

# Annual Report 2024

## Financial Inclusion and Sustainability



UNITED FINANCE

*aiming to serve better...everyday*



# ৩৬

বছরের  
পথচলা

## দেশ বিনির্মাণে অবদান রেখে আসছে ৩ যুগ ধরে

আস্থা ও সেবার বন্ধনে অটুট থাকুক  
আগামী দিনগুলো ইউনাইটেড ফাইন্যান্স এর সাথে

সাস্টেইনাবিলিটি রেটিং ২০২৩



দেশব্যাপী বিস্তৃত অফিস নেটওয়ার্ক



AA ক্রেডিট রেটিং







## DECLARATION ON SUSTAINABILITY

Sustainability outlines organization's commitment to sustainability and includes goals, initiatives, and a plan for continuous improvement towards sustainable development. United Finance PLC is committed to a sustainable future while harnessing opportunities and proving facilities with loyalty and perseverance that can weather even be the most difficult challenges, we will practice and ensure our continuous endeavour for sustainability from both the micro and macro perspective. Even in the macro-economic turmoil, we, at United Finance, remained straight forward in our dedication towards sustainable growth.

Our journey in 2024, we focused on the symbolized steps which impacted positively on global warming, sustaining industrialization and economic growth with minimizing environmental negative impact. Every steps of our organization focused on the wellbeing of stakeholders like employees, customers, suppliers, communities, member of societies from the perspective of longer-term and global sustainability. In the face of global environmental challenges, it is important to realize that even small actions can contribute to positive change, instilling hope for a better future. With a small step towards sustainability, facing operating challenges, United Finance in collaboration with innovation, creativity and dedicated team deployment, remained and will remain committed in the future to maintain a growth, sustainable planet and liveable world.



# UNITED FINANCE AT A GLANCE

United Finance PLC, established in 1989, is one of the leading Non-Bank Financial Institutions (NBFIs) in Bangladesh, with over 35 years of operational excellence. We maintain a robust presence across all 64 districts through a network of 25 offices and a team of over 694 skilled professionals. Our widespread footprint across urban and rural areas ensures accessible and inclusive financial services nationwide.

Guided by a commitment to responsible finance and sustainable development, we offer a diversified portfolio that includes lease financing, term loans, home loans, personal loans, deposit products, credit-sale financing, and other tailored retail solutions. Our services cater to a wide range of clients, including individuals, SMEs, and corporates, helping foster inclusive economic progress.

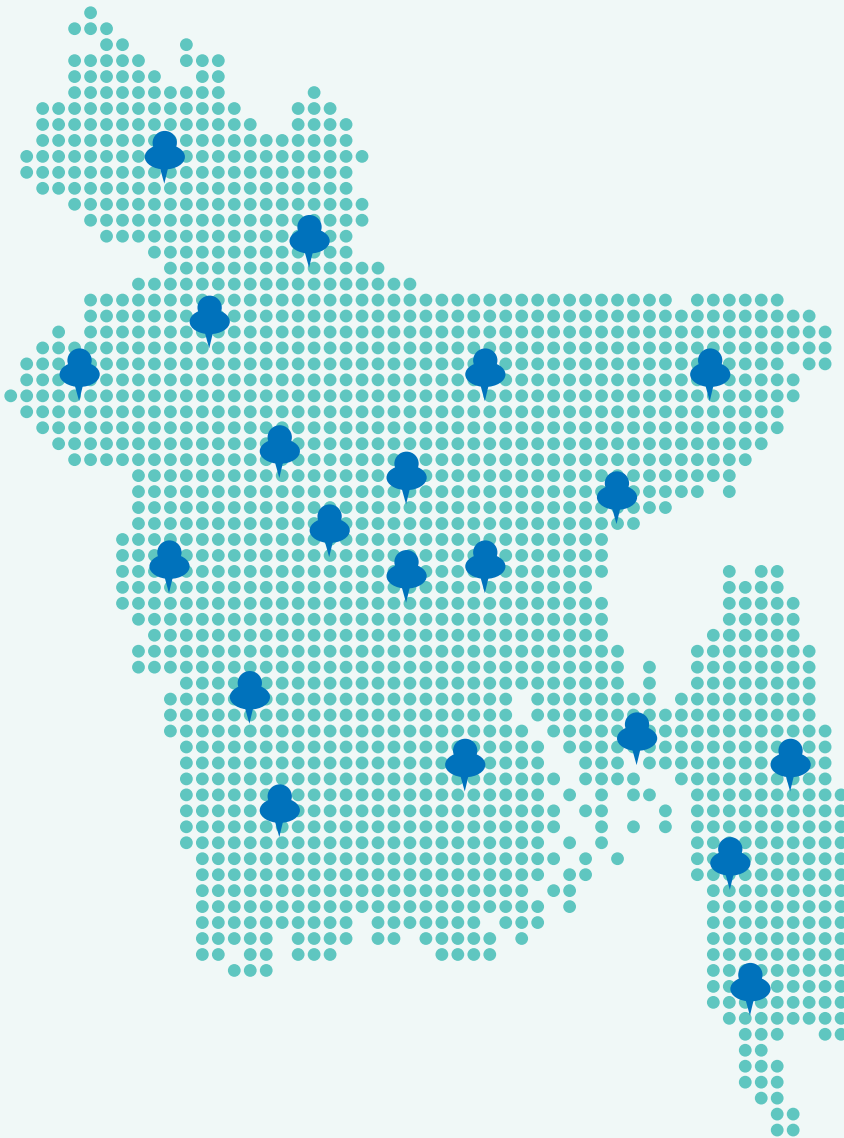
Backed by the strategic leadership of prominent directors of United Group, a leading conglomerate in Bangladesh, we uphold

high standards of corporate governance and stability. This strong foundation enables us to consistently meet the evolving needs of our customers while ensuring trust and accountability.

At United Finance, sustainability is not a slogan—it is a strategic imperative. We champion environmental stewardship, social responsibility, and ethical governance through initiatives such as plastic-free operations, energy-efficient practices, and green financing.

We are deeply invested in empowering communities, driving financial inclusion, and creating shared value—one investment, one initiative, and one customer at a time. Through ongoing digital innovation, operational efficiency, and a customer-first mindset, United Finance PLC continues to shape a resilient and inclusive financial future for Bangladesh.

Balance Sheet Size: 28.02 Bn	Number of Branch : 23
District Covered : 64	Number of Employees : 694



# WHAT DIFFERENTIATES UNITED FINANCE PLC

01

## Best NBFi

United Finance is one of the best finance companies ranked in last year based on sustainability by Bangladesh Bank.

02

## 36 Years of legacy

The Company is carrying a good reputation among all stakeholders for around 36 years starting from its incorporation.

03

## Good Governance & ESG Leadership

United Finance is practicing highest level of corporate governance and always focused on ESG which are reflected in its every strategy and forward looking decision.

04

## 690+ Employees

The Company is a good place to work, and the long serving employees of the organization proves its compatible working place and good corporate culture.

05

## Credit Rating

United Finance PLC has a Credit Rating of "AA" in Long Term Rating and "ST-2" in Short Term Rating, meaning strong capability to financial commitment.

06

## Strong Liquidity

United Finance PLC maintaining strong liquidity reflected in its regular payment and strong positive cash flows in Financial Statements.

07

## Leading Portfolio Quality

United Finance has the leading quality portfolio in the industry, presenting significantly lower than market average.

08

## Strong Brand Name

In the industry United Finance carries a strong brand name with customer loyalty, high level confidence, and satisfaction.

09

## Sustaining Distribution Network

We have strong distribution network covering all 64 districts of business and customer services.



বিল্ড - আপ ডিপোজিট

আজকের **সঞ্চয়** মানেই  
প্রজন্ম থেকে প্রজন্মের  
সমৃদ্ধ জীবন





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# KEY HIGHLIGHTS

**OVER 35 YEARS**  
of Excellence in Financial  
Services, Empowering  
Bangladesh

**19.81%**  
Capital Adequacy Ratio

**209.23 Mn**  
Net Profit After Tax

**4.98%**  
NPL Ratio

2024	209
2023	143
2022	143

NPAT Trend

**690+**  
Total Employee

**16,000+**  
Total Customer

**395.81 MN**  
Contribution to Government  
exchequer through payment of  
Tax, VAT and Excise Duty

**19,800+**  
CSR Beneficiaries

**AA**  
Long Term Credit Rating Score  
Short Term - ST2  
Outlook - Stable

**Top Non-Bank  
Financial Institution**  
Recognised by Bangladesh  
Bank in Sustainability  
Rating





# Integrated Reporting

# INTEGRATED REPORT

Our Annual Integrated report provides a detail preview of value addition impacting economy, environment and society over time through financial and non-financial information. United Finance PLC has adopted an Integrated Reporting (IR) approach in line with global best practices to provide a comprehensive, transparent, and forward-looking narrative of how the Company creates value over time. This approach reinforces our commitment to accountability, transparency, strategic clarity, and stakeholder inclusivity.

## Reflection of the Integrated Report

United Finance PLC’s Integrated Report is organized into four key segments—Financial Statements, Board of Directors’ Report, Risk Management Report, and Sustainability Report—providing a comprehensive view of the Company’s performance, governance, and long-term value creation.



- Financial Statements present the complete set of audited financial results, offering a transparent view of the Company’s financial performance, position, and cash flows in accordance with applicable accounting standards.
- Board of Directors’ Report offers insights into both global and domestic economic developments, the Company’s strategic direction, business performance, and sustainability initiatives, reflecting the Board’s stewardship and outlook.
- Risk Management Report outlines the key risks and uncertainties faced by the Company and details the frameworks and mitigation strategies adopted to ensure operational resilience and regulatory compliance.
- Sustainability Report highlights material ESG (Environmental, Social, and Governance) matters, illustrating how the Company integrates sustainability into its business model to create long-term stakeholder value.

## Scopes and boundary

This Integrated Annual Report of United Finance PLC has been prepared in accordance with the guiding principles of the International Integrated Reporting Council (IIRC) framework, taking into account applicable regulatory frameworks and international best practices. The report covers the period from 1 January 2024 to 31 December 2024 and sets out a comprehensive and interconnected view of the Company’s financial, operational, strategic, environmental, and governance performance.

The reporting scope is limited to United Finance PLC’s domestic operations within the geographical boundary of the People’s Republic of Bangladesh, as the Company does not operate any

branches, subsidiaries, joint ventures, or affiliated entities outside the country. Accordingly, this report exclusively reflects the activities, risks, and outcomes relevant to its operations under the regulatory purview of Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Registrar of Joint Stock Companies and Firms (RJSC), and other relevant authorities.

This report conforms to the requirements of the Finance Company Act, 2023, the Companies Act, 1994, and the Securities and Exchange Rules, 1987, by disclosing all material operational, governance, and compliance aspects, including statutory responsibilities, risk exposures, and governance structure. In addition, the report satisfies the governance disclosure expectations outlined in the BSEC Corporate Governance Code, 2018, ensuring transparency and accountability to shareholders and stakeholders.

In line with IFRS S1 and S2, issued by the International Sustainability Standards Board (ISSB), the report includes disclosure of significant sustainability-related risks and opportunities that could reasonably be expected to affect the Company’s financial position, performance, and prospects. Further, following the TCFD recommendations, the Company discloses information related to governance oversight, strategy resilience, risk management, and relevant metrics and targets pertaining to climate-related financial risks and environmental impact.

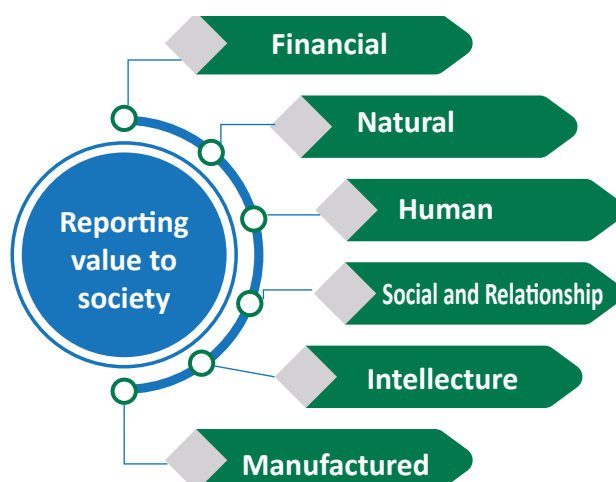
The boundary of this report has been determined through a rigorous materiality assessment process, in accordance with Integrated Reporting principles, that identifies and prioritizes issues which substantively affect the Company’s ability to create, preserve, or erode value over the short, medium, and long term. The report also incorporates insights gathered from stakeholder engagements, regulatory developments, and evolving market expectations.

## Comparability

The information presented in this report covers all material aspects of our business strategy, risk management practices, and key areas of importance to our stakeholders. While the foundational elements remain consistent with the Annual Report 2023, the disclosures, structure, and overall presentation have been significantly enhanced this year. These improvements reflect our continued commitment to transparency and to strengthening our communication with stakeholders.

## Materiality Matters

At United Finance PLC, the content of our Integrated Annual Report (IAR) is guided by the principle of materiality, ensuring that we report on the issues that matter most to our stakeholders and long-term value creation. This report highlights the key risks, opportunities, macroeconomic trends, and contextual factors that influence our performance and sustainability across the six capitals—Financial, Manufactured, Intellectual, Human, Social & Relationship, and Natural. These capitals form the foundation of our business model and reflect the resources and relationships that drive our ability to generate sustainable value. Materiality assessment is demonstrated in the page 14.



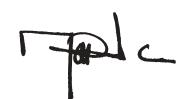
## Endorsements

During the reporting period under review, the Company secured external assurance on the following reports, ensuring the reliability, transparency, and integrity of the disclosed information in compliance with regulatory standards, stakeholder requirements and voluntary purposes:

SL.	Description of Report	External Assurance
1.	Audited Financial Statements	A. Qasem & Co.- Chartered Accountants
2.	Certification of Corporate Governance	Hoque Bhattacharjee Das & Co.,
3.	Audited Financial Statements of United Finance Limited Employees' Provident Fund	Snehasish Mahmud & Co.
4.	Audited Financial Statements of United Finance Limited Employees' Gratuity Fund	Snehasish Mahmud & Co.
5.	Actuarial Valuation of Gratuity Fund	Air Consulting, an actuarial firm
6.	Certification on Dividend Remittance to Foreign Shareholders	A. Qasem & Co. – Chartered Accountants

## Acknowledgement

I, on behalf of the Board of Directors of United Finance PLC, acknowledge our responsibility for ensuring the integrity of this Integrated Annual Report. The Report has been prepared with reasonable care, and we assure that it addresses all material matters relevant to the business and its stakeholders. It presents a fair, balanced, and comprehensive account of the Company's strategy, governance, financial and non-financial performance, and its value creation efforts across the six capitals. The Board remains committed to upholding transparency, accountability, and regulatory compliance in all disclosures contained herein.



**Mohammad Rafiqul Islam**  
Managing Director

## Availability of the Annual Report

In accordance with regulatory requirements, a copy of the Annual Report of United Finance PLC is duly dispatched to all shareholders ahead of the Annual General Meeting, ensuring stipulated notice period. Additionally, to facilitate broader stakeholder access, the Annual Report is also made available on the Company's official website at: [www.ufplc.com](http://www.ufplc.com).

For ease of access, stakeholders may also scan the QR code provided herein to directly download the Annual Report.





# MATERIALITY DETERMINATION AND REPORTING

At United Finance, we initiate our materiality process through integrated thinking—analyzing interdependencies across our operations and the capitals we employ. This approach ensures we identify and disclose critical matters that influence our long-term value creation while maintaining organizational strength.

## Material Matters: Our Value Foundation

Material issues significantly shape our ability to create sustainable value as a non-banking financial institution. These influence strategic decisions made by our Board and executive leadership.

### Internal Inputs

- Relevant Departmental Heads
- Management Committee
- Board of Directors

### External Inputs

- Stakeholder feedback
- Compliance with international reporting standards

### Our Approach

- **Identify:** Engaging with stakeholders across platforms
- **Monitor & Review:** Regular updates through key committee meetings
- **Prioritize & Act:** Management KPIs and strategic allocation
- **Disclose:** Reporting with transparency and clarity

### Stakeholder-Centric Reporting

This report primarily serves our current and prospective investors and regulatory bodies in Bangladesh. It is also a valuable resource for stakeholders evaluating our role in creating shared financial and societal value.

## Key Material Themes and Actions

### Digital Transformation

**Risks:** Integration of digital tools raises operational, legal, and cybersecurity concerns.

**Opportunities:** Technological innovation enhances user experience and builds trust.

**Our Strategy:** Customer Centricity, Financial Inclusion

**Actions:** Digital savings schemes, SME support via tech-driven inclusivity

**Capitals:** Financial, Intellectual, Manufacturing

### Macroeconomic & Geopolitical Environment

**Risks:** Inflation and fiscal instability disrupt growth.

**Opportunities:** Strategic positioning during economic shifts.

**Strategy:** Business sustainability, Diverse funding

**Actions:** Neutral political stance, value-added offerings

**Capitals:** Financial

### Data Governance & Cybersecurity

**Risks:** Elevated digital footprint demands enhanced data control.

**Opportunities:** Fraud mitigation, enhanced analytics

**Strategy:** Infrastructure development, Risk management

**Actions:** Active Cybersecurity Committee, system audits

**Capitals:** Manufacturing

### Employee Safety, Culture, and Well-being

**Risks:** Poor workplace safety affects morale, retention, and costs.

**Opportunities:** Engaged workforce drives growth.

**Strategy:** Holistic Employee Development

**Actions:** Building agile and empowered teams

**Capitals:** Human, Intellectual

### Sustainable Business Practices

**Risks:** ESG neglect may lead to regulatory and climate-related threats.

**Opportunities:** Efficiency, stakeholder trust, long-term sustainability

**Strategy:** ESG-aligned growth

**Actions:** Sustainable portfolio grew 3.20%, new policy per Bangladesh Bank

**Capitals:** Financial, Natural

### Shareholders' Rights and Returns

**Risks:** Weak shareholder engagement can deter investment.

**Opportunities:** Boost reputation, access capital at lower costs

**Strategy:** Transparent governance

**Actions:** Strong investor communication, 36 years of expertise

**Capitals:** Financial, Social & Relationship

### Customer Satisfaction

**Risks:** Dissatisfaction lowers loyalty and revenue

**Opportunities:** Cross-selling, operational efficiency

**Strategy:** Financial Inclusion

**Actions:** Enhanced customer care and digital experiences

**Capitals:** Financial, Social & Relationship

### Prevention of Financial Crime

**Risks:** Digital assets introduce laundering risks

**Opportunities:** Trust and resilience through strong controls

**Strategy:** Risk Management, Leadership Synergy

**Actions:** AML/CFT compliance, internal controls

**Capitals:** Financial

### Financial Inclusion

**Risks:** Economic disparity restricts access

**Opportunities:** Tech-enhanced access for underserved communities

**Strategy:** Inclusive finance

**Actions:** UMA- Mobile Application based account opening  
Digital outreach

**Capitals:** Financial, Manufacturing, Social

### Regulatory Compliance

**Risks:** Non-compliance may result in sanctions, reputational harm

**Opportunities:** Operational transparency, market access

**Strategy:** Risk Management

**Actions:** Regulatory alignment, community engagement via CSR

**Capitals:** Intellectual, Social & Relationship

# MATERIALITY MATRIX

Stakeholders	Strategic Objectives	Key Material Issues
Customers	Customer-centric solutions, Financial inclusion	Customer Satisfaction, Digital Transformation
Regulators	Effective risk and compliance frameworks	Regulatory Compliance, Financial Crime Prevention
Community	Sustainable business development	ESG Practices, Financial Inclusion
Shareholders	Long-term returns, transparency	Shareholder Rights, Macroeconomic Strategy
Employees	Holistic development, safety and wellness	Workplace Culture, Cybersecurity
Service Providers	Synergistic partnerships	Operational resilience
Environment	Responsible growth, sustainable finance	ESG Alignment, Natural Capital Impact



**The Company**



# EMPOWERING A LEGACY OF SUSTAINABILITY

In a landscape of evolving economic challenges, at United Finance PLC we stand firm in our unwavering commitment to a sustainable future. We believe that true progress transcends financial success, demanding a responsible approach that harmonizes economic growth with environmental stewardship and social well-being.

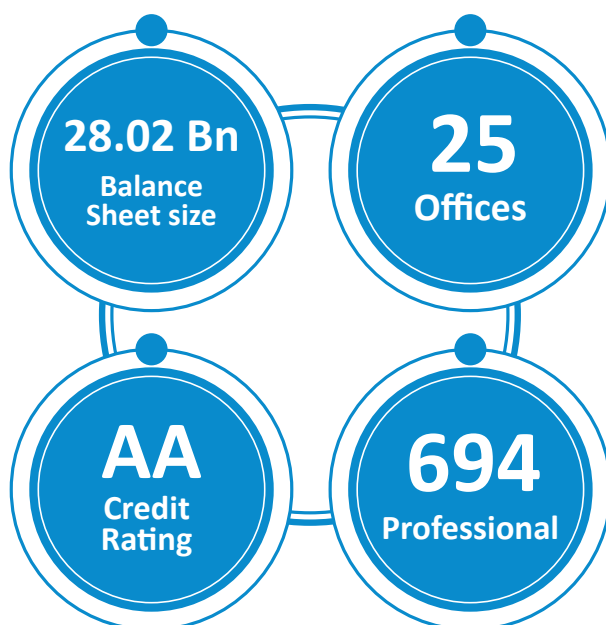
Our journey is one of building a legacy of sustainability, brick by brick, initiative by initiative. We recognize that even the smallest steps, like our plastic-free workplace initiative or our focus on energy efficiency, contribute to a larger, more impactful change. We are not just adapting to the changing world; we are actively shaping it.

Like the resilient roots of a mangrove, our commitment to sustainability runs deep, anchoring us in our mission to create lasting value for our stakeholders and the communities we serve. We are dedicated to empowering entrepreneurs, fostering financial inclusion, and investing in green technologies, all while upholding the highest standards of ethical governance.

At United Finance PLC, we are not just envisioning a sustainable future; we are building it, today. We are empowering a legacy of sustainability, one investment, one initiative, one community at a time.

## United Finance At A Glance Company Overview

United Finance PLC, established in 1989, has evolved into one of Bangladesh's leading Non-Banking Financial Institutions (NBFI). With over 35 years of experience, we maintain a strong presence across all 64 districts through a network of 25 offices and a highly skilled team of more than 694 professionals. Our widespread operations in both urban and rural areas ensure broad accessibility and convenience for our customers



## Company Profile

Established with a vision to drive financial inclusion and economic progress, United Finance PLC offers a diverse range of financial products and services. We are dedicated to advancing financial inclusion, responsible lending, and sustainability. Leveraging cutting-edge technology and continuously refining our offerings, we aim to deliver exceptional service, generate lasting value, and contribute to sustainable growth in the communities we serve.

Our major shareholders include prominent directors of United Group, a renowned conglomerate in Bangladesh, strengthening our corporate governance and commitment to sustainable growth. Their strategic leadership enables us to maintain stability, build trust, and continuously expand our financial services to meet the evolving needs of our diverse clientele.

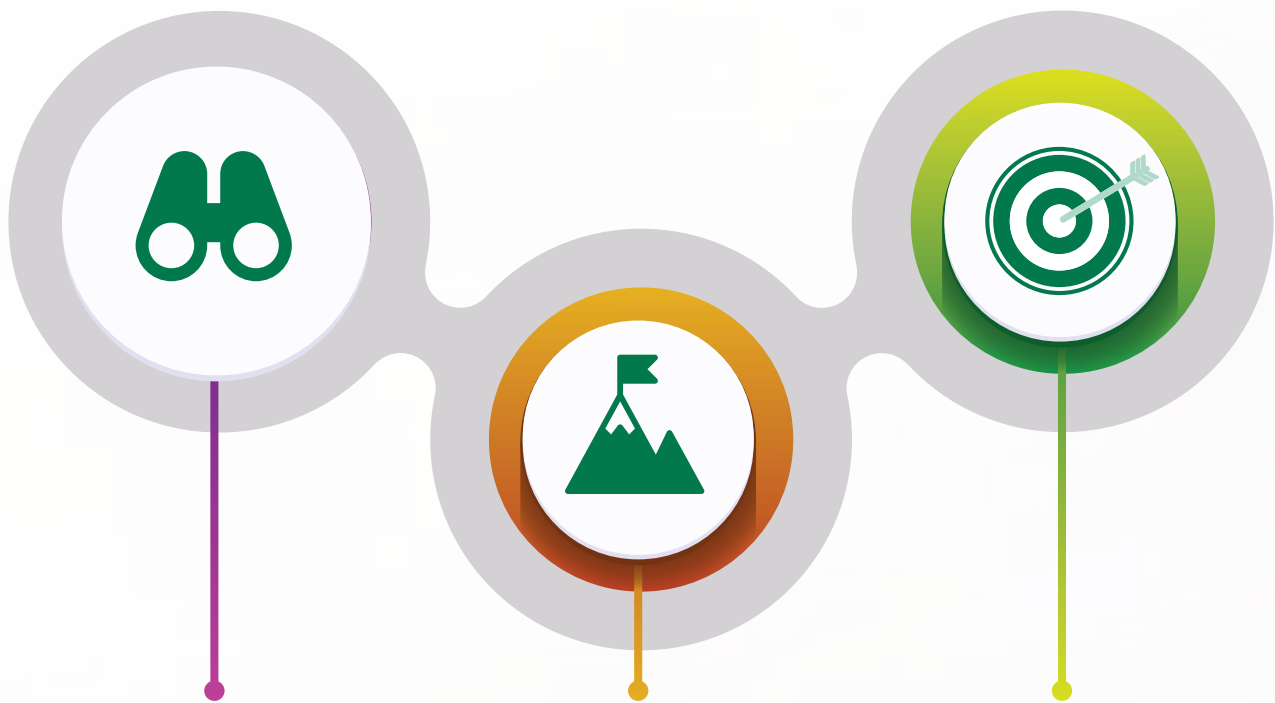
Our comprehensive portfolio includes lease financing, term loans, deposit products, credit-sale financing, home loans, and other retail products. United Finance PLC operates across multiple locations in Bangladesh, serving a diverse clientele, including SMEs, corporates, and individuals. Our extensive network and digital capabilities enable us to extend financial support efficiently, fostering growth and resilience in various economic sectors.

With a strong customer-centric approach, we emphasize digital integration and process simplification to provide seamless financial experiences. Our commitment to excellence, integrity, and sustainability underpins our strategic direction, ensuring that we align our business objectives with the broader socio-economic goals of the nation. By embracing technological innovation and enhancing our operational efficiencies, we aim to set new benchmarks in financial services. We continue to strengthen our presence by expanding our reach, investing in digital platforms, and tailoring financial solutions to the specific needs of businesses and individuals.

Sustainability is at the core of our business strategy. Through responsible lending practices, environmental stewardship, and community engagement initiatives, we strive to contribute positively to society. Our 2024 Sustainability Report reflects our dedication to economic, social, and environmental sustainability, highlighting key objectives and achievements that reinforce our role as a responsible financial institution. Our sustainability efforts include initiatives aimed at reducing our carbon footprint, promoting green financing, and supporting community-driven programs that create a lasting impact.

United Finance PLC remains focused on expanding its impact through continuous innovation, operational excellence, and strategic partnerships. By prioritizing stakeholder engagement and sustainable development, we aim to drive long-term prosperity and financial empowerment for all. As we move forward, we will continue to develop new financial solutions, enhance our digital banking capabilities, and uphold our commitment to ethical business practices, ensuring a resilient and prosperous future for our clients and stakeholders alike.

# VISION, MISSION, OUR GOALS AND VALUES



## VISION

- To be the LEADING high-quality service provider in the markets we serve.

## MISSION

- Devote continuous effort to improve products and services for sustaining a competitive edge
- Ensure service excellence by leveraging motivated human resources and technology
- Manage risks and costs to ensure sound financial performance and adequate return on all investments

## OUR GOALS

### Customers-Centric

- Deliver superior service by ensuring timely response, fairness, and value-driven financial solutions.
- Enhance digital accessibility for seamless and convenient customer experiences.

### Risk Management- Centric

- Strengthen risk assessment and mitigation strategies to ensure financial stability.
- Maintain strict compliance with international best practices and regulatory standards.

### Shareholders- Centric

- Drive consistent growth in earnings per share through strategic financial management.
- Optimize operational efficiency to maximize shareholder value and long-term returns.

### Employees- Centric

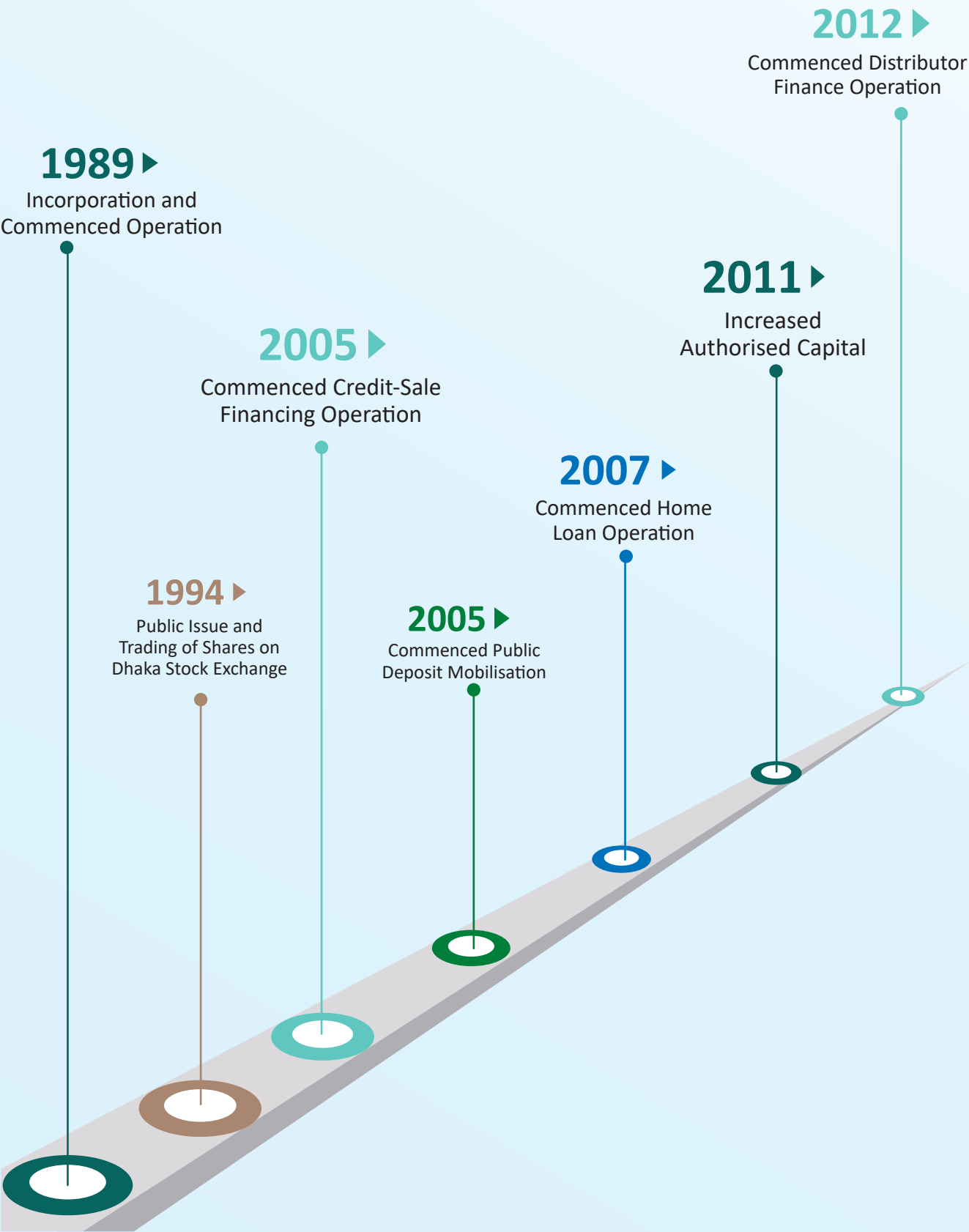
- Foster a dynamic and inclusive workplace that encourages innovation and career growth.
- Invest in continuous learning and performance-based rewards to maximize employee potential.

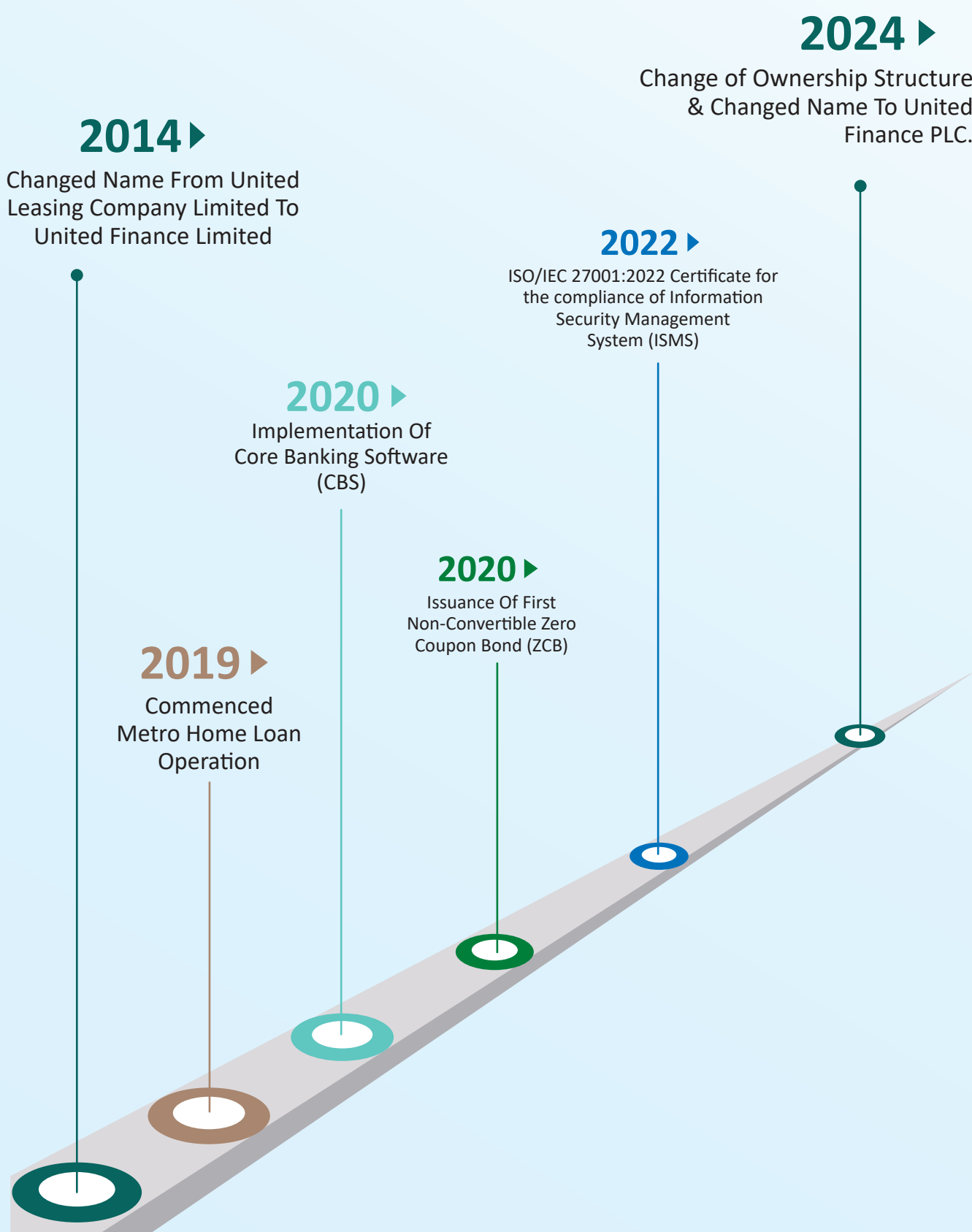
# DRIVE WITH FREEDOM FINANCE WITH EASE



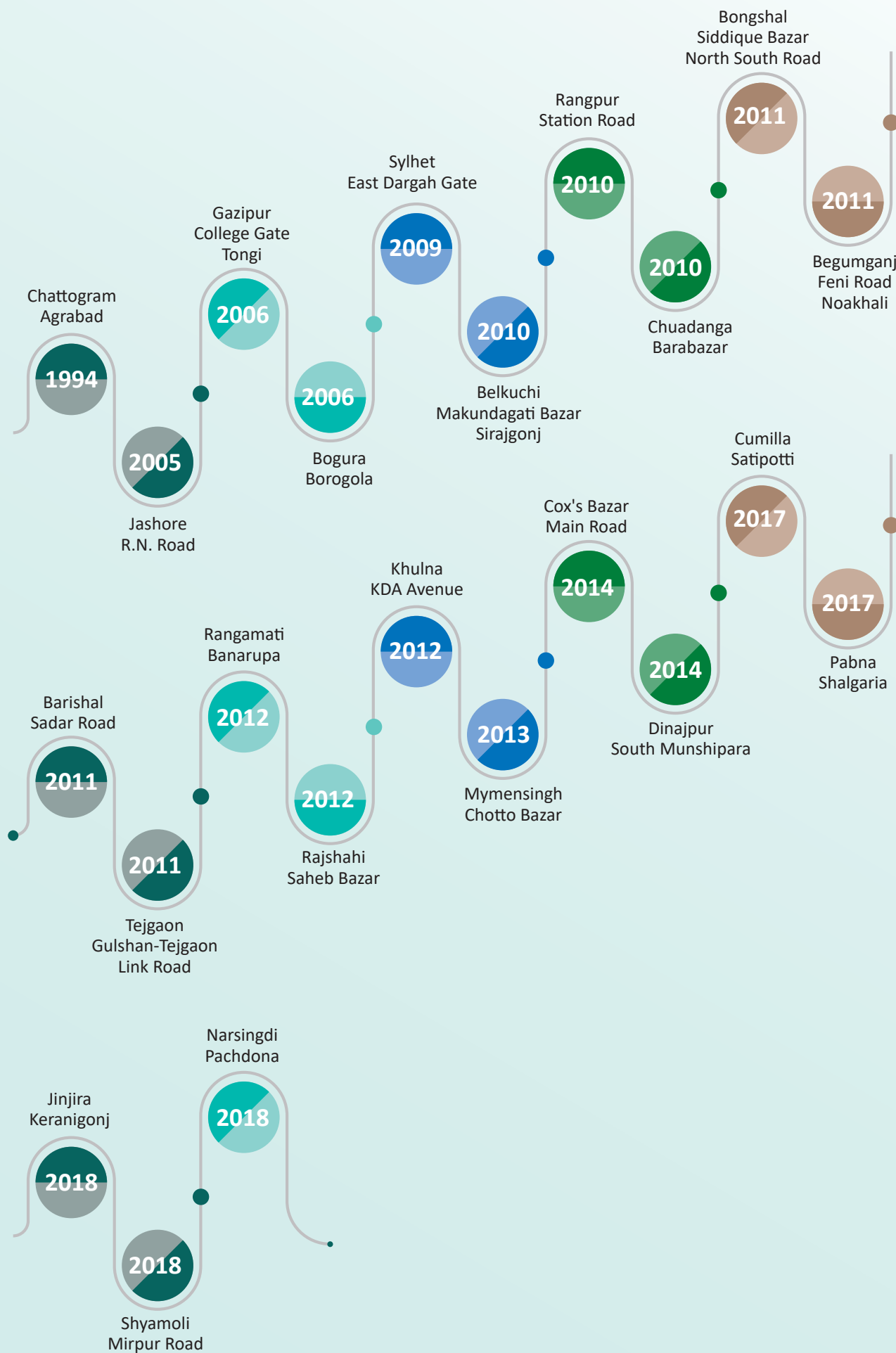


# MILESTONES





## BRANCHES OPENED





# SECTOR OVERVIEW & DUPONT ANALYSIS

## Bangladesh Financial Sector Performance in 2024

In 2024, Bangladesh's financial sector faced continued stress amid structural inefficiencies, tight liquidity, and rising credit risk. Non-Performing Loans (NPLs) surged to 20.2% for banks and 35.5% for NBFIs by Q3. Higher funding costs driven by monetary tightening and a 15.14% drop in the DSEX index reflected weak investor sentiment.

The NBFI sector struggled with liquidity pressures and shrinking deposit mobilization, as both retail and institutional investors increasingly preferred government securities. However, institutions with strong governance and prudent risk management demonstrated relative resilience.

## Performance of United Finance

Amid these challenges, United Finance delivered strong financial results, driven by operational discipline and strategic portfolio management. Despite disruptions from political unrest, floods, and inflationary pressures, the company achieved 72.9% growth in net operating income and a 46.21% increase in net profit.

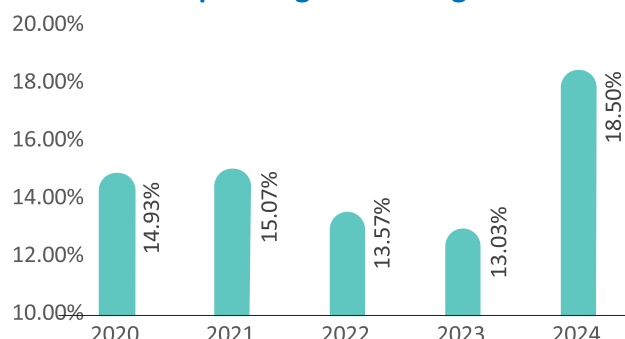
Our focus on diversified operations, conservative lending, and increased investment in government securities helped preserve asset quality and ensure steady earnings. The company maintained a Return on Equity (ROE) of 6.36%, reflecting resilience and financial prudence in a volatile market.

## DuPont Analysis

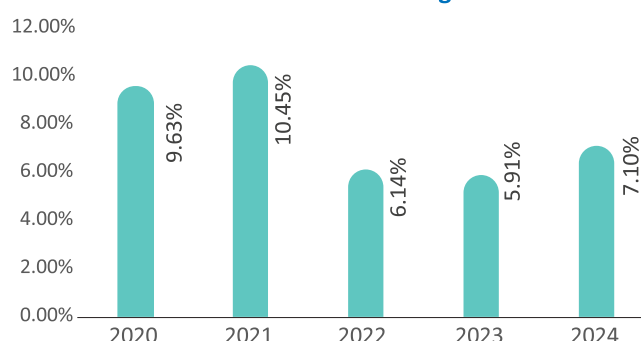
Income Statements Highlights	2020	2021	2022	2023	2024
Operating Profit Margin (%)	14.93	15.07	13.57	13.03	18.50
Net Profit Margin (%)	9.63	10.45	6.14	5.91	7.10
Return on Equity (ROE) (%)	6.62	6.90	4.43	4.45	6.36
Tax Effect (Times)	0.83	0.81	0.51	0.72	0.64
Non-Operating Items Effect (Times)	0.22	0.14	0.12	0.37	0.40
Asset Turnover (Times)	0.10	0.09	0.09	0.09	0.10
Financial Leverage (Times)	6.79	7.37	8.25	8.71	8.64
Return on Assets (ROA) (%)	0.98	0.94	0.54	0.51	0.74

In 2024, our business demonstrated notable improvements in operational efficiency and profitability, reflected in a strengthened Return on Equity (ROE) of 6.36%, up from 4.45% in 2023. A breakdown of the DuPont Analysis reveals that this positive shift was primarily driven by enhanced profitability margins and sustained financial leverage.

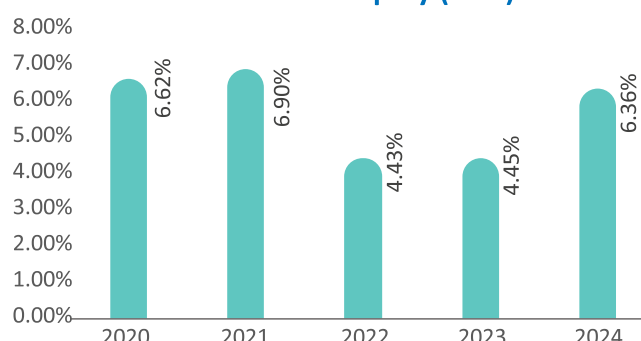
## Operating Profit Margin



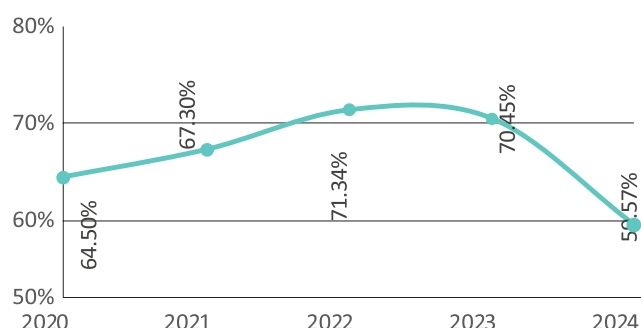
## Net Profit Margin



## Return on Equity (ROE)



## Cost to Income Ratio



The core contributor to this ROE growth was the significant improvement in our Net Profit Margin, which rose to 7.10% in 2024 from 5.91% in 2023. This increase can be attributed to a sharp uptick in Operating Profit Margin, which surged to 18.50% from 13.03% over the same period. The elevated operating margins reflect better cost control and higher efficiency in core operations. A key catalyst behind this performance was the margin management, achieved through disciplined cost control, recalibrated interest rate strategies, selective lending in sectors with lower credit risk profiles additionally increasing investment income from government securities, which provided stable and high-margin income streams amidst a volatile market environment.

While the Asset Turnover Ratio remained stable at 0.10 times, indicating consistent asset utilization, the higher profit margins amplified the overall return on assets (ROA), which improved to 0.74% from 0.51% in 2023. Additionally, our Financial Leverage remained elevated at 8.64 times, slightly down from 8.71 times in 2023, continuing to magnify returns on equity.

Non-operating items effect also remained positive at 0.40%, supporting bottom-line growth without undue reliance on extraordinary gains. The Tax Effect remained moderate at 0.64, reflecting a relatively efficient tax management strategy.

In conclusion, the improved ROE in 2024 was largely driven by enhanced business efficiency, better cost management, and higher investment income from government securities. The focus on operational profitability combined with prudent leverage usage and strategic investment positioning has strengthened our financial resilience and positioned us well for future growth.

Despite a difficult year for Bangladesh's financial sector, United Finance demonstrated operational resilience, financial discipline, and effective risk management. The DuPont Analysis confirms that improved business efficiency, strong profitability margins, and stable leverage were key contributors to higher ROE in 2024.

By maintaining a conservative lending strategy, strategic investment positioning, and agile response to market dynamics, United Finance not only outperformed sector averages but also laid the foundation for sustained, long-term growth.



# BUSINESS ETHICS AND PRINCIPLES

## Business Principle

United Finance strives to go beyond the minimum legal requirements, reflecting the Company's long-term dedication to building a successful, honest, and responsible business.

## Human Worth

United Finance supports international human rights as outlined in the UN Declaration and Convention. No employee shall participate in, contribute to, or support the violation or circumvention of human rights in any form.

## Human Capital

United Finance is committed to the development of human capital through milestone-based training, performance coaching, talent development, key talent management, support for work-life balance, and regular human capital evaluations.

## Health, Safety, and Working Environment

The Company is dedicated to establishing effective systems to identify, eliminate, or manage all workplace hazards and risks. It promotes health at work and continuously seeks to improve health, safety, and the overall working environment.

## Confidentiality

While promoting clear, honest, and transparent communication for accountability, United Finance strictly enforces business confidentiality. The misuse of confidential company information for personal gain before it becomes public is strictly prohibited and may constitute a criminal offense.

## Protection of Personal Data

All personal data handled by United Finance is processed with care and in compliance with relevant laws and regulations. This standard applies to data concerning customers, employees, or any other individuals, particularly when the information is sensitive.

## Intellectual Property

Intellectual assets such as methodologies, know-how, concepts, and ideas are vital to United Finance's market success. Unless otherwise required by law or public authority, employees must not disclose corporate secrets or share confidential information with unauthorized individuals.

## Nature and the Environment

United Finance is committed to environmental protection by minimizing its ecological footprint and by developing, promoting, and utilizing environmentally friendly technologies.

## Information Affecting Share Price

As a publicly listed entity, United Finance complies with strict regulations governing the handling of non-public information that could influence the market price of its shares or other financial instruments issued by United Finance.

## Accounting

United Finance prioritizes accuracy, completeness, and transparency in recording all business transactions. It adheres to the applicable laws and regulations of Bangladesh, and maintains sound accounting practices, valid authorizations, and complete documentation. Annual and interim financial statements are prepared in accordance with legal and professional standards.

## Competition

United Finance is committed to maintaining a competitive edge through continuous technological innovation, enhanced efficiency, and responsiveness to customer and partner needs.

## Corruption and Bribery

United Finance maintains a strict stance against all forms of corruption. Bribery, whether direct or indirect, is entirely inconsistent with the Company's values and is not tolerated under any circumstance.

## Money Laundering

United Finance is resolutely opposed to money laundering and implements measures to ensure that its financial services are not used for such illegal activities.

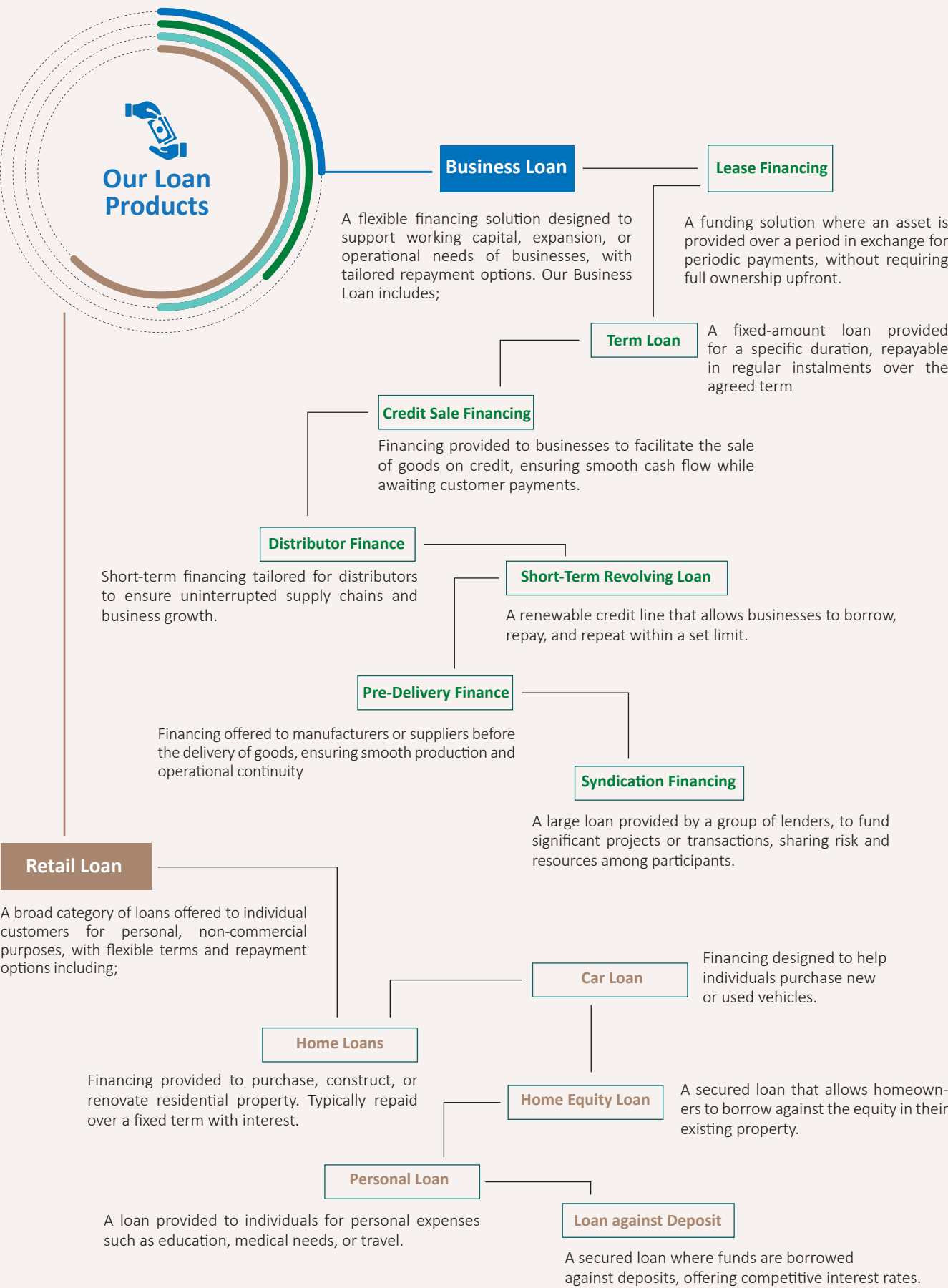
## Political Activity

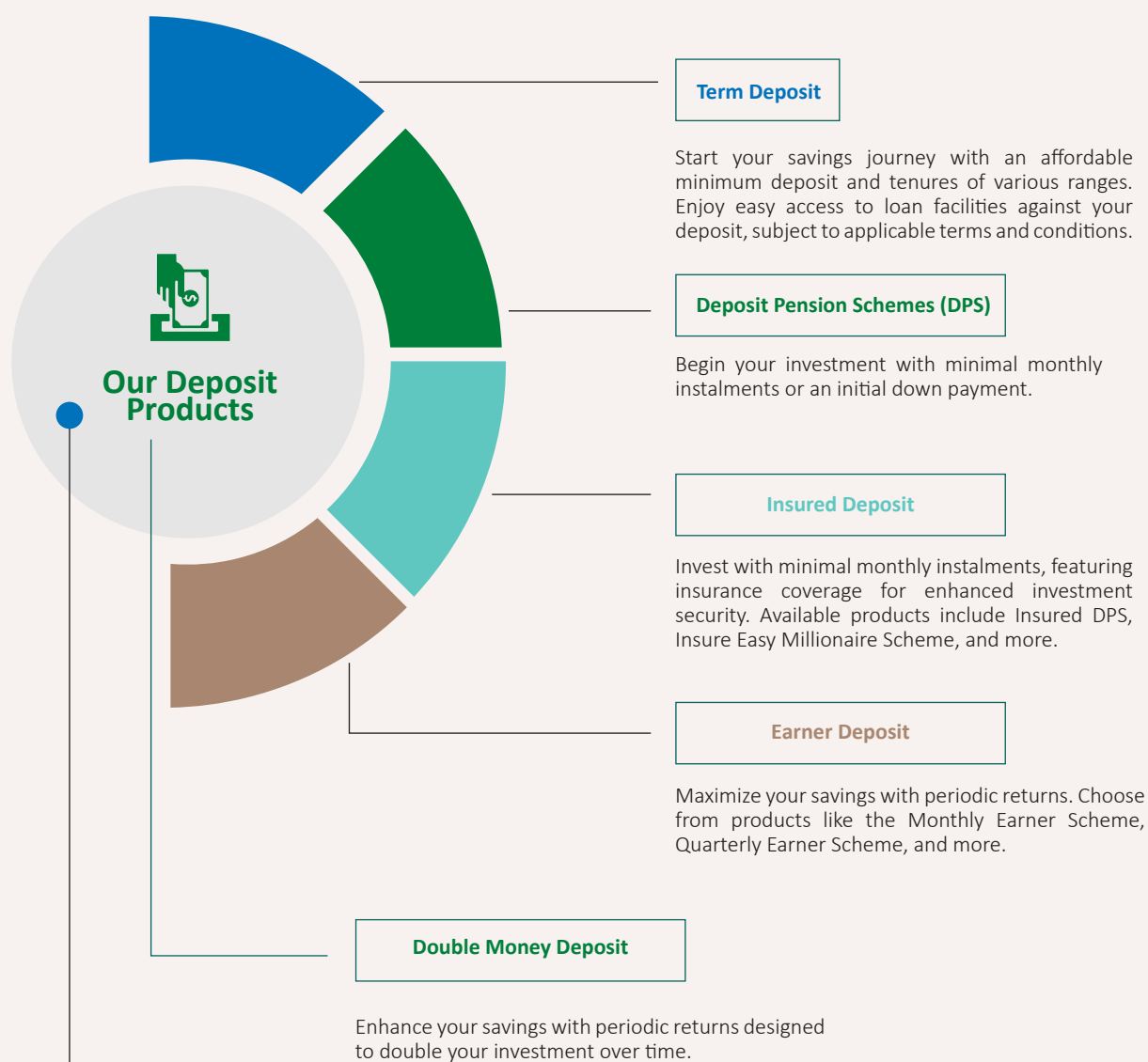
United Finance does not provide financial or other forms of support to political parties. Employees are free to participate in political activities, provided there is no conflict of interest with their duties in the company.



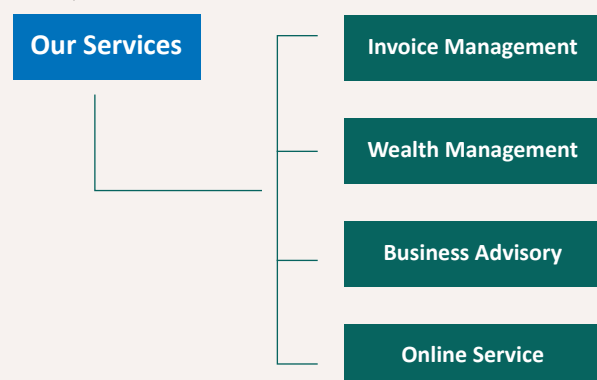


# OUR PRODUCTS & SERVICES





**Additional benefits are available for deposits from women, senior citizens, and recognized funds.**

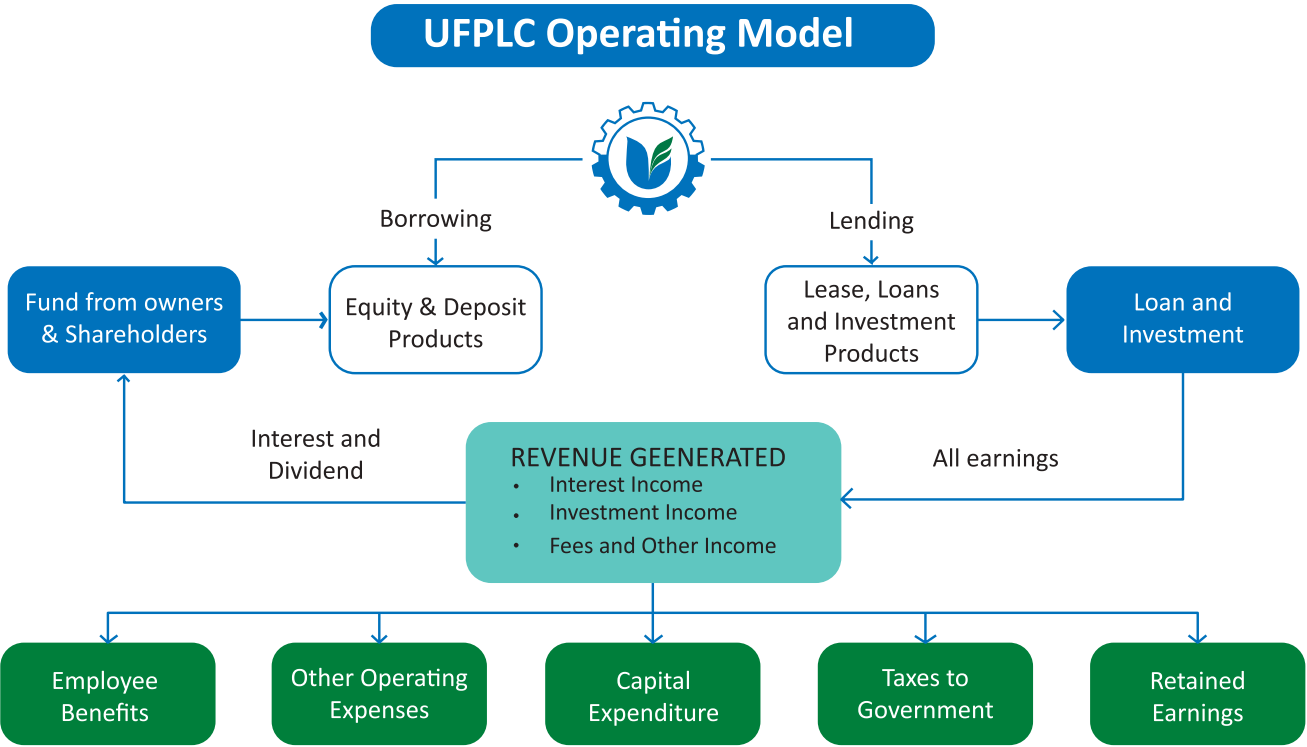


# BUSINESS MODEL

The organization’s business model is a framework through which it converts inputs into outputs and outcomes via its business activities, striving to achieve strategic objectives and generate value over the short, medium, and long term.

Our strategic business model at United Finance PLC is built on sustainable growth, financial stability, and value creation. With a well-balanced portfolio comprising **32.67% corporate loans, 31.22% SME loans, and a diverse retail segment**, the company ensures a steady and diversified revenue stream. Notably, **20.86% of the portfolio is concentrated in the trade and commerce sector**, maintaining a **90.63% credit utilization ratio**.

Prudent asset-liability management, sound credit underwriting, and proactive asset management underpin operational efficiency and risk mitigation. A strong compliance culture, cost-effective centralized operations, and innovative financial solutions drive long-term client relationships and sustainable financing. Anchored by people-centric HR values, digital innovation, and visionary leadership, United Finance PLC remains committed to financial inclusion, economic progress, and governance excellence.



Our Integrated Business Model demonstrates progress towards our vision and mission, showcasing our achievement of strategic goals within the Bangladesh financial market.

- Regulators
- Vendors
- Other Organization

1. **VISION:** Please refer to page no. 18
2. **MISSION:** Please refer to page no. 18
3. **Our Goals:** Please refer to page no.18
4. **Key Resources & Relationships**
  - **Capitals**
    - Financial Capital
    - Human Capital
    - Manufacturing Capital
    - Intellectual Capital
    - Social and Relationship Capital
    - Natural Capital
  - **Policies**
  - **Partnerships**
    - Shareholders
    - Banks/FIs
    - Depositor
    - Investors

## Enabling Competitive Advantage

Our competitive advantage empowers us to navigate and adapt to change.

### Delivering Value

Integrated Business Model enables United Finance PLC to create long-term value for stakeholders and society through a sustainable and customer-centric approach. We focus on meeting client needs with accessibility, affordability, and convenience.

- **Exceptional Customer Experience** – Delivering personalized and seamless financial solutions.
- **Affordable Financial Solutions** – Providing cost-effective products tailored to diverse needs.
- **Convenient & Digital Services** – Enhancing accessibility through technology-driven solutions.



- **Expanding Nationwide Reach** – Bridging financial gaps beyond major cities.
- **Empowering Entrepreneurs** – Supporting business growth with innovative financing.

### Key Risks

- Financial Risk
- Operational Risk
- Strategic & Business Risk
- Non-Financial Risk

### Customer Segments

United Finance PLC serves diverse customer groups, ensuring tailored financial solutions that address their unique needs.

- **Corporates** – Strategic financial solutions for business growth.
- **SMEs** – Flexible financing to empower small and medium enterprises.
- **Retail Borrowers** – Accessible loans for individuals' financial needs.
- **Depositors** – Secure and rewarding savings opportunities.
- **Investors** – Sustainable investment options for long-term value.

### Revenue Drivers

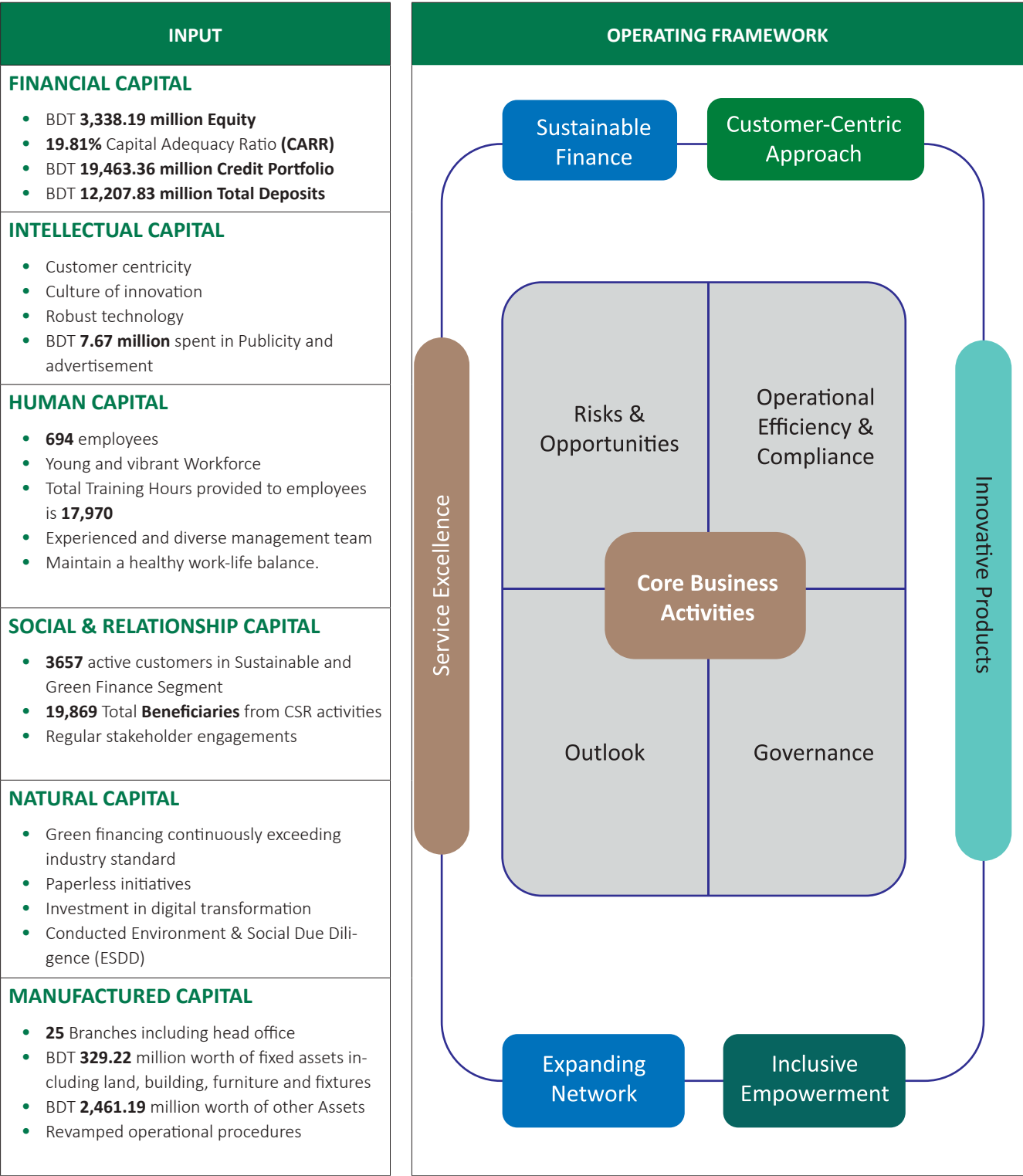
- Interest Income
- Investment Income
- Fees and Other Income

### Cost Drivers

- Employee Benefits
- Other Operating Expenses
- Capital Expenditure
- Taxes to Government
- Retained Earnings



# VALUE CREATION FRAMEWORK



## IMPACT ON OUR STAKEHOLDERS

### CUSTOMERS

- Total loan disbursed to Cottage, Micro, Small & Medium Enterprise Financing (CMSME): **BDT 7,806.66 million**
- Efficient and accessible financial services
- Enhanced access to capital markets
- Greater convenience through the Online Service Portal
- Total Disbursement in Sustainable Linked Finance Increased by **152%**

### REGULATORS

- Full adherence to regulatory guidelines
- Total tax contribution to the government: **BDT 395.81 million.**

### COMMUNITY

- Contribution to Sustainable Development Goals (SDGs)
- Targeted CSR initiatives for community development
- Increased financing support for businesses
- Employment opportunities generated
- Impactful sponsorships
- Consistent Growth of Female Customers
- Initiated carbon footprint assessment
- Sustainable finance portfolio expanded by approximately **3.20%**

### SHAREHOLDERS/INVESTORS

- Proposed cash dividend payment
- Strong and stable balance sheet
- Net Profit BDT **209.23 million**
- Return on Equity **6.36%**
- Net Asset Value per Share **17.84.**
- Return on Asset **0.74%**

### EMPLOYEES

- Continuous training and skill development
- Supportive and healthy work environment
- Clear career progression and growth opportunities

### SERVICE PROVIDERS & SUPPLIERS

- We foster strong partnerships with our suppliers by ensuring fair, transparent, and sustainable business practices that drive mutual growth.



At United Finance we are focused on driving sustainable growth, ensure operational efficiency, and create long-term value for stakeholders across all business activities.

Value Creation Foundations	Value Drivers
1. Governance and Risk Resilience	<ul style="list-style-type: none"> <li>• <b>Regulatory Compliance:</b> Adhering to financial regulations and industry standards to maintain trust and transparency.</li> <li>• <b>Corporate Governance:</b> Strong governance practices to guide decisions, ensure accountability, and maintain organizational integrity.</li> <li>• <b>Credit Risk Resilience:</b> Rigorous credit risk assessment to mitigate financial exposure and maintain portfolio health.</li> <li>• <b>Operational Risk Resilience:</b> Systems and processes to minimize operational risks and ensure continuity.</li> <li>• <b>Internal Control Mechanisms:</b> Effective control structures that guarantee regulatory compliance and operational efficiency.</li> <li>• <b>Risk Audits:</b> Regular audits to identify emerging risks and address them</li> <li>• BDT <b>395.81 million</b> Tax paid to government.</li> </ul>
2. Technological Empowerment	<ul style="list-style-type: none"> <li>• <b>Data-Driven Insights:</b> Harnessing data to make informed decisions, improve financial performance, and drive growth.</li> <li>• <b>Process Optimization:</b> Streamlining and automating processes to reduce operational costs and improve service speed.</li> <li>• <b>Technology Audits:</b> Regular checks to ensure the integrity and performance of all technological infrastructure.</li> </ul>
3. People-Centric Excellence	<ul style="list-style-type: none"> <li>• <b>Strategic Workforce Planning:</b> Aligning workforce needs with business objectives for optimal performance.</li> <li>• <b>Equitable Recruitment Policies:</b> Promoting fairness and inclusivity in the hiring process.</li> <li>• <b>Continuous Employee Development:</b> Investing in training programs to build skills and leadership capabilities.</li> <li>• <b>Performance Transparency:</b> Clear performance evaluation processes that align individual goals with company success.</li> <li>• <b>Recognition and Reward Systems:</b> Ensuring strong employee motivation through performance-based rewards and recognition.</li> <li>• <b>Career Growth Pathways:</b> Providing opportunities for career advancement and skill development.</li> <li>• <b>Competitive Compensation Packages:</b> Offering attractive compensation to retain top talent and ensure job satisfaction.</li> <li>• Total loan disbursed to Cottage, Micro, Small &amp; Medium Enterprise Financing (CMSME): BDT <b>7,806.66 million</b></li> <li>• Employment generation <b>139</b>.</li> </ul>
4. Financial Integrity and Transparency	<ul style="list-style-type: none"> <li>• <b>Adoption of Global Accounting Standards:</b> Following international accounting and financial reporting standards for accurate and transparent financial disclosures.</li> <li>• <b>Regulatory Compliance in Reporting:</b> Full adherence to regulatory guidelines in financial reporting for accountability and trust.</li> <li>• <b>Advanced MIS Reporting:</b> Utilizing Management Information Systems for accurate, timely, and actionable insights to support strategic decisions.</li> </ul>
5. Market-Centric Innovation	<ul style="list-style-type: none"> <li>• <b>Customer Insights &amp; Segmentation:</b> Conducting in-depth surveys to understand customer needs and tailor services accordingly.</li> <li>• <b>Product Innovation and Development:</b> Creating customer-centric financial products and services that meet evolving market demands.</li> <li>• <b>Efficient Process Design:</b> Streamlining and digitization of processes help to ensure products are delivered efficiently and effectively.</li> </ul>

Value Creation Foundations	Value Drivers
6. Sales and Service Excellence	<ul style="list-style-type: none"> <li>• <b>Customer-Focused Sales Team:</b> A well-trained and motivated sales force focused on customer relationships and satisfaction.</li> <li>• <b>Brand Strategy and Marketing:</b> Developing strong marketing campaigns to enhance brand visibility and communicate the company's value proposition.</li> <li>• <b>Customer Support &amp; Satisfaction:</b> Implementing comprehensive support systems to manage customer inquiries, complaints, and feedback.</li> </ul>
7. Sustainable Financial Management	<ul style="list-style-type: none"> <li>• <b>Diverse Borrowing Options:</b> Maintaining flexibility in financing through a mix of short-term and long-term borrowing options.</li> <li>• <b>Effective Asset and Liability Management:</b> Ensuring balanced funding and efficient liquidity management.</li> <li>• <b>Increase in sustainable finance:</b> Growing portfolio for sustainable finance.</li> </ul>
8. Asset Quality and Growth	<ul style="list-style-type: none"> <li>• <b>Selective Asset Quality Standards:</b> Adopting stringent asset quality criteria to ensure strong portfolio performance.</li> <li>• <b>Diverse Loan and Deposit Products:</b> Offering a broad range of products tailored to meet the needs of various customer segments.</li> <li>• <b>Efficient Loan Processing:</b> Fast-track loan approval and disbursement for eligible borrowers to maintain a competitive edge.</li> <li>• <b>Effective Collections Management:</b> Implementing robust collections processes to maximize recoveries and minimize defaults.</li> <li>• <b>Continuous Portfolio Monitoring:</b> Regular assessment and adjustment of the portfolio to optimize performance and minimize risk.</li> </ul>

# FINANCIAL CAPITAL

Financial Capital refers to the monetary resources that United Finance PLC utilizes to support its lending operations, drive growth, and deliver value to stakeholders. It encompasses equity, borrowings, deposits, and retained earnings that form the financial foundation of the organization. In 2024, United Finance PLC demonstrated prudent capital management, resilient financial performance, and a continued commitment to sustainable value creation.

## Key Components of Financial Capital

### Capital Structure

- **Shareholders' Equity:** BDT 3,338.19 million
- **Total Deposits:** BDT 12,207.83 million
- **Credit Portfolio:** BDT 19,463.36 million
- **Capital Adequacy Ratio (CAR):** 19.81%, well above regulatory requirements

### Funding Sources

- **Retail Deposit Base:** Significant focus on expanding and retaining low-cost, stable deposits
- **Institutional Borrowings:** Gradual reduction of high-cost borrowings to improve interest margin
- **Diversification of Fund Sources:** Rebalancing towards a mix of short and long-term funding for optimal liquidity and cost efficiency

### Financial Performance Highlights

- **Net Profit:** BDT 209.23 million
- **Return on Equity (ROE):** 6.36%
- **Return on Assets (ROA):** 0.74%
- **Net Asset Value per Share (NAVPS):** BDT 17.84
- **Earnings Per Share (EPS):** BDT 1.12

### Contribution to the Economy

- **GDP Contribution (2024):** BDT 991.28 million
  - **Savings:** BDT 209.23 million
  - **Taxes:** BDT 395.81 million
  - **Wages:** BDT 595.47 million

### Tax Contributions

- Total Contribution to National Exchequer: BDT 395.81 million, a 17.64% increase from 2023
  - **Corporate Income Tax:** BDT 128.15 million
  - **VAT:** BDT 12.76 million
  - **Excise Duty:** BDT 2.35 million
  - **Withholding Tax:** BDT 195.76 million
  - **Withholding VAT:** BDT 11.02 million
  - **Withholding Excise Duty:** BDT 45.76 million

## Investment in Financial Capital

United Finance PLC actively reinforces its financial capital through:

- Strategic fund mix optimization to improve interest spread
- Strengthening the balance sheet via retained earnings and capital reserves
- Increasing capital adequacy to ensure compliance and resilience
- Enhancing operational efficiency and credit quality to drive profitability

## Impact on Business Growth

- Improved capital adequacy enabled growth in core lending and deposit activities
- Diversified funding structure reduced dependence on volatile institutional borrowings
- Strong equity base enhanced investor and depositor confidence
- Solid financial returns supported dividend payout capacity

## Future Outlook

To maintain financial strength and long-term value creation, United Finance PLC will:

- Deepen its retail funding franchise by expanding outreach and deposit schemes
- Continue to optimize cost-to-income ratio through efficiency initiatives
- Strengthen asset-liability management to mitigate interest rate and liquidity risks
- Explore innovative financial instruments to diversify funding sources and strengthen financial capital

Through disciplined financial stewardship and forward-looking strategies, United Finance PLC is well-positioned to drive sustainable financial performance while fulfilling its commitment to stakeholders and the broader economy.



# HUMAN CAPITAL

Human capital is a critical asset of United Finance PLC, driving innovation, operational efficiency, and sustainable growth. Our workforce remains at the heart of our success, and we continuously invest in talent development, employee engagement, and a strong corporate culture.

## Key Statistics

Workforce Composition	As on December 31, 2024	As on December 31, 2023
Total Employees	694	697
Male Employees	580	586
Female Employees	114	111
Diversity Ratio (%)	16.42%	15.92%

## Talent Development and Training

To ensure our employees stay ahead in an evolving financial landscape, United Finance PLC invests in continuous learning and professional development. Our commitment to workforce growth is reflected in the following training metrics:

Training Metrics	Value
Total Training Hours	17,970 Hours
Average Training Hours per Employee	30 Hours
Training Programs Conducted	35
Internal	24
External	11
Leadership Development Programs	1
Total Employee Participated in Training	599

By fostering a culture of learning, we empower our employees with the skills and knowledge necessary to navigate the dynamic financial sector.



Training on Anti Money Laundering and Combating Financing of Terrorism jointly organized by UFPLC and BFIU



United Finance arranged Leadership Skill Enhancement Training for its key management employees.

## Employee Engagement and Well-being

At United Finance PLC, we are committed to fostering a secure, clean, and engaging work environment where employees feel valued, motivated, and connected. Our focus on security, hygiene, well-being, and engagement ensures a thriving workplace that supports both professional and personal growth.

### Premises Security & Safety Measures

Ensuring a safe workplace is a top priority. We have implemented 24/7 CCTV monitoring to enhance security and prevent unauthorized access. Regular fire drills and emergency preparedness training equip employees with the knowledge and skills to handle critical situations. Fire extinguishers, emergency exits, and safety protocols are in place to ensure a secure working environment.



Annual Fire Drill at Head Office Premises.

### Workplace Cleanliness & Hygiene

A clean and well-maintained office environment is essential for employee health and productivity. Our premises undergo routine sanitation and maintenance, ensuring a hygienic and comfortable workspace that supports overall well-being.

### Health & Life Insurance Coverage

To prioritize the financial and medical security of our employees, United Finance PLC has partnered with Guardian Life Insurance to provide comprehensive health and life insurance coverage. This initiative reflects our commitment to the long-term well-being of our workforce and their families.



Signing Ceremony with Guardian Life Insurance.

### Employee Engagement & Team Bonding

We believe that an engaged workforce leads to a stronger organization. To foster a sense of community and collaboration, we organize various employee engagement programs throughout the year.





One Dish Party arranged at Extended Head Office Premises.



Womens Day Celebration at United Finance PLC.



Pitha Utshob Celebration at United Finance PLC.



Building Stronger Bonds Beyond Office Walls, Employees from the Head Office enjoyed a movie screening together.

### Compensation and Benefits

A competitive compensation structure ensures we attract and retain top talent:

- **Salary Increment:** Increment was given based on performance of employee and Cost of Living Adjustment (COLA).
- **Bonuses and Incentives:** United Finance always encourage employee performance and rewards the true contributors.
- **Provident Fund:** An employee with two years of service is entitled to the amount same as employer’s contribution to his account with interest thereon on the date of his termination.
- **Gratuity Fund:** Employee having completed six months of confirmed service with the Company is entitled to Gratuity.
- **Additional Perks:** Health Insurance and Life Insurance.

### Diversity, Equity, and Inclusion (DEI)

At United Finance PLC, we are committed to fostering a workplace that embraces diversity, equity, and inclusion (DEI). We believe that a diverse workforce drives innovation, enhances decision-making, and strengthens our organizational culture.

Our commitment to gender representation is reflected in the presence of women in leadership positions, ensuring diverse perspectives in key decision-making roles. Additionally, we actively promote inclusivity by employing persons with disabilities and supporting the representation of tribal communities within our workforce.

#### Workforce Diversity Snapshot

Particulars	Senior Management Team (MANCOM)	Other Employees
Total No.	9	685
Male	7	573
Female	2	112
Disabled People	0	1
Tribal People	0	12

At United Finance PLC, we strive to create equal opportunities for all employees, ensuring that diversity is not just a metric but an integral part of our corporate culture. Through inclusive hiring practices, leadership development programs, and workplace policies that support equity and fairness, we continue to build an environment where everyone feels valued and empowered to succeed.

### Future Outlook

Looking forward, United Finance PLC aims to:

- Our present HR program focuses on improving employee productivity.
- Enhance Employee Development Programs to meet evolving industry demands.
- Expand DEI Initiatives to create a more inclusive workplace.
- Leverage Technology for HR Innovation to optimize talent management and employee engagement.
- Strengthen Employee Well-being Programs to boost morale and productivity.

Our people remain our greatest strength, and we are dedicated to fostering a work environment that enables them to thrive.



# INTELLECTUAL CAPITAL

Intellectual capital is a key driver of innovation and long-term competitive advantage for United Finance PLC. It encompasses the knowledge, expertise, technology, and brand equity that contribute to the company's sustainable growth and operational efficiency.

## Key Components of Intellectual Capital

### Human Knowledge and Expertise

At United Finance PLC, a strong human capital base is the foundation of sustained growth and excellence. With a team of experienced leaders and professionals across diverse fields, the company ensures strategic innovation, operational efficiency, and superior customer service. A commitment to ideal HR practices fosters a culture of learning, inclusivity, and employee well-being. MyHR, the company's HRIS system, streamlines HR processes, while structured training programs through MyTraining (LMS) support continuous skill development. Leadership development initiatives empower employees to take on key roles, strengthening the company's succession pipeline.

By prioritizing talent development, diversity, and performance-driven growth, United Finance PLC nurtures a high-caliber workforce, ensuring long-term success and a strong market position.

### Technology and Digital Infrastructure

A paperless office setup with multiple GreenDesks reflects a commitment to digital transformation and environmental sustainability. Operations are powered by FinUltimus, a Core Banking System (CBS) that ensures seamless financial transactions and account management. For workforce management, MyHR (HRIS) streamlines employee data, while MyNet provides internal support solutions. MyTraining (LMS) facilitates continuous learning and development.

Field operations are enhanced by MoApp, enabling real-time visit tracking for Relationship Managers (RMs). Credit assessments are conducted through NFP4, ensuring accurate and efficient appraisals. Additionally, inventory management software and the G&A Module optimize resource allocation and operational efficiency.

By leveraging advanced digital solutions, workflows remain efficient, secure, and customer-centric, strengthening overall productivity and innovation.

### Innovation and Research

Innovation is driven by market research, data analytics, and financial modeling, ensuring that products align with customer needs and industry trends. United Finance PLC. Has a dedicated Product Management & Advisory Team who analyzes economic updates, monetary policies, and industry reports, data-driven insights supporting strategic decision-making and new product development.

Regular customer satisfaction surveys and competitive market analysis help identify areas for service improvement. Additionally, financial models for business projections, profitability analysis, and service quality assurance are developed to enhance operational sustainability. Collaboration with Business Departments strengthen budget monitoring and performance tracking, ensuring financial efficiency and continuous innovation.

