PHOENIX
FINANCE
*prepare to rise*

# 2025
# ANNUAL REPORT

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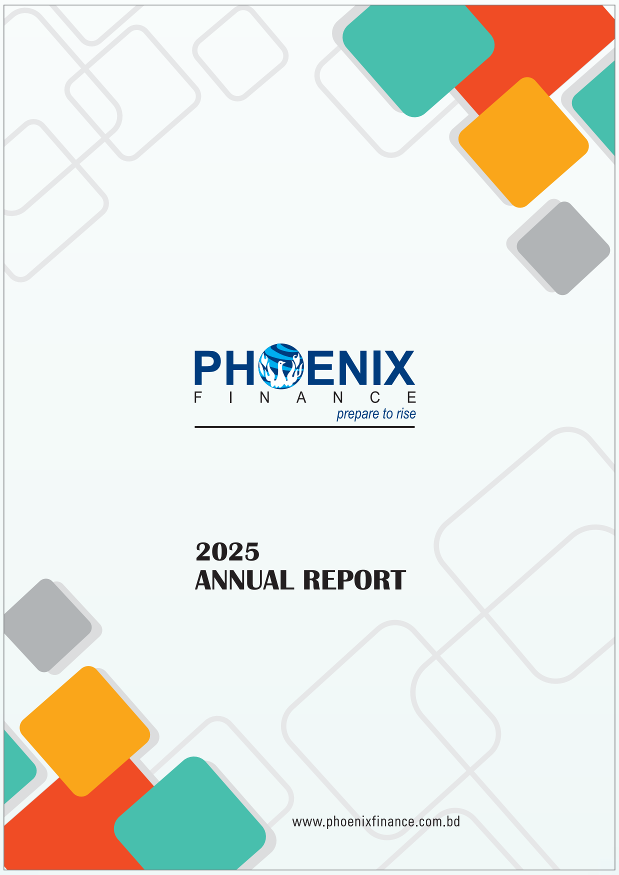
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# Tomorrow's

## Today's

# Economy

## Preparation

# "Future Finance: Reflecting Customer Value, *Not Just Profit*"

Finance will operate very differently and be significantly more efficient, with an increased focus on value oriented tasks.

New roles will be created , and existing ones augmented, with a different blend of skills.

### A skill set like no-other

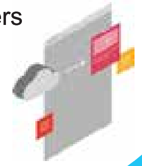
depth knowledge of sustainability strategies are critical to balance the inter relationships between financial and sustainability measures.

### View from the top

The link between enterprise value and financial value stands with PFIL.

### Data (continues to) reign king

Auditable and regulatory-grade sustainability data will be key for investors and shareholders going forward.



### A driving force

can drive better business outcomes and better capital allocation by bringing sustainability into their decision-making process.

### A genuine and purposeful sustainability story

A credible PFIL story is essential for capital raising and engaging with the market;

## ▶ Vision

**We** enable **people,** businesses **and society to** grow.

# ▶ Mission

We keep on **going** with the **values** of collaboration, respect, **innovation**, result orientation and integrity.

# Contents

# Company Information

### HEAD OFFICE :

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52-53, Dilkusha C/A, Dhaka-1000
Tel: 02 223389007-10, 223350617
Fax: 880 2 223387787
E-mail: mail@phoenixfinance.com.bd
pfildhaka@gmail.com

### BRANCHES

**PRINCIPAL BRANCH :**
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52-53, Dilkusha C/A, Dhaka-1000
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E-mail: principal@phoenixfinance.com.bd

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223385537, 223387823
Fax: 880 2 223386601
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**CHATTOGRAM BRANCH :**
Ayub Trade Center (2nd Floor)
1269/B, Sk. Mujib Road
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333316980, Fax: 880 2 333316981
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7, KDA Avenue, Khulna-9100
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**BOGURA BRANCH :**
Amicus Center (3rd Floor), 416-417
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Tel: 02 589903344, 589903346
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### AUDITOR

**Mahamud Sabuj & Co.**
Chartered Accountants

Fare Diya Complex, House 111/8E
(7th Floor), Free School Street,
Panthapath, Dhaka-1205, Bangladesh.
Cell: +88 01610006699
Tell: +88 02 41061114
E-mail: mahamudsabujandco@gmail.com
Web: www.mahamudsabuj.com

WWW

www.phoenixfinance.com.bd

# Milestone

| | | |
|---|---|---|
| April 19, 1995 | ► | Incorporation |
| April 19, 1995 | ► | Commencement of Business |
| May 09, 1995 | ► | Licenced under Bangladesh Bank |
| September 21, 1995 | ► | Signing of First Lease Agreement |
| April, 1996 | ► | Member, Asian Leasing & Finance Association - ALFA |
| September 25, 1996 | ► | Opening of Branch in Chattogram |
| September 21, 1997 | ► | Web Site Launched |
| November 05, 2000 | ► | Achieved Tk.100 crore Finance |
| August 04, 2004 | ► | Opening of Branch in Khulna |
| September 2004 | ► | Member, Association of National Development Finance Institutions in Member countries of the Islamic Development Bank - ADFIMI |
| September 19, 2005 | ► | Opening of Branch in Bogura |
| January, 2006 | ► | Member, Institute of Bankers, Bangladesh - IBB |
| February 01, 2007 | ► | Company changes name from PLC to PFIL |
| February 07, 2007 | ► | Opening of SME Branch in Dhaka |
| May 20, 2007 | ► | Prospectus issued for IPO of PFIL |
| May 27, 2007 | ► | Head Office shifted to Eunoos Center |
| September 25, 2007 | ► | Listed with Dhaka & Chattogram Stock Exchange |
| September 27, 2007 | ► | Trading of public shares of PFIL commenced |
| December, 2007 | ► | Achieved Tk. 500 Crore Finance |
| August 28, 2008 | ► | Opening of Uttara Branch in Dhaka |
| May 21, 2009 | ► | Opening of Imamgonj Branch in Dhaka |
| August 10, 2010 | ► | Opening of Dhanmondi Branch in Dhaka |
| July 03, 2011 | ► | Opening of Principal Branch in Dhaka |
| May 24, 2012 | ► | Opening of Gulshan Branch in Dhaka |
| June, 2016 | ► | Achieved 1,500 crore Deposit target |
| May, 2017 | ► | Achieved 2,500 crore Finance target |
| April, 2023 | ► | Launched core financial software (Fin Ultimus) |

# Financial Highlights

in BTD Million
where applicable

| Particulars | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Authorized Capital | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 |
| Paid up Capital | 1,658.74 | 1,658.74 | 1,658.74 | 1,658.74 | 1,658.74 |
| Reserve & Surplus | (18,654.32) | (15,261.77) | (7,179.45) | (127.22) | 1,250.97 |
| Share Holders' Equity | (16,995.58) | (13,603.03) | (5,520.70) | 1,531.52 | 2,909.71 |
| Total Deposits | 17,271.14 | 17,188.93 | 17,215.47 | 17,386.12 | 18,316.95 |
| Total Assets | 27,381.30 | 27,584.56 | 29,132.75 | 29,134.65 | 29,534.60 |
| Investment Portfolio | 25,809.95 | 26,069.70 | 27,343.82 | 27,089.93 | 27,342.86 |
| Operational Revenue | 539.63 | 540.70 | 549.88 | 2,166.59 | 3,082.21 |
| Operational Expenses | 2,679.47 | 2,920.97 | 2,556.97 | 1,922.92 | 2,732.48 |
| Operational Profit | (2,139.84) | (2,380.65) | (2,007.09) | 243.67 | 349.73 |
| Net Profit Before Tax | (3,417.59) | (8,089.64) | (7,047.68) | (1,357.12) | (279.62) |
| Net Profit After Tax | (3,392.56) | (8,082.32) | (7,052.22) | (1,386.19) | (350.53) |
| Net Asset Value per share | (102.46) | (82.01) | (33.28) | 9.23 | 17.54 |
| Earnings per Share | (20.45) | (48.73) | (42.52) | (8.36) | (2.11) |
| Dividend | | | | | |
| Cash | - | - | - | - | - |
| Stock | - | - | - | - | - |
| Return on Total Assets | -12.39% | -29.30% | -24.21% | -4.76% | -1.19% |
| Non Performing Loans (NPL) | 68.21% | 88.66% | 77.46% | 23.23% | 19.67% |
| Number of Branches | 9 | 9 | 9 | 9 | 9 |
| Number of Employees | 106 | 113 | 103 | 112 | 126 |

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PHOENIX FINANCE & INVESTMENTS LIMITED
Registered Office: Eunoos Center (Level-11)
52-53, Dilkusha C/A, Dhaka-1000

# Notice of the 31st Annual General Meeting

Notice is hereby given that the 31st Annual General Meeting of Phoenix Finance & Investments Limited will be held on August 27, 2026, Thursday at 11.30 a.m. through Hybrid System at Muktijuddho Smriti Milonayaton, (1st Floor), at the Institution of Diploma Engineers, Bangladesh, 160/A Kakrail, VIP Road, Dhaka 1000 and at Digital Platform Link: https://phoenixfinance.bdvirtualagm.com to transact the following business:

**AGENDA**

1. To receive, consider and adopt the Directors' Report, Audited Financial Statements along with Auditors' Report thereon for the year ended on 31st December, 2025.
2. To declare No Dividend for the year ended on 31st December, 2025 as recommended by the Board of Directors.
3. To elect/re-elect Directors in place of those who retired by rotation in accordance with the Articles of Association of the Company.
4. To appointment of Independent Director
5. To appoint/re-appoint the External Auditor of the Company for the year 2026 and to fix their remuneration.
6. To appoint/re-appoint Compliance Auditor of the Company for the year 2026 as per Corporate Governance Code of BSEC and to fix their remuneration.
7. To transact any other business with the permission of the Chair.

By Order of the Board of Directors
Sd/-
**Sabbirul Haque Chowdhury, ACS**
Company Secretary
Date: 04-08-2026

**NOTES :**

i. The Record Date was on July 23, 2026 (Thursday). The Shareholders whose names appeared in the CDS/Register of Members of the Company on the Record Date shall be entitled to the dividend and participate the AGM.

ii. Shareholders entitled to participate and vote at this virtual AGM may appoint a proxy to participate and vote. The Proxy Form, duly filled, signed and stamped at BDT 20/-, must be sent through email to pfilshare@gmail.com not later than 48 hours before commencement of the AGM.

iii. Annual Report-2025 along with Attendance Slip, Proxy Form and Notice of the AGM will be sent to all the Shareholders by courier service/post/e-mail address available as per CDBL record in due course. Members may also collect the Annual Report & Proxy Form from the Share Department of the company situated at Phoenix Bhaban (2nd Floor), 12, Dilkusha C/A, Dhaka-1000 or from the website of the company, i.e. www.phoenixfinance.com.bd.

iv. The shareholders will join the virtual AGM through the link https://phoenixfinance.bdvirtualagm.com. The shareholders will be able to submit their questions/comments electronically before 24 (twenty-four) hours of commencement of the AGM through this link and also during the Annual General Meeting. In order to login for the virtual AGM, the shareholders need to click on the link and provide their 16 digit Beneficiary Owners (BO) Account Number/Folio Number.

v. Shareholders are requested to login to the system well ahead of the Meeting at appointed time for the AGM on Thursday, August 27, 2026. For any IT related guidance and help with the login process the respected members may contact at 01712544196.

# Company Profile

Phoenix Finance & Investments Limited, one of the leading and reliable multi-products financial institutions in Bangladesh was incorporated on April 19, 1995 as a Public Limited Company under the Companies Act, 1994 and started its operation on May 9, 1995 as a Non-Banking Financial Institution named as Phoenix Leasing Company Limited under Financial Institution Act, 1993. It has changed its name to Phoenix Finance and Investments Limited (PFIL) from February, 2007 with a view to reflecting multi-dimensional financial activities of the Company and keeping a parity with the activities as it has been doing other than lease financing, which although, has remained as the prime area of the financial activities.

The authorised capital of the Company is Tk. 3,000,000,000 divided into 300,000,000 ordinary shares of Tk.10 each. Its paid-up capital is Tk.1,658,741,950 divided into 165,874,195 ordinary shares of Tk.10 each.

Sponsor shareholders of the Company include a renowned corporate body namely Phoenix Insurance Company Limited, a leading Insurance Company in Bangladesh. Others are individuals having wide range of experience in the field of commerce and industries.

PFIL now offers a wide range of financial services tailored to the needs of its customer which include:

ASSET PRODUCTS

- Lease Finance
- Real Estate Finance
- Short Term Finance
- Long Term Finance
- Financing against confirmed work order
- Start- up working capital
- Bridge Finance
- Factoring
- CMSME Loan
- Personal Loan
- Investment in Capital Markets

CORPORATE SERVICES

- Syndication of Loan / Lease
- Corporate Advisory
- Investment Counseling

DEBT PRODUCTS

- Periodic Income Option
  - Monthly
  - Quarterly
  - Half-yearly
- All at Maturity Option
- Platinum Double Scheme
- Double Money Scheme
- Triple Money Scheme
- Monthly Saving Scheme (MSS)
- Senior Citizen Deposit Scheme
- Student Deposit Scheme
- Children Deposit Scheme

# Chairman's
# Message


**Mr. Mohammed Mohsin**
**Chairman**

I believe that 2026 will bring new optimism and an improved platform for business, giving us the confidence that we will achieve our Business Plan for the coming year.

**RESPECTED SHAREHOLDERS,**

Assalamu Alaikum,

It is my great pleasure to present the Annual Report of Phoenix Finance & Investments Limited for the year 2025 before you. On behalf of the Board of Directors, I warmly welcome you all to the 31st Annual General Meeting of our beloved financial institution. I sincerely thank you for your continued trust, support, and cooperation throughout the year.

**DEAR PATRONS,**

The economy of Bangladesh in 2025 faced many challenges, including high inflation, slow export growth, and liquidity pressure in the financial sector. Our strategic focus during the year was to strengthen sustainability and improve financial management to ensure the Company's long-term stability during this difficult period. Despite these challenges, Phoenix Finance continued its operations with determination, careful planning, and resilience. We remained committed to fulfilling our responsibility as an important financial institution in the country's financial sector.

**DEAR STAKEHOLDERS,**

We always place the interests of our stakeholders above growth and profitability because we strongly believe that we have a great responsibility towards them. As of December 31, 2025, the total assets of the Company stood at Tk. 27,381.30 million, while the investment portfolio stood at Tk. 25,809.95 million.

From the recovery perspective, 2025 was a very challenging year because many businesses continued to suffer from the prolonged liquidity crisis. Our Management team worked with extra dedication to ensure timely collections and repayments. At the same time, special efforts were made to recover long-outstanding loans and problem accounts.

Through close monitoring and continuous follow-up, we achieved better recovery performance, and the Non-Performing Loan (NPL) ratio stood at 68.21% in 2025. The required yearly provisions were also maintained satisfactorily. The shares of Phoenix Finance & Investments Limited continue to be listed on both the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE), and the market capitalization of the Company stood at around Tk. 414.69 million. However, after maintaining the required provisions against classified loans and leases, the Shareholders' Equity stood at (16,995.58) million.

During the year under review, our strategy remained focused on sustainable business growth, improving the quality of deposits, enhancing asset quality, increasing operational efficiency and productivity, providing faster customer service, and strengthening risk management and corporate governance. We also continued our efforts in marketing, efficient fund management, risk assessment, and diversification of products and services. I firmly believe that the continued support and confidence of our valued stakeholders, together with the dedication of our capable Management team, will help us achieve our future goals.

**DEAR SHAREHOLDERS,**

I regret to inform you that the Board of Directors has recommended No Dividend for the year 2025. This decision has been made mainly because the Company is required to maintain adequate provisions against classified loans and leases, subject to the approval of the shareholders at the 31st Annual General Meeting. However, I believe the Board remains committed to maintaining a consistent dividend policy in the future, and we are hopeful of being able to recommend dividends in the coming years.

**DEAR PATRONS,**

Corporate governance at Phoenix Finance & Investments Limited is based on transparency, accountability, and ethical business practices. We ensure that the roles and responsibilities of the Board and Management are clearly defined to maintain proper checks and balances while allowing smooth business operations. The Board provides leadership and strategic direction, approves major policies and business decisions, and supervises Management to achieve the Company's goals and objectives. The Board strongly promotes integrity, compliance, and ethical conduct throughout the Company. It also ensures that effective internal control systems are in place and properly maintained so that the Company's financial records remain reliable and support the preparation of accurate financial statements.

**DEAR PATRONS,**

I believe that 2026 will bring new opportunities and renewed confidence for the financial sector. We are optimistic that we will successfully achieve our business goals for the coming year. We will continue to fulfill our corporate and social responsibilities and ensure that economic, environmental, and social considerations remain part of our decision-making process. We believe that our values of respect, trust, teamwork, and customer-focused service will continue to inspire us to achieve greater success.

**DEAR SHAREHOLDERS,**

I would like to express my sincere appreciation to the Members of the Board of Directors for their valuable support, guidance, and constructive contributions throughout the year. Their experience and wisdom have greatly supported the Management in overcoming various challenges. I also thank our Management team and all employees, under the capable leadership of the Managing Director, for their loyalty, dedication, and tireless efforts towards the Company's success. Their commitment and hard work are highly appreciated.

Finally, I would like to express my sincere gratitude to Bangladesh Bank, the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange PLC (DSE), Chittagong Stock Exchange PLC (CSE), the Registrar of Joint Stock Companies and Firms (RJSC), the National Board of Revenue (NBR), and all other regulatory authorities for their continued support, guidance, and cooperation. I assure you that the Board of Directors will always pursue the best strategies to improve profitability while protecting the value, reputation, and long-term sustainability of the Company.

The year 2026 will certainly bring both opportunities and challenges. However, our direction is clear. We will continue to focus on what we can control by providing excellent customer service, offering comprehensive financial solutions, managing our costs efficiently, and contributing to the growth of the country's economy. We sincerely look forward to your continued support, cooperation, and valuable guidance in the years ahead.

May Almighty Allah bless us.
Wishing you all the best.

**(Mohammed Mohsin)**
Chairman

# The Board of Directors

The Board is committed to helping the company achieve long-term success. The Board provides direction to management by setting the company's strategy and overseeing its implementation. It ensures risks and rewards are appropriately balanced.

**Mohammed Mohsin**
Chairman

**Brig. Gen. (Retd) Mahbub Ahmed Zakaria**
Independent Director

**Shafi Uddin Ahmed, FCA**
Independent Director

**F. Hayder Ali**
Nominee Director
Representing Phoenix Insurance Co. Ltd.

**Md. Mamunur Rashid Molla**
Managing Director

# Board of Directors' Profile

**Mr. Mohammed Mohsin**
Chairman

Mr. Mohammed Mohsin, son of late Mobarak Ali, the Legendary Entrepreneur of Banking Sector of the country appointed as a Director of the company from November 30, 2020. During the time he contributed a lot towards the Board of Directors of the Company. Afterword he elected as the chairman of the Company on 13 June, 2023. In his educational life, Mr Mohammed Mohsin obtained graduation from the University of Dhaka. Later he pursued his higher studies at University of Central London on Business Management. Upon completion his educational life he joined his father's business enterprise New United Industries Limited as a director in the year 1989. He also ventured into different sectors at home and abroad, most notably having a Distributorship of Phone Cards in the early 2000's in Dallas, Texas, USA. He is also held Directorship in many renowned private sector companies. At Present he holds directorship of Phoenix Securities Ltd., a well-known stock brokerage house, the Managing Director of Khurshid apparels and also having a directorship with an aviation business namely Flight 71.

Since his childhood Mr. Mohsin has been deeply involved in many social and cultural communities. He is a social worker and also known as a die-hard sports lover. He is the President of Rotary Club of Dhaka South, Vice President of Dhaka Akadash R.C, Vice President of Badda Jagoroni Sangsad, Football Committee Member of Dhaka Mohammedan Sporting Club. He is the Joint Treasurer of Gulshan Society, Life Member of Gulshan Youth Club, Life Member of Gulshan Society Mosjid, Life Member Chattagram Samity and Member of Gulshan Central Masjid.

Mr. Mohammed Mohsin extensively travel in many countries in the way to be more associated with wider communities of peoples and societies of the world.

**Brig. Gen. (Retd) Mahbub Ahmed Zakaria**
Independent Director

Brigadier General (Retd) Mahbub Ahmed Zakaria, Bir Protik, the Independent Director of the Company, is a retired high official of the Bangladesh Army. He was commissioned with the 14 BMA Long Course. Mr. Mahbub Ahmed Zakaria graduated from the University of Chittagong. He obtained a Master's in Defence Studies from the National University, Bangladesh, and a Master's in War Studies from the Bangladesh University of Professionals (BUP). He also completed M.Phil. Part-I in Strategy and Development Studies at the same institution.

In his early career, he served as Staff Officer (Operations) at Division Headquarters, Commanding Officer of Infantry Battalions, Group Testing Officer at the Inter Services Selection Board, Company Commander, and Detachment Commander in DGFI. He also held responsible positions as Chief Instructor at the NCOs Academy, Commander, Infantry Brigade, and Station Commander, among others.

Mr. Zakaria has more than 30 years of service experience in both the public and private sectors of Bangladesh. He served with the UN Peace Forces in Kuwait. He worked as Operation Management & Communication Specialist at the Public-Private Partnership (PPP) Authority. He was also an Executive Director (Marketing and Administration) at ARAC Polywrap and served as the Chairman of Bangladesh Textile Mills Corporation (BTMC).

He has extensively participated in various professional training programmes at home and abroad and has travelled to different countries around the world.

**Shafi Uddin Ahmed, FCA**
Independent Director

Mr. Shafi Uddin Ahmed, FCA is a highly accomplished finance professional and Fellow Chartered Accountant with more than 44 years of extensive experience in finance, accounting, auditing, corporate governance, financial reporting, taxation, administration, and company secretarial functions. He holds a Master’s degree in Accounting and an MBA in Finance. He is currently a Partner of FAMES & R Chartered Accountants.

Throughout his distinguished career, Mr. Ahmed has held numerous senior leadership positions in leading local and multinational organizations, providing strategic financial leadership and strengthening corporate governance frameworks.

Mr. Ahmed began his professional career with M.J. Abedin & Co., Chartered Accountants, where he served from 1981 to 1990, progressing from Article Student to Audit Manager and gaining extensive experience in audit, taxation, financial reporting, and corporate advisory services.

He later served as Chief of Finance & Administration and Company Secretary of Social Marketing Company (SMC) until his retirement. Prior to that, he served as Chief Financial Officer of LSI Industries Ltd., a 100% foreign-invested company located in DEPZ. His distinguished career also includes serving as Director-Finance of Experience Clothing Co. Ltd. and Experience Textile Ltd., Chief Accountant & Company Secretary of Mirpur Ceramic Works Ltd. and Khadim Ceramics Ltd., and Chief Accountant of BECO Group of Industries.

Over the course of his career, Mr. Ahmed has developed extensive expertise in corporate finance, financial management, auditing, taxation, internal controls, regulatory compliance, risk management, and corporate governance. His experience enables him to provide valuable strategic guidance and independent oversight at the board level.

In addition to his professional engagements, Mr. Ahmed has been actively associated with various social and charitable initiatives, reflecting his commitment to community development and ethical leadership.

As an Independent Director, Mr. Ahmed brings extensive financial expertise, sound judgment, and strong corporate governance experience, contributing to the Board's strategic oversight and long-term value creation.

**F. Hayder Ali**
Nominee Director
Representing Phoenix Insurance Co. Ltd.

Mr. F. Hayder Ali, Nominee Director of the Company, is presently serving as Senior Vice President and Head of Share & Investment Department of Phoenix Insurance Company Ltd. He has more than 31 years of experience in corporate management and compliance issues, especially with Initial Public Offer (IPO) and related public functions. Earlier, he served with ANZ Grindlays Bank Ltd. (Standard Chartered Bank PLC), where he performed special assignments in connection with public issue of shares. Before that, he worked with shipping line enterprises, where he was assigned responsibilities for shipment analysis, preparation of reports, and managerial works.

Mr. Hayder has vast knowledge in Company Laws, Bangladesh Securities and Exchange Commission (BSEC) rules and regulations, and Stock Exchange listing rules and regulations. During his service period, he participated in numerous seminars, workshops, and symposiums relating to Share, Investment & Capital Market. He completed training courses on International Accounting Standards (IAS) and Bangladesh Accounting Standards (BAS) organized by The Aries Group Ltd.

He also participated in Corporate Governance and Securities Laws programs organized by the Bangladesh Institute of Capital Market (BICM) and Dhaka Stock Exchange PLC (DSE). He has an outstanding academic and professional career. He obtained his Bachelor of Science (Honours) and Master of Science in Botany from Rajshahi University, Bangladesh.

He is also engaged in various social and charitable activities and likes to travel.

**Md. Mamunur Rashid Molla**
Managing Director

Mr. Mamunur Rashid Molla has three decades of banking experience. He started his professional career at Prime Bank PLC as a founding member in 1995. He also worked at The Premier Bank PLC, Shahjalal Islami Bank, Mutual Trust Bank PLC (MTB), and National Bank PLC (NBL) as Branch Manager, Regional Head, and Divisional Head. He served as Head of International Division (ID) and Credit Risk Management Division (CRM) in different banks. He was the Deputy Managing Director of SBAC Bank Ltd. Prior to his current assignment, he served as the Managing Director & CEO of CVC Finance Limited.

Mr. Mamunur Rashid Molla obtained his Master's degree in International Trade and Business from the University of Dhaka. He also obtained his MBA in Finance & Banking from UTS. He has attended numerous professional trainings, workshops, and seminars at home and abroad.

# Executive Committee of the Board of Directors

Chairman
**Brig. Gen. (Retd) Mahabub Ahmed Zakaria**

Members
**Mr. Mohammed Mohsin**
**Mr. Shafi Uddin Ahmed, FCA**

# Audit Committee of the Board of Directors

Chairman
**Mr. Shafi Uddin Ahmed, FCA**

Members
**Brig. Gen. (Retd) Mahabub Ahmed Zakaria**
**Mr. F. Hayer Ali**

# Risk Management Committee

Chairman
**Mr. F. Hayer Ali**

Members
**Mr. Mohammed Mohsin**
**Mr. Shafi Uddin Ahmed, FCA**

# Senior Management

01
**Md. Mamunur Rashid Molla**
**Managing Director**

02
**Mohammad Sayduzzaman FCA, FCS**
Deputy Managing Director

03
**Mohammed Mahbub Alam**
EVP & Head of Credit
Risk Management (CRM)

04
**Sardar Mahbub Ali**
SVP & Head of HR

05
**Mohammed Ashaduzzaman**
SVP & Chief Financial Officer

06
**Md. Rumman Hossain**
SAVP & Head of
Internal Control & Compliance

07
**Mohammad Kamruzzaman**
AVP & Head of Special Asset
Management Division

08

**Md. Razwanul Kabir**
AVP & Head of Credit Administration (CAD)

09

**Sabbirul Haque Chowdhury, ACS**
FAVP & Company Secretary

10

**Md. Shahjahan Bhuiyan**
FAVP & Head of Investments & Share Division

11

**ZIAUL ISLAM CHOWDHURY**
FAVP & Head of Legal

12

**Mohammed Fariduzzaman**
FAVP & Head of General Service Division

13

**Muhammad Badrul Manir**
SPO & Head of Information and Communication Technology (CC)

The Senior Management Committee executes the stategy and long-term goals of the Company. It drives business performance and organisational synergies. It is also responsible for protecting and enhancing our brand and reputation.

Process Excellence will unlock capacity and **allow Finance to fundamentally rebalance** where resource is focused and effort is spent.

## 01 MD. MAMUNUR RASHID MOLLA
Managing Director

Mr. Md. Mamunur Rashid Molla has three decades of Banking experience of the banks. He started his professional career in the Prime Bank PLC as founding member in the year 1995. He also worked in The Premier Bank PLC, Shahjalal Islami Bank, Mutual Trust Bank PLC (MTB) and National Bank PLC (NBL) as Branch Manager, Regional Head, and Divisional Head. He worked as Head of international Division. (ID) and Credit Risk Management Division (CRM) in different Banks. He was the Deputy Managing Director of SBAC Bank Ltd. Prior to his new assignment he was the Managing Director & CEO of CVC Finance Limited.

Mr. Mamunur Rashid Molla obtained his Master's degree in "International Trade and business" from University of Dhaka. He also obtained his MBA in Finance & Banking from UITS. He has attended numerous professional trainings, workshops & seminars at home and abroad.

## 02 MOHAMMAD SAYDUZZAMAN
FCA, FCS, Deputy Managing Director

Mr. Mohammad Sayduzzaman is working as the Deputy Managing Director. He Joined the Company in August, 2005, held the position of Head of Finance & Accounts & Secretary to the Board. He gradually held the position of Head of Human Resources, Logistics, Public Relation and Credit Administration Division and the Deputy Managing Director of the Company. Mr. Sayduzzaman has a bright Academic and Professional Career. He obtained Masters Degree in Accounting from Jagannath University, Dhaka. He is a Fellow Member of both the Institute of Chartered Accountants of Bangladesh (ICAB) and Institute of Chartered Secretaries of Bangladesh (ICSB). Enlightened with a solid Professional background, Mr. Sayduzzaman, prior to joining Phoenix Finance & Investments Ltd., worked as the Company Secretary and Chief Accountant with Insurance and Manufacturing Companies. He participated in a number of Professional Training, Seminar, workshop & Symposium at Home and Abroad. Mr. Sayduzzaman is also engaged on various Educational, Professional & Social Organizations.

## 03 MOHAMMED MAHBUB ALAM
EVP & Head of Credit Risk Management (CRM)

Experienced with a combination of Finance, Investment & Commercial Banking, Mr. Alam joined Phoenix Finance in 2011 as Assistant Vice President. At present, he is working as EVP and the Head of Credit Risk Management (CRM). In his educational life, he obtained Post-graduation Degree in Accounting from Dhaka University, MBA Degree from Institute of Business Studies (IBS) and also completed three and half year C.A. Articleship Course from A. Haque & Company, Chartered Accountants, Dhaka. Mr Alam, has over 26 years of financial services experience and held various positions. He started his career with Uttara Bank Ltd. as Officer Grade-I in 1999. Subsequently he served with National Bank Ltd. and ONE Bank Ltd. with different positions including the Head of Branch, Head of Lease Finance, Head of General Banking, Unit Manager and Relationship Manager. During his service tenure, Mr. Alam participated in various Professional and Institutional training, Seminar and Workshop conducted by BIBM, BBTI, IFC & SEDF, ICAB, ICMA, Uttara Bank Training Institute, National Bank Training Institute, ONE Bank Training Institute and BSEC.

## 04 SARDAR MAHBUB ALI
SVP, Head of HR Division

Sardar Mahbub Ali, holds the position of SVP & Head of HR Division of the Company. He started his service career with a reputed life insurance company as Officer Grade-1 on September 23, 1995. He joined Phoenix Finance & Investments Ltd. as a Probationary Officer on February 1, 1999. During his long tenure of service with the Company he held different positions as FAVP & Asst. Manager, Khulna Branch & Bogra Branch, AVP, Finance & Accounts & Investment Division, Head Office and AVP & Manager Operation of Principal Branch of the Company. Having a bright educational background, Mr. Mahbub Ali obtained B.Com (Hons.), M. Com in Accounting under Rajshahi University. He also Completed Chartered Accountancy Articleship. He is an MBA with major in Finance from Stamford University, Bangladesh. During his service Mr. Mahbub Ali participated in various training courses such as Corporate Tax Management, Lease Financing in Daily Business, Leasing and Asset based funding preparing for the New Millennium, Merchant Banking, Financing Management for Small & Medium Enterprises, SME Market Segmentation Database etc.

## 05 MOHAMMED ASHADUZZAMAN
SVP & Chief Financial Officer

Mohammed Ashaduzzaman took over the role of CFO in 2023. His areas of expertise span over financial planning, and control, Budgeting, Corporate and financial reporting, strategic planning and taxation. Prior to that he was discharging his duties as a Head of Treasury Division. He has vast knowledge on his responsibility for Treasury Management, day to day operation of financial matters of the Company and preparation of the different types of reports and managing IT infrastructure, security, networking. He is also involved in software implementation project of the Company. Mr. Ashad joined Phoenix Finance and Investments Limited (PFIL) in March 2007. Prior to joining in Phoenix Finance, he was the Assistant Manager of Finance & Accounts Division of BD Finance Ltd. Mr. Ashad completed his Honors with 1st class and Masters in Accounting from Comilla Victoria Govt. College under National University with an excellent academic record. Thereafter, he completed Chartered Accountancy course. from Rahman Rahman Huq (RRH), a member firm of KPMG International one of the big 4 Audit & Accounting firms in the world. During his tenure with RRH he conducted Audit and provided advisory services to many National & Multinational Organizations. Mr. Ashad attended numerous trainings, seminars organized by reputed local and international organizations.

## 06 MD. RUMMAN HOSSAIN
SAVP & Head of Internal Control & Compliance

Md. Rumman Hossain, Sr. Assistant Vice President working as the Head of ICCD, joined the Company in June 2004. Mr. Rumman has a bright Academic and Professional career. He completed Cost & Management Accountancy (Part-3 & half level) from The Institute of Cost & Management Accountants of Bangladesh (ICMAB) and also obtained EMBA from North South University.

A very active, Dynamic, Energetic executive Mr. Rumman is effective and efficient with team working environment and leadership performance. During his long tenure of service with the Company, he held various positions in the company and participated different professional Training, Seminar & Workshop.

