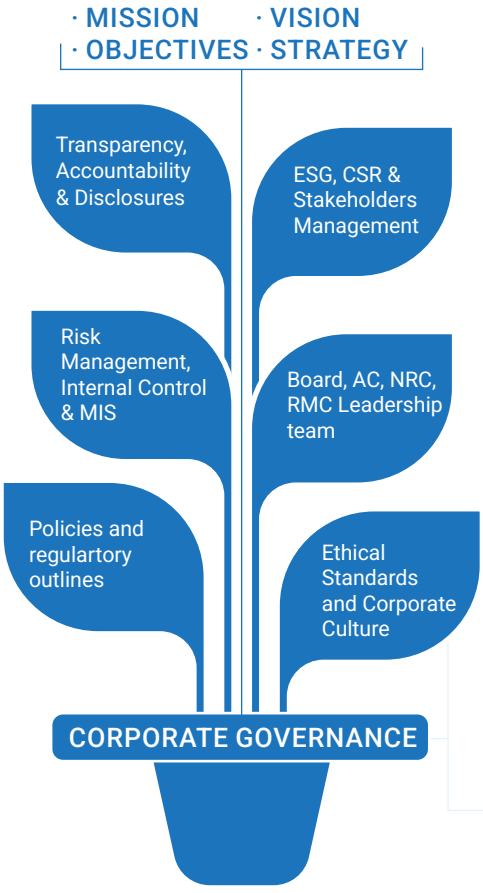


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DOUBLE X2 MONEY
Bangladesh finance
এখনই সময়
সঞ্চয় হোক
দ্বিগুণ
মাত্র ৬ বছর ৩ মাসে

STATEMENT OF CORPORATE GOVERNANCE

Bangladesh Finance has manifested its commitment to adhering to the principles of good corporate governance since the very beginning of its operation. The corporate governance philosophy of Bangladesh Finance encompasses regulatory and legal requirements, various internal rules, policies, procedures, and practices based on a financial institution's best practices



As a listed company, Bangladesh Finance is highly compliant with the requirements of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission as per notification no. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018 and notification no. BSEC/CMRRCD/2006-158/208/Admin/81 dated

June 20, 2018 and related guidelines issued by Bangladesh Bank. According to the notification of BSEC, a company is required to provide a statement in its Annual Report that the CG Code of BSEC has been compliant with. At Bangladesh Finance, we are committed to maintain the highest standards of integrity, transparency, fairness and accountability

Exemplary Governance: Bangladesh Finance embraces exemplary governance, fostering cohesive decision-making for a harmonious balance between strategic goals and shared value.

Corporate Governance Methodology: Prioritizing sustainable value creation, the company guards against short, medium, and long-term value erosion through a robust governance methodology.

Good governance has been the bedrock of our sustainable growth, and on which we depend on our social license to operate. The increasingly challenging environment has underscored the need for strong corporate governance. We believe in the strength of good governance by practicing transparency and accountability in every sphere of our activities. By practicing the structured and dedicated corporate governance culture, Bangladesh Finance is able to maintain the growing trust of shareholders especially the minor shareholders and other stakeholders. The corporate governance philosophy of Bangladesh Finance encompasses regulatory and legal requirements, various internal rules, policies, procedures, and practices which upholds the governance of a financial institution. As a listed company, Bangladesh Finance has complied with all types of Orders/ Directives/ Circulars/ Notifications/ Rules issued by Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC) and Stock Exchanges (DSE & CSE) accordingly. Bangladesh Finance is committed to review all its corporate governance policies and guidelines regularly to ensure transparency in its practices, maintain professional integrity to provide quality information to its stakeholders on regular basis.

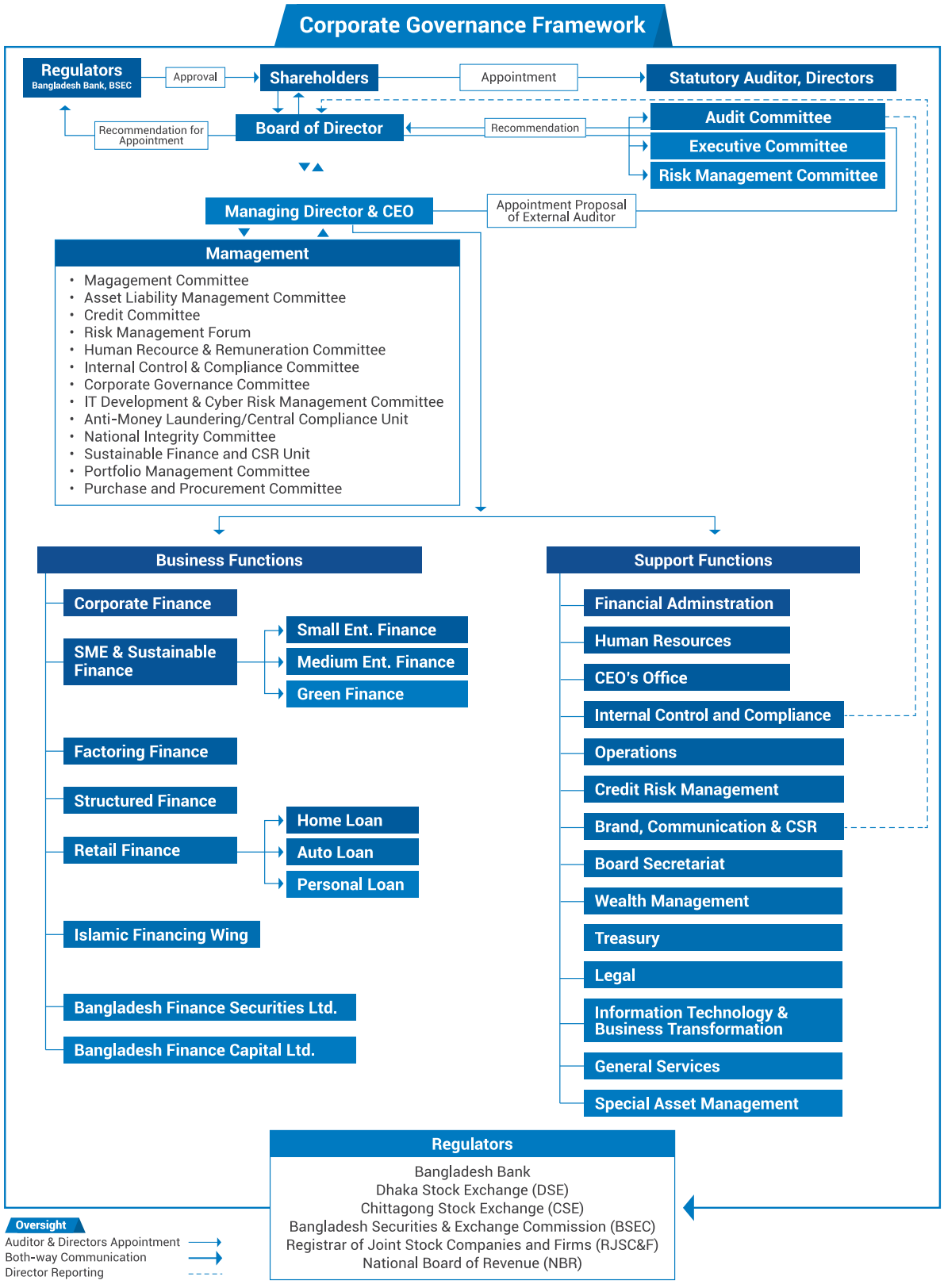


Social Responsibility: Recognizing its integral role, Bangladesh Finance commits to positive contributions to societal well-being as a responsible corporate citizens.

Sustainable Value Focus: With a focus on sustainable value creation, the organization is dedicated to long-term success and responsible business practices.

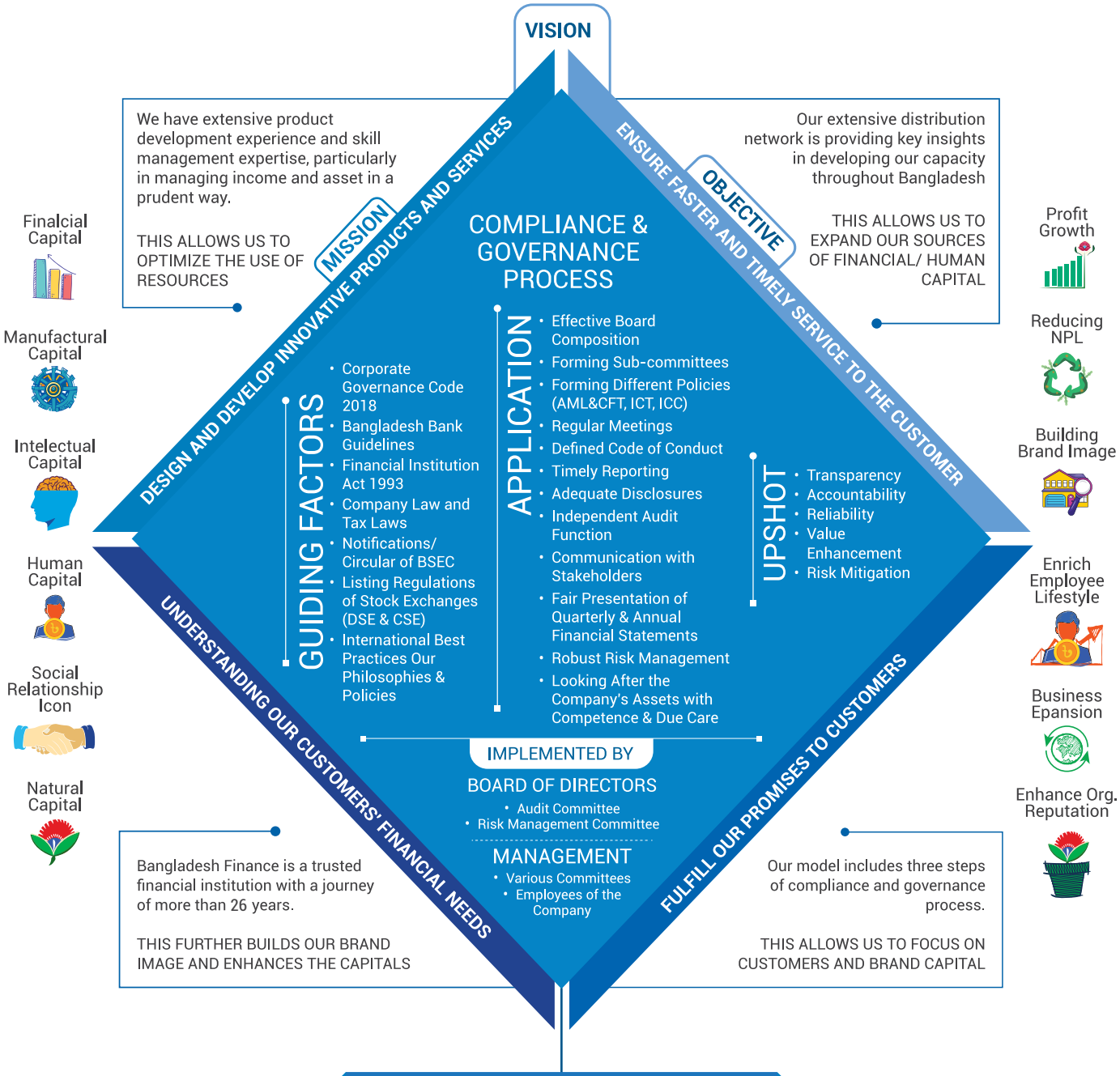
Guardianship of Privileges: Acknowledging the importance of operating permissions, Bangladesh Finance is committed to ethical practices, ensuring continued positive societal impact.

A. Corporate Governance Framework & Value Creation



VALUE CREATION BY CORPORATE GOVERNANCE

We believe that good corporate governance provides a solid foundation to add value for our stakeholders and achieve our strategic objectives.

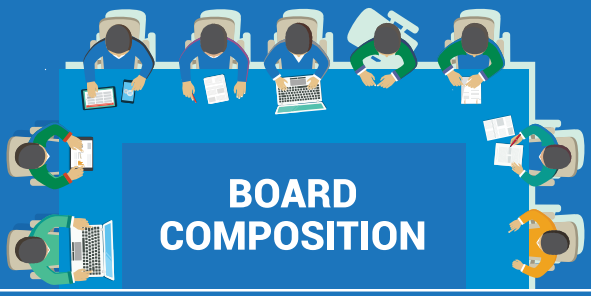


MITIGATION OF RISKS

- Credit Risk
- Environmental & Social Risk
- Market Risk
- Cyber & IT Risk
- Reputation Risk
- Operational Risk
- Liquidity Risk

B. Board of directors, the chairman & the CEO

Composition of Board



Chairman

Independent Director

Nominated & Shareholding Director

BOARD SIZE 07

Balanced and Diversified Board for promoting accountability & encouraging healthy, constructive debate and decision-making while meeting regulatory requirements.

GENDER DIVERSITY

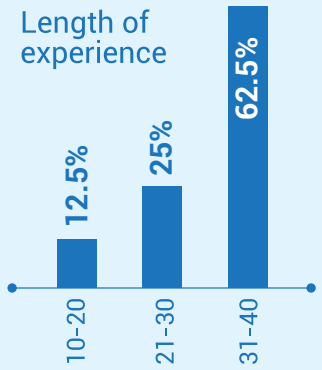
71%

29%

AGE DIVERSITY

<45	25%
45-50	62.5%
>50	12.5%

Length of experience

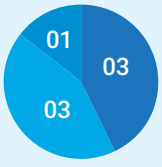


Balance of Executive and Non-executive Directors

Managing Director & CEO (Ex-officio)

Non-executive Directors

Shareholding, Nominated and Independent Directors



Independent Director

(Non-shareholding Director)

>42% refers more than 1/5 ratio, 03 independent directors out of 07 non-executive directors

Expertise

A balanced board encompasses relevant knowledge, skills and industry expertise

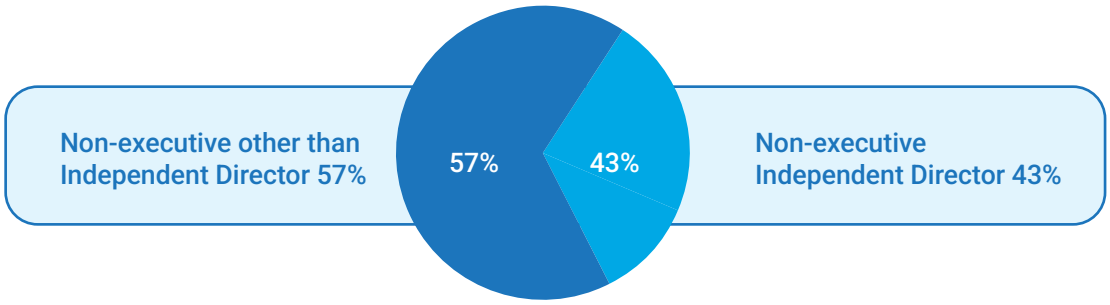
- **Information Technology**
- **Risk Management**
- **Banking & Economics**
- **Finance & Accounting**
- **Legal & Regulatory**
- **Marketing**
- **Strategic Planning**
- **Auditing**

The Board is comprised of people of different age groups and professions with specialized knowledge and experiences. All Directors except Independent Directors hold at least 2% shares of the company's total paid-up capital as per the Bangladesh Securities and Exchange Commission (BSEC) requirements.

Sl.	Name	Board Status	Audit Committee	Risk Management Committee	In the Board of Subsidiaries
1	Mr. Kazi Mustak Ahmed	IND	Chairman		
2	Mr. Kazi Rafiqul Hassan	IND	Member	Member	Member, BFSL
3	Ms. Mahfuza Khanam	IND	Member	Member	Member, BFCL
4	Mr. Md. Helal Chowdhury	NED	-		
5	Ms. Fatema Begum	NED			-
6	Mr. Imtiyaj Yousuf	NED	-		
7	Mr. Md. Hasan Khan	NED			
8	Mr. Md. Kyser Hamid	Managing Director & CEO (Ex-officio)			NED, BFSL & BFCL

Adequate representation of Non-executive Directors

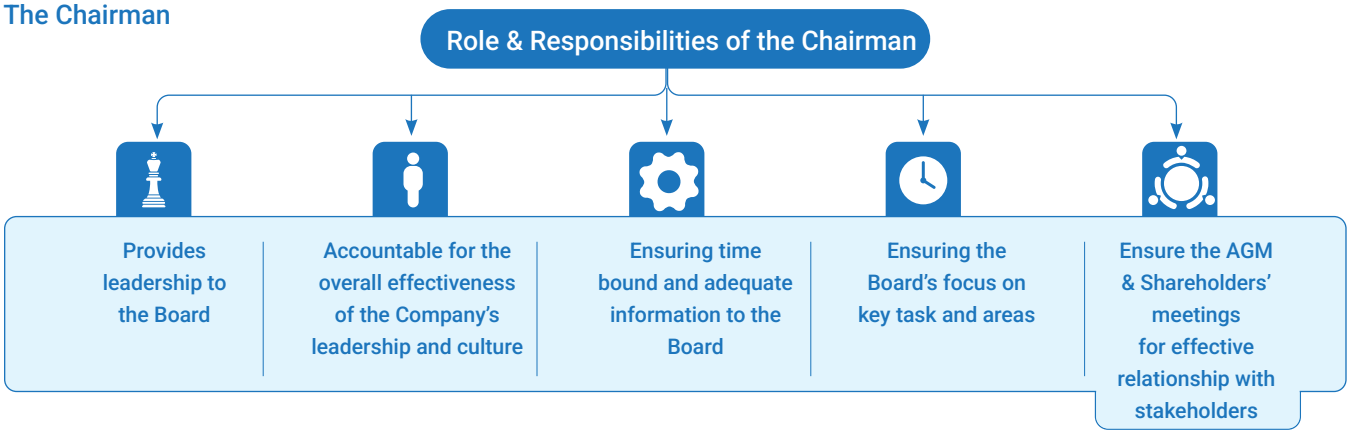
As per the pertinent guideline of Bangladesh Bank and Bangladesh Securities and Exchange Commission, Bangladesh Finance maintains an adequate representation of non-executive directors in the board. All the directors are non-executive except the Managing Director & CEO.



Qualified Members in the Board of Directors with expert knowledge regarding Finance & Accounts, Corporate regulatory rules, responsibilities and implications

Bangladesh Finance has diversified board comprising a number of seasoned bankers, businessmen, and a professional accountant who have expert knowledge regarding the Industry, Financials and Corporate regulatory rules, responsibilities and its implications in the company i.e. Mr. Kazi Mustak Ahmed FCA- a seasoned professional accountant and Mr. Kazi Rafiqul Hassan - a seasoned Banker (Ex- Executive Director of Central Bank), Mrs. Mahfuza Khanam- an Ex- General Manager of Central Bank, Mr. Md. Helal Chowdhuty is an accomplished executive with more than 35 years proven track record in Judicial Services in Bangladesh and have huge experience in Banking related laws, Ortharin Adalat Ain and Negotiable Instrument Act.

The Chairman



Different positions of Chairman and Chief Executive Officer

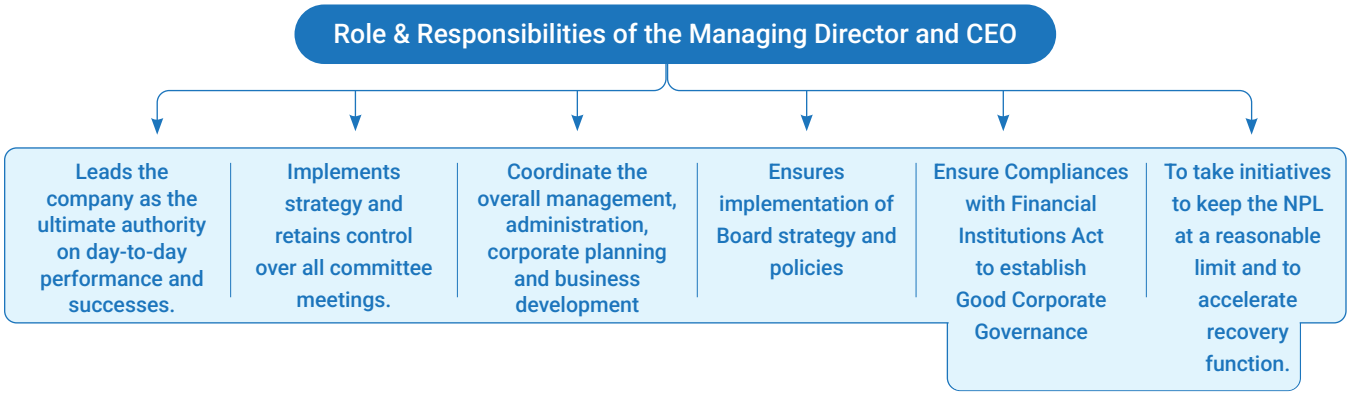
Different individual fill the positions of the Chairperson of the Board's and the Managing Director & CEO of the Company. The Chairperson of the Board is elected from among the non-executive directors of the company. The roles of the Chairman and the Managing Director & CEO are independent and separate. The Chairman does not involve himself in any day-to-day operational issues of the company.

Independence of the Chairman

According to corporate Governance guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC), the position of the Chairman of the Board and Managing Director & CEO shall be filled by different individuals. Bangladesh Finance PLC has ensured this compliance. Mr. Manwar Hossain, Director is the Chairman of the Board and Mr. Kyser Hamid is the Managing Director & CEO of the Company. Again, the Chairman has no loan or business relation with Bangladesh Finance PLC.

Managing Director & CEO

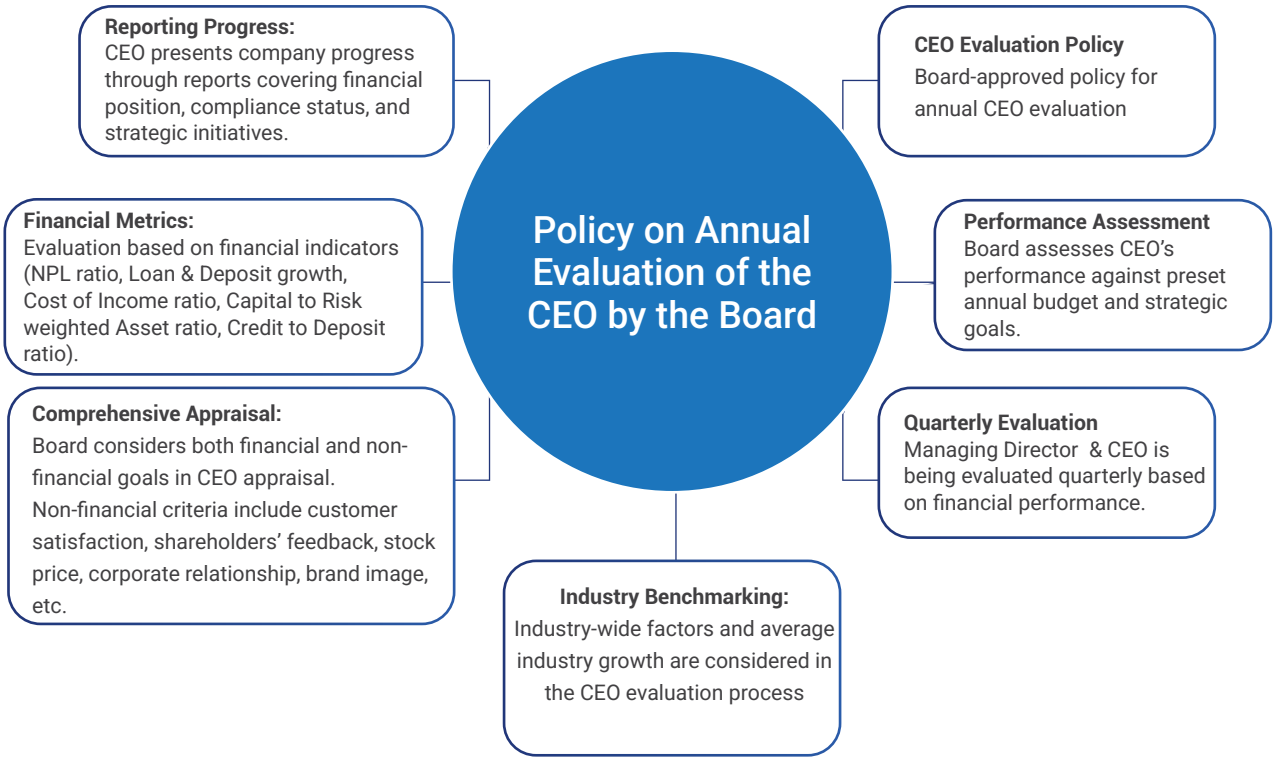
Mr. Md. Kyser Hamid is the Managing Director and CEO of Bangladesh Finance PLC. The profile of Mr. Md. Kyser Hamid, is given under Management profile of this Annual Report



Managing Director and CEO does not hold the same position in another company

Mr. Md. Kyser Hamid, Managing Director & CEO of Bangladesh Finance Ltd. joined on 02 September 2020 and got renewal effective from 02 September 2023. He does not hold the same position in another company. The profile of the Managing Director & CEO is given in the Management profile of this report.

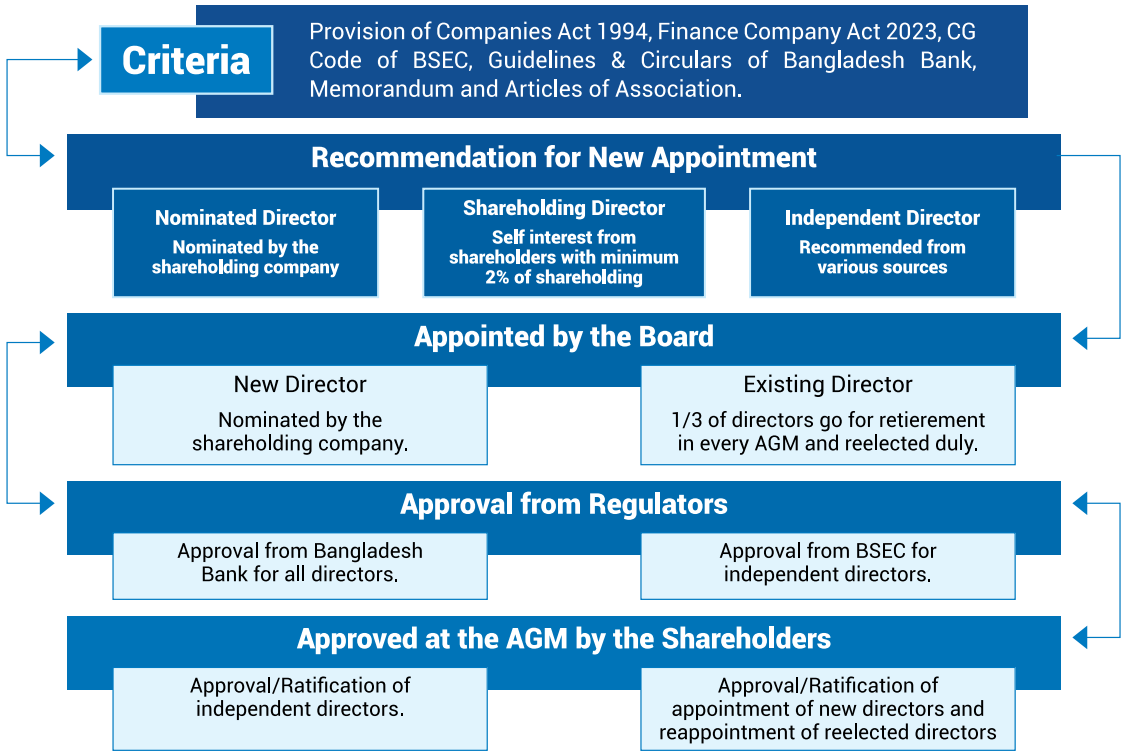
Policy on Annual Evaluation of the CEO by the Board



Remuneration and Benefits Provided to Managing Director & CEO

The Managing Director is paid salaries and allowances as recommended by the Board of Directors and approved by Bangladesh Bank (Detail given in the Financial Statements- Note No.29). Bangladesh Finance follows Board resolution and Bangladesh Bank Circular/Guidelines regarding benefits favoring the Managing Director & CEO

C. Appointment of Directors including Independent Directors



Transparency in Board Nomination and Election Process

- Adhering to the Companies Act 1994, BSEC's Corporate Governance Code, and Bangladesh Bank guidelines, Directors (Nominated, Individual Shareholding, and Independent) are appointed by the Board.
- Regulatory approval (Bangladesh Bank and BSEC) is sought, followed by shareholder approval at the AGM.
- Each year, one-third of the directors (excluding Independent and Ex-Officio Directors) retire at the AGM, with the option for re-election, subject to shareholder endorsement per the company's Articles of Association (AoA).

Board-approved policy on Induction of Directors

All new Directors appointed to the Board are offered a formal induction program with warm greetings by the Board

To familiarize the new director with Bangladesh Finance's strategy and aspirations, understanding the line of businesses, corporate functions, key financial highlights, audit, compliances, risk management, and governance framework.

The Chairman on behalf of the Board along with the MD & CEO, the Company Secretary, the Chief Financial Officer and the Head of Internal Control and Compliance provide new Directors with an information pack regarding disclosure obligations of a Director, Code of Ethics & Conduct, Articles & Memorandum of the Company, Board Committees' Terms of References, Annual Report of the Company and other associated materials.

Disclosure of Appointing Directors

Complying with the DFIM circular of Bangladesh Bank and relevant laws of the country, three (3) directors has been on boarded (Mr. Kazi Rafiqul Hassan and Mrs. Mahfuza Khanam and Mr. Kazi Mustak Ahmed) accordingly.

Name	Directors	BB Approval Status
Mrs. Mahfuza Khanam	Independent director	Newly-appointed in 2025
Mr. Kazi Rafiqul Hassan	Independent director	Newly-appointed in 2025
Mr. Kazi Mustak Ahmed	Independent director	Newly-appointed at early 2026

Independent Directors with expert/professional knowledge

As per the Corporate Governance Code, at least one-fifth (1/5) of the Board's total directors shall be Independent Directors. Thus, in compliance with the guideline, three (3) Directors out of the total 8 (eight) Non-Executive Directors are Independent- Mr. Kazi Rafiqul Hassan, Ms. Mahfuza Khanam and Mr. Kazi Mustak Ahmed. It is mentionable that, they have no share of Bangladesh Finance PLC.

Independence of the Independent Directors

Bangladesh Finance complies with all the applicable requirements regarding the independence of the Board according to the laws and regulations as well as the Corporate Governance Code of BSEC. The Independent Directors are independent from management and are free from the day-to-day business of the organization. They are very independent in giving opinions and making decisions.

Regulatory Disclosure of BSEC of Corporate Governance Code for appointing Independent Directors

In Bangladesh Finance PLC, there are 3 (three) Independent Directors out of 8 (eight) directors. All of the independent Directors have been appointed maintaining all the applicable rules, regulations and guidelines.

Remuneration favoring Independent Directors

In line with the DFIM Circular no. 1 dated 29 February 2024. Bangladesh Finance PLC provides Tk. 40,000/- (Taka forty thousand) per month as remuneration favoring Independent Directors in addition to meeting attendance fees.

D. Board of Directors' Meeting

Board Meetings are conducted duly, Minutes are kept and records are maintained as per Bangladesh Secretarial Standards (BSS) as adopted by ICSB:

Regular Meetings: Meetings are held frequently, ensuring consistent engagement and decision-making.

Pre-Meeting Materials: Comprehensive information, including working papers, agendas, and updates, is provided to directors in advance.

Informed Dialogue: The Chairperson facilitates meaningful discussions by allocating ample time for questions, diverse opinions, and thoughtful consideration of each agenda item.

Focus on Shareholder Value: Decisions are ultimately geared towards the best interests of the shareholders.

Bangladesh Finance conducts regular Board meetings. The Directors receive comprehensive pre-meeting materials and engage themselves in open discussions facilitated by the Chairperson, all aimed at informed decision-making for the best interests of the shareholders

No of board meeting:

The Board had 7 schedule meeting during the year ended 31 December 2025. the details of the meeting and the attendance and remuneration favoring the directors are disclosed in the annexure to the Directors' Report.

Meeting Attendance Fees

Directors are entitled to remuneration only for attending the meetings of the Board and its sub-committees. As per the guidelines of the Bangladesh Bank, directors are given BDT 10,000 (Taka ten thousand) for attending any board meeting or any sub-committee meeting.

Key Activities performed by the board in 2025

Strategic	Risk Management	Governance
Comprehensive Budget 2025 Business strategy 2025 Risk Management HR policy Dividend and capital Sustainability and Governance	Risk related issues: World economy, Russia-Ukraine war, Risk appetite Anti-money laundering Ethical issues Audit plan	Corporate governance External auditor appointment Remuneration of employees including top-management Anti-money laundering & Ethical Governance of subsidiaries

Meeting Procedure and compliance of Bangladesh Secretarial Standard (BSS):

Complied BSS: 01-06

01 Notice for the meeting before 07 days generally

02 Preparing meeting files and sending to Directors well before the day of meeting with soft reminder.

03 To arrange meeetings on physical/hybrid system, kept the attendance and provide remuneration to NED and records the meeting duly.

04 Preparing minutes and get that signed by the Chairman.

05 Sending the minutes to Bangladesh Bank within 05 working days and keeping that as per BSS standards.

E.Retirement and Re-election of Directors

As per Articles 121, 126 and 127 of the Articles of Association of the Company which complying with the pertinent company law of the country, one-third of the Board of Directors (Excluding Managing Director and Independent Directors) shall retire by rotation.

The concern authority of Anwar Silk Mills LTD. And Anwar Ispat LTD. has withdrawn the nomination of Ms Fatema Begum and Mr Helal Chowdhury respectively with replacements. However the appointment of new nominated Directors is under the process of Bangladesh Bank approval.

Again Mr. Imtiyaj Yousuf shall retire in the 27th AGM. Mr. Yousuf is not elligible for re-election as his third term will be expired on the 27th AGM.

Policy on Training for the Board of Directors

Board Training Policy	• Bangladesh Finance has a Board-approved training policy aimed at enhancing the performance of its Directors.
Type & Nature of Training	• Newly appointed Directors undergo a formal induction program. • The program covers a comprehensive understanding of Bangladesh Finance's strategy, business lines, corporate functions, key financial highlights, audit, compliance, risk management, and governance framework. • The Company Secretary provides new Directors with an information pack, including disclosure obligations, Code of Ethics, Articles & Memorandum of the Company, Board Committees' Terms of References, and the Annual Report.
Existence of Training Scheme	• Ongoing updates on the company's strategy, achievements, and industry analysis are provided through discussions at Board meetings with the Senior Management team. • Regular updates on regulatory circulars, orders, notifications, and directives are communicated to the Board through information memoranda. • External training courses, if needed, may be arranged at the company's expense to further enhance Directors' knowledge and skills.

Succession Planning regarding appointment of Directors

• Bangladesh Finance PLC has a diversified Board comprised with professionals of different arenas. The Board always look forward to onboarding new directors with required skills & expertise.

• The Board of Bangladesh Finance PLC is also aware of having at least one female Independent Director as per BSEC Notification no. BSEC Notification: No. BSEC/CMRRCD/2009-193/76/PRD/151 dated 04 April 2024 and the Board currently has a female Independent director, Mrs Mahfuza Khanam.

Performance Appraisal of the Board and Disclosure

Board Policy: Board-approved policy for performance appraisal.

Self-Assessment: Board evaluation conducted through self-assessment.

Shareholder Evaluation: Shareholders evaluate the Board at the Annual General Meeting (AGM).

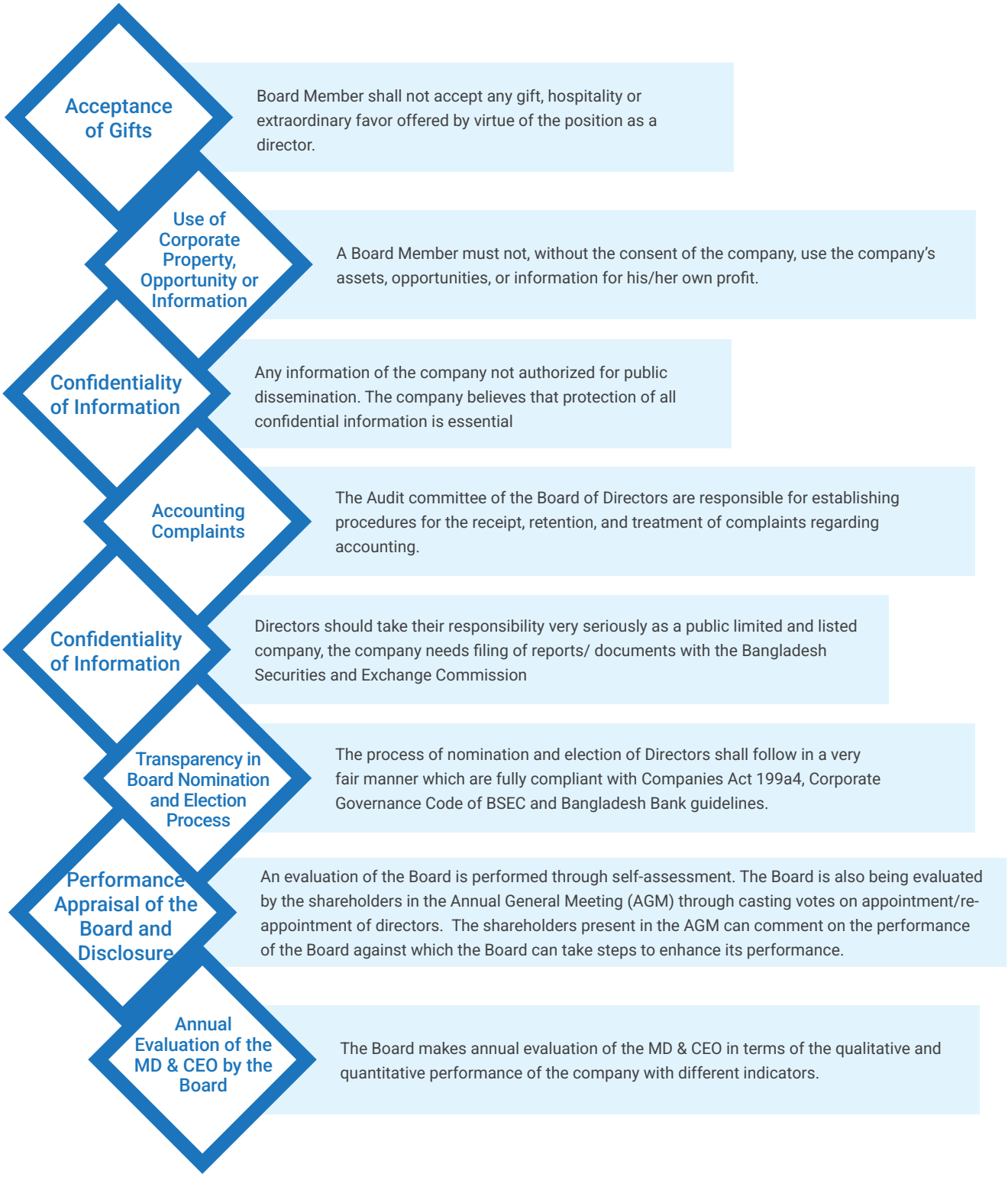
Voting on Directors: Shareholders cast votes on the appointment/re-appointment of directors.

Feedback Loop: Shareholders provide comments on Board performance. Board takes steps to enhance its performance based on feedback.

Shareholding status of the Directors

At Bangladesh Finance, the concentration of shareholding among the Board members is diversified. The total shareholding of Sponsors/ Directors of Bangladesh Finance is 18.89%.

Board approved Code of condacts for the directors





Every Board member has an ethical obligation towards the organization. The duties apply to each Board member separately, while the powers apply to the Board jointly.

The members shall adhere to and comply with the provisions of all applicable laws, rules, and regulations as well as the Company's internal guidelines and policies framed from time to time.

The members shall act honestly, objectively, and effectively in a fair and transparent manner for advancing the interests of the company and Stakeholders

To avoid conflicts of interest, they must conduct their affairs in such a manner that their performance always upholds the greater interest of the corporation.

F. Roles & Responsibilities of the Board and Directors

Roles & Responsibilities of the Board and Directors

Strategic

- Strategy development & implementation
- Set direction, vision, and policies
- Talent development
- Succession planning

Framework

- Directors' appointment
- Inspiration and mentorship
- Knowledge diversity
- Evaluate top executive performance

Governance

- Ensure stakeholders interest Integrity transparency & accountability
- Responsible business conduct
- Risk management & internal control

Board Function

- Report to the Shareholders
- Directors Participation & Quality Discussion
- Interaction with Management
- Making Decisions for implementation

Roles & Responsibilities of the Board of Directors

Board Approachs

- Morals
- Integrity
- Rapport
- Personalities

Board Proficiencies

- Talent
- Aptitude
- Associates
- Knowledge

Board Structures

- Policies
- Process
- Procedures
- Board Committees

Policies & Strategic Formulation

Regulatory Compliance & Governance Review

Appointment of Senior Management

Business & Investment Decision

Roles & Responsibilities of the Board of Directors

Review of Risk Management

Financial Statements

Shareholders/ Stakeholders communication

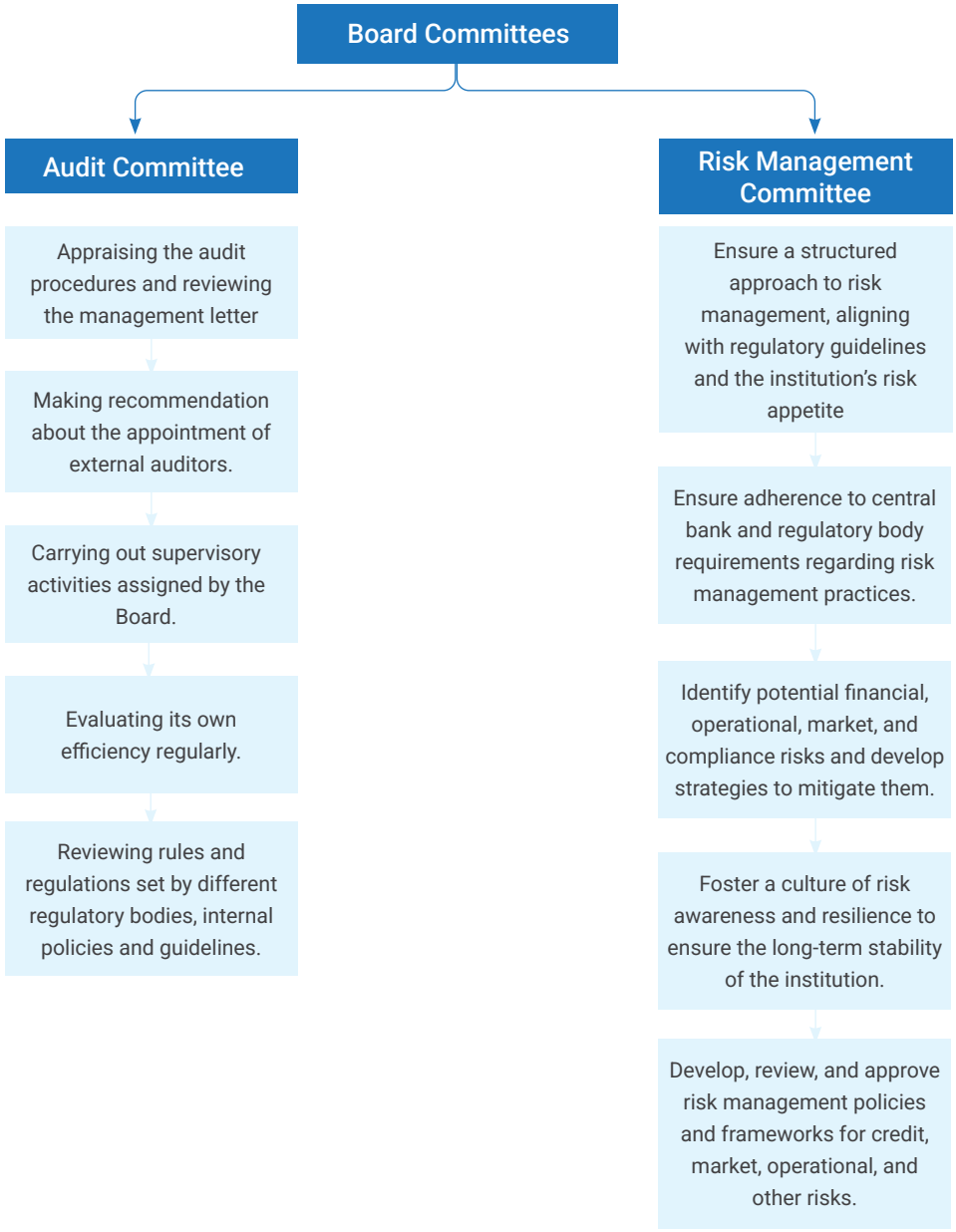
Sustainable Growth & CSR



G.Sub-committees of the Board

To comply with the regulatory guidelines of BSEC's Corporate Governance Code and pertinent guidelines of Bangladesh Bank. Bangladesh Finance constructed three Sub-Committees of the Board, namely: Executive committee, Audit Committee and Risk Management Committee. As per the BSEC CG code-2018, two committees are mandatory to form, Audit Committee and Nomination & Remuneration Committee. In line with Bangladesh Bank DFIM circular no.1 dated 29 February 2024, Financial Institutions (FIs) can form only Executive committee, Audit Committee and Risk management Committee.

Objectives & Activities of the Audit committee and Risk Management Committee



N.B: All the sub-committees have been formed in line with the guidlines of bangladesh bank.

Audit Committee

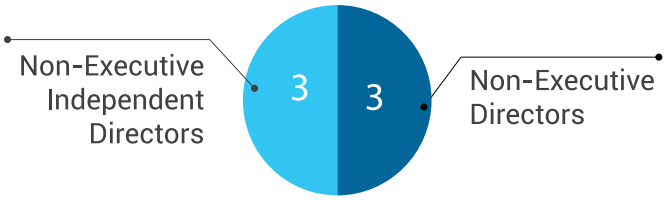
The Audit Committee of a Non-Banking Financial Institution (NBFI) plays a critical role in ensuring financial integrity, regulatory compliance, risk oversight, and internal control effectiveness. It acts as an independent body that supervises financial reporting, audits, and governance processes.

