

**Independent Auditor's Report
and
Audited Financial Statements
of
United Finance PLC.**

As at and for the year ended 31 December 2024

**Independent Auditor's Report
 To the Shareholders of United Finance PLC**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of United Finance PLC (the "Company"), which comprise the balance sheet as at 31 December 2024 and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed that matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to those matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Description of key audit matters	Our response to key audit matters
Measurement of provision for lease, loans and advances	
With reference to Note 12.5 to the Financial Statements, the process for calculating the provision for lease, loans and advances portfolio associated with credit risk is significant and complex. The Company calculates provision for lease, loans and advances by considering various factors such as rate of provision, loan category, expiry date, outstanding balance, interest suspense amount, value of eligible collateral as per DFIM Circular No. 04 dated 26 July 2021 and its subsequent amendments.	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Review of quarterly Classification of Loans (CL). <p>Our substantive procedures in relation to the provision for lease, loans and advances portfolio comprised the following:</p>

Description of key audit matters	Our response to key audit matters
<p>Through DFIM Circular No. 10 dated 4 September 2022, Bangladesh Bank issued guidelines for rescheduling and restructuring, and classification of Leases, Loans, and Advances.</p> <p>According to DFIM Circular Letter No. 33 dated 19 December 2021, NBFIs must keep an extra 2% special provision for the borrowers who have availed payment by Deferral (PBD) facilities. The Company has kept a special provision of BDT 4.08 million as of 31 December 2024 to comply with the circular.</p> <p>Moreover, classification of rescheduled and restructured Lease, Loans and Advances was determined as per DFIM Circular Letter No. 10 dated 04 September 2022, as per direction of Bangladesh Bank after six monthly overdue or two quarterly overdue rescheduled and restructured lease, loans and advances will be classified as BL for those lease, loans and advances that was rescheduled and restructured after the aforementioned circular.</p> <p>In Bangladesh, non-performing loans have been increasing day by day. NBFIs need to maintain provisions for additional non-performing loans in line with the Bangladesh Bank's guidelines. The Company identifies impaired loan accounts and calculates required provisions manually. Furthermore, management has an incentive to maintain lower provisions for loans and advances to overstate profit. Considering these factors, we have considered measurement of provision for lease, loans and advances as significant risk as well as a key audit matter.</p> <p>At the year-end of 2024, the Company reported total gross lease, loans and advances of BDT 19,463.36 million (2023: BDT 20,376.74 million) whereas at the year end of 2024 the Company reported total provision for lease, loans and advances of BDT 753.67 million (2023: BDT 679.02 million).</p>	<p>For confirming the classification of rescheduled lease, loans and advances, we performed the following procedures:</p> <ul style="list-style-type: none"> • We checked the no. of installment outstanding and compliance with DFIM Circular No. 10 dated 4 September 2022; • Obtained Bangladesh Bank Inspection report on FICL audit for the year ended 2024 and checked either the directions or recommendations thereon, have been addressed by the management or not; • Reviewed the adequacy of the general and specific provisions and loan classification disclosures in the financial statements in line with related Bangladesh Bank guidelines; • Tested the inputs in computation of provision in terms of testing the accuracy of underlying information; • Assessed the methodologies on which the provision amounts based (value of eligible securities, interest suspense), recalculated the provisions for lease, loans and advances; • Checked the adequacy of the Company's general and specific provisions; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; <p>We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines</p>
See note no 12.5 to the financial statements	
Adequacy of income tax provision	
<p>At year end of 2024 the company reported provision for income tax of BDT 2,313.70 million (2023: BDT 2,165.65 million).</p> <p>The Company has followed the legal procedures with regards to disputes arising between United Finance PLC and DCT, Appellate Tribunal and High Court. As a result, in the unfavorable situation additional tax provision might have been provided for against the respective order.</p> <p>As this unsettled tax disputes and reversal of income tax provision constitute material balance and significant judgment is required to assess potential tax liability in relation to pending tax assessments, we consider this as a key audit matter.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of income tax provision and the assumptions used in estimating various allowable and disallowable items to determine taxable income.</p> <p>We also assessed the completeness and accuracy of the data used to prepare year-wise tax position summary for all pending tax assessments/appeals;</p> <p>We have reviewed the assessment/appeal orders by the respective authorities;</p>

Description of key audit matters	Our response to key audit matters
	We have reviewed the assessment/ appeal orders to determine whether the current tax provision is adequate for the potential tax liability.
See note no 12.7 to the financial statements	
Recognition of interest income on lease, loans and advances	
<p>Recognition of interest income has a significant and wide influence on financial statements. Recognition and measurement of interest income have involved complex IT environments.</p> <p>We identify recognition of interest income from lease, 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 and overstatement in recognition of interest by management to meet specific targets or expectations.</p> <p>Bangladesh Bank introduced the SMART rate through DFIM Circular No. 07, dated 20 June 2023. However, the SMART-based interest rate system has been abolished according to DFIM Circular No. 05, dated 06 October 2024. FIs are now free to determine the interest/profit rates Lease, Loans, and Advances based on the demand for funds and the supply of available funds.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest on lease, loans and advances focusing on the following:</p> <ul style="list-style-type: none"> • Reviewing transfer of interests to the income account in line with the Bangladesh Bank's guideline; • Reviewed the grounds for approval for the transfer of interest to the income account. <p>We performed a test of operating effectiveness on automated control in place to measure and recognize interest income.</p> <p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately in line with time-to-time movement of SMART rate published by Bangladesh Bank and market rate published by United Finance PLC.</p> <p>However, due to the current uncertainty of the overall economic situation both in Bangladesh and Globally there are inherent risk that the judgment applied by Management in assessing recoverability of interest income from classified loans may be different than the actual situation in future.</p>
See note no 21 to the financial statements	
IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Company's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configurations and other application layer controls identified as key to our audit.</p>

Description of key audit matters	Our response to key audit matters
	We performed the Tests of IT General Controls to evaluate the Application Development and Database, Hosting Platforms and segregation of incompatible duties relevant to application and database change management.

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 auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this audit's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with 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.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional 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.

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 auditors' 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.

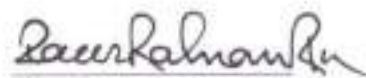
Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 2020, The Finance Company Act, 2023 and the rules and regulations issued by Bangladesh Bank, we also report that:

- 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 account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- iii. the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- iv. the expenditures incurred were for the purpose of the Company's business for the year;
- 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;
- vi. adequate provisions have been made for lease, loans & advances, 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;

- 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. taxes and other duties were collected to be and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;
- xi. nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- 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. the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;
- xv. we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 3,000 person hours for the audit of the books and accounts of the Company;
- xvi. the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- xvii. all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report financial.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-129



Ziaur Rahman Zia, FCA
Partner
Enrolment Number: 1259

DVC: **2504301259AS118592**

Dhaka, Bangladesh
Dated: 28 April 2025

UNITED FINANCE PLC.
Balance Sheet
as at 31 December 2024

PROPERTY AND ASSETS	Notes	Amount in BDT	
		2024	2023
Cash	3		
In hand		1,539,500	1,539,500
Balance with Bangladesh Bank and its agent bank(s)		207,450,205	247,916,039
		208,989,705	249,455,539
Balance with banks and other financial institutions	4		
In Bangladesh		3,623,698,376	3,873,994,182
Outside Bangladesh		-	-
		3,623,698,376	3,873,994,182
Money at call and short notice	5	-	-
Investments	6		
Government		722,545,075	-
Others		1,206,556,389	1,541,556,389
		1,929,101,463	1,541,556,389
Lease, loans and advances	7		
Lease receivable		6,707,197,027	6,488,211,561
Loans, cash credits, overdrafts, etc.		12,756,160,954	13,888,526,314
		19,463,357,980	20,376,737,875
Fixed assets including land, building, furniture and fixtures	8		
Other assets		329,228,986	384,735,163
Non - financial institutional assets	9		
		2,461,191,893	2,392,039,615
Total assets		28,015,568,405	28,818,520,963
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from banks, other financial institutions and agents	10	8,058,935,799	7,181,251,670
Deposits and other accounts	11		
Current deposits and other accounts etc.		-	-
Bills payable		-	-
Savings bank deposits		-	-
Term deposits		11,367,864,815	13,697,882,363
Bearer certificates of deposit		-	-
Other deposits		839,967,337	548,199,357
		12,207,832,052	14,246,081,720
Other liabilities	12	4,410,606,682	4,149,950,446
Total liabilities		24,677,374,532	25,577,283,837
Capital/shareholders' equity			
Paid-up capital	13	1,871,146,140	1,871,146,140
Share premium	14	3,750,000	3,750,000
Statutory reserve	15	1,065,900,000	1,024,050,000
General reserve	16	190,000,000	190,000,000
Retained earnings	17	207,397,732	152,290,986
Total shareholders' equity		3,338,193,872	3,241,237,126
Total liabilities and shareholders' equity		28,015,568,405	28,818,520,963
Net asset value per share (NAV)	18	17.84	17.32
Restatement of NAV:			
Net asset		3,338,193,872	3,241,237,126
Number of outstanding shares (current year's)		187,114,614	187,114,614
NAV per share		17.84	17.32



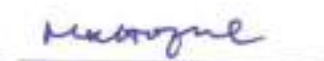
UNITED FINANCE PLC.
Balance Sheet
as at 31 December 2024

OFF-BALANCE SHEET ITEMS

Notes	Amount in BDT	
	2024	2023
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	-	-

The annexed notes 1 to 51 form an integral part of these financial statements.


Mohammad Rafiqul Islam
Managing Director


Professor Dr. Mahfuzul Hoque
Independent Director


Kayes Khalil Khan
Director


Najmul Hossain
Chairman

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-129

Dhaka, Bangladesh
Dated: 28 April 2025


Ziaur Rahman Zia, FCA
Partner
Enrolment Number: 1259
DVC: 2504301259AS118592



UNITED FINANCE PLC.
Profit and Loss Account
for the year ended 31 December 2024

		Amount in BDT	
	Notes	2024	2023
OPERATING INCOME			
Interest income	21	2,650,472,860	2,153,534,957
Interest paid on deposits, borrowings, etc.	22	(1,598,694,243)	(1,353,422,091)
Net interest income		1,051,778,617	800,112,865
Investment income	23	180,889,177	112,795,800
Commission, exchange and brokerage		-	-
Other operating income	24	116,441,526	154,386,789
Total operating income (A)		1,349,109,320	1,067,295,455
OPERATING EXPENSES			
Salaries and allowances	25	586,265,376	547,561,360
Rent, taxes, insurance, electricity etc.	26	17,974,189	18,971,013
Legal expenses	27	24,814,770	25,888,550
Postage, stamp, telecommunication etc.	28	16,916,397	17,427,221
Stationery, printing, advertisements etc.	29	4,942,464	1,924,263
Managing Director's salary and benefits	30	9,200,000	1,250,000
Directors' fees	31	348,334	566,333
Auditors' fees	32	862,500	805,000
Charges on loan losses		-	-
Depreciation and repair of assets	33	100,724,003	98,972,758
Other expenses	34	41,577,651	38,569,220
Total operating expenses (B)		803,625,685	751,937,718
Profit before provision C=(A-B)		545,483,634	315,357,736
Provision for lease, loans and advances	35	172,085,342	88,777,406
Provision for diminution in value of investments		-	-
Other provision		25,000,000	-
Total provision (D)		197,085,342	88,777,406
Operating profit before taxes E=(C-D)		348,398,292	226,580,330
PROVISION FOR TAXATION			
Current Tax	36	148,049,819	90,131,515
Deferred Tax	36	(8,877,041)	(6,654,906)
Total provision for taxation (F)		139,172,778	83,476,609
Net profit after taxation (E-F)		209,225,514	143,103,721
Appropriations			
Statutory reserve	15	41,850,000	29,000,000
General reserve	16	-	-
Dividends, etc.		-	-
		41,850,000	29,000,000
Retained surplus		167,375,514	114,103,721
Earnings per share (EPS)			
	37	1.12	0.76

The annexed notes 1 to 51 form an integral part of these financial statements.

 Mohammad Rafiqul Islam Managing Director	 Professor Dr. Mahfuzul Hoque Independent Director	 Kayes Khalil Khan Director	 Najmul Hasan Chairman
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Dhaka, Bangladesh
Dated: 28 April 2025

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-129


Ziaur Rahman Zia, FCA
Partner
Enrolment Number: 1259
DVC:

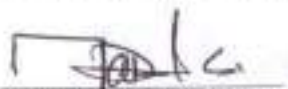
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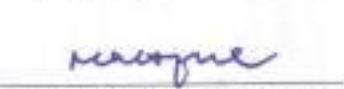


UNITED FINANCE PLC.
Cash Flow Statement
for the year ended 31 December 2024

	Notes	Amount in BDT	
		2024	2023
A) Cash flows from operating activities			
Interest receipts		2,493,192,223	2,062,040,395
Interest payments		(1,608,655,730)	(1,331,326,793)
Dividend receipts		135,449,219	84,684,528
Amount realised from written off clients	7.8 (xi) d	32,034,750	40,355,828
Payments to employees		(563,421,944)	(548,811,360)
Payments to suppliers		(426,836,242)	(267,187,753)
Income taxes paid	9.4	(128,147,358)	(84,472,587)
Receipts from other operating activities	38	140,767,317	106,684,990
Payments for other operating activities	39	(61,490,338)	(64,602,925)
Cash generated from operating activities before changes in operating assets and liabilities		12,891,897	(2,635,677)
Increase/(decrease) in operating assets and liabilities			
Lease, loans and advances		1,132,415,951	(115,301,761)
Other assets		18,354,026	(31,642,832)
Right-of-use assets		(1,632,323)	-
Term and other deposits		(2,038,249,668)	(381,193,320)
Accrued expenses and payables		(61,495,420)	140,647,395
Short term loan		1,443,089,376	290,167,472
Interest suspense		70,453,548	60,814,954
Provision for gratuity		6,270,972	2,993,983
Other liabilities		216,709,486	178,443,341
		785,915,948	144,929,232
Net cash flows from operating activities		798,807,845	142,293,554
B) Cash flows from investing activities			
Investment in shares		(1,420,050)	(703,200,000)
Investment in Govt. Securities		(1,694,920,475)	-
Redemption of Govt. Securities		972,375,400	502,665
Redemption/sale of shares		306,420,050	173,287,900
Redemption of commercial Bond		30,000,000	30,000,000
Purchase of fixed assets		(27,490,467)	(28,578,137)
Proceeds from sale of fixed assets		3,936,784	6,620,950
Net cash flows from investing activities		(411,098,757)	(521,366,542)
C) Cash flows from financing activities			
Receipts of long term loan		3,175,116,542	4,228,182,926
Repayments of long term loan		(3,740,523,789)	(2,954,688,027)
Dividend paid		(113,067,482)	(95,385,548)
Net cash flows from financing activities		(678,472,729)	1,178,109,351
D) Net (decrease)/increase in cash and cash equivalents (A+ B + C)		(290,763,640)	799,036,364
E) Effects of exchange rate changes on cash and cash equivalents		-	-
F) Cash and cash equivalents at beginning of the year		4,123,451,722	3,324,415,358
G) Cash and cash equivalents at end of the year (D+E+F)		3,832,688,082	4,123,451,722
Cash and cash equivalents at end of the year			
Cash in hand		1,539,500	1,539,500
Balance with Bangladesh Bank and its agent bank(s)		207,450,205	247,918,039
Balance with banks and other financial institutions		1,623,698,376	3,873,994,182
Money at call and short notice		-	-
		3,832,688,082	4,123,451,722
Net operating cash flows per share		4.27	0.76

The annexed notes 1 to 51 form an integral part of these financial statements.