## 07 MOHAMMAD KAMRUZZAMAN
AVP & Head of Special Asset Management Division

Mohammad Kamruzzaman joined in Phoenix Finance and Investments Limited (PFIL) in October, 2024. Prior to joining in Phoenix Finance and Investments Limited, he was Head of Business of Bangladesh Industrial Finance Company Limited. He completed his honors and Masters in Management from Cumilla Victoria Government College under national University. He also completed Managing of Financial Institutions (MFI), course from Institute of Business Administration (IBA), University of Dhaka, Bangladesh.

To further strengthen his professional skill, he has completed JAIBB and AIBB from The Institute of Bankers, Bangladesh (IBB). He played the role of Head of Credit Risk Management, Head of Corporate Business, Head of Integrated Supervision System & Focal Point, Head of Sustainable Finance, Head of Recovery, Head of Treasury and CAMLCO.

## 08 MD. RAZWANUL KABIR
AVP & Head of Credit Administration (CAD)

Md. Razwanul Kabir has been serving with Phoenix Finance & Investments Ltd. since 2005, beginning his journey as a Relationship Manager at the Khulna Branch. Through successive Leadership Roles in operations and Branch Management, he has consistently driven performance, operational excellence, and sustainable growth across multiple branches.

In 2014, he assigned to the Credit Administration Division (CAD) at the Head Office, where his strategic insight, integrity, and commitment to excellence earned him the position of Deputy Head of the Division in 2019. At present, as the Head of CAD, Mr. Kabir leads with vision and precision, steering the division to deliver robust credit administration and uphold the highest standards of corporate governance.

He holds advanced qualifications in MBA (Finance & Accounts) and Law and has participated in a wide array of professional development programs, equipping him with the expertise to lead complex financial operations and drive organizational success.

## 09 SABBIRUL HAQUE CHOWDHURY ACS
FAVP & Company Secretary

Sabbirul Haque Chowdhury, joined Phoenix Finance and Investments Limited (PFIL) in May, 2006. Prior to joining in Phoenix Finance, he served with Phoenix Medical Centre Ltd. Mr. Haque graduated from University of Chittagong and obtained MBA (F&A) from a reputed Private University. Thereafter, he obtained Chartered Secretaryship from Institute of Chartered Secretaries of Bangladesh (ICSB). Mr. Haque attended numerous trainings, seminars organized by reputed professional organizations.

## 10 MD. SHAHJAHAN BHUIYAN
FAVP & Head of Investments & Share Department

Md. Shahjahan Bhuiyan, joined Phoenix Finance and Investments Limited (PFIL) in August, 2006. Prior to joining in Phoenix Finance, he was the Assistant Manager of Finance & Accounts Division of South Asia Insurance Co. Ltd. There after he was the Head of Branch Control Department of City General Insurance Co. Ltd. Mr. Shahjahan completed his Honors and Masters in Accounting from Comilla Victoria Govt. College under National University with an excellent academic record. Thereafter, he completed Chartered Accountancy course from Howlader Yunus & Co. (HYC), a member firm of Grant Thornton International, a famous Audit & Accounting firm in the world. During his tenure with HYC he conducted Audit and provided advisory services to many National & Multinational Organizations. Mr. Shahjahan attended numerous trainings, seminars organized by reputed local and international organizations.

## 11 ZIAUL ISLAM CHOWDHURY
FAVP & Head of Legal

Mr. Ziaul Islam Chowdhury is a distinguished legal professional with over 16 years of extensive experience in the legal arena, including 12 years in the corporate and banking industry practice. He holds both Bachelor's and Master's degree in Law, which have laid a strong foundation for his dynamic career as a legal practitioner.

Throughout his professional journey, he has developed profound expertise in corporate governance, banking regulations, financial laws, litigation management, contract negotiation, compliance, and dispute resolution.

His wide-ranging knowledge and strategic clear-sightedness have enabled him to effectively safeguard institutional interests while ensuring adherence to regulatory frameworks.

As the Head of Legal of Phoenix Finance & Investments Limited, he leads the Legal Division with a focus on excellence, risk management, and value creation. He plays a pivotal role in advising the institution on critical legal matters, ensuring regulatory compliance, and managing legal risks that impact the organization.

With a reputation for integrity, professionalism, and forward-thinking leadership, Mr. Ziaul Islam Chowdhury is committed to strengthening the legal framework of the institution and supporting its sustainable growth.

## 12 MOHAMMED FARIDUZZAMAN
FAVP & Head of General Service Division

Mohammed Fariduzzaman is an Engineer with 10 years of prior experience in the real estate business and nearly 22 years of experience in the financial services industry. He has been serving at Phoenix Finance & Investments Limited since December 1, 2004. During his long tenure with the Company, he has held various positions across different departments at the Head Office and branches. Currently, he is serving as FAVP & Head of the General Service Division. He has extensive experience in matters related to the General Service Division and is a highly active, dynamic, and energetic executive with strong expertise in logistics-related operations.

## 13 MUHAMMAD BADRUL MANIR
SPO & Head of Information and Communication Technology (CC)

Muhammad Badrul Manir has been serving as the Head of Information and Communication Technology (CC), where he is responsible for spearheading the strategic direction, development, and operational excellence of the institute's entire technology infrastructure and digital initiatives. With 19 years of dedicated experience in the information. technology sector, he plays a pivotal role in ensuring the robustness, security, and innovation of our digital ecosystem.

Muhammad Badrul Manir's expertise encompasses critical areas such as IT governance, cyber security frameworks, core banking system management, digital transformation, and the strategic adoption of emerging technologies. He leads a dedicated team of technology professionals, fostering a culture of innovation and continuous improvement of the Company.

Prior to joining Phoenix Finance and Investments Limited, Muhammad Badrul Manir held significant roles at institutions such as SCB and Rose Eximcom. He is a Computer Science graduate and has further enhanced his

expertise through numerous training programs and workshops, both domestically and internationally.

# Core Committees and others

### MANAGEMENT COMMITTEE (MANCOM)

- Md. Mamunur Rashid Molla
  Managing Director
- Mohammad Sayduzzaman FCA, FCS
  Deputy Managing Director
- Mohammed Mahbub Alam
  Head of Credit Risk Management Division
- Sardar Mahbub Ali
  Head of HR Division
- Mohammed Ashaduzzaman
  Chief Financial Officer
- Md. Rumman Hossain
  Head of Internal Control & Compliance
- Mohammad Kamruzzaman
  Head of Special Asset Management
- Md. Razwanul Kabir
  Head of Credit Administration (CAD)
- Sabbirul Haque Chowdhury
  Company Secretary
- Md. Shahjahan Bhuiyan
  Head of Investments & Share Deptt.
- Ziaul Islam Chowdhury
  Head of Legal
- Mohammed Fariduzzaman
  Head of General Service Division
- Muhammad Badrul Manir
  Head of Information and Communication Technology (CC)

### ASSET LIABILITY COMMITTEE (ALCO)

- Md. Mamunur Rashid Molla
  Managing Director
- Mohammad Sayduzzaman FCA, FCS
  Deputy Managing Director
- Mohammed Mahbub Alam
  Head of CRM Division
- Sardar Mahbub Ali
  Head of HR Division
- Mohammed Ashaduzzaman
  Chief Financial Officer

### CREDIT COMMITTEE

- Md. Mamunur Rashid Molla
  Managing Director
- Mohammad Sayduzzaman FCA, FCS
  Deputy Managing Director
- Mohammed Mahbub Alam
  Head of Credit Risk Management Division
- Sardar Mahbub Ali
  Head of HR Division
- Mohammed Ashaduzzaman
  Chief Financial Officer

### BASEL II IMPLEMENTATION COMMITTEE

- Md. Mamunur Rashid Molla
  Managing Director
- Mohammad Sayduzzaman FCA, FCS
  Deputy Managing Director
- Mohammed Mahbub Alam
  Head of Credit Risk Management Division
- Mohammed Ashaduzzaman
  Chief Financial Officer
- Md. Abdus Sobur
  FAVP, (F & A)

### CENTRAL COMPLIANCE UNIT (CCU)

- Mohammad Sayduzzaman FCA, FCS
  Deputy Managing Director
- Mohammed Mahbub Alam
  Head of Credit Risk Management Division
- BAMLCO
  Head of all Branches

### CAMLCO & DCAMLCO

- Mohammad Sayduzzaman FCA, FCS
  Deputy Managing Director & CAMLCO
- Mohammed Mahbub Alam
  Head of CRM Division & DCAMLCO

### COMPLAINT CELL

- Sardar Mahbub Ali
  Head of HR Division
- Razwanul Kabir
  AVP (CAD)

### ICT Steering Committee

- Mohammed Mahbub Alam
  Head of Credit Risk Management Division
- Sardar Mahbub Ali
  Head of HR Division
- Mohammed Ashaduzzaman
  Chief Financial Officer
- Md. Rumman Hossain
  Head of Internal Control & Compliance
- Ziaul Islam Chowdhury
  Head of Legal Unit
- Md. Badrul Manir
  Head of ICT (CC)

### ICT Security Committee

- Mohammed Mahbub Alam
  Head of Credit Risk Management Division
- Mohammed Ashaduzzaman
  Chief Financial Officer
- Md. Rumman Hossain
  Head of Internal Control & Compliance
- Md. Badrul Manir
  Head of ICT (CC)
- Md. Aslam Hosen
  Principal Officer, ICT

### ICT Risk Management Committee

- Sardar Mahbub Ali
  Head of HR Division
- Mohammed Ashaduzzaman
  Chief Financial Officer
- Md. Badrul Manir
  Head of ICT (CC)
- Md. Aslam Hosen
  Principal Officer, ICT

### COMPUTER INCIDENT RESPONSE TEAM

- Mohammad Sayduzzaman, FCA, FCS
  Deputy Managing Director
- Mohammed Ashaduzzaman
  Chief Financial Officer
- Md. Badrul Manir
  Head of ICT (CC)
- Md. Aslam Hosen
  Principal Officer, ICT

## SUSTAINABLE FINANCE COMMITTEE

- Mohammad Sayduzzaman, FCA, FCS
  Deputy Managing Director
- Mohammed Mahbub Alam
  Head of Credit Risk Management Division
- Sardar Mahbub Ali
  Head of HR Division
- Mohammed Ashaduzzaman
  Chief Financial Officer
- Md. Rumman Hossain
  Head of Internal Control & Compliance
- Siddiqur Rahman Rana
  Credit Risk Management Division

## SUSTAINABLE FINANCE UNIT

- Mohammed Mahbub Alam
  Head of Credit Risk Management Division
- Abdullah-Al-Mamun
  Credit Risk Management Division

## ETHICS (NAITIKATA) COMMITTEE

- Mohammad Sayduzzaman, FCA, FCS
  Deputy Managing Director
- Sardar Mahbub Ali
  Head of HR Division
- Mohammed Ashaduzzaman
  Chief Financial Officer
- Md. Rumman Hossain
  Head of Internal Control & Compliance

## INTEGRITY STRATEGY IMPLEMENTATION CELL

- Sardar Mahbub Ali
  Head of HR Division
- Razwanul Kabir
  Head of CAD
- Sk. Aktarul Alam
  Senior Principal Officer, HR

## INTEGRATED SUPERVISION SYSTEM (ISS) DESK

- Mohammed Ashaduzzaman
  Chief Financial Officer
- Razwanul Kabir
  Assistant Vice President
- Md. Abdus Sobur
  First Assistant Vice President
- Md. Didar Uddin Bhuah
  First Assistant Vice President
- Abdul Rakib
  Principal Officer, (F & A)

## INNOVATION TEAM

- Mohammad Sayduzzaman FCA, FCS
  Deputy Managing Director
- Sardar Mahbub Ali
  Head of HR Division
- Md. Rumman Hossain
  Head of Internal Control & Compliance
- Sk. Aktarul Alam
  Senior Principal Officer (SPO)

## RISK MANAGEMENT FORUM

- Mohammad Sayduzzaman FCA, FCS
  Deputy Managing Director
- Mohammed Mahbub Alam
  Head of Credit Risk Management Division
- Sardar Mahbub Ali
  Head of HR Division
- Mohammed Ashaduzzaman
  Chief Financial Officer
- Md. Rumman Hossain
  Head of Internal Control & Compliance
- Md. Badrul Manir
  Head of ICT (CC)

## RISK ANALYSIS UNIT

- Md. Abdus Sobur
  First Assistant Vice President, (F & A)
- Abdullah-Al-Mamun
  Credit Risk Management Division

## CENTRAL CORE RECOVERY UNIT (CCRU)

- Mohammed Mahbub Alam
  Head of Credit Risk Management Division
- Sardar Mahbub Ali
  Head of HR Division
- Mohammad Kamruzzaman
  AVP & Head of SAM
- Ziaul Islam Chowdhury
  Head of Legal Unit
- Binoy Willam Cruze
  Sr. Principal Officer
- Md. Ali
  Principal Officer, SAM

## DISASTERS RESPONSE TEAM

- Sardar Mahbub Ali
  Head of HR Division
- Md. Fariduzzaman
  Head of GSD
- Razwanul Kabir
  Head of CAD
- Md. Badrul Manir
  Head of ICT (CC)

## Willful Defaulter Identification Unit

- Mohammed Mahbub Alam
  Head of CRM
- Sardar Mahbub Ali
  Head of HR Division
- Razwanul Kabir
  Head of CAD
- Ziaul Islam Chowdhury
  Head of Legal Unit
- Abdullah-Al-Mamun
  Credit Risk Management Division

## Legal Unit

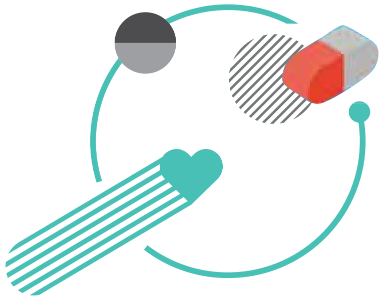
- Ziaul Islam Chowdhury
  Head of Legal Unit
- Sabuj Chowdhury
  Principal Officer
- Kawsar Ahmed
  Principal Officer
- Jobaur Rahman
  Assistant Officer

# Managing Director's Review

**Md. Mamunur Rashid Molla**
Managing Director

Assalamu Alaikum,

The year 2025 was a very challenging year for us. During the year, we focused on strengthening our products, financing activities, and operational sustainability. We also worked to make our financing services more accessible and efficient. Our employees, customers, and stakeholders are the driving force behind our success. By supporting entrepreneurs, SME and corporate clients, we continued to contribute to sustainable growth. Our disciplined approach to risk management, cost control, and maintaining asset quality has helped us remain resilient and continue our role in building a stable and inclusive financial system for our Company.



**Businesses are experiencing unprecedented levels of disruption and impact from a number of global trends. It is becoming clear that a core capability for any business is its ability to respond effectively to disruption.**

**Finance needs to support the business to balance the need to protect short term margin and drive long term growth.**

As you know, over the last few years we have taken several initiatives to control rising operating expenses while maintaining productivity and ensuring uninterrupted business operations. Cost-saving measures were mainly implemented in administrative areas with the support and cooperation of employees from all departments of the Company. Efficient management of working capital also remained one of our top priorities. Keeping possible liquidity risks in mind, we strengthened our collection process and introduced better deposit management practices to improve our overall financial position.

We're delivering our capabilities how, where and when our customers and clients want them through our expertised team.

However, I would like to draw your attention to the performance of Phoenix Finance & Investments Limited in different areas of business despite the challenges faced by the finance industry throughout the year. As on December 31, 2025, the total assets of the Company stood at Tk. 27,381.30 million, showing slight decrease of 0.74% compared to Tk. 27,584.56 million in 2024. The investment portfolio decreased and stood at Tk. 25,809.95 million at the end of December 2025, compared to the previous year. In 2024, the investment portfolio had increased and reaching Tk. 26,069.70 million compared to 2023.

The paid-up capital of the Company stood at Tk. 1,658.74 million as on 31 December 2025. Earnings per share (EPS) were Tk. (20.45) during 2025. Net Asset Value (NAV) was (102.46) per share. The average cost of fund was 11.57% during the year compared to 11.63% in the previous year.

The Non-Performing Loan (NPL) ratio stood at 68.21% of total loans as on December 31, 2025, compared to 88.64% in the previous year. The Company maintained the required provisions against classified loans and leases in accordance with the guidelines of Bangladesh Bank. Strong recovery efforts continued throughout the year, and regular monitoring was carried out to reduce the volume of classified loans. The term deposit balance stood at Tk. 17,271.14 million as on December 31, 2025, compared to Tk. 17,188.93 million in the previous year, showing a decrease of 0.48%. The Company continued to offer a balanced branch network, quality products and services, competitive interest rates, and various deposit schemes, including Monthly Deposit Schemes, to serve its customers.

During 2025, after making all required provisions, including general provisions for unclassified loans, the Company recorded net profit of Tk. (3,392.56) million in 2025, compared to Tk. (8,082.32) million in the previous year. It registered a positive growth in the net profit of the company by 4,689.76 million. We hope we will reach at the breakeven point with in a short span of time.

The increase in provisions was necessary to maintain adequate coverage against classified loans and leases. Throughout the year, we closely monitored our loan portfolio and carried out different recovery campaigns to improve collections and maintain asset quality. We regularly followed up overdue accounts and strengthened our recovery efforts. These initiatives helped us keep our NPL under control despite the impact of the revised asset classification rules introduced by the regulator in 2025. Due to the requirement to maintain adequate provisions against classified loans and leases, the Company is unable to recommend any cash or stock dividend for the year.

The business environment in 2025 remained challenging, and we worked hard to strengthen the foundation of our core business for long-term sustainability. Considering the overall financial condition of the Company, the Board of Directors has recommended No Dividend for the year 2025, subject to the approval of the shareholders at the 31st Annual General Meeting (AGM) of the Company.

Our Company has also complied with the Corporate Governance Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) and the Prudential Guidelines of Bangladesh Bank. We remain committed to maintaining good corporate governance, which is essential for effective and efficient management under regulatory requirements and for ensuring sustainable growth. We maintain transparency, accountability, and ethical business practices at every level of our operations. The Board of Directors provides effective leadership and strategic guidance to the Management in achieving the Company's goals and objectives. Honesty, integrity, and compliance continue to be our core values and are strongly supported by the Board and followed throughout the Company.

On behalf of the Management, I would like to express my sincere gratitude to the Government of the People's Republic of Bangladesh, the Honorable Governor and officials of Bangladesh Bank, the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange PLC (DSE), Chittagong Stock Exchange PLC (CSE), and the Registrar of Joint Stock Companies and Firms for their continuous support, valuable guidance, and cooperation extended to our Company from time to time.

We are also grateful to our respected Board of Directors for their valuable guidance, wise decisions, and timely support in leading the Company through challenging times. We firmly believe that our dedicated, sincere, and hardworking employees will continue to achieve the Company's financial and operational goals while meeting the needs and expectations of our customers and contributing to the country's economic development.

As we move forward, our commitment remains strong to innovate, empower, and contribute to building a prosperous future for all.

May Allah bless us.
Thanking you all.
Wishing you a prosperous New Year 2026.
Regards,

**(Md. Mamunur Rashid Molla)**
Managing Director

# Head of Branches

01

**M. A. Wadud**
EVP & Head of
Principal Branch

02

**Mohammad Moniruzzaman**
SVP & Head of
Gulshan Branch

03

**Mohammad Faisal Amin**
VP & Head of
Dhanmondi Branch

04

**Mohammad Tuhin Khandaker**
SAVP & Head of Uttara Branch

05

**Dewan Tanvir Hossain Romel**
AVP & Head of SME Branch

06

**Mohammad Sajedur Rahman**
FAVP & Head of
Chattogram Branch

07

**N. M. Abul Kalam Siddique**
FAVP & Head of
Khulna Branch

08

**Ar Rafi Chowdhury**
SPO & Head of
Imamgonj Branch

09

**Md. Shoriful Islam**
SPO & Head of
Bogura Branch

**We distribute value to our customers in several ways. Some manifest themselves in financial value while others bring about intangible benefits.**

## 01 M. A. WADUD
EVP & Head of Principal Branch

M.A. Wadud having 27 years Banking Experience in various Positions in different Banks. He started his Banking Career as Probationary Senior Officer at Pubali Bank Limited. He has taken his responsibilities as Manager in Dhaka Bank, Jamuna Bank and Meghna Bank, he also served in Prime Bank. Mr. Wadud has joined recently in Phoenix Finance & Investments Ltd. in June 2025 prior that he was the Divisional Head of Special Asset Management Division (SAMD) in Meghna Bank PLC, Head Office. Mr. Wadud obtained his B.Com (Hon's) and M.Com Degree from the University of Dhaka in the Discipline of Management and also completed MBA & LL.B. He also passed the Banking Diploma Examination. In his long Banking Career Mr. Wadud participated in a number of Professional Training, Seminar, Workshop and Symposium in different Countries and renowned Centers in Bangladesh and awarded many Certificates, Crests, Honorarium from different organizations from aboard and home. At present he is holding the responsibility as Head of Branch at Phoenix Finance & Investments Limited in Principal Branch since June, 2025.

## 02 MOHAMMAD MONIRUZZAMAN
SVP & Head of Gulshan Branch

Mr. Mohammad Moniruzzaman is currently serving as Senior Vice President (SVP) and Head of Gulshan Branch and joined in the company on 02-09-2025. Prior to joining in this company he worked in the private commercial bank, where he held the positions of Vice President and Manager. He started his professional career at a private commercial bank as a Credit Officer in 2002, marking the foundation of his long and successful journey in the banking and financial sector. Over the years, he has accumulated diversified experience by working with. several reputed private commercial banks.
Academically, Mr. Zaman has an impressive background. He completed his Honors and Master's degrees in Accounting from the University of Kolkata with distinction. He later earned an MBA (Bank Management) degree from UITS, further strengthening his managerial and strategic competencies. In addition, he is a qualified JAIBB and DAIBB, reflecting his strong professional grounding in banking and finance.
Mr. Zaman has participated in numerous professional training programs covering various banking disciplines. He possesses extensive hands-on experience and specialized expertise in Branch Banking and Credit Management, areas in which he is widely regarded as highly competent and knowledgeable. Overall, Mr. Zaman's career reflects a strong blend of leadership, managerial expertise, academic excellence and continuous professional development.

## 03 MOHAMMAD FAISAL AMIN
VP & Head of Dhanmondi Branch

Mr. Mohammad Faisal Amin having nearly 18 years of experience in the Financial Services Industry in various positions in different Financial Institutions. Mr. Mohammad Faisal Amin has joined Phoenix Finance and Investments Limited (PFIL) as Vice President & Head of Dhanmondi Branch on January 01, 2026.
He entered the industry in 2007 with International Leasing & Financial Services Limited and subsequently climbed the executive ranks at several major financial institutions, including CVC Finance Ltd. and Uttara Finance & Investments Ltd. His previous leadership portfolios include Head of Credit Risk Management (CRM), Head of Credit Administration Department (CAD), Head of Recovery, Head of Operations, and CIB In-Charge.
Mr. Amin's comprehensive skill set covers strategic business development, asset and liability operations, Management Information Systems (MIS), customer service, and workflow re-engineering. He has also gained recognition for managing specialized international development projects, such as the BFP-B Challenge Fund, OXFAM's Enterprise Development Fund, and the UNCDF's Women Enterprise Recovery Fund, alongside driving internal digital financial innovations like mobile application deployments and digital data archiving.
He earned both his BBA in Management and MBA in Management Information Systems from the prestigious Faculty of Business Studies, University of Dhaka. Furthermore, he has undertaken extensive professional training in Anti-Money Laundering, Financial Modeling, Credit Appraisal, and Factoring Finance.

## 04 MOHAMMAD TUHIN KHANDAKER
SAVP & Head of Uttara Branch

Mohammad Tuhin Khandaker is working as a Sr. Assistant Vice President and Head of Uttara Branch. Mr. Tuhin joined with the Company in April 2007 after completion of his MBA from Jahangirnagar University. He is very Dynamic, Energetic and Conversant with team working environment and leadership performance. Within his service tenure a number of Professional Training, Seminar, Workshop and Symposium has been participated by him.

## 05 DEWAN TANVIR HOSSAIN ROMEL
AVP & Head of SME Branch

Dewan Tanvir Hossain Romel has been working for Phoenix Finance & Investments Ltd. since May 07, 2008. During his service in Phoenix Finance & Investments Ltd., he held various positions & working in different departments both in Head Office and Branch. At present he is discharging the responsibility as FAVP & Head of SME Branch of the Company. About two decades of service life Mr. Tanvir has gathered versatile working experience. He was served in developing organization as an internal auditor, in manufacturing organization as an accounts officer. After that he moved to financial sector and joined in Phoenix Finance & Investments Ltd. Before starting his service career he completed Masters Degree in Accounting and obtained MBA degree in Banking & Insurance from University of Dhaka. Besides this he partly completed cost and management accounts course from The Institute of Cost & Management Accountants of Bangladesh (ICMAB). He has vast experience in finance & accounts related matter and is very active, dynamic and energetic Executive for developing business. He participated in a number of Professional Training & Workshop organized by BLFCA & Bangladesh Bank, The Central Bank of the country.

## 06 MOHAMMED SAJEDUR RAHMAN
FAVP & Head of Chattogram Branch

Mr. Mohammed Sajedur Rahman is working as Head of Branch (Current Charge) at Chttogram Branch. He obtained BBA & MBA degree from University of Dhaka. Mr. Mohammed Sajedur Rahman joined in Phoenix Finance and Investments Limited in September 29, 2010 as Management Trainee. Prior to joining this company he worked as Lecturer in University of Information Technology and Science (UITS) in MBA program. He is very Dynamic, Energetic, Sincere and conversant with Team Working environment and leadership performance. He has completed Banking Diploma part-1 (JAIBB) and appears in part-2 (AIBB-One subject remaining). In his service tenure he has participated in various training, seminars and workshop organized by Bangladesh Bank and other professional Institutions.

## 07 N. M. ABUL KALAM SIDDIQUE
FAVP & Head of Khulna Branch

Mr. N. M. Abul Kalam Siddique has over 21 years of experience in the Banking and Financial Services Industry in various positions in different Banks and Financial Institutions. Mr. Siddique has joined Phoenix Finance & Investments Limited on October 05, 2025 as First Assistant Vice President (FAVP) & Head of Khulna Branch.

He started his banking career as Trainee Junior Officer at The Premier Bank Limited in 2004. During his long banking career, he served in The Premier Bank Limited, Shahjalal Islami Bank Limited and South Bangla Agriculture & Commerce Bank PLC (SBAC Bank), where he successfully performed his responsibilities in General Banking, Foreign Trade, Credit Administration, Investment, Branch Operations and Branch Management. He also served as Manager at KDA Branch, Katakhali Branch and Lobonchora Branch of SBAC Bank and earned appreciation letters from the Head Office for his outstanding performance.

Mr. Siddique obtained his Bachelor of Social Science (Honours) and Master of Social Science (MSS) in Economics from the National University, Bangladesh. During his long banking career, he participated in a number of professional training programs, workshops and seminars organized by Bangladesh Bank Training Institute, Bangladesh Institute of Bank Management (BIBM), The Premier Bank Limited, Shahjalal Islami Bank Limited and SBAC Bank PLC on Foreign Exchange, International Trade Finance, AML/CFT, Shariah Banking, Core Banking System and other banking-related subjects.

## 08 AR RAFI CHOWDHURY
SPO & Head of Imamgonj Branch

Mr. Ar rafi Chowdhury joined Phoenix Finance & Investments Ltd. on October 01, 2015 as Management Trainee Officer. He has completed his Graduation and post-graduation from the Department of Banking & Insurance, University of Dhaka. He is very Dynamic, Energetic and Highly Focused Professional. During his carrier he attended various Workshops & Tanning programs on Credit Risk Analysis & Management, Anti Money Laundering and SME Credit Risk Management.

## 09 MD. SHORIFUL ISLAM
SPO & Head of Bogura Branch

Mr. Md. Shoriful Islam joined Phoenix Finance & Investments Limited on April 30, 2014 as Probationary Officer. He has completed his Post-Graduation in Management from National University. He also completed Master of Business Administration (MBA), Major in Finance from the Institute of Business Administration (IBA), Rajshahi University. He is very Dynamic, Energetic and Highly Focused Professional. During his carrier he attended various Workshops & Tanning programs on Credit Risk Analysis & Management, Anti Money Laundering, SME and Agriculture Finance, Credit Risk Management.

30th Annual

# General Meeting

**August 21, 2025, Thursday at 11:30 am**

# 2024






**Digital Platform Link:**
https://phoenixfinance.bdvirtualagm.com

# 31st Annual General Meeting

Phoenix Finance & Investments Limited
has a promising future with better operating environment.
Though it is becoming increasingly
difficult to maintain a competitive edge,
we are committed to the realization of sustainable increase in
corporate value through speedy
business development, combination and enhancement
of existing strategic business.
and establishment of new strategic business.
We are duty-bound to meet the expectations of our customers,
shareholders, the market and the society by producing
attractive results speedily.

# Directors' Report 2025

Bismillahir Rahmanir Rahim,

**Dear Shareholders,**

On behalf of the Board of Directors of Phoenix Finance and Investments Limited, I am pleased to welcome you in 31st Annual General Meeting of the Company once again under Hybrid System. The Board of Directors of the Company have pleasure in presenting their Annual Report for the year ended 31st December 2025 which includes Audited Financial Statements along with Auditors Report thereon, Reports on Risk Management, Corporate Governance, Investors' Information, Green Finance etc. The Financial Statements were reviewed and approved by the Board of Directors in its 359th Meeting held on June 29, 2026. In the year 2025, we tried to stable with our core business and have been struggling for the same during the whole year. Meeting all financial and operational objectives in each quarter of 2025, we have tried to achieve consistent result ensuring growth and increasing contributions. This has consistently proven to be beneficial throughout the challenging global economic conditions. These results continue to demonstrate that we have the right strategy and we will exceed all barriers.

## GLOBAL ECONOMY

The global economy showed signs of stabilization in 2025, although growth remained uneven across regions due to trade tensions, geopolitical uncertainties, and tight financial conditions. Inflation continued to decline from the elevated levels experienced in recent years, supported by easing commodity prices and the gradual normalization of monetary policies by central banks. Labor markets remained relatively resilient in most major economies, helping to support consumer spending and economic activity.

According to the International Monetary Fund (IMF), global economic growth is projected at 2.8 percent in 2025, down from 3.3 percent in 2024, reflecting weaker investment, slower trade activity, and increased policy uncertainty. Growth is expected to recover modestly to 3.0 percent in 2026 as economic conditions gradually improve. Global inflation is projected to decline from 5.7 percent in 2024 to 4.3 percent in 2025 and further to 3.6 percent in 2026.

In the United States, economic growth is expected to moderate to 1.8 percent in 2025 from 2.8 percent in 2024 due to slower consumer spending and the impact of trade-related uncertainties. China's economy is projected to grow by around 4.0 percent, supported by policy measures, although challenges in the property sector and weak domestic demand continue to affect growth prospects. Growth in advanced economies is expected to slow to 1.4 percent in 2025, while emerging market and developing economies are projected to grow by 3.7 percent.

Global trade activity has also weakened amid rising tariffs and increasing uncertainty in international trade policies. According to the IMF, global trade volume growth is projected to slow from 3.8 percent in 2024 to 1.7 percent in 2025 before improving to 2.5 percent in 2026. Higher trade barriers and geopolitical tensions have affected business confidence, disrupted supply chains, and delayed investment decisions in many economies.

Despite these challenges, the global economy remains resilient. However, risks to the outlook persist, including geopolitical conflicts, trade fragmentation, financial market volatility, and elevated debt levels in many countries. Continued policy coordination, structural reforms, and sustainable investment will be important to support global economic growth and maintain long-term economic stability.

## BANGLADESH ECONOMY

In Fiscal year 2025, Bangladesh's economy showed signs of gradual stabilization with an increase in foreign exchange reserves and a record growth in remittance inflows. The country continued to experience economic adjustments following the political transition and administrative changes that took place after the unrest of 2024, which affected business confidence and economic activities during part of the fiscal year. After the formation of the interim government, efforts were undertaken to restore stability and strengthen economic governance, although it would take time for business activities to return to their full potential. However, issues such as smooth logistics, uninterrupted banking services, energy supply, and security in industries needed to be addressed to ensure sustained recovery of economic activities. Also, there remains a need to overcome persistent inflationary pressures, weak private sector investment, challenges in revenue collection, pressure on the banking sector, depreciation of the Taka and external sector vulnerabilities. Unemployment and lower-than-expected investment growth are other challenges. To overcome these challenges, the Government and Bangladesh Bank adopted a number of policy measures aimed at strengthening macroeconomic stability and supporting economic recovery. The Government also needs to continue taking effective actions to strengthen foreign exchange reserves, manage inflation, enhance revenue mobilization, ensure adequate electricity and gas supply for economic activities, and support small and medium-sized enterprises. In terms of US Dollar, the value of GDP at current market prices increased to approximately US$456 billion in FY25 from US$450 billion in the previous fiscal year. Per capita GDP stood at approximately US$2,769 in FY25, compared to US$2,738 in FY24, showing an increase of around 1.13 per cent. Per capita GNI also increased to approximately US$2,870 in FY25 from US$2,840 in the previous fiscal year.

**FOREIGN EXCHANGE**

The exchange rate dynamics in Bangladesh during fiscal year 25 reflected a gradual improvement in the external sector, supported by stronger remittance inflows, higher export earnings, and practical monetary and exchange rate management. The Taka continued to face devaluation pressure against the US Dollar; however, the pace of adjustment continued relatively controlled compared to the sharp fluctuations witnessed in previous years. This improvement was largely attributable to policy measures undertaken by Bangladesh Bank and the Government to enhance foreign exchange market efficiency and strengthen external sector stability. Despite continued interventions by Bangladesh Bank in the foreign exchange market to contain excessive volatility, the overall balance in the market improved during the fiscal year. Furthermore, stronger remittance inflows, moderation in import demand, and improvements in external account balances contributed positively to the foreign exchange market. The movements in the Nominal Effective Exchange Rate (NEER) and Real Effective Exchange Rate (REER) indices also reflected efforts to maintain the competitiveness of Bangladesh's exports in international markets. The central bank remained committed to maintaining an orderly exchange rate regime while allowing gradual adjustments to support export growth, remittance inflows, and external sector sustainability. The Government and Bangladesh Bank also continued implementing measures to strengthen foreign exchange management, improve reserve adequacy, and enhance confidence in the financial system. As a result, the foreign exchange reserves of Bangladesh showed signs of recovery, reaching approximately USD 31 billion by the end of FY25, compared to around USD 27 billion at the end of FY24.