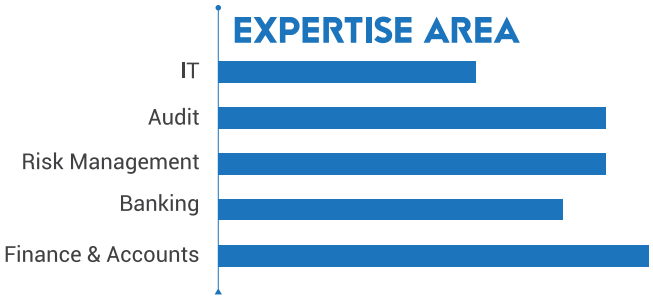
Appointment & Composition:

The Audit Committee of the Board was formed as per the CG Code of BSEC and respective guidelines of Bangladesh Bank. The Audit Committee of Bangladesh Finance PLC. Is comprised with the following:

Name	Status	Attendance During 2025
Mr. Md. Rokonuzzaman FCA, IND	Chairman	3/3
Mr. Kazi Rafiqul Hassan, IND	Member	2/2
Mr. Md. Asaduzzaman Khan, NED	Member	2/2
Ms. Fatema Begum, NED	Member	4/4
Mrs Mahfuza Khanam, IND	Member	1/1
Mr. Furkaan Muhammad N Hossain, NED	Member	0/2

N.B.: IND-Independent Director, NED- Non-executive Director. However, the tenure of Mr Iqbal Uddin Ahmed and Mr. Md. Rokonuzzaman FCA expired and Mr. Kazi Mustak Ahmed joined as the new independent director as well as chairman of the Audit Committee at early 2026.





Chairman of the Audit Committee – an Independent Director & professionally qualified

Mr. Kazi Mustak Ahmed FCA, the chairman of the Audit Committee is a non-executive Independent Director. He is an expert in finance, accounting and auditing.

Terms of reference – Audit Committee:

Financial Reporting

Review of significant financial reporting issues; Monitor and review financial reporting process, financial performance of the company

Internal Controls

Review the adequacy and effectiveness of internal controls, financial, operational, compliance and IT controls, accounting policies and systems

Internal Audit

Review the adequacy and effectiveness of internal audit function and process; oversee the internal audit; review the FI's internal audit plan, scope and outcomes; Appointment, Removal and performance of HIAC

External Audit

Defining the criteria of selection of External Auditor; Recommendations to the Board for the appointment, reappointment, removal, remuneration, terms of engagement of external auditor, review the assistance given by management to the external auditor.

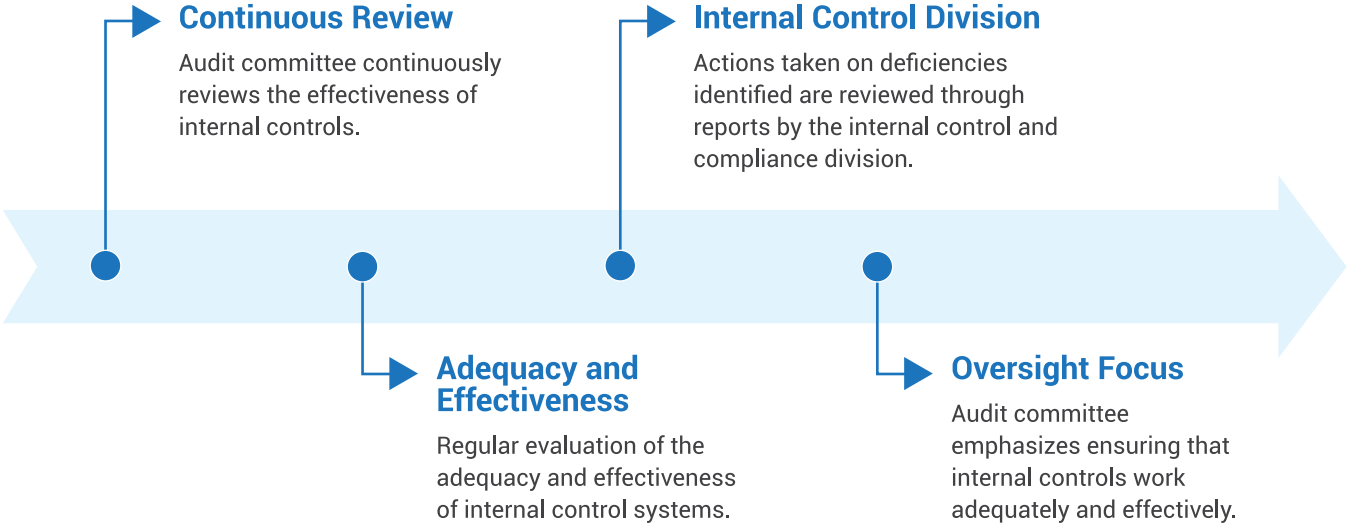
All the members are suitably qualified and have expertise in Finance and Accounting

All members of the Audit Committee are very competent and come from a variety of educational backgrounds which brings diversity and uniqueness to the committee.

Accessibility of HIAC to the meeting of the Audit Committee

The Head of Internal Audit & Compliance, Mr. Amitav Debnath has direct access to the Audit Committee and he can raise any concern whenever it is required to produce to the Audit Committee.

Internal Controls are well conceived properly administered and satisfactorily monitored



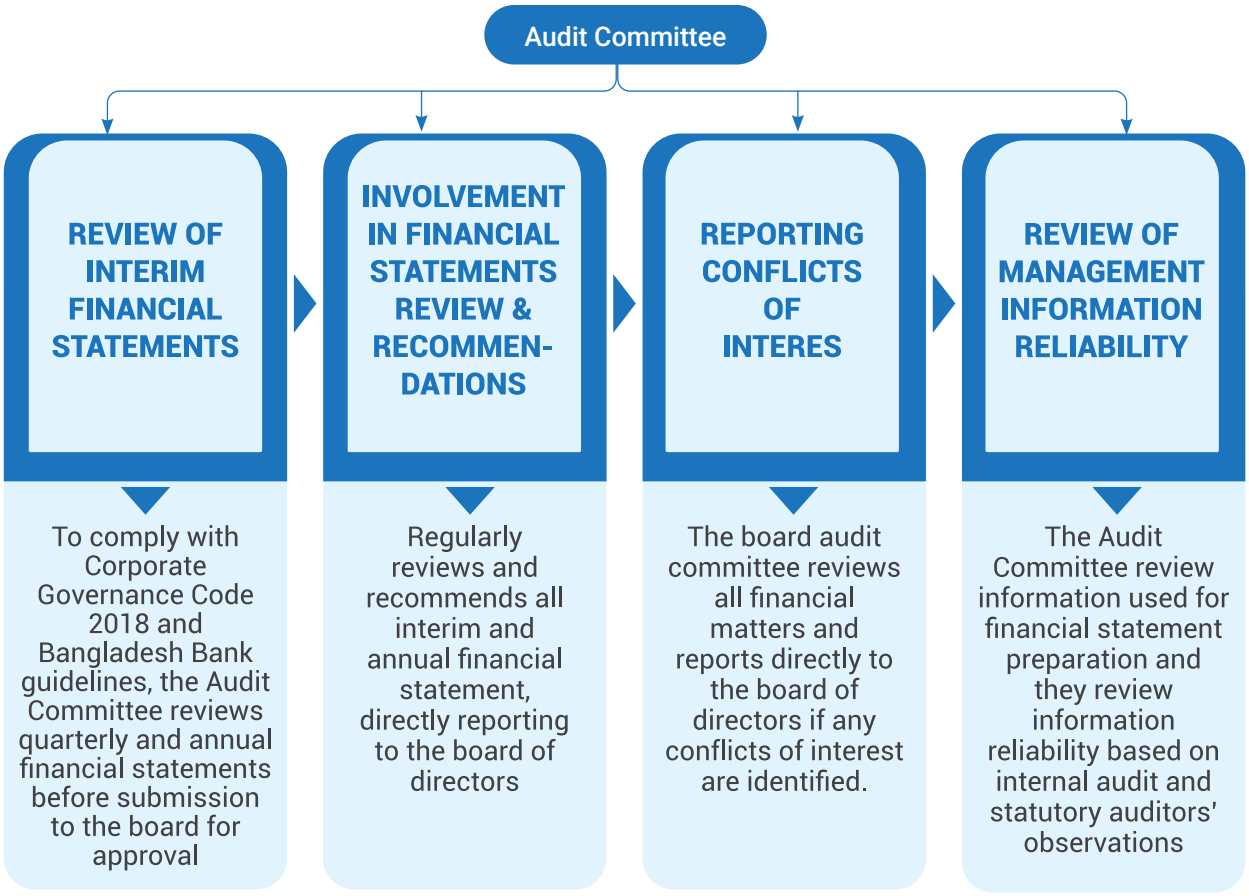
Role to ensure compliance with laws and regulations

Bangladesh Finance PLC manifested its commitment to remain compliant according to all pertinent laws and regulations including the regulatory reporting in due course and the Audit committee reviews those regularly.

Audit Committee's involvement in the review of the external audit function

According to the proposal of the audit committee, the board of directors recommend Snehasish Mahmud & Co., Chartered Accountants as an external auditor of the company for the year 2026 which will be placed for shareholders' approval in the 27th AGM held on 30 June 2026. The audit committee also recommended the appointment of MS Khan & Co, Chartered Secretaries as the Compliance Auditor of the company for the year of 2026.

Accounting Policy Review	Audit committee reviews appropriateness of accounting policies and any proposed changes
Compliance Assurance	Board ensures financial statements align with Bangladesh Financial Reporting Standards, International Financial Reporting Standards, Company Act 1994, and Finance Company Act 2023, and Bangladesh Bank guidelines.
True and Fair View	Board, guided by audit committee recommendations, ensures financial statements present a true and fair view for each financial year.



Risk Management Committee

The Risk Management Committee (RMC) is responsible for overseeing the organization's risk management framework, ensuring that risks are effectively identified, assessed, mitigated, and monitored.

Appointment & Composition:

The Risk Management Committee of the Board was formed as per the CG Code of BSEC and respective guidelines of Bangladesh Bank which comprises of 03 Non-executive Independent Directors.

Name	Status	Attendance during 2025
Mr. Iqbal Uddin Ahmed, IND	Chairman	3/3
Mr. Kazi Rafiqul Hassan, IND	Member	3/3
Mrs. Mahfuza Khanam, IND	Member	1/1

N.B.: IND-Independent Director, NED- Non-executive Director

Nomination & Remuneration Committee

As per Bangladesh Bank DFIM circular no 01, dated 29 February 2024, the Directors of Financial Institutions (FIs) can only be part of the Board and the committees under Board i.e., Audit Committee, Executive Committee and Risk Management committee. Subsequently as per DFIM circular no. 18 dated 21 May 2024 the task of NRC should be performed by Audit Committee. The Audit committee of Bangladesh Finance is aware of the issue and the issue will be taken care of by the audit committee as per the guideline prescribed by Corporate Governance Code-2018 as well as by Bangladesh Bank in this respect. Although, to ensure good governance in the company, a committee regarding huma capital is being formed as the 'HR and Remuneration Committee'. The remuneration/compensation of all sorts of financial & non-financial benefits are provided to the senior management and employees as per the HR Policy which has been approved by the board of Directors of the company.

Remuneration of Directors:

As per the guidelines of the Bangladesh Bank BDT 10,000/- (DFIM Circular no. 1 dated 29 February 2024) for each meeting of the Board and its sub-committees are extended to the directors of the Board; Other than that, the directors are not entitled to get any remuneration.

N.B: The company also provides Tk. 40,000/- monthly remuneration to Independent Directors as per DFIM Circular no. 1 dated 29 February 2024.

Remuneration & benefits provided to the employees including senior management:

The remuneration of the employees of Bangladesh Finance is industry standard. Benefits provided to employees of the company are market competitive even though some are exemplary in the industry. The remuneration and other fringe benefits are provided to the employees including senior management as per the Board approved HR policy of the company.

H. Governance of the Board of Directors of the Subsidiary Companies

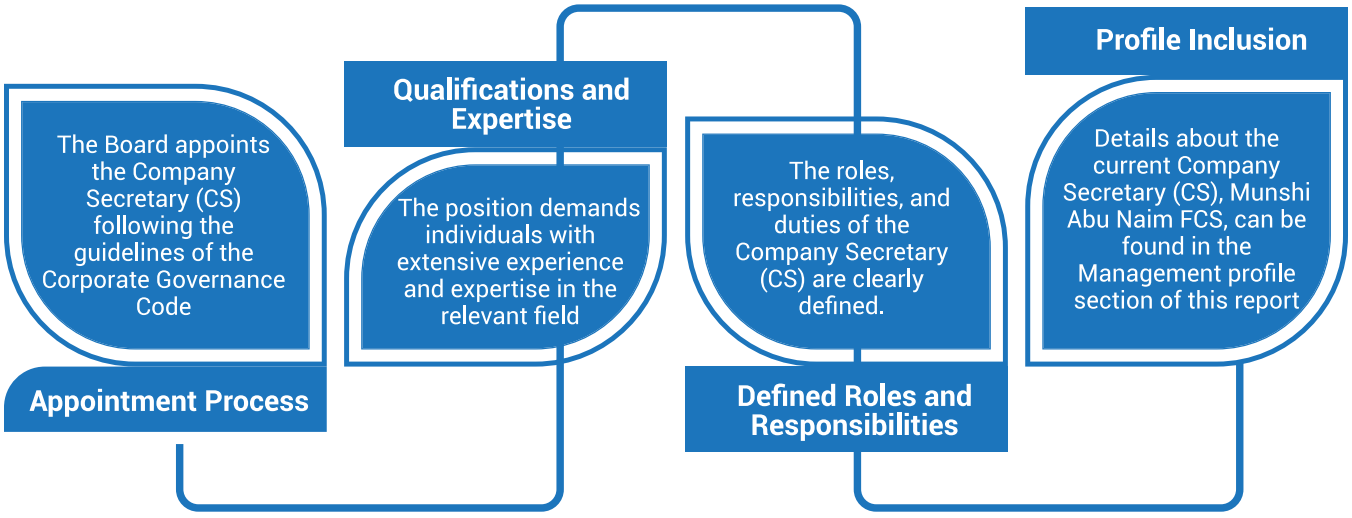
- Compliance: Boards adhere to Bangladesh Bank and BSEC's Corporate Governance Code.
- Structure: Subsidiary board composition as per relevant guidelines
- Independent Oversight: One independent director sits on both subsidiary boards.
- Regular Review: Bangladesh Finance board reviews subsidiary affairs and meeting minutes.
- Financial Scrutiny: Audit Committee reviews subsidiary financials and investments at regular basis.

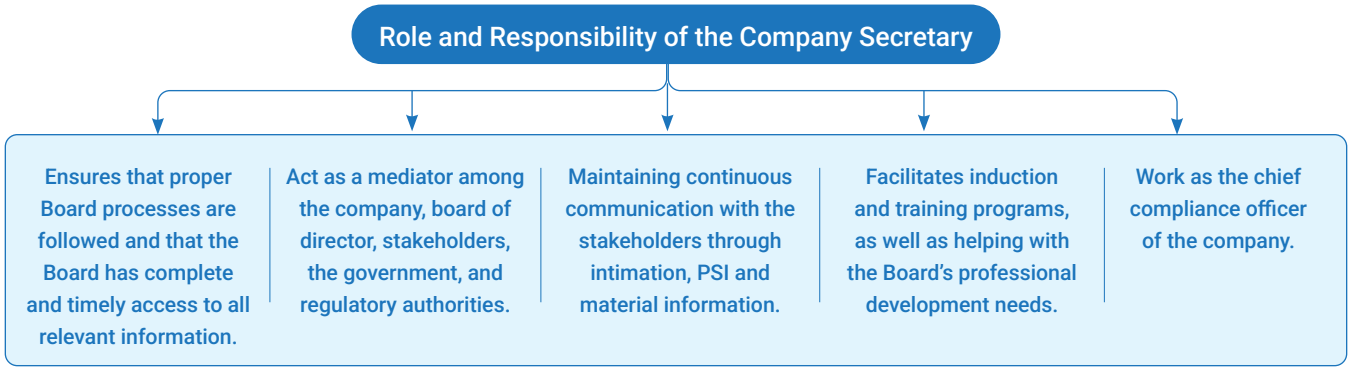
	Name	Board Status	Subsidiary Status
1	Mr. Kazi Mustak Ahmed	IND, Chairman of the Audit Committee	
2	Mr. Kazi Rafiqul Hassan	IND	Board Member of BFSL
3	Ms. Mahfuza Khanam	IND	Board Member of BFCL
4	Mr. Md. Helal Chowdhury	NED	
5	Ms. Fatema Begum	NED	
6	Mr. Imtiyaj Yousuf	NED	
7	Mr. Md. Hasan Khan	NED	
8	Mr. Md. Kyser Hamid	Managing Director & CEO (Ex-officio)	NED, BFSL & BFCL

N.B. However, Helal Chowdhury and Fatema begum has recently resigned and replacements of them are under the approval process of Bangladesh Bank.

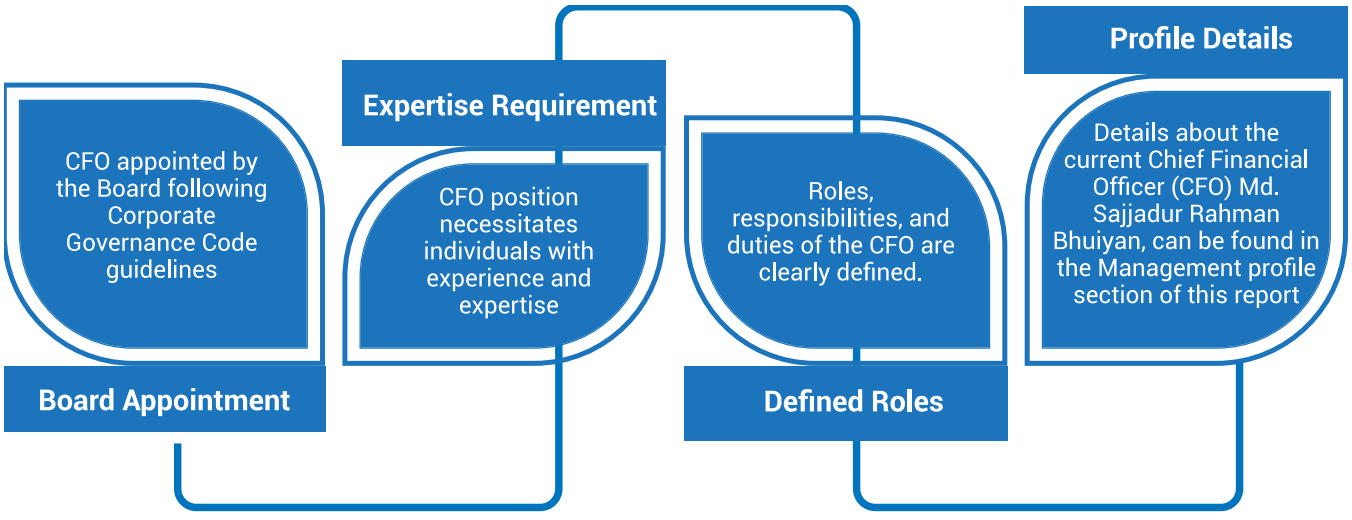
I.Company Secretary, Chief Financial Officer and HICC

Company Secretary (CS)





Chief Financial Officer (CFO)

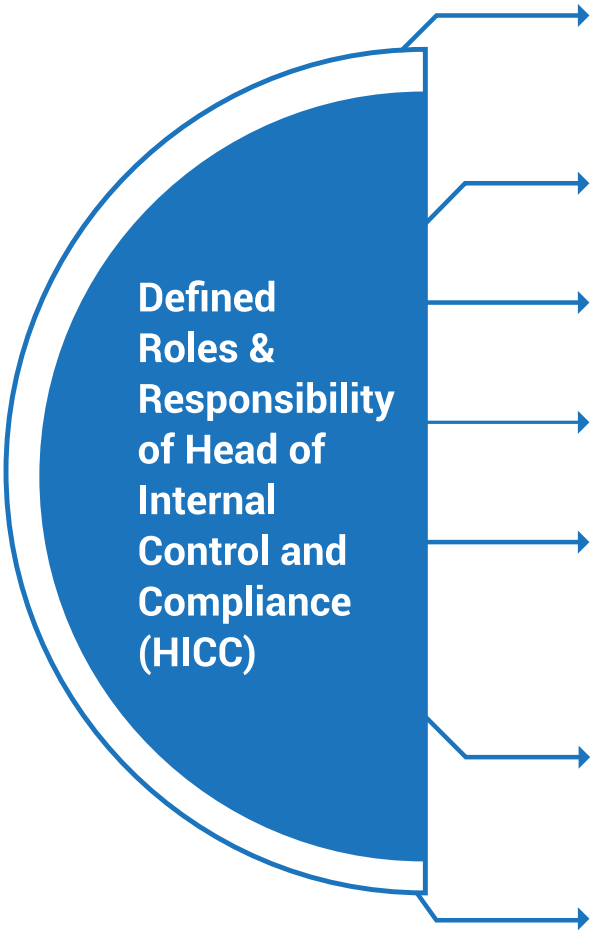


Roles & Responsibility of Chief Financial Officer (CFO)

- Prepare Annual Budget and oversee financial and Business plan
- Ensure to follow accounting standards and Financial Standards like IAS, BAS, IFRS and BFRS
- Provide financial information as required by the CEO, audit committee, and the Board for decision making
- Oversee preparation of monthly financials with analysis and recommendations
- To be involved vigorously to formulate business strategies and long term business plan of the Company
- To ensure proper tax management of the company and compliance thereof
- Liaise with the External Auditor and cooperate with them by providing required documents and explanations

Head of Internal Control and Compliance (HICC)





- To assess and mitigate various control risks in order to ensure better risk management and robust internal control.
- To oversee operational compliances in line with internal policies and external regulations.
- To prepare annual audit plans based on analysis and priorities.
- To design and undertake audit program to achieve specific objective.
- To ensure that internal audit reports are prepared and finalized in a timely manner, and the same are submitted before the Audit Committee.
- To conduct special investigation on the allegation of fraud, forgery noticed by the Management
- To perform other duties as assigned by the CEO or Audit Committee

J. Ethics, Compliance & Transparency Disclosure

Disclosure of statement of ethics and values

Code of Conduct for Board & Employees → Part of Service Rules & Regulations → Part of Service Rules & Regulations → Protect interests of stakeholders → Ensure integrity, ethics, compliance

Communication of the statement of ethics & business practices to all directors and employees

Board-approved Code of Conduct → Mandatory acknowledgement by employees → HR department circulates updates & conducts training

Board's commitment to establishing high level of ethics and compliance

High level of ethics and compliance → Encourages Management to ensure ethical standards → Guides Management on policies

Establishment of effective anti-fraud program and controls

Protects revenue, reputation, and assets → Effective program for all employees → Training on anti-fraud/ anti-corruption

Accountability

Disclosure to shareholders/ stakeholders → Financial reports quarterly, half-yearly, annually, and AGM → Management report to Board before each meeting

Timely Reporting with Adequate Disclosures

- Reporting Management prioritizes timely regulatory reporting.
- Bangladesh Finance establishes a central reporting cell for various reports to regulatory authorities
- Swift dissemination of PSI and quarterly/annual Financial Statements with comprehensive disclosures
- Adequate disclosures aim to protect minority interests
- Striving to be one of the best-complied companies in the country through prompt and comprehensive reporting practices

Avoiding Conflict of interest

Bangladesh Finance PLC upholds high ethical standards to avoid conflict of interest and protect stakeholder trust.

Transparency: Related party transactions disclosed in annual report and AGM.

Internal Control and Compliance: Monitors processes and flags potential conflicts.

Regulatory Guidelines: Strict rules govern loan approvals and director behavior.

Related party transactions

The audit committee reviewed all the material-related party transactions and kept the board informed regarding such transactions. During the year, deposits had been collected from the directors and their related entities. As per IAS-24, the details of the related party transactions are given in the financial statements note: 43.

Whistle Blowing Policy

Bangladesh Finance PLC has a Speak up/Whistle-blowing policy to uphold the code's commitment and maintain a culture of strong ethics. Any misconduct or misappropriation shall be reported to the appropriate authority. We are very keen to maintain an open environment where the staffs are confident in raising concerns about any misconduct and are free from the fear of victimization.

Statement of Compliance with IFRS/BFRS

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants (ICAB) and the requirements of the Finance Company Act 2023, the rules and regulations issued by Bangladesh Bank time-to-time, the companies' act 1994 and BSEC rules 2020.

Statement of Compliance with ICSB Secretarial Standards

All the secretarial standards: BSS: 1: Meetings of The Board of Directors, BSS: 2: General Meetings, BSS: 3: Minutes, BSS: 4: Dividend, BSS: 5: Virtual & Hybrid Meeting, BSS: 6: Resolution by Circulation issued by the Institute of Chartered Secretaries of Bangladesh (ICSB) have been complied with.

Corporate Vision, Mission, Strategy and Ethical Values

Bangladesh Finance has the vision to be the most innovative financial services provider in the country with special focus on creating value for all stakeholders. The achievement of this vision depends on establishing the following values that Bangladesh Finance PLC considers as a matter of priority.

Vision, Mission & Strategy:

The Vision and Mission statement of the company approved by the Board are presented duly in this report. The said statement is also disclosed in the company's website and other related publications. Strategic initiatives which are time to time directed by the Board have been presented in this report.

Integrity	We understand the importance of uncompromising ethics in ensuring respect for our clients and the communities we serve. We demonstrate a consistent behavior without being biased. We extensively practice integrity in our organization for the wellbeing of our corporate culture.
Trust & Respect	Our relation with everyone surrounding us is based on mutual trust and respect.
Client's Setisfection	Our clients are the focus of our concern and the reason for our success. So, client satisfaction is one of the core areas of our concern. We provide a transparent and detailed understanding of products and services that demonstrate the idea from the perspective of the client. And client satisfaction is vastly related to their understanding and expectation of our performance.
Transparency	We try our best to remain transparent in our activities by providing and disclosing information in a fair, clear and decent manner.

Teamwork	We all work toward a common goal; individual success is defined by team success. We believe that team spirit can bring harmony and increase productivity within the organization.
Diversity	We encourage diversity in our organization to ensure more sharing of multi-dimensional knowledge and innovation.
Equal Opportunity	We promote equal opportunity among our colleague, clients, potential clients and other connected parties.
Professional Excellence	We are oriented toward success and focused on performance. No effort is spared as we constantly strive to new heights and take pride in providing reliable and professional service.
Ongoing Relations	We are very keen to maintain relation with our clients and allied concern on a continuous basis.

Code of Conduct for the Employees

- Acting Responsibly with Morality and Integrity
- Fair Treatment of Customers
- Privacy and Security of Client Information
- Protecting Confidential Information about the Company and Its Stakeholders
- Transparency and Accuracy of Financial, Tax and Other Reporting
- Accuracy of Books, Records Management and Expense Management
- Interaction in Print, Electronic and social Media
- Policy against Discriminatory Harassment
- Gifts, Entertainment & Favors
- Kickback & Secret Commission
- Personal Investment and Insider Trading
- Conflicts of Interest
- Conduct towards Female Colleagues
- Workplace Security & Safety
- Employee Conduct inside the Workplace
- Employee Conduct outside the Workplace
- Service Rules and Security
- Grooming, Etiquette and Compliance with the Dress Code
- Post-Employment Activities and Responsibilities
- Compliance with the Code of Conduct
- Reward
- Property of Bangladesh Finance and It's Subsidiaries

K.Internal Control & Risk Management

Statement of Director's responsibility to establish an appropriate system of Internal Controls

The strong internal control system provides independent assurance to the board of directors and senior management on the quality and effectiveness of internal control, risk management and governance systems and processes. Internal Control encompasses all controls incorporated into the strategic, governance and management processes, covering the organization's entire range of activities and operations, and not just those directly related to financial operations and reporting. Its scope is not confined to those aspects of a business that could broadly be defined as compliance matters but extends also to the performance aspects of a business. Bangladesh Finance has an independent ICC department with professional competence, knowledge and experience which is essential to the effectiveness of its internal audit function. Bangladesh Finance has designed its internal control and compliance department to manage all the risks to a reasonable level. The scope of the internal audit function's activities ensures adequate coverage of matters of regulatory interest as well as the yearly audit plan of the organization. The head of the Internal Control and Compliance Department holds the responsibility for ensuring that the department complies with sound internal auditing standards and with a relevant code of ethics. The main objectives of internal control are as follows:

- Reliability of Financial Reporting
- Compliance with applicable laws and regulations
- Effectiveness and efficiency of operations

Structure of Internal Control and Compliance

ICCD operates independently as a department and has a unique reporting line to the Audit Committee of the Board of Directors. The Internal Control and Compliance Department is consisting of the following three units to ensure its departmental effectiveness.

	Audit and Inspection Unit	Monitoring & Compliance Unit	IS Audit Unit
Function of Audit & Inspections Unit	Execute the audit as per plan	Communicate the findings	Follow up & Comply the findings
Function of Monitoring and Compliance Unit	Reviews business and operational activities	Collect & Analyze Data to reduce Risk	Make sure to comply with laws
Function of IS Audit Unit	Making Paperless Work Environment	Increase efficiency by introducing Automation	Ensure information Security

Identification of key risks Bangladesh Finance is exposed to both internally and externally



- Credit Risk
- Operational Risk
- Liquidity Risk
- Cyber Security Risk
- HR Risk
- AML Risk
- Control & Compliance Risk
- Market Risk
- Reputation RIsk

Directors have reviewed the adequacy of the system of Internal Controls

Based on the internal controls established and maintained by Bangladesh Finance, audit work performed by internal and external auditors, reviews performed by management and various Board Committees as well as the CEO's and CFO's assurance, the Board, with the accord of the Audit Committee, is giving opinion that the company's internal controls are adequate and effective as on 31 December 2022 to address financial, operational, compliance risks and information technology risks which the company considers relevant and material to its operations.

Strategies adopted by Bangladesh Finance to manage and mitigate the risks

Credit Committee (CC)	Risk Managment Forum (RMF)	Anti-Money Laundering Committee	IT Security Committee	Cyber Security
Evaluate finanical activities from the risk point of view	Proactive risk managment procedure following international framework	Spervising Anti Money Laundering Activities at Bangladesh Finance	Supervising and protecting every inside information	Supervising and securing sensitive Data.

Key Features/Components of Internal Control System

The key elements of the internal control system established by the Board that provides effective governance and oversight of internal controls include:

Control/Structured Environment

Control Environment

The success of the control environment Is dependent on the following factors:

- Board of Directors and Audit Committee
- Management's Philosophy and Operating Style
- Integrity and Ethical Values
- Commitment to Competence
- Organizational Structure

Risk Assessment

Risk Assessment

The success of the control environment Is dependent on the following factors:

Auditor obtains understanding of how entity's risk assessment process working:

- Expected risks
- Effects of such risks
- Likelihood that risk will realize
- Decisions taken to cater such risks

Control Activities

Control Activities

Some commonly used control activities include:

- Segregation of duties
- Physical and digital security measures
- Verifications & reconciliations findings are evaluated and deficiencies are reported in a timely manner, with serious matters reported to senior management and to the board. Ongoing evaluations, separate evaluations, or some combination of the two are used to ascertain whether each of the five components of internal control, including controls to affect the principles within each component, are present and functioning.

Information & Communication

Information & Communication

Information about controls should be communicated to management in a timely manner, so that shortfalls can be addressed promptly. The amount of information communicated should be appropriate to the needs of the recipient. Thus, major control breaches should be communicated to senior management at once, while minor issues can be dealt with at a lower level of the organization.

Monitoring Activities

Monitoring Activities

The activities of the Bangladesh Finance are being monitored on an ongoing basis so that the policy, manuals, processes, procedures and practices are being adhered to. Ongoing evaluations, separate evaluations, or some combination of the two are used to ascertain whether each of the five components of internal control, including controls to affect the principles within each component, are present and functioning. Findings are evaluated and deficiencies are communicated in a timely manner, with serious matters reported to senior management and to the board.

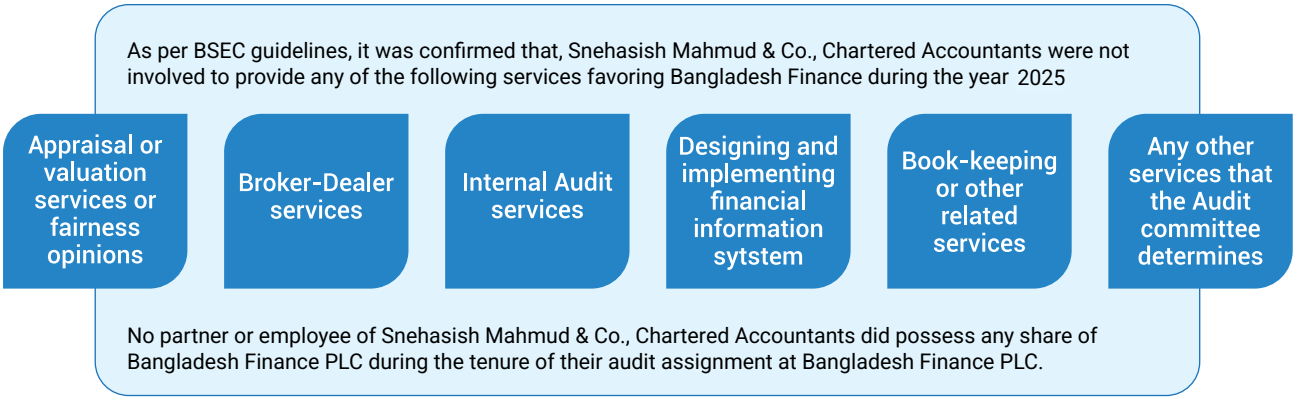
L. Appointment of External Auditors

Statutory Auditor

The current statutory auditor of Bangladesh Finance is Snehasish Mahmud & Co.

Appointment of Statutory Auditor

Based on the Expression of Interest (EoI) of different chartered accountant firms, after details discussion the board appointed Snehasish Mahmud & Co., Chartered Accountants as the statutory auditor for the year 2026 subject to approval of Bangladesh Bank and finally by the shareholders in the 27th AGM of the company.



Compliance Auditor

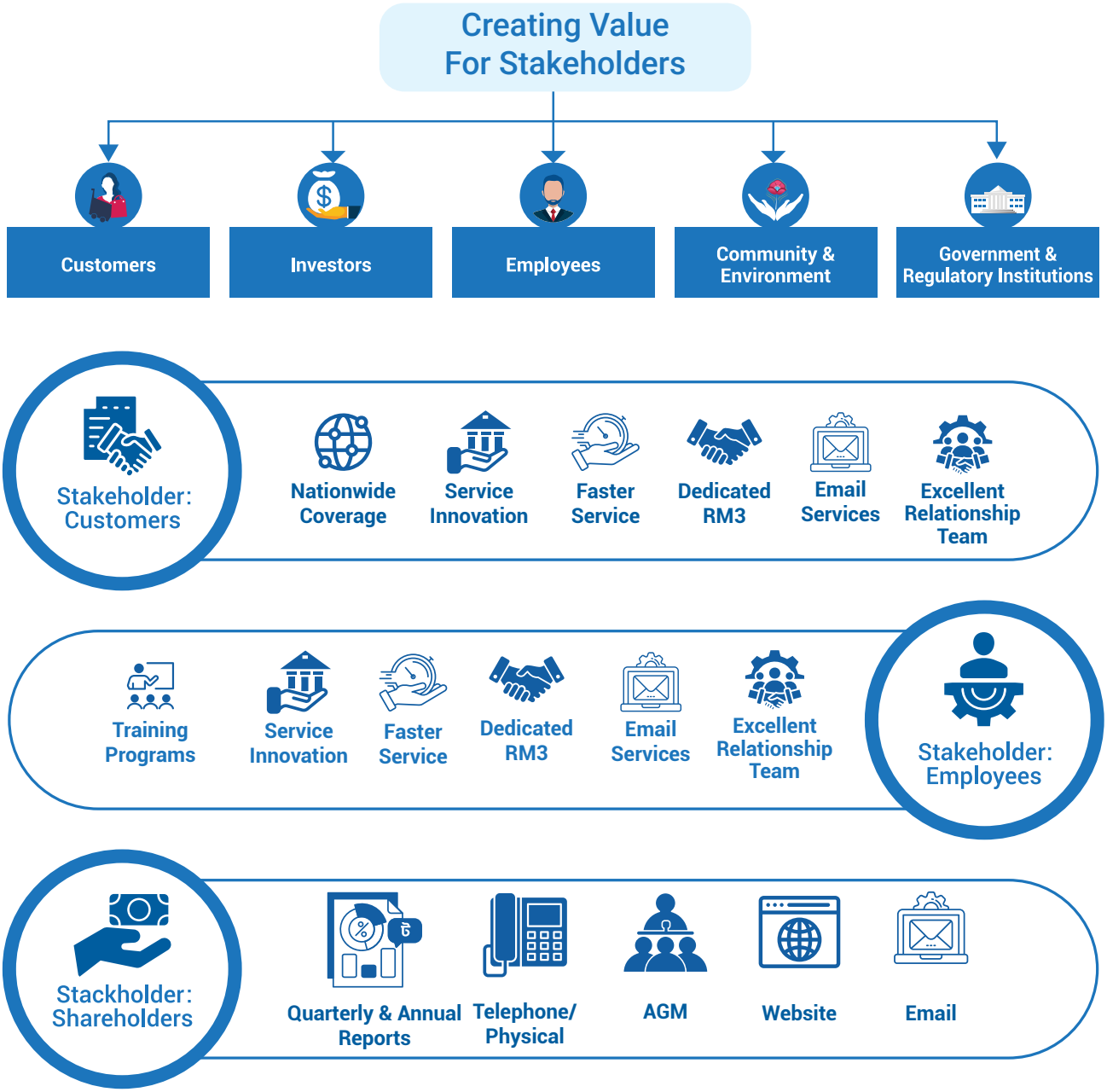
The Board of Bangladesh Finance PLC appointed MNA Associates to perform as a compliance auditor for the year 2025 where they certified us as “Satisfactory”.

Appointment of Compliance Auditor

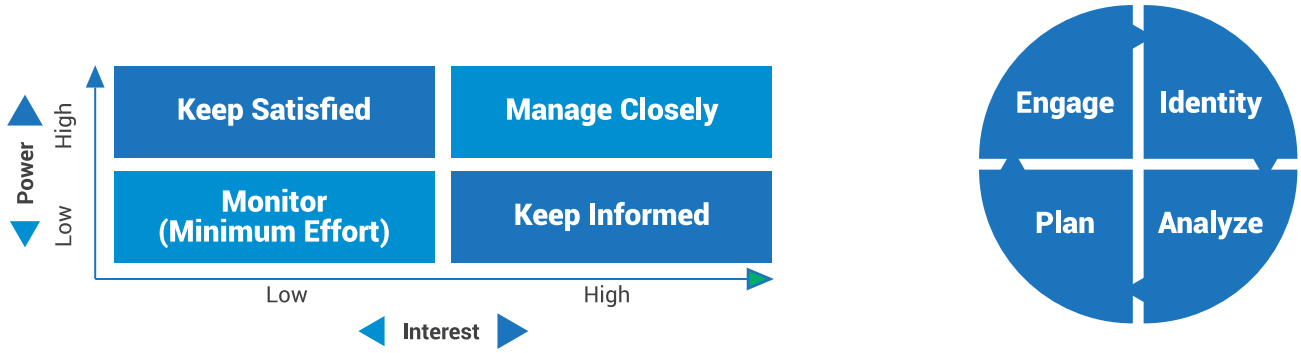
While appointing the Compliance Auditor for the year 2026, the Board of Bangladesh Finance again recommended MS Khan & Co. to appoint as a Compliance auditor for the company subject to final approval by the shareholders in the 27th AGM.

M. Stakeholder Engagement

Bangladesh Finance is very keen to manage its all type of stakeholders in the most responsive and satisfactory way. We identify our stakeholders and analyze them in line with their involvement with us. Stakeholders may be an influencer (e.g., management), or claimant (e.g., shareholders) or combinatory (e.g., Government/ regulators). After identifying and analyzing stakeholders, we engaged them through various events and communication.


Creating Value For Stakeholders
Customers
Investors
Employees
Community & Environment
Government & Regulatory Institutions
Stakeholder: Customers
Nationwide Coverage
Service Innovation
Faster Service
Dedicated RM3
Email Services
Excellent Relationship Team
Training Programs
Service Innovation
Faster Service
Dedicated RM3
Email Services
Excellent Relationship Team
Stakeholder: Employees
Stackholder: Shareholders
Quarterly & Annual Reports
Telephone/ Physical
AGM
Website
Email

To manage different types of stakeholders, the following strategy is widely followed:



Policy on ensuring participation of shareholders in the AGM

To ensure the highest level of participation of the shareholders in the AGM, the following process are maintained:



Annual General Meeting (AGM):

The 26th Annual General Meeting of the company was hold on 29 May 2025 at 11.30 AM in hybrid system following the instractions of BSEC. All the Directors of the Board including the Chairman of the Board, Chairman of the Executive Committee & Chairman of the Audit committee, Managing Director & CEO along with the CFO, HICC and Company Secretary and the External Auditor and an Independent Scrutinizer duly attended. The voting platform for shareholders were opened 24 hrs. before the meeting and all the agenda were duly approved by the shareholders which was examined by the Independent Scrutinizer.



From left to right: • Attendees of the AGM, Managing Director & CEO Mr. Md. Kyser Hamid, Honorable Chairman of the Board, Mr Manwar Hossain, and the Vice Chairman and Independent Director Mr. Iqbal Uddin Ahmed..

Stakeholders whose expectations we meet

In light of the growing interest among stakeholders, including shareholders and potential investors, we have given due attention to this report to cover governance issues that are of interest to all parties. This is to ensure the report's reliability and verifiability as a reference for the assessment of corporate governance practices and to ensure transparency of procedures at all levels across Bangladesh Finance PLC.

Maintaining Website of the Company (Detail disclosures as per listing rules)

Bangladesh Finance has a well-designed user-friendly website (www.bd.finance) which is linked with the websites of the stock exchanges. The shareholders and other stakeholders can any time visit the website to avail of information and to request a callback. As per Listing Regulations-2015 under section: 44, Bangladesh Finance makes all the relevant information (updated) available for the investors and depositors. The website address of the company is www.bd.finance

Readdress Investors' Complaints through Investor Relations Department

The interest of valued investors and customers is always very important to Bangladesh Finance. Any complaint or query raised by any investor as well as by the customer is addressed on a priority basis. There is a dedicated desk at Bangladesh Finance, the Board & Share Department, who deals with the issues with competence and due care. Complain or comments can be made over the telephone, by dropping letters into the comment box and putting messages online on the Bangladesh Finance website: www.bd.finance

Independent Scrutinizer and Authenticated Report regarding due process of meeting and voting result: Appointment:

As per BSEC Directives Ref No. BSEC/CMRRCD/2009-193/08 dated 10 March 2021, the board of Bangladesh Finance PLC. appointed H M ENAM & CO as the Independent Scrutinizer to authenticate the process of the 27th Annual General Meeting and the voting result of the meeting.

Report of Independent Scrutinizer:

Last year the independent scrutinizer provided a report regarding the process of the meeting, voting system & result which is forwarded duly to the commission within 48 hours of the conclusion of the meeting by complying with the pertinent notifications of BSEC.

Disclosure of shares held by 10% or more voting interests in the Company: At Bangladesh Finance, there is no shareholder who solely holds 10% or more shares.

N. Dividend Policy and Compliances

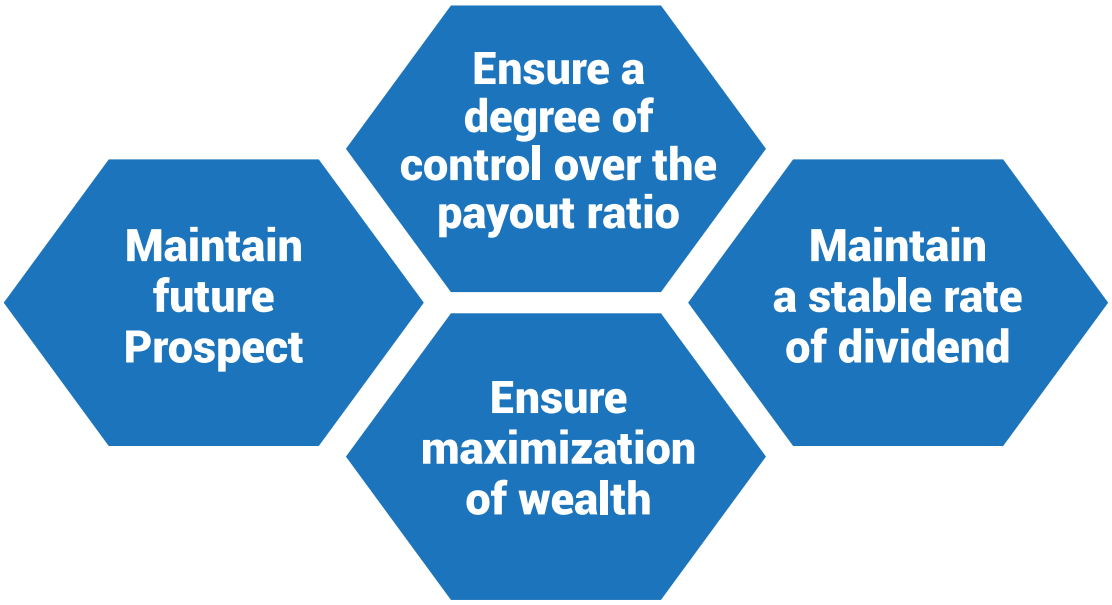
Dividend Distribution Policy

Dividend payout policy is one of the most important topics in corporate finance. The profits generated by any organization are distributed for investment and consumption purposes in accordance with the dividend policy. The term "dividend policy" is associated with the distribution of profits of public limited companies. In a broader sense, the term "dividend policy" can be understood as a mechanism for the formation of the share of profits paid to the shareholders, in accordance with the share of his contribution to the total amount of the company's share capital.

Objectives

The primary objective of the management is to ensure the maximization of the wealth of the shareholders. Payment of dividends leads to an increase in the price of shares on the one hand but leads to a crunch in liquid resources for the financing of prospective projects. There is an inverse relationship between dividend payments and retained earnings. The major objectives of dividend policy are to:





Scope of the manual

Dividend policy refers to the decision of the Board regarding the distribution of residual earnings to its shareholders. The broad scopes of the policy are as follows.