Mohammad Rafiqul Islam
Managing Director


Professor Dr. Mahfuzul Hoque
Independent Director


Kayes Khalil Khan
Director


Najmul Hasan
Chairman


Dhaka, Bangladesh
Dated: 28 April 2025




UNITED FINANCE PLC.
Statement of Changes in Equity
for the year ended 31 December 2024

Particulars	Paid-up Capital	Share Premium	Statutory Reserve	General Reserve	Retained Earnings	Total
Balance as at 01 January, 2023	1,871,146,140	3,750,000	995,050,000	190,000,000	131,744,572	3,191,690,712
Cash dividend paid for the year 2022	-	-	-	-	(93,557,307)	(93,557,307)
Issuance of bonus share for the year 2023	-	-	-	-	-	-
Net profit after tax for the year 2023	-	-	-	-	143,103,721	143,103,721
Movement of general reserve	-	-	-	-	-	-
Appropriation made during the year	-	-	29,000,000	-	(29,000,000)	-
Balance as at 31 December, 2023	1,871,146,140	3,750,000	1,024,050,000	190,000,000	152,290,986	3,241,237,126
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-
Issuance of bonus share for the year 2023	-	-	-	-	-	-
Cash dividend for the year 2023	-	-	-	-	-	-
Net profit after tax for the year 2024	-	-	-	-	(112,268,768)	(112,268,768)
Movement of general reserve	-	-	-	-	209,225,514	209,225,514
Appropriation made during the year	-	-	41,850,000	-	-	-
Balance as at 31 December, 2024	1,871,146,140	3,750,000	1,065,900,000	190,000,000	207,397,732	3,338,193,872

The annexed notes 1 to 51 form an integral part of these financial statements.


Md. Rafiqul Islam
Managing Director


Professor Dr. Mahfuzul Hoque
Independent Director


Kavees Khalil Khan
Director


Najmul Hossain
Chairman

Dhaka, Bangladesh
Dated: 28 April 2025



UNITED FINANCE PLC.
Liquidity statement
as at 31 December 2024
(Analysis of maturity of assets and liabilities)

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Assets:						
Cash in hand	1,539,500	-	-	-	-	1,539,500
Balance with Bangladesh Bank and its agent bank(s)	207,450,205	-	-	-	-	207,450,205
Balance with banks and other financial institutions	1,320,698,376	880,000,000	1,423,000,000	-	-	3,623,698,376
Money at call and short notice	-	-	-	-	-	-
Investments	73,794,019	329,873,812	700,433,632	810,000,000	15,000,000	1,929,101,463
Lease, loans and advances	1,008,303,695	1,912,868,265	6,111,922,464	7,499,534,974	2,930,728,582	19,463,357,980
Fixed assets including land, building, furniture and fixtures	-	-	-	-	329,228,986	329,228,986
Other assets	-	-	261,125,080	24,202,436	2,175,864,378	2,461,191,893
Total assets (A):	2,611,785,795	3,122,742,078	8,496,481,176	8,333,737,410	5,450,821,945	28,015,568,405
Liabilities:						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	1,089,158,542	673,312,737	3,782,753,435	2,513,711,085	-	8,058,935,799
Term deposits	1,032,234,480	1,745,264,745	3,267,097,508	5,145,394,964	177,873,118	11,367,864,815
Other deposits	46,915,600	86,031,319	276,896,897	331,477,453	98,645,969	839,967,237
Other liabilities	103,926,915	226,960,741	386,233,626	2,619,954,736	1,073,530,664	4,410,606,682
Total liabilities (B):	2,272,235,536	2,731,569,542	7,712,981,466	10,610,538,237	1,350,049,751	24,677,374,532
Net liquidity gap (A - B):	339,550,259	391,172,536	783,499,711	(2,276,800,827)	4,100,772,194	3,338,193,872

The annexed notes 1 to 51 form an integral part of these financial statements.


Mohammad Rafiqul Islam
Managing Director


Professor Dr. Mahfuzul Hoque
Independent Director


Kayes Khalil Khan
Director


Najmul Hasan
Chairman

Dhaka, Bangladesh
Dated: 28 April 2025



**United Finance PLC,
Notes to the financial statements
As at and for the year ended 31 December 2024**

1 General Information

1.1 Domicile and legal form

The Company is domiciled in Bangladesh. It was granted license under the Financial Institutions Act, 1993. The Company was incorporated on 27 April 1989 under the Companies Act, 1913 (amended in 1994). Its registration number is C-18484(338)/89. The shares of the Company are quoted on the Dhaka Stock Exchange Limited since 1994 and are transacted in dematerialized form through Central Depository Bangladesh Limited since 14 October 2004. The Company has its registered office at Camellia House, 22 Kazi Nazrul Islam Avenue, Dhaka.

Bangladesh Bank, through its DFIM Circular Letter No. 41 dated December 15, 2024, has notified that the name of the finance company 'United Finance Limited' has been changed to 'United Finance PLC,' with immediate effect.

1.2 Nature of operations and principal activities

The Company provides financial services which includes lease finance for acquiring assets for industrial and commercial use, term loans for meeting long term funding requirement, short-term working capital solutions and home loans to cater the needs of its diverse client base. The Company offers various deposit investment opportunities of predefined tenure ranging from 3 months to 11 years 3 months.

2 Summary of significant accounting policies and basis of preparation of the financial statements

2.1 Statement of compliance

The Financial Reporting Act 2015 (FRA) was enacted in 2015 and subsequently the Financial Reporting Council (FRC) has been formed but yet to issue financial reporting standards for public interest entities such as non-banking financial institutions. Hence International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

Accordingly, the financial statements of the Company is continued to be prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Finance Company Act, 2023 (replacing Financial Institutions Act, 1993), the rules and regulations issued by Bangladesh Bank (BB), the Companies Act, 1994. In case any requirement of the Finance Company Act, 2023, regulations & circulars issued by Bangladesh Bank and FRA's requirement differ with those of IFRSs and FRC's requirements, the requirements of the Finance Company Act, 2023, and provisions and circulars issued by Bangladesh Bank shall prevail.

2.2 Disclosure of deviation from a few requirements of IAS/IFRS due to mandatory compliance with Bangladesh Bank's requirements

Bangladesh Bank serves as the primary regulatory authority for Non-Banking Financial Institutions (NBFIs) in Bangladesh. Certain regulations set by Bangladesh Bank differ from the requirements of IASs/IFRSs. As a result, the Company has departed from these conflicting IASs/IFRSs requirements to comply with Bangladesh Bank's regulations. The details of these deviations, along with their financial impact (where applicable), are disclosed below.



i) Investment in shares and securities

IFRS: As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit and loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank: As per FID Circular No. 08 dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

Financial or presentation effect of the departure: Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (FID Circular No. 08 dated 03 August 2002) of Bangladesh Bank. During this year, there is no impact in the financial statements due to this departure as market price of share are more than cost price.

ii) Provision for lease, loans and advances

IFRS: As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 months expected credit losses.

Bangladesh Bank: As per DFIM Circular No. 04 dated 26 July 2021, DFIM Circular No. 10 dated 03 October 2021, DFIM Circular No. 33 dated 19 December 2021, DFIM letter No. DFIM(P)1052/27/2022-35 dated 02 January 2022, DFIM Circular No. 10 dated 04 September 2022 and DFIM Circular letter No. 37 dated 04 December 2024 a general provision at 1% to 5% for Non-SME and 0.25% for SME under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% for Non-SME on the other hand 5%, 20% and 100% for SME respectively for lease, loans and advances depending on the duration of overdue.

Financial or presentation effect of the departure: Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 04 dated 26 July 2021, DFIM Circular No. 10 dated 03 October 2021, DFIM Circular No. 33 dated 19 December 2021, DFIM letter No. DFIM(P)1052/27/2022-35 dated 02 January 2022, DFIM Circular No. 10 dated 04 September 2022 and DFIM Circular letter No. 37 dated 04 December 2024) of Bangladesh Bank. An amount of BDT 172.09 million has been charged as incremental provision for lease, loans and advances for 2024. As at 31 December 2024 accumulated provision for lease, loans and advances stand at BDT 753.76 million.

iii) Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently becomes credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

Bangladesh Bank: As per DFIM Circular No. 04 dated 26 July 2021, once a loan reaches SMA status, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest suspense account, which is presented as liability in the balance sheet.



Financial or presentation effect of the departure: Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (As per DFIM Circular No. 04 dated 26 July 2021) of Bangladesh Bank. At the year end, interest suspense account has increased to BDT 312.24 million from BDT 241.79 million resulting increase of BDT 70.45 million of interest suspense. This amount has been shown under other liabilities in note 12.2.

iv) Presentation and disclosure of Financial Statements and Financial Instruments

IFRS: Other comprehensive income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement. IAS 32 and IFRS 7 require specific presentation and disclosure relating to all financial instruments.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all NBFIs. The templates of financial statements issued by Bangladesh Bank neither include other comprehensive income (OCI) nor are the elements of other comprehensive income allowed to include in a single comprehensive income statement. As per Bangladesh Bank guidelines, financial instruments are categorised, recognised and measured differently from those prescribed in IAS 39. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.

Financial or presentation effect of the departure: Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.

v) Cash flow statement

IAS: As per IAS 7: Statement of cash flows, the cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per DFIM Circular No. 11 dated 23 December 2009, cash flow is the combination of direct and indirect methods.

Financial or presentation effect of the departure: Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.

vi) Cash and Cash equivalent

IAS: As per IAS 7: Statement of cash flows, cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period. In light of the above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is liquid asset and not available for use in day to day operations.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11 dated 23 December 2009 which will strictly be followed by all NBFIs. The templates of financial statements provided detail presentation for statement of cash flows.

Financial or presentation effect of the departure: Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline issued through DFIM Circular No. 11 dated 23 December 2009 of Bangladesh Bank.

vii) Current/Non-current distinction

IAS: As per Para 60 of IAS 1: Presentation of Financial Statements, "An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position".



Bangladesh Bank: As per DFIM Circular No. 11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which are applicable to all NBFIs. In these templates there is no current and non-current segmentation of assets and liabilities.

Financial or presentation effect of the departure: Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank. Moreover, the liquidity statement shows the aging profile of all financial assets and liabilities from where current/non-current portion of assets and liabilities can be obtained.

viii) Intangible Assets

IAS: As per IAS 1: Presentation of Financial Statements, para 54: the statement of financial position shall include separate line item for intangible assets.

Bangladesh Bank: As per DFIM Circular No. 11, dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in annexure-A as separate line item.

Financial or presentation effect of the departure: Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

ix) Off balance sheet items

IFRS and IAS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

Financial or presentation effect of the departure: Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank. There is no financial impact in the financial statements for this departure.

x) Complete set of Financial Statements

IAS: As per IAS 1: Presentation of Financial Statements, complete set of financial statements comprises:

- i) a statement of financial position as at the end of the period;
- ii) a statement of profit or loss and other comprehensive income for the period;
- iii) a statement of changes in equity for the period;
- iv) a statement of cash flows for the period;
- v) notes, comprising significant accounting policies and other explanatory information;
- vi) comparative information in respect of the preceding period; and
- vii) a statement of financial position at the beginning of preceding period for retrospective restatement.

Bangladesh Bank: As per DFIM Circular No. 11 dated 23 December 2009, complete set of financial statements includes:

- i) balance sheet;
- ii) profit and loss account;
- iii) statement of changes in equity;
- iv) statement of cash flows;
- v) statement of liquidity; and
- vi) notes, comprising significant accounting policies and other explanatory information.



Financial or presentation effect of the departure: Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank. There is no financial impact in the financial statements for this departure.

xi) Deferred Tax

IAS: As per IAS 12 (Income Taxes), a deferred tax asset shall be recognized for all deductible temporary differences, provided it is probable that sufficient taxable profit will be available to utilize these differences.

Bangladesh Bank: As per DFIM Circular No. 7, dated 31 July 2011, the recognition of deferred tax assets is not permitted for any deductible temporary differences related to provisions for leases, loans, and advances.

Financial or presentation effect of the departure: Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 7 dated 31 July 2011) of Bangladesh Bank.

xii) Disclosure of presentation of profit

IAS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: As per DFIM circular No. 11, dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account.

Financial or presentation effect of the departure: Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

2.3 Basis of preparation of the financial statements

The financial statements of the Company have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement and investment in marketable securities which are stated at market value in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) and as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, except the circumstances where local regulations differ, and the Companies Act, 1994, the Finance Company Act, 2023, Securities and Exchange Rules, 1987 & the (Listing) Regulations, 2015 of Dhaka Stock Exchanges and other applicable laws and regulations.

2.4 Directors' responsibility statement

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

2.5 Use of estimates

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires disclosure of contingent assets and liabilities as at the date of the financial statements. The estimate and assumptions are based on previous experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis and the revisions to accounting estimates are recognised in the period in which the estimates are revised.



Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies having the most significant effect in the year ended 31 December 2024 is included in the following notes:

- i) Note 9.2 Deferred tax assets
- ii) Note 12.1 Provision for gratuity
- iii) Note 12.5 Provision for lease, loans, advances, other assets and off balance sheet items
- iv) Note 12.7 & Note 36 Provision for income tax
- v) Note 33 Depreciation

2.6 Reporting currency and level of exactitude

The figures in the financial statements have been stated in Bangladeshi Taka (BDT/Taka/Tk.) which is the functional currency of the Company and have been rounded off to the nearest integer.

2.7 Comparative information

Prior year figures and account titles have been rearranged to conform current year's presentation in accordance with the Bangladesh Bank DFIM Circular No. 11 dated 23 December 2009.

2.8 Authorisation for issue of the financial statements

The Board of Directors of the Company has authorised these financial statements for issue on 29 April 2025.

2.9 Materiality of financial statements

Each material item, as considered by management significant, has been presented separately in the financial statements wherever applicable.

2.10 Cash flow statement

Cash flow statement has been prepared as per guidelines of DFIM Circular No. 11 dated 23 December 2009 of Bangladesh Bank.

2.11 Statement of changes in equity

Statement of changes in equity is prepared in accordance with IAS 1: Presentation of Financial Statements and Bangladesh Bank DFIM Circular No. 11 dated 23 December 2009 which reflects the increase and decrease in net assets or wealth.

2.12 Liquidity statement (asset and liability maturity analysis)

Liquidity statement is prepared in accordance with Bangladesh Bank DFIM Circular No. 11 dated 23 December 2009 on residual maturity term of assets and liabilities as on the reporting date based on the following assumptions:

- i) Balance with other Banks and financial institutions, money at call and short notice, etc. are on the basis of their maturity term;
- ii) Investments are on the basis of their respective maturity;
- iii) Lease, loans and advances are on the basis of their repayment schedule;
- iv) Fixed assets are on the basis of their remaining life;
- v) Other assets are on the basis of their realisation/amortisation;
- vi) Borrowing from other banks, financial institutions and agents, etc. are as per their maturity/repayment terms;
- vii) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal;
- viii) Provisions and other liabilities are on the basis of their payment/adjustments schedule.



2.13 Significant accounting policies

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

2.13.1 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposits held at call with banks and financial institutions and short term liquid investments that are readily convertible to known amount of cash which are unlikely to be affected by any insignificant risk of change in value.

2.13.2 Accounting for leases

Following IFRS 16: Leases, accounting for lease transactions have been recorded under finance lease method since all the risks and rewards incidental to ownership are substantially transferred to the lessee as per agreement. Accordingly the aggregate lease receivables excluding un-guaranteed residual value throughout the primary lease term are recorded as gross lease receivables while the excess of net lease receivables over the total acquisition cost constitutes the unearned lease income.

The unearned lease income is amortised to revenue over the primary lease term yielding a constant rate of return over the period. Initial direct costs, if any, are charged in the year in which such costs

2.13.3 Accounting for loans

Receivables against term loans including short term loan and home loan comprises principal amounts due from customers against these loans. Accrued interest thereon are accounted for on accrual basis and shown separately.

2.13.4 Accounting for investment

Investment comprises of investment in equity, corporate bond and government securities.