**REMITTANCE**

According to Bangladesh Bank (BB) data, the inflow of remittance in July–June of FY25 increased significantly by around 26.8 per cent to approximately US$30.32 billion from US$23.91 billion in the corresponding period of FY24. This strong growth in remittances was driven by several factors, including the depreciation of the Taka, narrowing gap between official and informal exchange rates, strict monitoring of hundi channels, and increased reliance on formal banking channels by expatriates. In addition, the continuation of incentive schemes provided by the Government and banks further encouraged remittance inflows through legal channels.

On the other hand, remittance inflow also showed strong monthly performance during FY25. In June 2025, remittance inflow increased to around US$2.81 billion, compared to US$2.53 billion in June 2024, reflecting a year-on-year growth of around 11 per cent. The monthly inflow remained consistently strong throughout FY25, supported by Eid-related transfers and improved confidence in formal banking channels, with several months crossing the US$3 billion mark during the fiscal year.

**BALANCE OF PAYMENTS**

Country's trade deficit continued its narrowing trend in FY25, year-on-year, supported by sustained import compression and relatively stable export performance. According to the latest provisional data from Bangladesh Bank, the reduction in import demand driven by ongoing foreign exchange management measures, tighter import controls, and stabilization efforts in the external sector played a key role in easing pressure on the trade balance.

During FY25, export earnings showed modest growth/near-stability compared to the previous fiscal year, reflecting steady performance in the ready-made garments sector alongside gradual recovery in global demand. In contrast, imports remained subdued due to cautious monetary policy, higher import costs in earlier periods, and continued efforts to conserve foreign currency reserves.

As a result, the overall trade deficit narrowed further in FY25 compared to FY24, indicating improved external sector stability and more balanced trade flows under the prevailing macroeconomic management framework.

## CURRENT ACCOUNT BALANCE

The country's external sector showed a significant improvement in FY25. The current account balance recorded a surplus of US$0.98 billion, compared with a deficit of US$6.6 billion in FY24, mainly driven by strong growth in remittance inflows and export earnings. Remittances rose nearly 27 percent year-on-year to $30.33 billion, while export earnings grew 8.6 percent to $48.3 billion, and sluggish import growth also helped narrow the trade deficit to $20.5 billion from $22.4 billion a year earlier. The financial account registered a surplus of around US$3.2 billion in FY25, reflecting continued inflows of foreign loans, grants and investments, although lower than the US$4.55 billion surplus recorded in FY24. Despite continued weakness in FDI inflows during parts of the year, the overall balance of payments position improved substantially, posting a surplus of approximately US$3.3 billion in FY25 compared with a US$4.3 billion deficit in FY24 marking the first BoP surplus in three years and contributing to greater stability in the country's external sector and foreign exchange reserves.

## INFLATION

Global inflation stands at 4.2%, with emerging markets and developing economies experiencing higher rates at 5.5% compared to advanced economies at 2.5%. Projections for 2026 indicate a further decrease to 3.6% globally, with emerging markets at 4.6% and advanced economies at 2.0%. Policymakers globally face the challenge of stabilizing inflation amid varied economic conditions. In 2025, Bangladesh faces inflation fluctuations, with headline inflation easing to around 8.2% year-on-year by October 2025, after remaining in double digits earlier in the fiscal year. The Consumer Price Index (CPI) continues to reflect a high cost of living despite the gradual moderation in inflation. Bangladesh Bank responds with strategic measures, including maintaining a tight monetary policy, continuing the market-based interest rate framework, and implementing reforms to strengthen monetary policy transmission and financial sector stability. The central bank also continues its commitment to controlling money supply and anchoring inflation expectations through prudent monetary management. Despite challenges, these measures align with the objective of restoring macroeconomic stability while supporting economic recovery, with GDP growth estimated at around 3.7% in FY2025. The inflationary challenges continue to impact domestic lives, with rising costs affecting the purchasing power of citizens. The government's borrowing trends and fiscal adjustments reflect the ongoing economic pressure on households and businesses. Balancing economic growth and inflation control remains crucial for improving the well-being of the population.

## EXPORT

Bangladesh's export performance strengthened in 2025, with the Export Promotion Bureau (EPB) regularly publishing export statistics following improvements in data reconciliation between the Bangladesh Bank (BB) and the EPB. Merchandise export earnings reached approximately US$48.28 billion during FY25 (July 2024–June 2025), registering a growth of about 8.6% compared to the previous fiscal year. The ready-made garments (RMG) sector remained the largest contributor to export earnings, supported by improved demand from major international markets. Export earnings from the top twelve destination countries in FY25 are: United States of America (USA) US$8.27 billion, Germany US$5.32 billion, United Kingdom (UK) US$4.93 billion, Spain US$3.86 billion, France US$2.52 billion, Netherlands US$2.15 billion, Poland US$1.83 billion, Italy US$1.73 billion, India US$1.71 billion, Japan US$1.42 billion, Canada US$1.39 billion, and Denmark US$1.08 billion. Among these twelve countries, most of them registered positive year-on-year growth in FY25, driven by the gradual recovery of global demand, easing inflation in major export markets, and improved competitiveness of Bangladesh's export sector despite ongoing geopolitical uncertainties and supply chain challenges.

## IMPORT

According to Bangladesh Bank data, the total value of imports (f.o.b.) in FY25 increased by approximately 3.5 per cent to US$65.11 billion from US$62.91 billion in FY24. The rise was mainly driven by higher imports of industrial raw materials, intermediate goods, petroleum products, and capital machinery as economic activities and industrial production gradually recovered. Bangladesh Bank continued its policy measures, including prudent management of foreign exchange reserves, a market-based exchange rate framework, and close monitoring of import payments to ensure external sector stability. The settlement of import Letters of Credit (LCs) during July–June of FY25 increased year-on-year by around 4.1 per cent and stood at approximately US$68.76 billion, compared to US$66.05 billion in FY24. On the other hand, fresh opening of import LCs during July–June of FY25 increased year-on-year by about 5.2 percent and stood at approximately US$72.25 billion, against US$68.69 billion in FY24.

## CAPITAL MARKET

Dhaka Stock Exchange showed signs of recovery during 2025, although market sentiment remained cautious amid macroeconomic challenges, high interest rates, and regulatory reforms. On 30 June 2025, the DSEX, the key index of the Dhaka Stock Exchange (DSE), increased to around 5,420 points, reflecting improved investor confidence compared to the previous year. The total turnover of the Dhaka bourse stood at approximately Tk.520 crore on the day. Of the issues traded, a majority remained unchanged while gainers slightly outnumbered losers, indicating mixed investor sentiment. On the other hand, the DS30 index, which consists of blue-chip companies, stood at approximately 1,980 points, while the DSES index, which represents Shariah-based companies, closed at around 1,185 points. Despite continued market volatility, policy initiatives by the regulatory authorities, improved corporate earnings in selected sectors, and expectations of stronger macroeconomic stability contributed to a gradual improvement in capital market performance during 2025.

## INDUSTRY OUTLOOK

The liquidity pressure, coupled with weak asset quality and declining public confidence, continued to challenge the Non-Bank Financial Institution (NBFI) sector throughout 2025. Although deposit growth showed modest improvement compared to the previous year, the industry continued to face pressure from high non-performing loans (NPLs), limited access to low-cost funds, and increased funding costs due to the tight monetary policy. Several financially weak NBFIs remained under close regulatory supervision, while stronger institutions focused on improving liquidity and capital adequacy. Bangladesh Bank continued implementing reforms aimed at strengthening the financial sector, including tighter supervision, enhanced corporate governance requirements, improved loan classification and provisioning standards, and measures to promote greater transparency and accountability. The continuation of the market-based interest rate framework also supported a more efficient pricing of financial products. Looking ahead, the NBFI industry in Bangladesh must continue to adapt to evolving economic conditions and regulatory reforms. The focus must remain on strengthening corporate governance, improving risk management, accelerating digital transformation, enhancing operational efficiency, and reducing non-performing assets. The sector's ability to implement these reforms and restore public confidence will be crucial in ensuring its long-term stability and continued contribution to Bangladesh's economic growth and financial sector development.

## THE COMPANY

Since the inception of Phoenix Finance and Investments Limited has always prioritized the sectors that present a growth potential on a long term basis. PFIL is moving towards business solutions by prioritizes efficiency & highest ethical standards and focuses on a business expansion drive through its existing and extended branch network, concentrating more business to increase its market share and profitability. This will be further accompanied by innovative product development, process improvements and staff development, aimed at fulfilling the rapidly changing customer needs in the challenging market conditions and maximizing the value that we create for all the stakeholders.

## ASSETS

As on December 31, 2025 total assets stood at Tk 27,381.30 million showing a decrease by 0.74% as against the year 2024 registering Tk 27,584.56 million. In 2024, total assets decrease by 5.31% as compared to that of 2023.

A comparative position of Asset is given below:

Figures in Million Taka

| Items | 2025 | % on Total | 2024 | % on Total | 2023 | % on Total |
|---|---|---|---|---|---|---|
| Fixed Assets | 587.95 | 2.15 | 622.22 | 2.26 | 641.56 | 2.20 |
| Invest. Portfolio. | 25,809.95 | 94.26 | 26,069.70 | 94.51 | 27,343.82 | 93.86 |
| Other Assets | 983.40 | 3.59 | 892.64 | 3.24 | 1,147.37 | 3.94 |
| **Total** | **27,381.30** | | **27,584.56** | | **29,132.75** | |

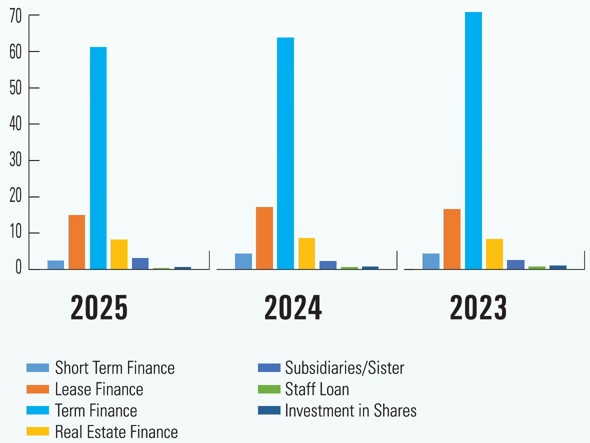

Most of the fund has been injected in Investment Portfolio (94.26% of total assets in 2025) which is the main stream of earning of the Company.

## INVESTMENT PORTFOLIO

The Company recorded a decrease of Tk. 259.75 in Investments with a total portfolio of Tk. 25,809.95 million at the end of December 2025 compared to Tk. 26,069.70 million at the end of December 2024 which was Tk.

27,343.82 million at the end of December 2023

| Items | 2025 | % on Total | 2024 | % on Total | 2023 | % on Total |
|---|---|---|---|---|---|---|
| Short Term Finance | 224.27 | 0.87 | 663.96 | 2.55 | 1,036.46 | 3.79 |
| Lease Finance | 4,148.82 | 16.07 | 4,282.94 | 16.43 | 4,657.51 | 17.03 |
| Term Finance | 18,690.59 | 72.42 | 18,282.60 | 70.14 | 18,619.25 | 68.09 |
| Real Estate Finance | 2,056.23 | 7.97 | 2,135.70 | 8.19 | 2,204.16 | 8.06 |
| Subsidiaries/Sister Concerns/Brokerage /Stock Dealers | 503.99 | 1.95 | 506.96 | 1.94 | 564.71 | 2.06 |
| Staff Loan | 50.95 | 0.20 | 58.49 | 0.22 | 82.90 | 0.30 |
| Investment in Shares | 135.10 | 0.52 | 139.05 | 0.53 | 178.83 | 0.65 |
| **Total** | **25,809.95** | | **26,069.70** | | **27,343.82** | |




Investment portfolio consists of Lease, Term Loan, Real Estate Finance and Investment in Shares. The core business of the Company is Lease Finance & Term Finance constituting of 16.07% & 72.42% respectively on total Investment Portfolio in 2025 and the Company diversified its product line time to time depending on the Market situation.

### LEASE PORTFOLIO

Total Lease portfolio stood at Tk. 4,148.82 million at the end of December, 2025 compared to Tk. 4,282.94 million at the end of December, 2024 registering a negative growth of 0.51%. It was Tk. 4,657.51 million as on December 31, 2023.

### TERM LOAN PORTFOLIO

Total Term Loan portfolio stood at Tk. 18,690.59 million at the end of December, 2025 registering a growth of 1.56%. It was Tk. 18,282.60 million at the end of December, 2024 compared to Tk. 18,619.25 million as on December 31, 2023, registering a growth of 2.04%.

### REAL ESTATE FINANCE

Total Real Estate Finance portfolio stood at 2,056.23 million at the end of December, 2025 registering a decrease of 0.30% which was Tk. 2,135.70 million as on December 31, 2024. In 2024, there was a negative growth of 3.21% compared to Tk. 2,204.16 million as on December 2023.

### INVESTMENT IN SHARES

Total Share Investment portfolio stood at Tk. 135.10 million which is as 2025. It is notable here that the volatility in the Capital Market arose at the last quarter of 2010 and consequence of unstable Market continued round the year 2025.

### ASSET QUALITY

As on December 31, 2025, 68.21% of the total Investment Portfolio (except Investments in Shares) was non-performing. The Company made required provision as on December 31, 2025 against performing and non-performing loans as per rate and classification norm provided by Bangladesh Bank. The volume of non-performing loans stood at Tk. 17,513.44 million in 2025 from Tk. 22,991.11 million in 2024. The required loan provision of Tk. 14,823.62 million, out of these Tk. 85.11 million was general provision including SMA, which was 0.59% of the total provision. The rest Tk. 11,916.30 million was against the classified accounts.

### SECTOR WISE FINANCE

A wide range of industries and business sectors constitutes the Company's Investment (except Investments in Shares) portfolio. Major sectors where the Company extended finance include Textile, Garments, Engineering, Real Estate, Transports, Pharmaceuticals, Agro Industries and Services. The Company continued to support Small and Medium Enterprises (SME) and expanded financing facilities to them through its SME Department at Head office and Branch Offices.

Sector wise allocation of Investments reveals a well-diversified portfolio of the Company with balanced exposure in different sectors. High concentration sectors are Iron steel & Engineering Tk. 3846.43 million, Textile Industries with outstanding of Tk. 3831.69 million, Housing Tk. 2056.23 million, Paper, Printing & Packaging Tk. 2244.52 million, Trade & Commerce Tk. 915.95 million, Transport & Aviation Tk. 12471.25 million, Cement and Allied Industry Tk. 1575.35 million, Electronics and Electrical Products Tk. 1171.30 million, Garments & Knitwear Tk. 907.70 million, Food Production & Processing Industries Tk. 559.99 million, Leather and Leather Goods Tk. 747.11 million, Merchant Banking Tk. 503.99 million, Consumer Finance Tk. 203.54, Glass, Glassware and Ceramic Industries Tk. 215.62 million, Pharmaceuticals & Chemical Tk. 15.40 million, Agriculture Tk. 135.32 million, Ship Manufacturing Industries Tk. 2000.77 million, Plastic Industry Tk. 14.41 million, Power, Gas, Water & Sanitary Service Tk. 6.57 million and other Service Sector including Telecommunications and IT with hospitality services Tk. 2881.92 million as on December 31, 2025.


## LIABILITY

Total liabilities of the Company stood at Tk. 44,376.88 million as on December 31, 2025 compared to Tk. 41,187.59 million as on December 31, 2024 registering an increase of 7.74% over the last year, whereas a growth was increased by 18.86% in 2023 compared to Tk. 34,653.45 million as on December 31, 2023.

## DEPOSITS AND OTHER ACCOUNTS

The deposits base of the Company stood at Tk. 17,271.14 million as on December 31, 2025 compared to Tk. 17,188.93 million of the previous year registering a negative growth of 0.48%. The Company has well balance Branch network and high standard products and services along with competitive interest rate offered to customers. The customers group of the Company was Individuals, Banks, FIs, Corporations, and Autonomous Bodies, School, College and Universities etc. The Average cost of Deposits was 11.57% in 2025 as against 11.63% in 2024.

## BORROWINGS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS

The Company meets its certain portion of fund demand from loan taken from different Banks. It represents 8.63% of total liabilities in 2025 whereas it was 9.50% of total liabilities in 2024. Total Bank Loan balances of the Company stood at Tk. 3829.99 million as on December 31, 2025, Decreased 2.09% compared to the last year. This loan provided by different Commercial Banks including Bangladesh Bank ranging from six months to five years secured by way of first ranking Pari-Passu Security Sharing Agreement among the secured lenders on all fixed and floating assets.

## EQUITY

Phoenix Finance and Investments Limited commenced its operation on May 09, 1995 as a Non-Banking Financial Institution with an Authorized Capital of Tk. 500.00 million and Paid-Up Capital of Tk. 50.00 million. At present the Authorized Capital of the Company stand at Tk. 3,000.00 million. Total Shareholders' Equity of the Company as on December 31, 2025 was at Tk. (16,995.58) million and the Paid up Capital of the Company had been at Tk. 1,658.74 million on the same period.

| Particulars | 2025 | 2024 | 2023 |
|---|---|---|---|
| Equity | (16,995.58) | (13,603.02) | (5,520.70) |
| Capital | 1,658.74 | 1,658.74 | 1,658.74 |

## RISKS AND CONCERNS

The company is always aware of the business is subject to a variety of risks and uncertainties e.g. industry risk, liquidity risk, market risk, operational risk, interest rate risk, exchange rate risk, and potential changes in global or national policies, etc. In this respect, the Company has well-defined its risk management policies and introduced a periodic monitoring system that acts as an effective tool in mitigating various risks to which our businesses are exposed in the course of its day-to-day operations as well as in its strategic actions.

## OPERATIONAL REVENUE

Total Operational Revenue stood at Tk. (539.63) million in

2025, decreased by 0.69 million from Tk. 540.32 million in 2024. In the year 2024 it was decreased by 9.56 million (1.74%) from Tk. 549.88 million compare to the year 2023.

The main revenue comes from Interest on Loan/Lease and Advances which was 91.96% and remaining 8.04% from Investments in Share and others.

**OPERATING EXPENSES**

Total Operational Expenses incurred at Tk. 2679.47 million in 2025, decreased by 8.27% compared to Tk. 2,920.97 million in 2024. It was increased by 14.24% in 2024 compared to Tk. 2,556.97 million in 2022. Out of total Operating Expenses, 89.75% was Financing Expenses, 6.36% was Salary & Allowances, 1.14% was Depreciation and 2.81% was other Overhead Expenses.

**OPERATING & NET PROFIT**

Phoenix Finance and Investments Limited registered an operating profit of Tk (2139.84) million in 2025 compared to Tk. (2,380.65) million in 2024 and Tk. (2007.09) million in 2023. After making all provisions including general provisions on unclassified loans, profit before tax stood at Tk. (3417.59) million in 2025 compared to Tk. (8,089.64) million in 2024.

The Net Loss of the Company stood at Tk. 3392.56 million in 2025 compared to Net Loss Tk. 8,082.32 million in 2024.

**THE BOARD OF DIRECTORS**

The Board of Directors of the Company consists of Directors with wide knowledge and experience. The names of the Directors are mentioned on page no. 18 and their brief profiles are given on page no. 21 of this Annual Report.

**BOARD MEETINGS**

The details of Directors meetings and the Board Sub Committee meetings and the attendance of Directors at these meetings are given in the Statement on page no. 77 of this Annual Report.

**DIRECTORS' REMUNERATION**

Details of Directors' Remuneration paid during the year are given in note number 28 to the Financial Statements.

**SHAREHOLDING**

There were number of ordinary shareholders 5,364 registered as at 31st December 2025. Details of shareholder's composition and percentage holding of the Sponsors and public are given in the Investors' Information section on page 90 and notes 14 in Financial Statements. The shareholding pattern as per Clause 2(k) of SEC Notification No. SEC/CMRRCD /2006-158/Admin/02-08 dated February 20, 2006 is shown in page 90

**RELATED PARTY TRANSACTIONS**

Related Party Transections in terms of Bangladesh Accounting Standard-BAS 24 (Related Party Disclosure) which is adopted in preparation of the Financial Statements. Those transactions disclosed by the Directors are given in note number 40 to the Financial Statements which form an integral part of the Annual Report.

**EMPHASIS OF MATTERS**

The auditor highlighted the following important issues without modifying the audit opinion:

1. Compliance with IAS 16 & IAS 36.
    - The company revalued its land and buildings as per the Compliance with IAS 16 & IAS 36.
2. Income Tax Provision Issues (IAS 12)
    - The company recorded higher tax provisions than the actual tax liabilities.
    - Current income tax payable would be updated after tax assessments.
3. Capital Adequacy Deficiency
    - The company trying to maintain the minimum Capital to Risk-Weighted Assets Ratio (CRAR) required by Bangladesh Bank.
4. Gratuity Scheme (IAS 19)
    - Employee benefits obligations and related disclosures to be made as per IAS 19.
5. Recognition of Deferred Tax Assets
    - The company recognized BDT 140.79 million as deferred tax assets as per IAS 12.

**DECLARATION BY THE CEO AND THE CFO**

Declaration by the Managing Director and Chief Financial Officer has been given on page no. 52

**CORPORATE GOVERNANCE**

The Directors have placed emphasis on confirming to the best corporate governance practices and procedures. Accordingly, systems and structures have been introduced or improved from time to time to enhance risk management measures and to improve accountability and transparency. A separate report on corporate governance is given on page no. 71-74 Pursuant to clause 9.00 of BSEC notification no. BSEC/CMRRCD/2006-158/207/admin/80 dated June 3, 2018, the company's compliance status is shown in ANNEXURE-C page no. 54 to 70

**CERTIFICATE OF COMPLIANCE**

Required under condition no. 9 disclosed in the ANNEXURE-B on page no. 53 of this Annual Report.

**ADDITIONAL DISCLOSURES**

The Directors, in accordance with BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 confirm compliance with the financial reporting framework for the following;

- The financial statements prepared by the management present fairly the Company's state of affairs, the result of its operations, cash flows and changes in 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 and prudent judgment.
- International Accounting Standards and International Financial Reporting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements. The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There is no extraordinary gain or loss during the year.
- Difference occurs between quarterly financial performance and annual financial statements due to maintaining provisions against classified Loan/Lease as required by Bangladesh Bank.
- There are no significant changes in the Company's fixed assets and the market value.
- 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.
- The company had not enabled any of its directors to acquire benefits by means of acquisition of share or debentures of the company or anybody corporate.

**KEY FINANCIAL DATA**

Key Operating and Financial Highlights for preceding 05 years inserted in page no. 11 of this Annual Report.

**CAPITAL STRENGTH IN ACCORDANCE WITH BASEL-II RECOMMENDATION AND BANGLADESH BANK GUIDELINE**

Capital Adequacy Ratio (CAR) of the Company at the Balance Sheet date was -84.91 percent with Tier - I ratio at -87.77 percent. The ratios have been calculated in accordance with Basel-II recommendation and Bangladesh Bank guidelines. CAR encompassing credit, operational and market risks is well above the Basel-II requisite for 2.86 percent. Note 39 to the Financial Statements provide further details on PFIL capital adequacy. Major contributors to strong capital adequacy ratio are high capital base, downsizing of non-performing assets that are fully provided for and low risk profile of our on-balance sheet and off-balance sheet exposure. Capital Adequacy Ratio (CAR) has been calculated as per CAMD guidelines respectively under the Instruction of Bangladesh Bank's DFIM circular no.8 dated August 02, 2010.

**BRANCH NETWORKING**

The Company has a total number of 09 (nine) Branches. All the Branches are situated in commercial places across the country to provide with multidimensional financial services to the people and the Company has a plan to add few new Branches to the existing Branch network in the coming years.

**HUMAN RESOURCE**

Human Resource is the key to the success of a service oriented business organization like ours. Dynamism in a corporate body has a close relationship with the development of Human Resources. In line with the prevailing perception, the Company has sharpened its focus on human resources by a series of development activities throughout the year. We believe that our human resources are the finest asset to contribute into Company's growth and success. It follows a structured recruitment policy, service rules and compensation package for its workforce at all tiers. The Company has recruited highly brilliant professional manpower coupled with fresh university graduates from renowned local/international educational institutions and built up the finest team to cope up with the growing business competition since its inception. The fresh graduates are recruited through competitive examination, which is conducted by the country's best Business School, IBA, Dhaka University/BIBM. Recruitment of talent people only from the best Educational Institution is not enough to ensure the quality people. We need to groom up these talent people so that they can become future business leader in the industry. To keep this in mind, PFIL always feels the urge of quality and trained people in its HR portfolio. Besides, the Company extended its training facilities from the senior level to the support staff level. The Company also created a sense of community among the employees by encouraging interaction with each other in the Management Committee Meeting and across the Departments and Divisions. Such discussion helped employees learn each other's responsibility, grow their individual skill and develop an understanding about the Company as a whole through interpersonal communication. In regard to the employee development, HR Training & Development wing arranged to develop the Company Officials by training, workshop, seminar, etc. and by helping them to achieve both their personal and professional goals at PFIL and beyond it. Training courses are designed through appropriate task analysis for the fresh candidates and through performance analysis for the existing officials. Several relevant and important Training Courses have been participated by the PFIL's nominated Employees such as Foundation Course for FIs, Credit Operation and Management and Market Promotion conducted and organized by renowned Associations, Organizations and Government Agencies of the country. Besides above, several Workshops and Seminars on Risk Management & Basel II, Internal Control & Compliance, Prevention of Money Laundering, Corporate Governance in the Banks, FIs & Central Bank and Corporate Tax Management have also been participated by a good number of nominated employees of PFIL. A good number of employees of the Company were also sent to attend various training/ workshop/seminars on Lease Financing Business arranged by various Associations and Organizations.

**HR FUTURE PLAN FOR 2026**

We envisage concentrating in the following areas in 2026 for further improvement of HR policies:

1. Implementation of Revised Human Resources Policy and Procedure Manual;
2. Up graduation of integrated "Code of Ethics and Business Conduct for Employees"
3. Substantial review of existing policies for providing more benefits to employees with a view to introducing superior level of job satisfaction.
4. Employee's satisfaction survey etc.

**PROPOSED DIVIDEND**

The Board of Directors has recommended No Dividend subject to the approval of the Shareholders in the 30th Annual General Meeting. Dividend in the form of Cash or Stock cannot be declared due to maintain required provisions against Classified Loan/Lease during the year under review.

**RETIREMENT AND RE-ELECTION OF THE DIRECTORS**

In accordance with the provisions in the Articles of Association of the Company Mr. F. Hayder Ali, the Nominee Director of Phoenix Insurance PLC representing one-third of the number of existing Directors will retire by rotation in the next Annual General Meeting:

Being eligible he offers himself for re-election subject to prior approval of Bangladesh Bank and Shareholders in the upcoming Annual general Meeting.

**APPOINTMENT/RE-APPOINTMENT OF THE EXTERNAL AUDITOR FOR THE YEAR 2026**

According to the Articles of Association, the Company at each Annual General Meeting shall appoint one or more Auditors being Chartered Accountants to hold the office until the next Annual General Meeting. In order to comply with the regulatory directives of Bangladesh Bank issued vide DFIM Circular No.04, dated 30.04.2015 regarding appointment of External Auditors for Financial Institutions, the Management of the Company arrange to appoint the External Auditor of the Company for the year 2026.

Accordingly, the Board of Directors of the Company in its 359th Meeting held on June 29, 2026 recommended for re-appointment of Mahamud Sobuj & Co., Chartered Accountants as the External Auditor for the year 2026 at a Fee of Tk. 3,50,000/- only including Tax & VAT thereon until the next Annual General Meeting subject to approval of Bangladesh Bank and shareholder in the AGM.

**APPOINTMENT/RE-APPOINTMENT OF THE COMPLIANCE AUDITOR FOR THE YEAR 2026**

As per Notification of Bangladesh Securities and Exchange Commission every company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate

Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. Compliance Auditors shall be appointed by the shareholders in the annual general meeting. Accordingly, the Board of Directors of the Company in its 359th Meeting held on June 29, 2026 recommended for re-appointment of Jasmin & Associates, Chartered Secretaries as the Compliance Auditors for the year 2026 at fees of Tk 50,000/- only including VAT and Tax thereon subject to approval of upcoming Annual General Meeting.

**APPOINTMENT/RE-APPOINTMENT OF THE INDEPENDENT SCRUTINIZER**

In order to comply with the regulatory directives issued by the Bangladesh Securities and Exchange Commission (BSEC) vide BSEC/CMRRCD/2009-193/08 dated 10.03.2021 regarding reporting on general meeting (AGM or EGM) using Hybrid system of publicly listed companies i.e. "the company shall obtain a report from Professional Chartered Accountant or Chartered Secretaries and such authenticated report shall be submitted to the Commission within 48 (forty eight) hours of conclusion of general meeting". Accordingly, the Board in its 359th Meeting held on June 29, 2026 approved re-appointment of Ahamed Shamim & Co., Chartered Accountants as the Scrutinizer at Fee of Tk 45,000/- only including Tax & VAT for the purpose relating to upcoming 31st AGM of the Company as per directives given by Bangladesh Securities and Exchange Commission.

**ACKNOWLEDGEMENT**

Phoenix Finance and Investments Limited within a short span of its operation have gained the confidence of its clients. This success is primarily attributed to its teamwork, prompt and prudent decision making, efficient and cordial service, economic use of resources and introduction of new financial products and technologies. The continued endeavors of the Management and staff of the Company under wise guidance and timely support of the Board of Directors have substantially contributed to the success of the Company. The Board of Directors of the Company expresses deep appreciation and gratitude to the Management and all members of staff for their dedicated and efficient services and also to the valued clients, sponsors, shareholders, stakeholders, patrons and well-wishers, whose continued support and cooperation have facilitated our path towards the glory achieved so far. The Company is grateful to the Government of the People's Republic of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, External Auditor, Registrar of Joint Stock Companies & Firms and Central Depository Bangladesh Limited for their continued support, prudent guidance and advice towards the notable growth of the Company.

**GRATITUDE**

The Members of the Board of Directors of Phoenix Finance and Investments Limited express their gratitude to all shareholders, valued clients, patrons, all employees and well-wishers for their continued support and cooperation without which the Company would not have been able to achieve its present amazing position. The Board of Directors also expresses deep appreciation to the Management and all members of staff for their dedicated and efficient services and also to the clients, sponsors, shareholders, stakeholders whose patronage have facilitated our path towards the glorious achievement so far made by the Company.

Best regards and best wishes to all.

On behalf of the Board of Directors,

**Mohammed Mohsin**
Chairman

# Disclosure & Compliance

**Annexure-A**

# Declaration of CEO & CFO to the Board of Directors

Date: June 29, 2026

The Board of Directors
Phoenix Finance & Investments Limited

**Subject: Declaration on Financial Statements for the year ended on 31st December, 2025.**

Dear Sirs,
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No SEC/CMRRCD/2006-158/207/ Admin/80, Dated 3 June 2018, under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of Phoenix Finance & Investments Limited for the year ended on 31st December, 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 management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty 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 31st December, 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 affairs 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,

Sd/-
**Mohammed Ashaduzzaman**
Chief Financial Officer (CFO)

Sd/-
**Md. Mamunur Rashid Molla**
Managing Director

# Report to the Shareholders of Phoenix Finance and Investments Ltd. on Compliance on the Corporate Governance Code

[Certificate as per Condition No .1(5)(XXVII)]

We have examined the Compliance status to the Corporate Governance Code by Phoenix Finance and Investments Ltd. for the year ended on December 31, 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 the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition 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 for conditions 1(1), 5(2)(d) and also NRC has not been constituted due to requirements of the Primary Regulator;
(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.