- Factors affecting dividend policy
- Mode of dividend
- Determinants of dividend policy
- Types of dividend policy
- Impact of key financials
- Process of dividend declaration
- Role of the Board
- Role of the shareholders
- Accounting treatment regarding dividend
- Dividend distribution policy

Factors affecting dividend policy

When deciding on the dividends to pay out to shareholders, one of the main considerations of the Board of Directors will be the amount of earnings they wish to retain to meet financing needs. As well as future financing requirements, the decision on how much of a company's profits should be retained, and how much paid out to shareholders, will be influenced by:

- Liquidity
- Investment opportunities
- Investor's preference
- Target capital structure
- Availability of external capital:
- Borrowing capacity
- Access to capital market
- Restriction in loan agreements/bond indenture
- Legal restriction
- Control
- Inflation

Dividend Policy Summary: Key Points

Determinants:

- Dividend payout ratio: Lower ratio indicates conservative policy, higher ratio suggests potential future financing issues.
- Dividend stability: Shareholders prefer consistent payouts.

- Liquidity: Sufficient cash needed for dividends and future investments.
- Divisible profit: Dividends come from distributable profits, not capital gains.
- Capital market & inflation: Easier access to capital and high inflation may lead to higher dividends.
- Shareholder considerations: Tax status, investment opportunities, ownership dilution affect their preferences.

Types of Policies:

- Regular: Consistent annual payouts, regardless of profit level.
- Stable: Fixed percentage of profit paid as dividends each year.
- Irregular: No obligation to pay dividends, decided by board of directors.
- Zero: No dividends paid, all earnings retained for reinvestment.

Financial Impact:

- Key ratios like net profit, EPS, capital adequacy, and return on equity influence dividend decisions.

Declaration Process:

- Management assesses financial ability and impact on share price.
- Dividend mode (cash or stock) determined based on analysis and capital adequacy.
- Board proposes dividend, shareholders approve in AGM.

Roles:

- Board: Proposes dividend aligned with shareholder and company interests.
- Shareholders: Approve or reject proposed dividend in AGM.

Accounting:

- Dividends are taxable income for shareholders.
- Accounting entries made according to relevant standards.

Payment of Dividend

Cash Dividend	Stock Dividend
• Follow regulatory guidelines • Paid through BEFTN or bank accounts • Paid to CCBA for margin clients • Paid to non-residents through custodian • Dividend warrants for unavailable accounts • Separate bank account for payments • Unclaimed dividends transferred after 3 year	• Credited to BO accounts within 30 days • Subject to exchange and CDBL clearance • Allotted within 60 days of AGM • Shareholders informed through publication and SMS

This policy described here is solely created as internal dividend policy of Bangladesh Finance PLC. Authority has the right to change any clause of the policy if required.

Dividend Payment Compliance Report

As per prescribed format of BSEC directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, the dividend payment compliance report was prepared and forwarded to the commission and exchanges duly which is readily available at the company's website under the column of Investor Relations.

Transfer of unclaimed cash & stock dividend to the CMSF

As per CMSF Rules 2021 and Directives No. SEC/SRMIC/165-2020/part-1/182, the remaining balance of unclaimed Dividend and non-refunded public subscription money have been transferred to BSEC's Capital Market Stabilization Fund (CMSF) In FY2022, we transferred 4176 shares up to 31 December 2018 (more than 03 years) to CMSF BO A/c: 1201530074571230 on 28 March 2022. We also transferred BDT17,983.14 against the fraction share sale proceeds for the year 2018 to the CMSF bank account (SND A/c:0010311521301) at Community Bank Bangladesh Ltd., Gulshan Branch, Dhaka on 08 June 2022 duly.

List of Unclaimed dividends published in the website: Pursuant to BSEC Directive No. BSEC/CMMRCD/2021-386/03 and subsequently CMSF Rules 2021 (Clause 09), we have uploaded a list of Unclaimed Dividend and Non-refunded Public Subscription Money to the official website (Link: www.bd.finance/invertorrelations/dividend).

O. Status of Compliance of Recent Circulars of Regulatory Bodies

During the year 2025-2026, all the circulars and notifications related to governance which are issued by Bangladesh Bank. Bangladesh Securities and Exchange Commission, stock Exchanges and by the Authority of the Govt. are duly complied with.

Status and Certificate of Compliance of Corporate Governance

In accordance with the Corporate Governance Code mandated by the Bangladesh Securities and Exchange Commission (BSEC) through their notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, MNA Associates conducted a thorough examination to evaluate the compliance of Bangladesh Finance. According to their certification, Bangladesh Finance has successfully met all the Corporate Governance requirements outlined in the CG Code 2018.

Certificate of compliance

MNA Associates certified Bangladesh Finance PLC as "Satisfactory" and the copy of the compliance is presented as Annexure-B of this report

Report of compliance

The copy of the detailed Checklist/Report under Condition No. 9 of the Corporate Governance Code 2018 of BSEC, is presented as Annexure-c of this report.

P. Environmental and Social Obligations

Policies and practices relating to social and environmental responsibility

Bangladesh Finance PLC is always committed to giving back to society and promoting good environmental practices. As per regulatory guidelines, the company has a Board-approved CSR budget to meet different needs of the society and the planet.

Activities undertaken on Social Responsibilities

The details of the activities under corporate social responsibility are given in CSR report in this annual report. Activities are undertaken on Environmental Responsibilities to enhance environmental sustainability within Bangladesh Finance PLC, the sustainable finance department has initiated efforts to promote green financing and establish an eco-friendly atmosphere in the workplace in alignment with the Sustainable Development Goals (SDG). Detailed information about the activities related to environmental responsibility is provided in the natural capital segment.



Introducing Green Branch:

One of our notable initiatives is the implementation of the Green Branch project. We have taken initiative to introduce our Bangshal Branch as the second Green Branch after Gazipur. This project incorporates a variety of environmentally friendly features, including extensive use of solar panels, glass walls to optimize natural light, sensor-based water taps and electric switches, as well as the inclusion of greenery. This ensures the creation of a green environment where employees are strongly encouraged to adopt paperless practices.

REPORT OF THE AUDIT COMMITTEE



The Audit Committee and its Chair are appointed by the Board. The Committee includes 03 (Three) members of the Board of Directors. All three of them are Independent Directors. The Audit Committee has been formed as per the guideline given by Bangladesh Bank as well as the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC) dated June 03, 2018.

Audit Committee	
Mr. Kazi Mustak Ahmed	Chairman
Mr. Kazi Rafiqul Hassan	Member
Mrs. Mahfuza Khanam	Member

Audit Committee (the 'Committee') is the prime sub-committee of the Board of Directors (the 'Board') of Bangladesh Finance PLC (the 'FI'). The purpose of the committee is to assist the Board in fulfilling its oversight responsibilities relating to (i) the integrity of the FI's financial statements and internal control systems (including the implementation and effectiveness of internal control over financial reporting); (ii) the performance of the internal audit function; (iii) the annual independent audit of the FI's financial statements, engagement of independent auditors and evaluation of the independent auditors' qualifications, independence and performance; (iv) the compliance by the FI with regards to legal and regulatory requirements; (v) the implementation and effectiveness of the FI's disclosure controls and procedures; (vi) the evaluation of enterprise risk issues and (vii) the fulfillment of the other responsibilities set out by the regulators and the Board.

ACCESS TO THE COMMITTEE

On any matter within the Committee's Charter, the Head of Internal Control & Compliance has direct access to the Audit Committee.

TERMS OF REFERENCE

- The Audit Committee shall conduct at least four meetings in a financial year.
- The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.
- The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.
- The Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).

ROLES & RESPONSIBILITIES OF BOARD AUDIT COMMITTEE

The roles and responsibilities of Audit Committee have been defined in line with the relevant provisions of Corporate Governance Guidelines/ Notification issued by Bangladesh Bank and BSEC, two regulators for the Financial Institution, and other best practices of governance. The Audit Committee established to assist the Board in its oversight responsibilities with respect to audit, compliance/ operational risk, and financial reporting, disclosure, regulatory compliance and disciplined operation complying with the applicable rules and regulations:

a) Internal Control

- Evaluate whether the management is establishing an appropriate compliance culture by communicating the importance of internal control and the prudent management of risk and ensuring that all employees have clear understanding of their roles and responsibilities;
- Consider whether the internal control strategies recommended by internal and external auditors have been prudently and comprehensively implemented by the management;
- Consider reports relating to fraud, forgery and deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the Board after reviewing whether necessary corrective and remedial measures have been embraced by the management;
- With governance and supervisory oversight from the Board of Directors, the Audit Committee will put in place policies and procedures to identify, measure, monitor and control risk;
- Review Management Letters issued by the statutory auditors.

b) Financial Reporting

- The Audit Committee checks whether the financial statements reflect complete and accurate information and determine whether the statements are prepared according to the existing rules and regulations and standards enforced in the country and as per the relevant financial reporting standards prescribed by Bangladesh Bank;
- Discuss with the management and external auditors to review the financial statements before finalization.
- Review the quarterly and half-yearly financial statements with the management before submission to the Board for approval.
- Review statements of significant related party transactions submitted by the management.
- Review the management's discussion and analysis before disclosing in the annual report.

c) Internal Audit

- Monitor/evaluate whether internal audit functions are truly independent.
- Review the activities and the organizational structure of the internal audit and ensure that no unjustified restriction or limitation hinders the internal audit process.
- Review and assess the annual internal audit plan.
- Review the efficiency and effectiveness of internal audit function.
- Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.

d) External Audit

- Make recommendations to the Board, to be put to shareholders for approval in the AGM, in relation to appointment, re-appointment and removal of the FI's external auditors. Oversee the relationship with the external auditors including:
    1. Approval of their remuneration, i.e. fees for audit or non-audit services.
    2. Assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements.
    3. Satisfying itself that there is no relationships (such as family, employment, investment, financial or business) between the auditor and the financial institution (other than in the ordinary course of business).
    4. Meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year, without management being present; to discuss their views and any issues arising from the audit.
    5. Review the findings and recommendations made by the external auditors for removal of irregularities, if any, detected are duly acted upon by the management.

e) Compliance with existing laws and regulations

- Review whether the laws and regulations framed by the regulatory authorities (Central Bank, BSEC and other bodies) and internal regulations approved by the Board have been duly complied with.

f) Other responsibilities

- Submit a comprehensive compliance report to the Board on a quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities;
- External and internal auditors shall submit their related assessment report, if the committee solicits;
- Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.

REPORTING TO THE BOARD

The Audit Committee regularly reports its activities to the Board of Directors following each meeting. The Audit Committee report immediately to the Board of Directors in case of any of the following findings are observed:

- Report on conflict of interests;
- Suspected or presumed fraud or irregularity or material defect in the FI's internal control system;
- Suspected infringement of laws, including securities related laws, rules and regulations;
- Any other matter which shall be disclosed to Board immediately.

THE ATTENDANCE OF AUDIT COMMITTEE

The Audit Committee Members' positional status along with attendance at Committee meetings are set out in the following table:

Name of the Member	Status in the Committee	Status in the Board	Status in the Subsidiary Company	Meetings Held	Meetings Attended
Mr. Md. Rokonuzzaman FCA	Chairman	Independent Director		3	3
Mr. Kazi Rafiqul Hassan	Member	Independent Director	Director in Bangladesh Finance Securities Ltd.	2	2
Mr. Asaduzzaman Khan	Member	Director		2	2

Mrs Mahfuza Khanam	Member	Independent Director	Director in Bangladesh Finance Capital Ltd	1	1
Ms. Fatema Begum	Member	Director		4	4
Mr. Furkaan Muhammad N Hossain	Member	Director		2	0

All of the Committee Members are "financially literate" and convincingly experienced that they are capable of analyzing and interpretation of financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee. The Chairman of the Committee is the Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB) and having more than 24 years of experience in Financial Accounting, Financial management, Taxation and Corporate Governance area.

N.B. Mr. Kazi Mustak Ahmed joined Bangladesh Finance PLC. on 7 January 2026. Subsequently he became a member as well as the chairman of the Audit Committee on 4 March 2026 as per the decision of 289th Board Meeting of the company.

- The Company Secretary acts as the secretary of the Audit Committee.

AUTHORITY OF THE AUDIT COMMITTEE

The Committee has the explicit authority to investigate into any matter, including call any Member of Management or to be questioned at a meeting of the Committee, full access to information; and authority to obtain external professional advice from company's legal advisor, tax consultant and statutory auditor.

AUDIT COMMITTEE MEETING DURING THE YEAR- 2025

The Committee held 04 (Four) meetings during the financial year under review. Meeting dates are as follows:

SL No.	Meetings	Date of Meeting
1.	73rd Audit Committee Meeting	17 April 2025
2.	74th Audit Committee Meeting	15 May 2025
3.	75st Audit Committee Meeting	17 July 2025
4.	76nd Audit Committee Meeting	29 October 2025

Major Issues reviewed by the Audit Committee during the year 2025

In the year 2025, the Audit Committee reviewed and discussed the following major issues, amongst others.

- Recommended for appointment of external auditors for the year 2025.
- Approved Audit Plan for the year 2025.
- Reviewed the quarterly, half yearly and annual financial statements before their submission to the Board for final review and approval.
- The Committee thoroughly reviewed the findings of the Bangladesh Bank Inspection reports and instructed management to take appropriate actions to prevent repetition of lapses.

- Reviewed the Summary Report on Audit Findings throughout the year and advised for strong monitoring.
- Reviewed the External Auditor's Management Letter and management responses thereto.
- Reviewed reports of related party transactions submitted by the management to find out any conflict of interest.
- Oversight NPL position including write off loans, recovery status and suggested action plan.
- Reviewed branch self-assessment, score of independent testing procedure with regard to AML and CFT issues.
- Monitored the status of regulatory compliance issues regarding CRR, SLR, Capital Adequacy Ratio of the company, Stress testing result for the 2025.
- Ensured the status of the minutes of meetings of the Audit Committee to be sent to Bangladesh Bank for their information.
- Ensured highest standards of corporate governance and adherence to the Company's Code of Ethics at both Management and Board.

The Audit Committee further affirmed that:

The rules and regulations of Bangladesh Bank and all other regulatory authorities and FI's own policy guidelines approved by the Board are duly complied with.

- The system of internal control and business processes have been strengthened including development of human resources towards creation of a compliance culture in the Financial Institution.
- Efforts have been made to keep assets of the Financial Institution safe along with liabilities and commitments being transparent.
- The Financial Statements of the Financial Institution have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) which contained full disclosure.
- The good governance is in place in the Financial Institution.

ACKNOWLEDGEMENT

Based on the above-mentioned discussions, The Audit Committee is of the view that the internal control and compliance system of the company is adequate for purposes of presenting a true and fair view of the activities and financial status of the company as well as to safeguard the assets of the organization. The Audit Committee expresses its sincere thanks to the members of the Board, Management and Auditors for their excellent support extended to the Committee.

On behalf of the Audit Committee,



Kazi Mustak Ahmed FCA
Chairman, Audit Committee

Evaluation of the Quarterly Financials by the Audit Committee:

Bangladesh Finance has prepared and presented Quarter Ended Consolidated Financial Statements as per the regulatory requirement of Bangladesh Securities and Exchange Commission (BSEC), these statements are prepared in accordance with International Accounting Standard (IAS), International Financial Reporting Standards (IFRSs), and comply with the applicable sections of The Finance Companies Act, 2023, the rules and regulations issued by Bangladesh Bank, The Companies Act 1994, The Securities and Exchange Rules 2020 and other applicable Laws and Regulations. The statements were sent to Audit committee for review. After recommend by the Audit Committee, the consolidated financial statements were adopted in the Board of Directors Meeting. The statements are finally submitted to Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC). Afterwards, the Quarter Ended Consolidated Financial Statements are published in several daily newspapers. The statement is also published in the website of the company.

Figures in Million (TK)

Particulars	2025	2024	2025	2024	2025	2024	2025	2024
	4th Quarter	4th Quarter	3rd Quarter	3rd Quarter	2nd Quarter	2nd Quarter	1st Quarter	1st Quarter
Balance Sheet								
Cash in hand and at Bangladesh bank	136.13	131.02	188.98	159.51	167.35	147.85	141.29	137.49
Balance with other Banks and Financial Institutions	1,306.49	1,607.35	1,435.58	1,474.16	1,491.27	1,739.03	1,598.99	1,810.93
Investment in Securities	844.07	1,498.72	1,041.72	1,505.31	1,493.64	1,552.45	1,510.53	1,430.03
Lease, Loans and Advances	13,864.22	14,685.18	14,252.31	14,282.84	14,289.25	14,389.67	14,527.76	14,409.09
Fixed Assets including Premises, Furniture and Fixtures	736.09	697.96	744.30	703.10	736.64	709.45	711.88	720.11
Other Assets	2,132.54	2,073.26	2,360.73	1,901.06	2,222.01	1,787.38	2,172.09	1,572.17
Non-Banking Assets	170.63	170.63	170.63	213.12	170.63	213.12	170.63	213.12
Total Assets	**19,190.18**	**20,864.12**	**20,194.24**	**20,239.11**	**20,570.80**	**20,538.95**	**20,833.18**	**20,292.94**
Liabilities and Capital								
Financing (Borrowings) from other Banks financial Institutions and Agents	4,136.38	4,717.80	4,605.71	4,758.27	4,688.61	5,194.28	4,680.15	5,173.01
Deposits and other Accounts	8,538.56	8,636.73	8,396.15	8,590.01	8,359.80	8,647.31	8,510.29	8,609.98
Other Liabilities	11,575.51	12,769.23	12,337.81	4,417.77	12,763.68	3,964.40	12,892.12	3,794.70
Total Liabilities	**24,250.45**	**26,123.77**	**25,339.67**	**17,766.06**	**25,812.10**	**17,805.99**	**26,082.57**	**17,577.68**
Shareholders' Equity	(5,471.49)	(5,655.93)	(5,549.09)	1,990.13	(5,632.87)	2,231.01	(5,646.60)	2,207.25
Non-Controlling Interest	411.22	396.28	403.66	482.92	391.57	501.94	397.21	508.00

Total Liabilities & Shareholders' Equity	**19,190.18**	**20,864.12**	**20,194.24**	**20,239.11**	**20,570.80**	**20,538.95**	**20,833.18**	**20,292.94**
OFF BALANCE SHEET EXPOSURES	-	-	-	-	-	-	-	-
Net Asset Value per share (NAV)	**(29.07)**	**(30.05)**	**(29.48)**	**10.57**	**(29.92)**	**11.85**	**(30.00)**	**11.73**
Profit and Loss Account								
Net Interest Income	(675.60)	(765.36)	(219.85)	(39.34)	(112.20)	48.65	(96.64)	35.80
Total Operating Income	(814.03)	(740.92)	(536.15)	(46.91)	(103.12)	168.78	(85.09)	186.99
Total Operating Expenses	103.74	91.57	85.79	90.60	90.22	85.53	90.13	86.04
Operating Profit	(917.77)	(832.49)	(621.95)	(137.51)	(193.34)	83.25	(175.22)	100.95
Net Profit after Taxation	125.52	(7,740.22)	95.87	(259.90)	8.09	17.70	10.26	44.56
Earnings Per Share	**0.62**	**(40.66)**	**0.45**	**(1.28)**	**0.07**	**0.13**	**0.05**	**0.20**



Annexure-A

[As per condition No. 1(5)(xxvi)]

Bangladesh Finance PLC.
Declaration by CEO and CFO

Date: 23 April 2026

The Board of Directors
Bangladesh Finance PLC.
Bangladesh Finance Tower
64 Motijheel C/A, Dhaka-1000.

Subject: Declaration on Financial Statements for the year ended on 31 December 2025.

Dear Sirs,

(1) The financial statements of Bangladesh Finance PLC for the year ended on 2025 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the company's state of affairs have been reasonably and fairly presented in its financial statements;

(4) To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and

(6) The managements use of going concern basis of accounting in preparing the financial statements in appropriate and there exists no material misstatements related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

In this regard, we also certify that: -

(i) We have reviewed the financial statements for the year ended on 2025 and that to the best of our knowledge and belief:
   (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (b) these statements collectively present true and fair view of the company's and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Md. Kyser Hamid
Managing Director & CEO

Md. Sajjadur Rahman Bhuiyan
Chief Financial Officer (CFO)

Annexure-B

MNA ASSOCIATES

Chartered Secretaries

ANNEXURE-B
[(Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of Bangladesh Finance PLC. on Compliance to the Corporate Governance Code 2018;

We have examined the compliance status to the Corporate Governance Code by Bangladesh Finance PLC. for the year ended on 31st December 2025. This Code relates to the Notification No. BSEC/CMRRCD/2006 -158/207/ Admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any conditions of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission except those mentioned in the statement of compliance status;

b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the Securities Laws and other relevant laws; and

d) The governance of the company is satisfactory.

MNA Associates
Chartered Secretaries

M Nurul Alam FCS
Chief Executive Officer
Enrollment No. 015

Place: Dhaka
Dated: April 28, 2026.

MNA ASSOCIATES

MNA Associates
Tropical Molla Tower 3rd Floor| Sha-15/1-4 Pragati Sarani (Gulshan Link Road Badda end) | Middle Badda, Dhaka-1212
Mob: +880 1880887760 | Email: info@mnaassociates.org | Website: http://mnaassociates.org

Annexure-C

STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

of the Company **Bangladesh Finance PLC** for the year ended 31 December 2025.

Status of Compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status		Remarks
		Complied	Non-Complied	
1.0	**Board of Directors**			
1(1)	Board's Size: Board members shall not be less than 5 (Five) and more than 20 (Twenty)	√		The Board is comprised of 8 (Eight) members
1(2)	**Independent Directors: Representation of ID in Board**			
1(2)(a)	Number of Independent Director: At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s): Provided that the Board shall appoint at least 1(one) female independent director in the Board of Directors of the company;	√		There are 3 (Three) Independent Directors in the Board including one female Independent Director
1(2)(b)	Without contravention of any provision of any other laws, for the purpose of this clause, an "Independent Director" means a director–			
1(2)(b)(i)	Who do not hold any share or less than 1% (one) percent share of total paid-up shares of the company	√		None of the Independent Directors hold any share of the company
1(2)(b)(ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		The Independent Directors have declared their compliance.
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years	√		
1(2)(b)(iv)	Who do not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated company	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Non-Complied	
1(2)(b)(v)	Who are not the members or TREC holder, directors or officers of any stock exchange	√		
1(2)(b)(vi)	Who is not the shareholder, directors excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		
1(2)(b)(vii)	Who are/were not the partners or executives during preceding three years of any statutory audit firm	√		
1(2)(b)(viii)	Who are not the independent directors in more than 5 (five) listed companies	√		
1(2)(b)(ix)	Who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for nonpayment of any loan or advance or obligation to a bank or a financial institution;	√		
1(2)(b)(x)	Who is not been convicted for a criminal offence involving moral turpitude	√		
1(2)(c)	The Independent Directors shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting: Provided that the Board shall appoint the Independent Director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	√		
1(2)(d)	The post of Independent Directors cannot remain vacant for more than 90 days	√		No such case occurred
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only; Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the কোম্পানি আইন, ১৯৯৪ (১৯৯৮ সনের, ১৮ নং আইন) (Companies Act, 1994) Explanation: For the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure.	√		All three Independent Directors are in their first term of office
1(3)	**Qualification of Independent Director (ID)**			
1(3)(a)	Independent Director shall be knowledgeable individual with integrity	√		The qualification and expertise of IDs fulfill the required provision
1(3)(b)	**Independent Director shall have the following qualification:**			

Condition No.	Title	Compliance Status		Remarks
		Complied	Non-Complied	
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or	-	-	Not applicable
1(3)(b)(ii)	Corporate leader who is or was a top-level executive not lower than CEO or MD or DMD or CFO or Head of Finance or Accounts or company secretary or head of internal audit and compliance or head of legal service or a candidate with equivalent position of an unlisted company having minimum paid up capital of 100 million or of a listed company.	√		The Independent Director **Kazi Rafiqul Hassan** and **Mr. Kazi Mustak Ahmed, FCA** possesses requisite qualification.
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or	-	-	Not applicable
1(3)(b)(iv)	University teacher who has an educational background in economics or commerce or business studies or law.	-	-	Not applicable
1(3)(b)(v)	Professional or who is or was an advocate practicing at least in the high court division of supreme court or a CA or CMA or CFA or CCA or CPA or CMA or CS or equivalent position.	√		The Independent Director **Mr. Kazi Mustak Ahmed, FCA** possesses requisite qualification.
1(3)(c)	The Independent Director shall have at least 10 years of experience in any field mentioned in clause (b)	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the commission	-	-	Not applicable
1.4	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:**			
1(4)(a)	The Chairman of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) shall be different individuals.	√		The mentioned roles are being carried out by different individuals.
1(4)(b)	The MD and/or CEO of a listed company shall not hold the same in another listed company	√		The Managing Director does not hold the same position in any other listed company.
1(4)(c)	The Chairman of the board shall be elected from among the non-executive Directors of the company	√		The chairperson is elected from amongst the nonexecutive directors.
1(4)(d)	The board shall clearly define respective roles & responsibilities of chairperson and MD and/or CEO	√		The roles and responsibilities of the Chairperson and Managing Director are clearly defined.

Condition No.	Title	Compliance Status		Remarks
		Complied	Non-Complied	
1(4)(e)	In the absence of chairperson of the board, remaining members may elect one of themselves from non-executive directors as chairperson & the reason of absence shall be duly recorded in the minutes	√		
1.5	**The Directors' Report to Shareholders**			
1.5 (i)	Industry outlook and possible future developments in the industry	√		
1.5 (ii)	Segment-wise or product-wise performance	√		
1.5 (iii)	Risk and Concern including external & internal risk factors threat to sustainability & negative impact on environment, if any	√		
1.5 (iv)	A discussion on cost of goods sold, gross profit margin and net profit margin, where applicable;	√		
1.5 (v)	A Discussion on continuity of an Extra-ordinary activities and their implications (gain or loss)	√		No such extra ordinary gain or loss occurred
1.5 (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		Discussed at 'Directors' Report'
1.5 (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	√		Mentioned at 'Directors Report'.
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing etc.;	√		No such event
1.5 (ix)	An Explanation on significant variance occurs between quarterly financial performance and Annual Financial Statements	√		No such event
1.5 (x)	A statement of Remuneration to Directors including independent director	√		Mentioned in the Directors' Report
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly state its affairs, the result of its operation, cash flows and changes in equity	√		
1.5 (xii)	Proper books of account of the issuer company have been maintained	√		Mentioned in the Directors' Report
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		Mentioned in the Directors' Report and Auditor's Report
1.5 (xiv)	A statement that International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Non-Complied	
1.5 (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1.5 (xvii)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with the reasons thereof should be disclosed.	√		
1.5 (xviii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reason thereof should be explained	√		
1.5 (xix)	Key operating and financial data of at least preceding five years shall be summarized	√		
1.5 (xx)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given	-	-	The Board decided to retain the earnings to restore the capital base and to build a solid foundation for sustainable growth.
1.5 (xxi)	No bonus share or stock dividend has been or shall be declared as interim dividend	√		
1.5 (xxii)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		The Board of Directors met 07 (Seven) times during the year 2025.
1.5 (xxiii)	**Report on the pattern of shareholding disclosing the aggregate number of shares held by-**			
1.5(xxiii)(a)	Parents/Subsidiary/Associated companies and other related parties (name wise details)	√		Mentioned in the 'Directors Report'
1.5 (xxiii)b	Directors, Chief Executive Officer, Company secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	√		The Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children do not hold any shares of the Company.
1.5 (xxiii) c	Executives;(Top five salaried employees of the company other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit)	√		The Executives (Leadership Team) of the Company do not hold any shares
1.5 (xxiii)d	Shareholders holding ten percent or more voting interest in the company (name wise details)	√		Mentioned in the 'Directors Report'
1.5 (xxiv)	**Disclosure on the appointment /reappointment of directors-**			
1.5 (xxiv)a	A brief resume of the director	√		Stated in the profile of Directors
1.5 (xxiv)b	Nature of his/her expertise in specific functional areas	√		
1.5 (xxiv)c	Names of companies in which the person also holds directorship and the membership of committees of the board than this company	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Non-Complied	
1.5 (xxv)	A Management's discussion and analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statement, among others focusing on:			
1.5(xxv)(a)	Accounting policies & estimation for preparation of financial statements	√		Mentioned in the 'Management Discussion and Analysis'.
1.5(xxv)(b)	Changes in accounting policies & estimation, if any clearly describing the effect on financial performance or results and financial position as well as cash flows in the absolute figures	√		
1.5(xxv)(c)	Comparative analysis (including effect of inflation) of financial performance or results and financial position as well as cash flows in the absolute figures	√		
1.5(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1.5(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe	√		
1.5(xxv)(f)	Risks & concerns issued related to the financial statements, explaining such risk and concerns mitigation plan of the company	√		
1.5(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with jurisdiction thereof, i.e., actual position shall be explained to the shareholders in the next AGM	√		
1.5(xxvi)	Declaration or certification by the CEO and the CFO to the board as required under condition No:.3(3) shall be disclosed as per **Annexure-A**;	√		
1.5(xxvii)	The report as well as certificate regarding compliance of conditions of the code as required under condition No.9 shall be disclosed as per **Annexure-B** & **Annexure-C**;	√		
1.5 (xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Non-Complied	
1(6)	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		Company Maintain a book for Board Meeting Minutes as per the provision of Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh
1(7)	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer**:			
1(7)(a)	The board shall lay down a code of conduct based on the recommendation of the NRC at condition No.6 for the chairperson of the board, other board members & CEO of the company	Not Applicable		Complied as per the guidelines given by Bangladesh Bank
1(7)(b)	The code of conduct as determined by the NRC shall be posted in the website of the company among others prudent conduct & behavior; confidentiality; conflict of interest; compliance with laws, rules & regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency	Not Applicable		
2.00	**Governance of Board of Directors of Subsidiary Company:**			
2 (a)	Provisions relating to the composition of board of holding company shall be made applicable to the composition of the board of subsidiary company	√		
2 (b)	At least one (1) independent director of the board of the holding company shall be a director in the board of subsidiary company	√		
2 (c)	The minutes of the subsidiary company shall be placed for review at the following board meeting of the holding company	√		
2 (d)	The minutes of the respective board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		
2 (e)	The audit committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
3.	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):**			

Condition No.	Title	Compliance Status		Remarks
		Complied	Non-Complied	
3 (1)	**Appointment**			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CFO, HIAC and CS shall not hold any executive position in any other company at the same time: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	√		
3(1)(d)	The Board shall clearly define their respective roles, responsibilities and duties of CFO, HIAC & CS	√		
3(1)(e)	The MD or CEO, CFO, HIAC and CS shall not be removed from their position without approval of Board as well as immediate dissemination to the commission & stock exchange(s).	√		
3(2)	**Requirements to attend BOD's Meetings**- The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	√		
3(3)	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):**			
3(3)(a)	The MD or CEO and CFO shall certify to the board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		Mentioned to the CEO and CFO's Declaration to the Board.
3(3)(a) (i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		Mentioned to the CEO and CFO's Declaration to the Board.

Condition No.	Title	Compliance Status		Remarks
		Complied	Non-Complied	
3(3)(b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the annual report	√		Included in the Annual Report
4	**Board of Directors' committees:**			
4(i)	Audit Committee	√		
4 (ii)	Nomination and Remuneration Committee	Not Applicable		Complied as per the guidelines given by Bangladesh Bank
5	**Audit Committee**			
5(1)	**Responsibility to the Board of Directors**			
5 (1)(a)	Audit Committee shall be the sub-committee of the Board of Directors	√		
5 (1)(b)	The committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
5 (1)(c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	√		In practice. The duties are clearly set forth in writing in the ToR of the Audit Committee.
5 (2)	**Constitution of the Audit Committee:**			
5 (2)(a)	The Audit Committee shall be composed of at least three (3) members	√		Audit committee comprised with the three (3) members.
5 (2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		All three members are Independent Directors.
5 (2)(c)	All members of the audit committee should be financially literate and at least one member shall have accounting or related financial management experience and 10 (ten) years of such experience.	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Non-Complied	
5 (2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5 (2)(e)	The company secretary shall act as the secretary of the committee	√		
5 (2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director.	√		
5(3)	**Chairperson of the Audit Committee**			
5 (3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		Independent Director **MR. KAZI MUSTAK AHMED FCA,** is the Chairperson of the Audit Committee
5 (3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5 (3)(c)	Presence of Chairman of the Audit Committee in the Annual General Meeting	√		Chairperson of the Audit Committee was present at 26th AGM.
5 (4)	**Meeting of the Audit Committee:**			
5 (4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		Audit Committee held Four (4) meetings during the year
5 (4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Non-Complied	
5 (5)	**Role of Audit Committee:**			
5 (5) (a)	Oversee the financial reporting process	√		
5 (5) (b)	Monitor choice of accounting policies and principles	√		
5 (5) (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5 (5) (d)	Oversee hiring and performance of external auditors	√		
5 (5) (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5 (5) (f)	Review along with the management, the annual financial statements before submission to the Board for approval;	√		
5 (5) (g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5 (5) (h)	Review the adequacy of internal audit function	√		
5 (5) (i)	Review the Management's discussion and analysis before disclosing in the annual report	√		
5 (5) (j)	Review statement of significant related party transactions submitted by the management	√		
5 (5) (k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5 (5) (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5 (5) (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission;	-	-	Not Applicable
5 (6)	**Reporting of the Audit Committee:**			
5 (6)(a)	**Reporting to the Board of Directors:**			
5 (6) (a) (i)	The audit committee shall report on its activities to the board of directors	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Non-Complied	
5 (6)(a) (ii)	**Audit committee immediately report to the Board on the following findings-**			
5 (6) (a) (ii) (a)	Report on conflict of interest	-	-	No such case occurred
5 (6) (a) (ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal audit & compliance process or in the financial statement	-	-	No such case occurred
5 (6) (a) (ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-	-	No such case occurred
5 (6) (a) (ii)(d)	Any other matter which deems necessary shall be disclosed to the board of directors immediately	-	-	No such case occurred
5 (6) (b)	**Reporting to the authorities:** If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and discussed accordingly with the Board and management but they unnecessarily ignored, then inform to commission regarding the findings, upon reporting of such matters to the Board for 3 times or completion of 6(six) months from the date of first reporting to Board, whichever is earlier.	-	-	No such case occurred
5 (7)	**Reporting to the Shareholders and General Investors:** Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	-	-	No such case occurred
6	**Nomination and Remuneration Committee (NRC)-**			
6(1)(a)	Nomination committee is a sub-committee of the Board	Not Applicable		As per Bangladesh Bank DFIM letter Ref. No. DFIM(P)1052/27/2021-2436 dated 04 November 2021, DFIM Circular Letter No. 18 dated 26 October 2011
6(1)(b)	NRC shall assist the board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors & top-level executives as well as considering remuneration of directors, top level executive	-	-	Not Applicable



Condition No.	Title	Compliance Status		Remarks
		Complied	Non-Complied	
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	-	-	Not Applicable
6 (2)	**Constitution of the NRC**			
6(2)(a)	The committee shall comprise of at least 3 members including an independent director	-	-	Not Applicable
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;	-	-	Not Applicable
6(2)(c)	Members of the committee shall be nominated and appointed by the board	-	-	Not Applicable
6(2)(d)	The board shall have authority to remove and appoint any member of the committee	-	-	Not Applicable
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the committee or any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) of occurring such vacancy	-	-	Not Applicable
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-	-	Not Applicable
6(2)(g)	Company secretary shall act as the secretary of the committee	-	-	Not Applicable
6(2)(h)	Quorum of the NRC shall not constitute without attendance of at least an independent director	-	-	Not Applicable
6(2)(i)	No member of the NRC shall receive any remuneration other than Directors' fees or honorarium from the company	-	-	Not Applicable
6 (3)	**Chairperson of the NRC:**			
6(3)(a)	The board shall select one member of the NRC to be chairperson of the committee who shall be an Independent Director	-	-	Not Applicable
6(3)(b)	In the absence of chairperson of NRC, the remaining members may elect one of themselves as chairman of the meeting.	-	-	Not Applicable

Condition No.	Title	Compliance Status		Remarks
		Complied	Non-Complied	
6(3)(c)	The chairperson of NRC shall attend the AGM and in the absence of regular chairperson, any member from the NRC shall be selected to attend in AGM	-	-	Not Applicable
6 (4)	**Meeting of the NRC**			
6(4)(a)	The NRC shall conduct at least 1 meeting in a financial year	-	-	Not Applicable
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-	-	Not Applicable
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	-	-	Not Applicable
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-	-	Not Applicable
6(5)	**Role of the NRC**			
6(5)(a)	NRC shall be independent and responsible or accountable to the board and shareholders	-	-	Not Applicable
6(5)(b)	**NRC shall oversee among others the following matters and make report with recommendation to the Board-**			
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of director and recommend policy to Board relating to remuneration of the directors, top level executive considering the following-	-	-	Not Applicable
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	-	-	Not Applicable
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	-	-	Not Applicable



Condition No.	Title	Compliance Status		Remarks
		Complied	Non-Complied	
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of company and its goals	-	-	Not Applicable
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	-	-	Not Applicable
6(5)(b)(iii)	Identifying persons who are qualified to become directors and top-level executive in accordance with the criteria laid down and recommend their appointment and removal to the board	-	-	Not Applicable
6(5)(b)(iv)	Formulating the criteria for evaluation of independent directors and the board	-	-	Not Applicable
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement or promotion criteria; and	-	-	Not Applicable
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies	-	-	Not Applicable
6(5)(b)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	-	-	Not Applicable
7	**External or Statutory Auditors-**			
7(1)	**The Company shall not engage its external or statutory auditors to perform the following services-**			
7(1)(i)	Non-engagement in appraisal or valuation services or fairness opinions	√		
7(1)(ii)	Non-engagement in financial information systems design and implementation	√		
7(1)(iii)	Non-engagement in Book-keeping or other services related to the accounting records or financial statements	√		
7(1)(iv)	Non-engagement in Broker-dealer services	√		
7(1)(v)	Non-engagement in Actuarial services	√		
7(1)(vi)	Non-engagement in Internal audit or special audit services	√		
7(1)(vii)	Non-engagement in any other service that the audit committee determines	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Non-Complied	
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition: 9(1) and	√		
7(1)(ix)	Non-engagement any other service that creates conflict of interest.	√		
7 (2)	No partner or employees and family members of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		
7 (3)	Representative of external or statutory auditors shall remain present in the shareholders meeting (AGM or EGM) to answer the queries of the shareholders	√		Representative of the external auditor was present at 26th AGM.
8	**Maintain a Website by the Company-**			
8.(1)	The company shall have an official website linked with the websites of the stock exchange	√		Website (http:/www.bd.finance) which is linked with the stock exchanges.
8.(2)	The company shall keep the website functional from the date of listing	√		
8.(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	√		
9	**Reporting and Compliance of Corporate Governance-**			
9.(1)	Obtaining Certificate from a professional accountant/ Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC on a yearly basis and disclose it in the Annual Report	√		The company obtained the certificate from MNA Associates Chartered Secretaries regarding compliance of conditions of Corporate Governance Code of the Commission and such certificate is disclosed in the Annual Report.
9(2)	The professional who will provide the certificate on compliance of the code shall be appointed by the shareholders in Annual General Meeting	√		The agenda will be placed in the 27th Annual General Meeting as per Corporate Governance Code.
9(3)	The directors of the company shall state, in accordance with the **Annexure-C** attached, in the directors' report whether the company has complied with these conditions	√		Detailed status given at Annexure - C and published in the Report.



Annexure-D

Annexure- IV

Statement of Compliance with Good Governance Guideline Issued by Bangladesh Bank

Bangladesh Bank issued a policy on role and responsibility of the Board of Director and Chief Executive Officer of financial institution vide DFIM Circular No. 07, dated: September 25, 2017. The Board of Directors of the Company has taken appropriate steps to comply with the guidelines.

A Status report on compliance with those guidelines is given below:

Sl. No.	Particulars	Compliance Status
01.	**Responsibilities and authorities of Board of Directors**	
A.	**Work Planning and Strategic Management**	
	(i) The Board shall determine the vision/mission of the institute in order to enhance operational efficiency and to ensure business growth, they shall chalk out strategies and work plans on annual basis. The board shall review such strategies Quarterly interval and modify accordingly, if required. If any structural modification is required, shall bring those changes with consultation with the management.	Complied
	(ii) The Board shall have its analytical review incorporated in the Annual report as regard the success/failure in achieving the business and other targets as set out in its annual work-plan and shall inform the shareholders on future plans and strategies in the Annual general meeting.	Complied
	(iii) The Board will set the key Performance indicator (KPI)s for the CEO and other senior executives and will evaluate half yearly/yearly basis.	Complied
B.	**Formation of sub-committee**	
	To expedite the process of decision making on important regular business activities (e.g. approval of loan/ lease write off. rescheduling etc.) Board may form Executive Committee with the Director (excluding any alternate director).	Complied
C.	**Financial Management**	
	(i) Annual budget and statutory financial statements shall be adopted finally with the approval of the Board.	Complied
	(ii) Board shall review and examine in quarterly basis various statutory financial statements such as statements of income expenses. Statement of loan/lease, statement of liquidity adequacy of capital maintenance of provision, legal affairs including actions taken to recovery of overdue loan/lease.	Complied
	(iii) Board Shall approve the procurement policy and shall accordingly the delegation of power for making such expenditure. The Board shall delegate the authority to the Managing Director and among other top executives for approval of expenditure within budget. However, decision relating to purchase of land building and vehicles shall remain with the Board.	Complied

	(iv) The Board shall adopt the operation of bank accounts. Groups maybe formed among the management to operate bank accounts under joint signatures.	Complied
D.	**Management of loan/lease/investments**	
	(i) Policy on evaluation of loan/lease/investment proposal, sanction and disbursement and its regular collection and monitoring shall be adopted and reviewed by the Board regularly based on prevailing laws and regulations. Board shall delegate the authority of loan/lease/investment specifically to management preferably on Managing Director and other top executives.	Complied
	(ii) No director shall interfere on the approval of loan proposal associated with him. The director concerned shall not give any opinion on that loan proposal.	Complied
	(iii) Any syndicated loan/lease/investment proposal must be approved by the Board.	Complied
E.	**Risk Management**	
	Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly.	Complied
F.	**Internal Control and Compliance**	
	A regular Audit Committee as approved by the Board shall be formed. Board shall evaluate the reports presented by the Audit Committee on compliance with the recommendation of internal auditor, external auditors and Bangladesh Bank inspection team.	Complied
G.	**Human Resource Management**	
	Board shall approve the policy on Human Resource Management and Service Rule. Chairman and director of the Board shall not interview on the administrative job in line with the approved Service Rule. Only the authority for the appointment and promotion of the Managing Director/Deputy Managing Director/ General Manager and other equivalent position shall lie with the Board incompliance with the policy and Service Rule No. director shall be included in any Executive Committee formed for the purpose of appointment and promotion of others.	Complied
H.	**Appointment of CEO**	
	The Board shall appoint a competent CEO for the Company with the approval of the Bangladesh Bank and shall approve any increment of his salary and allowances.	Complied
I.	**Benefits offer to the Chairman**	
	Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle for the business interest of the Company subject to the approval of the Board.	Complied



2.	**Responsibilities and Duties of the Chairman**	
	(a) Chairman shall not participate in or not interfere into the administrative or operational and routine affairs of the Company as he has no jurisdiction to apply executive power.	Complied
	(b) The minutes of the Board meeting shall be signed by the chairman	Complied
	(c) Chairman shall sign-off the proposal for appointment of Managing Director and any other benefit in favor of him (CEO)	Complied
3.	**Responsibilities of Managing Director & CEO**	
	(a) Managing Director shall discharge his responsibilities on matters relating to financial business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management.	Complied
	(b) Managing Director shall ensure compliance of Financial Institutions Act 1993 and other relevant circular of Bangladesh Bank and other regulatory authorities.	Complied
	(c) All recruitment/promotion/training except those of DMD, GM and equivalent positions shall be vested upon the Managing Director. He shall act such in accordance with the approved HR Policy of the Company.	Complied
	(d) Managing Director may re-schedule job responsibilities of employees:	Complied
	(e) Managing Director may take disciplinary actions against the employees except DMD, GM and equivalent positions.	Complied
	(f) Managing Director shall sign all the letter/statements to be sent to Bangladesh Bank. However, Departmental/Unit Heads may sign daily letters/statements as set out in DFIM circular no. 2 dated: 06 January 2009 if so authorized by the Managing Director.	Complied

Statement of Director's Responsibility for Internal Control and Corporate Governance

The Board of Directors serves as the overseer of an organization, bearing significant responsibility for providing proper instruction and guidance to help achieve the organization's goals. Directors' responsibilities regarding internal control and financial reporting are defined by law. Key regulations outlining these responsibilities include the Companies Act 1994, the Finance Company Act 2023, and the Code of Corporate Governance issued by the Bangladesh Securities and Exchange Commission (BSEC).

The Directors' Responsibility Report has been prepared to provide a concise overview of the contributions made by the Board of Directors. In accordance with Section 2CC of the Securities and Exchange Ordinance, 1969, the Board must ensure the following disclosures. Additionally, further statements and disclosures are required under Section 184 of the Companies Act, 1994 (Act No. XVII of 1994).

A. The state of the company's affairs: The review of the company's performance has been presented in the financial report, directors report, and MD & CFO's review section in the annual report.

B. Any recommended reserve in the balance sheet: BDT 28.61 million as statutory reserve and BDT 114.45 million as retained earnings has been recommended.

C. Dividend recommended by the Board: The Board has recommended no dividend for the year 2025.

D. Material changes and commitments and operations: In 2025, there was no major changes in strategy and actions in the company and its subsidiaries.

In accordance with the Corporate Governance Code No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated: 3rd June 2018. The Directors' Report to Shareholders shall include the following:

1. Industry outlook and possible future developments in the industry: a compact review of the post-COVID industry development has been presented in the Directors' Report section.

2. Segment-wise or product-wise performance: Business-wise performance have been presented on the industry of the segment reporting section.

3. Risks and concerns, including internal and external risk factors: A detailed discussion regarding the issues have been presented in the World economy and Bangladesh's economic overview.

4. Financial Performance Review: The detailed review of the financial performance of Bangladesh Finance and subsidiaries is presented s in the Financial highlights section and in detail in the Financial Statements chapter of this report.

5. Discussion on Operating performance: A brief description has been presented in the 'Financial Highlights' portion of this report.

6. Continuity of Any Extraordinary Activities: During the year 2025, Bangladesh Finance realized loss of BDT 13.96 million (solo) and BDT 484.65 million (Consolidated) respectively from investment in shares from capital market.

7. Basis for related party transactions and a statement of all related party transactions: The basis for related party transactions has been stated in the Management Discussion and Analysis segment of the annual report. Further Disclosure has been furnished in the Financial Statements note no.: 43.

10. Explanation on any significant variance financial performances: Explanation on any significant variance financial performances has been disclosed in the notes to the financial statements.