### Brand Reputation and Customer Trust

With 35+ years of market presence, United Finance PLC is recognized for its trust, stability, and customer loyalty. As one of Bangladesh Bank's top sustainable financial institutions, the company upholds ethical banking and long-term reliability. Strong brand loyalty is driven by service excellence, transparency, and stakeholder trust, ensuring a lasting market presence. Through thought leadership, corporate responsibility, and strategic engagement, United Finance PLC continues to attract and retain customers by reputation rather than promotion.

### Process Efficiency and Institutional Knowledge

Operational efficiency is optimized through policy reviews, process enhancements, and workflow re-engineering to ensure cost-effectiveness and risk mitigation. Our Process Management & Transformation Team works in identifying control gaps and service bottlenecks allows for proactive measures that enhance service delivery and maintain regulatory compliance. Incorporating local and global best practices ensures that processes remain efficient and adaptable. The development and maintenance of company-wide policies and guidelines create a structured operational framework, improving workflow transparency and minimizing risks. By embedding innovation, efficiency, and continuous improvement into core operations, sustainable growth and enhanced service quality are achieved.

## Investment in Intellectual Capital

United Finance PLC continues to invest in intellectual capital through:

- Employee Training & Development.
- Technology Upgrades.
- Research & Development Spending.
- Digital Transformation Initiatives.

## Impact on Business Growth

The enhancement of intellectual capital has resulted in:

- Improved operational efficiency.
- Increased innovation in financial services.
- Strengthened market positioning and brand equity.
- Enhanced regulatory compliance and risk management.

## Future Outlook

To further strengthen intellectual capital, United Finance PLC aims to:

- Expand digital banking solutions.
- Foster a culture of continuous learning and innovation.
- Strengthen collaborations with research institutions and government regulating authorities like Bangladesh Bank and Bangladesh Securities & Exchange Commission.
- Enhance knowledge management systems for better decision-making.

By continuously developing and leveraging intellectual capital, United Finance PLC ensures sustainable growth, industry leadership, and value creation for all stakeholders.

# MANUFACTURED CAPITAL

Manufactured capital represents the physical and infrastructural assets that enable United Finance PLC to deliver financial services efficiently. These include branch networks, office facilities, digital platforms, and technology-driven infrastructure. In 2024, UFPLC expanded its physical and digital infrastructure to support business operations and enhance customer service delivery.

## Key Components of Manufactured Capital

### Branch and Office Infrastructure

- **Total Offices:** 25, including head office
- **Geographical Coverage:** Located across all 64 districts, with branches in Dhaka, Chattogram, Khulna, Bogura, Cumilla, Sirajganj, Pabna, and others

### Digital Infrastructure

- **Core Digital Platform:** UMA App
- **Online Service Portal:** Enables real-time deposit enrollment and SMS/email notifications
- **Digital Onboarding:** 220 customers onboarded digitally in 2024
- **Process Automation:** 215 digital practices implemented across internal operations

### Operational Facilities and Equipment

- **Fixed Assets:** BDT 329.22 million (including land, buildings, furniture, and fixtures)
- **Other Operational Assets:** BDT 2,461.19 million
- **Sustainability Features:** Use of energy-efficient appliances, inverter technology, and hybrid vehicles

### Green Office Initiatives

- **Paperless Operations:** Recruitment, approvals, and archiving conducted digitally
- **Hybrid Vehicles:** Introduced to reduce carbon emissions
- **Energy Optimization:** Use of daylight, LED lighting, and inverter-based electronic equipment

## Investment in Manufactured Capital

United Finance PLC has actively invested in enhancing manufactured capital by:

- Expanding its branch presence for improved accessibility
- Strengthening its digital service delivery platforms
- Upgrading IT infrastructure and operational security
- Embedding sustainability and environmental efficiency into facility design

## Impact on Business Growth

The strategic investment in manufactured capital has led to:

- Improved customer experience and accessibility.
- Enhanced operational efficiency through digital transformation.
- Strengthened brand presence and market reach.
- Increased security and compliance with regulatory standards.

## Future Outlook

To further strengthen manufactured capital, United Finance PLC plans to:

- Expand branch operations in key strategic locations.
- Continue digital transformation initiatives.
- Invest in sustainable infrastructure and green banking solutions.
- Enhance cybersecurity measures for robust data protection.

By maintaining a strong focus on manufactured capital, United Finance PLC ensures operational excellence, customer satisfaction, and long-term business sustainability.



# SOCIAL AND RELATIONSHIP CAPITAL

Social and Relationship Capital refers to the networks, partnerships, stakeholder relationships, and community engagement initiatives that contribute to United Finance PLC's long-term value creation. In 2024, UFPLC nurtured strong relationships with its customers, regulators, employees, and communities through inclusive financial services, CSR, and strategic alliances.

## Key Components of Social and Relationship Capital

### Stakeholder Engagement

- **Investor Relations:** Regular AGMs, financial disclosures, and meetings
- **Regulatory Engagement:** Timely compliance, tax contributions, and reporting
- **Strategic Partnerships:** Collaborated with development organizations and microfinance institutions

### Corporate Social Responsibility (CSR) Initiatives

- **Total CSR Spend:** Over BDT 3 million
- **Beneficiaries:** 19,869 individuals
- **Focus Areas:**
  - ♦ Education: Financial literacy, scholarships, book donations, PMEAT support
  - ♦ Healthcare: Medical aid and cataract surgeries for underprivileged patients
  - ♦ Environment: Clean water projects, tree plantation, and climate education
  - ♦ Disaster Relief: Flood and winter aid, support to Relief Fund

### Employee and Workplace Relations

- Total Employees: 694
- Average Training Hours per Employee: 30
- Maternity Leave Retention Rate: 100%
- Employee Wellness: Engagement programs and performance recognition

## Investment in Social and Relationship Capital

United Finance PLC actively strengthens its social and relationship capital through:

- Enhancing customer experience and service delivery.
- Strengthening relationships with regulatory bodies and industry partners.
- Investing in community welfare and CSR initiatives.
- Promoting ethical business practices and good governance.

## Impact on Business Growth

The development of social and relationship capital has led to:

- Increased customer trust and retention.
- Stronger regulatory and stakeholder confidence.
- Positive brand reputation and community goodwill.
- Improved employee morale and workplace culture.

## Future Outlook

To further enhance social and relationship capital, United Finance PLC aims to:

- Expand CSR initiatives to support community development.
- Strengthen stakeholder communication and transparency.
- Invest in digital engagement platforms for customers and employees.
- Foster long-term partnerships to drive financial inclusion and sustainability.

By continuously nurturing social and relationship capital, United Finance PLC ensures its commitment to responsible business practices, sustainable growth, and value creation for all stakeholders.

# NATURAL CAPITAL

Natural capital encompasses the environmental resources and ecosystem services that United Finance PLC relies on to conduct its operations. The company is committed to sustainable practices that minimize its environmental impact and promote long-term ecological balance.

## Key Components of Natural Capital

### Energy Consumption and Efficiency

- **Renewable Energy Portfolio:** BDT 21.99 million
- **Energy Efficiency Establishment Disbursement:** BDT 303 million
- **Resource Efficiency Establishment Disbursement:** BDT 32.08 million

### Carbon Footprint and Emissions

- **Total GHG Emissions:** 98,518.8 tons CO<sub>2</sub>eq
  - **Scope 1:** 12,149.2 tons (direct emissions)
  - **Scope 2:** 19,219.0 tons (electricity & other emissions)
  - **Scope 3:** 67,150.6 tons (indirect emissions)
- **Carbon Reduction:** Hybrid cars, low-power electronics, and day-light optimized offices

### Sustainable Resource Management

- **Paperless Initiatives:** Digital onboarding, e-archiving, online HR processes
- **Water Management:** Water filters installed in 15 schools, benefiting over 16,570 students
- **Waste Management:** Reuse of discarded items, toner recycling, secure shredding of paper

### Green Financing and Investments

Total Green & Sustainable Finance Disbursed: BDT 9,530.57 million

- **Green CMSME Financing:** BDT 100.5 million
- **Circular Economy Financing:** BDT 22.2 million
- **Renewable Energy Projects:** BDT 20.5 million
- **Liquid Waste Management (ETP conversion):** BDT 7 million

## Investment in Natural Capital

UFPLC drives ecological stewardship by:

- Expanding green finance and climate-smart funding
- Integrating carbon accounting and ESG frameworks
- Reducing resource consumption across all branches
- Investing in emission-reducing technology and green offices

## Impact on Business Growth

- Elevated brand value through responsible banking
- Strong alignment with global climate goals and SDGs
- Cost savings from energy and resource efficiency
- Increased investor confidence in ESG performance

## Future Outlook

To further enhance natural capital, United Finance PLC aims to:

- Further expand renewable energy financing
- Enhance ESG disclosures and environmental audits
- Promote eco-conscious customer and employee behaviors
- Achieve Scope 1 and 2 emission reduction targets by 2030; Scope 3 by 2050

By prioritizing natural capital, United Finance PLC continues to support sustainable development while ensuring long-term business resilience and environmental stewardship.





# ENGAGEMENT WITH OUR STAKEHOLDERS

At United Finance PLC, we believe that sustainable growth is built not only on strong financial performance but also on the strength of our relationships with stakeholders. We define stakeholders as individuals or groups who are directly or indirectly affected by our operations or have the capacity to influence our ability to create long-term value. These include our Customers, Employees, Shareholders & Investors, Regulators & Government, Business Partners & Vendors, and Communities & Society.

In 2024, our engagement efforts were guided by the principles of transparency, accountability, responsiveness, and mutual respect. Through active dialogue and strategic collaboration, we ensured that our stakeholders remained at the heart of our decision-making and value creation processes.



## How We Engage and Empower

Stakeholder Group	Key Concerns & Expectations	Engagement Channels	Our Impact & Value Delivered
Customers	Access to finance, digital convenience, transparent terms, financial education	Branches, Relationship Managers, Online Portal (UMA Login), Call Center, Website	<ul style="list-style-type: none"> <li>CMSME loans disbursed: BDT 7,806.66 million</li> <li>152% growth in Sustainable Linked Finance</li> <li>Online Service Portal introduced for improved accessibility</li> </ul>
Regulators	Compliance, transparency, economic contribution	Reports to Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), NBR, audits	<ul style="list-style-type: none"> <li>Timely delivery of all regulatory and statutory reporting</li> <li>Tax paid: BDT 395.81 million to government</li> <li>Ad-hoc reporting as per directives of the regulators</li> </ul>
Community	Inclusion, education, sustainability, gender empowerment	CSR initiatives, awareness campaigns, social media, community outreach	<ul style="list-style-type: none"> <li>Support for SDGs and underserved groups</li> <li>Targeted CSR programs for community development</li> <li>Female customer base growth</li> <li>Sustainable finance portfolio expanded by 3.20%</li> <li>Carbon footprint assessment initiated</li> </ul>
Shareholders	Return on investment, risk management, governance	AGM, Annual Reports, Press Releases, Investor Desk, website	<ul style="list-style-type: none"> <li>Net profit: BDT 209.23 million</li> <li>ROE: 6.36%, ROA: 0.74%</li> <li>NAV per share: BDT 17.84</li> <li>Proposed cash dividend</li> <li>Strong, stable balance sheet</li> </ul>

Stakeholder Group	Key Concerns & Expectations	Engagement Channels	Our Impact & Value Delivered
Employees	Career development, safe workplace, recognition, fair rewards	Internal communication, trainings, workshops, engagement events	<ul style="list-style-type: none"> <li>Continued investment in skill development, with a total of 175 training hours provided to employees</li> <li>Inclusive and supportive work culture that promotes collaboration and belonging</li> <li>Transparent performance management and recognition programs to motivate and reward excellence</li> </ul>
Service Providers & Suppliers	Ethical procurement, timely payments, long-term collaboration	Procurement team, vendor reviews, contracts	<ul style="list-style-type: none"> <li>Transparent procurement practices</li> <li>Timely disbursements</li> </ul> <p>Strengthened supplier relationships and inclusion of local vendors</p>

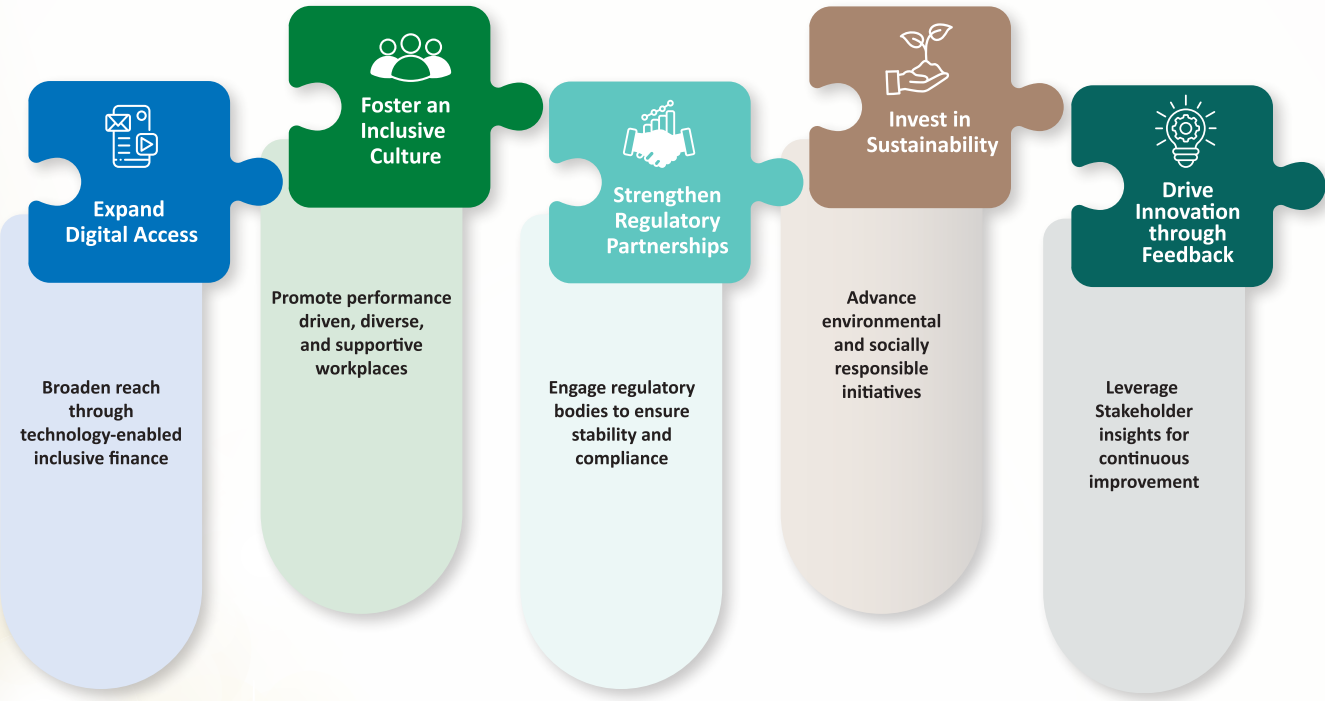


## Event Highlights





# OUR COMMITMENT GOING FORWARD



**AT UNITED FINANCE, STAKEHOLDERS ARE NOT JUST PARTICIPANTS,  
THEY ARE CO-CREATORS IN OUR JOURNEY TOWARD RESPONSIBLE GROWTH AND MEANINGFUL IMPACT**



## AWARDS AND RECOGNITION



### Top Non-Bank Financial Institution

according to Bangladesh Bank Sustainability Report of **2023**



Achieved Long Term Credit Rating of **AA (Double A)** and Short Term Rating of **ST-2** with a “Stable” outlook by Emerging Credit Rating Limited



### Achieved ISO/IEC 27001:2022

Certificate for the compliance of Information Security Management System (ISMS)



### Top Non-Bank Financial Institution

according to Bangladesh Bank Sustainability Report of **2020**



# EVENT HIGHLIGHTS



Strategy Session – 2024 hosted at Bhawal Resort, Gazipur, Dhaka



Code of Conduct signing ceremony 2024 took place at All Offices of United Finance



## EVENT HIGHLIGHTS



New Year 2024 Celebration across all offices of United Finance



Pahela Falgun Celebration at Office



Woman's Day 2024 Celebration at United Finance



## EVENT HIGHLIGHTS



Fire Drill Conducted at head office by Bangladesh Fire Service & Civil Defense (BFSCD)



Pahela Boishakh 2024 Celebration and Greeting sharing at office



Financial Literacy Program in Cox's Bazar Venue : Hotel Bashoti Bay Resort



SME Entrepreneurs in Rangpur, joined by esteemed delegates from Bangladesh Bank



## EVENT HIGHLIGHTS



United Finance signing agreements with Bangladesh Bank to support Women Entrepreneurs



Signing agreement with SME Foundation to support entrepreneurs under the government's Credit Wholesaling Project

# EVENT HIGHLIGHTS



United Finance Deposit team participates in various corporate fairs



United Finance Deposit team participates in various corporate fairs



Celebrating United Finance Limited's Top Sustainable Financial Institutions in Bangladesh Bank Sustainability Rating 2023



## EVENT HIGHLIGHTS



Strategy Session 2024 at Dera Resort on September



Training on "Strategic Thinking, Leadership Communication, and Managerial Excellence,"



United Finance Advanced to Final Round of CII Cyber Drill 2024



## EVENT HIGHLIGHTS



United Finance Participates in Job Utsab 2024 at Daffodil International University



United Finance Deposit team participates in various corporate fairs.



United Finance Annual Picnic with Families - A Day of Joy, Laughter, and Togetherness



## UNITED FINANCE PLC CELEBRATES 36 YEARS OF TRUST, GROWTH, AND IMPACT

April 27, 2025 marked a momentous milestone for United Finance PLC as the company celebrated its 36<sup>th</sup> Foundation Day across the branches and headoffice, bringing together employees, clients, and partners in a shared spirit of pride and unity.

With 36 years of service in the financial sector, United Finance has become a symbol of stability, resilience, and inclusive growth. This year's anniversary celebration paid tribute not only to the company's remarkable journey but also to the people who made it possible-our clients, employees, and stakeholders.

### Central Ceremony at the Head Office



*Our Chairman and Managing Director warmly welcoming the Chief Guest, Mr. Hasan Mahmood Raja, Chief Advisor of United Group, at the 36<sup>th</sup> Foundation Day Ceremony held at the Head Office*

## UNITED FINANCE PLC CELEBRATES 36 YEARS OF TRUST, GROWTH, AND IMPACT



*Mr. Najmul Hasan, Chairman of United Finance PLC, addressing the audience during the 36th Foundation Day Ceremony*

The 36<sup>th</sup> Foundation Day Ceremony event was graced by our Chief Guest, Mr. Hasan Mahmood Raja, Chief Advisor of United Group, and Special Guest, Mr. Najmul Hasan, Chairman of United Finance PLC. Their inspiring presence added significance to the occasion, as both guests reflected on the company's legacy and the road ahead.

The event was broadcast live to all branches, enabling employees from across the country to virtually join the celebrations. This collective participation symbolized the unity, shared vision, and mutual respect that bind United Finance together as one family.

## UNITED FINANCE PLC CELEBRATES 36 YEARS OF TRUST, GROWTH, AND IMPACT



*Managing Director Mr. Mohammad Rafiqul Islam of United Finance PLC addressing the audience at the 36th Foundation Day Ceremony*

### Message from the Managing Director

In his keynote address, Managing Director Mr. Mohammad Rafiqul Islam expressed heartfelt gratitude to the employees, clients, and partners who have played a vital role in shaping the journey of United Finance.

“Our success over these 36 years is rooted in the trust of our clients,” said Mr. Islam. “Together, we have not only grown as a business but have created meaningful impact by advancing financial inclusion and promoting sustainability across communities in Bangladesh. As we look ahead, we remain focused on empowering lives through responsible finance and inclusive growth.”



## UNITED FINANCE PLC CELEBRATES 36 YEARS OF TRUST, GROWTH, AND IMPACT



*From Upper Left: Mr. Md. Enayet Latif, Mr. Lingkon Mondal, Mr. A.H.M. Kamal, Ms. Sabrina Mehnaz, Ms. Sharmi Noor Nahar, Mr. Mohammed Abul Ahsan, Mr. Zia Ul Alam Chowdhury, Mr. Khandaker Tanbir Islam. From Right: Mr. Mohammad Rafiqul Islam, Mr. Hasan Mahmood Raja, Mr. Mr. Najmul Hasan Khandaker Moinul Ahsan*



*Cake-cutting ceremony held to celebrate United Finance's 36th Foundation Day.*



## UNITED FINANCE PLC CELEBRATES 36 YEARS OF TRUST, GROWTH, AND IMPACT



*Mr. Mohammed Abul Ahsan receiving Long Service Award and Certificate from Mr. Mohammad Rafiqul Islam*



*Ms. Sharmi Noor Nahar receiving Long Service Award and Certificate from Mr. Mohammad Rafiqul Islam*

## UNITED FINANCE PLC CELEBRATES 36 YEARS OF TRUST, GROWTH, AND IMPACT



*Mr. Zia Ul Alam Chowdhury receiving Long Service Award and Certificate from Mr. Mohammad Rafiqul Islam*

### Recognizing Long Service and Excellence:

One of the most meaningful segments of the day was the Long Service Awards, presented to employees who have devoted years of service to United Finance. This recognition is a testament to the enduring commitment and loyalty that have helped shape the organization into what it is today.

Each awardee was applauded for their outstanding contribution, professionalism, and embodiment of the company's core values. Their stories served as an inspiration for younger team members and a reminder of the legacy they are helping to build.



# UNITED FINANCE PLC CELEBRATES 36 YEARS OF TRUST, GROWTH, AND IMPACT

## Celebrations Across Branches





## UNITED FINANCE PLC CELEBRATES 36 YEARS OF TRUST, GROWTH, AND IMPACT



## UNITED FINANCE PLC CELEBRATES 36 YEARS OF TRUST, GROWTH, AND IMPACT





# UNITED FINANCE PLC CELEBRATES 36 YEARS OF TRUST, GROWTH, AND IMPACT

## Looking Ahead

As United Finance PLC steps confidently into coming years, the company remains firmly focused on its mission of enabling financial inclusion and promoting sustainable economic growth. With operations in all 64 districts of Bangladesh, a strong portfolio of products, and a legacy of trust, United Finance is poised to continue making a difference.

Here's to 36 years of excellence-and many more to come.



## PRIORITIES WE FOLLOWED IN 2024

01

### Stakeholders Relationship

Secure the financial future by maintaining proper relationships with stakeholders. Our priority was in the customer satisfaction and repayment on due time.

02

### Capital Planning and Management

Ensure adequacy of capital as per Basel II Capital Accord to support healthy growth of business. In the year 2024 we had a Capital Adequacy Ratio (CAR) of 19.81% where requirement was 10% of Risk Weighted Assets.

03

### Operating efficiency through Core Business

To maintain consistency and focus on asset quality and business performance, we worked meticulously during the year 2024.

04

### Financial Inclusion

To reduce poverty by promoting financial inclusion, our focus was in the inclusion of marginal people in financial system net.

05

### Technological Innovation

Reducing lead time by technological advancement and innovative products including easy to use mobile software to support business.

06

### Liquidity Risk Management

To ensure smooth banking operation through managing contingent sources of funds to ensure on time deposit payment and other required funding.

07

### Human Capital

Improvement of employee productivity by focusing on soft skill training and workshop

08

### Community Services

Expanding the horizon of community services including Corporate Social Responsibility (CSR) and employment generation.

09

### Recovery of Classified Loan

Recovery of Classified Loan through proper monitoring & relationship management

10

### Environment friendly investment

Developing, promoting and utilizing environment friendly investment

## CHAIRMAN'S STATEMENT



**Najmul Hasan**  
Chairman

## Dear Shareholders'

On behalf of the Board of Directors, I welcome you to the 36<sup>th</sup> Annual General Meeting of United Finance PLC. It is both my duty and privilege to present to you an overview of the global and national economic landscape, the evolving challenges within the financial services sector, your Company's performance in 2024 and the proposed strategy for 2025.

### Global Economic Performance

The global economy demonstrated notable resilience in 2024 despite significant geopolitical and macroeconomic factors. According to the International Monetary Fund (IMF), global GDP growth expected to reach 3.2% in 2024, maintaining near parity with the 3.3% growth rate recorded in 2023.

Despite an appearance of stable growth, the global economy in 2024 faced pressure from a range of challenging factors. These conditions influenced energy markets and global trade activity. Simultaneously, central banks across both advanced and developing economies continued implementing contractionary monetary policies to rein in inflation. Compounding these issues were persistent supply chain disruptions, which added volatility to production costs and trade operations. Nevertheless, these headwinds were partially mitigated by a gradual improvement in inflationary trends and the adoption of flexible fiscal responses in select economies.

While risks remain—particularly from geopolitical fragmentation, trade protectionism, and financial sector vulnerabilities—the global economy entered a phase of cautious recovery. The stabilization is expected to be driven by a gradual softening of inflation, calibrated monetary easing in selected economies and improved investor sentiment in response to geopolitical de-escalation and structural reforms.

Although structural challenges and political uncertainties persist, the forecast for 2025 suggests a phase of modest but stabilizing recovery.

### Bangladeshi Economic Performance

In 2024, Bangladesh's economy grappled with a challenging mix of global and domestic pressures. The adverse external environment—including persistent geopolitical tensions, declining global demand, and energy market volatility—was compounded by internal structural issues such as rising non-performing loans, liquidity challenges, market volatility, inflationary pressure, exchange rate instability, and political upheaval and uncertainty. As a result, GDP growth slowed to approximately 4.2%, compared to 5.8% in the previous fiscal year. The slowdown, specially during the last quarter, was primarily driven by a decline in export performance, particularly in the ready-made garments (RMG) sector, crisis in the banking sector as well as weakened industrial growth amid energy shortages and restricted imports.

Inflation remained a key macroeconomic concern, peaking at 11.66% in July 2024. Bangladesh Bank responded with contractionary monetary policies, including interest rate hikes and liquidity tightening, which contributed to a gradual decline in inflation over time, although still high—reaching 10.89% in December 2024. In parallel, the exchange rate policy was reformed with the introduction of a crawling peg system in May 2024 and widening of the trading band in August. Despite an 8.94% depreciation of the taka during the year, foreign exchange reserves remained relatively

stable, supported by tighter controls on import financing, improved remittance inflows, and development finance commitments.

The trade deficit narrowed by 18.08% to USD 22.43 billion in FY24, driven by a 7.8% reduction in imports and a more modest 4.34% decline in exports. Credit trends reflected fiscal adjustments and cautious investor sentiment. Public sector credit rebounded sharply by December 2024, growing 18.18% year-on-year, while private sector credit growth decelerated to 7.28%, impacted by high borrowing costs and a weakened business outlook.

The World Bank projects Bangladesh GDP growth for 2025 at 4.1%, contingent on successful inflation management, exchange rate stabilization, structural reforms in key sectors, financial sector governance, political continuity, and the resumption of private investment will be critical to positioning the economy on a sustainable growth trajectory.

### Financial Services Sector:

In 2024, Bangladesh's financial sector operated in a challenging environment marked by elevated non-performing loans (NPLs), tightening liquidity, and cautious investor sentiment. The banking sector's NPL ratio increased to 20.20%, while Non-Banking Financial Institutions (NBFIs) saw asset quality weakened, with NPLs reaching 35.52% by the third quarter. In capital markets, volatility remained elevated. The DSEX index declined by 16.5%, and market capitalization dropped by 15.14% year-on-year, reflecting cautious investor behavior amid broader macroeconomic and political uncertainties. Slower deposit growth also limited credit expansion, placing additional constraints on investment and overall economic momentum.

Across the NBFIs sector, heightened risk aversion and conservative lending practices became more prominent, while deposit mobilization contracted. United Finance PLC remained focused on maintaining financial stability and long-term sustainability amid these headwinds. Through prudent risk management, conservative lending practices, and disciplined operations, United Finance successfully navigated a complex operating environment. The Company continued to emphasize asset quality and operational efficiency, while maintaining a strategic approach to funding and investment. These measures contributed to stable performance and positioned the institution to respond effectively to evolving market dynamics.

Amid high inflation, elevated interest rate spreads, and shifting investor preferences toward government securities, liquidity pressures persisted across the sector, leading to subdued credit demand. Despite these challenges, United Finance remained steadfast in its commitment to sound financial governance and client-focused service.

### Company Performance:

In light of the above noted conditions of volatile Global and local economic performance and the financial sectors, the year 2024 was understandably very challenging for the Company as well. The Company's deposit portfolio decreased by 14.32% due to economic pressures, intensified market competition. The lease, loans, and advances portfolio shrank by 4.48%, from BDT 20.4 billion in 2023 to BDT 19.46 billion in 2024 amid weaker credit demand, macroeconomic headwinds, and a cautious lending approach.



Despite the above constraints, the Company focused on financial discipline and operational efficiency through cost-saving measures, process automation, and better vendor negotiations to manage expenses and support long-term sustainability in a challenging financial environment.

The Earnings per Share (EPS) of your Company increased from BDT 0.76 in 2023 to BDT 1.12 in 2024 and the Net Asset Value (NAV) per share slightly increased from BDT 17.32 in 2023 to BDT 17.84 in 2024. The Company registered a 26% increase in total operating income from 2023 and set back operating expense not proportionate to increase in total operating income. Due to control in operating expenses, the net profit increased by 46.2% in 2024 after maintaining the provision requirements.

**Risk Management**

In 2024, the Company prioritized strengthening its risk management framework through a structured and data-driven approach to proactively identify, assess, and mitigate risks, especially given the challenging economic climate and financial sector volatility. The early alert system was enhanced for better detection of clients facing cash flow issues, minimizing credit risks and protecting asset quality. The Risk Management Forum's scope was broadened to improve oversight and governance, ensuring all risks stayed within acceptable levels and providing a comprehensive view for timely interventions and informed decision-making. Adhering to Bangladesh Bank and other regulatory guidelines, risk management policies were regularly reviewed and updated to strengthen risk monitoring, enhance compliance, and establish stringent control benchmarks.

**Sustainability Initiatives**

In 2024, United Finance PLC embedded sustainability as a core strategic pillar, allocating 71.10% of term loan disbursements to sustainable financing, surpassing industry benchmarks, with green finance at 5.65%, exceeding Bangladesh Bank’s target. Sustainability efforts include renewable energy investments, resource efficiency projects, and a BDT 1,207.55 million green finance portfolio, with the overall sustainable finance portfolio expanding by 3.20%. CSR initiatives focused on education, healthcare, and disaster relief, positively impacting communities nationwide. To promote financial inclusion, BDT 1,179.21 million supported 150 women entrepreneurs, and BDT 776.07 million aided sustainable agriculture. By integrating sustainability into its operations and governance, United Finance PLC aims to drive long-term economic, social, and environmental impact, fostering a resilient and inclusive future for all stakeholders.

**Future Outlook**

As we look ahead, global uncertainties and domestic macroeconomic imbalances are expected to persist. However, with political stabilization underway and economic reforms gaining traction, there are cautious signs of recovery. The Company is focusing on rebuilding and strengthening trust through product innovation, targeted marketing, and customer-centric solutions. To broaden its consumer footprint, the Company also plans to launch several new portfolios. Your Company remains strategically positioned to capitalize on these developments. We will continue prioritizing:

- Sustainable and inclusive lending,
- Customer-centric innovation,
- Digitally enabled service delivery, and
- Disciplined financial management.

Our long-term vision remains rooted in value creation for shareholders, economic contribution, and corporate integrity.

**United Finance Mobile Application (UMA)**

We have developed a mobile application, UMA, probably the first one in NBFIs sector, to improve customer access to their financial services. The UMA app allows customers to easily open deposits, check account details and offers a quick registration process. UMA aims to capitalize on Bangladesh's increasing internet usage to deliver a convenient and secure digital experience, demonstrating United Finance's commitment to innovation and customer satisfaction.

**Acknowledgement**

I extend my sincere gratitude to our esteemed shareholders, regulators, customers, and stakeholders for their unwavering trust and continued support during these challenging times. I also thank the members of the Board of Directors for their steadfast guidance and strategic counsel throughout the year.

Finally, I place on record my heartfelt appreciation to the management team and all employees of United Finance PLC, whose commitment, resilience, and professionalism were the driving force behind our performance in 2024.

Together, we remain confident in our collective ability to navigate challenges, seize opportunities, and deliver sustainable growth.

Sincerely,



**Najmul Hasan**  
Chairman of the Board



PERSONAL LOAN

# YOUR DREAMS WITHIN REACH



## MANAGING DIRECTOR'S STATEMENT



**Mohammad Rafiqul Islam**  
Managing Director



## Dear Shareholders,

The year 2024 was marked by formidable economic winds, both domestically and globally. Yet, through resilience, strategic foresight, and operational discipline, our Company successfully navigated these challenges. The broader financial industry continued to undergo significant transformation, grappling with elevated levels of non-performing loans and the aftershocks of a shifting macroeconomic environment.

### Financial Sector Performance

Bangladesh's financial sector in 2024 operated under sustained stress, marked by structural inefficiencies, liquidity constraints, and elevated credit risk. Non-performing loans (NPLs) continued to rise across the system, reaching 20.2% for banks and 35.5% for Non-Banking Financial Institutions (NBFIs) by Q3. Funding costs increased sharply amid monetary tightening, while investor sentiment weakened, leading to a 16.5% decline in the DSEX index and a year-on-year market capitalization drop of 15.14%.

The NBFI sector, in particular, faced intensified challenges. Risk aversion and conservative lending became widespread, while deposit mobilization contracted across institutions. Liquidity pressures persisted throughout the system, amplified by a shift in investor preference toward government securities—not just among retail investors, but also among institutions.

Despite these headwinds, institutions that upheld strong governance and disciplined operations demonstrated relative resilience. United Finance stood firmly among them. Our strategic focus on prudent risk management, a diversified customer base across all 64 districts, strong customer trust, and operational efficiency has enabled us to maintain asset quality well below industry averages and ensure uninterrupted business continuity. By staying conservative in our lending, disciplined in resource deployment, and responsive to shifting market dynamics, we successfully navigated the sector's volatility while delivering record profitability.

### Performance of the Company

United Finance demonstrated commendable performance in a challenging year marked by economic disruptions, including geopolitical unrest, persistent supply chain inefficiencies, inflationary pressures, and a tightened monetary policy stance.

Additionally, political unrest during the January election and the July political regime change, along with widespread floods, severely impacted business operations, disrupted supply chains, and delayed repayments — particularly for SMEs and agricultural borrowers. In response, Bangladesh Bank allowed loan instalments in flood-affected areas to be deferred by up to three months without additional charges. These challenges intensified liquidity pressures and credit risks across the NBFI sector. Amidst this backdrop, the Company achieved a robust 72.9% year-on-year growth in net operating income and 46.21% year-on-year growth in net profit, with a return on equity (ROE) of 6.36%, reflecting our commitment to financial stability and value creation. We remained focused on sustainable growth through initiatives in renewable energy, resource efficiency. These strategic steps reinforce our commitment to diversified investments and long-term resilience.

Additionally, our unwavering adherence to regulatory compliance and prudent credit risk management has enabled us to maintain a healthy loan portfolio, with non-performing loans kept well within

acceptable thresholds. We remain committed to building a future-ready institution—anchored in integrity, driven by innovation, and aligned with our nation's development goals.

### Vigilant Towards Challenges

The financial sector continues to grapple with widespread challenges, ranging from regulatory tightening and macroeconomic volatility to sector-specific stressors. In the face of such adversity, United Finance PLC has remained steadfast in upholding its legacy of resilience and strong performance. The Company has proactively addressed these challenges through disciplined execution, strategic preparedness, and in-depth analysis of evolving market segments. Throughout the year, we demonstrated a forward-looking stance by aligning our operations with regulatory directives, policy frameworks, and industry guidelines—ensuring timely compliance and sustainable adaptability.

### Products and Portfolio Management

In 2024, United Finance PLC adopted a cautious and strategic approach to product and portfolio management, in response to the prevailing economic headwinds and tightening financial conditions. Rather than pursuing aggressive growth, our focus remained firmly on safeguarding asset quality, managing risk exposures, and optimizing margins across all product lines. The year witnessed a measured stance in new loan disbursements, as we prioritized portfolio health and prudent customer selection over volume expansion. Existing products—particularly in lease financing, SME lending, and home loans—were closely monitored through strengthened underwriting standards and post-disbursement review mechanisms. The Company continued to refine product delivery processes and aligned pricing structures with market realities to ensure sustainability. Margin management became a key operational priority, achieved through disciplined cost control, recalibrated interest rate strategies, and selective lending in sectors with lower credit risk profiles. This approach not only preserved financial stability in a volatile environment but also reinforced our long-term commitment to responsible financing and value creation for all stakeholders.

### Strategic Execution amid Volatility

Throughout 2024, United Finance PLC operated amid a challenging macroeconomic landscape marked by heightened market volatility, contractionary monetary policy, and sustained inflationary pressures. In response to these external dynamics, the Company implemented a proactive and disciplined strategic framework designed to preserve financial stability and reinforce operational resilience. This approach reflected United Finance's continued commitment to prudent risk management, margin protection, and long-term sustainability.

Preservation of asset quality remained a central focus, supported by rigorous credit assessments, prudent portfolio selection, and continuous monitoring of exposures across all lending segments. These measures enabled the Company to maintain non-performing loans significantly lower than the industry average—demonstrating strong portfolio discipline and effective credit governance amidst sector-wide asset quality concerns. Operational efficiency was further enhanced through a structured cost optimization initiative, which emphasized curtailing non-essential expenditures, enhancing productivity, and accelerating automation and digital transformation. These initiatives were critical in sustaining profitability amid inflationary headwinds.

To manage liquidity pressures and interest rate volatility, the Company refined its funding strategy by prioritizing the mobilization of longer-tenor and institutional deposits. This helped ensure a more stable and diversified funding base, strengthening the Company's financial position in a tightening monetary environment. At the same time, lending rates were recalibrated in alignment with policy shifts, allowing the Company to remain competitive while protecting interest margins. Margin management, coupled with disciplined resource deployment, remained a core financial strategy throughout the year.

To further reinforce its risk governance, the Company expanded its scenario-based stress testing and forecasting tools, enabling early identification of potential vulnerabilities and the development of timely mitigation strategies. These forward-looking measures enhanced risk-informed decision-making and strengthened organizational preparedness.

Collectively, these actions underscore United Finance's ability to respond with agility and discipline in a volatile economic environment. By prioritizing resilience, efficiency, and sustainable value creation, the Company remains well-positioned to navigate uncertainty and deliver on its commitments to stakeholders in the years ahead.

#### **Balancing Growth, Governance, and Green Priorities**

In navigating a year marked by economic contraction, shifting customer behaviors, and regulatory recalibration, United Finance PLC adopted a deliberate and disciplined approach across all operational fronts. While deposit and lending portfolios experienced measured contractions, the Company responded by diversifying financial products, strengthening digital access through the rollout of the United Finance Mobile Application (UMA), and advancing customer-focused innovation to rebuild depositor trust and attract new borrowers. Concurrently, cost efficiency remained a strategic priority, with rationalized expenditures and targeted automation initiatives supporting operational sustainability. Our risk governance framework was further fortified through enhanced early warning

systems, robust stress testing, and reinforced cybersecurity protocols—ensuring organizational resilience amidst sector volatility. Above all, sustainability guided our long-term vision, as we exceeded regulatory green financing targets and deepened our commitment to inclusive development, environmental stewardship, and governance excellence. This integrated focus positions United Finance to respond with agility, responsibility, and renewed ambition in the years ahead.

#### **Prospects of 2025**

In the year 2025, the Company will remain steadfast in its commitment to strategic focus areas including market engagement, prudent portfolio management, enhanced customer satisfaction, and deepened financial inclusion across the country. These pillars are expected to play a vital role in fortifying our operational performance and long-term sustainability. We shall continue to allocate resources towards sustainable initiatives aimed at promoting environmental consciousness. Our ongoing emphasis on technology-driven mobile application to ensure greater accessibility, improved user experience, and seamless service delivery for our clients.

Moreover, we recognize the indispensable role of our human capital and stakeholders in driving forward the Company's objectives. With their continued dedication and collaboration, we are confident in our ability to achieve sustainable growth and operational excellence in the years ahead.

Sincerely,



**Mohammad Rafiqul Islam**  
Managing Director

# SHAREHOLDING STRUCTURE

As on 31 December 2024

Sl. No.	Shareholder	Number of Shares		% of shareholding	
		2024	2023	2024	2023
<b>1.</b>	<b>Sponsors : Local</b>				
	United Insurance Co. Ltd.	37,116,828	37,116,828	19.84%	19.84%
	National Brokers Limited	3,754,942	3,754,942	2.01%	2.01%
	Duncan Brothers (BD) Ltd.*	N/A	1,871,145	N/A	1.00%
	Octavius Steel & Co. of BD Ltd.*	N/A	1,336,510	N/A	0.71%
	<b>Sub-total of Local Sponsors</b>	<b>40,871,770</b>	<b>44,079,425</b>	<b>21.85%</b>	<b>23.56%</b>
<b>2</b>	<b>Sponsor : Foreign</b>				
	Lawrie Group Plc.*	N/A	37,422,921	N/A	20.00%
	<b>Sub-total of Foreign Sponsor</b>	<b>N/A</b>	<b>37,422,921</b>	<b>N/A</b>	<b>20.00%</b>
<b>3.</b>	<b>Directors</b>				
	Moinuddin Hasan Rashid	9,337,019	N/A	4.99%	N/A
	Mahenoor Sultana Rashid	9,337,019	N/A	4.99%	N/A
	Nazmul Hasan	4,652,881	N/A	2.49%	N/A
	Kutubuddin Akhter Rashid	5,443,990	N/A	2.91%	N/A
	Khondaker Zayed Ahsan	5,443,990	N/A	2.91%	N/A
	Surmah Valley Tea Co. Ltd.*	N/A	15,481,242	N/A	8.27%
	Camellia Duncan Foundation*	N/A	4,855,602	N/A	2.59%
	<b>Sub-total of Director</b>	<b>34,214,899</b>	<b>20,336,844</b>	<b>18.29%</b>	<b>10.87%</b>
<b>4.</b>	<b>General Institutions</b>				
	ICB	6,173,636	6,173,636	3.30%	3.30%
	Janata Capital & Invest. Ltd.	2,925,759	2,925,759	1.56%	1.56%
	Macalms Bangladesh Trust*	N/A	2,144,514	N/A	1.15%
	Other Institutions	19,053,732	19,657,856	10.18%	10.51%
	<b>Sub-total of General: Institutions</b>	<b>28,153,127</b>	<b>30,901,765</b>	<b>15.04%</b>	<b>16.51%</b>
	<b>Individuals</b>				
	General Public	83,874,818	54,373,659	44.82%	29.06%
	<b>Sub-total of General Public (Institution and Individuals)</b>	<b>112,027,945</b>	<b>85,275,424</b>	<b>59.86%</b>	<b>45.57%</b>
	<b>Total Shareholding</b>	<b>187,114,614</b>	<b>187,114,614</b>	<b>100%</b>	<b>100%</b>

\* Lawrie Group Plc and its related parties divested from United Finance PLC in November 2024.





## Board of Directors

## PROFILE OF BOARD OF DIRECTORS

**Mr. Najmul Hasan** has been appointed as the Chairman of Board of Directors of United Finance PLC. He has a Master's degree in Political Science from University of Dhaka and a Diploma in Business Management from Australia. From 1981 to 1985 he was involved with business activities in collaboration with international companies.

In 1985 he joined Halcrow Group, an engineering consulting firm of UK with a pedigree going back 125 years. By the time Mr. Hasan left the company in 2004, Halcrow had grown to one of the largest international engineering consulting practice in Bangladesh under his leadership, having worked as Regional Director Development for south and southeast Asia of Halcrow Group and Managing Director of Halcrow Bangladesh Limited.

In 2006 Mr. Najmul Hasan joined United Hospital Limited, a new 500 bed multi-disciplinary hospital, as Chief Executive Officer, undertaking initially the responsibility of startup and later the development, operational, administrative and financial aspects of the health care facility. When he left in 2018, the yearly turnover of the hospital was in excess of Tk 360 crore.

During this period Mr. Hasan also developed the United College of Nursing, which is now completing its 15<sup>th</sup> year of establishment, with courses in Diploma in Nursing, BSc Graduate course in Nursing and MSc course in Nursing. He also laid the groundwork of setting up United Medical College. He is also a member of the Governing Body of United College of Nursing.

Later from mid-2019 to end of 2022 he was the Chief Executive Officer of United Property Solutions Limited, a company involved with land procurement & development, architectural and engineering design as well as construction of buildings and structures. The yearly budget varied between Tk 50-70 crore.

Currently he is working as Urban Sector

Advisor with Surbana Jurong, an engineering and architectural firm of Singapore, with about 700 staff working in Bangladesh, in its wholly owned companies in Bangladesh.

Mr. Hasan has broad experience in managing large companies covering various sectors both domestically and internationally. His expertise spans strategic business planning, business development, identifying new business opportunities and forging new partnerships, project planning, development and implementation.



**NAJMUL HASAN**

**Chairman of the Board,  
Chairman of the Executive Committee and  
Member of the Risk Management Committee**



**Mr. Moinuddin Hasan Rashid** is a visionary leader and a distinguished member of the Board of Directors at United Finance PLC. As Chairman of United Group of Companies, one of Bangladesh's most prominent and diversified conglomerates, he drives strategic growth and innovation across multiple sectors.

Mr. Rashid began his career with United Group in 2005, focusing on sales and marketing for United City, a premium township development in Dhaka. Early on, he took on the critical responsibility of power plant development, demonstrating exceptional leadership that led to the successful implementation of key power generation projects. These initiatives established United Group as a leading contributor to Bangladesh's national grid and solidified its position as a major player in the power sector.

A graduate with a Bachelor of Science in Electrical and Electronics Engineering from University College London (UCL), United Kingdom, Mr. Rashid combines technical expertise with strategic vision. He has been instrumental in diversifying United Group's portfolio, expanding its presence in real estate, healthcare, and retail sectors.

His leadership philosophy is rooted in social responsibility, emphasizing integrity, transparency, and community benefit. This approach has fostered trust among stakeholders and strengthened United Group's internal culture. Iconic ventures such as Unimart, Chef's Table, Sir John Wilson School, United Hospital, and United International University reflect his vision of combining business success with societal impact.

Mr. Rashid envisions United Group as a pioneer in creating innovative business models that deliver sustainable value to the community. His dedication to fostering a motivated workforce and implementing long-term policies ensures the organization's enduring success.

Under his guidance, United Group continues to thrive, reinforcing its legacy as a leader in Bangladesh's business landscape.



**MOINUDDIN HASAN RASHID**

Director of the Board and  
Member of the Executive Committee



**Mr. Kutubuddin Akhter Rashid** is a respected member of the Board of Directors at United Finance PLC. and currently serves as the Managing Director of United Tank Terminal Limited. He also holds directorships in several prominent organizations, including United Enterprises & Co. Ltd., United Lube Oil Ltd., and United Mymensingh Power Ltd.

Joining United Group in 2018, Mr. Rashid quickly distinguished himself as a core project team member for several nationwide power projects. His dedication and leadership have been instrumental in the success of these initiatives, earning him key directorial roles across numerous United Group ventures.

He holds a Bachelor's degree in Public Relations and Marketing from Taylor's University, Malaysia. Mr. Rashid's strategic vision and exceptional leadership capabilities continue to contribute to the growth and innovation of the organizations under his stewardship.



**KUTUBUDDIN AKHTER RASHID**

Director of the Board and  
Member of the Audit Committee



**Mr. Khondaker Zayed Ahsan** is a distinguished member of the Board of Directors at United Finance PLC, bringing extensive leadership and business expertise across multiple sectors.

He serves as the Managing Director of Dhaka Indenting Limited and Shahji Enterprises & Co. Ltd., while also holding directorships in several esteemed organizations, including United Enterprises & Co. Ltd., United Power Generation & Distribution Company Ltd., and United Aygaz LPG Ltd. Additionally, Mr. Ahsan is a Board Member of Footsteps, a youth-focused organization promoting leadership and social development.

Mr. Ahsan began his career with United Group in January 2019, gaining valuable experience across various departments. He later focused on Information Technology, where he successfully led the implementation of a business automation solution, significantly enhancing operational efficiency across the United Group of Companies.

He holds a Bachelor's degree in Economics from Stony Brook University, New York, USA. Prior to joining United Group, he worked in the accounts division of a U.S.-based wealth management firm, specializing in tax evaluation and financial planning. With his diverse background and forward-thinking approach, Mr. Ahsan continues to drive growth, innovation, and operational excellence in the organizations he serves.

**KHONDAKER ZAYED AHSAN**

Director of the Board  
Member of the Risk Management Committee



**Mr. Ormaan Rafay Nizam** represents National Brokers Limited on the Board of United Finance PLC. He is also a member of the Board Audit Committee and Risk Management Committee.

Mr. Nizam is the Managing Director of National Brokers Limited. He has over 30 years of experience in tea broking. He joined National Brokers in 1991, became its Director in 2000.

He is associated with various social activities and is actively involved in Bhatyari Golf and Country Club. He is also the Honorary Consul of France in Chattogram.

Mr. Nizam graduated from University of Chattogram and obtained B.Sc. degree from the London School of Economics.



## ORMAAN RAFAY NIZAM

Director of the Board, Nominated by National Brokers Limited  
Member of the Audit Committee and  
Member of the Risk Management Committee





**Mr. Kayes Khalil Khan** is a seasoned professional with over two decades of experience. He currently serves as a Director on the Board of United Finance PLC, representing United Insurance Company Limited. He also holds the position of Executive Director at United Enterprises & Co. Ltd., where he provides strategic leadership and drives operational efficiency.

Mr. Khan has built a robust portfolio in operations management, business development, corporate governance, and administrative excellence throughout his career. His multifaceted expertise across diverse sectors enables him to align organizational objectives with global best practices, ensuring sustainable growth and competitive performance.

Before his tenure at United Group, Mr. Khan held pivotal roles, including General Manager at LR Global Bangladesh Asset Management Company. He has also made significant contributions to Nordic Woods Limited, EC Securities Ltd., and Union Capital Limited in strategic leadership positions.

Mr. Khan's exceptional capabilities in implementing corporate strategies, streamlining systems, and identifying high-potential investment opportunities have driven business transformation, long-term stability, and profitability. His strategic decision-making has been a cornerstone of his professional success.

Mr. Khan holds a Master's in Finance from the University of Dhaka. His commitment to innovation and excellence continues to shape the success of the organizations under his leadership.

**KAYES KHALIL KHAN**

Director of the Board, Nominated by United Insurance Company Ltd.  
Chairman of the Risk Management Committee and Member of the Executive Committee

**Ms. Mahenoor Sultana Rashid** serves as a member of the Board of Directors at United Finance PLC. and is the Chairperson of Saadatia Sweaters Limited.

Her career with United Group began in January 2013 as a Management Associate at United Tank Terminal Limited. Over the years, she has accumulated invaluable expertise in management and operations, contributing to the efficiency and growth of the businesses she has been involved with.

Ms. Rashid holds a Bachelor of Business Administration (BBA) degree with a major in Economics from North South University, Dhaka. Her strategic insight and leadership continue to play a vital role in driving success across the organizations she represents



**MAHENOOR SULTANA RASHID**

Director of the Board  
Member of the Audit Committee



**Professor Dr. Mahfuzul Hoque**, an Independent Director on the Board of United Finance PLC, is a distinguished academic, governance professional, and accounting expert with over 30 years of accomplished service in higher education, applied research, consultancy, and regulatory reform.

Dr. Hoque is a Professor in the Department of Accounting at the Faculty of Business Studies, University of Dhaka. He also serves as Director of the Japan Society of Organization and Accounting (JSOA), General Body Member of Dushtha Shasthya Kendra (DSK), and Editor-in-Chief of the Journal of Financial Markets and Institutions published by BICM. He previously held board positions at Power Grid Company of Bangladesh (PGCB) Limited and served as a consultant in the insurance industry.

His research focuses on the institutionalization of accounting systems and accountability mechanisms in public sector entities and developing economies. He holds MSc and PhD degrees in Management Science and Engineering from the University of Tsukuba, Japan.



## PROFESSOR DR. MAHFUZUL HOQUE

Independent Director  
Chairman of the Audit Committee



**Professor Dr. Mohammad Omar Farooq** is an Independent Director on the Board of United Finance PLC. He currently serves as Professor and Head of the Department of Economics at United International University, Dhaka. He also serves as an Independent Director of United Power Generation & Distribution Company Limited.

Dr. Farooq brings over 35 years of academic, institutional, and international experience, having taught in the United States for 20 years and in Bahrain for 15 years. He is a globally recognized expert in Development Economics, Financial Markets and Institutions, Islamic Economics and Finance, and Business Ethics. His interdisciplinary approach integrates economics, finance, history, and law.

He formerly served as Head of the Centre for Islamic Finance at Bahrain Institute of Banking and Finance (BIBF) and played a pivotal role in securing AACSB accreditation for the University of Bahrain's College of Business. He has also held senior academic positions at Gulf University and Royal University for Women in Bahrain.

Dr. Farooq obtained his Ph.D. in International Development, Environmental and Resource Economics, and History of Economic Thought from the University of Tennessee, USA. He also holds a Master of Arts (M.A.) in Applied Economics from the University of Central Florida, USA, and a Bachelor of Science (B.S.) in Business and Economics from Troy State University, Alabama, USA. He has published extensively in international journals and contributed to numerous academic books and conferences.



**PROFESSOR DR. MOHAMMAD OMAR FAROOQ**

Independent Director

**Mr. Md. Jahidur Rahman** is an Independent Director on the Board of United Finance PLC. He is a seasoned Chartered Accountant with over 22 years of professional experience in listed and non-listed public interest entities and international and domestic large private entities. He is currently a Partner at Howladar Yunus & Co., Chartered Accountants. Mr. Rahman has previously served as an Independent Director of Islamic Finance and Investment Limited.

Mr. Rahman has led and supervised advisory engagements across a wide range of sectors, including banking, telecommunications, manufacturing, power, and financial services. He has conducted critical assignments such as financial and tax due diligence, business valuations, internal audit, transaction advisory, and capital structuring for both local and multinational companies.

Mr. Rahman is a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB) and a member of the Institute of Internal Auditors, Bangladesh.



**MD. JAHIDUR RAHMAN**

Independent Director



**Mr. Mohammad Rafiqul Islam** has been serving as the Managing Director of United Finance PLC since November 2023.

He is a highly accomplished and results-driven professional with a proven track record of success in strategic leadership, business development, and operational excellence. He is a seasoned professional with over 27 years of experience in the banking and financial services sector. Mr. Islam began his career at Dhaka Bank Limited in 1997 and has since held pivotal leadership roles across leading financial institutions, including Citibank N.A., Standard Chartered Bank, BD Finance, and Standard Bank Limited. His career is marked by strategic leadership, digital transformation, and operational excellence both in domestic and international platforms.

At Standard Chartered Bank, Mr. Islam held multiple leadership roles, including Director of Relationship Management for Commercial Banking, and played an instrumental role in SME banking growth. At Citibank N.A., he served as Resident Vice President, overseeing import operations and compliance.

Mr. Islam earned his MBA from the Institute of Business Administration (IBA), University of Dhaka, and is a certified credit professional by Omega UK and Moody's. He has also completed leadership programs under Citibank and Standard Chartered across multiple countries.



**MOHAMMAD RAFIQUUL ISLAM**

Managing Director,  
Ex-officio Director of the Board and  
Member of the Executive Committee





# Management Committee



## PROFILE OF MANAGEMENT COMMITTEE



### *Standing from Left to Right*

**Lingkon Mondal, FCA**

Chief Financial Officer

**A.H.M. Kamal, FCMA**

Chief Human Resources Officer

**Khandaker Tanbir Islam**

Chief Risk Officer

**Md. Enayet Latif**

Head of Branch Management

**Zia Ul Alam Chowdhury**

Head of Special Asset Management

### *Sitting from Left to Right*

**Sabrina Mehnaz**

Head of Internal Control & Compliance

**Mohammad Rafiqul Islam**

Managing Director

**Mohammed Abul Ahsan**

Deputy Managing Director

**Sharmi Noor Nahar**

Company Secretary







## Mohammad Rafiqul Islam

### Managing Director

Mr. Mohammad Rafiqul Islam has been serving as the Managing Director of United Finance PLC since November 2023.

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**Mohammed Abul Ahsan**  
Deputy Managing Director

Mohammed Abul Ahsan currently serves as the Deputy Managing Director (DMD) of United Finance PLC and previously held the position of Acting Managing Director for a period of 14 months.

With over 20 years of diverse experience in the financial sector, Mr. Ahsan has made significant contributions across various areas including financial product and service innovation, risk management, branch operations, SME financing, business process re-engineering, system development, project management, technology integration, automation, and human resource management.

Since joining United Finance in 2002, Mr. Ahsan has held a number of senior leadership roles, including Head of Credit Risk & MIS, Head of Credit, Head of Small Business, Head of Risk Management, Head of Human Resources, Head of Business Development, Chief Customer Service Officer, Chief Business Officer, and Chief Transformation Officer.

Between 2014 and 2018, he also gained international experience at Sun Life Financial in Waterloo, Ontario, Canada, where he worked in the Wholesale New Business Operations Team as a Case Manager for the Asian Market under the Global Operations framework. He also contributed to the Dealer Operations Team, managing products such as GICs, Mutual Funds, and Segregated Funds.

Mr. Ahsan holds a Bachelor's degree in Economics and two Master's degrees in Economics and Health Economics from the University of Dhaka. He has also earned Canadian Securities Certification and received professional training from several prestigious local and international institutions.



### **Khandaker Tanbir Islam**

#### **Chief Risk Officer**

MR. Khandaker Tanbir Islam has been with United Finance PLC since 2004 and currently serves as Chief Risk Officer. With over 20 years' professional experience—all at United Finance—he has developed deep institutional knowledge and broad expertise across the organization.

Throughout his tenure, Mr. Islam has made significant contributions across a wide range of departments including Credit Administration, MIS, Research and Advisory Services, Credit, Small Enterprise Financing, Syndication Financing, Product Development, Internal Control & Compliance, and Risk Management.

Appointed Chief Risk Officer in 2019, he now leads the company's risk management function. He has played a key role in enhancing the company's risk framework and aligning it to regulatory standards and strategic objectives.

Mr. Islam holds an MBA in Finance and a BBA in Finance & Banking from the University of Dhaka.





**Md. Enayet Latif**  
Head of Branch Management

Md. Enayet Latif is presently serving as the Head of Branch Management of United Finance PLC. He is a highly experienced professional with over 30 years of work experience. Before his current role, Mr Latif was the Head of Monitoring and Collections at the Company.

Prior to joining United Finance, he served in Bangladesh Army as commissioned officer for more than 23 years at home and abroad with a progressively responsible experience in diverse fields such as security, intelligence, administration, Human resources, Logistics, operations, training and command. He successfully completed peacekeeping operation missions under the United Nations umbrella in Sierra Leone in 2001 and in DR Congo in 2011.

In addition to his professional experience, Mr Latif achieved an MBA from Royal Roads University in Canada and a Bachelor of Arts degree from the University of Chittagong. He also has a professional certificate in personnel management from the Bangladesh Institute of Management.



### **Sharmi Noor Nahar** Company Secretary

Ms. Sharmi Noor Nahar is the Company Secretary of United Finance PLC. She has been an integral part of the institution since 1997 and possesses over 27 years of extensive professional experience, particularly in the areas of Board Secretariat, Corporate Governance, Regulatory Compliance, General Administration, and Corporate Communication.

She was appointed as the functional Company Secretary in June 2011 and has since played a vital role in ensuring governance standards in alignment with BSEC, Bangladesh Bank, and the Companies Act.

Ms. Nahar is an Associate Member of the Institute of Chartered Secretaries of Bangladesh (ICSB). She holds an M.Com in Management from the National University.

Her professional competencies have been further enriched through participation in various training programmes on Corporate Governance, conducted by both domestic and international institutions.



**Lingkon Mondal**  
Chief Financial Officer

Mr. Lingkon Mondal, FCA is the Chief Financial Officer of United Finance PLC. He joined United Finance in May 2023. Mr. Mondal has more than 16 years of professional experience in the industry in various capacities. He started his career with KPMG Bangladesh in 2008, after being qualified as Chartered Account he joined Prime Finance & Investment Limited as Assistant Vice President in 2011. Mr. Mondal joined IPDC Finance as Chief Financial Officer (CFO). He also worked as Chief Financial Officer (CFO) of Industrial and Infrastructure Development Finance Company Limited (IIDFC) till 2023. He has a very good track record and achievement history throughout his career, and he led many departments and teams for achieving numerous awards within and outside of the country.

Mr. Mondal holds an MBA in AIS from Dhaka University. He is a qualified Fellow Chartered Accountant and member of the Institute of Chartered Accountants of Bangladesh (ICAB) and a qualified Chartered Secretary from ICSB.





**Zia Ul Alam Chowdhury**  
Head of Special Asset Management

Mr. Zia Ul Alam Chowdhury is the Head of Special Assets Management of United Finance PLC. He joined United Finance in 1998 and has over 26 years of extensive experience in operations, financing short-term products including factoring of accounts receivable, monitoring & collection and special assets management.

Mr. Chowdhury worked briefly at Standard Chartered Bank, where he was involved in SME Banking.

Mr. Chowdhury holds an MBA in Finance and Banking from the International Islamic University in Chittagong, and a Bachelor's Degree in Law from Southeast University. He has also participated in various domestic and foreign training, workshops and seminars on Arbitration, International Factoring and Leadership. He is also a certified credit professional from Omega.



**Sabrina Mehnaz**  
Head of Internal Control and Compliance

Ms. Sabrina Mehnaz, Head of Internal Control and Compliance started her career in 2003 with United Finance PLC. She has experience of more than 21 years with the Company in various leadership roles involving Treasury, Human Resources, Wholesale Deposit, Branch & Regional Business and Branding.

Ms. Mehnaz has completed her MBA in Finance from Institute of Business Administration (IBA), University of Dhaka.



**A.H.M. Kamal, FCMA**  
Chief Human Resources Officer

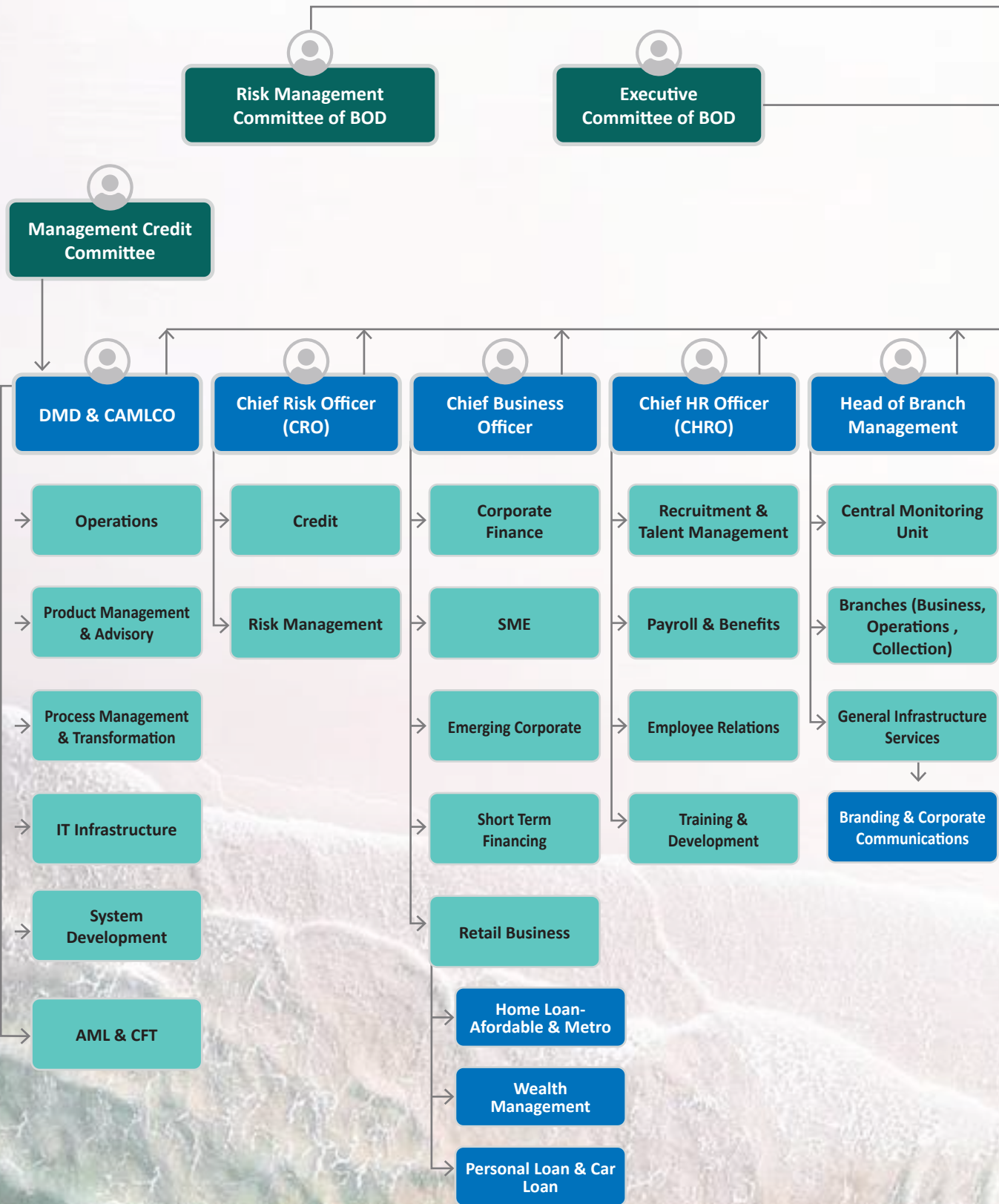
Mr. A.H.M. Kamal, FCMA was appointed as the Chief Human Resources Officer (CHRO) of United Finance PLC. in February 2024.

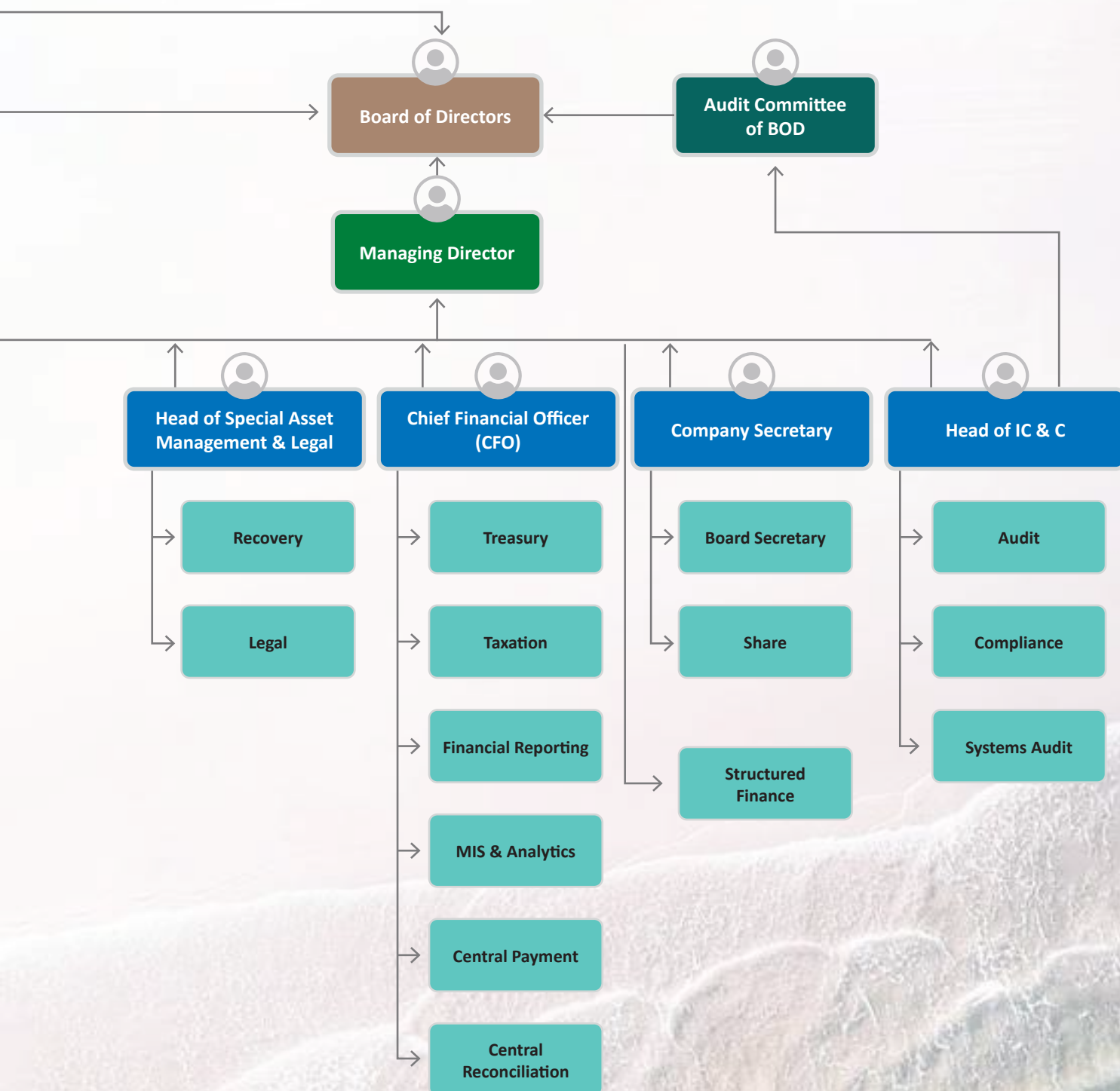
He has more than 21 years of professional experience in the area of Human Resources Management & Risk Management Functions. After completing his MBA from IBA, Dhaka University, Mr. Kamal started his career as a Management Trainee at Dhaka Bank PLC in 2003. He has held several senior management positions in Banks, Financial Institutions and leading FMCG Companies in Bangladesh. Before joining United Finance, he was holding the position of EVP & Head of Human Resources Division, Head of Risk Management Division in Community Bank Bangladesh PLC. He also worked in IDLC Finance, IFIC Bank, Fair Group and Urmi Group in senior management roles.

Mr. Kamal completed his MBA from Institute of Business Administration (IBA), University of Dhaka. He is an FCMA from The Institute of Cost and Management Accountants of Bangladesh.



# ORGANOGRAM







# SENIOR EXECUTIVES



**Mohammed Ashfaul Haque Chowdhury**  
Cluster Head 1



**Md. Rofiqul Islam**  
Head of Wealth Management National Sales Unit



**Md. Shafiur Rahman**  
Cluster Collection Head 2



**Abu Md. Mahmudul Hasan**  
Head of General Infrastructure Services



**Sushil Kumar Mondal**  
Head of Operations



**Md. Sazzad Hossain**  
Cluster Head 3



**Indrojit Deb**  
Cluster Head 4



**Israt Jahan Anny**  
Head of Structured Finance



**Md. Rashid-Al-Asad**  
Head of Home Loan





**Rahat Amjad**  
Head of Credit Risk



**Sk. Md. Monir Hossain**  
Head of IT Infrastructure Services



**A.K.M. Sazzad Hossain**  
Head of Corporate Finance



**Sudip Saha**  
Head of SME and Women  
Entrepreneur Financing



**Masum Khan**  
Cluster Collection Head 1



**Md. Mahfuz Alam**  
Cluster Head 2



**Arnab Kumar Das**  
Head of Financial Reporting



**Mohammad Iqbal Khan**  
Head of Wealth Management  
Retail Business Unit



**Md Ashfaque Hossain**  
Head of Metro Home Loan &  
Vendor Management



**Md. Tanveer Islam**  
Head of Credit - Corporate & Emerging  
Corporate Unit



**Md. Mamun Iqbal**  
Head of Compliance and Deputy CAMLCO



**Md. Taufiquzzaman**  
Head of System Development and  
Project Management



**Md. Mahedi Hasan**  
System Analyst



**Abdullah-Al-Mamun**  
Head of Short Term Financing



**Masud Parvez**  
Head of Emerging Corporate



**Ashique Mahmud Sayed**  
Head of MIS & Business Analytics



**Labiba Mahjabin**  
Deputy Company Secretary



**Jason Anik Pandey**  
Head of Product Management & Advisory



**Ashraful Alam**  
Head of Credit - SME & Women  
Entrepreneur Financing Unit



**Nazmus Sakeeb**  
Head of Training & Employee  
Engagement Program



**Md. Saharia Khan**  
Head of Central Payments



**Syed Nazrul Islam**  
Unit Head - SAM Legal



**Md. Rezaul Karim**  
Acting In-charge of Treasury



**Redwan Ul Ahsan**  
Head of Wealth Management  
Corporate Business Unit



**Golam Shahkarar**  
Acting Head of Credit-Retail Unit



**Mohammad Yousuf Uddin**  
Acting Head of Deposit Operations



**Sadman Sakib**  
Head of Process Management  
& Transformation





**Mithu Kumar Dash**  
Acting In-charge of Taxation



**Abdul Aziz**  
In-charge of Central Reconciliation Unit



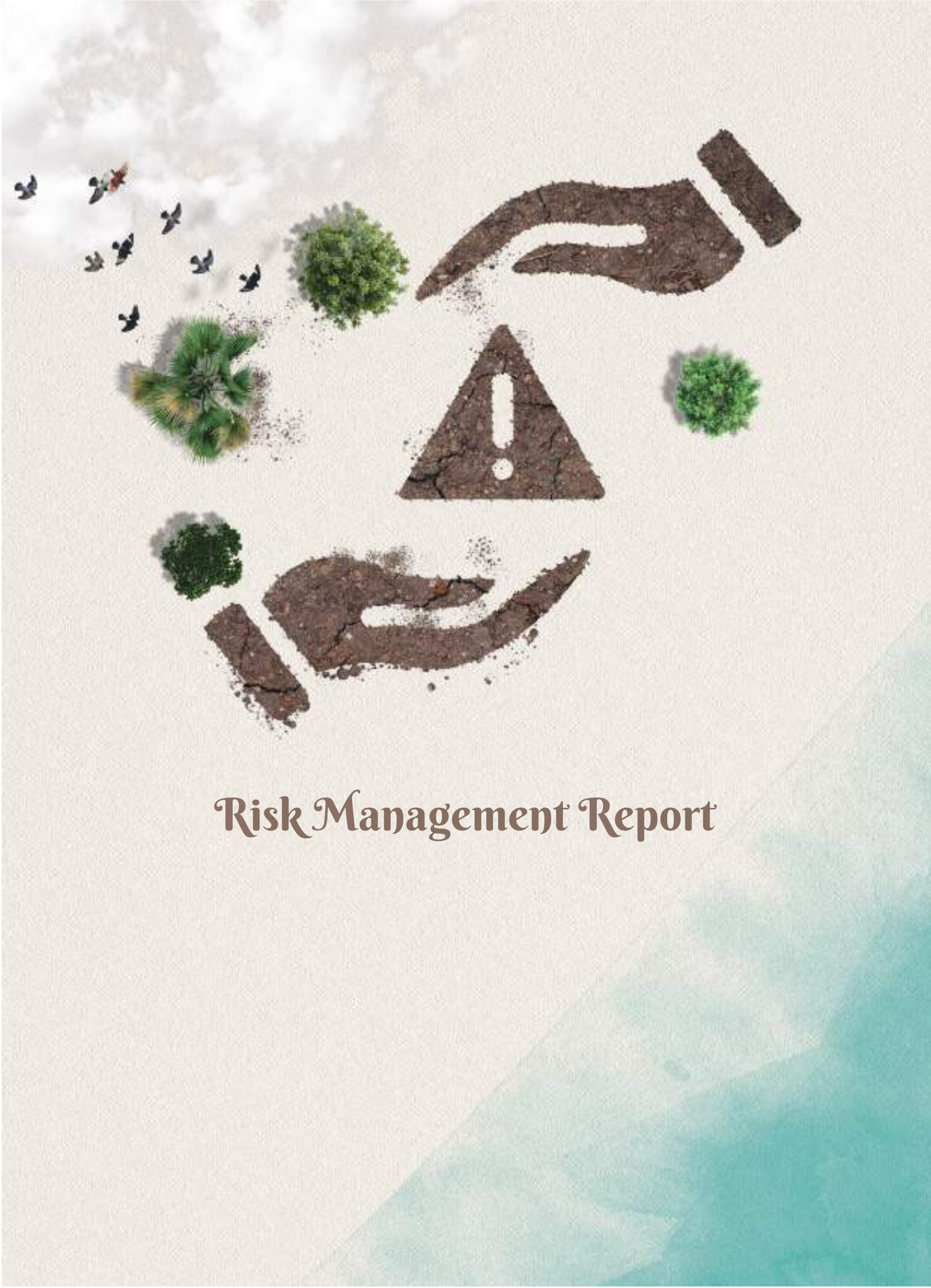
**Anika Rahman**  
Branding & Corporate Communications  
Manager



বীমাকৃত ডিপোজিট

# আপনার সঞ্চয় হোক আগামীর নিশ্চয়তা





# Risk Management Report



## FROM THE DESK OF CHIEF RISK OFFICER

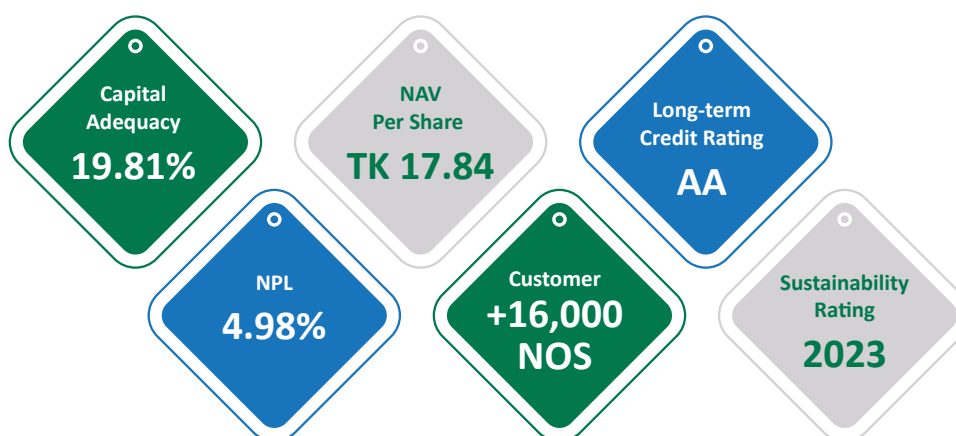
As the Chief Risk Officer of United Finance PLC, it is both a responsibility and a privilege to reflect on our journey during 2024, a year of extraordinary global and domestic transformation. Amid widespread uncertainty, United Finance demonstrated resilience, adaptability, and unwavering commitment to sound risk governance.

Globally, the economy grew at a steady 3.2%, driven largely by emerging markets, despite persistent geopolitical tensions and inflationary pressures. Domestically, Bangladesh economy confronted significant headwinds: inflation averaged 10.34%, growth decelerated to 4.22%, and the financial sector was impaired by liquidity stress, rising non-performing loans (NPLs), and declining investor confidence. These evolving macroeconomic dynamics tested the financial system's resilience and placed risk management at the core of sustainable operations.

Our capital adequacy ratio stayed strong, supported by capital planning, stress testing, and disciplined capital allocation—underscoring our long-term solvency

Operationally, we reinforced our risk culture through continuous training, automation, and internal audits. With over 1,900 participants receiving specialized risk management training in 2024, we strengthened our three-lines-of-defense model and institutionalized accountability at every level. Technological resilience was fortified through cyber-security enhancements, disaster recovery protocols, and digital risk monitoring. Our ICT Steering Committee played a pivotal role in ensuring that transformation initiatives were risk-aware and secure.

Sustainability and environmental risk also received heightened focus. Climate-induced disruptions, including devastating floods and soaring temperatures, underscored the urgency of green finance. We leveraged Bangladesh Bank's refinancing schemes to expand sustainable finance and operationalized environmental and social risk management (ESRM) frameworks across our portfolio.



At UFPLC, our response to these challenges was rooted in a proactive and integrated risk management strategy. Anchored in our enterprise-wide framework and supported by a robust governance architecture, we navigated economic, regulatory, and operational shocks with agility. Our adherence to the Bangladesh Bank's risk guidelines and Basel II principles—alongside our own comprehensive internal controls ensured that UFPLC not only met compliance standards but frequently exceeded them.

In 2024, political instability, currency depreciation, and asset quality deterioration reiterated the importance of rigorous credit risk management. Through enhanced due diligence, dynamic credit grading, and tailored restructuring efforts, we mitigated default risk and actively monitored our portfolio. Our non-performing loan ratio remained within acceptable bounds, aided by intensified early warning systems, loan recovery initiatives, and prudent provisioning management.

Liquidity management remained a cornerstone of our risk mitigation strategy. Amid market-wide stress and an elevated policy rates, we diversified funding sources, maintained conservative liquidity buffers, and implemented a responsive Asset-Liability Management framework. These steps allowed us to manage short-term obligations while preserving growth capacity.

Market risk, especially interest rate risk, was closely monitored through scenario-based simulations and gap analyses. The withdrawal of the SMART formula shifted Bangladesh's banking sector toward a fully market-based interest rate system, allowing lending rates to fluctuate based on supply-demand dynamics.

The evolving legal landscape—from revised loan classification standards to AML/CFT compliance—required continuous regulatory alignment. Through enhanced reporting mechanisms, internal audits, and a zero-tolerance policy for compliance violations, we protected our stakeholders and reinforced our ethical foundation.

Looking ahead to 2025, our priorities remain clear: maintaining financial resilience, embedding a forward-looking risk culture, and navigating uncertainty with integrity and precision. United Finance will continue aligning risk-taking with strategic ambition—balancing growth, compliance, and value creation. With our core values as our compass and our stakeholders as our anchor, we remain steadfast in our commitment to responsible financial stewardship.

On behalf of the Risk Management Division, I extend my heartfelt thanks and gratitude to our honorable shareholders, customers, regulators and colleagues for their unwavering support and dedication in our journey towards a sustainable growth.

Sincerely

Khandaker Tanbir Islam  
Chief Risk Officer

# ECONOMIC AND OPERATING ENVIRONMENT

The year 2024 presented a mixed economic outlook for Bangladesh, despite the macroeconomic vulnerabilities some encouraging developments were observed. While the financial sector, particularly the Banking and NBFi industry, continued to struggle with elevated non-performing loans and regulatory shortcomings, the external sector showed signs of improvement. Notably, remittance inflows increased by 27% in first half (H1) of the FY 2025, offering some relief to the balance of payments and supporting foreign exchange reserves amidst ongoing exchange rate volatility.

However, inflation remained stubbornly high, eroding consumer purchasing power and impacting credit demand. Trade restrictions, even though aimed at narrowing the current account gap, continued to disrupt industrial inputs and production efficiency.

In the current operative context, characterized by persistent inflation, tighter monetary policy, rising costs of funds, and regulatory reforms, United Finance PLC shall remain adaptive and risk-aware while continuing to serve its clients and manage portfolio quality. Based on our review we have observed following summary outlook of the Economic and Operating Environment for the year 2024.

## ECONOMIC OUTLOOK 2024

Global Economy	Mixed
Bangladesh Economy	Mixed
External Sector	Cautiously Optimistic
Financial Sector	Weak
Fiscal Position	Weak
Capital Market	Uncertain

### Global Economy

In 2024, the global economy continued to face challenges with subdued growth and persistent inflationary pressures. According to the “World Economic Outlook” by IMF, estimated GDP growth in 2024 was 3.2%, reflecting a slight decline from 3.3% in 2023. However, the global growth is projected at 3.3% both in 2025 and 2026, below the historical (2000-19) average of 3.7%.