For: **Jasmin & Associates**
Chartered Secretaries

Jasmin & Associates
Jasmin Akter, FCS
F-200
L-008
Chartered Secretaries

..............................
Jasmin Akter, FCS
Managing Partner

Place : Dhaka, Bangladesh
Dated : July 26, 2026

**Annexure-C**

# Phoenix Finance and Investments Limited

**Status of Compliance with the Corporate Governance Code**
**For the year ended on 31st December 2025**

As per Condition No.1 (5) (xxvii)

**Status of compliance with the conditions imposed by the Commission's Notification No. SEC/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 | Not Complied | |
| 1 | **BOARD OF DIRECTORS:** | | | |
| 1(1) | **Board's Size** | | | |
| | The number of the Board members of the Company shall not be less than 5 (five) and more than 20 (twenty). | | √ | Fulfilling of minimum 05 Members in the Board of Directors under process |
| 1(2) | **Independent Directors** | | | |
| 1(2)(a) | 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); | √ | | |
| 1(2)(b)(i) | Who either does not hold share in the Company or holds less than one (1%) shares of the total paid up shares 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: | √ | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 1(2)(b)(iii) | Who has not been an executive of the company in immediately preceding 2 (two) fi nancial years; | √ | | |
| 1(2)(b)(iv) | Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies; | √ | | |
| 1(2)(b)(v) | Who is not a member or TREC (Trading Right Entitlement Certifi cate) holder, director or officer of any stock exchange; | √ | | |
| 1(2)(b)(vi) | Who is not a shareholder, director excepting independent director or offi cer of any member or TREC holder of stock exchange or an intermediary of the capital market; | √ | | |
| 1(2)(b)(vii) | Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit fi rm or audit fi rm engaged in internal audit services or audit fi rm conducting special audit or professional certifying compliance of this Code; | √ | | |
| 1(2)(b)(viii) | Who shall not be an independent director 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 non- payment of any loan or advance or obligation to a bank or a fi nancial institution; and" | √ | | |
| 1(2)(b)(x) | Who has not been convicted for a criminal offence involving moral turpitude. | √ | | |
| 1(2)(c) | The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM) : | √ | | |
| | 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 director(s) cannot remain vacant for more than 90 (ninety) days. | √ | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 1(2)(e) | The tenure of offi ce of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: | √ | | |
| **1(3)** | **Qualification of Independent Director (ID)** | | | |
| 1(3)(a) | Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws regulatory requirements and can make meaningful contribution to business; | √ | | |
| 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 | √ | | |
| 1(3)(b)(ii) | Corporate Leader who is or was a top level executive not lower than Chief Executive Offi cer or Managing Director or Deputy Managing Director or Chief Financial Offi cer 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 Tk. 100.00 million or of a listed company; or | √ | | |
| 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 | √ | | |
| 1(3)(b)(iv) | University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or | √ | | |
| 1(3)(b)(v) | Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Courtor a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification; | √ | | |
| 1(3)(c) | The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b); | √ | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 1(3)(d) | In special cases, the above qualifi cations or experiences may be relaxed subject to prior approval of the Commission. | | | No such matter |
| **1(4)** | **Duality of chairperson of the Board of Directors and Managing Director of chief Executive Officer** | | | |
| 1(4)(a) | The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals; | √ | | |
| 1(4)(b) | The Managing Director (MD) and/or Chief Executive Offi cer (CEO) of a listed company shall not hold the same position in another listed company; | √ | | |
| 1(4)(c) | The Chairperson of the Board shall be elected from among the non-executive directors of the company; | √ | | |
| 1(4)(d) | The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Offi cer; | √ | | |
| 1(4)(e) | In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes. | √ | | |
| **1(5)** | **The Director's Report to Shareholders** | | | |
| 1(5)(i) | An Industry outlook and possible future developments in the industry; | √ | | |
| 1(5)(ii) | The Segment-wise or product-wise performance; | √ | | |
| 1(5)(iii) | Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any; | √ | | |
| 1(5)(iv) | A Discussion on Cost of Goods sold, Gross Profit Margin and Net Profi t Margin, where applicable; | √ | | |
| 1(5)(v) | A Discussion on continuity of any Extra-Ordinary activities and their implication (gain or loss); | | | No such matter |
| 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; | √ | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 1(5)(vii) | A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments; | | | No such matter |
| 1(5)(viii) | An explanation if the fi nancial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.; | | | No such matter |
| 1(5)(ix) | An explanation on any signifi cant variance that occurs between Quarterly Financial performances and Annual Financial Statements; | √ | | Refer to the Directors' Report as well as the Financial Statements. |
| 1(5)(x) | A statement of remuneration paid to the directors including independent directors; | √ | | |
| 1(5)(xi) | 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 fl ows and changes in equity; | √ | | |
| 1(5)(xii) | A Statement that proper books of account of the issuer Company have been maintained. | √ | | |
| 1(5)(xiii) | A statement that appropriate accounting policies have been consistently applied in preparation of the fiancial statements and that the accounting estimates are based on reasonable and prudent judgment; | √ | | |
| 1(5)(xiv) | A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), 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) | A statement that the system of internal control is sound in design and has been effectively implemented and monitored; | √ | | |
| 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) | A statement that 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 reasons thereof should be disclosed; | | | No such matter |

| Condition No. | Title | Compliance Status | | Remarks |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 1(5)(xviii) | An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained; | √ | | |
| 1(5)(xix) | Key operating and fi nancial data of at least preceding 5 (five) years shall be summarized; | √ | | |
| 1(5)(xx) | An explanation on the reasons If the issuer company has not declared dividend (cash or stock) for the year; | √ | | |
| 1(5)(xxi) | Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend; | √ | | |
| 1(5)(xxii) | The total number of Board meetings held during the year and attendance by each director; | √ | | |
| 1(5)(xxiii)(a) | Parent or Subsidiary or Associated Companies and other related parties (name-wise details); | | | No such Parent or Subsidiary or Associated Companies and other related parties exists |
| 1(5)(xxiii)(b) | Directors, Chief Executive Offi cer, Company Secretary, Chief Financial Offi cer, Head of Internal Audit and Compliance and their spouses and minor children (name wise details); | √ | | |
| 1(5)(xxiii)(c) | Executives; | √ | | |
| 1(5)(xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the company (name wise details). | | | |
| 1(5)(xxiv)(a) | A brief resume of the director; | √ | | |
| 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 the directorship and the membership of committees of the board; | √ | | |
| 1(5)(xxv)(a) | Accounting policies and estimation for preparation of financial statements; | √ | | |
| 1(5)(xxv)(b) | Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes; | √ | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 1(5)(xxv)(c) | Comparative analysis (including effects of inflation)of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; | √ | | |
| 1(5)(xxv)(d) | Compare such fi nancial 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 and concerns issues related to the financial statements, explaining such risk and concernsmitigation plan of the company; and | √ | | |
| 1(5)(xxv)(g) | Future plan or projection or forecast for company's operation, performance and fi nancial position, with justifi cation thereof, i.e., actual position shall be explained to the shareholders in the next AGM; | √ | | |
| 1(5)(xxvi) | Declaration or certifi cation 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 certifi cate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and 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 confi dentiality. | √ | | |
| 1(6) | Meetings of the Board of Directors; 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. | √ | | |
| **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 Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Offi cer of the company; | | | As mentioned in condition number 4(ii) and 6 |

| Condition No. | Title | Compliance Status | | Remarks |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 1(7)(b) | The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; confl ict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency. | √ | | |
| **2** | **Governance of Board of Directors of Subsidiary Company.** | | | |
| 2(a) | Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company; | | | No such subsidiary Company |
| 2(b) | At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company; | | | " |
| 2(c) | The minutes of the Board meeting 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 fi nancial statements, in particular the investments made by the subsidiary company. | | | " |
| **3** | **Managing Director (MD) of Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).** | | | |
| **3(1)** | **Appointment** | | | |
| 3(1)(a) | The Board shall appoint a Managing Director (MD) or Chief Executive Offi cer (CEO), a Company Secretary (CS), a Chief Financial Offi cer (CFO) and a Head of Internal Audit and Compliance (HIAC); | √ | | |
| 3(1)(b) | The positions of the Managing Director (MD) or Chief Executive Offi cer (CEO), Company Secretary (CS), Chief Financial Offi cer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals; | √ | | |
| 3(1)(c) | The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time: | √ | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| | 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 respective roles, responsibilities and duties of the CFO, the HIAC and the CS; | √ | | |
| 3(1)(e) | The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s). | √ | | |
| 3(2) | Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters. | √ | | |
| **3(3)** | **Duties of Managing Director (MD) or Chief Executive Officer (CFO) and Cheif Financial Officer (CFO)** | | | |
| **3(3)(a)** | **The MD or CEO and CFO shall certify to the Board that they have reviewed financial statments for the year and that to the best of their knowledge and belief;** | | | |
| 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 | √ | | |
| 3(3)(a)(ii) | 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)(b) | The MD or CEO and CFO shall also certify that 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 or its members; | √ | | |
| 3(3)(c) | The certifi cation of the MD or CEO and CFO shall be disclosed in the Annual Report. | √ | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| **4** | **Board of Directors' Committee-For ensuring good governance in the company, the Board shall have at least following sub-committees:** | | | |
| 4(i) | Audit Committee; and | √ | | |
| 4(ii) | Nomination and Remuneration Committee | | | Bangladesh Bank through its DFIMCircular letter number-18 dated 21 May, 2024 instructed to assign the duties and responsibilities of Nomination and Remuneration Committee to Board Audit Committee. |
| **5** | **AUDIT COMMITTEE:** | | | |
| **5(1)** | **Responsibility to the Board of Directors** | | | |
| 5(1)(a) | The Company shall have an Audit Committee as a sub-committee of the Board of Directors; | √ | | |
| 5(1)(b) | The Audit 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. | √ | | |
| **5(2)** | **Constitution of the Audit Committee** | | | |
| 5(2)(a) | The Audit Committees shall be composed of at least 3 (three) members; | √ | | |
| 5(2)(b) | The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director; | √ | | |
| 5(2)(c) | All members of the Audit Committee should be "fi nancially literate" and at least 1 (one) member shall have accounting or related fi nancial management background and 10 (ten) years of such experience; | √ | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---|---|---|---|---|
| | | Complied | Not 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 offi ce 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 independent director. | √ | | |
| **5(3)** | **Chairman of the Audit Committee** | | | |
| 5(3)(a) | The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director; | √ | | |
| 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) | Chairperson of the Audit Committee shall remain present in the Annual General Meeting (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; | √ | | |
| 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. | √ | | |
| **5(5)** | **Role of Audit Committee** | | | |
| | **The Audit Committee shall:-** | | | |
| 5(5)(a) | Oversee the financial reporting process; | √ | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 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 nd half yearly fi nancial 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 all 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; and | √ | | |
| 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: | √ | | No such matter |
| **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. | √ | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 5(6)(a)(ii)(a) | Report on conflicts of interests; | | | No such matter |
| 5(6)(a)(ii)(b) | Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; | | | |
| 5(6)(a)(ii)(c) | Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and | | | |
| 5(6)(a)(ii)(d) | Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately; | | | |
| 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 rresults of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier. | | | |
| 5(7 | Reporting to the Shareholders and General Investors; Report onactivities 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. | √ | | |
| **6** | **Nomination and Remuneration Committee (NRCI:-** | | | |
| **6(1)** | **Responsibility to the Board of Directors** | | | |
| 6(1)(a) | The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board; | | | "Bangladesh Bank through its DFIM Circular letter number-18 dated 21 May, 2024 instructed to assign the duties and responsibilities of Nomination and Remuneration Committee to Board Audit Committee." |
| 6(1)(b) | The NRC shall assist the Board in formulation of the nomination criteria or poliCy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive; | | | |
| 6(1)(c) | The Terms of Reference (To R) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b). | | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| **6(2)** | **Constitution of the NRC** | | | |
| 6(2)(a) | The Committee shall comprise of at least three members including an independent director; | | | do |
| 6(2)(b) | At least 02 (two) members of the Committee shall be non-executive directors; | | | |
| 6(2)(c) | Members of the Committee shall be nominated and appointed by the Board; | | | |
| 6(2)(d) | The Board shall have authority to remove and appoint any member of the Committee; | | | |
| 6(2)(e) | Incaseofdeath,resignation,disqualification,orremoval of any member of the Committee or in any other cases of vacancies, the boardshallfillthevacancywithin180 (one hundred eighty) days of occurring such vacancy in the Committee; | | | |
| 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; | | | |
| 6(2)(g) | The company secretary shall act as the secretary of the Committee; | | | |
| 6(2)(h) | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director; | | | |
| 6(2)(i) | No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company. | | | |
| **6(3)** | **Chairperson of the NRC** | | | |
| 6(3)(a) | The Board shall select1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director; | | | do |
| 6(3)(b) | In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes; | | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 6(3)(c) | The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: | | | |
| **6(4)** | **Meeting of the NRC** | | | |
| 6(4)(a) | The NRC shall conduct at least one meeting in a financial year; | | | do |
| 6(4)(b) | The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC; | | | |
| 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); | | | |
| 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. | | | |
| **6(5)** | **Role of the NRC** | | | |
| 6(5)(a) | NRC shall be independent and responsible or accountable to the Board and to the shareholders; | | | do |
| 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; | | | |
| 6(5)(b)(i)(b) | The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and | | | |
| 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 the company and its goals; | | | |
| 6(5)(b)(ii) | Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality; | | | |
| 6(5)(b)(iii) | Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board; | | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 6(5)(b)(iv) | Formulating the criteria for evaluation of performance of independent directors and the Board; | | | |
| 6(5)(b)(v) | Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and | | | |
| 6(5)(b)(vi) | Developing, recommending and reviewing annually the company's human resources and training policies; | | | |
| 6(5)(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. | | | |
| **7** | **External or Statutory Auditors.** | | | |
| 7(1) | The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:- | | | |
| 7(1)(i) | Appraisal or valuation services or fairness opinions; | √ | | |
| 7(1)(ii) | Financial information systems design and implementation: | √ | | |
| 7(1)(iii) | "Book-keeping or other services related to the accounting records or financial statements;" | √ | | |
| 7(1)(iv) | Broker-dealer services; | √ | | |
| 7(1)(v) | Actuarial services; | √ | | |
| 7(1)(vi) | Internal audit services or special audit services | √ | | |
| 7(1)(vii) | Any service that the Audit Committee determines; | √ | | |
| 7(1)(viii) | Audit or certification services on compliance of corporate governance as required under condition No.9(1); and | √ | | |
| 7(1)(ix) | Any other service that creates conflict of interest. | √ | | |
| 7(2) | No partner or employees 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; his or her family members also shall not hold any shares in the said company: | √ | | |
| 7(3) | Representative of external or statutory auditors shall remain present in the Shareholders' Meeting(Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders. | √ | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| **8** | **Maintaining a website by the Company:-** | | | |
| 8(1) | The company shall have an offi cial website linked with the website of the stock exchange. | √ | | website: www.phoenixfinance.com.bd |
| 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 itswebsite as required under the listing regulations of the concerned stock exchange(s). | √ | | |
| **9** | **Reporting and Compliance of Corporate Governance.-** | | | |
| 9(1) | The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. | √ | | "The required Certificate is available in this Annual report" |
| 9(2) | The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the Annual General Meeting. | √ | | |
| 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 or not. | √ | | |

# Corporate Governance

Corporate Governance is a system through which companies are directed and controlled and the Board members are made responsible to shareholders. The Board of Directors of Phoenix Finance & Investments Limited ensures that the activities of the Company are always conducted in accordance with the highest ethical standards, in the best interest of all stakeholders and the preservation of the environment. The Company remains committed to highest standards of Corporate Governance and manage its affairs in accordance with the guideline of the Bangladesh Securities and Exchange Commission."

The Objectives of the Management Structures headed by the Board of Directors of Phoenix Finance & Investments Ltd. and led by the Chairman are to deliver sustainable value to shareholders. Implement the strategy set by the Board is delegated to the Branch Management and Unit Management under the leadership of Managing Director. The Board sets the strategy and approves the annual operating plans presented by the management for achievement of strategic objectives. The Board of Directors meets regularly. Directors receive information between meetings about the activities of the Committees and developments in the Company's business. All Directors have full and timely access to all relevant information and may take independent professional advice if necessary.

The Company has taken the following measures to implement Corporate Governance as instructed by Bangladesh Bank and Bangladesh Securities and Exchange Commission:

**THE BOARD OF DIRECTORS & THEIR MEETING**

The responsibility goes to a large extent to the directors of the Board and their leadership. The Board comprises of 4 (Four) members. The Board of Directors of whom one Nominee Directors, one is Shareholder Director and also two is Independent Director and also one Executive Director who is the Managing Director. The Company has complied with the Corporate Governance Guidelines imposed by Bangladesh Securities and Exchange Commission. Board members include persons of talents, with academic & professional qualification and wide range of experience in the field of business.

This gives strength for effettive discharge. of duties and responsibilities by the Board. The Board of Directors endeavors to exercise effective control over the Company in formulating and implementing policies and ensuring their effective implementation. The Board is responsible for the governance of the Company on behalf of shareholders within a framework of policies and controls that provide for effective risk assessment and management. The Board provides leadership and articulates the Company's objectives. The Board approves the Company's budget and business plan and reviews the policies. The Board and Executive committee reviews the guidelines of Bangladesh Bank. The management operates the Company according to policies set out by the Board.

The Chairman of the Board and the Chief Executive Officer/Managing Director are not the same person and their responsibilities are separate. The Chairman attends the meeting of the Board of Directors. The Chairman keeps contacts with the other Directors so that they all attend the meeting and fruitful results derive from the meeting of the Directors.

Regular meeting of the Board is held, at least once in month, 13 nos. Board Meetings were held during the year 2024. The attendance by each Director is reported at page 77.

**EXECUTIVE COMMITTEE**

In order to have proper functioning and quick disposal of credit proposals, Board had delegated authority to Committee of proposal within certain limit.the Board to approv Executive Committee of the Board to approve proposal within certain limit.

The Executive Committee of the Board of Directors is comprised of 3 (three) Non-Executive Directors. The Executive Committee reviews the policies and guidelines issued by Bangladesh Bank regarding credit and other operations. They ensure the implementation of the policies and guidelines through management. The Executive Committee of the Board approves the credit proposals as per the approval policy of the Board. This delegation has supported the operation in positive manner.

**AUDIT COMMITTEE**

The Audit Committee examines the status of implementation of the Company's policies and manuals and Bangladesh Bank Guidelines. The Audit Committee of the Board of Directors is comprised of 03 (three) member meeting on regular basis and verifies audit reports of different regulatory authorities. The Committee also examines the status of implementation of the Company's policies. and manuals, BSEC & Bangladesh Bank's guidelines. Besides, the Committee is empowered the following:

- To review the risk management procedures for ensuring an effective internal check and control system.
- To reviews the annual financial statements to ensure consistency with the accounting standards set by the regulatory.
- To review the efficiency and effectiveness of internal audit function.
- To review that the findings and recommendations made by the external auditors for removing the irregularities detected and also running the affairs of the Company are dulyconsideredby the management. In the year 2024, 04 (four) meetings were held.

**MANAGEMENT COMMITTEE**

The day to day activities of the Company is entrusted with the Managing Director and the Management Committee. The Committee comprises of 13 (thirteen) Members. The Chairman of Management Committee is the Managing Director of the Company. The Committee meets regularly to review the performance of the Company and take decisions as deemed appropriate.

**ASSET LIABILITY COMMITTEE (ALCO)**

The main objectives of these Committee to manage Balance Sheet risk, especially for managing of liquidity risk and interest rate risk and assist the Management Committee in the decision making process. The main responsibilities of this Committee. is to look after the Financial Market activities, manage liquidity and interest rate risk, understand the market position and competition etc. In carrying its responsibilities, the ALCO meets regularly and review the Decisions of the meeting with due consideration of the market situation. ALCO constituted 5 (five) members. ALCO chaired by the Managing Director of the Company.

**CREDIT COMMITTEE**

Credit/Financing Operation of the PFIL is of paramount importance as the greatest share of total revenue of the PFIL is generated from it, maximum risk is centered in it and even the very existence of PFIL depends on prudent management of its credit portfolio. The Committee constituted to reduce this risk. The Credit Committee chaired by the Managing Director and comprises of 5 (five) senior executives

**INTERNAL CONTROL & COMPLIANCE**

NBFIs business is a diversified and complex financial activity, Its activity involves high risk; the issue of effective internalcontrol system, corporate governance, transparency. accountability has become significant issues to ensure smooth performance of the operations of the Company. Internal control is the process, affected by a Company's Board of Directors, Management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws, regulations and internal policies. Internal Controls are the policies. and procedures established and implemented alone, or in concert with other policies or procedure, to manage and control a particular risk or business activity or combination of risks and business activities to which the Company is exposed or in which it is engaged. Phoenix Finance & Investments Ltd. has established an appropriate and effective internal control environment through the Board of Directors, Management, organizational and procedural controls and an independent"

audit mechanism in order to ensure that the Company is managed and controlled in a sound and prudent manner. The Company identifies its weaknesses through internal control system and takes appropriate measures to overcome the weaknesses. The Board of Directors of the Company has established an Audit Committee to monitor the effectiveness of internal control system of the Company. The Audit Committee meets the senior management periodically to discuss the effectiveness of the internal control system of the Company and ensure that the management has taken appropriate actions as per the recommendations of the auditors and the Internal Control and Compliance Division (ICCD).

Directors are responsible for instituting a system of internal control to ensure the effective implementation of all policies and decisions of the Board. The Board ensures that the directors maintain full and effective control areas of all significant strategic, financial and organizational and compliance issues. Internal Control is the process, affected by a company's Board of Directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations Reliability of financial reporting
- Compliance with applicable laws, regulations, and internal policies.

The Company has been practicing Internal Control System: based on the guidelines framed by Bangladesh Bank. Internal Control and Compliance Division covers all areas of Company's operational activities where risks of operational losses may arise as well as to ensure that ethical standard are maintained and regulatory compliances are followed. Internal Control and Compliance process are monitored through Departmental Control Function Check List and Operational Report. These are verified periodically in each Business Unit by the Internal Control & Compliance Department (ICCD). The ICCD provides report on overall adequacy and effectiveness of the Internal Control System based on Company's policy, practice & procedure to the Board of Director/Audit Committee on regular basis. The Management Committee of the Company alsomonitors the effectiveness of the Internal Control Functions time to time. The Company's internal controls are highlighted as follows:

- The definition of the organizational structure and appropriate delegation authorities to functional management.
- Procedure for the review and authorization of capital expenditure.
- Strategic planning and the related annual planning and quarterly forecasting process.
- Accounting and financial reporting policies to ensure the consistency, integrity and accuracy of the Company's accounting records.
- Reporting and review of financial results and other operating statistics as well as the Company's quarterly financial statements which are based on a standard reporting system.

**INTERNAL AUDIT & INSPECTION**

To reduce the operational risks of the Company, PFIL conducts regular audit/inspection on the business affairs of the Company based on different manuals, instructions, rules, procedures laid down by Bangladesh Bank and other regulatory authorities from time to time. The Internal Control and Compliance teams of the Company carried out comprehensive, periodical, special & surprise audit of the Branches/different divisions of Head Office. The frequencies of audit/ inspection of the branches/ divisions are planned as per Annual Audit Plan approved by the Managing Director and with the concurrence of the Audit Committee of the Board. The team prepares a audit report on all branches with corrective measures and places to Audit Committee of the Board for review who suggests measures through the management for remedial and non-repetition of the lapses in carrying out the operational activities of different business units.

**AUDIT BY EXTERNAL AUDITORS**

The external auditors also audited the financial statements of the Company and gives report thereon. They also discussed with the management on various issues including Internal Control and Compliance. Suggestions of the auditors are given due consideration and are implemented by the management. The reports of the auditors are also discussed in the Board and Audit Committee.

## BANGLADESH BANK REGULATIONS

The major highlights of Bangladesh Bank regulations are.

- To adopt the standardized approach for credit.
- To adopt the standardized approach for market risk and basic indicator approach operational risk.
- Submission of capital adequacy report to Bangladesh Bank on a quarterly basis.
- To adopt better risk management policy.
- To formulation and Governance of Green Banking Policy.

**Requirement of Bangladesh Bank**

Compliance department received some reports/ letters from Bangladesh Bank during 2025 and successfully submitted compliance of all reports/letters within prescribed deadlines."

**Corporate Governance Compliance Report**

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969: is given at page 53 to 70 Annexure-C as per condition no. 9 of this Annual Report.

# Audit Committee Report

**Mr. Shafi Uddin Ahmed, FCA**
**Independent Director**
**Phoenix Finance & Investments Limited**

The Audit Committee of the Board of Phoenix Finance & Investments Limited has been constituted to serve with utmost dedication in the interest of the shareholders on behalf of the Board of Directors. The Board of Directors sets out the overall Business plan with broad policy framework and issues guidelines for implementation by the management for overall interest of the Company. The Audit Committee, on behalf of the Board, strives to ensure effective implementation of the processes/procedures set out in the Business Plans and Policies. The Audit Committee acts as a catalyst to the Board of Directors and is responsible to the Board for its overall activities.

## FUNCTIONS OF THE AUDIT COMMITTEE

Main function of the Audit Committee is to assist the Board in its overall responsibilities. In order to fulfill the responsibilities, among others, main responsibilities of the

**Audit Committee are as follows:**

- Evaluating of compliance culture of the Management;
- Review of existing Risk Management procedures for ensuring an effective Internal Compliance and Control System;
- Review of efficiency and effectiveness of Internal Audit Functions;
- Monitoring of effectiveness of removal of the irregularities detected;
- Review of Annual Financial statements in line with the Accounting Standards set by the Regulatory Authorities;
- Review of the findings and recommendations of the External Auditors; and
- Assessment of running the affairs of the Company by the Management is in line with the policies set out by the Board.
- Review the Management's Discussion and Analysis.
- Although NBFIs are restricted to form NRC subordinate to the Board but Bangladesh Bank through its DFIM Circular letter number-18 dated 21 May, 2024 instructed to assign the duties and responsibilities of Nomination and Remuneration Committee to Board Audit Committee. Accordingly, the Board assigned Audit Committee the duties and responsibilities to act as Nomination and Remuneration Committee of the Board.

**Members of Audit Committee**

The Board Audit Committee of Phoenix Finance and Investments Limited has been constituted with the following Board of Directors:

| Name | Position in the Board of Directors | Designation in the Audit Committee | Educational Qualification |
|---|---|---|---|
| Mr. Shafi Uddin Ahmed, FCA | Independent Director | Chairman | M.Com (Accounting), MBA |
| Brig. Gen. (Retd) Mahbub Ahmed Zakaria | Independent Director | Member | Masters in War Studies |
| Mr. F. Hyder Ali | Nominee Director | Member | B.Sc (Hons), M.Sc (Botany) |

## Meetings of Audit Committee

During January 01 to December 31, 2025, 4 (Four) Meetings of the Board Audit Committee of the Board were held in which among others, the following issues were discussed:

i) Regular review of the Internal and External (Including Bangladesh Bank) Inspection and Audit Reports with a view to implementing the suggestions of Internal and External Auditors in respect of Internal Control Structure and Techniques;

ii) Regular review of the Quarterly Operations Reports on the operational functions of each Branch of Phoenix Finance and Investments Limited (PFIL) with a view to ensuring proper operational function of the Company;

iii) Reviewed un-audited draft Financial Statements and draft Management Reports of Phoenix Finance and Investments Limited (PFIL);

iv) Evaluated the status of compliance culture related to Internal Control System built by the Management.

## Internal Control

The following steps have been taken for implementation of Internal Control Procedure of Phoenix Finance and Investments Limited (PFIL):

i) Internal Control and Compliance Division carried out Internal Audit with a view to enriching the compliance culture and full control on the business operations. The Division directly reports simultaneously to the Managing Director and 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 and existing rules and regulations;

iii) To Establish the Control Policies and Procedures and Verification that the Control Policies and Procedures are in order;

iv) To establish Planning, Organizing and Supervising culture and monitoring of Audit and Inspection of the Branches and that of different Divisions of Head Office and conducting surprise inspections at Branches;

v) To Monitor and Comply with Applicable Laws; Regulations and Internal Policies Including Core Risk Management Guidelines of the Company;

vi) Strengthening the structure of compliance framework for better functioning of the operation; and

vii) To guard against money laundering and terrorist financing.

**Shafi Uddin Ahmed, FCA**
Chairman
Audit Committee &
Independent Director

# Attendance by the Directors at the Board Meetings during the year 2025

| Sl. No. | Name of Directors | Position | Board Meetings Attendance |
|---|---|---|---|
| 1 | **Mr. Mohammed Mohsin** | Chairman | 13 |
| 2 | ***Barrister Rashna Imam** | Independent Director | 11 |
| 3 | **Brig. Gen. (Retd) Mahbub Ahmed Zakaria** | Independent Director | 12 |
| 4 | ****Mr. F. Hayder Ali** | Nominee Director | 10 |

*Directorship vacated due to refusal of re-appointment by Bangladesh Bank dated 11.06.2026

**Mr. F. Hayder Ali,  appointed as a Nominee Director representing Phoenix Insurance PLC on 10.04.2026

# Pattern of Shareholdings
## as on 31 December, 2025

| Sl. No. | Particulars | No. of Shares | % of holding |
|---|---|---|---|
| a) | Parent/Subsidiary/Associated Companies | Nil | Nil |
| b) | Directors & their spouses and minor children | | |
| | Mr. Mohammed Mohsin, Chairman | 3,463,298 | 2.09 |
| | Barrister Rashna Imam, Independent Director | Nil | Nil |
| | Brig. Gen. (Retd) Mahbub Ahmed Zakaria, Independent Director | Nil | Nil |
| | Mr. F. Hayder Ali Nominee Director | Nil | Nil |
| c) | Top 5 (five) Executives | | |
| | i) Md. Mamunur Rashid Molla, Managing Director | Nil | Nil |
| | ii) Mr. Mohammad Sayduzzaman, DMD | Nil | Nil |
| | iii) M. A. Wadud, Head of Principal Branch | Nil | Nil |
| | iv) Mr. Mohammed Mahbub Alam, Head of CRM | Nil | Nil |
| | v) Mr. Sardar Mahbub Ali, Head of HR | Nil | Nil |
| d) | Shareholders holding 10% or more voting interest: Phoenix Insurance Company Limited | 18,109,294 | 10.92 |

# Compliance Report on Bangladesh Bank's Guidelines on Corporate Governance

Bangladesh Bank requires the Financial Institutions to comply with the guidelines on Corporate Governance as per the Bank's DFIM Circular No. 7, dated September 25, 2007 and subsequent circulars thereon, DFIM Circular No. 09, dated October 08, 2007, DFIM Circular No. 18, dated October 26, 2011 and DFIM Circular No. 06, dated June 17, 2012. Company has taken appropriate steps to comply with the guidelines and implemented the same. Status report on compliance with those guidelines is given below:

| Sl. | Particulars | Compliance Status |
|---|---|---|
| 01<br><br>A.<br>i. | Responsibilities and Authorities of Board of Directors<br>The responsibilities of the Board of Directors are mainly related to and developing strategy. Those are as-<br><br>**Work-planning and Strategic Management:**<br>The Board shall determine the vision/mission of the Company. Board shall also determine the strategy and work-planning for enhancement of institutional efficiency and other policy matters on annual basis. The Board shall make necessary amendments on the strategy on quarterly basis. | Complied<br><br>Refer to Board of Directors and its committee on page 18-22 of this Annual Report. |
| ii. | The Board shall have its analytical review to be incorporated in the Annual Report as regard to the success or failure in achieving the target as set out in the annual work plan and inform the same to the shareholders in the Annual General Meeting (AGM). | Complied<br><br>Refer to the Directors Report on pages 40-50 of this Annual Report. |
| iii. | The Board shall determine Key Performance Indicators for chief executive along with other top level executives and re-assess on half-yearly basis. | Complied |
| B. | **Formation of Sub-committee:**<br>For making timely decision, executive committee can be formed. No alternative director shall be included in this committee. | Refer to "Board and its committee" on page 18-22 of this Annual Report. |
| C.<br>i. | **Financial Management:**<br>Annual budget and statutory financial reports shall be authorized by the Board of Directors. | Complied |
| ii. | The Board shall review company's statement of income and expense, statement of loan/lease, liquidity requirement, capital adequacy, adequacy of provision, action taken for legal cases and recovery of default loan. | Complied<br><br>Refer to Directors Report on page 40-50 of this Annual Report. |
| iii. | The Board shall approve the procurement policy and shall accordingly approve the delegation of power for making such expenditure. The maximum delegation of power shall rest on the CEO and top management. However, decision relating to purchase of land, building, and vehicle shall remain with the Board. | Complied<br><br>Refer to "Report on Corporate Governance" on page 71-74 of this Annual Report. |

| Sl. | Particulars | Compliance Status |
|---|---|---|
| iv. | Bank account of the Company shall be operated by a group constituted from amongst the Management which must be approved by the Board and having dual signatures (As amended through circular number 09, dated October 08, 2007); | Complied |
| D.<br>i. | **Loan/Lease/Investment Management:**<br>The policies, strategies, procedures etc. in respect of appraisal of loan/lease/investment proposal, sanction, disbursement, recovery, rescheduling, and write-off shall be made with the Board's approval under the purview of the existing laws, rules and regulations. The Board shall specifically delegate the power of sanction of loan/lease/investment and such delegate should desirably be made among the CEO and other top management of the company. | Complied<br><br>Refer to "Report on Corporate Governance" on page 71-74 of this Annual Report. |
| ii. | No Director shall interfere directly or indirectly in the process of loan approval. | Complied |
| iii. | Core Risk Management Guidelines shall be approved by the Board of Directors of the Company. | Complied |
| E. | **Risk Management:**<br>Approval shall be taken from Board of Directors for syndicate loan/lease/investment and large loan, lease or investment. | Complied |
| F. | **Internal Control & Compliance:**<br>Audit Committee shall be formed for effective implementation of an integrated internal control system of the Company and for keeping loan/lease/investment quality at a desired level. Board Audit Committee shall review the report provided by the Internal Control & Compliance Department, the external auditor and the Bangladesh Bank shall make comments thereon. | Complied<br><br>Refer to Report on the Audit Committee on page 75-76 of this Annual Report. |
| G. | **Human Resources Management (HRM):**<br>Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, HR development etc. and service rule shall be framed and approved by the Board. The Chairman of the Board shall in no way involve themselves or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the service rules. No member of the Board shall be included in the selection committees for recruitment and promotion of different levels except the positions MD, DMD and GM or equivalent to EVP. | Complied<br><br>Refer to the Directors Report on pages 40-50 of this Annual Report. |
| H. | **Appointment of Managing Director and Increase of Salaries & Allowances:**<br>Board of Directors shall appoint a competent Managing Director with approval of the Bangladesh Bank. Board shall approve any increment of salaries and allowance of the Managing Director. | Complied |
| I. | **Benefit to Chairman:**<br>Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle in the business-interest of the company subject to the approval of the Board. | Complied<br>Refer to "Report on Corporate Governance" on page 71-74 of this Annual Report. |

| Sl. | Particulars | Compliance Status |
|---|---|---|
| **02.** i. | **Responsibilities and Duties of Chairman:** Chairman shall not personally possess the jurisdiction to apply policy making or executive or authority. He shall not participate in or interfere into the administrative or operational and routine affairs of the Company. | Complied<br><br>Refer to "Report on Corporate Governance" on page 71-74 of this Annual Report. |
| ii. | The minutes of the Board meetings shall be signed by the Chairman. | Complied<br><br>Refer to "Report on Corporate Governance" on page 71-74 of this Annual Report. |
| iii. | Chairman shall sign-off the proposal for appointment of Managing Director and revision of his salaries & allowances. | Complied<br><br>Refer to "Report on Corporate Governance" on page 71-74 of this Annual Report. |
| **03.**<br><br>i. | **Responsibilities of Managing Director**<br>The Managing Director or Chief Executive Officer of the company or whatsoever be called, shall work under the following area:- 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 |
| ii. | Managing Director shall ensure compliance of Financial Institutions Act 1993 and other relevant circulars of Bangladesh Bank and other regulatory authorities. | Complied |
| iii. | Allrecruitment/promotion/training, except recruitment/promotion/ training of DMD & GM (as equivalent to EVP) shall be vested upon the Managing Director. He shall act such in accordance with the approved HR Policy of the Company. | Complied |
| iv. | Managing Director may re-schedule job responsibilities of employees. | Complied |
| v. | Managing Director may re-schedule job responsibilities of employees. | Complied |
| vi. | Managing Director shall sign all the letters/statements relating to compliance of policies and guidelines. However, Departmental/Unit heads may sign daily letters/statements as set out in DFIM circular no.2 dated 06 January 2009 if so authorized. | Complied |

# Credit Rating Report

Alpha Credit Rating Limited has assigned "B" rating to Phoenix Finance & Investments Limited (PFIL) in long term based on financials up to December 31, 2024 and other relevant qualitative and quantitative information up to the date of rating under the Credit Rating Companies Rules, 1996.