11. A statement of remuneration paid to the directors, including independent directors: This are mentioned in the Compliance of the Meeting and Remuneration section of this report.

12. A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows, and changes in equity: The financial statement prepared by the management for the year-end of 31 December 2025 is presented fairly, and it complements the result of its operations, cash flows and changes in equity. And the external auditor, Snehasish Mahmud & Co., Chartered Accountants have provided a financial report stated unqualified.

13. Proper maintenance of books of account: Books of account is maintained appropriately by Bangladesh Finance. This matter is also stated in the external auditor's report, Snehasish Mahmud & Co., Chartered Accountants.

14. Ensuring consistent application of appropriate accounting policies: Appropriate accounting policies have been applied consistently with reasonable and prudent judgment in preparing the financial statement.

15. Compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS): The financial statements of the company and its subsidiaries have been consolidated in accordance with International Financial Reporting Standard (IFRS). Details are provided in note 2.1.1 Basis of consolidation of operations of the subsidiary of the financial statement.

16. Efficiency and soundness of internal control: Related discussions are presented in the Internal Control Section under corporate governance chapter.

17. Protection of the interest of minority shareholders: The corporate governance practices of Bangladesh finance ensure the rights of minority and public shareholders in which disclosers are presented in the investor's relations section of the annual report, and any claim or complaint by shareholders have been lawfully resolved.

18. Statement of clearance no significant doubt upon the continuation as a going concern: No such concern regarding the continuation of the corporation exists.

19. Explanation of significant deviations of operating results: Significant variations of operating results from the previous year have been discussed in the Financial Capital section of this report.

20. Key operating and financial data of at least 5 (five) years: Key operating & financial data over the last five years as per the requirement of BSEC are mentioned: Details in which discussed under the section of Key Operating and Financial Highlights under Director's Report.

21. The reasons for the inability to declare dividends (cash or stock) for the year: The Board of Directors did not recommend a dividend this year due to the allocation of additional provisions and suspense



against stressed loans, leases, and advances. This is a Road to Safety strategy aims to recognize potential credit risk early, ensuring adequate reserves, and safeguard the company's overall financial health.

22. Declaration of bonus share or stock dividend has been or shall be declared as interim dividend: No interim dividend has been declared.

23. The total number of Board meetings held during the year and attendance by each director: Discloser of Board meetings held during the year and attendance by each director have presented in the Compliance of Meeting and Remuneration section under corporate governance chapter.

24. The pattern of shareholding: The pattern of shareholding is disclosed under Shareholders' Information in the investor relations section and provided with analysis from multiple angles.

25. Disclosure information about the appointment or reappointment of a director: The directors' brief profile is presented in the Director's Profile under Stewardship chapter of this report.

26. Management's discussion and analysis signed by CEO or MD: Discussions and analysis by CEO are presented in the Managing Director and CEO's Review.

27. The CEO and the CFO's declaration or certification: this declaration by the CEO & CEO is disclosed as Annexure-A in the corporate governance report.

28. Certificate regarding compliance of corporate governance: Certificate is issued by MNA Associates, Chartered Secretaries and presented in the annual report, Under corporate governance report.

Bangladesh Finance complies with all the regulatory body that requires the compliance of corporate governance to ensure that the administration can support the organization in reaching its goal to maintain a transparent and robust culture of growth and enrichment.

The Board of Directors hereby assures that all the parts of the annual report of 2025, including the Director's Report and Financial Statements, have been appropriately prepared, best to our knowledge. The rules implied by the Bangladesh Bank and Bangladesh Securities Exchange Commission have been thoroughly followed in preparing the annual report, including the laws, rules, regulations implemented by other regulatory bodies.

On behalf of the Board of Directors,

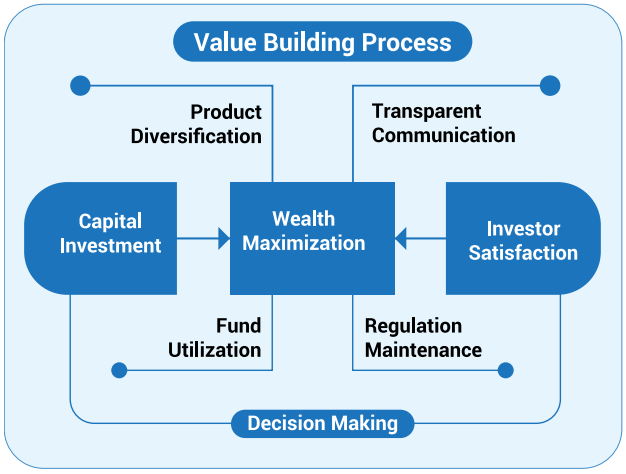


Iqbal Uddin Ahmed
Chairman
Bangladesh Finance PLC.

Investor Relations

Investor Relations Review

Investors are the key stakeholders of our business. Their efforts, trust, and investment keep the company growing and moving forward. In our journey of the last 27 years, we maintained a transparent and vibrant relationship with our stakeholders. We disclose information through different media and through stock exchanges on a regular basis. We are working to increase engagement with stakeholders throughout the year. In this part, we will explain and disclose the value creation mechanism and our active communication contents that allow us to be transparent to our shareholders and maintain clear communication.



Investor Relations Department, Website and Contact

At Bangladesh Finance, the **Board and Share Department** is serving as the Investor Relations Department. Communications are made with investors/stakeholders in different occasions through email and SMS and are served with high priority. As per **Listing Regulations 2015 of stock exchanges under section: 44**, all the information is available in the company's website under the 'Investor Relations' tab which is up to date. Anyone can easily communicate with us in person or through telephone/ email.

Investor Relations Contact
Investor Relation Contact
Board Secretariat
Bangladesh Finance Tower (1st Floor)
64, Motijheel C/A, Dhaka-1000.
Phone:+88-02-223385097, Ex.- 203,229
Email: info@bd.finance
Hotline: 16727

Disclosure for Present and Prospective Investors

Value Creation of Shareholders

Shareholders Value Addition

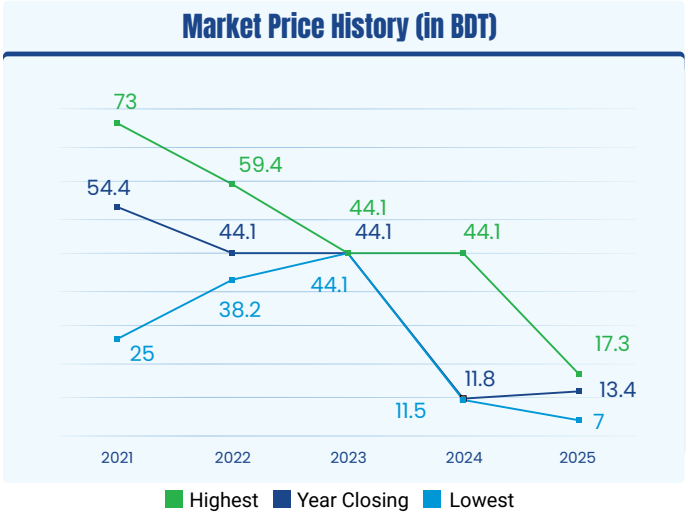
Particulars	2021	2022	2023	2024	2025
EPS (Consolidated)	1.42	1.25	(5.60)	(41.61)	1.19
P/E Ratio	38.31	35.28	(7.88)	(0.28)	11.26
NAV Per Share	16.72	17.41	11.53	(30.05)	(29.07)
Dividend Payout Ratio	79.5%	97.31%	0.00%	0.00%	0.00%
Dividend Yield Ratio	2.2%	2.27%	0.00%	0.00%	0.00%

Credit Rating

Particulars	2021	2022	2023	2024	2025
Credit Rating (Long Term)	AA-	AA	AA	AA	AA
Credit Rating (Short Term)	ST-2	ST-1	ST-1	ST-1	ST-2

Market Value

Market Price History (in BDT)					
Year Price	**2021**	**2022**	**2023**	**2024**	**2025**
Highest	73	59.4	44.1	44.1	17.30
Lowest	25	38.2	44.1	11.5	7.00
Year Closing	54.4	44.1	44.1	11.8	13.40

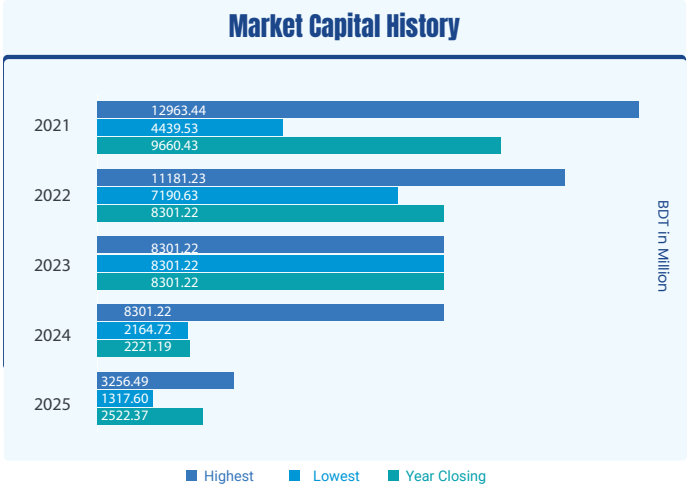


Market Performance (Price – Index: BDFINANCE - DSEX Movement)

Market Capital History

Market Capital History (BDT in Million)					
Year	**2021**	**2022**	**2023**	**2024**	**2025**
Highest	12963.44	11181.23	8301.22	8301.22	3256.49
Lowest	4439.53	7190.63	8301.22	2164.72	1317.60
Closing	9660.43	8301.22	8301.22	2221.19	2522.37

Shareholders' Wealth Acceleration (in terms of market capital)



Share Holding Range	Distribution of Shareholders: 31.12.2024			Distribution of Shareholders: 31.12.2025		
	Number of Shareholders	No. of Shares	Ownership (%)	Number of Shareholders	No. of Shares	Ownership (%)
01-499	4,027	604,032	0.321%	3,806	557,863	0.296%
500-5000	4,228	7,886,999	4.190%	3,511	6,480,983	3.443%
5001-10000	638	4,705,909	2.500%	545	4,034,517	2.143%
10001-20000	444	6,370,068	3.384%	362	5,195,456	2.760%
20001-30000	178	4,391,570	2.333%	147	3,632,356	1.930%
30001-40000	79	2,798,357	1.487%	72	2,525,452	1.342%
40001-50000	58	2,686,830	1.427%	56	2,588,760	1.375%
50001-100000	105	7,650,076	4.064%	97	7,044,599	3.742%
100001-1000000	113	31,914,344	16.954%	125	34,586,598	18.374%
1000001-1000000000	33	119,228,082	63.340%	35	121,589,683	64.594%
Total:	**9,903**	**188,236,267**	**100.00%**	**8,756**	**188,236,267**	**100.00%**

Shareholders' Information
Distribution of Shareholders in terms of number of shareholdings:

Shareholding Composition

Analysis of Shareholding Structure						
	2024			2025		
Shareholding Range	Number of Shareholders	No. of Shares	Ownership (%)	Number of Shareholders	No. of Shares	Ownership (%)
Sponsor / Director	11	57,430,384	30.51%	12	35,551,446	18.89%
Government	0	0	0.00%	0	0	0%
Institution	192	30,185,325	16.04%	173	48,952,561	26.01%
Foreign	5	13,305	0.00%	4	11286	0.00%
General Public	9,695	100,607,253	53.45%	8567	103720974	55.10%
Total	**9,903**	**188,236,267**	**100.00%**	**8756**	**188,236,267**	**100%**

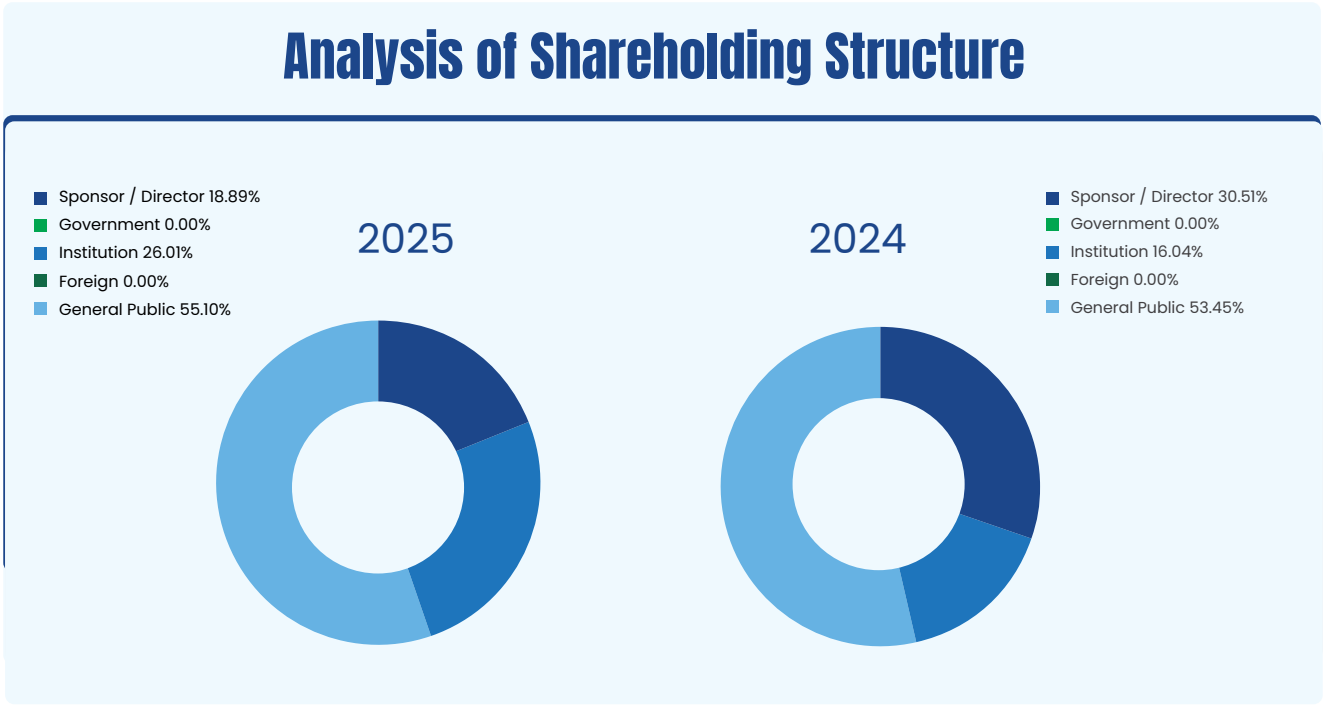


Fig: Analysis of Shareholding Structure

Top 20 shareholders (as on 31 December 2025)

SN	BOID	NAME	SHARES	(%)
1	1203980021289581	ANWAR ISPAT LTD	**14,223,130**	**7.556**
2	1203980017123916	HOSSAIN MEHMOOD	**12,199,171**	**6.481**
3	1203980015091747	ANWAR STEEL MILLS LTD.	**9,004,232**	**4.784**
4	1205150015091522	IMTIYAJ YOUSUF	**8,189,251**	**4.351**
5	1202310011989262	ABU TAHER	**6,725,830**	**3.573**
6	1205150015091672	MEHMUD INDUSTRIES (PVT.) LTD.	**6,723,442**	**3.572**
7	1203980015091613	HOSSAIN DYNG& PRNTNG MILLS LTD	**5,573,761**	**2.961**
8	1203980008033522	HOSSAIN KHALED	**4,625,811**	**2.457**
9	1604580051623248	VANGUARD AML RUPALI BANK BF	**4,343,448**	**2.307**
10	1202310007589019	S.M.DIDARUL ALAM	**3,782,349**	**2.009**
11	1205000013381910	8262 - GEASUDDIN AHMED	**3,773,388**	**2.005**
12	1202550049560219	ASIF MOHAMMED	**3,319,091**	**1.763**
13	1202590015212831	HASINA PARVEEN	**3,140,801**	**1.669**
14	1203980017905721	A-ONE POLYMER LTD.	**2,691,107**	**1.430**
15	1203980015212823	ANIKA FARHEEN	**2,293,225**	**1.218**
16	1202830015091613	HOSSAIN DYNG& PRNTNG MILLS LTD	**2,283,707**	**1.213**
17	1605580015091648	ANWAR JUTE SPINNING MILLS LTD.	**2,074,164**	**1.102**
18	1605580015091581	KHALED IRON AND STEELS LIMITED	**2,069,369**	**1.099**
19	1202550058530069	MD. ASADUZZAMAN	**1,829,169**	**0.972**
20	1604620049756141	VANGUARD AML BD FINANCE MF ONE	**1,817,137**	**0.965**

Public (Individual) Holding (as on 31 December 2025)	
Public (Individual) Holding Percentage	74.63%
No. of Shareholders in Public Holding	8,744
No. of Share Outstanding	140,485,650
Market Capitalization (BDT)	1,882,507,710

Dividend & AGM History

Year	AGM	Cash Dividend	Stock Dividend
2007	20-Apr-08	5%	10%
2008	28-May-09	-	10%
2009	30-May-10	-	20%
2010	21-Jun-11	-	22%
2011	03-Jun12	-	10%
2012	24-Jun-13	-	10%
2013	18-Jun-14	-	10%
2014	29-Jun-15	5%	-
2015	09-Jun-16	-	10%
2016	24-May-17	-	10%
2017	18-Jun-18	-	10%
2018	27-May-19	-	10%
2019	10-Dec-20	10%	-
2020	31-Mar-21	6%	6%
2021	31-Mar-22	6%	6%
2022	30-Apr-23	10%	-
2023	30-Jul-24	-	-
2024	29-May-25	-	-
2025	30-Jun-26	-	-

Shareholding of Directors

Details of shareholding/unit holding of sponsors/directors as on 31.12.2025

SN	Name	Status	Number of Securities	
			No.	(%)
1	ANWAR ISPAT LTD	Director	14,223,130	7.56%
	MR. MD. HELAL CHOWDHURY (NOMINATED BY ANWAR ISPAT LTD)	Nominated Director	-	-
2	ANWAR SILK MILLS LTD.	Director	3,805,265	2.02%
	MS. FATEMA BEGUM (NOMINATED BY ANWAR SILK MILLS LTD)	Nominated Director	-	-
3	MEHMUD INDUSTRIES (PVT.) LTD.	Director	7,125,828	3.79%
	MR. MD. HASAN KHAN (NOMINATED BY MEHMUD INDUSTRIES (PVT.) LTD)	Nominated Director	-	-
7	MR. IMTIYAJ YOUSUF	Director	8,189,251	4.35%
8	MR. ABDUR RASHID SALAM	Sponsor	1,363,052	0.72%
9	MR. CHOWDHURY MONWAR AHMED SIDDIQUI	Sponsor	432,339	0.23%
10	MR. IHTESHAMUR RAHMAN	Sponsor	402,260	0.21%
11	MR. CHOWDHURY ERTEZA AHMED SIDDIQUI	Sponsor	10,321	0.01%
12	MR. IQBAL UDDIN AHMED	Independent Director (Non-shareholding)	-	-
13	MR. KAZI RAFIQUL HASSAN	Independent Director (Non-shareholding)	-	-
14	MRS. MAHFUZA KHANAM	Independent Director (Non-shareholding)	-	-
15	MR. MD. KYSER HAMID	Managing Director &CEO	-	-
Total			**35,551,446**	**18.89%**

History of Capital Formation

Year	No. of Share Issued/Allotted	Cumulative Share	Face Value	Share Capital	Cumulative Share Capital (BDT)	Mode of Allotment	Dividend
1999	50,000	50,000	100	5,000,000	5,000,000	Memorandum Subscription	-
1999	450,000	500,000	100	45,000,000	50,000,000	Cash	-
2003	100,000	600,000	100	10,000,000	60,000,000	Cash	-

2003	50,000	650,000	100	5,000,000	65,000,000	Bonus	-
2004	750,600	1,400,600	100	75,060,000	140,060,000	Cash	-
2004	78,000	1,478,600	100	7,800,000	147,860,000	Bonus	-
2005	420,180	1,898,780	100	42,018,000	189,878,000	Cash	-
2005	147,860	2,046,640	100	14,786,000	204,664,000	Bonus	-
2006	286,529	2,333,169	100	28,652,900	233,316,900	Bonus	-
2007	700,000	3,033,169	100	70,000,000	303,316,900	IPO (Listed)	5% C 10% B
2008	303,316	3,336,485	100	30,331,600	333,648,500	Bonus	10% B
2009	333,648	3,670,133	100	33,364,800	367,013,300	Bonus	20% B
2010	734,026	4,404,159	100	73,402,600	440,415,900	Bonus	22% B
2010	-	44,041,590	10	-	440,415,900	Share split	
2011	9,689,149	53,730,739	10	96,891,490	537,307,390	Bonus	10% B
2012	5,373,073	59,103,812	10	53,730,730	591,038,120	Bonus	10% B
2013	5,910,381	65,014,193	10	59,103,810	650,141,930	Bonus	10% B
2013	39,008,515	104,022,708	10	390,085,150	1,040,227,080	Right (3R:5)	-

2014	10,402,270	114,424,978	10	104,022,700	1,144,249,780	-	5% C
2015	-	114,424,978	10	-	1,144,249,780	-	10% B
2016	11,442,497	125,867,475	10	114,424,970	1,258,674,750	Bonus	10% B
2017	12,586,747	138,454,222	10	125,867,470	1,384,542,220	Bonus	10% B
2018	13,845,422	152,299,644	10	138,454,220	1,522,996,440	Bonus	10% B
2019	15,229,964	167,529,608	10	152,299,640	1,675,296,080	Cash	10% C
2020	-	167,529,608	10	-	1,675,296,080	Cash & Bonus	6% C 6% B
2021	10,051,776	177,581,384	10	100,517,760	1,775,813,840	Cash & Bonus	6% C 6% B
2022	10,654,883	188,236,267	10	10,654,8830	1,882,362,670	Cash	10% C
2023	-	188,236,267	10	-	1,882,362,670	-	-
2024	-	188,236,267	10	-	1,882,362,670	-	-
2025	-	188,236267	10	-	1,882,362,670	-	-

Stakeholders Relationship/ Grievance Redressal Policy

Bangladesh Finance is a believer of maintaining even and cooperative relationship with the stakeholders. We pursue high quality stakeholder's redressal policy proactively to handle all types of grievance, complaints in an effective and fair manner. We strongly believe in equitable treatment to every shareholder. We resolve any shareholders' complaint on a priority basis and have committed to serve the appropriate mechanism to address the shareholders' grievance within the time frame stipulated by Bangladesh Finance.

Redressal Process of Bangladesh Finance PLC.

- Complaints raised by the investors/ shareholders must be dealt with courtesy and in a timely manner
- Complaints are treated fairly and solved effeiciently
- Communicate with the shareholders for collection of the dividend warrants which have been refunded for non-delivery by the courier
- Revalidate the dividend warrants upon demand
- Correction of bank account's information while sending dividend through BEFTN system
- Re-issuance of dividend warrants, in case of failure to send dividend through BEFTN system

» Issue shareholding certificate, dividend certificate as and when required

» E-mail or letter must be sent to all the investors who have submitted written complaints

» Request for e-TIN number in case of cash dividend

Redressal Statistics 2025

Requests received from shareholders	Ways of addressing mentioned requests
» 03 Unclaimed Dividend claim	» Settle 03 unclaimed Dividend claim

We continued communication with the shareholders to give them periodic update of performance and at any time when it believes it to be the best interest of shareholders.

• Redressal Process

Checklists	Yes	No
Shareholders are properly communicated for collecting warrants which have been refunded for non-delivery by the courier	√	
Dividend warrants revalidate the upon demand	√	
Bank account information are corrected while sending dividend through BEFTN system	√	
Dividend warrants are reissued in case of failure to send dividend through BEFTN system	√	
Issue shareholding certificate, dividend certificate as and when required	√	
BO Acknowledgement Setup, updated Bank A/c details and NID are collected in case of settlement of unclaimed cash dividend	√	

FINANCIAL CALENDAR 2025/2026

Annual General Meeting (AGM)	Date
27th Annual General Meeting	30 June 2026
26th Annual General Meeting	29 May 2025

Dividend(s)	Dividend Announced	Declared Dividend	Dividend Amount	Record Date	Dividend Paid Date	Paid-up Capital before entitlement
Dividend for 2025	29 April 2026	No Dividend	-	01June 2026	-	1,882,362,670
Dividend for 2024	17 April 2025	No Dividend	-	8 May 2025	-	1,882,362,670

FINANCIAL STATEMENTS

Q-1/2/3/4 Financial Statements	Dated PSI released to DSE & CSE	Date published in newspapers English, Bangla & Online
Q4/ For the twelve months ended 31.12.2025	29 April 2026	1 May 2026
Q3/ For the nine months ended 30.09.2025	29 October 2025	31 October 2025
Q2/ For the six months ended 30.06.2025	17July 2025	19 July 2025
Q1/ For the three months ended 31.03.2025	15 May 2025	17 May 2025

Annual Financial Statements	Dated PSI released to DSE & CSE	Date published in newspapers English & Bangla
Annual Financial Statement for the year ended 2025	29 April 2026	1 May 2026
Annual Financial Statement for the year ended 2024	17 April 2025	19 April 2025

PROPOSED FINANCIAL CALENDAR 2025 (TENTATIVE)

Annual Financial Statements (Audited)

Annual Audited Financial Statements for the year ended on 31 December 2026 is likely to be sent to BSEC and stock exchanges within April 2027.

Annual General Meeting (AGM)

Annual General Meeting (AGM)

• The management has a plan to hold the 28th Annual General Meeting (AGM) during March to May 2027.

• The Quarterly and annual audited Financial Statement shall be sent to the commission and stock exchanges within the following timeline:

1st Quarter (Q1)	Within 45 days from the end of 1st Quarter
2nd & 3rd Quarter (Q2 & Q3)	Within 30 days from the end of 2nd & 3rd Quarter
Annual Audited Financial Statement	Within 134 days from the end of accounting year

CRO'S STATEMENT

RISK LANDSCAPE 2025

In 2025, Bangladesh Finance continued to operate within a dynamic and evolving risk environment shaped by persistent global uncertainties and domestic economic adjustments. Although macroeconomic conditions showed signs of gradual stabilization compared to previous years, challenges such as inflationary pressure, elevated borrowing costs, foreign exchange constraints, and liquidity stress continued to influence the financial sector and overall business sentiment.

Global economic volatility remained a key concern amid ongoing geopolitical conflicts, fluctuating energy and commodity prices, and slower global growth prospects. These external pressures continued to affect trade flows, investment confidence, and currency stability across emerging markets, including Bangladesh. Domestically, economic reforms, regulatory changes, and periodic political and social developments contributed to heightened operational and market uncertainties.

The rapid pace of digital transformation further reshaped customer expectations and business models, increasing the need for secure, technology-driven financial services and resilient operational infrastructure. At the same time, cybersecurity threats, data privacy concerns, and evolving regulatory requirements continued to demand enhanced governance, compliance oversight, and risk monitoring capabilities.

In response, Bangladesh Finance further strengthened its enterprise risk management practices through enhanced portfolio surveillance, stress testing, scenario analysis, and proactive risk mitigation strategies. The Company also continued investing in technology, cybersecurity, and process resilience to reinforce operational stability and safeguard stakeholder interests. Through prudent risk governance and adaptive strategic planning, Bangladesh Finance remained committed to maintaining financial resilience and supporting sustainable long-term growth in an increasingly complex operating environment.

RISK GOVERNANCE OVERVIEW

In 2025, Bangladesh Finance continued to strengthen its risk governance framework amid a challenging and evolving economic environment shaped by global uncertainties, inflationary pressures, foreign exchange constraints, and changing regulatory requirements.

The Company maintained a proactive approach to risk management through enhanced risk assessment processes, stress testing, scenario analysis, and close portfolio monitoring to ensure financial stability and operational resilience. Bangladesh Finance also continued to strengthen its cybersecurity, data protection, and business



continuity frameworks in response to increasing digitalization and evolving cyber threats.

Through ongoing investments in technology, process improvements, and governance practices, the Company enhanced operational efficiency, internal controls, and customer service capabilities. Bangladesh Finance remained committed to maintaining strong risk oversight, protecting stakeholder interests, and supporting sustainable long-term growth through disciplined and effective risk management practices.

OUR TOP RISKS:

We manage and control our principal risk types (risks that are inherent in our strategy and business model) through distinct risk type frameworks, policies and board-approved Risk Appetite.



Category	Credit Risk	Operational Risk	Information & Cyber Risk
Definition of Risk	Risk of financial loss arising from the failure of one or more counterparties to meet contractual obligations as agreed.	Risk of loss resulting from inadequate or failed internal processes, people, systems, or external events, excluding strategic and reputational risks.	Risk of financial loss, operational disruption, or reputational damage arising from unauthorized access to systems and data, cyberattacks, or failure of IT infrastructure and services.
Risk Drivers	Macroeconomic conditions, portfolio concentration, sectoral and geographic exposure, business growth objectives, and government policy support measures.	Internal operational activities, process inefficiencies, human errors, system failures, and external events.	Increased reliance on digital platforms, evolving cyber threats, system vulnerabilities, and unauthorized access risks.
How the Risk is Measured	Through analysis of credit exposure levels, non-performing asset (NPA) ratios, stress testing outcomes, and adequacy of provisions.	Through operational loss data, key risk indicators (KRIs), near-miss incidents, risk rankings, and heat map assessments.	Through cyber risk assessments, risk matrix evaluations, monitoring of malware and phishing attempts, and security incident tracking.
How the Risk is Monitored	Continuous monitoring through Credit Risk Dashboards, arrears tracking, collateral monitoring, exception reporting, and oversight by management and risk committees.	Through operational risk self-assessments, inputs from business units, incident reporting, and monthly dashboards submitted to risk committees.	Through periodic security assessments, IT and cyber risk dashboards, user activity monitoring, and privileged access reviews.
How the Risk is Managed	Managed through a comprehensive Credit Risk Management Policy aligned with regulatory guidelines, supported by portfolio diversification and recovery initiatives.	Managed through a structured Operational Risk Management Framework and Business Continuity Plans (BCP) implemented across business and support functions.	Managed through digital resilience initiatives, technical and administrative security controls, cybersecurity awareness programs, and independent reviews by Risk Management and Internal Audit functions.

Category	Liquidity Risk	Market Risk	Strategic Risk	Reputation Risk
Definition of Risk	Risk that the financial institution may be unable to meet its financial obligations as they fall due, or may have to do so at excessive cost.	Risk of loss arising from adverse movements in market variables such as interest rates, foreign exchange rates, and settlement exposures that may affect earnings or portfolio value.	Risk arising from uncertainties associated with the formulation and execution of strategic objectives and business decisions.	Risk of potential financial loss or business impact arising from adverse public perception or damage to the institution's reputation.
Risk Drivers	Debt restructuring, cash flow mismatches, short-term liquidity pressures, borrowing activities, and counterparty interactions.	Rising interest rates, exchange rate volatility, depreciation of BDT against USD, and adverse impacts on lending and deposit activities.	Changes in technology, market competition, customer expectations, products, and business models.	Events or actions that negatively affect stakeholder confidence, public trust, and the institution's image as a responsible financial entity.
How the Risk is Measured	Through internal liquidity models, balance sheet stress testing, probabilistic liquidity assessments, and Net Interest Income (NII) analysis.	Through sensitivity analysis, Value-at-Risk considerations, and daily assessments of trading and treasury positions.	Measured using strategic scorecards and assessments under the Basel II Pillar 2 framework.	Assessed qualitatively through scorecard-based evaluations of reputational risk drivers and potential impact areas.
How the Risk is Monitored	Monitored by the ALCO Subcommittee through regulatory liquidity matrices, gap analyses, and dashboards submitted to ALCO, and the Board.	Monitored through Market Risk Dashboards prepared by Treasury with reporting to the Chief Risk Officer (CRO) and immediate escalation of regulatory exceptions to ALCO.	Monitored and evaluated annually by the Risk Management Unit to assess strategic risk exposure and related capital requirements.	Monitored annually through ICAAP assessments to evaluate reputational risk exposure and related capital adequacy requirements.
How the Risk is Managed	Managed through a comprehensive Liquidity Risk Management Framework supported by contingency funding plans and liquidity buffers.	Managed by the Treasury Department through portfolio diversification, limit management, and hedging strategies where appropriate.	Managed by senior management and the Board through strategic planning, governance oversight, and periodic performance reviews.	Managed through strong governance practices, ethical standards, stakeholder engagement, and oversight by the management committee.

Risk mitigation approaches of Bangladesh Finance

Risk Types	Governing Documentation	Application to Risk Appetite Limits/Tolerances
Credit Risk	Credit Policy Manual, Credit Instruction Manual, Risk Appetite Framework	• Exposure limits to a single customer or group of related parties. • Industry concentration limits based on exposure and risk-adjusted concentration measures.
Market Risk	Asset Liability Management (ALM) Policy, Treasury Office Operating Guidelines	• Monitoring stress testing outcomes and equity/ debt investment exposures. • Duration analysis and market sensitivity assessments.
Liquidity and Funding Risk	Asset Liability Management (ALM) Policy, Fund Transfer Pricing Policy	• Maintenance of adequate levels of unencumbered high-quality liquid assets. • Limits on maximum net cash outflows over specified short-term horizons. • Diversification of funding sources, depositor types, instruments, and maturities.
Operational Risk	Internal Control & Compliance Policy, Fraud & Theft Risk Prevention & Management Policy, ICT Security Policy, Outsourcing Policy, AML Policy	• Systematic identification, measurement, mitigation, and monitoring of operational risks. • Minimization of residual operational risks. • Quantitative monitoring through aggregate operational loss limits.
Reputational Risk	Customer Service & Complaints Management Policy	• Maintaining low tolerance for reputational, legal, or taxation risks arising from business activities, products, services, transactions, processes, or product suitability concerns.
Environmental & Social Risk	Credit Policy Manual, Credit Instruction Manual	• Ensuring projects and financing activities are undertaken in a socially and environmentally responsible manner.
Strategic Risk	Risk Appetite Framework, Annual Budget, Strategic Planning Framework	• Alignment of the institution's risk appetite with enterprise strategy, business line strategies, and corporate functional strategies.

ORGANIZATIONAL RESILIENCE IN 2025

- Further strengthened Bangladesh Finance's Enterprise-wide Risk Management Framework (ERMF) to address evolving macroeconomic challenges, geopolitical uncertainties, and emerging financial sector risks.
- Enhanced monitoring of the institution's risk universe with increased focus on climate-related financial risks, digital transformation risks, and evolving regulatory expectations.
- Continued rigorous review of capital and liquidity plans to maintain financial resilience amid elevated funding costs, foreign exchange pressures, and changing market conditions.
- Reinforced Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) controls in line with updated regulatory requirements and international best practices.
- Strengthened cybersecurity and digital resilience capabilities through enhanced monitoring systems, threat intelligence, and incident response preparedness against increasingly sophisticated cyber threats.
- Proactively monitored macroeconomic indicators and refined impairment assessment methodologies to ensure prudent provisioning and balance sheet stability.
- Enhanced credit risk assessment models and portfolio monitoring mechanisms to maintain asset quality and minimize the impact of adverse economic developments.
- Applied proactive credit risk mitigation strategies, including data-driven analytics and early warning indicators, to identify and manage stressed exposures at an early stage.
- Further integrated sustainability and ESG considerations into business and risk management processes to support responsible and sustainable growth.
- Strengthened crisis management, business continuity, and operational resilience frameworks through regular stress testing and scenario analysis exercises.



KEY DEVELOPMENTS IN 2025

- Further enhanced the Risk Appetite Framework to align with evolving market dynamics, regulatory developments, and strategic objectives.
- Maintained strong liquidity and capital positions through proactive balance sheet management and continuous monitoring of funding requirements.
- Expanded stress testing and scenario analysis capabilities to better assess the impact of adverse economic and geopolitical developments.
- Continued organization-wide focus on preserving credit quality through strengthened monitoring, recovery initiatives, and enhanced risk controls.
- Conducted regular cash flow forecasting and liquidity gap assessments to support sustainable operations and prudent liquidity management.
- Strengthened cybersecurity governance and operational resilience to safeguard critical systems, customer information, and digital service platforms.
- Increased focus on governance, compliance, and regulatory risk management to ensure adherence to evolving laws, regulations, and supervisory expectations.

Key focus areas for 2026 and beyond:

- Strengthen enterprise resilience to manage potential economic volatility, geopolitical uncertainties, and emerging sectoral risks.
- Continuously refine the Risk Appetite Framework to align with strategic priorities, regulatory expectations, and market developments.
- Further enhance credit risk management practices through early risk detection, portfolio diversification, and proactive management of vulnerable exposures.
- Advance cybersecurity, digital governance, and operational resilience capabilities to address evolving technology and cyber risks.
- Maintain prudent capital and liquidity management through enhanced stress testing, contingency planning, and dynamic balance sheet management.
- Strengthen compliance, AML/CFT controls, and ESG risk management practices in response to evolving regulatory and stakeholder expectations.
- Embed risk management considerations into strategic planning, digital initiatives, and product development to support sustainable business growth.
- Expand the use of forward-looking scenario analysis and stress testing to improve preparedness for adverse economic and operational events.
- Continue leveraging technology and data analytics to improve operational efficiency, risk oversight, and customer experience while maintaining strong internal controls.

We continue to foster a strong risk-aware culture supported by robust risk management practices, reinforcing stakeholder confidence and supporting our aspiration to become one of Bangladesh's leading financial institutions. Going forward, we remain committed to maintaining a resilient and adaptive risk management framework capable of responding effectively to evolving internal and external challenges, while creating sustainable long-term value for all stakeholders.

Thank you for your continuous support.
Sincerely,



Suman Kumar Kundu
Chief Risk Officer

RISK MANAGEMENT

OVERVIEW OF RISK MANAGEMENT FRAMEWORK

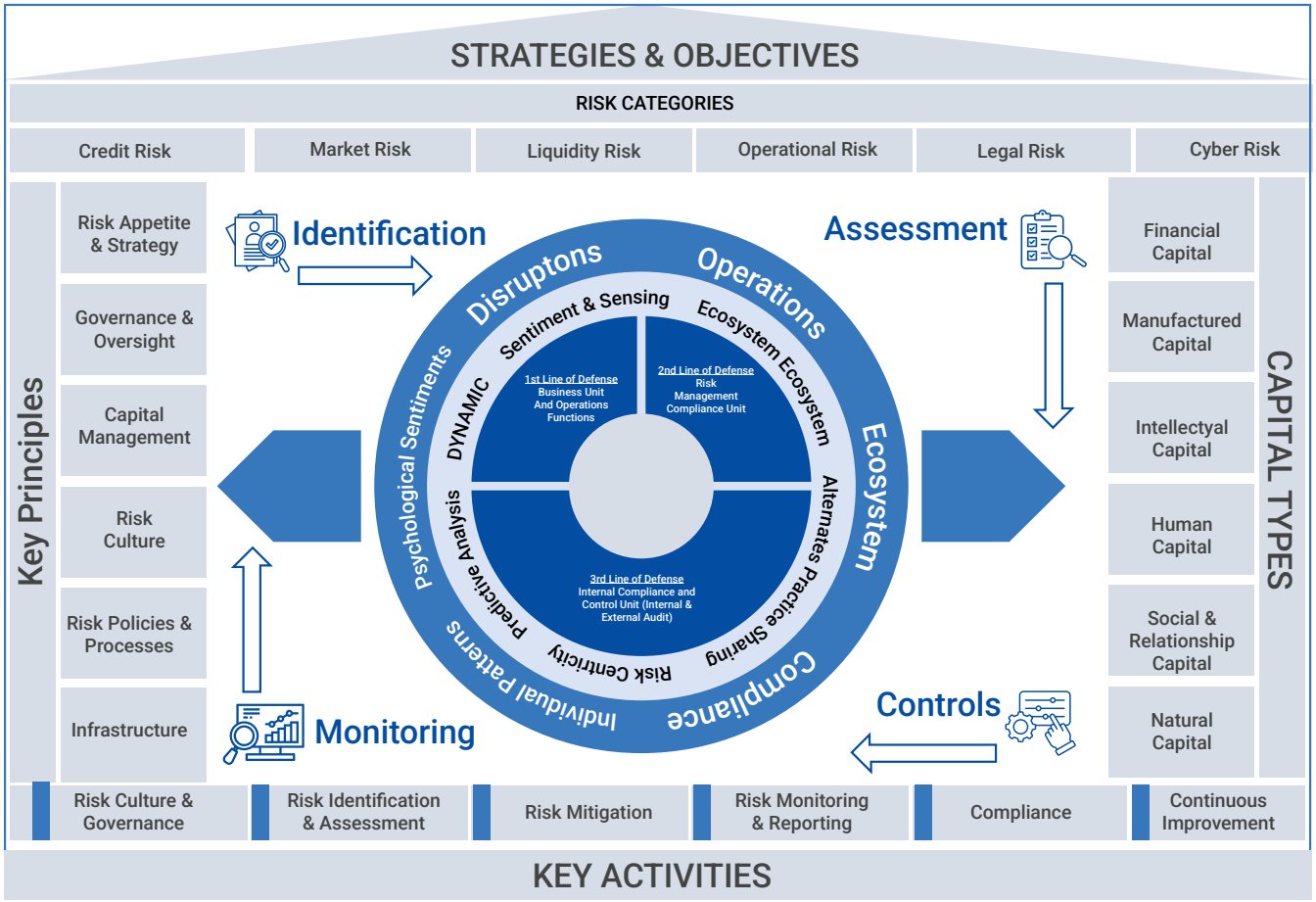
Bangladesh Finance maintains a strong risk culture supported by a comprehensive and well-established Risk Management Framework and a clearly defined risk appetite. The framework is designed to ensure that all material risks are systematically identified, measured, monitored, and managed to safeguard the institution's financial strength, operational resilience, and long-term sustainability.

As a financial institution, Bangladesh Finance has implemented robust risk management policies, governance structures, and control mechanisms to effectively manage both financial and non-financial risks arising from its operations. The independence of the risk management function, together with strong governance oversight and technology-enabled processes, reinforces our position as a responsible and resilient financial service provider.

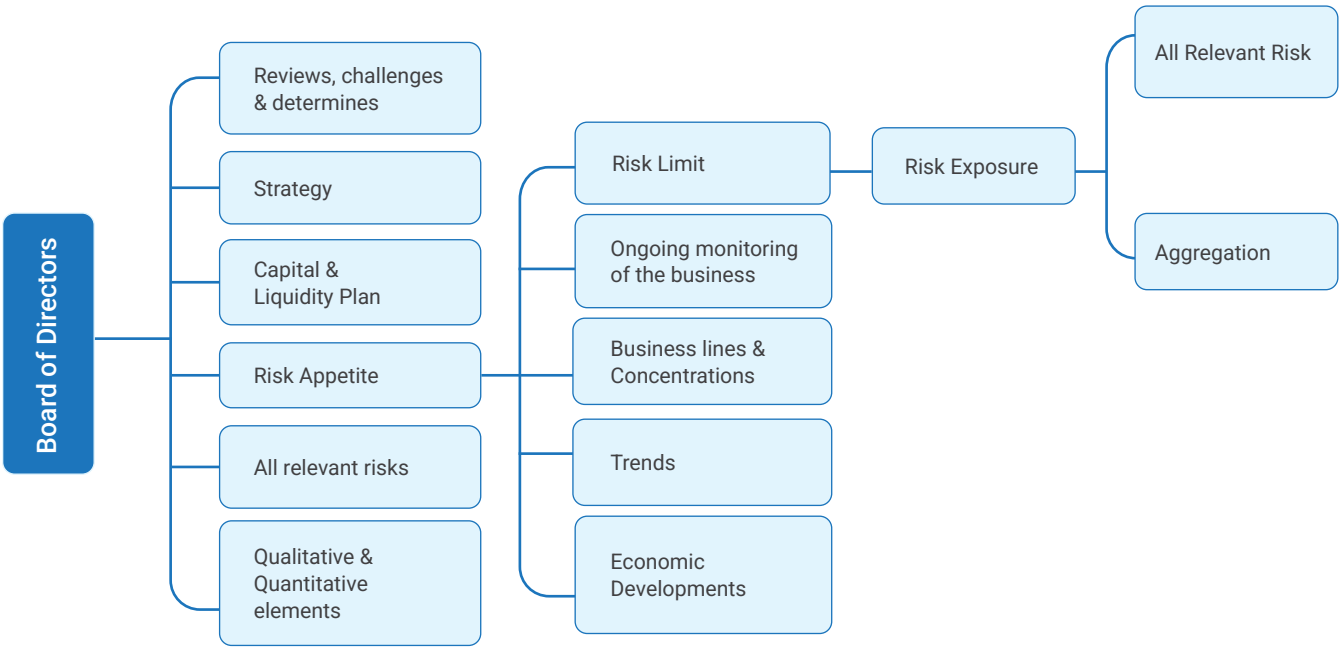
Risk management remains an integral part of the institution's operating model and strategic decision-making process. Our approach focuses on maintaining risk exposures within approved risk appetite levels, minimizing excessive concentration risks, limiting potential losses arising from adverse events, and ensuring adequate capital and liquidity positions at all times.

The institution continuously strengthens its risk policies, monitoring systems, and stress-testing capabilities to respond effectively to evolving economic, regulatory, technological, and market conditions. This proactive approach has enabled Bangladesh Finance to remain resilient and adaptive in a dynamic and uncertain operating environment.

An embedded risk-aware culture across the organization, supported by strong governance and disciplined oversight, enables Bangladesh Finance to respond prudently to emerging risks and changing market trends while continuing to pursue sustainable growth and value creation for stakeholders.



Setting and Monitoring Risk Appetite



Board Sub-Committee Alignment with Strategy and Capital

Board Sub-Committee	Link to Strategy	Link to Capital (LOGO)
Mandatory Committees		
Board Executive Committee	Business Focus	
Board Audit Committee	Business Focus Customer Solutions	
Risk Management Committee	All Strategic Priorities	
Discretionary Committees		
Management Committee	All Strategic Priorities	
Credit Committee	Business Focus	
IT Steering Committee	Customer Solutions Digital & Data as Transformers	

GOVRERNANCE STRUCTURES AND DELEGATION

Bangladesh Finance's governance framework is designed to maintain an effective balance of authority and decision-making power, promoting accountability, transparency, and integrity throughout the organization. The Board of Directors acts as the custodian of the FI's corporate governance and is authorized to delegate specific responsibilities and decision-making authority to designated committees, as deemed appropriate. To ensure effective oversight and governance, the Board regularly reviews the composition of its subcommittees, maintaining a balanced mix of expertise, experience, and independence among members. This approach enables the organization to leverage the diverse skills and knowledge of the directors to support the efficient and robust functioning of the subcommittees.