Inflationary pressures eased notably, headline inflation declining from 6.7% in 2023 to approximately 5.8% in 2024, primarily driven by persistent, restrictive monetary policies implemented by major central banks. However, trade tensions and geopolitical uncertainties further clouded the economic landscape, leading central banks worldwide to maintain cautious monetary policies.

### Bangladesh Economy

Domestically, Bangladesh faced significant economic challenges throughout the year 2024. The country’s GDP growth moderated to an estimated 4.22%, down from 5.78% in the previous fiscal year, as reported by the Bangladesh Bureau of Statistics (BBS).

Inflation reached alarming levels, with the 12-month average rising to 10.34% in December 2024—the highest in the past five years—driven primarily by escalating food prices and supply-side disruptions.

In response to sustained inflationary pressure, Bangladesh Bank implemented a series of policy rate hikes. Starting the year at 7.75%, the policy rate underwent four successive increases, reaching 10% by year-end. This aggressive monetary tightening aimed to curb inflationary pressures, but it also led to higher borrowing costs, eventually weighing on economic activity and investment.

The Investment-to-GDP ratio mirrored these developments, showing a slight increase from 30.95% in FY’23 to 30.98% in FY’24. While the reduction appears marginal, it signals rising investor caution in an increasingly restrictive financial environment.

These economic headwinds had a pronounced impact on financial institutions like UFPLC, compelling us to adapt and navigate this turbulent environment with resilience, strategic foresight, and a renewed focus on risk management and operational agility.

### External Sector

Bangladesh’s current account deficit decreased from US\$ 11.63 billion in FY’23 to US\$ 6.60 billion in FY’24, an improvement of approximately 44%. This significant decrease was driven by robust growth in remittances and a moderate rebound in export earnings, which together helped offset the impact of elevated import payments.

### Export

In 2024, Bangladesh’s export sector demonstrated resilience despite global economic challenges. This performance underscored the importance of strategic market diversification and enhanced competitiveness. Total exports reached approximately \$44.47 billion in FY’24, marking a 4.34% decrease from the previous year. However, in the first half (H1) of FY’25, the country achieved an impressive 12.73% year-on-year growth, primarily driven by the robust performance of the ready-made garment (RMG) industry, which remains the backbone of the economy.

This rebound was supported by continued demand in major export markets. The EU remained the most significant destination, accounting for 44% of total exports, particularly in the garments segment. In 2024, the EU experienced modest economic growth (GDP 1.00%) amid geopolitical uncertainties and inflationary pressures. Similarly, the United States, which accounted for 18% of exports, showed economic resilience with a GDP growth of 2.80%, further supporting Bangladesh’s export performance.

### Import

In FY’24, Bangladesh’s import performance remained under pressure, with total imports declining by 11% year-on-year to USD 66.73 billion. This contraction reflected the continued impact of tight import controls, implemented in response to tame inflationary pressures and to stabilize foreign reserves.

However, signs of recovery emerged in the first half (H1) of FY’25, with imports rebounding by 3.50% year-on-year. This modest revival was primarily driven by increased demand for intermediate goods—including textiles, chemicals, and accessories essential for export-oriented manufacturing—as well as energy imports such as LNG and crude oil, and essential food commodities like wheat.

Despite the uptick, capital machinery imports remained notably subdued, indicating that long-term investment sentiment is still cautious. The restrained import of capital goods suggests that businesses are still holding back on major expansion plans amid prevailing economic uncertainty and tight financial conditions.

## Remittance

In FY'24, Bangladesh's remittance inflows reached a record \$24 billion, reflecting an 11% year-on-year increase. This surge is attributed to a rise in the official dollar rate and a decline in informal money transfer channels. In addition, during H1 of FY'25, growth further accelerated to a notable 27.60% year-on-year.

The crawling peg system, introduced by Bangladesh Bank in May 2024, allows for gradual exchange rate adjustments. It helps reduce volatility, supports inflation management, and improves export competitiveness.

In 2024, the Bangladeshi Taka experienced a notable depreciation against the US Dollar. The exchange rate stood at 109.44 BDT/USD in January 2024 and peaked at 119.68 BDT/USD by September, reflecting a depreciation of approximately 9.36% over the year.

The United Arab Emirates (UAE) emerged as the leading source of remittance, contributing 17.20% of total inflows—a 37% increase year-on-year. Other major contributors included the United States (16.19%), Saudi Arabia (11.36%), United Kingdom (9.70%), and Malaysia (8.19%), highlighting the broad geographic distribution of Bangladeshi migrant workers. This robust growth in remittance has helped cushion the economy against external shocks.

## Forex Reserves

By December 2024, Bangladesh's foreign exchange reserves stood at \$21.39 billion (BPM6), down 2.16% from \$21.87 billion a year earlier. However, the rate of decline slowed notably, with the average quarterly drop easing from -4.25% in 2023 to -0.64% in 2024. This moderation suggests improving current account dynamics, stabilizing remittance inflows, and reduced import pressure.

Despite this relative stability, reserve adequacy remains below optimal levels. The current stock covers only about four months of import payments, compared to the ideal six-month benchmark. Given Bangladesh's high reliance on imports and exposure to external shocks—including volatile fuel prices, remittance fluctuations, and shifts in global demand—strengthening the reserve buffer is crucial for sustaining macroeconomic stability and market confidence.

## External Debt

As of December 2024, Bangladesh's external debt stood at approximately \$103.64 billion, a sharp increase from around \$35.27 billion a decade earlier. Accordingly, the country's Debt-to-GDP ratio has increased to around 40%, still below the IMF's precautionary threshold of 55%. The persistently low Tax-to-GDP ratio (averaged 7% from FY2003 to FY2024) may make debt servicing challenging. Furthermore, the growing level of external debt and associated repayment burden is exerting pressure on foreign exchange reserves, underscoring the need for prudent debt management and improved revenue collection.

## Foreign Direct Investment (FDI)

In FY'24, Bangladesh experienced an 11.83% decline in net Foreign Direct Investment (FDI), with inflows falling to US\$1.42 billion, down from US\$1.61 billion in the previous fiscal year. This downturn is largely attributed to challenges in earnings repatriation, volatile

foreign exchange reserve, and broader macroeconomic and political uncertainties, which collectively undermined investors' confidence. The situation was further exacerbated by sovereign credit rating downgrades from both Fitch and Moody's in 2024. Fitch lowered Bangladesh's long-term foreign currency rating from 'BB-' to 'B+', while Moody's downgraded it from 'B1' to 'B2', citing weakening external buffers and growing balance of payments risks. These downgrades signaled elevated country risk, prompting foreign investors to adopt a more cautious stance, thereby contributing to the decline in FDI inflows during the year.

## Financial Sector

### Broad Money

As of December 2024, the broad money supply (M2) stood at BDT 20,537 billion, reflecting year-on-year growth of 7.57%—a deceleration from the 8.60% growth recorded in the same period last year. This slowdown is indicative of a tighter monetary policy stance. Notably, time deposits grew by 8.32% year-on-year, significantly outpacing the 0.85% growth in demand deposits. This shift in depositors' behavior may dampen consumer spending, reduce banking system liquidity, and weaken policy rate transmission. Furthermore, the ratio of currencies outside banks to reserve money was recorded at 70.96%, signaling a substantial volume of money circulating outside the formal financial system—highlighting the persistent prevalence of unbanked populations.

### Deposit Mobilization

In 2024, Bangladesh's banking sector witnessed a significant slowdown in deposit mobilization. Year-on-year growth in deposits declined to 7.44% in December 2024, down from 11.04% in December 2023. On the other hand, NBFI sector marked only 1.12% deposit growth. This deceleration is primarily attributed to persistently high inflation, which has eroded disposable incomes and weakened the capacity for savings. As a result, banks faced growing liquidity pressures, prompting them to raise deposit interest rates in an effort to attract funds. Despite these headwinds, a few banks have managed to achieve notable deposit growth, highlighting disparities in institutional strategies, customer confidence, and brand strength across the sector during a period of economic uncertainty.

### Credit Growth

In FY'24, Bangladesh Bank set a private sector credit growth target of 10.0% (which was 14.1% LY) and a public sector credit growth target of 27.8% (37.7% LY), aiming to support economic activity while managing inflationary pressures. By June 2024, actual private sector credit growth had reached 9.8%, narrowly missing the target amid cautious lending, elevated interest rates, and reduced investment appetite. In contrast, public sector credit growth stood at only 12.8%, falling significantly short of the target due to restrained government borrowing and tighter fiscal controls. These outcomes reflect a deliberate shift toward monetary tightening, as the central bank aims to rein in inflation while maintaining financial stability.

### Non-Performing Loans

In 2024, Bangladesh's financial sector faced heightened stress due to a surge in Non-Performing Loans (NPLs) across both Banks and Non-Bank Financial Institutions (NBFIs). Defaulted loans in the banking sector rose to a record BDT 3.46 trillion in December 2024, representing 20.20% of the total loan portfolio of BDT 16,828 billion. However, during September 2024, NBFIs reported an even higher NPL ratio of 35.52% against a total loan portfolio of BDT 741.41 billion.



Consequently, banks managed a modest performing credit portfolio growth of 6.68%, while NBFIs experienced a contraction of 4.49%. These figures point to systemic vulnerabilities within the financial system, underscoring the urgent need for robust reforms and strengthened risk management practices to safeguard financial stability.

## Liquidity

In 2024, total liquid assets in the financial sector increased by 16%, with the growth rate remaining stable throughout the year. Despite this, NBFIs experienced a contraction in their performing credit portfolios. Bank borrowings, which account for around 30% of NBFIs' total funding sources, have shown a declining growth trend in recent years—reflecting increased caution among banks in extending new credit.

From 2020 to 2024, such borrowings grew at a Compound Annual Growth Rate (CAGR) of 10.01%, but the rate slowed to 5.36% between 2023 and 2024. This deceleration signals tightening credit conditions, likely driven by heightened risk aversion, stricter lending standards, and possibly regulatory pressures or liquidity constraints. The slower pace of bank funding also suggests a more conservative shift in the lending strategies of financial institutions.

## Fiscal Position

In FY'24, Bangladesh's national budget stood at Tk 7,144.18 billion, marking an 8.16% increase from the previous fiscal year. The revenue collection target, excluding grants, was set at Tk 4,290 billion. By the end of June 2024, the National Board of Revenue (NBR) collected Tk 3,826.87 billion—achieving 93.34% of the revised target.

To bridge the resulting fiscal gap, the government relied heavily on domestic borrowing, with net domestic borrowing rising to Tk 9,023.64 billion in FY'24—an increase of Tk 947 billion from the previous year. During the first half of FY'25, total domestic debt further increased to Tk 9,337.96 billion. These trends highlight persistent challenges in revenue mobilization and an increasing dependence on domestic debt to finance budgetary needs.

## Capital Market

Bangladesh's capital market showed signs of cautious recovery at the end of 2024, although structural challenges persisted. As of December 2024, the market capitalization of the Dhaka Stock Exchange (DSE) stood at BDT 6,626 billion, down from BDT 7,808 billion in December 2023—reflecting valuation corrections arising from the withdrawal of floor prices and continued investor uncertainty.

Despite the decline in market capitalization, annual turnover volume rose to BDT 1,486 billion in 2024 from BDT 1,410 billion in 2023, suggesting a gradual improvement in investor participation. However, this remained well below the BDT 2,343 billion recorded in 2022. The DSE Broad Index (DSEX) closed the year at 5,216.40, down from 6,246.50 in December 2023—highlighting the market's overall bearish performance.

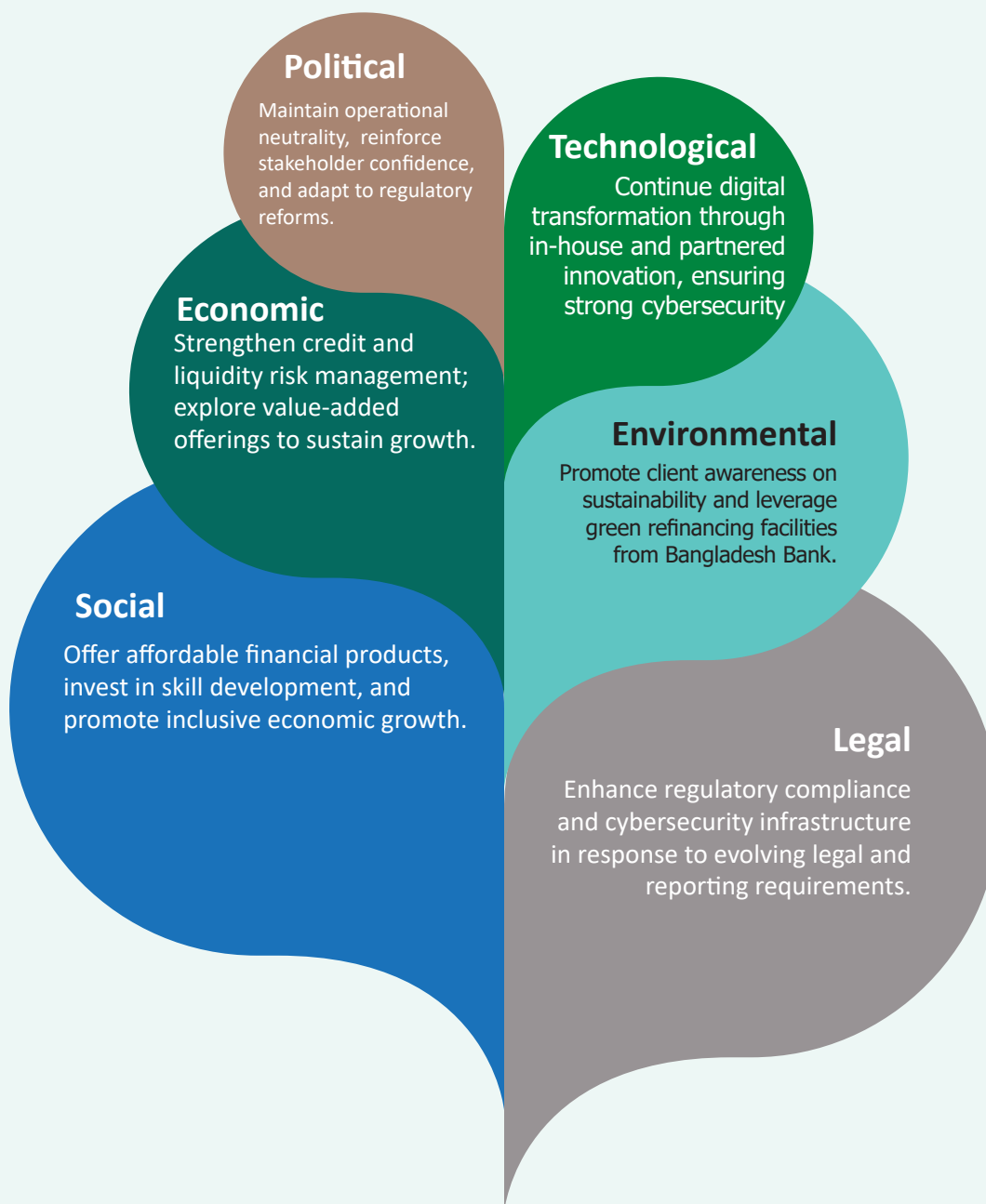
The average market price-to-earnings (P/E) ratio declined to approximately 9.50 from 13.12, reflecting more conservative valuations amid weak corporate earnings. Overall, while turnover showed modest recovery, the decline in market capitalization and the index reinforces ongoing investor caution, liquidity constraints, and persistent economic and regulatory headwinds.

# MACROECONOMIC FACTORS AND THEIR IMPACT

PESTEL analysis is a strategic tool used to assess the macro-environmental factors — Political, Economic, Social, Technological, Environmental, and legal — that outline the operating context of a business, industry, or sector. By examining these external influences, organizations like United Finance PLC can better anticipate risks, identify opportunities, and make informed strategic decisions.

This analysis is especially critical in a dynamic and transitional environments, such as Bangladesh in 2024, where regulatory shifts, political volatility, climate risks, and digital transformation continue to redefine the financial services landscape.

## PESTEL Navigation



## Political Factor

### Current Context

In 2024, Bangladesh's political landscape has undergone dramatic changes, the year began with the 12th general election in which the Awami League secured a fourth consecutive victory. However, the legitimacy of the electoral process has been questioned by opposition boycotts and allegations of electoral malpractice.

In July 2024, student protests against quota reforms culminated in a nationwide movement. Ultimately, the protests, led to the termination of the government on August 5th. Consequently, an interim government was formed under Nobel Laureate Dr. Muhammad Yunus with the task of enacting major reforms and establishing a favorable electoral environment.

The interim government is now preparing an austerity budget for FY'26 that focuses on inflation control, financial discipline, and stimulating investment with cuts in development and revenue spending.

### Business/Sectoral Implications

- The ongoing political and economic transition, though challenging, presents an opportunity for long-overdue structural reforms.
- Investor confidence remains subdued, as reflected in the flat Investment-to-GDP ratio (30.98% in June 2024 vs. 30.95% in 2023), partly due to heightened political uncertainty.
- Strengthened diplomatic ties with global powers and regional neighbors continue to support trade facilitation and foreign investment, reinforcing external sector resilience.
- Regulatory reforms are underway, evidenced by the restructuring of 11 bank boards under political and regulatory directives.
- The rise in non-performing loans (NPLs) is partly driven by political will to enforce stricter loan classification standards, exposing previously unrecognized defaults.

### Strategic Considerations

Despite the political volatility and regime transition in 2024, UFPLC maintained operational stability and safeguarded its financing activities through proactive risk management. The institution refrains from political alignment, instead focusing on preserving stakeholder confidence and adapting to evolving governance and regulatory reforms.

## Economic Factor

### Current Context

In 2024, Bangladesh faced significant economic challenges, marked by high inflation averaging 10.34%, driven by supply chain disruptions, global commodity price hikes, and an increase in electricity tariffs. The local currency depreciated by 9% year-on-year, while foreign exchange reserves declined to \$21.39 billion, covering only four months of imports. The stock market performed poorly, and FDI fell by 11.83% to \$1.42 billion.

Despite these challenges, the external sector showed signs of resilience. Exports grew by 6.80% to \$47.25 billion, supported by a weaker currency and recovering global demand. Imports edged up to \$69.70 billion, although capital machinery imports fell by 41%, reflecting subdued investor confidence. Remittance inflows surged by 22.69% to \$26.89 billion, leading to a modest current account surplus of \$33 million.

However, external debt surpassed \$100 billion, exerting pressure on public finances. GDP growth declined sharply to 4.22%, down from 5.78% in the previous fiscal year, largely due to persistent inflation and tight monetary conditions. Economic projections for FY25 remain cautious, amid ongoing political uncertainties and external debt vulnerabilities.

## Business/Sectoral Implications

- Banking sector stability weakened, with non-performing loans rising to 20.2% for banks and 35% for non-bank financial institutions (NBFIs).
- Private sector credit growth slowed to 7.28% year-on-year, following the policy rate hikes by Bangladesh Bank from 8% to 10%.
- To address liquidity constraints and rising inflation, banks and NBFIs raised deposit rates.
- However, deposit growth moderated—bank deposits grew by only 7.44% compared to 11.04% in the previous year, while the NBFi sector recorded a marginal growth of only 1.12%.
- The capital market also reflected investor caution, with average turnover declining by 39.8% year-on-year.

### Strategic Considerations

The shifting economic conditions in 2024 posed significant challenges for UFPLC's operations. Persistently high inflation and widespread liquidity constraints across industries adversely affected client repayment behavior, contributing to increased delays in payments. In response, UFPLC prioritized the strengthening of credit risk and liquidity management, while also exploring value-added products and services to sustain growth and maintain operational resilience.

## Social Factor

### Current Context

In 2024, Bangladesh experienced notable socio-economic transformations due to the rapid expansion of the middle-income class, increased financial inclusion, and the adoption of digital technologies. Despite these advancements, the country still faces structural challenges. Unemployment and skill mismatches remain critical concerns.

According to a recent study titled "Technology Upgradation of the RMG Industries in Bangladesh," the share of women employed in Bangladesh's garment industry decreased over the past decade, from 56% in 2014 to 53% in 2023.

The middle-income class, which currently comprises more than 34 million people (over a fifth of the population), is expected to grow significantly—reaching 44 million by 2025 and 60 million by 2030, or approximately 33% of the population. This growing segment is expected to continue driving demand for advanced financial services, digital platforms, and consumer-centric innovations.

Bangladesh's demographic profile indicates promising trends in digital and financial inclusion. Nationally, 70.19% of individuals aged 15 years and above are literate. Additionally, 69.93% of the population uses mobile phones, 36.92% have internet access, and 39.11% maintain mobile financial service (MFS) accounts. However, only 25.35% have accounts with formal banking institutions, indicating an ongoing reliance on alternative financial channels.

Access to basic infrastructure has improved markedly: 99.21% of the population now has access to electricity, while 55.69% of households use toilet facilities with safe disposal. Moreover, rising household income and expenditure levels reflect improved living standards—the average monthly household income rose from BDT 15,988 in 2016 to BDT 32,422 in 2022, and monthly household expenditure increased from BDT 15,715 to BDT 31,500 over the same period.

Together, these social dynamics point to a society in transition—characterized by increasing aspirations, widening access to digital and financial tools, yet still facing persistent challenges in gender inclusion, employment quality, and service accessibility.



## Business/Sectoral Implications

- High inflation and subdued economic activity have eroded disposable income, particularly for low- and middle-income households.
- The increase in the Gini coefficient to 0.499 in HIES 2022 from 0.482 in 2016 signals growing income disparity and potentially reducing financial inclusion.
- The 62 scheduled banks and 35 NBFIs currently maintain a CMSME loan portfolio of BDT 3,131.76 billion, reflecting 2.94% year-on-year growth. While modest, this growth underscores continued reliance on CMSME business financing, despite economic headwinds.
- A total of 731 MFIs now serve approximately 41.55 million individuals with a combined microcredit balance of BDT 1,594.10 billion to underserved and rural populations—particularly women—supporting both social impact and market expansion.

## Strategic Considerations

United Finance PLC will proactively respond to evolving socio-economic changes by offering affordable financial solutions, investing in targeted skill development programs, and promoting initiatives for inclusive economic growth.

## Technological Factor

### Current Context

Technological advancements are reshaping the banking industry in Bangladesh, significantly influencing operational models, customer engagement, and competitive dynamics. Digital banking solutions—such as internet banking, mobile apps, and digital payments—have already enhanced accessibility and convenience.

Mobile Financial Services (MFS), like bKash, Rocket, and Nagad, continue to grow rapidly. In 2024, MFS transactions reached Tk 17.37 trillion, a 28.42% increase from the previous year. This reflects growing consumer reliance on digital platforms.

However, persistent challenges remain, including cybersecurity threats, uneven digital infrastructure, digital literacy gaps, and the need for agile regulatory frameworks. To address these, banks and financial institutions are increasingly investing in cybersecurity infrastructure and IT modernization and are also collaborating with fintech firms. This is to safeguard systems and strengthen customer trust.

## Business/Sectoral Implications

Technology has emerged as a critical enabler of financial inclusion, operational efficiency, and market competitiveness in Bangladesh's banking sector. Many second generation banks now offer seamless online services, enabling fund transfers, bill payments, and investment management.

## Strategic Considerations

UFPLC is also accelerating digital transformation through in-house development and strategic collaborations. The company enhances customer engagement via advanced digital platforms while maintaining stringent cybersecurity safeguards for financial data.

In the long-run the company shall continue investing in technological advancements either by partnering with fintech firms or in-house developments while ensuring robust regulatory compliance, cybersecurity resilience, and cost-benefit analyses of emerging innovations.

## Environmental Factor

### Current Context

Even though Bangladesh has one of the lowest carbon emissions and the smallest material footprints in the world, it remains as one of the most climate vulnerable countries. Temperatures in 2024 reached 42°C, disrupting economic activities and daily life in the country.

Floods in August and October destroyed 1.1 million metric tons of rice, causing food prices to spike 20% and exacerbating food security concerns.

Air pollution remains a critical crisis. According to the Center for Research on Energy and Clean Air (CREA), it ranked as the most polluted country globally in 2023. In response, the government introduced the National Air Quality Management Plan (2024-2030) and strengthened regulatory frameworks such as the Environmental Conservation Act (1995) and Air Pollution Control Rules (2022), but enforcement challenges remain.

The financial sector has stepped up, with Bangladesh Bank (BB) pioneering in green banking since 2011. BB's Sustainable Finance initiatives helped banks and financial institutions exceed targets in 2024 (Jan–Sept), achieving 15.22% Green Finance (target: 5%) and 39.20% Sustainable Finance (target: 20%) of total disbursements.

## Business/Sectoral Implications

- Disruptions in agriculture due to floods, affecting food prices and inflation.
- Increased operational risks in financial services linked to climate-induced disruptions.
- Opportunities for financial institutions to tap into green financing through Bangladesh Bank's refinancing schemes.
- In 2024, environmental sustainability became a strategic priority, financial institutions are leaning towards integrating sustainable development practices to ensure long-term value creation.

## Strategic Considerations

Raise awareness among clients on sustainable practices. In doing so, UFPLC shall leverage Bangladesh Bank's refinancing facilities to encourage green financing.

## Legal Factor

### Current Considerations

In 2024, Bangladesh's regulatory environment underwent significant transformation following the enactment of the Bank Company (Amendment) Act 2023 and the Finance Companies Act 2023 during the second half of the previous year. These legislative reforms represent a pivotal shift in the country's financial landscape, aimed at strengthening governance frameworks, enhancing financial stability, and promoting greater inclusivity within the sector.

In response to the rising incidence of loan defaults, Bangladesh Bank issued the circular "Identification and Finalization of Willful Defaulters and Measures to be Taken Against Them" on March 12, 2024, aiming to restore confidence in the banking sector.

However, loan recovery continues to be challenging due to the sector's reliance on the judicial system. Under the current legal framework, defaulters frequently secure stay orders from courts, complicating and delaying recovery processes. This ease of obtaining stay orders underlines the significant legal obstacles faced by financial institutions in Bangladesh.

Complementing these regulatory reforms and heightened oversight by Bangladesh Bank, the Bangladesh Financial Intelligence Unit (BFIU) also intensified its supervisory activities in 2024. Specifically, BFIUs enhanced efforts to detect and prevent money laundering and terrorist financing, resulting in increased reporting obligations for financial institutions.

### **Business/Sectoral Implications**

The newly issued Bangladesh Bank guidelines on willful defaulters, combined with intensified monitoring activities by the Bangladesh Financial Intelligence Unit (BFIU), have strengthened compliance practices and improved the overall governance framework. Although these measures are expected to enhance the loan default scenario, ongoing legal challenges continue to pose significant obstacles to the loan recovery process.

### **Strategic Considerations**

Strengthen compliance framework to meet evolving regulatory standards and invests in robust data protection and cybersecurity systems.

# MARKET FORCES AND COMPETITIVE LANDSCAPE

The financial sector in Bangladesh continues to evolve amidst a dynamic and competitive landscape, shaped by regulatory changes, economic fluctuations, and shifting customer expectations. As a key player in the Non-Banking Financial Institution (NBFI) sector, United Finance PLC (UFPLC) operates within an industry characterized by both opportunities and challenges.

Competitive pressures, bargaining power dynamics, and the threat of new entrants significantly influence our strategic positioning. In this analysis, we examine the impact of Porter's Five Forces on UFPLC's operations, assessing the competitive intensity and industry attractiveness to refine our approach to risk management, sustainable growth, and value creation.

## Buyers Bargaining Power (High)

Factors Affecting UFPLC:	Responses and Strategies Going Forward:
<ul style="list-style-type: none"> <li>Corporate and SME clients are highly rate-sensitive, exerting significant influence in negotiations</li> <li>Low switching costs allows more flexibility to buyers to actively seek better pricing</li> <li>Fintech and digital lending platforms are raising customer expectations for faster and more flexible financial services</li> <li>Buyers become less loyal because switching doesn't involve substantial costs</li> </ul>	<ul style="list-style-type: none"> <li>Develop customized financial solution and loyalty benefits to retain long-term customers</li> <li>Leverage technology for speed, transparency and personalized financial solutions</li> <li>Introduce risk-based pricing strategies to offer competitive rates to high-quality borrower</li> </ul>

## Suppliers Bargaining Power (High)

Factors Affecting UFPLC:	Responses and Strategies Going Forward:
<ul style="list-style-type: none"> <li>Rising interest rates and Bangladesh Bank tightening monetary policy have made borrowing costlier</li> <li>Market illiquidity increases supplier power, especially for depositors</li> <li>The revenue shortfall has compelled the government to depend on domestic borrowing through NSC, T-bills, and T-bonds, causing a crowding-out effect in the market.</li> <li>Reduction in refinance schemes forces institutions to seek alternative funding sources.</li> <li>NBFIs have limited access to low-cost deposits compared to banks, creating additional funding pressure.</li> </ul>	<ul style="list-style-type: none"> <li>Explore alternate funding channels such as bond issuance, equity financing and partnership with development finance institutions</li> <li>Strengthen ALM strategies to mitigate interest rate risks and improve liquidity planning</li> <li>Develop deposit product offerings integrated with mobile banking and fintech collaborations</li> </ul>

## Threat of Substitutes (Medium)

Factors Affecting UFPLC:	Responses and Strategies Going Forward:
<ul style="list-style-type: none"> <li>The risk of digital credit platforms (such as bKash loan services) provides quicker and more accessible alternatives</li> <li>Many SMEs and individuals still rely on non-regulated sources, including informal lenders and cooperative societies</li> <li>The increasing popularity of shariah-compliant financial services presents an alternative to conventional lending</li> </ul>	<ul style="list-style-type: none"> <li>Enhance product and service offerings based on customer needs analysis to provide diverse financing options tailored to their specific requirements.</li> <li>Partnership with fintech companies to integrate digital lending services and gain early mover advantages</li> <li>Expand into Islamic financing products to cater to shifting market preferences</li> </ul>

## Threat of New Entrants (Low)

Factors Affecting UFPLC:	Responses and Strategies Going Forward:
<ul style="list-style-type: none"> <li>Central Bank's stringent licensing and capital requirements create high entry barriers</li> <li>Fintech startups and digital lenders pose an emerging threat, offering faster and more innovative financial solutions</li> </ul>	<ul style="list-style-type: none"> <li>Focus on operational efficiency and superior customer service to maintain a competitive edge.</li> <li>Invest in digital transformation to stay ahead of fintech competitors.</li> <li>Strengthen brand positioning and market positioning to enhance customer loyalty</li> </ul>



## Competitive Rivalry (High)

Factors Affecting UFPLC:	Responses and Strategies Going Forward:
<ul style="list-style-type: none"><li>• 62 scheduled banks, 5 non-scheduled banks, and 35 NBFIs are aggressively competing in SME and retail lending</li><li>• Higher NPL due to economic challenges have intensified competition for quality borrowers</li><li>• Low switching costs enable customers to easily shift between financial institutions</li></ul>	<ul style="list-style-type: none"><li>• Invest in continuous training for sales team, risk professionals and compliance officers to maintain a competitive edge</li><li>• Implement streamlined loan approval and disbursement process to improve turnaround time and attract more customers</li><li>• Enhance digital banking solutions including mobile and web based platforms for seamless customer interactions and service accessibility</li><li>• Strengthen cybersecurity framework to ensure data protection, regulatory compliance and customer trust in UFPLC’s digital services.</li></ul>

### Way Forward

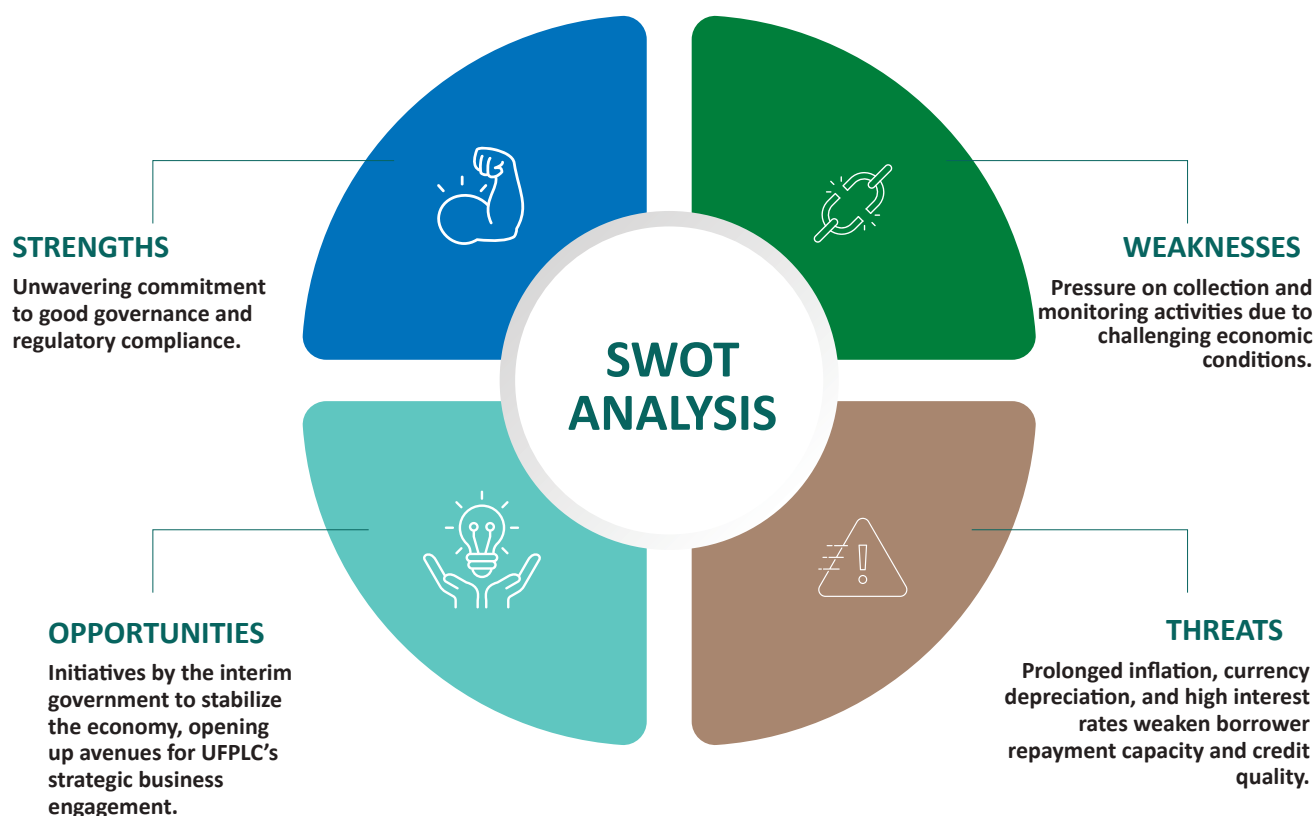
UFPLC operates in a highly competitive and evolving financial sector with strong bargaining power from both buyers and suppliers. To successfully navigate these challenges and sustain long-term growth, UFPLC will strategically diversify its funding sources by engaging institutional investors, retail depositors, international financing entities, and capital markets. The company will enhance its competitive edge through significant investments in digital capabilities, leveraging fintech partnerships and advanced analytics. This will improve customer experiences and operational efficiency.

UFPLC will further differentiate itself by offering customized, value-added financial solutions tailored to customer needs, supported by branding strategies and market positioning aimed at strengthening customer loyalty. Emphasis on continuous operational improvements, such as process automation and cost optimization, will enhance profitability and responsiveness, reinforcing the Company’s resilience and competitive advantage in the marketplace.

# SWOT ANALYSIS

The SWOT analysis for United Finance PLC (UFPLC) serves as a strategic lens through which the organization evaluates its internal capabilities and external environment to remain resilient and forward-looking in a rapidly evolving financial landscape. By examining key strengths, weaknesses, opportunities, and threats, this analysis provides a structured understanding of UFPLC's positioning within the non-bank financial sector. It incorporates both qualitative insights and quantitative indicators, reflecting the organization's ability to innovate, manage risks, and respond to market demands.

Strengths highlight core competencies and competitive advantages, while weaknesses identify internal gaps that require strategic attention. Opportunities signal potential for growth and diversification, and threats outline emerging risks driven by economic, regulatory, and operational uncertainties. Together, these dimensions inform strategic priorities and decision-making, helping UFPLC navigate challenges and sustain long-term value creation in 2024 and beyond.



## Strengths

- Unwavering commitment to good governance and regulatory compliance.
- Awarded BB Sustainability Rating 2023 (2nd time) for sustainable financial practices.
- Long-standing presence since 1989, with a reputation for trust and reliability.
- Credit rating of AA (long-term) and ST-2 (short-term) indicate excellent repayment ability.
- NPL ratio has remained below 5% in the last 5 years, demonstrating strong asset quality.
- Diversified business with low concentration on the asset or liability side of the balance sheet
- Over the past 5 years, CRAR exceeded 17%, indicating a strong capital base.
- UFPLC's robust risk management framework is anchored in a strong governance and proactive risk-aware culture.
- Our strong HR leadership is committed to ensure capable, motivated and loyal workforce
- Our customer-centric approach is embedded across all operations, fostering long-term client relationships.

## Weaknesses

- Pressure on collection and monitoring activities due to challenging economic conditions.
- Sluggish economic activity restricts portfolio growth and new business acquisitions.
- Shifting policy rates affect lending margins and financial planning.
- High funding cost compared to banks, limiting pricing flexibility.
- Dependence on traditional lending products with slow adaptation to digital offerings.
- Increased regulatory compliance impacting operational flexibility.

## Opportunities

- Initiatives by the interim government to stabilize the economy, opening up avenues for UFPLC's strategic business engagement.
- The SME sector contributes 25–27% of GDP, offering strong potential for customized financial services and portfolio diversification.
- Increasing digital adoption presents opportunities to invest in fintech, improving service delivery and extending customer reach.
- Global and national emphasis on sustainability creates opportunities to finance green projects and attract ESG-conscious investors.
- Leveraging Islamic financial services as an investment and growth opportunity.
- Expanding middle-income segment and growing economic stability will drive strong consumer demand for retail financing.
- Mixed economic outlook (high inflation, low margins) highlights the need for portfolio diversification and new market exploration.

## Threats

- Prolonged inflation, currency depreciation, and high interest rates weaken borrower repayment capacity and credit quality.
- Tightening monetary policy and subdued economic activity are enabling banks to attract NBFIs clientele with better rates and services.
- Strong NBFIs are facing reputational spillover risks due to the overall NBFIs sector-wide challenges impacting customer confidence.
- Rapid digitization may contribute to heightened cybersecurity risks.
- Rapid technological advancements (fintech and mobile banking), potentially outpacing the traditional financial services.
- Limited fiscal space has led to increased reliance on domestic borrowing, exerting additional liquidity pressure on the market.



# RISK MANAGEMENT REPORT

## RISK MANAGEMENT OVERVIEW:

UFPLC's risk management function is an integral part of the institution's success, as it ensures stability, resilience, and sustainable growth in an increasingly complex and dynamic business environment. As financial markets continue to evolve and risks become increasingly interconnected, a proactive and structured approach to risk management is essential to safeguard assets, optimize capital allocations, and maintain stakeholder confidence. UFPLC risk management function ensures an integrated, systematic, and well-governed approach to identifying, assessing, and mitigating risks.

UFPLC adheres to the Core Risk Management Guidelines (2005) and the Integrated Risk Management Guidelines for Financial Institutions (2016) issued by Bangladesh Bank, while incorporating industry best practices to enhance risk oversight. Strong corporate governance, comprehensive policies, and a collaborative culture enable us to effectively address traditional financial risks—such as credit, liquidity, and operational risks—as well as potential and emerging challenges.

The compliance with Basel II Capital Adequacy Requirements is one of our risk management strategies. By following Basel II guidelines, UFPLC maintains adequate capital buffers to absorb potential losses. This enhances financial stability, ensuring stronger solvency and resilience to economic shocks.

Additionally, the implementation of Basel II fosters transparency, market discipline, and investor confidence, reinforcing UFPLC's commitment to sound risk management and sustainable financial practices.

## OUR APPROACH TO RISK MANAGEMENT:

### Risk Management Policy:

UFPLC adopts a proactive and comprehensive risk management approach that extends beyond regulatory compliance. By leveraging advanced risk assessment methodologies, including stress testing, scenario analysis and root cause analysis, UFPLC effectively anticipates and mitigates potential risks.

UFPLC stands apart with stringent risk mitigation measures that surpass regulatory requirements. These include establishing internal risk limits and enforcing robust controls to minimize exposure to credit, market, operational, and liquidity risks. The company's integrated risk management framework ensures a holistic approach, recognizing the interconnected nature of various risk factors.

While exceeding regulatory standards, UFPLC remains firmly committed to compliance, operating within a structured legal framework to mitigate regulatory and legal risks, while upholding transparency, accountability, and financial resilience.

## KEY RISK MANAGEMENT PRINCIPLES

### Regulatory Compliance & Best Practices

UFPLC adheres to all regulatory guidelines set forth by Bangladesh Bank and incorporates best industry practices.

### Robust Risk Mitigation Measures

The institution enforces stringent internal controls and well-defined risk limits to minimize exposure across various risk categories.

### Forward-Looking Risk Assessment

UFPLC employs scenario analysis, and stress testing to identify potential risks proactively.

### Strategic Alignment

Risk-taking activities are aligned with the long-term objectives to ensure sustainability in changing market conditions.

### Integrated Risk Management Approach

UFPLC considers the interdependencies of credit, market, operational, and liquidity risks, implementing a holistic risk management strategy.

### Continuous Monitoring & Reporting

Regular reviews of key risk indicators (KRIs) and performance metrics, ensure timely adjustments and informed decision-making.

## Risk Appetite

At UFPLC, we formally define our risk appetite through the Risk Appetite Statement (RAS), which outlines the amount and types of risk we are willing to accept in pursuit of our long-term objectives. The Board of Directors sets the risk appetite after a comprehensive assessment of the organization's strengths, weaknesses, opportunities, and threats (SWOT). Once approved, the RAS is cascaded across all business units to ensure alignment with UFPLC's strategic direction.

The RAS covers key risk areas, including credit growth, sectoral exposure, concentration limits, asset quality, market risk, liquidity risk, and operational risk parameters. The Risk Analysis Unit (RAU) actively monitors these risk parameters throughout the year, providing periodic reports to senior management and the Board. To maintain its relevance in a dynamic business and regulatory environment, the RAS is reviewed annually.

## Risk Appetite Affecting Governance

- **Establishes Clear Boundaries** – Defines senior management's authority and limits for risk-taking.
- **Guides Strategic Planning** – Supports decision-making on business growth, risks and return trade-offs.
- **Enhances Risk Mitigation** – Helps in prioritizing actions for risks approaching or exceeding acceptable limits.
- **Strengthens Oversight & Control** – Enables the Board and Senior Management to maintain the institution's risk profile within its defined parameters.
- **Improves Decision Making** – Supports proactive decision that enables sustainable profitability amid economic, market and regulatory changes.

Enterprise Risk Management:

UFPLC adopts an Enterprise Risk Management (ERM) approach, which considers risk management from an organization-wide perspective rather than the traditional siloed and department-specific model. This top-down approach enables managers to effectively manage enterprise-wide risks, ensuring risk-adjusted

returns while operating within the defined Risk Appetite (RA). The Enterprise Risk Management Framework (ERMF) is supported by frameworks, policies, and standards aligned with Principal Risk Types and is embedded across all branches and offices of UFPLC. The Board reviews and approves the ERMF annually to ensure its continued relevance and effectiveness.

PRINCIPAL RISK TYPES

UFPLC defines principal risk as the fundamental category of risk that has the potential to significantly disrupt the organization's strategic objectives, financial performance, and overall reputation. Having focused on these key risk areas, UFPLC has developed and implemented a comprehensive risk management framework that

facilitates targeted oversight and effective mitigation strategies. The purpose of this structured approach is to ensure that both Senior Management and the Board are aware of the current risk landscape, enabling them to allocate resources judiciously and respond proactively to emerging threats.

FINANCIAL RISK	OPERATIONAL RISK	STRATEGIC & BUSINESS RISK	NON-FINANCIAL RISK
01 Credit Risk	05 People Risk	08 Positioning Risk	12 Compliance Risk
02 Liquidity Risk	06 Process Risk	09 Competitive Risk	13 AML/CFT Risk
03 Market Risk	07 External Risk	10 Implementation Risk	14 Technology Risk
04 Capital Risk		11 Reputation Risk	15 Environmental and Social Risk

RISK MANAGEMENT FRAMEWORK

Risk Culture

Culture encompasses the values, beliefs, and behaviors an organization expects from its employees and stakeholders. Risk culture specifically relates to the attitudes and practices that influence risk-related decisions. UFPLC's Board of Directors and Senior Management establish a positive risk-aware environment, reinforcing accountability and informed decision-making.

Furthermore, UFPLC promote initiatives such as role clarity, training, and performance-based rewards to strengthen the organization's risk culture. By fostering open communication and transparency, UFPLC ensures that business risks are promptly identified and escalated, enabling proactive management and mitigation.

Risk taking and risk management activities of UFPLC are guided by the following values:

<b>Forward Thinking:</b> Emerging risks and potential vulnerabilities are proactively identified and managed to strengthen resilience.	<b>Risk-Return Optimization:</b> Business is accepted when the risk premium is justified, but avoided when the risk is disproportionate.	<b>Accountability:</b> Every employee is responsible for managing the risks relating to their field of work.
<b>Customer Centricity:</b> Understanding target customers and their needs is essential for building a quality portfolio.	<b>Internal Control:</b> Maintaining a robust and resilient control environment provides structural capacity to detect, prevent and respond to potential risks.	<b>Transparency:</b> Ensuring accurate, timely, and comprehensive financial reporting to all stakeholders.

Risk Governance:

UFPLC's risk management framework is founded on strong governance, well-defined policies, and robust methodologies, supported by a team of experienced professionals. This framework is further strengthened by advanced technology, infrastructure, and data management practices, ensuring a comprehensive and proactive approach to risk management. At its core, UFPLC fosters a corporate culture that emphasizes accountability, ownership, integrity, and high ethical standards.

UFPLC has established a structured risk governance framework, led by the Board of Directors, which is responsible for approving risk management policies and defining the company's risk appetite. These strategic decisions are supported by a rigorous review and assessment process conducted by the Board's Risk Management Committee (BRMC), which plays a key role in overseeing, directing, and setting guidelines while monitoring risk management activities.

**Figure: Risk Governance Structure at UFPLC**



## KEY OBJECTIVES OF THE COMMITTEES

<p><b>Board Risk Management Committee</b></p> <p>To ensure that risks across the organization are managed in accordance with the Board approved risk strategy and appetite.</p>	<p><b>Management Committee</b></p> <p>To oversee the effective execution of strategic, operational, and risk management plans, ensuring alignment with the Board's vision and regulatory requirements.</p>	<p><b>Credit Committee</b></p> <p>To evaluate, approve, and monitor credit proposals in line with the institution's risk appetite, credit policy, and regulatory guidelines.</p>
<p><b>Asset Liability Committee</b></p> <p>To maintain a balance between liquidity and profitability of the institution while containing liquidity risk and interest rate risk at the desired level.</p>	<p><b>Risk Management Forum:</b></p> <p>To monitor activities of the risk management division responsible for integrated risk management across the financial institution.</p>	<p><b>BASEL Implementation Unit:</b></p> <p>The Basel unit is responsible for formulating and implementing Basel II strategies at UFPLC, aligned with the roadmap set by Bangladesh Bank.</p>
<p><b>ICT Steering Committee</b></p> <p>To provide strategic guidance on ICT-related risks, funding, and sourcing to support the achievement of ICT goals, while monitoring and evaluating project implementation against the ICT strategic plan.</p>	<p><b>Sustainable Finance Committee:</b></p> <p>To formulate, review and update all policies and guidelines relating to sustainable finance.</p>	<p><b>Investment Committee:</b></p> <p>To evaluate, approve, and oversee investments in share securities, ensuring compliance with the institution's investment policy, risk appetite, and regulatory guidelines.</p>



## ILLUSTRATIVE RISK MANAGEMENT FRAMEWORK

The following diagram and descriptions summaries key aspects of the UFPLC risk management framework, including governance, risk ownership and risk monitoring, which together help align employee behavior with risk appetite.

Components	Subcomponents	Functions
Risk Governance	Board and Subcommittees	The Board approves the risk appetite, plans and performance targets. It sets the 'tone from the top' and is advised by the Risk Management Division.
	Senior Management	Senior management selects Risk Responses — avoiding, accepting, reducing, or sharing risk — and develops a set of actions to align risks with the UFPLC's risk tolerances and risk appetite.
Risk Ownerships	1st line defense	The first line of defense, comprising the Business Units and operational functions, is responsible for assuming and managing the risks arisen from day-to-day operations.
	2nd line defense	The Risk Management Division constitutes the second line of defense, which facilitates the compliance and oversight of the first line of defense in addition to developing and maintaining the implementation of relevant policies, framework, controls and tools.
	3rd line defense	The Internal Control and Compliance Unit forms the third and final line of defense. It works to review and provide independent assurance to regulatory and external bodies regarding the effectiveness of the first two lines and the company's overall risk management practices.
Risk Monitoring	Risk Appetite	UFPLC has risk appetite that includes quantitative measures (can be translated into risk limits) and qualitative statements (can articulate clearly the motivations for taking on or avoiding certain type of risks).
	ERM Tools	UFPLC utilizes various tools (stress testing and scenario analysis) to pro- actively identify, assess, monitor, manage and report risks to help ensure we remain within our risk appetite.
	Active Risk Management	
	Policies and Guidelines	UFPLC policies and guidelines are designed in alignment with industry standards and regulatory mandates, establishing minimum control requirements for effective risk management.
	Infrastructure	UFPLC has relevant basic systems and processes that support the identification, capture and exchange of information to support risk management activities.
	Risk Reporting	UFPLC delivers timely, accurate, and actionable risk insights that inform financial health, operations, strategy, and regulatory compliance, enabling informed decision-making, proactive risk mitigation, and regulatory adherence.
	Risk Competence	UFPLC fosters a risk-aware culture by promoting risk management principles, open communication, and accountability at all levels. Through training, workshops, and regular communication, employees are equipped to identify, assess, and mitigate risks within their responsibilities.

## Promoting Risk Culture & Risk Awareness

This year (in 2024), the following number of employees received training to promote a strong risk culture and increase risk awareness within the company.

Sl. No.	Training Subject	No. of Courses	Total Participants
1	Asset-Liability Risk Management:	8	203
2	Credit Risk Management:	4	21
3	Financial Administration:	3	9
4	Internal Control & Compliance and Legal Risk Management:	2	67
5	Anti- Money Laundering Risk Management:	1	694
6	ICT Risk Management:	4	705
7	Comprehensive Risk Management:	1	52
8	Sustainable Risk Management:	2	152
<b>Total No. of Courses/Participants:</b>		<b>25</b>	<b>1,903</b>

## RISK APPETITE FRAMEWORK

The Risk Appetite Framework (RAF) for UFPLC defines the level of risk the institution is willing to accept in pursuit of its strategic objectives while ensuring financial stability, regulatory compliance, and sustainable growth. This framework aligns with Bangladesh Bank guidelines, Basel principles, and UFPLC's business model.

### Key Stakeholders in Risk Appetite Setting:

- **Board of Directors (BoD):** Approves risk appetite and ensures alignment with business strategy.
- **Board Risk Management Committee (BRMC):** Monitors adherence to risk appetite and recommends adjustments.
- **Risk Management Forum:** Implements and ensures compliance with the approved risk appetite.

Risk Analysis Unit: Measures, monitors, and reports risks against predefined limits.

### Factors Considered in Preparation of Risk Appetite:

In defining UFPLC's Risk Appetite Statement (RAS), both quantitative and qualitative factors are carefully evaluated. Quantitative factors include annual budget alignment with strategic and financial plans, risk tolerance levels, historical performance data (NPLs, collection rate, loan/lease classification, written-off loan status), liquidity position, fund under management, and net interest margin.

Qualitative factors involve engagement or dialogue with different business lines, assessment of global and domestic macroeconomic conditions (e.g., inflation, FX volatility, remittance trends), and risk appetite statements adaptability to dynamic external scenarios.

In addition, strategic considerations such as CAMELS rating, Credit Rating, economic value addition, new product offerings, digital transformations and customer service initiatives are also taken into considerations.

### Risk Appetite Statement:

UFPLC adopts a balanced risk appetite, ensuring business growth while maintaining a robust risk management culture. The organization is committed to:

Maintaining financial soundness and capital strength.

Ensuring stable liquidity and funding to support operations.

Upholding strong governance and regulatory compliance.

Managing credit, market, operational, and liquidity risks proactively.

**Risk Appetite Disclosure:**

At UFPLC, risk appetite defines the level of risk the company is willing to accept in pursuit of its strategic and financial objectives while ensuring resilience and sustainability. It serves as a critical link between risk management and business growth, balancing risk-taking with reward optimization.

By setting clear risk thresholds across key risk categories, UFPLC ensures disciplined decision-making, regulatory compliance, and financial stability. The following table outlines UFPLC’s risk appetite across various risk types, providing a structured framework to manage exposures within acceptable limits while fostering long-term value creation.

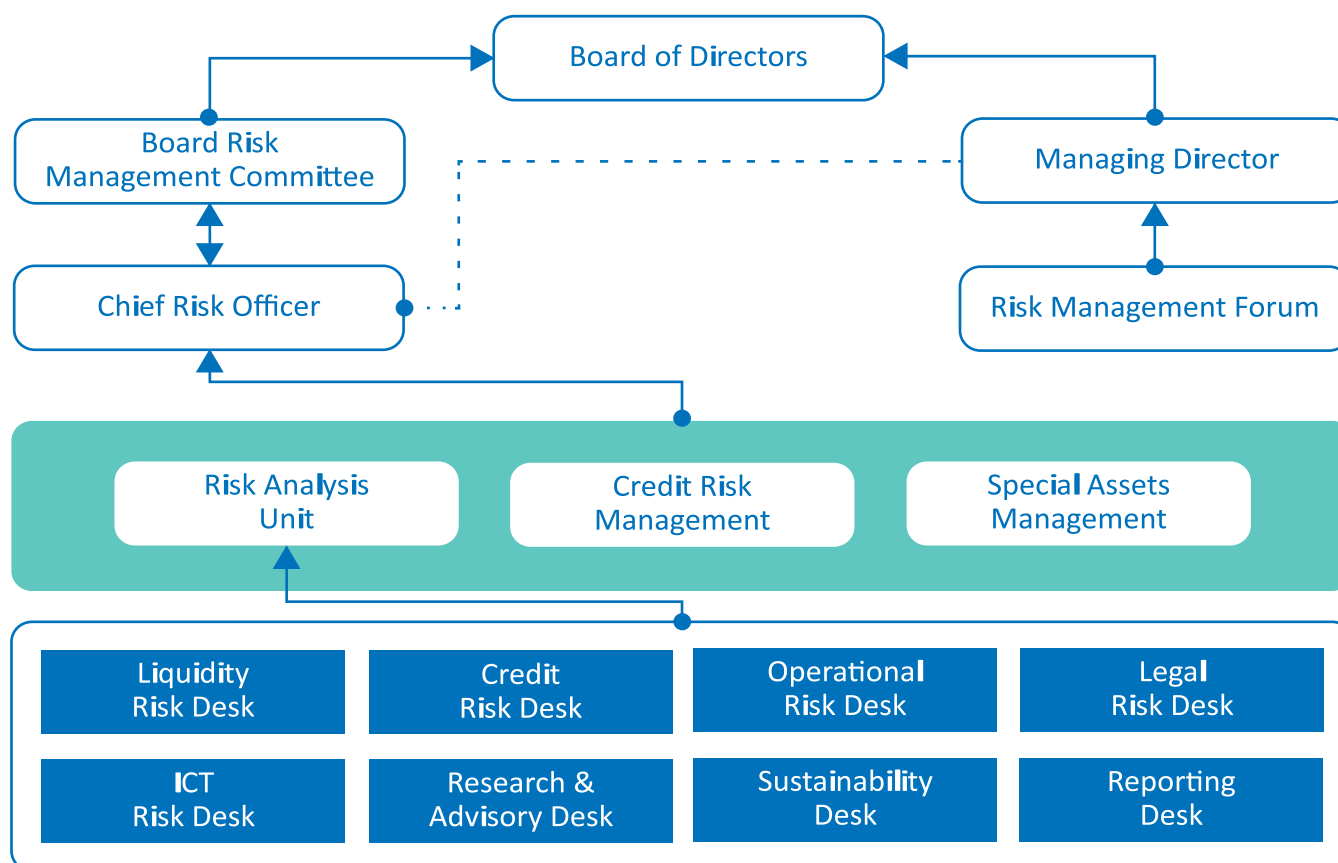
Risk Categories	Risk Appetite	UFPLC Position
Credit Risk Appetite		
Non-Performing Loan (NPL) Ratio:	≤ 5% of total loan portfolio	Satisfactory
Single Borrower Exposure Limit:	≤ 20% of regulatory capital	Satisfactory
Group Exposure Limit:	≤ 25% of regulatory capital	Satisfactory
Any Single Sector Exposure Limit:	≤ 25% of total credit portfolio	Satisfactory
Any Single Leased Assets Exposure Limit:	≤ 25% of total leased assets portfolio	Satisfactory
Liquidity Risk Appetite		
Any Single Depositor Concentration:	≤ 15% of total deposit portfolio	Satisfactory
Structural Liquidity Profile:	Within ± 15% of outflows in all buckets	Satisfactory
Liquidity Coverage Ratio:	≥ 100%	Satisfactory
Credit to Deposit Ratio:	≤ 95%	Satisfactory
Operational Risk Appetite		
Fraud & Cybersecurity Incidents:	≤ 0.5% of revenue impact per year	Satisfactory
Business Continuity Plan (BCP) Testing:	100% coverage annually	Satisfactory
Internal Control Audit Findings:	No more than 5% high-risk findings un- resolved	Satisfactory
Employee Turnover (Yearly):	≤ 20%	Satisfactory
Regulatory Risk & Compliance Risk Appetite		
Regulatory Violations:	Zero tolerance for material breaches	Satisfactory
AMLCFT Training Coverage:	100% of employees annually	Satisfactory
Reporting Delays:	Zero tolerance for deadline failure	Satisfactory
Capital Management		
Capital Adequacy Ratio:	≥ 15% of RWA	Satisfactory
Stress test (combined minor shock):	≥ 12% of RWA	Satisfactory



## RISK MANAGEMENT ORGANOGRAM

The BRMC provides guidance to management in navigating complex risk-related challenges. The Risk Management Committee (ERMC) ensures the implementation and monitoring of risk management strategies across the institution, ensuring alignment with UFPLC's risk appetite.

The Chief Risk Officer (CRO) supervises the company's overall risk management activities, ensuring a structured and proactive approach to risk identification, mitigation, and control. Following organogram of Risk Management Division has been developed considering the size and complexity of United Finance PLC.



### Responsibilities of the Board/Managing Director:

- Determine strategic approach to risk and set risk appetite.
- Establish the risk management structure.
- Understand the most significant risks; and
- Manage the company in a crisis.

### Responsibilities of BRMC:

- Identification of risks and development of a comprehensive control strategy
- Implementing organizational structures that embed risk throughout
- Risk Management Policy review and adoption
- Supervision and implementation of the overall risk management policy

### Responsibilities of Risk Management Forum:

- Risk identification, measurement, and management
- Ensure compliance with Board/BRMC decisions
- ERMC meeting proposals, suggestions, and summaries
- Assessing adequate capital requirements in line with risk exposures
- Determine risk appetite in line with strategic planning
- Contributing to the formulation of risk policies

### Responsibilities of the Chief Risk Officer (CRO):

- Develop the risk management policy and keep it up to date;
- Document the internal risk policies and structures;
- Coordinate the risk management (and internal control) activities;
- Compile risk information and prepare reports for the Board.

## COMPANY'S RISK PROFILE

UFPLC categorizes risks into ten distinct types, allowing for a structured and comprehensive approach to risk management. This classification facilitates a deeper understanding of specific risk factors within each category, ensuring that appropriate risk management processes are mapped to mitigate potential gaps and can hold relevant team members accountable for their responsibilities. Given the interconnected nature of risks, a holistic approach is essential, as vulnerabilities in one area can cascade into other areas and amplifying their impact.

For instance, a severe credit risk event may trigger liquidity stress, which in turn could evolve into market risk concerns. By systematically assessing these interrelations, UFPLC enhances its ability to anticipate, mitigate, and manage risks effectively, ensuring resilience in the face of evolving challenges.

This following risk profiling framework supports informed decision-making and reinforces the company's commitment to sound risk governance, regulatory compliance, and sustainable business growth.

CREDIT RISK			
Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
<b>Default Risk:</b> Borrower's failure to repay debt. The risk arises from fund diversion, high credit sales leading to cash crisis, wrong product offering, over financing, borrower's willful nonpayment, etc.	High	<ul style="list-style-type: none"> <li>Reviewing debt servicing capacity or financial strength of the borrower</li> <li>Tracking payment behavior</li> <li>Financing purpose assessment and need</li> <li>based credit structuring</li> <li>Market review/ Peer comparison</li> <li>Seasonal impact consideration</li> <li>Credit risk grading</li> <li>Applying risk transfer</li> <li>Loan Restructuring</li> <li>Maintain relationship to remain in payment</li> <li>priority of the client</li> </ul>	<ul style="list-style-type: none"> <li>Regular visits and market feedback</li> <li>Review of financial cash flow in regular interval</li> <li>Review of industry report</li> <li>Strengthen Early Alert Reporting</li> <li>Periodic review of clients categorized as marginal</li> <li>Portfolio</li> </ul>
<b>Recovery Risk:</b> Failure to recover outstanding amounts after a client becomes defaulter. The risk arises from double financing against same asset, decline in collateral value, complications regarding repossession of collateral security, lack of insurance coverage on leased assets, owner's poor net worth, and flight risks.	Medium	<ul style="list-style-type: none"> <li>Verifying vendor, asset price, and procurement documents</li> <li>Verifying net-worth declaration of the borrower</li> <li>Ensuring strong group support</li> <li>Insuring against proprietorship concerns</li> <li>Collateral security visit by UFPLC employee and ensuring signboard on the mortgaged property</li> <li>Regular asset inspection to verify possession status</li> <li>Accepting valuations not older than 3 years</li> <li>Negotiate practicing calm, calculated and strategic concessions.</li> <li>Involving Recovery Agency where suited</li> <li>Timely loan Rescheduling and litigation</li> <li>Employing an independent third party valuation company</li> <li>Vetting of relevant documentation by appropriately qualified legal personnel</li> <li>Personal guarantee of owner of the 3rd party mortgaged property</li> </ul>	<ul style="list-style-type: none"> <li>Collection of updated documents (including PNW) at the time of repeat financing</li> <li>Conducting fresh valuation when the previous one was done more than 3 years ago</li> <li>Collateral visit and documentation recheck at the time of refinancing</li> <li>Analysis of NPL%, PAR &amp; Provision coverage</li> <li>Review the status of lawsuits</li> </ul>

CREDIT RISK			
Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
<p><b>Concentration Risk:</b></p> <p>Concentration risk results from high concentration in a particular client/ group/ region/ sector.</p> <p>The risk arises, if any of such heavily concentrated client or group becomes defaulter or if such a heavily concentrated sector or region is affected negatively due to macroeconomic events or geopolitical events or changes in regulatory guidelines.</p>	Medium	<ul style="list-style-type: none"> <li>• Maintaining Product cap as per Credit Policy</li> <li>• Maintaining Sectorial cap as per Credit Policy</li> <li>• Maintaining exposure cap to</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic review of product, demographic, location and sectoral credit concentration.</li> <li>• Quarterly Stress testing</li> <li>• Continuous monitoring of macroeconomic indicators</li> </ul>
LIQUIDITY RISK			
Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
<p><b>Funding Liquidity Risk:</b></p> <p>An inability to meet short-term obligations due to a mismatch between assets and liabilities. Arises from lack of planning leading to a mismatch in tenor between assets and liabilities despite being solvent.</p>	High	<ul style="list-style-type: none"> <li>• Maintaining CRR &amp; SLR balance</li> <li>• Limits on negative gap % in various maturity buckets of SLP analysis</li> <li>• Ensuring a balanced composition in liquidity profile and funding profile</li> <li>• Diversify liquidity profile in terms of cash balance, money market instruments, and interbank deposits.</li> <li>• Diversify funding profile in terms of retail deposit, corporate deposit, bank borrowing (TL), short-term credit lines, and equity financing.</li> <li>• Limit concentrations on assets and liabilities as well as</li> <li>• Having contingency funding plan as an integral part of liquidity management.</li> </ul>	<ul style="list-style-type: none"> <li>• Conducting periodic stress testing.</li> <li>• Tracking balance sheet movement and key ALM ratios</li> <li>• Tracking major changes in key economic indicators</li> <li>• Monitoring loan to fund ratio</li> <li>• Monitoring net stable funding ratio</li> <li>• Monitoring liquidity coverage ratio</li> </ul>
<p><b>Systemic Liquidity Risk:</b></p> <p>The risk that a market-wide liquidity crisis disrupts the entire financial system, leading to spillover effects across institutions. The risk can arise from bank runs or financial panics, interbank market freeze and sovereign debt crisis affecting liquidity.</p>	High	<ul style="list-style-type: none"> <li>• Diversification of the funding basket</li> <li>• Maintaining easily accessible and secured credit lines</li> <li>• Maintaining reserves in excess of CRR &amp; SLR requirement</li> <li>• Policy adherence with sufficient cushion to deal with liquidity disruptions</li> <li>• Activating a contingency funding plan for handling liquidity crisis</li> </ul>	<ul style="list-style-type: none"> <li>• Tracking balance sheet movement and key ALM ratios</li> <li>• Tracking major changes in key economic indicators and acting accordingly</li> <li>• Tracking regulatory interventions that impact funding</li> </ul>



MARKET RISK			
Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
<b>Interest Rate Risk:</b>  Impact of changes in interest rates on the company's net interest income. The risk arises from erroneous price setting and mismatch among re-pricing frequencies of assets, liabilities and cashflows.	High	<ul style="list-style-type: none"> <li>Strengthening capital &amp; reserve to safeguard against unexpected losses</li> <li>Maintaining higher rate sensitive assets than rate sensitive liabilities</li> <li>Setting flexible pricing mechanism for loans and deposits</li> <li>Aligning with market interest rate movements</li> <li>Proactive adjustment of pricing</li> </ul>	<ul style="list-style-type: none"> <li>Tracking market interest rate movements</li> <li>Reviewing monetary policy</li> <li>Conducting earnings at risk simulation to project NII fluctuations in changing interest rate scenarios.</li> <li>Gap analysis to identify interest rate sensitivity (+/- Gap)</li> </ul>
<b>MACRO Risk:</b>  It refers to the potential for negative impacts on investments or financial markets arising from broad economic factors like changes in interest rates, inflation, exchange rates, GDP growth, or government policies.	Medium	<ul style="list-style-type: none"> <li>Portfolio diversification</li> <li>Maintain adequate liquidity buffers to withstand economic downturns</li> <li>Align product pricing to mitigate adverse impacts.</li> <li>Conduct rigorous credit assessments and set risk limits to protect against economic downturn.</li> </ul>	<ul style="list-style-type: none"> <li>Stay updated on economic developments to anticipate potential risks.</li> <li>Monitoring geopolitical developments</li> <li>Stress testing to Regularly assess portfolio resilience against adverse conditions.</li> </ul>

CAPITAL ADEQUACY RISK			
Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
<b>Capital Adequacy Risk:</b>  Capital adequacy risk refers to the potential that a financial institution might hold insufficient capital to absorb unexpected losses, meet regulatory requirements, or sustain growth. Therefore, directly affecting a company's financial resilience and solvency.  The risk arises from rapid credit growth, inter bank deposit in poor credit rating Banks/FIs, increase in NPL, fall in eligible security value, market volatility (interest rate changes), increase in unrated corporate credit exposure, high provisioning, excessive dividend distribution, and large operational or fraud related losses.	High	<ul style="list-style-type: none"> <li>Regular capital planning aligned with strategic growth, profitability, and risk appetite.</li> <li>Maintaining adequate buffers above regulatory minimums.</li> <li>Conduct periodic capital stress tests under severe macroeconomic and operational scenarios.</li> <li>Allocate capital efficiently, focusing resources on activities with optimal riskreturn profiles.</li> <li>Align dividend distribution with profitability, capital targets, and regulatory expectations.</li> <li>Incorporate capital adequacy considerations in pricing loans and other products.</li> <li>Adjust lending policies based on capital strength.</li> <li>Continuous monitoring and management of asset quality and liability mix.</li> <li>Timely asset restructuring,</li> </ul>	<ul style="list-style-type: none"> <li>Regular monitoring and reporting of CAR and Tier-1 capital ratio.</li> <li>Regular stress testing, scenario analysis under adverse conditions.</li> <li>Adjust capital positions proactively based on stress testing results.</li> <li>Set EWIs for asset quality deterioration, profit volatility, NPL growth, etc.</li> <li>Proactive management actions triggered by EWIs.</li> <li>Monthly/quarterly review at Risk Committee and Board.</li> <li>Transparent internal reporting ensuring senior management oversight.</li> </ul>

OPERATIONAL RISK			
Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
<b>People Risk:</b>  The risk of loss intentionally or unintentionally caused by employees. The risk arises from human errors, fraud & misconduct, lack of skills and training, employee turnover, poor leadership and governance, workplace safety issues etc.	Medium	<ul style="list-style-type: none"> <li>Robust Training &amp; Awareness Programs</li> <li>Strong Internal Controls &amp; Segregation of Duties</li> <li>Effective HR Policies &amp; Employee Engagement</li> <li>Whistleblower Mechanisms &amp; Ethical Culture</li> <li>Performance Monitoring &amp; Periodic Audits</li> <li>Use of physical and logical access controls</li> <li>Legal recovery measures</li> </ul>	<ul style="list-style-type: none"> <li>Top management reviews</li> <li>Reconciliation of key accounts and balances</li> <li>Fraud &amp; Misconduct Detection using internal audits, whistleblower hotlines, and forensic analysis</li> <li>Employee Engagement &amp; Satisfaction Surveys</li> <li>Turnover &amp; Retention Analysis</li> <li>Access &amp; Privilege Monitoring</li> <li>Competency Assessments</li> </ul>
<b>Process Risk:</b>  Process risk encompasses any potential losses or disruptions caused by inadequate, poorly designed, ineffective, or improperly executed operational processes within an organization.  Risk outcomes can be incomplete or inadequate legal documentation, collateral management mistakes, communication failure, recurring errors in calculation or data entry or other service delivery, etc.	Medium	<ul style="list-style-type: none"> <li>Process mapping and standardization</li> <li>Robust internal control</li> <li>Training and capacity building</li> <li>Centralized operations for better oversight over collateral management</li> <li>Data validation routines</li> <li>Automation and technology integration</li> <li>Legal recovery measures</li> <li>Remediation activities</li> <li>Data backup and recovery processes</li> <li>Regular reviews and process audits</li> </ul>	<ul style="list-style-type: none"> <li>Monitor turnaround times and operational bottlenecks.</li> <li>Encourage staff to report process inefficiencies and suggest improvements.</li> <li>Incident Analysis Report (IAR) and escalation</li> <li>Risk Register &amp; Risk Control &amp; Self-Assessment</li> <li>Pending document reporting &amp; action planning</li> <li>Credit collection review meetings</li> </ul>
<b>External Risk:</b>  It refers to the potential for loss or adverse effects on an organization arising from factors outside its control, such as economic changes, regulatory shifts, political instability, natural disasters, or external fraud.	Medium	<ul style="list-style-type: none"> <li>Business continuity plan (BCP)</li> <li>Disaster recovery plan (DRP)</li> <li>Immediate response to regulatory changes</li> <li>Use of physical and logical access controls, where appropriate</li> <li>Whistleblower reporting</li> <li>Insurance</li> <li>Legal recovery measures</li> <li>Understanding external risk drivers</li> </ul>	<ul style="list-style-type: none"> <li>Context analysis using PESTLE, Porter's, SWOT, and Stakeholder analysis</li> <li>Macroeconomic indicators and Market Monitoring</li> <li>BCP testing</li> <li>DRP testing</li> <li>Branch OpRisk Register (BOR)</li> <li>Risk Register</li> </ul>

STRATEGIC & BUSINESS RISK			
Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
<p><b>Positioning Risk:</b></p> <p>The risk of losing business volumes and margins due to improper strategic positioning. This may stem from shifting customer preferences, failure to identify the target market, slow response to feedback, rigid organizational hierarchy that impedes top-down directives, lack of shared values across divisions, and inadequate competency development or need-based training to adapt to market changes.</p>	Medium	<ul style="list-style-type: none"> <li>Regular market surveys and cost of fund projection</li> <li>Interaction with regulators on policy discussion</li> <li>Integrated strategic and financial planning across the company</li> <li>Engagement with relevant parties at the planning stage of all essential projects</li> <li>Setting KPIs at the branch, divisional and organizational levels</li> <li>Align and update strategies based on changes in factors</li> <li>Timely investment in technology</li> <li>Timely withdrawal of resources from underperforming projects</li> </ul>	<ul style="list-style-type: none"> <li>Monthly financial analysis and discussion of variances from the budget.</li> <li>Benchmarking KPIs within the company and across the industry</li> <li>Monthly preparation of forecasts and review of reasons for variances</li> <li>Evaluation of competitor intelligence studies</li> <li>Evaluate service quality and customer feedback</li> </ul>
<p><b>Competitive Risk:</b></p> <p>The risk of losing market share due to increased competition from peers, fintechs, or new entrants. This may arise from failure to adopt fintech innovations or digital transformation, leading to operational inefficiencies or obsolescence.</p>	Medium	<ul style="list-style-type: none"> <li>Customer centricity at the core of every business decision</li> <li>Monitoring industry trends, competitor strategies, and customer preferences.</li> <li>Collaboration with fintech firms, technology providers, or industry leaders to enhance capabilities</li> <li>Strengthen customer relationships through personalized services and loyalty programs.</li> <li>Attract and retain skilled professionals to drive innovation</li> <li>Leverage automation to maintain a competitive cost structure.</li> <li>Operational flexibility and faster decisionmaking in response to competitive pressures.</li> <li>Strengthening brand positioning</li> <li>Reputation management by proactive communication and transparency</li> </ul>	<ul style="list-style-type: none"> <li>Reviewing feedback from market surveys</li> <li>Peer performance reviews</li> <li>Regulatory changes monitoring</li> <li>Competitors social media and digital presence tracking</li> <li>Internal performance reviews</li> <li>Observe competitor alliances, mergers, and acquisitions</li> </ul>
<p><b>Regulatory Risk:</b></p> <p>The risk of adverse impacts on business operations due to changes in laws, regulations, or central bank policies. This may arise from frequent policy changes, stricter capital adequacy requirements, tighter lending policies, etc.</p>	Medium	<ul style="list-style-type: none"> <li>Continuously track changes in industry regulations and central bank policies to anticipate potential impacts.</li> <li>Establishing comprehensive regulatory compliance framework</li> <li>Regular training and awareness program</li> <li>Building a strong regulatory relationship</li> <li>Incident management (escalation, investigation, correction) and response planning</li> </ul>	<ul style="list-style-type: none"> <li>Track industry regulations to anticipate potential impacts.</li> <li>Conduct impact assessments and stress tests to evaluate business resilience under different regulatory scenarios.</li> <li>Maintain open communication with regulatory authorities to stay informed and provide feedback.</li> </ul>



STRATEGIC & BUSINESS RISK			
Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
<b>Implementation Risk:</b> Risk of losing business volumes and margins due to improper implementation of strategies considered. The risk can arise from work processes, procedures, IT infrastructure and lack of proper / adequate human resources.	High	<ul style="list-style-type: none"> <li>Ensure person-role fit through a robust recruitment, retention, training and development process.</li> <li>Work process improvement and innovation</li> <li>Setting KPIs</li> <li>Benchmarking with best practices from both local and international approaches.</li> <li>Pay attention to the voice of the customer.</li> <li>Timely allocation of resources to critical projects.</li> </ul>	<ul style="list-style-type: none"> <li>Structured and systematic methods of gaining employee views and feedback</li> <li>Analysis and monitoring of standard unit time, for benchmark setting and improving process efficiencies</li> <li>Regular financial analysis to monitor the returns of each business vertical</li> <li>Regular monitoring of the projects in progress</li> <li>Regular monitoring of service standards and quality</li> </ul>
<b>Reputation Risk:</b> Reputation risk is the potential for negative public perception to harm an organization's credibility, brand, stakeholder trust, and financial health. The risk arises when stakeholders including customers, regulators, investors, and the public lose confidence in the company due to unethical behavior, regulatory violations, operational failures, or negative publicity.	High	<ul style="list-style-type: none"> <li>Strong Corporate Governance &amp; Ethical Standards</li> <li>Robust Risk &amp; Compliance Framework</li> <li>Cybersecurity &amp; Data Protection Measures</li> <li>Customer Satisfaction &amp; Relationship Management</li> <li>Employee Engagement &amp; Training</li> <li>Managing social media accounts to remove hateful comments and deter cyber bullying</li> </ul>	<ul style="list-style-type: none"> <li>Media &amp; Social Media Monitoring</li> <li>Customer Complaints &amp; Feedback Analysis</li> <li>Key Risk Indicator (KRI)- Tracking brand perception scores, media sentiment, and customer trust levels.</li> <li>Monitor employee satisfaction surveys and ethical compliance reports</li> </ul>

LEGAL RISK			
Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
<b>Compliance Risks:</b> Compliance risk refers to the potential for legal penalties, financial losses, reputational damage, or regulatory sanctions due to non-compliance with laws, regulations, internal policies, or industry standards. This may arise from frequent updates in laws & regulations, weak internal control framework, errors & delays in regulatory reporting, inadequate compliance with contractual obligations, noncompliance with data protection, etc.	High	<ul style="list-style-type: none"> <li>Aligning in-house policies and procedures with national laws and regulations</li> <li>Integrating laws and regulations into our regular decision-making processes</li> <li>Regular scanning of regulator websites to stay up-to-date with the latest changes and timely communication of relevant updates to relevant stakeholder departments.</li> <li>Ensuring that any changes to product features, processes, policies, procedures and documentation necessitated by legal or regulatory changes are made in a timely manner</li> <li>Legal vetting of documentation</li> <li>Regular compliance training and awareness</li> <li>Seeking, and acting in accordance with, the appropriate legal advice</li> <li>Legal recovery measures</li> <li>Remediation activities</li> </ul>	<ul style="list-style-type: none"> <li>Top level management reviews</li> <li>Incorporation of compliance requirements into branch and departmental Key Control Standards</li> <li>Litigation register</li> <li>Internal and external audits</li> </ul>

LEGAL RISKS:			
Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
<p><b>AML/CFTRisk:</b></p> <p>Money laundering and terrorist financing (ML/TF) risk is the risk that UFPLC may-</p> <p>(a) be used to launder money and/or finance terrorism and</p> <p>(b) Not meeting its obligations under existing legislation, rules and regulations for the prevention of money laundering and for the combating against terrorism financing.</p>	Medium	<ul style="list-style-type: none"> <li>Designated AML/CFT structure consisting of a Central Compliance Unit</li> <li>Establishing Branch Anti-Money Laundering Compliance Officers</li> <li>Appropriate AML/CFT policies and procedures</li> <li>Implementing a strong KYC and KYE framework- Screen Against Sanctions &amp; Blacklists</li> <li>Strengthen suspicious transaction monitoring &amp; reporting</li> <li>Strengthen employee training &amp; awareness</li> <li>Strengthen Internal Controls &amp; Governance</li> </ul>	<ul style="list-style-type: none"> <li>Branch Self-assessments</li> <li>Cash transaction review- Fund Flow Analysis, Credit Monitoring</li> <li>Suspicious transaction reporting</li> <li>IT based screening mechanism for UN Sanctions checklist and locally prescribed organization</li> <li>Continuous monitoring of media reports</li> <li>Independent AML Audits &amp; Data Analytics</li> </ul>

TECHNOLOGY RISK			
Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
<p><b>System Failure Risk:</b></p> <p>System failure risk is the risk of malfunctions or breakdowns in an organization's IT systems, software, or hardware that disrupts operations and reduce efficiency.</p> <p>It arises from hardware failures, software bugs, system crashes, integration issues between technologies, cyber attacks or mistake in system configuration and management.</p>	Medium	<ul style="list-style-type: none"> <li>Hardware Resilience (ensure backup servers, storage, maintenance and testing),</li> <li>Infrastructure resilience (install UPS &amp; Generators, alternate networks)</li> <li>Software Stability (regular Patching &amp; Updates, daily backups of critical data and use High-Availability Systems)</li> <li>IT Training (Educate employees on best practices, Role-Based Access Control)</li> <li>Cybersecurity Strengthening (Intrusion Detection &amp; Prevention Systems, Secure Email Gateway (SEG), Firewalls &amp; Endpoint Security Solutions, Regular Penetration</li> </ul>	<ul style="list-style-type: none"> <li>Performance monitoring (utilizing system, network and database monitoring tools).</li> <li>Identification and monitoring of Key Risk Indicators for system failures</li> <li>Incident response and escalation protocol</li> <li>Regular audits and penetration testing.</li> </ul>
<p><b>Information Security Risk:</b></p> <p>It is the risk of unauthorized access, misuse, alteration, or loss of sensitive data, leading to financial, legal, or reputational harm. It arises from cyber threats, weak access controls, insider threats, phishing, malware, or compliance failures.</p>	Medium	<ul style="list-style-type: none"> <li>Implement role-based access control (RBAC), multi-factor authentication (MFA) and Data Encryption.</li> <li>Regular Security Training and Strict Password Policies.</li> <li>Endpoint Security Solutions and Network Security Measures.</li> <li>Regular Security Audits and Zero-Trust Security Model (continuous verification of users before granting access)</li> <li>Monitor and control sensitive data transfers.</li> <li>Termination of contact with nonperforming vendors.</li> <li>IT governance policies.</li> </ul>	<ul style="list-style-type: none"> <li>System log monitoring</li> <li>Network traffic monitoring</li> <li>Identification and tracking key risk indicators</li> <li>Regular audits and penetration testing</li> <li>Incident response and escalation protocol</li> </ul>

TECHNOLOGY RISK			
Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
<b>Business Continuity Risk:</b> Interruption / unavailability of business critical systems which can arise from Natural disasters (e.g. earthquakes), Hazards (e.g. Fire), Vendor failures, Malicious Intrusion, Technical Glitches, Power Outages, Human Error, and Cyberattacks.	Low	<ul style="list-style-type: none"> <li>New Data Center (NDC) enables quick recovery and Disaster Recovery Site (DRS) ensures continuity during major failures.</li> <li>AMC for service maintenance, SLA for vendor roles, due diligence, contract reviews, and strong vendor ties for reliability.</li> <li>Firewalls, SEG, IDPS, endpoint security, encryption, SSL safeguard systems and data.</li> <li>Secure WFH: VPNs for encrypted access, MFA for authentication.</li> <li>Drills: BCP tests remote work, DRP ensures DRS activation after data center failure.</li> </ul>	<ul style="list-style-type: none"> <li>IT Service and performance monitoring</li> <li>Business operation monitoring</li> <li>System log monitoring</li> <li>Network traffic monitoring</li> <li>Incident response and escalation protocol</li> <li>Follow trending of new technologies.</li> </ul>

ENVIRONMENTAL & SOCIAL RISK			
Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
The probability that operational activities of a particular client/industry would negatively affect the environment and the community of the operational zone as well as neighboring areas. We might face loss if the client stops operations due to regulatory intervention.	Medium	<ul style="list-style-type: none"> <li>Accepting credit proposals that passes the "Exclusion list of ESRM Guidelines" of Bangladesh Bank.</li> <li>Establishing Robust ESMS framework as per the Central bank's Guideline</li> <li>Verifying that regulatory clearance documents of the borrower is updated.</li> <li>Incorporating E&amp;S clauses into legal agreements with clients which gives UFPLC a legal recourse in the case of non-compliance by client.</li> <li>Complying with 10 industry specific guidance note on ESRM.</li> <li>Third party Environmental and Social Impact Assessment (ESIA) must be completed on all Infrastructure Project loan applications.</li> <li>Enhancing internal capacity of the employees responsible for E&amp;S management.</li> <li>Reviewing E&amp;S policy and guideline once a year.</li> </ul>	<ul style="list-style-type: none"> <li>Utilizing the updated excel based risk assessment template to identify the E&amp;S risk ratings.</li> <li>Transaction escalation to the relevant authority based on the E&amp;S risk ratings (low/ medium/ high).</li> <li>Reviewing E&amp;S performance reports submitted by the client, and visiting the client's business operations regularly, applicable where transactions were approved with "corrective action plans and covenants."</li> <li>Maintaining MIS on the ESRM Grading.</li> </ul>

## STRESS TEST REPORT

Stress tests serve as a tool to evaluate the susceptibility of a financial institution to unforeseen yet possible shifts in various relevant factors, such as an escalation in nonperforming loans, alterations in profit rates, or declines in the value of securities. The ramifications of this model are quantified by the resultant alterations in the overall Capital

to Risk-Weighted Asset Ratio (CRAR) of the bank. Bangladesh Bank has mandated that all NBFIs undertake stress tests on a quarterly basis. Subsequent to review by senior management and the Board, the findings of the stress testing exercise are required to be submitted to Bangladesh Bank..