The above rating was done in consideration of its fundamentals such as good Capital Base, good asset quality, established franchise value, diversified product line etc. Financial institutions rated in this category are adjusted to offer adequate safety for timely repayment of financial obligations.

Alpha also placed the Company with "Developing Outlook" in consideration of its current Portfolio with enhanced business network.

A comparative position of the Credit Rating of the Company is as follows:

| Year | Long Term | Short Term |
|---|---|---|
| 2024 | B | ST-5 |
| 2023 | BB | ST-4 |
| 2022 | A- | ST-3 |
| 2021 | A | ST-2 |
| 2020 | A+ | ST-2 |
| 2019 | A+ | ST-2 |
| 2018 | A+ | ST-2 |
| 2017 | A+ | ST-2 |
| 2016 | A+ | ST-2 |
| 2015 | A+ | AR-2 |
| 2014 | A+ | AR-2 |
| 2013 | A+ | AR-2 |

# Statement on Green Banking

## GREEN BANKING AND SUSTAINABLE FINANCING:

Climate change is the most complicated issue across the world is facing and there have been continuous endeavors to measure and mitigate the risk of climate change caused by human activities. Many countries all over the world have made commitments necessary to mitigate climate change. Green banking considers all the social and environmental/ecological factors with an aim to protect the environment and conserve natural resources. It is also called as an ethical bank or a sustainable development for future. It refers to the initiatives taken by banks/FIs to encourage environment friendly investment. Green banking is a proactive and smart way of thinking towards future sustainability. It is very important for the Banks/FIs to be proactive and accelerate the rate of the growth of the economy. As there is a continuous change in the environmental factors leading the Banks/FIs face intense competition in the global market. Banks/FIs need to apply morality of sustainability and responsibility to their business model, strategy and formulation for products and services, operations and financing activities and become stronger. By adopting the environmental factors in their lending activities Banks/FIs can recover the return from their investments and make the polluting industries become environment friendly.

Green banking is something not new in Bangladesh and this innovative banking system has been incorporated in Bangladesh since 2011 by Bangladesh Bank. Green Banking refers to the banking business conducted in such areas and in such a manner that help the overall reduction of external carbon emission and internal carbon footprint. It is also the finance of the banking project, service or trade in a firm or individual which doesn't pollute the environment in any way or causes any harmful elements or waste to the atmosphere.

Phoenix Finance & Investments Ltd. is also very sensitive and concerned for financing in Green activities as well as in sustainable sector but we didn't achieve our required target in this sector yet. As we are facing severe liquidity crisis, adverse banking sector and current crisis of covid-19 pandemic for last few years, all of our Branches are fully instructed to take all necessary steps for achieving required target of sustainable financing as well as Green Banking as per Bangladesh Bank's Instruction.

# Report on Risk Management

Risk management is a central part of any organization's strategic management. It is the process whereby organizations methodically address the risks attaching to their activities with the goal of achieving sustained benefit within each activity and across the portfolio of all activities.

The focus of good risk management is the identification and treatment of these risks. Its objective is to add maximum sustainable value to all the activities of the organization. It marshals the understanding of the potential upside and downside of all those factors which can affect the organization. It increases the probability of success, and reduces both the probability of failure and the uncertainty of achieving the organization's overall objectives.

Risk management should be a continuous and developing process which runs throughout the organization's strategy and the implementation of that strategy. It should address methodically all the risks surrounding the organization's activities past, present and in particular, future. It must be integrated into the culture of the organization with an effective policy and a programme led by the most senior management. It must translate the strategy into tactical and operational objectives, assigning responsibility throughout the organization with each manager and employee responsible for the management of risk as part of their job description. It supports accountability, performance measurement and reward, thus promoting operational efficiency at all levels.

PFIL are always exposed to a certain amount of risk. Managing such risks has always been a primary concern of the Company. In today's challenging financial and economic environment, effective risk management is must for sustainable growth in shareholders value.

PFIL has always been in the vanguard of implementing different risk management tools and techniques, its risk management approaches emphasizing not only for regulatory purpose but also to improve operational and financial performance of the Company. PFIL's Risk Management departments are headed by well skilled senior executives who are justifying the above mentioned risk. The prime objective of the risk management is that the Company takes well calculated business risks while protecting the Company's assets, its profitability from various risks.


**RISK MANAGEMENT PROCESS:**

**RISK IDENTIFICATION**

Risk identification sets out to identify an organization's exposure to uncertainty. This requires an intimate knowledge of the organization, the market in which it operates, the legal, social, political and cultural environment in which it exists, as well as the development of a sound understanding of its strategic and operational objectives, including factors critical to its success and the threats and opportunities related to the achievement of these objectives. PFIL follows the following Techniques for Risk Identification -

- Brainstorming
- Questionnaires
- Business studies which look at each business process and describe both the internal processes and external factors which can influence those processes

- Industry benchmarking
- Scenario analysis
- Risk assessment workshops
- Incident investigation
- Auditing and inspection
- HAZOP (Hazard & Operability Studies)

### RISK DESCRIPTION

The objective of risk description is to display the identified risks in a structured format. By using a table as given below displaying the risk description to facilitate the description and assessment of risks:

Risk Description

| | |
|---|---|
| 1. Name of Risk | |
| 2. Scope of Risk | Qualitative description of the events, their size, type, number and dependencies |
| 3. Nature of Risk | Eg. strategic, operational, financial, knowledge or compliance |
| 4. Stakeholders | Stakeholders and their expectations |
| 5. Quantification of Risk | Significance and Probability |
| 6. Risk Tolerance/Appetite | Loss potential and financial impact of risk<br>Value at risk<br>Probability and size of potential losses/gains<br>Objective(s) for control of the risk and desired level of performance |
| 7. Risk Treatment & Control Mechanisms | Primary means by which the risk is currently managed<br>Levels of confidence in existing control<br>Identification of protocols for monitoring and review |
| 8. Potential Action for Improvement | Recommendations to reduce risk |
| 9. Strategy and Policy Developments | Identification of function responsible for developing strategy and policy |

### RISK ESTIMATION

Risk estimation can be quantitative, semi quantitative or qualitative in terms of the probability of occurrence and the possible consequence. For assessing consequence and probability as high, medium or low, PFIL presented it's as a 3 × 3 matrix.

### RISK ANALYSIS METHODS AND TECHNIQUES

PFIL used a range of techniques to analyse risks. These are specific to upside or downside risk or capable of dealing with both.

Upside risk

- Market survey
- Prospecting
- Test marketing
- Research and Development
- Business impact analysis

- Dependency modeling
- SWOT analysis (Strengths, Weaknesses, Opportunities, Threats)
- Event tree analysis
- Business continuity planning
- BPEST (Business, Political, Economic,
- Social, Technological) analysis
- Real Option Modeling
- Decision taking under conditions of risk and uncertainty
- Statistical inference
- Measures of central tendency and dispersion
- PESTLE (Political, Economic, Social, Technical, Legal, Environmental)

Downside risk

- Threat analysis
- Fault tree analysis
- FMEA (Failure Mode & Effect Analysis)

## MONITORING AND REVIEW OF THE RISK MANAGEMENT PROCESS

Effective risk management requires a reporting and review structure to ensure that risks are effectively identified and assessed and that appropriate controls and responses are in place. Board Audit Committee and Internal Control and Compliance Department carried out regular audits of policy and standards compliance and standards performance reviewed to identify opportunities for improvement.

The monitoring process provides assurance that there are appropriate controls in place for the organization's activities and that the procedures are understood and followed. Monitoring and review process also determine whether:

- he measures adopted resulted in what was intended
- the procedures adopted and information gathered for undertaking the assessment were appropriate
- improved knowledge would have helped to reach better decisions and identify what lessons could be learnt for future assessments and management of risks

## STRUCTURE AND ADMINISTRATION OF RISK MANAGEMENT

- The Board of Directors of the Company is responsible for the proper risk management.
- Board of Directors approves all major risk management policies taking into account market condition and regulatory requirements.
- Executive Committee is responsible to supervise that the management and different management Committees are operating within approved limits and authorities. EC also approves credit proposals, administrative proposals of the Company.
- Audit Committee of the Board of Directors independently monitors all activities of the Company operations involving credit risk, operational risk, and market risks.
- Separate Risk Management Unit, Asset Liability Committee, Credit Committee, Basel-II Implementation Unit have been formed to ensure compliance with all relevant risk management policies of the Company.
- Internal Control & Compliance Department on a regular basis verifies compliance with all approved risk management and internal control policies. ICCD reports to the Audit Committee of the Board all kinds of risk sensitive issues.

# Corporate
# Social Responsibility

Phoenix Finance & Investments Limited conscious of Corporate Social Responsibility (CSR) from the very beginning of its operation in 1995. The Company looks beyond short-term quantities gain and concentrates on issues which make the institution socially responsible. The Company always expects sustainable and balanced growth of the society.

The Company is deeply conscious of its obligations to the Bangladeshi society and people and remains committed to their welfare within the possessions on hand to it, at any time. Employees of Phoenix Finance & Investments Limited make a unique contribution to our ultimate success. A talent officer can win the heart of a customer by delivering prompt service. We want to set the standard of distinction in the FIs with our employees who are devoted to deliver truly great service. Our success depends on our employees and thus by enhancing their skill and knowledge base.

We are able to innovate with more success. The Company provides every facility to the employees as it can, respecting their worth and dignity.

The Company engaged in business activities and the companies invest the funds in the real production. At the same time employments are also created in these companies; people work there, earn their income and lead their families. The Company's also contribute to the nation through paying Tax.

Phoenix Finance & Investments Ltd. is committed to contributing to the growth of the SME sector and is a significant player in the economic development of our nation. The Company provides service and product information, customer briefing and instant loan processing for Small & Medium entrepreneurs.

The Company believes that a warm association with the customers' drives a service oriented Organization to reach its long term sustainability. Customer's needs are different with the change of time and technology. The Company serves the customers as per their varied needs. A variety of loan products have been developed considering the needs of the people. The Company provides professional services to the customer. Every employee has been given enough information and power to make customer pleasing decisions.

Phoenix Finance & Investments Ltd. has been donated remarkable amount in every year for various Medical treatments, contribution to Health treatment and emergency support in humanitarian distresses.


brother
brother


# Investors' Information

# Shareholders' Information

| Share Capital | |
|---|---|
| Authorised Capital | 3,000,000,000.00 |
| Paid up Capital | 1,658,741,950.00 |

| SHARE CAPITAL | 2025 | 2024 |
|---|---|---|
| **Authorized capital** | | |
| 300,000,000 Ordinary shares of Tk. 10 each | 3,000,000,000 | 3,000,000,000 |
| **Issued, subscribed and paid up capital** | | |
| 165,874,195 Ordinary shares of Tk. 10 each | 1,658,741,950 | 1,658,741,950 |

**Pattern of Shareholdings**

| | | |
|---|---|---|
| Sponsors (Institutions) | 181,092,940 | 181,092,940 |
| Sponsors (Individuals) | 250,403,320 | 292,795,840 |
| General Public (Institutions) | 314,799,310 | 357,706,520 |
| General Public (Individuals) | 912,446,380 | 827,146,650 |
| **Total** | **1,658,741,950** | **1,658,741,950** |

**Classification of Shareholders by Holding (Regulation 37 of the Listing Regulation of DSE)**

| Shareholding Range | Number of Shareholders | Shares | Percentage (%) |
|---|---|---|---|
| Less than 500 shares | 1,459 | 243,919 | 0.15 |
| 501 to 5,000 shares | 2,414 | 5,242,516 | 3.16 |
| 5,001 to 10,000 shares | 517 | 3,970,464 | 2.39 |
| 10,001 to 20,000 shares | 365 | 5,431,618 | 3.27 |
| 20,001 to 30,000 shares | 179 | 4,479,926 | 2.70 |
| 30,001 to 40,000 shares | 91 | 3,281,205 | 1.98 |
| 40,001 to 50,000 shares | 61 | 2,819,045 | 1.70 |
| 50,001 to 100,000 shares | 129 | 9,457,004 | 5.70 |
| 100,001 to 1,000,000 shares | 120 | 34,542,582 | 20.82 |
| 1,000,001 to 10,000,000 shares | 28 | 78,296,622 | 47.20 |
| 10,000,001 to 100,000,000 shares | 1 | 18,109,294 | 10.92 |
| | **5,364** | **165,874,195** | **100** |

**Year wise Total Number of Shareholders**

| Year | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Number of Shareholders | 5,364 | 5,858 | 5,987 | 5979 | 4,775 |

## STOCK DETAILS

| Particulars<br>Stock Symbols | DSE<br>Phoenixfin | CSE<br>Phoenixfin |
|---|---|---|
| Company Code | 11144 | 25016 |
| Listing Year | 2007 | 2007 |
| Market Category | Z | Z |
| Electronic Share | Yes | Yes |
| Face Value | Tk 10 | Tk 10 |
| **Total Number of Securities** | **165,874,195** | **165,874,195** |

## INVESTORS' INQUIRIES

Share Department
Phoenix Bhaban (2nd Floor)
12, Dilkusha C/A, Dhaka - 1000
Phone: 02223385573
E-mail: share@phoenixfinance.com.bd
pfilshare@gmail.com

# Dividend
# Distribution Policy

The management as well as the Board of Phoenix Finance & Investments Limited is very careful about the stakeholders' interest specially dividend payment. We follow the guidelines of the Company's Act and regulatory body's instruction properly. The following policy will be applicable to the company for the payment of dividend to the shareholders of the company:

1. The company will pay the annual dividend to the entitled shareholders, within 30 (thirty) days from the date of Annual General Meeting.
2. Cash dividend will be distributed in the following manner and procedures, namely:
    i. The company will pay cash dividend directly to the Bank accounts of the entitled shareholders, as available in the BO (Beneficiary Owner) account maintained with the Depository Participant (DP), or the Bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN), provided that the company may pay off such cash dividend through Bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;
    ii. The company, upon receiving the claim on cash dividend from a Stock Broker or a Merchant Banker or a Portfolio Manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of Stock Broker or Merchant Banker or Portfolio Manager, pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the Stock Broker or to the separate bank account of the Merchant Banker or Portfolio Manager through BEFTN;
    iii. The company, in case of non-availability of Bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, issue cash dividend warrant and send it by post to the shareholder.
    iv. The company will pay cash dividend to sponsor, Director, shareholder, or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard.
    v. The company, immediately after disbursement of cash dividend and issuance of a certificate of tax deducted at source, if applicable, intimate to the shareholder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder.
    vi. The company shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number wise or name-wise or folio number wise of the shareholder. Provided that the company shall publish the year-wise summary of its unpaid or unclaimed dividend in the website. Provided further that any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate Bank account of the company as maintained for this purpose, within 1 (one) year from the date of approval or record date, as the case may be.
3. The company shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL);
4. The company shall submit a compliance report to the Bangladesh Securities and Exchange Commission (BSEC) in a specific format, within 7 (seven) working days of completion of dividend distribution: Provided that the company will also publish the compliance report in its website.
5. The company shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force.


# Financial Statements 2025

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Mahamud Sabuj &Co

# Auditor's Report

To the Shareholders of Phoenix Finance and Investments Limited
Report on the Audit of the Financial Statements

**Qualified Opinion**

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

In our opinion, except for the effects given in the Basis for Qualified Opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and of financial performance and its cash flow 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 Companies Act, 1994 and other applicable Laws and Regulations.

**Basis for Qualified Opinion**

The Company, jointly with Phoenix Insurance Co. Limited, owns an eight-storied building including land located at Dilkusha Commercial Area, Motijheel. Only half of the first floor of the building, measuring 4,351 square feet, is used by the Company as its SME Branch, Share Department, and Store. The remaining floors of the building are rented out, generating rental income of BDT 10,007,589.00. This income is recognized as other operating income for the year ended 31 December 2025. Accordingly, the portion of the property not occupied for the Company's own use (i.e., excluding the SME Branch, Share Department, and Store) meets the definition of Investment Property under IAS 40 Investment Property. However, the Company continues to classify the entire property as Property, Plant and Equipment under IAS 16 Property, Plant and Equipment, which represents a departure from IAS 40. In addition, the Company has recognized expenses relating to the space occupied by the SME Branch within its financial statements, despite the property being jointly owned and operated. This treatment is not fully aligned with the single entity concept set out in the IASB Conceptual Framework.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our 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.

**Material Uncertainty Related to Going Concern**

The Company incurred a Net profit after tax amounting to BDT (3,392,556,991) during the year and reported Net Assets amounting to BDT (16,995,582,595) as of 31 December 2025. Furthermore, as part of our going concern assessment, we evaluated the maturity profile of the Company's assets and liabilities to identify any structural mismatches that may adversely impact the Company's liquidity position in future. As at 31 December 2025, our assessment identified a net liquidity gap of BDT 16,881,247,346, indicating a material funding deficit. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The financial statements have been prepared on a going concern basis, which is dependent on the successful implementation of emergency income-generating measures and the securing of additional capital funding. Our opinion is not modified in respect of this matter.

**Emphasis of Matters**

Without modifying our opinion, we are drawing attention to the following matters:

1. The Company has revalued its land in 2017, and buildings in 2010. However, in accordance with Paragraphs 31 and 34 of IAS 16 Property, Plant and Equipment and Clause 1(5)(xxvii) of the BSEC Corporate Governance Guidelines (Notification dated 03 June 2018), such revaluations should be conducted with sufficient regularity—typically every three to five years—to ensure that the carrying amount does not differ materially from fair value. The Company has not performed any subsequent revaluations since those dates, resulting in non-compliance with the applicable standards and regulations. Furthermore, the Company has not reviewed the residual values and useful lives of its depreciable assets at the end of the financial year, which is a requirement under Paragraphs 51 and 56 of IAS 16. This also constitutes a non-compliance. In addition, the Company has not conducted any impairment testing of its fixed assets, which is a non-compliance with the requirements of IAS 36 Impairment of Assets;

2. In Note # 13.2 to the financial statements, the Company disclosed a Current Income Tax Payable of BDT 305,613,181. For Assessment Years (AY) 2023–24 (income year 2022), AY 2024–25 (income year 2023), and AY 2025–26 (income year 2024), the Company recognized provisions for income tax amounting to BDT 21,917,125, BDT 14,157,122, and BDT 14,250,000, respectively. However, in the income tax returns filed for the respective assessment years, the Company reported income tax liabilities of only BDT 10,412,511, BDT 8,124,781, and BDT 7,170,113, respectively, and settled those amounts accordingly. Despite this, the Company did not reverse the excess tax provisions amounting to BDT 24,616,842, which remained outstanding as of 31 December 2025. Furthermore, although the tax authorities have completed assessments up to AY 2022–23, the Company has not adjusted the Current Income Tax Payable balance to reflect the outcomes of those assessments. In addition, while recognizing the Provision for Current Tax for the year ended 31 December 2025, the Company did not comply with the relevant provisions of the Income Tax Act, 2023, as required under paragraph 46 of IAS 12 Income Taxes;

3. In Note # 39 to the financial statements, the Company reported the Capital to Risk-Weighted Assets Ratio. As per DFIM Circular # 08 dated 02 August 2010, and Prudential Guidelines on Capital Adequacy and Market Discipline (CAMD) for Financial Institutions issued by Bangladesh Bank, the Company had to maintain Minimum Total Capital plus Capital Conservation Buffer @ 10.00%. However, the Company has maintained a Minimum Total Capital plus Capital Conservation Buffer of (109.68) %.

4. In Note # 2.20 to the financial statements, the Company disclosed that it maintains a Defined Benefit Gratuity Scheme but has not conducted the required actuarial valuation as per paragraph 67 of IAS 19 Employee Benefits. Instead, the provision is calculated based on year of service, which does not comply with the recognition and measurement requirements of IAS 19. As a result, the Employee Benefit Obligation may be misstated, potentially affecting the reported profit and equity. Besides, disclosures made in this regard in Note # 13.6 to the financial statements do not comply with paragraph 135 of IAS 19;

5. The Company disclosed the Dividend Payable of Tk. 383,883 as disclosed in Note # 13.6 to the financial statements. However, the Company did not transfer to unpaid dividends for 2019 and 2020, amounting to Tk. 383,883 to the Capital Market Stabilization Fund (CMSF), despite the passage of over three years, which is a departure from Rule 4(1) of the BSEC (Capital Market Stabilization Fund) Rules, 2021;

6. In Note # 9.1 to the financial statements, the Company disclosed Deferred Tax Assets amounting to BDT 140,792,394. However, the Company has been reporting taxable losses in recent years and is unlikely to generate taxable profits in the foreseeable future against which these deductible temporary differences can be utilized. Therefore, in accordance with Paragraph 27 of IAS 12 – Income Taxes, the recognition of Deferred Tax Assets is not appropriate. Additionally, the Company should include a disclosure explaining this position, as required under Paragraph 81(e) of IAS 12 Income Taxes; and

7. The Company has not implemented IFRS 16 Leases. For the year ended 31 December 2025, recognition of Right-of-Use (RoU) Assets amounting to BDT 47,656,524 and Lease Liabilities amounting to BDT 35,544,334 is required.

**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 year. 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.

| Description of key audit matters | Our response to key audit matters |
|---|---|
| **1. Measurement of provision for loans, advances and leases** | |
| The process for estimating the provision for loans and advances portfolios associated with credit risk is significant and complex.<br><br>For the individual analysis, provisions consider the estimates of future business performance and the market value of the collaterals provided for credit transactions.<br><br>For the collective analysis, these provisions are manually processed and deal with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.<br><br>At year end, the Company reported total gross loans and advances of BDT 25,674.84 million (2024: BDT 25,930.65 million) and provision for loans and advances of BDT 14,823.62 million (2024: BDT 13,701.98 million).<br><br>Our audit focused on the following significant judgements and estimates, which give rise to a heightened risk of material misstatement or management bias:<br><br>• Completeness and timing of recognition of loss events in accordance with criteria set out in relevant DFIM and other relevant Circulars issued by Bangladesh Bank; | We tested the design and operating effectiveness of key controls focusing on the following:<br><br>• Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process;<br>• Identified the loss events, including early warning and default warning indicators; and<br>• Reviewed the quarterly Classification of Loans (CL).<br><br>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:<br><br>Reviewed the adequacy of the Company's general and specific provisions;<br><br>• Assessed the methodologies on which the calculation of provision amounts is based, recalculated the provisions and tested the completeness and accuracy of the underlying information;<br>• Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; |

<table>
<tr><th>Description of key audit matters</th><th>Our response to key audit matters</th></tr>
<tr><td colspan="2">1. Measurement of provision for loans, advances and leases</td></tr>
<tr><td>
<ul>
<li>For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows;</li>
<li>Loans and advances unclassified and provisions released based on the injunctions from the Honorable High Court Division of the Bangladesh Supreme Court; and</li>
<li>The adequacy of down payments received at the time of loan and advance rescheduling, as a down payment is required under the relevant DFIM circulars and letters issued by Bangladesh Bank.</li>
</ul>
Provision measurement is primarily dependent upon key assumptions relating to the probability of default, ability to repossess collateral, and recovery rates.
</td><td>
<ul>
<li>We have reviewed the relevant DFIM circulars and letters issued by Bangladesh Bank, which clearly require full receipt of the down payment prior to rescheduling. However, prevailing industry practice recognizes down payments made prior to the approval of the financial statements by the appropriate authority for purposes of determining the classification status of loans and advances and their eligibility for rescheduling.</li>
<li>Considered guidance given to the bank by Bangladesh Bank in this regard for this period; and</li>
<li>Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li>
</ul>
</td></tr>
<tr><td colspan="2">See notes # 2.23, 6 and 13.1 to the financial statements.</td></tr>
<tr><td colspan="2">2. Recognition of interest income from loans and advances.</td></tr>
<tr><td>
Recognition of interest income has a significant and wide influence on Financial Statements. Recognition and measurement of interest income have followed circulars of Bangladesh Bank.<br><br>
We identify recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the Company and therefore there is an inherent risk of fraud and error in recognition of interest income by management to meet specific targets and expectations.
</td><td>
We tested the design and operating effectiveness of key controls over the recognition and measurement of interest on loans and advances:
<ul>
<li>We performed a test of operating effectiveness on manual control in place to measure and recognize interest income;</li>
<li>We have also performed substantive procedures to check whether the interest income is recognized completely and accurately; and</li>
<li>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li>
</ul>
</td></tr>
<tr><td colspan="2">See notes # 2.6, and 19 to the financial statements.</td></tr>
</table>

| Description of key audit matters | Our response to key audit matters |
|---|---|
| **3. Measurement of deferred tax assets and liabilities** | |
| The Company disclosed deferred tax assets amounting to BDT 140.79 million, and BDT 108.08 as of 31 December 2025, and 31 December 2024 respectively.<br><br>Significant judgment is required in relation to deferred tax assets, and liabilities as their recoverability and adjustment are dependent on forecasts of future profitability over a number of years. | We obtained an understanding and evaluated the design, and the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax assets & liabilities and the assumptions used in estimating the Company's future taxable income.<br><br>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.<br><br>We involved tax specialists in assessing key assumptions, controls, recognition, and measurement of deferred tax assets and liabilities.<br><br>We also considered amendment to IAS 12 Income Taxes dated 5 May 2021 and effective from 1 January 2024 in recognizing and measuring Deferred Tax Assets, and Deferred Tax Liabilities. Besides, special consideration was given to provisions against loans and advances, provisions against off-balance sheet exposure, interest receivables and payables against financial instruments.<br><br>We have assessed the appropriateness and presentation of disclosures against IAS 12 Income Taxes. |
| *See notes # 2.26 and 9.1 to the financial statements.* | |
| **4. IT systems and controls** | |
| The Company's key financial accounting and reporting processes are significantly dependent on the automated controls over the Company's information systems. As such there exist risks that gaps in the IT control environment, including automated accounting procedures, IT-dependent manual controls and controls preventing unauthorized access to systems and data could result in the financial accounting and reporting records being materially misstated.<br><br>The IT systems and controls, as they impact the financial recording and reporting of transactions, are key audit matters. | We performed audit procedures to assess IT systems and controls over financial reporting, which included the following:<br>• Tested the sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access, system change management and computer operations;<br>• Assessed the management's evaluation of access rights granted to applicants relevant to financial accounting and reporting systems and tested the resolution of a sample of exceptions;<br>• Assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights;<br>• Tested the specific application controls for key financial reporting controls. |

| Description of key audit matters | Our response to key audit matters |
|---|---|
| **5. Impairment assessment of unquoted shares** | |
| In the absence of quoted price in an active market, the fair value of unquoted shares and securities, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence requires an elevated level of judgment and assumption.<br><br>Due to the high level of judgment and assumption involved in evaluating the impairment assessment of unquoted shares, we considered this to be a key audit matter. | We assessed the process and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process.<br><br>We have tested a sample of investments as of 31 December 2025 and compared our results to the recorded value.<br><br>We have assessed the appropriateness and presentation of disclosures against relevant accounting standards and other relevant guidelines. |
| *See note # 13.1 to the financial statements.* | |

**Other information**

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us when it is prepared, and the same is likely to happen after the date of this auditor's report.

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

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

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

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

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Mahamud Sabuj &Co

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

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

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

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

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

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

**Report on other Legal and Regulatory Requirements**

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

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

(ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;

(iii) The Company's balance sheet, profit and loss account together with annexed notes dealt with by the report are in agreement with the books of account and returns;

(iv) The expenditures incurred, and payments made were for the purposes of the Company's business;

(v) The financial statements of the Company have been drawn up in conformity with the Finance Company Act 2023 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company except as described in Basis for Qualified Opinion, and Emphasis of Matters paragraphs;

(vi) 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;

(vii) The financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh except as described in Basis for Qualified Opinion, and Emphasis of Matters paragraphs;

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

(ix) Statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;

(x) In note # 9 to the financial statements, the Company disclosed advance income tax amounting to BDT 7,122,931 as of 31 December 2025. However, in note # 13.2 to the financial statements, the Company recognized a corresponding provision for income tax amounting to BDT 305,613,181 on the same date. As a result, the Company has yet to settle income tax amounting to BDT 298,490,250 with the tax authority as of the reporting date. Further, as disclosed in Note # 13.6 to the financial statements, the Company reported Tax Deducted at Source (TDS) and Excise Duty payable amounting to BDT 369,335,660 and VAT payable amounting to BDT 3,946,984 as of 31 December 2025. These liabilities had not been deposited to the government exchequer in accordance with the provisions of the Income Tax Act 2023, the VAT and SD Act 2012, and relevant circulars issued by the National Board of Revenue (NBR). In addition, for the year ended 31 December 2025, the Vatable revenue reported in the financial statements amounted to BDT 10,057,121, whereas only BDT 2,607 was declared in the submitted VAT returns, resulting in an apparent under-declaration of BDT 10,054,514 (details provided in Note # 23 to the financial statements). Management did not provide any reconciliation to explain the variance. Moreover, the Company did not submit its audited financial statements for the year ended 31 December 2025 to the VAT authorities as required under Section 90(Ka) of the VAT and SD Act 2012;

(xi) Nothing has come to our attention to indicate that the Company has adopted any unethical practice, such as "window dressing," to inflate profit or to mismatch the maturity profile of its assets and liabilities;

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Mahamud Sabuj &co

(xii) 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;

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

(xiv) In Note # 39 to the financial statements, the Company reported the Capital to Risk-Weighted Assets Ratio. As per DFIM Circular # 08 dated 02 August 2010, and Prudential Guidelines on Capital Adequacy and Market Discipline (CAMD) for Financial Institutions issued by Bangladesh Bank, the Company had to maintain Minimum Total Capital plus Capital Conservation Buffer @ 10.00%. However, the Company has maintained a Minimum Total Capital plus Capital Conservation Buffer of (109.68) %. Furthermore, as part of our going concern assessment, we evaluated the maturity profile of the Company's assets and liabilities to identify any structural mismatches that may adversely impact the Company's liquidity position in future. As at 31 December 2025, our assessment identified a net liquidity gap of BDT 16,881,247,346, indicating a material funding deficit. In addition, the Company did not disburse any new loans or leases during the year;

(xv) We have reviewed over 80% of the risk-weighted assets of the Company and expended approximately 2,571 person-hours on the audit of its books and accounts;

(xvi) The Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;

(xvii) The Company has complied with the Section 33 of the Finance Company Act 2023 in preparing these financial statements; and

(xviii) All other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Place: Dhaka, Bangladesh
Dated: 29 June 2026
DVC: 2606300833AS528781

Signed for & on behalf of
**Mahamud Sabuj & Co.,**
Chartered Accountants

**Md. Mahamud Hosain FCA**
Managing Partner
ICAB Enrollment No: 0833

# Balance Sheet

# Balance Sheet

As at 31 December 2025

(Amount in Taka)

| | NOTES | 2025 | 2024 |
|---|---|---|---|
| **PROPERTY AND ASSETS** | | | |
| **Cash** | 3 | | |
| In hand (including foreign currencies) | | 48,801 | 150,336 |
| Balance with Bangladesh Bank and its agent (including | | 180,590,731 | 110,636,574 |
| | | 180,639,532 | 110,786,910 |
| **Balance with other banks and financial institutions** | | | |
| In Bangladesh | | 427,603,740 | 379,648,575 |
| Outside Bangladesh | | - | - |
| | | 427,603,740 | 379,648,575 |
| | | **608,243,272** | **490,435,485** |
| **Money at call and short notice** | 4 | - | - |
| **Investments** | 5 | | |
| Government | | - | - |
| Others | | 135,103,486 | 139,047,098 |
| | | **135,103,486** | **139,047,098** |
| Loans, advances and leases | | | |
| Loans, advances and leases etc. | 6 | 25,674,844,101 | 25,930,649,129 |
| Bills purchased and discounted | 7 | - | - |
| | | **25,674,844,101** | **25,930,649,129** |
| **Fixed assets including land, building, furniture and fixtures** | 8 | **587,945,332** | **622,223,066** |
| **Other assets** | 9 | **275,635,966** | **207,217,237** |
| **Non - business assets** | 10 | **99,522,911** | **194,988,911** |
| **Total assets** | | **27,381,295,068** | **27,584,560,926** |
| **LIABILITIES AND CAPITAL** | | | |
| **Liabilities** | | | |
| Borrowings from other banks, financial institutions and agents | 11 | 3,829,994,792 | 3,911,626,281 |
| | | **3,829,994,792** | **3,911,626,281** |
| **Deposits and other accounts** | 12 | | |
| Current and other accounts | | - | - |
| Bills payable | | - | - |
| Savings account | | 142,313,856 | 193,196,987 |
| Term deposits | | 17,128,822,653 | 16,995,736,267 |
| Bearer certificates of deposit | | - | - |
| Other deposits | | - | - |
| | | **17,271,136,509** | **17,188,933,254** |
| **Other liabilities** | 13 | 23,275,746,362 | 20,087,026,995 |
| | | 23,275,746,362 | 20,087,026,995 |
| **Total liabilities** | | **44,376,877,663** | **41,187,586,530** |

(Amount in Taka)

| | NOTES | 2025 | 2024 |
|---|---|---|---|
| **Capital/shareholders' equity** | | | |
| Paid up capital | 14 | 1,658,741,950 | 1,658,741,950 |
| Share Premium | | 87,408,700 | 87,408,700 |
| Statutory Reserve | 15 | 780,196,143 | 780,196,143 |
| General Reserve | | 2,000,000 | 2,000,000 |
| Revaluation Reserve | 16 | 502,049,670 | 521,230,308 |
| Retained Earnings | 17 | (20,025,979,058) | (16,652,602,705) |
| | | **(16,995,582,595)** | **(13,603,025,604)** |
| **Total liabilities and shareholders' equity** | | **27,381,295,068** | **27,584,560,926** |
| **OFF-BALANCE SHEET ITEMS** | | | |
| **Contingent liabilities** | | | |
| Acceptances and endorsements | | - | - |
| Letters of guarantee | | - | |
| Irrevocable letters of credit | | - | - |
| Bills for collection | | - | - |
| Other contingent liabilities | | - | - |
| | | - | - |
| **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 | | - | - |
| | | - | - |
| **Total Off-Balance Sheet items including contingent liabilities** | | - | - |
| **Net Asset Value per share** | **31** | **(102.46)** | **(82.01)** |

The accompanying notes form an integral part of this financial statement.
The Financial Statements were approved by the Board of Directors on June 29, 2026 and were signed on its behalf by:

**Chief Financial Officer** | **Managing Director** | **Director** | **Chairman**

Signed in terms of our separate report of even date.