The FI's governance structure is set out below:

Board of Directors

The ultimate governing body with overall risk oversight responsibility

Board Sub Committees

Board Audit Committee (BAC)

Assists the Board in the general oversight of financial reporting, internal controls and functions relating to internal and external audit.

Composition - Five members of the Board of Directors. Two Independent Directors and three Non-Executive Directors. The Company Secretary is the Secretary to the Committee. The Head of Internal Audit directly reports to the Audit Committee and other members of the Senior Management attend the meeting on invitation, where necessary.

Board Executive Committee (BEC)

Reviews and approves Credit Proposals coming under Committee's delegated lending authority.

Composition - Three Non-Executive Directors and the Managing Director & CEO. The Company Secretary is the Secretary to the Committee.

Credit Committee

Reviews and approves Credit Proposals under Committee's delegated lending authority and approves the credit proposal for sending to EC Committee and Board of Director's meeting.

Composition: The MD & CEO, The CFO, Head of CRM, Head of Treasury, Head of Operations, Head of Finance, Head of SAM & Monitoring.

Portfolio Monitoring Committee

Evaluate portfolio of the business of different branches time to time And provide strategic support to enhance assets quality of the company.

Composition: Managing Director & CEO, Head of SAM & Monitoring, CFO, Head of Operations, Head of Respective Business Team, All Branch Managers, Head of CRM.

Risk Management Forum

Reviews the FI's risk policy framework, overall performance and the potential risks faced by specific lines of business and support functions.

Composition: Head of CRM, Head of ICC, Head of Treasury, Head of Operations, Head of IT & BT.

Asset Liability Management Committee

To look after the financial market activities, manage liquidity and interest rate risk and understand market position and competition among other activities.

Composition: Managing Director & CEO, CFO, Head of CRM, Head of Wealth Management, Head of Finance, Head of Treasury.



RISK GOVERNANCE STRUCTURE

The risk governance structure ensures accountability and ownership, whilst facilitating an appropriate level of independence and segregation of duties. The structure is based on the three lines of defense and defines the lines of authority, roles and responsibilities to efficiently manage risk across the FI. The activities carried out during the year by the above-mentioned Board Sub Committees are covered in detail in the Board Sub-committee Reports.

	1st Line of Defense	2nd Line of Defense	3rd Line of Defense
Role	Business Line/Credit Committee	Risk Management/ Compliance	Internal Audit
	Managing Business Line Operations	Risk Management and Compliance	Independent verification
Total Eligible Capital	Accountability with Centralized Primary Responsibilities	Centralized oversight and independently evaluate the first line activities	Assurance and review
Activities	• Primary responsibility for identifying, managing and reporting risk • Self-Assessment of Risk and Control • Compliance with all policies and procedures	**Risk Management Activities:** • Develop and implement risk management framework, policies, systems, procedures and tools. • Providing support to the business units, review and report key risks to the Audit Committee. **Compliance Activities:** • Regulatory adherence • Regulatory reporting • Anti-money laundering	**Internal Audit Activities:** • Review effectiveness of risk management practices and internal control framework • Confirm level of compliance • Identify gaps, control weaknesses in processes and highlights same to the relevant stakeholders **External Audit Activities:** Reporting to shareholders, giving an opinion on the true and fair view of the Financial Statements and reviewing internal controls over financial reporting process

CAPITAL MANAGEMENT

Bangladesh Finance operates within one of the most highly regulated sectors in Bangladesh and has therefore established rigorous compliance standards, supported by a prudent capital allocation and management framework. As a result, the Company has consistently maintained capital levels above the minimum regulatory requirements. A key factor underpinning the Company's strong capital position is its ability to proactively and effectively forecast major business trends, risk-weighted assets, and capital flows. Prudent capital planning is deeply embedded within the Company's risk management and governance processes, with capital considerations forming an integral part of strategic planning, business decision-making, and the establishment of risk limits. The Company has also demonstrated strong capability in anticipating future capital requirements, enabling it to achieve business objectives while maintaining adequate capital buffers at all times. Accordingly, Bangladesh Finance manages its capital position to ensure sufficient capacity to support ongoing business activities, while maintaining alignment with its strategic objectives and risk appetite framework. Senior management regularly oversees the outcomes of the Internal Capital Adequacy Assessment Process (ICAAP) and provides quarterly assessments and recommendations on the adequacy of the Company's capital position to the Board of Directors and relevant Board committees. Capital planning therefore serves as a dynamic and proactive mechanism that supports the resilience and sustainability of Bangladesh Finance's operations, particularly during periods of economic uncertainty and stress, including challenges arising from events such as the coronavirus pandemic.

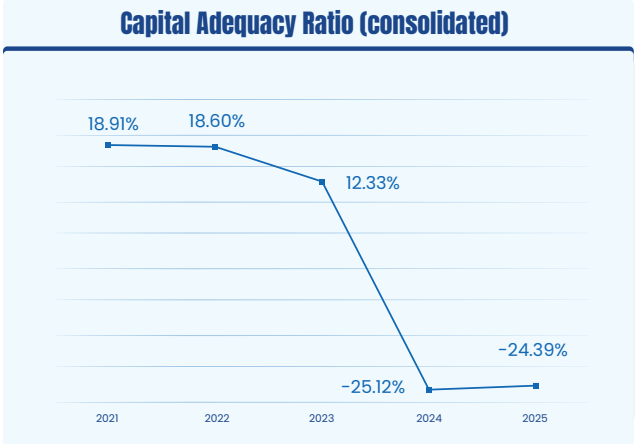
In accordance with Section 4(GHA) of the Financial Institutions Rules, 1994, and subsequent DFIM Circular No. 05 dated July 24, 2011, the minimum paid-up capital requirement for a Financial Institution (FI) is BDT 100 crore. In addition, the combined total of paid-up capital and

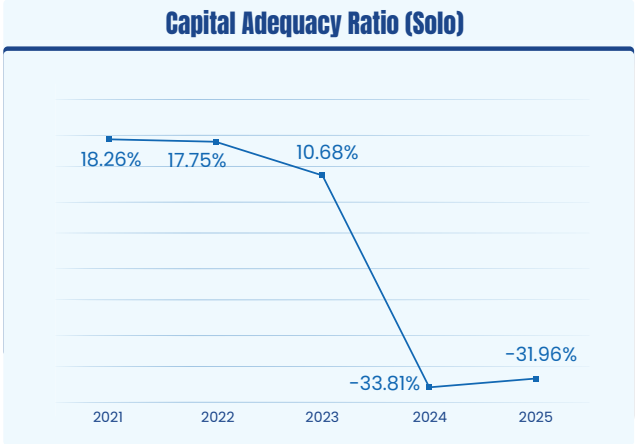
reserves must not be lower than the minimum capital requirement determined by Bangladesh Bank under the Risk-Based Assets framework.

Historically, Bangladesh Finance has consistently maintained a strong capital adequacy ratio above the minimum regulatory threshold. The following table demonstrates the Company's sound capital management performance over the past five years:

(Amount Million)

Particulars	2021	2022	2023	2024	2025
Core Capital (Tier -I)	2,543.55	2,630.14	1,385.07	(5,950.61)	(5,803.60)
Supplementary Capital (Tier-II)	407.21	416.57	481.99	449.01	462.57
Total Eligible Capital	2,950.76	3,046.72	1,867.06	(5,501.60)	(5,341.03)
Total Risk Weighted Assets	16,156.55	16,962.03	17,480.82	16,269.98	16,779.78
Required Capital Based on Risk Weighted Assets (10%)	1,615.66	1,696.20	1,748.08	1,626.99	1,677.98
Surplus	1,335.11	1,350.50	118.98	-7,128.59	(7,019.01)





CREDIT RISK MANAGEMENT

Bangladesh Finance manages credit risk through a comprehensive framework of policies, procedures, and controls covering both pre-sanction and post-sanction stages of the credit lifecycle, along with ongoing portfolio management processes. These measures are designed to ensure prudent credit assessment, effective monitoring, and timely risk mitigation.

OBJECTIVES OF CREDIT RISK MANAGEMENT

1. Optimize Risk-Return Balance - Ensure an appropriate balance between risk and return in order to maximize sustainable profitability for the FI.

2. Maintain Portfolio Quality- Preserve the overall quality of the credit portfolio by minimizing non-performing loans (NPLs) and reducing potential credit losses.

3. Ensure Portfolio Diversification- Maintain a well-diversified risk asset portfolio by prudently managing sectoral, industry, and customer level exposures, thereby minimizing concentration risk.

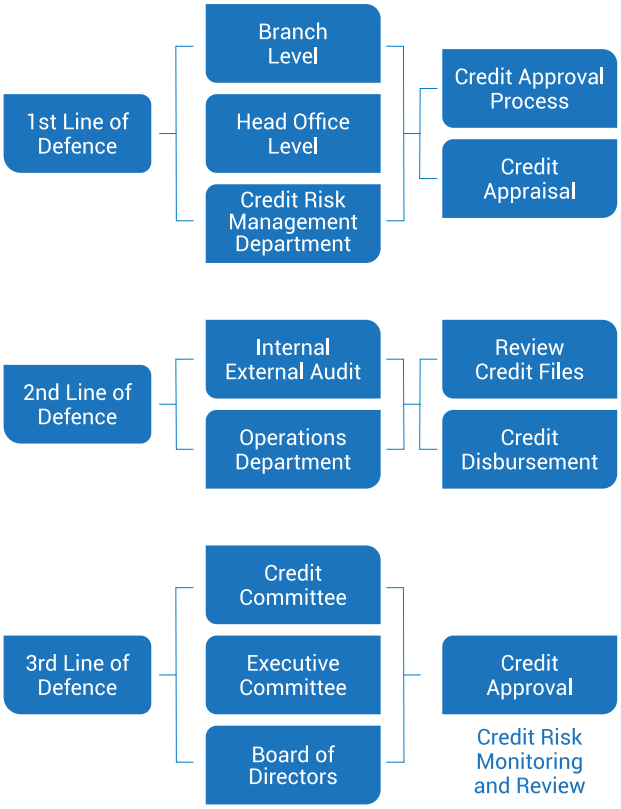
4. Ensure Regulatory and Policy Compliance- Ensure that all credit exposures are aligned with applicable regulatory requirements, internal credit policies, borrower repayment capacity, and balance sheet management guidelines.

Key Pillars of Bangladesh Finance's Credit Risk Management Framework

Credit Risk Appetite Parameters	Credit Quality Parameters • Credit quality related ratios • Product-wise NPA • Rating grades as a percentage of the total portfolio • Provision covers • Security covers • Top 20 borrower analysis report (Monthly)	Lending Parameters • Single borrower exposure • (individual/group) • Product-wise concentration score • Risk rating grade-wise exposure • Top 20 Loans and advances • Sector-wise lending caps

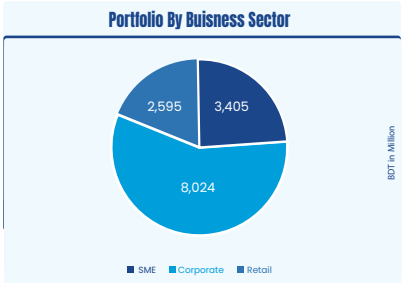
Standard Monitoring	• Top 20 borrower analysis report (Monthly Basis) • Analysis of risk elevated industries (Quarterly) • Analysis of sector-wise and product wise exposures (Monthly)	• Advance portfolio analysis (Semi-Annually) • Analysis of Geographical distribution (Monthly) • Loan review monitoring process (Ongoing, up to a % of total loan portfolio)
Key Control System	• Credit Policy and Credit Manual that serves as the foundation for lending • Comprehensive due diligence and customer screening procedures at the pre-credit evaluation stage • Portfolio review by the Portfolio Review Committee (PMC) on monthly basis • A clear segregation of duties between loan origination, pre-credit evaluation administration and post-credit monitoring	• Proactive post-credit monitoring and follow up by the Business Units, Credit Risk Management Department and SAM & Monitoring Department • Effective identification of Early Warning Signals and Watch Listing procedure • Credit Risk Management policy and related procedures
Governance & Oversight	• Branch Managers • Business Head • Head of SAM and Monitoring • Credit Committee • Internal Audit Function	• Credit Policy, Risk and Portfolio Review Committee • Board Executive Committee • Board Audit Committee • Board of Directors

Credit approval policy

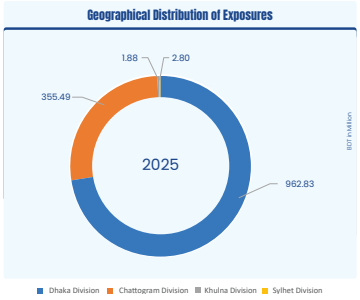


BUSINESS COMPOSITION OF PORTFOLIO

Bangladesh Finance's portfolio growth was maintained deliberately during the year. The segment wise composition of portfoli is comprised of corporate, SME, and retail:

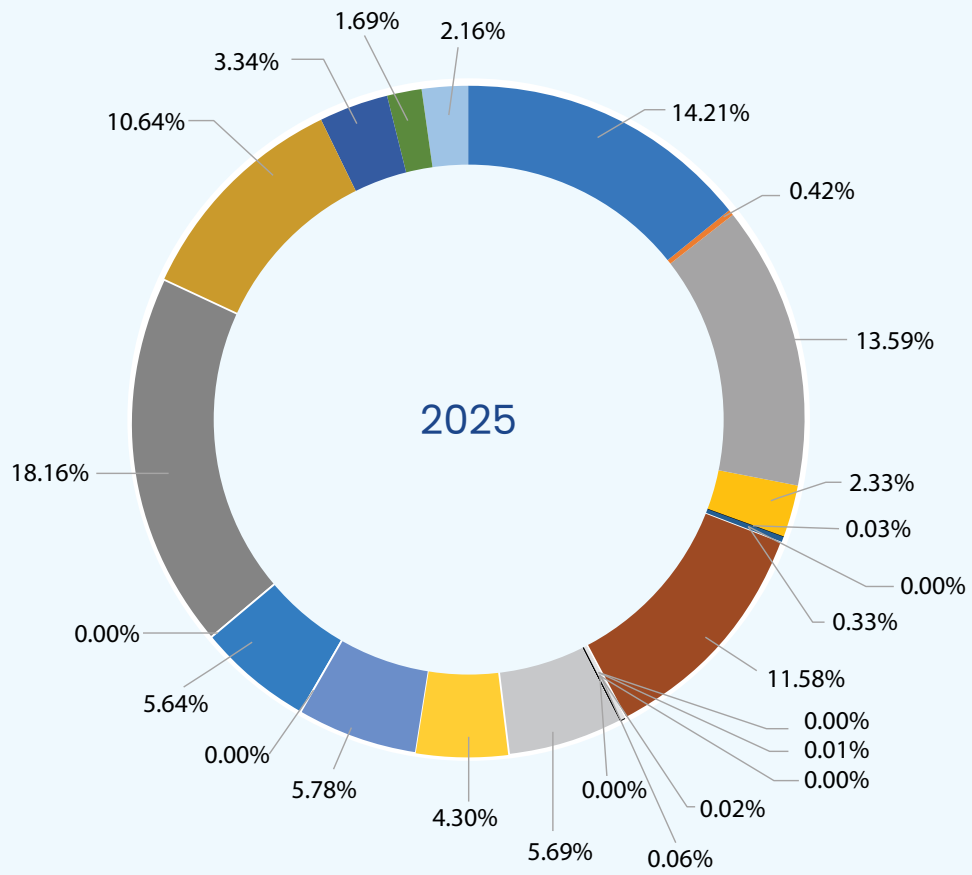


GEOGRAPHICAL CONCENTRATION OF PORTFOLIO



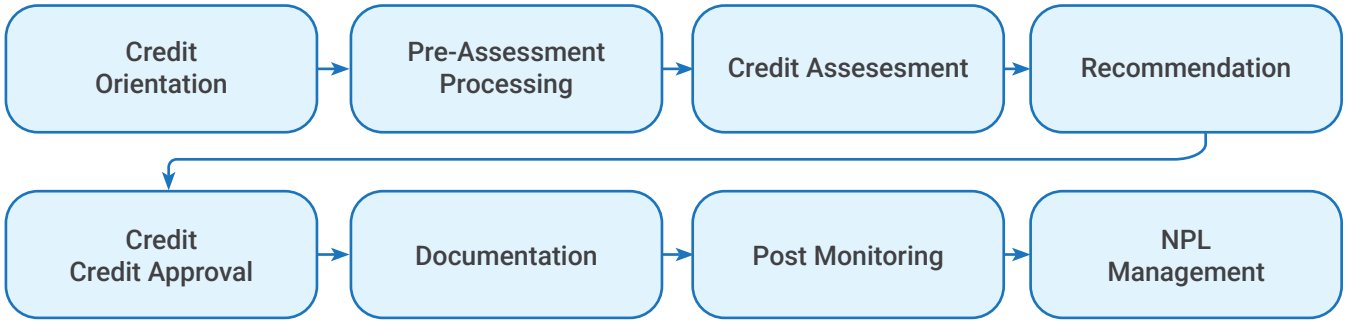
The higher concentration of investment was in Industry sector. For the product wise data, the concentration was mostly in Corporate Finance, Retail Finance and SME Finance. Region wise portfolio analysis shows that investment was heavily concentrated in Dhaka Zone, comprised of 04 branches; Principal Branch, Uttara Branch, Gulshan Branch, Gazipur Branch

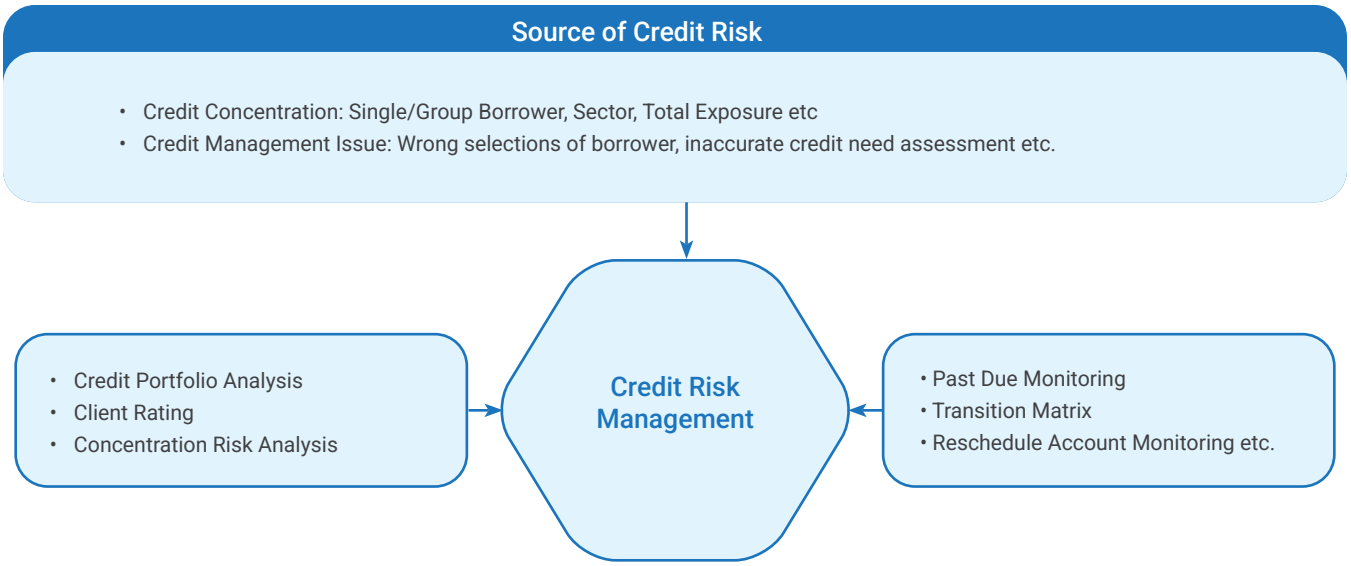
Sector-Wise Investment Classification for 2025



- Trade & Commerce
- Food Production, Processing & Rice Mills
- Leather & Leather goods
- Cement & Allied Industry
- Glass, Glassware & Ceramic Industry
- Power, Gas, Petroleum, Water & Sanitary
- Agriculture
- Financial Corporation
- Others
- Garments & Knitwear
- Jute & Jute products
- Iron, Steel & Engineering
- Paper, Packaging, Printing, Publishing & Allied Industry
- Ship Manufacturing & Breaking
- Transport & Aviation
- Mining & Quarrying
- Service
- Textiles
- Plastic & Rubber Industry
- Pharmaceuticals & Chemicals
- Wood, Furniture & Fixture
- Electronics & Electrical Products
- Industry Others
- Housing
- Consumer Finance

Credit Management Process





Market Risk:

Market risk refers to the potential loss of earnings or economic value resulting from adverse movements in financial market rates or prices. At Bangladesh Finance, market risk primarily comprises interest rate risk and equity price risk within the Company's trading book. The Company is exposed to fluctuations in interest rates and equity prices, with interest rate risk representing the current or potential adverse impact on earnings and capital arising from changes in market interest rates. To effectively manage this risk, Bangladesh Finance employs various risk measurement indicators and analytical tools, while the Asset and Liability Committee (ALCO) monitors the Company's interest rate risk position on a monthly basis. Interest rate risk is managed through an established risk management framework supported by internal models, regulatory guidelines, and approved risk limits. In addition, the Company conducts regular stress testing under different interest rate scenarios to assess the potential impact of adverse market movements. Risk limits are proposed by ALCO and approved by the Management Committee, ensuring alignment with Bangladesh Bank guidelines as well as the Company's overall risk appetite and strategic objectives.

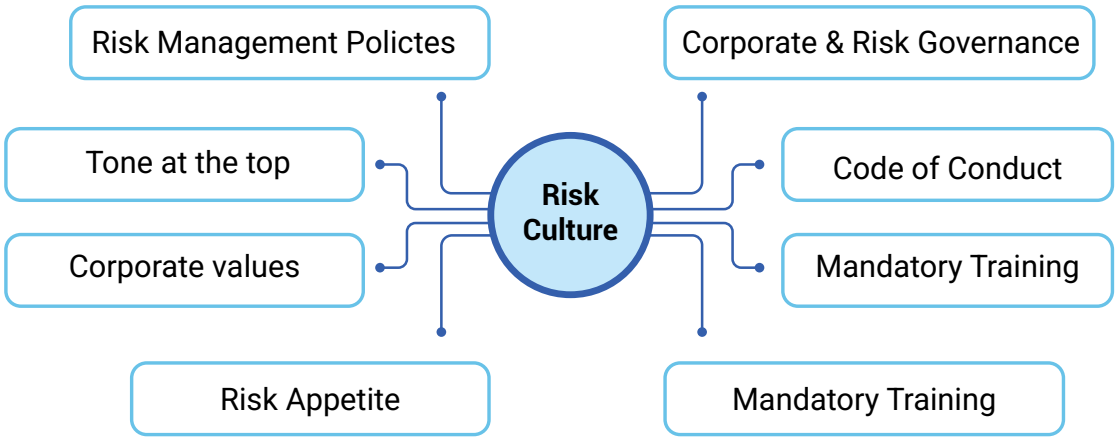
	Liquidity Risk	Interest Rate Risk	Equity Price Risk
Market Risk Appetite Parameters	• Net Loans to Total Asset • Total Loans to Customer Deposits • Loan Fund Ratio • Bulk Deposits to Total Deposits • Commitments to Total Loans	• Interest Rate Capping • Adjustment of inflation • Industry pressure	• Loss on capital market operation • Capping of capital
Standard Monitoring	• Monitoring of Board-approved limit framework for Market Risk Management (Continuous and Ongoing) • Assessment of Liquidity Risk, Interest Rate Risk and Equity	• Applying risk measurement techniques such as Stress Testing, Sensitivity Analysis for Market Risk exposures (Continuous and Ongoing) • Monitoring the market developments and trends (Continuous and Ongoing)	
Key Control System	• ALCO Policy • Investment Policy • Treasury Manual	• Liquidity Management Policy including Liquidity Contingency Funding Plan • Treasury Policy and procedure guideline for Treasury Operations • Code of Conduct for Treasury Operations	
Governance & Oversight	• Asset and Liability Management Committee • Investment Committee • ALCO Committee	• Risk Management Unit • Board Executive Committee • Board of Directors	

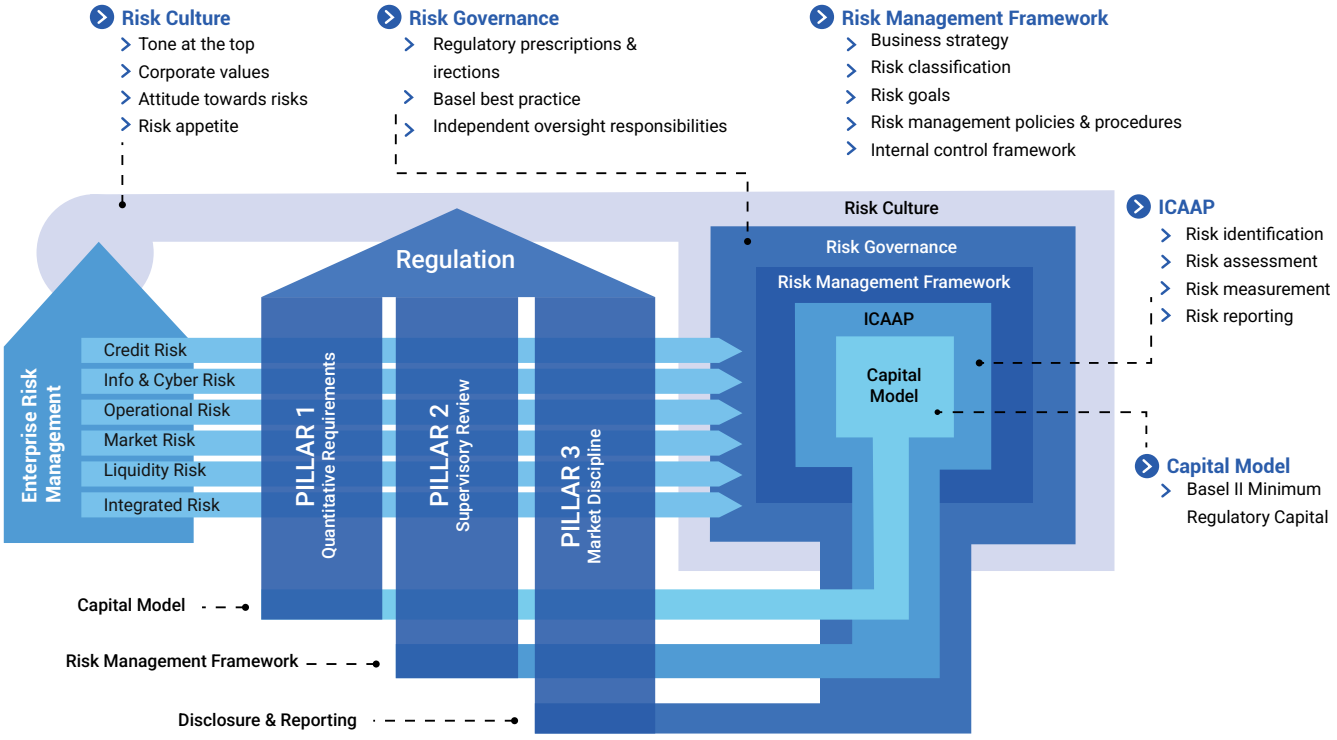
Operational Risk:

Operational risk refers to the potential for unexpected losses arising from inadequate or failed internal processes, people, systems, or from external events. This includes risks associated with human error, fraud, management failure, process deficiencies, technical disruptions, physical catastrophes, and other unforeseen external factors. Bangladesh Finance is committed to minimizing exposure to operational risk while maintaining an appropriate balance between risk mitigation and operational efficiency. To achieve this objective, the Company has established a comprehensive framework of policies, procedures, and internal controls that support the identification, assessment, monitoring, and management of operational risks across all business and functional areas. Responsibility for managing operational risk rests with business and functional management as an integral part of their day-to-day responsibilities. In addition, Bangladesh Finance proactively monitors exposure to significant operational loss events by leveraging internal risk and loss data, as well as relevant industry experience and best practices, to strengthen resilience and enhance risk management capabilities.

Operational Risk Appetite Parameter	• Internal Frauds • External Frauds • Employment Practice and Work Place Safety • Clients, Products and Business Practices	• Business Disruption and System Failures • Damages to tangible Assets • Execution Delivery and Process Management
Standard Monitoring Protocols	• Branch Managers • Business/Department Heads • IT Department • Credit Risk Management Unit	• Internal IT controls and best practices for information security • Policy on mapping FI's activities against the BASEL Guidelines • Legal Framework • Anti-Money Laundering Guidelines
Key Control System	• Risk Management Policy • Internal Policies, Procedures, Directives, and System Specifications along with MOUs, Service Level Agreements and NonDisclosure Agreements to effectively manage relationships with external service providers.	• Information Security Department • Board Audit Committee • Internal Audit Function • Board of Directors

Risk Culture





Risk Policies & Processes

Risk Management Framework Policy

Risk Philosophy	Risk Culture	Risk Governance	Risk Appetite	Risk Goals

Information & Cybersecurity Risk	Credit Risk	Market Risk	Liquidity Risk	Operational Risk	Integrated Risk
• The Information & Cybersecurity Risk Policy is managed by the CISO and some policies were amalgamated into the main policy during the year. • Patch Management Policy	• Product Policies • Credit Risk Policy • Write Off Policy • Baseline Credit Framework • Baseline Collateral • Classification Policy • Environmental & Social Risk Management Policy • SAM Policy	• Treasury Policy • ALM Policy • Contingency Funding Plan	• Asset & Liability Management Policy • Liquidity Risk Management Policy • Contingency Funding Plan	• Operational Risk Policy • BCP Document • Fraud Risk Management • Policy on Reporting and Provisioning for • Operational Losses	• Overall Risk Framework Policy • Risk Appetite Statement Guideline • Integrated Stress Testing Policy

ICAAP	Stress Testing	Discloser

Except those principal risks, Bangladesh Finance PLC. has to manage some other risks, those are as follows:

Risk	Implication	Mitigation Plan
Liquidity Risk	• Inability to meet short-term funding requirements. • Failure to meet obligations to customers and other stakeholders due to funding constraints, potentially damaging the Company's reputation. • Exposure to regulatory sanctions or penalties arising from non-compliance with liquidity requirements.	• Maintaining adequate levels of liquid assets, including cash, bank deposits, and marketable securities, to meet short-term funding needs. • Diversifying funding sources to reduce dependence on any single source of funds. • Maintaining a contingency funding plan to address unexpected liquidity shortfalls.
Cyber Risk	• Potential data breaches involving the theft or compromise of sensitive customer information, leading to financial loss, reputational damage, and legal or regulatory penalties. • Cyber-attacks may disrupt operations, resulting in reduced productivity and revenue loss.	• Conducting regular cyber risk assessments. • Implementing robust technical and security controls. • Maintaining incident response and recovery plans. • Performing regular testing, monitoring, and system reviews.
Compliance and Legal Risk	• Non-compliance with regulatory requirements may result in fines, penalties, or regulatory sanctions. • Reputational damage leading to loss of customers, investors, and stakeholder confidence. • Financial losses arising from legal costs, penalties, and business disruptions. • Exposure to legal action due to failure to comply with applicable laws and regulations.	• Establishing policies and procedures aligned with the legal and regulatory requirements of Bangladesh Bank. • Maintaining a dedicated compliance function responsible for monitoring and managing compliance risks. • Conducting regular audits and risk assessments to identify potential compliance gaps. • Implementing reporting mechanisms for employees and stakeholders to report instances of non-compliance.
Reputational Risk	• Long-term damage to the Company's reputation, making it difficult to rebuild trust and regain customer and investor confidence. • Reduced access to capital and funding due to loss of investor confidence.	• Maintaining a comprehensive code of conduct and ethics to guide responsible and ethical employee behavior. • Establishing a crisis management plan to respond effectively to reputational events. • Engaging regularly with stakeholders, including customers, employees, shareholders, regulators, and the community, to foster transparency and trust.
Strategic Risk	• Failure to adapt to changes in the market or industry may result in loss of market share. • Strategic risk may lead to financial distress or business instability. • Poor strategic decisions or ineffective implementation may adversely affect revenue generation, growth initiatives, and shareholder returns.	• Conducting regular strategic reviews and assessments. • Promoting a strong culture of risk awareness across the organization. • Investing in technology and infrastructure to support long-term growth. • Monitoring and responding proactively to market and industry developments. • Building and maintaining strong strategic partnerships.

Action Plan for 2026

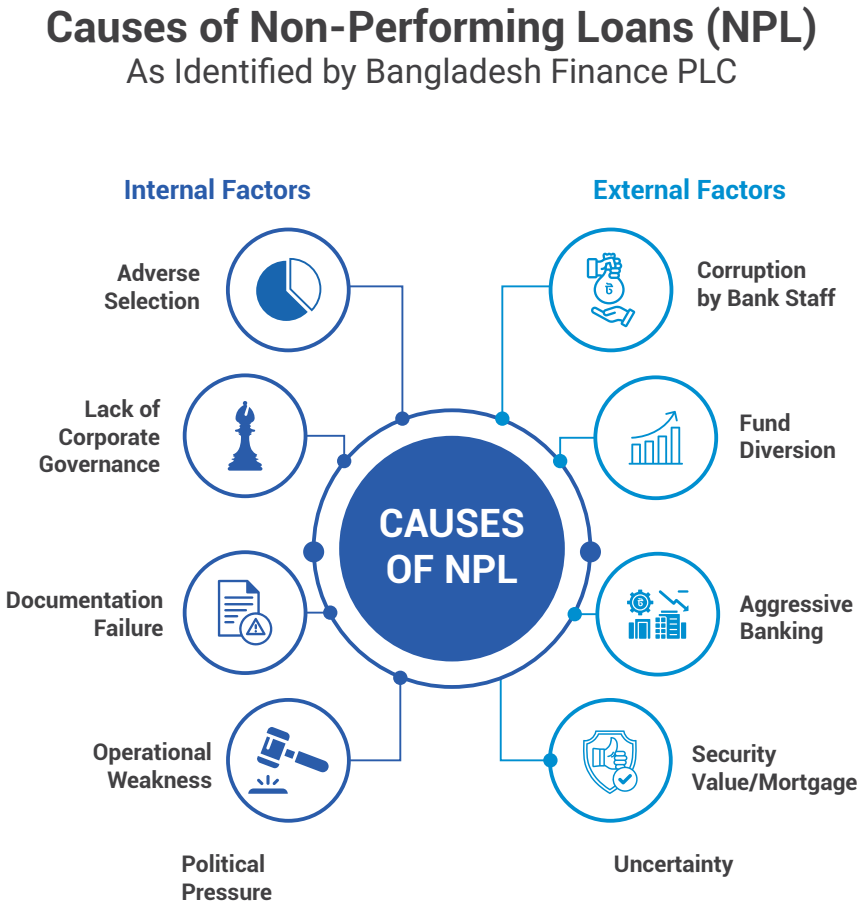
As a non-banking financial institution, Bangladesh Finance PLC continues to closely monitor evolving global economic conditions, including the indirect effects of geopolitical tensions, inflationary pressures, and volatility in international financial markets. While the Company is not directly impacted by global conflicts, such developments may influence the broader economic environment and affect both the institution and its clients. In response, Bangladesh Finance has formulated a strategic action plan for 2026 focused on strengthening resilience, enhancing operational efficiency, and supporting sustainable long-term growth.

A key priority for 2026 is the continued enhancement of the Company's digital capabilities through further investment in digital infrastructure, expansion of online and mobile financial services, implementation of secure digital payment solutions, and adoption of innovative technologies to improve customer experience and operational efficiency. Bangladesh Finance also remains committed to strengthening its capital and liquidity position by prudently managing liquidity, optimizing available resources, and exploring opportunities to reinforce the Company's capital base while maintaining a robust liquidity risk management framework.

To strengthen portfolio resilience and reduce concentration risk, the Company will continue to maintain a diversified loan portfolio across a broad range of industries and economic sectors. Bangladesh Finance is also enhancing its contingency planning framework to proactively address potential risks arising from global economic disruptions, including strategies related to portfolio diversification, capital optimization, operational continuity, and cost efficiency.

In addition, the Company plans to further strengthen its enterprise risk management capabilities through the use of advanced analytics, enhanced data-driven monitoring systems, and real-time risk assessment tools to support timely identification and mitigation of emerging risks. Continuous risk assessment and scenario analysis will remain integral to the Company's strategic planning process, enabling Bangladesh Finance to respond effectively to geopolitical developments, market uncertainties, and changing economic conditions.
Through these strategic initiatives, Bangladesh Finance remains committed to navigating uncertainty with resilience, agility, and prudent financial management while continuing to create sustainable long-term value for its customers, shareholders, employees, and other stakeholders.

NPL Management by Bangladesh Finance



STRATEGIES TAKEN BY BANGLADESH FINANCE PLC TO REDUCE NPL IN 2025 AND BEYOND

Industry NPL Movement

Non-performing loans (NPLs) in Bangladesh began to increase after 2011 due to market volatility, inadequate infrastructure development limiting investment growth, and political instability. In 2012, changes in loan classification standards to align with international practices, along with a rise in loan-related fraud in state-owned banks and financial institutions, further contributed to the growth of NPLs in the financial sector. Subsequent measures, including loan rescheduling, large loan restructuring initiatives introduced by the Central Bank in 2015, and write-offs of fully provisioned loans, helped improve the overall NPL position of the industry in later years.

However, the banking and financial sector in Bangladesh continues to face elevated levels of NPLs, and the lingering effects of the COVID-19 pandemic, along with ongoing geopolitical and economic uncertainties, are likely to exert additional pressure. In many cases, limited borrower engagement and weak communication between lenders and customers have also contributed to rising default levels.

NPL Position at Bangladesh Finance

Bangladesh Finance has maintained strong customer relationships and provided continuous support to borrowers, which has contributed to one of the highest recovery rates in the industry. As a result, the Company's NPL ratio stood at 13.75% in 2025, despite the industry average being significantly higher.

Over recent years, Bangladesh Finance has achieved notable improvement in asset quality. This progress has been driven by a coordinated effort among the Business Division, Credit Risk Management Division, Special Asset Management Division, and senior management, alongside effective oversight from the Board of Directors. These collective efforts have played a key role in maintaining a relatively healthy loan portfolio.

Managing Non-Performing Loans (NPLs)

Non-performing loans remain a key area of focus for Bangladesh Finance PLC. To further reduce NPLs in 2025 and beyond, the Company has adopted the following strategic approaches:

Credit Risk Management: We adopted a more proactive approach to credit risk management by improving its credit assessment procedures, setting appropriate credit limits, and monitoring the credit quality of its borrowers more closely. This can help us to identify potential problem loans early and take corrective actions before they become non-performing.

Restructuring and Rescheduling: We will consider restructuring or rescheduling the loans of its borrowers who are experiencing financial difficulties but are likely to recover in the future. This can help to reduce the level of NPLs by keeping the loans current and avoiding defaults

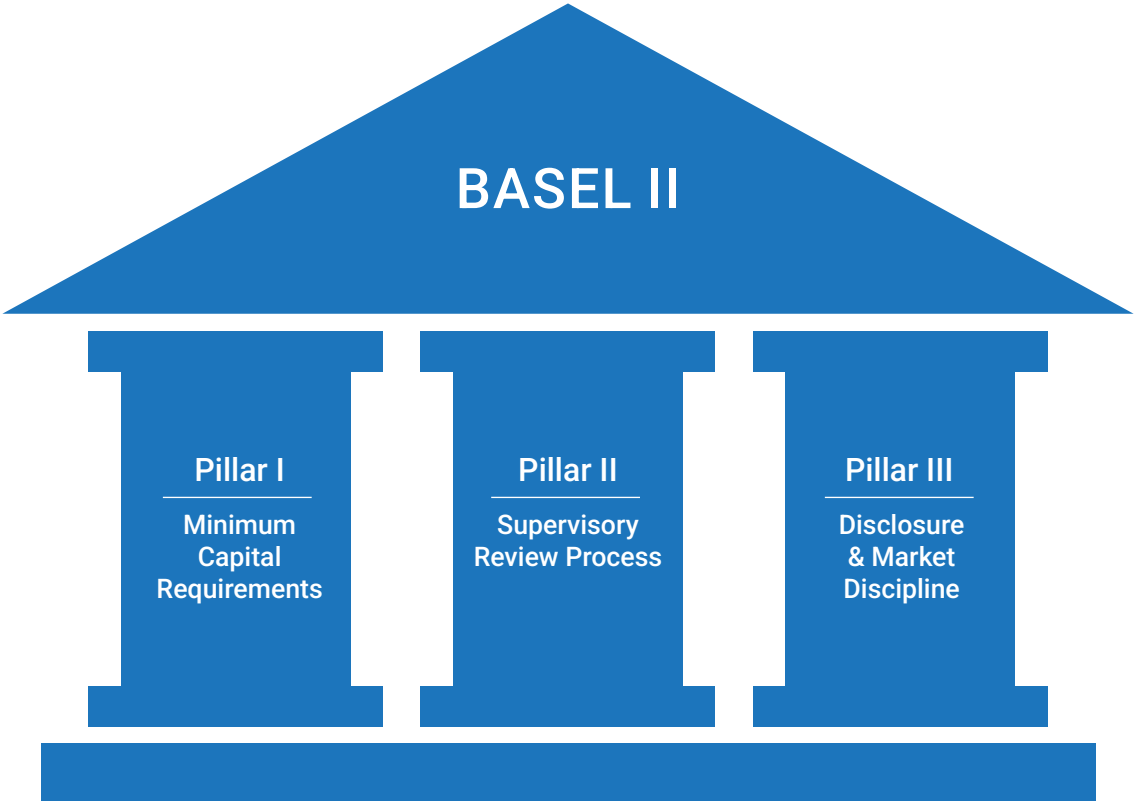
Recovery and Collection: We will focus on recovering its NPLs through various means such as negotiating with borrowers, taking legal action, or selling the loans to third-party collection agencies. This can help to improve its collection efficiency and reduce the level of NPLs

Portfolio Diversification: We will reduce its NPLs by diversifying its loan portfolio across different sectors and industries, rather than relying heavily on a particular sector or group of borrowers. This can help to reduce its exposure to any one particular risk and improve the overall quality of its loan portfolio

Cost Management: We will also look for ways to reduce its operational costs to improve its overall profitability and reduce its exposure to financial risks. This can include streamlining its operations, reducing expenses, and optimizing its use of technology and automation.

Loan Monitoring System: We will implement a robust loan recovery and monitoring system that ensures prompt follow-up and immediate corrective action in case of delinquencies. It can leverage digital technologies like data analytics and artificial intelligence to identify early warning signals and risks associated with delinquent accounts.

DISCLOSURES UNDER PILLAR III- MARKET DISCIPLINE



Pillar III of the Basel II framework requires financial institutions to disclose relevant information about their risk management practices, capital adequacy, and risk exposure to promote market discipline. The goal of Pillar III is to provide transparency and enable market participants to make informed decisions about the risks associated with a financial institution.

The following detailed qualitative and quantitative disclosures are provided in accordance with prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions which has been published on December 28, 2011. The Purpose of these requirements is to complement the capital adequacy requirements and the pillar III – Supervisory review process. These disclosures are intended for market participants to assess key information about the FI's exposure to various risks and to provide a consistent and understandable disclosure framework as per regulatory requirements. The FI has an approved disclosure policy to observe the disclosure requirements set out by the Bangladesh Bank and International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) where relevant to the FI.

01 Scope of Application

Qualitative Disclosures	
a) The name of the top corporate entity in the group to which this guideline applies.	**Bangladesh Finance PLC**
b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (i) that are fully consolidated; (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	The consolidated Financial Statements include the Financial Statements of i) Bangladesh Finance PLC, ii) Bangladesh Finance Securities Limited, and iii) Bangladesh Finance Capital Limited. Bangladesh Finance holds 57.36% and 99.97% shares of Bangladesh Finance Securities Limited and Bangladesh Finance Capital Limited respectively. A brief description of these institutions is given below: Bangladesh Finance PLC Bangladesh Finance PLC is a financial institution operating in Bangladesh. It was incorporated in 1999 and obtained its license from the Bangladesh Bank (the central bank of Bangladesh) in 2000 to operate as a non-bank financial institution (NBFI). Bangladesh Finance provides a range of financial services, including lease financing, term financing, project financing, and SME financing. It also offers deposit products, including fixed deposits, monthly savings schemes, and other investment products. Bangladesh Finance Securities Limited Bangladesh Finance Securities Ltd is a subsidiary of Bangladesh Finance providing brokerage services to its clients with a membership of the Dhaka Stock Exchange Ltd. BD Securities commenced its operation in November 2011 and within a short span of time the company has emerged as one of the leading brokerage houses of the country holding an average of 1.69% market share of DSE trade volume. During the year 2015 the ranking of Bangladesh Finance Securities in DSE stood at 25. The Company has a strong team of highly skilled and experienced professionals to achieve its ultimate objectives. Bangladesh Finance Capital Limited Bangladesh Finance Capital Limited is a full-fledged Merchant Banker licensed by Bangladesh Securities and Exchange Commission (BSEC) on February 26, 2012. BD Capital is a fully owned subsidiary of Bangladesh Finance PLC and is a Depository Participant with Central Depository Bangladesh Limited (CDBL). We are catering to individual Investors, Corporate and NRB clients. BD Capital started its journey on August 19, 2013 with authorized capital of Tk. 200 crore and paid-up capital of Tk. 26.87 crore. The organization is run by a team of professionals under leadership of highly experienced and leading personalities of this field.
c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Not Applicable for the FI
Quantitative Disclosures	
d) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the name(s) of such subsidiaries.	Not Applicable for the FI

02 Capital Structure

Qualitative Disclosures	
a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2.	**Tier 2 capital includes:** i) General provision up to a limit of 1.25% of Risk Weighted Asset (RWA) for Credit Risk; ii) Revaluation reserves: 50% Revaluation reserve for fixed assets; 45% Revaluation reserve for securities; iii) All other preference shares. **Conditions for maintaining regulatory capital:** The calculation of Tier 1 capital, and Tier 2 capital, shall be subject to the following conditions: i) The amount of Tier 2 capital will be limited to 100% of the amount of Tier 1 capital. ii) 50% of revaluation reserves for fixed assets and 45% of revaluation reserves for securities are eligible for Tier 2 capital.