Risk Type	Shock Applied By UFPLC	Minor Shocks	Moderate Shocks
Credit Risk	Increase in NPL (applied on UC Portfolio and Downward Shift to BL)	2%	5%
	Downward shift in Credit Exposure (from each classification Bucket to the immediate higher risk bucket)	5%	10%
	Decrease in Collateral Value of Total Portfolio	10%	25%
	Increase in NPL in 02 Major Sectors (Applied on UC Portfolio and Downward to BL)	5%	10%
	Increase in NPL of Top UC Borrower (Total Credit Exposure Downward to BL)	Top 3 Borrower	Top 5 Borrower
	Revised CAR	13.14%	8.73%
Interest Rate Risk	Increase in Interest rate	2%	4%
	Revised CAR	20.10%	20.40%
Equity Price Risk	Fall in Stock Prices	10%	25%
	Revised CAR	19.38%	18.54%
Combined	Revised CAR	12.77%	7.54%

## PORTFOLIO CONCENTRATION

Sector	Exposure (BDT million)	Share
Industry	10,013.50	51.45%
Trade & Commerce	4,060.02	20.86%
Housing	3,200.93	16.45%
Service	1,045.41	5.37%
Agriculture	518.16	2.66%
Financial Corporation	382.52	1.97%
Consumer Finance	229.50	1.18%
Others	13.31	0.07%
<b>Grand Total</b>	<b>19,463.36</b>	<b>100.00%</b>

## TOP 10 GROUP EXPOSURE

Group Name	Exposure (BDT million)	% of Total Portfolio
Group 01	558.89	2.87%
Group 02	513.16	2.64%
Group 03	496.43	2.55%
Group 04	320.87	1.65%
Group 05	296.03	1.52%
Group 06	175.65	0.90%
Group 07	175.44	0.90%
Group 08	157.65	0.81%
Group 09	152.95	0.79%
Group 10	149.62	0.77%
<b>Total Top-10</b>	<b>2,996.69</b>	<b>15.40%</b>



# Sustainability Reporting & Climate Disclosure



# SUSTAINABILITY REPORT

## Empowering a Legacy of Sustainability

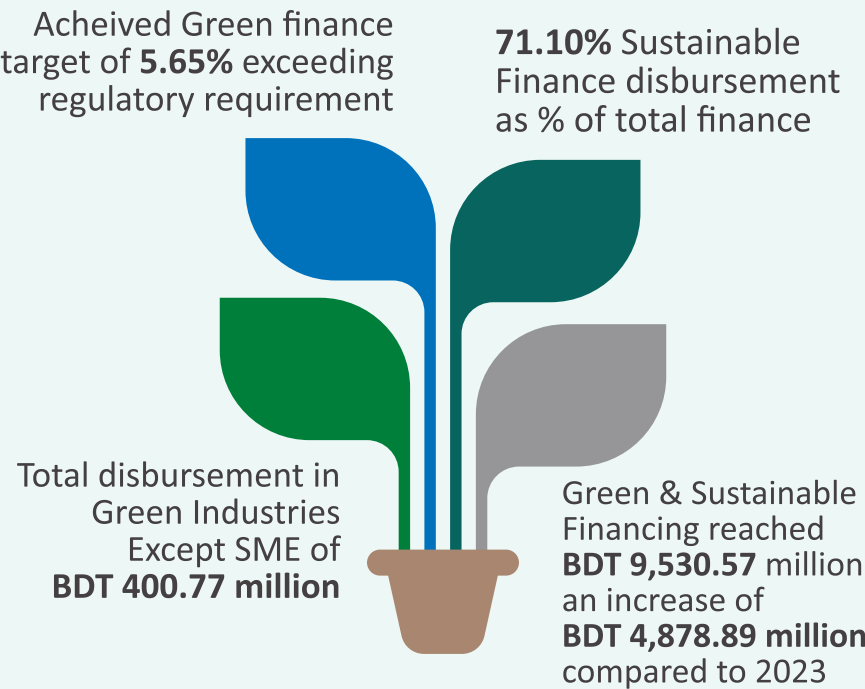
At United Finance PLC, sustainability is at the core of our corporate philosophy, guiding our strategic decisions and business operations. We believe that true progress goes beyond financial success; it requires a responsible approach that harmonizes economic growth with environmental stewardship and social well-being. We are committed to integrating **Environmental, Social, and Governance (ESG)** principles into every aspect of our business. The ultimate goal is to generate value for the organization, shareholders, and stakeholders, which reflects the core outcome anticipated from the statement of purpose “Empowering a Legacy of Sustainability”.

By aligning our efforts with global sustainability frameworks and national development goals, United Finance PLC continues to drive meaningful impact. Beyond financial performance, our approach to sustainability encompasses community well-being, environmental stewardship, and responsible governance. We believe that businesses have a critical role to play in addressing social and environmental challenges.

We believe every business must embrace a social mission, recognizing that overlooking social and environmental factors undermines long-term economic success. At United Finance, we prioritize customer satisfaction, digital innovation, product development, employee engagement, and financial performance, harnessing technology to drive positive impact on people, the planet, and profitability in a sustainable manner.

As one of the leaders in the financial sector in Bangladesh, United Finance PLC sets the standard for best practices, shaping industry benchmarks. For us, sustainability is not only about ethical operations but also about making meaningful contributions to our communities and stakeholders. Over the years, United Finance PLC has played an integral role in supporting the growth of Bangladesh’s financial ecosystem.

In 2024, United Finance PLC made notable progress in advancing the **UN Sustainable Development Goals (SDGs)**. Our initiatives included promoting financial inclusion through branch networks, initiatives to progress education and gender equality, and creating affordable products for women entrepreneurs. We also made significant investments in green financing and sustainable projects, underscoring our commitment to environmental preservation and social progress.



## OUR APPROACH TO SUSTAINABILITY

Sustainability is an essential driver for the progress of emerging economies like Bangladesh, where the intersection of financial growth and environmental & social responsibility is critical to long-term success. At United Finance PLC, we recognize the integral role that effective risk management plays in fostering sustainable growth, especially in relation to environmental and social factors. We are committed to not only mitigating risks but also leveraging opportunities that contribute to a more sustainable and resilient future for our stakeholders.



## TRIPLE BOTTOM LINE

Our Triple Bottom Line approach reflects our dedication to not only financial growth but also to making a positive impact on society and the environment. Below is an overview of our key initiatives and achievements under each of these pillars.



### People

- Operating profit **BDT 0.7859 million per employee.**
- Net profit per employee is **BDT 0.3014 million.**
- Total Training Hours 17,970**
- Average Training Hours per Employee: **30.00**



### Planet

- Efficient energy consumption across our operations.
- Financing renewable energy projects to promote sustainable growth.



### Profit

- Direct Contribution to GDP **BDT 991.28 million**
- Net Profit **BDT 209.23 million**
- Focused on sustainable financial growth by investing in green projects and promoting financial inclusion.

## Our Roadmap to Sustainability

At United Finance PLC, we have long recognized the significance of Environmental, Social, and Governance (ESG) factors in identifying material risks and growth opportunities. We have followed The Global Reporting Initiative (GRI) to establish standards and define materiality to integrate these factors into the investment process.

Our established roadmap to sustainability is designed to prepare us for the adoption of **IFRS S1 and S2 disclosures, enhancing our accountability.**

From the year 2024, we have established below four initiatives-

### 2024: Building Strong the Foundation

- Establish clear annual targets for Green Finance and Sustainable Finance disbursements.
- Implement the Environmental & Social Risk Management (ESRM) Policy.
- Prioritize financial inclusion initiatives.
- Strengthen good governance and ethical business practices.

### 2025-2030: Building Momentum

- Expand the scope of the ESRM policy to cover a wider range of environmental and social factors.
- Increase the proportion of green financing in the loan portfolio.
- Develop new financial products and services that support sustainable businesses and projects.
- Enhance financial literacy programs and expand their reach.

### 2031-2040: Scaling Up Impact

- Achieve reductions in Scope 1 and 2 emissions.
- Invest in innovative technologies and solutions for climate change mitigation.
- Establish partnerships with government agencies, NGOs, and other organizations to advance sustainability goals.

- Become a leader in sustainable finance in Bangladesh.
- Empower a significant number of women entrepreneurs through financial inclusion initiatives.

### 2041-2050: Leading the Way

- Achieve carbon neutrality in operations.
- Integrate sustainability into all aspects of the business, from product development to supply chain management.
- Contribute to the development of a sustainable financial ecosystem in Bangladesh.
- Be recognized as a national leader in sustainable finance

## SUSTAINABILITY STRATEGY 2024

As per the guidelines of Bangladesh Bank's Sustainable Finance Department, we establish our annual disbursement targets for Green Finance and Sustainable Finance at the start of each calendar year, based on the net loan outstanding of the previous year. However, the actual achievement is determined at the end of the year, calculated based on the disbursements made throughout the year. For the reporting period, Green Finance represented 5.65% of the total loan disbursement, while Sustainable Finance accounted for 71.10% of the total finance disbursed.

Green Finance Achievement: **5.65%**  
(Target: 5% of total term loan excluding staff loan)

Sustainable Finance Achievement **71.10%**  
(Target: 20% of total loan excluding staff loan)

We have prioritized **Sustainable Financing** over **Green Financing** to address the pressing socio-economic challenges faced by the people of Bangladesh. In response to natural calamities like floods, we have extended financial support to individuals and businesses struggling to recover, ensuring their financial resilience. Investments in **Prime Minister's Education Assistance Trust (PMEAT)** reflect our commitment to education, empowering underprivileged students with better opportunities. Additionally, health-related donations

and financial aid were provided to mitigate the economic hardships of the past year, safeguarding livelihoods and ensuring a minimum standard of living for vulnerable communities. These efforts align with our mission to create a socially responsible financial ecosystem that supports inclusive growth. However, despite this strategic focus on sustainable financing, **green finance diversification has continued to expand**, reinforcing our dedication to environmental sustainability alongside social progress. Through this balanced approach, United Finance PLC remains committed to fostering long-term economic and environmental resilience for a sustainable future.

### 1. Environmental & Social Risk Management (ESRM) Policy

- **Proactive Risk Identification & Assessment:** Continuously evaluate environmental and social risks to ensure alignment with global best practices.
- **Sustainable Project Financing:** Prioritize funding for projects that positively impact the environment and local communities.
- **Stakeholder Collaboration:** Engage actively with regulatory bodies, NGOs, and environmental experts to improve sustainability impact.
- **Continuous Improvement & Compliance:** Regularly update policies to stay ahead of industry benchmarks in sustainability and risk management.

### 2. Green Financing & Sustainable Investment Policy

- **Green Investment Prioritization:** Focus on providing financial products and services that support renewable energy, energy efficiency, and sustainable infrastructure projects.
- **Incentivizing Sustainable Practices:** Offer preferential financing terms, such as lower interest rates, for businesses that adopt green practices or invest in environmentally sustainable projects.
- **Partnerships for Green Growth:** Collaborate with government bodies, international organizations, and green initiatives to increase the availability of financing for sustainable projects.
- **Capacity Building:** Provide training and resources for businesses to understand the benefits of green financing and how to access these financial products.

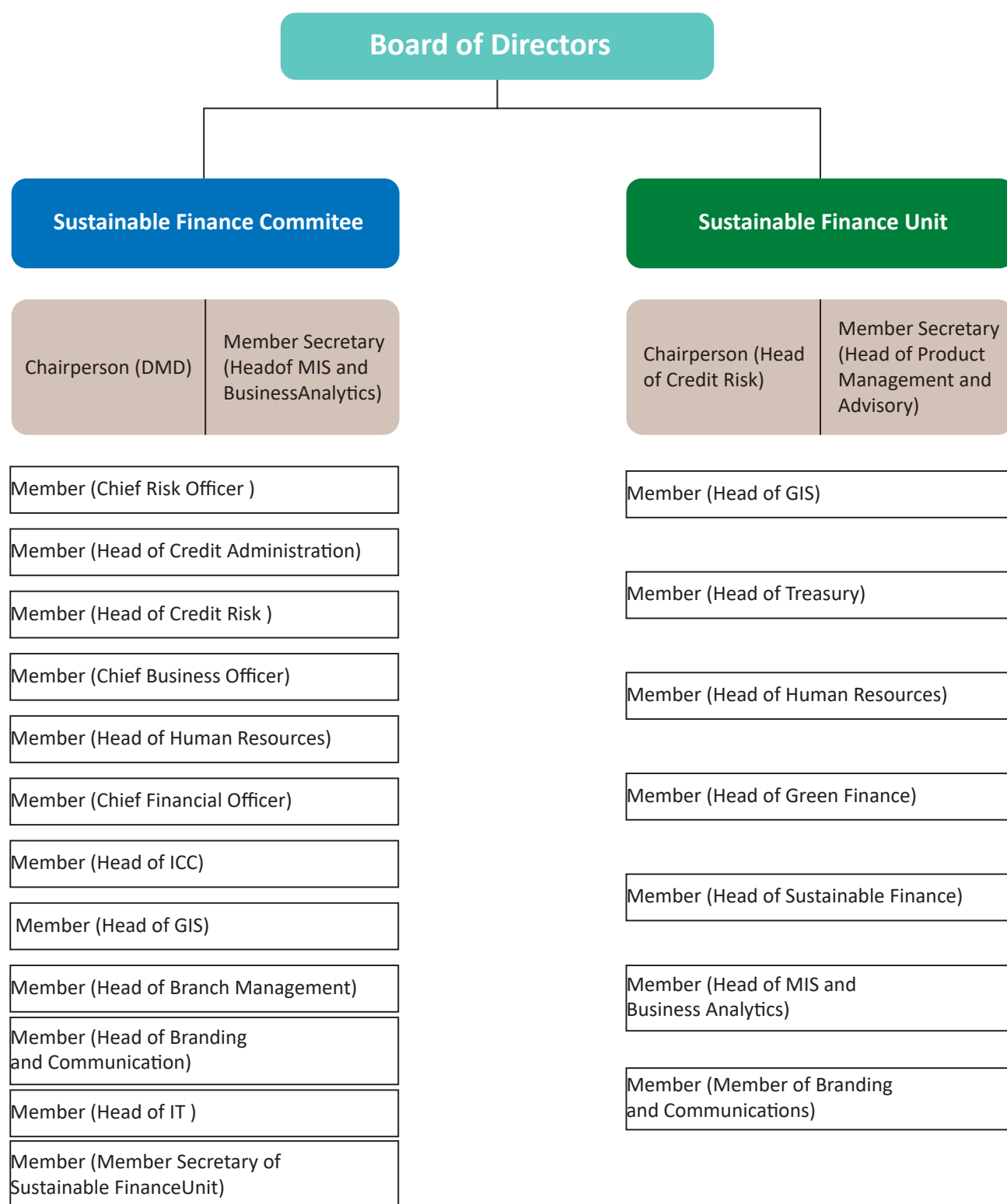
### 3. Promoting Financial Inclusion:

- **Microfinance linked financing and SME loan** products designed for marginalized and rural populations, underbanked communities including women entrepreneurs and farmers and entrepreneurs, especially in rural areas, to drive inclusive economic growth.
- **Strengthening financial literacy programs** to enhance economic empowerment.
- **Launch mentorship and support programs** for small businesses to promote long-term economic stability.

### 4. Good Governance & Ethical Business Practices

- **Transparency in Operations:** Regularly publish sustainability reports and disclosures, providing stakeholders with clear information about our operations, financial performance, and sustainability efforts.
- **Compliance and Accountability:** Ensure all operations comply with local regulations, international norms, and ethical business standards. Implement strict internal audits and accountability measures.
- **Anti-Corruption Measures:** Adopt a zero-tolerance policy toward corruption, bribery, and unethical behavior, and establish clear channels for whistleblowing.
- **Stakeholder Collaboration:** Foster open communication with stakeholders, including customers, employees, investors, and regulators, to ensure alignment with ethical standards and values.
- **Supporting affordable healthcare initiatives** and preventive health awareness campaigns.
- **Contributing to disaster relief and long-term rehabilitation efforts** in affected regions.

## Organizational Structure for E&S Governance





# SUSTAINABILITY GOVERNANCE

United Finance PLC is committed to leading the way in Bangladesh’s financial sector by adopting international best practices in corporate social responsibility and governance. Our objective is aimed at taking a leadership role in sustainable finance.

## Role of Board of Directors

- The Board of Directors (BoD) holds the authority to formulate and approve general policies and strategies related to sustainability and green finance, except for matters reserved for the Annual General Meeting (AGM).
- Additionally, the BoD is responsible for overseeing the CSR budget, monitoring related activities, and granting necessary approvals to ensure effective implementation.

## Role of Sustainable Finance Committee (SFC)

The Sustainable Finance Committee of UFPLC is composed of 14 (fourteen) members and chaired by the Deputy Managing Director (DMD). If the DMD is absent, the Managing Director (MD) shall nominate another member to act as Chairperson.

The functions of Sustainable Finance Committee are described as follows;

- Formulate, and periodically revise and update organizational policies on green banking, corporate social responsibility (CSR), environmental and social risk management, green office guide, green strategy planning, and gender parity to implement sustainable financial policies within UFPLC.
- Oversee the implementation of circulars regarding Sustainable Development Goals (SDGs), Green Banking, CSR, and Sustainable Financing published by the Government of Bangladesh and Bangladesh, from time to time.
- Obtaining the official acknowledgment of Bangladesh Bank during the establishment of a Green Branch, formulation of Financial Instruments and Products of Sustainable Finance and Green Finance.
- Policy regarding the signing of Participation Agreement and request for Refinance/ Pre-Finance/ Reimbursement Scheme/ Fund/ Facility/ Project concerning the Bangladesh Bank Sustainable Finance Department.

## Role of Sustainable Finance Unit (SFU)

The Sustainable Finance Unit of UFPLC is composed of 09 (nine) members and chaired by the Head of Credit Risk. If the Head of Credit Risk is absent, the Chairman of Sustainable Finance Committee shall nominate another member to act as Chairperson of SFU.

The functions of Sustainable Finance Unit are described as follows;

- Formulate and periodically revise and update organization strategies to measure carbon footprint (yearly basis), creation and management of climate risk funds and green marketing (together with the Branding & Communications Department).
- Prepare Sustainable Report, Green Banking Report, and other CSR Report (together with Management Information System) for submission to Bangladesh Bank
- Formulation of the yearly budget for Green Finance, CSR, Climate Risk Fund, and Green Marketing and obtaining the approval from Board through the Sustainable Finance Committee
- Prepare training materials and provide necessary training to UFPLC employees regarding Green Finance, CSR, and Sustainable Financing.
- Providing necessary assistance regarding the compliance of Bangladesh Bank Inspection and the UFPLC’s own Internal Control and Compliance Department regarding the compliance of Green Banking, CSR, and Sustainable Financing Policies.
- Formulate strategies and necessary initiatives to increase the scope, and size of the fund for CSR, Green Financing, and Climate Risk Fund by obtaining approval of the Sustainable Finance Committee.
- Perform the duties of a Liaison between UFPLC and the Foundations/organizations through which UFPLC performs CSR activities.

## Membership Association

- Bangladesh Association of Publicly Listed Companies
- Bangladesh Employers Federation
- Bangladesh Leasing and Finance Companies Association
- Bangladesh Money Market Dealers Association
- Central Depository Bangladesh Limited
- Dhaka North City Corporation
- Dhaka Stock Exchange PLC.
- Foreign Investors’ Chamber of Commerce & Industry
- Metropolitan Chamber of Commerce & Industry
- The Institute of Bankers, Bangladesh (IBB).

## 4. STAKEHOLDER ENGAGEMENT

### I. Stakeholder Identification

Economic	Customers		Shareholders/Investors				Vendors
	Depositors	Borrowers	Sponsors	General Public	Investment Companies	Institutions	

Social	Local Communities		Employees			
	Underprivileged People	Rural Residents				

Governance	Environment Related Group					
	Employees	Existing & Potential Borrowers	General Public			

### II. Stakeholder Alignment

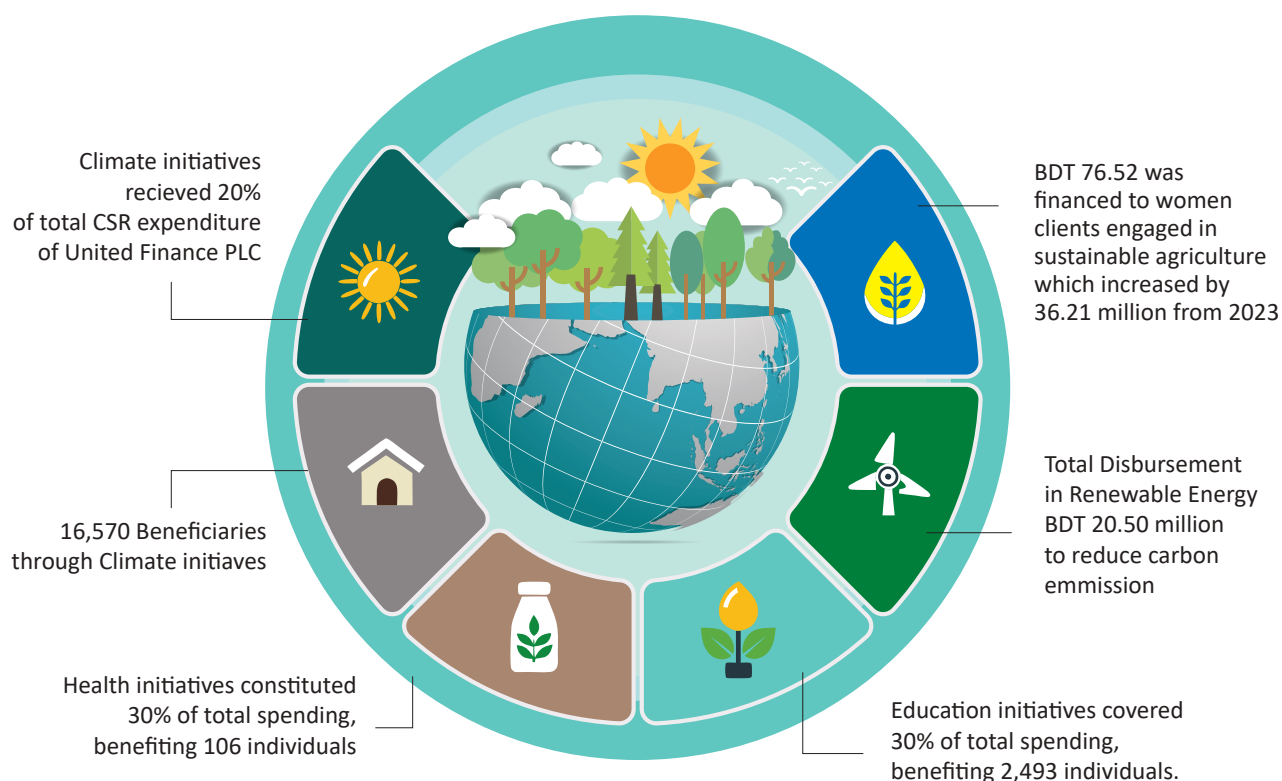
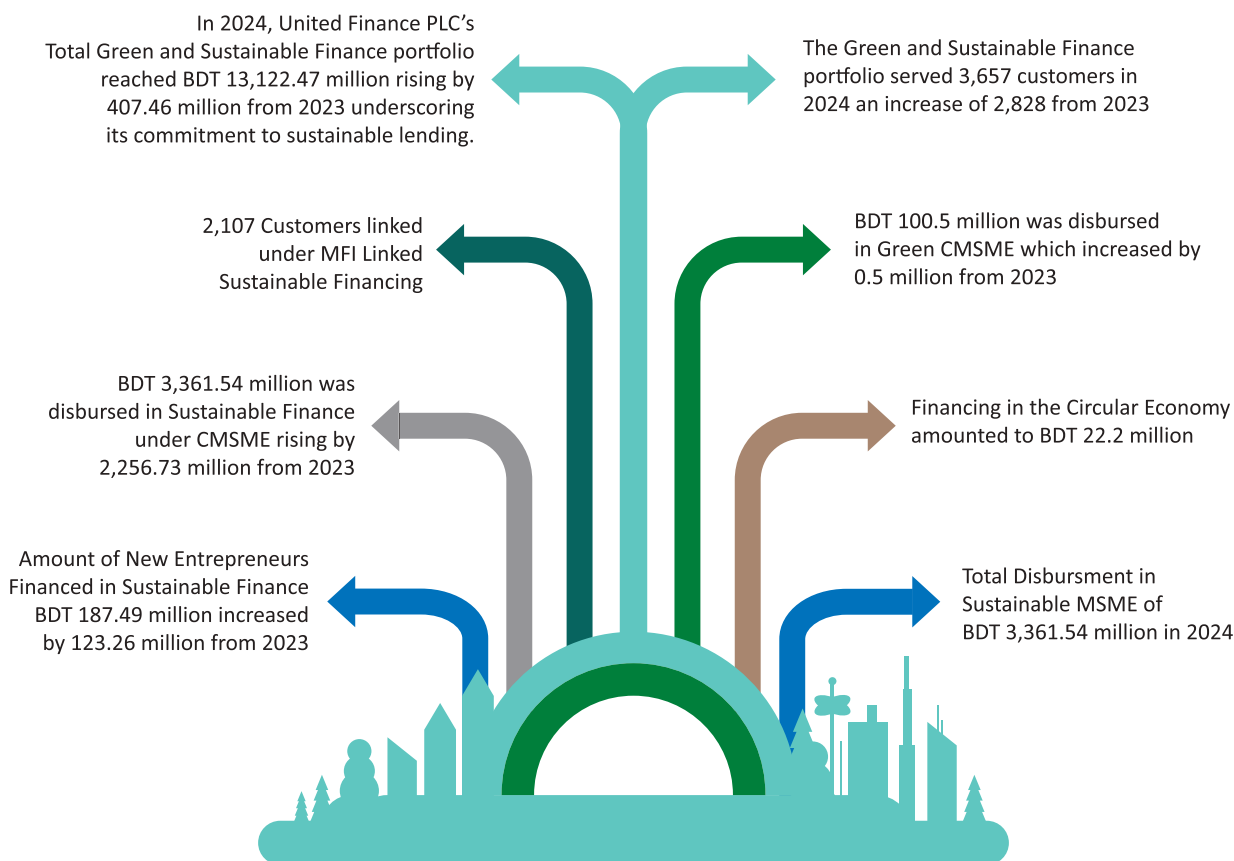
Alignment with SDG	Stakeholders	Key interests	Engagement	Outcomes
<b>SDG 3</b> <b>SDG 8</b> <b>SDG 9</b> <b>SDG 16</b> <b>SDG 17</b>	Shareholders	<ul style="list-style-type: none"> <li>Sustainable growth &amp; strategy</li> <li>Financial performance</li> <li>Corporate governance</li> <li>Risk management</li> <li>Business expansion plan</li> <li>Company information</li> </ul>	<ul style="list-style-type: none"> <li>UFPLC's website,</li> <li>Annual report</li> <li>AGM</li> <li>Board meeting</li> <li>Investor's meeting</li> <li>Press release</li> </ul>	<ul style="list-style-type: none"> <li>Number of outstanding Shares <b>187,114,614</b></li> <li>EPS <b>BDT 1.12</b></li> <li>EPS increased <b>0.35</b></li> </ul>
<b>SDG 3</b> <b>SDG 5</b> <b>SDG 8</b> <b>SDG 10</b>	Employees	<ul style="list-style-type: none"> <li>Work-life balance</li> <li>Diversity and career Progression</li> <li>Recruitment and retention</li> <li>Safe and healthy workplace</li> <li>Employee engagement &amp; wellbeing</li> <li>HR information</li> </ul>	<ul style="list-style-type: none"> <li>Induction program, employee engagement programs &amp; awareness session,</li> <li>Appreciation letter and employee recognition program,</li> <li>Online interviews, training programs &amp; workshops,</li> <li>Grievance management,</li> <li>Online HR portal</li> </ul>	<ul style="list-style-type: none"> <li>Total Employment Generation <b>139</b></li> <li>Permeant Employee generation <b>107</b> and non-permanent employee generation <b>32</b></li> <li>Average Training Hours per Employee <b>30</b></li> </ul>
<b>SDG 8</b> <b>SDG 9</b> <b>SDG 10</b>	Customers	<ul style="list-style-type: none"> <li>Quality service</li> <li>Privacy and information security</li> <li>Dispute resolution</li> <li>Product information</li> <li>Affordability and convenience</li> </ul>	<ul style="list-style-type: none"> <li>Market Research</li> <li>Product Innovation</li> <li>Customer Relationship Management</li> <li>Geographical Coverage</li> <li>Customer Feedback</li> </ul>	<ul style="list-style-type: none"> <li>Total Number of Deposit Customer is <b>9,154</b></li> <li>Total Number of Loan Customers is <b>7,122</b></li> </ul>

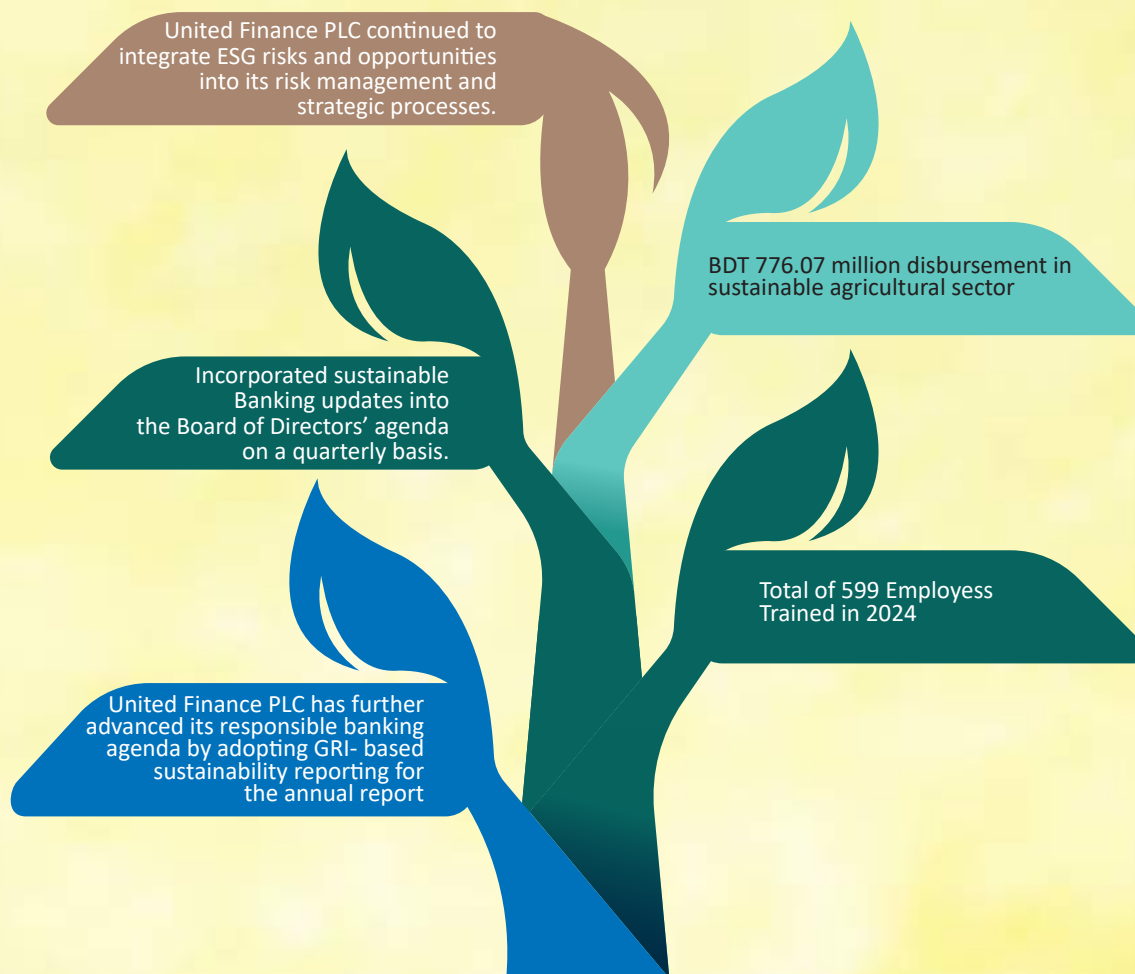
Alignment with SDG	Stakeholders	Key interests	Engagement	Outcomes
SDG 10 SDG 16	Regulatory Bodies	<ul style="list-style-type: none"> <li>Compliance with regulations</li> <li>Awareness and knowledge</li> <li>Good corporate governance</li> <li>Addressing key issues</li> </ul>	<ul style="list-style-type: none"> <li>Submission of returns and reports through online portal, hardcopy &amp; emails</li> <li>Training and workshops, circulars &amp; directives</li> <li>Telephone conversations, emails &amp; visits</li> <li>Meetings and discussions with senior management and respective regulators</li> </ul>	<ul style="list-style-type: none"> <li>Contributed to National Exchequer of total BDT <b>395.81 million.</b></li> </ul>
SDG 8 SDG 17	Business Partners	<ul style="list-style-type: none"> <li>Fair trade</li> <li>Fair enlistment</li> <li>Relationship with suppliers,</li> <li>Networking &amp; new business opportunities</li> <li>Uninterrupted &amp; ethical service,</li> </ul>	<ul style="list-style-type: none"> <li>Meetings, telephone/emails/ letters and periodic on-site visits,</li> <li>Standard procurement policy &amp; process,</li> <li>Reviewing &amp; evaluating performance</li> </ul>	<ul style="list-style-type: none"> <li>Strong relationship with the vendors and business partners.</li> </ul>
SDG 1 SDG 4 SDG 5 SDG 6 SDG 8 SDG 10 SDG 11 SDG 12 SDG 17	Society	<ul style="list-style-type: none"> <li>Financial inclusion</li> <li>Ethics and code of conduct</li> <li>Sustainable initiatives,</li> <li>Environmental protection through sound lending decision,</li> <li>Social welfare</li> </ul>	<ul style="list-style-type: none"> <li>CSR initiatives,</li> <li>Investing in green finance project.</li> <li>Investment in Sustainable Finance Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Increase of Total Disbursement in Green and Sustainable Finance of BDT <b>4,878.89 million.</b></li> <li>Total Disbursement in Green and Sustainable Finance in 2024 BDT <b>9,530.57 million.</b></li> <li>Total CSR spending of more than <b>3 million.</b></li> </ul>



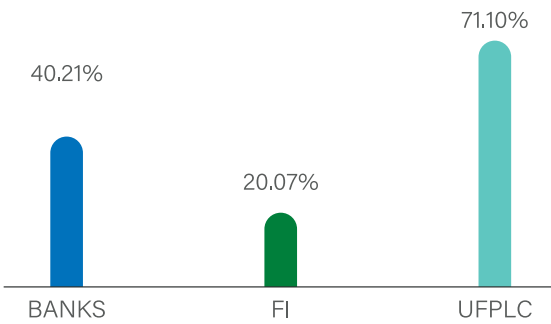
# APPROACH TO ESG AND OUR PRIORITY

## ESG HIGHLIGHTS

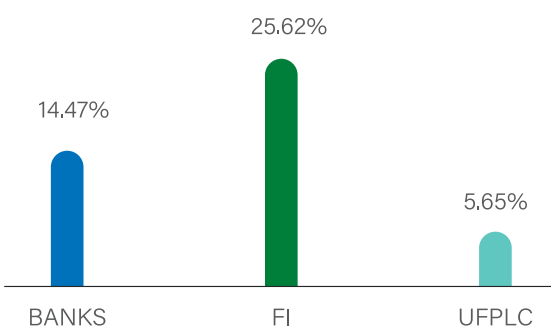




Sustainable financing as % of Term loan disbursments (2024)

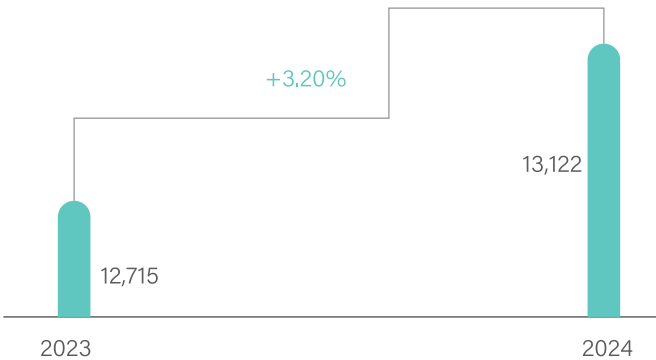


Green financing as % of Term loan disbursments (2024)



In 2024, United Finance PLC allocated 71.10% of its term loan disbursements to sustainable financing, significantly surpassing banks (40.21%) and financial institutions (20.07%), while green financing stood at 5.65%, exceeding Bangladesh Bank’s 5% target despite economic and environmental challenges. The higher sustainable finance share reflects our focus on addressing pressing social issues such as flood recovery, healthcare, and economic instability, whereas green financing remained lower due to businesses prioritizing financial resilience over environmental investments. Moving forward, we aim to expand our green finance portfolio through client engagement, tailored financial products, strategic partnerships, and strengthened policy alignment, ensuring a balanced approach to both socio-economic and environmental sustainability.

Total sustainable finance portfolio (BDT in million)



Green and Sustainable Finance Posrtfolio Growth Overview (2023-2024) in BDT Million





# ENVIRONMENTAL INITIATIVES

United Finance PLC is committed to environmental protection by reducing ecological impact and promoting sustainable practices. The company embraces green financing initiatives by implementing digital operating procedure, conducting virtual meetings, and minimizing paper and water consumption. Additionally, we actively support the adoption and advancement of eco-friendly technologies to foster a more sustainable future.

## 8R approach to sustainability

The **8R Approach to Sustainability** for **United Finance PLC** focuses on a comprehensive strategy to ensure long-term environmental, social, and governance growth. This approach includes:

- 1. Reduce:** Minimize environmental impacts by optimizing resource use and reducing waste in operations.
- 2. Reuse:** Promote the reuse of materials and resources, supporting circular economy practices in financing projects.
- 3. Recycle:** Support projects that prioritize recycling and waste management, contributing to environmental conservation.
- 4. Renew:** Invest in renewable energy projects and sustainable infrastructure to foster green growth.
- 5. Respect:** Uphold ethical business practices, respecting human rights, diversity, and community well-being.
- 6. Reinvest:** Reinvest in communities and initiatives that drive financial inclusion, empowerment, and social development.
- 7. Restore:** Support environmental restoration projects and green financing initiatives that reverse damage to ecosystems.
- 8. Reimagine:** Innovate and adopt sustainable practices across all operations, driving continuous improvement in sustainability.

## 1. Energy Savings

To ensure long-term sustainable growth, United Finance PLC actively contributes to building a low-carbon economy. The company has focused on enhancing energy efficiency across its operational network, significantly reducing costs while minimizing its environmental footprint.

### I. In-house green initiative

United Finance PLC strongly believes that even the smallest green initiatives today contribute to a more sustainable future, with each individual playing a role in creating a better world. Through careful planning and efficient resource management, we have successfully reduced the wastage of natural resources. Sustainable finance is at the core of United Finance PLC's mission. From supporting renewable energy initiatives to implementing impactful practices like energy efficiency and paperless operations, the company values every step taken toward protecting the environment.

#### a) Plastic-Free Premise Initiative

United Finance PLC has encouraged a plastic-free workplace by adopting sustainable alternatives in daily operations. We are continuously encouraging employees to replace plastic folders with paper-based options and to go digital. We believe that even small steps can create a meaningful long-term impact. This initiative extends beyond official functions, fostering a cultural shift toward sustainability throughout the organization.

#### b) Reduction of Paper Consumption

Moving towards a more robust online on-boarding mechanism of new clients to increase accessibility and reduce paper consumption. Paperless recruitment and approval systems for efficient task handling and significant reduction of paper waste. We have also integrated E-archiving of office documents to reduce paper waste.

#### c) Digital Solutions

In both internal and external communications we have integrated email to be the main source with an aim to reduce the paper consumption thereby reducing deforestation. For branding & marketing communication purpose, we are more focusing on Facebook, Websites & other online platforms. Video conferencing for both internal meetings and recruitment interviews has been integrated. Scanning and electronic transmission of internal documents.

#### d) Green Features in Office

Electricity usage is kept in the minimum using the day light inside corporate office and Energy savings bulbs being used in the office. Usage of electronic equipment with inverter technology instead of the conventional ones to reduce carbon footprint and save electricity. Procurement of hybrid cars (combination of electric and fuel combustion system) instead of conventional fuel combustion cars.

## II. Carbon Accounting

At United Finance PLC, we are committed to understanding, managing, and reducing our carbon footprint as part of our ongoing sustainability journey. Through comprehensive carbon accounting, we measure and track the greenhouse gas (GHG) emissions from our operations across Scope 1, Scope 2, and Scope 3 categories.

**Scope 1 & 2:** Scope 1 emissions refer to direct greenhouse gas (GHG) emissions from sources owned or controlled by United Finance PLC, including fuel consumption, air conditioning, refrigeration, and company-owned vehicles. Scope 2 emissions are indirect emissions resulting from the purchase of electricity, steam, heat, or cooling, driven by our energy consumption.

**Scope 3:** As part of our commitment to sustainability, we recognize the importance of reducing our carbon footprint and aligning with global climate goals. For Scope 3 emissions, which encompass all indirect emissions not covered under Scope 1 and 2.

### Key Emission Insights for United Finance PLC

- The total exposure amount is 15,963.5 million BDT.
- Total Carbon Emission 98,518.8 ton CO<sub>2</sub>eq
- Scope 1 emissions: 12,149.2 tons CO<sub>2</sub>eq (12% of total emissions).
- Scope 2 emissions: 19,219.0 tons CO<sub>2</sub>eq (20% of total emissions).
- Scope 3 emissions: 67,150.6 tons CO<sub>2</sub>eq (68% of total emissions).

- The sector with the highest Total Financed Emission (tCO<sub>2</sub>eq) is **Rubber and Plastic Industries**, with a total of 42,120.1 tCO<sub>2</sub>eq followed by the Pharmaceutical Industry, with a total of **14,989.5 tCO<sub>2</sub>eq**, and then **Cement Industry**, with **11,611.7 tCO<sub>2</sub>eq**.
- Cement factories have the highest Scope 1 emissions (3,100.3 tCO<sub>2</sub>eq) due to the carbon-intensive calcination process and high fossil fuel consumption followed by Pharmaceutical industries (1,888.6 tCO<sub>2</sub>eq).
- Rubber and plastic industries have the highest Scope 2 emissions (6,761.2 tCO<sub>2</sub>eq) due to significant electricity consumption for manufacturing processes like extrusion, molding, and polymerization. Pharmaceutical industries follow (4,459.9 tCO<sub>2</sub>eq) as they require extensive energy for production, climate control, and laboratory operations
- Rubber and Plastic Industries contribute the largest portion of emissions with 33,580.5 tons CO<sub>2</sub>eq from Scope 3 alone, followed by Pharmaceutical Industries 8,641.0 tons CO<sub>2</sub>eq.
- Cement Factories also contribute significantly, with 6,203.4 tons CO<sub>2</sub>eq from Scope 3 emissions.
- Food Processing Industries and Rice Mills account for a combined total of 511.20 tons CO<sub>2</sub>eq from Scope 1, Scope 2, and Scope 3.
- The Agricultural and Dairy Industries, including Dairy Farms (9.3 tons CO<sub>2</sub>eq) and Poultry Farms (54.6 tons CO<sub>2</sub>eq), contribute to Scope 1 emissions.
- Readymade Garments industries contribute 55.1 tons CO<sub>2</sub>eq from Scope 1, while Spinning Mills and Weaving Mills have minimal emissions in Scope 1 and Scope 2.
- Paper and Packaging Industries contribute significantly, with 129.7 tons CO<sub>2</sub>eq from Scope 1 and 355.2 tons CO<sub>2</sub>eq from Scope 2, and 1,404.7 tons CO<sub>2</sub>eq from Scope 3 emissions.
- Energy and Power Sector emit 191.3 tons CO<sub>2</sub>eq from Scope 1, 125.4 tons from Scope 2, and 624.4 tons from Scope 3.

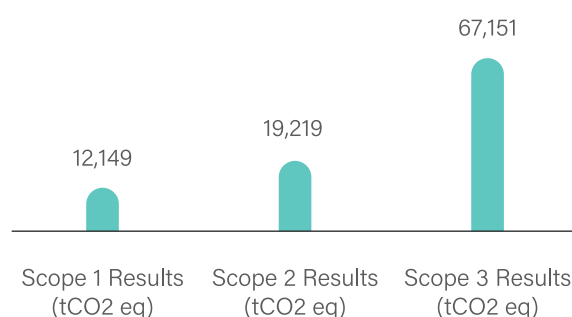
Sector name	Scope 1 Results (tCO <sub>2</sub> eq)	Scope 2 Results (tCO <sub>2</sub> eq)	Scope 3 Results (tCO <sub>2</sub> eq)
Fishing Farms (Hatchery, Shrimp Culture etc.)	0.4	0.0	0.0
Dairy Farms	9.3	0.0	0.2
Poultry Farms	54.6	2.7	15.8
Jute Mills/Jute products Manufacturing Industries (rope, thread, twain, canvass, bag, carpet, etc.)	3.6	0.4	0.7
Printing & Dyeing Industries	5.3	0.7	1.1
Spinning Mills	0.6	0.1	0.1
Weaving Mills	0.1	0.0	0.0
Cosmetics & Toiletries Industries	90.0	63.1	127.4
Rubber and Plastic Industries	1778.5	6761.2	33580.5
Leather Products (bag, shoe etc.) Manufacturing Industries	0.2	0.0	0.0
Textile Mills	1.4	0.1	0.3
Paper and Paper Products Manufacturing Industries	129.7	355.2	1404.7
Furniture, Fixture, Particle Boards and Other Wood Product Manufacturers	64.0	48.0	67.5
Readymade Garments Industries	55.1	7.7	10.6
Pharmaceutical Industries	1888.6	4459.9	8641.0
Chemical and Chemical Products Industries	780.1	546.8	1104.0
Cement Factories	3100.3	2307.9	6203.4
Ceramic Industries	249.3	185.6	498.9
Bricks Manufacturers and Sand elevators	12.0	9.0	24.1
Glass and Glassware Products Factories	4.3	3.2	8.6
Soaps & Detergents Factories	9.5	6.7	13.5
Steel Engineering & Metallic Products Industries (Including Rerolling Mills)	460.4	452.8	1344.5
Assembling Industry	37.8	77.8	204.4
Fertilizer Company	82.9	58.1	117.3
Beverage and Soft Drinks manufacturing Companies	3.1	0.6	0.6
Packaging Industries including paper boards	715.1	1958.8	7746.1

Sector name	Scope 1 Results (tCO2eq)	Scope 2 Results (tCO2eq)	Scope 3 Results (tCO2eq)
Manufacturing of Electrical equipment's & spares (cables, bulbs, switches etc.)	131.8	487.0	1094.1
Manufacturing of Transport Equipment's	3.4	9.6	24.9
Electronic Goods Manufacturing/Assembling Industries (TV, Computer	57.9	182.5	497.4
Battery Manufacturing Industries	47.4	174.9	393.0
Garments Accessories manufacturing industries (Zipper, Button etc)	8.3	1.2	1.6
Polymer and polythene industries	128.2	487.3	2420.2
Cottage Industries	0.1	0.2	0.6
Saw Mills	0.4	0.3	0.4
Handloom Factories	0.8	0.1	0.2
Handicrafts Factories	2.2	7.0	19.1
Production, supply and distribution of power in the private sector	191.3	125.4	624.4
Gas Companies	4.0	0.0	0.0
Oxygen Gas Companies	44.3	0.0	0.0
Other Gas Companies	14.6	0.0	0.0
Road Transport Companies (including Rent-a- car)	663.8	9.2	4.5
Construction Companies	1.3	0.1	0.2
Publishing Industries (including printing press)	0.0	0.0	0.0
Telecommunication (Mobile/cellular operators and private land phone)	0.0	0.0	0.0
Housing Companies or Societies/Land Developers	0.0	0.0	0.0
Warehouse	0.0	0.0	0.0
Hospitals, Clinics, Diagnostic Centers and Other Health Services	48.6	15.2	19.2
IT-based activities (system analysis, design, developing system solutions, Grameen Solution, information service, Call center service, offshore development center, business process outsourcing , Cyber Cafes, Internet Service Providers etc.)	0.1	0.0	0.0
Courier Services & Express Mail Services	0.0	0.0	0.0
Restaurants /Fast Food	2.8	0.6	1.3
Beauty Parlors/ Saloons/ Health Club/Fitness center	0.0	0.0	0.0
Clearing and Forwarding (C & F) Agents	0.0	0.0	0.0
Testing Laboratory	0.0	0.0	0.0
Filling Stations (Petrol pump, CNG Station)	1.4	0.1	0.0
Private Inland Container Depot and Container Freight Station	0.1	0.0	0.0
Stone Crashers	0.2	0.0	0.0
Modernized Cleaning Service for High-rise Apartments, Commercial Building	0.0	0.0	0.0
Auto mobile service including CNG conversion center.	0.1	0.0	0.0
Advertising Industry and modeling (print modeling, TV commercials, ramp modeling, catwalk, fashion-show)	0.0	0.0	0.0
Outsourcing and Security Service (Private Security forces/manpower supply)	0.0	0.0	0.0
Freight Forwarders	0.0	0.0	0.0
Laundry Services	0.2	0.0	0.0
Tailoring Shop and Tailors	0.1	0.0	0.0
Graphic Designers	0.0	0.0	0.0
Light Engineering and Metal-workshop	67.3	138.7	364.4
Consultancy & Supervisory Firms	0.0	0.0	0.0
Interior Design & Decorators and other consultancy firms	0.1	0.0	0.0

Sector name	Scope 1 Results (tCO <sub>2</sub> eq)	Scope 2 Results (tCO <sub>2</sub> eq)	Scope 3 Results (tCO <sub>2</sub> eq)
Contractor and Supplier firms	6.6	0.4	1.1
Processing of bread and biscuits, vermicelli, laccha, chanachur, noodles etc.	133.0	8.5	18.5
Processed fruit products (jam, jelly, juice, pickles, sarbat, syrup, sauce etc.)	0.1	0.0	0.3
Manufacturing of flour, sujee (Flour Mills)	84.2	5.1	11.5
Processing of potato products (chips, potato, flex, starch etc.)	2.2	0.1	0.3
processing of powder spice	7.2	0.5	1.0
Manufacturing of Unani and Ayurvedic Medicines/Herbal Cosmetics	9.4	22.2	43.1
Fish feed and fish meal processing for poultry and livestock	18.2	1.1	2.5
Seed processing and preservation	83.1	13.1	38.0
Pulse Mills	25.0	1.5	3.4
Meat processing	5.3	0.5	2.6
Production of bio-pesticides, neem pesticides etc.	255.1	178.8	361.1
Sweetening products.	0.0	0.0	0.0
Soya food production & processing.	1.0	0.1	0.1
Mustard oil producing industry (if local variety is used).	7.7	1.2	2.5
Rice mills including puffed rice, chirra, fine rice, flavored rice etc.	275.5	16.6	37.7
Milk Processing Industries (Pasteurization, milk powder, ice-cream, condensed milk, sweet, cheese, butter, ghee, chocolate, curd etc.)	2.0	0.0	0.0
Food Processing Industry (PRAN, AFTAB, BD-Food etc.)	150.8	9.7	20.9
Salt Processing Industries	2.1	0.1	0.3
Tea processing industries	28.3	1.8	3.9
Refining and hydrogenation of edible oil, vanaspati, Ghee etc.	63.7	10.2	20.4
Importers	0.4	0.0	0.0
Whole Sale Traders	24.5	1.3	0.2
Retail Traders	5.5	0.3	0.1
Private Schools, Colleges, University Colleges & Madrashas	0.4	0.1	0.1
General Insurance Companies	0.0	0.0	0.0
Pension Funds /Provident Funds of Private Organizations	0.0	0.0	0.0
GO/Micro Credit Organizations (BRAC, ASA etc.)	0.6	0.1	0.0
<b>Total</b>	<b>12,149.2</b>	<b>19,219.0</b>	<b>67,150.6</b>

Our **interim target for 2024** is focused on reducing **Scope 1 and 2 emissions** by implementing more energy-efficient technologies and reducing waste. While we anticipate some growth in emissions due to the company's expansion, our aim is to keep the increase to a minimum and addressing Scope 3 emissions more comprehensively from 2030 to 2050, to align with global climate targets. By prioritizing energy efficiency, sustainable supply chain practices, and innovative emission-reduction technologies, United Finance PLC aims to contribute positively to environmental sustainability while enhancing the resilience of our business operations.

### Carbon Emission (tco2eq) 2024

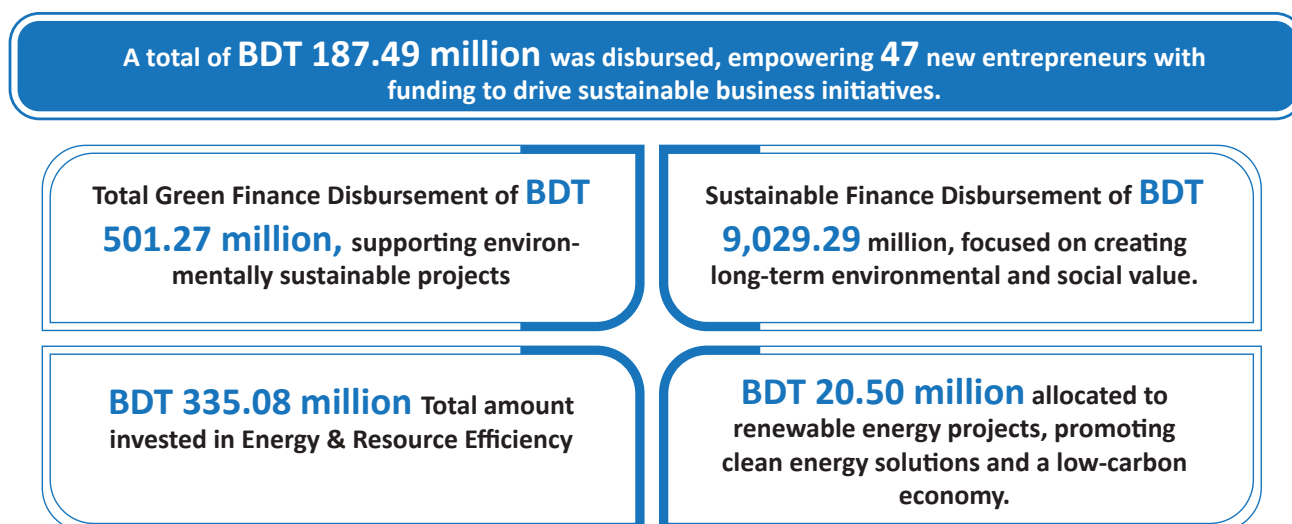




Strategy	Strategy for 2030	Strategy for 2050
<b>Adopt Low-Emission Office Appliances</b>	<ul style="list-style-type: none"> <li>Use energy-efficient office equipment such as LED lighting, low-carbon computers, and energy-efficient heating/cooling devices.</li> </ul>	<ul style="list-style-type: none"> <li>Develop a circular economy approach for office equipment where devices and appliances are reused, refurbished, or recycled rather than discarded. Partner with manufacturers that offer take-back programs for responsible disposal or recycling of electronics.</li> </ul>
<b>Decarbonize Energy Usage:</b>	<ul style="list-style-type: none"> <li>Shift industries with high Scope 2 emissions (like Rubber and Plastic, Pharmaceutical, Cement, etc.) to renewable energy sources such as solar, wind, or hydropower for their electricity needs.</li> <li>Aim for 50-60% of energy consumption in major industries to come from renewable sources by 2030.</li> </ul>	<ul style="list-style-type: none"> <li>Partner with suppliers to set sustainability standards, requiring them to reduce their Scope 3 emissions through energy-efficient practices, low-carbon materials, and eco-friendly manufacturing.</li> <li>Achieve a 50-60% reduction in Scope 3 emissions across all supply chains by 2050.</li> </ul>
<b>Promote Low-Carbon Consumer Behaviour</b>	<ul style="list-style-type: none"> <li>Encourage industries like Cement and Steel Engineering to invest in alternative low-carbon production processes.</li> <li>Achieve a 30% reduction in energy consumption per unit of output by 2030.</li> <li>Establish policies to encourage waste minimization and the use of recycled materials across all manufacturing sectors</li> </ul>	<ul style="list-style-type: none"> <li>Encourage industries (especially Manufacturing, Packaging, and Food Processing) to adopt circular economy models, focusing on reducing, reusing, and recycling materials to minimize product life cycle emissions.</li> <li>Reduce Scope 3 emissions from waste by 40-50% by 2050.</li> </ul>
<b>Implement Cleaner Fuel Alternatives</b>	<ul style="list-style-type: none"> <li>For sectors with high Scope 1 emissions promote the use of cleaner, alternative fuels (e.g., biomass, natural gas, hydrogen) instead of coal or oil.</li> <li>Reduce Scope 1 emissions by 20-30% by 2030.</li> </ul>	<ul style="list-style-type: none"> <li>Educate and incentivize consumers to choose low-carbon products through sustainability labelling, carbon footprints on product packaging, and discounts on eco-friendly purchases.</li> <li>Achieve a 30-40% reduction in consumer-driven Scope 3 emissions by 2050.</li> </ul>
<b>Employee Engagement and Awareness</b>	<ul style="list-style-type: none"> <li>Provide training on energy conservation and sustainability practices in the office.</li> </ul>	<ul style="list-style-type: none"> <li>Integrate sustainability goals and values into the company's mission, vision, and core values. Make sustainability a key part of employee on boarding, and create a culture where environmental consciousness is a foundational aspect of work.</li> </ul>
<b>Sustainability Reporting and Accountability</b>	<ul style="list-style-type: none"> <li>Enforce mandatory emissions reporting for Scope 1 and Scope 2 emissions, including annual reduction targets for each sector.</li> <li>Ensure that all industries are actively managing their carbon footprint by 2030.</li> </ul>	<ul style="list-style-type: none"> <li>Advocate for global and industry-specific regulations and frameworks that require carbon reduction targets for Scope 3 emissions, encouraging competitors and stakeholders to align with long-term sustainability goals.</li> <li>Drive systemic change across industries to reduce Scope 3 emissions by 50-60% by 2050.</li> </ul>

## 2. Climate Change Mitigation

United Finance PLC has shown a strong commitment to combating climate change through its green and sustainable finance initiatives. In 2024, the company disbursed **BDT 501.275 million** under its Green Finance, supporting projects focused on environmental preservation and sustainable development. Additionally, **BDT 13,404.11 million** was allocated to various Sustainable Finance initiatives aimed at creating long-term environmental and social value. A key focus has been financing new entrepreneurs in sustainable business practices. The company financed **47** new entrepreneurs with a total disbursement of **BDT 187.49 million**, empowering them to bring innovative and sustainable solutions to market. This initiative plays a vital role in fostering a green economy and supporting sustainable businesses. United Finance PLC also prioritized the renewable energy sector, disbursing **BDT 20.50 million** to support clean energy projects while contributing about **BDT 22.2 million** in circular economy. This investment demonstrates the company's dedication to the transition to a low-carbon economy and reinforces its commitment to sustainable energy solutions. Together, these actions highlight United Finance PLC's proactive approach to environmental stewardship and climate change



## 3. Green projects

### a) Circular Economy & Eco-Projects Financing

United Finance PLC allocated **BDT 11.20 million** to establish a PET Bottle Recycling Plant, promoting the recycling of plastic bottles. This initiative plays a crucial role in reducing plastic pollution and contributing to a cleaner environment by repurposing used plastic materials. With an investment of **BDT 6 million**, the company supported the establishment of a Plastic Waste Recycling Plant, focusing on the recycling of various types of plastics, including PVC, PP, LDPE, HDPE, and PS. This project contributes to reducing plastic waste and supports the transition to a circular economy. United Finance PLC invested **BDT 5 million** in a Paper Recycling Plant, which aims to reduce paper waste and contribute to the conservation of forests. This project promotes sustainable recycling practices and helps decrease the environmental impact of paper production. Total Disbursement in this green linked project reached a total of **22.20 million** which constitutes approximately **4.43%** of total Green Linked Finance and a portfolio of **200.73 million in 2024**.

### b) Renewable Energy

In 2024, United Finance PLC made a significant addition to its Green Linked Financing with a disbursement of **20.5 million** representing approximately **4.09%** of the total Green Linked Financing for renewable energy projects. This new initiative is part of our continued commitment to supporting sustainable and eco-friendly projects. Our total portfolio for renewable energy stands at **21.99 million**, reflecting the growth and importance of this sector in our green financing strategy. This development underscores our dedication to contributing to a cleaner, more sustainable energy future.

### c) Energy & Resource Efficiency Establishment

The company allocated **BDT 303 million** to fund energy efficiency initiatives and another **BDT 32.08 million** towards resource efficiency projects, focusing on improving the energy performance of various industries. This investment helps reduce energy consumption, cut down on operational costs, and supports sustainability through more efficient resource use. Bulk of the total green financing investment, **approximately 66.85 %** has been invested in these projects.

### d) Green/Environment Friendly Establishments

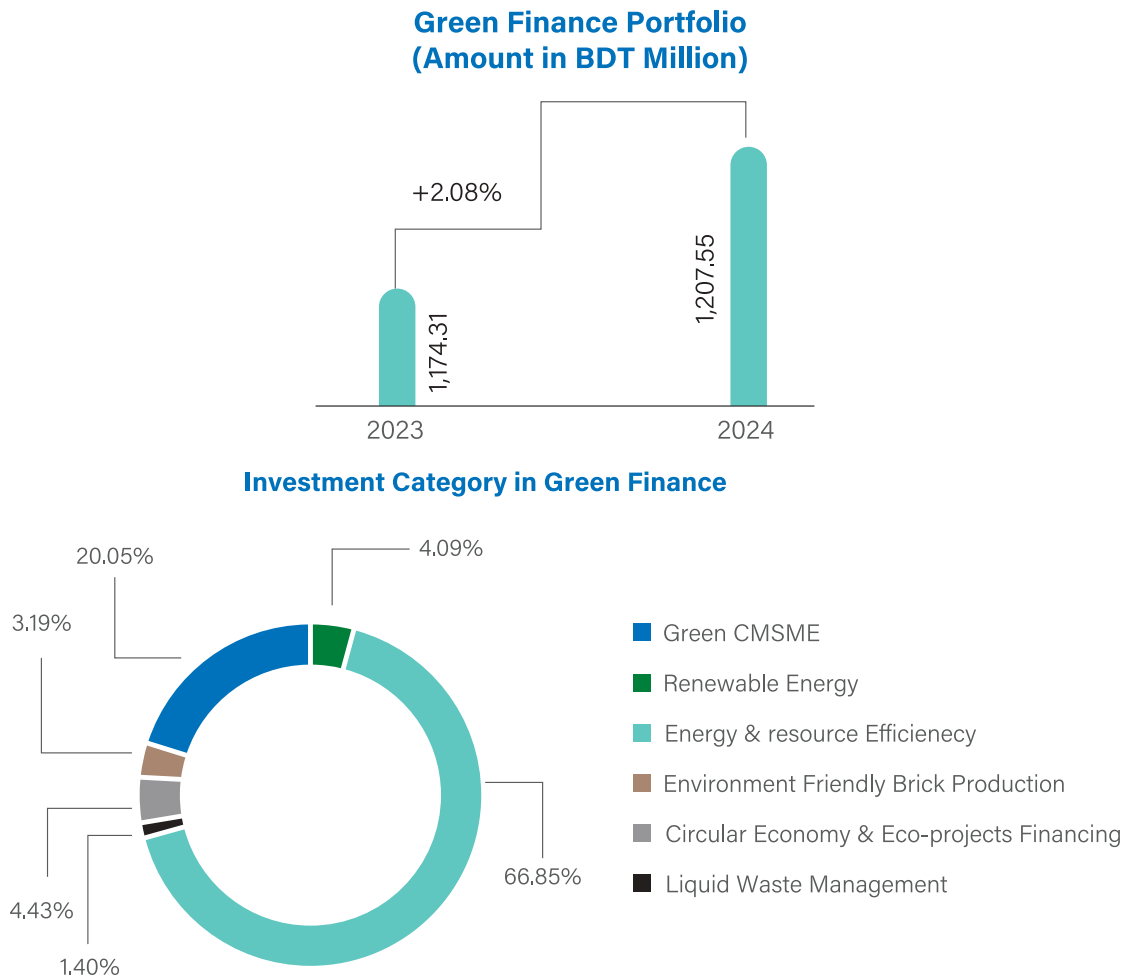
The company invested **BDT 15.99 million or about 3.19% %** to improve factory safety and worker well-being. This includes the implementation of fire defense systems, disaster prevention systems, and workers' health safety systems, ensuring a safer and more sustainable working environment.

e) **Liquid Waste Management**

United Finance PLC allocated **BDT 7 million** towards the **conversion of a chemical effluent treatment plant (ETP)** into a combined biological and chemical ETP. This project enhances the efficiency of liquid waste treatment, reducing harmful environmental impacts and supporting sustainable waste management practices. About **1.40%** of total finance has been invested here.

f) **Green CMSME**

At United Finance PLC, our Green CMSME disbursement reached **100.5 million in 2024 which represent approximately 20.05% of total green linked finance investment**, increasing by **0.5 million compared to 2023**. Our portfolio for this sector stands at **7.95 million**, showcasing our ongoing commitment to supporting sustainable practices within the CMSME sector. This growth highlights the rising demand for financing solutions that foster environmentally responsible businesses and reflects our dedication to driving a greener, more sustainable economy.



**4. Waste Management**

At United Finance PLC, we maximize paper usage by utilizing both sides, and any discarded paper is securely collected and shredded before disposal. We believe in giving back to the community by donating old equipment and furniture to charity or selling them for reuse. Our commitment to sustainability extends to waste management, with food waste efficiently collected daily by local waste management services. Additionally, we responsibly dispose of toner cartridges and newspapers through trusted community recycling partners, ensuring minimal environmental impact.

**5. Environment Protection Analysis**

Environment Protection Analysis	2024	2023
Number of customers eligible for Environmental & Social Due Diligence (ESDD)	498	658
Number of customers appraised for environmental risk rating	498	658
Low	491	619
Medium	7	39
High	0	0

The Environment Protection Analysis for 2024 shows that 498 customers were eligible for Environmental & Social Due Diligence (ESDD), a decrease from 658 in 2023. The same number of customers (498) were appraised for environmental risk ratings, with the majority (491) classified as low risk, 7 customers rated as medium risk, and none rated as high risk. This marks a reduction in medium-risk customers compared to 39 in 2023, with no high-risk customers in either year.

## Impact of Environmental Initiatives on SDG

SDG Number	SDG Description	
6	Ensure availability and sustainable management of water and sanitation for all	United Finance PLC promotes sustainable investments in clean water, procuring water filter for clean water consumption, renewable energy, and waste management. Our ESDDG framework prioritizes low-impact financing <b>(98.59%)</b> , supporting a greener economy. With eco-efficient offices and CSR initiatives, we enhance societal well-being while preserving the environment, aligning with key SDGs.
7	Ensure access to affordable, reliable, sustainable and modern energy for all	
12	Ensure sustainable consumption and production patterns	
12	Take urgent action to combat climate change and its impacts	
13	Take urgent action to combat climate change and its impacts	
15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	



# ECONOMIC SUSTAINABILITY

## 1. Contribution to GDP

United Finance PLC makes a significant direct contribution to Bangladesh's economy, with a total contribution of **BDT 991.28 million** to the GDP directly. **This includes BDT 209.23 million** in savings, strengthening financial security and investment potential; **BDT 395.81 million** in taxes, supporting national development; and **BDT 595.47 million** in wages, empowering employees and fostering economic stability. Through these contributions, United Finance PLC plays a key role in enhancing business growth, job creation, and financial inclusivity, further driving the country's economic progress.

Direct Contribution (BDT in Million)			
Savings	Taxes	Wages	Total
209.23	395.81	595.47	991.28

- **Total value added:** the sum of wages, taxes and savings, equivalent to gross domestic product, expressed in monetary value.
- **Wages (salaries):** value of net wages paid to all full-time and part-time employees of the organization during the reporting period.
- **Taxes:** all transfers to the government made by us over the reporting period.
- **Savings (profit):** value of the organization's net earnings (profit).

## 2. Financial inclusion and diversity

United Finance PLC is dedicated to empowering local communities by offering a diverse range of financial services specifically designed for small and medium-sized enterprises, farmers, and women entrepreneurs. Through accessible credit, tailored financial products, and valuable training opportunities, we provide our customers with the tools, knowledge, and support needed to achieve their financial aspirations and unlock their full potential.

- **Cottage, Micro, Small & Medium Enterprise Financing (CMSME):** Total of **BDT 7,806.66 million** in 2024
- **Deposit customer retention ratio:** **70.59%** in 2024
- **First Time Institutional Borrowers (No. of enterprises):** **37**

Particulars	2024 (BDT in Million)	2023 (BDT in Million)
Financial assistance received from government	<b>3,175.12</b>	4,228.18

### a) Empowering Communities through Sustainable Financing

At United Finance PLC, we are committed to driving sustainable growth through our diverse range of Sustainable Linked Finance initiatives. Our Total disbursement and portfolio of Sustainable Linked Finance stood at **BDT 9,029.29 and 11,914.92 million** respectively. It showcases a sharp increase by **5,442.11 in disbursement and 374.22 million in portfolio compared to 2023**. Here's a breakdown of our key areas, their respective disbursements, portfolios for 2024, and the percentage of total sustainable linked finance disbursed in each sector:

### I. Sustainable Agriculture

We allocated **776.07 million** representing **8.59%** of our total sustainable linked finance disbursement towards Sustainable Agriculture financing, with a portfolio of **1,880.15 million**. This initiative reflects our dedication to promoting environmentally responsible agricultural practices, supporting farmers and agribusinesses in adopting sustainable methods that enhance food security, increase productivity, and minimize environmental impact.

### II. Sustainable MSME

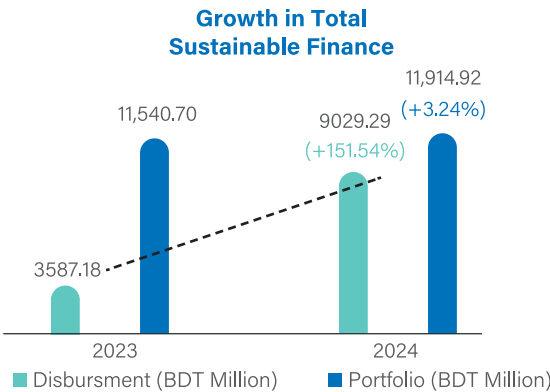
Our focus on Sustainable MSME financing saw a disbursement of **3,361.54 million**, making up **37.23%** of our total sustainable linked finance disbursement, with a portfolio of **4,310.05 million**. This reflects our ongoing support for micro, small, and medium-sized enterprises (MSMEs) that integrate sustainable practices into their business models. We aim to empower these businesses to grow while maintaining a positive environmental and social impact.

### III. Socially Responsible Financing

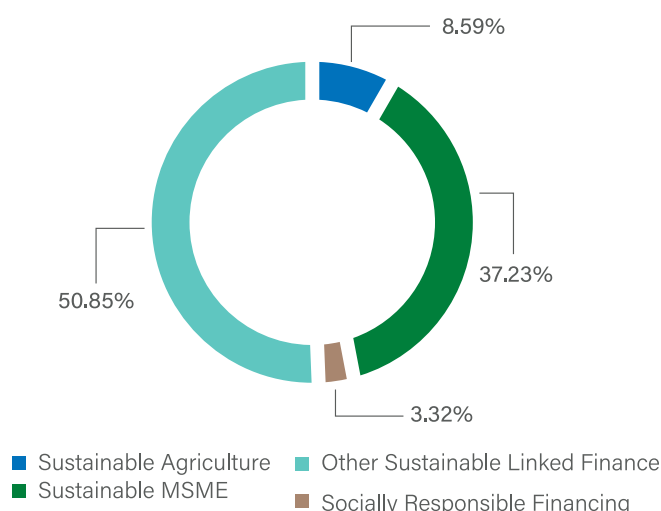
United Finance PLC is also committed to Socially Responsible Financing, with a disbursement of **300.00 million**, accounting for **3.32%** of the total sustainable linked finance disbursement, and a portfolio of **383.53 million**. This sector focuses on funding initiatives that deliver tangible social benefits, supporting projects that promote inclusive growth, social equity, and community well-being.

### IV. Other Sustainable Linked Finance

In addition to the above areas, we have also made significant investments in Other Sustainable Linked Finance, with a disbursement of **4,591.69 million**, which represents **50.85%** of our total sustainable linked finance disbursement, and a portfolio of **5,341.19 million**. This broad category encompasses various green and sustainable projects, reinforcing our commitment to financing solutions that contribute to environmental conservation and sustainable development across different sectors.



## Sustainable Finance Investment Categories



### b) Empowering Communities through CMSME Credit

United Finance PLC is committed to enhancing financial inclusion by focusing on Agricultural and Rural Credit, which plays a vital role in the economic development of the country. In our efforts to uplift the low-income groups and bring them under our growing financial inclusion umbrella, we have made substantial investments in rural communities. In 2024, United Finance PLC successfully disbursed BDT **1,648.00 million** through our Rural Credit scheme. This initiative aims to empower local farmers and promote sustainable agricultural practices while contributing to the broader economic growth of the region. Additionally Financing in Rural area (Entrepreneurship Financed) is BDT **2,911.07 million**.

Financing provided to farmers through our Rural Credit scheme (Agro Finance)	<b>1,648.00 BDT million</b>
Financing in Rural area (Entrepreneurship Financed)	<b>2,911.07 BDT million.</b>

### c) Empowering Communities through Branch-Network

United Finance PLC has a strong network of branches that serve customers across the country. We have a total of 25 offices including head office situated in all over the country. We are dedicated to extending banking services to underserved communities, ensuring that more individuals have access to essential financial services. Through our branch-based operations, we offer affordable and convenient financial solutions, contributing to the promotion of financial inclusion. Our Financial inclusion initiatives also include the following priorities:

- Old aged allowances
- Widow, deserted & destitute women allowances
- Lifestyle development of Unprivileged Community
- Stipend for unprivileged Community
- Disable allowances
- Stipend for disable allowances
- Maternity & Lactating Mother allowances

## 3. Digital Integration

United Finance PLC embraces digital integration to enhance customer experience and streamline financial services. Our website serves as the central platform for customers to easily enroll in deposit schemes and receive real-time updates through email and SMS notifications. By leveraging digital tools, we offer added convenience and flexibility, enabling customers to manage their accounts and stay connected with us effortlessly.

Digital On-Boarding of Customers	<b>220</b>
Digital practice of Process and Operations	<b>215</b>

## 4. Advancing Financial Inclusion through Strategic Partnerships

We remain steadfast in our commitment to financial inclusion by fostering strategic partnerships with leading development organizations. In alignment with our ESG priorities, we have extended a total financing of **BDT 400 million** to three key institutions—**United Development Initiatives for Programmed Actions (UDDIPAN)**, **Rural Reconstruction Foundation (RRF)**, and **Bangladesh Extension Education Services (BEES)**—to enhance access to financial resources for underserved communities.

This initiative allocates **BDT 100 million** each to **UDDIPAN** and **RRF**, both of which play a vital role in empowering micro-entrepreneurs, small businesses, and rural enterprises through tailored financial solutions. Additionally, **BDT 200 million** has been provided to **BEES**, reinforcing financial accessibility for agricultural ventures, education programs, and capacity-building initiatives.

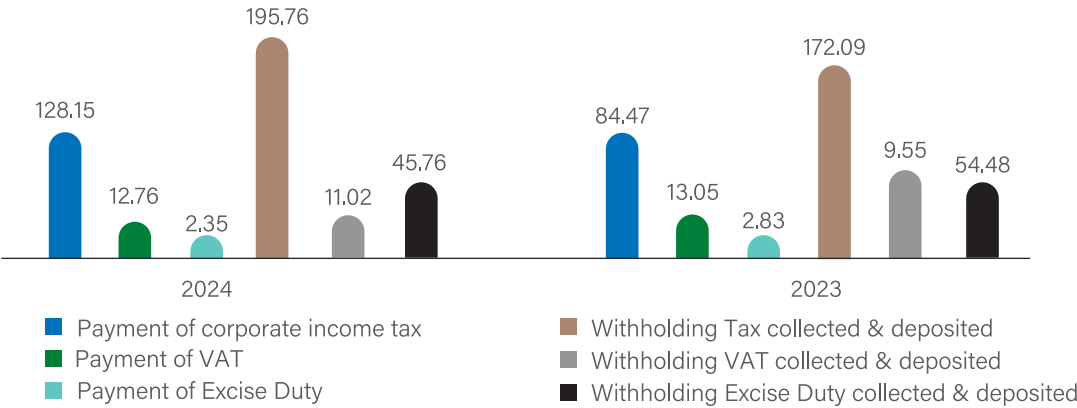
By channeling funds through these organizations, United Finance PLC enables sustainable economic development, fostering entrepreneurship, job creation, and improved financial literacy. This initiative not only strengthens the microfinance ecosystem but also drives inclusive growth, ensuring that financial resources reach those who need them the most. Through such partnerships, we continue to contribute meaningfully to Bangladesh's progress toward a more equitable and resilient economy.

## 5. Contribution to National Development through Tax Payments

As a responsible corporate entity, we recognize the importance of contributing to the country's economic growth through timely and accurate tax payments. Our payments to the government not only reflect our dedication to regulatory compliance but also reinforce our role in supporting national development. As part of our commitment to economic sustainability, United Finance PLC actively contributes to the national exchequer through various tax payments and statutory deposits. Our contributions in the form of corporate income tax, VAT, excise duty, and withholding tax play a crucial role in supporting the country's economic development. Our Total contribution through tax payments were **BDT 395.81 million**.

Contribution Type	2024 (BDT Million)	2023 (BDT Million)	% Increase/ Decrease
Payment of Corporate Income Tax	128.15	84.47	51.70%
Payment of VAT	12.76	13.05	-2.18%
Payment of Excise Duty	2.35	2.83	-16.90%
Withholding Tax Collected & Deposited	195.76	172.09	13.75%
Withholding VAT Collected & Deposited	11.02	9.55	15.40%
Withholding Excise Duty Collected & Deposited	45.76	54.48	-16.00%
Total Contribution	395.81	336.47	17.64%

Contribution to National Exchequer (Amount in BDT Million)



Our total contribution to the national exchequer grew by **17.64%** in 2024 compared to the previous year. This increase is a direct result of higher corporate income tax payments and withholding tax collections, which have risen by 51.70% and 13.75%, respectively. These contributions underscore United Finance PLC’s strong financial performance, coupled with our consistent commitment to fulfilling our fiscal responsibilities.

In terms of individual tax categories, our payment of corporate income tax reached BDT 128.15 million in 2024, reflecting a significant 51.70% increase from the previous year. This notable rise is indicative of our positive financial trajectory, driven by strategic decisions that support sustainable business growth. Similarly, the withholding tax collected and deposited by the company increased to BDT 195.76 million, up by 13.75%, reinforcing our role in the national economy by ensuring proper withholding and remittance in compliance with tax regulations.

While payments in other categories such as VAT and excise duty showed slight declines, the overall growth in our tax contributions demonstrates that we are making substantial strides toward achieving fiscal responsibility. VAT payments decreased by 2.18%, while excise duty payments saw a decline of 16.90%. However, our continued efforts in collecting and depositing withholding VAT and excise duty, with respective increases of 15.40%, reflect our dedication to meeting all tax obligations, even in fluctuating circumstances.

### IMPACT OF FINANCIAL INCLUSION ON SDG

SDG Number	SDG Description	
1	End poverty in all its forms everywhere	United Finance PLC’s economic sustainability initiatives support key UN SDGs by promoting financial inclusion, reducing poverty (SDG 1), and fostering sustainable economic growth (SDG 8). Our financial services for SMEs, farmers, and women entrepreneurs contribute to reducing inequalities (SDG 10) and advancing sustainable practices (SDG 12). Through strategic partnerships with organizations like UDDIPAN, RRF, and BEES, we empower underserved communities, reinforcing our commitment to the global partnership for sustainable development (SDG 17).
8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
10	Reduce inequality within and among countries	
12	Ensure sustainable consumption and production patterns	
17	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	

# SOCIAL SUSTAINABILITY

## 1. Gender Equality and Diversity

United Finance PLC is committed to promoting gender equality by supporting women entrepreneurs through targeted financial solutions. We offer loans and financing to women-led businesses, helping them access the capital they need to grow and thrive. By providing tailored financial products, we aim to empower women in business, allowing them to create jobs, contribute to their communities, and drive economic progress. As part of our broader corporate social responsibility (CSR) initiatives, we also donate books and educational resources to underprivileged schools, ensuring that girls and boys, receive the education they deserve. Furthermore, United Finance PLC values diversity and fosters an inclusive work environment. We have allocated approximately 30% of our CSR expenditure to the education sector, enabling nearly 100 female participants to receive quality education through our contributions.

Total Amount of Women Entrepreneurship Financed	1,179.21 Million
Total Number of Women Entrepreneurship Financed	150

United Finance PLC values the contributions of its female employees and strives to create a supportive and inclusive work environment. We offer equal opportunities for career growth and development, ensuring that women have the resources and support to excel in their roles. Our commitment to gender equality is reflected in our policies and practices, promoting a healthy work-life balance and providing opportunities for leadership and advancement within the organization. We are proud to have a diverse team of talented women who play a pivotal role in driving the company’s success and fostering a culture of inclusion and empowerment.

permanent women staff	103
Probationary Staff	11
Employees availing Maternity Leave	3
Percentage of Women Employee Retention Rate after Maternity Leave	100%
Percentage of Women Employee Retention Rate 12 months after Maternity Leave	84.62%

## 2. Corporate Social Responsibility

### Commitment to Ethical Business and Sustainable Development

At United Finance PLC, corporate social responsibility (CSR) is a fundamental pillar of our business philosophy. We are dedicated to conducting business ethically, promoting sustainable development, and fostering positive social impact. Our CSR strategy is designed to integrate environmental responsibility, financial inclusion, and community empowerment, ensuring that our operations create long-term value for all stakeholders.