**Mahamud Sabuj& Co.,**
**Chartered Accountants**

**Md. Mahamud Hosain, FCA**
Managing Partner
Enrollment Number: 0833

Place: Dhaka
Dated: June 29, 2026
DVC: 2606300833AS528781

# Profit and Loss Account

For the year ended 31 December 2025

(Amount in Taka)

| PARTICULARS | NOTES | 2025 | 2024 |
|---|---|---|---|
| Interest income | 19 | 496,244,806 | 492,040,032 |
| Interest expenses on deposits, borrowings, etc. | 20 | 2,404,830,587 | 2,627,383,597 |
| **Net interest income** | | **(1,908,585,781)** | **(2,135,343,565)** |
| Income from Investment | 21 | 1,190,794 | 5,213,208 |
| Commission, exchange and brokerage | 22 | - | - |
| Other operating income | 23 | 42,196,648 | 43,072,003 |
| | | **43,387,442** | **48,285,211** |
| **Total operating income (A)** | | **(1,865,198,339)** | **(2,087,058,354)** |
| Salaries and allowances | 24 | 163,329,486 | 190,835,167 |
| Rent, taxes, insurance, electricity etc. | 25 | 27,632,659 | 27,298,473 |
| Legal expenses | | 1,604,080 | 1,158,196 |
| Postage, stamp, telecommunication etc. | 26 | 2,701,447 | 2,151,739 |
| Stationery, printing, advertisements etc. | 27 | 2,214,468 | 1,731,480 |
| Managing Director's Remuneration | | 6,906,429 | - |
| Directors' fees | 28 | 1,484,500 | 577,000 |
| Auditors' fees | | 315,000 | 1,437,500 |
| Charges on loan losses | | - | - |
| Depreciation and repair of assets | 29 | 37,792,893 | 37,459,577 |
| Other expenses | 30 | 30,657,924 | 30,941,764 |
| **Total operating expenses (B)** | | **274,638,886** | **293,590,896** |
| **Profit before provision (C=A-B)** | | **(2,139,837,225)** | **(2,380,649,250)** |
| **Provision for Future Losses (D)** | 13.1(ii) | **1,277,750,663** | **5,708,986,401** |
| **Total profit before tax (C-D)** | | **(3,417,587,888)** | **(8,089,635,651)** |
| Provision for tax | | | |
| Current | | 7,680,000 | 14,250,000 |
| Deferred | 9.1 | (32,710,897) | (21,563,938) |
| | | **(25,030,897)** | **(7,313,938)** |
| **Net profit after tax** | | **(3,392,556,991)** | **(8,082,321,713)** |

(Amount in Taka)

| PARTICULARS | NOTES | 2025 | 2024 |
|---|---|---|---|
| Retained Earnings brought forward from previous year | | (16,652,602,705) | (8,589,461,630) |
| Amortized of Revaluation Reserve | | 19,180,638 | 19,180,638 |
| | | (20,025,979,058) | (16,652,602,705) |
| **Appropriations** | | - | - |
| Statutory reserve | | - | - |
| General reserve | | - | - |
| CSR fund | | - | - |
| **Retained surplus** | | **(20,025,979,058)** | **(16,652,602,705)** |
| **Earnings per share** | 32 | **(20.45)** | **(48.73)** |

The accompanying notes form an integral part of this financial statement.

The Financial Statements were approved by the Board of Directors on June 29, 2026 and were signed on its behalf by:

| **Chief Financial Officer** | **Managing Director** | **Director** | **Chairman** |
|---|---|---|---|

Signed in terms of our separate report of even date.

**Mahamud Sabuj& Co.,**
**Chartered Accountants**

Place: Dhaka

Dated: June 29, 2026

DVC No: 2606300833AS528781

**Md. Mahamud Hosain, FCA**

Managing Partner

Enrollment Number: 0833

# Cash Flow Statement

For the year ended 31 December 2025

(Amount in Taka)

| PARTICULARS | NOTES | 2025 | 2024 |
|---|---|---|---|
| **Cash Flow from Operating Activities** | | | |
| Interest received | 35 | 1,428,032,074 | 1,072,222,158 |
| Interest payment | 36 | (1,535,629,756) | (1,891,427,168) |
| Dividend received | | 325,481 | 480,392 |
| Fees and Commission received | | - | - |
| Cash Payments to Employees | | (170,235,915) | (190,835,167) |
| Cash Payments to Suppliers | | (2,214,468) | (1,731,480) |
| Income Tax Paid | | (6,993,986) | (7,184,441) |
| Received from other Operating activities | 37 | 39,629,975 | 41,779,085 |
| Payments for other Operating activities | 38 | (57,663,629) | (54,886,824) |
| **Operating Profit before changes in Operating Assets and Liabilities** | | **(304,750,224)** | **(1,031,583,445)** |
| **Changes in Operating Assets and Liabilities** | | | |
| Purchases/Sale of Trading Securities | | 3,943,612 | 39,780,843 |
| Loans and Lease Finance to Customers | | 255,805,028 | 234,338,877 |
| Other Assets | | (68,418,729) | (8,611,955) |
| Deposits received from Bank and Financial Institutions | | 45,000,000 | 140,000,000 |
| Deposits received from Customers | | 37,203,255 | (166,541,724) |
| Other Liabilities | | 233,683,850 | 838,599,639 |
| **Sub Total** | | **507,217,016** | **1,077,565,680** |
| **A) Net Cash Flow from Operating Activities** | | **202,466,792** | **45,982,235** |
| **Cash flows from Investing Activities** | | | |
| Purchase/sale of securities | | - | - |
| Proceeds from Sale of fixed assets | | 73,500 | 2,013,000 |
| Purchase/sale of Property, Plant and Equipments | | (3,101,016) | (4,012,670) |
| Purchase/Sale of Subsidiaries | | - | - |
| **B) Net Cash Flow from Investing Activities** | | **(3,027,516)** | **(1,999,670)** |
| **Cash flows from Financing Activities** | | | |
| Increase/(decrease) of borrowings | | (81,631,489) | (307,321,236) |
| Payments for redemption of loan capital and debt securities | | - | - |
| Received from issue of ordinary shares | | - | - |
| Dividend Paid | | - | - |
| **C) Net Cash Used By Financing Activities** | | **(81,631,489)** | **(307,321,236)** |
| **D) Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)** | | **117,807,787** | **(263,338,671)** |

(Amount in Taka)

| PARTICULARS | NOTES | 2025 | 2024 |
|---|---|---|---|
| Effect of Exchange rate changes on cash and cash equivalents | | - | - |
| **E) Cash and cash equivalents at the beginning of the year** | | **490,435,485** | **753,774,156** |
| **F) Cash and cash equivalents at the end of the year (D+E)** | | **608,243,272** | **490,435,485** |
| **Cash and cash equivalents at the end of the year represent** | | | |
| Cash in Hand | | 48,801 | 150,336 |
| Balance with Bangladesh Bank and its agent bank | | 180,590,731 | 110,636,574 |
| Balance with other banks and financial institutions | | 427,603,740 | 379,648,575 |
| Money at call on short notice | | - | - |
| | | **608,243,272** | **490,435,485** |
| **Net Operating Cash Flow Per Share** | 33 | **1.22** | **0.28** |

The accompanying notes form an integral part of this financial statement.

The Financial Statements were approved by the Board of Directors on June 29, 2026 and were signed on its behalf by:

| **Chief Financial Officer** | **Managing Director** | **Director** | **Director** |
|---|---|---|---|

Signed in terms of our separate report of even date.

Signed for & on behalf of
**Mahamud Sabuj & Co.,**
Chartered Accountants

**Md. Mahamud Hosain FCA**
Managing Partner
ICAB Enrollment No: 0833

Dated: Dhaka
Dated: 29 June 2026
DVC No: 2606300833AS528781

# Statement of Changes in Equity

For the year ended 31 December 2025

Amount in Taka

| Particulars | Paid -up Capital | Statutory Reserve | Share Premium | General Reserve | Revaluation Reserve | Retained Earnings | Total |
|---|---|---|---|---|---|---|---|
| Balance as at 01 January 2025 | 1,658,741,950 | 780,196,143 | 87,408,700 | 2,000,000 | 521,230,308 | (16,652,602,705) | (13,603,025,604) |
| **Items involved in Changes in equity** | | | | | | | |
| Net profit for the period | - | - | - | - | - | (3,392,556,991) | (3,392,556,991) |
| Dividends ( Bonus Share) | - | - | - | - | - | - | - |
| Dividends (Cash) | - | - | - | - | - | - | - |
| Issue of share capital | - | - | - | - | - | - | - |
| Appropriation made during the period | - | - | - | - | - | - | - |
| Revaluation of Land and Land Development | | | | | - | - | - |
| Amortized of Revaluation Reserve | | | | | (19,180,638) | 19,180,638 | - |
| Transferred to CSR Fund | - | - | - | - | - | - | - |
| **Balance as at 31 December 2025** | **1,658,741,950** | **780,196,143** | **87,408,700** | **2,000,000** | **502,049,670** | **(20,025,979,058)** | **(16,995,582,595)** |
| Balance as at 01 January 2024 | 1,658,741,950 | 780,196,143 | 87,408,700 | 2,000,000 | 540,410,946 | (8,589,461,630) | (5,520,703,891) |
| **Items involved in Changes in equity** | | | | | | | |
| Net profit for the period | - | - | - | - | - | (8,082,321,713) | (8,082,321,713) |
| Dividends ( Bonus Share) | - | - | - | - | - | - | - |
| Dividends (Cash) | - | - | - | - | - | - | - |
| Issue of share capital | - | - | - | - | - | - | - |
| Appropriation made during the period | - | - | - | - | - | - | - |
| Revaluation of Land and Land Development | | | | | - | - | - |
| Amortized of Revaluation Reserve | | | | | (19,180,638) | 19,180,638 | - |
| Transferred to CSR Fund | - | - | - | - | - | - | - |
| **Balance as at 31 December 2024** | **1,658,741,950** | **780,196,143** | **87,408,700** | **2,000,000** | **521,230,308** | **(16,652,602,705)** | **(13,603,025,604)** |

# Liquidity Statement

Assets and Liabailities Maturity Analysis
As at 31 December 2025

| Particulars | Amount in Taka | | | | | |
|---|---|---|---|---|---|---|
| | Up to 01 Month | 01-03 Months | 03-12 Months | 01-05 Years | Above 05 years | Total |
| **Assets** | | | | | | |
| Cash in hand (including balance with bangladesh Bank) | 48,801 | - | - | - | 180,590,731 | 180,639,532 |
| Balance with other banks and financial institutions | 50,000,000 | 111,000,000 | 120,000,000 | 146,603,740 | - | 427,603,740 |
| Money at Call on Short Notice | - | | | - | - | - |
| Investment in securities | 1,350,000 | 126,253,486 | - | - | 7,500,000 | 135,103,486 |
| Investment (Loans and Advances) | 180,094,900 | 360,189,800 | 1,620,854,100 | 8,477,285,920 | 15,036,419,381 | 25,674,844,101 |
| Fixed assets including land, building, furniture and fixtures | - | - | - | - | 587,945,332 | 587,945,332 |
| Other Assets | 550,000 | 97,111,250 | 7,187,553 | - | 170,787,163 | 275,635,966 |
| Non-business Assets | - | - | 99,522,911 | - | - | 99,522,911 |
| **Total assets (i)** | **232,043,701** | **694,554,536** | **1,847,564,564** | **8,623,889,660** | **15,983,242,607** | **27,381,295,068** |
| **Liabilities** | | | | | | |
| Financing (Borrowing) from Other banks, financial institutions and agents | 158,150,000 | 290,500,000 | 899,100,000 | 2,482,244,792 | - | 3,829,994,792 |
| Deposits and other accounts | 50,323,850 | 371,852,530 | 1,175,960,600 | 9,247,842,400 | 6,425,157,129 | 17,271,136,509 |
| Provision and other liabilities | 68,855,000 | 130,012,582 | 501,000,000 | 4,656,000,000 | 17,919,878,780 | 23,275,746,362 |
| **Total Liabilities (ii)** | **277,328,850** | **792,365,112** | **2,576,060,600** | **16,386,087,192** | **24,345,035,909** | **44,376,877,663** |
| **Net Liquidity Gap (i-ii)** | **(45,285,149)** | **(97,810,576)** | **(728,496,036)** | **(7,762,197,532)** | **(8,361,793,302)** | **(16,995,582,595)** |

# Notes to the Financial Statements

For the year ended 31 December 2025

## 1 Legal Status and Nature of the Company

### 1.1 Legal Status of the Company

Phoenix Finance and Investments Limited was incorporated in Bangladesh on 19th April 1995 as a Public Limited Company under the Companies Act, 1994. The Company obtained License from Bangladesh Bank as a Financial Institution on the 9th May 1995 as required under Section 4(1) of the Financial Institution Act, 1993 (Amended as Finance Company Act 2023). The Company has changed its name to Phoenix Finance and Investments Limited from Phoenix Leasing Company Limited with effect from 1st February 2007 complying with all the legal requirements in that respect. The company issued shares through Initial Public Offering (IPO) in June 2007 and its shares were listed in both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited on September 25, 2007.

### 1.2 Nature of Business Activities

The company extends Lease Finance for Capital Machinery, Construction and Medical Equipment, Energy Generating Equipment, Office Equipment, all kinds of Road/Marine Transports, Household and other essential items and Equipment for Business Enterprises like Mills, Factories, Financial Institutions, Banks and Insurance Companies as well as Educational Institutions, Clinics, Hospitals, Corporate Bodies and Individuals. The company also extends Direct Finance such as Short Term Finance, Term Finance, Real Estate Finance and Factoring facilities to Established Business Enterprises, Industrial Units and Individuals.

### 1.3 Head office and Branch offices

The registered office of the company is located at Eunoos Centre (Level-11), 52-53 Dilkusha C/A, Dhaka-1000, Bangladesh. The company is being operated through its Branch offices located at Chattogram, Khulna, Bogura and Dhaka districts in the country.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Accounting

The accounts are prepared on going concern basis in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh except the circumstances where local regulations differ, the Companies Act, 1994, the Financial Institutions Act, 1993 (Amended as Finance Company Act 2023) and the Securities and Exchange Commission Rules, 1987, the Listing Rules of Dhaka and Chittagong Stock Exchanges and other applicable rules and regulation.

The presentation of the Financial Statements has been made as per the requirements of DFIM Circular No: 11, dated December 23, 2009 issued by the Department of Financial Institutions and Markets of Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for the Financial Institutions, have been excluded in preparing the Financial Statements.

### 2.2 Going Concern Estimation

The Financial Statements, namely, Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and relevant notes to the Financial Statements and disclosures thereto, of the FI are prepared under historical cost convention on the going concern basis. Management of the FI has made an estimation that there are no possibility to liquidate the entity or to cease trading, or has no realistic alternative but to do so.

## 2.3 Accounting for Leases

The Leased Equipment under the possession of the Lessees are accounted for under direct financing method in accordance with IFRS 16 "Leases". The aggregate lease receivable including unguaranteed residual value throughout the lease term are recorded as gross lease receivable while the excess of gross lease receivable over the total acquisition cost including interest during the year of acquiring the lease equipment constitutes the unearned lease income.

The unearned lease income is amortized to revenue on a monthly basis over the lease term yielding a constant rate of return over the year. Unrealized income is suspended where necessary in accordance with the requirements of relevant circulars issued by Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank.

## 2.4 Accounting for Direct Finance

Direct Finance consists of Short-Term Finance, Long-Term Finance and Real Estate Finance. Outstanding loans along with the accrued interest thereon are accounted for as Direct Finance Receivable.

## 2.5 Investments

Investment in marketable ordinary shares has been shown at cost. Investment in non-marketable shares has been valued at cost. Full provision for diminution in value of shares as on closing of the year, if required, has been taken into account.

## 2.6 Revenue Recognition

Interest income from loans and other sources is recognized on an accrual basis of accounting.

**Lease Income:**

The excess of aggregate rentals receivable over the cost of the leased asset constitutes the total unearned lease income. The unearned lease income is recognized on installment date as revenue on an accrual basis over the terms of the lease. However, lease income is not recognized if capital or interest receivable is in arrears for more than three months.

**Interest on term finance and short term finance:**

Interest on term finance and short term finance are recognized as revenue on an accrual basis and interest income on term finance is not recognized where any portion of interest is in arrear for more than three months.

**Interest on real estate finance:**

Interest on real estate finance is recognized as revenue on an accrual basis and no interest on real estate finance is accounted for as revenue where any portion of capital or interest is in arrear for more than six months.

**Dividend income and profit or loss on sale of securities:**

Dividend is recognized as income when the right to receive income is established whereas profit or loss arising from the sale of securities is accounted for only when the securities are sold/ offloaded.

## 2.7 Interest Suspense Account

Accrued interest on lease, term finance and housing loan classified as Special Mention Account, Sub-Standard, Doubtful and Bad/Loss are not recognized as income as per Bangladesh Bank's Guidelines. Such amount is transferred to Interest Suspense Account. The income is recognized on recovery of overdue amounts on cash basis.

**2.8 Recognition of Fixed Assets**

1. The land and buildings are shown at fair value, based on the valuation by an external independent value less subsequent depreciation for building valuation is performed with sufficient regulatory to ensure that the fair value of the revalued asset does not differ materially from its carrying amount.

2. Accumulated depreciation is restated proportionately with the changes in the gross carrying amount of the land and building so that the carrying amount after revaluation equals its revalued amount.

3. Assets revaluation reserve is transferred to retained earnings each year equivalent to depreciation charged against revalued assets (Except Land).

**2.9 Depreciation on Fixed Assets**

Land is not depreciated. Depreciation on other fixed asset is calculated using the straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful life. Addition to fixed asset is depreciated from the date of acquisition of the asset at applicable rate.

Rates of depreciation on Fixed Assets as on December 31, 2025 are as follows:

| Asset Category | Rate (%) p. a. |
|---|---|
| Air Conditioner | 20 |
| Building | 5 |
| Computer | 20 |
| Electrical and Office Equipment | 20 |
| Flat | 10 |
| Furniture and Fixture | 12.5 |
| Land | Nil |
| Machinery Lease | 20 |
| Motor Vehicle | 25 |
| Office Decoration | 20 |
| Telephone and Fax | 20 |

**2.10 Disposal of Fixed Assets**

On disposal of Fixed Assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the Profit and Loss Account, which is determined with reference to the written down value of the assets and net sale proceeds.

**2.11 Impairment of Assets**

The carrying amount of the company's assets is reviewed at each Balance Sheet date whenever there is any such indication of impairment as per IAS 36. If any such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the assets or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the Profit and Loss Account.

**2.12 Receivables and Others**

Receivables at the balance sheet are stated at amounts, which are considered realizable.

**2.13 Accrued Expenses and Other Payables**

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the creditors.

### 2.14 Statutory Reserve

The Company transfers 20% of profit to its Reserve Fund in accordance with The Financial Institution Regulations, 1994.

### 2.15 Corporate Social Responsibility (CSR) Fund

As per DOS Circular No-01 dated 01 June, 2008 issued by Bangladesh Bank the Company transfers 0.50% of profit to its CSR Fund.

### 2.16 Cash and Cash Equivalent

Cash and Cash equivalent consists of short-term, highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value.

### 2.17 Cash Flow Statements

Cash Flow Statements is prepared principally in accordance with IAS-7 “Statement of Cash Flows” and the cash flow from the operating activities has been presented under direct method.

### 2.18 Earnings Per Share (EPS)

The company calculates Earning per Share (EPS) by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year. 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-32.
Basic Earning represents earning for the year attributable to ordinary shareholders. As there were no preference dividends, the net 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 year represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time-weighting factor.

### 2.19 Transactions and Translation of Foreign Currencies

Transactions in foreign currencies are translated into Bangladeshi Taka at the rate ruling on the transaction date and the assets and liabilities denominated in foreign currencies outstanding at closing date of accounts have been translated into Bangladeshi Taka at the closing date rate.

Foreign exchange gains/losses (if any) arising from such translations are recognized in the Profit and Loss Account.

### 2.20 Employees’ Retirement Benefit-Gratuity

The Company operates an unfunded gratuity scheme. Employees are entitled to gratuity benefit at the following rates:
A. On completion of 5(Five) years Confirmed Service: 1(One) month's basic pay for each completed year;
B. On completion of 7(Seven) years Confirmed Service: 1.5(One and a half) month's basic pay for each completed year;
C. On completion of 10(Ten) years Confirmed Service: 2(Two) month's basic pay for each completed year.

### 2.21 Employees' Provident Fund and Group Insurance Scheme

The company operates a Contributory Provident Fund approved by the NBR and Group Insurance Scheme for its permanent employees. Provident fund is administrated by a Board of Trustees and is funded by contribution partly from employees and partly from company at a predetermined rate.

### 2.22 Provisions

Provisions have been recognized in the Financial Statements as follows:
i. When the company has a present obligation, legal or constructive, as a result of past event;
ii. When it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation;
iii. When a reliable estimate can be made of the amount of the obligation.

**2.23 Provision for Loans, Leases and Advances**

Provision for lease finance, term and house building finance has been made in accordance with FID circular no. 08 dated 03 August 2002, FID circular no. 03 dated 03 May 2006, FID circular no. 06 dated 20 August 2006, DFIM circular no. 03 dated 29 April 2013 and DFIM circular no. 04 dated 26 July 2021 issued by Bangladesh Bank at the following rates:

| | | |
|---|---|---|
| Standard (STD):SME<br>Standard (STD):General<br>Standard (STD):Brokerage House, Merchant Banks and Stock Dealers<br>Special Mention Account (SMA) | Unclassified | 0.25%<br>1%<br>2%<br>5% |
| Substandard (SS)<br>Doubtful (DF)<br>Bad/Loss (BL) | Classified | 20%<br>50%<br>100% |

The provision made up to the Balance Sheet date is considered adequate to meet probable losses.

**2.24 Events after the Balance Sheet Date**

All material events occurring after the Balance Sheet date are adjusted where felt necessary or disclosed in Note-41.

**2.25 Use of Accounting Estimates**

The preparation of Financial Statements in conformity with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affects certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**2.26 Income Tax**

**Current Tax**

The company is a Financial Institution and therefore, the effective tax rate is 37.50%. Considering temporary allowable and disallowable expenses and income as per Income Tax Law, adequate provision for Income Tax has been provided for the year. However, any short provision if arises shall be accounted for in the year of finalization of assessment.

**Deferred Tax**

Pursuant to IAS-12 "Income Taxes" deferred tax is to be provided using the balance sheet method for all temporary differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes.

**2.27 Disclosure of Deviations**

Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance of Bangladesh Bank's requirements. Bangladesh Bank (the local Central Bank) is the prime regulatory body for Non-Banking Financial Institutions (NBFI) in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provision standards of 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.

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

In order to comply with the requirement specified in DFIM Circular No. 11, the company has charged the entire amount of difference in market value and cost price of marketable securities to the profit and loss account. However as per requirements of IFRS 9 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve respectively.

As per FID circular no. 08 dated 03 August 2002, FID circular no. 03 dated 03 May 2006, FID circular no. 06 dated 20 August 2006, DFIM circular no. 03 dated 29 April 2013 and DFIM circular no. 04 dated 26 July 2021 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained. However such general provision cannot satisfy the conditions of provision as per IFRS 9. At the year end the Company has recognized an accumulated general provision of BDT 85.11 million (out of accumulated provision of BDT 14,823.62 million) under liabilities.

As per Bangladesh Bank guidelines financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 9. As such some disclosures and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.

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

**Departure from IFRS-16 :** Changes of IAS-17 to IFRS-16 do not have any material impact, that is why we do not adopt/adjust IFRS - 16 in this accounting year.

### 2.28 Authorization

The Financial Statements were authorized for issue by the Board of Directors of the company on June 29, 2026.

### 2.29 Others

i. The figures in the Financial Statements represent Bangladesh Currency (Taka), which has been rounded off to the nearest Taka;

ii. Comparative information has been shown in respect of year 2024 for all numerical information in the Financial Statements and also the narrative and descriptive information when it is relevant for understanding of the current year's Financial Statements;

iii. Figures of the year 2024 have been rearranged whenever considered necessary to ensure comparability with the current year.

(Amount in Taka)

| | | 2025 | 2024 |
|---|---|---|---|
| **3** | **A) CASH** | | |
| | a) Cash in hand | | |
| | Local currency | 48,801 | 150,336 |
| | Foreign currencies | - | - |
| | | **48,801** | **150,336** |
| | **b) Balance with Bangladesh Bank and its agent bank** | | |
| | Local currency | 180,590,731 | 110,636,574 |
| | Foreign currencies | - | - |
| | | **180,590,731** | **110,636,574** |
| | **TOTAL CASH** | **180,639,532** | **110,786,910** |
| | **B) BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS (NOTE-3.2)** | **427,603,740** | **379,648,575** |
| | **TOTAL CASH AND CASH EQUIVALENT (A+B)** | **608,243,272** | **490,435,485** |

### 3.1 Cash Reserve Requirement (CRR) Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with Bangladesh Bank directives.

### 3.1.1 Cash Reserve Requirement (CRR)

| | 2025 | 2024 |
|---|---|---|
| Required reserve | 175,674,762 | 176,522,635 |
| Actual reserve held | 180,615,535 | 110,439,544 |
| Surplus/(deficit) | **4,940,773** | **(66,083,091)** |

Deposit with Bangladesh Bank is non-interest bearing and maintained to meet the Cash Reserve Requirement (CRR). As required by Bangladesh Bank( As per DFIM circular No. 03, dated 21.06.2020), CRR @ 1.5% is required to maintain (minimum 1% is required to be maintained in a single day) with Bangladesh Bank current account on all deposits taken from depositors other than Banks and Financial Institutions.

### 3.1.2 Statutory Liquidity Requirement (SLR)

| | 2025 | 2024 |
|---|---|---|
| Required reserve | 920,218,508 | 885,940,424 |
| Actual reserve held | 673,450,972 | 479,980,512 |
| **Surplus/(deficit)** | **(246,767,536)** | **(405,959,912)** |

Fixed deposit maintained with other commercial Banks and Financial Institutions for maintaining Statutory Liquidity Reserve as required by Bangladesh Bank. Bangladesh Bank regulations require maintaining Statutory Liquidity Reserve (SLR) @ 5% including the CRR of 1.50% on total liabilities, excluding loans from banks and financial institutions.

### 3.2 Balance with Other Banks and Financial Institutions

| **Current Account** | 2025 | 2024 |
|---|---|---|
| Al-Arafah Islami Bank Limited | 14,249 | 14,939 |
| Bank Asia Limited | 25,213 | 25,903 |
| Modhumoti Bank Limited | 10,117 | 13,807 |
| National Bank Limited | 11,303 | 11,648 |
| NCC Bank Limited | 110 | 108 |
| Standard Bank Limited | 80 | 80 |
| | **61,072** | **66,485** |

(Amount in Taka)

| | 2025 | 2024 |
|---|---|---|
| **Short Term Deposit** | | |
| AB Bank Limited | 15,708 | 16,139 |
| Al-Arafah Islami Bank Limited | 1,231 | - |
| Bank Asia Limited | 641,263 | 2,439,056 |
| BASIC Bank Limited | 13,030 | 9,113 |
| BRAC Bank Limited | 1,573 | 3,521 |
| Dhaka Bank Limited | 30,661 | 32,078 |
| Dutch Bangla Bank Limited | 38,144,205 | 5,804,114 |
| EXIM Bank Limited | 1,830 | 3,118 |
| Eastern Bank Limited | 467,408 | - |
| First Security Bank Limited | 1,488 | 3,169 |
| IFIC Bank Limited | 22,402 | 23,475 |
| Jamuna Bank Limited | 70,995 | 482,769 |
| Janata Bank Limited | 2,801 | 4,056 |
| Meghna Bank Limited | 2,403 | 4,588 |
| Mercantile Bank Limited | 39,264,753 | 9,734,013 |
| Midland Bank Limited | 3,201 | 11,344 |
| Mutual Trust Bank Limited | 8,764,120 | 6,344,610 |
| One Bank Limited | 18,973 | 19,354 |
| United Commercial Bank Limited | 918,228 | - |
| Pubali Bank Limited | 501,105 | 501,220 |
| Rupali Bank Limited | 37,408 | 38,558 |
| Shahjalal Islami Bank Limited | 1,826,771 | 88,750 |
| Social Islami Bank Limited | 417,920 | 418,219 |
| Sonali Bank Limited | 39,519 | 39,974 |
| South Bangla Agriculture Bank Limited | 3,296 | 56,550 |
| Southeast Bank Limited | 12,778,961 | 7,939,445 |
| Standard Bank Limited | 245,036 | 245,482 |
| The City Bank Limited | 4,205,064 | 20,265,254 |
| The Premier Bank Limited | 379,771 | 1,158,931 |
| The Trust Bank Limited | 49,195 | 49,515 |
| Union Bank Limited | 3,430 | 4,048 |
| Uttara Bank Limited | 21,447 | 17,911 |
| | **108,895,196** | **55,758,374** |
| Fixed Deposit Receipt | | |
| Dhaka Bank Limited | 54,304,767 | 108,715,976 |
| EXIM Bank Limited | 21,130,604 | 19,471,450 |
| Hajj Finance Company Limited | 45,000,000 | - |
| Prime Finance and Investments Limited | 140,000,000 | 140,000,000 |
| Shahjalal Islami Bank Limited | 48,719,141 | 46,791,601 |
| Social Islami Bank Limited | 9,492,960 | 8,844,689 |
| | **318,647,472** | **323,823,716** |
| **Total** | **427,603,740** | **379,648,575** |

(Amount in Taka)

| | | 2025 | 2024 |
|---|---|---|---|
| **3.3** | **Maturity-wise grouping** | | |
| | On Demand | - | - |
| | Up to 1 month | 50,048,801 | 111,736,910 |
| | Not more than 3 months | 111,000,000 | 35,000,000 |
| | More than 3 months but less than 1 year | 120,000,000 | 49,500,000 |
| | More than 1 year but less than 5 years | 146,603,740 | 294,198,575 |
| | More than 5 years | 180,590,731 | - |
| | | **608,243,272** | **490,435,485** |
| **4** | **MONEY AT CALL AND SHORT NOTICE** | - | - |

**5 INVESTMENTS**

This represents investment made by the company both in listed and unlisted securities. The investment is made up as under:

| | 2025 | 2024 |
|---|---|---|
| **a) Government securities** | | |
| Treasury bill | - | - |
| National Investment bonds | - | - |
| Bangladesh Bank bill | - | - |
| Government notes/bonds | - | - |
| Prize bonds | - | - |
| | - | - |
| **b) Other investments** | | |
| Investment in non marketable ordinary shares | 7,509,100 | 7,500,000 |
| Investment in preference shares | - | - |
| Investment in debenture and bonds | - | - |
| Investment in venture capital | - | - |
| Investment in marketable securities | 2,918,680 | 1,978,630 |
| Investment in open end mutual fund | - | 3,943,612 |
| Other investments | 124,675,706 | 125,624,856 |
| Gold etc. | - | - |
| | **135,103,486** | **139,047,098** |

| **5. 1 Other investments** | **No of Company** | **Market Value/NAV** | **Cost -2025** | **Cost -2024** |
|---|---|---|---|---|
| Investment in non marketable ordinary | 4 | - | 7,509,100 | 7,500,000 |
| Investment in marketable securities | 2 | 424,067 | 2,918,680 | 1,978,630 |
| Mutual/Unit Fund | 7 | 90,676,634 | 124,675,706 | 124,675,706 |
| Manufacturing companies and others | 0 | - | - | 949,150 |
| | **9** | **91,100,701** | **127,594,386** | **127,603,486** |
| Investment in open end mutual fund | 0 | - | - | 3,943,612 |
| **Total** | **13** | **91,100,701** | **135,103,486** | **139,047,098** |

All investments in marketable securities are valued on an aggregate portfolio basis, at cost value, at the balance sheet date. Market price for securities not listed as on reporting date, has been shown at cost for calculation purpose and adequate provision for probable future losses has been made as per Bangladesh Bank guidelines. Market value of securities has been determined on the basis of the value of securities at the last trading date of the year (Last trading date was 30 December 2025).