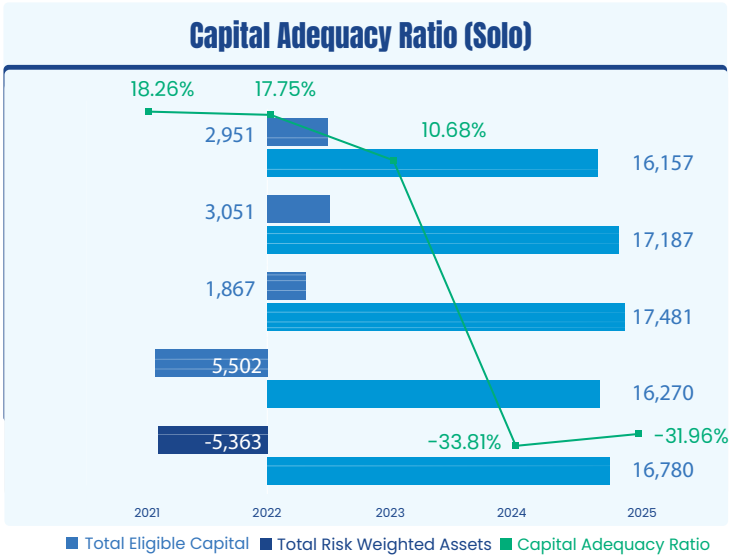
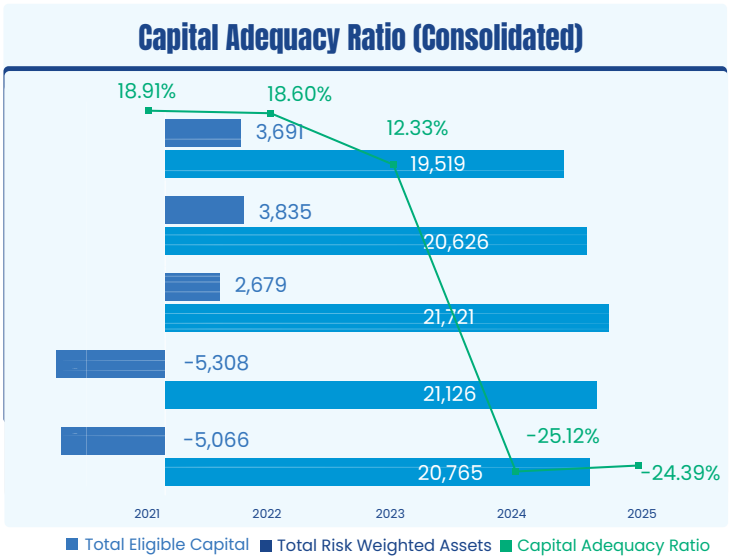
Quantitative Disclosures

b) The amount of Tier 1 capital, with separate disclosure of:

Particulars	Amount in BDT crore
Paid up capital	188.24
Statutory Reserve	52.98
General Reserve	-
Retained earnings	(821.79)
Minority interest in subsidiaries	-
Others (If any approved by Bangladesh Bank)	-
a)Total Tier 1 capital	(580.58)
b) The total amount of Tier 2 capital	44.24
c) (c=a+b) Total eligible capital	(536.34)

03 Capital Adequacy

Qualitative Disclosures	
a) A summary discussion of the FI's approach to assessing the adequacy of its capital to support current and future activities.	**Risk Weighted Assets (RWA) and Capital Adequacy Ratio (CAR)** Bangladesh Finance has adopted Standardized Approach for computation of Capital Charge for Credit Risk and Market Risk while Basic Indicator Approach for Operational Risk. Total Risk Weighted Assets (RWA) of the Company is determined by multiplying the capital charge for market risk and operational risk by the reciprocal of the minimum capital adequacy ratio i.e. 10% and adding the resulting figures to the sum of risk weighted assets for credit risk. Total RWA is then used as denominator while total Eligible Regulatory Capital as on numerator to derive Capital Adequacy Ratio. **Strategy to achieve the required Capital Adequacy:** **Operational level:** **Immediate measures:** Asking unrated corporate clients to have credit rating from External Credit Assessment Institutions (ECAIs) recognized by Bangladesh Bank; Rigorous monitoring of overdue contracts to bring those under 90 days overdue; Assessing incremental effect of capital charge over the expected net income from financing before sanctioning any appraisal, which could be one of the criteria for taking financing decision.

	Continuous measures: Concentrating on SME clients having exposure up to BDT 1 crore as this will carry 75% fixed risk weight (for regular contracts only); Financing clients having good credit rating; Using benefit of credit risk mitigation by taking eligible financial collaterals against transactions; Focusing more on booking high spread earning assets and thus increasing retained earnings. Strategic Level: Injecting fresh capital by issuing right shares, if required.
Quantitative Disclosures	
a) RWA for Credit Risk c) RWA for Market Risk d) RWA for operational risk	1,607.09 Crore BDT 58.80 Crore BDT 12.09 Crore BDT
e) Total and Tier 1 capital ratio:	 

Qualitative Disclosures

a) The general qualitative disclosure requirement with respect to credit risk, including:	Financial institutions classify loans and advances (loans and bill discount in the nature of an advance) into performing and non-performing loans (NPL) in reference to DFIM circular no. 4 dated 26th July 2021. As per the Bangladesh Bank's Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions, the unsecured portion of any claim or exposure (other than claims secured by residential property) that is past due for 90 days or more, net of specific provisions (including partial write-off) will be risk weighted as per risk weights of respective balance sheet exposures. For the purpose of defining the net exposure of the past due loan, eligible financial collateral (if any) may be considered for Credit Risk Mitigation.
Definitions of past due and impaired (for accounting purposes)	1. Any Continuous Loan or Demand Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the FI will be treated as past due/overdue from the following day of the expiry date. Whereas, in case of any instalment (s) or part of instalment (s) of a Fixed Term Loan is not repaid within the fixed expiry date, the number of unpaid instalment (s) will be treated as past due/overdue after six months of the expiry date. 2. A continuous loan, demand loan, fixed term loan or any instalment(s)/ part of instalment(s) of a Fixed Term Loan which will remain past due/overdue for a period of: a) 03 (three) months or beyond but less than 09 (nine) months, the entire loan will be put into the "Sub-standard (SS)" b) 09 (nine) months or beyond but less than 12 (twelve) months, the entire loan will be put into the "Doubtful (DF)". c) 12 (twelve) months or beyond, the entire loan will be put into the "Bad/Loss (B/L)

Quantitative Disclosures

Description of approaches followed for specific and general allowances and statistical methods

Specific and General provisions are maintained according to the relevant Bangladesh Bank guideline.

Types of Loan	Provision maintained	Provision maintained (other than CMSME
SME –Standard loan/lease	0.25%	
Subsidiaries/sister concerns/brokerage house/merchant banks/stock dealers		2%
Standard loans (other than SME/ Subsidiaries/sister concerns/brokerage house/merchant banks/stock dealers - Standard loan/ lease)		1%
SMA loan/lease	0.25%	5%
Sub-standard loan/lease	5%	20%
Doubtful loan/lease	20%	50%
Bad/loss loan/lease after deducting the amount of interest expenses and value of eligible securities from the outstanding balance of classified accounts.	100%	100%

Discussion of the FI's credit risk management policy	Implementation of various strategies to minimize risk: To encounter and mitigate credit risk the following control measures are taken place at Bangladesh Finance: • Looking into payment performance of customer before financing; • Annual review of clients; • Adequate insurance coverage for funded assets; • Vigorous monitoring and follow up by Special Assets Management and collection Team; • Strong follow up of compliance of credit policies by Credit Administration Department; • Taking collateral and performing valuation and legal vetting on the proposed collateral; • Seeking legal opinion from internal and external lawyer for any legal issues; • Maintaining neutrality in politics and following arm's length approach in related party transactions; • Regular review of market situation and industry exposure; • Sector-wise portfolio is maintained within specific limits to ensure diversification of loan assets. In addition to the industry best practices for assessing, identifying and measuring risks, Bangladesh Finance also considers Guidelines for Managing Core Risks of financial institutions issued by the Country's Central Bank, Bangladesh Bank; vide FID Circular No. 10 dated September 18, 2005 for management of risks. **Approved Credit Policy by the Board of Directors** The Board of Directors has approved the Credit Policy for the company where major policy guidelines, growth strategy, exposure limits (for particular sector, product, individual company and group) and risk management strategies have been described/stated in detail. Credit Policy is regularly updated to cope up with the changing global, environmental and domestic economic scenarios. **Separate Credit Risk Management (CRM) Department** An independent Credit Risk Management (CRM) Department is in place, at Bangladesh Finance, to scrutinize projects from a risk-weighted point of view and assist the management in creating a high-quality credit portfolio and maximize returns from risk assets. Research team of CRM regularly reviews market situation and exposure of Bangladesh Finance in various industrial sub-sectors. Credit Administration Department has been segregated from CRM in line with Central Bank's Guidelines. CRM assesses credit risks and suggests mitigation before recommendation of every credit proposal while Credit Administration confirms that adequate loan and lease security documents are in place before disbursement. **Special Assets Management and Collection Team** A strong Law and Recovery Team monitors the performance of the loans & advances, identify early signs of delinquencies in portfolio, and take corrective measures to mitigate risks, improve loan quality and to ensure recovery of loans in a timely manner including legal actions. **Independent Internal Control and Compliance Department (ICC)** Appropriate internal control measures are in place at Bangladesh Finance. Bangladesh Finance has also established Internal Control and Compliance Department (ICC) to ensure, compliance with approved lending guidelines, Bangladesh Bank guidelines, operational procedures, adequacy of internal control and documentation procedures. ICC frames and implements policies to encounter such risks. **Credit Evaluation** The Credit Committee (CC) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to counter associated risks. The CC critically reviews proposals considering the current global financial crisis and its probable impact on the specific project. Credit Risk Grading (CRG) helps a Financial Institution to understand the various dimensions of risks involved in transactions related to small business clients who are plying their businesses in various geographical locations across the country. Bangladesh Finance has been developing and managing CRG to promote the soundness



safety and soundness of the Company by facilitating informed decision-making. This grading measures credit risk and differentiates individual credits and group of credit by the risk they pose. This allows management and examiners to monitor changes and trends in risk levels. The process also allows the management to manage risk to optimize returns.

To mitigate credit risk, Bangladesh Finance search for credit information report from the Credit Information Bureau (CIB) of Bangladesh Bank. The report is scrutinized by CRM and CC to understand the liability condition and repayment behavior of the client. Depending on the report, opinions are taken from client's banks. Suppliers' and buyers' opinion are taken to understand the market position and reputation of our proposed customers.

Credit Approval Process

To ensure both speedy service and mitigation of credit risk, the approval process is maintained through a multilayered system. Depending on the size of the loan, a multilayer approval system is designed. As smaller loans are very frequent and comparatively less risky, lower sanctioning authority is set to improve the turnaround time and associated risk. Bigger loans require more scrutiny as the associated risk is higher. So sanctioning authority is higher as well.

Credit Quality and Portfolio Diversification

Bangladesh Finance believes in diversification in terms of products as well as sectors. To mitigate the Credit Risk, the company diversifies its loan exposure to different sectors confirming to the Central Bank's requirements. Threshold limit is set for any sector so that any adverse impact on any industry has minimum effect on Bangladesh Finance's total return. Central Bank's instructions are strictly followed in determining Single Borrower/Large Loan limit. Significant concentration of credit in terms of groups or geographical location is carefully avoided to minimize risk.

Early Warning System

Performance of loans is regularly monitored to trigger early warning system to address the loans and advances whose performance shows any deteriorating trend. It enables the company to grow its credit portfolio with ultimate objective to protect the interest of stakeholders.

NPL Management

Bangladesh Finance measures its loan portfolio in terms of payment arrears. The impairment levels on the loans and advances are monitored regularly.
As per FID Circular No.3 dated March 15, 2007 and DFIM Circular No.08 dated June 07, 2022:

- Loan/Lease, classified as bad/loss and with 100% provision, can only be written-off.
- Approval from the Board of Directors has to be taken before write-off.
- The financial institutions should constantly try to recover the loan/lease written-off amount. If legal action has not been taken against the client, legal charges should be placed before the write-off.
- To expedite the legal settlement or collection of the due amount, third party agents can be appointed by the financial institutions.
- A separate ledger should be maintained for the written-off loans/leases and the accumulated written off value should be disclosed separately under the heading of "notes to the account" in the annual report/balance sheet of the financial institutions.
- Even if the loan/lease has been written-off, the client should be classified as defaulter and reported to CIB accordingly.

Counterparty Credit Rating

Bangladesh finance is taking initiatives to rate the Corporate Clients of the company immediately by the External Credit Assessment Institutions (ECAIs)/Rating Agencies duly recognized by the Central Bank. As on December 31, 2025, total net exposure of BDT 780.92 crore was eligible for credit rating. Among these net exposures of BDT 376.38 crore had valid credit ratings. That is, about 48.20% of rateable exposure was rated. We are optimistic of getting more counter party ratings by 2026.

Methods used to measure Credit Risk

As per the directives of Bangladesh Bank, 'The Standardized approach' is applied by the company to measure its Credit Risk.

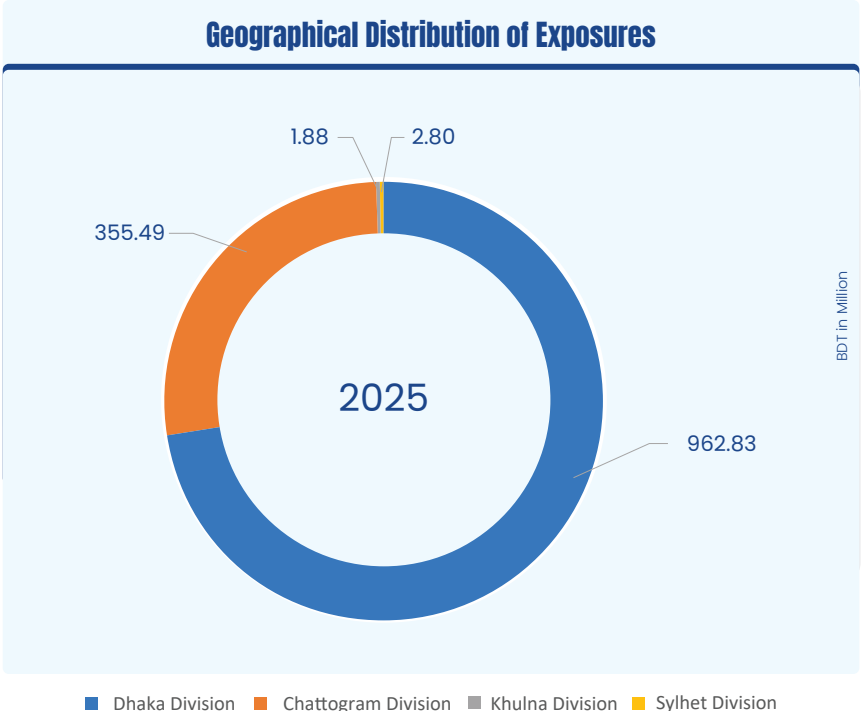
Quantitative Disclosures

b) Total gross credit risk exposures broken down by major types of credit exposure.

Particulars	Amount in BDT crore
Lease Finance	134.50
Term Finance	941.06
Housing Finance	247.45
Total	1,323.00

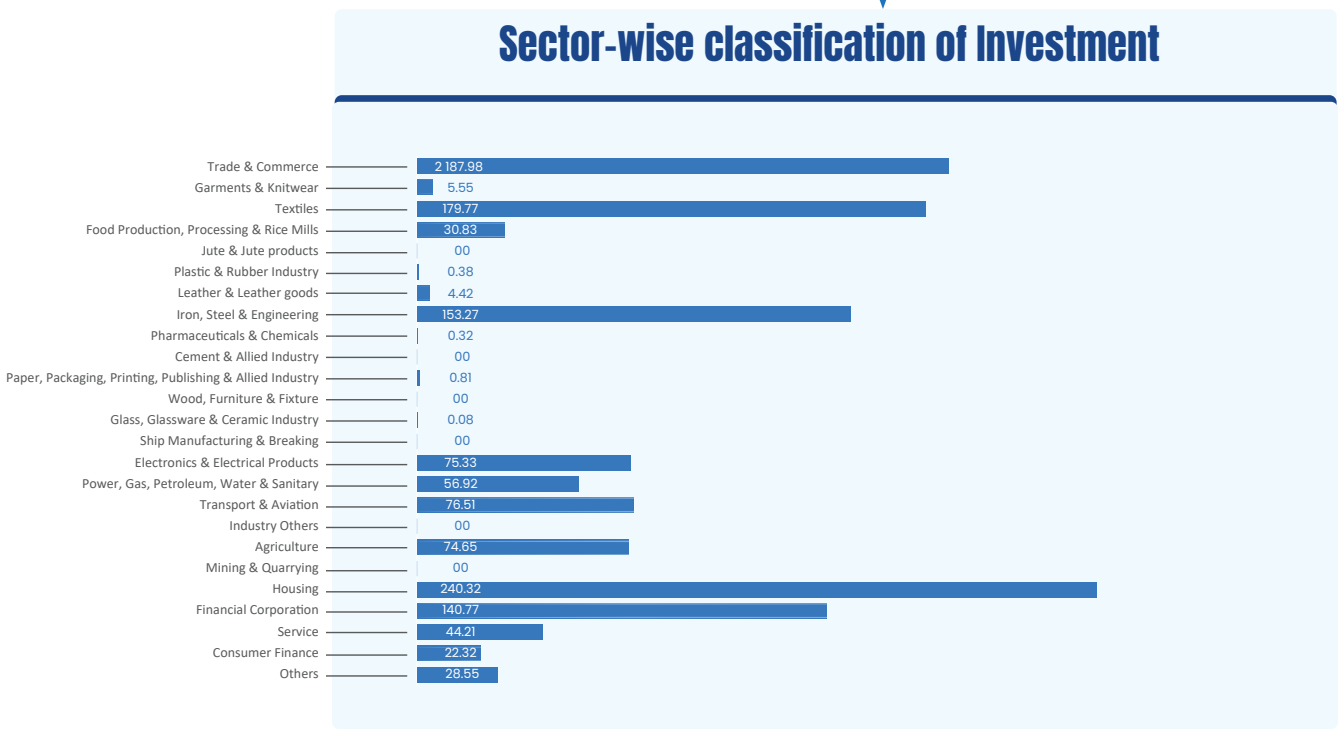
c) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.

Area	Amount in BDT crore
Dhaka Division	962.83
Chattogram Division	355.49
Khulna Division	1.88
Sylhet Division	2.80
Total	**1,323.00**



d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.

Sector wise classification of Investment	Amount in crore
1. Trade & Commerce	187.98
2. Industry	584.20
A. Garments & Knitwear	5.55
B. Textiles	179.77
C. Food Production, Processing & Rice Mills	30.83
E. Plastic & Rubber Industry	0.38
F. Leather & Leather goods	4.42
G. Iron, Steel & Engineering	153.27
H. Pharmaceuticals & Chemicals	0.32
I. Paper, Packaging, Printing, Publishing & Allied Industry	0.81
J. Glass, Glassware & Ceramic Industry	0.08
K. Electronics & Electrical Products	75.33
L. Power, Gas, Petroleum, Water & Sanitary	56.92
M. Transport & Aviation	76.51
3. Agriculture	74.65
4. Housing	240.32
5. Financial Corporation	140.77
6. Service	44.21
7. Consumer Finance	22.32
8. Others	28.55
Total	**1323.00**



Besides, Bangladesh Finance Group portfolio includes total margin loan to clients by our capital market subsidiaries (BFSL and BFCL) of BDT 63.42 crore. Therefore, the total credit exposure of the group amounts to BDT 1386.42 crore.

e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	

Particulars	Amount in BDT crore
Receivable on Demand	91.61
Not more than 3 months	124.93
Over 3 months but not more than 1 year	144.15
Over 1 year but not more than 5 years	691.91
Over 5 years	270.40
Total	**1,323.00**

f) Gross Non-Performing Assets (NPAs)

Particulars	Amount in BDT crore
Opening balance	129.86
Addition/ (Adjustment)during the year	52.10
Closing balance	181.96

05 Equities: banking book positions

Qualitative Disclosures	
Differentiation between holdings for which capital gains are expected and those taken under other objectives including for relationship and strategic reasons	Investment in equity mainly for capital gain purpose but the company has some investment for relationship and strategic reasons.
Discussion of important policies covering the valuation and accounting of equity holdings in the banking book positions. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices	The equity markets are traditionally volatile with a high-risk, high-returns profile. As such investors in the equity market have to plan and strategize to reduce their risks and increase their returns. Equity investments must therefore go hand in hand with a good risk management plan in place. In an uncertain marketplace like the present, investor cannot afford to place all hope in only one thing. Therefore, it is very important to protect the total investment value by means of diversification. Investments in shares of Bangladesh Finance are made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived. The company recognizes that no investment is totally free from risk and that occasional measured losses are inevitable in a diversified portfolio and will be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best interest of the company. Quoted shares are valued at cost prices and if the total cost of a particular share is lower than the market value of that particular share, then provisions are maintained as per terms and conditions of regulatory authority. On the other hand, unquoted share is valued at cost price or book value as per latest audited accounts.

Quantitative Disclosures

a) Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	Investment in equity mainly for capital gain purpose but the company has some investment for relationship and strategic reasons Particulars / Cost Price / Market Price Quoted shares: 14.70 / 15.40 Unquoted shares: 1 / - Preference shares: 14 / -
b) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	BDT 1.40 crore
c) Total latent revaluation gains (losses). Any amounts of the above included in Tier 2 capital.	**Particulars** / **Amount in BDT crore** **Total latent revaluation gains (losses)** / **24.15**
d) Capital requirements broken down by appropriate equity groupings, consistent with the FI's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.	**d.1) Specific Risk** **Market value of investment in equities is BDT 29.40 crore. Capital Requirement is 10% of the said value which stand to BDT 2.94 crore.** **d.2) General Risk** **Market value of investment in equities is BDT 29.40 crore. Capital Requirement is 10% of the said value which stand to BDT 2.94 crore.** **d.3) Total (d1+d2)** **BDT 5.88 crore.**

06 Interest rate in the banking book

Qualitative Disclosures

The general qualitative disclosure requirement including the nature of interest risk and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits.	Interest rate risk in the banking book arises from mismatches between the future yield of assets and their funding cost. Assets Liability Committee (ALCO) monitors the interest rate movement on a regular basis. Bangladesh Finance measure the Interest Rate Risk by calculating Duration Gap i.e. a positive Duration Gap affect company's profitability adversely with the increment of interest rate and a negative Duration Gap increases the company's profitability with the reduction of interest rate.

07 Market Risk

Qualitative Disclosures	
Views of Board of Directors (BoD) on Trading/Investment Activities Methods Used to Measure Market Risk Management System Policies and Processes for Mitigating Market Risk	All the Market Risk related policies/guidelines are duly approved by BoD. The BoD sets limit and reviews and updates the compliance on regular basis aiming to mitigate the Market Risk. Market Risk is the probability of losing assets in balance sheet and off- balance sheet position arising out of volatility in market variables i.e. interest rate, exchange rate and prices of securities. In order to calculate the market risk for trading book purposes the company uses standardized (rule based) approach where capital charge for interest rate risk, price and foreign exchange risk is determined separately. A Policy for managing Market Risk has been set out by the Board of Directors of the company where clear instructions have been given on Loan to Fund Ratio, Local Regulatory Compliance, Recommendation/Action Plan etc. Treasury manages the Market Risk with the help of Asset Liability Management Committee (ALCO) and Asset Liability Management (ALM) Desk in the following ways: **Interest Risk Management** Treasury Division reviews the risks of changes in income of the Company as a result of movements in market interest rates. In the normal course of business, Bangladesh Finance tries to minimize the mismatches between the duration of interest rate sensitive assets and liabilities. Effective Interest Rate Risk Management is done as under: **Market Analysis** Market analysis over interest rate movements are reviewed by the Treasury of the company. The type and level of mismatch interest rate risk of the company is managed and monitored from two perspectives, being an economic value perspective and an earning perspective. **GAP Analysis** ALCO has established guidelines in line with central Bank's policy for the management of assets and liabilities, monitoring and minimizing interest rate risks at an acceptable level. ALCO in its regular monthly meeting analyzes Interest Rate Sensitivity by computing GAP i.e. the difference between Rate Sensitive Assets and Rate Sensitive Liability and take decision of enhancing or reducing the GAP according to prevailing market situation aiming to mitigate interest rate risk. **Continuous Monitoring** Company's treasury manages and controls day-to-day trading activities under the supervision of ALCO that ensures continuous monitoring of the level of assumed risks. **Equity Risk Management** Equity Risk is the risk of loss due to adverse change in market price of equities held by the Company. Equity Risk is managed by the following way: Bangladesh Finance minimizes the Equity Risks by portfolio diversification as per investment policy of the company. The entire portfolio is managed by Bangladesh Finance Securities Limited.

Qualitative Disclosures	
The capital requirements for Market Risk	
Interest rate risk	
Equity position risk	5.88 Crore
Foreign Exchange Position and Commodity risk (if any)	



08 Operational Risk

Qualitative Disclosures	
Views of Board on System to Reduce Operational Risk	All the policies and guidelines of internal control and compliances are duly approved by the Board. The Board delegates its authority to Executive Committee and MANCOM members as per company policy of delegation of authority. Audit Committee of the Board directly oversees the activities of internal control and compliance as per good governance guideline issued by Bangladesh Securities and Exchange Commission.
Performance Gap of Executives and Staffs	Bangladesh Finance's recruitment strategy is based on retaining and attracting the most suitable people at all levels of the business and this is reflected in our objective approach to recruitment and selection. The approach is based on the requirements of the job (both now and in the near future), matching the ability and potential of the individual. Qualification, skills and competency form our basis for nurturing talent. We are proud to state that favorable job responsibilities are increasingly attracting greater participation from different level of employees in the Bangladesh Finance. We aim to foster a sense of pride in working for Bangladesh Finance and to be the employer of choice. As such no performance gap exists in Bangladesh Finance.
Potential External Events	No such potential external event exists to raise operational risk of Bangladesh Finance at the time of reporting.
Policies and Procedures for Mitigating Operational Risk:	Bangladesh Finance has also established Internal Control and Compliance Department (ICC) to address operational risk and to frame and implement policies to encounter such risks. ICC assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and mange operational risk.
Approach for Calculating Capital Charge for Operational Risk:	Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Bangladesh Finance uses basic indicator approach for calculation capital charge against operational risk i.e. 15% of average positive annual gross income of the company over last three years.
Quantitative Disclosures	
(b) Capital Requirement for Operational Risk:	(Amount in BDT Crore)

Solo	Consolidated
1.21	1.96

মাসিক সঞ্চয়

Bangladesh finance
এখনই সময়



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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BANGLADESH FINANCE PLC

Report on the Audit of the Consolidated and Separate Financial statements

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 matter	Our response to key audit matters
1. Measurement of provision for loans, leases and advances: 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: • 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. • 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. • 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. • 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. • 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.	We tested the design and operating effectiveness of key controls focusing on the following: • Credit monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Review of quarterly Classification of Loans (FICL). • Our substantive procedures in relation to the provision for loans, advances and leases portfolio comprised the following: • Reviewed the adequacy of the general and specific provisions and loan classification disclosures in the financial statements in line with related Bangladesh Bank guidelines; • Tested the inputs in computation of provision in terms of testing the accuracy of underlying information; • Assessed the methodologies on which the provision amounts based (value of eligible securities, interest suspense), recalculated the provisions for loans, advances and leases; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
2. Loans and advances 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. 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. • 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. • 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. • Furthermore, we have assessed the appropriateness of disclosure against Bangladesh Bank guidelines.
3. IT systems and controls: 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. 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. • 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. • We tested the Company's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. • We considered the control environment relating to various interfaces, configurations and other application layer controls identified as key to our audit.



Key audit matter	Our response to key audit matters
4. Income tax provisioning and measurement of deferred tax • 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. • 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. • 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. • 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 rely 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 unused 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.	• 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. • We engaged our tax specialist team to assess the key assumptions, controls, and the recognition and measurement of both current and deferred tax. • Finally, we assessed the appropriateness 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 an 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 auditsreport, 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.

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.



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

DVC: 2604301550AS554939

Dated 29 April 2026
Dhaka

BANGLADESH FINANCE PLC.

CONSOLIDATED BALANCE SHEET

As at 31 December 2025

	Note	Amount in BDT 31-Dec-25	31-Dec-24
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 Liabilities and Shareholders' Equity		**19,190,182,185**	**20,864,120,546**

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 and 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

DVC: 2604301550AS554939

Dated 29 April 2026
Dhaka

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

BANGLADESH FINANCE PLC.

CONSOLIDATED PROFIT & LOSS ACCOUNT

For the year ended 31 December 2025

	Note	Amount in BDT 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 Income		**(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 Income		**(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**
Profit/(Loss) before Provision		**(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**
Total Profit/(Loss) before Provisions for 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 & 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		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 and 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

DVC: 2604301550AS554939

Dated 29 April 2026
Dhaka

Sukanta Bhattacharjee, FCA
Enrolment 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		
Purchase/sale of non trading securities	-	-
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)
Dividend Paid	-	-
C) Net Cash flows from Financing Activities	**(38,264,576)**	**10,246,909**
D) Net Increase/(Decrease) 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 and 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 April 2026
Dhaka

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									
Cash Dividend	-	-	-	-	-	-	-	-	-
Interim Cash Dividend	-	-	-	-	-	-	-	-	-
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 and 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 April 2026
Dhaka

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**

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 and 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

DVC: 2604301550AS554939

Dated 29 April 2026
Dhaka

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

BANGLADESH FINANCE PLC.

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2025

	Note	Amount in BDT 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		**(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 Income		**(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**
Profit/(Loss) before Provision		**(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**
Total Profit/(Loss) before Provisions for 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 and 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

DVC: 2604301550AS554939

Dated 29 April 2026
Dhaka

Sukanta Bhattacharjee, FCA
Enrolment 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		
	Purchase/sale of non trading securities	-	-
	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)
	Dividend Paid	-	-
C)	**Net Cash from Financing Activities**	**(11,994,817)**	**(17,123,050)**
D)	**Net Increase/(Decrease) 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 and 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 April 2026
Dhaka

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	BDT
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						
Cash Dividend					-	-
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 and 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 April 2026
Dhaka

BANGLADESH FINANCE PLC.

LIQUIDITY STATEMENT ASSETS AND LIABILITIES MATURITIES ANALYSIS

For the year ended 31 December 2025

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
Company Secretary

Md. Kyser Hamid
Managing Director & CEO

Kazi Mustak Ahmed, FCA
Director

Mahfuza Khanam
Director

Kazi Rafiqul Hassan
Director

Dated 29 April 2026
Dhaka

BANGLADESH FINANCE PLC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

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

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 limited to:
- 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 institutions	Maturity/repayment term
Deposits and other accounts	Maturity and behavioral trend (non-maturity products)
Other long term liability	Maturity term
Provision and other liability	Settlement/adjustment schedule basis

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 amortized cost)

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 overdue.

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.

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.

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 unlisted securities.

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

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 reserve

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 service
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.

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.

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.

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	0.25%
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 separately.



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 stated in Note 33.

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."

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 as IT 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.

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

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 IASs and IFRSs:

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 Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	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	670,348,698
	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**	**801,332,185**
	*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**
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**

		Amount in BDT	
		31-Dec-25	31-Dec-24
	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		
	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**

		Amount in BDT	
		31-Dec-25	31-Dec-24

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**

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.

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		

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, Publishing & Allied	8,148,936	0.06%	9,073,575	0.06%
K. Wood, Furniture & Fixture	-	0.00%	-	0.00%
L. Glass, Glassware & Ceramic Industry	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.

			Amount in BDT	
			31-Dec-25	31-Dec-24
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
Surplus 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		

		Amount in BDT	
		31-Dec-25	31-Dec-24
		-	-
(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**
	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**



		Amount in BDT	
		31-Dec-25	31-Dec-24
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**
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**
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**

		Amount in BDT	
		31-Dec-25	31-Dec-24
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**
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

		Amount in BDT	
		31-Dec-25	31-Dec-24
	(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 (ILFSL)	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 part of prudent credit risk management practices, Bangladesh Finance transferred interest against stressed loan, lease and investments to the interest suspense account, in addition to the regular suspense. During the year, an amount of Tk. 519,318,221 was transferred to the interest suspense account, resulting in a cumulative balance to Tk. 2,475,915,695. The total interest suspense balance 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**
	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.

		Amount in BDT	
		31-Dec-25	31-Dec-24
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**

		Amount in BDT	
		31-Dec-25	31-Dec-24
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**
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

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	-	-
	-	**-**

		Amount in BDT	
		31-Dec-25	31-Dec-24
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	-	-
		-	**-**
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**

		Amount in BDT	
		31-Dec-25	31-Dec-24
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**
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.



		Amount in BDT	
		31-Dec-25	31-Dec-24
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 Right-of-use asset as disclosed in **Annexure-A** and of Interest expense on lease rent, as disclosed in Note 20.

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**
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**

		Amount in BDT	
		31-Dec-25	31-Dec-24
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.		

		Amount in BDT	
		31-Dec-25	31-Dec-24
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-33	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**
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 Independent Director	Bangladesh Finance Securities Ltd.	Director
Kazi Mustak Ahmed, FCA Independent Director	Nil	Nil
Mr. Md Helal Chowdhury Director	Nil	Nil
Ms. Fatema Begum Director	Nil	Nil
Mr. Imtiyaj Yousuf Director	Omega Motors Imtiyaj Steel Precious Steel Corporation	Proprietor Proprietor Proprietor
Ms. Mahfuza Khanam Independent Director	Bangladesh Finance Capital Ltd.	Director
Mr. Md. Hasan Khan Director	Mehmud Industries (Pvt.) Limited.	Director
Mr. Md. Kyser Hamid Managing Director & CEO	Bangladesh Finance Securities Ltd. Bangladesh Finance Capital Ltd.	Director 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 Limited	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

BANGLADESH FINANCE PLC.

FIXED ASSET SCHEDULE

As at 31 December 2025

ANNEXURE-A

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
	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**

BANGLADESH FINANCE PLC.

RECONCILIATION OF NET PROFIT WITH CASH FLOWS

from Operating Activities (Solo)

ANNEXURE-B1

	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)**

BANGLADESH FINANCE PLC.

RECONCILIATION OF NET PROFIT WITH CASH FLOWS

from Operating Activities (Consolidated)

ANNEXURE-B2

	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)**

BANGLADESH FINANCE PLC.

HIGHLIGHTS ON THE OVERALL ACTIVITIES OF THE COMPANY

as at and for the periods 2025 and 2024

ANNEXURE-C

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)

BANGLADESH FINANCE PLC.

BALANCE SHEET (ISLAMIC WING)

As at 31 December 2025

ANNEXURE-C1

	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**

BANGLADESH FINANCE PLC.

PROFIT AND LOSS ACCOUNT (ISLAMIC WING)

For the year ended 31 December 2025

ANNEXURE-C2

	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	**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 Income	**(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)**

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

ANNEXURE-C3

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: 'Presentation of Financial Statements' complete set of financial statements are i) statement of financial position, ii) statement of profit or loss and other comprehensive income, iii) statement of changes in equity iv) statement of cash flows v) notes, comprising significant accounting policies and other explanatory information and vi) statement of financial position at the beginning of preceding period for retrospective restatement.	As per DFIM Circular No.11 dated 23 December 2009, complete set of financial statements are i) balance sheet ii) profit and loss account iii) statement of cash flows iv) statement of changes in equity v) statement of liquidity 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. 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. As such the financial institution does not prepare the other comprehensive income statement. However, elements of OCI, if any are shown in the statements of changes in equity.	Financial Statements for 2025 and corresponding period of 2024 have been prepared as per the guideline and templates issued by Bangladesh Bank. There is no financial impact for this departure in the financial statements.

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 Financial Statements"" IFRS 9 ""Financial Instruments"" & IFRS 7 ""Financial Instruments Disclosure"""	Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement. IAS 1 requires separate line item for intangible assets on the face of statement of financial position. IFRS 9 and IFRS 7 require specific presentation and disclosure relating to all financial instruments.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement. Intangible assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets. As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IAS 39. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.	Financial Statements for 2025 and corresponding period of 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
4	Intangible Asset	IAS 1 "Presentation of Financial Statements"	As per IAS 1: 'Presentation 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 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in annexure-A as separate line item	Financial Statements for 2025 and corresponding period of 2024 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial 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 balance sheet.	As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	Financial Statements for 2025 and corresponding period of 2024 have been prepared as per guideline (DFIM Circular No. 11,dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure but there is a disclosure in the financial statements.

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
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 Institutions. 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.
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	Measurement of deferred tax asset	IAS 12 "Income Tax"	A deferred 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 deferred 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.

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
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 a diminution in the 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 the 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.
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. If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to: a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).	As per 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. 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. 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. 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.

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
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. There is no financial 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 have shown under separate line item under property and assets in note 9. There is no financial impact for this departure in the financial statements.

INDEPENDENT AUDITOR'S REPORT

BANGLADESH FINANCE SECURITIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bangladesh Finance Securities Limited hereinafter referred to as "the company" which comprise the Statement of Financial Position as at 31 December 2025, Statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in Note-2.2.

Basis for Opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and ICAB bye laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for other information. The other information comprises all of the information but does not include the financial statements of the Company and our auditor's report thereon. The other information are expected to be made available to us after the date of the auditor's report. Our opinion on the financial statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated, If , based on the work we have performed , we conclude that there is a material misstatement of the 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 these financial statements in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 weather the financial statements of the company as a whole are free from material misstatement, weather 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.

As a part of audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. We also:



- Identify and assess the risk of material misstatement of the financial statements, weather 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 effectives 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.

Report on other Legal and Regulatory Requirements

In accordance with Companies Act 1994 and the Securities and Exchange Rules 2020, 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; and
c) the company's financial position and statement of profit or loss and comprehensive income with the annexed notes dealt with by the report are in agreement with the books of account and returns.

DVC: 2604191550AS153170

Dated: 16 Apr 2026
Dhaka

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

BANGLADESH FINANCE SECURITIES LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		Notes	Amount in BDT 31-Dec-25	31-Dec-24
Assets				
Non-Current Assets				
Property, plant and equipment		3	18,680,350	8,661,338
Intangible asset		4	1	1
Right-of-use assets		5	26,066,715	17,789,624
Investment in stock exchange		6	951,410,683	951,410,683
Deferred tax assets		7	102,129,698	100,438,676
Total Non-Current Assets			**1,098,287,447**	**1,078,300,322**
Current Assets				
Investment in shares	8	8	148,479,415	469,547,604
Investment in Preference shares		9	9,500,000	17,500,000
Accounts receivable		10	3,700,172	2,039,590
Margin loan to clients		11	562,844,715	559,221,582
Advances, deposits and prepayments		12	1,235,500	2,575,500
Cash and cash equivalent		13	101,971,322	97,342,651
Total Current Assets			**827,731,124**	**1,148,226,927**
Total Assets			**1,926,018,571**	**2,226,527,249**
Equity				
Share capital		14	1,072,150,000	1,072,150,000
Retained earnings		15	(107,768,510)	(142,758,895)
Capital reserve		16	38,506,932	35,845,580
Total Equity			**1,002,888,422**	**965,236,685**
Non-Current Liabilities				
Lease liabilities		17	17,129,856	15,256,839
Preference shares		18	178,441,453	179,441,453
Total Non-Current Liabilities			**195,571,308**	**194,698,292**
Current Liabilities				
Accounts payable		19	13,101,062	1,594,764
Payable to clients		20	70,833,097	69,077,540
Short term loan		21	378,662,514	422,962,091
Lease liabilities		17	7,638,749	1,975,823
Provision for investments & margin loans		22	236,674,567	516,583,369
Provision for income tax	23	23	3,860,938	6,541,779
Laibilities for expenses		24	16,787,916	47,856,905
Total Current Liabilities			**727,558,842**	**1,066,592,272**
Total Liabilities			**923,130,150**	**1,261,290,564**
Equity and Liabilities			**1,926,018,572**	**2,226,527,249**
Net Asset Value (NAV) Per Share		45	**9.35**	**9.00**

The annexed notes 1 to 49 and "Annexures" are the integral part of the financial statements.

Munshi Abu Naim FCS
Company Secretary

Khondoker Mahamudul Hasan
Managing Director & CEO

Md. Kyser Hamid
Director

DVC: 2604191550AS153170

Dated: 16 Apr 2026
Dhaka

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

BANGLADESH FINANCE SECURITIES LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	Amount in BDT 31-Dec-25	31-Dec-24
Operating income			
Brokerage commission income	25	41,132,424	69,197,137
Less: Brokerage commission expenses	26	13,879,604	22,307,874
Net brokerage commission (a)		**27,252,820**	**46,889,263**
Interest income	27	67,329,771	76,193,960
Less: Interest expenses	28	74,361,787	65,696,599
Net interest income/(expenses) (b)		**(7,032,015)**	**10,497,361**
Net investment income/(loss) (c)	29	(208,614,555)	34,541,337
Other brokerage income (d)	30	54,220	88,260
Income from investment in securities		**(208,560,335)**	**34,629,597**
Total operating income/(loss) (A=a+b+c+d)		**(188,339,530)**	**92,016,222**
Salaries and allowances	31	20,825,967	21,118,102
Rent, taxes, insurance and electricity	32	2,878,340	3,219,932
Legal & Professional fees	33	1,032,026	652,195
Postage, stamp and telecommunication	34	1,237,664	1,424,135
Stationery, printing and advertisements	35	868,990	828,413
Directors' fees	36	296,500	275,000
Professional/Auditors' fees	37	115,000	115,000
Depreciation	38	18,386,466	14,357,629
Other expenses	39	3,968,333	3,677,413
Operating expenses (B)		**49,609,286**	**45,667,819**
Operating profit/(loss) (A-B)		**(237,948,817)**	**46,348,402**
Other non- operating revenue	40	(302,305)	114,710
Profit/(loss) before provisions and tax		**(238,251,122)**	**46,463,112**
Provision for diminution in value of investments		(295,445,428)	259,093,364
Provision on margin loan		15,536,632	69,725,261
Total Provision		**(279,908,796)**	**328,818,625**
Profit/(loss) before income tax expense		**41,657,674**	**(282,355,513)**
Current Tax expense	42	5,696,959	18,251,877
Deferred Tax Expenses/(Income)	7	(1,691,022)	(55,289,504)
Income Tax Expense		**4,005,937**	**(37,037,627)**
Net profit/(loss) after income tax		**37,651,737**	**(245,317,886)**
Other comprehensive income		-	-
Total comprehensive income/(loss)		**37,651,737**	**(245,317,886)**
Earnings Per Share	43	**0.35**	**(2.29)**

The annexed notes 1 to 49 and "Annexures" are the integral part of the financial statements.

Munshi Abu Naim FCS
Company Secretary

Khondoker Mahamudul Hasan
Managing Director & CEO

Md. Kyser Hamid
Director

DVC: 2604191550AS153170

Dated: 16 Apr 2026
Dhaka

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

BANGLADESH FINANCE SECURITIES LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

(Amount in BDT)

Particulars	Share Capital	Retained Earnings	Capital Reserve	Total Equity
Balance as at 01 January 2025	1,072,150,000	(142,758,895)	35,845,580	965,236,685
Profit/(Loss)during the year	-	37,651,737	-	37,651,737
Transfer to capital reserve during the year	-	(2,661,352)	2,661,352	-
Balance as at 31 December 2025	**1,072,150,000**	**(107,768,510)**	**38,506,932**	**1,002,888,422**
Balance as at 01 January 2024	1,072,150,000	102,558,991	35,845,580	1,210,554,571
Profit/(Loss)during the year	-	(245,317,886)	-	(245,317,886)
Transfer to capital reserve during the year			-	-
Balance as at 31 December 2024	**1,072,150,000**	**(142,758,895)**	**35,845,580**	**965,236,685**

The annexed notes 1 to 49 and "Annexures" are the integral part of the financial statements.

Munshi Abu Naim FCS
Company Secretary

Khondoker Mahamudul Hasan
Managing Director & CEO

Md. Kyser Hamid
Director

Dated: 16 Apr 2026
Dhaka

BANGLADESH FINANCE SECURITIES LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Amount in BDT	
	31-Dec-25	31-Dec-24
Cash Flows from Operating Activities		
Interest received	67,329,771	76,193,960
Interest paid	(74,361,787)	(65,696,599)
Other brokerage received	54,220	88,260
Fees and commission received	41,132,424	69,197,137
Cash payments to employees	(20,825,967)	(21,118,102)
Cash payments to suppliers	(2,106,654)	(2,252,548)
Director's fees paid	(296,500)	(275,000)
Income tax paid	(8,377,800)	(13,247,848)
Received from investment activities	(208,614,555)	34,541,337
Payments for other operating activities	(21,873,303)	(29,972,414)
Cash generated from operating activities before changes in Operating Assets and Liabilities	**(227,940,151)**	**47,458,183**
Changes in operating assets and liabilities		
Purchases/sale of trading securities	329,068,189	(94,016,499)
Margin loan to customers	(3,623,132)	146,548,780
Deposits	(320,582)	(3,563,651)
Other liabilities	(8,070,040)	(1,915,493)
Sub total	**317,054,434**	**47,053,137**
A) Net cash from operating activities	**89,114,284**	**94,511,320**
Cash flows from investing activities		
Proceeds from sale of fixed assets	826,499	3,228,003
Purchase of property, plant & equipment	(17,174,487)	(413,476)
B) Net cash from investing activities	**(16,347,988)**	**2,814,527**
Cash flows from financing activities		
Increase/(decrease) of borrowings	(44,299,577)	(164,192,226)
Issuance of preference shares	(1,000,000)	54,691,453
Payment for lease liabilities	(22,838,047)	(9,201,578)
C) Net cash from financing activities	**(68,137,624)**	**(118,702,352)**
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	**4,628,672**	**(21,376,504)**
E) Cash and cash equivalents at the beginning of the period	97,342,651	118,719,155
F) Cash and cash equivalents at the end of the period(D+E)	**101,971,322**	**97,342,651**
Net operating cash flow per share (NOCFPS)	**0.83**	**0.88**

Munshi Abu Naim FCS
Company Secretary

Dated: 16 Apr 2026
Dhaka

Khondoker Mahamudul Hasan
Managing Director & CEO

Md. Kyser Hamid
Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1 Company and its activities

1.1 Legal form of the Company

Bangladesh Finance Securities Limited (the "Company") was incorporated in Bangladesh as a public limited Company on 28 December, 2010 vide Registration No. C-89204/10 under The Companies Act 1994. The Company has acquired Dhaka Stock Exchange Membership, whose Registration Number is 30.