As a responsible corporate entity, we recognize that our success is not solely measured by financial performance but also by the contributions we make to the betterment of society. Through our CSR initiatives, we strive to enhance the well-being of our

communities by investing in education, healthcare, environmental sustainability, and disaster relief efforts. These programs reflect our commitment to building a resilient and equitable future.

### A) Education: Investing in Knowledge and Financial Literacy

(30% of total CSR expenditure | 2,493 beneficiaries)



Picture: Financial Literacy Program with SME Entrepreneurs

Education is the foundation of progress and empowerment. United Finance allocates a significant portion of its CSR budget to initiatives that promote financial literacy, scholarships, and academic resource development. Our goal is to ensure that individuals, regardless of socio-economic status, have access to quality education and the necessary financial knowledge to make informed decisions.

Our **Financial Literacy Program** equips students, women entrepreneurs, CMSME entrepreneurs and low-income marginal groups with practical financial management skills, fostering economic self-sufficiency. By providing targeted financial education, we aim to promote responsible financial habits, facilitate access to banking services, and encourage sustainable economic growth. Whether it’s teaching students the fundamentals of money management, guiding micro-entrepreneurs on cash flow strategies, or equipping women with the knowledge to become financially independent, these programs are laying the foundation for a more financially literate and resilient society. Women have been a prime focus of these initiatives, as we believe that empowering women with financial knowledge leads to stronger families and more resilient communities. By providing women with the tools to manage their finances effectively, we aim to enhance their economic independence and long-term financial security.



Picture: Financial Literacy Training for Women Entrepreneurs

Additionally, our partnership with **Baatighar** has facilitated book donations to underprivileged schools, enhancing access to academic materials and fostering a culture of learning. Furthermore, our contribution to the **Prime Minister’s Education**



**Assistance Trust (PMEAT)** has provided financial aid to students from economically disadvantaged backgrounds, reducing dropout rates and supporting educational continuity. We firmly believe that investing in education today ensures a more prosperous society tomorrow.

**B) Healthcare: Enhancing Access to Medical Support**  
(30% of total CSR expenditure | 106 beneficiaries)



Picture: Community Health & Eye Care Program

Access to healthcare is a fundamental right, and United Finance remains committed to supporting individuals in need of critical medical care. Our healthcare initiatives focus on providing financial assistance for life-threatening conditions such as cancer and cardiovascular diseases, ensuring that patients receive timely and necessary treatments.

Through our **Medical Assistance Program**, we have supported accident victims, patients undergoing complex surgeries, and individuals diagnosed with chronic illnesses. By mitigating financial barriers to essential healthcare, we help improve survival rates and recovery outcomes for underprivileged patients. In addition to direct medical aid, our **Community Health & Eye Care Program** has facilitated health camp focused on cataract surgeries for elderly individuals in Jashore, in collaboration with the Rural Reconstruction Foundation. These interventions contribute to improved healthcare accessibility and enhanced quality of life for the beneficiaries.

**C) Climate Action: Promoting Environmental Sustainability**  
(20% of total CSR expenditure | 16,570 beneficiaries)

Sustainability is at the core of United Finance’s CSR vision. Our environmental initiatives focus on promoting responsible resource management and improving access to clean water in educational institutions. Through our **Water Filtration Project**, we have

installed filtration systems in 15 schools across Dhaka, Barisal, Rajshahi, Chittagong, and Mymensingh, directly benefiting over 16,570 students.



Picture: Installation of Water Filtration Systems in Rural Schools

Ensuring access to safe drinking water is essential to reducing health risks associated with waterborne diseases. This initiative not only safeguards student health but also instills awareness about environmental responsibility and sustainable water consumption. By reducing reliance on single-use plastics and promoting clean water practices, we are fostering an environmentally conscious mind-set among young learners, ensuring a greener future for generations to come.

**D) Social Welfare & Disaster Relief: Supporting Communities in Need**  
(20% of total CSR expenditure | 700 beneficiaries)

United Finance understands that corporate responsibility extends beyond business operations to actively supporting communities in times of crisis. Our social welfare and disaster relief programs aim to provide critical assistance to vulnerable populations facing adversities such as extreme weather conditions and natural disasters.

- **Winter Relief Program:** We distributed blankets to 700 underprivileged individuals in Dhaka, providing warmth and protection during the harsh winter months.
- **Flood Relief Contributions:** United Finance contributed to the **Chief Advisor’s Relief & Welfare Fund** and the **Bangladesh Navy Welfare Fund** to support national disaster response initiatives. These contributions facilitated emergency assistance, including food supplies, clean drinking water, medical aid, and temporary shelter for flood-affected families. By working closely with government agencies and humanitarian organizations, we contributed to relief efforts, ensuring that essential aid reached those in need. While the affected communities have shown remarkable resilience in overcoming these challenges, we remain committed to supporting their recovery through meaningful and timely assistance.

**Sustaining Impact through Ethical Leadership**

United Finance’s approach to corporate social responsibility extends beyond compliance. Our CSR initiatives are deeply embedded in our corporate ethos, reflecting our unwavering commitment to integrity, sustainability, and community development.

We actively seek opportunities to collaborate with stakeholders, non-governmental organizations, and government agencies to drive meaningful and lasting impact. By aligning our corporate goals with national and global sustainability objectives, we continue to create value that goes beyond financial performance.

As we move forward, United Finance remains dedicated to enhancing the quality of life for individuals, fostering inclusive economic growth, and ensuring that our CSR efforts contribute to a better, more equitable future.

United Finance PLC remains steadfast in its vision of being a responsible corporate entity, leveraging its financial strength to drive social progress and environmental sustainability.

### 3. Combating Money Laundering and Terrorism

United Finance PLC is committed to preventing **money laundering (ML)** and countering **terrorism financing (CTF)** by implementing robust compliance measures and adhering to regulatory requirements. We have established comprehensive policies and procedures to detect, prevent, and report suspicious financial activities, ensuring that our operations are fully aligned with international standards and local regulations.

### 4. Empowering Employee Engagement

At United Finance PLC, we recognize that our employees are our most valuable asset. For over 35 years, we have focused on fostering a culture that prioritizes employee well-being and supports continuous growth. We are committed to providing an environment where employees can enhance their skills and strive for excellence. Our performance-driven rewards system ensures that compensation reflects individual growth, talent, and experience. By adapting to the evolving business landscape, we continue to maintain a strong focus on empowering our people, which remains key to our sustained success and growth.

<b>Permanent Employees in 2024</b>	Male: <b>514</b> Female: <b>103</b>
<b>Non-Permanent Employees in 2024</b>	Male: <b>66</b> Female: <b>11</b>
<b>Employment Generation in 2024</b>	Permanent: <b>107</b> Non-Permanent: <b>32</b>

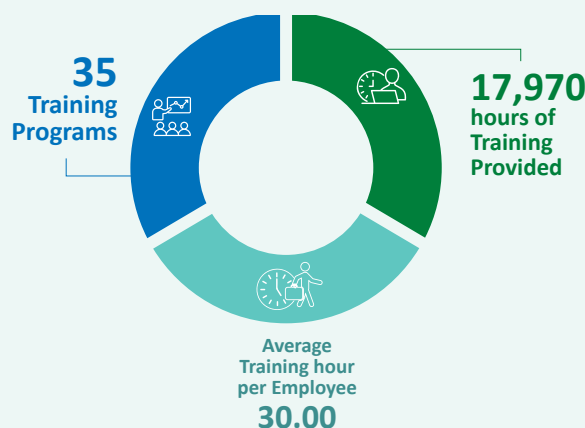
#### a) Employee Benefits & Remuneration Policies

At United Finance PLC, we have developed a comprehensive compensation framework that aligns with our HR guidelines. This system ensures that employees are rewarded fairly based on their position and responsibilities. In addition to base salaries, we provide a range of benefits, including provident funds, gratuity, staff loans, and medical coverage for employees and their families. We are committed to compliance with labor laws and uphold best practices in remuneration, working conditions, employee welfare, and related regulations.

Monetary Compensations	Other Benefits	End Service Benefit	Minimum Notice Period
House rent allowance Conveyance allowance	Group Health Insurance	Provident fund	Minimum notice period before switching job is 3 months for regular employees and 1 month for contractual employees.
Medical allowance	Leave fare assistance	Gratuity	
Entertainment allowance	Car loan	Superannuation	
House maintenance allowance	Mobile phone allowance (communication time)	Leave encashment	
Utilities allowance	Mobile handset allowance		
Risk Allowance	Ex-gratia payment		

#### b) Training and Development

United Finance PLC recognizes the importance of continuous learning and development to enhance employee performance and align with sustainability goals. We have introduced a mandatory green banking training program for all new hires to ensure that our team is well-versed in the principles of sustainable finance. Additionally, we provide specialized training for our corporate relationship managers to deepen their understanding of Green Finance, empowering them to offer eco-friendly financial solutions. In 2024, a total of **35** training programs were initiated, in which **24** were **internal** and **11** were external training program. Total of **599** employees participated in at least one of the trainings arranged. Additionally Total Hour of Training provided was **105**. Average Training Hours per Employee was **30**. Additionally one Leadership Development Program was arranged in 2024.



### c) Employee Well Being

At United Finance PLC, we are committed to ensuring the health, safety, and wellness of our employees. We prioritize creating a safe working environment, promoting well-being through health programs, and supporting our staff in maintaining a healthy work-life balance. Our wellness initiatives focus on physical and mental health, ensuring that employees have access to resources and support systems for a healthier lifestyle. As per Bangladesh Bank’s policy, every female employee is entitled to **get 6 months’** maternity leave with regular salary and allowances

### d) Employee Protection Plan

We ensure proper safety drills are performed and arranged periodically with different employees from selected departments so that, employees know how to respond in such circumstances. In addition to physical safety, we also emphasize the security of our Information and Communication Technology (ICT) systems and on that purpose we have implemented a Business Continuity Plan (BCP) and a Disaster Recovery Plan (DRP), in compliance with the regulatory requirement outlined by Bangladesh Bank.

### e) Ethics and Culture

At United Finance PLC, we foster a culture of integrity, professionalism, and ethical conduct, ensuring that all employees adhere to the highest standards of behavior. Our commitment to ethical practices is reflected in the way we conduct business, both internally and externally, and in how we interact with our clients, stakeholders, and the community. Employees are expected to maintain transparency, honesty, and accountability in all their actions, ensuring that decisions are made with fairness and respect for the organization’s values. We emphasize the importance of a collaborative and inclusive work environment where diversity of thought and respect for others are fundamental.

## Social Sustainability Impact on SDG

SDG number	SDG Description	
2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	United Finance PLC contributes to Social Sustainability by supporting flood relief and sustainable agriculture promoting employee well-being, distributing books for education, empowering women entrepreneurs and employees, generating employment, and fostering equality through a diverse workforce.
3	Ensure healthy lives and promote well-being for all at all ages	
4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	
5	Achieve gender equality and empower all women and girls	
8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
10	Reduce inequality within and among countries	
16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	

### Way Forward

United Finance PLC will continue to expand its **green financing portfolio**, investing in renewable energy, waste management, and resource efficiency. While maintaining strong commitments to **socially responsible financing**, the company will further diversify its **sustainable finance initiatives**, prioritizing disaster recovery, education, healthcare, and financial inclusion to support communities in need. Digital integration will enhance financial accessibility and operational sustainability, while strengthened **ESG policies** will ensure responsible lending and ethical governance. By deepening community engagement, reducing its carbon footprint, and fostering financial resilience, United Finance PLC remains dedicated to building a **legacy of sustainability** for a more inclusive and environmentally conscious future.





# Management Discussion and Analysis





# MANAGEMENT DISCUSSION AND ANALYSIS

## Strategy & Resource Allocation

In an increasingly complex financial landscape, marked by liquidity tightening, rising inflation, and evolving regulatory demands, United Finance PLC has remained committed to its long-term vision to be a trusted, inclusive, and innovation-led financial institution. Our strategic priorities are not merely high-level aspirations, they are deeply embedded in how we deploy resources, build capabilities, engage with stakeholders, and respond to emerging challenges.

This section of the report provides a comprehensive view of how strategy and capital allocation converge at UFPLC to create sustainable value. It chronicles our transformation journey, product evolution, integrated thinking, and our responses to external shifts, all grounded in disciplined planning and execution.

### Strategic Progression of UFPLC

The journey of United Finance over the past decade reflects a deliberate and layered transformation. At the heart of our progression lies a deep understanding that growth without resilience is unsustainable, and resilience without innovation is obsolete. Guided by this philosophy, we have transitioned through three critical strategic phases — each of which reflects the maturity of our organization and the evolving expectations of our stakeholders.

#### Phase 1: Foundation & Expansion

This formative stage was dedicated to building scale and reach. We focused on expanding our secured retail and SME loan portfolios, improving credit underwriting, and opening new branches to deepen our market presence. Our brand recognition began to grow as we became a trusted institution in semi-urban and urban regions of Bangladesh. At this point, physical proximity and personal relationship-building defined our competitive edge.

#### Phase 2: Digital Readiness & Operational Efficiency

As the financial services sector shifted toward operational centralization and digitization, we invested in foundational platforms that would streamline internal processes. This included the deployment of MyHR, a human resource management system that centralized payroll, leave, and performance data. MyNet, an internal support platform for workflow automation. Moreover, MyTraining, a learning management system aimed at professional development. We also centralized risk, audit, and compliance functions, reinforcing control and consistency during a period shaped by COVID-19-related disruptions.

#### Phase 3: Innovation & ESG Integration

The third and current phase is defined by technological empowerment and sustainable finance. With the rollout of FinUltimus as our Core Banking System, NFP4 for Credit Appraisal and MoApp for mobilization. Most of our processes are now automated, reducing turnaround times and improving service experience. We introduced Green Desks across branches to promote sustainable loan products and embedded ESG filters into our credit evaluation models. We deepened our inclusion strategy by expanding retail-focused deposits.

### Product, Market and Service Development Strategy

Our products, markets, and service delivery models have all evolved in sequence with our strategic roadmap. The offerings that once served the needs of a limited corporate and SME clients have now expanded into a diverse and inclusive suite of financial services that reflect the needs of modern Bangladesh.

#### Retail & SME Lending

Secured loan products for home financing, SME capital, and asset-backed personal finance remain the bedrock of our portfolio. These segments provide stability and align with our moderate risk appetite. We have tailored terms to meet the operational cycles of small business clients, increasing both retention and repayment consistency.

#### Green Finance

In alignment with our ESG strategy, we have launched green finance offerings focused on solar energy, eco-friendly transport, and energy-efficient housing. As of 2024, Green Loan make a large portion of our portfolio. A significant jump supported by regulatory guidance and internal sustainability goals.

#### Market Focus Shift

We have gradually transitioned away from an institutional funding model toward a retail-first strategy, achieving large amount of retail deposit share. This not only ensures liquidity diversification but also reduces rate sensitivity. Our customer footprint has expanded significantly in semi-urban areas, aided by mobile technology and targeted campaigns.

#### Service Excellence via Digitization

The rollout of MoApp allows field officers to update customer visits and SMS Gateway, NFP4 for Credit Appraising, Combined with MyHR and MyTraining, our employees are now equipped to deliver consistent service at scale.

## Integrated Approach to Strategy & Resource Allocation

At United Finance, strategy formulation is a collaborative, data-informed, and capital-aligned process. Every strategic initiative undergoes assessment based on risk appetite, capital availability, stakeholder impact, and alignment with long-term goals.



## Strategic Capital Deployment Focus

Capital	Use Case	Strategic Impact
<b>Financial Capital</b>	Green loans, deposit campaigns, automation in investments, Financial Inclusion	Increased surplus, higher ROE
<b>Human Capital</b>	Training, performance management	30 hrs training/FTE, structured learning paths, Career Development & Succession Planning
<b>Intellectual Capital</b>	MoApp, MyTraining, NFP4, MyHR	Real-time execution, ESG-embedded credit analysis, Data Storage, Operational efficiency
<b>Social Capital</b>	CSR, DEI, customer education, Financial Literacy	Higher community trust, retail funding share
<b>Natural Capital</b>	Paperless offices, green lending	reduction in paper usage; green portfolio share

## Key Performance Indicators (KPIs) to Measure Strategic Success

To ensure strategic alignment and performance accountability, United Finance PLC links its core objectives to well-defined KPIs. These indicators are tracked across capitals, evaluated for risk impact, and reviewed annually to assess strategic delivery.

## Strategy-to-Performance KPI Framework – 2024

Strategic Objectives	Key Performance Indicators	Capitals Invested	Risk Associated	Target Achievement
<b>Enhance customer convenience &amp; operational efficiency</b>	<ul style="list-style-type: none"> <li>Service automation coverage</li> <li>Cost-to-income ratio improvement</li> </ul>	Intellectual, Manufactured, Human Capital	Technological, Operational Risk	Moderately Achieved
<b>Maintain strong funding mix</b>	<ul style="list-style-type: none"> <li>Retail &amp; corporate deposit mix</li> <li>Cost of funds</li> </ul>	Financial	Market Risk, Operational Risk	Moderately Achieved
<b>Empower workforce through development</b>	<ul style="list-style-type: none"> <li>Training hours per FTE</li> <li>Productivity per employee</li> <li>KPI's</li> </ul>	Human	Operational Risk, employee turnover	Moderately Achieved
<b>Strengthen customer-centricity &amp; financial inclusion</b>	<ul style="list-style-type: none"> <li>Customer satisfaction</li> <li>Retail segment expansion</li> </ul>	Social & Relationship, Financial	Reputational, Operational	Fully Achieved
<b>Scale environmental &amp; social sustainability</b>	<ul style="list-style-type: none"> <li>Green loan contribution</li> <li>No. of green loan clients</li> </ul>	Natural, Financial, Intellectual	Environmental, Regulatory	Fully Achieved
<b>Leadership &amp; governance-driven transformation</b>	<ul style="list-style-type: none"> <li>ESG governance</li> <li>Improved internal audit</li> </ul>	Intellectual, Manufactured, Human	Strategic, Operational	Fully Achieved
<b>Strengthen enterprise-wide risk management</b>	<ul style="list-style-type: none"> <li>Loan provisioning adequacy</li> <li>NPL Ratio</li> </ul>	Financial, Intellectual	Market, Operational, Credit	Moderately Achieved
<b>Sustain long-term profitable growth</b>	<ul style="list-style-type: none"> <li>PAT Growth</li> <li>Capital surplus:</li> </ul>	Financial, Intellectual	Strategic, Liquidity	Fully Achieved

This matrix ensures not just performance tracking, but also capital accountability and strategic clarity, creating a line of sight between resource allocation, risk exposure, and value creation.

Key Challenges Faced by the Company and Strategies to Overcome

In 2024, UFPLC operated in a complex and shifting landscape influenced by economic volatility, funding pressure, and regulatory reform. The following matrix outlines the key challenges, associated risk categories, our strategic response, and business model adaptability outlook:

Strategic Challenges & Responses Matrix – 2024

Key Challenges	Risk Category	Opportunities & Strategic Responses	Relevant Strategic Themes	Business Model Adaptability
Maintaining Quality Portfolio Amid Inflation	Credit Risk	<ul style="list-style-type: none"><li>Continued focus on secured, asset-backed loans</li><li>Higher provisioning coverage</li></ul>	Achieve Sustainable Growth	Short-term: High Medium-term: High
Tightening Interest Margins	Interest Rate Risk	<ul style="list-style-type: none"><li>Repricing of loan products</li><li>Increased focus on granular funding</li><li>Shift toward fixed-income client profiles</li></ul>	Maintain Service Excellence	Short-term: Medium Medium-term: High
Asset-Liability Mismatch Risk	Funding & Liquidity Risk	<ul style="list-style-type: none"><li>Strengthened ALM oversight</li><li>Shift to longer maturity retail term deposits</li><li>Real-time liquidity dashboard via MyNet</li></ul>	Risk & Capital Management	Short-term: Medium Medium-term: High
Exposure to Institutional Funding Volatility	Equity Price / Deposit Mix Risk	<ul style="list-style-type: none"><li>Diversified to retail deposit mix</li><li>Introduced deposit incentives and mobile-based campaigns</li></ul>	Strengthen Capital Resilience	Short-term: High Medium-term: Medium
Operating Cost Optimization	Operational Risk	<ul style="list-style-type: none"><li>Automated manual workflows</li><li>Centralized HR &amp; internal support via MyHR and MyNet</li></ul>	Continuously Improve Operating Efficiency	Short-term: Medium Medium-term: High
AML/CFT & Regulatory Compliance Enhancement	Compliance & Reputational Risk	<ul style="list-style-type: none"><li>Automated AML scoring &amp; STR triggers</li><li>Internal audits with digital tracking</li></ul>	Improve Governance & Control	Short-term: High Medium-term: High
Driving Retail Book Without Compromising Risk	Strategic & Reputational Risk	<ul style="list-style-type: none"><li>Green credit filters embedded in loan appraisal</li></ul>	Maintain Sustainable Lending Discipline	Short-term: High Medium-term: High

This structured view reflects UFPLC’s strategic preparedness and ability to address vulnerabilities with measurable, capital-aligned initiatives. It also shows how we’ve adapted our business model across horizons to ensure continuity and performance.

Business Model Adaptability and Change Requirements

In a dynamic and uncertain financial environment, adaptability is the cornerstone of resilience. At United Finance PLC, our ability to evolve and stay competitive depends on a business model that is both grounded in strong fundamentals and agile enough to respond to emerging challenges. Over the years, we have shifted from a traditional, branch-centric, institutional lending model to a forward-looking, digitally-enabled, and sustainability-aligned structure. This section outlines what makes our business model adaptable, the forces shaping it, and the changes we envision to stay future-ready.

What Makes Our Business Model Highly Adaptable

United Finance’s adaptability stems from a combination of strategic foresight, decentralized execution, and technology enablement. The following capabilities define the responsiveness of our operating model:

- Process Digitization:** With most of our services being automated, the company can scale operations, reduce processing time, and reallocate resources dynamically.
- Flexible Funding Base:** A shift to retail deposit mix reduces reliance on volatile institutional sources and offers rate flexibility.
- Integrated Capital Thinking:** Decision-making is mapped to the availability and impact on all six capitals — Financial, Human, Intellectual, Social, Natural, and Manufactured.
- Mobile-Enabled Distribution:** The use of mobile apps empowers field teams with real-time data access, customer onboarding, and service delivery capabilities even in remote locations.
- ESG Frameworks in Lending:** Credit appraisal processes now incorporate environmental and social scoring, allowing for better long-term portfolio quality.

## Emerging Trends & Change Requirements

The financial services sector in Bangladesh is transforming rapidly, driven by digital adoption, demographic change, and sustainability imperatives. UFPLC recognizes the following trends as key determinants of future success:

- **Rise of Digital Borrowers:** Customers increasingly demand mobile-based, low-documentation loan processing.
- **Green Banking as a Compliance Standard:** ESG integration is shifting from optional to expected.
- **Behavioral Analytics in Lending:** Credit decisioning is moving toward real-time scoring based on spending, saving, and repayment behaviors.
- **Smart Compliance:** Regulators expect automated, transparent audit trails and KYC/AML automation.

To remain ahead, we must continue to evolve — not reactively, but proactively.

## Emerging Trends and Strategic Responses

Emerging Trends	Our Response in the Short Term	Goal in the Medium to Long Term
<b>Nationwide infrastructure expansion enabling new financial hubs</b>	Provide financing and services through nearby branches in growth corridors.	Establish mini-branches or digital service booths in emerging economic zones to tap new SME and retail customer bases.
<b>Increased digital expectations and convenience-driven behavior</b>	Rolled out mobile-enabled deposit products	Launch AI-backed digital lending for small-ticket consumer loans and expand full-scale remote onboarding.
<b>Growth of financially active middle-class (MAC) customers</b>	Introduced affordable housing loans, SME working capital credit, and small-ticket secured loans.	Expand retail lending basket with modular, customizable financial solutions for mid-income and aspirational segments.
<b>Demographic shift toward younger, tech-savvy population</b>	Refreshed brand identity; promoted MyTraining & MyHR to attract younger talent; digitized front-end processes.	Convert Gen-Z and Millennial populations into long-term clients through targeted digital products and financial literacy.

In essence, United Finance PLC’s adaptability lies not in our ability to absorb shocks — but in our capacity to transform those shocks into competitive advantages. By embracing digital agility, stakeholder alignment, and sustainability, we are building a business model that can thrive in today’s complexity and tomorrow’s unknowns.

## Responses to Issues Raised Through Stakeholder Engagement

Stakeholder engagement is not a peripheral activity at United Finance PLC. It is at the heart of how we define purpose, set priorities, and measure impact. In 2024, we amplified our stakeholder dialogue through digital platforms, field interactions, and institutional forums, using their insights to reshape both day-to-day decisions and long-term strategy.

## How We Engage Stakeholders

Stakeholder Group	Primary Engagement Channels	Purpose
<b>Customers</b>	MoApp feedback loop, in-branch surveys	Improve service quality, product usability, and digital access
<b>Employees</b>	MyNet portal feedback, engagement surveys, performance reviews, exit interview	Drive internal motivation, upskilling, and cultural alignment
<b>Regulators</b>	Bangladesh Bank compliance sessions, audit reports, STR & AML briefings, DCFCL	Ensure policy adherence, transparency, and real-time risk tracking
<b>Investors</b>	AGM participation, financial disclosures, one-on-one investor briefings	Maintain trust through clear, timely updates and capital planning
<b>Community &amp; CSR Partners</b>	Local NGO partnerships, CSR outreach programs, town hall dialogues	Build social capital through inclusivity and local empowerment

## Key Takeaways from Stakeholder Engagement

- Stakeholder insights directly influenced our strategic roadmap, especially in product development, talent management, and service transformation.
- There is increasing alignment between stakeholder expectations and UFPLC’s sustainability and digitalization agenda.
- Future engagement will be enhanced through digital tools

## Looking Ahead

As United Finance evolves, stakeholder participation will only deepen. In the coming year, we aim to design inclusive pilot programs based on feedback loops, and build stronger community-led value chains. This is not about reaction rather it’s about co-creation.



Capitals That Form Our Competitive Advantage

At United Finance PLC, our long-term competitive advantage stems from a deeply integrated approach to managing and developing six capitals. Among these, intellectual and human capital have been at the forefront of our transformation agenda. We have invested significantly in proprietary technologies like FinUltimus, NFP4, G&A and MoApp that enhance decision-making and efficiency. Equally, we’ve focused on nurturing a capable, tech-savvy workforce through structured learning platforms like MyTraining, MyNet and MyHR — enabling employees to align with digitalization, regulatory shifts, and customer-centric service models. Together with financial, social, natural, and manufactured capital, these strategic investments form the foundation of a future-ready, innovation-driven organization.

The Role of Innovation in Harnessing the Potential of Our Capitals

At United Finance PLC, innovation is not limited to product launches or digital upgrades. It is a strategic enabler that amplifies the effectiveness of all capitals. We view innovation as a cross-cutting capability that transforms how we operate, how we serve, and how we create long-term value. Whether it’s through smarter technology, reimagined processes, or new ways of engaging stakeholders, innovation allows us to evolve beyond industry norms and toward a future-focused operating model.

Innovation Pillar	Scope for Innovation	Primary Responsible Team
People	<ul style="list-style-type: none"><li>Enhance recruitment efficiency</li><li>Implement performance-based incentives via MyHR</li><li>Expand e-learning modules on MyTraining</li></ul>	Human Resources, with support from Department Heads and Technology Team
Product	<ul style="list-style-type: none"><li>Customize green loan schemes for rural sectors</li><li>Embed dynamic pricing in retail finance offerings</li></ul>	Product Development, Risk, and Transformation teams in coordination with Marketing and Technology
Process	<ul style="list-style-type: none"><li>Automate backend workflows through FinUltimus</li><li>Enhance Credit Appraising using NFP4</li><li>Faster file archiving using E-file Archive</li><li>Strengthen data privacy and cybersecurity protocols</li></ul>	Operations, Compliance, Technology, and Customer Experience Enhancement Teams

Building a Culture of Innovation

Innovation at UFPLC is not the responsibility of a single department, it’s embedded in our culture. Every employee, from front-desk personnel to senior management, is encouraged to identify opportunities for improvement. Our goal is to institutionalize innovation not just as a response to disruption, but as a continuous engine for differentiation, efficiency, and inclusion.

Environmental and Social Considerations in Our Strategy Formulation

At United Finance PLC, environmental and social responsibility is not a standalone commitment. It is a core principle woven into our strategic decision-making. As financial institutions increasingly shoulder the responsibility of enabling sustainable development, we have restructured our strategy to align with the dual objectives of profitability and positive impact. Our environmental and social considerations span across product development, credit appraisal, internal operations, and stakeholder engagement. These considerations are not reactive but are proactively integrated into how we allocate capital, design services, and measure success.

Interdependencies, Complexities, and Tradeoffs between Capitals

At United Finance PLC, our ability to create long-term value is built on recognizing that the six capitals we manage do not operate in isolation. They are deeply interwoven, and changes in one capital often influence outcomes in another. As part of our integrated thinking framework, we actively assess these interdependencies to balance benefits, mitigate unintended consequences, and sustain value creation across multiple stakeholder dimensions.

Interdependencies between Capitals

Here’s how our capitals reinforce and depend on each other in our day-to-day operations and strategic planning:

- Human ↔ Intellectual Capital**  
Investments in employee up skilling directly improve the use and refinement of intellectual assets like MyTraining, while smarter systems improve staff productivity and engagement.
- Financial ↔ Social & Relationship Capital**  
A healthy capital surplus enables us to extend favorable terms to community segments, while trust and inclusion in those communities. As our retail deposit base enhances financial sustainability.
- Natural ↔ Manufactured Capital**  
Our shift to paperless systems not only supports environmental goals but also reduces maintenance costs and space requirements across our physical infrastructure.
- Social ↔ Human Capital**  
CSR activities and inclusive recruitment efforts foster community goodwill and attract talent aligned with our mission, enhancing both external reputation and internal engagement.

## Managing Complexities and Tradeoffs

While our capital model provides a powerful framework for value creation, it also introduces a layer of complexity that requires careful navigation. The challenge lies not in choosing one capital over another, but in striking the right balance where long-term sustainability is not compromised by short-term goals.

One such complexity is in resource allocation. Deciding between investments in physical expansion versus digital innovation. Both contribute to accessibility, but require different cost structures, timelines, and outcomes. Similarly, while automation drives operational efficiency, it can unintentionally reduce the personal connection with customers in remote or underserved areas, potentially impacting social and relationship capital.

Another critical tension exists between green lending initiatives and near-term profitability. Sustainable finance often demands longer tenures and thinner margins, but we continue to support such efforts, understanding their long-term value in risk reduction and stakeholder credibility.

Our strategy recognizes that not all tradeoffs are avoidable but many can be optimized. Through integrated planning, impact measurement, and internal cross-functional collaboration, we continuously assess the impact of our decisions across capitals. This ensures that gains in one area do not come at the irreversible cost of another.

## Sustainable Resource Allocation Practices and Relevance to SDGs

At United Finance PLC, sustainability is not treated as a separate track. It is central to our capital allocation philosophy. As part of our integrated strategy, we channel resources across the six capitals in a way that contributes meaningfully to national development priorities and global sustainability goals. This alignment ensures that each unit of capital we deploy delivers financial value, while also driving inclusive growth and environmental stewardship.

## Our Approach to Sustainable Resource Allocation

We allocate resources based on long-term impact, not just short-term return. This involves carefully evaluating how each investment. Whether in lending, talent, technology, or infrastructure which contributes to our strategic goals while advancing the global sustainability agenda.

## Key areas of our resource allocation in 2024 included

- **Green and Sustainable Lending:** A significant amount of our total portfolio was dedicated to environmentally sustainable sectors like renewable energy, eco-housing, and clean transport.
- **People Development:** We invested in structured training and leadership pipelines reinforcing our commitment to future-ready talent.
- **Technology and Innovation:** Continued upgrades to our digital systems — FinUltimus, MoApp, MyHR, MyNet, NFP4, G&A — ensured smarter, faster, and greener operations.
- **Community and Social Capital:** Financial literacy campaigns, youth education, and CSR projects reached underserved segments in semi-urban areas.
- **Paperless and Eco-Efficient Operations:** Reduction in paper usage, energy efficiency upgrades, and centralized digital workflows reduced our environmental footprint.



Strategic Alignment with the UN Sustainable Development Goals (SDGs)

Our capital deployment priorities are directly mapped to the UN SDGs. This alignment is not incidental. It is deliberate and embedded in our budgeting, project evaluation, and impact tracking systems.

UN SDG	UFPLC Capital Allocation & Strategic Practice	Relevant Capital(s)
SDG 1 – No Poverty	Inclusive retail credit in rural areas; micro-lending to underserved borrowers	Financial, Social & Relationship
SDG 3 – Good Health and Well-being	CSR initiatives supporting health awareness; internal wellness programs	Human, Social
SDG 4 – Quality Education	Employee reskilling via MyTraining; CSR in youth education programs	Human, Social
SDG 5 – Gender Equality	Gender-inclusive hiring; leadership opportunities for women; HR policy integration	Human
SDG 7 – Affordable and Clean Energy	Loans for solar panels, green transport, energy-efficient housing	Natural, Financial
SDG 8 – Decent Work and Economic Growth	SME financing; employee productivity improvement; digital skills training	Financial, Human, Intellectual
SDG 9 – Industry, Innovation and Infrastructure	Investment in FinUltimus, MyNet, and MoApp; mobile-first financial inclusion	Manufactured, Intellectual
SDG 10 – Reduced Inequalities	Rural financing expansion; products for underserved and marginalized segments	Financial, Social
SDG 11 – Sustainable Cities and Communities	Financing for eco-friendly housing; outreach in underserved communities	Natural, Financial, Social
SDG 12 – Responsible Consumption and Production	Paperless office model; eco-efficient operations and systems	Natural, Manufactured
SDG 13 – Climate Action	Green lending; carbon-conscious credit filters; internal sustainability practices	Natural, Intellectual
SDG 16 – Peace, Justice and Strong Institutions	Strengthened AML/CFT compliance; audit transparency; governance reform	Intellectual, Human
SDG 17 – Partnerships for the Goals	NGO/CSR partnerships for financial literacy, education, and community health	Social & Relationship, Human

Our Scope of Long-Term Value Creation

Despite the global uncertainties and economic volatility witnessed in recent years, United Finance PLC has continued to move forward with a clear focus on sustainable expansion, capital resilience, and inclusive value creation. Our ability to adapt in a shifting financial landscape stems from our commitment to prudent growth, strong governance, and consistent reinvestment in our core strengths — people, systems, and customer trust. As a non-bank financial institution with over three decades of presence in the market, we have gradually transformed ourselves from a traditional financier into a purpose-led, innovation-driven institution, serving a broad spectrum of clients across retail, SME, and corporate segments.

Throughout 2024, our long-term value creation journey was driven by both strategic capital allocation and measured innovation. We maintained discipline in credit risk assessment and portfolio quality, ensuring that expansion does not come at the cost of resilience. Our increasing focus on green financing and socially inclusive lending demonstrates our commitment to aligning business objectives with broader development goals, including those reflected in the Sustainable Development Goals (SDGs).

Our governance model plays a central role in ensuring this continuity. With regular oversight from our Board and an emphasis on ethical decision-making, we have embedded accountability at every level of our operations. This has earned us the continued trust of regulators, depositors, and investors alike, reinforcing our reputation as a reliable institution even in uncertain times.

Looking ahead, our value creation strategy is defined by our ability to serve evolving customer needs while contributing meaningfully to the communities we operate in. We are committed to strengthening our presence in sectors that not only reflect commercial opportunity but also socio-economic relevance. We also aim to diversify our funding base and improve cost efficiency, allowing us to reinvest in future-focused capabilities.

At its core, United Finance’s approach to long-term value creation is centered on balance between innovation and prudence, between financial return and societal contribution. We remain focused on building an institution that stands the test of time and the one that is modern in its solutions, ethical in its approach, and human in its priorities.

## PERFORMANCE ANALYSIS WITH THE MANAGEMENT COMMITTEE

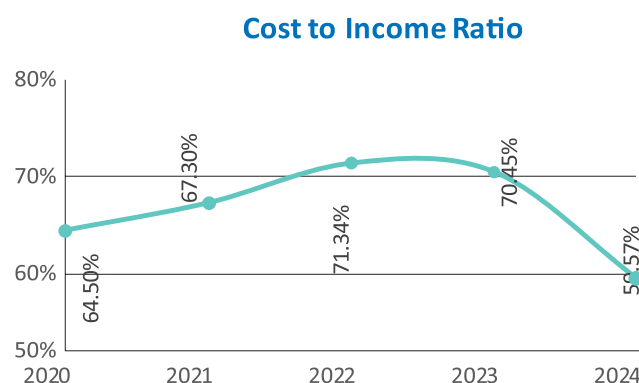
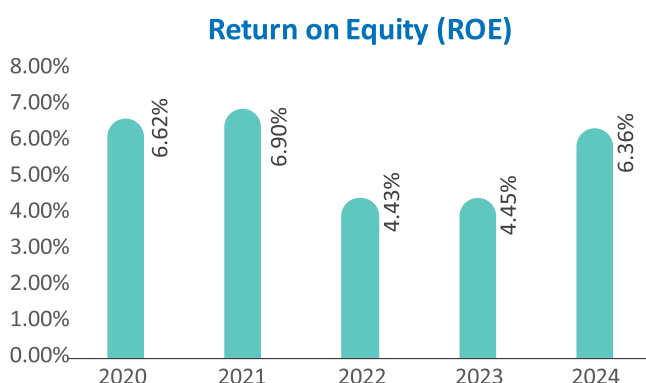
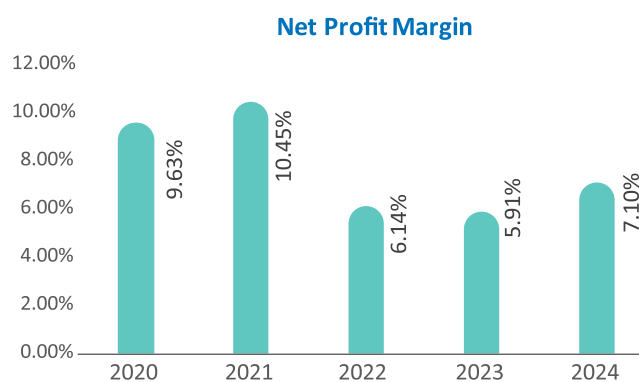
In 2024, United Finance PLC demonstrated robust strategic foresight under the stewardship of its Management Committee, navigating a complex macroeconomic landscape marked by inflationary pressures, liquidity tightening, and interest rate volatility. The Committee prioritized operational resilience, capital optimization, and long-term value creation, aligning all strategic decisions with the company's ESG commitments and stakeholder expectations.

Amidst evolving market dynamics, the Committee endorsed a shift in the lending strategy toward secured, shorter-tenor assets to ensure liquidity alignment and asset quality preservation. Simultaneously, a decisive pivot toward retail-centric, lower-cost deposit mobilization helped reduce dependency on institutional borrowings, enhancing funding stability.

Operational efficiency remained a key focus, reinforced by continued investments in core technological platforms such as FinUltimus (CBS), MoApp (field force tracking), MyNet (internal support), NFP4 (credit appraisal), and MyHR (HRIS). These digital upgrades enabled real-time monitoring, improved workflow integration, and contributed to greater service agility across the organization.

### DuPont Analysis

Metric	2020 (BDT MN)	2021 (BDT MN)	2022 (BDT MN)	2023 (BDT MN)	2024 (BDT MN)
Net Profit Margin (%)	9.63%	10.45%	6.14%	5.91%	7.10%
Operating Profit Margin (%)	14.93%	15.07%	13.57%	13.03%	18.50%
Tax Effect (%)	0.83	0.81	0.51	0.72	0.64
Non-Operating Items Effect (%)	0.22	0.14	0.12	0.37	0.40
Asset Turnover (Times)	0.10	0.09	0.09	0.09	0.10
Financial Leverage (Times)	6.79	7.37	8.25	8.71	8.64
Return on Equity (ROE) (%)	6.62%	6.90%	4.43%	4.45%	6.36%
Return on Assets (ROA) (%)	0.98%	0.94%	0.54%	0.51%	0.74%





## Performance Summary in Light of Operating Context

In 2024, United Finance PLC delivered a resilient financial performance despite the backdrop of macroeconomic uncertainties. The Company achieved a notable turnaround, reflected in a 46.21% year-on-year increase in net profit, reaching Tk 20.92 crore. This growth was supported by stronger core income, disciplined cost control, and improved asset utilization, aligning with the Company's strategy of sustainable value creation.

Return on Equity (ROE) improved to 6.36%, while Return on Assets (ROA) increased to 0.74%, both supported by higher margins and stable leverage. The Cost to Income Ratio declined to 59.57%, down from 70.45% in the previous year, underscoring enhanced operational efficiency. Despite a modest increase in Operating Expenses as a percentage of total assets to 2.87%, the Company maintained cost discipline across key expense categories, enabling overall margin expansion.

Additionally, Profit Before Tax (PBT) as a percentage of total assets rose to 1.24% in 2024, compared to 0.79% in the prior year, reflecting enhanced income generation capacity and controlled credit costs. The Company also maintained a moderate NPL ratio demonstrating sound credit risk management and a high-quality loan portfolio, amidst sector-wide challenges.

From a strategic standpoint, United Finance PLC accelerated its transition toward retail-centric, stable, and lower-cost funding sources, while deliberately reducing reliance on volatile institutional borrowings. Investments in digital infrastructure and human capital capability further strengthened internal agility, compliance, and customer service efficiency.

In summary, 2024 marked a year of strategic recalibration and operational resilience. United Finance PLC demonstrated its ability to grow profitably, safeguard portfolio quality, and optimize cost structures in alignment with its long-term vision, reinforcing investor confidence and laying a solid foundation for future growth.

### Summarized Income Statement

Particulars	2024 (BDT MN)	2023 (BDT MN)	2022 (BDT MN)	2021 (BDT MN)	2020 (BDT MN)
Total Income	2,947.80	2,420.72	2,319.89	2,127.12	2,194.19
Financial Expense	1,598.69	1,353.42	1,221.28	1,146.72	1,271.60
Operating Expense	803.63	751.94	783.76	659.82	595.07
Operating Profit	545.48	315.36	314.86	320.59	327.51
Profit Before Tax	348.40	226.58	161.99	259.63	271.51
Net Profit After Tax	209.23	143.10	142.54	222.24	211.23

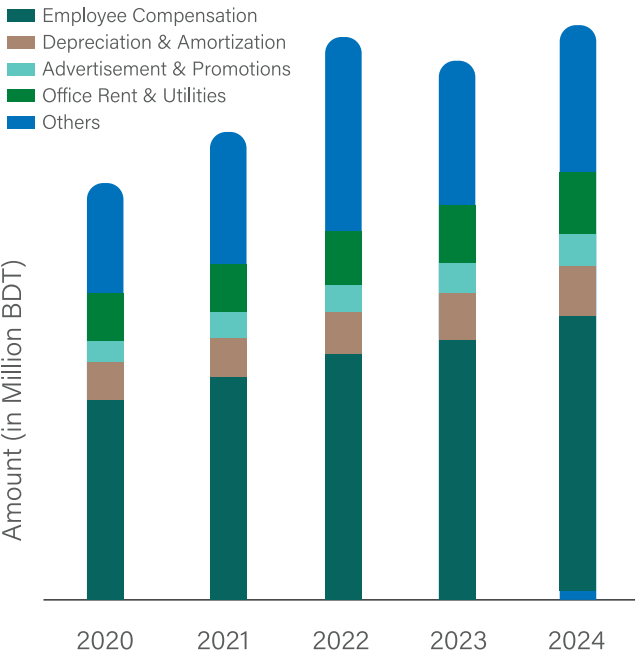
### Revenues

In 2024, United Finance PLC posted a revenue growth over the previous year, building on a consistent upward trend in top-line performance. This acceleration reflects strategic expansion across key business segments, including SME lending and term finance. Strengthened customer engagement and a disciplined lending approach played vital roles in supporting the revenue base. The increase also underlines the Company's commitment to financial inclusion and the successful execution of its strategic business model, anchored in diversified income streams and prudent risk-taking.

### Expenses and Provision

Operating expenses increased year-on-year, demonstrating effective cost containment amid inflationary pressures and rising compliance-related obligations. Financial expenses rose primarily due to adjustments in market borrowing rates and funding structures. Despite the rise in costs, United Finance improved operational efficiency, as reflected by a favorable cost-to-income ratio.

### Operating Expense Breakdown



In alignment with prudent risk management practices, the Company significantly strengthened its provisioning buffers, with provision coverage increasing. This strategic allocation toward future credit risk absorption reflects a conservative outlook and the Company's commitment to balance sheet resilience amid ongoing market uncertainties.

### Compensation

Employee compensation increased aligning with workforce expansion and the implementation of merit-based incentive structures. According to internal HR reporting, the average salary growth increased supported by robust performance-based appraisal mechanisms. Bonuses and incentives increased underscoring the Company's emphasis on employee motivation and recognition. These enhancements reflect United Finance's focus on fostering a high-performance, future-ready workforce through competitive pay, development initiatives, and well-being programs.

### Advertisement & Promotions

In 2024, United Finance PLC maintained a focused and cost-efficient approach to brand promotion and market engagement. Spending on advertisement and promotional activities increased compared to the previous year, supporting targeted campaigns and digital outreach initiatives. Emphasis was placed on strengthening the Company's digital presence, reinforcing brand recall, and enhancing customer awareness across core products and services. Despite budgetary prudence, the Company ensured strategic visibility through cost-

effective media placement, corporate communications, and event sponsorships, reinforcing its position as a trusted financial partner.

### Depreciations & Other Operating Expense

In 2024, depreciation and amortization expenses grew compared to the previous year, reflecting continued investment in digital infrastructure and technology platforms. The increase primarily stemmed from the depreciation of newly acquired IT assets and upgrades to internal systems that support operational efficiency and data security. Meanwhile, other operating expenses rose moderately, driven by inflation-adjusted costs related to utilities, compliance, and administrative functions. Despite these increases, overall expenditure growth remained well-aligned with revenue trends, ensuring sustained cost discipline and operational resilience.

### Provision for Loans and Investment

United Finance PLC adopted a forward-looking and conservative approach to credit risk management in 2024, as reflected in its significantly enhanced provisioning stance. This strategic strengthening of the provision buffer was driven by a cautious outlook on sectoral risks, portfolio rebalancing, and evolving macroeconomic uncertainties. While the underlying asset quality remained stable, the elevated provision reflects the Company's proactive stance in mitigating potential credit shocks, reinforcing stakeholder confidence, and ensuring long-term portfolio health.

### Provision for Income Tax

In 2024, United Finance PLC's provision for income tax was adjusted in line with higher profitability and changes in applicable tax regulations. The effective tax burden increased, reflecting the improved pre-tax earnings and a more stringent regulatory environment. While tax provisions grew in absolute terms, the tax-to-profit before tax ratio stood slightly below the previous year's level, indicating efficient tax planning within compliant frameworks. The Company continues to uphold its commitment to full regulatory compliance and transparent financial reporting, maintaining integrity in all fiscal obligations.

### Summarized Balance Sheet

Particulars	2024 (BDT MN)	2023 (BDT MN)
<b>Assets:</b>		
Cash & Equivalents	3,832.69	4,123.45
Investments	1,929.10	1,541.56
Lease, loans and advances	19,463.36	20,376.74
Fixed assets	329.23	384.74
Other assets	2,461.19	2,392.04
<b>Liabilities:</b>		
Borrowing	8,058.94	7,181.25
Deposits and other accounts	12,207.83	1,4246.08
Other liabilities	4,410.61	4,149.95
Equity	3,338.19	3,241.24

### Lending Portfolio, Quality & Cost of Risk

In 2024, United Finance PLC pursued a cautious approach to portfolio expansion, prioritizing asset quality over volume. The lending portfolio contracted compared to the previous year, reflecting the Company's disciplined credit deployment strategy amid a complex economic environment. This recalibration was aimed at enhancing portfolio resilience, with increased emphasis on customer risk assessment, sectoral exposure management, and tighter credit screening protocols.

Despite the reduced loan book, asset quality remained stable, supported by early warning mechanisms and proactive recovery initiatives. The Company intensified monitoring of vulnerable segments and refined its underwriting standards to mitigate emerging credit risks.

To reinforce its risk buffer, United Finance significantly increased its provision coverage. This proactive stance signals the Company's long-term view on credit stability and capital protection. As a result, the cost of risk increased, but remained within prudent levels relative to earnings, ensuring that profitability was not compromised for the sake of resilience.

United Finance remains committed to maintaining a balanced and high-quality portfolio, with an ongoing focus on optimizing risk-adjusted returns, aligning lending growth with sustainable risk appetite, and complying fully with regulatory standards.

### Overall Scenario

The year 2024 marked a period of strategic consolidation for United Finance PLC, as the Company prioritized financial stability, balance sheet resilience, and long-term sustainability amidst persistent macroeconomic pressures. Rather than pursuing aggressive expansion, the Company focused on optimizing core operations and aligning capital deployment with risk-adjusted returns.

United Finance achieved a 46.21% year-on-year increase in net profit, reaching BDT 209.23 million, underscoring effective cost discipline and strengthened operational fundamentals. The Capital Adequacy Ratio improved to 19.81%, well above the regulatory threshold, highlighting the Company's strong capital position and capacity to absorb future shocks.

The Company's lending strategy was recalibrated, with the portfolio contracting modestly in line with a shift toward short-tenor, secured credit that prioritized asset quality and liquidity alignment. Asset quality remained stable and on the funding side, United Finance advanced its retail-centric strategy, with retail deposits comprising a large amount of the total deposit mix in 2024, improving funding stability and lowering cost of funds.

In summary, 2024 was defined by prudent financial management, strategic foresight, and operational consolidation. United Finance PLC exits the year more agile, digitally empowered, and capital-efficient—well positioned to capture new opportunities in a stabilizing economy.

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# KEY OPERATING HIGHLIGHTS

## United Finance PLC.

Financial Performance	Unit	2024	2023	2022	2021	2020	5 year CAGR (%)
Lease and Term Loan Disbursement	BDT Million	8,245.31	9,873.52	10,421.97	8,641.88	5,368.66	15.02%
Home Loan Disbursement	BDT Million	625.42	936.69	1,528.23	1,266.52	289.62	30.72%
Lease and Term Finance Portfolio	BDT Million	15,257.76	15,941.21	15,790.99	13,573.42	12,051.02	6.87%
Home Loan Portfolio	BDT Million	3,173.59	3,333.51	3,291.77	2,267.15	1,320.48	25.38%
Short Term Finance Portfolio	BDT Million	1,032.01	1,102.03	1,137.83	1,387.70	1,764.71	-19.32%
Total Assets	BDT Million	28,015.57	28,818.52	27,183.22	25,859.75	21,559.65	5.21%
Long Term Liabilities	BDT Million	11,960.59	13,155.14	11,894.90	9,109.70	6,919.87	18.87%
Total Deposit	BDT Million	12,207.83	14,246.08	14,627.28	13,665.36	12,299.88	-0.21%
Net Current Asset	BDT Million	1,514.22	1,309.55	949.76	1,263.57	376.63	-213.19%

Operational Performance	Unit	2024	2023	2022	2021	2020	5 year CAGR (%)
Total Income	BDT Million	2,947.80	2,420.72	2,319.89	2,127.12	2,194.19	2.66%
Financial Expense	BDT Million	1,598.69	1,353.42	1,221.28	1,146.72	1,271.60	0.92%
Operating Expense	BDT Million	803.63	751.94	783.76	659.82	595.07	5.86%
Profit Before Tax	BDT Million	348.40	226.58	161.99	259.63	271.51	-2.00%
Net Profit After Tax	BDT Million	209.23	143.10	142.54	222.24	211.23	-3.08%

Equity Statistics	Unit	2024	2023	2022	2021	2020	5 year CAGR (%)
Number of shares outstanding	BDT Million	187.11	187.11	187.11	187.11	187.11	-
Year end market price per share	BDT	13.40	15.80	15.80	21.10	17.70	-5.52%
Market capitalization	BDT Million	2,507.34	2,956.41	2,956.41	3,948.12	3,311.93	-5.52%
Shareholders' equity	BDT Million	3,338.19	3,241.24	3,191.69	3,236.27	3,201.14	0.99%
Net asset value per share	BDT	17.84	17.32	17.06	17.30	17.11	0.99%

Financial Ratios	Unit	2024	2023	2022	2021	2020	YoY Growth (%)
Debt equity ratio	Times	6.10	6.65	6.39	5.94	4.63	-8.25%
Average effective tax rate	%	39.95	36.84	12.01	14.40	22.20	8.43%
Financial expenses coverage ratio	Times	1.34	1.23	1.26	1.28	1.26	8.78%
Current ratio	Times	1.12	1.11	1.08	1.09	1.03	1.23%
Return on total assets	%	0.74	0.51	0.54	0.94	0.98	44.06%
Non performing loan ratio	%	4.98	4.84	3.44	3.56	3.14	2.91%
Return on Equity	%	6.36	4.45	4.43	6.90	6.62	42.95%
Earnings per share	BDT	1.12	0.76	0.76	1.19	1.13	46.21%
Dividend per share	BDT	1.00	0.60	0.50	1.00	1.00	66.67%
Dividend yield	%	7.46	3.80	3.16	4.74	5.65	96.52%
Dividend payout ratio	%	89.43	78.45	65.64	84.19	88.58	13.99%
Price earnings ratio	Times	11.98	20.66	20.74	17.76	15.68	-41.99%
Net interest income as a percentage of working funds	%	4.10	3.17	3.63	3.70	3.79	29.38%
Operating profit as percentage of working funds	%	2.13	1.25	1.32	1.51	1.71	70.25%



# HIGHLIGHTS AS PER BANGLADESH BANK

## United Finance PLC as on 31 December

Sl no.	Particulars		2024	2023	Growth (%)
1	Paid-up capital	MBDT	1,871.15	1,871.15	-
2	Total Eligible capital	MBDT	3,498.05	3,383.57	3.38%
3	Capital surplus	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	MBDT	11,367.86	13,697.88	-17.01%
6	Total lease, loans and advances	MBDT	19,463.36	20,376.74	-4.48%
7	Total contingent liabilities and commitments	MBDT	-	-	-
8	Loan to deposit ratio	Times	1.71	1.49	15.10%
9	Percentage of classified lease, loans and advances against total leases, loans and advances	(%)	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	MBDT	589.72	531.23	11.01%
13	Provision surplus	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 (i)	(%)	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	MBDT	180.89	112.80	60.37%
21	Earnings per share (iii)	BDT	1.12	0.76	46.21%
22	Net income per share (iv)	BDT	1.12	0.76	46.21%
23	Price earning ratio (v)	Times	11.98	20.66	-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.

# HORIZONTAL ANALYSIS

## Balance Sheet as at 31 December (For last five years)

	2024	2023	2022	2021	2020
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>					
In hand	119%	119%	100%	100%	100%
Balance with Bangladesh Bank and its agent bank(s)	88%	105%	123%	93%	100%
	<b>88%</b>	<b>105%</b>	<b>123%</b>	<b>93%</b>	<b>100%</b>
<b>Balance with banks and other financial institutions</b>					
In Bangladesh	143%	153%	119%	203%	100%
Outside Bangladesh	-	-	-	-	-
	<b>143%</b>	<b>153%</b>	<b>119%</b>	<b>203%</b>	<b>100%</b>
<b>Money at call and short notice</b>	0%	0%	0%	0%	100%
<b>Investments</b>					
Government	100%	0%	100%	100%	0%
Others	193%	247%	167%	128%	100%
	<b>309%</b>	<b>247%</b>	<b>167%</b>	<b>128%</b>	<b>100%</b>
<b>Lease, loans and advances</b>					
Lease receivable	93%	90%	94%	88%	100%
Loans, cash credits, overdrafts, etc.	161%	175%	169%	137%	100%
	<b>129%</b>	<b>135%</b>	<b>134%</b>	<b>114%</b>	<b>100%</b>
<b>Fixed assets including land, building, furniture and fixtures</b>	74%	86%	100%	96%	100%
<b>Other assets</b>	129%	125%	113%	106%	100%
<b>Non - financial institutional assets</b>	-	-	-	-	-
<b>Total assets</b>	<b>130%</b>	<b>134%</b>	<b>126%</b>	<b>120%</b>	<b>100%</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
<b>Borrowing from banks, other financial institutions and agents</b>	343%	306%	239%	229%	100%
<b>Deposits and other accounts</b>					
Current deposits & other accounts etc.	-	-	-	-	-
Bills payable	-	-	-	-	-
Savings bank deposits	-	-	-	-	-
Term deposits	96%	115%	119%	112%	100%
Bearer certificates of deposit	-	-	-	-	-
Other deposits	198%	130%	106%	83%	100%
	<b>99%</b>	<b>116%</b>	<b>119%</b>	<b>111%</b>	<b>100%</b>
<b>Other liabilities</b>	119%	112%	101%	96%	100%
<b>Total liabilities</b>	<b>134%</b>	<b>139%</b>	<b>131%</b>	<b>123%</b>	<b>100%</b>
<b>Capital / Shareholders' equity</b>					
Paid-up capital	100%	100%	100%	100%	100%
Share premium	100%	100%	100%	100%	100%
Statutory reserve	116%	111%	108%	105%	100%
General reserve	84%	84%	84%	84%	100%
Retained earnings	116%	85%	73%	114%	100%
<b>Total Shareholders' equity</b>	<b>104%</b>	<b>101%</b>	<b>100%</b>	<b>101%</b>	<b>100%</b>
<b>Total liabilities and Shareholders' equity</b>	<b>130%</b>	<b>134%</b>	<b>126%</b>	<b>120%</b>	<b>100%</b>

### Horizontal Analysis (Balance Sheet)

Horizontal analysis of the balance sheet evaluates the growth trend of each component relative to a base period. In this context, the year 2020 has been considered the base year, with all items assigned a benchmark value of 100%. Values exceeding 100% in subsequent years indicate positive growth, while values below 100% signify a decline relative to the base year. Over the past five years, total assets, liabilities, and shareholders' equity have demonstrated consistent growth, reflecting the Bank's sustainable balance sheet expansion.

# HORIZONTAL ANALYSIS

## Profit and Loss Account (For last five years)

	2024	2023	2022	2021	2020
<b>OPERATING INCOME</b>					
Interest income	133%	108%	104%	97%	100%
Interest paid on deposits, borrowings, etc.	126%	106%	96%	90%	100%
<b>Net interest income</b>	<b>145%</b>	<b>110%</b>	<b>119%</b>	<b>108%</b>	<b>100%</b>
Investment income	240%	149%	101%	89%	100%
Commission, exchange and brokerage	-	-	-	-	-
Other operating income	97%	128%	130%	108%	100%
<b>Total operating income (A)</b>	<b>146%</b>	<b>116%</b>	<b>119%</b>	<b>106%</b>	<b>100%</b>
<b>OPERATING EXPENSES</b>					
Salaries and allowances	140%	130%	130%	108%	100%
Rent, taxes, insurance, electricity etc.	82%	87%	114%	118%	100%
Legal expenses	213%	223%	183%	128%	100%
Postage, stamp, telecommunication etc.	141%	146%	197%	186%	100%
Stationery, printing, advertisements etc.	241%	94%	251%	195%	100%
Managing Director's salary and benefits	87%	12%	83%	100%	100%
Directors' fees	90%	148%	151%	117%	100%
Auditors' fees	107%	100%	100%	100%	100%
Charges on loan losses	-	-	-	-	-
Depreciation and repair of assets	135%	133%	136%	115%	100%
Other expenses	100%	93%	128%	97%	100%
<b>Total operating expenses (B)</b>	<b>135%</b>	<b>126%</b>	<b>132%</b>	<b>111%</b>	<b>100%</b>
<b>Profit before provision C=(A-B)</b>	<b>167%</b>	<b>96%</b>	<b>96%</b>	<b>98%</b>	<b>100%</b>
Provision for lease, loans and advances	308%	159%	238%	109%	100%
Provision for diminution in value of investments	0%	0%	0%	-100%	100%
Other provision	100%	0%	100%	-	-
<b>Total provision (D)</b>	<b>352%</b>	<b>159%</b>	<b>273%</b>	<b>109%</b>	<b>100%</b>
<b>Operating profit before taxes E=(C-D)</b>	<b>128%</b>	<b>83%</b>	<b>60%</b>	<b>96%</b>	<b>100%</b>
<b>PROVISION FOR TAXATION</b>					
Current Tax	257%	157%	32%	72%	100%
Deferred Tax	-329%	-247%	33%	-148%	100%
<b>Total provision for taxation (F)</b>	<b>231%</b>	<b>138%</b>	<b>32%</b>	<b>62%</b>	<b>100%</b>
<b>Net profit after taxation (E-F)</b>	<b>99%</b>	<b>68%</b>	<b>67%</b>	<b>105%</b>	<b>100%</b>
<b>Earnings per share (EPS)</b>	<b>99%</b>	<b>68%</b>	<b>67%</b>	<b>105%</b>	<b>100%</b>

### Horizontal Analysis (Profit and Loss Account)

Horizontal analysis of the income statement assesses the growth of each component relative to a base period. In this analysis, the year 2020 is considered the base year, indexed at 100%. Values exceeding 100% in subsequent years indicate positive growth, while values below 100% reflect a decline in comparison to the base year. Operating income has increased consistently over the past five years, while net profit has remained relatively stable, notwithstanding some deviations in 2022 and 2023.

# VERTICAL ANALYSIS

## Balance Sheet as at 31 December (For last five years)

	2024	2023	2022	2021	2020
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>					
In hand	0.01%	0.01%	0.00%	0.00%	0.01%
Balance with Bangladesh Bank and its agent bank(s)	0.74%	0.86%	1.07%	0.85%	1.10%
	<b>0.75%</b>	<b>0.87%</b>	<b>1.08%</b>	<b>0.86%</b>	<b>1.11%</b>
<b>Balance with banks and other financial institutions</b>					
In Bangladesh	12.93%	13.44%	11.15%	19.96%	11.77%
Outside Bangladesh	-	-	-	-	-
	<b>12.93%</b>	<b>13.44%</b>	<b>11.15%</b>	<b>19.96%</b>	<b>11.77%</b>
<b>Money at call and short notice</b>	-	-	-	-	3.11%
<b>Investments</b>					
Government	2.58%	0.00%	0.00%	0.00%	0.00%
Others	4.31%	5.35%	3.83%	3.08%	2.89%
	<b>6.89%</b>	<b>5.35%</b>	<b>3.83%</b>	<b>3.08%</b>	<b>2.89%</b>
<b>Lease, loans and advances</b>					
Lease receivable	23.94%	22.51%	25.08%	24.58%	33.48%
Loans, cash credits, overdrafts, etc.	45.53%	48.19%	49.31%	42.04%	36.73%
	<b>69.47%</b>	<b>70.71%</b>	<b>74.39%</b>	<b>66.62%</b>	<b>70.21%</b>
<b>Fixed assets including land, building, furniture and fixtures</b>	1.18%	1.34%	1.64%	1.67%	2.08%
<b>Other assets</b>	8.79%	8.30%	7.91%	7.81%	8.84%
<b>Non - financial institutional assets</b>	-	-	-	-	-
<b>Total assets</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
<b>Borrowing from banks, other financial institutions and agents</b>	28.77%	24.92%	20.67%	20.80%	10.89%
<b>Deposits and other accounts</b>					
Current deposits & other accounts etc.	-	-	-	-	-
Bills payable	-	-	-	-	-
Savings bank deposits	-	-	-	-	-
Term deposits	40.58%	47.53%	52.16%	51.48%	55.09%
Bearer certificates of deposit	-	-	-	-	-
Other deposits	3.00%	1.90%	1.65%	1.37%	1.96%
	<b>43.58%</b>	<b>49.43%</b>	<b>53.81%</b>	<b>52.84%</b>	<b>57.05%</b>
<b>Other liabilities</b>	15.74%	14.40%	13.78%	13.84%	17.21%
<b>Total liabilities</b>	<b>88.08%</b>	<b>88.75%</b>	<b>88.26%</b>	<b>87.49%</b>	<b>85.15%</b>
<b>Capital / Shareholders' equity</b>					
Paid-up capital	6.68%	6.49%	6.88%	7.24%	8.68%
Share premium	0.01%	0.01%	0.01%	0.01%	0.02%
Statutory reserve	3.80%	3.55%	3.66%	3.74%	4.28%
General reserve	0.68%	0.66%	0.70%	0.73%	1.04%
Retained earnings	0.74%	0.53%	0.48%	0.79%	0.83%
<b>Total Shareholders' equity</b>	<b>11.92%</b>	<b>11.25%</b>	<b>11.74%</b>	<b>12.51%</b>	<b>14.85%</b>
<b>Total liabilities and Shareholders' equity</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>



# VERTICAL ANALYSIS

## Profit and Loss Account (For last five years)

	2024	2023	2022	2021	2020
<b>OPERATING INCOME</b>					
Interest income	89.91%	88.96%	89.97%	90.72%	91.08%
Interest paid on deposits, borrowings, etc.	-54.23%	-55.91%	-52.64%	-53.91%	-57.95%
<b>Net interest income</b>	<b>35.68%</b>	<b>33.05%</b>	<b>37.33%</b>	<b>36.81%</b>	<b>33.13%</b>
Investment income	6.14%	4.66%	3.29%	3.15%	3.44%
Commission, exchange and brokerage	-	-	-	-	-
Other operating income	3.95%	6.38%	6.74%	6.12%	5.48%
<b>Total operating income (A)</b>	<b>45.77%</b>	<b>44.09%</b>	<b>47.36%</b>	<b>46.09%</b>	<b>42.05%</b>
<b>OPERATING EXPENSES</b>					
Salaries and allowances	19.89%	22.62%	23.46%	21.41%	19.13%
Rent, taxes, insurance, electricity etc.	0.61%	0.78%	1.08%	1.22%	1.00%
Legal expenses	0.84%	1.07%	0.92%	0.70%	0.53%
Postage, stamp, telecommunication etc.	0.57%	0.72%	1.01%	1.04%	0.55%
Stationery, printing, advertisements etc.	0.17%	0.08%	0.22%	0.19%	0.09%
Managing Director's salary and benefits	0.31%	0.05%	0.38%	0.50%	0.48%
Directors' fees	0.01%	0.02%	0.03%	0.02%	0.02%
Auditors' fees	0.03%	0.03%	0.03%	0.04%	0.04%
Charges on loan losses	-	-	-	-	-
Depreciation and repair of assets	3.42%	4.09%	4.37%	4.01%	3.39%
Other expenses	1.41%	1.59%	2.29%	1.90%	1.89%
<b>Total operating expenses (B)</b>	<b>27.26%</b>	<b>31.06%</b>	<b>33.78%</b>	<b>31.02%</b>	<b>27.12%</b>
<b>Profit before provision C=(A-B)</b>	<b>18.50%</b>	<b>13.03%</b>	<b>13.57%</b>	<b>15.07%</b>	<b>14.93%</b>
Provision for lease, loans and advances	5.84%	3.67%	5.73%	2.87%	2.55%
Provision for diminution in value of investments	-	-	-	-0.00%	0.00%
Other provision	0.85%	0.00%	0.86%	0.00%	0.00%
<b>Total provision (D)</b>	<b>6.69%</b>	<b>3.67%</b>	<b>6.59%</b>	<b>2.87%</b>	<b>2.55%</b>
<b>Operating profit before taxes E=(C-D)</b>	<b>11.82%</b>	<b>9.36%</b>	<b>6.98%</b>	<b>12.21%</b>	<b>12.37%</b>
<b>PROVISION FOR TAXATION</b>					
Current Tax	5.02%	3.72%	0.80%	1.95%	2.62%
Deferred Tax	-0.30%	-0.27%	0.04%	-0.19%	0.12%
<b>Total provision for taxation (F)</b>	<b>4.72%</b>	<b>3.45%</b>	<b>0.84%</b>	<b>1.76%</b>	<b>2.75%</b>
<b>Net profit after taxation (E-F)</b>	<b>7.10%</b>	<b>5.91%</b>	<b>6.14%</b>	<b>10.45%</b>	<b>9.63%</b>
<b>Appropriations</b>					
Statutory reserve	1.42%	1.20%	1.23%	2.09%	1.94%
General reserve	-	-	-	-	-
Dividends, etc.	-	-	-	-	-
	1.42%	1.20%	1.23%	2.09%	1.94%
<b>Retained surplus</b>	<b>5.68%</b>	<b>4.71%</b>	<b>4.91%</b>	<b>8.36%</b>	<b>7.69%</b>

# VALUE ADDED STATEMENT

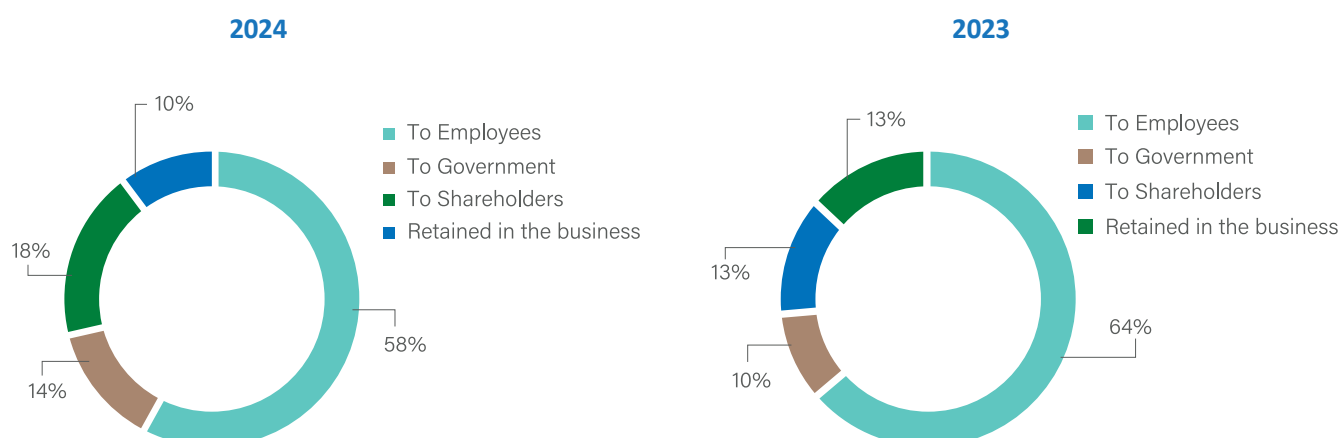
For the period ended December 31

Value added represents the wealth generated by United Finance PLC through its financial services, including lease financing, term loans, working capital solutions, and home loans.

The Value-Added Statement showcases the total value created and its allocation toward obligations, reinvestments, and sustainable growth.

	2024		2023	
	BDT Million	(%)	BDT Million	(%)
<b>Value Added</b>				
Operating revenue	2,831		2,266	
Cost of borrowing	(1,599)		(1,353)	
	1,233		913	
Other income	116		154	
	1,349		1,067	
Provisions	(197)		(89)	
Operating expenses excluding staff costs and depreciation	(126)		(119)	
<b>Value added</b>	<b>1,026</b>	<b>100%</b>	<b>860</b>	<b>100%</b>
<b>Distribution of value addition</b>				
To Employees: as salary and allowances	595	58%	549	64%
To Government: as taxes	139	14%	83	10%
To Shareholders: as cash dividend	187	18%	112	13%
Retained in the business:	105	10%	115	13%
as capital and revenue reserve	22	2%	31	4%
as depreciation	82	8%	84	10%
	<b>1,026</b>	<b>100%</b>	<b>860</b>	<b>100%</b>
Number of employees	829		862	
Value added per employee	1.24		1.00	

Value Added Statement



# MARKET VALUE ADDED (MVA) STATEMENT

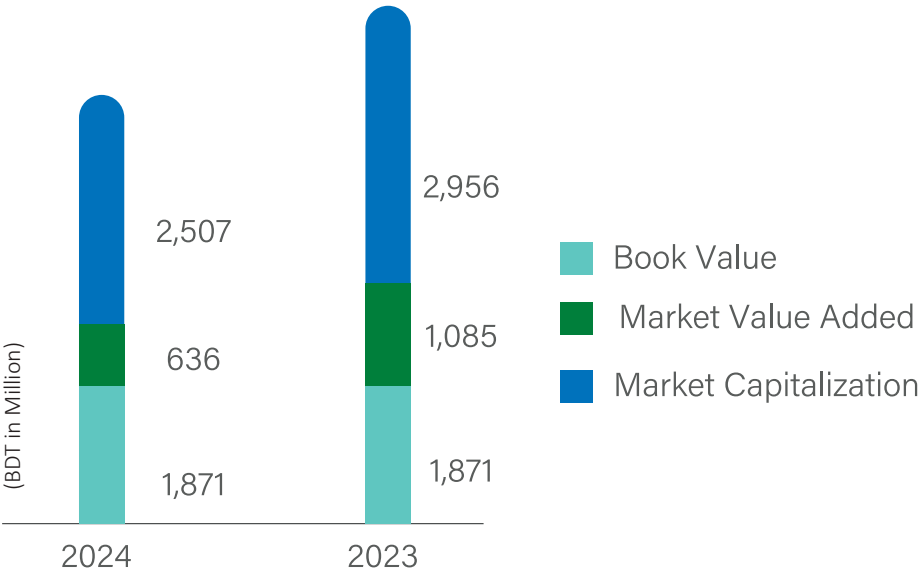
## For the period ended December 31

The Market Value Added (MVA) Statement represents the company’s performance as perceived by the market, primarily reflected in its share price. It measures the difference between the company’s total market value and the capital invested by shareholders and debt holders. In essence, MVA accounts for the total capital claims against the company, including both equity and debt, compared to its market valuation.

A higher MVA signifies strong value creation for shareholders, demonstrating efficient capital utilization and market confidence in the company’s growth potential. Conversely, a negative MVA indicates that the company’s investments and strategic decisions have not generated sufficient returns to justify the capital invested, implying value erosion.

	In BDT million unless otherwise stated	
	2024	2023
Market Value per Share (BDT)	13.40	15.80
Number of Share Outstanding	187.11	187.11
Total Market Capitalization	2,507.34	2,956.41
Book value of shares outstanding	1,871.15	1,871.15
<b>Market value added</b>	<b>636.19</b>	<b>1,085.26</b>

Market Value Added (MVA) Statement of United Finance PLC



# ECONOMIC VALUE ADDED STATEMENT [EVA]

For the period ended December 31

The Economic Value Added (EVA) Statement is a crucial financial metric that evaluates a company's ability to generate value beyond its cost of capital. EVA is calculated by deducting the cost of capital from a company's net operating profit after tax, measuring its ability to create value beyond the capital invested.

BDT Million

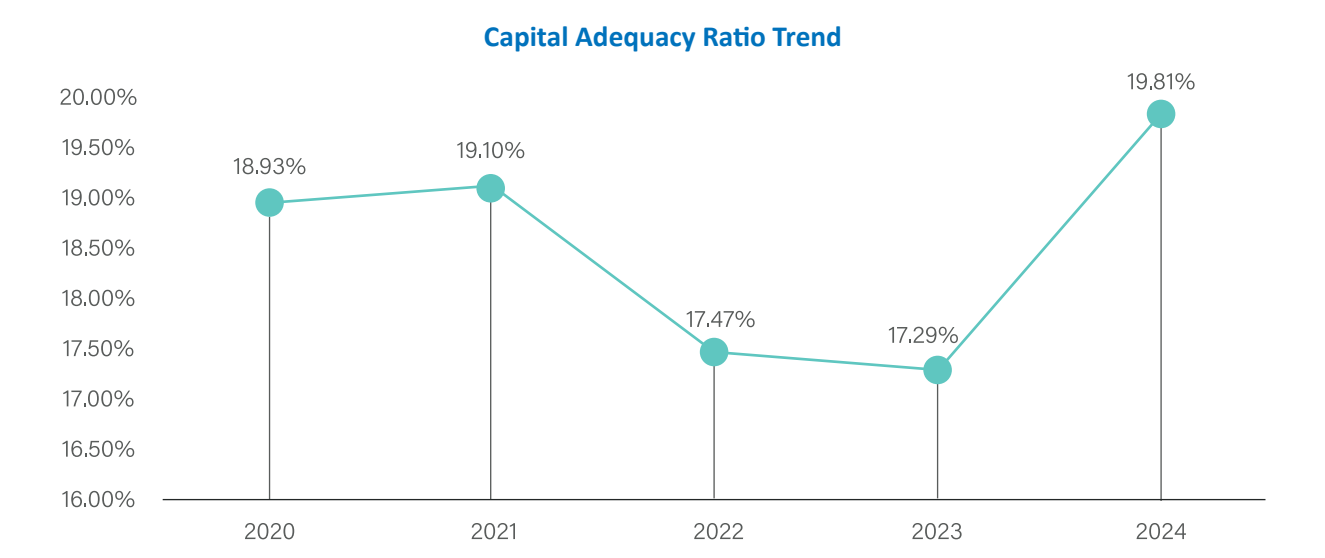
Net Operating Profit After Tax (NOPAT)	2024	2023
Net operating profit	348.40	226.58
Provision for taxes	139.17	83.48
<b>Net Operating Profit After Tax (NOPAT)</b>	<b>209.23</b>	<b>143.10</b>
Average Equity	2024	2023
Capital employed	3,338.19	3,241.24
Accumulated provision for doubtful losses	818.76	719.12
Equity	4,156.96	3,960.36
<b>Average Equity</b>	<b>4,058.66</b>	<b>3,875.89</b>
Cost of Equity (%)	2024	2023
Average interest rate on 10 Years Government Treasury Bond	12.36%	9.21%
Standard Risk premium	2.00%	2.00%
<b>Cost of equity (%)</b>	<b>14.36%</b>	<b>11.21%</b>
Economic Value Added	2024	2023
Net operating profit after tax	209.23	143.10
Cost of equity (Average Equity x Cost of Equity %)	582.99	434.36
<b>Economic Value Added</b>	<b>(373.77)</b>	<b>(291.25)</b>



# CAPITAL ADEQUACY RATIO

As per Bangladesh Bank Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions, Financial Institutions (FIs) are required to maintain a minimum capital adequacy ratio of 10%. At the end of 2024, capital adequacy ratio of UFPLC stood at 19.81%.

		BDT Million
		2024
		UFPLC
<b>A) Tier I: Core Capital</b>		<b>3,338</b>
Paid-up capital		1,871
Share premium		4
Statutory reserves		1,066
General reserves		190
Dividend equalization reserves		-
Capital reserves		-
Retained earnings		207
Non-controlling interest		-
<b>B) Tier II: Supplementary capital</b>		<b>160</b>
General Provision		160
<b>C) Total eligible capital</b>		<b>3,498</b>
<b>D) Total risk weighted assets</b>		<b>17,655</b>
<b>Capital Adequacy Ratio (%)</b>		<b>19.81%</b>



# সন্তানের ভবিষ্যৎ নিরাপদ থাকুক অঞ্চয়ে...



# NON-FINANCIAL HIGHLIGHTS

## United Finance PLC.

Environment	Unit	2024	2023
Electricity Consumption per employee	BDT	14,150	13,750
Transport usage for official purpose	BDT	12,421	17,069
Water Consumption per Employee	BDT	461	345
Paper Usage per Employee	BDT	2,709	2,529
<b>Green Financing</b>			
Green Portfolio	BDT Million	1,208	1,174
Sustainable Linked Finance	BDT Million	9,029	3,587

Social	Unit	2024	2023
<b>Employee</b>			
Employee Attrition Rate	%	28%	31%
Total Employee	Count	694	696
Percentage of Women Hires	%	17%	10%
Employees Trained (in persons)	Count	599	497
Training Programs Conducted	Count	35	24
Total Training Hours	Hours	17,970	10,386
Incidents of child labour	Count	Nil	Nil
Incidents of discrimination	Count	Nil	Nil
Incidents of forced or compulsory labor	Count	Nil	Nil
<b>Customer</b>			
Registered Users of Digital Platform	Count	505	489
Deposit Client Base	Count	9,147	9,939
Percentage of female depositors	%	22%	20%
<b>Community</b>			
Beneficiary through healthcare initiatives	Count	106	29
Total CSR Beneficiary	Count	19,869	3,173
Financial Literacy Exposure	Count	275	137
Surveys conducted to measure customer feedback	Count	5,731	5,238
Grievances from stakeholders raised and handled	Count	24	23

# CONTRIBUTION OF UNITED FINANCE TO THE NATIONAL ECONOMY

United Finance PLC is a key player in Bangladesh’s NBFi industry, making significant contributions both in monetary and non-monetary terms. Established in 1989, United Finance has been at the forefront of introducing and popularizing lease financing as a secure and effective alternative for long-term funding. Over the years, the company has diversified its portfolio, expanding beyond lease financing to offer a wide range of financial solutions, including term loans, working capital financing, corporate lending, SME financing, and retail financial services. By continuously evolving its business lines, United Finance has positioned itself as a comprehensive financial service provider, catering to the diverse needs of individuals and businesses across the country.

Today, United Finance PLC stands as one of the leading non-banking financial institutions (NBFIs) in Bangladesh, serving as a major employer, financial service provider, and taxpayer in the sector. Our contributions to Bangladesh’s economic development encompass the following key areas:

## Employment Generation

United Finance remains committed to expanding employment opportunities and investing in employee development as part of its contribution to the national economy. In 2024, the company hired 187 new employees, bringing its total workforce to 694 by the end of the year. This reflects our continuous efforts to strengthen our operations and reduce unemployment by creating sustainable career opportunities.

During the year, United Finance paid BDT 595.47 million in salaries and allowances, ensuring the financial well-being of its employees. Additionally, the company invested substantially in employee training programs. These programs focused on improving skills, leadership, and professional development, ensuring that our workforce remains competent and future-ready.

At a time when reducing unemployment is a national priority, United Finance continues to play a vital role by providing financial support to small and medium enterprises (SMEs). As SMEs are one of the largest sources of employment in Bangladesh, our financing solutions help businesses expand, leading to both direct and indirect employment generation across multiple industries.

United Finance remains dedicated to reducing unemployment, empowering professionals, and contributing to the economic growth of Bangladesh through strategic human resource development and responsible financial solutions.

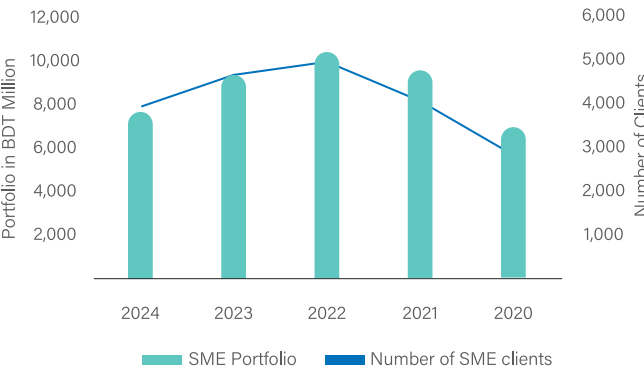
## SME Financing

Small and Medium Enterprises (SMEs) are vital to any economy, serving as key drivers of growth while reducing income inequality and contributing to poverty alleviation. SMEs contribute 25% to Bangladesh’s GDP and employ 7.8 million people, making up 90% of businesses. They drive manufacturing, exports (30-40%), and rural development, supporting large industries through supply chains. Women own 25% of SMEs, fostering economic inclusion. Despite challenges like financial constraints and regulations, government policies, refinancing schemes, and digital initiatives support their growth. Strengthening financial access and technology adoption

can further boost industrialization, job creation, and sustainable economic development in Bangladesh.