Investment in marketable/non marketable shares

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 is made in the financial statements as required by Bangladesh Bank DFIM circular No. 02 dated January 31, 2012. In case of any unrealised gain, no such gain is recognised in order to comply with FID circular No. 8 dated 3 August 2002 of Bangladesh Bank.

Investment in Government securities

Following IFRS 9: Financial Instruments, investments in government securities are classified as financial assets and are measured at amortised cost, fair value through other comprehensive income, or fair value through profit and loss. For the valuation of investments in government securities, the amortised cost method is applied when the following criterias are met.

- (a) the entity's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial assets.

2.13.5 Accounting for leases for office rent (IFRS-16)

United Finance, as a lessee, recognises a right-of-use (ROU) asset representing its right to use of the underlying leased assets and corresponding lease liability representing its obligation to make lease payments for office rent agreements with effect from 01 January 2019. The ROU asset and lease liability are recognised in the financial statements considering the incremental borrowing rate.

The ROU asset is depreciated using the straight line method from the beginning to the end of useful life of the ROU asset or end of the lease term (note-8).



The lease liability is initially measured at the present value of the lease payments that are adjusted for monthly payments. Lease payments are recorded to profit and loss account as depreciation and finance charges (note-12, 22 & 33).

The ROU asset and lease liability will be re-measured when there is a change in future lease payments arising from a change in borrowing rate and corresponding adjustments will be recorded.

2.13.6 Fixed assets and depreciation

Recognition

The cost of an item of fixed assets is recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. The cost comprises purchase price and any directly attributable cost of bringing the asset to the location and condition for its intended use inclusive of duties and non-refundable taxes.

Subsequent costs of enhancement of existing assets are recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of such items can be measured reliably. All other expenditures are charged to the profit and loss account during the financial period in which they are incurred.

Depreciation

Depreciation is charged based on straight line method throughout the estimated span of useful life. For addition to fixed assets, depreciation is charged for the month in which it becomes available for use. No depreciation is charged for the month of disposal. The rates of depreciation used are as follows:

Item	Depreciation rate
Furniture & Fixture	12.50%
Office Equipment	15.00%
Electrical Equipment	20.00%
Motor Vehicle	20.00%
Office Space	2.50%
Software	20.00% - 33.33%
Right-of-use assets	Different rates are charged on assets based on respective agreement tenure

Derecognition

An item of fixed assets is de-recognised on its disposal. The gain or loss arising from de-recognition of an asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. The gain or loss on de-recognition of an fixed asset is recognised in profit and loss account.

2.13.7 Intangible assets

Recognition

Intangible assets include the value of business and office operation softwares acquired separately and are recognised at cost and are carried at cost less accumulated amortisation.

Subsequent expenditure on intangible assets is recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of such software can be measured reliably.

Amortisation

An intangible asset that is assessed as having a finite useful life is amortised on a straight line basis over a period of useful life based on the management best estimates of 3 or 5 years.



An intangible asset with indefinite useful lives will be tested for impairment annually or whenever there is an indication of impairment.

2.13.8 Account receivable

Account receivable at the balance sheet date is stated at amounts which are considered realisable. Specific allowance is made for receivables considered to be doubtful for recovery.

2.13.9 Provision for doubtful assets

Provisions, specific and general, are made on outstanding exposure on the basis of quarter end review by the management as per Bangladesh Bank's provision policy.

The Company has made excess provision than the regulatory requirement on the basis of management's assessment where there are possibilities of impairment in future.

2.13.10 Write off of lease, loans and advances

Write-off refers to a reduction in recognised value, acknowledging that an asset's value has diminished or become zero. Generally, this term applies to investments for which any return is now deemed impossible or unlikely. Consequently, the asset's potential return is cancelled, and removed (written off) from the Company's balance sheet. However, these write off will not undermine or affect the claim amount against the borrower.

In compliance with Bangladesh Bank DFIM circular No. 2 dated 1 April 2019, loans, advances and investment can be written off to the extent that (i) classified as Bad Loss for at least 3 consecutive years (ii) 100% provision is maintained and (iii) cases have been filed under Artha-Rin Adalat Ain, 2003. However, for small loan up to tk. 200,000, case filing under Artha-Rin Adalat Ain, 2003 is not mandatory.

Recovery against debts written-off are adjusted with provision for lease, loans and advances following DFIM Circular No. 11, dated 23 December 2009.

2.13.11 Income taxes

Income tax expenses comprises of current tax and deferred tax.

Current tax

Provision for current tax has been made on taxable business income @ 37.5% considering allowable expenses and @ 20% on dividend income and @ 15% on capital gain on sale of marketable securities as per Income Tax Act 2023.

Deferred tax

Deferred tax is provided using the balance sheet approach for all temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Tax rate @ 37.5% is used to determine deferred tax.

2.13.12 Provision for accrued expenses

Provisions have been recognised in the balance sheet as follows:

- when the Company has a present obligation, legal or constructive as a result of a past event;
- when it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation; and
- when a reliable estimate can be made of the amount of the obligation.



2.13.13 Employee benefits

Short term benefits

Salaries, bonuses and allowances are recognised as an expense when associated services are rendered by the employees of the Company.

Defined contribution plan

The Company operates a contributory Provident Fund approved by National Board of Revenue (NBR), for its permanent employees. The Provident Fund is administered by the Board of Trustees and is funded by equal contributions both by the permanent employees and the Company @10% of basic salary of the employees. The Company recognises the contribution to the defined benefit plan as an expense when associated services are rendered by the employees in exchange for those contributions.

Defined benefit plan

The Company operates a funded Gratuity Scheme approved by National Board of Revenue (NBR), for its permanent employees. Employees are entitled to gratuity benefit after completion of six months of continuous service with the Company. Length of service is counted from the date of joining. The Company is contributing to the fund as advised by the actuary in the actuarial valuation report. Provision for Gratuity Scheme is accounted for as an expense under salaries and allowances.

Other employee benefits

The Company operates a group life insurance scheme for its employees. The premium of insurance scheme is accounted for as expense in the financial year in which the associated services are rendered by the employees.

2.13.14 Contingent liabilities and contingent assets

The contingent liabilities and contingent assets are not reflected in the balance sheet but the existence of contingent liability is disclosed in the financial statements. A contingent liability is a probable obligation that arises from past events whose existence will be confirmed by occurrence or non-occurrence of uncertain future events not within the control of the Company or a present obligation that is not recognised because outflow of resources is not likely or obligation cannot be measured reliably.

2.13.15 Proposed dividend

Dividend proposed by the Board of Directors for the year is recognised and is accounted for after approval by the shareholders at the annual general meeting.

2.13.16 Revenue recognition

2.13.16.1 Income from long term and short term finance

Income from long and short term finance is recognised as revenue when the interest is due. However, income accrued against loans with classification status of Special Mention Account (SMA) and below is not recognised as revenue but transferred to interest suspense account. Suspended interest is recognised as income only when it is received.

2.13.16.2 Lease income

Lease income, that is the excess of gross lease rentals receivable over the cost of the leased asset, represents the total unearned income at the time of execution of lease. The unearned income is allocated over the period of lease in a pattern reflecting a constant return on the net investment. However, income accrued against leases with classification status of Special Mention Account (SMA) and below is not recognised as revenue but transferred to interest suspense account following DFIM Circular No. 04 dated 26 July 2021. Suspended interest is recognised as income only when it is received.



2.13.16.3 Income from dividend

Dividend income from investments in listed equity shares is recognised during the period in which they are declared in the annual general meeting irrespective of receipt. Dividend income from preference shares is recognised on accrual basis considering the establishment of right to receive the

2.13.16.4 Income from gain on sale of shares

Capital gains arising from the sale of shares listed on stock exchanges are recognized upon realization.

2.13.16.5 Income from deposits (maintaining with Banks and NBFIs)

Interests from short term deposits and fixed deposits are recognised on an accrual basis taking into account the principal outstanding and the effective rate over period of maturity.

2.13.16.6 Fee based income

Fee based income is recognised as revenue when it is received.

2.13.17 Interest suspense

Interest income on lease, long term finance, short term finance and advances with classification status of Special Mention Account (SMA) or below are not recognised as revenue but credited to interest suspense account following DFIM Circular No. 04 dated 26 July 2021.

2.13.18 Interest paid on deposits, borrowing, etc.

Interest paid comprises of the interest payable on external borrowings and individual and institutional deposits and are recognized as they accrue.

2.13.19 Impairment of assets

The carrying amount of the fixed assets and intangible assets are reviewed at each reporting date or whenever there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset exceeds its recoverable amount. Impairment losses, if any, are recognised in the profit and loss account.

2.14 Related party disclosure

The Company carried out transaction in the ordinary course of business on an arms-length basis with its related parties. Parties are considered as related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions have been disclosed in note 43. Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials and do not involve more than a normal risk.

2.15 Earnings per share

Earnings per share has been calculated in accordance with IAS 33: Earnings Per Share and has been shown on the face of profit and loss account and computation is stated in note 37.

2.16 Events after the reporting period

The financial statements were authorised for issue on 28 April 2025 by the Board of Directors of the Company who has the power to amend the financial statements after issue. There is no significant event that has occurred between the Balance Sheet date and the date when the financial statements were authorised for issue by the Board of Directors of the Company.



Subsequent to the Balance Sheet date, the Board of Directors recommended BDT 1.00 per share as cash dividend (10%) in its Board of Directors meeting held on 28 April, 2025. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting (AGM). Except the fact as stated above, no circumstances have arisen since the Balance Sheet date which would require adjustments, or disclosure in the financial statements.

2.17 Financial risk management policies and objectives

The Board of Directors of the Company sets the overall risk appetite and philosophy; the risk and capital framework underpins delivery of the Board's strategy. It is the Company policy to optimise returns while maintaining a strong capital base and credit rating to support business growth and meet regulatory capital requirements at all times. A structured and hands-on risk management system is in place within the Company to address risks relating to credit, market, liquidity, operations, money laundering and terrorist financing, and other additional risks.

2.17.1 Credit risk

Credit risk is the risk arising from the possibility that the Company will incur losses from the failure of customers to meet their loan repayment obligations. The Company has segregated duties for the officers involved in credit-related activities. The major activities are divided amongst the Credit Department (credit evaluation), Credit Administration Department (credit administration), and Collection and Special Assets Management Department (credit monitoring and recovery).

A detailed Credit Risk Management Policy and guidelines exists adopting industry best practices and Bangladesh Bank guidelines to mitigate credit risks. This includes maintaining a policy for restricting maximum exposure to a single entity; a policy for risk-based pricing; and considerations of key industry parameters in the pre-financing phase. Furthermore, an internal risk-based approach in evaluating risks and credit reports from the Credit Information Bureau helps to minimize risk of default.

2.17.2 Market risk

Market risk can be defined as the risk of losses in on and off-balance sheet positions of a Financial Institutions (FI) arising from adverse movements in market rates or prices such as interest rates, equity prices, foreign exchange rates, commodity prices and general credit spreads. The Company is exposed to market risk because of positions held in its lending portfolios and its non-interest investments.

Interest rate risk arises when the value of an FI's cash flows changes due to a change in the absolute level of interest rate. It is managed daily by Treasury department and reviewed monthly by Asset Liability Committee (ALCO) to monitor interest rate movements and devise alternatives to mitigate possible interest rate risks.

Equity risks can result from changes in the Company's non-interest income and reserves arising from changes in equity prices/income of the equity portfolio held by the Company. Such exposure may take the form of listed and unlisted equity. The type, nature and amount of equity exposure held by the Company is trivial compared to its exposure in other earning assets. The market value of the equity assets held by the Company at the balance sheet date is markedly higher than the cost price.

Finally, volatilities in markets where the Company operates – and the macroeconomic situation in general – are monitored by the Business Intelligence department, through analyses of macroeconomic data and government policies, and major market news and indicators.



2.17.3 Liquidity risk

Liquidity risk is the risk when the Company is unable to meet its financial obligations as they fall due. The Company's liquidity policy is designed to ensure that it can meet its financial obligations as they fall due at all times. Liquidity management focuses on overall balance sheet structure and the control of risks arising from the exposure due to the mismatch of maturities across the balance sheet and from undrawn commitments and other contingent liabilities. The management of liquidity risk is carried out by the Treasury department under Board-approved policy guidelines.

Compliance in liquidity management is monitored and coordinated by Treasury both in respect of internal policy and the regulatory requirements. The liquidity management is monitored by ALCO on a regular basis, and contingency plans are prepared for managing stressed /extreme situations.

2.17.4 Operational risk

Operational risk of losses arises from failures of the processes, policies, and systems that disrupt the business. There are four main categories of operational risks: people risk, process risk, system risk, and legal/compliance risk.

People risk represents the inadequacies in human capital of the Company. The primary risk from failure to attract, manage, motivate, develop and retain competent resources and talent. The Human Resources function and respective department managers are always vigilant to mitigate all people risks.

Process risk arises from failed internal business processes. The Company retains a Business Process Re-engineering department to constantly improve on the effectiveness and robustness of its internal processes and guidelines.

System risk arises from failed internal systems. This encompasses risks related to branch connectivity, MIS & other banking solutions, as well as other technical systems. The Company undergoes regular system audit to identify potential weaknesses and vulnerabilities.

In addition to the above, the Risk Management Forum (RMF) is responsible for identifying operational risks and take steps to mitigate such risks. The Forum routinely reviews operational processes and evaluates the process in terms of efficiency and adequacy of the process to ensure adequate control.

2.17.5 Prevention of Money Laundering & Anti Terrorism

Money Laundering & Terrorist Financing risk is defined as the loss incurred as penalty and damages in reputation for being negligent in upholding Anti-Money Laundering & Anti-Terrorism Acts. In order to manage the risk, the Company has set up a strict program in line with Prevention of Money Laundering & Anti-Terrorism Act and Bangladesh Bank guidelines.

The Company has assigned a Chief Anti-Money Laundering Compliance Officer (CAMLCO) at the Head Office and Branch Anti-Money Laundering Compliance Officers (BAMLCO) at branches to independently review transactions of accounts to verify suspicious transactions. The Company developed guidelines to ensure proper and strict adherence to the terms of the Prevention of Money Laundering & Anti-Terrorism Act. In addition, continuous training is being imparted to officers and executives at all levels to enhance expertise in identifying suspicious activities and transactions.

2.18 Additional Risks

As per DFIM Circular No. 03 of 2016, Integrated Risk Management Guidelines for Financial Institutions, there are additional risks that are addressed by the Company. Key risks among these are:



2.18.1 Reputation Risk

Reputation risks are risks that arise from negative publicity regarding the Company and its operations. The RMF of the Company has in place metrics to monitor all relevant non-financial reputational risks relating to the Company.

2.18.2 Strategic Risk

Strategic risks arise from poor business decisions, sub-par execution of strategy, or failure to respond to changes in business environment.

In mitigating Strategic Risk, the Company has increasingly been reliant on data-driven decision-making; with the creation of the Business Analytics wing to assist senior management by providing actionable intelligence and enabling informed strategic decision-making.

2.18.3 Compliance Risk

Compliance risk is the risk of legal sanction or material loss arising from the Company's failure to adhere to laws, its own regulations, codes of conduct, standards of best practices, or the possibility of incorrect interpretation of laws or regulations.

Compliance risk management is embedded in the day-to-day to operations of the Company. Relevant departments are informed of latest legal and regulatory requirements. Routine reviews of internal policies are conducted to ensure that they are in line with the prevailing laws and regulations.

2.18.4 Environmental & Social Risk

Environmental and Social Risk is becoming an increasingly more important part of the risk management framework. Physical risks arising from climate change are well-established, and pose a veritable cost of transition to individuals, corporations and societies alike. The Company is and has always been committed to ensuring the highest standards in its pursuit of sustainability in every avenue of its activities to reduce the harmful effects of its operations on the planet.