1.2 Nature of business

The main objective of Bangladesh Finance Securities Limited is to act as a member of stock exchanges, the central depository system (CDS) companies and to carry on the business of broker, jobbers or dealers in stocks, shares, securities, bonds, debentures etc. The Company is also authorized to buy, sell, hold or otherwise acquire or invest the capital of the Company in shares, stocks and fixed income securities.

2 Basis for preparation of financial statements and significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

2.1 Basis of preparation of financial statements

2.1.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchanges Rules 2020 and other laws & regulations applicable in Bangladesh.

2.1.2 Components of the financial statements

According to the International Accounting Standard (IAS-1) " Presentation of Financial Statements", a complete set of Financial Statements include the followings;

(a) A statement of financial position at at the end of the year.
(b) A statement of profit or loss and other comprehensive income for the year.
(c) A statement of changes in equity for the year.
(d) A statement of cash flows for the year.
(e) Notes, comprising significant accounting policies and other explanatory information; and
(f) Comparative information in respect of the preceding year.

2.1.3 Other regulatory compliance

As required, Bangladesh Finance Securities Limited also complies with the applicable provisions of the following major laws and regulations:

- The Income Tax Act, 2023;
- The Income Tax Rules, 1984;
- VAT and Supplementary Duty Act 2012;
- The Bangladesh Labour Act 2006 and Bangladesh Labour Rules 2015;
- Negotiable Instrument Act, 1881;
- Securities and Exchange Commission Act, 1993;
-Securities and Exchange Rules, 2020;
-Securities and Exchange Commission (Stock-Dealer, Stock-Broker and Authorized Representatives) Rules, 2000;

2.1.4 Basis of measurement

These financial statements have been prepared based on historical cost basis 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.

2.1.5 Use of estimates and judgments

The preparation of the financial statements 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. Actual results may differ from these estimates.

2.1.6 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 have been rearranged to confirm with the current year/period presentation.

2.1.7 Statement of cash flows

Statement of Cash Flows is prepared in accordance with International Accounting Standard (IAS) No.7: Statement of Cash Flows and the cash flows from operating activities have been presented under the direct method as prescribed by the Bangladesh Securities and Exchange Rules, 2020.

2.1.8 Going concern

The Company has adequate resources to continue in operations for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.1.9 Reporting period

The reporting period of these financial statements covers from 01 January 2025 to 31 December 2025.

2.1.10 Date of authorization

The audited financial statements for the year ended 31 December 2025 was authorized by the Board of Directors on 16 April 2026.

2.1.11 Functional and presentation currency

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

2.2 Significant accounting policies

2.2.1 Property, plant and equipment

(i) Recognition of property, plant and equipment

Items of Property, plant and equipment are measured at cost less accumulated depreciation. The cost of the assets is the cost of acquisition 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

Subsequent to initial recognition, cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other repair and maintenance expenses are charged in statement of profit or loss as 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. The Company followed the Straight-line method of depreciation and annual rates are as under:

Category of Assets	Rate of Depreciation
Office Equipment	10%
Electronic Equipment	15%
Electronic Equipment-Generator	15%
Furniture & Fixture	10%
Computer Peripheral	25%
Vehicles	20%
Office Renovation & Furnishing	10%
Right of use assets	Lease term

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. No significant adjustment in respect of items of property, plant and equipment was done in the reporting period.

(iv) Retirement and disposals

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposals. Gains and losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain or loss from disposal of asset in profit or loss.

2.2.2 Intangible Assets

(i) Components

The main item included in intangible assets are Software, TWS Installation and Preliminary Expenses.

(ii) Basis of recognition

An intangible asset is 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 intangible asset can be measured reliably in accordance with IAS 38: Intangible Assets. Accordingly, intangible asset is reported in the statement of financial position at cost less accumulated amortization.

(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

Amortization is charged in profit or loss on a straight line basis over the estimated useful lives of intangible assets. Amortization on additions are charged from the month of acquisition. Amortization is charged on the cost of intangible assets and no amortization is charged in the year of disposal.

(v) Retirement and disposals

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gain or losses arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognized in profit or loss.

2.2.3 Leases

Leases are recognized as right-of-use assets and corresponding liabilities at the inception of a contract and measured in accordance with IFRS 16. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

At the commencement date, lease liabilities are measured at an amount equal to the present value of the lease payments for the underlying right-of-use assets during the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the Company's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost.

Payments associated with all short-term leases (with a lease term of 12 months or less) and certain leases of all low-value assets are recognized on a straight-line basis as an expense in profit or loss.

2.2.4 Financial instruments

Financial assets

Financial assets are recognized initially at cost on the date at which the Company becomes a party to the contractual provisions of the transaction.
The classification and measurement of financial assets is based on the basis of both:

a. the entity's business model for managing the financial assets; and

b. the contractual cash flow characteristics of the financial assets.

Three measurement classifications for financial assets have been established: amortized cost, fair value through other comprehensive income and fair value through profit and loss. These measurement classifications align with three business models available under IFRS 9:

Hold to Collect–Financial assets held with the objective to collect contractual cash flows

Hold to Collect and Sell – Financial assets held with the objective to collect and sell contractual cash flows

Other – Financial assets held for trading or assets that do not meet the criteria for either 'Hold to collect' or 'Hold to collect and sell'.

Financial assets designated as trading are held with an objective to sell the assets in the short term.

Financial assets currently being used by the company are as follows:

(i) Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and cash at bank which are available for use by the Company without any restriction.

(ii) Accounts receivables

Accounts receivables represent the amounts due from various companies in which, the company has investment, due from DSE based on last day transactions etc. These are initially recognized at cost which is the fair value on that particular date. After initial recognition these are carried at cost and any subsequent impairment losses against those, recognized as provision in the profit or loss and other comprehensive income in the respective year.

(iii) Investments

Investment in marketable securities is measured at cost on portfolio basis. Changes between closing market price at 31 December 2025 and the respective cost price on portfolio have been considered as unrealized loss or gain and charged to profit or loss and other comprehensive income as per BSEC regulation. A security which is not listed at stock exchange as on the reporting date then the price is shown at cost.

Financial liabilities

The Company initially recognizes financial liabilities on the date that is originated. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities obliged by the Company are as follows:

(i) Account payables

Account payables show the amount owed to other parties and to DSE based on transactions from the previous day. These are valued fairly on the date of recognition at cost.

(ii) Liabilities for expenses

Liabilities for expenses represent the amounts owed to various parties for receiving services and supply. These are initially recognized at cost which is also the fair value on that date.

(iii) Loan and Borrowing

Loan and borrowing of the company consists of short term borrowing and overdraft that are initially recognized at cost and subsequently its interest expenses recognized as liabilities and expenses.

2.2.5 Preference Shares

Preference shares has been reported at cost and dividend income/expenses is recognized in the profit or loss account on accrual basis considered as interest income/expenses.

2.2.6 Revenue recognition

Revenue comprises interest income, settlement charges, dividend income, brokerage commission service rendered and capital gain on sales of shares. Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over a good or service to a customer. Information is provided regarding the nature and timing of the satisfaction of performance obligations in contracts with customers.

Revenue recognition under IFRS 15

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

a) identify the contract (s) with a customers;

b) identify the performance obligations in the contract;

c) determine the transaction price;

d) allocate the transaction price to the performance obligations in the contract;

e) recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue/Income comprise of the following elements and recognized as follows;

(i) Brokerage commission

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

(ii) Interest income from margin loan

Interest income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective clients. Income is recognized on quarterly basis.

(iii) Dividend income and gain/(loss) on sale of marketable securities

Dividend income is recognized when right to receive payment is established whereas gain or loss arising from the sale of securities is accounted for only when shares are sold in the market and gain or loss is realized.

2.2.7 Provision for income tax

i) Current tax

Provision for tax is assessed under section 163 of the Income Tax Act 2023 on income from company's normal course of business and rate of tax is based on nature of income sources. Under section 163, income tax deducted under certain sections of the ITA is treated as minimum tax of tax payer's tax liabilities from that source. The applicable tax rates depending on source of income is summarized below;

Regular business tax rate	**Rates**
Corporate tax rate	27.50%
Other business tax rate:	**Rates**
Dividend income	20.00%
Capital gain on sale of fixed assets	15.00%
Capital gain on sale of marketable securities	15.00%

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.

2.2.8 Employee Benefits

(a) Gratuity fund

The Company operates 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 Securities Limited 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.

(b) Provident Fund

The Company operates a recognized provident fund in which employees contribute 10% from their basic salary and the company also contributes same. The Company has no legal or constructive obligation to pay further amounts. Obligations for contributions to the

recognized provident fund are recognized in profit or loss in the period during which related services are rendered by employees.

2.2.9 Provision for expenses

Provision for expenses is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate of the amount can be made.

Provision for diminution in value of investment and margin loan

Provision for diminution in value of investment and margin loan have been kept in accordance with Bangladesh Securities Exchange Commission - RBCA guidelines 2019, directive no. BSEC/SMMID/NE/2023/840 dated: 22 October 2023, directive no. BSEC/SRI/NE/2020/333 dated: 27 March 2023 along with BSEC circular no. BSEC/SRI/NE/2020/333, dated: 27 March 2023 and BSEC circular no. SEC/CMRRCD/2009-193/196, dated: 28 December 2016.

2.2.10 Related party disclosure

As per International Accounting Standard (IAS) 24 "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length IAS is at commercial rates with its related parties. Related party disclosures have been given in Note 46.

2.2.11 Earning Per Share

The Company presents its basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

2.2.12 Contingent liabilities and contingent assets

(a) Contingent liability

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
The Company discloses contingent liability in the financial statements. A provision is recognised in the period in which the recognition criteria of provision is met.

(b) Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.The Company does not recognise contingent asset.

2.2.13 Events after the balance sheet date

Events after the balance sheet date that provides additional information about company's financial position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are material but not adjusting event are discussed in the notes.



2.2.14 The company complies the following IAS and IFRS:

Name of the IFRS	No.	Status
Leases	16	Complied
Revenue from Contracts with Customers	15	Complied

Name of the IAS	No.	Status
Presentation of Financial Statements	1	Complied
Statements of Cash Flow	7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Complied
Events after the Reporting Period	10	Complied
Income Taxes	12	Complied
Property, Plant and Equipment	16	Complied
Employee Benefits	19	Complied
Borrowing Costs	23	Complied
Related Party Disclosures	24	Complied
Earning per Share	33	Complied
Provisions, Contingent Liabilities and Contingent Assets	37	Complied
Intangible Assets	38	Complied
Financial Instruments: Recognition and Measurement	39	Complied

2.2.15 General

i) Figures of previous year have been rearranged wherever considered necessary to confirm presentation of the current year; and

ii) Amounts appearing in these financial statements have been rounded off to the nearest

Taka.

2.2.16 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:
** Credit risk
** Market risk
** Liquidity risk
This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loans and advances to customers and investment securities. These loans and advances are fully backed by the securities held by the customer.
With respect to credit risk arising from the other financial assets of the Company, the maximum exposure is equal to the carrying amounts of the financial assets.

Market risk

The Company's activities may give rise to risk at the time of settlement of transactions and trades. Market risk is the risk of losses due to failure of entity to honor its obligations to deliver cash, securities or other assets as contractually agreed.
For such transactions the Company only allows the purchase of tradable securities if the customer has adequate cash/purchase power beforehand.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they falls due. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

		Amount in BDT	
		31-Dec-25	31-Dec-24
3	**Property, Plant and Equipment**		
	A. Cost :		
	Opening balance	30,063,898	50,791,936
	Addition during the period	17,174,487	413,476
	Sub-total	**47,238,385**	**51,205,412**
	Less: disposal during the period	6,514,811	21,141,514
	Closing balance	**40,723,574**	**30,063,898**
	B. Accumulated depreciation:		
	Opening balance	21,402,560	35,511,116
	Charge during the period	6,026,671	5,095,463
	Total	**27,429,230**	**40,606,579**
	Less: disposal during the period	5,386,007	19,204,019
	Closing balance	**22,043,224**	**21,402,560**
	Written down value (WDV)	**18,680,350**	**8,661,338**
	Details of PPE are given in Annexure-A(i)		
4	**Intangible assets**		
	A. Cost :		
	Opening balance	675,000	675,000
	Addition during the period	-	-
	Closing Balance	**675,000**	**675,000**
	B. Accumulated Amortization:		
	Opening balance	674,999	674,999
	Charge during the period	-	-
	Closing Balance	**674,999**	**674,999**
	Carrying amount (A-B)	**1**	**1**
5	**Right-of-use-assets**		
	A. Cost:		
	Opening balance	32,491,124	45,192,174
	Addition during the year	34,858,989	1,250,439
	Sub-total	**67,350,114**	**46,442,613**
	Less: disposal/adjustment for the year	29,694,643	13,951,489
	Closing Balance	**37,655,471**	**32,491,124**
	B. Accumulated depreciation:		
	Opening balance	14,701,501	18,215,025
	Charged for the year	12,359,796	9,262,166
	Sub-total	**27,061,297**	**27,477,191**
	Less: disposal/adjustment for the year	15,472,541	12,775,690
	Closing Balance	**11,588,756**	**14,701,501**
	C. Written down value (A-B)	**26,066,715**	**17,789,624**
	Details of intangible assets are given in Annexure-A(ii)		
6	**Investment in stock exchange**		
	Dhaka stock exchange	951,410,683	951,410,683
	Closing balance	**951,410,683**	**951,410,683**
7	**Deferred tax assets**		
	Opening balance	100,438,676	45,149,172
	Deferred tax (expense)/income charged to P&L	1,691,022	55,289,504
	Closing balance	**102,129,698**	**100,438,676**



7.1 Item wise breakdown:

Particulars	Carrying amount	Tax base	Taxable/ (Deductible) temporary difference	Tax rate	DTL/(DTA)
Vehicles	5,100,000	5,400,000	(300,000)	27.50%	(82,500)
Office equipment	290,372	723,340	(432,968)	27.50%	(119,066)
Electrical equipment	1,851,295	3,345,116	(1,493,821)	27.50%	(410,801)
Electric equip.-generator	1	561,068	(561,067)	27.50%	(154,293)
Furniture and fixture	190,535	725,243	(534,708)	27.50%	(147,045)
Computer & peripheral	2,308,730	3,682,420	(1,373,690)	27.50%	(377,765)
Office renovation	1,753,103	11,886,788	(10,133,685)	27.50%	(2,786,763)
Provision of margin loan	214,605,600	-	(214,605,600)	27.50%	(59,016,540)
Provision for gratuity	164,372	-	(164,372)	27.50%	(45,202)
Right of use assets	26,066,715	24,768,605	1,298,110	27.50%	356,980
Loss on sale of shares	228,737,010	-	(228,737,010)	15.00%	(34,310,552)
Unabsorbed business loss	6,275,661	-	(6,275,661)	27.50%	(1,725,807)
Provision for diminution in value of investment	22,068,967	-	(22,068,967)	15.00%	(3,310,345)
Total	**509,412,360**	**51,092,580**	**(485,383,439)**		**(102,129,698)**

8	**Investments in shares**		
	Investment in marketable securities	130,679,415	451,747,604
	Investment in Non Traded Shares	17,800,000	17,800,000
	Closing balance	**148,479,415**	**469,547,604**

8.1 Investment in marketable securities

Name of Industry	No. of Shares	Cost price (Taka)	Market price at the year end (Taka)	Unrealized gain/ (loss)
Engineering, Insurance & Miscellaneous	1,515,764	130,679,415	126,410,448	(4,268,967)
Closing balance	**1,515,764**	**130,679,415**	**126,410,448**	**(4,268,967)**

8.2	**Investment in non-traded shares**		
	Beka Garment And Textiles Limited.	2,600,000	2,600,000
	B. Brothers Garments Limited	10,000,000	10,000,000
	Classic Foils Limited	200,000	200,000
	Al Faruque Bags Ltd.	5,000,000	5,000,000
	Closing balance	**17,800,000**	**17,800,000**
9	**Investments in preference shares**		
	Opening balance	17,500,000	7,500,000
	Investments during the period	9,500,000	17,500,000
	Less: redemption during the period	17,500,000	7,500,000
	Closing balance	**9,500,000**	**17,500,000**
9.1	**Breakdown of investments in preference shares**		
	Bangladesh Finance Capital Limited	9,500,000	17,500,000
	Closing balance	**9,500,000**	**17,500,000**
10	**Accounts Receivable**		
	Receivable from DSE*	1,192,924	1,981,185
	Receivable from Bangladesh Finance Capital Limited	2,483,617	29,075
	Receivable from employees	15,859	15,859
	Receivable from vanguard AML BD Finance MF One	1,005	1,005
	Dividend Receivable from Preference Share (BFCL)	6,767	12,466
	Closing balance	**3,700,172**	**2,039,590**

******This balance has been resulted from sale of shares through Dhaka Stock Exchange Ltd.*

10.1	**Receivable From DSE**		
	Total sales for broker	1,192,924	1,981,185
	Closing balance	**1,192,924**	**1,981,185**
11	**Margin Loan to Clients**		
	Margin loan to clients	562,844,715	559,221,582
	Closing balance	**562,844,715**	**559,221,582**

		Amount in BDT	
		31-Dec-25	31-Dec-24
12	**Advances, deposits and prepayments**		
	Security deposit to CDBL	200,000	200,000
	Advance for expenses	1,035,500	2,375,500
	Closing balance	**1,235,500**	**2,575,500**
13	**Cash and cash equivalent**		
	Cash in hand (Petty Cash)	26,569	30,063
	Cash at bank	101,944,753	97,312,588
	Closing balance	**101,971,322**	**97,342,651**
13.1	**Cash at bank**		
	One Bank CD Account	6,815	7,850
	One Bank Ltd. (Consolidated Customer SND A/c)	42,326,072	12,851,477
	One Bank Ltd. (Dealer SND A/c)	4,049,695	2,082,752
	One Bank Ltd. (Public Issue Application A/c)	39,051	39,404
	Social Islami Bank Ltd. (Consolidated Customer A/C)	49,208,388	81,267,195
	Al-Arafah Islami Bank Ltd. (Consolidated Customer A/C)	5,464,092	185,943
	Social Islami Bank Limited (Dealer A/C)	601,427	784,546
	Social Islami Bank Limited (MSD A/C)	186,223	54,308
	Social Islami Bank Limited (Special Fund)	1,274	10,094
	Rupali Bank CD	42,451	8,988
	Citizens Bank PLC	19,266	20,031
	Closing balance	**101,944,753**	**97,312,588**
14	**Share capital**		
	This represents the followings-		
	Authorised capital:		
	50,00,00,000 ordinary shares of Taka 10 each	**5,000,000,000**	**5,000,000,000**
	Issued subscribed and paid up capital:		
	107,215,000 ordinary Shares of Tk 10/= each	**1,072,150,000**	**1,072,150,000**

14.1 Shareholding position

Name of shareholders	No of shares	Face value	31-Dec-25	31-Dec-24
Bangladesh Finance PLC	61,500,000	10	615,000,000	615,000,000
Anwar Landmark Ltd.	18,962,500	10	189,625,000	189,625,000
City General Insurance Co. Ltd.	9,327,500	10	93,275,000	93,275,000
Mr. Manwar Hossain	3,075,000	10	30,750,000	30,750,000
Mr. Hossain Mehmood	3,075,000	10	30,750,000	30,750,000
Mr. Hossain Khaled	3,075,000	10	30,750,000	30,750,000
Mr. M. Abu Taher	3,075,000	10	30,750,000	30,750,000
Mr. Md. Yousuf	3,075,000	10	30,750,000	30,750,000
Mr. Forkan Ahmed Moon	2,050,000	10	20,500,000	20,500,000
Total	**107,215,000**		**1,072,150,000**	**1,072,150,000**

14.2 Percentage of shareholding

Particulars of shareholders	Number of Share	31-Dec-25 Shareholding %	31-Dec-24 Shareholding %
Bangladesh Finance PLC	61,500,000	57.36%	57.36%
Anwar Landmark Ltd.	18,962,500	17.69%	17.69%
City General Insurance Co. Ltd.	9,327,500	8.70%	8.70%
Mr. Manwar Hossain	3,075,000	2.87%	2.87%
Mr. Hossain Mehmood	3,075,000	2.87%	2.87%
Mr. Hossain Khaled	3,075,000	2.87%	2.87%
Mr. M. Abu Taher	3,075,000	2.87%	2.87%
Mr. Md. Yousuf	3,075,000	2.87%	2.87%
Mr. Forkan Ahmed Moon	2,050,000	1.91%	1.91%
Total	**107,215,000**	**100.00%**	**100.00%**

15	**Retained earnings**		
	Opening balance	(142,758,895)	102,558,991
	Add: Net Profit for the year	37,651,737	(245,317,886)
	Transfer to capital reserve	(2,661,352)	-
	Closing balance	**(107,768,510)**	**(142,758,895)**
16	**Capital reserve**		
	Opening balance	35,845,580	35,845,580
	Addition during the year (Based on net profit @10% for last 2 years)	2,661,352	-
	Closing balance	**38,506,932**	**35,845,580**

Refer to clause (i) of (e) of Part B [rule (1) (b), rule 5(2)] of the Bangladesh Securities and Exchange Commission (BSEC) Risk Based Capital Adequacy, Rules, 2019, mandatory provision has kept @ 10% of profit after tax of last year as capital reserve. Accordingly, a capital reserve of Tk. 35,845,580/- has been recognized for the period from 2018 to 2022, and Tk. 2,661,352/- for the period from 2023 to 2024.



		Amount in BDT	
		31-Dec-25	31-Dec-24
17	**Lease liabilities**		
	Opening balance of lease liabilities	17,232,662	25,165,815
	Add: addition during the year	30,373,989	1,268,425
	Sub-total	**47,606,652**	**26,434,240**
	Less: lease payment/adjustment made during the year	22,838,047	9,201,578
	Closing Balance	**24,768,605**	**17,232,662**
	Non-current of lease liabilities	17,129,856	15,256,839
	Current portion of lease liabilities	7,638,749	1,975,823
	Closing Balance	**24,768,605**	**17,232,662**
18	**Preference share**		
	Preference shares	178,441,453	179,441,453
	Closing Balance	**178,441,453**	**179,441,453**
18.1	**Details of preference shareholders**		
	Bangladesh Finance PLC	120,000,000	120,000,000
	Abu Taher	3,000,000	4,000,000
	MD. Yousuf	4,151,250	4,151,250
	Manwar Hossain	4,151,250	4,151,250
	Hossain Mehmood	4,151,250	4,151,250
	Hossain Khaled	4,151,250	4,151,250
	Anwar Landmark	22,836,453	22,836,453
	Bangladesh Finance Capital Ltd	16,000,000	16,000,000
	Closing Balance	**178,441,453**	**179,441,453**
19	**Accounts payable**		
	Total purchase for broker	13,101,062	460,066
	Payable to Bangladesh Finance Capital Limited	-	1,134,697
	Closing Balance	**13,101,062**	**1,594,764**
20	**Payable to clients**		
	Payable to clients	70,833,097	69,077,540
	Closing balance	**70,833,097**	**69,077,540**

This balance represents the clients' sale proceeds of shares and deposits against share purchase which is currently lying with the company's bank A/C.

21	**Short term loan**		
	Social Islami Bank PLC	36,771,782	39,317,902
	ICB Special Fund	14,005,378	34,430,760
	Rupali Bank PLC	39,652,673	44,924,431
	Rupali Bank PLC- Phase-2	135,631,901	142,534,001
	Rupali Bank PLC- Phase-3	135,631,901	142,534,001
	Jamuna Bank PLC	16,968,879	19,220,996
	Closing balance	**378,662,514**	**422,962,091**
22	**Provision for investment & margin loans**		
	A) provision for diminution in value of investments		
	Opening balance	317,514,395	58,421,031
	Add: Addition during the period	(295,445,428)	259,093,364
	Closing balance*	**22,068,967**	**317,514,395**
	B) Specific provision on margin loan:		
	Opening balance	194,345,599	123,521,222
	Add: Addition during the period	14,631,554	43,067,298
	Clients interest waiver	-	27,757,079
	Total Provision	**208,977,153**	**194,345,599**
	Less: Written off of provision on margin loan	-	-
	Closing balance (B)**	**208,977,153**	**194,345,599**
	C) General provision on margin loan:		
	Opening balance	4,723,375	5,822,491
	Add: Addition during the period	905,072	(1,099,116)
	Closing balance (C)***	**5,628,447**	**4,723,375**
	Closing balance (A+B+C)	**236,674,567**	**516,583,369**

*As per BSEC Circular No. BSEC/SRI/2020/333, dated March 27, 2023, BD Finance Securities Ltd, as a stock dealer, is required to maintain full provision against unrealized losses arising from the revaluation of investments during the period by December 31, 2025. In compliance with the said directive, the company has decided to take the total required provision during the year. Moreover, the company has taken provision for investment in the non-traded securities.

**As per BSEC circular No. BSEC/SMMID/NI/2023/1690 dated March-28, 2024, Bangladesh Securities and Exchange Commission has extended the time to every stock broker and merchant banker in relation to maintain the entire provision for unrealized losses against stock dealer account and margin loan by 31 January 2025. However, the company has taken the full provision for unrealized losses amounting to tk. 166,588,520 in 2024.

***Refer to clause (i) of (e) of Part B [rule (1) (b), rule 5(2)] of the Bangladesh Securities and Exchange Commission (BSEC)Risk Based Capital Adequacy, Rules, 2019, mandatory provision has kept @ 1% of mandatory provision of all outstanding Margin Exposure as ' General Provision for Margin Loan & also maintained the provision accordingly after considering the negative equity provision.

23 Provision for income tax

Opening Balance	206,458,680	188,206,803
Add: Provision made during the year	5,696,959	18,251,877
Less: Payment with income tax return 2024	598,484	-
Less: Settlement of previous year's tax liabilities	1,264,593	-
Closing balance at the year end	**210,292,562**	**206,458,680**
Advance income tax		
Opening Balance	199,916,901	186,669,053
Add: AIT paid during the period	3,000	186,028
AIT on Cash Dividend	920,085	1,229,736
AIT on Bank Interest	816,118	876,850
AIT on turnover of BD Securities	4,775,521	10,955,234
Closing balance at the year end	**206,431,624**	**199,916,901**
Net provision for income tax	**3,860,938**	**6,541,779**

24 Liabilities for expenses

Interest payable on loan from banks & NBFIs	1,731,677	427,936
Utility payable	74,129	127,181
Network connectivity charges payable	95,525	57,723
Mobile bill payable	10,280	14,545
Fuel bill payable	342,708	363,670
Provision for gratuity	164,372	3,106,593
Provision for PF	336,994	3,314,070
Audit fees payable	118,750	118,750
Office maintenance payable	17,654	27,884
Liability for CDBL expenses (Share Maintenance)	171,103	38,102
Incentive & other payable	3,676,050	3,300,663
Bank interest payable to clients	4,684,559	12,952,054
Dividend payable for preference shares	5,364,114	23,990,484
Security services charges payable	-	17,250
Closing balance	**16,787,916**	**47,856,905**

24.1 Interest payable on loan from Banks and NBFIs

Social Islami Bank PLC	1,521,248	-
Investment Corporation of Bangladesh	210,429	427,936
Closing balance	**1,731,677**	**427,936**

25 Brokerage commission Income

Brokerage commission	40,950,825	69,221,659
BO Account Maintenance	181,599	(24,522)
Total	**41,132,424**	**69,197,137**

25.1 BO account maintenance

BO account maintenance fee/opening fee	75,000	75,500
BO account renewal fees	408,671	1,212,400
BO account closing fees	40,000	51,000
CDBL settlement transfer income	1,322,421	2,125,391
CDBL bulk A/C Transfer income	213,951	63,568
CDBL transfer/transmission income	128,552	47,859
CDBL pledge income	-	10,325
CDBL unpledged income	-	4,900
Total	**2,188,596**	**3,590,943**
Less:		
CDBL settlement transfer charge	1,500,037	2,523,044
CDBL bulk A/C transfer charge	106,584	49,814
CDBL transfer/transmission charge	64,276	23,929
CDBL demate of existing securities charge	-	965
CDBL pledge charge	-	5,163
CDBL unpledged charge	-	2,450
CDBL BO A/C opening charge	56,950	58,100
CDBL BO A/C renewal charge	279,150	952,000
Total	**2,006,996**	**3,615,465**
Net Total	**181,599**	**(24,522)**

26 Brokerage commission expense

Laga Charges	3,180,360	5,363,251
Direct Trading expenses	10,699,244	16,944,623
Total	**13,879,604**	**22,307,874**



		Amount in BDT	
		31-Dec-25	31-Dec-24
26.1	**Laga charges**		
	Broker	3,157,948	5,284,438
	Dealer	22,412	78,813
	Total	**3,180,360**	**5,363,251**
26.2	**Trading expenses**		
	DSE other charges	192,198	18,500
	Direct trading expenses	10,507,046	16,926,123
	Total	**10,699,244**	**16,944,623**
27	**Interest income**		
	Interest on margin loan	55,035,536	75,307,719
	Interest income on bank deposit	12,287,468	205,964
	Dividend Income from Preference Share(BFCL)	6,767	680,277
	Total	**67,329,771**	**76,193,960**
28	**Interest expenses**		
	Social Islami Bank PLC	6,955,127	8,632,118
	Jamuna Bank PLC	1,128,472	20,800
	Investment Corporation of Bangladesh (Special purpose)	680,820	1,771,021
	Interest expenses (Lease)	873,879	1,868,426
	CVC Finance PLC	-	4,587,208
	Rupali Bank PLC	12,550,151	6,603,494
	Citizens Bank	-	503,045
	Rupali Bank PLC -Phase-2	16,075,732	14,499,474
	Rupali Bank PLC-Phase-3	18,947,900	14,499,474
	Dividend for preference Share	17,149,705	12,711,539
	Total	**74,361,787**	**65,696,599**
29	**Net investment income**		
	Income from investment in marketable securities	(213,214,980)	28,739,851
	Cash Dividend	4,600,425	5,801,486
	Total	**(208,614,555)**	**34,541,337**
30	**Other brokerage income**		
	IPO service income	-	2,555
	Cheque dishonored charge	38,500	65,500
	Cheque clearance fees	15,720	18,275
	CDBL demate of existing securities income	-	1,930
	Total	**54,220**	**88,260**
31	**Salaries and allowances**		
	Salaries and allowances	20,118,642	20,355,253
	Provident fund	707,325	762,849
	Total	**20,825,967**	**21,118,102**
32	**Rent, taxes, insurance and electricity**		
	Rent, rates and taxes	2,108,580	1,989,723
	Utilities	769,760	1,230,209
	Total	**2,878,340**	**3,219,932**
33	**Legal expenses**		
	Legal and professional fee	-	53,750
	Fees and renewals	1,032,026	598,445
	Total	**1,032,026**	**652,195**
34	**Postage, stamp, telecommunication**		
	Telephone, Postage & Telegram	16,727	20,873
	Mobile bill	74,438	120,656
	Network connectivity charge	1,146,499	1,282,606
	Total	**1,237,664**	**1,424,135**
35	**Stationary, printing, advertisements**		
	Printing and stationary	862,090	828,413
	Advertisement expense	6,900	-
	Total	**868,990**	**828,413**
36	**Directors' fees**		
	Directors' fees	296,500	275,000
	Total	**296,500**	**275,000**
37	**Professional/Auditors' fees**		
	Audit fees	115,000	115,000
	Total	**115,000**	**115,000**

		Amount in BDT	
		31-Dec-25	31-Dec-24
38	**Depreciation**		
	Depreciation of tangible assets	6,026,671	5,095,463
	Depreciation of Right of Use Asset	12,359,796	9,262,166
	Total	**18,386,466**	**14,357,629**
39	**Other expenses**		
	Travelling and conveyance	48,173	63,099
	Entertainment	870,007	513,251
	Fuel, oil and lubricants	591,144	762,406
	Repair and maintenance	545,735	112,970
	Diesel for Generator	26,860	25,595
	Office cleaning expenses	519,864	384,518
	Office maintenance	613,189	1,022,985
	Repair and maintenance-Vehicle	257,500	65,776
	Bank Charges	392,361	526,563
	Security Services Charges	103,500	200,250
	Total	**3,968,333**	**3,677,413**
40	**Other non-operating revenue**		
	Miscellaneous income	(302,305)	114,710
	Total	**(302,305)**	**114,710**
41	**Provision for diminution in value of investments and margin loan**		
	Provision on unrealized loss of dealer investments	(295,445,428)	259,093,364
	General provision on margin loan Erosion	905,072	(1,099,116)
	Special provision on margin loan Erosion	14,631,560	43,067,298
	Clients interest waiver	-	27,757,079
	Total	**(279,908,796)**	**328,818,625**
42	**Income tax expense**		
	Current tax expenses	5,696,959	18,251,877
	Deferred tax expenses/ (income)	(1,691,022)	(55,289,504)
	Total	**4,005,937**	**(55,289,504)**

43 Earnings Per Share (EPS)

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

Net profit after tax	37,651,737	(245,317,886)
Weight average number of ordinary shares outstanding	107,215,000	107,215,000
Total	**0.35**	**(2.29)**

44 Diluted earning per shares

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

45 Net asset value (NAV) per share

Net asset attributable to ordinary shareholders	1,002,888,422	965,236,685
Number of outstanding ordinary shares at reporting date	107,215,000	107,215,000
Net asset value per share	**9.35**	**9.00**

46 Related party disclosure

The names of the related parties and nature of the transactions has been set out in accordance with the provisions of IAS 24: "Related party disclosures".

Name of Party	Relationship	Nature of Transaction	Balance as on 1 January 2025	Net transaction	Balance as on 31 Dec 2025
Bangladesh Finance PLC	Parent Company	Non-convertible preference share	120,000,000	-	120,000,000
		Payable	22,324,930	(22,324,930)	-
Bangladesh Finance Capital Limited	Subsidiary of parent Company	Non-convertible preference share	16,000,000	-	16,000,000
Bangladesh Finance Capital Limited	Subsidiary of parent Company	Non-convertible preference share	17,500,000	27,000,000	44,500,000
		Receivable	41,541	2,448,843	2,490,384
Anwar Landmark Ltd	Shareholder	Non-convertible preference share	22,836,453	-	22,836,453
		Payable	583,598	2,315,362	2,898,960
Manwar Hossain	Shareholder	Non-convertible preference share	4,151,250	-	4,151,250
		Payable	106,088	422,046	528,134
Hossain Mehmood	Shareholder	Non-convertible preference share	4,151,250	-	4,151,250
		Payable	106,088	422,046	528,134
Hossain Khaled	Shareholder	Non-convertible preference share	4,151,250	-	4,151,250
		Payable	106,088	422,046	528,134
Abu Taher	Shareholder	Non-convertible preference share	4,000,000	(1,000,000)	3,000,000
		Payable	182,379	(28,095)	154,284
Md. Yousuf	Shareholder	Non-convertible preference share	4,151,250	-	4,151,250
		Payable	347,669	378,799	726,468

47 Contingents liabilities

The company has no contingent liabilities and commitments during the period.

48 Number of employees

The total number of employees drawing remuneration at the end of the year or part thereof was as follows:

i) Remuneration up to 3,000 per month	-	-
ii) Remuneration above to 3,000 per month	27	29
Total	**27**	**29**

49 Events after the reporting period

There is no post balance sheet events which require neither adjustments nor discloser during the financial statements.

Munshi Abu Naim FCS
Company Secretary

Khondoker Mahamudul Hasan
Managing Director & CEO

Md. Kyser Hamid
Director

BANGLADESH FINANCE SECURITIES LIMITED

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

For the year ended 31 December 2025

ANNEXURE-A (i)

Schedule of Property, Plant and Equipment

Figures in BDT

Particulars	Cost				Rate	Depreciation				Written down value as at 31.12.2025
	Balance as on 01.01.2025	Addition	Disposal/ Adj. during the period	Balance as at 31.12.2025		Balance as on 01.01.2025	Disposal/ Adj. during the period	Charged during the year	Balance as at 31.12.2025	
Office equipment	825,714	-	-	825,714	10%	452,770	-	82,571	535,342	290,372
Electrical equipment	4,615,597	-	-	4,615,597	15%	2,071,963	-	692,340	2,764,302	1,851,295
Electrical equipment-generator	2,221,982	-	-	2,221,982	15%	2,221,981	-	-	2,221,981	1
Furniture and fixture	783,907	-	-	783,907	10%	514,981	-	78,391	593,372	190,535
Computer & peripheral	5,568,147	2,720,000	-	8,288,147	25%	4,336,652	-	1,642,766	5,979,417	2,308,730
Motor vehicles	3,225,172	14,454,487	3,225,172	14,454,487	20%	1,988,861	2,096,368	2,275,679	2,168,172	12,286,315
Office renovation/furnishing	12,823,379	-	3,289,639	9,533,740	10%	9,815,351	3,289,639	1,254,924	7,780,637	1,753,103
Carrying amount-2025	**30,063,898**	**17,174,487**	**6,514,811**	**40,723,574**	**-**	**21,402,560**	**5,386,007**	**6,026,671**	**22,043,224**	**18,680,350**
Carrying amount-2024	**50,791,936**	**413,476**	**21,141,514**	**30,063,898**	**-**	**35,511,116**	**19,204,019**	**5,095,463**	**21,402,560**	**8,661,338**

ANNEXURE-A (ii)

Schedule of Right of Use Asset

Figures in BDT

Particulars	Cost				Rate %	Depreciation				Written down value as at 31.12.2025
	Balance as on 01.01.2025	Addition	Disposal/ Adj. during the period	Balance as at 31.12.2025		Balance as on 01.01.2025	Disposal/ Adj. during the period	Charged during the year	Balance as at 31.12.2025	
Office Space	32,491,124	34,858,989	29,694,643	37,655,471		14,701,501	15,472,541	12,359,796	11,588,756	**26,066,715**
Carrying amount-2025	**32,491,124**	**34,858,989**	**29,694,643**	**37,655,471**	**-**	**14,701,501**	**15,472,541**	**12,359,796**	**11,588,756**	**26,066,715**
Carrying amount-2024	**45,192,174**	**1,250,439**	**13,951,489**	**32,491,124**	**-**	**18,215,025**	**12,775,690**	**9,262,166**	**14,701,501**	**17,789,624**

Right of use assets have been depreciated based on the lease terms specified in the lease contracts.

BANGLADESH FINANCE SECURITIES LIMITED

CAPITAL ADEQUACY REPORT

For the year ended 31 December 2025

ANNEXURE-B

Risk Base Capital Adequacy

"Capital adequacy" means the level of total capital against the total risk exposure of a registered entity that is required to be maintained as per these rules to ensure continuation of a safe and efficient operation and to withstand against any seen and unforeseen losses;

Computation of capital adequacy ratio (CAR) as per [rule – 4 (2)] of the Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy), Rules, 2019 :

Capital Adequacy Ratio

$$\text{Capital Adequacy Ratio (CAR)} = \frac{\text{Total Capital (TC)*}}{\text{Total Risk Requirement (TRR)}} \times 100$$

Maintained a mandatory Capital Adequacy Ratio minimum 120% or 1.20 times as per [rule – 4 (3) (a)] of the Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy), Rules, 2019.

$$\text{Capital Adequacy Ratio (CAR)} = \frac{1,276,913,718}{70,829,665} \times 100$$

$$= 1803\% \quad \text{or 18.03 times of TRR}$$

*Details calculation of Total capital (TC) & Total risk requirement (TRR) are in Table-1 & 2;

Where,

a) Total capital (TC) = Core Capital + Supplementary Capital

b) Total Risk Requirement (TRR) = Operation Risk Requirement (ORR)+Position Risk Requirement(PRR)+Counterparty Risk Requirement (CRR)+Underwriting Risk Requirement(URR)+Large Exposure Risk Requirement (LERR)+ Liability Risk Requirement (LRR)

Table-1

	Area of Risk	Value of the risk factor
a.	Core Capital	1,002,888,422
b.	Supplementary Capital	274,025,296
	Total Capital (TC) (a+b)	**1,276,913,718**

Table-2

a.	Operation Risk Requirement (ORR)	7,815,574
b.	Position Risk Requirement(PRR)	17,802,481
c.	Counterparty Risk Requirement (CRR)	45,027,577
d.	Underwriting Risk Requirement(URR)	-
e.	Large Exposure Risk Requirement (LERR)	-
f.	Liability Risk Requirement (LRR)	184,032
	Total Risk Requirement (TRR) (a+b+c+d+f)	**70,829,665**

বিজয়

Bangladesh finance
এখনই সময়

বাংলাদেশ ফাইন্যান্স বিজয়

আমার স্বপ্ন পূরণের সঙ্গী

- সঞ্চয়ের সুবিধা
- এসএমই ফাইন্যান্স
- সাপ্লাই চেইন ফাইন্যান্স
- রিটেইল লোনের সুবিধা



bd.finance 16727

INDEPENDENT AUDITOR'S REPORT

BANGLADESH FINANCE CAPITAL LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bangladesh Finance Capital Limited hereinafter referred to as "the company" which comprise the Statement of Financial Position as at 31 December 2025, Statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note-3.

Basis for Opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and ICAB bye laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

Management is responsible for other information. The other information comprises all of the information but does not include the financial statements of the Company and our auditor's report thereon. The other information are expected to be made available to us after the date of the auditor's report.

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

In connection with our audit of the financial statements of the Company, our responsibility is to read other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated, If , based on the work we have performed , we conclude that there is a material misstatement of the 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 these financial statements in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 objective are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, weather 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.

As a part of audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

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

- Identify and assess the risk 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the 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.

Report on other Legal and Regulatory Requirements

In accordance with Companies Act 1994 and the Securities and Exchange Rules 2020, 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; and
c. The company's financial position and statement of profit or loss and comprehensive income with the annexed notes dealt with by the report are in agreement with the books of account and returns.

DVC: 2604191550AS497916

Dated: 16 Apr 2026
Dhaka

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

BANGLADESH FINANCE CAPITAL LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	Amount in BDT 31-Dec-25	31-Dec-24
Assets			
Non-current assets			
Property, plant and equipment	5	4,031,991	2,062,782
Intangible asset	6	1	1
Right-of-use assets	7	7,728,954	5,755,606
Deferred tax asset	8	84,799,484	105,258,955
		96,560,430	**113,077,344**
Current assets			
Investment in securities	9	529,078,286	862,797,585
Margin loans to portfolio clients	10	71,349,488	101,664,916
Accounts receivable	11	893,164	2,187,470
Cash and cash equivalents	12	16,917,419	11,958,613
Advances, deposits and prepayments	13	436,500	583,000
Advance income tax		69,225,664	62,696,168
		687,900,522	**1,041,887,752**
Total assets		**784,460,951**	**1,154,965,097**
Equity and liabilities			
Equity			
Share capital	14	268,750,000	268,750,000
Retained earnings	15	(188,605,232)	(247,635,496)
Capital reserve	16	29,380,798	29,380,798
		109,525,566	**50,495,302**
Non-current liabilities			
Non-convertible preference share	17	29,500,000	37,500,000
Lease liabilities	18	3,475,126	4,060,979
		32,975,126	**41,560,979**
Current liabilities			
Lease liabilities	18	4,800,000	1,725,807
Short term loan	19	439,343,323	456,160,672
Accounts payable	20	12,470,513	8,079,913
Liabilities for expenses	21	6,757,096	13,673,645
Provision for investments & margin loans	22	103,747,336	510,300,928
Provision for income tax	23	74,841,992	72,967,848
		641,960,260	**1,062,908,814**
Total equity and liabilities		**784,460,951**	**1,154,965,097**
Net Asset Value (NAV) Per Share	41	**4.08**	**1.88**

The annexed notes 1 to 45 and "Annexures" are the integral part of the financial statements.

Milton Kumar Roy
Company Secretary

Suman Kumar Kundu
Chief Executive Officer

Md. Kyser Hamid
Director

As per our report of the same date

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

DVC: 2604191550AS497916

Dated: 16 Apr 2026
Dhaka

BANGLADESH FINANCE CAPITAL LIMITED

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	Amount in BDT 31-Dec-25	31-Dec-24
Operating income			
Income from margin loan	24	13,297,371	13,748,419
Income from portfolio management services	25	4,455,482	4,894,290
Income from investment banking	26	-	635,000
Investment income	27	(262,079,401)	88,027,130
Other income	28	1,465,966	138,954
		(242,860,583)	**107,443,793**
Less: Interest paid on margin loan and borrowed fund	24.1	64,627,172	49,858,124
Net operating Income		**(307,487,754)**	**57,585,669**
Administrative expense			
Salary and allowances	29	8,961,588	10,733,577
Office rent, utilities, maintenance and services	30	1,416,094	1,096,120
Legal & Professional Fees	31	12,778	72,184
Postage, Stamps, Telecommunication etc.	32	5,065	2,001
Stationeries, printing and advertisements	33	127,779	113,476
Directors' fees and conveyance	34	228,000	209,000
Auditors' fees	35	86,251	86,250
Depreciation on property, plant and equipment	36	5,088,246	3,140,659
Other expenses	37	1,776,159	2,965,596
		17,701,960	**18,418,863**
Profit before provisions and tax		**(325,189,714)**	**39,166,806**
Provision for diminution in value of investments	38	(411,280,915)	461,590,555
Provision on margin loan	38	4,727,323	6,368,772
Total provision	38	**(406,553,592)**	**467,959,327**
Profit before income tax		**81,363,878**	**(428,792,521)**
Provision for income tax			
Current tax expense		1,874,144	7,775,681
Deferred Tax Expenses/(benefit)	8	20,459,471	(89,023,464)
		22,333,615	**(81,247,783)**
Profit/(loss) after tax		**59,030,264**	**(347,544,737)**
Other comprehensive income		-	-
Total comprehensive income		**59,030,264**	**(347,544,737)**
Earning per share	39	**2.20**	**(12.93)**

The annexed notes 1 to 45 and "Annexures" are the integral part of the financial statements.

Milton Kumar Roy
Company Secretary

Suman Kumar Kundu
Chief Executive Officer

Md. Kyser Hamid
Director

As per our report of the same date

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

DVC: 2604191550AS497916

Dated: 16 Apr 2026
Dhaka

BANGLADESH FINANCE CAPITAL LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

(Amount in BDT)

Particulars	Share capital	Capital reserve	Retained earnings	Total equity
Balance as at 01 January 2025	**268,750,000**	**29,380,798**	**(247,635,496)**	**50,495,302**
Capital reserve		-	-	-
Net profit/(loss) for the year	-		59,030,264	59,030,264
Balance as at 31 December 2025	**268,750,000**	**29,380,798**	**(188,605,232)**	**109,525,566**
Balance as at 01 January 2024	**268,750,000**	**29,380,798**	**99,909,242**	**398,040,040**
Capital reserve		-	-	-
Net profit/(loss) for the year	-		(347,544,737)	(347,544,737)
Balance as at 31 December 2024	**268,750,000**	**29,380,798**	**(247,635,495)**	**50,495,303**

The annexed notes 1 to 45 and "Annexures" are the integral part of the financial statements.