United Finance has consistently focused on financing SME clients, with SME financing accounting for approximately 40% of its total lease/loan portfolio. Over the past five years, the company’s SME portfolio has grown at a Compound Annual Growth Rate (CAGR) of 4.40%. Additionally, United Finance prioritizes women entrepreneurship development through extending Women Entrepreneur loans, supporting 436 women entrepreneurs in 2024. This commitment reflects the company’s ongoing efforts to foster inclusive economic growth and financial empowerment within the SME sector.

## Portfolio and number of SME clients

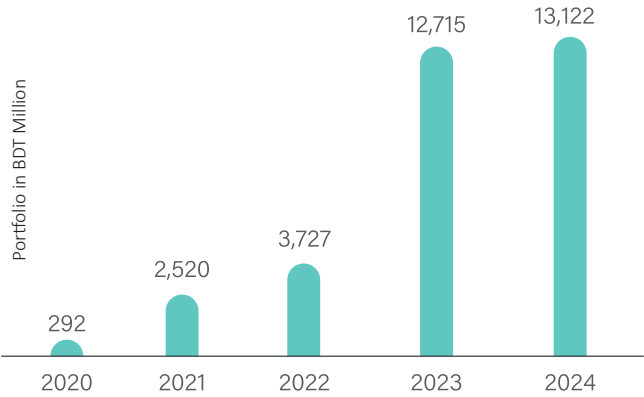


## Focus on sustainability and green financing

United Finance PLC prioritizes sustainable finance, integrating green financing and ESG initiatives to drive responsible lending, long-term growth, and risk management. By supporting eco-friendly projects and ethical investments, the company fosters financial resilience and sustainable economic development.

United Finance’s Green and Sustainable Finance portfolio has grown at a CAGR of approximately 142% over the past five years, now accounting for 67.5% of its total lending portfolio in 2024. Additionally, the company secured BDT 113 million in refinancing from Bangladesh Bank to support its green financing initiatives.

## Green & Sustainable Finance Portfolio



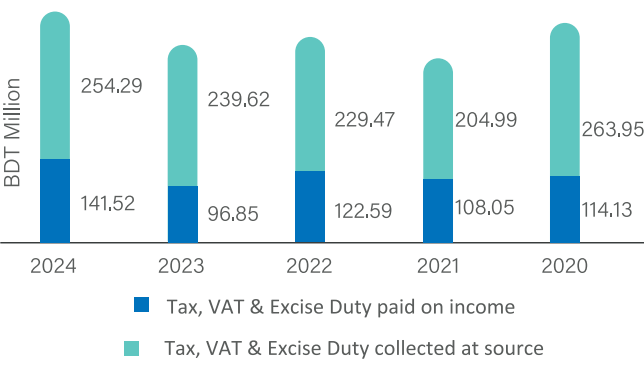
Details of the sustainable financing activities are outlined in the Sustainability Report.



Empowering Communities Through CSR Initiatives

United Finance PLC is committed to creating a meaningful social impact through its CSR initiatives, with a strong focus on community welfare, education, and healthcare. The company has extended essential healthcare services to 106 individuals, ensuring access to quality medical care for marginalized communities. Furthermore, through initiatives such as the Student Assistance Program, book donations, and financial literacy programs, United Finance has supported underprivileged students and low-income individuals. In times of crisis, the company has also stood by disaster-affected communities, providing aid and support to those in urgent need.

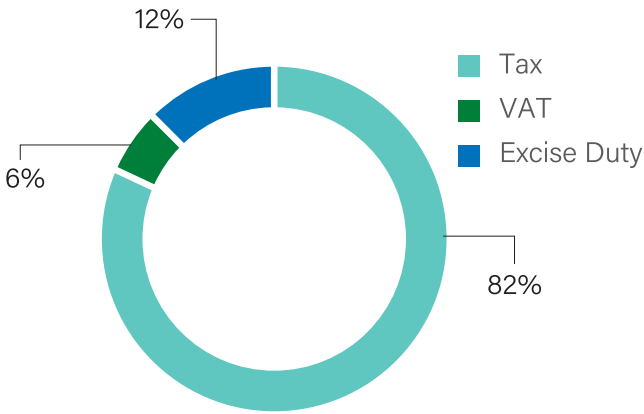
Taxes Paid to Government



United Finance PLC deposited a total of BDT 141.52 million to the Government exchequer in 2024, comprising BDT 128.15 million

in corporate income tax and BDT 13.37 million in VAT on fee income and excise duty. Additionally, the company collected and deposited BDT 254.29 million on behalf of the Government, which included BDT 195.76 million in withholding tax, BDT 12.76 million in withholding VAT, and BDT 45.76 million in excise duty.

Contribution to NBR in 2024



The company’s total contribution to the Government exchequer increased by 17.64% compared to the previous year. This growth was primarily driven by a 51.70% increase in corporate income tax payments and a 15.40% rise in VAT payments. Furthermore, withholding tax, VAT, and excise duty payments collectively increased by 6.12%

# আপনার সফলতাই আমাদের অর্জন





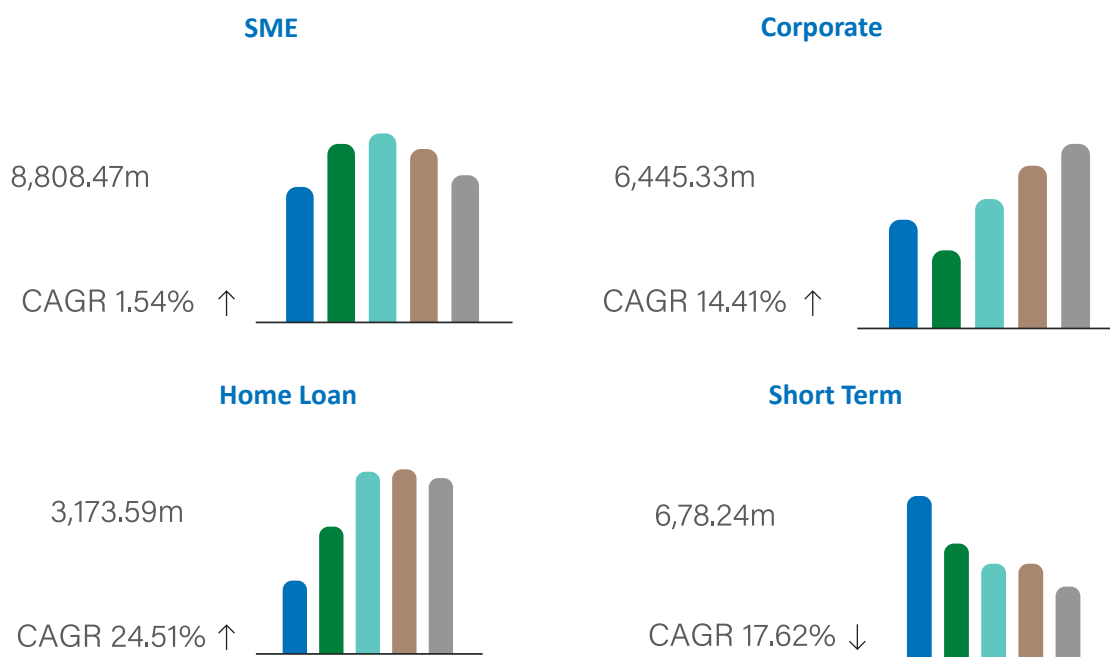
# Business Segment Review





# FORGING AHEAD: INSIGHTS INTO SEGMENT-WISE GROWTH AND PERFORMANCE

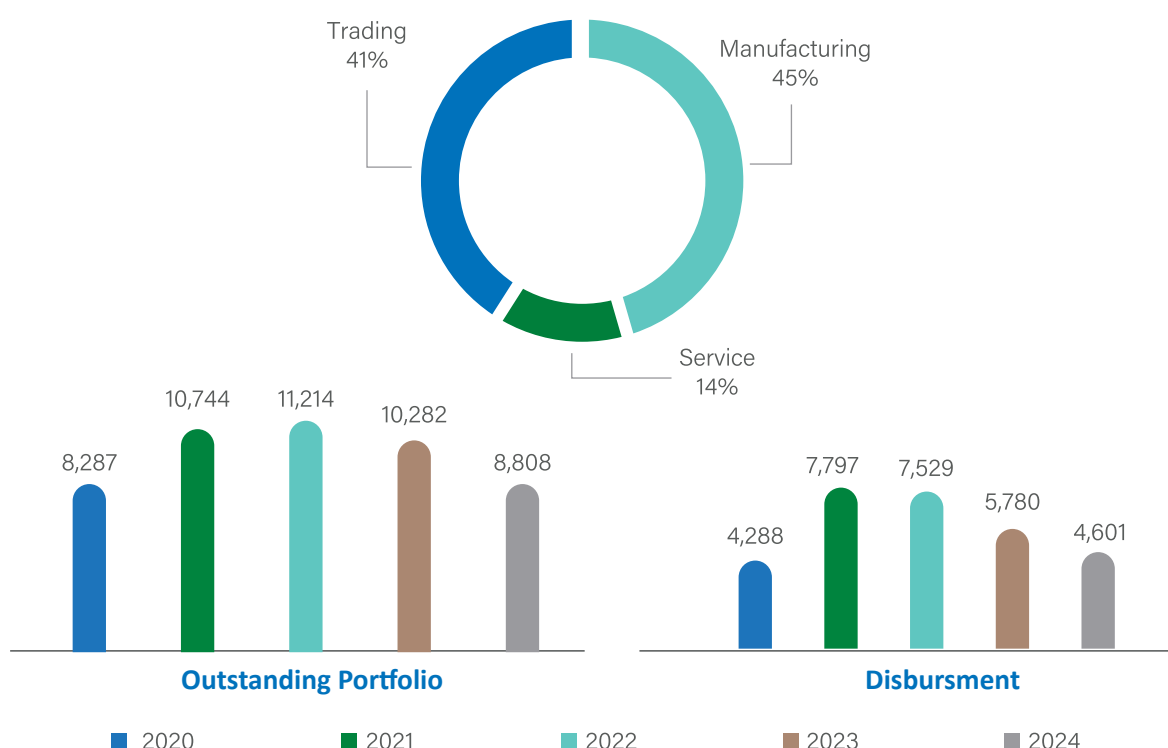
## Overview of Asset Segment



## SME Business Segment

SMEs are integral to Bangladesh's economic growth, contributing significantly to employment generation, poverty reduction, and industrial development. Recognizing their importance, Bangladesh Bank has implemented various initiatives to enhance SME financing. As of September 30, 2024, the outstanding loans and investments under Cottage, Micro, Small, and Medium Enterprises (CMSME) amounted to approximately BDT 299,958.54 crore. To further support this sector, Bangladesh Bank offers refinance facilities to banks and financial institutions at favorable rates, encouraging them to extend credit to CMSMEs. At United Finance PLC, the SME portfolio has a CAGR of 1.54%, with disbursement CAGR standing at 1.78%.

### Segment Wise Portfolio (SME) 2024

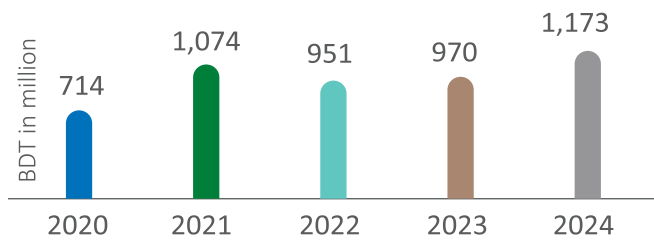




Women entrepreneur financing

Women entrepreneur financing in Bangladesh has been strengthened through various policy initiatives, including the Bangladesh Bank Refinance Scheme for Women Entrepreneurs, which has been in place for a few years. This scheme enables financial institutions to provide loans at subsidized interest rates, ensuring easier access to credit for women-led businesses in the CMSME sector. With relaxed collateral requirements and flexible repayment terms, this initiative has played a crucial role in fostering financial inclusion of women. United Finance PLC has also been working relentlessly to support the women entrepreneur sector, with its disbursement CAGR of 13.24% between 2020 and 2024.

Disbursement in Women Entrepreneur Financing



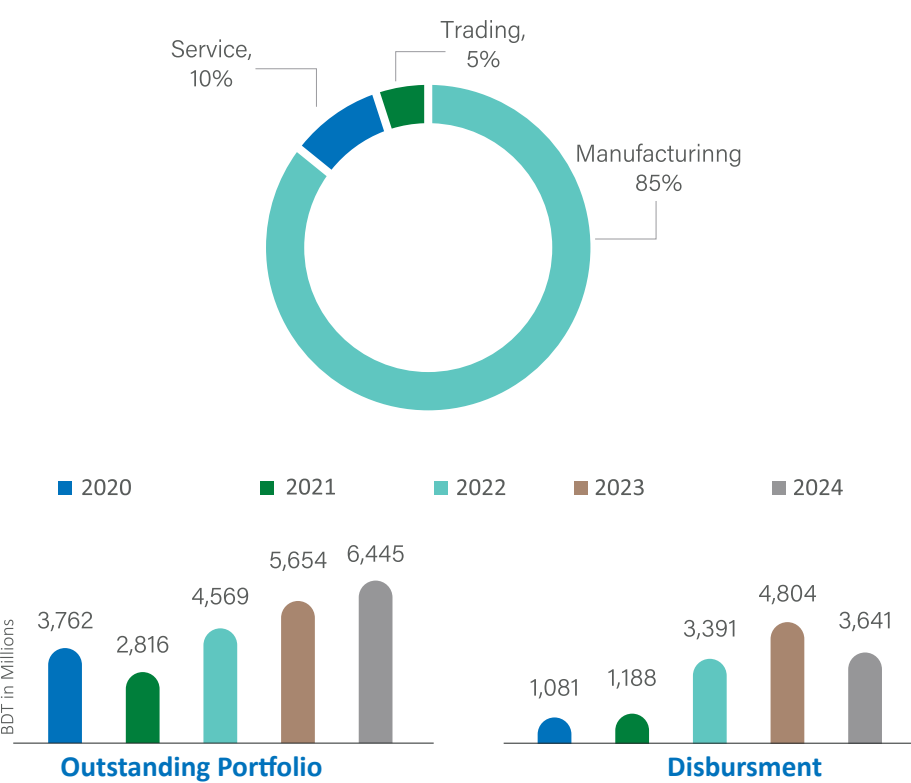
Major Highlights of SME Business Segment in 2024

- Collaboration with SME Foundation to finance SME customers at refinance rate, lower than conventional rate.
- Achieved Green and Sustainable target of Bangladesh Bank
- Optimal utilization of allocated fund of refinance and pre-finance schemes of Bangladesh Bank
- Average ticket size increased through collateral backed financing.
- On boarded 464 new clients in SME sector with cumulative disbursed amount of BDT 1,583 million

Corporate Business Segment

At United Finance PLC, we understand the unique financial needs of local conglomerates, and foreign corporate enterprises operating in Bangladesh’s dynamic business environment. Our Corporate Business unit is built on a foundation of trust, expertise, and adaptability, ensuring that we provide comprehensive financial solutions that align with the growth ambitions of our clients. We take a client-centric approach, offering customized financing options and structured credit facilities. Our commitment to responsible lending ensures that we assess risks prudently while supporting businesses in seizing new opportunities. By closely monitoring market trends and economic indicators, we help our clients navigate financial challenges with confidence. Furthermore, we offer a wide range of products, including Term Loans, Leases, Sale and Leaseback, Syndication Financing, Preference Share Investment, and Subordinated Bond Investment, tailored to meet the diverse needs of our clients. The segment continued robust growth, delivering a Portfolio CAGR of 14.41% between 2020 and 2024.

Segment Wise Portfolio 2024

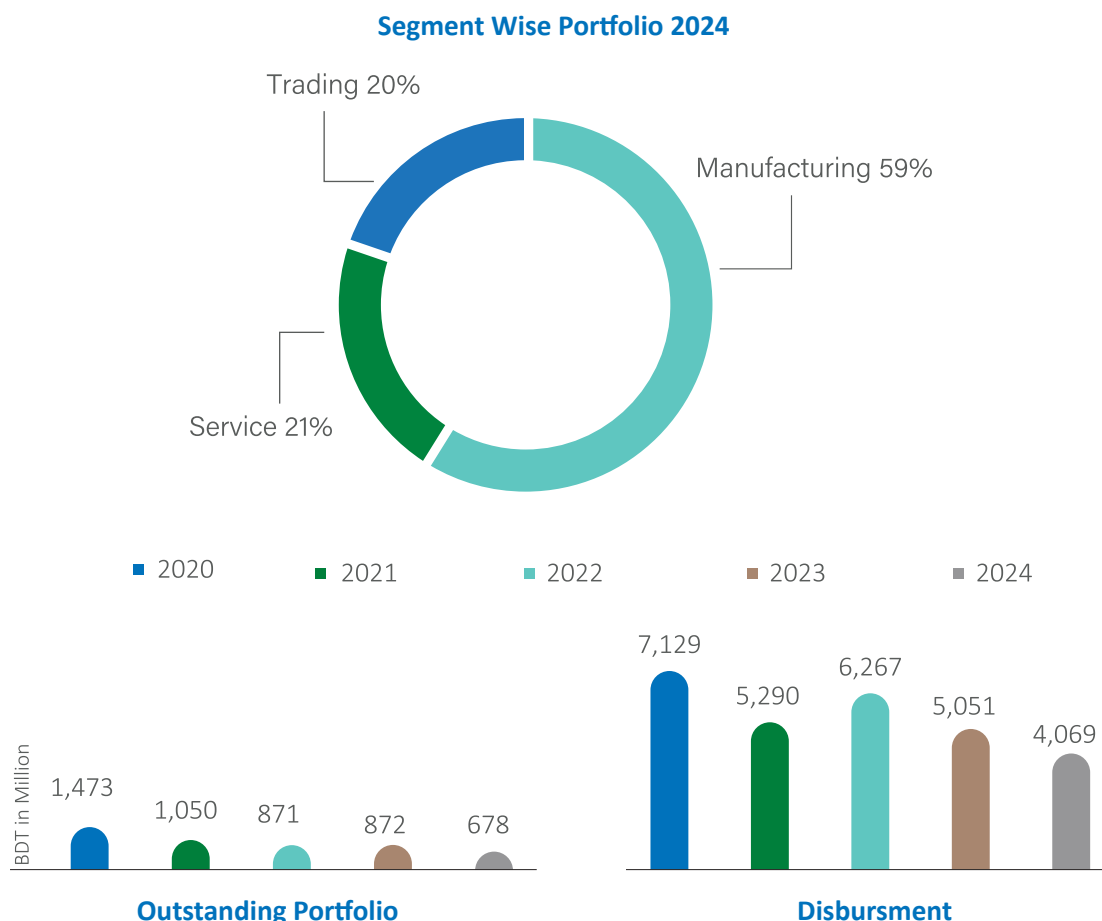


## Major Highlights of Corporate Business Segment in 2024

- Received BDT 180 million refinance obtained from Bangladesh Bank under Green Finance category.
- The Corporate Business Segment accounts for 35% of the portfolio and maintains a low NPL ratio of 0.01%.

## Short Term Financing

Recognizing the critical role that flexible and responsive financing plays in helping businesses manage their short-term liquidity needs, United Finance PLC offers a range of short-term financing solutions—including Credit Sale Financing and Revolving Loans. These solutions help businesses bridge cash flow gaps, meet urgent working capital requirements, and seize new business opportunities without financial strain. While our portfolio currently reflects a CAGR of -17.62%, we are actively working to regain momentum by reaching more diverse segments of the client base. By offering swift access to funds, we enable businesses to maintain smooth operations, strengthen supplier relationships, and optimize their financial position. Our commitment to responsible lending ensures that companies can navigate market fluctuations with confidence while focusing on sustainable growth.

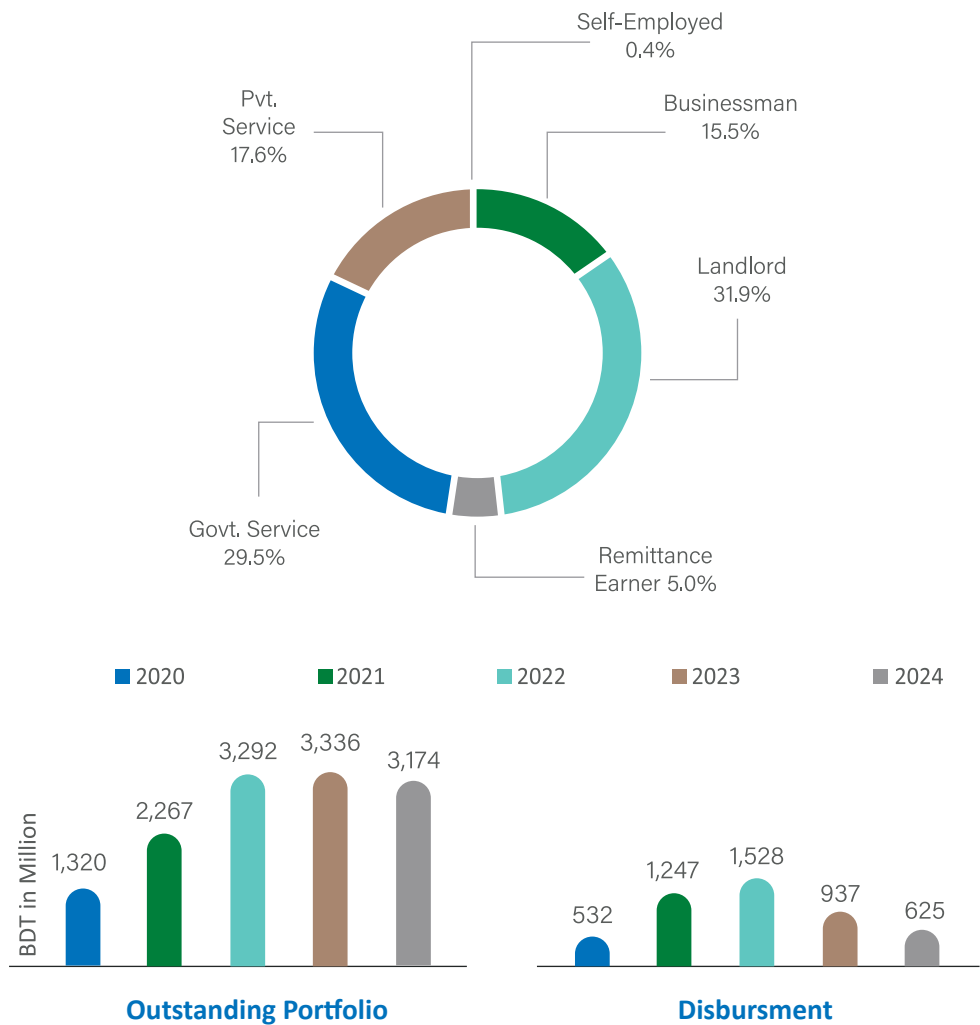


## Retail Business Segment

United Finance PLC remains dedicated to enhancing financial services, ensuring they are accessible and tailored to meet the evolving needs of individuals. Our Retail Finance segment, which includes Home Loans, plays a crucial role in maintaining a sustainable portfolio. By providing flexible and affordable financing solutions, we empower individuals and families to achieve homeownership. Recognizing the increasing demand for diverse personal financing options, we have initiated pilot projects for Car Loans and Personal Loans. These initiatives are aimed at further expanding our retail portfolio and meeting the varied financial needs of our clients. Our focus on customer-centric lending ensures a seamless borrowing experience through simplified processes and structured repayment plans. The Home Loan segment has shown a remarkable Compound Annual Growth Rate (CAGR) of 24.51% between 2020 and 2024, underscoring our commitment to growth and sustainability.

As we continue to evolve, our goal is to enhance financial accessibility, equipping individuals with the suitable financial solutions to improve their quality of life and achieve their aspirations.

### Segment Wise Portfolio 2024

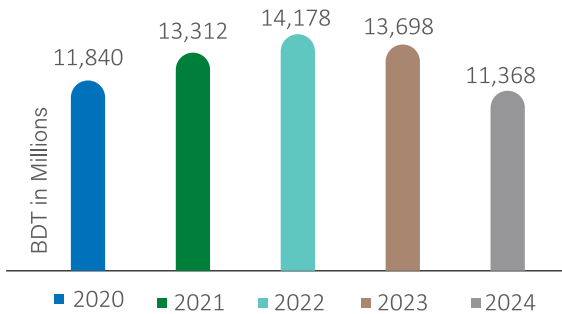


### Liability Segment: Wealth Management Services

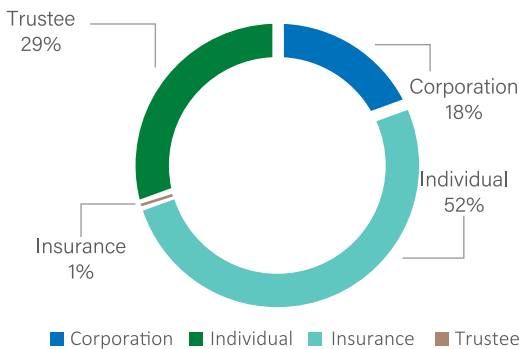
United Finance PLC offers a comprehensive suite of Wealth Management solutions designed to help individuals and businesses grow and secure their financial assets. Our diverse range of deposit products includes Term Deposits (ranging from 3 to 30 months), Day-Wise Deposits, Monthly/Quarterly Earner Deposits, Double Money Deposits, Any Time Any Deposit, Basic DPS, Premium DPS, Insured Easy Millionaire Scheme, Insured Millionaire Plus Scheme, and Insured Education Support Scheme. These solutions cater to varying financial goals and risk appetites, ensuring clients have access to tailored and flexible investment options.

With a strong commitment to financial stability, trust, and client-focused solutions, we provide expert guidance to empower clients in making informed investment decisions. Through continuous innovation and personalized financial advisory, United Finance PLC remains a trusted partner in wealth creation, enabling clients to maximize returns while securing their financial future.

### Deposit Portfolio Trend



### Segment Wise Deposit Portfolio 2024



## Structured Finance

The Structured Finance Department of United Finance began its operations in January 2025, with the objective of delivering tailored financial services, including fund-raising and advisory support, to help clients achieve accelerated business growth. The department is backed by a skilled team experienced in handling loan documentation and disbursement, monitoring project implementation, and managing loan repayments for syndicated project financing.

Their strong relationships with regulatory authorities such as Bangladesh Bank and the Bangladesh Securities and Exchange Commission enable the department to secure prompt regulatory approvals. Moreover, their growing network across investment units—such as Treasury and Financial Administration Divisions of various Banks and Non-Banking Financial Institutions (NBFIs)—ensures efficient fund arrangements for their transactions.

## Green Banking

To ensure sustainable benefits for both clients and society, the Green Banking Unit of United Finance incorporates Environmental, Social, and Governance (ESG) criteria into its business and investment decisions. For this unit, sustainability means minimizing environmental harm while promoting long-term ecological balance, social well-being, and sound governance.

Dedicated to advancing Green and Sustainable Banking, the Green Finance Unit actively collaborates with Corporate and SME business divisions to provide financing and refinancing for initiatives, projects, and products aligned with green and sustainable development goals.

Green Finance as a % of Total Disbursement	Sustainable Finance as a % of Total Disbursement
5.65%	71.10%

Green Finance as a % of Total Portfolio	Sustainable Finance as a % of Total Portfolio
6.20%	61.22%

## Digital Deposit

On the trajectory of financial inclusion and with the continuing trend of digitalization in the financial services industry, the demand of digital services are undoubtedly growing. To cater to the customer segment that is still unbanked and without the pompousness of a lengthy process, United Finance recently soft launched its digital savings products through own platform named “United Finance Mobile App (UMA)”.



# আপনার যাত্রা হোক আরও সমৃদ্ধ







# The Corporate Governance

# CORPORATE GOVERNANCE COMPLIANCE STATEMENT BY THE COMPANY SECRETARY ON BEHALF OF BOARD OF DIRECTORS

**Dear Shareholders,**

On behalf of the Board of Directors of United Finance PLC, I am pleased to state that the Company adhered to the highest standards of corporate governance during the year ended 31 December 2024, in compliance with the prevailing regulatory and statutory frameworks in Bangladesh.

The Board of Directors is fully committed to ensuring that the governance practices of the Company are aligned with both the letter and spirit of all applicable laws, codes, and directives. In this regard, I, as the Company Secretary, confirm that United Finance PLC has maintained compliance with Corporate Governance Code, 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC); Corporate Governance Guidelines, Circulars, and Directives issued by Bangladesh Bank; Provisions of the Finance Company Act, 2023; Relevant sections of the Companies Act, 1994 governing listed public limited companies; Bangladesh Secretarial Standards; and Listing Regulations of the Dhaka Stock Exchange PLC.

The governance structure of the Company is designed to ensure effective oversight and management of its operations. The Board is appropriately composed with a balance of Executive, Non-Executive, and Independent Directors in accordance with regulatory requirements. Key Board Committees — including the Audit Committee, Executive Committee, and Risk Management Committee — are functioning with clear mandates and have been actively contributing to the governance process.

The Company has adhered to all prescribed regulatory reporting requirements, maintained proper records of Board and Committee proceedings, and ensured timely disclosures to all stakeholders. Moreover, internal control systems and compliance mechanisms have been continually monitored and strengthened during the year.

This statement reflects the Board's and management's unwavering commitment to uphold the highest standards of governance and transparency, thereby protecting the interests of shareholders and stakeholders alike.

Thank you for your continued trust and support.

Yours sincerely,



**Sharmi Noor Nahar**

Company Secretary

(On behalf of the Board)

# GOVERNANCE PRACTICE

At United Finance PLC, compliance is regarded as a fundamental pillar of our corporate culture. The Company is steadfast in its commitment to enhancing and strengthening its corporate governance framework to ensure long-term sustainability, promote transparency, uphold accountability, reinforce ethical corporate values, and fulfil the expectations of shareholders, customers, regulators, and other key stakeholders.

Accordingly, United Finance PLC places the highest importance on the principles of fairness, transparency, responsibility, and accountability in all aspects of its governance practices. The Board and management remain vigilant in aligning the Company's operations with the evolving standards of sound governance.

The Corporate Governance Report outlines the Company's governance-related initiatives, structures, and practices, providing stakeholders with a transparent view of how United Finance upholds its obligations and strengthens trust across all levels of operation.

## Statement of Corporate Governance

Corporate governance is not just a regulatory obligation—it is the cornerstone of our institutional philosophy and the catalyst for sustainable value creation. We have embraced a governance culture that is adaptive, ethical, and resilient—setting new benchmarks in accountability, transparency, and stakeholder inclusivity.

Our governance framework is rooted in integrity and is continually evolving to respond to the changing dynamics of the financial sector. It empowers decisive, responsible leadership and reinforces a culture of ethical stewardship throughout the organization.

We recognize that effective governance extends beyond compliance with statutory requirements. Accordingly, United Finance PLC is guided by the Corporate Governance Code, 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC); Corporate Governance Guidelines, Circulars, and Directives issued by Bangladesh Bank; Provisions of the Finance Company Act, 2023; Relevant sections of the Companies Act, 1994 governing listed public limited companies; Bangladesh Secretarial Standards; and Listing Regulations of the Dhaka Stock Exchange PLC and other regulatory authorities. Our practices are independently assessed and certified by external auditors to ensure unwavering compliance.

The Board of Directors affirms that strong corporate governance is vital to protecting the interests of all stakeholders, particularly minority shareholders. Our governance architecture is designed to uphold fairness, ensure managerial accountability, and maintain strategic oversight, all of which contribute to long-term profitability, operational excellence, and institutional sustainability.

## Value creation through corporate governance

At United Finance PLC, we view corporate governance as a strategic enabler of value creation—driving not only compliance, but also operational excellence, stakeholder trust, and long-term financial sustainability. Our governance practices are deliberately structured to align corporate objectives with stakeholder interests while reinforcing our commitment to ethical conduct, prudent risk management, and transparent decision-making.

The Board of Directors sets the tone at the top, ensuring that governance mechanisms are not only effective but also adaptable to changing market dynamics and regulatory landscapes. By integrating governance with our strategic planning, performance monitoring, and risk oversight processes, we create a resilient foundation for enduring growth.

Our commitment to sound corporate governance contributes to value creation in the following ways:

- **Enhancing Strategic Agility:** A strong governance framework enables timely and informed decision-making, helping the Company adapt to emerging risks and opportunities in a dynamic financial environment.
- **Strengthening Stakeholder Confidence:** Transparent disclosures, fair treatment of shareholders—especially minority investors—and consistent compliance with BSEC, Bangladesh Bank, and stock exchange regulations foster stakeholder trust.
- **Mitigating Risks:** Through structured oversight and effective internal controls, governance practices help minimize operational, financial, and reputational risks.
- **Driving Accountability and Performance:** Clear delineation of roles, robust board oversight, and independent audit functions ensure that management remains accountable, leading to improved organizational performance.
- **Promoting Sustainability:** Good governance supports sustainable practices, ethical business conduct, and long-term strategic goals that create value not only for shareholders but also for customers, employees, and the broader society.

Through disciplined adherence to corporate governance principles, United Finance PLC continues to create, preserve, and enhance value for all its stakeholders.

## Our Corporate Governance structure

Our Corporate Governance Structure reflects a strong commitment to regulatory compliance and the effective implementation of our vision, mission, and policies. The Board of Directors and management operate in alignment with applicable regulatory provisions, while the sub-committees—namely the Executive Committee, Audit Committee, and Risk Management Committee—provide critical support to the Board in fulfilling the Company's strategic objectives and governance responsibilities.

The corporate governance structure reflects a well-integrated and regulatory-aligned framework where the Board of Directors functions as the strategic and operational oversight of the company. Positioned at the heart of the model, the Board draws guidance from statutory and regulatory frameworks including the Companies Act, 1994, the Finance Company Act, 2023, and the Corporate Governance Code, 2018, which collectively set the legal and ethical foundation of its responsibilities. Organization's Vision, Mission, and Policies—serve as directional compasses to the Board, ensuring that decisions align with both fiduciary obligations and long-term stakeholder interests. The Executive Committee, Audit Committee, and Risk Management Committee provide specialized oversight and advisory functions, enabling the management through Board to discharge their duties with depth and diligence. Management



operates under Boards’ direction, translating governance principles into day-to-day operations and risk-informed management. This Governance structure ensures accountability, regulatory compliance, and strategic alignment across the institution.

The Composition of the Board of Directors

The Board of Directors of United Finance PLC is duly constituted with a combination of Shareholding Directors, Nominated or Representative Directors, and Independent Directors, ensuring a balanced representation aligned with regulatory expectations. In compliance with Bangladesh Bank’s DFIM Circular No. 01, dated 29 February 2024, the Board shall consist of no more than fifteen (15) members. Furthermore, pursuant to the same directive and the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code, 2018, the Board must include a minimum of two (2) Independent Directors. This structure reinforces the Company’s commitment to maintaining effective oversight, transparency, and independence in line with best governance practices.

The current composition of the Board of Directors is as follows:

Name of Directors	Status
1. Mr. Najmul Hasan	Chairman of the Board
2. Mr. Moinuddin Hasan Rashid	Director
3. Ms. Mahenoor Sultana Rashid	Director
4. Mr. Kutubuddin Akhter Rashid	Director
5. Mr. Khondaker Zayed Ahsan	Director
6. Mr. Kayes Khalil Khan	Director, nominated by United Insurance Company Limited
7. Mr. Ormaan Rafay Nizam	Director, nominated by National Brokers Limited
8. Prof. Dr. Mahfuzul Hoque	Independent Director
9. Prof. Dr. Mohammad Omar Farooq	Independent Director
10.Mr. Md. Jahidur Rahman	Independent Director
11.Mr. Mohammad Rafiqul Islam	Managing Director Ex-Officio

Previous Composition of the Board of Directors  
(Prior to the Shareholding Changes in November 2024)

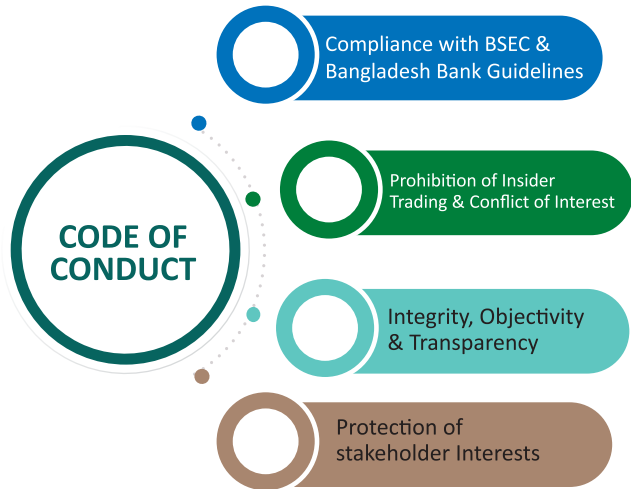
In November 2024, the shareholding structure of United Finance PLC underwent a significant change following a strategic divestment decision by the sponsor shareholder, Lawrie Group PLC, along with several of its affiliated entities. As a result of this divestment, the composition of the Board of Directors was reconstituted as presented above to reflect the revised ownership structure. For transparency and historical reference, the previous composition of the Board is presented below.

Name of Directors	Status
1. Mr. Imran Ahmed	Chairman of the Board, nominated by Camellia Duncan Foundation
2. Mr. Kenneth Byron Coombs	Director, nominated by Lawrie Group Plc
3. Mr. A.F.M.M. Samad Choudhury	Director, nominated by United Insurance Company Limited

4. Mr. A. F. Nesaruddin	Director, nominated by Surmah Valley Tea Company Limited
5. Mr. Ormaan Rafay Nizam	Director, nominated by National Brokers Limited
6. Mr. M. M. Alam	Independent Director
7. Prof. Dr. Mahfuzul Hoque	Independent Director
8. Mr. Mohammad Rafiqul Islam	Managing Director Ex-Officio

Code of Conduct for the Board of Directors

As part of its ongoing commitment to uphold the highest standards of corporate ethics and transparency, United Finance PLC has adopted a formal Code of Conduct for its Chairperson and Board Members. This Code serves as a cornerstone for ethical governance and is aligned with the Corporate Governance Code 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC), the Finance Company Act 2023, Bangladesh Bank’s Corporate Governance Guidelines, and the Companies Act 1994.



The Code mandates all Directors to maintain strict compliance with applicable laws, regulatory directives, and listing regulations, ensuring that the integrity of Board proceedings is preserved at all times. Directors are expected to demonstrate personal integrity, transparency, and fairness in their decisions, refrain from conflicts of interest, and disclose any competing directorships or related-party transactions in a timely and transparent manner. In situations where conflicts may arise, the Code requires full disclosure, abstention from relevant decisions, and independent Board review.

In line with good governance principles, the Code prohibits insider trading, misuse of privileged information, and involvement in business activities that may conflict with the interests of United Finance PLC. Directors must exercise objectivity and independence in their judgment and decision-making, remaining free from any influence that may compromise their impartiality or fiduciary responsibilities.

Confidentiality of non-public information, including strategic plans and price-sensitive data, must be rigorously protected by all Board Members. Furthermore, the Code ensures Directors do not interfere with the day-to-day operations of the Company or the responsibilities of management. Instead, the Board focuses on strategic oversight while promoting a professional and ethical workplace environment.

In addition, the Code encourages Directors to act as guardians of integrity by reporting any concerns related to misconduct, regulatory non-compliance, or unethical practices to the Board, thereby supporting a culture of accountability and whistleblower protection.

This Code of Conduct has been acknowledged and signed by each Director, and remains an integral part of United Finance PLC's broader Corporate Governance Framework. It reflects the Company's ethos of responsible stewardship, ethical leadership, and value creation for all stakeholders.

### **Duties and Responsibilities of the Board of Directors**

The Board of Directors of United Finance PLC operates under a framework aligned with the directives of Bangladesh Bank and other applicable laws, carrying out extensive duties across governance, policy formulation, oversight, and strategic leadership. The key responsibilities include:

#### **Strategic Planning and Policy Oversight**

The Board of Directors plays a central role in determining the Company's long-term strategic direction. It sets the annual objectives and approves comprehensive action plans aimed at achieving defined business goals. The Board regularly reviews the implementation of these strategies on a quarterly basis and ensures that achievements and challenges are transparently reported in the Annual Report. It also evaluates the effectiveness of its strategic direction through the establishment of Key Performance Indicators (KPIs) for the Managing Director and the two immediate senior-most layers, ensuring timely and objective performance assessments. Additionally, the Board keeps shareholders informed of its strategic recommendations to foster alignment and transparency.

#### **Regulatory Compliance and Legal Oversight**

Ensuring full compliance with applicable laws, regulations, and directives is a key responsibility of the Board. It actively oversees adherence to the regulatory frameworks issued by Bangladesh Bank, the Bangladesh Securities and Exchange Commission (BSEC), and other authorities. The Board formulates internal policies in line with regulatory requirements and regularly reviews all returns, submissions, and responses made to regulatory bodies. It plays a critical role in ensuring legal clarity, operational transparency, and accountability in all matters of corporate governance.

#### **Risk Management and Internal Control**

The Board is responsible for developing a robust risk management framework that addresses key operational, credit, market, and liquidity risks. It approves the Company's risk management policy and reviews reports from the Risk Management Committee on a quarterly basis. It ensures that all risk-related directives from Bangladesh Bank are effectively implemented and documented. In parallel, the Board ensures that an effective internal control system is in place to safeguard company assets and maintain the integrity of financial reporting. It upholds the independence of the Internal Audit function and reviews audit findings and inspection reports from internal and external auditors, as well as from Bangladesh Bank.

#### **Financial Management and Monitoring**

The Board holds the authority to approve the Company's annual budget and financial statements. It reviews quarterly financial performance reports, including income, expenditure, capital

adequacy, liquidity, non-performing loans (NPLs), provisions, and legal matters. It also formulates and supervises the procurement policy to ensure compliance with applicable laws and prudent financial management. The Board delegates specific financial authority to the Managing Director and other officials, while retaining exclusive control over major capital investments such as land, infrastructure, and vehicles. Oversight of the Asset Liability Committee (ALCO) also falls under its purview, ensuring alignment with liquidity and interest rate risk guidelines issued by Bangladesh Bank.

### **Human Resource and Ethical Governance**

The Board is responsible for setting and approving the Service Rules governing recruitment, promotion, transfer, disciplinary action, and employee development. While it abstains from interfering in operational-level recruitment or promotional processes, it directly oversees employment decisions concerning the Managing Director and the two immediate senior-most layers. The Board encourages a culture of performance and integrity by introducing Codes of Conduct, Ethics, and Principles of Integrity for all employees. It promotes capacity building through continuous training, technological integration, and the establishment of modern Management Information Systems (MIS). Moreover, it ensures the proper implementation of regulatory reward systems to reinforce ethical and responsible behavior.

#### **Appointment of Managing Director**

The appointment of the Managing Director is a critical governance function performed by the Board. The Board is responsible for selecting a candidate who is honest, professionally competent, and meets the "fit and proper" criteria prescribed by Bangladesh Bank. This appointment is subject to regulatory approval and is made through a transparent and merit-based process.

#### **Board Accountability and Evaluation**

The Board of Directors of United Finance PLC remains firmly committed to upholding the principles of accountability, transparency, and performance excellence. Each member of the Board is individually and collectively accountable for discharging fiduciary responsibilities in line with the expectations of shareholders, regulators, and other stakeholders. The Board ensures that its decisions are made independently, free from undue influence, and in the best interest of the Company. To maintain effectiveness and uphold governance standards, the Board regularly evaluates its own performance as well as that of its committees and individual directors. These evaluations are structured to assess strategic contribution, regulatory compliance, oversight quality, and ethical conduct. The findings are used to identify areas for improvement and to align board practices with evolving regulatory expectations and corporate governance best practices. Additionally, the Board ensures clarity in delegation of authority, defines the limits of executive power, and monitors the execution of delegated responsibilities. By fostering a culture of introspection and continuous improvement, the Board reinforces its commitment to responsible stewardship and long-term value creation for all stakeholders.

#### **Delegation and Oversight of Decision-Making**

The Board defines and delegates specific authorities to its sub-committees and management, ensuring that such delegation is within appropriate boundaries and not misused. It regularly reviews the scope and effectiveness of these delegated powers and

adjusts them as necessary. The Board avoids any undue influence over operational or financial decisions beyond its defined oversight responsibilities.

**Technology and Information Systems Supervision**

In support of informed and timely decision-making, the Board encourages the adoption of modern technology and robust MIS infrastructure across the Company. It ensures that these systems provide accurate, real-time data to management and the Board itself, thereby enhancing operational efficiency and governance transparency.

**Ethical Leadership and Board Conduct**

The Board upholds the highest ethical standards in all its activities and interactions. It promotes transparency, fairness, and integrity across all levels of the organization. Board members are expected to operate with diligence and independence, refraining from conflicts of interest or any behavior that could undermine stakeholder confidence.

**Activities of the Board of Directors – 2024**

**Strategic and Corporate Matters**

- Change of company name to *United Finance PLC* under Companies Act, 1994
- Holding Annual General Meeting
- Special resolution on name change in AGM
- Nomination of Mr. Kenneth Byron Coombs replacing Mrs. Susan Ann Walker
- Shareholding divestment of 65,327,877 shares in aggregate by Lawrie Group PLC and related entities namely, Surmah Valley Tea Co. Limited, Camellia Duncan Foundation, Macalms Bangladesh Trust, The Lungla (Sylhet) Tea Co. Limited, Amo Tea Co. Limited, The Chandpore Tea Co. Limited, The Allynugger Tea Co. Limited, The Mazdehe Tea Co. Limited, Duncan Brothers (Bangladesh) Limited, Octavius Steel & Co. of Bangladesh Limited, Duncan Products Limited, Chittagong Warehouses Limited
- Withdrawal of directors from sponsor and its related parties
- Nomination of Directors from new shareholders with Bangladesh Bank NOC
- Nomination of new and independent directors with Bangladesh Bank and Bangladesh Securities and Exchange Commission NOC

**Regulatory and Compliance**

- Retention of 54.75% shareholding by Lawrie Group PLC as per Bangladesh Bank approval
- Auditor’s Management Letter 2023 reviewed and forwarded to Bangladesh Bank
- Compliance affirmed with Board Code of Conduct
- Quarterly reports of the Executive Committee, Audit Committee and Risk Management Committee
- Recognition by Bangladesh Bank for Sustainability Rating 2023

**Board Governance**

- Reconstitution of Executive, Audit, and Risk Management Committees

- Resignation and reinstatement of Prof. Dr. Mahfuzul Hoque as Independent Director with Bangladesh Bank NOC

**Financial Oversight**

- Audited Financials 2023 finalized; profit appropriation and dividend recommended
- Un-audited Financials for Q1, H1, and Q3 2024 reviewed
- Business and CMSME performance reports discussed
- Recommendation of Dividend
- Appointment and remuneration of statutory and governance auditors
- Directors’ Report finalized with retirement, re-election, and ratification items

**Capital and Business Decisions**

- Tk 5,000 million long-term loan facility from banks
- Credit card cross-selling partnership with SCB initiated
- Endorsed loan/lease write-offs, interest waivers, rescheduling, restructuring, security change of clients and enhancement of SOD

**Delegation and Empowerment**

- Performance bonus delegated to Executive Committee

**Board Committees**

To ensure structured oversight and enhance governance efficacy, the Board of Directors of United Finance PLC has constituted subcommittees in line with applicable regulatory directives. These subcommittees play a pivotal role in supporting the Board in discharging its fiduciary responsibilities with increased vigilance and operational discipline.

Pursuant to DFIM Circular No. 01, dated 29 February 2024, issued by Bangladesh Bank, the Board of Directors of a financial institution shall constitute the following three (3) mandatory committees namely Executive Committee, Audit Committee and Risk Management Committee.

This directive also strictly prohibits the formation of any other committee or sub-committee—either on a permanent or temporary basis—beyond the aforementioned three.

However, Bangladesh Bank, through DFIM Circular Letter No. 18, dated 21 May 2024, has clarified that the functions and responsibilities prescribed for the Nomination and Remuneration Committee (NRC) under the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code, 2018 shall be incorporated within the scope of the Audit Committee of financial institutions.

Accordingly, United Finance PLC has structured its Board subcommittees as follows:

- Executive Committee
- Audit Committee
- Risk Management Committee

These committees function under approved Terms of Reference (ToR) and operate with transparency, independence, and accountability to ensure effective oversight across strategic, operational, and compliance areas.

### Executive Committee

The Board of Directors of United Finance PLC has constituted an Executive Committee to facilitate the smooth conduct of urgent and day-to-day business operations. The Committee functions under a delegated authority of the Board and is empowered to undertake decision-making in all areas not expressly reserved for the full Board under applicable laws and regulatory frameworks. All decisions taken by the Executive Committee are subject to ratification at the subsequent Board meeting. The Committee is entrusted with the responsibility of reviewing and recommending short-term and long-term strategic objectives, business plans, and annual budgets to the Board. It monitors the Company's performance against defined goals and ensures corrective measures are implemented where necessary. It also supervises liquidity management, oversees the implementation of capital plans, and evaluates policy matters and operational efficiency. Furthermore, the Executive Committee may obtain independent legal or professional advice within Bangladesh and delegate powers to the Managing Director as necessary to ensure the efficient management of the Company. It plays an advisory role to the Board on key governance and operational matters, ensuring compliance with all applicable regulatory guidelines and best practices in corporate governance.

### Audit Committee

The Board of Directors of United Finance PLC has formed an Audit Committee to ensure independent oversight of financial reporting, internal control, audit functions, and compliance. The Committee reports directly to the Board and also fulfills the role of the Nomination and Remuneration Committee (NRC). The Audit Committee supervises the financial reporting process, reviews internal and external audits, evaluates the internal control system, and ensures compliance with legal and regulatory requirements. It verifies the integrity of financial statements and addresses audit

findings in coordination with management and auditors. The Committee oversees internal audit independence and resource adequacy, and it monitors external auditor activities, including appointment and remuneration recommendations. In its NRC capacity, the Committee develops nomination criteria, remuneration policies, and succession plans aligned with the Company's strategic goals. Additionally, the Audit Committee reviews compliance status, monitors related party transactions, ensures proper use of public issue proceeds, and promotes transparency and good governance. It submits regular reports to the Board on audit and compliance observations and monitors the implementation of audit and regulatory recommendations.

### Risk Management Committee

The Board of Directors of United Finance PLC has constituted a Risk Management Committee to enhance oversight of the Company's risk governance. The Risk Management Committee is accountable for ensuring that risk management practices are effective, aligned with regulatory expectations, and support the Company's strategic objectives. The Committee oversees key risk areas including credit, operational, compliance, ICT, liquidity, interest rate, and money laundering risks. It reviews risk mitigation strategies, capital adequacy, and provisioning to ensure the Company remains resilient. The Risk Management Committee also evaluates the risk management framework, policies, delegation matrix, and ICT controls annually. It guides the management in addressing emerging risks and ensures adherence to regulatory directives. The Committee regularly reports to the Board, promoting transparency and accountability in enterprise-wide risk governance.



# STATUTORY REPORTING

## Key Pointers for Shareholders

A statutory reporting calendar and comprehensive company disclosures are critical tools for investors, both current and prospective—they are strategic investor communication instruments. These elements promote transparency, accountability, and timely decision-making, which are fundamental to maintaining investor confidence, especially for a listed financial institution like United Finance PLC.

### Statutory Reporting Calendar

Events for the Year	2024
Q1 Financial Statements Disclosure	10 May 2024
Half-Yearly Financial Statements Disclosure	1 August 2024
Q3 Financial Statements Disclosure	25 October 2024
Significant Change in Shareholding Structure	30 October 2024
Approval to change the name to United Finance PLC.	15 December 2024
Approval of Annual Financial Statements by the Board	28 April 2025
Publication of Annual Financial Statements	7 May 2025
Record Date for Entitlement	21 May 2025
Dispatch of Notice for the Annual General Meeting	3 June 2025
Distribution of Annual Report to Shareholders	4 June 2025
Annual General Meeting (AGM)	24 June 2025
Dividend Payment/Transfer Date	23 July 2025

### Shareholding Distribution: Comparative Breakdown

Types of Shareholders	2024		2023	
	No. of Shares	% of shares	No. of Shares	% of shares
Sponsor	40,871,770	21.84	81,502,346	43.56
Director	34,214,899	18.29	20,336,844	10.87
Government	-	-	-	-
Local Institutions	28,153,127	15.05	30,901,765	16.51
Foreign Institutions	-	-	-	-
Public: Individuals	83,874,818	44.82	54,373,659	29.06
<b>Total</b>	<b>187,114,614</b>	<b>100</b>	<b>187,114,614</b>	<b>100</b>

### Comparative Ownership Snapshot: Top Ten Shareholders

2024			2023		
Name of the Shareholders	No. of Shares	% of holdings	Name of the Shareholders	No. of Shares	% of holdings
United Insurance Company Ltd.	37,116,828	19.84	Lawrie Group Plc	37,422,921	20.00
Moinuddin Hasan Rashid	9,337,019	4.99	United Insurance Company Ltd.	37,116,828	19.84
Nizamuddin Hasan Rashid	9,337,019	4.99	Surmah Valley Tea Co. Ltd.	15,481,242	8.27
Mahenoor Sultana Rashid	9,337,019	4.99	ICB	6,173,636	3.30
ICB	6,173,636	3.30	Camellia Duncan Foundation	4,855,602	2.59
Sharfuddin Akhter Rashid	5,443,990	2.91	National Brokers Limited	3,754,942	2.01
Kutubuddin Akhter Rashid	5,443,990	2.91	Janata Capital & Investment Ltd.	2,925,759	1.56
Khondaker Zayed Ahsan	5,443,990	2.91	Macalms Bangladesh Trust	2,144,514	1.15
Akhter Mahmud	5,443,990	2.91	Duncan Brothers (BD) Ltd.	1,871,145	1.00
Khandaker Moinul Ahsan	5,443,990	2.91	Rupali Investment Limited	1,810,000	0.97

# NON-PERFORMING LOAN (NPL) MANAGEMENT

Maintaining a high-quality loan portfolio has been central to United Finance’s commitment to sustainable growth and stakeholder confidence since inception. In 2024, we continued to prioritize prudent risk assessment, proactive client engagement, and continuous improvement of our recovery strategies.

## Strategic Importance of NPL Management

Effective management of Non-Performing Loans (NPLs) is crucial to ensuring our profitability, asset quality, and overall financial stability. In the past fiscal year, we reinforced our NPL strategy by focusing on early detection of distress, active borrower engagement, and robust provisioning aligned with regulatory requirements. We employ a comprehensive credit risk management framework to identify, assess, and mitigate default risk throughout the loan lifecycle. This framework is structured around the following key pillars:

### 1. Effective Credit Assessment Framework

Credit assessment of United Finance ensures screening a set of predefined risk indicators. These assessments include borrowers’ financial, management, repayments history, and industry risk, and quality of the credit including adequate security, and genuine purpose. These assessment framework works as a preventive mechanism by screening creditworthiness to reduce risk of default. In 2024, several improvements were made to increase effectiveness of the framework.

### 2. Early Warning and Monitoring

In 2024, we enhanced our Early Warning System (EWS) with real-time monitoring tools and data-driven risk indicators. These allowed timely detection of borrower stress signals and enabled our teams to initiate corrective actions proactively.

### 3. Prudent Restructuring and Rescheduling strategies

In 2024, we adopted a collaborative approach to restructuring and Rescheduling for accounts with viable prospects. Repayment plans were tailored to match borrowers’ cash flows, improving resolution rates while reducing reliance on legal actions.

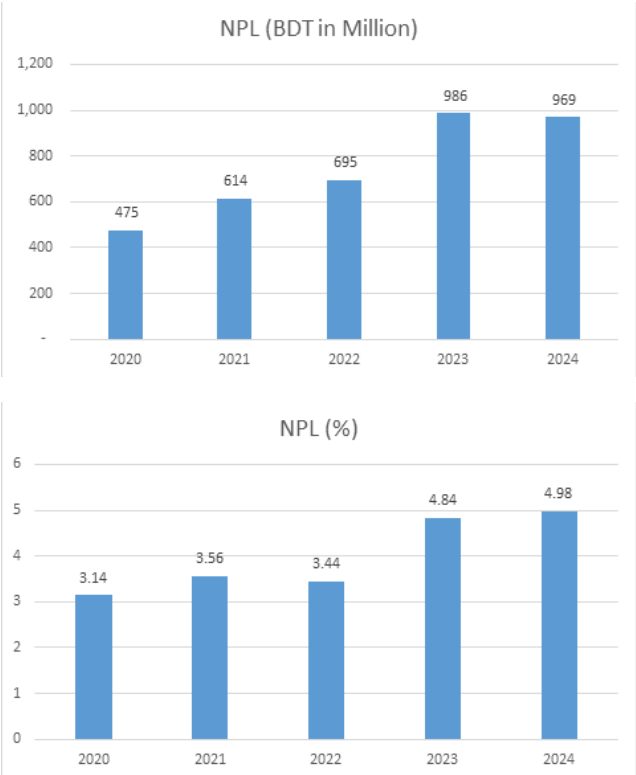
### 4. Legal and Enforcement Actions

For accounts unrecoverable through amicable means, we enforced legal action under the **Artha Rin Adalat Act** and other relevant laws. These actions were taken transparently, ensuring alignment with regulatory requirements and financial health preservation.

### 5. Provisions and Write-offs

We follow a forward-looking provisioning policy in compliance with central bank guidelines. Provisions are reviewed and updated regularly to accurately reflect the risk in our portfolio. Write-offs are executed

## Highlight of 2024



Financial Performance	Unit	2020	2021	2022	2023	2024
NPL	BDT Million	475.18	614.15	695.05	985.99	969.22
Nonperforming loan ratio	%	3.14	3.56	3.44	4.84	4.98

## Collection strategy

Strategy	Action plan
Monitoring due payments date	Phone calls, SMS and Visits as required.
Collection of due payment	Phone calls, SMS, Visits and reminder letters.
Collection of overdue payments	Repeated phone calls, meetings, letters, Legal Notice, Willful defaulter letters and cases under NI Act, Artha Rin Aain. Visit covers clients, guarantors, other lenders and relevant references.
Rescheduling, restructuring, Partial/ full settlement of liabilities	Rescheduling/restructuring as per cash flows, partial/ full settlement as part of exit plan and also other legal action, liquidation of mortgaged properties, involving third party recovery agents depending on the case to case situation.

## Key Challenges Encountered in 2024

### 1. Increasing NonPerforming Loans (NPLs)

Increasing NonPerforming Loans have sparked widespread anxiety in the industry. Stories about industry ramping up provisions and weakening reserves have shaken confidence. Some borrowers, both distressed and otherwise, now delay payments, betting that a vulnerable lender will offer easier restructuring. Paradoxically, this behavior fuels even more defaults, worsening the recovery outlook.

### 2. Slow, Clogged Legal System

Artha Rin Adalat and regular courts are overwhelmed, so legal actions, from suit filing to collateral auction, can drag on for years. Frequent writ petitions against auctions only add to the delay, making swift asset recovery nearly impossible and driving up costs.

### 3. Administration Transition

Mid-year government shifts spurred by widespread public movements disrupted operations—supply chains stalled, workplaces shut, and revenues plunged. As businesses struggled to recover losses, many borrowers fell behind on loan payments

### 4. Devastating 2024 Floods

Floods in August 2024 devastated multiple districts, wiping out crops and livelihoods. Financial institutions’ relief measures—installment deferrals and penalty waivers—while crucial, stalled cash flows and led to mass rescheduling requests; damaged collateral lost significant value, dragging out auctions and squeezing lender’s liquidity.

### 5. Macroeconomic Headwinds

High inflation and currency depreciation drove up effective interest costs for borrowers. As living and operational expenses soared, many clients struggled to meet installment schedules, delaying recovery efforts.

NPL limited to 4.98% in 2024 due to various collective efforts by Special Asset Management team and Branch Management team guided by senior management beforehand in spite of multiple economic challenges and other adverse situation.

# DISCLOSURES UNDER PILLAR-III MARKET DISCIPLINE

The following detailed qualitative and quantitative disclosures are provided in accordance with the Prudential Guidelines on Capital Adequacy and Market Discipline (CAMD) for Financial Institutions which were published on December-2011. The purpose of these disclosures is necessary to complement the capital adequacy requirements and Pillar III of BASEL-II. These disclosures are intended for market participants to assess key information about the UFPLC's exposure to various risks. They are also intended to provide a consistent and understandable framework as per regulatory requirements.

UFPLC follows an approved disclosure policy to comply with the disclosure requirements established by Bangladesh Bank and International Financial Reporting Standards (IFRS), and International Accounting Standards (IAS), as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) into Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) wherever applicable.

Three Pillars of BASEL-II	
<b>Pillar-I</b>	<b>Minimum Capital Requirements</b> Requires a Non-Banking Financial Institution (NBFI) to maintain minimum capital adequacy ratio (CAR) of 10% of risk-weighted assets (RWA). Pillar-I, establishes minimum standards for capital management on the basis of risk sensitivity to (a) Credit Risk, (b) Operational Risk, and (c) Market Risk.
<b>Pillar-II</b>	<b>Supervisory Review Process</b> Encourages Financial Institutions (FIs) to develop a better risk management systems. Supervisors review the internal assessments of capital adequacy and ensure alignment with the FI's risk profile. Pillar-II also encourages proactive monitoring by focusing on risks not fully captured under Pillar-I (e.g., interest rate risk in the banking book, concentration risk).
<b>Pillar-III</b>	<b>Market Discipline:</b> Promotes transparency by requiring NBFIs to disclose detailed information on risk exposures, capital adequacy, and risk management practices. Pillar-III Aims to complement Pillars-I and Pillar-II by encouraging market participants to assess key risk metrics.

## Qualitative Disclosures:

- (a) The name of the top corporate entity in the group to which this guidelines applies.
- (b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (i) that are fully consolidated; (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g., where the investment is risk-weighted)
- (c) Any restrictions or other major impediments, on transfer of funds or regulatory capital within the group.

The Company (United Finance PLC or UFPLC) does not have any subsidiaries. As such, this disclosure is applied on a solo basis.

## A. Scope of Application

### Quantitative Disclosures

The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the name(s) of such subsidiaries

Not Applicable

## B. Capital Structure

### Qualitative Disclosures

Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2

**Tier-1 Capital (Core Capital):** This is the highest quality of capital and includes common equity, retained earnings, and disclosed reserves. It is permanent, readily available, and first in line to absorb losses, making it crucial for a FI's solvency.

**Tier-2 Capital (Supplementary Capital):** It supports the Capital Adequacy Ratio by providing additional loss-absorbing capacity beyond Tier-1. Though lower in quality, it strengthens a bank's overall capital base and helps meet regulatory requirements during financial stress.

### Tier 2 Capital Includes

- (a) General provision up to a limit of 1.25% of Risk Weighted Asset (RWA) for Credit Risk;
- (b) Revaluation reserves: (i) 50% Revaluation reserve for fixed assets, (ii) 45% Revaluation reserve for securities, and (iii) 10% Revaluation Reserve for Equity Instruments
- (c) All other preference shares

In addition to the above conditions of reserve requirement, the amount of Tier 2 capital must be limited to 100% of the amount of Tier 1 capital.

### Quantitative Disclosures:

Particulars	BDT crore
Paid up capital	187.11
Non-repayable Share premium account	0.38
Statutory Reserve	106.59
General Reserve	19.00
Retained Earnings	20.74
Minority interest in Subsidiaries	-
Non-Cumulative and Irredeemable Preferences shares	-
Dividend equalization account	-
Others (if any item approved by BB)	-
(a) Total Tier 1 Capital	333.82
(b) The total amount of Tier 2 capital	15.99
(c) Other deductions from capital	-
<b>Total Eligible Capital = (a+b+c)</b>	<b>349.81</b>



## C. Capital Adequacy

### Qualitative Disclosures:

(a) A summary discussion of the FI's approach to assessing the adequacy of its capital to support current and future activities.

### Capital Adequacy Ratio:

UFPLC has adopted Standardized Approach for computation of Capital Charge for Credit Risk and Market Risk while Basic Indicator Approach for Operational Risk. Total Risk Weighted Assets (RWA) of the Company is determined by multiplying the capital charge for market risk and operational risk by the reciprocal of the minimum capital adequacy ratio i.e. 10% and adding the resulting figures to the sum of risk weighted assets for credit risks. Total "RWA" is then used as denominator while total "Eligible Regulatory Capital" as on numerator to derive Capital Adequacy Ratio.

### Strategy to Maintain Capital Adequacy:

#### Immediate measures

- Encouraging unrated corporate clients to obtain credit ratings from External Credit Assessment Institutions (ECAIs) recognized by Bangladesh Bank;
- Rigorous monitoring of overdue contracts to maintain loan accounts under 90 days overdue;
- Assessing incremental effect of capital charge over the expected net income from financing before sanctioning any appraisal. This is to avoid any adverse impact on net income.

#### Ongoing measures:

- Concentrating on SME clients having exposure up to BDT 1 crore as this will carry 75% fixed risk weight (for regular contracts only);
- Financing clients having good credit rating;
- Leveraging credit risk mitigation by taking eligible financial collaterals against transactions;
- Enhancing retained earnings by focusing on high-spread earning assets.

#### Strategic Level:

Injecting fresh capital through the issuance of right shares, if necessary, to strengthen the capital base and meet regulatory requirements.

### Quantitative Disclosures:

#### Capital Adequacy Requirement:

Particulars	BDT Crore
(a) Capital Charge for Credit risk	155.58
(b) Capital Charge for Market risk	3.40
(c) Capital Charge for Operational risk	17.58
Total Capital Adequacy Requirement:	176.55
Total Risk-weighted Asset (RWA):	1,765.50

#### Total and Tier 1 Capital Ratio:

Particulars	Solo
Capital Adequacy Ratio (%)	19.81%
Core Capital to RWA (%)	18.91%

## D. Credit Risk-

### Qualitative Disclosures:

The general qualitative disclosure requirement with respect to credit risk, including: (a) Definitions of past due and impaired (for accounting purposes);

As per the Bangladesh Bank's Prudential Guideline on Capital Adequacy and Market Discipline for Financial Institutions, the unsecured portion of any claim or exposure (other than claims secured by residential property) that is past due for 90 days or more, net of specific provisions (including partial write-off) will be risk weighted as per risk weights of respective balance sheet exposures. For the purpose of defining the net exposure of the past due loan, eligible financial collateral (if any) may be considered for Credit Risk Mitigation.

(b) Description of approaches followed for specific and general allowances and statistical methods;

"General Provision" and "Specific Provision" are maintained according to Bangladesh Bank guidelines. Applicable provision rates mentioned below are multiplied with the base of provision, which is derived after deducting the amount of interest receivable and the value of eligible securities from the outstanding loan/lease balances of a classified account. The provision maintenance rates are as follows:

Regarding General Provision maintenance: 0.25% provision is maintained against "SME loan/lease" standard accounts, 1% against "other than SME loan/lease" standard accounts, 0.25% against "SME loan/lease" SMA accounts, 5% against "other than SME loan/lease" SMA accounts, 1% against "off-balance sheet" exposures, and 100% against "other assets."

Regarding Specific Provision maintenance: 5% provision is maintained against "SME loan/lease" sub-standard accounts, 20% against "other than SME loan/lease" sub-standard accounts, 20% against "SME loan/lease" doubtful accounts, 50% against "other than SME loan/lease" doubtful accounts, and 100% against bad/loss loan/lease accounts.

(c) Discussion of the FI's credit risk management policy.

Credit risk refers to the potential loss arising from a counterparty's failure to meet payment obligations as per agreed terms or due to a decline in creditworthiness. UFPLC manages credit risk through a structured framework based on policies and procedures approved by the Board of Directors.

### Strategies to Minimize Credit Risks:

- Assessing payment performance of customers before financing.
- Annual client reviews to evaluate financial health.
- Ensuring adequate insurance coverage for funded assets.
- Strict enforcement of credit policies by the Credit Administration Department.
- Collateral valuation and legal vetting before loan approvals.
- Legal consultation from both internal and external lawyers for risk assessment.
- Maintaining political neutrality and an arm's length approach in related-party transactions.
- Active monitoring and collection through the Special Assets Management and Credit Monitoring Unit team.
- Regular market reviews to assess industry-specific risks.
- Sector-wise exposure limits to ensure loan portfolio diversification.

In addition to adopting industry best practices for risk assessment, UFPLC adheres to the Guidelines for Managing Core Risks of Financial Institutions, issued by Bangladesh Bank (FID Circular No. 10, dated September 18, 2005).

### Credit Governance

The Board of Directors has approved a Credit Risk Management (CRM) Policy outlining key guidelines for risk management, growth strategy, and exposure limits across various sectors, products, individual companies, and groups.

The policy also ensures a structured approach to credit risk identification and mitigation. To remain effective, the CRM Policy is regularly updated to align with evolving global, environmental, and domestic economic conditions.

### Credit Risk and Credit Administration Department

UFPLC has an independent Credit Risk Department responsible for evaluating all business proposals from a risk-weighted perspective to ensure high-quality credit portfolios and maximize returns on credit risk exposures. The credit team regularly analyzes market conditions and industry exposures.

In compliance with Bangladesh Bank's guidelines, the Credit Risk Department operates independently of the Credit Administration Department. The Department assesses credit risk and recommends mitigation measures before approving any credit proposal, while the Credit Administration Department ensures all necessary security documents are in place prior to any loan facility disbursement.

### Collection Monitoring Unit

The CMU ensures smooth payment performance across all loan and lease contracts. The unit is also responsible for identifying early signs of delinquency through a system of data collection and analysis that considers borrowers' economic, financial, and social factors. This allows the company to take a proactive approach to maintaining a healthy portfolio.

### Special Assets Management Department

UFPLC has established strong legal and special recovery teams to manage long-overdue accounts. This department is responsible for implementing corrective measures to safeguard UFPLC against legal risks and timely monitoring of written-off accounts.

### Internal Control and Compliance (ICC) Department

UFPLC has implemented robust internal control measures to ensure compliance with approved lending policies, regulatory directives (including those from Bangladesh Bank and BSEC), and other operational guidelines. The Internal Control and Compliance (ICC) Department monitors the adequacy of internal controls and reviews compliance with all internal and external regulations.

### Credit Evaluation Process:

The Credit Committee of UFPLC regularly reviews market conditions and credit risks related to lending. The committee assesses projects in the context of global financial trends and recommends risk mitigation measures.

To enhance risk assessment, UFPLC utilizes a Credit Risk Grading Model (CRGM), which helps evaluate credit risk associated with small business clients across various regions. CRGM enables the company to: (a) measure and differentiate risk levels for individual and group credit, (b) monitor changes and trends in risk exposure, and (c) optimize risk management to maximize returns.

To further mitigate credit risk, the company conducts credit checks through the Credit Information Bureau (CIB) of Bangladesh Bank. The credit team and Credit Committee analyze these reports to assess the borrower's liability status and repayment behavior.

Additional due diligence includes obtaining (a) banker's opinions from the client's existing financing partners and (b) supplier and buyer feedback to evaluate the client's market position and reputation.

### Credit Approval Process:

UFPLC follows a multilayer credit approval system to ensure efficient service delivery while mitigating credit risk. The approval hierarchy is structured based on loan size and risk level. This structured approach balances speed and risk management, ensuring responsible lending practices.

Smaller loans, which are frequent and carry lower credit risk exposure, are processed under lower sanctioning authority to enhance turnaround time. Larger loans, carrying higher risk, undergo stricter scrutiny and require approval from higher sanctioning authorities to ensure thorough risk assessment.

### Credit Quality and Portfolio Diversification:

UFPLC emphasizes portfolio diversification across products and sectors to mitigate credit risk while ensuring compliance with Central Bank regulations. This approach enhances credit quality, safeguards portfolio stability, and ensures sustainable returns. The company implements the following strategies:

- Sectoral diversification to reduce dependency on any single industry, with threshold limits in place to minimize potential adverse impacts.
- Strict adherence to Single Borrower Limits and Large Loan Limits as per Central Bank guidelines.
- Avoidance of credit concentrations in specific groups or geographical locations to reduce systemic risk.

### Early Alert System

UFPLC regularly monitors clients' business performance to detect early signs of deterioration. An Early Alert Signal is raised when adverse changes are observed in the borrower's key business indicators. This proactive monitoring enables the company to manage its credit portfolio effectively, addressing potential issues before they materialize. The ultimate goal is to protect stakeholder interests while promoting sustainable growth.

### Non-Performing Loan (NPL) Management:

UFPLC tracks its loan portfolio based on payment arrears, regularly monitoring impairment levels on loans and advances. In compliance with DFIM Circular No. 2 dated April 1, 2019, the following procedures govern the write-off process for bad/loss loans:

- Loans or advances should only be written off when they are considered irrecoverable, typically after being classified as bad or loss loans for three consecutive years.
- Approval from the Board of Directors has to be taken before write-off. Proper documentation and justification for the write-off must be maintained.
- Provisions must be made for any written-off loans, and these provisions should reflect the losses accurately in the financial statements. The NBFIs must also ensure that the provisioning is in line with the regulatory requirements.

- NBFIs are required to disclose written-off loans in their financial statements, ensuring transparency in the financial reporting process.
- Even after loans are written off, NBFIs are expected to continue efforts to recover the dues, as these write-offs do not absolve the borrower of their obligations.
- Proper internal controls should be in place to prevent unauthorized or improper write-offs and to ensure compliance with the established policy.

United Finance PLC maintains detailed records for all written-off accounts and ensures regular follow-up to recover outstanding amounts.

### Counterparty Credit Rating:

UFPLC is actively working on rating its Corporate Clients by collaborating with External Credit Assessment Institutions (ECAIs) or Rating Agencies recognized by the Central Bank. As of December 31, 2024, a total of 293 clients with a net exposure of BDT 786.01 crore were eligible for credit ratings. Of these, 105 clients with a net exposure of BDT 559.18 crore had valid credit ratings, representing 71.14% of ratable exposure.

UFPLC plans to proactively educate these clients to encourage them to pursue credit ratings for better financial transparency and risk management.

### Methods Used to Measure Credit Risk

In line with the directives from Bangladesh Bank, United Finance PLC applies the Standardized Approach to measure its Credit Risk. This method involves using predefined risk weights to assess the creditworthiness of various exposures, ensuring compliance with regulatory requirements and promoting effective risk management.

### Quantitative Disclosures

(b) Total gross credit risk exposures broken down by major types of credit exposure.

### Credit Exposure by UFPLC Loan Products

Particulars	BDT crore	Share
Lease Finance	654.29	33.62%
Term Finance	831.49	42.72%
Home Loan	306.49	15.75%
Loan Against Deposit	25.36	1.30%
Short term finance	72.14	3.71%
Interest receivable	56.57	2.91%
<b>Grand Total</b>	<b>1,946.34</b>	<b>100.00%</b>

(c) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.

### Credit Exposure by Geographical Distribution

Area	BDT crore	Share
Dhaka	836.08	42.96%
Chattogram	216.99	11.15%
Gazipur	96.91	4.98%
Jashore	88.01	4.52%
Barishal	77.82	4.00%
Dinajpur	75.48	3.88%
Bogura	73.15	3.76%
Mymensingh	69.17	3.55%
Rangpur	63.74	3.27%
Khulna	52.41	2.69%
Begumganj	47.30	2.43%
Chuadanga	46.12	2.37%
Rajshahi	36.03	1.85%
Pabna	35.38	1.82%
Cumilla	27.01	1.39%
Belkuchi	24.41	1.25%
Coxs Bazar	22.55	1.16%
Narsingdi	19.69	1.01%
Rangamati	19.31	0.99%
Sylhet	18.76	0.96%
<b>Grand Total</b>	<b>1,946.34</b>	<b>100.00%</b>

(d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.

### Credit Exposure by Sector

SL	Particulars	BDT Crore
<b>A</b>	<b>Trade and Commerce</b>	<b>406.00</b>
<b>B</b>	<b>Industry</b>	<b>1,001.35</b>
1.	Garments & Knitwear	102.10
2.	Textiles	24.65
3.	Food Production, Processing & Rice Mills	252.06
4.	Jute & Jute products	23.22
5.	Plastic & Rubber Industry	64.64
6.	Leather & Leather goods	13.03
7.	Iron, Steel & Engineering	121.37
8.	Pharmaceuticals & Chemicals	145.38
9.	Cement & Allied Industry	44.57
10.	Paper, Packaging, Printing, Publishing & Allied Industry	99.88
11.	Wood, Furniture & Fixture	18.85
12.	Glass, Glassware & Ceramic Industry	3.48
13.	Ship Manufacturing & Breaking	-
14.	Electronics & Electrical Products	11.28
15.	Power, Gas, Petroleum, Water & Sanitary	5.42
16.	Transport & Aviation	55.23
17.	Others	16.19

SL	Particulars	BDT Crore
<b>C</b>	<b>Agriculture</b>	<b>51.81</b>
1.	Crops	9.68
2.	Forestry	-
3.	Poultry & Livestock	25.27
4.	Fisheries	0.06
5.	Others (Cold Storage, Biofuel, Seed, Feed, Agri-related related Other Institutions & Services)	16.80
<b>D</b>	<b>Mining &amp; Quarrying</b>	<b>-</b>
<b>E</b>	<b>Housing</b>	<b>320.09</b>
1.	Individual/Retail Housing	317.36
2.	Project/Commercial Housing	2.73
<b>F</b>	<b>Financial Corporation</b>	<b>38.25</b>
1.	Bank	-
2.	Financial Institution	-
3.	Insurance Company	0.29
4.	NGO	37.96
5.	Audit & Accounting Firm	-
6.	Credit Rating Agency	-
7.	Merchant Banking	-
8.	Other Financial Auxiliaries	-
<b>G</b>	<b>Service</b>	<b>104.54</b>
1.	Education, Career & Training (Institutional), Consultancy Supervisory	1.53
2.	Tourism, Hospitality & Logistics	-
3.	Health Sector	26.74
4.	Media, Advertising & Event Management	5.43
5.	Beautification & Gym	0.10
6.	Tailoring & Laundry	-
7.	Private Survey Institution	-
8.	Restaurant Service, Catering & Online Food Supplier	6.38
9.	Telecommunication & Information Technology	4.44
10.	Others	59.91
<b>H</b>	<b>Consumer Finance</b>	<b>22.95</b>
1.	Personal Loan	-
2.	Auto Loan	-
3.	Employee/Staff Loan	-
4.	Credit Card	-
5.	Loan Against Deposit	22.95
<b>I</b>	<b>Others</b>	<b>1.33</b>
	<b>Grand Total</b>	<b>1946.34</b>

(e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.

## Credit Exposure by Maturity Breakdown

Particulars	BDT Crore
Up to 1 month	103.33
Over 1 month but <=3 months	189.48
Over 3 months but <=1 year	609.85
Over 1 year but <=5 years	750.24
Over 5 years	293.45
<b>Grand Total</b>	<b>1946.34</b>

(f) By major Industry or Counterparty type: (1) amount of impaired loans and if available, past due loans, provided separately; (2) specific and general provisions; and (3) charges for specific allowances and charge-offs during the period.

## Industry Type-wise Impaired Loans or NPL

BDT crore

Industry-Wise	Year 2023	Year 2024
Trade & Commerce	54.33	49.83
Industry	34.17	35.33
Agriculture	5.37	2.17
Mining & Quarrying	0.00	0.00
Housing	2.81	8.17
Financial Corporation	0.00	0.00
Service	1.91	1.42
Consumer Finance	0.00	0.00
Others	0.00	0.00
<b>Grand Total:</b>	<b>98.60</b>	<b>96.92</b>

## Counterparty Type-wise Provisions

BDT crore

Counterparty Type	Outstanding	Provision
Standard	1,795.24	15.18
SMA	54.17	0.80
Substandard	8.51	0.80
Doubtful	11.48	2.74
Bad/loss	76.94	55.43
<b>Total:</b>	<b>1,946.34</b>	<b>74.96</b>

(g) Gross Non Performing Assets (NPAs); Non Performing Assets (NPAs) to Outstanding loans & advances.

## Movement of Non-Performing Assets (NPAs)

Particulars	BDT Crore
Opening balance	98.60
Additions	25.41
Reductions	(27.09)
Closing balance	96.92



Movement of Specific provisions for NPAs

Particulars	BDT Crore
Opening balance	54.70
Provisions made during the period	14.82
Write-off	(12.95)
Write-back of excess provisions	3.20
Closing balance	59.78

E. Equities: Banking Book Positions

Qualitative Disclosures

(a) The general qualitative disclosure requirement with respect to equity risk, including: (1) Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and

The equity holdings of the Company include unquoted redeemable preferred shares and quoted shares. The redeemable preferred shares are not tradable and pay a fixed dividend per annum, thus there is no scope for any capital gains or losses.

(2) Discussion of important policies covering the valuation and accounting of equity holdings in the banking book positions. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.

Quoted shares are valued at cost prices and if the total cost of a particular share is lower than the market value of that particular share, then provisions are maintained as per terms and conditions of regulatory authority. On the other hand, unquoted shares are valued as per the latest audited accounts.

Quantitative Disclosures

(b) Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.

Investment in Shares

BDT crore

Particulars	Cost Price	Market Price
Quoted shares*	1.53	16.98
Unquoted shares**	119.13	-

Note: \*Quoted shares comprises investment in United Insurance and Robi Axiata Limited, and \*\*Unquoted shares include investment in redeemable, non-convertible and cumulative preference shares.

(c) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.

Not Applicable

(d) Total unrealized gains (losses), total latent revaluation gains (losses), and any amounts of the above included in Tier-2 capital.

Particulars	BDT Crore
Total unrealized gains (losses)	N/A
Total latent revaluation gains (losses)	N/A
Any amounts of the above included in Tier 2 capital	N/A

(e) Capital requirements broken down by appropriate equity groupings, consistent with the FI's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.

Capital Charges Methodology for Equity Position Risk

Here, UFPLC follows the DFIM Prudential Guidelines of CAMD (Section 4.5.5), whereby, the capital charge for equities would apply on their current market value in FI's trading book. This capital charge for both **specific risk** and the **general market risk** will be at the rate of the required minimum capital adequacy ratio. This is applied to all instruments that exhibit market behavior similar to equities but not to non-convertible preference shares (which are covered by the interest rate risk requirements described earlier). The instruments covered include equity shares, whether voting or non-voting, convertible securities that behave like equities.

BDT crore

Particulars	Market Value	Risk Weight	Capital Charge
Specific Risk	16.98	10%	1.70
General Market Risk	16.98	10%	1.70
<b>Total:</b>	<b>33.96</b>		<b>3.40</b>

F. Interest Rate in the Banking Book

Qualitative Disclosures

(a) The general qualitative disclosure requirement including the nature of interest risk and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits.

UFPLC is in the business of lending and taking deposits with different maturities and interest rates. As such, the Company is exposed to movements in interest rates, which results in mismatches between lending rates and funding costs.

UFPLC's Asset Liability Management Committee (ALCO) monitors the movements in the lending rates and borrowing costs on a monthly basis and formulates strategies to manage changes in market conditions. In case of significant movement in the market such as unexpected loan prepayments and unusual behavior of non-maturity deposits, emergency ALCO meetings are held to decide on the course of action.

Quantitative Disclosures

(b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk broken down by currency (as relevant).