To ensure that every aspect of the Company remains socially responsible, the company ensures that it does not finance sectors that are deemed to have a negative impact on society by performing an Environmental and Social Due Diligence (ESDD) as part of its credit appraisal process. Emphasis is given to initiatives that are considered green and sustainable. With the help of an exclusion list, the Company is also able to avoid high environmental risks associated with any financing.

By subscribing to the Global Reporting Initiative's "Core Option", the Company reaffirms its commitment to a more equitable and resilient planet through bringing transparency in reporting of its own and financing operations' impact on the environment and society.

2.19 BASEL II and its implementation

To align with international best practices and to make the capital more risks sensitive as well as more shock resilient, Bangladesh Bank introduced the "Basel Accord for Financial Institutions (BAFI)" on a trial basis from January 1, 2011. Following the trial period, the full implementation of the Basel Accord framework commenced on January 1, 2012, under the guidelines titled "Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions (CAMD)," which include subsequent amendments. These guidelines outline critical aspects such as Minimum Capital Requirement (MCR), Adequate Capital, and Disclosure requirements, all of which must be adhered to by financial institutions to ensure regulatory compliance. According to the CAMD guidelines, financial institutions are required to maintain a Capital Adequacy Ratio (CAR) of at least 10%. In response, United Finance PLC has established a Basel Implementation Unit (BIU) to oversee the timely adoption of Basel II. The most recent Capital Adequacy Ratio (CAR) status is detailed in note 13.3.

2.20 Statutory reserve

As per section 8 of the Financial Company Act, 2023 and regulation 6 of the Financial Institutions Regulations 1994, every Non Banking Financial Institution (NBFI) is required to transfer at least 20% of its current year profit to the fund until such reserve fund equal to its paid up share capital and share premium (if any). Accordingly during the year the Company has transferred BDT 41,850,000 (2023: BDT 29,000,000) to the statutory reserve.



2.21 Going concern

The Company has adequate resources to continue its operation for foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements. The current credit facilities and resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.22 Branch accounting

The Company has twenty two branches (including head office) and two booth offices, with no overseas branch as at 31 December 2024. Accounts of the branches are maintained at the head office from which these financial statements are drawn up.

2.23 Status of compliance of International Accounting Standards and International Financial Reporting Standards

Name of the standards	Ref.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	IFRS-1	Not Applicable
Share Based Payment	IFRS-2	Not Applicable
Business Combinations	IFRS-3	Not Applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS-5	Not Applicable
Exploration for and Evaluation of Mineral Resources	IFRS-6	Not Applicable
Financial Instruments: Disclosures	IFRS-7	Applied*
Operating Segments	IFRS-8	Not Applicable
Financial Instruments	IFRS-9	Applied*
Consolidated Financial Statements	IFRS-10	Not Applicable
Joint Arrangements	IFRS-11	Not Applicable
Disclosure of Interests in Other Entities	IFRS-12	Not Applicable
Fair Value Measurement	IFRS-13	Applied
Regulatory Deferral Accounts	IFRS-14	Not Applicable
Revenue from Contracts with Customers	IFRS-15	Applied
Leases	IFRS-16	Applied
Insurance Contracts	IFRS-17	Not Applicable
Presentation of Financial Statements	IAS-1	Applied*
Inventories	IAS-2	Not Applicable
Statement of Cash Flows	IAS-7	Applied*
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Applied
Events After the Reporting Period	IAS-10	Applied
Income Taxes	IAS-12	Applied
Property, Plant and Equipment	IAS-16	Applied
Employee Benefits	IAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS-20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS-21	Applied
Borrowing Cost	IAS-23	Applied
Related Party Disclosures	IAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	Not Applicable
Separate Financial Statements	IAS-27	Not Applicable
Investments in Associates and Joint Ventures	IAS-28	Not Applicable
Financial Reporting in Hyperinflationary Economies	IAS-29	Not Applicable
Earnings per Share	IAS-33	Applied
Interim Financial Reporting	IAS-34	Applied
Impairments of Assets	IAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied
Intangible Assets	IAS-38	Applied
Investment Property	IAS-40	Not Applicable
Agriculture	IAS-41	Not Applicable

*The regulatory requirements differ with the standards, relevant disclosures have been made in accordance with Bangladesh Bank's requirements (please see note 2.1).



		Amount in BDT	
		2024	2023
3	Cash		
	Cash in hand (note-3.1)	1,539,500	1,539,500
	Balance with Bangladesh Bank and its agent bank(s) (note-3.2)	207,450,205	247,918,039
		208,989,705	249,457,539
3.1	Cash in hand		
	In local currency	1,539,500	1,539,500
	In foreign currency	-	-
		1,539,500	1,539,500
3.2	Balance with Bangladesh Bank and its agent bank(s)		
	In local currency (with Bangladesh Bank)	207,450,205	247,918,039
	Sahali Bank as agent of Bangladesh Bank (local currency)	-	-
		207,450,205	247,918,039
3.3	Statutory deposits		

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

Cash Reserve Requirement and Statutory Liquidity Reserve have been calculated and maintained in accordance with section 9 of the Finance Company Act 2023, regulation 5 of the Financial Institution Regulations 1994 and FID Circular No. 6 dated 06 November 2003 and FID Circular No. 02 dated 10 November 2004 and DFIM circular no. 03 dated 21 June, 2020 and DFIM circular no. 27 dated 23 August, 2021.

The Cash Reserve Requirement on the Company's term deposits received from public at the rate of 1.5% has been calculated and maintained with Bangladesh Bank in current account and 5% Statutory Liquidity Reserve, including CRR, on the total liabilities has been maintained in the form of balance with Bangladesh Bank, other Banks and Financial Institutions. Both the reserves maintained by the Company are in excess of the statutory requirements, as shown below:

a) Cash Reserve Requirement (CRR)

Actual reserve maintained (note-3.2)	207,450,205	247,918,039
Required reserve (1.5% on Public deposits)	196,899,350	215,676,058
Surplus	10,550,855	32,241,982

b) Statutory Liquidity Reserve (SLR)

Actual reserve maintained including CRR (note-3.4)	2,145,677,114	1,753,451,722
Required reserve (5% on average total liabilities)	824,189,004	871,737,605
Surplus	1,321,497,109	881,714,117

The surplus for SLR mostly comprises of investment in interest earnings Treasury Bills amounting to BDT 482.99 million and fixed deposits (free FDR) amounting to BDT 245.00 million maintained with different Banks and Financial Institutions.

3.4 Actual reserve maintained (including CRR)

Cash in hand	1,539,500	1,539,500
Balance with Bangladesh Bank and its agent bank(s)	207,450,205	247,918,039
Balance with banks and other financial institutions (except lien FDR) (note-3.4.1)	1,453,698,376	1,503,004,182
Investment in Government securities except counter repo	482,989,032	-
	2,145,677,114	1,753,451,722



3.4.1 Balance with banks and other financial institutions (except Ben FDR)

Bank Asia PLC.
Brac Bank PLC.
Citibank N.A.
City Bank PLC.
Commercial Bank Of Ceylon PLC.
Dutch-Bangla Bank PLC.
Eastern Bank PLC.
Mutual Trust Bank PLC.
One Bank PLC.
Prime Bank PLC.
Pubali Bank PLC.
Sonal Bank PLC.
Standard Bank PLC.
Standard Chartered Bank.
United Commercial Bank PLC.
IDLC Finance PLC.
IPDC Finance PLC.
Bangladesh Industrial Finance Company Limited (BIFC)
Farast Finance & Investment Limited

Amount in BDT	
2024	2023
3,382,205	13,147,426
27,569,082	79,796,990
-	98,765,506
19,344,359	306,354
-	100,000,000
550,326	1,150,049
3,290,743	7,196,896
337,519,347	100,827,221
15,168,934	22,318,819
227,339	-
1,685,999	6,536,229
5,724	6,646
407,040,311	16,100,408
-	4,657,813
412,914,009	328,183,829
-	200,000,000
-	300,000,000
115,000,000	115,000,000
110,000,000	110,000,000
1,453,698,376	1,503,994,182

4 Balance with banks and other financial institutions

In Bangladesh (note-4.1)
Outside Bangladesh:

3,623,698,376	3,873,994,182
3,623,698,376	3,873,994,182

4.1 In Bangladesh

Current deposits

Bank Asia PLC.
Brac Bank PLC.
Citibank N.A.
Dutch-Bangla Bank PLC.
Eastern Bank PLC.
One Bank PLC.
Pubali Bank PLC.
Sonal Bank PLC.
Standard Bank PLC.
City Bank PLC.
United Commercial Bank PLC.

3,382,205	13,147,426
27,569,082	79,796,990
-	98,765,506
550,326	1,150,049
3,290,743	7,196,896
15,168,934	22,318,819
1,685,999	6,536,229
5,724	6,646
-	7,826
19,344,359	306,354
68,922,025	22,781,604
139,919,446	252,014,344

Short-term deposit (STO)

Mutual Trust Bank PLC.
Prime Bank PLC.
Standard Bank PLC.
Standard Chartered Bank
United Commercial Bank PLC.

337,519,347	100,827,221
227,339	-
387,040,311	16,092,578
-	4,657,813
343,991,614	305,402,225
1,068,778,930	426,979,838

Fixed deposits

Brac Bank PLC.
Commercial Bank Of Ceylon PLC.
Eastern Bank PLC.
Mutual Trust Bank PLC.
Prime Bank PLC.
Pubali Bank PLC.
Standard Bank PLC.
City Bank PLC.
United Commercial Bank PLC.
IDLC Finance PLC.
IPDC Finance PLC.
Bangladesh Industrial Finance Company Limited (BIFC)
Farast Finance & Investment Limited

200,000,000	400,000,000
100,000,000	400,000,000
200,000,000	200,000,000
400,000,000	400,000,000
100,000,000	-
450,000,000	350,000,000
20,000,000	-
370,000,000	370,000,000
350,000,000	350,000,000
-	200,000,000
-	300,000,000
115,000,000	115,000,000
110,000,000	110,000,000
2,415,000,000	3,195,000,000
3,623,698,376	3,873,994,182



		Amount in BDT	
		2024	2023
4.2	Maturity grouping of balance with banks and other financial institutions		
	On demand	139,919,446	252,014,344
	Up to 1 month	1,180,778,930	564,479,838
	Over 1 month but not more than 3 months	880,000,000	1,580,000,000
	Over 3 months but not more than 1 year	1,423,000,000	1,477,500,000
	Over 1 year but not more than 5 years	-	-
	Over 5 years	-	-
		3,623,698,376	3,873,994,182
5	Money at call and short notice	-	-
6	Investments		
	Investment classified as per nature		
	a) Government securities:		
	Treasury bill	722,545,075	-
	Treasury bond	-	-
	National investment bonds	-	-
	Bangladesh Bank bills	-	-
	Government bonds	-	-
	Prize bonds	-	-
		722,545,075	-
	b) Other investment:		
	Investment in ordinary shares (note-6.1)	15,262,370	15,262,370
	Investment in preference shares (note-6.2)	1,191,294,019	1,496,294,019
	Investment in bonds (note-6.3)	-	30,000,000
		1,206,556,389	1,541,556,389
		1,929,101,463	1,541,556,389
6.1	Investment in ordinary shares		
	United Insurance Company Limited	15,000,000	15,000,000
	Robi Axiata Limited	262,370	262,370
		15,262,370	15,262,370

6.1a Investment in United Insurance Company Limited

The Company purchased 600,000 ordinary shares of United Insurance Company Limited, a listed public limited company, @ BDT 25 per share in 2001. Subsequently the Company received bonus shares in 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2016 and 2019.

The total number of ordinary shares of United Insurance Company Limited now held by the Company is as follows:

	No. of shares
Original purchased in 2001	600,000
Bonus share received in 2007	180,000
Bonus share received in 2008	220,000
Bonus share received in 2009	1,500,000
Bonus share received in 2010	500,000
Bonus share received in 2011	300,000
Bonus share received in 2012	330,000
Bonus share received in 2013	370,000
Bonus share received in 2016	200,000
Bonus share received in 2019	250,000
	4,450,000 Shares

As on December 31, 2024 the market value @ Tk. 36.5 (closing market price) of the above 4,450,000 shares was Tk. 162,425,000 against cost price of 600,000 shares (@ Tk. 25) at Tk.15,000,000.



6.1b Investment in other companies

Amount in BDT

2024 2023

Business Segment	No. of shares	Cost price	Market price
Telecommunication	26,237	262,370	742,507

Investments in marketable securities are valued at cost at the Balance Sheet date, if market price is lower than cost in that case required provision are kept in profit and loss account. Unrealized gain is not accounted for in financial statements.

As of 31 December, 2024 the market value (closing market price) of the above shares was Taka 742,507 against cost price of Taka 262,370.

6.2 Investment in preference shares

Preference Share: Recent Energy and Power Ltd.	23,794,019	23,794,019
Preference Share: Confidence Power Rankpur Limited	20,000,000	60,000,000
Preference Share: Confidence Power Bogra Unit-2 Limited	12,500,000	37,500,000
Preference share: City Sugar Industries Limited	50,000,000	75,000,000
Preference share: City Sugar Industries Limited	50,000,000	75,000,000
Preference share: H. Akberali & Co. Limited	60,000,000	90,000,000
Preference share: Premier Cement Mills Limited	125,000,000	175,000,000
Preference share: Paramount Textile Limited	60,000,000	80,000,000
Preference share: United Tank Terminal Ltd	150,000,000	180,000,000
Preference share: Epyllan Knitex Limited	200,000,000	200,000,000
Preference share: Sheftech Ceramics Limited	140,000,000	200,000,000
Preference share: Epyllan Style Limited	100,000,000	100,000,000
Preference share: Ananta Apparels Limited	200,000,000	200,000,000
	1,191,294,019	1,496,294,019

6.3 Investment in bonds

Subordinate Bond: Mutual Trust Bank PLC.	-	20,000,000
Subordinate Bond: Standard Bank PLC.	-	10,000,000
	-	30,000,000

6.4 Maturity grouping of investments

On demand	-	-
Up to 1 month	73,794,019	43,794,019
Over 1 month but not more than 3 months	329,873,812	57,762,370
Over 3 months but not more than 1 year	700,433,632	257,500,000
Over 1 year but not more than 5 years	810,000,000	1,167,500,000
Over 5 years	15,000,000	15,000,000
	1,929,101,463	1,541,556,389

7 Lease, loans and advances

7.1 Broad category-wise break up

Inside Bangladesh

Lease receivable (note-7.2)	6,707,197,027	6,488,211,561
Loans (note-7.3)	12,756,160,954	13,888,525,314
	19,463,357,980	20,376,737,875

Outside Bangladesh

	19,463,357,980	20,376,737,875
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7.2 Lease receivable

Net lease receivable (note-7.2.1)	6,542,945,009	6,393,846,307
Interest receivable	164,248,018	94,365,054
	6,707,197,027	6,488,211,561

7.2.1 Net lease receivable

Gross lease receivable	7,780,473,356	7,241,318,823
Less: Unearned lease income	(1,237,524,347)	(847,482,316)
	6,542,949,009	6,393,846,307