Milton Kumar Roy
Company Secretary

Suman Kumar Kundu
Chief Executive Officer

Md. Kyser Hamid
Director

As per our report of the same date

Dated: 16 Apr 2026
Dhaka

BANGLADESH FINANCE CAPITAL LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Amount in BDT	
	31-Dec-25	31-Dec-24
A. Cash flows from operating activities		
Net interest income	(51,329,801)	(36,109,705)
Income from Investment in securities	(262,079,401)	88,027,130
Fees and commission received	4,455,482	5,529,290
Cash payments to employees	(8,961,588)	(10,733,577)
Received from other operating activities	1,465,966	138,954
Payments for other operating activities	(3,652,125)	(4,544,627)
Cash generated from operating activities before changes in operating assets and liabilities	**(320,101,468)**	**42,307,465**
Changes in operating assets and liabilities		
(Acquisition)/disposal of marketable securities	333,719,299	(106,501,743)
Margin loans paid/(received) to/from customers	30,315,428	(23,669,720)
(Increase)/decrease in other assets	(5,088,691)	175,963
Increase/(decrease) in other liabilities	(2,874,833)	1,062,250
Sub Total	**356,071,203**	**(128,933,250)**
Net cash flows from operating activities	**35,969,735**	**(86,625,785)**
B. Cash flows from investing activities		
(Purchase)/Disposal of property, plant and equipment	(4,132,060)	(51,600)
Proceeds from sale of fixed assets	1,370,191	-
	(2,761,869)	**(51,600)**
C. Cash flows from financing activities		
Short term loan (paid)/received	(16,817,349)	77,639,367
Issuing Preference shares	(8,000,000)	10,000,000
Payment for lease liabilities	(3,431,712)	(2,253,182)
Net cash from/(used in) financing activities	**(28,249,061)**	**85,386,185**
D. Net cash inflow/(outflow) for the period (A+B+C)	**4,958,805**	**(1,291,200)**
E. Cash and cash equivalents at the beginning of the period	11,958,613	13,249,814
F. Cash and cash equivalents at the end of the period (D+E)	**16,917,419**	**11,958,613**

The annexed notes 1 to 45 and "Annexures" are the integral part of the financial statements.

Milton Kumar Roy
Company Secretary

Suman Kumar Kundu
Chief Executive Officer

Md. Kyser Hamid
Director

As per our report of the same date

Dated: 16 Apr 2026
Dhaka

NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended 31 December 2025

1 Company and its activities

1.1 Domicile, legal form and country of incorporation

Bangladesh Finance Capital Limited (the "Company") is a public limited company incorporated on 10 August 2011 vides Registration No. C-94802/11 under the Companies Act, 1994 having its registered office at 64, Motijheel C/A, Dhaka-1000, Bangladesh. It is a wholly owned subsidiary of Bangladesh Finance PLC since inception. The Company received Merchant Banking License (license no. MB-76/2012) from Bangladesh Securities and Exchange Commission (BSEC) on 26 February, 2012 and commenced its operation on August 2013.

1.2 Principal activities and nature of operation

Bangladesh Finance Capital Limited provides high standard of professional and personalized services to its local and Non Resident Bangladeshi (NRB) clients. The company's principal activity includes the following:

i. Investment banking (issue management, underwriting of shares, and corporate advisory);
ii. Discretionary portfolio management;
iii. Non-discretionary portfolio management; and
iv. Own portfolio management, etc.

2 Basis of preparation and significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the Company includes the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and Notes to the Financial Statements. These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs), the Companies Act, 1994 and other laws and regulations applicable in Bangladesh.

2.2 Use of estimates and judgments

The preparation of financial statements 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. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed ongoing basis. Revision of accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the following notes:

Reference	Particulars
Note: 5	Property, plant and equipment;
Note: 11	Accounts receivables;
Note: 20	Accounts payables;
Note: 21	Liabilities for expenses; and
Note: 23	Provision for income tax.

2.3 Comparative information

As guided in paragraph 36 and 38 of International Accounting Standards IAS-1, 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 financial statements.

2.4 Major regulatory compliance

As required, the Company also complies with the applicable provisions of the following major laws/ statutes:

- The Companies Act, 1994 (as amended up to date);
- The Income Tax Act, 2023;
- Negotiable Instrument Act, 1881;
- VAT and Supplementary Duty Act 2012;
- The Bangladesh Labour Act 2006 and Bangladesh Labor Rules 2015;
- Securities and Exchange Rules, 2020;
- Securities and Exchange Commission Act, 1993;
- Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules, 1996; and Other applicable laws and regulations.

2.5 Basis of measurement

These financial statements have been prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRS).

2.6 Components of financial statements

According to the International Accounting Standard (IAS-1) " Presentation of Financial Statements", a complete set of Financial Statements include the followings;

-Statement of Financial Position;
-Statement of Profit or Loss and Other Comprehensive Income;
-Statement of Changes in Equity;
-Statement of Cash Flows; and
-Notes to the Financial Statements.

2.7 Going concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.8 Reporting period

The reporting period of these financial statements covers from 1 January 2025 to 31 December 2025.

2.9 Date of authorization

The audited financial statements for the year ended 31 December 2025 was authorized by the Board of Directors on 6 April 2026.

2.10 Functional and presentation currency

The financial statements are presented in Bangladeshi Taka (BDT) currency, which is the functional currency of the Company. All financial information presented in Taka has been rounded off to nearest BDT except as stated otherwise.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated deprecation. The cost of the property, plant and equipment includes purchase price/construction cost and other directly attributable costs of bringing the property, plant and equipment to working conditions for their intended use.

(ii) Subsequent expenditure

Subsequent to initial recognition, cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other repair and maintenance expenses are charged in statement of profit or loss as they are incurred.

(iii) Depreciation

Depreciation on property, plant and equipment is charged using straight-line method over their estimated useful lives. Depreciation rates are as follows:

Nature of Assets	Rate of Depreciation
Furniture and fixture	20%
Office equipment	25%
Motors vehicles	20%
Right of use assets	Lease term

Depreciation on all items of property, plant and equipment is calculated and charged from the date of available for use and continues until the asset is derecognized. Depreciations methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Retirement and disposals

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposals. Gains and losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain or loss from disposal of asset in profit or loss.

3.2 Intangible assets

(i) Recognition and measurement

An intangible asset will 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 intangible asset can be measured reliably in accordance with IAS 38: Intangible Assets. Intangible asset comprises computer software which has been acquired by the Company having finite useful lives and is measured at cost less accumulated amortization and impairment loss, if any.

(ii) 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.

(iii) Amortization

Amortization is calculated using the straight line method to write down the cost of intangible assets to their residual values over their estimated useful lives based on the management's best estimates; i.e., 4 years (25.00%).

(iv) Retirement and disposals

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gain or losses arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognized in profit or loss.

3.3 Impairment

The carrying value of the Company's assets other than inventories, are reviewed at closing date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the profit and loss account.

3.4 Leases

Leases are recognized as right-of-use assets and corresponding liabilities at the inception of a contract and measured in accordance with IFRS 16. The right-of-use assets are depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

At the commencement date, lease liabilities are measured at an amount equal to the present value of the lease payments for the underlying right-of-use assets during the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the Company’s incremental borrowing rate. Each lease payment is allocated between the liability and finance cost.

Payments associated with all short-term leases (with a lease term of 12 months or less) and certain leases of all low-value assets are recognized on a straight-line basis as an expense in profit or loss.

3.5 Financial instruments

Financial assets

Financial assets are recognized initially at cost on the date at which the Company becomes a party to the contractual provisions of the transaction.

The classification and measurement of financial assets is based on the basis of both:

a. the entity’s business model for managing the financial assets; and

b. the contractual cash flow characteristics of the financial assets.

Three measurement classifications for financial assets have been established: amortized cost, fair value through other comprehensive income and fair value through profit and loss. These measurement classifications align with three business models available under IFRS 9:

Hold to Collect – Financial assets held with the objective to collect contractual cash flows

Hold to Collect and Sell – Financial assets held with the objective to collect and sell contractual cash flows

Other – Financial assets held for trading or assets that do not meet the criteria for either 'Hold to collect' or 'Hold to collect and sell'.

Financial assets designated as trading are held with an objective to sell the assets in the short term.

Financial assets currently being used by the Company are as follows:

(i) Cash and cash equivalents

Cash and cash equivalents comprise of Cash in hand and Cash at bank which are available for use by the Company without any restriction.

(ii) Accounts receivables

Accounts receivables represent the amounts due from clients for rendering services, due from brokers, dividend etc. These are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost and any subsequent impairment losses against those, recognized as provision in the profit or loss and other comprehensive income in the respective year.

(iii) Investments

Investment in marketable securities is measured at cost on portfolio basis. Changes between closing market price at 31 December 2025 and the respective cost price on portfolio have been considered as unrealized loss or gain and charged to profit or loss and other comprehensive income as per BSEC regulation. A security which is not listed at stock exchange as on the reporting date then the price is shown at cost.

Financial liabilities

The Company initially recognizes financial liabilities on the date that is originated. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities obliged by the Company are as follows:

(i) Account payables

Account payables show the amount owed to the clients as well as payables to broker. These are recognized at cost which is the fair value on that date.

(ii) Liabilities for expenses

Liabilities for expenses represent the amounts owed to various parties for receiving services and supply. These are initially recognized at cost which is also the fair value on that date.

(iii) Loan and Borrowing

Loan and borrowing of the company consists of short term borrowing and overdraft that are initially recognized at cost and subsequently its interest expenses recognized as liabilities and expenses.

3.6 Income tax

3.6.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any, in accordance with provisions of Income Tax Act, 2023. It is measured using tax rates enacted or substantively enacted at the reporting date. Applicable tax rate for the Company for the year 2025 will be declared by Finance Act 2025. For the purpose of these financial statements, management has assumed that the tax rates will be applicable for income year 2025 as well, which are mentioned below:

Regular business tax rate	Rates
Merchant Bank	27.50%
Other business tax rate:	**Rates**
Dividend income	20.00%
Capital gain on sale of fixed assets	15.00%
Capital gain on sale of marketable securities	15.00%

The Company's existing accounting policy for uncertain income tax treatments is consistent with the requirements of IFRIC 23 Uncertainty over Income Tax Treatments, which became effective on 1 January 2019.

3.6.2 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.

The Company's existing accounting policy for uncertain income tax treatments is consistent with the requirements of IFRIC 23 Uncertainty over Income Tax Treatments, which became effective on 1 January 2019.

3.7 Preference Shares

Preference Shares has been reported at cost and dividend income/expenses is recognized in the profit and loss account on accrual basis considered as interest income/expenses.

3.8 Employee benefits

a) Gratuity Fund

The Company operates funded gratuity scheme, provision in respect of which is made annually covering all permanent eligible employees. Gratuity fund benefit are given to the staff of Bangladesh Finance Capital Limited 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.

b) Provident Fund

The Company operates a recognized provident fund in which employees contribute 10% from their basic salary and the company also contributes same. The Company has no legal or constructive obligation to pay further amounts. Obligations for contributions to the recognized provident fund are recognized in profit or loss in the period during which related services are rendered by employees.

3.9 Revenue from contracts with customers

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

a) identify the contract (s) with a customers;

b) identify the performance obligations in the contract;

c) determine the transaction price;

d) allocate the transaction price to the performance obligations in the contract; and

e) recognize revenue when (or as) the entity satisfies a performance obligation.

(i) Interest income

Interest income is recognized on the loan balance of portfolio clients on monthly accrual basis and charged to clients' balance on quarterly basis.

(ii) Portfolio management fees

Portfolio management fees are recognized on the market value of the clients' portfolio on monthly accrual basis and charged to clients' balance on quarterly basis.

(iii) Issue management and corporate advisory

Issue management and corporate advisory fees are recognized according to the stages of completion of services as agreed and defined in Issue management and corporate advisory agreement between company and client.

(iv) Dividend income and profit or loss on sale of securities

Dividend is accounted for as income when right to receive is established whereas profit or loss arising from the sale of securities is accounted for only when the securities are sold/offloaded.

3.10 Provision

A provision is recognized in the accounts when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

3.10.1 Provision for diminution in value of investment and margin loan

Provision for diminution in value of investment and margin loan have been kept in full in accordance with Bangladesh Securities Exchange Commission - RBCA guidelines 2019, directive no. BSEC/SMMID/NE/2023/840 dated: 22 October 2024,directive no. BSEC/SRI/NE/2020/333 dated: 27 March 2024 along with BSEC circular no. BSEC/SRI/NE/2020/333, dated: 27 March 2024 and BSEC circular no. SEC/CMRRCD/2009-193/196, dated: 28 December 2016.

3.11 Earning Per Share

The Company presents its basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.12 Related party disclosure

As per International Accounting Standard (IAS) 24 "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length IAS is at commercial rates with its related parties. Related party disclosures have been given in Note 42.

3.13 Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are not adjusting event are disclosed in the notes when material.

3.14 Contingent liabilities and 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.

3.15 General

(i) Figures appearing in these financial statements have been rounded off to the nearest Taka; and
(ii) Previous years figures have been rearranged, where necessary, to conform to current year's presentation.

3.16 Application of International Accounting Standards (IASs):

Bangladesh Finance Capital Limited complied following IAS and IFRS:

Name of the IFRS	No.
Leases	16
Revenue from Contracts with Customers	15
Financial Instruments	9
Financial Instruments: Disclosures	7

Name of the IAS	No.
Presentation of Financial Statements	1
Statements of Cash Flow	7
Accounting Policies, Changes in Accounting Estimates and Errors	8
Events after the Reporting Period	10
Income Taxes	12
Property, Plant and Equipment	16
Employee Benefits	19
Borrowing Costs	23
Related Party Disclosures	24
Earning per share	33
Provisions, Contingent Liabilities and Contingent Assets	37
Intangible Assets	38

4 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:
(i) Credit risk
(ii) Market risk
(iii) Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework.

4.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loans and advances to customers and investment securities. These loans and advances are fully backed by the securities held by the customer.

With respect to credit risk arising from the other financial assets of the Company, the maximum exposure is equal to the carrying amounts of the financial assets.

4.2 Market risk

The Company's activities may give rise to risk at the time of settlement of transactions and trades. Market risk is the risk of losses due to failure of entity to honor its obligations to deliver cash, securities or other assets as contractually agreed.
For such transactions the Company only allows the purchase of tradable securities if the customer has adequate cash/purchase power beforehand.

4.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they falls due. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

		Amount in BDT	
		31-Dec-25	31-Dec-24
5	**Property, plant and equipment**		
	A. Cost		
	Opening balance	12,423,748	21,871,153
	Add: Addition during the year	4,132,060	51,600
	Less: Disposal during the year	7,773,332	9,499,005
	Sub-total	**8,782,476**	**12,423,748**
	B. Accumulated depreciation		
	Opening balance	10,360,966	18,819,919
	Add: Charged during the year	1,141,542	1,040,052
	Less: Disposal during the year	6,752,023	9,499,005
	Sub-total	**4,750,485**	**10,360,966**
	Written down value (A-B)	**4,031,991**	**2,062,782**
	A schedule of property, plant and equipment is given in Annexure-A (i)		
6	**Intangible asset**		
	A. Cost		
	Opening balance	2,280,000	2,280,000
	Add: Addition during the year	-	-
	Less: Disposal during the year	-	-
	Sub-total	**2,280,000**	**2,280,000**
	B. Accumulated amortization		
	Opening balance	2,279,999	2,279,999
	Add: Charged during the year	-	-
	Less: Disposal during the year	-	-
	Sub-total	**2,279,999**	**2,279,999**
	Written down value (A-B)	**1**	**1**
	A schedule of intangible assets are given in Annexure-A (iii)		
7	**Right-of-use assets**		
	A. Cost		
	Opening balance	5,920,052	6,336,531
	Add: Addition during the year	5,920,052	5,920,052
	Less: Disposal during the year	-	6,336,531
	Sub-total	**11,840,104**	**5,920,052**
	B. Accumulated depreciation		
	Opening balance	164,445	4,400,369
	Add: Charged during the year	3,946,705	2,100,608
	Less: Disposal during the year	-	6,336,532
	Sub-total	**4,111,150**	**164,445**
	Written down value (A-B)	**7,728,954**	**5,755,607**
	A schedule of right-of-use assets is given in Annexure-A (ii)		
8	**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:		
	Openning balance	105,258,954	16,235,490
	Deferred tax Income/(expenses) charged to profit or loss	(20,459,471)	89,023,464
	Closing balance	**84,799,484**	**105,258,954**

8.1 Item wise breakdown

Particulars	Carrying amount	Tax base	Taxable/(deductible) temporary difference	Tx rate	DTL/(DTA)
Furniture & Fixture	474,232	3,632,858	(3,158,626)	27.50%	(868,622)
Office Equipment	70,846	1,518,155	(1,447,309)	27.50%	(398,010)
Motor Vehicle	3,261,741	4,094,416	(832,675)	27.50%	(228,986)
System & Software	1	2,560	(2,559)	27.50%	(704)
Right of Use Assets	7,728,954	8,275,126	(546,172)	27.50%	(150,197)
Unabsorbed Business Loss	(73,976,506)	-	(73,976,506)	27.50%	(20,343,539)
Provision for Margin Loan	(12,837,696)	-	(12,837,696)	27.50%	(3,530,366)
Provision for gratuity	(104,100)	-	(104,100)	27.50%	(28,628)
Loss on sale of shares	(304,093,248)	-	(304,093,248)	15.00%	(45,613,987)
Provision for diminution in value of investments	(90,909,640)	-	(90,909,640)	15.00%	(13,636,446)
Total	**(470,385,415)**	**17,523,114**	**(487,908,529)**		**(84,799,484)**

9 Investment in securities

Investment in marketable shares	458,663,721	756,472,354
Mutual fund	34,414,565	70,325,231
Investment in Non Traded Shares	20,000,000	20,000,000
Investment in preference shares	16,000,000	16,000,000
Closing balance	**529,078,286**	**862,797,585**

9.1 Investment in marketable shares

Sector-wise details of marketable shares holding position as of 31 December 2025 is given below:

Name of industry	Cost price	Market price as on 31 December 2025	Unrealized Gain/ (Loss) as on 31 Dec 2025
Insurance, Engineering and Miscellaneous	458,663,721	503,698,060	45,034,338
Closing balance	**458,663,721**	**503,698,060**	**45,034,338**

9.2 Investment in marketable mutual fund

Sector-wise details of marketable mutual fund holding position as of 31 December 2025 is given below:

Name of industry	Cost price	Market price as on 31 December 2025	NAV based on Market price as on 31.12.2025	85% NAV based on Market price as on 31.12.2025
Mutual funds	34,414,565	22,645,358	27,652,852	23,504,924
Closing balance	**34,414,565**	**22,645,358**	**27,652,852**	**23,504,924**

9.3 Investment in non-traded shares

B. Brothers Garments Ltd.	10,000,000	10,000,000
Al Faruque bags Ltd.	5,000,000	5,000,000
Infinity Technology International Ltd.	5,000,000	5,000,000
Closing balance	**20,000,000**	**20,000,000**

9.4 Investment in preference shares

Bangladesh Finance Securities Limited	16,000,000	16,000,000
Closing balance	**16,000,000**	**16,000,000**

10 Margin loans to portfolio clients

Opening balance	101,664,916	77,995,196
Add: Loan disbursed during the year/period	140,219,099	223,038,631
Less: Loan reimbursed during the year/period	170,534,527	199,368,911
Closing balance	**71,349,488**	**101,664,916**

11 Accounts receivable

Receivable from brokers	93,113	1,153,826
Receivable from portfolio management fees	52	-
Receivable from structured finance fees	800,000	800,000
Receivable dividend from investment in share	-	233,644
Closing balance	**893,164**	**2,187,470**

12 Advances, deposits and prepayments

Advances	233,500	380,000
Deposits	203,000	203,000
Closing balance	**436,500**	**583,000**

12.1 Advances

Advance for expense	233,500	380,000
Closing balance	**233,500**	**380,000**

12.2 Deposits

Security deposit - CDBL	200,000	200,000
Security deposit - BTCL	3,000	3,000
Closing balance	**203,000**	**203,000**

13 Cash and cash equivalents

Cash in hand	2,995	9,135
Cash at bank	16,914,424	11,949,478
Closing balance	**16,917,419**	**11,958,613**

13.1 Cash at bank

Name of the bank	Branch	A/C No	Type	31-Dec-25	31-Dec-24
The City Bank Ltd.	Foreign Ex.	3101317295001	SND	113,885	-
Jamuna Bank Ltd.	Foreign Ex.	018-0210011324	CD	109,419	49,187
One Bank Limited	Principal	0013000000693	SND	4,535,153	7,828,305
One Bank Limited	Principal	0013000000823	SND	1,622,892	2,327,833
One Bank Limited	Principal	0013000001043	SND	15,477	16,301
Rupali Bank Limited	Motijheel Corp.	0034020008558	CD	1,764	1,914
The City Bank Ltd.	Gulshan Ave.	3101317295002	SND	10,491,196	1,716,441
One Bank Limited	Principal	0013000002443	SND	24,637	9,497
Closing balance				**16,914,424**	**11,949,478**

14 Share capital

This represents the followings

Authorized capital

200,000,000 ordinary shares of BDT 10 each	**2,000,000,000**	**2,000,000,000**

Issued, subscribed and paid up capital

26,875,000 ordinary shares of Tk. 10/- each	**268,750,000**	**268,750,000**

14.1 Shareholding position

Name of shareholders	No of shares	Face value	31-Dec-25	31-Dec-24
Bangladesh Finance PLC	26,867,475	10	268,674,750	268,674,750
Mr. Manwar Hossain	1,075	10	10,750	10,750
Mr. Hossain Khaled	1,075	10	10,750	10,750
Mr. Hossain Mehmud	1,075	10	10,750	10,750
Mr. Md. Rafiqul Islam Khan	1,075	10	10,750	10,750
Mrs. Rokeya Anowara Begum	1,075	10	10,750	10,750
Mrs. Rashida Youshuf	1,075	10	10,750	10,750
Mr. M. Maniruzzaman Khandaker	1,075	10	10,750	10,750
Total	**26,875,000**		**268,750,000**	**268,750,000**

14.2 Percentage of shareholding

Name of Shareholders	Number of Share	31-Dec-25 Shareholding %	31-Dec-24 Shareholding %
Bangladesh Finance Limited	26,867,475	99.972%	99.972%
Mr. Manwar Hossain	1,075	0.004%	0.004%
Mr. Hossain Khaled	1,075	0.004%	0.004%
Mr. Hossain Mehmud	1,075	0.004%	0.004%
Mr. Md. Rafiqul Islam Khan	1,075	0.004%	0.004%
Mrs. Rokeya Anowara Begum	1,075	0.004%	0.004%
Mrs. Rashida Youshuf	1,075	0.004%	0.004%
Mr. M. Maniruzzaman Khandaker	1,075	0.004%	0.004%
Total	**26,875,000**	**100%**	**100%**

15 Retained earnings

Opening balance	(247,635,495)	99,909,242
Capital reserve	-	-
Net profit for the year	59,030,264	(347,544,737)
Closing balance	**(188,605,231)**	**(247,635,495)**

16 Capital reserve

Opening balance	29,380,798	29,380,798
Addition during the year	-	-
Closing balance	**29,380,798**	**29,380,798**

		Amount in BDT	
		31-Dec-25	31-Dec-24

Refer to clause (i) of (e) of Part B [rule (1) (b), rule 5(2)] of the Bangladesh Securities and Exchange Commission (BSEC) Risk Based Capital Adequacy, Rules, 2019, mandatory provision has kept @ 10% of profit after tax of last 5 years (for the year 2018 to 2022) as 'capital reserve.

17	**Non-convertible preference share**		
	Bangladesh Finance PLC	20,000,000	20,000,000
	Bangladesh Finance Securities Limited	9,500,000	17,500,000
	Closing balance	**29,500,000**	**37,500,000**
18	**Lease liabilities**		
	Opening balance	5,786,786	2,119,916
	Add: Addition during the year	5,920,052	5,920,052
	Less: Adjustment during the year	3,431,712	2,253,182
	Closing balance	**8,275,126**	**5,786,786**
	Non-current portion of lease liabilities	3,475,126	4,060,978
	Current portion of lease liabilities	4,800,000	1,725,807
	Closing Balance	**8,275,126**	**5,786,786**
19	**Short term loan**		
	Rupali Bank PLC	96,756,613	92,348,616
	Citizens Bank PLC	52,283,407	50,896,678
	Jamuna Bank PLC	58,061,002	55,993,044
	Investment Corporation of Bangladesh	5,252,015	12,911,532
	Margin loan	226,990,286	244,010,802
	Closing balance	**439,343,323**	**456,160,672**
19.1	**Margin loan**		
	Bank Asia Securities Limited	226,990,286	244,010,802
	Closing balance	**226,990,286**	**244,010,802**
20	**Accounts payable**		
	Clients' payable	8,766,904	6,902,331
	Broker payables	3,703,609	1,177,582
	Closing balance	**12,470,513**	**8,079,913**
21	**Liabilities for expenses**		
	CDBL charges	270,884	298,311
	Interest payable agt. short term loan	78,911	161,410
	Dividend payable agt. preference share	6,767	3,557,466
	Audit fees payable	86,251	86,250
	Gratuity payable	104,100	2,402,901
	Contributory provident fund	81,180	1,765,705
	Provision for structured finance fee	800,000	800,000
	Others payable	5,329,003	4,601,604
	Closing balance	**6,757,096**	**13,673,647**
22	**Provision for Investment**		
	Provision for diminution in value of investments	90,909,640	502,190,555
	General provision for margin loan	713,495	1,741,601
	Others provision for margin loan	12,124,201	6,368,772
	Closing balance	**103,747,336**	**510,300,928**
22.1	**Provision for diminution in value of investments**		
	Opening balance	502,190,555	40,600,000
	Charged/(Released) during the year/period	(411,280,915)	461,590,555
	Closing balance	**90,909,640**	**502,190,555**
22.2	**General provision for margin loan**		
	Opening balance	1,741,601	1,741,601
	Charged/(Released) during the year/period	(1,028,106)	
	Closing balance	**713,495**	**1,741,601**
22.3	**Others provision for margin loan**		
	Opening balance	6,368,772	-
	Charged/(Released) during the year/period	5,755,429	6,368,772
	Closing balance	**12,124,201**	**6,368,772**
23	**Provision for income tax**		
	Opening balance	72,967,848	65,192,167
	Add: Charged during the year/period	1,874,144	7,775,681
	Sub-total	**74,841,992**	**72,967,848**
	Less: Payment during the year/period	-	-
	Closing balance	**74,841,992**	**72,967,848**

		Amount in BDT	
		31-Dec-25	31-Dec-24
24	**Net interest income**		
	Income from margin loan	13,297,371	13,748,419
	Less: interest expenses on borrowing	64,627,172	49,858,124
	Net total	**(51,329,801)**	**(36,109,705)**
24.1	**Interest/dividend expenses on borrowing/preference share**		
	Investment Corporation of Bangladesh	254,375	660,620
	CVC Finance PLC	-	4,558,031
	Rupali Bank PLC	12,638,647	8,849,942
	Citizens Bank PLC	7,386,729	1,504,668
	Jamuna Bank PLC	7,348,092	814,248
	Dividend expenses on preference share	1,807,521	2,479,523
	Interest on Margin Loan	33,823,519	30,844,274
	Interest expenses on lease liability	1,368,288	146,818
	Total	**64,627,172**	**49,858,124**
25	**Income from portfolio management services**		
	Income from management fees	1,786,638	2,575,793
	Settlement and transaction fees	2,416,293	2,238,996
	Documentation charges	252,550	79,500
	Total	**4,455,482**	**4,894,290**
25.1	**Income from management fees**		
	Management fees	1,786,638	2,575,793
	Total	**1,786,638**	**2,575,793**
25.2	**Settlement and transaction fees**		
	Settlement and transaction fees	4,553,314	2,441,282
	Less: CDBL & brokerage charges	2,137,021	202,286
	Total	**2,416,293**	**2,238,996**
25.3	**Documentation charges**		
	Account opening fees	252,550	79,500
	Total	**252,550**	**79,500**
26	**Income from investment banking**		
	Structured Finance Fees	-	635,000
	Total	**-**	**635,000**
27	**Investment income**		
	Capital gain on investments	(269,405,490)	81,955,603
	Dividend income from marketable securities	7,326,089	6,071,528
	Total	**(262,079,401)**	**88,027,130**
28	**Other income**		
	Interest income on SND accounts	28,926	31,749
	Gain on disposal of fixed asset	1,370,191	25,290
	Other charges	66,849	81,915
	Total	**1,465,966**	**138,954**
29	**Salary and allowances**		
	Salary and allowances	8,961,588	10,733,577
	Total	**8,961,588**	**10,733,577**
30	**Office rent, utilities, maintenance and services**		
	Office maintenance	38,411	93,354
	Office rent & utilities	1,069,483	679,079
	Telephone and telex	49,585	61,455
	IT maintenance	258,615	262,232
	Total	**1,416,094**	**1,096,120**

		Amount in BDT	
		31-Dec-25	31-Dec-24
31	**Legal & Professional Fees**		
	Legal and professional fees	12,778	72,184
	Total	**12,778**	**72,184**
32	**Postage, Stamps, Telecommunication etc.**		
	Postage and courier	5,065	2,001
	Total	**5,065**	**2,001**
33	**Stationeries, printings, advertisements**		
	Printing and stationery	93,984	113,476
	Advertisement and publicity	33,795	-
	Total	**127,779**	**113,476**
34	**Directors' fees and conveyance**		
	Directors' Fees	228,000	209,000
	Total	**228,000**	**209,000**
35	**Auditors' fees**		
	Auditors' fees	86,251	86,250
	Total	**86,251**	**86,250**
36	**Depreciation expenses**		
	Tangible asset	1,141,542	1,040,052
	Right-of-use assets (IFRS:16)	3,946,705	2,100,607
	Total	**5,088,246**	**3,140,659**
37	**Other expenses**		
	Motor vehicle expenses	617,507	1,039,029
	Travel and conveyance	83,780	81,531
	Entertainment	237,426	74,210
	Software maintenance fees	240,000	240,000
	Repair and maintenance	40,681	33,420
	Provision for structured finance fee	-	800,000
	Renewal and registration	337,623	436,455
	Training Expenses	9,000	-
	Bank charges and excise duty	210,142	260,951
	Total	**1,776,159**	**2,965,596**
38	**Provision for diminution in value of investments and margin loan**		
	Provision for diminution in value of investments	(411,280,915)	461,590,555
	Provision on margin loan	4,727,323	6,368,772
	Total	**(406,553,592)**	**467,959,327**

39 Earnings Per Share (EPS)

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

Net profit after tax	59,030,264	(347,544,737)
Weight average number of ordinary shares	26,875,000	26,875,000
Total	**2.20**	**(12.93)**

40 Diluted earning per shares

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

41 Net asset value (NAV) per share

Net asset attributable to ordinary shareholders	109,525,566	50,495,303
Number of outstanding ordinary shares at	26,875,000	26,875,000
Net asset value per share	**4.08**	**1.88**

42 Related party disclosure

The names of the related parties and nature of the transactions has been set out in accordance with the provisions of IAS 24: "Related party disclosures".

Name of Party	Relationship	Nature of Transaction	Balance as on 01 January 2025	Net transaction	Balance as on 31 Dec2025
Bangladesh Finance PLC	Parent Company	Non-convertible preference share	20,000,000	-	20,000,000
		Dividend payable	-	-	-
Bangladesh Finance Securities Limited	Subsidiary of parent Company	Non-convertible preference share	16,000,000	-	16,000,000
Bangladesh Finance Securities Limited	Subsidiary of parent Company	Non-convertible preference share	17,500,000	(8,000,000)	9,500,000
		Dividend Payable		6,767	6,767
Hossain Mehmood	Shareholder	Lease of office	5,786,786	2,488,340	8,275,126

43 Contingents liabilities

The company has no contingent liabilities and commitments during the period.

i) Outstanding letter of credits	-	-
ii) Capital expenditure commitments	-	-
iii) Claims against the Company not acknowledged as debts	-	-
iv) Claims by the Company not acknowledged as receivable	-	-

44 Number of employees

Number of employees whose remuneration was not below BDT. 36,000	7	11
	7	**11**

45 Events after the reporting period

There is no post balance sheet events which require neither adjustments nor discloser during the financial statements.

Milton Kumar Roy
Company Secretary

Suman Kumar Kundu
Chief Executive Officer

Md. Kyser Hamid
Director

As per our report of the same date

BANGLADESH FINANCE CAPITAL LIMITED

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2025

ANNEXURE-A (i)

Schedule of property, plant and equipment

(Amount in BDT)

Particulars	Cost				Rate %	Depreciation				Written Down Value as at 31 December 2025
	Balance as at 01 January 2025	Addition during the year	Disposal / adjustment during the year	Balance as at 31 December 2025		Balance as at 01 January 2025	Charged during the year	Transfer/ adjustment during the year	Balance as at 31 December 2025	
Furniture and fixture	4,179,095	-	1,817,775	2,361,320	20%	3,457,438	247,425	1,817,775	1,887,088	474,232
Office equipment	2,689,096	29,810	400,000	2,318,906	25%	2,530,538	117,521	399,999	2,248,060	70,846
Motor vehicle	5,555,557	4,102,250	5,555,557	4,102,250	20%	4,372,990	776,596	4,534,249	615,337	3,486,913
Balance as at 31 December 2025	**12,423,748**	**4,132,060**	**7,773,332**	**8,782,476**		**10,360,966**	**1,141,542**	**6,752,023**	**4,750,485**	**4,031,991**
Balance as at 31 December 2024	**30,487,684**	**5,971,653**	**15,835,536**	**20,623,800**		**25,500,287**	**3,140,659**	**15,835,536**	**12,805,410**	**7,818,390**

ANNEXURE-A (ii)

Schedule of Right of Use Asset

(Amount in BDT)

Particulars	Cost				Rate %	Depreciation				Written Down Value as at 31 December 2025
	Balance as at 01 January 2025	Addition during the year	Disposal / adjustment during the year	Balance as at 31 December 2025		Balance as at 01 January 2025	Charged during the year	Transfer/ adjustment during the year	Balance as at 31 December 2025	
ROU-Asset for Lease Rent	5,920,053	5,920,052	-	11,840,105		164,446	3,946,705	-	4,111,151	7,728,954
Balance as at 31 December 2025	**5,920,053**	**5,920,052**	**-**	**11,840,105**		**164,446**	**3,946,705**	**-**	**4,111,151**	**7,728,954**
Balance as at 31 December 2024	**6,336,531**	**5,920,053**	**6,336,531**	**5,920,053**		**4,400,369**	**164,446**	**4,400,369**	**164,446**	**5,755,607**

ANNEXURE-A (iii)

Schedule of Intangible Asset

(Amount in BDT)

Particulars	Cost				Rate %	Depreciation				Written Down Value as at 31 December 2025
	Balance as at 01 January 2025	Addition during the year	Disposal / adjustment during the year	Balance as at 31 December 2025		Balance as at 01 January 2025	Charged during the year	Transfer/ adjustment during the year	Balance as at 31 December 2025	
System & software	2,280,000	-	-	2,280,000	25%	2,279,999	-	-	2,279,999	1
Balance as at 31 December 2025	**2,280,000**	**-**	**-**	**2,280,000**		**2,279,999**	**-**	**-**	**2,279,999**	**1**
Balance as at 31 December 2024	2,280,000	**-**	**-**	**2,280,000**		**2,279,999**			**2,279,999**	**1**

BANGLADESH FINANCE CAPITAL LIMITED

CAPITAL ADEQUACY REPORT

As at 31 December 2025

ANNEXURE-B

Risk Base Capital Adequacy

"Capital adequacy" means the level of total capital against the total risk exposure of a registered entity that is required to be maintained as per these rules to ensure continuation of a safe and efficient operation and to withstand against any seen and unforeseen losses;

Computation of capital adequacy ratio (CAR) as per [rule – 4 (2)] of the Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy), Rules, 2019 :

Capital Adequacy Ratio

$$\text{Capital Adequacy Ratio (CAR)} = \frac{\text{Total Capital (TC)*}}{\text{Total Risk Requirement (TRR)}} \times 100$$

Maintained a mandatory Capital Adequacy Ratio minimum 120% or 1.20 times as per [rule – 4 (3) (a)] of the Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy), Rules, 2019.

$$\text{Capital Adequacy Ratio (CAR)} = \frac{538,045,931}{62,573,760} \times 100$$

$$= 860\% \quad \text{or 8.60 times of TRR}$$

*Details calculation of Total capital (TC) & Total risk requirement (TRR) are in Table-1 & 2;

Where,

a) Total capital (TC) = Core Capital + Supplementary Capital

b) Total Risk Requirement (TRR) = Operation Risk Requirement (ORR)+Position Risk Requirement(PRR)+Counterparty Risk Requirement (CRR)+Underwriting Risk Requirement(URR)+Large Exposure Risk Requirement (LERR)+ Liability Risk Requirement (LRR)

Table-1

Sl.	Area of Risk	Value of the risk factor
a.	Core Capital	109,525,566
b.	Supplementary Capital	428,520,365
	Total Capital (TC) (a+b)	**538,045,931**

Table-2

a.	Operation Risk Requirement (ORR)	2,442,801
b.	Position Risk Requirement(PRR)	54,307,829
c.	Counterparty Risk Requirement (CRR)	5,707,959
d.	Underwriting Risk Requirement(URR)	-
e.	Large Exposure Risk Requirement (LERR)	-
f.	Liability Risk Requirement (LRR)	115,171
	Total Risk Requirement (TRR) (a+b+c+d+f)	**62,573,760**

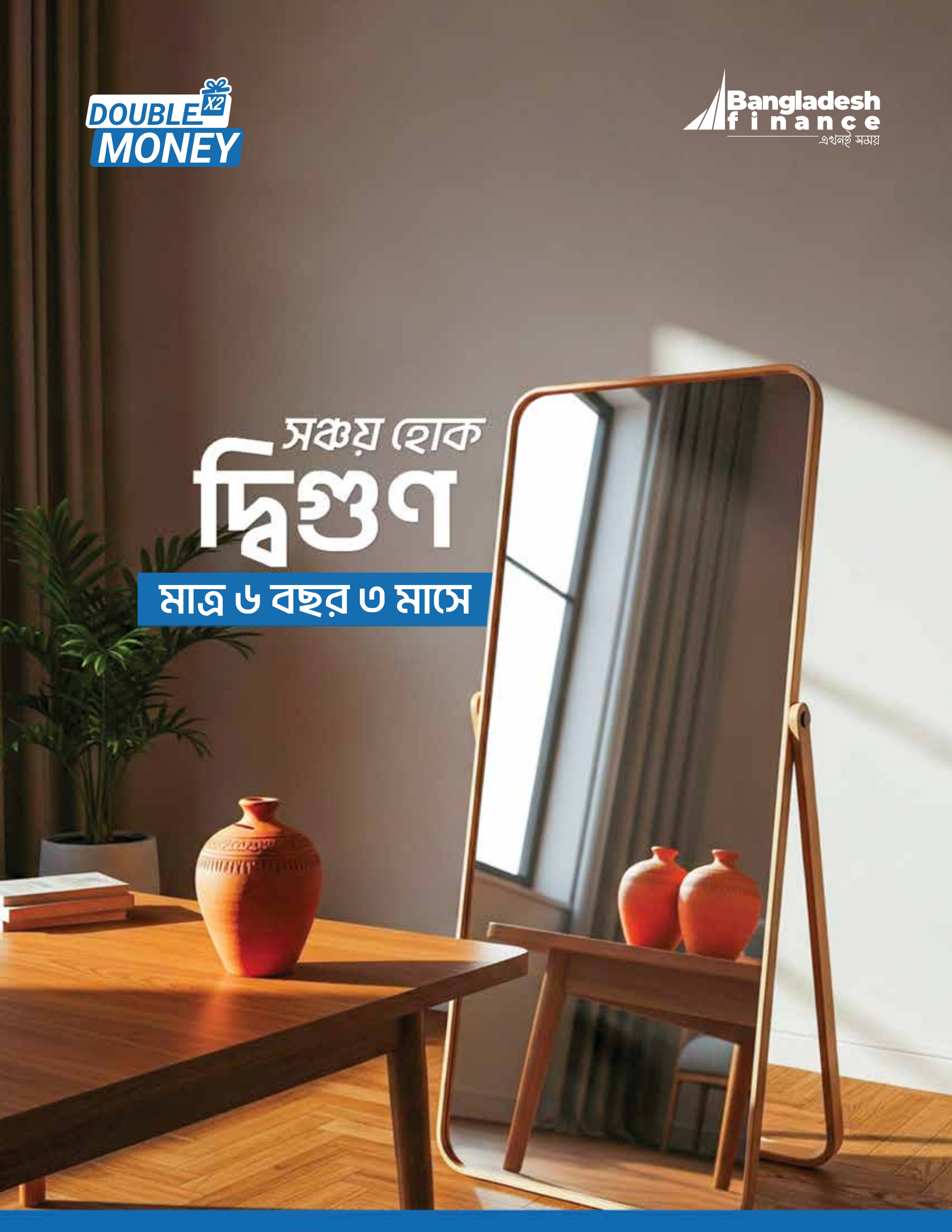
বিনিয়োগের গোলক ধাঁধায় না হারিয়ে আস্থা রাখুন বাংলাদেশ ফাইন্যান্সে



bd.finance 16727

DOUBLE X2 MONEY

Bangladesh finance
এখনই সময়



সঞ্চয় হোক দ্বিগুণ

মাত্র ৬ বছর ৩ মাসে

EVENTS

ANNUAL TOWNHALL

Bangladesh Finance celebrates its Annual Townhall with a strategic meeting session followed by a day full of engaging activities and team-building events.





GORBO AGAMI

Bangladesh Finance celebrates 'Gorbo Agami' by providing scholarships to children, empowering the next generation through education and opportunity.

INTERNATIONAL WOMEN'S DAY

Bangladesh Finance celebrates International Women's Day, honoring the strength, achievements, and contributions of women across all spheres of life.





BANGLA NOBO BORSHO

Bangladesh Finance celebrates Boshonto Boron with vibrant festivities, welcoming the season of spring with colors, music, and cultural performances.

REWARD & RECOGNITION

Bangladesh Finance hosts a Reward & Recognition ceremony, celebrating employee achievements, outstanding performances, and well-deserved promotions that reflect dedication and excellence.





INTERNATIONAL MEN'S DAY

Bangladesh Finance celebrates International Men's Day, recognizing the contributions, well-being, and positive role of men in families, workplaces, and communities.



BANGLADESH FINANCE PREMIER LEAGUE

Celebrating teamwork and sportsmanship, our employees came together for an exciting cricket league, showcasing passion and unity.

PARK ACTIVATION

Strengthening community engagement, we organized outdoor activities to connect with people and promote awareness in a lively, open environment.





LAPTOP & BAG DISTRIBUTION PROGRAM

As part of our corporate social responsibility we supported education and empowerment by distributing laptops and bags to deserving individuals.



BANGLADESH FINANCE "BIR"
FOOTBALL TOURNAMENT

Bangladesh Finance organized the 'BIR' Football Tournament in 2025 to promote the BIR product in areas with a high concentration of NRBs.

IFTAR PROGRAM
ORPHANAGE HOME

Bangladesh Finance Operations Team hosted an Iftar program at an orphanage home, sharing the warmth of Ramadan through community engagement and extending support and compassion to underprivileged children.





GULSHAN BRANCH
OPENING

Bangladesh Finance expanded its footprint with the inauguration of its Gulshan Branch strengthening customer accessibility and reaffirming its commitment to delivering enhanced financial services.

NEWS & MEDIA



Bangladesh Finance was featured in The Business Standard highlighting the institution's strong risk management framework and its steady progress toward restoring profitability.
The coverage reflected the company's resilience and strategi efforts to strengthen financial stability in a competitive market.

Bangladesh Finance received coverage in The Daily Star showcasing its improved financial performance driven by ongoing strategic restructuring initiatives. The feature emphasized the organization's focused approach to operational efficiency and sustainable long-term growth.





Bangladesh Finance appeared in Bonik Barta, presenting leadership insights and perspectives on the evolving financial landscape. The publication highlighted the company's continued commitment to innovation, customer-centric solutions, and sustainable growth within the financial sector.

OVC



The BIR OVC showcases Bangladesh Finance's dedicated financial solutions for Non-Resident Bangladeshis (NRBs), highlighting the ease of managing finances across borders. Through relatable storytelling, the campaign emphasizes secure remittance, investment opportunities, and seamless connections to home, reinforcing the brand's commitment to supporting the financial aspirations of Bangladeshis living abroad.

The Bangladesh Finance Islamic OVC presents Bangladesh Finance's Shariah-compliant financial services, focusing on trust, transparency, and ethical banking practices. The campaign highlights a range of faith-based financial solutions designed to meet the needs of customers seeking interest-free and value-driven products, while reinforcing inclusivity and confidence in Islamic finance.





TThe Bangladesh Finance Theme Song OVC reflects the organization's brand transformation and forward-looking vision, built around the message "এখনই সময়" The cinematic presentation combines music, visuals, and storytelling to convey innovation, digital advancement, and a renewed commitment to empowering customers on their financial journey.

SHAREHOLDER'S NOTE

BANGLADESH FINANCE PLC.

Bangladesh Finance Tower, 64 Motijheel C/A, Dhaka-1000.

27th Annual General Meeting

PROXY FORM

Revenue Stamp of Tk.20/-

I/We .....

Of ..... being a member of Bangladesh Finance PLC., hereby appoint Mr./Ms. .... of .... as my/our proxy to attend and vote for me/us and on my/our behalf at the 27th Annual General Meeting (AGM) of the Company to be held on Tuesday, 30 June 2026 at 11.30 A.M. or at any adjournment thereof.

Signed this ..... Day of ..... 2026.

Signature of proxy .....

.....

Signature of Shareholder

BO ID:																

No. of Shares .....

Note:

1) This form of proxy duly completed and signed shall be sent at least 48 hours before the meeting at the Company's registered office. Proxy is invalid if not signed and stamped as explained above.

1) The signature of the Shareholder must be in accordance with specimen signature recorded with the company.

এখনই সময়

Designed by:
Md. Selim Reza
selim.reza5621@gmail.com
01927657336

BANGLADESH FINANCE PLC

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