## Interest Rate Risk under Simple Sensitivity Analysis

BDT crore

Period	RSA	RSL	Net Gap
Up to 3m	527.41	361.11	166.30
>3m to 6m	335.93	281.53	54.40
>6m to 12m	460.60	423.46	37.15
>12m	947.49	783.70	163.79

Note: RSA = Rate Sensitive Assets, RSL = Rate Sensitive Liabilities, Net Gap = (RSA – RSL), and m = months

## Impact on Net-Interest Income (NII)

BDT crore

Interest Shock	1%		2%	
Period	^	v	^	v
Up to 3m	1.66	(1.66)	3.33	(3.33)
>3m to 6m	0.54	(0.54)	1.09	(1.09)
>6m to 12m	0.37	(0.37)	0.74	(0.74)
>12m	1.64	(1.64)	3.28	(3.28)
Change in NII	4.22	(4.22)	8.43	(8.43)

Note: Change in NII = (Change in Interest rate X Net Gap)

## G. Market Risk

### Qualitative Disclosures

(a): (1) views of BOD on trading/investment activities, (2) methods used to measure market risk, (3) market risk management system, and (4) policies and processes for mitigating market risk

### Views of BOD on Trading/Investment Activities

Market Risk refers to the probability of loss in balance sheet and off-balance sheet positions arising from volatility in market variables such as interest rates, exchange rates, and security prices. At UFPLC, all policies and guidelines related to market risks are approved by the Board of Directors, which has also delegated certain authorities to the Executive Committee. Every guideline related to market risk is duly approved by the relevant sub-committees. These committees also set risk limits and review compliance regularly.

### Methods used to Measure Market Risk

In order to calculate the market risk for trading book purposes the company uses Standardized (rule based) Approach where capital charge for interest rate risk, pricing risk and foreign exchange risk is determined separately.

### Market Risk Management System

The ALCO regularly monitors a number of ratios to manage the interest rate risk, with key ratios such as Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), Maximum Cumulative Outflow (MCO), and Short term borrowing to Liquid assets ratio.

Additionally, the ALCO also regularly tracks the interest rate sensitive gap and duration gap of the total portfolio.

### Qualitative Disclosures

(b): The capital requirements for: (1) interest rate risk, (2) equity position risk; and (3) foreign exchange position and commodity risk (if any)

Capital Requirements For	BDT crore
Interest rate risk:	-
Equity position risk:	3.40
Foreign exchange position and commodity risk (if any)	-

## H. Operational Risk

### Qualitative Disclosures

(a): (1) views of BOD on system to reduce Operational risk, (2) performance gap of executives and staffs, (3) potential external events, (4) policies and processes for mitigating operational risk, and (5) approach for calculating capital charge for operational risk

### Views of BOD on System to Reduce Operational Risk

Operational risk is the risk of loss arising from fraud, unauthorized activities, error, omission, inefficiency, systems failure or external events. It is inherent in every financial organization and covers a wide spectrum of issues. We seek to minimize exposure to operational risk, subject to cost benefit trade-offs.

At UFPLC, all policies and guidelines related to operational risks are approved by the Board of Directors, which has also delegated certain authorities to the Executive Committee. Every guideline related to operational risk is duly approved by the relevant sub-committees.

The Audit Committee, as part of the Board's oversight function, directly supervises internal control and compliance activities in alignment with the good governance guidelines issued by the Securities and Exchange Commission.

### Performance Gap of Executives and Staffs

UFPLC is an equal opportunity employer. It recognizes the importance of having the right people at right positions to achieve organizational goals. Our recruitment and selection is governed by the philosophy of fairness, transparency and diversity. Understanding what is working well and what requires further improvement is essential to our performance management system. The performance management process aims to clarify what is expected from employees as well as how it is to be achieved.

Our learning and development strategy puts special focus on continuous professional development to strengthen individuals' skill set by removing weaknesses to perform the assigned job with perfection. We have a wide range of internal and external training programs, awareness programs and time to time communications from senior management to enhance capabilities as well as minimize performance gap that will contribute more to bottom line.

Peoples' performance is assessed on the bases of performance objectives and key performance indicators (KPI) set at the beginning of each year. Decisions related to rewards and recognitions for the employees are taken on the bases of how well the assigned KPIs are met by the employee.

### Potential External Events

The overall environment within which a financial institution operates creates certain externalities that could affect business performance directly, even though UFPLC is not directly involved in the transaction or decision-making, such as:

**(a) Macroeconomic Events**

Macroeconomic dynamics can significantly affect financial institutions like UFPLC. Sudden spikes in inflation or interest rates can reduce borrower affordability and raise funding costs, adversely impacting both asset quality and profitability. Currency depreciation increases import costs, reduces collateral value, and affects foreign loan servicing.

Economic downturns and recessions can weaken credit demand and increase default rates, while systemic liquidity crises may limit access to interbank borrowings.

**(b) Regulatory and Policy Events**

Changes in government policies or regulations can materially alter the operating environment. Tighter capital adequacy norms, enhanced loan provisioning requirements, or new restrictions on loan rescheduling may directly impact UFPLC’s financial ratios and lending flexibility.

Reforms under Bangladesh Bank’s evolving regulatory framework, particularly in response to sector-wide vulnerabilities, can raise compliance costs. Fiscal policy changes or implementation of post-LDC graduation standards could also require strategic realignment.

**(c) Political and Social Events**

The political landscape plays a crucial role in shaping financial sector stability. Investor sentiment can be dampened by political uncertainty, civil unrest, or abrupt changes in governance.

Student protests or industrial strikes can temporarily halt economic activity. Similarly, job losses or wage shocks in key sectors like garments can impair borrower repayment behavior, especially among retail and SME clients.

**(d) Environmental and Climatic Events**

Environmental and climate-related risks are increasingly relevant for financial institutions in Bangladesh. Natural disasters such as floods, cyclones, or droughts can damage borrower-owned assets, disrupt livelihoods, and impair the repayment capacity of clients in agriculture and rural financing. Climate change further exacerbates long-term sectoral risks, particularly in agribusiness and coastal areas, necessitating integration of climate risk into credit assessments and loan pricing models.

**(e) Technological and Cyber Events**

In today’s digitalized financial environment, technological disruptions and cyber threats pose critical external risks. A widespread cyberattack or data breach can severely impact customer trust, regulatory compliance, and operational continuity. National-level digital infrastructure issues, such as outages in mobile networks or delays in NID verification services, can interrupt onboarding processes, KYC verifications, and digital transactions. Growing reliance on core banking and MFS platforms makes operational resilience and cybersecurity a top priority.

**(f) External Financial Market Events**

Global financial markets also influence the risk landscape for NBFIs like UFPLC. External shocks such as a global recession, financial market volatility, or capital flight can adversely affect foreign direct investment, remittance flows, and currency stability. A stock market crash or systemic default by a large financial institution could trigger a contagion effect, undermining confidence across the broader financial system. Such developments, even if external, can ripple into domestic lending and funding conditions.

**(g) Reputational and Sectoral Events**

Reputational shocks originating from the broader NBFI or banking sector may impact stakeholder confidence in individual institutions. Scandals, governance failures, or fraud in peer organizations can lead to generalized mistrust, increased regulatory scrutiny, and depositor flight. Sector-wide credit rating downgrades or negative analyst outlooks could further constrain market access and borrowing capacity. Maintaining transparency, compliance, and stakeholder engagement becomes vital for resilience.

**(h) Fraudulent Activities**

Fraud risk, while often originating internally, can also arise from external actors and significantly impact UFPLC. External fraud events—such as identity theft, forged documents, cyber fraud, or collusion by third-party agents—can lead to unauthorized disbursements, asset misappropriation, or regulatory breaches. Fraudulent activities by clients, vendors, or digital service partners may compromise loan quality, erode stakeholder trust, and trigger reputational damage or regulatory scrutiny.

As financial services become increasingly digitized and interconnected, external fraud risk poses a growing threat to operational integrity and requires robust verification, monitoring, and incident response mechanisms.

**Policies and Processes for Mitigating Operational Risk**

The bank captures some identified risk events associated with all functional departments of the bank through standard reporting format, Departmental Control Function Check List (DCFCL), Quarterly Operation Report (QOR), Key Risk Indicator (KRI), internal audit, monitoring, and system check etc. Internal Control and Compliance Division (ICCD) is detecting ‘High’ Risk areas and finding mitigation of those risks. ERM also oversees the operational risk issues. ERM analyzes ‘high’ and ‘moderate’ risk indicators and sets responsibility for specific people to resolve the issues.

**Approach for Calculating Capital Charge**

UFPLC applies ‘Basic Indicator Approach’ of Basel-II as prescribed by BB in CAMD guidelines. Under this approach, banks have to calculate average annual gross income (GI) of last three years and multiply the result by 15% to determine required capital charge. Gross Income is the sum of ‘Net Interest Income’ and ‘Net noninterest income’ of a year.

**Quantitative Disclosures:**

.....  
(b) the capital requirements for operational risk  
.....

BDT crore

Particulars	3 Years Average	Risk Weight	Capital Charge
Gross Income	117.17	15%	17.58

# CREDIT RATING DISCLOSURE



Emerging Credit Rating Limited (ECRL), a licensed credit rating agency of Bangladesh, has reaffirmed its confidence in the financial soundness and risk management practices of United Finance PLC by upgrading the Long-Term Credit Rating to **“AA”** and affirming the Short-Term Credit Rating at **“ST-2”**. The Outlook has been assessed as **“Stable”**, indicating the rating is expected to remain unchanged in the foreseeable future, subject to no significant adverse changes in operational or economic conditions.

The assigned ratings reflect the institution’s continued compliance with regulatory capital adequacy requirements, the experience and competence of its management team, and a satisfactory level of investment income that supports the Company’s financial performance. However, ECRL has expressed concerns regarding the rising cost of interest-bearing liabilities, slow growth in loans and advances, and a moderate post-tax profit margin, which remain areas for strategic focus.

## Historical Credit Rating Trend

Year	Rating		Outlook
	Long-Term	Short-Term	
2024	AA	ST-2	Stable
2023	AA-	ST-2	Stable
2022	AA-	ST-2	Stable

This upward trajectory in ratings demonstrates the Company’s progressive improvement in creditworthiness, enhanced governance standards, and sustained resilience in a challenging macroeconomic environment.

United Finance PLC remains committed to further strengthening its balance sheet, improving asset quality, and maintaining stakeholder confidence through prudent financial practices and strategic decision-making.

The credit rating trend over the past three years reflects United Finance PLC’s commitment to sound governance, financial discipline, and regulatory compliance:

## Rating Rationale

### Rating Definitions

<b>AA (Double A)</b>	An institution rated <b>“AA”</b> has a very strong capacity to meet its financial commitments, and is generally in a position to withstand adverse development in the economy, and in business and other external conditions. These institutions typically possess a good track record and have no readily apparent weaknesses.
<b>ST-2</b>	An institution rated <b>“ST-2”</b> has a strong capacity to meet its financial commitments in a timely manner; however, it is somewhat susceptible to adverse developments in the economy, and in business and other external conditions.
<b>Stable Outlook</b>	Which indicates that a rating is likely to remain unchanged.





নুন ডেভেলপমেন্ট লোন

# শুরু হোক আপনার ব্যবসায়িক যাত্রা



# CORPORATE SOCIAL RESPONSIBILITY

## Commitment to Ethical Business and Sustainable Development

At United Finance PLC, corporate social responsibility (CSR) is a fundamental pillar of our business philosophy. We are dedicated to conducting business ethically, promoting sustainable development, and fostering positive social impact. Our CSR strategy is designed to integrate environmental responsibility, financial inclusion, and community empowerment, ensuring that our operations create long-term value for all stakeholders.

As a responsible corporate entity, we recognize that our success is not solely measured by financial performance but also by the contributions we make to the betterment of society. Through our CSR initiatives, we strive to enhance the well-being of our communities by investing in education, healthcare, environmental sustainability, and disaster relief efforts. These programs reflect our commitment to building a resilient and equitable future.

## Strategic Focus Areas

### a) Education: Investing in Knowledge and Financial Literacy

**(30% of total CSR expenditure | 2,493 beneficiaries)**

Education is the foundation of progress and empowerment. United Finance allocates a significant portion of its CSR budget to initiatives that promote financial literacy, scholarships, and academic resource development. Our goal is to ensure that individuals, regardless of socio-economic status, have access to quality education and the necessary financial knowledge to make informed decisions.

Our **Financial Literacy Program** equips students, women entrepreneurs, CMSME entrepreneurs and low-income marginal groups with practical financial management skills, fostering economic self-sufficiency. By providing targeted financial education, we aim to promote responsible financial habits, facilitate access to banking services, and encourage sustainable economic growth. Whether it's teaching students the fundamentals of money management, guiding micro-entrepreneurs on cash flow strategies, or equipping women with the knowledge to become financially independent, these programs are laying the foundation for a more financially literate and resilient society. Women have been a prime focus of these initiatives, as we believe that empowering women with financial knowledge leads to stronger families and more resilient communities. By providing women with the tools to manage their finances effectively, we aim to enhance their economic independence and long-term financial security.

Additionally, our partnership with **Baatighar** has facilitated book donations to underprivileged schools, enhancing access to academic materials and fostering a culture of learning.

Furthermore, our contribution to the **Prime Minister's Education Assistance Trust (PMEAT)** has provided financial aid to students from economically disadvantaged backgrounds, reducing dropout rates and supporting educational continuity. We firmly believe that investing in education today ensures a more prosperous society tomorrow.

### b) Healthcare: Enhancing Access to Medical Support (30% of total CSR expenditure | 106 beneficiaries)

Access to healthcare is a fundamental right, and United Finance remains committed to supporting individuals in need of critical medical care. Our healthcare initiatives focus on providing financial assistance for life-threatening conditions such as cancer and cardiovascular diseases, ensuring that patients receive timely and necessary treatments.

Through our **Medical Assistance Program**, we have supported accident victims, patients undergoing complex surgeries, and individuals diagnosed with chronic illnesses. By mitigating financial barriers to essential healthcare, we help improve survival rates and recovery outcomes for underprivileged patients.

In addition to direct medical aid, our **Community Health & Eye Care Program** has facilitated health camp focused on cataract surgeries for elderly individuals in Jashore, in collaboration with the Rural Reconstruction Foundation. These interventions contribute to improved healthcare accessibility and enhanced quality of life for the beneficiaries.

### c) Climate Action: Promoting Environmental Sustainability (20% of total CSR expenditure | 16,570 beneficiaries)

Sustainability is at the core of United Finance's CSR vision. Our environmental initiatives focus on promoting responsible resource management and improving access to clean water in educational institutions. Through our **Water Filtration Project**, we have installed filtration systems in 15 schools across Dhaka, Barisal, Rajshahi, Chittagong, and Mymensingh, directly benefiting over 16,570 students.

Ensuring access to safe drinking water is essential to reducing health risks associated with waterborne diseases. This initiative not only safeguards student health but also instills awareness about environmental responsibility and sustainable water consumption.

By reducing reliance on single-use plastics and promoting clean water practices, we are fostering an environmentally conscious mind-set among young learners, ensuring a greener future for generations to come.

### d) Social Welfare & Disaster Relief: Supporting Communities in Need

**(20% of total CSR expenditure | 700 beneficiaries)**

United Finance understands that corporate responsibility extends beyond business operations to actively supporting communities in times of crisis. Our social welfare and disaster relief programs aim to provide critical assistance to vulnerable populations facing adversities such as extreme weather conditions and natural disasters.

- **Winter Relief Program:** We distributed blankets to 700 underprivileged individuals in Dhaka, providing warmth and protection during the harsh winter months.
- **Flood Relief Contributions:** United Finance contributed to the **Chief Advisor's Relief & Welfare Fund** and the **Bangladesh Navy Welfare Fund** to support national disaster response initiatives. These contributions facilitated emergency assistance, including food supplies, clean drinking water, medical aid, and temporary shelter for flood-affected families. By working closely with government agencies and humanitarian organizations, we contributed to relief efforts, ensuring that essential aid reached those in need. While the affected communities have shown remarkable resilience in overcoming these challenges, we remain committed to supporting their recovery through meaningful and timely assistance.

## Sustaining Impact through Ethical Leadership

United Finance's approach to corporate social responsibility extends beyond compliance. Our CSR initiatives are deeply embedded in our corporate ethos, reflecting our unwavering commitment to integrity, sustainability, and community development.

We actively seek opportunities to collaborate with stakeholders, non-governmental organizations, and government agencies to drive meaningful and lasting impact. By aligning our corporate goals with national and global sustainability objectives, we continue to create value that goes beyond financial performance.

As we move forward, United Finance remains dedicated to enhancing the quality of life for individuals, fostering inclusive economic growth, and ensuring that our CSR efforts contribute to a better, more equitable future.

United Finance PLC remains steadfast in its vision of being a responsible corporate entity, leveraging its financial strength to drive social progress and environmental sustainability.

# NOTICE OF THE THIRTY SIXTH ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Sixth Annual General Meeting (AGM) of the shareholders of United Finance PLC will be held on Tuesday, 24 June 2025 at 10:00 a.m. through a digital Platform in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approval letter no. BSEC/ICAD/SRIC/2025/366/Part I/67 dated 1 June 2025 to transact the following business:

## Ordinary Business:

1. To receive, consider and adopt the Directors' Report, Auditors' Report and Audited Accounts for the year ended on 31 December 2024.
2. To declare Dividend for 2024.
3. To elect/re-elect Directors.
4. To confirm the appointment of Independent Directors.
5. To consider the appointment of Statutory Auditors for the year 2025 and fix their remuneration.
6. To consider the appointment of Corporate Governance Compliance Auditor for the year 2025 and fix their remuneration.

## Special Business – 1:

To consider and if thought fit to adopt the proposed amendments to the Memorandum of Association (MOA) of the Company by replacing clauses III(5), III(10), III(13), III(16), III(17), III(18), III(30), III(32) with revised clauses and by inserting new clauses III(30A), III(49A), III(52A), III(52B), III(52C), III(52D), and III(52E) immediately after clause III(52), to reflect the expanded scope of business and regulatory compliance requirements, as set out in Annexure – A, subject to the approval of the shareholders through special resolution in the Annual General Meeting (AGM) and subsequent confirmation by the Hon'ble High Court Division of the Supreme Court of Bangladesh.

## Special Resolution – 1:

**"RESOLVED THAT,** subject to approval by the Hon'ble High Court Division of the Supreme Court of Bangladesh, the Memorandum of Association of United Finance PLC be amended by replacing clauses III(5), III(10), III(13), III(16), III(17), III(18), III(30), III(32) with revised clauses and by inserting new clauses III(30A), III(49A), III(52A), III(52B), III(52C), III(52D), and III(52E) immediately after clause III(52), to reflect the expanded scope of business and regulatory compliance requirements, as set out in Annexure – A.

**FURTHER RESOLVED THAT,** the Board of Directors of the Company be and is hereby authorised to take all necessary steps and actions for giving effect to the above amendments, including but not limited to: (a) seeking approval from the Hon'ble High Court Division of the Supreme Court of Bangladesh; (b) filing the revised Memorandum of Association with the Registrar of Joint Stock Companies and Firms (RJSC); and (c) complying with all applicable legal, procedural, and regulatory requirements with any other relevant authorities."

## Special Business – 2:

To consider and if thought fit to adopt the proposed amendments to the Articles of Association (AOA) of the Company by replacing Articles 109, 114, 170, and 171 with revised articles and by inserting new Articles 179(A)(1), 179(A)(2) and 179(A)(3) to reflect the expanded scope of business and regulatory compliance requirements, as set out in Annexure – B, subject to the approval of the shareholders through special resolution in the Annual General Meeting (AGM).

## Special Resolution – 2:

**"RESOLVED THAT,** the Articles of Association (AOA) of United Finance PLC be amended by replacing Articles 109, 114, 170, and 171 with revised articles and by inserting new Articles 179(A)(1), 179(A)(2) and 179(A)(3) to reflect the expanded scope of business and regulatory compliance requirements, as set out in Annexure – B.

**FURTHER RESOLVED THAT,** the Board of Directors of the Company be and is hereby authorised to take all necessary steps and actions for giving effect to the above amendments, including but not limited to: (a) filing the revised Article of Association with the Registrar of Joint Stock Companies and Firms (RJSC); and (b) complying with all applicable legal, procedural, and regulatory requirements with any other relevant authorities."

By order of the Board



Sharmi Noor Nahar  
Company Secretary

Dated: Dhaka  
3 June 2025



**Notes:**

1. The Shareholders whose name appeared in the Members'/Depository Register on Record Date i.e., 21 May 2025 will be eligible to participate and vote in the Annual General Meeting through digital platform and to receive Dividend.
2. A shareholder entitled to participate and vote at the meeting may appoint a proxy to participate and vote in his/her stead. The scanned copy of the proxy form duly affixed with a revenue stamp of Tk 20.00 must be e-mailed to [investor.relations@ufplc.com](mailto:investor.relations@ufplc.com) no later than 48 hours before the day of the Annual General Meeting.
3. The link for participating in the AGM through digital platform will be notified to the e-mail addresses provided in the Beneficiary Owners (BO) account of the respective shareholders held with Depository Participant (DP).
4. Shareholders who changed/amended their e-mail addresses or opened new e-mail addresses after the Record Date are requested to e-mail the details to [investor.relations@ufplc.com](mailto:investor.relations@ufplc.com) along with full name, Folio/BO ID to receive the digital platform meeting invitation.
5. Full login/participation process to the digital platform meeting will also be available in the Company website [www.ufplc.com](http://www.ufplc.com).
6. The soft form of Annual Report 2024 will be forwarded to the e-mail addresses of the shareholders available in their Beneficiary Owners (BO) account maintained with Depository Participant (DP). The Annual Report 2024 and proxy form will be available in the Company website [www.ufplc.com](http://www.ufplc.com).

N.B: In compliance with the Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013, no Gift/Gift Coupon/Food Box shall be distributed at the 36th AGM.

### Amendments in the Memorandum of Association

Type of Amendment	Proposed Amendment
Replacement with revision	III(5) To carry on business of general merchandise: To carry on business as Merchants, Importers, Exporters, Appraisers, Valuers, Factors. Commission and General Agents and to purchase or otherwise acquire, and to sell, let or otherwise dispose of and deal in movable and immovable property of every description for the purpose of the aforesaid business of the Company.
	III(10) To advance or lend money or Shariah investment: To advance or lend money or Shariah investment with or without security, including but not limited to corporate financing services and/or retail financing services and/or other consumer credit facilities, whether through conventional or Islamic Shariah-compliant modes, upon such terms as may be arranged and in particular, to customers and other person or corporation dealing with the Company that may be deemed expedient and also to make advances upon any securities or investments or on the security of any property whether movable or immovable or any interest therein in Bangladesh or in any foreign country or state.
	III(13) To acquire going concern: To purchase, acquire or take on lease as a going concern the business, goodwill, properties, assets and interests of any mill, factory, industry, unit, undertaking, service oriented firm and trading concern in which Company's properties are leased out and/or all or any other business of a nature or character similar to the business of the Company or to amalgamate with, merge, or acquire any company/entity engaged in similar or complementary businesses, including those involved in Islamic finance, digital services, or retail financing, subject to regulatory approvals.
	III(16) To acquire patent's licence: To register, acquire, license, and enforce patents, trademarks, copyrights, industrial designs, and other intellectual property rights in Bangladesh and globally, and to commercialise such rights through licensing, franchising, or other agreements.
	III(17) To acquire business: To acquire and take over the whole or any part of the business property and liabilities of any person or persons firm or corporation carrying on any business which the Company is authorised to carry on or any property or rights suitable for the purpose of the Company.
	III(18) To amalgamate and enter into partnership: To amalgamate or enter into any partnership or arrangement in the nature of a partnership cooperation or union of interest, joint venture or reciprocal concession or for limiting competition with any person or persons or corporation engaged or interested or about to become engaged or interested in the carrying on or conduct of any business or enterprise which the company is authorised to carry on or conduct or from which the company would or might derive any benefit whether direct or indirect.
	III(30) To grant pension, allowances, gratuity and bonus: To grant pensions, allowances, gratuities and bonuses to officers (including Directors) or ex-officers (including ex-Directors) of the Company or to employees or ex-employees of the Company or to relations, connections or dependents of such persons or subscribe to any charitable or public institutions, clubs, societies or fund.
New insertion	III(32) To establish branches: To establish, maintain, work and carry on branches, representative offices, or agencies in any part of Bangladesh or abroad, subject to obtaining prior approval from the Bangladesh Bank where required in connection with the business of the Company or any part thereof, and to regulate and continue the same.
	III(30A) To establish employee welfare and recreational facilities: To establish and operate welfare and recreational facilities such as libraries, gymnasiums, cafeterias, inns, restaurants, fast food outlets, and refreshment centers, including the provision of aerated, mineral, and other beverages, for the benefit of employees of the Company, its subsidiaries, affiliates, joint ventures, and other users of the Company's premises.
	III(49A) To establish and manage Trusts and Investment Funds: To establish, create, issue, float, and manage various forms of trusts or funds, including but not limited to mutual funds, growth funds, investment funds, income or capital funds, taxable or tax-exempt funds, provident funds, pension funds, gratuity and superannuation funds, charitable funds, and consortium funds; and to act as administrators, managers, or trustees of such funds and trusts, including acting as trustees for bondholders, debenture holders, and for other permissible purposes under applicable law, whether directly or indirectly, through itself or a subsidiary, subject to obtaining applicable regulatory approval.
	III(52A) To Carry on Business of Islamic Financing and Shariah-Compliant Financial Services: To carry on the business of Islamic financing and provide financial services compliant with Islamic Shariah principles, solely or jointly with other entities.
	III(52B) To Provide Financial Services through internet or other similar means: To provide, by itself or through a subsidiary (as per applicable regulations) or jointly with other entities, digital financial services, mobile financial services, including but not limited to, issuing and/or managing and/or participating digital payment platforms, facilitating electronic fund transfers, offering mobile/internet-based banking/financial services and payment services, developing and operating digital wallets, partnering with telecom operators, fintech firms, other certified firms by appropriate regulatory authorities offering financial services and regulatory bodies to deliver secure and innovative digital financial solutions/services.
	III(52C) To Establish Subsidiary or Engage in Associate Company: To establish, promote, or acquire subsidiaries, joint ventures, or affiliated entities for carrying out any business including but not limited to merchant banking, asset management, brokerage services, stockbroking, mutual funds, and other capital market activities or any other activities within regulatory framework.
	III(52D) To offer vault, locker, and custodial services: To offer vault, locker, and custodial services for safeguarding valuables, documents.
	III(52E) To enter into any partnership or arrangements: To enter into any partnership, joint venture, strategic alliance, or any other arrangement for the sharing of profits, commission, service charge, alignment of interests, mutual concessions, or cooperation with any company, firm, or individual engaged in or intending to engage in any business that falls within the objects of this Company. Furthermore, to lawfully acquire, hold, sale, transfer, or otherwise deal in shares, stocks, or securities of such entities; to provide guarantees or indemnities in respect of their contractual obligations or liabilities, including but not limited to the payment of dividends, interest, or capital on shares, stocks, or securities; and to provide financial, operational, or other forms of assistance, including subsidies, in compliance with applicable laws, regulations, and corporate governance standards.

## Amendments in the Articles of Association

Type of Amendment	Proposed Amendment
Replacement with revision	109. Notice of AGM & Extra-Ordinary General Meeting: Subject to the provision of Section 87 (2) of the Act, relating to Special Resolution, twenty one days' notice at least of every General Meeting (other than a meeting for the passing of an Extraordinary or a Special resolution) and by whomsoever called specifying the date, place and hour of the meeting and with a statement of the business to be transacted at the meeting (and in case it is proposed to pass special or an Extraordinary Resolution the intention to propose such resolution as an Extra Resolution) shall be given to the person entitled under and in the manner provided by the Act and these Articles. Where it is proposed to pass a Special Resolution, twenty one days' notice specifying the intention to propose the resolution as a Special Resolution and specifying the date, place and hour of meeting and the nature of the business shall be given. With the consent of all Members entitled to receive notice of a meeting or to attend and vote at any such meeting a meeting may be convened by shorter notice than 21 days and in the case of a Special Resolution than 21 days as such Members may approve
	114. Quorum of Meeting: No business shall be transacted at any General Meeting unless the requisite quorum shall be present at the time when the meeting proceeds to business. The quorum for a General Meeting for all purposes shall consist of not less than six (6) members entitled to vote and present in person or by proxy.
	170. Meetings of Directors and quorum: The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. Five directors present in person shall form a quorum
	171. Convening of meeting by Directors: The Chairman, or in his absence, the Managing Director, or with the written consent of the Chairman, the Managing Director, may at any time convene a meeting of the Directors whenever it is deemed necessary. Generally, seven (7) days' notice shall be given for meetings of the Directors. In case of emergency, the Chairman, or in his absence, the Managing Director, may call a meeting at shorter notice at his discretion, provided that consent is given to such shorter notice by the Directors present at the meeting held pursuant thereto. Notice of the meeting shall be given to all Directors, who are outside Bangladesh by registered post, courier, e-mail, Board Management Software, or secure messaging applications, as appropriate
New insertion	179(A). Formation of Independent Shariah Supervisory Committee
	179(A)(1). The Board may form an independent shariah supervisory or advisory committee to assist the Board in conducting the Company's Islamic financial services.
	179(A)(2). The Board shall determine the qualification of members to be appointed in such committee.
	179(A)(3). The Board shall have the authority to remove any member of the said committee and appoint any replacement.



# Report of Audit Committee





# REPORT ON THE ACTIVITIES OF THE AUDIT COMMITTEE

The Audit Committee (the “Committee”) of United Finance PLC (the “Company”) functions as a vital subcommittee of the Board of Directors (the “Board”) with a clear mandate to uphold the highest standards of corporate governance. The Committee is responsible for overseeing the integrity of the Company’s financial reporting process, adequacy and effectiveness of internal controls, performance and independence of internal audit function and external audit process.

The Committee is empowered to investigate matters, access records & personnel, seek information from employees and engage external advisors when necessary. Though the Committee holds oversight authority, it does not engage in executive functions but provides independent advice to the Board.

## 1. Composition of the Committee

The Committee was duly constituted by the Board in compliance with the requirements of DFIM Circular # 01 dated February 29, 2024 and Bangladesh Securities and Exchange Commission (BSEC) condition # 5 of the notification ref. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018.

The composition of the Committee of United Finance PLC during the year 2024 is as follows:

SL	Name	Status	Role	Educational Qualification
1	Mr. M. M. Alam	Independent Director	Chairman	MBA & Chartered Accountant
2	Professor Dr. Mahfuzul Hoque	Independent Director	Member	MSc and PhD
3	Mr. L. H. Khan	Director	Member	BA
4	Mr. Ormaan Rafay Nizam	Director	Member	Graduate, UK
5	Mr. A. F. M. M. Samad Choudhury	Director	Member	Mechanical Engineer

The Company Secretary of United Finance PLC serves as the secretary of the Committee to ensure effective coordination of meetings, accurate recording of proceedings and timely dissemination of all related materials.

It is mentionable that, the Committee remained operational until October 30, 2024. On that date, the Board resolved the matter concerning the divestment by Lawrie Group PLC and its related concerns and recommended reconstitution of the Board in alignment with the revised shareholding structure. Subsequently, the reconstituted Board received approval from Bangladesh Bank vide letters no. DFIM(S)1055/69(06)2024-4151 dated December 19, 2024 and DFIM(S)1055/69(06)2025-214 dated January 15, 2025. Thereafter, the Board formed a new Audit Committee and the composition of the Committee is as follows:

SL	Name	Status	Role	Educational Qualification
1	Professor Dr. Mahfuzul Hoque	Independent Director	Chairman	MSc and PhD
2	Mr. Kutubuddin Akhter Rashid	Independent Director	Member	Graduate, Malaysia
3	Mrs. Mahenoor Sultana Rashid	Director	Member	BBA
4	Mr. Ormaan Rafay Nizam	Director	Member	Graduate, UK

## 2. Qualification of the Chairman of the Committee

### Previous Chairman:

Mr. M. M. Alam, an Independent Director of the Board of United Finance PLC, previously served as the Chairman of the Committee.

Mr. Alam brings over 40 years of experience in marketing, banking and financial services, which positions him well to lead the Committee in overseeing the financial reporting processes of the Company.

Mr. Alam has a distinguished career, having served as the Managing Director of United Finance Limited, formerly known as United Leasing Company Limited, from 1995 to 2005. His expertise in financial management, governance and oversight also extends to his previous role as an Independent Director of United Insurance Company Limited from 2012 to 2018.

Educationally, Mr. Alam holds an MA in Economics from the University of Dhaka and an MBA from the American University of Beirut. Additionally, he is a member of the Canadian Institute of Chartered Accountants (CICA), further complementing his qualifications and enhancing his capability to provide robust oversight in his role as the Chairman of the Committee.

## Present Chairman

Professor Dr. Mahfuzul Hoque, an Independent Director on the Board of United Finance PLC, is a distinguished academic, governance professional, and accounting expert with over 30 years of accomplished service in higher education, applied research, consultancy, and regulatory reform.

Dr. Hoque is a Professor in the Department of Accounting at the Faculty of Business Studies, University of Dhaka. He also serves as Director of the Japan Society of Organization and Accounting (JSOA), General Body Member of Dushtha Shasthya Kendra (DSK), and Editor-in-Chief of the Journal of Financial Markets and Institutions published by BICM. He previously held board positions at Power Grid Company of Bangladesh (PGCB) Limited and served as a consultant in the insurance industry.

His research focuses on the institutionalization of accounting systems and accountability mechanisms in public sector entities and developing economies. He holds MSc and PhD degrees in Management Science and Engineering from the University of Tsukuba, Japan.

## 3. Roles and Responsibilities of the Committee

The Committee is entrusted with crucial responsibilities to ensure that the Company's financial operations are transparent, accurate and compliant with relevant regulations. Its role encompasses a variety of oversight functions that are vital for the Company's integrity and long-term success. These responsibilities include:

### Financial Reporting

- The Committee is responsible for reviewing the Company's financial statements, including the balance sheet, profit and loss account, statement of changes in equity, cash flow statement and accompanying notes, to ensure that these are accurate, complete and comply with all applicable local regulations as well as international accounting standards such as the International Financial Reporting Standards (IFRS).
- Additionally, the Committee affirms the timely publication of financial reports in accordance with local and international guidelines, thereby promoting transparency and accountability within the Company.

### Internal Control

- The Committee evaluates the effectiveness of the Company's internal controls and risk management practices. It regularly reviews the Company's internal control systems to ensure that these are robust, responsive to emerging risks and compliant with regulatory requirements. This includes scrutinizing internal audit reports and confirming that the Company has appropriate mechanisms in place to promote operational efficiency, reduce risk of errors or fraud and thus safeguard its assets.
- The Committee ensures that the Internal Control & Compliance Division (ICCD) reports directly to the Committee. It regularly reviews the internal audit plan and results of audits conducted by ICCD to confirm that the observations and findings are properly addressed by management. The Committee also evaluates the presence of a sound compliance culture effectively established by the management across the company.

## External Audit

- The Committee affirms that the external auditors are independent and possess the necessary expertise to carry out thorough and unbiased audits of the Company's financial statements. This includes reviewing the scope of work assigned to the external auditors and ensuring that adequate resources and access to information are granted for a comprehensive audit process.
- The Committee confirms that the external auditors' findings and recommendations are communicated effectively to the Board, including management's corrective measures to address the identified issues.
- The Committee also plays a critical role in evaluating the performance of external auditors and making recommendations regarding their appointment, reappointment or removal, based on their effectiveness, independence and performance.

## Compliance Oversight

- The Committee takes the responsibility for ensuring compliance with all applicable laws, regulations and directives set by the regulators. This includes monitoring changes in relevant regulations and updating the Company's policies and practices to reflect those changes.
- Through ongoing monitoring of regulatory developments and risk management procedures, the Committee works to mitigate the risk of legal liabilities, confirm operational transparency and enhance the Company's reputation.
- To ensure its long-term success and protect the interests of stakeholders, the Committee affirms that the Company maintains high ethical standards and follows clear policies for legal and regulatory compliance.

## Risk Management

- The Committee reviews the effectiveness of the Company's risk management framework including assessing credit, market, operational and liquidity risks.
- The Committee ensures that the Company complies with all relevant regulatory requirements including Bangladesh Bank, Bangladesh Securities and Exchange Commission, National Board of Revenue and Bangladesh Financial Intelligence Unit.
- The Committee also reviews the Company's policies on risk management, compliance and the prevention of fraud or unethical activities.

## Reporting to the Board

- The Committee regularly reports to the Board on the activities and findings of the Committee, particularly on areas such as internal controls, financial reporting, compliance and external audit reports.
- The Committee immediately reports to the Board if any of the following issues arises:
  - a. Conflict of interest.
  - b. Suspected or presumed fraud or irregularity or material defect in the internal audit and compliance process or in the financial statements.
  - c. Suspected infringement of laws, regulatory compliances

- including securities related laws, rules and regulations.
- d. Urgent matter which the Committee deems necessary.

#### 4. Meeting of the Committee

During 2024, the Committee held four (4) meetings, thereby ensuring required compliance with the regulatory instructions set by Bangladesh Bank and other regulators. These meetings were held quarterly to provide continuous oversight of the Company’s financial health, risk management framework, internal audit functions and overall compliance status.

On invitation, the Company’s Managing Director, Deputy Managing Director, Chief Financial Officer, Head of Internal Control and Compliance, Chief Risk Officer and Head of Special Assets Management attended these meetings to address the Committee’s queries and receive directives for improvement.

The meeting dates are stated below:

SL	Meeting	Date
1	81 <sup>st</sup> Audit Committee Meeting	April 23, 2024
2	82 <sup>nd</sup> Audit Committee Meeting	May 08, 2024
3	83 <sup>rd</sup> Audit Committee Meeting	July 30, 2024
4	84 <sup>th</sup> Audit Committee Meeting	October 23, 2024

#### Responsibilities carried out by the Committee during 2024

- During 2024, the Committee diligently carried out its responsibilities in accordance with its mandate. The Committee discussed, reviewed and advised the following significant issues:
- i. Draft Audited Financial Statements for the year ended December 31, 2023 including discussions with external auditors in accordance with regulatory requirements, prior to recommendation to the Board for approval.
  - ii. Quarterly and half-yearly financial statements for 2024, prior to recommendation to the Board for approval.
  - iii. Audit Committee’s Report for inclusion in the Annual Report 2023.

- iv. Appointment of external auditors including the audit fees for 2024.
- v. Appointment of external professional to certify Corporate Governance compliance including the professional fees for 2024.
- vi. ‘Management Discussion and Analysis’ section of the Annual Report for 2023.
- vii. Reports of Internal Control & Compliance and Risk Management Forum.
- viii. Cases related to lease/loan write-off and status of pending legal cases.
- ix. External auditors’ Management Report including Management’s responses for 2023.
- x. Operational Guidelines on Internal Control and Compliance.
- xi. Calendar of Internal Control & Compliance for 2025.

#### Acknowledgement

The Audit Committee gratefully acknowledges the constant support and collaboration of the Board of Directors, management and external auditors, which significantly contributed to the effective execution of its oversight responsibilities. The Committee also extends appreciation to Bangladesh Bank and Bangladesh Securities and Exchange Commission for their support and guidance, which were instrumental in maintaining sound governance and compliance throughout the year.



Professor Dr. Mahfuzul Hoque  
Chairman  
Audit Committee

# REPORT ON GOING CONCERN

The going concern principle is integral to the preparation of financial statements, ensuring that a Company will continue its operations in the foreseeable future without the need for liquidation. United Finance PLC has conducted an in-depth evaluation of its capacity to operate as a going concern for at least next 12 months from the approval of its financial statements. This assessment integrates a comprehensive review of financial, operational and external factors influencing the Company's sustainability.

## 1. Financial Health and Sustainability Indicators

- Adherence to Financial Obligations**

The Company consistently meets its financial commitments, ensuring reliable payments to lenders, depositors and other stakeholders. Its ability to repay loans in a timely manner and comply with credit terms has built a strong reputation and contributed to an elevated credit rating. This solid financial standing confirms the ability of the Company to continue as a going concern.

Strong Interest Coverage	During the year 2024, the interest coverage ratio was 1.34 times, indicating that the Company maintained an adequate ability to meet its debt servicing obligations.
Low Borrowing Dependency	As of December 31, 2024, the Company's total borrowings amounted to BDT 8,058.94 million, representing 32.66% of its total liabilities. This reflects a moderate level of leverage and indicates that the Company is not significantly dependent on borrowings for its financing needs.
Strong Depositor Confidence	The Company enjoys a strong and trustworthy relationship with its depositors, backed by a solid track record of timely settlement of all obligations. As of December 31, 2024, total deposits stood at BDT 12,207.83 million. The continued confidence of depositors is evident from the increased deposit acquisition and strong renewal trends which indicate sustainability in the coming years.
Positive Key Financial Indicators	The Company's financial ratios, as presented in the key financial and operating performance section, reflect its strong financial position and positive future outlook.
Effective Financial Commitment Fulfillment	The Company maintains a strong track record of credibility with its lenders, having no history of default in meeting its financial obligations. All payments have been settled in a timely and responsible manner.
Growth in Net Profit After Tax	In the year 2024, the Company achieved a significant improvement in profitability, with net profit rising by 46.21% compared to the previous year. This strong performance resulted in a net profit of BDT 209.23 million, reflecting the effectiveness of strategic initiatives, improved operational efficiency and prudent financial management.
Capital Strength and Stability	The Company is ranked among the highest equity-based financial institutions in the sector. As of December 31, 2024, the Company's total equity stood at BDT 3,338.19 million, which includes a paid-up capital of BDT 1,871.15 million.
Effective Management of Operating Expenses	The Company has consistently met its day-to-day operational expenses without difficulty and has maintained its strong reputation for timely payments to vendors. It continues to generate sufficient operating cash flows to support ongoing operational requirements.
Borrowing and Renewal of loan Facilities	The Company's strong financial position and solid reputation support to borrow and renew loan facilities on favorable terms and conditions, including competitive interest rates and flexibility.
Off-balance Sheet Obligations	The Company maintains minimal exposure to off-balance sheet liabilities and possesses adequate financial strength to meet its obligations.

- Dividend Reliability**

A hallmark of the Company's financial stability is its consistent dividend payout policy. United Finance PLC has maintained a robust dividend history, reflecting its profitable position. For the fiscal year 2024, the Company has proposed a dividend payout of 10%, consistent with its long-term dividend strategy, demonstrating ongoing profitability and operational stability.

Years	2024	2023	2022	2021
Dividend	10%	6%	5%	10%



• **Consistent Financial Performance**

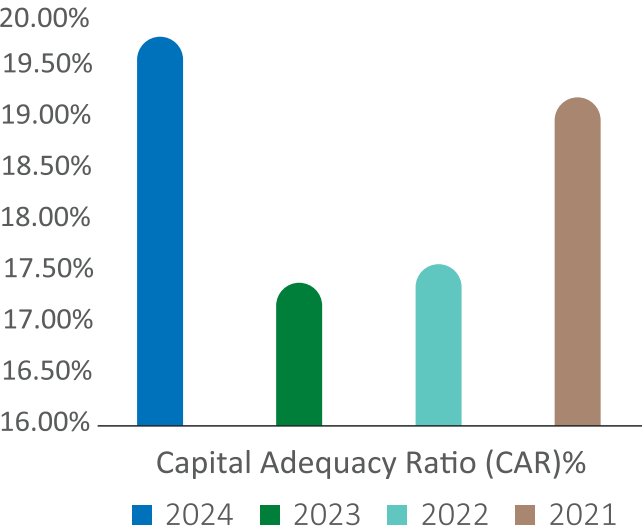
The Company demonstrates stable financial performance, supported by continuous growth in revenue, profitability and cash flow generation, as reflected in its 2024 financial results. This steady performance ensures that the Company will remain financially viable and sustainable for long-term success.

• **Effective Cash Flow Management**

The Company forecasts a thorough cash flow to assess the liquidity position. Projections for next 12 months indicate that the Company will continue to generate positive operating cash flows to meet its financial obligations comfortably without facing any liquidity constraints.

• **Robust Capital Adequacy**

The Company has been maintaining a Capital Adequacy Ratio (CAR) that exceeds the minimum regulatory threshold set by Bangladesh Bank. In December 2024, the CAR was 19.81% as opposed to 10% of the minimum requirement set by Bangladesh Bank. This strong capital position serves as a safeguard against financial risk, assuring the stakeholders regarding Company’s capacity to withstand adverse conditions.



**2. Operational Viability Indicators**

• **Business Diversification and Risk Mitigation**

The Company has built a diverse financing portfolio by focusing on CMSME, retail and corporate sectors. This helps reduce reliance on any single market and lowers the risks linked to specific industries, supporting long-term stability. In addition to growing its quality loan portfolio, the Company has introduced new products like Consumer and Retailer Financing. These include Personal Loans, Home Equity Loans and Car Loans, showing the Company’s commitment to meet the changing financial needs of its customers.

• **Workforce Strength and Employee Engagement**

The Company fosters a skilled and motivated workforce with a strong emphasis on congenial workforce environment. In 2024, a total of 35 training programs (24 internal and 11 external) were conducted, engaging 599 employees to enhance their skills and capabilities.

These initiatives affirm Company’s commitment to employee development by continuous learning and long-term retention. Additionally, the Company offers a competitive compensation package complemented by a range of fringe benefits, including vehicle facilities, provident fund, gratuity, performance bonus, group insurance, hospitalization coverage and a recognition & reward program. Together, these efforts contribute to a positive and productive corporate culture, supporting the sustainable success of the Company.

• **Technological Advancement**

The Company has made strategic investments in technology and digital innovation. By enhancing its operational efficiency and offering digital services, the Company is well-equipped to cater to customer needs, further strengthening its going concern positions.

**3. External Stability Indicators**

• **Effective Governance and Risk Management Framework**

The Company upholds a strong governance structure, supported by a well-defined risk management framework. The Company operates in strict adherence to regulatory standards, ensuring robust internal controls and minimizing potential business risks. This effective governance assures Company’s long-term viability to the stakeholders.

• **Absence of Legal Challenges**

Currently, there are no significant legal proceedings or claims against the Company that could materially impact its financial standing or operations. This absence of legal issues further solidifies the Company’s stable outlook as a going concern.

• **Stable Regulatory Environment**

The Company does not foresee any substantial changes in government policy or regulations that may negatively impact its business operations or financial performance. This regulatory stability supports Company’s ability to maintain its operations without significant disruption.

**Assurance of Long-Term Viability**

After a thorough evaluation of its financial, operational and external factors, the management of United Finance PLC is confident in the Company’s ability to continue as a going concern. The Company is financially stable, operationally efficient and well-governed, ensuring its capacity to meet both short-term obligations and long-term growth. The 2024 financial statements have been prepared with the assumption that the Company will continue its operations in the foreseeable future, securing a strong position to fulfill the expectations of the stakeholders.

# STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL CONTROL, FINANCIAL REPORTING AND CORPORATE GOVERNANCE

## Internal Control

The Directors remain committed to fostering a strong culture of internal control and compliance to safeguard the Company's assets, ensure accurate and transparent financial reporting and uphold adherence to applicable laws, regulations and internal policies. To ensure these controls are effective, the Directors provide oversight through the Audit Committee, which monitors the Internal Control & Compliance Division while maintaining its independence from day-to-day management. The Directors actively promote integrity and accountability across the Company by overseeing risk management, supporting internal audit functions, encouraging transparency and ensuring that employees are well-informed and trained in control procedures. Through ongoing review and continuous improvement, the Directors help the Company remain resilient and responsive to emerging risks as well as committed to strong governance practices.

## Financial Reporting

The Directors are responsible for ensuring that the Company maintains accurate records of all transactions and prepares financial statements that present a true and fair view of its financial position and performance. They are committed to ensure that these financial statements comply with relevant accounting standards to reflect the Company's financial health accurately.

The Directors take responsibility for implementing appropriate accounting policies, making prudent estimates and maintaining an effective system of internal controls. They ensure that the financial statements reflect the economic reality of the Company's activities and comply with all relevant laws, regulations and standards.

The Directors also confirm that the financial statements have been prepared on a going concern basis, based on a thorough assessment of the Company's ability to continue operations in the foreseeable future. Any significant judgments or changes in accounting policies are disclosed in the financial statements.

Furthermore, the Directors affirm that the financial statements are subject to an independent external audit, ensuring their accuracy and reliability. The Audit Committee oversees this process, confirming that the audits are conducted with the highest level of independence and objectivity.

Finally, the Directors also affirm that the financial statements are transparent and accurate so that the stakeholders are in a position to make prudent decisions.

## Corporate Governance

The Directors play a central role in upholding strong corporate governance that supports the long-term success and sustainability of the Company. Their responsibilities go beyond oversight which formulate the values, culture and ethical standards of the Company.

The Directors ensure that a clear governance framework is in place, with appropriate structures and policies to guide responsible decision-making and comply with relevant laws and regulations. In addition, ethical conducts are promoted by setting high standards for integrity and accountability across all levels of the Company.

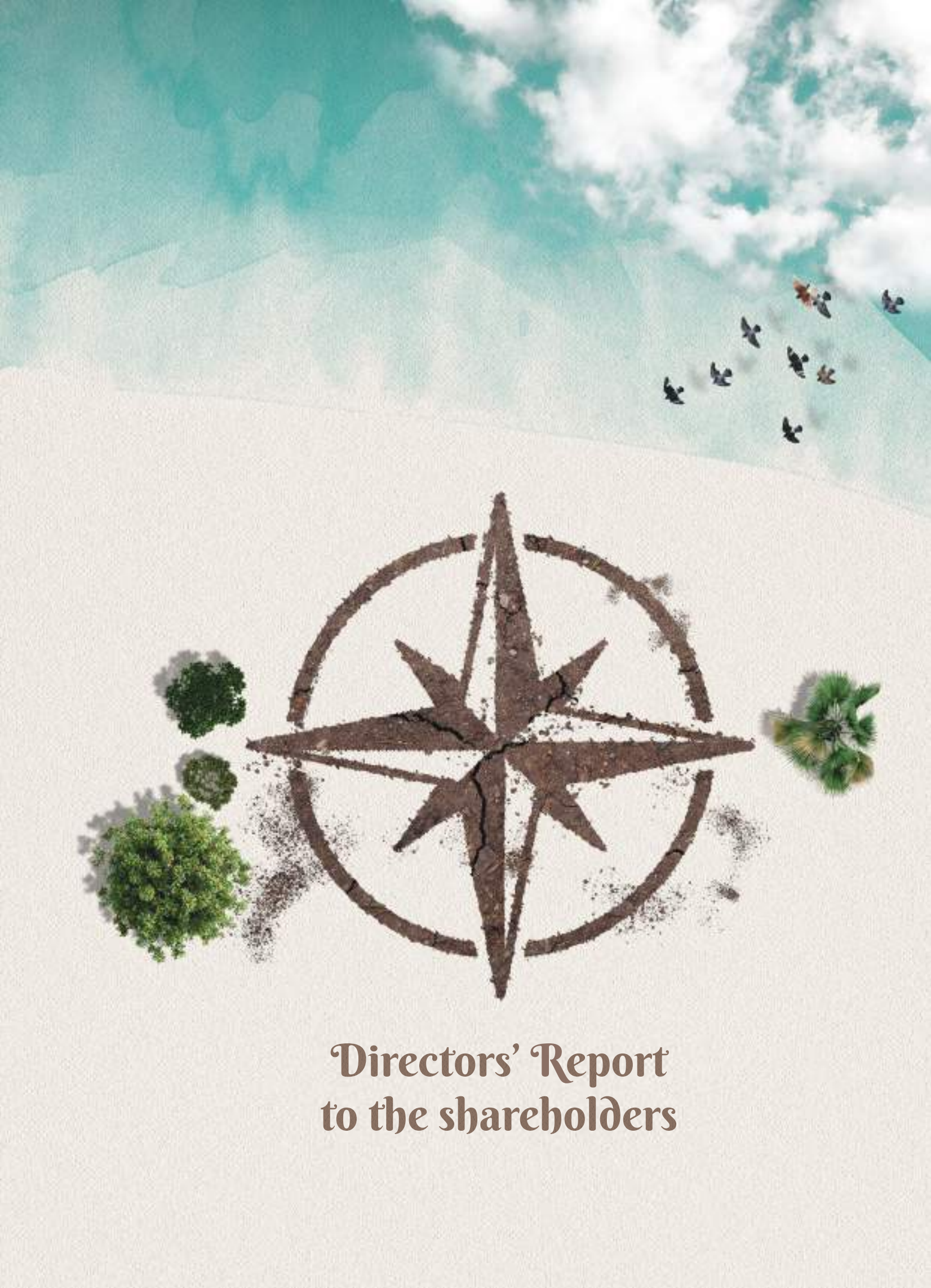
To ensure management remains aligned with the Company's goals and stakeholders' interests, the Directors provide independent oversight, evaluates performance and manages key risks. The Directors support the implementation of effective internal control and compliance while encouraging clear communication with shareholders through disclosures and annual general meetings.

By fulfilling these responsibilities, the Directors contribute to the Company's resilience, foster trust among stakeholders and uphold the highest standards of corporate governance.

## Opinion of External Auditors

As the appointed auditor of United Finance PLC, A. Qasem & Co., Chartered Accountants carried out annual audit with a focus on assessing the effectiveness of the internal control systems. They thoroughly reviewed the financial statements prepared by the management, examined the financial records and relevant data and scrutinized the minutes of the Board & shareholders' meetings. Based on detailed review, the auditor has provided an independent opinion on the financial statements.

In line with the requirements set forth in the Corporate Governance Code (CGC), the Bangladesh Securities and Exchange Commission (BSEC) issued notifications no. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 and BSEC/CMRRCD/2009-193/66/PRD/148 dated October 16, 2023. To ensure compliance with the prescribed Corporate Governance Code, Hoque Bhattacharjee Das & Co., Chartered Accountants was appointed to conduct a review for the year 2024. Following in-depth assessment, the auditor certified that United Finance PLC has duly complied with the conditions stipulated in the aforementioned notifications issued by the BSEC.



# **‘Directors’ Report to the shareholders**



# BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

## Dear Shareholders,

On behalf of the Board of Directors, we are honored to present the performance of United Finance PLC (UFPLC) for the year 2024, a year that tested our resilience yet reaffirmed our unwavering commitment to strengthening this institution that you, our valued shareholders, have continued to place your trust in. You will be pleased to know that the name of the company has been changed to United Finance PLC from United Finance Ltd. to comply with instructions from Bangladesh Bank.

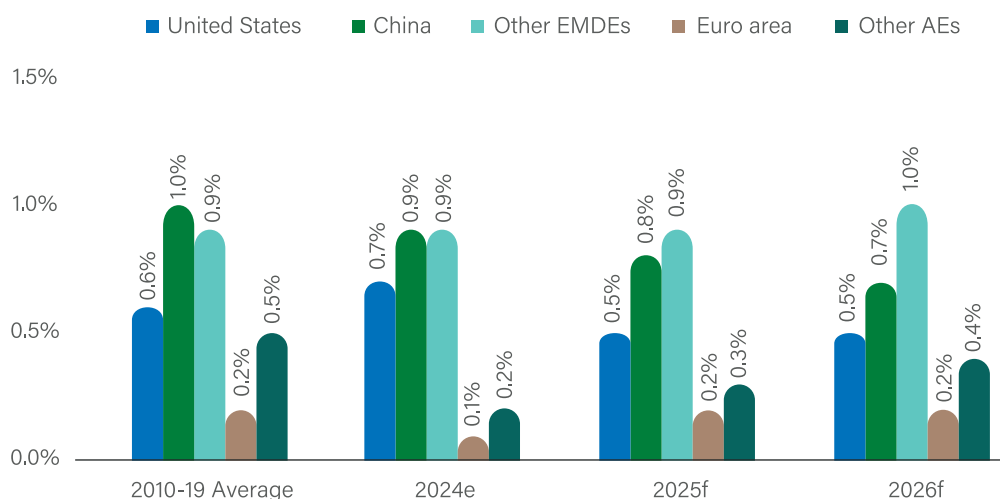
Despite the challenging business environment, marked by economic uncertainties and financial sector volatility, we remained steadfast in our vision and strategic direction. Our focus on prudent financial management, operational efficiency, and sustainable business practices has enabled UFPLC to navigate these complexities while reinforcing its position as one of the largest financial institutions in the country.

As we look ahead, our commitment remains stronger than ever—to drive long-term value, enhance financial stability, and ensure sustainable growth. Your trust and confidence inspire us to continue building a resilient and future-ready UFPLC.

## Global Economy Growth and Resilience

The global economy in 2024 experienced steady growth despite ongoing geopolitical instability and policy shifts. According to the International Monetary Fund (IMF), global economic growth was projected to be 3.2 percent in 2024 and 3.33 percent in 2025, maintaining stability compared to 2023's 3.3 percent growth rate. Advanced economies are expected to grow at 1.7 percent in 2024 while emerging markets and developing economies will remain stable at 4.3 percent during 2024.

## Contribution to Global Economy



Note: AEs = advanced economies; e = estimate; EMDEs = emerging market and developing economies; f = forecast; Source: World Bank- Global Economic Prospects 2024

Despite early warnings of stagflation and recession, economic activity proved resilient as global inflation continued its descent from the mid-2022 peak. The decline in inflation, combined with steady employment and income growth, supported economic momentum, even as central banks tightened monetary policies. However, the pace of economic expansion was constrained by several adverse factors, including reduced government expenditure, the prolonged Russia-Ukraine conflict, escalating tensions in the Middle East, trade war between USA and China, and the broader resurgence of geopolitical fragmentation across key global regions.

## Growth Projection

Global economic growth is expected to be 3.3% in both 2025 and 2026, which is slower than the 3.7% average seen between 2000 and 2019. This outlook hasn't changed much since October 2024, as stronger growth in the U.S. is being balanced out by weaker forecasts for other major economies.

Global headline inflation is expected to decline to 4.2 percent in 2025 and to 3.5 percent in 2026, converging back to target earlier in advanced economies than in emerging markets and developing economies.

## Geopolitical Events and Market Volatility

Throughout 2024, geopolitical developments continued to play a significant role in shaping global economic conditions. The interplay of inflationary trends, monetary policy adjustments by major central banks, and intermittent disruptions in global supply chains contributed to an environment of elevated uncertainty. Energy market fluctuations and evolving trade relationships among leading economies further influenced cross-border commerce and investor sentiment.

In response to these complexities, the global financial system demonstrated a cautious but resilient approach. Despite the prevailing headwinds, the global economy showed early signs of stabilization. This was supported by localized improvements in inflation and adaptive fiscal measures across various regions, contributing to a gradual recovery in global output.

Looking ahead to 2025, the global economic outlook points to a path of measured recovery, underpinned by a more balanced policy environment. While external and structural challenges are expected to persist, easing inflationary pressures and more calibrated monetary strategies may foster improved macroeconomic stability over the medium term.



## Economy of Bangladesh

Bangladesh in 2024 grappled with several key issues including high inflation and economic fluctuations, dwindling foreign reserves, increase in government borrowing, decreased private sector investment, high external debt repayments, governance and above all the political upheaval resulting in fall of incumbent government. On the economic front, the country, in 2024, faced mounting macroeconomic pressures marked by high inflation, sluggish GDP growth, and weakened institutional capacity. GDP growth declined sharply to 4.2% in FY24 from 5.8% the previous year, largely due to the slight contraction of RMG exports and a slowdown in industrial activity amid energy shortages and import restrictions. Inflation remained the most pressing issue, peaking at 11.66% in July due to surging food and energy prices. Although monetary tightening by Bangladesh Bank helped ease inflation slightly—bringing it down to 10.89% by December 2024—the rate still remained far above the central bank’s target of 7–8% for FY25. Fiscal space remained constrained as debt servicing from past megaprojects and slow revenue collection hampered investment in social sectors, deepening income inequality and eroding household purchasing power.

On the financial front, both public and private sector credit growth reflected broader macroeconomic adjustments. Public sector credit initially contracted by 2.2% in the first half of 2024 but rebounded to 18.18% YoY in December, reflecting the government’s rising dependence on domestic borrowing amid fiscal stress. In contrast, private sector credit growth fell to 7.28% in December from 10.13% the previous year due to high interest rates, currency depreciation, and political uncertainty. The central bank introduced a crawling peg exchange rate regime in May 2024, allowing greater flexibility and guiding the Taka’s depreciation by 8.94% to BDT 120 per USD. Despite the depreciation, foreign exchange reserves stabilized at USD 26.2 billion by year-end, supported by improved remittance inflows, eased import restrictions, and development financing commitments.

Trade and financial sector vulnerabilities remained key risks. The trade deficit narrowed by 18.08% to USD 22.43 billion in FY24, as imports declined. While this helped ease external pressures, the financial sector, particularly non-bank financial institutions (NBFIs), remained fragile. NBFIs faced high funding costs, deteriorating asset quality, and a 35.52% classified loan ratio by Q3 2024, underscoring deep-seated governance and credit risk issues. Banks were not immune either, with the NPL ratio rising to 20.20%. While the capital market experienced significant volatility in 2024. The DSEX index dropped by 16.5% to 5,216 points, reflecting investor nervousness amid political and macroeconomic uncertainty. Total market capitalization declined by 15.14% YoY in December'24. Addressing structural weaknesses in financial institutions and restoring trust through regulatory reforms remain critical to reinvigorating private investment and enabling a more inclusive economic recovery in 2025.

## Outlook for 2025

The outlook for 2025 remains cautiously optimistic as Bangladesh attempts a modest recovery following a turbulent year. Sustained growth will depend heavily on taming inflation, stabilizing the exchange rate, and rebuilding investor confidence—each of which hinges on the political environment and the government’s ability to follow through on critical reforms. Climate change risks, including rising temperatures and erratic weather, add further pressure on agriculture and urban infrastructure, demanding stronger climate resilient strategies.

Improved financial governance, especially in the banking and non-bank sectors, will be vital to restore trust in the system. At the

same time, modernizing regulatory frameworks and strengthening the capital market must be prioritized to support investment and productivity. While external shocks may continue to pose risks, Bangladesh’s resilience will be tested by how swiftly and effectively it can implement structural reforms to regain macroeconomic balance.

## United Finance PLC’s Business Activities

### Deposit Products

In 2024, the Company’s deposit portfolio experienced a 14.32% decline, reflecting the ongoing economic downturn, market competition, and shifting depositor confidence in the financial sector. The contraction in deposits was largely driven by reduced trust in the financial ecosystem, leading to an increase in cash held outside the banking system. By December 2024, money outside banking rose to BDT 2.76 trillion, marking an 8.44% growth compared to the previous year.

Despite sector-wide challenges, the Company reaffirmed its commitment to rebuilding depositor confidence through product innovation, targeted marketing, and customer-centric solutions. In alignment with evolving market dynamics and depositor behavior, the Company undertook a comprehensive redefinition of its product suite.

Under Build-Up Deposit Product line, three structured schemes has been introduced: Any Time Any Deposit, Basic DPS and Premium DPS, each tailored to accommodate the varying income profiles and financial goals of individual and institutional clients. Furthermore, under Term Deposit Product line, new schemes such as the Day-Wise Deposit and Double Money Deposit Scheme have been launched alongside existing offerings like traditional Term Deposit and Earner Deposit Schemes. These offerings cater to a wide range of savings objectives, from short-term liquidity needs to long-term wealth accumulation, with options for regular income or capital appreciation.

Additionally, the Company implemented focused marketing strategies and introduced value-driven financial solutions aimed at both retail and corporate segments. These initiatives are designed to ensure a resilient and diversified funding base, thereby supporting the Company’s long-term financial stability and growth objectives.

### Lease, Loans, and Advances Products

The Company’s lease, loans, and advances portfolio witnessed a 4.48% contraction, declining from BDT 20.4 billion in 2023 to BDT 19.46 billion in 2024. This adjustment reflects the impact of macroeconomic challenges, shifting credit demand, and the Company’s prudent risk management approach to loan disbursement.

Despite the overall contraction, key sectoral lending trends remained consistent with strategic priorities:

- 20.86% of the total loan portfolio was concentrated in the Trading sector, which continued to play a vital role in commercial activities and supply chain financing.
- 16.31% was allocated to the Home Loan sector, supporting individual homeownership and real estate development.
- Additionally, to capitalize on opportunities in the retail market, the Company introduced Home Equity Loan, Personal Loan, and Car Loan offerings, expanding its presence in the consumer lending segment.

In 2024, the Company maintained a strategic focus on lending to sectors resilient to economic volatility, ensuring that its portfolio aligned with national economic recovery priorities. Special emphasis was placed on financing projects eligible for refinancing,

those contributing to sustainable development, and sectors identified by the government and central bank as crucial for long-term economic stability. This cautious yet forward-thinking lending strategy reinforced our commitment to responsible and sustainable financing.

### United Finance Mobile Application (UMA)

In line with our commitment to enhancing customer accessibility and service delivery, we are pleased to introduce the United Finance Mobile Application (UMA). This financial utility app is designed to provide seamless access to our financial services, offering customers a convenient and secure digital experience. With 77.36 million internet users in Bangladesh as of January 2024 and an internet penetration rate of 44.5%, the adoption of digital platforms continues to grow, reinforcing the relevance of UMA in today's digital landscape.

- Customers can easily open Term and Build-Up Deposits directly through the app.
- Provides quick access to account details and balance updates.
- Quick and easy Registration process
- Added layer of security through Two-Factor Authentication (2FA) to ensure secure user access and data protection.
- Built on a strong network infrastructure for seamless and reliable service delivery.

Implementation of the United Finance Mobile Application (UMA) marks a key advancement in enhancing customer convenience and accessibility. By capitalizing on the growing digital engagement in Bangladesh, UMA offers secure, seamless, and user-friendly access to our services, reaffirming our commitment to innovation and customer satisfaction.

### Cost Administration

Operational expenses saw a moderate increase of 6.9% in 2024, primarily due to strategic cost adjustments across various operational categories. Key areas of expenditure included stationery, printing, telecommunications, travel, and conveyance costs, all of which were carefully managed to optimize efficiency while ensuring smooth business operations.

Despite rising costs, the Company remained committed to maintaining strict financial discipline and operational efficiency. Targeted cost-saving initiatives, process automation, and enhanced vendor negotiations were implemented to curb unnecessary expenses while supporting business growth. These efforts reflect the Company's unwavering commitment to prudent cost management and long-term sustainability in an increasingly challenging financial landscape.

### Risk Management – Strengthening Resilience in 2024

In 2024, the Company continued to reinforce its risk management framework, adopting a structured and data-driven approach to proactively identify, assess, and mitigate risks. Given the challenging economic environment and financial sector volatility, we further strengthened our risk management strategies to ensure stability and resilience.

Building on our commitment to early risk detection, we enhanced our early alert system, enabling us to identify clients facing potential cash flow difficulties even more efficiently. This proactive account management approach allowed us to minimize credit risks and safeguard our asset quality.

To broaden oversight and strengthen governance, we expanded the scope of the Risk Management Forum (RMF), ensuring that all risks remained within the Company's risk tolerance. This enhanced framework provided a more comprehensive view of risk exposure

across the organization, allowing for timely interventions and better decision-making.

Regular stress testing remained a critical component of our risk management strategy. In 2024, we conducted rigorous assessments across credit, market, liquidity, and operational risks to evaluate our resilience under adverse economic scenarios. The insights gained from these stress tests enabled us to refine our risk mitigation strategies and enhance our financial stability.

With the increasing threat of cyber risks, the Company took significant steps to bolster its cybersecurity measures. We implemented advanced threat detection systems, continuous network monitoring, and intelligence-sharing protocols to prevent and respond to cyber threats effectively. A structured incident response plan was also developed to ensure quick recovery from any potential security breaches, safeguarding both our data and operational integrity.

In alignment with regulatory requirements, our risk management policies continued to adhere to the guidelines set forth by the Bangladesh Bank and other regulatory authorities. These policies were regularly reviewed and updated to strengthen our risk monitoring, enhance compliance, and establish stringent control benchmarks at all risk levels.

Looking ahead, we remain committed to fortifying our risk management framework, ensuring that our business remains resilient, agile, and well-positioned to navigate future uncertainties. Our proactive approach will continue to drive financial sustainability, operational security, and stakeholder confidence in the years to come.

### Internal Control System

The Company established a process of internal control under the supervision of its Board of Directors and executed by management and other personnel in order to have reasonable assurance regarding the effectiveness and efficiency of operations, accuracy of financial reporting and compliance with applicable laws and regulations. The internal control system operates in various stages of the Company such as Risk Recognition and Assessment, Internal Control Environment and Activities, Compliance, Monitoring, Audit & Inspection. The Audit Committee of the Board will oversee the Internal Control and Compliance process of the Company. A compliance report will be placed by the Audit Committee to the Board every quarter. The system of internal control is sound in design and has been effectively implemented and monitored.

### Challenges of 2024

- Lower Net domestic savings
- Increased G-sec rates resulting in high and rising cost of fund
- Flat Trend in Capital Market with low turnover
- Rising Inflationary Pressure
- Market Liquidity Pressure
- Worsening loan repayment tendencies

### Key Strategic Priorities in 2024

To sustain our momentum and build a resilient future, we remained committed to the following strategic imperatives:

#### Timely Strategic Maneuvers for Sustainable Value Creation

- Adapting to dynamic market conditions through agile decision-making.
- Optimizing operations to enhance shareholder value.
- Strengthening risk management and business resilience.

Strengthening Collection Efficiency

- Enhancing cash flow through robust recovery mechanisms.
- Implementing data-driven collection strategies.
- Fostering responsible lending and repayment practices.

Ensuring a High-Quality Asset Portfolio

- Maintaining stringent credit assessment standards.
- Proactively managing non-performing assets.
- Expanding a well-diversified and sustainable asset base.

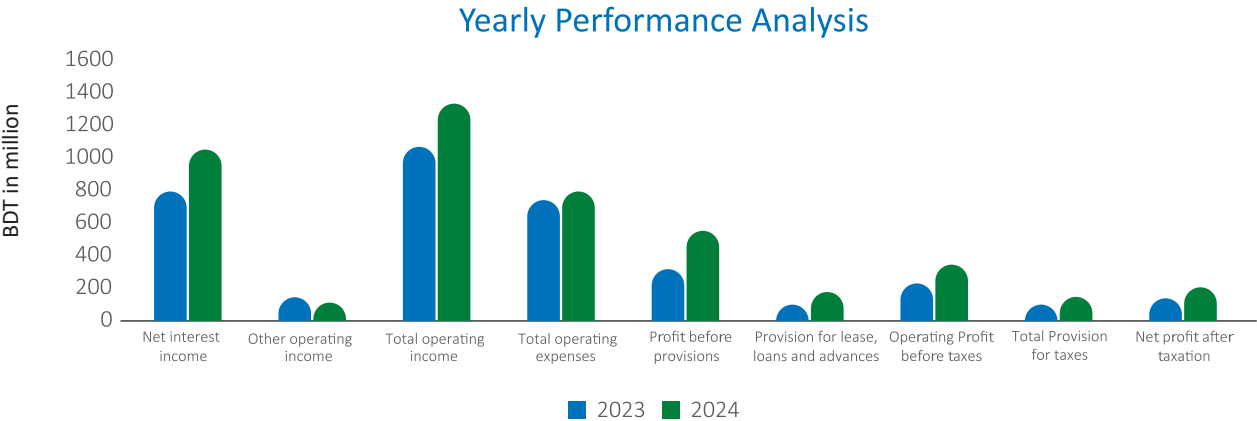
Enhancing Operational Efficiency

- Driving digital transformation and automation for process optimization.
- Implementing cost-effective measures to improve profitability.
- Fostering a culture of innovation and continuous improvement.

Company Business Performance

The year 2024 posed significant challenges, both nationally and globally, as economic uncertainties and financial sector volatility created ripple effects across industries. Despite these adversities, our resilience, strategic adaptability, and operational excellence enabled us to turn obstacles into opportunities for growth.

Through a disciplined approach to portfolio and treasury management, we successfully navigated the turbulent economic landscape, reinforcing our commitment to sustainable financial performance. As a result, we are proud to report a consolidated Net Profit of BDT 209.23 million, reflecting an outstanding 46.2% growth compared to the previous period.



Quarterly Performance Trends

Particulars	Q1'24	Q2'24	Q3'24	Q4'24
Balance Sheet				
Lease, Loan & Advance Portfolio	22,117	21,337	20,352	19,463
Investment Portfolio	1,950	1,849	1,839	1,929
Total Deposit Portfolio	14,065	13,629	13,648	12,208

Particulars	Q1'24	Q2'24	Q3'24	Q4'24	2024	2023	Growth (%)
Profit & Loss Account							
Total Operating Income	332	305	321	392	1,349	1,067	26%
Operating Expense	188	197	186	233	804	752	7%
Operating Profit	144	108	134	159	545	315	73%
Profit Before Tax	50	65	55	179	348	227	54%
Profit After Tax	1	29	10	169	209	143	46%

Throughout 2024, the Board of Directors and the Board Audit Committee actively monitored UFPLC’s financial and non-financial performance on a quarterly basis. In 2024, the Board Audit Committee reviewed the quarterly financial statements, which were subsequently approved by the Board of Directors prior to their disclosure to shareholders and other stakeholders.

Revenue of United Finance PLC has increased significantly from the first quarter of 2024, primarily driven by a strategic revision of interest rates on the existing lending portfolio and prudent alignment of new disbursements with prevailing market rates. This adjustment was necessitated by the sharp rise in market rates following the introduction of the SMART benchmark in the second half of 2023. Despite a marginal decline in the lease, loan, and advances portfolio over the last two quarters of 2024 attributable to cautious and selective disbursements overall income performance remained robust. Additionally, investment income improved notably due to a focused allocation towards Government Treasury Bills, yielding favorable returns in the rising interest rate environment.

Rising inflation exerted upward pressure on operating expenses throughout the year; however, the impact was effectively contained through the Company’s continued focus on operational efficiency and cost management initiatives. These measures enabled the Company to maintain stable quarterly operating profit, reflecting a significant improvement compared to 2023.

The Company maintained adequate provisions against loans, leases, and investments in full compliance with Bangladesh Bank's provisioning guidelines. Provisioning was guided by the monthly and quarterly assessment of asset quality, which in turn led to corresponding fluctuations in quarterly net profit.

### Strong Financial Performance amid Challenges

Despite the demanding business environment, we achieved exponential growth in Earnings Per Share (EPS), which surged by 46.2% to BDT 1.12 in 2024 from BDT 0.76 in 2023. Additionally, the Net Asset Value (NAV) per share increased slightly by 3%, rising from BDT 17.32 in 2023 to BDT 17.84 in 2024, demonstrating our ability to sustain value creation for our stakeholders.

Our operating income registered an impressive 26.4% growth from 2023, driven by a high-interest rate spread in the market, which led to a significant rise in net interest income. Furthermore, income from strategic investments played a crucial role in strengthening our overall financial performance.

However, to uphold financial stability and mitigate potential risks, our provision requirements increased by 122%, reflecting our proactive approach to asset quality management. Despite this, our Capital Adequacy Ratio (CAR) stood at 18.88%, ensuring compliance with regulatory standards while maintaining a strong capital base to support future growth.

### Comparative financial performance

Sl no.	Highlights on the overall activities		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	3,503.24	3,383.57	3.54%
3	Capital surplus (note-13.3)	MBDT	1,648.08	1,426.90	15.50%
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)	(%)	4.91	4.84	1.44%
10	Profit after tax and provision	MBDT	209.23	143.10	46.21%
11	Amount of loans classified during the year	MBDT	955.38	985.99	-3.10%
12	Provisions kept against classified loans (note-12.6)	MBDT	584.54	531.23	10.03%
13	Provision surplus (note-12.6)	MBDT	25.59	0.34	7426.47%
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 (i)	(%)	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 (iv)	BDT	1.12	0.76	46.21%
23	Price earning ratio (v)	Times	11.98	20.66	-41.99%

MBDT= Bangladeshi BDT in Million, BDT= Bangladeshi BDT

### Segment-wise/Product-wise performance

Segments	2024	2023	Growth
Net Interest income from Long term activities	1,145,991,106	923,133,705	24%
Net Interest income from Short term activities	138,811,505	106,206,156	31%
Investment income	64,306,709	37,955,593	69%



Key Operating and Financial Data

Pursuant to the clause 1.5 (xix) of BSEC Notification no. BSEC/CMRRCD/2006-158/207/admin/80 dated 3 June 2018 is presented in page 173 and highlights of the Company’s operations as per the DFIM Circular no. 11 dated 23 December 2009 have also been presented on page 174.

Appropriation

The Company’s before and after tax profit for the year 2024 were BDT 348.40 million and BDT 209.23 million compared to BDT 226.58 million and 143.10 million respectively in the previous year. The Board recommended an appropriation of the available profit of Tk 207.40 million, as under, which will be placed before the 36th Annual General Meeting for approval:

	2024 (BDT)
Profit after tax	209,225,514
Profit transferred to statutory reserve	(41,850,000)
Retained earnings brought forward	40,022,218
Available profit for appropriation	207,397,732

Dividend

The Board recommended cash dividend of Taka 1 per ordinary share amounting to BDT Tk 187.11 million for 187.11 million ordinary shares held on record date 21 May 2025 for the year ended 31 December 2024.

United Finance Contribution to the Economy

In 2024, United Finance paid BDT 128 million in corporate income tax, BDT 12 million in VAT, and BDT 2 million in excise duty. Additionally, as a withholding entity, United Finance collected BDT 195 million in tax, BDT 11 million in VAT, and BDT 45 million in excise duty, all of which were subsequently deposited into the Government Exchequer.

Sustainability Initiatives

At United Finance PLC, sustainability remains a core pillar of our strategic vision integrating environmental, social, and governance (ESG) principles into its core business strategy. In 2024, 71.10% of total term loan disbursements were allocated to sustainable financing, exceeding industry benchmarks, while green finance accounted for 5.65%, surpassing Bangladesh Bank’s target. Adhering to Global Reporting Initiative (GRI) standards, we ensure transparent sustainability reporting aligned with national and global frameworks. Our sustainability efforts include investments in renewable energy, resource efficiency projects, and a green finance portfolio of BDT 1,207.55 million. Additionally our Sustainable finance portfolio expanded by approximately 3.20%. Corporate Social Responsibility (CSR) initiatives have positively impacted individuals from different parts of the country, focusing on education, healthcare, and disaster relief. Additionally, we have implemented environmental initiatives such as a plastic-free workplace, reduced paper consumption, and funding for circular economy projects.

To further drive financial inclusion, United Finance disbursed BDT 1,179.21 million to support 150 women entrepreneurs, empowering them with access to capital for business growth. In the agricultural sector, we provided BDT 776.07 million in financing, representing 8.59% of our sustainable finance disbursement, to support farmers and agribusinesses in adopting sustainable practices.

Governance mechanisms, including the Sustainable Finance Committee and Sustainable Finance Unit, ensure ESG compliance, policy execution, and regulatory adherence. Moreover, we have undertaken carbon footprint assessments, targeting Scope 1 & 2 emission reductions and enhancing operational energy efficiency. By embedding sustainability into our financial services and governance framework,

United Finance PLC continues to drive long-term economic, social, and environmental impact, ensuring a resilient and inclusive future for all stakeholders. This commitment is at the heart of our vision to create lasting value while fostering sustainable development.

Declaration and Certification of Managing Director and Chief Financial Officer

Pursuant to the clause 1.5 (xxvi) of BSEC Notification no. BSEC/CMRRCD/2006-158/207/admin/80 dated 3 June 2018 is presented in page 254.

Management’s Discussion & Analysis

Pursuant to the clause 1.5 (xxv) of BSEC Notification no. BSEC/CMRRCD/2006-158/207/admin/80 dated 3 June 2018 is presented in page 162.

Senior Management:

United Finance PLC’s Senior Management proudly proclaims its steadfast dedication to the Company’s future prosperity. We are actively strengthening governance and compliance structures as integral components of our sustainability roadmap. Through the application of their skills and expertise, we are focused on visualizing and implementing growth and improvements that align with the Company’s core vision and mission, ensuring its long-term well-being. Brief profile if the senior management team is shown in page 87.

Shareholding Pattern

The shareholding pattern of United Finance PLC reflects a composition of sponsors, directors, institutions and general public as presented in note 13.4 of the Financial Statements in this annual report on page 289. In the year of 2024, sponsors namely Lawrie Group PLC, Duncan Brothers (BD) Limited, Octavius Steel & Co. of BD Ltd. and Lawrie Group PLC’s associates (Surmah Valley Tea Co. Ltd., Camellia Duncan Foundation, Macalms Bangladesh Trust, The Lungla (Sylhet) Tea Co. Ltd., Amo Tea Co. Ltd., The Chandpore Tea Co. Ltd., Chittagong Warehouses Ltd., The Allynugger Tea Co. Ltd., The Mazdehee Tea Co. Ltd. and Duncan Products Ltd.) sold their shares to the individuals to divest their investment. This transaction has significant change in the pattern of shareholding as well as in the Board of Directors. United Finance PLC’s shareholding pattern as on December 31, 2024, is disclosed as per the Corporate Governance Code of BSEC in Annexure – 1 of this annual report on page 241.

Directors

Due to change in shareholding pattern, the Board of United Finance PLC has been reconstituted. Among the Board of Directors except Mr. Ormaan Rafay Nizam, nominated by National Brokers Ltd., withdrawn by the sponsor shareholder Lawrie Group PLC and its related parties.

Bangladesh Bank vide its letter no. DFIM(S)1055/69(06)2024-3919 dated 01 December 2024 provided no objection certificate to release the nominated directors, Mr. Kenneth Byron Coombs, Mr. A. F. Nesaruddin and Mr. Imran Ahmed following the execution of share transfer by the shareholding companies and withdrawal of nomination of Mr. A.F.M.M. Samad Choudhury from United Insurance Company Limited.

Mr. Moinuddin Hasan Rashid, Mr. Najmul Hasan, Mr. Kutubuddin Akhter Rashid, Mr. Khondaker Zayed Ahsan, Mr. Kayes Khalil Khan, nominated by United Insurance Company Limited, and Mrs. Mahenoor Sultana Rashid have given their consent to act as Board of Directors of United Finance PLC. Subsequently, Bangladesh Bank vide its letters no. DFIM(S)1055/69(06)2024-4151 dated 19 December 2024 and DFIM(S)1055/69(06)2025-214 dated 15 January 2025 approved their appointment for a period of three (03) years.

Mr. M. M. Alam, Independent Director, was first appointed on 9 April 2019 for a tenure of 3 year. Subsequently, his 2nd tenure started from 24 March 2022 which ended on 24 March 2025. Following the approval of the Bangladesh Securities and Exchange Commission vide letter no. BSEC/ICA/CG/2023/31/Part-1/2/14 dated 30 April 2025 and subsequent consent from Bangladesh Bank through letter no. DFIM(S)1055/69(06)2025-1572 dated 18 May 2025, Professor Dr. Mohammad Omar Farooq and Mr. Md. Jahidur Rahman have been appointed as Independent Directors on the Board of United Finance PLC. Their appointments are now being placed before the shareholders at the 36th Annual General Meeting for ratification.

### Brief resume of all the Directors

Brief resume of the Directors as per clause 1.5 (xxiv) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/admin/80 dated June 3, 2018 and BSEC Notification No. BSEC/CMRRCD/2009-193/3/Admin/104 dated February 5, 2020 is shown page 75 which includes a summary of academic qualifications and professional credentials, relevant expertise in specific functional areas. The details of directorships and board committee memberships held in other companies is presented in note 43.2 of the Financial Statements in this annual report on page 295.

### Election, retirement and re-election of Directors

#### Election

As stated earlier, due to changes in shareholding position, 6 new Directors were appointed on the Board with the approval of Bangladesh Bank vide letter no. DFIM(S)1055/69(06)2024-4151 dated 19 December 2024 and DFIM(S)1055/69(06)2025-214 dated 15 January 2025.