		Amount in BDT	
		2024	2023
7.2.2	Movement of net lease receivables		
	Balance as on January 01	6,393,846,507	6,742,951,655
	Addition during the year	3,026,867,737	2,702,993,725
	Realisation during the year	(2,877,765,234)	(3,852,998,872)
		6,542,949,009	6,393,846,507
7.3	Loans		
	Term loan	8,318,708,468	9,322,607,412
	Home loan	3,064,891,190	3,283,991,959
	Short term loan and CSF advances	971,113,256	1,029,631,997
	Interest receivable	401,448,040	252,294,947
		12,756,160,954	13,888,526,314
7.3.1	Movement of term loan receivables		
	Balance as on January 01	9,322,607,412	8,866,053,500
	Addition during the year	5,218,440,000	7,170,521,000
	Realisation during the year	(6,222,338,944)	(6,707,969,089)
		8,318,708,468	9,322,607,412
7.3.2	Movement of home loan receivables		
	Balance as on January 01	3,283,991,959	3,242,644,652
	Addition during the year	625,415,448	936,690,996
	Realisation during the year	(844,516,216)	(895,343,689)
		3,064,891,190	3,283,991,959
7.3.3	Movement of short term loan and CSF advances receivables		
	Balance as on January 01	1,029,631,997	1,069,126,306
	Addition during the year	4,533,384,104	5,246,745,707
	Realisation during the year	(4,581,902,844)	(5,286,240,016)
		971,113,256	1,029,631,997
7.3.4	Break up of interest receivable		
	Term loan	231,857,402	139,387,244
	Home loan	108,698,077	49,514,130
	Short term loan and CSF advances	60,892,561	72,393,573
		401,448,040	252,294,947
7.4	Maturity grouping of lease, loans and advances		
	On demand		
	Up to 1 month	1,008,303,695	1,021,946,494
	Over 1 month but not more than 3 months	1,912,858,265	1,787,090,652
	Over 3 months but not more than 1 year	6,111,922,464	6,114,692,439
	Over 1 year but not more than 5 years	7,499,534,974	8,785,885,315
	Over 5 years	2,930,728,582	2,667,122,965
		19,463,357,980	20,376,737,875
7.5	Lease, loans and advances on the basis of significant concentration		
	a) Lease, loans and advances to companies or firms in which the Directors of the Company have interests	2,906,609	3,654,184
	b) Lease, loans and advances to Chief Executive and other Senior Executives	-	-



		Amount in BDT	
		2024	2023
c)	Number of clients with outstanding amount and classified lease, loans and advances exceeding 15% of total capital of the Company is as follows:		
	Total capital of the Company	3,338,193,873	3,241,237,126
	Number of clients	Nil	Nil
	Amount of outstanding advances	Nil	Nil
	Amount of classified advances	Nil	Nil
	Measures taken for recovery	Not applicable	Not applicable
d)	Industry-wise distribution of lease, loans and advances:		
1.	Agricultural sector:		
a)	Crop	95,795,113	129,754,418
b)	Poultry & livestock	252,748,962	328,179,829
c)	Fisheries	604,328	1,732,953
d)	Others Agriculture (Cold Storage, Biofuel, Seed, feed, Agri-related other institutions & services)	168,010,142	171,098,557
2.	Industrial sector:		
a)	Service industry	1,386,694,824	1,056,635,499
b)	Food production/processing industry	2,517,450,707	2,400,467,825
c)	Chemical & Pharmaceutical	1,453,753,075	1,057,312,634
d)	Plastic industry	646,366,733	727,436,271
e)	Garments	1,020,996,668	479,552,983
f)	Textile	246,519,143	297,492,624
g)	Paper, Printing and Packaging industry	998,752,140	1,338,832,660
h)	Iron, Steel & Engineering industry	1,213,720,537	948,400,457
i)	Leather & leather products	130,304,398	264,567,667
j)	Electronics and electrical industry	112,820,881	196,851,059
k)	Telecommunication/Information Technology	44,421,778	65,243,348
l)	Jute and jute products	232,248,571	229,657,791
m)	Cement/Concrete and allied industry	445,723,075	133,261,272
n)	Glass and ceramic industry	34,802,013	203,563,344
3.	Power, Gas, Water and sanitary service	54,159,488	48,688,397
4.	Transport & Communication	552,285,758	732,192,481
5.	Real Estate & Housing	3,290,926,748	3,379,337,644
6.	Trade and Commerce	4,080,022,134	5,487,448,622
7.	Others	583,230,765	626,028,317
		19,463,357,980	20,376,737,875
e)	Geographical location-wise lease, loans and advances		
	Inside Bangladesh		
	Urban		
	Dhaka Division	7,903,524,777	8,819,021,606
	Chattogram Division	2,959,694,127	2,833,067,938
	Khulna Division	1,330,257,422	1,713,075,881
	Rajshahi Division	1,334,450,389	1,857,238,842
	Rangpur Division	1,137,853,106	1,477,884,742
	Barisal Division	633,094,673	697,765,135
	Mymensingh Division	619,758,015	716,030,654
	Sylhet Division	146,288,228	229,383,506
		16,064,890,736	18,343,448,304
	Rural		
	Dhaka Division	1,891,862,697	808,206,338
	Chattogram Division	343,781,433	467,950,577
	Khulna Division	421,167,507	166,950,846
	Rajshahi Division	305,873,631	241,236,144
	Rangpur Division	315,442,748	178,403,567
	Barisal Division	58,506,622	57,826,913
	Mymensingh Division	113,962,350	91,551,910
	Sylhet Division	37,870,255	21,163,276
		3,398,467,244	2,033,289,570
	Outside Bangladesh		
		19,463,357,980	20,376,737,875
7.6	Sector-wise lease, loans and advances		
	Public sector	-	-
	Co-operative sector	-	-
	Private sector	19,463,357,980	20,376,737,875
		19,463,357,980	20,376,737,875
7.7	Size wise lease, loan portfolio concentration		
	Cottage, Micro, Small & Medium Enterprise Financing (CMSME)	7,806,658,780	9,501,728,287
	Other than Cottage, Micro, Small & Medium Enterprise Financing (CMSME)	11,656,699,201	10,875,009,588
		19,463,357,980	20,376,737,875



		Amount in BDT	
		2024	2023
7.8	Particulars of lease, loans and advances		
i)	Lease, loans and advances considered good in respect of which the Company is fully secured	3,282,961,457	2,906,680,451
ii)	Lease, loans and advances considered good in respect of which the Company is partially secured	7,780,327,339	7,045,526,996
iii)	Lease, loans and advances considered good against which the Company holds no security other than the debtors' personal guarantee	-	-
iv)	Lease, loans and advances considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	8,400,669,184	10,420,530,427
v)	Classified Lease, loans and advances against which no provision has been made	-	-
		19,463,357,980	20,376,737,875
vi)	Lease, loans and advances due by Directors, Officers of the Company or any of them either separately or jointly with any other persons	-	-
vii)	Lease, loans and advances due from Companies or firms in which the Directors have interest as Directors, Partners or managing agents Companies, as members:	2,906,509	3,654,184
viii)	Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Company or any of them either separately or jointly with any other person.	-	-
ix)	Maximum total amount of advances, including temporary advances granted during the year to the Companies or firms in which the Directors have interest as Directors, Partners or Managing agents or in the case of private Companies, as members:	-	-
x)	Due from banking Companies and other financial institutions	-	-
xi)	Classified lease, loans and advances		
a)	Classified lease, loans and advances on which interest has not been charged	297,784,145	340,792,325
b)	Increase/(decrease) of specific provision against classified lease/loan	61,267,540	124,693,861
c)	Amount of loan written off	208,223,653	12,757,923
d)	Amount realised against loan previously written off	32,034,750	40,355,828
e)	Provision kept against loans classified as bad/loss on the date of preparing the balance sheet (note-7.9)	769,388,831	555,007,551
f)	Interest credited to Interest Suspense account (note-12.2)	312,240,059	241,786,511
xii)	Written off lease, loans and advances		
	Opening Balance	1,286,139,114	1,273,381,191
	During the year	208,223,653	12,757,923
	Cumulative-to-date	1,494,362,768	1,286,139,114
	The amount of written-off leases, loans and advances for which law suits have been filed	1,308,455,434	1,132,945,419
xiii)	In compliance with Bangladesh Bank's DFIM Circular No. 04, dated April 03, 2024, titled "Identification & Finalization of Willful Defaulters and Measures to be Taken Against Them," United Finance PLC established a dedicated unit on July 30, 2024, under the supervision of the Deputy General Manager (DGM) and Deputy Managing Director (DMD). This unit is entrusted with the responsibility of identifying and reporting willful loan defaulters, in strict adherence to the process and timeline set forth in the circular.		
	As of December 31, 2024, no borrowers have been classified as willful defaulters. However, in compliance with Section 8(2) of the circular, quarterly nil statements have been duly submitted to the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank in the prescribed format. Furthermore, the required reports have also been submitted to the Credit Information Bureau (CIB) of Bangladesh Bank.		
	United Finance PLC will proceed with the next course of action in accordance with Sections 6(6) and 6(7) of DFIM Circular No. 04, dated April 03, 2024, subject to Bangladesh Bank's decision on the appeals submitted by the respective borrowers, once any individuals or borrowers are identified as willful defaulters.		



7.9 Classification of lease, loans and advances

Unclassified

Standard
Special mention account (SMA)

Amount in BDT

2024 2023

17,952,412,394	19,947,088,375
541,728,006	343,664,095
18,494,140,400	19,390,752,470

Classified

Sub-standard
Doubtful
Bad/Loss

85,060,553	180,296,918
114,768,197	250,680,938
769,388,831	555,007,551
969,217,581	985,985,405
19,463,357,980	20,376,737,875

8 Fixed assets including land, building, furniture and fixtures

Cost

Furniture and fixtures
Office equipment
Electrical equipment
Software
Motor vehicles
Office space
Right-of-use assets

125,949,172	126,727,879
637,006	589,601
187,571,001	187,598,986
46,283,157	46,283,157
61,094,610	58,207,786
177,890,411	177,890,411
222,546,124	220,913,801

Less Accumulated depreciation

821,901,582	818,211,620
(492,672,596)	(433,476,858)

Net book value at the end of the year (Annexure - A)

329,228,986	384,735,163
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9 Other assets

Inside Bangladesh

Income generating:

Income receivable (note-9.1)

215,930,305	256,571,459
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Non-income generating:

Deferred tax asset (note-9.2)
Advance, deposit and prepaid expenses
Receivable from provident fund account (note-9.3)
Advance corporate tax (note-9.4)

21,231,029	12,353,988
45,194,874	68,889,173
3,971,407	6,508,175
2,125,864,377	2,647,717,019
2,461,191,893	2,392,039,815

Outside Bangladesh

2,461,191,893	2,392,039,815
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9.1 Income receivable amount represents interest receivable on investments other than lease, loan and advances and charges receivable from lease, loans and advances portfolio.

9.2 Deferred tax asset

Deferred tax has been recognised based on deductible/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 and under the guidelines of Bangladesh Bank OFIM Circular no. 07 dated 31 July 2011.

	Carrying amount at balance sheet	Tax base	Deductible temporary difference
Fixed assets at book value	248,841,257	289,236,932	40,395,675
Liability to employees gratuity fund	16,220,403	-	16,220,403
			56,616,078

Applicable tax rate	37.50%
Deferred tax asset as on 31 December, 2024	21,231,029
Deferred tax asset as on 31 December, 2023	12,353,988
Deferred tax income during the year 2024 (note-36)	8,877,041

9.3 The amount comprises forfeited account balances for the year 2015-2018 of resigned employees who did not complete required years of employment with the Company to be eligible to receive employer's contribution part. Realisation of this amount is pending subject to verification and audit of United Finance Limited Employees Provident Fund.



		Amount in BDT	
		2024	2023
9.4	Advance corporate tax		
	Balance as on January 01	2,047,717,019	1,963,244,433
	Paid during the year	128,147,358	88,472,587
		2,175,864,377	2,047,717,019
10	Borrowing from banks, other financial institutions and agents		
	In Bangladesh (note-10.1)	8,058,935,799	7,181,251,670
	Outside Bangladesh	-	-
		8,058,935,799	7,181,251,670
10.1	In Bangladesh		
	Secured loans		
	Secured long term loans		
	Secured short term loans		
	Bank overdraft		
	Brac Bank PLC	193,339,768	-
	Citi Bank N.A.	892,015	-
	Commercial Bank Of Ceylon PLC	94,099,313	91,601,486
	Eastern Bank PLC	187,736,697	185,528,753
	Mutual Trust Bank PLC	188,145,531	137,942,529
	One Bank PLC	4,784,547	2,642,461
	Prime Bank PLC	95,109,001	-
	Pubali Bank PLC	555,479,308	141,514,329
	Standard Chartered Bank	41,785,426	37,158,341
	City Bank PLC	163,788,145	133,661,645
	United Commercial Bank PLC	339,661,033	312,629,841
	Woori Bank	166,637,685	164,591,057
	Total Bank overdraft	2,031,458,468	1,127,270,642
	Short term loan		
	Citi Bank N.A.	-	390,000,000
	Standard Chartered Bank	170,000,000	-
	Bangladesh Bank Repurchase agreement (REPO)	238,901,550	-
	Total short term loan	408,901,550	390,000,000
	Total secured loan	2,440,360,018	1,517,270,642
	Unsecured loans		
	Unsecured long term loans		
	Bangladesh Bank (Refinance)	2,767,009,114	3,753,706,566
	Bangladesh Bank (Prefinance)	2,289,766,667	1,673,475,667
	Loan from SME Foundation: Refinance Scheme	41,800,000	-
	Non-Convertible Zero Coupon Bond	-	236,797,796
	Total unsecured long term loans	5,098,575,781	5,663,981,028
	Unsecured short term loans		
	Short term loans		
	DBH Finance PLC	400,000,000	-
	Mendun Finance & Investment Limited	20,000,000	-
	Alliance Finance P.L.C.	100,000,000	-
	Total unsecured loans	5,618,575,781	5,663,981,028
	Total borrowing from banks, other financial institutions and agents	8,058,935,799	7,181,251,670



		Amount in BDT	
		2024	2023
10.2	Analysis by security against borrowing from banks, other financial institutions and agents		
	Secured (FDR pledged as security)	2,408,901,550	1,517,270,642
	Unsecured	5,650,034,249	5,663,981,028
		8,058,935,799	7,181,251,670

10.3	Maturity grouping of borrowing from banks, other financial institutions and agents		
	On demand	-	-
	Up to 1 month	1,089,158,542	197,505,940
	Over 1 month but within 3 months	673,312,737	857,847,543
	Over 3 months but within 1 year	3,782,753,435	3,942,665,554
	Over 1 year but within 5 years	2,513,711,085	2,179,268,695
	Over 5 years	-	3,955,917
		8,058,935,799	7,181,251,670

11 Deposits and other accounts

	Current deposits & other accounts etc.	-	-
	Bills payable	-	-
	Savings bank deposits	-	-
	Term deposits (note-11.1)	11,367,864,815	13,697,882,363
	Bearer certificates of deposit	-	-
	Other deposits (note-11.2)	839,957,237	548,199,357
		12,207,822,052	14,246,081,720

11.1 Term deposits

	Deposits from banks and financial institutions	-	-
	Deposits from other than banks and financial institutions	11,367,864,815	13,697,882,363
		11,367,864,815	13,697,882,363

These represent deposits from individuals and institutions under the Company's term deposit schemes for a period of not less than three months.