(Amount in Taka)

| | 2025 | 2024 |
|---|---|---|
| **5.2 Maturity-wise grouping** | | |
| Up to 1 month | 1,350,000 | 1,350,000 |
| Not more than 3 months | 126,253,486 | 130,197,098 |
| More than 3 months but less than 1 year | - | - |
| More than 1 year but less than 5 years | - | - |
| More than 5 years | 7,500,000 | 7,500,000 |
| | **135,103,486** | **139,047,098** |

## 6 LOANS, ADVANCES AND LEASES

| | 2025 | 2024 |
|---|---|---|
| **a) Inside Bangladesh** | | |
| Short Term Finance (a.i) | 224,274,764 | 663,957,142 |
| Lease Finance (a.ii) | 4,148,816,988 | 4,282,941,841 |
| Term Finance (a.iii) | 18,690,589,437 | 18,282,597,741 |
| Real Estate Finance (a.iv) | 2,056,226,783 | 2,135,700,573 |
| Capital Market Exposure (a.v) | 503,988,477 | 506,957,477 |
| Staff Loan (a.vi) | 50,947,652 | 58,494,355 |
| Total Loans and Lease Finance | **25,674,844,101** | **25,930,649,129** |
| **a.i) Short Term Finance** | | |
| Revolving Credit | 120,005,073 | 560,237,320 |
| Loan against Deposit | 104,269,691 | 103,719,822 |
| | **224,274,764** | **663,957,142** |
| **a.ii) Net Investment in lease finance** | | |
| Principal Outstanding | 3,602,096,698 | 3,809,038,974 |
| Interest Receivable | 546,720,290 | 473,902,867 |
| Total Investment in Lease Finance | **4,148,816,988** | **4,282,941,841** |
| **a.iii) Term Finance** | | |
| Principal Outstanding | 15,753,703,944 | 16,218,027,871 |
| Interest Receivable | 2,936,885,493 | 2,064,569,870 |
| | **18,690,589,437** | **18,282,597,741** |
| **a.iv) Real Estate Finance** | | |
| Principal Outstanding | 1,588,521,872 | 1,850,699,284 |
| Interest Receivable | 467,704,911 | 285,001,289 |
| | **2,056,226,783** | **2,135,700,573** |
| **a.v) Capital Market Exposure** | | |
| Own Subsidiaries and/or Sister Concerns | - | - |
| Other Brokerage House, Merchant Banks and Stock Dealers | 503,988,477 | 506,957,477 |
| | **503,988,477** | **506,957,477** |

(Amount in Taka)

| | 2025 | 2024 |
|---|---|---|
| **a.vi) Staff Loan** | | |
| Loan Against Provident Fund | 14,915,143 | 24,492,635 |
| Staff Car Loan | 22,468,586 | 20,107,962 |
| Staff Consumer Loan | 12,302,748 | 11,376,837 |
| Staff House Building Loan | 1,261,175 | 2,516,921 |
| | **50,947,652** | **58,494,355** |
| | - | - |
| **Total Loans, Advances and Leases (a+b)** | **25,674,844,101** | **25,930,649,129** |

**6.1 Maturity wise Grouping**

| | 2025 | 2024 |
|---|---|---|
| Up to 1 month | 180,094,900 | 188,500,000 |
| Not more than 3 months | 360,189,800 | 690,500,000 |
| More than 3 months but less than 1 year | 1,620,854,100 | 21,691,000,000 |
| More than 1 year but less than 5 years | 8,477,285,920 | 2,487,033,497 |
| More than 5 years | 15,036,419,381 | 873,615,632 |
| | **25,674,844,101** | **25,930,649,129** |

**6.2 Loans, advances and leases on the basis of significant concentration:**

| | 2025 | 2024 |
|---|---|---|
| Loans, advances and leases to Allied Concern of Directors (Note-40) | 734,576,502 | 740,537,587 |
| Loans, advances and leases to Executives/Officers | 50,947,652 | 58,494,355 |
| Loans, advances and leases to Customer Groups | 797,089,539 | 880,904,736 |
| Industrial loans, advances and leases | 18,845,635,862 | 18,726,097,114 |
| Other loans, advances | 5,246,594,546 | 5,524,615,337 |
| | **25,674,844,101** | **25,930,649,129** |

**6.3 Loans, advances and leases allowed to individual customer or Group of Customer exceeding 15% of Financial Institution's total capital:**

| | 2025 | 2024 |
|---|---|---|
| Outstanding amount to such customers at end of the year | 15,883,321,902 | 15,333,495,037 |
| Number of such types of customers | 31 | 32 |
| Amount of Classified Loans, advances and leases thereon | 11,775,987,460 | 13,848,214,715 |
| Measures taken for recovery | Case Filed | Case Filed |

The amount represents the sum of total Loans, advances and leases (both Funded and Non-Funded) to each group of customer exceeding Tk. 454.56 million only which is computed @ 15% of total capital of Phoenix Finance and Investments Limited i.e. Tk. 3,030.40 million only (excluding negative balance of Retained Earnings) as at 31 December 2025.

(Amount in Taka)

| | Composition (%) | 2025 | 2024 |
|---|---|---|---|
| **6.4 Sector-wise Loans, Leases and Advances:** | | | |
| **Sectors** | | | |
| 1 Trade and Commerce | **4.91** | **915,946,442** | **1,272,588,006** |
| 2 Industry | | | |
| A) Garments and Knitwear | 3.47 | 907,697,404 | 900,474,801 |
| B) Textile | 14.26 | 3,831,690,961 | 3,698,074,792 |
| C) Food Production, Processing & Rice Mills | 2.34 | 559,989,102 | 606,905,990 |
| D) Jute & Jute products | 0.00 | - | - |
| E) Plastic & Rubber Industry | 0.06 | 14,414,488 | 15,058,191 |
| F) Leather and Leather Goods | 2.79 | 747,114,269 | 723,520,939 |
| G) Iron Steel and Engineering | 14.82 | 3,846,430,693 | 3,844,556,556 |
| H) Pharmaceuticals and Chemical | 0.27 | 15,398,216 | 68,878,378 |
| I) Cement and Allied Industry | 6.06 | 1,575,346,245 | 1,570,273,187 |
| J) Paper, Packaging, Printing, Publishing & Allied Industry | 8.29 | 2,244,524,116 | 2,149,391,459 |
| K) Wood, Furniture & Fixture | 0.00 | - | - |
| L) Glass, Glassware & Ceramic Industry | 0.79 | 215,620,959 | 205,537,241 |
| M) Ship Manufacturing Industry | 8.67 | 2,000,765,175 | 2,247,612,826 |
| N) Electronics and Electrical Products | 4.23 | 1,171,296,497 | 1,096,891,154 |
| O) Power, Gas, Petroleum, Water & Sanitary | 0.03 | 6,570,552 | 7,446,629 |
| P) Transport and Aviation | 4.98 | 1,247,252,564 | 1,292,365,528 |
| Q) Others | 3.98 | 1,193,787,443 | 1,031,355,017 |
| **Industry Total** | **75.04** | **19,577,898,684** | **19,458,342,688** |
| 3 Agriculture | 0.52 | 135,319,618 | 135,262,118 |
| 4 Mining & Quarrying | 0.00 | - | - |
| 5 Housing | | | |
| Individual/Retail Housing | 2.76 | 646,807,872 | 716,246,308 |
| Project/Commercial Housing | 5.47 | 1,409,418,911 | 1,419,454,265 |
| 6 Financial Corporation | 1.96 | 503,988,477 | 506,957,477 |
| 7 Service | 8.44 | 2,281,921,098 | 2,190,353,471 |
| 8 Consumer Finance | | | |
| Personal Loan | 0.04 | 8,489,522 | 9,312,136 |
| Auto Loan | 0.23 | 39,836,133 | 59,918,478 |
| Employee/Staff Loan | 0.23 | 50,947,654 | 58,494,355 |
| Credit Card | 0.00 | - | - |
| Loan Against Deposit | 0.40 | 104,269,690 | 103,719,827 |
| 9 Others | 0.00 | - | - |
| | **20.05** | **5,180,998,975** | **5,199,718,435** |
| **Grant Total** | **100.00** | **25,674,844,101** | **25,930,649,129** |
| **6.5 Geographical Location-wise loans advances and leases:** | | | |
| Bogura | 0.59% | 150,279,485 | 159,436,250 |
| Chattogram | 16.65% | 4,273,874,299 | 4,732,156,016 |
| Dhaka | 82.48% | 21,175,497,620 | 20,956,476,320 |
| Khulna | 0.29% | 75,192,697 | 82,580,543 |
| **Total** | **100%** | **25,674,844,101** | **25,930,649,129** |

(Amount in Taka)

| | Composition (%) | 2025 | 2024 |
|---|---|---|---|

## 6.6 Grouping of Loans, advances and Leases as per Classification Rules of Bangladesh Bank:

| | Composition (%) | 2025 | 2024 |
|---|---|---|---|
| **Unclassified** | | | |
| Standard | 31.04% | 7,970,719,988 | 1,550,110,002 |
| Special Mention Account (SMA) | 0.74% | 190,680,242 | 1,389,425,310 |
| | **31.79%** | **8,161,400,230** | **2,939,535,312** |
| **Classified** | | | |
| Substandard | 2.24% | 574,148,760 | 690,913,896 |
| Doubtful | 0.04% | 10,895,104 | 3,284,492,621 |
| Bad or Loss | 65.93% | 16,928,400,007 | 19,015,707,300 |
| | **68.21%** | **17,513,443,871** | **22,991,113,817** |
| **Total** | **100%** | **25,674,844,101** | **25,930,649,129** |

## 6.7 Particulars of provision for Loans, advances and Leases/Investments

| Status | Rate (%) | Basis for Provision | 2025 | 2024 |
|---|---|---|---|---|
| **General** | | | | |
| Standard (SME) | 0.25% | 259,288,737 | 648,222 | 56,966 |
| Standard (General) | 1% | 7,711,431,251 | 77,114,313 | 15,174,940 |
| Standard (Brokerage House/Merchant | 2% | - | - | 196,590 |
| Special Mention Account (SMA) | 5% | 147,011,703 | 7,350,585 | 61,220,775 |
| | | **8,117,731,691** | **85,113,120** | **76,649,271** |
| **Specific Provision (Classified)** | | | | |
| Substandard | 20% | 428,672,701 | 85,734,540 | 96,635,465 |
| Doubtful | 50% | 3,422,861 | 1,711,431 | 1,314,417,676 |
| Bad or loss | 100% | 11,079,148,732 | 11,079,148,732 | 11,813,157,103 |
| | | **11,511,244,294** | **11,166,594,703** | **13,224,210,244** |
| **Specific Provision (Other)** | | | | |
| 2% extra provision for providing COVID related circular advantage | | | 212,856,684 | 224,882,281 |
| Required provision for Investments | | | 22,355,131 | 23,183,297 |
| Required provision for Other Assets | | | 6,984,185 | 6,984,185 |
| Required provision for Non-Business Assets | | | 60,918,591 | - |
| Required provision for Rescheduled Loan | | | 3,268,794,120 | 216,397,818 |
| Total Provision Required | | | **3,571,908,711** | **471,447,581** |
| **Total Required provisions** | | | **14,823,616,534** | **13,772,307,096** |
| **Provision Maintained (Note No. 13.1)** | | | **14,823,616,534** | **13,701,984,938** |
| **Provision Surplus/(Deficit)** | | | - | **(70,322,158)** |

(Amount in Taka)

| | | 2025 | 2024 |
|---|---|---|---|
| **6.8** | **Particulars of Loans, advances and leases:** | | |
| (i) | Loans, Advances and Leases considered good in respect of which the Financial Institution is fully secured | 8,126,018,187 | 140,022,307 |
| (ii) | Loans, Advances and Leases considered good for which the Financial Institution holds no other security other than the debtor's personal security | 535,334,343 | 292,512,390 |
| (iii) | Loans, Advances and Leases considered good and secured by personal undertaking of one or more parties in addition to the personal security of the debtors | 17,013,491,571 | 25,498,114,432 |
| (iv) | Loans, Advances and Leases adversely classified; provision not maintained there against | - | - |
| | | 25,674,844,101 | 25,930,649,129 |
| (v) | Loans, Advances and Leases due by directors or officers of the Financial Institution or any of them either severally or jointly with any other person | 785,524,154 | 799,031,942 |
| (vi) | Loans, Advances and Leases due by companies or firms in which the directors of the Financial Institution are interested as directors, partners or managing agents or, in the case of private companies as members | 734,576,502 | 740,537,587 |
| (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 severally or jointly with any other persons | 16,000,000 | 4,500,000 |
| (viii) | Maximum total amount of advances including temporary advances granted during the year to the companies or firms in whom the directors of the Financial Institution are interested as directors, partners or managing agents or in the case of private companies as members | 16,000,000 | 8,000,000 |
| (ix) | Due from Bank and Financial Institutions | - | - |
| (x) | Amount of classified Loan, Advances and Leases on which interest has not been charged, should be mentioned as follows: | | |
| (A) | a. Increase/ (Decrease) in provision during the year | (2,057,615,541) | 5,693,269,015 |
| | b. Amount of Loan, Advances and Leases written off | 188,064,442 | - |
| | c. Amount realized against Loan, Advances and Leases previously written off | 7,917,261 | 51,530,888 |
| (B) | Amount of provision kept against classified Loan, Advances and Leases as Bad or Loss on the reporting day of Balance Sheet | 11,079,148,732 | 11,813,157,103 |
| (C) | Amount of Interest chargeable to the interest Suspense Account | 3,977,799,741 | 2,996,002,859 |

(Amount in Taka)

| | | 2025 | 2024 |
|---|---|---|---|
| **(xi)** | **Loans Written off:** | | |
| (A) | Cumulative amount of written off loans, advances and leases | | |
| | Balance at January 1 | 1,378,455,697 | 1,314,489,595 |
| | Amount written off during the year | 188,064,442 | 63,966,102.00 |
| | | 1,566,520,139 | 1,378,455,697 |
| (B) | Outstanding balance of written off loans, advances and leases | | |
| | Opening balance | 1,275,771,895 | 1,263,336,681 |
| | Add: Amount written off during the year | 188,064,442 | 63,966,102 |
| | Less: Amount realized/recovered during the year | 7,917,261 | 51,530,888 |
| | Closing balance | 1,455,919,076 | 1,275,771,895 |
| | Amount of written off loans, advances and leases for which lawsuit filed | 1,455,919,076 | 1,275,771,895 |
| **8** | **FIXED ASSETS INCLUDING LAND, BUILDING, FURNITURE and FIXTURES** | | |
| | **A. Cost:** | | |
| | Opening balance | 1,320,316,061 | 1,310,239,060 |
| | Addition during the year | 3,101,016 | 17,512,670 |
| | Less: Disposal during the year | (3,627,249) | (7,435,669) |
| | **Closing balance at cost** | **1,319,789,828** | **1,320,316,061** |
| | **B. Depreciation:** | | |
| | Opening balance | 698,092,995 | 668,674,666 |
| | Addition during the year | 37,379,023 | 36,853,998 |
| | Less: Adjustment on disposal during the year | (3,627,522) | (7,435,669) |
| | **Accumulated Depreciation** | **731,844,496** | **698,092,995** |
| | Carrying value* | **587,945,332** | **622,223,066** |
| | ***For details please refer to Annexure-A** | | |
| **9** | **OTHER ASSETS** | | |
| | **Income generating other assets :** | | |
| | Interest Accrued on Fixed Deposit Receipt | 9,592,553 | 11,106,821 |
| | Interest Accrued on Loan, leases and advances | 51,523,882 | - |
| | | 61,116,435 | 11,106,821 |
| | Non income generating other assets: | | |
| | Advance office rent | 4,597,923 | 6,396,423 |
| | Advance Against Expenses | 826,073 | 375,008 |
| | Advance Against Investments In Share | 72,963 | 72,963 |
| | Advance Corporate tax | 7,122,931 | 17,582,624 |
| | Deferred tax asset (Note-9.1) | 140,792,394 | 108,081,497 |
| | Investment in Associates | 58,590,261 | 63,592,504 |
| | Receivable from Phoenix Bhaban | 2,516,986 | 9,397 |
| | | **214,519,531** | **196,110,416** |
| | **Total** | **275,635,966** | **207,217,237** |

### 9.1 Deferred Tax

Deferred tax has been calculated based on deductable/ taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of International Accounting Standard (IAS)-12 "Income Taxes".

Deferred Tax Assets is arrived as follows:

| Particulars | Carrying amount at Balance Sheet | Tax Base | (Taxable)/ Deductible temporary difference |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets net of depreciation as on December 31, 2025 | 587,945,332 | 960,509,164 | 372,563,832 |
| **Total** | | **960,509,164** | **372,563,832** |
| Applicable Tax Rate | | | 37.50% |
| Deferred tax asset as on December 31, 2025 | | | 139,711,437 |
| Deferred tax asset maintained as on December 31, 2024 | | | 108,244,641 |
| Deferred tax income/(expenses) accounted for during the year | | | **31,466,796** |
| **Liabilities:** | | | |
| Provision for Employees' Gratuity | 2,882,551 | - | (2,882,551) |
| **Total** | | **-** | **(2,882,551)** |
| Applicable Tax Rate | | | 37.50% |
| Deferred tax asset as on December 31, 2025 | | | (1,080,957) |
| Deferred tax asset maintained as on December 31, 2024 | | | 163,144 |
| Deferred tax income/(expenses) accounted for during the year | | | **(1,244,101)** |
| **Deferred tax income/(expenses) accounted for during the year** | | | **32,710,897** |

## 10 NON- BUSINESS ASSETS

This is the type of Assets which is acquired by Phoenix Finance and Investments Limited to settle borrower debt (Loans, advances and Leases Outstanding) whenever the borrower is unable to repay the amount of debt. This one is provided apart from the Assets already given as collateral security to Phoenix Finance and Investments Limited at the time of sanctioning Loans, advances and Leases.

(Amount in Taka)

| | 2025 | 2024 |
|---|---|---|
| **Movement of Non-Business Assets :** | | |
| Balance at 1 January | 194,988,911 | 194,988,911 |
| Acquired during the year | - | - |
| Sale/Adjustment during the year | (95,466,000) | - |
| **Balance as on 31 December** | **99,522,911** | **194,988,911** |

## 11 BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS

| | 2025 | 2024 |
|---|---|---|
| Inside Bangladesh (Note-11.1) | 3,829,994,792 | 3,911,626,281 |
| Outside Bangladesh | - | - |
| | **3,829,994,792** | **3,911,626,281** |

(Amount in Taka)

| | | 2025 | 2024 |
|---|---|---|---|
| **11.1** | **In Bangladesh** | | |
| | Secured Loans (Note No.-11.2) | 153,862,566 | 159,025,002 |
| | Unsecured Loans (Note No.-11.3) | 3,676,132,226 | 3,752,601,279 |
| | | **3,829,994,792** | **3,911,626,281** |
| **11.2** | **Secured Loans** | | |
| | **Secured Term loan from other banks and FI** | | |
| | Pubali Bank Limited (Lien with FDR) | 153,862,566 | 159,025,002 |
| | | **153,862,566** | **159,025,002** |
| **11.3** | **Unsecured Loans** | | |
| **11.3 (i)** | **Unsecured Short Term Loan and Overdraft from other banks** | 2025 | 2024 |
| | Modhumoti Bank Limited | 40,000,000 | 70,000,000 |
| | Mutual Trust Bank Limited | 124,876,389 | 119,418,653 |
| | Bangladesh Development Bank Limited | 32,500,000 | - |
| | National Credit and Commerce Bank Limited | 75,800,000 | 81,100,000 |
| | South Bangla Agriculture Bank Limited | 25,800,000 | 25,800,000 |
| | The City Bank Limited | 100,000,000 | 100,000,000 |
| | Call Loan | 120,900,000 | 114,900,000 |
| | | **519,876,389** | **511,218,653** |
| **11.3 (ii)** | **Unsecured Loan from Bangladesh Bank** | | |
| | Refinance against SME Loan | - | - |
| | Refinance against Housing Loan | 6,770,499 | 8,735,597 |
| | | **6,770,499** | **8,735,597** |
| **11.3 (iii)** | **Unsecured Term loan from other banks and FI** | | |
| | Al-Arafah Islami Bank Limited | 343,052,240 | 347,952,240 |
| | Bank Asia Limited | 171,096,657 | 171,046,657 |
| | BASIC Bank Limited | 179,713,076 | 187,213,076 |
| | Dutch Bangla Bank Limited | 46,293,043 | 66,589,882 |
| | Jamuna Bank Limited | 469,354,545 | 476,960,545 |
| | Midland Bank Limited | 387,784,878 | 393,714,878 |
| | Modhumoti Bank Limited | 366,839,123 | 368,124,938 |
| | Mutual Trust Bank Limited | 108,108,265 | 114,058,265 |
| | National Credit and Commerce Bank Limited | 45,873,197 | 45,823,197 |
| | One Bank Limited | 108,034,623 | 110,034,623 |
| | Prime Bank Limited | 200,015,075 | 203,627,745 |
| | Shahjalal Islami Bank Limited | 209,541,187 | 213,996,187 |
| | Southeast Bank Limited | 142,628,460 | 152,128,461 |
| | United Commerce Bank Limited | 127,453,404 | 137,638,979 |
| | Uttara Bank Limited | 243,697,565 | 243,647,565 |
| | | **3,149,485,338** | **3,232,557,238** |
| **11.3 (iv)** | **Balance of Lodgments (Bank Reconciliation) from other banks and FI** | | |
| | Eastern Bank Limited | - | 89,791 |
| | | - | **89,791** |

(Amount in Taka)

| | | 2025 | 2024 |
|---|---|---|---|
| **12** | **DEPOSITS AND OTHER ACCOUNTS** | | |
| | **Institutions** | | |
| | Banks and Other Financial Institutions | 5,640,063,305 | 5,553,615,363 |
| | Other Institutions | 4,271,643,222 | 4,161,047,307 |
| | | **9,911,706,527** | **9,714,662,670** |
| | **Individuals** | | |
| | Term Deposit Receipt | 7,217,116,126 | 7,281,073,597 |
| | Monthly Savings Scheme | 142,313,856 | 193,196,987 |
| | | **7,359,429,982** | **7,474,270,584** |
| | **Total** | **17,271,136,509** | **17,188,933,254** |
| **12.1** | **Movement of deposits :** | | |
| | Balance at 1 January | 17,188,933,254 | 17,215,474,978 |
| | Received/renewed during the year | 215,851,505 | 105,318,200 |
| | Repayment during the year | (133,648,250) | (131,859,924) |
| | Balance as on 31 December | **17,271,136,509** | **17,188,933,254** |
| **13** | **OTHER LIABILITIES** | | |
| | Provision for Loans, advances and leases/ Investments (Note 13.1) | 14,823,616,534 | 13,701,984,938 |
| | Provision for tax (Note 13.2) | 305,613,181 | 315,515,805 |
| | Interest suspense (Note 13.3) | 3,977,799,741 | 2,996,002,859 |
| | Financial expenses payable (Note 13.4) | 3,424,511,673 | 2,555,310,842 |
| | Advance and security deposit (Note 13.5) | 343,893,137 | 256,396,588 |
| | Accrued expenses and other payable (Note 13.6) | 400,312,096 | 261,815,963 |
| | **Total** | **23,275,746,362** | **20,087,026,995** |
| **13.1** | **Provision for Loans, advances and leases/Investments** | | |
| **13.1(i)** | **Balance at 1 January** | **13,701,984,938** | **7,999,290,675** |
| | Write off during the year | (168,398,440) | (57,823,026) |
| | Recovery from Write Off During the Year | 12,279,373 | 51,530,888 |
| | Provision kept against required for the year | 2,219,478,975 | 5,973,635,574 |
| | Provision released during the year | (941,728,312) | (264,649,173) |
| | Provision charged for the year (Note- 13.1 (ii)) | **1,277,750,663** | **5,708,986,401** |
| | Balance at 31 December | **14,823,616,534** | **13,701,984,938** |
| **13.1(ii)** | **Provision charged for the year** | | |
| | General provision-Regular | 8,463,849 | (140,858,698) |
| | Specific provision | 982,755,164 | 5,762,362,248 |
| | Provision for diminutions in value of investments | (828,166) | 10,868,555 |
| | Write off during the year | 168,398,440 | 57,823,026 |
| | Recovery/Adjustment from Write Off During the Year | (12,279,373) | (51,530,888) |
| | Non-Business Assets | 60,918,591 | - |
| | Deferred Provision Adjusted | 70,322,158 | 70,322,158 |
| | | **1,277,750,663** | **5,708,986,401** |

(Amount in Taka)

| | | 2025 | 2024 |
|---|---|---|---|
| **13.1(iii)** | **Product wise break up of provision** | | |
| | Short term finance | 41,453,975 | 153,203,199 |
| | Lease finance | 2,901,989,513 | 2,664,413,542 |
| | Term Finance | 10,606,870,671 | 9,904,268,110 |
| | House finance | 685,052,313 | 452,023,097 |
| | Finance to Capita Market Exposure | 497,441,065 | 497,324,559 |
| | Staff Loan | 551,089 | 584,949 |
| | Investments in share | 22,355,132 | 23,183,297 |
| | Non-Business Assets | 60,918,591 | - |
| | Other Assets | 6,984,185 | 6,984,185 |
| | | **14,823,616,534** | **13,701,984,938** |
| **13.2** | **Provision for tax** | | |
| | Balance at 1 January | 315,515,805 | 301,265,805 |
| | Provision made during the year | 7,680,000 | 14,250,000 |
| | Transferred to/(from) | (17,582,624) | - |
| | **Balance at 31 December** | **305,613,181** | **315,515,805** |
| **13.3** | **Interest suspense** | | |
| | Balance as on 1 January | 2,996,002,859 | 2,420,540,244 |
| | Add: Transferred during the year | 1,096,847,418 | 731,452,165 |
| | Less: Amount of interest suspense realized | (134,716,538) | (162,132,626) |
| | Write off during the year | 19,666,002 | 6,143,076 |
| | **Balance as on 31 December** | **3,977,799,741** | **2,996,002,859** |
| **13.4** | **Financial expenses payable** | | |
| | Interest Payable on Deposits | 1,960,988,082 | 1,644,481,057 |
| | Interest Payable on Term Loan | 1,463,523,591 | 910,829,785 |
| | | **3,424,511,673** | **2,555,310,842** |

**13.5 Advance and security deposit**

The amount received from clients as advance against finance and cash security deposit on the stipulation that the amount will be either adjusted with the outstanding rentals/installments or repaid at the end of term. This is made up as under:

| | 2025 | 2024 |
|---|---|---|
| Balance at 1 January | 256,396,588 | 512,701,978 |
| Received during the year | 89,180,280 | - |
| Repayment during the year | (1,683,731) | (256,305,390) |
| Balance as on 31 December | **343,893,137** | **256,396,588** |
| Breakup of advances and security deposits on the basis of category of finance is as under: | | |
| Lease finance deposit | 31,851,487 | 33,214,948 |
| Term finance deposit | 601,796 | 830,469 |
| Real Estate finance deposit | 67,375 | 158,972 |
| Sundry Deposit | 10,589,714 | 10,187,343 |
| Term Deposit Payable (Partially unpaid Deposit)* | 300,782,765 | 212,004,856 |
| | **343,893,137** | **256,396,588** |

Advance and security deposit reduce the exposure with the clients and thereby reduce the risks. No interest is payable on advances while cash security deposits are interest bearing.

*Due to liquidity crisis and high customer demand, the Company face difficulties to repay the full amount of deposit at a time. This amount represent the depositor who submitted the TDR instrument to us and against therein partially paid.

(Amount in Taka)

| | | 2025 | 2024 |
|---|---|---|---|
| **13.6** | **Accrued expenses and other payable** | | |
| | Accounts Payable | 13,471,475 | 18,884,507 |
| | CSR Fund | 2,005,073 | 2,005,073 |
| | Other payables | 768,655 | 768,655 |
| | Provident Fund | 2,575,914 | 1,072,947 |
| | Provision for Employees' Gratuity | 2,882,551 | 435,051 |
| | Provision for Expenses | 4,941,901 | 4,175,814 |
| | Tax Deduction At Source and Excise Duty | 369,335,660 | 230,120,573 |
| | Unclaimed Dividend (Note 13.6.1) | 383,883 | 383,883 |
| | VAT payable | 3,946,984 | 3,969,460 |
| | **Total** | **400,312,096** | **261,815,963** |

**13.6.1 Summary of Unclaimed/Undistributed/Unsettled Dividend**

| Year | Dividend Type | 2025 | 2024 |
|---|---|---|---|
| 2020 | Final Dividend, (12% Stock) Fraction Share | 15,658 | 15,658 |
| 2019 | Final Dividend, (6% Cash and 6% Stock) | 368,225 | 368,225 |
| | | **383,883** | **383,883** |

**13.6.1 (i)** As per the Directive No. BSEC/CMRRCD/2021-386/03, dated January 14, 2021, and the Capital Market Stabilization Fund (CMSF) Rules, 2021, dated June 01, 2021, of Bangladesh Securities and Exchange Commission (BSEC) any entitlement dividend which remains unclaimed for a period of 3 (three) years from the date of approval or date of subscription, shall be transferred to the fund named "Capital Market Stabilization Fund" within such time as directed by the Commission or the Fund from time to time. Accordingly, we have transferred unclaimed Dividend (from 2007 to 2017) an amount of BDT 7,991,801.80 to the "Capital Market Stabilization Fund", SND A/C No. 0010311521301, the Community Bank Bangladesh Limited, Gulshan Corporate Branch, Dhaka dated on March 30, 2024.

| | | 2025 | 2024 |
|---|---|---|---|
| **14** | **SHARE CAPITAL** | | |
| | Authorized capital | | |
| | 300,000,000 Ordinary shares of Tk. 10 each | 3,000,000,000 | 3,000,000,000 |
| | Issued, subscribed and paid up capital: | | |
| | 165874195 Ordinary shares of Tk. 10 each | 1,658,741,950 | 1,658,741,950 |
| | **Total** | **1,658,741,950** | **1,658,741,950** |
| **14.1** | **Pattern of shareholdings** | | |
| | Sponsors (Institutions) | 181,092,940 | 181,092,940 |
| | Sponsors (Individuals) | 250,403,320 | 292,795,840 |
| | General Public (Institutions) | 314,799,310 | 357,706,520 |
| | General Public (Individuals) | 912,446,380 | 827,146,650 |
| | **Total** | **1,658,741,950** | **1,658,741,950** |

(Amount in Taka)

| | 2025 | 2024 |
|---|---|---|

**14.2 Classification of shareholders by holding (Regulation 37 of the Listing Regulation of DSE Limited)**

| Shareholding range | Number of Shareholders | Shares | Percentage (%) |
|---|---|---|---|
| Less than 500 shares | 1459 | 243,919 | 0.15 |
| 501 to 5,000 shares | 2414 | 5,242,516 | 3.16 |
| 5,001 to 10,000 shares | 517 | 3,970,464 | 2.39 |
| 10,001 to 20,000 shares | 365 | 5,431,618 | 3.27 |
| 20,001 to 30,000 shares | 179 | 4,479,926 | 2.70 |
| 30,001 to 40,000 shares | 91 | 3,281,205 | 1.98 |
| 40,001 to 50,000 shares | 61 | 2,819,045 | 1.70 |
| 50,001 to 100,000 shares | 129 | 9,457,004 | 5.70 |
| 100,001 to 1,000,000 shares | 120 | 34,542,582 | 20.82 |
| 1,000,001 to 10,000,000 shares | 28 | 78,296,622 | 47.20 |
| 10,000,001 to 100,000,000 shares | 1 | 18,109,294 | 10.92 |
| | **5364** | **165,874,195** | **100** |

**Year wise Total Number of Shareholders**

| Year | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Number of Shareholders | 5,364 | 5,858 | 5,987 | 5979 | 4,775 |

| | | 2025 | 2024 |
|---|---|---|---|
| **14.3** | **Capital requirement** | | |
| | Paid up capital | 1,658,741,950 | 1,658,741,950 |
| | Required capital | 1,000,000,000 | 1,000,000,000 |
| | Capital Surplus/(Deficit) | **658,741,950** | **658,741,950** |
| **15** | **STATUTORY RESERVE** | | |
| | Balance as on 1 January | 780,196,143 | 780,196,143 |
| | Add: Transferred from profit during the year | - | - |
| | Balance as on 31 December | **780,196,143** | **780,196,143** |

**16 REVALUATION RESERVE**

Land of carrying value Tk. 20,429,593 and building of carrying value Tk. 101,787,241 as on 31.12.2009 were revalued on 13.10.2010. The board of director appointed G. K. Adjusters Limited for the above revaluation. Land was valued using current market price basis and buildings were valued replacement cost basis.