11.1.1 Sector-wise break-up of term deposits

	Government	-	-
	Banks and financial institutions	-	-
	Other public	-	-
	Foreign currency	-	-
	Private	11,367,864,815	13,697,882,363
		11,367,864,815	13,697,882,363

11.1.2 Maturity analysis of term deposits

a) Maturity analysis of deposits from banks & financial institutions

	Payable on demand	-	-
	Up to 1 month	-	-
	Over 1 month but within 3 months	-	-
	Over 3 months but within 1 year	-	-
	Over 1 year but within 5 years	-	-
	Over 5 years but within 10 years	-	-
	Over 10 years	-	-

b) Maturity analysis of deposits from other than banks & financial institutions

	Payable on demand	-	-
	Up to 1 month	1,032,234,480	1,595,558,308
	Over 1 month but within 3 months	1,745,264,745	1,991,579,514
	Over 3 months but within 1 year	3,267,097,508	2,888,175,316
	Over 1 year but within 5 years	5,145,394,964	7,199,243,562
	Over 5 years but within 10 years	177,873,118	22,334,661
	Over 10 years	-	-
		11,367,864,815	13,697,882,363
		11,367,864,815	13,697,882,363



		Amount in BDT	
		2024	2023
11.2	Other deposits		
This represents deposits against financing which is advance rental and security deposits received from clients at the inception of allowing any lease/loan facility to the clients adjustable or refundable at the expiry of the facility.			
Non-interest bearing deposit		299,620,387	365,871,263
Interest bearing deposit		540,346,850	182,328,094
		839,967,237	548,199,357
11.2.1	Maturity analysis of other deposits		
Payable on demand		-	-
Up to 1 month		46,915,600	28,752,579
Over 1 month but within 3 months		86,031,319	50,537,994
Over 3 months but within 1 year		276,896,897	172,908,068
Over 1 year but within 5 years		331,477,453	236,271,442
Over 5 years but within 10 years		98,645,969	59,729,274
Over 10 years		-	-
		839,967,237	548,199,357
12	Other liabilities		
Provision for gratuity (note-12.1)		16,220,403	9,949,431
Interest suspense account (note-12.2)		312,240,059	241,786,511
Accrued expenses and payables (note-12.3)		838,939,640	870,977,741
Lease liabilities (note-12.4)		104,484,600	131,873,733
Provision for lease, loans, advances, other assets and off balance sheet items (note-12.5)		753,763,988	679,119,377
Provision on others (note-12.6)		55,000,000	40,800,000
Provision for income tax (note-12.7)		2,313,695,492	2,163,645,673
Provision on receivable from provident fund account (note-12.8)		2,971,407	6,508,175
Unpaid/unclaimed Dividend (note-12.9)		3,291,092	4,089,805
		4,410,606,882	4,149,950,446
12.1	Provision for gratuity		
Defined benefits obligation (note-12.1.1)		80,249,120	75,720,634
Less: Fair value of plan assets (note-12.1.2)		(64,028,717)	(65,771,201)
		16,220,403	9,949,431
12.1.1	Defined benefits obligation		
Balance as on January 01		75,720,634	76,109,990
Interest cost/income		8,551,215	8,539,541
Current service cost		7,102,925	7,614,597
Actuarial loss/(gain) arising from:			
Demographic assumptions		1,279,979	375,616
Financial assumptions		(9,883,195)	(10,240,227)
Experience adjustments		14,551,034	7,336,332
Benefits paid		(17,073,474)	(14,015,214)
Balance as on December 31		80,249,120	75,720,634
12.1.2	Fair value of plan assets		
Balance as on January 01		65,771,203	69,154,542
Interest cost/income		8,445,325	8,369,388
Contribution paid by the employer		9,949,431	6,955,448
Benefits paid		(17,073,474)	(14,015,214)
Expenses/Adjustments		(1,063,768)	(712,861)
Balance as on December 31		64,028,717	65,771,203
12.1.3	Plan assets		
Cash at Bank		1,265,617	1,072,038
Investment in Fixed Deposit Receipts		62,763,101	64,699,160
		64,028,717	65,771,203



12.1.4 Principal actuarial assumptions

Amount in BDT		
	2024	2023
Discount rate and expected rate of return on plan assets	12.68%	11.22%
Future salary growth rate	8.50%	7.80%
Withdrawal rate		
Age till 30 years	8.90%	9.00%
Age from 30 to 40 years	13.90%	5.00%
Age from 40 to 50 years	2.05%	0.50%
Age above 50 years	0.30%	0.00%

12.1.5 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions constant, would have affected the defined benefit obligations by the amounts shown below.

	2024		2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(9,224,130)	10,863,938	(9,674,333)	11,353,732
Future salary growth (1% movement)	11,207,304	(9,632,321)	11,823,300	(10,030,955)

12.2 Interest suspense account

This represents interest receivable for lease, term finance, short term finance and investment with status of SMA and below as per Bangladesh Bank guidelines.

Balance as on January 01	241,786,511	180,571,557
Add: Amount transferred to interest suspense account during the year	169,810,223	82,725,252
Less: Amount recovered from interest suspense account during the year	(20,608,502)	(18,890,880)
Less: Written off during the year	(28,248,173)	(3,619,418)
	312,240,059	241,786,511

12.3 Accrued expenses and payables

Liabilities for expenses	555,690,342	526,233,022
Liabilities other than expenses	283,249,299	344,744,719
	838,939,640	870,977,741

Liabilities for expenses represent interest accrued but not paid on borrowing and deposits as well as administrative expenses.

Liabilities other than expenses represent income tax and VAT deducted at source from depositors, suppliers, employees and collection against lease, loans and advances etc.

12.4 Lease liabilities

Balance as on January 01	131,873,733	158,798,185
Addition during the year	2,791,291	-
Interest charged during the year	9,871,271	12,420,067
Disposal during the year	-	-
Office rent adjustment made during the year	(40,051,696)	(19,344,518)
	104,484,600	131,873,733

Movement of lease liabilities has been included due to implementation of IFRS-16 Leases (office rent)



		Amount in BDT			
		2024	2023		
12.5	Provision for lease, loans, advances, other assets and off balance sheet items:				
i.	Provision for lease, loans and advances				
	General provision on lease, loans and advances				
	Balance as on January 01	126,567,653	126,082,983		
	Provision made for the year (note-35)	25,245,906	484,570		
		151,813,559	126,567,653		
	Special provision 2% (15% payment of deferral clients)				
	Balance as on January 01	5,455,198	8,586,105		
	Provision made for the year (note-35)	(1,371,910)	(3,130,907)		
		4,083,288	5,455,198		
	Specific provision on unclassified lease, loans and advances				
	Balance as on January 01	15,763,051	18,415,946		
	Provision made for the year (note-35)	(7,717,318)	(2,652,895)		
		8,045,733	15,763,051		
	Specific provision on classified lease, loans and advances				
	Balance as on January 01	531,234,774	406,540,913		
	Fully provided debt written off during the year	(129,475,480)	(9,738,503)		
	Amount realised from written off clients	32,034,750	40,355,828		
	Provision made for the year (note-35)	155,938,664	94,076,538		
		589,722,709	531,234,774		
	Total provision for lease, loan and advances	753,665,288	679,020,677		
ii.	Provision on other assets and off balance sheet items				
	Balance as on January 01	98,700	107,200		
	Adjustment during the year	-	(8,500)		
		98,700	98,700		
	Total provision for lease, loan, advances, other assets and off balance sheet items	753,763,988	679,119,377		
Provision surplus					
		2024	2023		
		Required	Maintained	Required	Maintained
	General provision on lease, loans and advances	144,272,824	151,813,559	126,418,694	126,567,653
	Special provision 2% (15% payment of deferral clients)	4,083,288	4,083,288	5,455,198	5,455,198
	Specific provision on unclassified lease, loans and advances	7,145,396	8,045,733	15,744,500	15,763,051
	Specific provision on classified lease, loans and advances	587,081,715	589,722,709	531,064,291	531,234,774
	Other provisions	98,700	98,700	98,700	98,700
		742,681,924	753,763,988	678,781,383	679,119,377
	Total surplus		11,082,065		337,994



		Amount in BDT		
		2024	2023	
12.3.1 Base for provision for lease, loans and advances				
Status	Base for provision	Rate (%)	Required Provision	Kept Provision
General Provision				
Loans and leases CMSME-STD	6,569,210,941	0.25%	16,423,027	17,259,185
Loans and leases STD (Excluding CMSME)	11,334,979,666	1.00%	127,849,797	134,554,374
Loan/lease to the Subsidiaries/ Sister Concerns, Brokerage House, Merchant Banks, Stock dealers	-	2.00%	-	-
Special mention account (CMSME-SMA)	355,728,688	0.25%	889,322	934,600
Special mention account (SMA)	125,121,491	5.00%	6,256,075	7,111,132
			151,418,220	159,859,291
Special Reserve				
Extra provision for providing COVID related circular advantage-STD	-	2.00%	-	-
Extra provision for providing COVID related circular advantage-SS	-	2.00%	-	-
Extra provision for providing COVID related circular advantage	204,164,414	2.00%	4,083,288	4,083,288
			4,083,288	4,083,288
Specific provision				
Sub-standard (CMSME-SS)	79,019,903	5.00%	3,950,995	4,152,155
Sub-standard (Excluding CMSME)	16,138,516	20.00%	3,225,703	3,822,845
Doubtful (CMSME-DF)	105,185,842	20.00%	21,037,168	22,108,249
Doubtful (Excluding CMSME)	9,094,350	50.00%	4,547,175	5,319,586
Bad/ Loss (CMSME)	480,288,057	100.00%	480,288,057	480,288,057
Bad/ Loss (Excluding CMSME)	74,032,616	100.00%	74,032,616	74,032,616
			587,081,715	589,722,709
Provision for loans, advances and leases			742,583,224	753,665,288
Other provision				
Off-Balance Sheet	-	1.00%	-	-
Other Asset	98,700	100.00%	98,700	98,700
			98,700	98,700
Total provision			742,681,924	753,763,988
12.6 Provision on others				
Balance as on January 01			40,000,000	40,000,000
Provision made for the year			25,000,000	-
			65,000,000	40,000,000
12.7 Provision for income tax				
Balance as on January 01			2,165,645,673	2,075,514,158
Add: Corporate tax for the year (note-36)			148,049,819	104,540,150
Less: Settlement of previous year's liability (note-36)			-	(16,408,635)
			2,313,695,492	2,165,645,673
12.8 Provision on receivable from provident fund account				

Provision is kept due to uncertainty of realisation of the forfeited provident fund account balances against resigned employees who did not complete required years of employment with the Company to be eligible to receive employer's contribution part for the years 2015 to 2018.



		Amount in BDT	
		2024	2023
12.9	Aging analysis of unpaid/unclaimed dividend		
	i. Cash dividend payable		
	Upto 1 year	1,113,410	753,791
	Over 1 year but within 3 years	2,177,682	3,336,014
	Over 3 years but within 4 years	-	-
	Over 4 years but within 5 years	-	-
	Above 5 years	-	-
		<u>3,291,092</u>	<u>4,089,805</u>
	ii. Stock dividend payable		
	Upto 1 year	-	-
	Over 1 year but within 3 years	-	-
	Over 3 years but within 4 years	-	-
	Over 4 years but within 5 years	-	-
	Above 5 years	-	-
		<u>-</u>	<u>-</u>

In accordance with Clause 9(1) of the Capital Market Stabilization Fund (CMSF) Rules, 2021, unclaimed cash dividends that remained unclaimed for a period of three years or more, from year 1994 to 2020, amounting to BDT 17,661,785.67, have been transferred to the Capital Market Stabilization Fund (CMSF).

As a Non-Banking Financial Institution (NBFI), United Finance PLC, prepares and presents its financial statements as per DFIM Circular No. 11, dated 23 December, 2009, where dividend payable are shown in other liabilities.

13 Share capital

13.1 Authorized capital

300,000,000 ordinary shares of BDT 10 each	<u>3,000,000,000</u>	<u>3,000,000,000</u>
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13.2 Issued, subscribed and fully paid-up capital

7,000,000 ordinary shares of BDT 10 each issued for cash	70,000,000	70,000,000
180,114,614 ordinary shares of BDT 10 each issued as bonus shares	<u>1,801,146,140</u>	<u>1,801,146,140</u>
	<u>1,871,146,140</u>	<u>1,871,146,140</u>

13.3 Capital adequacy ratio

In accordance with the Finance Company Act, 2023, and DFIM Circular No. 5 (dated July 24, 2011), financial institutions (FIs) must maintain a minimum paid-up capital of BDT 100 crore; provided that the combined paid-up capital and reserves must meet the minimum capital requirement set by Bangladesh Bank based on risk-weighted assets.

The surplus eligible capital of the company at the close of business on December 31, 2024 was BDT 173.25 crore.

Details are as follows:

Core capital (Tier-I)

Paid up capital (note-13.2)	1,871,146,140	1,871,146,140
Share premium (note-14)	3,750,000	3,750,000
Statutory reserve (note-15)	1,065,900,000	1,024,050,000
General reserve (note-16)	190,000,000	190,000,000
Retained earnings (note-17)	<u>207,397,732</u>	<u>152,290,986</u>
A) Sub Total	<u>3,338,193,872</u>	<u>3,241,237,126</u>

Eligible supplementary capital (Tier-II)

General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheet exposure)*	159,859,291	142,330,704
Assets Revaluation Reserves up to 50%	-	-
Revaluation Reserve for Securities up to 50%	-	-
All other preference shares	-	-
Other (if any item approved by Bangladesh Bank)	-	-
B) Sub Total	<u>159,859,291</u>	<u>142,330,704</u>

C) Total eligible capital

<u>3,498,053,164</u>	<u>3,383,567,831</u>
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Total assets including off-balance sheet exposures	28,015,568,405	28,818,520,963
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	Amount in BDT	
	2024	2023
Risk Weighted Assets (RWA)		
i. Credit Risk		
On- Balance sheet	15,558,343,639	17,580,857,120
Off- Balance sheet	15,558,343,639	17,580,857,120
ii. Market Risk	339,643,910	418,687,553
iii. Operational Risk	1,757,510,412	1,567,148,825
D) Total: RWA (A+B+C)	17,655,497,961	19,566,693,498
E) Required capital based on risk weighted assets (10% of D)	1,765,549,796	1,956,669,350
F) Surplus (C-E)	1,732,503,368	1,426,898,481
Capital Adequacy Ratio (%)	19.81%	17.29%
Core Capital to RWA (%)	18.91%	16.57%
Supplementary Capital to RWA (%)	0.91%	0.73%

* Limited to 1.25% of RWA as per CAMD guideline

13.4 Percentage of shareholding at the closing date

	No. of shares		Percentage	
	2024	2023	2024	2023
(i) Sponsors:				
- Foreign	-	37,422,921	-	20.00
- Foreign sponsor affiliated/related entities	-	40,324,483	-	21.55
- Domestic	40,871,770	3,754,942	21.84	2.01
	40,871,770	81,502,346	21.84	43.56
(ii) Directors:	24,877,880	-	13.30	-
(iii) Financial Institutions and Companies:				
- foreign sponsor affiliated/related entities	-	17,474,639	-	9.38
- Domestic:				
- Sponsor affiliated/related entities	-	7,222,662	-	3.86
- Other	28,153,127	26,541,308	15.05	14.18
	28,153,127	51,238,609	15.05	27.38
(iii) General public - Domestic	93,211,837	54,373,659	49.82	29.06
	187,114,614	187,114,614	100.00	100.00

The foreign sponsor and its related parties sold the entire shareholding of 65,327,77 shares in aggregate to the local individual shareholders.

13.5 Shareholding range on the basis of shareholding as at 31 December, 2024

No. of shares	Number of Shareholders	Total number of shares	Percentage of total holdings
1. Less than 500	2,055	326,143	0.17
2. 500 to 5,000	3,553	7,053,510	3.77
3. 5,001 to 10,000	771	5,838,892	3.12
4. 10,001 to 20,000	494	7,159,574	3.83
5. 20,001 to 30,000	161	4,057,599	2.17
6. 30,001 to 40,000	113	4,000,650	2.14
7. 40,001 to 50,000	64	2,967,486	1.59
8. 50,001 to 100,000	110	8,477,577	4.53
9. 100,001 to 1,000,000	89	21,933,917	11.72
10. Above 1,000,000	20	125,299,265	66.96
	7,430	187,114,614	100.00



13.6 Composition of Shareholders' Equity:

Particulars	No. of shares	Face value per share	Amount in BDT
			2024 2023
Paid-up Capital	187,114,614	10.00	1,871,146,140
Share Premium			3,750,000
Preference Share Capital			
Statutory Reserve			1,065,900,000
General Reserve			190,000,000
Retained Earnings			207,397,732
Total Shareholders' Equity			3,338,193,872

Date of issue & other information:

Date	Types of paid-up capital	No. of shares	Face value per share	Total face value
27-04-1989	Sponsors share capital	7,000	100.00	700,000
23-11-1989	Sponsors share capital	618,000	100.00	61,800,000
27-03-1994	Initial public offering	75,000	100.00	7,500,000
18-04-2005	Bonus (100%)	700,000	100.00	70,000,000
20-04-2006	Bonus (50%)	700,000	100.00	70,000,000
25-03-2008	Bonus (10%)	210,000	100.00	21,000,000
31-03-2009	Bonus (14.29%)	330,000	100.00	33,000,000
25-03-2010	Bonus (100%)	2,640,000	100.00	264,000,000
09-06-2011	Bonus (75%)	3,960,000	100.00	396,000,000
	Before split	9,240,000		924,000,000
	After split	92,400,000	10.00	924,000,000
09-04-2012	Bonus (20%)	18,480,000	10.00	184,800,000
28-03-2013	Bonus (15%)	16,632,000	10.00	166,320,000
10-04-2014	Bonus (10%)	12,751,200	10.00	127,512,000
23-04-2015	Bonus (10%)	14,026,320	10.00	140,263,200
21-04-2016	Bonus (10%)	15,428,952	10.00	154,289,520
27-04-2017	Bonus (5%)	8,485,923	10.00	84,859,230
26-04-2018	Bonus (5%)	8,910,219	10.00	89,102,190
	Paid up capital	187,114,614		1,871,146,140

14 Share premium

This represents a premium of 50% over the par value of share received against the issue of 750,000 shares in 1994 amounting to BDT 3,750,000.

15 Statutory reserve

Balance as at January 01	1,024,050,000	985,050,000
Addition during the year	41,850,000	29,500,000
	1,065,900,000	1,024,050,000

This comprises of the cumulative balance of statutory reserve as required by section 8 of the Finance Company Act, 2023.

16 General reserve

Balance as on January 01	190,000,000	190,000,000
Transfer to retained earnings during the year	-	-
Transfer from retained earnings during the year	-	-
	190,000,000	190,000,000

17 Retained earnings

Balance as on January 01	152,290,986	131,744,572
Less: Cash dividend for last year	(112,268,768)	(93,557,307)
Less: Issue of bonus shares for last year	-	-
Add: Transfer from general reserve during the year	-	-
Less: Transfer to general reserve during the year	-	-
Balance remaining	40,022,218	38,187,265
Add: Net profit after taxation	209,225,514	143,103,721
Less: Transfer to statutory reserve during the year	(41,850,000)	(29,000,000)
	207,397,732	152,290,986



Amount in BDT

2024 2023

Worker's Profit Participation Fund (WPPF)

As per Bangladesh Labor Act 2006 (as amended in 2013) all companies fall within the scope of Worker's Profit Participation Fund (which includes Non-Banking Financial Institutions) are required to provide 5% of its profit before charging such expenses to their eligible employees within the stipulated time.

Ministry of Finance (MoF) and Bangladesh Bank (BB) have reviewed the law and proposed to the Ministry of Labor to exclude Banks and Non-Banking Financial Institutions from the requirements of the law regarding the provision of Worker's Profit Participation Fund and accordingly Ministry of Finance issued a letter on 14 February 2017 to the Ministry of Labor to waive Banks and Non-Banking Financial Institutions from the purview of the requirement(s) of the Bangladesh Labor Act 2013.

However, United Finance PLC maintained adequate retained earnings to keep required provision for Worker's Profit Participation Fund (from the year 2014 to 2024) subject to the final clearance from the Ministry of Labor since the matter stands unresolved.

18 Net asset value per share (NAV)

Total assets	28,015,568,405	28,818,520,963
Total liabilities	24,677,374,532	25,577,283,837
Net assets	3,338,193,872	3,241,237,126
Number of share outstanding (current year's)	187,114,614	187,114,614
Net asset value per share	17.84	17.32

Restated NAV:

Net assets	3,338,193,872	3,241,237,126
Number of ordinary shares as at 31 December	187,114,614	187,114,614
Restated NAV	17.84	17.32

19 Contingent liabilities**19.1 Letters of guarantee**

Letters of guarantee (Local)	-	-
Letters of guarantee (Foreign)	-	-
Foreign counter guarantees	-	-

Guarantees

The Company issues guarantees on behalf of customers. A financial guarantee represents an irrevocable undertaking that the Company will pay to third parties and it converts into lease or loan on the basis of an agreement with the customers. The maximum amount that the Company could be required to pay under a guarantee is its principal amount.

20 Profit and loss account**Income**

Interest, discount and similar income (note-20.1)	2,790,580,946	2,156,527,226
Dividend income (note-23)	130,781,091	109,803,530
Other operating income (note-24)	116,441,526	154,386,280
	2,947,803,563	2,420,717,036

Expenses

Interest, fee and commission etc. (note-22)	1,598,694,243	1,353,422,091
Administrative expenses (note-20.2)	679,637,921	628,873,310
Other operating expenses (note-34)	41,577,651	38,569,220
Depreciation on Company's fixed assets	82,410,117	84,495,189
	2,402,319,928	2,105,359,809
	545,483,634	315,357,236

20.1 Interest, discount and similar income

Interest income (note-21)	2,650,472,860	2,153,534,957
Interest on Government security (note-23)	49,193,925	17,893
Interest on bonds (note-23)	914,162	2,974,376
Discount income	-	-
Interest on debentures	-	-
	2,700,580,946	2,156,527,226

20.2 Administrative expenses

Salaries and allowances	586,265,376	547,561,360
Rent, taxes, insurance, electricity etc.	17,974,189	18,971,013
Legal expenses	24,814,770	25,888,550
Postage, stamp, telecommunication etc.	16,916,397	17,427,221
Stationery, printing, advertisement etc.	4,942,464	1,924,263
Managing Director's salary and benefits	9,200,000	1,250,000
Directors' fees	348,334	568,333
Auditors' fees	862,500	805,000
Repairs and maintenance of the Company's assets	16,313,891	14,477,569
	679,637,921	628,873,310



		Amount in BDT	
		2024	2023
21	Interest income		
	Lease	822,581,076	640,708,799
	Term loan and home loan	1,495,127,371	1,215,224,116
	Short term financing	117,071,817	86,005,384
	Total interest income	2,434,780,264	1,952,938,298
	Interest on deposit/balance with banks and other financial institutions	13,440,652	53,826,722
	Interest on deposits under lien for credit line facilities	202,251,944	146,769,936
		2,650,472,860	2,153,534,957
22	Interest paid on deposits, borrowings etc.		
	a) Interest paid on deposits		
	Deposits from other than banks and financial institutions	1,236,549,342	1,033,193,006
	Deposits from banks and financial institutions	-	16,402,778
	Interest bearing security deposits	24,861,075	3,582,109
		1,261,410,417	1,053,177,993
	b) Interest paid for borrowing		
	Bank loans	59,337,438	59,273,179
	Banladesh Bank refinance, prefinance & SME foundation refinance	129,562,945	129,457,109
	Overdraft	125,309,968	87,768,128
	Zero Coupon Bond	13,202,204	31,325,615
		327,412,555	287,824,031
	c) Interest expenses-lease liabilities		
		9,871,271	12,420,067
		9,871,271	12,420,067
		1,598,694,243	1,353,422,091
23	Investment income		
	Interest on Government security	48,193,925	17,893
	Interest on bonds	914,162	2,974,376
	Dividend on shares	130,781,091	109,803,130
		180,889,177	112,795,800
24	Other operating income		
	Reimbursement - invoice, disbursement processing, collection, documentation and other charges	87,265,658	119,145,148
	Early repayment premium	8,391,306	9,190,394
	Late payment interest	8,546,219	13,159,978
	Profit on sale of share	219,492	328,309
	Income from provident fund forfeited account (note-24.1)	1,287,585	441,701
	Miscellaneous earnings	10,737,266	12,121,159
		116,441,526	154,386,789
24.1	Income from provident fund forfeited account		
	The income is recognised as per section 1 of the Financial Reporting Council (FRC) circular no. 179 dated 07 July 2020. The amount comprises forfeited account balances of resigned employees who did not complete required years of employment with the Company to be eligible to receive employer's contribution part for the year 2021 and 2022.		
25	Salaries and allowances		
	Basic salary, provident fund contribution and all other allowances	510,236,360	514,997,519
	Festival and incentive bonus	76,029,016	32,563,842
		586,265,376	547,561,360
26	Rent, taxes, insurance, electricity etc.		
	Rent, rate and taxes (note-26.1)	202,784	519,929
	Insurance	7,641,774	8,578,575
	Electricity, gas and water	10,129,630	9,822,509
		17,974,189	18,971,013



		Amount in BDT	
		2024	2023
16.1 Movement of rent, rate and taxes:			
Rent expenses charged		40,254,480	39,864,448
Less: Reclassification of rent (as per IFRS 16 Leases)		40,051,696	39,344,518
Rent expenses reported		202,784	519,929
Movement of rent, rate and taxes have been included due to implementation of IFRS-16 Leases (office rent).			
27 Legal expenses			
Legal fees		22,136,320	20,888,689
Professional fees		2,678,450	4,959,861
		24,814,770	25,848,550
28 Postage, stamp, telecommunication etc.			
Stamp expenses		7,158,946	8,117,352
Postage and courier		893,385	795,795
Telephone, mobile and internet		8,864,066	8,514,074
		16,916,397	17,427,221
29 Stationery, printing, advertisements etc.			
Printing and stationeries		4,648,596	1,981,925
Publicity and advertisements		293,868	72,138
		4,942,464	1,924,263
30 Managing Director's salary and benefits			
Remuneration		7,700,000	1,880,000
Other benefits		1,500,000	250,000
		9,200,000	1,250,000
31 Directors' fees			
Directors' fees		348,334	568,333
		348,334	568,333
Directors' fees include fees for attending the meeting by the non-executive Directors. Each Director was paid @ Tk. 5,000 per meeting as attendance fee after deduction of tax.			
32 Auditors' fees			
Statutory audit fees (including VAT)		862,500	805,000
		862,500	805,000
33 Depreciation and repair of assets			
Depreciation - (Annexure-A)			
Furniture and fixture		7,983,967	8,120,446
Office equipment		42,720	39,440
Electrical equipment		21,626,002	23,906,648
System software		10,682,876	11,721,938
Motor vehicles		9,143,665	8,028,297
Office space		4,447,260	4,447,260
Right-of-use assets		28,485,621	28,231,160
		82,410,112	84,495,189
Repairs			
Maintenance of electrical equipment, office equipment, motor vehicle & other assets		18,313,891	14,477,569
		100,724,003	98,972,758

Movement of depreciation for Right-of-use assets has been included due to implementation of IFRS-16 Leases (office rent).



		Amount in BDT	
		2024	2023
34	Other expenses		
	Fees and subscriptions	2,955,127	2,203,760
	Bank charges & expense duty	4,935,814	6,898,207
	Entertainment	3,870,368	2,885,127
	Office expenses	6,562,946	7,866,324
	Business promotion expenses	10,670,977	8,507,125
	Annual General Meeting expenses	2,189,393	1,228,870
	Travelling and conveyance expenses	10,288,032	10,979,808
		41,577,651	38,569,220
35	Provision for lease, loans and advances		
	General provision on lease, loans and advances	25,245,906	484,670
	Special provision 2% (15% payment for deferral clients)	(1,371,910)	(3,130,007)
	Specific Provision on unclassified lease, loans and advances	(7,717,318)	(2,652,895)
	Specific Provision on classified lease, loans and advances	155,928,664	94,076,138
		172,085,342	88,777,406
36	Provision for taxation		
	Current tax		
	Corporate tax for the year on operating profit	148,049,819	104,540,150
	Less: Settlement of previous year's tax liability	-	(14,408,635)
		148,049,819	90,131,515
	Deferred tax		
	Deferred tax (note- 9.2)	(8,877,041)	(6,654,906)
		139,172,778	83,476,609
	Average effective tax rate		
	Operating profit before taxes	348,398,292	226,580,330
	Provision for taxation	139,172,778	83,476,609
	Effective rate (36.1)	39.95%	36.84%

36.1 Reconciliation of effective tax rate

	2024		2023	
	Percentage	Taka	Percentage	Taka
Profit before income tax as per profit and loss account		348,398,292		226,580,330
Income tax as per applicable tax rate	37.50%	130,649,360	37.50%	84,867,824
Net inadmissible expenses (due to difference between accounting & tax depreciation, lease/loan provision, gratuity provision and others)	11.38%	40,336,536	17.16%	38,878,429
Reduced tax due to tax rate being lower than business tax rate (dividend income @ 20% and capital gain on sale of shares @ 15%)	-6.58%	(22,936,077)	-8.52%	(19,305,903)
Settlement of previous years' tax liability	-	-	-6.36%	(14,408,635)
Deferred tax income	-2.55%	(8,877,041)	-2.94%	(6,654,906)
	39.95%	139,172,778	36.84%	83,476,609



		Amount in BDT	
		2024	2023
37 Earnings per share (EPS)			
Net profit after tax		209,225,514	143,103,721
Number of ordinary shares outstanding		187,114,614	187,114,614
Earnings Per share (EPS)		1.12	0.76
Restatements of EPS:			
Net profit after tax		209,225,514	143,103,721
Number of ordinary shares as on 31 December		187,114,614	187,114,614
		1.12	0.76
Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2024 as per International Accounting Standard 33 Earnings Per Share.			
38 Receipts from other operating activities			
Reimbursement - Invoice processing and collection costs		111,591,449	71,443,549
Early repayment premium		8,391,306	9,190,294
Late payment charges		8,540,219	13,159,978
Profit on sale of share		219,492	328,309
Income from provident fund forfeited account (note-24.1)		1,287,585	441,701
Miscellaneous earnings		10,737,256	12,121,159
		140,767,317	106,684,990
39 Payments for other operating activities			
Rent, taxes, insurance, electricity etc.		17,974,189	19,009,997
Repairs and maintenance		10,946,378	13,942,337
Travelling and conveyance expenses		10,288,032	10,979,808
Annual General Meeting expenses		2,189,393	1,128,870
Entertainment		3,870,368	2,855,127
Bank charges & excise duty		4,935,814	6,898,207
Fees and subscriptions		2,955,127	2,303,766
Office expenses		7,982,705	6,886,487
Directors' fees		348,334	568,333
		61,490,338	64,602,925
40 Net Operating Cash Flow Per Share (NOCFPS)			
Net cash flows from operating activities		798,807,845	142,293,554
Number of shares outstanding		187,114,614	187,114,614
NOCFPS		4.27	0.76
NOCFPS (Restated)		4.27	0.76
41 Reconciliation of Operating Activities of Cash Flows Statement			
Particulars			
Net Profit After Tax		209,225,514	143,103,721
Depreciation		82,410,112	84,495,188
Provision for lease, loans and advances		197,085,342	88,777,406
Written off during the year		(129,475,480)	(19,747,005)
Amount realised from written off clients		32,034,750	40,355,828
Provision for taxation		148,049,819	90,131,515
Profit on sale of fixed assets		(558,962)	(669,684)
Increase in short term loans		1,443,089,376	290,167,472
Decrease/(Increase) in lease, loans and advances		911,379,894	(156,143,065)
Income tax paid		(128,147,358)	(84,472,587)
Decrease in deposit and other accounts		(2,038,249,668)	(381,193,320)
Increase in other liabilities		17,760,518	195,597,245
Decrease/(Increase) in other assets		58,995,279	(158,109,162)
Increase in right-of-use assets		(2,791,291)	-
Cash flows from operating activities		798,807,845	142,293,554
42 Number of employees			
Number of employees who received less than BDT 3,000 per month		-	-
Number of employees who received an aggregate amount more than BDT 36,000 for the whole year or part of the year		829	862
		829	862