Again Land was revalued on 30.09.2018 with having carrying value Tk. 189,825,000 as on 31.12.2017. The board of director appointed Malek Siddiqui Wali for the above revaluation. Land was valued using current market price basis. The following revaluation surpluses included in the above total carrying value and addition during the year of Fixed Assets:

| | 2025 | 2024 |
|---|---|---|
| **Land ( No Depreciation charged)** | 410,297,907 | 410,297,907 |
| **Building (5% per annuam depreciation Charged adjusted)** | | |
| Balance as on 1 January | 110,932,401 | 130,113,039 |
| Addition during the year | - | - |
| Amortization during the year | (19,180,638) | (19,180,638) |
| Balance as on 31 December | **91,751,763** | **110,932,401** |
| **Carrying Value as on 31 December** | **502,049,670** | **521,230,308** |

(Amount in Taka)

| | | 2025 | 2024 |
|---|---|---|---|
| **17** | **RETAINED EARNINGS** | | |
| | **Balance as on 1 January** | (16,652,602,705) | (8,589,461,630) |
| | Add: Profit after tax for the year | (3,392,556,991) | (8,082,321,713) |
| | Add: Amortized of Revaluation Reserve | 19,180,638 | 19,180,638 |
| | Less: Prior year Adjustment from Fixed Assets Depreciation | - | - |
| | Less: Transferred to statutory reserve | - | - |
| | Balance as on 31 December | **(20,025,979,058)** | **(16,652,602,705)** |
| **18** | **PROFIT AND LOSS ACCOUNT** | | |
| | **Income:** | | |
| | Interest, discount and similar income (Note-19) | 496,244,806 | 492,040,032 |
| | Dividend income (Note -21) | 325,481 | 480,392 |
| | Fees, commission and brokerage | - | - |
| | Gains less losses arising from investment in securities (Note-21) | 865,313 | 4,732,816 |
| | Gains less losses arising from dealing in foreign currencies | - | - |
| | Income from Financial Institution's assets (Note- 23) | 59,084 | 1,830,275 |
| | Other operating income (Note-23) | 42,137,564 | 41,241,728 |
| | Profit less losses on interest rate changes | - | - |
| | | **539,632,248** | **540,325,243** |
| | **Expenses:** | | |
| | **Administrative expenses** | | |
| | Salaries and Allowance (Note-24) | 163,329,486 | 190,835,167 |
| | Rent, Taxes, Insurance, Electricity etc. (Note-25) | 27,632,659 | 27,298,473 |
| | Legal expenses | 1,604,080 | 1,158,196 |
| | Postage, Stamp, Telecommunication etc. (Note-26) | 2,701,447 | 2,151,739 |
| | Stationery, Printing, Advertisement etc. (Note-27) | 2,214,468 | 1,731,480 |
| | Managing Director's Remuneration | 6,906,429 | - |
| | Directors' Fee (Note-28) | 1,484,500 | 577,000 |
| | Auditors' Fee | 315,000 | 1,437,500 |
| | | **206,188,069** | **225,189,555** |
| | **Non Administrative expenses** | | |
| | Interest, Fees and Commission (Note-20) | 2,404,830,587 | 2,627,383,597 |
| | Losses on Loans and Advances [Note-13(ii)] | 1,277,750,663 | 5,708,986,401 |
| | Depreciation and Impairment on Assets (Note-29) | 37,792,893 | 37,459,577 |
| | Other Operating Expenses (Note-30) | 30,657,924 | 30,941,764 |
| | | **3,751,032,067** | **8,404,771,339** |
| | **Excess of Income Over Expenditure** | **(3,417,587,888)** | **(8,089,635,651)** |
| **19** | **INTEREST INCOME** | | |
| | Income from lease finance | 5,119,733 | 58,153,373 |
| | Income from real estate finance | 7,740,847 | 55,520,792 |
| | Income from staff loan | 2,979,281 | 4,696,124 |
| | Income from term finance (19.a) | 450,997,444 | 352,644,700 |
| | Overdue Interest | 29,407,501 | 21,025,043 |
| | **Total** | **496,244,806** | **492,040,032** |

(Amount in Taka)

| | | 2025 | 2024 |
|---|---|---|---|
| **19.a** | **Income from term finance** | | |
| | From short term finance | 84,036,488 | 70,533,096 |
| | From medium and long short term finance | 366,960,956 | 267,265,493 |
| | From capital market exposure finance | - | 14,846,111 |
| | | **450,997,444** | **352,644,700** |
| **20** | **INTEREST EXPENSES ON DEPOSITS, BORROWINGS, etc.** | | |
| | Interest on Bank Loan | 645,346,255 | 659,403,900 |
| | Interest on money at call and short notice | 15,077,864 | 10,744,755 |
| | Interest on Deposits | 1,744,406,468 | 1,957,234,942 |
| | **Total** | **2,404,830,587** | **2,627,383,597** |
| **21** | **INCOME FROM INVESTMENT** | | |
| | Capital Gain /(loss) on sale of Securities | 865,313 | 4,732,816 |
| | Dividend Income | 325,481 | 480,392 |
| | **Total** | **1,190,794** | **5,213,208** |
| **22** | **COMMISSION, EXCHANGE AND BROKERAGE** | - | - |
| **23** | **OTHER OPERATING INCOME** | | |
| | Documentation Fee | 25,468 | 39,000 |
| | Gain on sale of Fixed Assets | 59,084 | 1,830,275 |
| | Interest on Bank Deposits | 32,027,318 | 31,296,236 |
| | Proceeds on Final Settlement | 5,000 | 133,874 |
| | Revenue from Phoenix Bhaban | 10,007,589 | 9,462,643 |
| | Salvage Value | 48,125 | 289,550 |
| | Service Charge | 24,064 | 20,425 |
| | **Total** | **42,196,648** | **43,072,003** |
| **24** | **SALARIES AND ALLOWANCES** | | |
| | Employees' Salaries | 147,432,611 | 144,132,862 |
| | Festival Bonus | 12,226,322 | 17,360,672 |
| | Gratuity Fund | 3,500,000 | 22,733,600 |
| | Leave Fare Assistance | 170,553 | 6,608,033 |
| | **Total** | **163,329,486** | **190,835,167** |
| **25** | **RENT, TAXES, INSURANCE, ELECTRICITY etc.** | | |
| | Electricity Bill | 5,086,303 | 5,153,512 |
| | GAS and WASA Bill | 843,690 | 807,683 |
| | Holding and Vehicle Tax | 624,813 | 588,708 |
| | Insurance Premium | 245,867 | 348,772 |
| | Office Rent | 20,831,986 | 20,399,798 |
| | **Total** | **27,632,659** | **27,298,473** |

(Amount in Taka)

| | | 2025 | 2024 |
|---|---|---|---|
| 26 | **POSTAGE, STAMP, TELECOMMUNICATION etc.** | | |
| | Internet Bill | 1,500,114 | 1,087,810 |
| | Mobile Bill | 812,467 | 699,965 |
| | Phone Bill | 186,424 | 171,814 |
| | Postage, Stamp and Courier | 202,442 | 192,150 |
| | **Total** | **2,701,447** | **2,151,739** |
| 27 | **STATIONERY, PRINTING, ADVERTISEMENTS etc.** | | |
| | Advertisement and Publicity | 1,155,957 | 736,257 |
| | Books and Periodicals | 121,664 | 110,199 |
| | Printing and Stationery | 936,847 | 885,024 |
| | **Total** | **2,214,468** | **1,731,480** |

## 28 DIRECTORS' FEES

The Company pays fees to its Directors for attending the Board meetings and its Committee meetings as permitted by the Bangladesh Bank. As per Bangladesh Bank Circular, a Director may be paid fees for attending Board or its Committee meetings which shall not exceed Tk. 8,000 for attending each meeting. Details are as under:

| | 2025 | 2024 |
|---|---|---|
| Total Board Meetings (nos.) | 13 | 14 |
| Total Board Executive Committee Meetings (nos.) | 0 | 0 |
| Total Board Audit Committee Meetings (nos.) | 4 | 4 |
| **Total fees paid (in Taka)** | **1,484,500** | **577,000** |
| Total members of the Board (nos.) | 4 | 3 |
| Quorum for Board Meeting (nos.) | 3 | 3 |
| Average number of Directors present in the Board Meetings (nos.) | 4 | 3 |
| Quorum for Board Audit Committee Meeting (nos.) | 3 | 2 |
| Average no. of Directors present in the Committee Meetings (nos.) | 3 | 2 |

## 29 DEPRECIATION AND REPAIR AND MAINTENANCE OF ASSETS

| | 2025 | 2024 |
|---|---|---|
| Depreciation of Fixed Assets | 37,378,751 | 36,853,998 |
| Computer Maintenance | 321,748 | 524,952 |
| Photocopier Maintenance | 92,394 | 80,627 |
| **Total** | **37,792,893** | **37,459,577** |

(Amount in Taka)

| | | 2025 | 2024 |
|---|---|---|---|
| **30** | **OTHER EXPENSES** | | |
| | AGM Expenses | 2,284,580 | 1,599,945 |
| | Bank Charge and Excise Duty | 1,809,404 | 1,455,630 |
| | Business Development Expense | 245,706 | 14,080 |
| | CDBL and Stock Exchange Charge | 134,900 | 957,925 |
| | Computer and Software Development Expenses | 297,350 | 247,399 |
| | Credit Rating Fee | 107,500 | 107,500 |
| | Bond Issue Expenses | - | 500,000 |
| | Loss from Associates | 5,002,243 | 7,194,002 |
| | Staff Training and Recruitment Fee | 243,880 | 33,000 |
| | Motor Vehicle Expenses | 2,541,465 | 1,784,137 |
| | Penalty Charge for Non-Compliance Issues | 1,900,000 | 600,000 |
| | Office Expenses | 3,934,207 | 3,835,140 |
| | Office Maintenance | 1,950,522 | 1,769,728 |
| | RJSC Fees and Expenses | 174,630 | 26,560 |
| | Service Charge (Office) | 2,061,291 | 2,124,117 |
| | Subscription and Fees | 1,264,400 | 1,355,805 |
| | Travelling and Conveyance | 1,285,469 | 1,019,000 |
| | Wages | 5,420,377 | 6,317,796 |
| | **Total** | **30,657,924** | **30,941,764** |
| **31** | **NET ASSET VALUE (NAV) PER SHARE** | | |
| | Shareholders' Equity (A) | (16,995,582,595) | (13,603,025,604) |
| | Total Number of Ordinary Share (B) | 165,874,195 | 165,874,195 |
| | Net Asset Value (NAV) per share (A÷B) | **(102.46)** | **(82.01)** |

**Reason for changes in Net Assets Value (NAV) Per Share:**

NAV per Share for the year ended on December 31, 2025 stands BDT (102.46), which was BDT (82.01) in the same period of previous year. The reason behind this decline is increase negative Equity which stands to (16,881.25) from (13,603.03) during the year.

## 32 EARNINGS PER SHARE

Earnings per share shown in the face of the Profit and Loss Account is calculated in accordance with International Accounting Standard 33: "Earnings Per Share". Basic earnings per share has been calculated as follows:

| | 2025 | 2024 |
|---|---|---|
| **Profits attributable to ordinary shareholders (Net Profit After Tax)** | **(3,392,556,991)** | **(8,082,321,713)** |
| Number of Ordinary shares at 1 January | 165,874,195 | 165,874,195 |
| Bonus shares issued | - | - |
| Right shares issued | - | - |
| Total Number of Ordinary Share | **165,874,195** | **165,874,195** |
| **Earnings per share** | **(20.45)** | **(48.73)** |

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

EPS of Phoenix Finance and Investments Limited for the year ended on December 31, 2025 is BDT (20.45), which was BDT (48.73) in the same period of previous year. This improvement was primarily attributable to a significant decrease in provision for classified loans, advances and investments by 2,057.62 million). Total operating income increased by BDT 221.86 million, and operating expense also decreased by BDT 18.95 million.

(Amount in Taka)

| | | 2025 | 2024 |
|---|---|---|---|
| **33** | **NET OPERATING CASH FLOW PER SHARE (NOCFPS)** | | |
| | Net Cash Flow from Operating Activities (A) | 202,466,792 | 45,982,235 |
| | Total Number of Ordinary Share(B) | 165,874,195 | 165,874,195 |
| | **Net Operating Cash Flow Per Share (NOCFPS) (A÷B)** | **1.22** | **0.28** |

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

NOCFS of Phoenix Finance and Investments Limited for the year ended on December 31, 2025 is BDT 1.22, which was BDT 0.28 in the same period of previous year. This improvement was primarily attributable to a significant recovery from classified loans, advances and investments during the year 2025.

## 34 RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES:

| | 2025 | 2024 |
|---|---|---|
| **Net profit after tax** | **(3,392,556,991)** | **(8,082,321,713)** |
| Items not involved in cash movement: | | |
| Add: Depreciation | 37,378,751 | 36,853,998 |
| Add: Provision for loans and investments | 1,277,750,663 | 5,708,986,401 |
| Add: Provision for taxation | 7,680,000 | 14,250,000 |
| Add/ (Less): Accrued expenses | 869,200,831 | 735,956,429 |
| Add/ (Less): Accrued income | (50,009,614) | 4,719,511 |
| Less: Gain on disposal of fixed assets | (59,084) | (1,830,275) |
| Increase/(Decrease) in Employee gratuity | 2,447,500 | (54,185) |
| Increase/(Decrease) in Deferred tax | (32,710,897) | (21,563,938) |
| **Adjustments to reconcile net profit after tax to net cash provided by operating activities** | **(1,280,878,841)** | **(1,605,003,772)** |
| Increase/(decrease) in operating assets and liabilities | | |
| (Increase)/Decrease in Loans & advances | 255,805,028 | 234,338,877 |
| (Increase)/Decrease in Other assets | 82,203,255 | (26,541,724) |
| Increase/(Decrease) in term loan | (81,631,489) | (303,921,236) |
| Increase/(Decrease) in Short term loan | - | (3,400,000) |
| Increase/(Decrease) in Term & other deposits | 1,098,375,330 | 1,640,321,098 |
| Increase/(Decrease) in payable and accrued expenses | 138,496,133 | 95,938,992 |
| (Increase)/Decrease in Income tax | (9,902,624) | 14,250,000 |
| | **1,483,345,633** | **1,650,986,007** |
| **Net cash flows from/(used in) operating activities** | **202,466,792** | **45,982,235** |

## 35 INTEREST RECEIVED

| | 2025 | 2024 |
|---|---|---|
| Interest Income | 496,244,806 | 492,040,032 |
| Add: Opening Interest Receivable on FDR | 11,106,821 | 15,826,332 |
| Less: Closing Interest Receivable on FDR | (61,116,435) | (11,106,821) |
| Add: Closing Interest Suspense Account | 3,977,799,741 | 2,996,002,859 |
| Less: Opening Interest Suspense Account | (2,996,002,859) | (2,420,540,244) |
| **Total** | **1,428,032,074** | **1,072,222,158** |

(Amount in Taka)

| | | 2025 | 2024 |
|---|---|---|---|
| **36** | **INTEREST PAYMENT** | | |
| | Interest Expenses | (2,404,830,587) | (2,627,383,597) |
| | Add: Opening Interest payable on Deposit and Borrowings | (2,555,310,842) | (1,819,354,413) |
| | Less: Closing Interest payable on Deposit and Borrowings | 3,424,511,673 | 2,555,310,842 |
| | **Total** | **(1,535,629,756)** | **(1,891,427,168)** |
| **37** | **RECEIVED FROM OTHER OPERATING ACTIVITIES** | | |
| | Documentation Fee | 25,468 | 39,000 |
| | Received from Phoenix Bhaban | 7,500,000 | 10,000,000 |
| | Interest on Bank Deposits | 32,027,318 | 31,296,236 |
| | Proceeds on Final Settlement | 5,000 | 133,874 |
| | Salvage Value | 48,125 | 289,550 |
| | Service Charge | 24,064 | 20,425 |
| | **Total** | **39,629,975** | **41,779,085** |
| **38** | **PAYMENTS FOR OTHER OPERATING ACTIVITIES** | | |
| | AGM Expenses | (2,284,580) | (1,599,945) |
| | Assets Maintenance | (414,142) | (605,579) |
| | Audit Fee | (315,000) | (1,437,500) |
| | Bank Charge and Excise Duty | (1,809,404) | (1,455,630) |
| | Business Development Expense | (245,706) | (14,080) |
| | CDBL and Stock Exchange Charge | (134,900) | (1,500) |
| | Computer and Software Development Expenses | (297,350) | (247,399) |
| | Credit Rating Fee | (107,500) | (107,500) |
| | Directors' Fees | (1,484,500) | (577,000) |
| | Legal expenses | (1,604,080) | (1,158,196) |
| | Motor Vehicle Expenses | (2,541,465) | (1,784,137) |
| | Office Expenses | (3,934,207) | (3,835,140) |
| | Office Maintenance | (1,950,522) | (1,769,728) |
| | Postage, Stamp, Telecommunication etc. | (2,701,447) | (2,151,739) |
| | Rent, Taxes, Insurance, Electricity etc. | (27,632,659) | (27,298,473) |
| | RJSC Fees and Expenses | (174,630) | (26,560) |
| | Service Charge (Office) | (2,061,291) | (2,124,117) |
| | Subscription and Fees | (1,264,400) | (1,355,805) |
| | Travelling and Conveyance | (1,285,469) | (1,019,000) |
| | Wages | (5,420,377) | (6,317,796) |
| | **Total** | **(57,663,629)** | **(54,886,824)** |

(Amount in Taka)

## 39 CAPITAL ADEQUACY BASED ON BASEL-II

| | 2025 | 2024 |
|---|---|---|
| **Core Capital(Tier-I)** | | |
| Paid-up Capital | 1,658,741,950 | 1,658,741,950 |
| Share Premium | 87,408,700 | 87,408,700 |
| Statutory Reserve | 780,196,143 | 780,196,143 |
| General Reserve | 2,000,000 | 2,000,000 |
| Retained Earnings | (20,025,979,058) | (16,652,602,705) |
| **Sub-Total** | **(17,497,632,265)** | **(14,124,255,912)** |
| **Deduction from Tier-1 (Core Capital)** | | |
| Shortfall in provisions required against classified assets | - | (70,322,158) |
| **Total Eligible :Tier-1 Capital** | **(17,497,632,265)** | **(14,194,578,070)** |
| **Supplementary Capital(Tier-II)** | | |
| General Provision | | |
| (Unclassified loans up to specified limit +SMA + off Balance Sheet Exposure) | - | 202,152,608 |
| Assets Revaluation Reserve (50%) | 251,024,835 | 260,615,154 |
| **Sub-Total** | **251,024,835** | **462,767,762** |
| **A. Total Eligible Capital** | **(17,246,607,430)** | **(13,731,810,308)** |
| **B. Risk Weighted Assets** | | |
| Credit Risk | **15,314,709,622** | **15,219,308,664** |
| On Balance Sheet | 15,314,709,622 | 15,219,308,664 |
| Off-Balance Sheet | - | - |
| Market Risk | 255,200,000 | 263,000,000 |
| Operational Risk | 279,600,000 | 689,900,000 |
| **Total Risk Weighted Assets** | 15,849,509,622 | 16,172,208,664 |
| **C. Minimum Required Capital(MCR) on RWA** | **1,584,950,962** | **1,617,220,866** |
| (10% of RWA for both under CAMD) | | |
| **D. Capital Surplus/(Shortfall)(A-C)** | **(18,831,558,392)** | **(15,349,031,174)** |

| **Total Capital Adequacy Ratios** | | **-108.81%** | **-84.91%** |
|---|---|---|---|
| Capital Requirement | **Required (%)** | **Held on 2025** | **Held on 2024** |
| Core Capital(Tier-I) | 5 | -109.68% | -87.77% |
| Supplementary Capital(Tier-II) | - | 1.58% | 2.86% |

## 40 RELATED PARTY TRANSACTIONS

The company in normal course of business carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting Standard 24: Related Party Disclosures. Balance of the significant related party transactions at the end of the year 31 December 2025 are as follows:

**Loans, Advances and Leases (Assets with related party)**

| Name of the related party | Nature of transaction | Relationship | Balance at 1 January, 2025 | Addition | Adjustment | Balance at 31 December, 2025 |
|---|---|---|---|---|---|---|
| Appollo Ispat Complex Limited | Term Finance | Common Sponsor | 732,245,574 | 17,250 | - | 732,262,824 |
| Mohammad Mohsin | Loan against Deposit | Director | 1,029,428 | - | 670,062 | 359,366 |
| Shahida Mohsin | Loan against Deposit | Wife of Mohammad Mohsin | 4,880,978 | - | 4,641,442 | 239,536 |
| Shahida Mohsin | Lease Finance | Wife of Mohammad Mohsin | 2,381,607 | - | 666,831 | 1,714,776 |
| **Total** | | | **740,537,587** | **17,250** | **5,978,335** | **734,576,502** |

**Equity Investment (Associate Exposure)**

| Name of the related party | Nature of transaction | Relationship | Balance at 1 January, 2025 | Addition | Adjustment | Balance at 31 December, 2025 |
|---|---|---|---|---|---|---|
| Phoenix Securities | Equity Investment | Associate Company | 63,592,504 | - | 5,002,243 | 58,590,261 |

**Deposits (Liabilities with related party)**

| Name of the related party | Nature of transaction | Relationship | Balance at 1 January, 2025 | Addition | Adjustment | Balance at 31 December, 2025 |
|---|---|---|---|---|---|---|
| Mohammed | Term Deposit | Chairman | 21,000,000 | - | 1,000,000 | 20,000,000 |
| Mohammad Haider Ali | Term Deposit | Brother of Mohammad Mohsin | 60,615,000 | - | - | 60,615,000 |
| Nazneen Sultana | Term Deposit | Sister of Mohammad Mohsin | 25,593,754 | - | 25,593,754 | - |
| Yasmin Sultana | Term Deposit | Sister of Mohammad Mohsin | 26,593,754 | - | 1,000,000 | 25,593,754 |
| Shabnaz Sultana | Term Deposit | Daughter of Rafiqul Islam(Sponsor) | 2,165,567 | 191,878 | - | 2,357,445 |
| Sharmin Sultana | Term Deposit | Daughter of Rafiqul Islam(Sponsor) | 5,267,712 | 321,300 | - | 5,589,012 |
| Meherun Haque | Term Deposit | Director | 4,969,908 | 270,892 | - | 5,240,800 |
| Mazharul Hoque | Term Deposit | Husband of Mrs. Meherun Haque | 67,281,224 | 1,088,000 | 11,000,000 | 57,369,224 |
| Manzoorul Hoque | Term Deposit | Son of Mrs. Meherun Haque | 9,730,000 | 569,539 | - | 10,299,539 |
| Sadaf Haque | Term Deposit | Daughter of Mrs. Meherun Haque | 5,000,000 | - | - | 5,000,000 |
| Mohammed Shoeb | Term Deposit | Sponsor | 72,435,198 | 827,950 | 6,000,000 | 67,263,148 |
| **Total** | | | **279,652,117** | **3,269,559** | **43,593,754** | **239,327,922** |

## 41 SUBSEQUENT EVENTS

No Material events occurring after the Balance Sheet date came to our notice, which could materially affect the amounts or disclosures in these Financial Statements. The Board of Directors has recommended no dividend for the year ended December 31, 2024 subject to the approval of the shareholders' meeting and appropriate authority if required.

## 42 BOARD MEETINGS AND NUMBER OF DIRECTORS

During the year 2025, 13 (Thirteen) Board Meetings were held. As on 31st December 2025, there were average 04 members in the Board. As per Finance Company Act 2023, a Finance Companies shall have maximum 15 (Fifteen) Directors in the Board. The Managing Director is an ex-officio Director having no voting right.

## 43 NUMBER OF EMPLOYEES

A total number of 103 employees and 21 sub staffs were employed in Phoenix Finance and Investments Limited as of 31 December 2025.

## 44 Disclosure of Key management Benefits:

Key management personnel comprises the Management Committee, including the Managing Director who exercise significant authority and play strategic role in the company. Salaries and allowances includes key management compensation which is furnished bellow:

(Amount in Taka)

| | 2025 | 2024 |
|---|---|---|
| Basic Pay | 29,924,151 | 44,358,746 |
| Other Allowances | 31,970,896 | 58,260,624 |
| **Total** | **61,895,047** | **102,619,370** |
| **Total number of person** | **17** | **20** |

## 45 AUDIT COMMITTEE

**a) Members of Audit Committee**

The Board Audit Committee of Phoenix Finance and Investments Limited has been constituted with the following Board of Directors.

| Name | Position in the Board of Directors | Designation in the Audit Committee | Educational Qualification |
|---|---|---|---|
| Barrister Rashna Imam | Independent Director | Chairman | Barrister-at-Law and LLM |
| Brig. Gen. (Retd) Mahbub Ahmend Zakaria | Independent Director | Member | Post Graduate |
| Mr. F. Hayder Ali | Nominee Director (Representing Phoenix Insurance PLC) | Member | Post Graduate |

**b) Meetings of Audit Committee**

During January 01 to December 31, 2025, 4 (Four) Meetings of the Board Audit Committee of the Board were held in which among others, the following issues were discussed:

i) Regular review of the Internal and External (Including Bangladesh Bank) Inspection and Audit Reports with a view to implementing the suggestions of Internal and External Auditors in respect of Internal Control Structure and Techniques;

ii) Regular review of the Quarterly Operations Reports on the operational functions of each Branch of Phoenix Finance and Investments Limited (PFIL) with a view to ensuring proper operational function of the Company;

iii) Reviewed un-audited draft Financial Statements and draft Management Reports of Phoenix Finance and Investments Limited (PFIL);

iv) Evaluated the status of compliance culture related to Internal Control System built by the Management.

**c) Internal Control**

The following steps have been taken for implementation of Internal Control Procedure of Phoenix Finance and Investments Limited (PFIL):

i) Internal Control and Compliance Division carried out Internal Audit with a view to enriching the compliance culture and full control on the business operations. The Division directly reports simultaneously to the Managing Director and 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 and existing rules and regulations;

iii) To Establish the Control Policies and Procedures and Verification that the Control Policies and Procedures are in order;

iv) To establish Planning, Organizing and Supervising culture and monitoring of Audit and Inspection of the Branches and that of different Divisions of Head Office and conducting surprise inspections at Branches;

v) To Monitor and Comply with Applicable Laws, Regulations and Internal Policies Including Core Risk Management Guidelines of the Company;

vi) Strengthening the structure of compliance framework for better functioning of the operation; and

vii) To guard against money laundering and terrorist financing.

| | | | |
|---|---|---|---|
| **Chief Financial Officer** | **Managing Director** | **Director** | **Director** |

Signed in terms of our separate report of even date.

Signed for & on behalf of
**Mahamud Sabuj & Co.,**
Chartered Accountants

**Md. Mahamud Hosain FCA**
Managing Partner
ICAB Enrollment No: 0833

Dated: Dhaka
Dated: 29 June 2026
DVC No: 2606300833AS528781

# Financial Highlights
# as Required by Bangladesh Bank

For the year ended 31 December 2025

Amount in Taka

| Sl. No. | | 2025 | 2024 |
|---|---|---|---|
| 1 | Paid up Capital | 1,658,741,950 | 1,658,741,950 |
| 2 | Total Capital (core+ supplementary) | (16,995,582,595) | (13,603,025,604) |
| 3 | Capital surplus/(deficit) | (18,654,324,545) | (15,261,767,554) |
| 4 | Total Assets | 27,381,295,068 | 27,584,560,926 |
| 5 | Total Term Deposit Receipts | 17,271,136,509 | 17,188,933,254 |
| 6 | Total Loans, Advances and Leases | 25,674,844,101 | 25,930,649,129 |
| 7 | Total Contingent Liabilities and Commitments | - | - |
| 8 | Credit Deposit Ratio (%) | 148.66% | 150.86% |
| 9 | Percentage of classified loans against total Loans, Advances and Leases | 68.21% | 88.66% |
| 10 | Profit after Tax and provision | (3,392,556,991) | (8,082,321,713) |
| 11 | Amount of classified loans | 17,513,443,871 | 22,991,113,817 |
| 12 | Provisions kept against classified loan | 11,916,301,918 | 13,381,650,157 |
| 13 | Provision surplus / (deficit) | - | (70,322,158) |
| 14 | Cost of Fund | 11.57% | 11.63% |
| 15 | Interest earning Assets | 25,809,947,587 | 26,069,696,227 |
| 16 | Non-interest earning Assets | 1,571,347,481 | 1,514,864,699 |
| 17 | Return on Assets (ROA) | -12.39% | -29.30% |
| 18 | Income from Investment | 1,190,794 | 5,213,208 |
| 19 | Earnings per Share | (20.45) | (48.73) |
| 20 | Net Asset Value (NAV) per share | (102.46) | (82.01) |
| 21 | Price Earnings Ratio (Times) | (0.12) | (0.07) |

# Fixed Assets Schedule

As on December 31, 2025

Annexure-A

| PARTICULARS | Cost | | | | Rate % | Depreciation | | | | WDV as on 31.12.2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as on 01.01.2025 | Addition during the year | Adj. during the year | Balance as on 31.12.2025 | | Balance as on 01.01.2025 | Charged during the year | Adjustment during the year | Balance as on 31.12.2025 | |
| Air Conditioner | 11,192,757 | - | 460,263 | 10,732,494 | 20.00 | 10,289,044 | 673,706 | 460,263 | 10,502,487 | 230,007 |
| Building | 541,553,742 | - | - | 541,553,742 | 5.00 | 377,359,246 | 27,077,688 | - | 404,436,934 | 137,116,808 |
| Computer & Projector | 32,609,703 | 979,335 | 681,873 | 32,907,165 | 20.00 | 12,521,619 | 4,523,065 | 682,147 | 16,362,537 | 16,544,628 |
| Electrical & Office Equipment | 4,340,060 | 339,181 | 512,501 | 4,166,740 | 20.00 | 4,294,085 | 37,158 | 512,500 | 3,818,743 | 347,997 |
| Flat | - | - | - | - | 10.00 | - | - | - | - | - |
| Furniture & Fixture | 14,589,924 | - | 376,100 | 14,213,824 | 12.50 | 13,797,888 | 228,679 | 376,100 | 13,650,467 | 563,357 |
| Land | 430,727,500 | - | - | 430,727,500 | - | - | - | - | - | 430,727,500 |
| Machinery Lease | 215,460,427 | - | - | 215,460,427 | 20.00 | 215,460,414 | - | - | 215,460,414 | 13 |
| Motor Vehicle | 28,303,085 | - | - | 28,303,085 | 25.00 | 25,544,404 | 2,675,265 | - | 28,219,669 | 83,416 |
| Office Decoration | 41,028,343 | 1,782,500 | 1,537,012 | 41,273,831 | 20.00 | 38,321,280 | 2,159,859 | 1,537,012 | 38,944,127 | 2,329,704 |
| Telephone & Fax | 510,520 | - | 59,500 | 451,020 | 20.00 | 505,015 | 3,603 | 59,500 | 449,118 | 1,902 |
| **Total 2025** | **1,320,316,061** | **3,101,016** | **3,627,249** | **1,319,789,828** | | **698,092,995** | **37,379,023** | **3,627,522** | **731,844,496** | **587,945,332** |
| **Total 2024** | **1,310,239,061** | **17,512,670** | **7,435,670** | **1,320,316,061** | | **668,674,666** | **36,853,998** | **7,435,669** | **698,092,995** | **622,223,066** |

PHOENIX FINANCE
*prepare to rise*

Phoenix Finance & Investments Ltd.
Registered Office:
Eunoos Center (Level-11)
52-53, Dilkusha C/A, Dhaka-1000

# Proxy Form

I/We.......................................................................................................................................................... of ...........................................................................................................................................being shareholder(s) of Phoenix Finance & Investments Limited and entitled to vote hereby appoint Mr/Ms. .......................................................................................................................................................................... as my/our proxy to attend and vote for me/us and on my/our behalf at the 31st ANNUAL GENERAL MEETING of the Company to be held on the 27th August 2026.

As witness my/our hand this..........................................................................day of...............................................2026

AFFIX TK. 20/- REVENUE STAMP

.........................................
(Signature of Shareholder)

.........................................
(Signature of Proxy)

Folio No./Bo ID No.

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | | |

No. of Shares held.......................................

Note:

1. A member entitled to attend and vote at the meeting may appoint any person as his/her proxy to attend and vote on his/her behalf.
2. Stamped proxy form must be deposited at the Company's Registered Office before 48 hours of the meeting.

PHOENIX FINANCE
*prepare to rise*

Phoenix Finance & Investments Limited
Eunoos Center (Level-11), 52-53, Dilkusha C/A, Dhaka-1000

# Attendance Slip

Seal

I/We Hereby record my/our attendance at the 31st Annual General Meeting of the Company being held on Thursday 27 August 2026 at 11.30 am at Muktijuddho Smriti Milonayaton, (1st Floor), at the Institution of Diploma Engineers, Bangladesh,160/A, Kakrail, VIP Road, Dhaka 1000 and at Digital Platform Link: https://phoenixfi nance.bdvirtualagm.com

Name of Shareholder/Proxy..................................................................................................................................2026

Folio No./Bo ID No.
(Shareholder)

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | | |

No. of Shares held.......................................

.................................
Signature of Proxy

.................................
(Signature of Shareholder)

N.B. Please present this slip duly signed at the entrance of the meeting Hall.

**PHOENIX FINANCE & INVESTMENTS LIMITED**

Eunoos Center (Level-11), 52-53, Dilkusha C/A, Dhaka-1000, Bangladesh

Tel : 02223389007-10, 02223350617, Fax : 88-02223387787

E-mail : mail@phoenixfinance.com.bd, pfildhaka@gmail.com