43. Related Party Disclosures

43.1 Particulars of Directors of the Company as on 31 December 2024

Sl	Name of Directors	Designation	Shareholding status
1.	Najmul Hasan	Chairman	2.49%
2.	Moinuddin Hasan Rashid	Director	4.99%
3.	Mahnoor Sultana Rashid	Director	4.99%
4.	Kutubuddin Akhter Rashid	Director	2.91%
5.	Khondaker Zayed Ahsan	Director	2.91%
6.	Kayes Khalil Khan	Director	Nominated by United Insurance Company Ltd. having share of 19.84%
7.	Ormaan Rafay Nizam	Director	Nominated by National Brokers Ltd. having share of 2.01%
8.	M. M. Alam	Independent Director	Not applicable; no shareholdings
9.	Professor Dr. Mahfuzul Hoque	Independent Director	Not applicable; no shareholdings
10.	Mohammad Rafiqul Islam	Managing Director	Not applicable; Ex-officio capacity

43.2 Name of Directors and their interest in different entities as on 31 December, 2024

Sl no.	Name of Directors	Status with United Finance PLC.	Entities where they have interest
1.	Najmul Hasan	Chairman	Member of Governing Body United College of Nursing Advisor Surbana Jurong Infrastructure Pte Ltd - Bangladesh
2.	Moinuddin Hasan Rashid	Director	Chairman 1. United Enterprises & Co. Ltd. 2. Unimart Limited 3. United Aygaz LPG Ltd. 4. United Sulpho-Chemicals Ltd. 5. United City Twin-Tower Developers Ltd. 6. United Healthcare Services Ltd. 7. Eco Life Resort Ltd. 8. Neptune Commercial Ltd. 9. Orange Solutions Ltd. 10. United Tank Terminal Ltd. 11. United Land Port Teknaf Ltd. 12. United Purbachal Land Ltd. Managing Director 1. United Power Generation & Distribution Company Ltd. 2. United Mymensingh Power Ltd. 3. United Property Solutions Ltd. 4. Ippo Developments (Bangladesh) Ltd 5. Ippo Hotels Limited 6. United Chattogram Power Ltd. 7. United Lube Oil Ltd. 8. United Makkah Madina Travels & Assistance Co. Ltd. 9. United Professional Services Ltd. 10. United Payra Power Ltd. Director 1. Dhaka Indenting Ltd 2. Neptune Land Development Ltd. 3. Khulna Power Company Ltd 4. Leviathan Global BD Ltd. 5. Shaji Enterprise Ltd. 6. United Ashuganj Energy Ltd. 7. Moulvi Tea Company (PRIVATE) Ltd. 8. United Elevator World Ltd 9. United Engineering & Power Services Ltd. 10. United Polymers Limited 11. United Securities Limited 12. United Shipping And Logistic Services Ltd. 13. United Medical College Hospital Ltd



Sl no.	Name of Directors	Status with United Finance PLC.	Entities where they have interest
3.	Mahnoor Sultana Rashid	Director	Chairman Saadatia Sweaters Ltd.
4.	Kutubuddin Akhter Rashid	Director	Director 1. United Power Generation & Distribution Company Ltd. 2. United Healthcare Services Ltd. 3. United Ashuganj Energy Ltd. 4. United Payra Power Ltd. 5. United Lybe Oil Ltd. 6. United Chattogram Power Ltd. 7. Neptune Land Development Ltd. 8. United Shipping And Logistic Services
5.	Khondaker Zayed Ahsan	Director	Chairman Gunze United Ltd. Managing Director Dhaka Indenting Ltd Director 1. United Enterprise & Co. Ltd. 2. United Pharma & Healthcare Ltd. 3. United Sulpho-Chemicals Ltd. 4. United Healthcare Services Ltd. 5. Eco Life Resort Ltd. 6. United Power Generation & Distribution Company Ltd. 7. United Ayyaz LPG Ltd.
6.	Kayes Khalil Khan	Director	Chairman United Securities Limited Executive Director United Enterprises & Co. Ltd.
7.	Ormeen Rafay Nizam	Director	Managing Director National Brokers Ltd. Director Chittagong Warehouse Ltd.
8.	M. M. Alam	Independent Director	-
9.	Professor Dr. Mahfuzul Hoque	Independent Director	Director 1. Power Grid Company of Bangladesh Limited 2. Japan Society of Organization and Accounting
10.	Mohammad Rafiqul Islam	Managing Director	-



43.3 Significant Contract where the Company is the party and wherein Directors have interest
As on 31 December 2024 no such contract exists.

43.4 Share issued to Directors and executives without consideration or exercisable at a discount.
As on 31 December 2024 no such share issue exists.

43.5 Transaction with Directors and their related entities

Name of the Party	Related by	Nature of transaction	Amount
United Tank Terminal Ltd.	Common Director	Investment in preference share	153,133,297
National Brokers Limited	Common Director	Term Deposit	105,335,647
United Insurance Company Limited	Sponsor Shareholder	Lease	2,906,609
		Term Deposit	11,000,000
		Insurance premium	238,155
National Brokers Limited Provident Fund	Related concern of National Brokers Limited	Term Deposit	39,570,679
United Insurance Company Limited Employees Gratuity Fund	Related concern of United Insurance Co. Ltd.	Term Deposit	3,000,000
United Engineering And Power Services Ltd. Employee's (Contributory) Provident Fund	Related concern of United Engineering And Power Services Ltd.	Term Deposit	32,874,531
Chittagong Warehouses Limited Staff Provident Fund	Related concern of Chittagong Warehouses Limited	Term Deposit	6,000,000
United Finance Limited Employees Gratuity Fund	Related concern of United Finance PLC.	Term Deposit	10,928,960
United Finance Limited Employees Provident Fund	Related concern of United Finance PLC.	Term Deposit	28,094,701

43.6 Lending policy to related parties

Related parties are allowed lease, loans and advance as per credit policy of the Company on arm's length basis

43.7 Investment in the Securities of Directors and their related concerns

As on 31 December 2024 no such investment exists.



44 Commitment

Capital expenditure

There was no capital expenditure contracted but not incurred or provided for at 31 December 2024 (2023: Nil).

Commitment to lend

Under a lease/loan commitment the Company agrees to make funds available to customers in the future. Lease/loan commitments, which are usually for a specified term may be unconditionally cancellable or may persist, provided all conditions in the lease/loan facility are satisfied or waived. At the end of the year 2024, the Company had BDT 2,573,418,306 commitment with customers (2023: BDT 1,006,614,329).

45 Claim against Company not acknowledged as debt

Unsettled income tax returns/appeals are under process for assessments/settlement with the National Board of Revenue and honorable Supreme Court (High Court Division and Appellate Division). However, no such final judgment/order has been received from honorable Supreme Court (High Court Division and Appellate Division) which may go against the Company.

Except above, there was no such claim against the Company which required to be acknowledged as debt at 31 December 2024.

46 Proposal of dividend

The Board of Directors has recommended a cash dividend of BDT 1.00 per ordinary share (2023: @ BDT 0.60 per ordinary share) i.e. a total of BDT 18.71 million for 187.11 million ordinary shares held on the record date 21 May 2025.

47 Dividend Remitted to non-resident shareholders

An amount of Tk. 19,972,627.34 equivalent to GBP 131,658.02 (2022: Tk. 16,581,564.45 equivalent to GBP 119,237.19) was remitted to non-resident shareholder as dividend for the year 2023.

48 Foreign currency transactions

There were no foreign currency monetary transactions during the reporting year that would give rise to gains or losses in the profit and loss account.

49 Collection of Audited Financial Statements during sanction or renewal of Lease/Loan facility

Bangladesh Bank in its DFIM Circular no 08 dated 17 August 2021 instructed the financial institutions to obtain and preserve audited financial statements for loans and advances sanctioned/renewed to public interest entity.

In 2024, United Finance sanctioned around 1,581 clients who are in the Cottage, Micro, Small and retail segment. These segments were exempted from mandatory submission of Audited Financials up to December 2024 as per DFIM Circular letter No. 03 dated 13 February 2023.

In addition, United Finance also sanctioned around 312 clients in 2024 who are in the medium and large segment. Out of this 312 clients, audited financial statements were obtained and preserved for 120 clients during sanction. Rest are yet to complete the statutory audit of their financial statements.



50 Disclosure on Audit Committee

a. Constitution of Audit Committee:

The Audit Committee of the Board was duly constituted by the Board of Directors in compliance with the requirements of DFIM Circular # 01 dated 29 February 2024 and Bangladesh Securities and Exchange Commission (BSEC) condition # 5 of the notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2010.

The Board of Directors of the Company in its 226th meeting dated 31 July 2024 elected the following members in the Audit Committee for a period of 3 years:

Sl.	Name	Status in the Company	Status with Committee	Educational Qualification
1	M. H. Alam	Independent Director	Chairman	MBA & Chartered Accountant
2	Ormaan Rafay Nizam	Director	Member	Graduate, UK
3	A.F.M.M Samad Choudhury	Director	Member	Mechanical Engineer
4	Sharmi Noor Nehar	Company Secretary	Secretary	Chartered Secretary

b. Meeting of Audit Committee:

The Audit Committee of the Board conducted 4 (Four) meetings in the year 2024. On invitation, Company's Managing Director, Deputy Managing Director, Chief Financial Officer (CFO), Head of Internal Audit and Compliance, Chief Risk Officer (CRO) and Head of Special Assets Management attended the meeting to meet the queries of the Audit Committee and take directives for improvement.

c. Responsibilities executed by the Audit Committee

During 2024, the Audit Committee discharged following responsibilities:

- Met with the external Auditors for discussion on the Company's draft Audited Financial Statements for the year 2023
- Reviewed the Company's draft financial statements for the year ended on December 31, 2023 and recommended that the same be placed before the Board for approval
- Recommended that the report of the Committee be adopted by the Board for publishing in the Annual Report 2023
- Advised the Board on the appointment of external auditors for the year 2024 and their audit fee
- Advised the Board on the appointment of professional for certification on compliance of Corporate Governance for the year 2024 and their professional fee
- Reviewed the management discussion and analysis and recommended that the same be placed to the Board for approval
- Reviewed the quarterly financial statements and recommended that the same be placed to the Board for approval
- Reviewed the quarterly reports on Risk Management Forum
- Reviewed the quarterly report on Internal Control and Compliance
- Reviewed the quarterly report on development of pending legal cases
- Reviewed the quarterly report on wilful defaulter related information
- Reviewed the Management Report of the external auditors for the year 2023 along with the management responses on the Company's internal control
- Reviewed and approved the Operational Guidelines on Internal Control and Compliance
- Reviewed and approved the Compliance Calendar 2025
- Reviewed the Lease/Loan Write Off cases



51 Highlights on the overall activities

Sl no.	Particulars		2024	2023	Growth (%)
1	Paid-up capital (note-13.2)	MBDT	1,871.15	1,871.15	-
2	Total Eligible capital (note-13.3)	MBDT	3,498.05	3,383.57	3.38%
3	Capital surplus (note-13.3)	MBDT	1,732.50	1,426.90	21.42%
4	Total assets	MBDT	28,015.57	28,818.52	-2.79%
5	Total Term deposits (note-11.1)	MBDT	11,367.86	13,697.88	-17.01%
6	Total lease, loans and advances (note-7.1)	MBDT	19,463.36	20,376.74	-4.48%
7	Total contingent liabilities and commitments (note-19)	MBDT	-	-	-
8	Loan to deposit ratio (note-7.1/note-11.1)		1.71	1.49	15.10%
9	Percentage of classified lease, loans and advances against total leases, loans and advances (note-7.9)	(%)	4.98	4.84	2.91%
10	Profit after tax and provision	MBDT	209.23	143.10	46.21%
11	Amount of loans classified during the year	MBDT	969.22	985.99	-1.70%
12	Provisions kept against classified loans (note-12.5)	MBDT	589.72	531.23	11.01%
13	Provision surplus (note-12.5)	MBDT	11.08	0.34	3178.78%
14	Cost of fund	(%)	8.37	6.41	30.58%
15	Interest earning assets	MBDT	24,578.45	25,199.48	-2.46%
16	Non-interest earning assets	MBDT	3,437.11	3,619.04	-5.03%
17	Return on Equity (ii)	(%)	6.36	4.45	42.95%
18	Net Return to total earning assets	(%)	0.85	0.57	49.90%
19	Return on total assets (ii)	(%)	0.74	0.51	44.06%
20	Income from investment in shares and bonds (note-23)	MBDT	180.89	112.80	60.37%
21	Earnings per share (iii)	BDT	1.12	0.76	46.21%
22	Net income per share (iii)	BDT	1.12	0.76	46.21%
23	Price earning ratio (iv)	Times	11.98	20.86	-41.99%

MBDT= Bangladeshi Taka in Million, BDT= Bangladeshi Taka

i. Return on equity is calculated based on average equity.

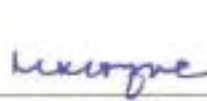
ii. Return on assets is calculated based on average assets.

iii. Restated EPS

iv. Since United Finance PLC. does not have any minority interest, EPS and net income per share remain same.

v. Based on December 31 market price of the respective year.


Mohammad Rafiqul Islam
 Managing Director


Professor Dr. Mahfuzul Hoque
 Independent Director


Kayes Khalil Khan
 Director


Najmul Hasan
 Chairman

Dhaka, Bangladesh
 Dated: 28 April 2025



Annexure - A
(From note - B)

Fixed assets including land, building, furniture & fixtures - for 2024

	Furniture & fixture	Office equipment	Electrical equipment	Software	Motor vehicle	Office space	Right-of-use assets	Total
(Amount in BDT)								
Cost.								
Balance at 01 January, 2024	126,712,879	589,601	187,598,986	46,283,157	58,207,786	177,890,411	220,913,801	818,211,620
Addition during the year	747,087	67,405	13,149,725	-	13,526,250	-	2,791,291	30,281,758
Disposals/adjustment	(1,525,694)	-	(13,177,705)	-	(10,729,425)	-	(1,158,969)	(26,591,797)
Balance at 31 December, 2024	125,949,272	657,006	187,571,001	46,283,157	61,004,610	177,890,411	222,546,124	821,901,582
Accumulated depreciation								
Balance at 01 January, 2024	99,324,262	466,035	132,128,952	26,460,780	33,210,518	27,054,168	114,831,743	433,476,458
Charge for the year	7,981,967	42,720	21,626,002	10,682,876	9,143,665	4,447,260	28,485,621	82,410,117
Disposals/adjustment	(1,380,690)	-	(13,037,166)	-	(7,637,150)	-	(1,158,969)	(23,213,974)
Balance at 31 December, 2024	105,925,539	508,756	140,717,788	37,143,656	34,717,033	31,501,429	142,158,395	492,672,596
WDV at 31 December, 2024	20,023,733	148,250	46,853,214	9,139,501	26,287,577	146,388,982	80,387,729	329,228,986

Fixed assets including land, building, furniture & fixtures - for 2023

	Furniture & fixture	Office equipment	Electrical equipment	Software	Motor vehicle	Office space	Right-of-use assets	Total
(Amount in BDT)								
Cost.								
Balance at 01 January, 2023	125,636,766	589,601	181,725,498	44,808,157	52,759,756	177,890,411	220,913,801	804,323,989
Addition during the year	2,807,179	-	6,229,313	1,475,000	18,066,645	-	-	28,578,137
Disposals/adjustment	(1,716,065)	-	(355,825)	-	(12,618,615)	-	-	(14,690,505)
Balance at 31 December, 2023	126,727,879	589,601	187,598,986	46,283,157	58,207,786	177,890,411	220,913,801	818,211,620
Accumulated depreciation								
Balance at 01 January, 2023	92,893,724	426,595	108,562,799	14,738,842	31,891,057	22,606,908	86,600,583	357,720,508
Charge for the year	8,120,446	39,440	23,906,646	11,721,938	8,028,297	4,447,260	28,251,160	84,495,189
Disposals/adjustment	(1,689,908)	-	(340,495)	-	(6,708,836)	-	-	(8,739,239)
Balance at 31 December, 2023	99,324,262	466,035	132,128,952	26,460,780	33,210,518	27,054,168	114,831,743	433,476,458
WDV at 31 December, 2023	27,403,617	123,566	55,470,034	19,822,377	24,997,268	150,836,243	106,082,058	384,735,163