As per Article 162 of the Articles of Association of the Company, the following 6 new Directors are eligible for election in the 36th Annual General Meeting:

1.	Mr. Moinuddin Hasan Rashid
2.	Mr. Najmul Hasan
3.	Mr. Kutubuddin Akhter Rashid
4.	Mr. Khondaker Zayed Ahsan
5.	Mr. Kayes Khalil Khan, nominated by United Insurance Company Limited
6.	Ms. Mahenoor Sultana Rashid

#### Retirement and Re-election

As per Articles 154, 155 and 156 of the Articles of Association of the Company, Mr. Ormaan Rafay Nizam representing National Brokers Limited shall retire by rotation at 36th Annual General Meeting and is eligible for re-election. The appointment approval of Mr. Nizam for 3 years was obtained from Bangladesh Bank vide letter no. DFIM(S)1055/69(06)2023-1458 dated 3 May 2023.

#### Related Party Transactions

Related party transactions involve transfers of resources, services, or obligations between a company and its related parties. Transaction

such related party is presented in the note 43.5 of the Financial Statement in this annual report on page 296.

### Insider Trading

Neither the members of the Board of United Finance PLC., nor those of its sub-committees, senior management, nor their respective family members, have engaged in any insider trading or violated any provisions related thereto.

### Board Meeting and Attendance of the Directors

The Board of Directors of United Finance PLC participated the meeting of the Board of Directors throughout the year. Six (6) Board of Directors meetings were held during the year 2024 and meeting calendar is depicted below. The details of the attendance by the Directors is been presented in the Annexure – 2 on page 238.

Board Meeting No.	Date of the Board Meeting
224	24 April 2024
225	9 May 2024
226	31 July 2024
227	12 September 2024
228	24 October 2024
229	30 October 2024

The Board of Directors showed their anticipation during meeting. The details of remuneration to the Directors' for attending Board and Board Committee meetings is represented in Annexure – 3 on page 239.

### Statement of Directors on Financial Reports

- The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994, Securities and Exchange Rules, 1987 and rules and regulation from Bangladesh Bank. These statements present fairly the Company's statement of affairs, the result of its operation, cash flow, and statement of changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate Accounting Policies have been consistently applied in preparation of the financial statements except those referred to in the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- The presentation of Financial Statements has been made in accordance with the Bangladesh Bank DFIM circular no.11 dated December 23, 2009.
- IAS/IFRS as applicable in Bangladesh have been followed in preparation of the financial statements.
- Internal Control System is sound in design and has been effectively implemented and monitored.
- There are no significant doubts about the ability of the Company to continue as going concern.
- The interests of the minority shareholders have been duly protected in the Company.
- There is no stock dividend recommended by the Board of Directors of the Company as interim dividend.
- A comparative analysis of the significant deviations has been outlined, with the underlying reasons explained in the preceding section.

- No statement on utilization of proceeds or explanation on post-offering financial results is required, as the Company did not raise any funds through IPO, RPO, Rights Issue, Direct Listing, or any other instruments during the reporting period.

### Report on the Activities of Audit Committee

Pursuant to the clause 5.7 of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/admin/80 dated June 3, 2018, the disclosure on Audit Committee activities of the Audit Committee during the year 2024 is presented in note 50 of the Financial Statements in page 298. Besides, the Report of the Audit Committee is presented in this annual report page 221.

### Statutory Auditors

The auditors of the Company, A. Qasem & Co., Chartered Accountants shall retire and, being eligible, have offered themselves for re-appointment.

The Board of Directors recommended the re-appointment of A. Qasem & Co., Chartered Accountants for the year 2025 and the management obtained approval from Bangladesh Bank. The matter will be placed before the shareholders in the Annual General Meeting for approval.

### Corporate Governance Compliance Auditor

As per the Corporate Governance Code of Bangladesh Securities and Exchange Commission dated 3 June 2018, a professional is required to be appointed for certifying compliance with Corporate Governance Code for the year 2025.

The Board of Directors recommended the appointment of Al-Muqtadir Associates for the year 2025. The matter will be placed before the shareholders in the Annual General Meeting for approval.

### Certification on Compliance of Corporate Governance Code

Certificate from a professional on compliance with the conditions as per clause 9 (1) of Corporate Governance Code for the year 2024 is shown in Annexure – 4 and 5 of this annual report on page 240 & 241. The Statement of Compliance pursuant to the Good Governance Guidelines issued by Bangladesh Bank vide, DFIM

Circular No. 1, dated 29 February 2024; DFIM Circular No. 2, dated 13 March 2024; DFIM Circular No. 3, dated 25 March 2024 is also presented in Annexure – 6 of this annual report on page 252.

### Compliance and Conviction

United Finance PLC remains fully compliant with all applicable laws and regulations. There are no instances of regulatory non-compliance, nor has the company, its directors, or senior management been involved in any loan defaults.

### Looking Ahead

As we move forward, our commitment to financial excellence and operational agility remains unwavering. While uncertainties in the economic and financial landscape persist, we are confident that our strategic foresight and disciplined execution will continue to drive sustainable growth. With a steadfast focus on innovation, resilience, and value creation, we are well-positioned to seize emerging opportunities and strengthen our market position.

Together, we remain committed to shaping a better and more prosperous future.

For and on behalf of the Board of Directors.

14 May 2025



Najmul Hasan  
Chairman of the Board

## Annexure – 1: Shareholding Pattern

Particulars		No. of Shares held	% of total shares
<b>Shares held by:</b>			
<b>(a) Parent or Subsidiary or Associated Companies and other related parties:</b>			
United Insurance Company Ltd.		37,116,828	19.84%
Mr. Nizamuddin Hasan Rashid		9,337,019	4.99%
Mr. Sharfuddin Akhter Rashid		5,443,990	2.909%
Mr. Akter Mahmud		5,443,990	2.909%
Mr. Khandaker Moinul Ahsan		5,443,990	2.909%
Mr. Khandaker Zahin Ahsan		5,443,990	2.909%
<b>Sub-Total</b>		<b>31,112,979</b>	<b>36.47%</b>
<b>(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children</b>			
Directors, their spouses and minor children		Nil	
Chief Executive officer (CEO)/Managing Director and his spouse and minor children		Nil	
Chief Financial Officer (CFO) and his spouse and minor children		Nil	
Company Secretary (CS) and her spouse and minor children		Nil	
Head of Internal control and Compliance (HICC)		Nil	
<b>Sub-Total</b>			
<b>(c) Executives (Top five person other than CEO, CFO, CS, HICC):</b>			
Mr. Mohammed Abul Ahsan	Deputy Managing Director	Nil	
Mr. Khandaker Tanbir Islam	Deputy General Manager	2,124	0.001%
Mr. Md. Enayet Latif	Deputy General Manager	Nil	
Mr. Zia Ul Alam Chowdhury	Deputy General Manager	Nil	
Ms. Israt Jahan Anny	Assistant General Manager	Nil	
<b>Sub-Total</b>			
<b>(d) Shareholders holding 10% or more voting right:</b>			
United Insurance Company Ltd.		37,116,828	19.84%



ANNEXURE – 2: Meeting attended by the Directors of United Finance PLC during 2024

Name of Director	Board of Directors Meeting			Executive Committee Meeting			Audit Committee Meeting			Risk Management Committee Meeting		
	Total BOD meeting Held during Director's tenure	Meeting Attended	Attendance as % of total meeting held	Total EC meeting Held during Director's tenure	Meeting Attended	Attendance as % of total meeting held	Total AC meeting Held during Director's tenure	Meeting Attended	Attendance as % of total meeting held	Total RMC meeting Held during Director's tenure	Meeting Attended	Attendance as % of total meeting held
Mr. Imran Ahmed	6	6	100	5	5	100	-	-	-	-	-	-
Mrs. Susan Ann Walker*	4	4	100	-	-	-	-	-	-	-	-	-
Mr. Kenneth Byron Coombs*	1	1	100	-	-	-	-	-	-	-	-	-
Mr. A. Rouf **	2	1	50	2	2	100	-	-	-	-	-	-
Mr. L. H. Khan **	2	2	100	-	-	-	2	2	100	-	-	-
Mr. A. F. Nesaruddin	6	5	83	5	5	100	-	-	-	1	1	100
Mr. Ormaan Rafay Nizam	6	6	100	-	-	-	4	4	100	-	-	-
Mr. M. M. Alam	6	5	83	-	-	-	4	4	100	-	-	-
Professor Dr. Mahfuzul Haque	6	2		-	-	-	4	3	0.75	-	-	-
Mr. A.F.M.M Samad Choudhury	6	6	100	-	-	-	4	4	100	-	-	-

\*Lawrie Group PLC withdrew the nomination of Mrs. Susan Ann Walker and nominated Mr. Kenneth Byron Coombs on 12 September 2024;  
\*\*Mr. A. Rouf and Mr. L. H. Khan both representing United Insurance Company Ltd. retired from the office of Directors immediately after 35th AGM.  
# Leave of absence was granted in case of non-attendance.

### Annexure – 3: Remuneration to Board of Directors'

Remuneration in BDT

Name of Director	Board of Directors Meeting		Executive Committee Meeting		Audit Committee Meeting		Risk Management Committee Meeting		Total Remuneration paid for the year 2024
	Meeting Attended	Remuneration paid for attending the meeting	Meeting Attended	Remuneration paid for attending the meeting	Meeting Attended	Remuneration paid for attending the meeting	Meeting Attended	Remuneration paid for attending the meeting	
Mr. Imran Ahmed	6	36,667	5	-	-	-	-	-	36,667
Mrs. Susan Ann Walker	4	24,444	-	-	-	-	-	-	24,444
Mr. Kenneth Byron Coombs	2	12,222	-	-	-	-	-	-	12,222
Mr. A. Rouf	1	6,111	2	-	-	-	-	-	6,111
Mr. L. H. Khan	2	6,111	-	-	2	12,222	-	-	18,333
Mr. A. F. Nesaruddin	5	30,556	5	30,556	-	-	1	6,111	67,223
Mr. Ormaan Rafay Nizam	6	36,667	-	-	4	24,444	-	-	67,223
Mr. A.F.M.M Samad Choudhury	6	36,667	-	-	4	-	-	-	30,556
Mr. M. M. Alam	5	30,556	-	-	4	24,444	-	-	54,999
Professor Dr. Mahfuzul Haque	2	12,222	-	-	3	18,333	-	-	30,556
<b>Total Remuneration paid</b>		<b>232,222</b>		<b>30,556</b>		<b>79,443</b>		<b>6,111</b>	<b>348,332</b>

Directors' fee include fees for attending meetings by the non-executive Directors. Each Director was paid @ Tk. 5,000 per meeting as attendance fee after deduction of tax.

## Annexure – 4: Certification on the Compliance with the Corporate Governance Guidelines



**Hoque Bhattacharjee Das & Co.**  
Chartered Accountants

an independent member of



### **Report to the Shareholders of United Finance PLC. on compliance of the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by United Finance PLC. for the year ended on December 31, 2024. This Code relates to the Notification No. BSEC/ CMRRCD/2006-158/207/Admin/80, dated June 3, 2018 and Notification No. BSEC/ CMRRCD/2009-193/66/PRD/148 dated 16 October 2023 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

1. The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
2. The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSSs) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
3. Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws;
4. The governance in the Company is satisfactory.

Dhaka, Bangladesh

Date: 01 June 2025

Signed for and on behalf of  
**Hoque Bhattacharjee Das & Co.**  
Chartered Accountants

A blue ink signature of Avijit Bhattacharjee, written in a cursive style.

**Avijit Bhattacharjee, FCA**  
Partner  
Enrollment Number: 824

## ANNEXURE – 5: COMPLIANCE REPORT ON CORPORATE GOVERNANCE CODE

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
<b>1</b>	<b>Board of Directors'</b>			
1.1	Size of the Board of Directors	√		
<b>1.2</b>	<b>Independent Directors:</b>			
1.2 (a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√		
1.2 (b)	Independent Director means a director-			
1.2 (b)(i)	Who either does not hold share in the company or holds less than one (1%) shares of the total paid up shares of the Company;	√		
1.2 (b) (ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		
1.2 (b) (iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1.2 (b) (iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	√		
1.2 (b) (v)	Who is not a member or TREC holder, director or officer of any stock exchange;	√		
1.2 (b) (vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1.2 (b) (vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	√		
1.2 (b) (viii)	Who shall not be an independent director in more than 5 (five) listed companies;	√		
1.2 (b) (ix)	Who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for nonpayment of any loan or advance or obligation to a Bank or a Financial Institution;	√		
1.2 (b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	√		
1.2 (c)	The Independent Director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
	Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	√		
1.2 (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	√		
1.2 (e)	Tenure of office of an independent director shall be for a period of 3 (three) years and may be extended for one more term only;	√		
<b>1.3</b>	<b>Qualification of Independent Director (ID):</b>			
1.3 (a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
1.3 (b) (i)	Business Leader who is or was a Promoter or Director of an unlisted company having minimum paid-up capital of Tk.100.00 Million or any listed company or a member of any national or international chamber of commerce or registered business association; or	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.3 (b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	√		
1.3 (b) (iii)	Former or existing official of Government or Statutory or Autonomous or Regulatory body in the position not below 5th Grade of the National Pay Scale, who has at least educational background of Bachelor degree in Economics or Commerce or Business or Law:  Provided that in case of appointment of Existing Official as Independent Director, it requires clearance from the organization where he or she is in service; or	√		
1.3 (b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	√		
1.3 (b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification.			
1.3 (c)	The independent director must have at least 10 (ten) years of in any field mentioned in clause (b);	√		
1.3 (d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			N/A
<b>1.4</b>	<b>Duality of Chairperson of the Board and Managing Director /Chief Executive Officer</b>			
1.4 (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1.4 (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
<b>1.5</b>	<b>The Directors' Report to Shareholders:</b> The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			
1.5 (i)	Industry outlook and possible future developments in the industry	√		
1.5 (ii)	Segment-wise or product-wise performance	√		
1.5 (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1.5 (iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1.5 (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		
1.5 (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.5 (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			N/A
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			N/A
1.5 (x)	A statement of remuneration paid to the directors including independent directors;	√		
1.5 (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1.5 (xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1.5 (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1.5 (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1.5 (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1.5 (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1.5 (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1.5 (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1.5 (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1.5 (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			N/A
1.5 (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1.5 (xxii)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
1.5 (xxiii)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-	√		
1.5 (xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
1.5 (xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		
1.5 (xxiii)(c)	Executives	√		
1.5 (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1.5 (xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-	√		
1.5 (xxiv)(a)	A brief resume of the director;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.5 (xxiv)(b)	Nature of his/her expertise in specific functional areas;	√		
1.5 (xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1.5 (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	√		
1.5 (xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1.5 (xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1.5 (xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1.5 (xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1.5 (xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1.5 (xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√		
1.5 (xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1.5 (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	√		
1.5 (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
1.5 (xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√		
<b>1.6</b>	<b>Meeting of the Board of Directors</b> Conducting Board meetings and recording the minutes of the meetings and keeping required books and records in line Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB), in so far as those standards are not inconsistent with any condition of this Code.;	√		
<b>1.7</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive</b>			
1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency	√		
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
2 (a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.			N/A
2 (b)	At least 1 (one) Independent Director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			N/A
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.			N/A

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.			N/A
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b>			
3.1	Appointment			
3.1 (a)	The Board shall appoint a MD or CEO, CS, CFO and HIAC;	√		
3.1 (b)	The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals;	√		
3.1 (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time.	√		
	Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;			
3.1 (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3.1 (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
<b>3.2</b>	<b>Requirement to attend Board of Directors' Meetings: The MD/CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board</b>			
<b>3.3</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>	√		
3.2 (a)	Reviewed the Financial Statements and certified to the Board by MD & CFO	√		
3.2 (a)	Reviewed the truthfulness of the Financial Statements by MD, CEO and CFO			
3.2 (a) (ii)	Reviewed compliance of the accounting standard by MD & CFO	√		
3.2 (b)	Reviewed the absence of fraudulent or illegal transactions or violation of the Company's Code of Conduct	√		
3.2 (c)	Certification of the Financial Statement by MD/CEO and CFO shall be disclosed in the Annual Report	√		
<b>4</b>	<b>Board of Directors' Committee The Board shall have at least following sub-committees:</b>			
4 (i)	Audit Committee (AC)	√		
4 (ii)	Nomination and Remuneration Committee (NRC)	<p>Financial Institutions are permitted to form only three sub Committees of Board, namely Executive Committee, Audit Committee and Risk Management Committee as per Bangladesh Bank DFIM circular # 01 dated 29 February 2024; whereas BSEC Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80, dated 3 June 2018 directs to form NRC.</p> <p>However, Bangladesh Bank has further advised through their letter ref. no. DFIM Circular Letter no. 18 dated 21 May 2024 that NRC related activities shall be done by Audit Committee.</p>		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
<b>5</b>	<b>Audit Committee</b>			
5.1	Responsibility to the Board of Directors			
5.1 (a)	The company shall have an Audit Committee as a subcommittee of the Board of Directors.	√		
5.1 (b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		
5.1 (c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
5.2	Constitution of the Audit Committee :			
5.2 (a)	The Audit Committee shall be composed of at least 3 (three) members.	√		
5.2 (b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company and shall include at least 1 (one) Independent Director.	√		
5.2 (c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5.2 (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5.2 (e)	The company secretary shall act as the secretary of the Committee;	√		
5.2 (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (One) Independent Director	√		
5.3	Chairperson of the Audit Committee			
5.3 (a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an Independent Director.	√		
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5.3 (c)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM). Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		
5.4	Meetings of the Audit Committee:			
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year:  Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		
5.4 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5.5	Role of the Audit Committee			
5.5 (a)	Oversee the financial reporting process	√		
5.5 (b)	Monitor choice of accounting policies and principles	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5.5 (c)	Monitor Internal Control Risk management process	√		
5.5 (d)	Oversee hiring and performance of external auditors	√		
5.5 (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		
5.5 (f)	Review along with the management, the annual financial statements before submission to the board for approval	√		
5.5 (g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	√		
5.5 (h)	Review the adequacy of internal audit function	√		
5.5 (i)	Review the Management's Discussion and Analysis before disclosing in this Annual Report ;	√		
5.5 (j)	Review statement of significant related party transactions submitted by the management	√		
5.5 (k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	√		
5.5 (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		
5.5 (m)	<p>Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:</p> <p>Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on quarterly basis, as a part of their quarterly declaration of financial results:</p> <p>Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in this Annual Report along with the comments of the Audit Committee.</p>			N/A
5.6	Reporting of the Audit Committee			
5.6 (a)	Reporting to the Board of Directors	√		
5.6 (a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
5.6 (a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5.6 (a)(ii)(a)	Report on conflicts of interests ;			No such event found
5.6 (a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			
5.6 (a)(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations;			
5.6 (a)(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately.			
5.6 (b)	Reporting to the Authorities – Reported to the Board of Directors about anything which has material impact on the financial condition and results of operation	√		
5.7	Reporting to the Shareholders and General Investors Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5.6 (a)(ii)	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
6	Nomination and Remuneration Committee (NRC)	<div>Financial Institutions are permitted to form only three sub Committees of Board, namely Executive Committee, Audit Committee and Risk Management Committee as per Bangladesh Bank DFIM circular # 01 dated 29 February 2024; whereas BSEC Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80, dated 3 June 2018 directs to form NRC.</div> <div>However, Bangladesh Bank has further advised through their letter ref. no. DFIM Circular Letter no. 18 dated 21 May 2024 that NRC related activities shall be done by Audit Committee.</div>		
6.1	Responsibility to the Board of Directors			
6.1 (a)	Nomination and Remuneration Committee (NRC) as a sub-committee of the Board			
6.1 (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			
6.1 (c)	ToR of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b);			
6.2	Constitution of NRC			
6.2 (a)	The Committee shall comprise of at least three members including an independent director;			
6.2 (b)	At least 02 (two) members of the Committee shall be non-executive Directors;			
6.2 (c)	Members of the Committee shall be nominated and appointed by the Board			
6.2 (d)	The Board shall have authority to remove and appoint any member of the Committee			
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee			
6.2 (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee			
6.2 (g)	The company secretary shall act as the secretary of the Committee			
6.2 (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director			
6.2 (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director’s fees or honorarium from the company			
6.3	Chairperson of the NRC			
6.3 (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director			

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			
6.3 (c)	The Chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the shareholders			
6.4	Meeting of the NRC			
6.4 (a)	The NRC shall conduct at least one meeting in a financial year			
6.4 (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC			
6.4 (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h)			
6.4 (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC;			
6.5	Role of the NRC			
6.5 (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders			
6.5 (b)	NRC shall oversee, among others, the following matters and submit a report with recommendations to the Board:			
6.5 (b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6.5 (b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			
6.5 (b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks			
6.5 (b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			
6.5 (b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			
6.5 (b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board			
6.5 (b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board			
6.5 (b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria			
6.5 (b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies			
6.5 (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report			
<b>7</b>	<b>External or Statutory Auditors</b>			
7.1	The issuer Company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7.1 (i)	Appraisal or valuation services or fairness opinions	√		
7.1 (ii)	Financial information systems design and implementation	√		
7.1 (iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7.1 (iv)	Broker-dealer services	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
7.1 (v)	Actuarial services	√		
7.1 (vi)	Internal audit services or special audit services;	√		
7.1 (vii)	Any service that the Audit Committee determines	√		
7.1 (viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7.1 (ix)	Any other service that creates conflict of interest	√		
7.2	<p>No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:</p> <p>Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.</p>	√		
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
<b>8</b>	<b>Maintaining a website by the Company</b>			
8.1	The company shall have an official website linked with the website of the stock exchange;	√		
8.2	The company shall keep the website functional from the date of listing;	√		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s);	√		
<b>9</b>	<b>Reporting and Compliance of Corporate Governance</b>			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in this Annual Report.	√		
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

# DIVIDEND DECLARATION & DISTRIBUTION POLICY

## A. Policy Statement

The Board of Directors of United Finance PLC has adopted this Dividend Declaration & Distribution Policy pursuant to the requirements of Bangladesh Securities and Exchange Commission directive no. BSEC/CMRRCD/2021-386/03 dated January 14, 2021 and in consistency with the Articles of Association and Accounting Policy section on "Dividend" of United Finance PLC. The Dividend Declaration & Distribution Policy shall be disclosed in the Annual Report of the Company and placed on the Company website.

## B. Policy Guidelines

### 1. Declaration of dividends

The Company shall declare dividends after complying with all applicable laws, rules, regulations and guidelines from all regulatory bodies.

The Company has a dividend policy that balances the objective of rewarding shareholders by providing a reasonable return on their investments and retaining sufficient earnings to support the future growth of the Company. Subject to these considerations, the dividends for any financial year shall be paid from:

- Current year's distributable profit net of any appropriations from net profit after tax as may be prescribed by relevant laws, rules and regulation and as considered appropriate by the Board of Directors;
- Accumulated retained earnings from previous financial years and general reserve.
- The dividends payout shall be subject to consideration of the following financial, internal and external parameters:

Financial parameters	Internal parameters	External parameters
<ul style="list-style-type: none"> <li>• Profit earned during the year</li> <li>• Profit available for distribution</li> <li>• Liquidity profile of the Company</li> <li>• Funding and lending requirements</li> <li>• Creation of contingency fund</li> </ul>	<ul style="list-style-type: none"> <li>• Business expansion</li> <li>• Capital expenditure requirements</li> <li>• Need for conservation of cash</li> <li>• Trend of past dividends payout ratio</li> </ul>	<ul style="list-style-type: none"> <li>• Economic environment</li> <li>• Market trends and industry practice</li> <li>• Statutory provisioning and appropriation guidelines</li> <li>• Tax matters and other contingent liabilities</li> </ul>

### 2. Forms of Dividends

The Board in the meeting that considers and approves the annual financial statements may recommend final dividends for the approval of the shareholders in the Annual General Meeting.

Apart from the above, the Board may after considering the financial position of the Company also declare the following dividends:

- Interim dividends in a financial year;
- Special dividends as and when it deems fit.
- Consideration of dividends payment to various classes of shares

As of the date of this policy, the Company had issued only one class of ordinary shares with equal voting rights. Dividends are declared on a per share basis on the ordinary shares of face value. The shareholders whose name appear in the Members Register on the record date shall be eligible to receive dividends after deduction of applicable income tax.

The Company may decide to issue any other classes of shares as it deems appropriate from time to time in which case the dividends payments shall be determined in accordance with the applicable rules and regulations of the respective terms of issue of such other class of shares.

### 4. Circumstances under which dividends may not be declared by the Company

The Company may not be in a position to distribute dividends under the following circumstances:

- In the event of inadequacy of profits earned;
- Any other reason as the Board may deem fit from time to time.

### 5. Utilisation of retained earnings

The Board may retain such earnings of the Company as it deems necessary to increase shareholder value. Utilisation of the retained earnings of the Company shall be dictated by the business growth plans, capacity building and modernisation initiatives, replacement of capital assets and any other long term strategic plans.

### 6. Dividends distribution procedure:

In accordance with the guidelines of Bangladesh Securities and Exchange Commission, the Company shall distribute dividends in the following manner:

- Pay off interim/final dividends (cash/stock) to all shareholders within the statutory time after approval in the Annual General Meeting, subject to any additional permission of regulatory bodies as may be applicable.
- Transfer cash dividends to the shareholder's bank account as prescribed in the BO account details maintained with the concerned Depository Participants (DP), or the bank account provided by shareholders in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN) or any bank transfer mechanism or electronic payment system recognised under the laws of Bangladesh.
- Transfer cash dividends of margin clients to the Consolidated Customer's Bank Account (CCBA) of their respective stock brokers, merchant bankers or portfolio managers.
- In cases where no bank account information of the concerned shareholder is available, issue dividends warrant and forward by registered or courier post to the shareholder.

- Directly credit stock dividends to the BO account or issue bonus share certificate of the shareholder with in the statutory time after approval in the Annual General Meeting with the clearance of the stock exchanges and the Central Depository Bangladesh Limited (CDBL).
- Maintain all unclaimed stock dividends in the Suspense BO Account held under Block Module of CDBL.
- Unclaimed cash dividends or stock dividends shall not be forfeited till such time as the claim is barred under the applicable laws of Bangladesh.

### 7. Unclaimed Dividend History & Dividend Distribution Compliance report

The summary of the Unclaimed Dividends shall be disclosed every year in the annual financial statements and shall be published on the Company website.

The Dividend Distribution Compliance report shall be published on the Company website after submission of the same to the Bangladesh Securities and Exchange Commission.

### 8. Review & Amendment

The Policy shall be reviewed from time to time to ensure conformity with market and regulatory changes. In event of any conflict between requirements of this policy and any statutory rules or regulations, the statutory rules or regulation shall prevail and this policy will be appropriately amended.

## ANNEXURE – 6: STATEMENT OF COMPLIANCE WITH THE GOOD GOVERNANCE GUIDELINE ISSUED BY THE BANGLADESH BANK:

Bangladesh Bank vide, DFIM Circular No. 1, dated 29 February 2024; DFIM Circular No. 2, dated 13 March 2024; DFIM Circular No. 3, dated 25 March 2024; issued policy on the responsibility & accountability of the Board of Directors, Chairman & Chief Executive of financial institution. The Board of Directors of the Company has taken appropriate steps to comply with the guidelines.

A status report on compliance with those guidelines is stated below:

SL	Particulars	Status
1	<b>Responsibilities and authorities of the Board of Directors:</b> <b>The Board of Directors should focus mainly on the policy matters and evaluation of the performance of the institution, such as:</b>	
	a) Work-planning and strategic management	
	(I) The Board shall determine the Vision/ Mission of the institute. In order to enhance operational efficiency and to ensure business growth, they shall chalk out strategies and work-plans on annual basis. The Board shall review such strategies on quarterly rests and shall modify accordingly, if required. If any structural modification is required, shall bring those changes with consultation with the management.	Complied
	(ii) The Board shall have its analytical review incorporated in the Annual report as regard to the success/failure in achieving the business and other targets as set out in its annual Work-plan and shall apprise the shareholders on future plans and strategies.	Complied
	(iii) The Board will set the Key Performance Indicators (KPI’s) for the CEO and other senior executives and will appraise those on half yearly basis.	Complied
	b) Formation of sub-committee:	
	Executive Committee may be formed in combination with directors of the Company for rapid settlement of the emergency matters (approval of loan/lease application, write-off, rescheduling etc.) arisen from the regular business activities. Except the Executive Committee, Audit Committee and Risk Management Committee no other committee or sub-committee can be formed, even in temporary basis	Complied
	(c) Financial management	
	i) Annual budget and statutory financial statements shall be adopted finally with the approval of the Board.	Complied
	(ii) Board shall review and examine in quarterly basis various statutory financial statements such as statement of income-expenses, statement of loan/lease, statement of liquidity, adequacy of capital, maintenance of provision, legal affairs including actions taken to recover overdue loan/lease.	Complied
	(iii) Board shall approve the Company’s policy on procurement and collection and shall also approve the expenditures according to policy. The Board to the maximum extend shall delegate the authority on the Managing Director and among other top executives for approval of expenditure within budget. (iv) The Board shall adopt the process of operation of bank accounts. To ensure transparency in financial matters, groups may be formed among the management to operate bank accounts under joint signatures.	Complied
	(d) Management of loan/lease/investments:	
	(i) Policy on evaluation of loan/lease/investment proposal, sanction and disbursement and its regular collection and monitoring shall be adopted and reviewed by the Board regularly based on prevailing laws and regulations. Board shall delegate the authority of loan/lease/investment specifically to management preferably on Managing Director and other top executives.	Complied
	(ii) No director shall interfere on the approval of loan proposal associated with him. The director concerned shall not give any opinion on that loan proposal.	Complied
	(iii) Any large loan/lease/investment proposal must be approved by the Board.	Complied
	(e) Risk management	
	Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly.	Complied
	(f) Internal control and compliance management:	
	An Audit Committee as approved by the Board shall be formed. Board shall evaluate the reports presented by the Audit Committee on compliance with the recommendation of internal auditors, external auditors and Bangladesh Bank Inspection team as well.	Complied
	(g) Human resource management:	
	Board shall approve the policy on Human Resources Management and Service Rule. The Chairman and directors of the Board shall not interfere on the administrative job in line with the approved Service Rule. Only the authority for the appointment and promotion of the Managing Director/ Deputy Managing Director/ General Manager and other equivalent position shall lie with the Board in compliance with the policy and Service Rule. No director shall be included in any Executive Committee.	Complied
	(h) Appointment of CEO:	

SL	Particulars	Status
	The Board shall appoint a competent CEO for the institution with the prior approval of the Bangladesh Bank and shall approve the proposal for increment of his salary and allowances.	Complied
	(I) Benefits offer to the Chairman:	
	For the interest of the business, the Chairman may be offered an office room, a personal secretary, a telephone at the office and a vehicle subject to the approval of the Board.	Complied
<b>2</b>	<b>Responsibilities of the Chairman of the Board of Directors:</b>	
	(a) Chairman shall not participate in or interfere into the administrative or operational and routine affairs of the Company as he has no jurisdiction to apply executive power;	Complied
	(b) The minutes of the Board meetings shall be signed by the Chairman;	Complied
	(c) The Chairman shall sign-off the proposal for appointment of Managing Director and increment of his salaries & allowances;	Complied
<b>3</b>	<b>Responsibilities of Managing Director:</b>	
	(a) Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management;	Complied
	(b) For day to day operations, Managing Director shall ensure compliance with the rules and regulation of the Finance Companies Act, 2023 and other relevant circulars of Bangladesh Bank;	Complied
	(c) All recruitment/ promotion, except those of DMD, GM and equivalent positions shall be vested upon the Managing Director. He shall act such in accordance the approved HR Policy of the institution;	Complied
	(d) Managing Director may re-schedule job responsibilities of employees;	Complied
	(e) Except for the DMD, GM and equivalent positions, power to transfer and to take disciplinary action shall vested to the Managing Director.	Complied
	(f) Managing Director shall sign all the letters/statements relating to compliance of policies and guidelines. However, Departmental/Unit heads may sign daily letters/statements as set out in DFIM circular no. 2 dated 06 January 2009 if so authorized by MD.	Complied



# DECLARATION BY CEO AND CFO

Date: April 24, 2025

The Board of Directors  
United Finance PLC.  
Camellia House  
22 Kazi Nazrul Islam Avenue  
Dhaka, Bangladesh

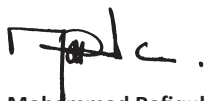
**Subject: Declaration on financial statements for the year ended on December 31, 2024**

Dear sirs,

Pursuant to the condition no. 1(5) (xxvi) imposed vide the Commission's notification no. BSEC/CMRRCD/2006-158/207/admin/80, dated June 03, 2018 under section 2cc of the securities and exchange ordinance, 1969, we do hereby declare that:

1. The financial statements of United Finance PLC. for the year ended on December 31, 2024 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. In this regard, we also certify that:
  - (i) We have reviewed the financial statements for the year ended on December 31, 2024 and that to the best of our knowledge and belief:
    - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
    - b. These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
  - (ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely Yours,



**Mohammad Rafiqul Islam**  
Managing Director  
Date: April 24, 2025



**Lingkon Mondal, FCA**  
Chief Financial Officer (CFO)  
Date: April 24, 2025

## LETTER FROM CHIEF FINANCIAL OFFICER

As we look back on 2024, we can be proud of our many achievements, like growth in Net Profit after Tax (NPAT) by 46.21% over 2023. Besides, we had growth in Earning per Share (EPS) 1.12 (2024) compared to 0.76 (2023), Income from investment grew by 60.37%, Return on Total Assets grew by 44.06%, and Return on Equity grew by 42.95% etc. Besides, it is worthy to mention that we had a provision surplus of BDT 11.08 million in 2024. Further we had growth in interest income compared to last year by BDT 496.94 million representing organic growth in 2024 than the previous year.

On behalf of the Finance & Accounts Division (FAD), I'm proud to deliver Financial Statements 2024 and Audited Accounts. This report represents the culmination of the Company's efforts to ensure that we continue to act as a responsible steward of over BDT 28,015.56 million in total Balance Sheet position.

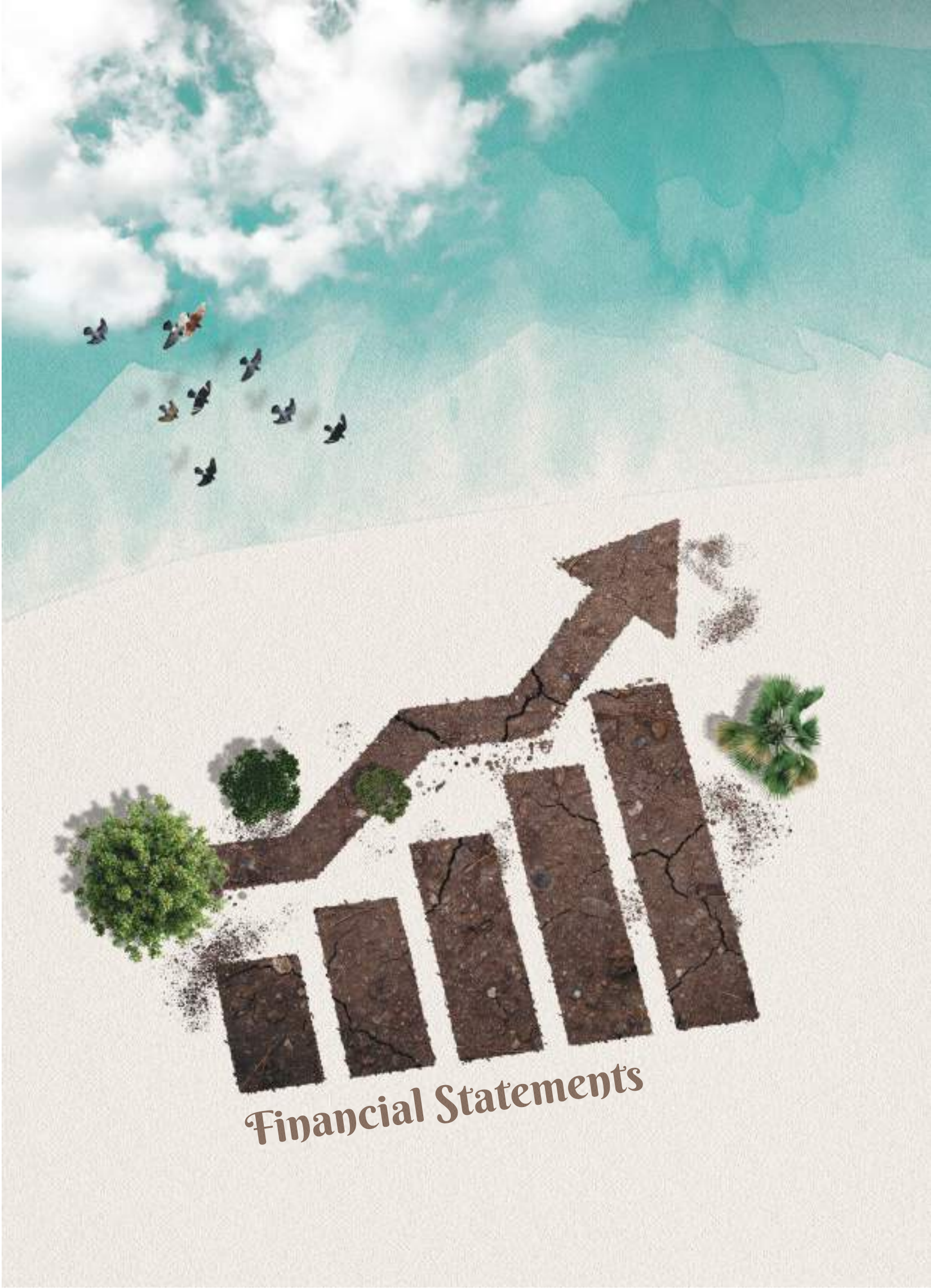
These efforts include the financial management and execution of multiple pieces of legislation, including International Accounting Standards (IAS) or Bangladesh Accounting Standards (BAS), International Financial Reporting Standards (IFRS) or Bangladesh Financial Reporting Standards (BFRS), Finance Company Act 2023, Companies Act 1994, and Income tax Act 2023 etc. Each of these brings a unique set of reporting and accounting requirements, and all of them require accuracy and transparency. Our efforts included making required changes to the core financial system if any in preparation for implementation of new accounting standards implemented by designated regulatory body.

The Office of the Chief Financial Officer has the privilege of leading the financial reporting, accounting, and execution responsibilities for reporting standards. We take that obligation seriously, and I would like to thank the FAD personnel and employees across the Company who, every day, work to assure accountability and transparency in financial management across the enterprise and who have contributed to the development and review of this report.

Lastly "Our consistent focus on serving the evolving needs of our clients helped drive growth across multiple fronts during 2024, while keeping United Finance well-positioned to deliver long-term value for all stakeholders- clients, owners, and employees" I would like to thank our customers, shareholders, bondholders, banks, analysts, rating agencies, business partners, auditors, tax and VAT lawyers and other key advisors for their continued trust in United Finance and their ongoing support to initiate and execute the right measures helping us to emerge stronger and be in the best position to take advantage of the opportunities we see on our way ahead.



**Lingkon Mondal, FCA**  
Chief Financial Officer (CFO)  
Date: April 24, 2025



# Financial Statements

# 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
<b>Measurement of provision for lease, loans and advances</b>	
<p>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> <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>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Credit appraisal, loan disbursement procedures, monitoring and provisioning process;</li> <li>• Identification of loss events, including early warning and default warning indicators;</li> <li>• Review of quarterly Classification of Loans (CL).</li> </ul> <p>Our substantive procedures in relation to the provision for lease, loans and advances portfolio comprised the following:</p> <p>For confirming the classification of rescheduled lease, loans and advances, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>• We checked the no. of installment outstanding and compliance with DFIM Circular No. 10 dated 4 September 2022;</li> <li>• 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;</li> <li>• Reviewed the adequacy of the general and specific provisions and loan classification disclosures in the financial statements in line with related Bangladesh Bank guidelines;</li> </ul>



Description of key audit matters	Our response to key audit matters
<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>	<ul style="list-style-type: none"> <li>Tested the inputs in computation of provision in terms of testing the accuracy of underlying information;</li> <li>Assessed the methodologies on which the provision amounts based (value of eligible securities, interest suspense), recalculated the provisions for lease, loans and advances;</li> <li>Checked the adequacy of the Company's general and specific provisions;</li> <li>Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines;</li> </ul> <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> <p>We have reviewed the assessment/ appeal orders to determine whether the current tax provision is adequate for the potential tax liability.</p>
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"> <li>Reviewing transfer of interests to the income account in line with the Bangladesh Bank's guideline;</li> <li>Reviewed the grounds for approval for the transfer of interest to the income account.</li> </ul> <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	

Description of key audit matters	Our response to key audit matters
<b>IT systems and controls</b>	
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.	We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting.
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.	We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.
	We tested the Company's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.
	We considered the control environment relating to various interfaces, configurations and other application layer controls identified as key to our audit.
	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:

- 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;
- 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;
- 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;
- the expenditures incurred were for the purpose of the Company's business for the year;
- 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;
- 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;
- 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;
- the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- 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;
- 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;
- 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;
- 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;
- 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;
- 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;
- the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- 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
<b>Cash</b>	3		
In hand		1,539,500	1,539,500
Balance with Bangladesh Bank and its agent bank(s)		207,450,205	247,918,039
		<b>208,989,705</b>	<b>249,457,539</b>
<b>Balance with banks and other financial institutions</b>	4		
In Bangladesh		3,623,698,376	3,873,994,182
Outside Bangladesh		-	-
		<b>3,623,698,376</b>	<b>3,873,994,182</b>
<b>Money at call and short notice</b>	5	-	-
<b>Investments</b>	6		
Government		722,545,075	-
Others		1,206,556,389	1,541,556,389
		<b>1,929,101,463</b>	<b>1,541,556,389</b>
<b>Lease, loans and advances</b>	7		
Lease receivable		6,707,197,027	6,488,211,561
Loans, cash credits, overdrafts, etc.		12,756,160,954	13,888,526,314
		<b>19,463,357,980</b>	<b>20,376,737,875</b>
<b>Fixed assets including land, building, furniture and fixtures</b>	8	329,228,986	384,735,163
<b>Other assets</b>	9	2,461,191,893	2,392,039,815
<b>Non - financial institutional assets</b>		-	-
<b>Total assets</b>		<b>28,015,568,405</b>	<b>28,818,520,963</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowing from banks, other financial institutions and agents</b>	10	8,058,935,799	7,181,251,670
<b>Deposits and other accounts</b>	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		839,967,237	548,199,357
		<b>12,207,832,052</b>	<b>14,246,081,720</b>
<b>Other liabilities</b>	12	4,410,606,682	4,149,950,446
<b>Total liabilities</b>		<b>24,677,374,532</b>	<b>25,577,283,837</b>
<b>Capital/shareholders' equity</b>			
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
<b>Total shareholders' equity</b>		<b>3,338,193,872</b>	<b>3,241,237,126</b>
<b>Total liabilities and shareholders' equity</b>		<b>28,015,568,405</b>	<b>28,818,520,963</b>
<b>Net asset value per share (NAV)</b>	18	<b>17.84</b>	<b>17.32</b>
<b>Restatement of NAV:</b>			
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		<b>17.84</b>	<b>17.32</b>



## as at 31 December 2024

**Total Off-Balance Sheet items including contingent liabilities**

[illegible]

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

**Najmul Hasan**  
Chairman

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

# United Finance PLC.

## Profit and Loss Account

for the year ended 31 December 2024

### OPERATING INCOME

Interest income  
Interest paid on deposits, borrowings, etc.

#### Net interest income

Investment income  
Commission, exchange and brokerage  
Other operating income

#### Total operating income (A)

### OPERATING EXPENSES

Salaries and allowances  
Rent, taxes, insurance, electricity etc.  
Legal expenses  
Postage, stamp, telecommunication etc.  
Stationery, printing, advertisements etc.  
Managing Director's salary and benefits  
Directors' fees  
Auditors' fees  
Charges on loan losses  
Depreciation and repair of assets  
Other expenses

#### Total operating expenses (B)

#### Profit before provision C=(A-B)

Provision for lease, loans and advances  
Provision for diminution in value of investments  
Other provision

#### Total provision (D)

#### Operating profit before taxes E=(C-D)

### PROVISION FOR TAXATION

Current Tax  
Deferred Tax

#### Total provision for taxation (F)

#### Net profit after taxation (E-F)

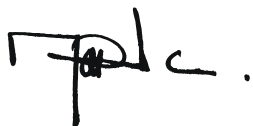
### Appropriations

Statutory reserve  
General reserve  
Dividends, etc.

### Retained surplus

### Earnings per share (EPS)

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

### 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

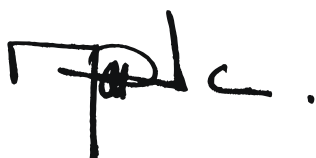
Notes	Amount in BDT	
	2024	2023
21	2,650,472,860	2,153,534,957
22	(1,598,694,243)	(1,353,422,091)
	<b>1,051,778,617</b>	<b>800,112,865</b>
23	180,889,177	112,795,800
	-	-
24	116,441,526	154,386,789
	<b>1,349,109,320</b>	<b>1,067,295,455</b>
25	586,265,376	547,561,360
26	17,974,189	18,971,013
27	24,814,770	25,888,550
28	16,916,397	17,427,221
29	4,942,464	1,924,263
30	9,200,000	1,250,000
31	348,334	568,333
32	862,500	805,000
	-	-
33	100,724,003	98,972,758
34	41,577,651	38,569,220
	<b>803,625,685</b>	<b>751,937,718</b>
	<b>545,483,634</b>	<b>315,357,736</b>
35	172,085,342	88,777,406
	-	-
	25,000,000	-
	<b>197,085,342</b>	<b>88,777,406</b>
	<b>348,398,292</b>	<b>226,580,330</b>
36	148,049,819	90,131,515
36	(8,877,041)	(6,654,906)
	<b>139,172,778</b>	<b>83,476,609</b>
	<b>209,225,514</b>	<b>143,103,721</b>
15	41,850,000	29,000,000
16	-	-
	-	-
	41,850,000	29,000,000
	<b>167,375,514</b>	<b>114,103,721</b>
37	<b>1.12</b>	<b>0.76</b>

# Cash Flow Statement

for the year ended 31 December 2024

	Notes	Amount in BDT	
		2024	2023
<b>A) Cash flows from operating activities</b>			
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)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>		<b>12,891,897</b>	<b>(2,635,677)</b>
<b>Increase/(decrease) in operating assets and liabilities</b>			
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
		<u>785,915,948</u>	<u>144,929,232</u>
<b>Net cash flows from operating activities</b>		<b>798,807,845</b>	<b>142,293,554</b>
<b>B) Cash flows from investing activities</b>			
Investment in shares		(1,420,050)	(703,200,000)
Investment in Government Securities		(1,694,920,475)	-
Redemption of Government Securities		972,375,400	502,665
Redemption/sale of shares		306,420,050	173,287,980
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
<b>Net cash flows from investing activities</b>		<b>(411,098,757)</b>	<b>(521,366,542)</b>
<b>C) Cash flows from financing activities</b>			
Receipts of long term loan		3,175,118,542	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)
<b>Net cash flows from financing activities</b>		<b>(678,472,729)</b>	<b>1,178,109,351</b>
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
<b>G) Cash and cash equivalents at end of the year (D+E+F)</b>		<b>3,832,688,082</b>	<b>4,123,451,722</b>
<b>Cash and cash equivalents at end of the year</b>			
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		3,623,698,376	3,873,994,182
Money at call and short notice		-	-
		<u>3,832,688,082</u>	<u>4,123,451,722</u>
<b>Net operating cash flows per share</b>		<b>4.27</b>	<b>0.76</b>

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

## Statement of Changes in Equity

for the year ended 31 December 2024

Particulars	(Amount in BDT)					
	Paid-up Capital	Share Premium	Statutory Reserve	General Reserve	Retained Earnings	Total
<b>Balance as at 01 January, 2023</b>	<b>1,871,146,140</b>	<b>3,750,000</b>	<b>995,050,000</b>	<b>190,000,000</b>	<b>131,744,572</b>	<b>3,191,690,712</b>
Cash dividend paid for the year 2022	-	-	-	-	(93,557,307)	(93,557,307)
Issuance of bonus share for the year 2022	-	-	-	-	-	-
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)	-
<b>Balance as at 31 December, 2023</b>	<b>1,871,146,140</b>	<b>3,750,000</b>	<b>1,024,050,000</b>	<b>190,000,000</b>	<b>152,290,986</b>	<b>3,241,237,126</b>
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	-	-	-	-	(112,268,768)	(112,268,768)
Net profit after tax for the year 2024	-	-	-	-	209,225,514	209,225,514
Movement of general reserve	-	-	-	-	-	-
Appropriation made during the year	-	-	41,850,000	-	(41,850,000)	-
<b>Balance as at 31 December, 2024</b>	<b>1,871,146,140</b>	<b>3,750,000</b>	<b>1,065,900,000</b>	<b>190,000,000</b>	<b>207,397,732</b>	<b>3,338,193,872</b>

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.

Liquidity statement

as at 31 December 2024 (Analysis of maturity of assets and liabilities)

Particulars	(Amount in BDT)					
	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
<b>Assets:</b>						
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
<b>Total assets (A):</b>	<b>2,611,785,795</b>	<b>3,122,742,078</b>	<b>8,496,481,176</b>	<b>8,333,737,410</b>	<b>5,450,821,945</b>	<b>28,015,568,405</b>
<b>Liabilities:</b>						
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
<b>Total liabilities (B):</b>	<b>2,272,235,536</b>	<b>2,731,569,542</b>	<b>7,712,981,466</b>	<b>10,610,538,237</b>	<b>1,350,049,751</b>	<b>24,677,374,532</b>
<b>Net liquidity gap (A - B):</b>	<b>339,550,259</b>	<b>391,172,536</b>	<b>783,499,711</b>	<b>(2,276,800,827)</b>	<b>4,100,772,194</b>	<b>3,338,193,872</b>

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

## 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, 2020 & 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 28 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 are incurred.

### 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 tenures.

#### *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 Accounts receivable

Accounts 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 same.

##### 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
<b>3</b>	<b>Cash</b>		
	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
		<b>208,989,705</b>	<b>249,457,539</b>
3.1	Cash in hand		
	In local currency	1,539,500	1,539,500
	In foreign currency	-	-
		<b>1,539,500</b>	<b>1,539,500</b>
3.2	Balance with Bangladesh Bank and its agent bank(s)		
	In local currency (with Bangladesh Bank)	207,450,205	247,918,039
	Sonali Bank as agent of Bangladesh Bank (local currency)	-	-
		<b>207,450,205</b>	<b>247,918,039</b>
3.3	Statutory deposits		
<b>Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)</b>			
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:			
<b>a)</b>	<b>Cash Reserve Requirement (CRR)</b>		
	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	<b>10,550,855</b>	<b>32,241,982</b>
<b>b)</b>	<b>Statutory Liquidity Reserve (SLR)</b>		
	Actual reserve maintained including CRR (note-3.4)	2,145,677,114	1,753,451,722
	Required reserve (5% on average total liabilities)	824,180,004	871,737,605
	Surplus	<b>1,321,497,109</b>	<b>881,714,117</b>
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.			
	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	1,503,994,182
	Investment in Government securities except counter repo	482,989,032	-
		<b>2,145,677,114</b>	<b>1,753,451,722</b>
3.4	Actual reserve maintained (including CRR)		
3.4.1	Balance with banks and other financial institutions (except lien FDR)		
	Bank Asia PLC.	3,382,205	13,147,426
	Brac Bank PLC.	27,569,082	79,796,990
	Citi Bank N.A.	-	98,765,506
	City Bank PLC.	19,344,359	306,354
	Commercial Bank Of Ceylon PLC	-	100,000,000
	Dutch-Bangla Bank PLC.	550,326	1,150,049
	Eastern Bank PLC.	3,290,743	7,196,896
	Mutual Trust Bank PLC.	337,519,347	100,827,221
	One Bank PLC.	15,168,934	22,318,819
	Prime Bank PLC.	227,339	-
	Pubali Bank PLC.	1,685,999	6,536,229
	Sonali Bank PLC.	5,724	6,646
	Standard Bank PLC.	407,040,311	16,100,406
	Standard Chartered Bank	-	4,657,813
	United Commercial Bank PLC.	412,914,009	328,183,829
	IDLC Finance PLC.	-	200,000,000
	IPDC Finance PLC.	-	300,000,000
	Bangladesh Industrial Finance Company Limited (BIFC)	115,000,000	115,000,000
	Fareast Finance & Investment Limited	110,000,000	110,000,000
		<b>1,453,698,376</b>	<b>1,503,994,182</b>
<b>4</b>	<b>Balance with banks and other financial institutions</b>		
	In Bangladesh (note-4.1)	3,623,698,376	3,873,994,182
	Outside Bangladesh	-	-
		<b>3,623,698,376</b>	<b>3,873,994,182</b>



4.1 In Bangladesh

**Current deposits**

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

**Short-term deposit (STD)**

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

**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)  
Fareast Finance & Investment Limited

4.2 Maturity grouping of balance with banks and other financial institutions

On demand  
Up to 1 month  
Over 1 month but not more than 3 months  
Over 3 months but not more than 1 year  
Over 1 year but not more than 5 years  
Over 5 years

**5 Money at call and short notice**

**6 Investments**

Investment classified as per nature

**a) Government securities:**

Treasury bill  
Treasury bond  
National investment bonds  
Bangladesh Bank bills  
Government bonds  
Prize bonds

**b) Other investment:**

Investment in ordinary shares (note-6.1)  
Investment in preference shares (note-6.2)  
Investment in bonds (note-6.3)

Amount in BDT	
2024	2023
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
68,922,075	22,781,604
<b>139,919,446</b>	<b>252,014,344</b>
337,519,347	100,827,221
227,339	-
387,040,311	16,092,579
-	4,657,813
343,991,934	305,402,225
<b>1,068,778,930</b>	<b>426,979,838</b>
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
<b>2,415,000,000</b>	<b>3,195,000,000</b>
<b>3,623,698,376</b>	<b>3,873,994,182</b>
139,919,446	252,014,344
1,180,778,930	564,479,838
880,000,000	1,580,000,000
1,423,000,000	1,477,500,000
-	-
-	-
<b>3,623,698,376</b>	<b>3,873,994,182</b>
-	-
-	-
722,545,075	-
-	-
-	-
-	-
-	-
-	-
<b>722,545,075</b>	<b>-</b>
15,262,370	15,262,370
1,191,294,019	1,496,294,019
-	30,000,000
<b>1,206,556,389</b>	<b>1,541,556,389</b>
<b>1,929,101,463</b>	<b>1,541,556,389</b>

		Amount in BDT	
		2024	2023
6.1	Investment in ordinary shares		
	United Insurance Company Limited	15,000,000	15,000,000
	Robi Axiata Limited	262,370	262,370
		<b>15,262,370</b>	<b>15,262,370</b>
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	
		<u>4,450,000</u> 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		
	<b>Business Segment</b>	<b>No. of shares</b>	<b>Cost price</b>
	Telecommunication	26,237	262,370
			<b>Market price</b>
			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: Regent Energy and Power Ltd.	23,794,019	23,794,019
	Preference Share: Confidence Power Rangpur 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: Epyllion Knitex Limited	200,000,000	200,000,000
	Preference share: Sheltech Ceramics Limited	140,000,000	200,000,000
	Preference share: Epyllion Style Limited	100,000,000	100,000,000
	Preference share: Ananta Apparels Limited	200,000,000	200,000,000
		<b>1,191,294,019</b>	<b>1,496,294,019</b>
6.3	Investment in bonds		
	Subordinate Bond: Mutual Trust Bank PLC.	-	20,000,000
	Subordinate Bond: Standard Bank PLC.	-	10,000,000
		-	<b>30,000,000</b>
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
		<b>1,929,101,463</b>	<b>1,541,556,389</b>
7	<b>Lease, loans and advances</b>		
7.1	Broad category-wise break up		
	<b>Inside Bangladesh</b>		
	Lease receivable (note-7.2)	6,707,197,027	6,488,211,561
	Loans (note-7.3)	12,756,160,954	13,888,526,314
		<b>19,463,357,980</b>	<b>20,376,737,875</b>
	<b>Outside Bangladesh</b>	-	-
		<b>19,463,357,980</b>	<b>20,376,737,875</b>

		Amount in BDT	
		2024	2023
7.2	Lease receivable		
	Net lease receivable (note-7.2.1)	6,542,949,009	6,393,846,507
	Interest receivable	164,248,018	94,365,054
		<b>6,707,197,027</b>	<b>6,488,211,561</b>
7.2.1	Net lease receivable		
	Gross lease receivable	7,814,812,873	7,241,328,823
	Less: Unearned lease income	(1,271,863,864)	(847,482,316)
		<b>6,542,949,009</b>	<b>6,393,846,507</b>
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)	(3,052,098,872)
		<b>6,542,949,009</b>	<b>6,393,846,507</b>
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
		<b>12,756,160,954</b>	<b>13,888,526,314</b>
7.3.1	Movement of term loan receivables		
	Balance as on January 01	9,322,607,412	8,860,053,500
	Addition during the year	5,218,440,000	7,170,523,000
	Realisation during the year	(6,222,338,944)	(6,707,969,089)
		<b>8,318,708,468</b>	<b>9,322,607,412</b>
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)
		<b>3,064,891,190</b>	<b>3,283,991,959</b>
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	(4,591,902,844)	(5,286,240,016)
		<b>971,113,256</b>	<b>1,029,631,997</b>
7.3.4	Break up of interest receivable		
	Term loan	231,857,402	130,387,244
	Home loan	108,698,077	49,514,130
	Short term loan and CSF advances	60,892,561	72,393,573
		<b>401,448,040</b>	<b>252,294,947</b>
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	1,912,868,265	1,787,090,662
	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
		<b>19,463,357,980</b>	<b>20,376,737,875</b>
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	-	-
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	3,338,193,872	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	96,795,113	129,754,418
b)	Poultry & livestock	252,748,962	328,179,829
c)	Fisheries	604,328	2,732,953
d)	Others Agriculture (Cold Storage, Biofuel, Seed, Feed, Agri-related other institutions & services)	168,010,142	171,098,557

		Amount in BDT	
		2024	2023
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	297,492,824
	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	199,851,059
	k) Telecommunication/Information Technology	44,421,778	65,243,348
	l) Jute and jute products	232,248,571	229,657,781
	m) Cement/Concrete and allied industry	445,723,075	132,261,272
	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	3,200,926,748	3,379,337,644
6.	Trade and Commerce	4,060,022,134	5,487,448,622
7.	Others	593,230,765	696,029,347
		<b>19,463,357,980</b>	<b>20,376,737,875</b>
e)	Geographical location-wise lease, loans and advances		
	<b>Inside Bangladesh</b>		
	<b>Urban</b>		
	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
	Barishal Division	633,094,673	697,765,135
	Mymensingh Division	619,758,015	716,030,654
	Sylhet Division	146,258,228	229,363,506
		<b>16,064,890,736</b>	<b>18,343,448,304</b>
	<b>Rural</b>		
	Dhaka Division	1,801,862,697	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
	Barishal Division	58,506,622	57,826,913
	Mymensingh Division	113,962,350	91,551,910
	Sylhet Division	37,870,255	21,163,276
		<b>3,398,467,244</b>	<b>2,033,289,570</b>
		-	-
		<b>19,463,357,980</b>	<b>20,376,737,875</b>
7.6	Sector-wise lease, loans and advances		
	Public sector	-	-
	Co-operative sector	-	-
	Private sector	19,463,357,980	20,376,737,875
		<b>19,463,357,980</b>	<b>20,376,737,875</b>
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
		<b>19,463,357,980</b>	<b>20,376,737,875</b>
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	7,049,526,996
	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	8,400,069,184	10,420,530,427
	v) Classified Lease, loans and advances against which no provision has been made	-	-
		<b>19,463,357,980</b>	<b>20,376,737,875</b>



		Amount in BDT	
		2024	2023
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.	2,906,609	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	58,487,934	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	<b>1,494,362,768</b>	<b>1,286,139,114</b>
	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)

**Classified**

Sub-standard

Doubtful

Bad/Loss

17,952,412,394	19,047,088,375
541,728,006	343,664,095
18,494,140,400	19,390,752,470
85,060,553	180,296,916
114,768,197	250,680,938
769,388,831	555,007,551
969,217,581	985,985,405
<b>19,463,357,980</b>	<b>20,376,737,875</b>

10.1

		Amount in BDT	
		2024	2023
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	37,158,541
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
<b>Total Bank overdraft</b>		<b>2,031,458,468</b>	<b>1,127,270,642</b>
<b><u>Short term loan</u></b>			
Citi Bank N.A.		-	390,000,000
Standard Chartered Bank		170,000,000	-
Bangladesh Bank Repurchase agreement (REPO)		238,901,550	-
<b>Total short term loan</b>		<b>408,901,550</b>	<b>390,000,000</b>
<b>Total secured loan</b>		<b>2,440,360,018</b>	<b>1,517,270,642</b>
<b>Unsecured loans</b>			
<b><u>Unsecured long term loans</u></b>			
Bangladesh Bank (Refinance)		2,767,009,114	3,753,706,566
Bangladesh Bank (Prefinance)		2,289,766,667	1,673,476,667
Loan from SME Foundation: Refinance Scheme		41,800,000	-
Non-Convertible Zero Coupon Bond		-	236,797,796
<b>Total unsecured long term loans</b>		<b>5,098,575,781</b>	<b>5,663,981,028</b>
<b><u>Unsecured short term loans</u></b>			
<b><u>Short term loans</u></b>			
DBH Finance PLC.		400,000,000	-
Meridian Finance & Investment Limited		20,000,000	-
Alliance Finance PLC.		100,000,000	-
		<b>520,000,000</b>	<b>-</b>
<b>Total unsecured loans</b>		<b>5,618,575,781</b>	<b>5,663,981,028</b>
<b>Total borrowing from banks, other financial institutions and agents</b>		<b>8,058,935,799</b>	<b>7,181,251,670</b>
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
		<b>8,058,935,799</b>	<b>7,181,251,670</b>
10.3 Maturity grouping of borrowing from banks, other financial institutions and agents			
On demand		-	-
Up to 1 month		1,089,158,542	197,509,960
Over 1 month but within 3 months		673,312,737	857,847,543
Over 3 months but within 1 year		3,782,753,435	3,942,669,554
Over 1 year but within 5 years		2,513,711,085	2,179,268,695
Over 5 years		-	3,955,917
		<b>8,058,935,799</b>	<b>7,181,251,670</b>
<b>11 Deposits and other accounts</b>			
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)		839,967,237	548,199,357
		<b>12,207,832,052</b>	<b>14,246,081,720</b>
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
		<b>11,367,864,815</b>	<b>13,697,882,363</b>
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
		<b>11,367,864,815</b>	<b>13,697,882,363</b>

		Amount in BDT	
		2024	2023
11.1.2	Maturity analysis of term deposits		
	<b>a) Maturity analysis of deposits from banks &amp; financial institutions</b>		
	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>b) Maturity analysis of deposits from other than banks &amp; financial institutions</b>		
	Payable on demand	-	-
	Up to 1 month	1,032,234,480	1,595,558,309
	Over 1 month but within 3 months	1,745,264,745	1,991,570,514
	Over 3 months but within 1 year	3,267,097,508	2,889,175,316
	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	-	-
		<b>11,367,864,815</b>	<b>13,697,882,363</b>
		<b>11,367,864,815</b>	<b>13,697,882,363</b>
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
		<b>839,967,237</b>	<b>548,199,357</b>
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	-	-
		<b>839,967,237</b>	<b>548,199,357</b>
12	<b>Other liabilities</b>		
	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)	65,000,000	40,000,000
	Provision for income tax (note-12.7)	2,313,695,492	2,165,645,673
	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
		<b>4,410,606,682</b>	<b>4,149,950,446</b>
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)	(65,771,203)
		<b>16,220,403</b>	<b>9,949,431</b>
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	<b>80,249,120</b>	<b>75,720,634</b>
12.1.2	Fair value of plan assets		
	Balance as on January 01	65,771,203	69,154,542
	Interest cost/income	6,445,325	4,389,288
	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	<b>64,028,717</b>	<b>65,771,203</b>



		Amount in BDT			
		2024	2023		
12.1.3	Plan assets				
	Cash at Bank	1,265,617	1,072,038		
	Investment in Fixed Deposit Receipts	62,763,101	64,699,166		
		<b>64,028,717</b>	<b>65,771,203</b>		
12.1.4	Principal actuarial assumptions				
	Discount rate and expected rate of return on plan assets	12.68%	11.22%		
	Future salary growth rate	8.50%	7.90%		
	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.				
		<b>2024</b>	<b>2023</b>		
		<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>
	Discount rate (1% movement)	(9,224,130)	10,863,938	(9,674,333)	11,553,732
	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	180,971,557
	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			(78,748,173)	(3,019,418)
				<b>312,240,059</b>	<b>241,786,511</b>
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
				<b>838,939,640</b>	<b>870,977,741</b>
	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)	(39,344,518)
				<b>104,484,600</b>	<b>131,873,733</b>
	Movement of lease liabilities has been included due to implementation of IFRS-16 Leases (office rent)				
12.5	Provision for lease, loans, advances, other assets and off balance sheet items				
	i. Provision for lease, loans and advances				
	<u>General provision on lease, loans and advances</u>				
	Balance as on January 01			126,567,653	126,082,983
	Provision made for the year (note-35)			25,245,906	484,670
				<b>151,813,559</b>	<b>126,567,653</b>
	<u>Special provision 2% (15% payment of deferral clients)</u>				
	Balance as on January 01			5,455,198	8,586,105
	Provision made for the year (note-35)			(1,371,910)	(3,130,907)
				<b>4,083,288</b>	<b>5,455,198</b>
	<u>Specific provision on unclassified lease, loans and advances</u>				
	Balance as on January 01			15,763,051	18,415,946
	Provision made for the year (note-35)			(7,717,318)	(2,652,895)
				<b>8,045,733</b>	<b>15,763,051</b>
	<u>Specific provision on classified lease, loans and advances</u>				
	Balance as on January 01			531,234,774	406,540,913
	Fully provided debt written off during the year			(129,475,480)	(9,738,505)
	Amount realised from written off clients			32,034,750	40,355,828
	Provision made for the year (note-35)			155,928,664	94,076,538
				<b>589,722,709</b>	<b>531,234,774</b>

**Total provision for lease, loan and advances**

ii. Provision on other assets and off balance sheet items

Balance as on January 01

Adjustment during the year

Amount in BDT	
2024	2023
753,665,288	679,020,677
98,700	107,200
-	(8,500)
98,700	98,700
753,763,988	679,119,377

**Total provision for lease, loan, advances, other assets and off balance sheet items**
**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
	<b>742,681,924</b>	<b>753,763,988</b>	<b>678,781,383</b>	<b>679,119,377</b>
<b>Total surplus</b>		<b>11,082,065</b>		<b>337,994</b>

 12.5.1 **Base for provision for lease, loans and advances**

Status	Base for provision	Rate (%)	Required Provision	Kept Provision
<b>General Provision</b>				
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
			<b>151,418,220</b>	<b>159,859,291</b>
<b>Special Reserve</b>				
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
			<b>4,083,288</b>	<b>4,083,288</b>
<b>Specific provision</b>				
Sub-standard (CMSME-SS)	79,019,903	5.00%	3,950,995	4,152,155
Sub-standard (Excluding CMSME)	16,128,516	20.00%	3,225,703	3,822,045
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
			<b>587,081,715</b>	<b>589,722,709</b>
<b>Provision for loans, advances and leases</b>			<b>742,583,224</b>	<b>753,665,288</b>
<b>Other provision</b>				
Off-Balance Sheet	-	1.00%	-	-
Other Asset	98,700	100.00%	98,700	98,700
			<b>98,700</b>	<b>98,700</b>
<b>Total provision</b>			<b>742,681,924</b>	<b>753,763,988</b>
12.6 Provision on others			40,000,000	40,000,000
Balance as on January 01			25,000,000	-
Provision made for the year			<b>65,000,000</b>	<b>40,000,000</b>
12.7 Provision for income tax			2,165,645,673	2,075,514,158
Balance as on January 01			148,049,819	104,540,150
Add: Corporate tax for the year (note-36)			-	(14,408,635)
Less: Settlement of previous year's liability (note-36)			<b>2,313,695,492</b>	<b>2,165,645,673</b>

		Amount in BDT	
		2024	2023
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.		
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	-	-
		<b>3,291,092</b>	<b>4,089,805</b>
	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	-	-
		-	-
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.			
<b>13</b>	<b>Share capital</b>		
13.1	Authorized capital 300,000,000 ordinary shares of BDT 10 each	<b>3,000,000,000</b>	<b>3,000,000,000</b>
13.2	Issued, subscribed and fully paid-up capital 7,000,000 ordinary shares of BDT 10 each issued for cash 180,114,614 ordinary shares of BDT 10 each issued as bonus shares	70,000,000 1,801,146,140	70,000,000 1,801,146,140
		<b>1,871,146,140</b>	<b>1,871,146,140</b>
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:		
	<b>Core capital (Tier-I)</b>		
	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)	207,397,732	152,290,986
	<b>A) Sub Total</b>	<b>3,338,193,872</b>	<b>3,241,237,126</b>
	<b>Eligible supplementary capital (Tier-II)</b>		
	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>B) Sub Total</b>	<b>159,859,291</b>	<b>142,330,704</b>
	<b>C) Total eligible capital</b>	<b>3,498,053,164</b>	<b>3,383,567,831</b>
	<b>Total assets including off-balance sheet exposures</b>	<b>28,015,568,405</b>	<b>28,818,520,963</b>
	<b>Risk Weighted Assets (RWA)</b>		
	i. Credit Risk	15,558,343,639	17,580,857,120
	On- Balance sheet	15,558,343,639	17,580,857,120
	Off-Balance sheet	-	-
	ii. Market Risk	339,643,910	418,687,553
	iii. Operational Risk	1,757,510,412	1,567,148,825
	<b>D) Total: RWA (A+B+C)</b>	<b>17,655,497,961</b>	<b>19,566,693,498</b>
	<b>E) Required capital based on risk weighted assets (10% of D)</b>	<b>1,765,549,796</b>	<b>1,956,669,350</b>

**F) Surplus (C-E)**

Capital Adequacy Ratio (%)

Core Capital to RWA (%)

Supplementary Capital to RWA (%)

\* Limited to 1.25% of RWA as per CAMD guideline.

13.4 Percentage of shareholding at the closing date

Amount in BDT	
2024	2023
<b>1,732,503,368</b>	<b>1,426,898,481</b>
19.81%	17.29%
18.91%	16.57%
0.91%	0.73%

(i) Sponsors:

- Foreign

- Foreign sponsor affiliated/related entities

- Domestic

(ii) Directors:

(ii) Financial Institutions and Companies:

- Foreign sponsor affiliated/related entities

Domestic:

-Sponsor affiliated/related entities

-Other

(iii) General public – Domestic

No. of shares		Percentage	
2024	2023	2024	2023
-	37,422,921	-	20.00
-	40,324,483	-	21.55
40,871,770	3,754,942	21.84	2.01
40,871,770	81,502,346	21.84	43.56
24,877,880	-	13.30	-
-	17,474,639	-	9.34
-	7,222,662	-	3.86
28,153,127	26,541,308	15.05	14.18
28,153,127	51,238,609	15.05	27.38
93,211,837	54,373,659	49.82	29.06
<b>187,114,614</b>	<b>187,114,614</b>	<b>100.00</b>	<b>100.00</b>

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	125,299,266	66.96
		<b>7,430</b>	<b>187,114,614</b>	<b>100.00</b>

13.6 Composition of Shareholders' Equity:

Particulars	No. of shares	Face Value Per Share	BDT
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			<b>3,338,193,872</b>

**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
	<b>Before split</b>	<b>9,240,000</b>		<b>924,000,000</b>



Amount in BDT	
2024	2023

Date	Types of paid-up capital	No. of shares	Face value per share	Total face value
	<b>After split</b>	<b>92,400,000</b>	<b>10.00</b>	<b>924,000,000</b>
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
	<b>Paid up capital</b>	<b>187,114,614</b>		<b>1,871,146,140</b>

#### 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  
Addition during the year

1,024,050,000	995,050,000
41,850,000	29,000,000
<b>1,065,900,000</b>	<b>1,024,050,000</b>

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  
Transfer to retained earnings during the year  
Transfer from retained earnings during the year

190,000,000	190,000,000
-	-
-	-
<b>190,000,000</b>	<b>190,000,000</b>

#### 17 Retained earnings

Balance as on January 01  
Less: Cash dividend for last year  
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  
Add: Net profit after taxation  
Less: Transfer to statutory reserve during the year

152,290,986	131,744,572
(112,268,768)	(93,557,307)
-	-
-	-
-	-
40,022,218	38,187,265
209,225,514	143,103,721
(41,850,000)	(29,000,000)
<b>207,397,732</b>	<b>152,290,986</b>

#### 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  
Total liabilities  
Net assets  
Number of share outstanding (current year's)  
Net asset value per share

28,015,568,405	28,818,520,963
24,677,374,532	25,577,283,837
3,338,193,872	3,241,237,126
187,114,614	187,114,614
<b>17.84</b>	<b>17.32</b>

##### Restated NAV:

Net assets  
Number of ordinary shares as at 31 December  
**Restated NAV**

3,338,193,872	3,241,237,126
187,114,614	187,114,614
<b>17.84</b>	<b>17.32</b>

#### 19 Contingent liabilities

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

-	-
-	-
-	-
-	-

		Amount in BDT	
		2024	2023
<b>Guarantees</b>			
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.			
<b>20 Profit and loss account</b>			
<b>Income</b>			
Interest, discount and similar income (note-20.1)	2,700,580,946	2,156,527,226	
Dividend income (note-23)	130,781,091	109,803,530	
Other operating income (note-24)	116,441,526	154,386,789	
	2,947,803,563	2,420,717,546	
<b>Expenses</b>			
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	82,410,112	84,495,189	
	2,402,319,928	2,105,359,809	
	<b>545,483,634</b>	<b>315,357,736</b>	
<b>20.1 Interest, discount and similar income</b>			
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	-	-	
	<b>2,700,580,946</b>	<b>2,156,527,226</b>	
<b>20.2 Administrative expenses</b>			
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	18,313,891	14,477,569	
	<b>679,637,921</b>	<b>628,873,310</b>	
<b>21 Interest income</b>			
Lease	822,581,076	640,708,799	
Term loan and home loan	1,495,127,371	1,216,224,116	
Short term financing	117,071,817	96,005,384	
<b>Total interest income</b>	<b>2,434,780,264</b>	<b>1,952,938,298</b>	
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	
	<b>2,650,472,860</b>	<b>2,153,534,957</b>	
<b>22 Interest paid on deposits, borrowings etc.</b>			
<b>a) Interest paid on deposits</b>			
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	3,582,209	
	<b>1,261,410,417</b>	<b>1,053,177,993</b>	
<b>b) Interest paid for borrowing</b>			
Bank loans	59,337,438	59,273,179	
Bangladesh Bank refinance, prefinance & SME foundation refinance	129,562,945	129,457,109	
Overdraft	125,309,968	67,768,128	
Zero Coupon Bond	13,202,204	31,325,615	
	<b>327,412,555</b>	<b>287,824,031</b>	
<b>c) Interest expenses-lease liabilities</b>	9,871,271	12,420,067	
	<b>9,871,271</b>	<b>12,420,067</b>	
	<b>1,598,694,243</b>	<b>1,353,422,091</b>	
<b>23 Investment income</b>			
Interest on Government security	49,193,925	17,893	
Interest on bonds	914,162	2,974,376	
Dividend on shares	130,781,091	109,803,530	
	<b>180,889,177</b>	<b>112,795,800</b>	

		Amount in BDT	
		2024	2023
<b>24 Other operating income</b>			
Reimbursement- invoice, disbursement processing, collection, documentation and other charges		87,265,658	119,145,348
Early repayment premium		8,391,306	9,190,294
Late payment interest		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		10,737,266	12,121,159
		<b>116,441,526</b>	<b>154,386,789</b>
<b>24.1 Income from provident fund forfeited account</b>			
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.			
<b>25 Salaries and allowances</b>			
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
		<b>586,265,376</b>	<b>547,561,360</b>
<b>26 Rent, taxes, insurance, electricity etc.</b>			
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	9,872,509
		<b>17,974,189</b>	<b>18,971,013</b>
<b>26.1 Movement of rent, rate and taxes:</b>			
Rent expenses charged		40,254,480	39,864,448
Less: Reclassification of rent (as per IFRS 16 Leases)		40,051,696	39,344,518
<b>Rent expenses reported</b>		<b>202,784</b>	<b>519,929</b>
Movement of rent, rate and taxes have been included due to implementation of IFRS-16 Leases (office rent).			
<b>27 Legal expenses</b>			
Legal fees		22,136,320	20,888,689
Professional fees		2,678,450	4,999,861
		<b>24,814,770</b>	<b>25,888,550</b>
<b>28 Postage, stamp, telecommunication etc.</b>			
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
		<b>16,916,397</b>	<b>17,427,221</b>
<b>29 Stationery, printing, advertisements etc.</b>			
Printing and stationeries		4,648,596	1,901,925
Publicity and advertisements		293,868	22,338
		<b>4,942,464</b>	<b>1,924,263</b>
<b>30 Managing Director's salary and benefits</b>			
Remuneration		7,700,000	1,000,000
Other benefits		1,500,000	250,000
		<b>9,200,000</b>	<b>1,250,000</b>
<b>31 Directors' fees</b>			
Directors' fees		348,334	568,333
		<b>348,334</b>	<b>568,333</b>
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.			
<b>32 Auditors' fees</b>			
Statutory audit fees (including VAT)		862,500	805,000
		<b>862,500</b>	<b>805,000</b>
<b>33 Depreciation and repair of assets</b>			
<b>Depreciation - (Annexure-A)</b>			
Furniture and fixture		7,981,967	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
		<b>82,410,112</b>	<b>84,495,189</b>
<b>Repairs</b>			
Maintenance of electrical equipment, office equipment, motor vehicle & other assets		18,313,891	14,477,569
		<b>100,724,003</b>	<b>98,972,758</b>
Movement of depreciation for Right-of-use assets has been included due to implementation of IFRS-16 Leases (office rent).			

34	Other expenses		2024	2023		
	Fees and subscriptions		2,955,127	2,203,760		
	Bank charges & excise duty		4,935,814	6,898,207		
	Entertainment		3,870,368	2,885,127		
	Office expenses		6,667,946	7,866,324		
	Business promotion expenses		10,670,972	6,507,125		
	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)	(3,130,907)		
	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	94,076,538		
			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%	84,967,624
	Net inadmissible expenses (due to difference between accounting & tax depreciation, lease/loan provision, gratuity provision and others)	11.58%		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
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			10,737,266		12,121,159
				140,767,317		106,684,990



		Amount in BDT	
		2024	2023
<b>39</b>	<b>Payments for other operating activities</b>		
	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	1,228,870
	Entertainment	3,870,368	2,885,127
	Bank charges & excise duty	4,935,814	6,898,207
	Fees and subscriptions	2,955,127	2,203,760
	Office expenses	7,982,705	6,886,487
	Directors' fees	348,334	568,333
		<b>61,490,338</b>	<b>64,602,925</b>
<b>40</b>	<b>Net Operating Cash Flow Per Share (NOCFPS)</b>		
	Net cash flows from operating activities	798,807,845	142,293,554
	Number of shares outstanding	187,114,614	187,114,614
	<b>NOCFPS</b>	4.27	0.76
	<b>NOCFPS (Restated)</b>	4.27	0.76
<b>41</b>	<b>Reconciliation of Operating Activities of Cash Flows Statement</b>		
	<b>Particulars</b>		
	Net Profit After Tax	209,225,514	143,103,721
	Depreciation	82,410,112	84,495,189
	Provision for lease, loans and advances	197,085,342	88,777,406
	Written off during the year	(129,475,480)	(9,747,005)
	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	913,379,894	(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	13,760,518	195,597,245
	Decrease/(increase) in other assets	58,995,279	(158,109,162)
	Increase in right-of-use assets	(2,791,291)	-
	<b>Cash flows from operating activities</b>	<b>798,807,845</b>	<b>142,293,554</b>
<b>42</b>	<b>Number of employees</b>		
	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
		<b>829</b>	<b>862</b>

#### 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.	Mahenoor 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 Limited 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	<b>Member of Governing Body</b> United College of Nursing <b>Advisor</b> Surbana Jurong Infrastructure Pte Ltd- Bangladesh
2.	Moinuddin Hasan Rashid	Director	<b>Chairman</b> 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. <b>Managing Director</b> 1. United Power Generation & Distribution Company Ltd. 2. United Mymensingh Power Ltd. 3. United Property Solutions Ltd. 4. Ipco Developments(Bangladesh) Ltd 5. Ipco 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. <b>Director</b> 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
3.	Mahenoor Sultana Rashid	Director	<b>Chairman</b> Saadatia Sweaters Ltd.
4.	Kutubuddin Akhter Rashid	Director	<b>Director</b> 1. United Power Generation & Distribution Company Ltd. 2. United Healthcare Services Ltd. 3. United Ashuganj Energy Ltd. 4. United Payra Power Ltd. 5. United Lube Oil Ltd. 6. United Chattogram Power Ltd. 7. Neptune Land Development Ltd. 8. United Shipping And Logistic Services Ltd.
5.	Khondaker Zayed Ahsan	Director	<b>Chairman</b> Gunze United Ltd. <b>Managing Director</b> Dhaka Indenting Ltd <b>Director</b> 1. United Enterprises & Co. Ltd. 2. United Pharma & Healthcare Ltd. 3. United Sulpho-Chemicals Ltd.

Sl no.	Name of Directors	Status with United Finance PLC.	Entities where they have interest
			4. United Healthcare Services Ltd. 5. Eco Life Resort Ltd. 6. United Power Generation & Distribution Company Ltd. 7. United Aygaz LPG Ltd.
6.	Kayes Khalil Khan	Director	<b>Chairman</b> United Securities Limited <b>Executive Director</b> United Enterprises & Co. Ltd.
7.	Ormaan Rafay Nizam	Director	<b>Managing Director</b> National Brokers Ltd. <b>Director</b> Chittagong Warehouse Ltd.
8.	M. M. Alam	Independent Director	-
9.	Professor Dr. Mahfuzul Hoque	Independent Director	<b>Director</b> 1. Power Grid Company of Bangladesh Limited 2. Japan Society of Organization and Accounting
10.	Mohammad Rafiquel 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 Company Limited	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 judgement/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 187.11 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 2018.  
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. M. 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 Nahar	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

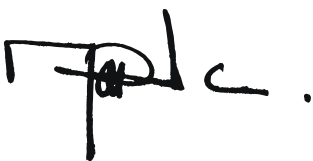
- i) Met with the external Auditors for discussion on the Company’s draft Audited Financial Statements for the year 2023
- ii) Reviewed the Company’s draft financial statements for the year ended on December 31, 2023 and recommended that the same be placed before the Board for approval
- iii) Recommended that the report of the Committee be adopted by the Board for publishing in the Annual Report 2023
- iv) Advised the Board on the appointment of external auditors for the year 2024 and their audit fee
- v) Advised the Board on the appointment of professional for certification on compliance of Corporate Governance for the year 2024 and their professional fee
- vi) Reviewed the management discussion and analysis and recommended that the same be placed to the Board for approval
- vii) Reviewed the quarterly financial statements and recommended that the same be placed to the Board for approval
- viii) Reviewed the quarterly reports on Risk Management Forum
- ix) Reviewed the quarterly report on Internal Control and Compliance
- x) Reviewed the quarterly report on development of pending legal cases
- xi) Reviewed the quarterly report on willful defaulter related information
- xii) Reviewed the Management Report of the external auditors’ for the year 2023 along with the management responses on the Company’s internal control
- xiii) Reviewed and approved the Operational Guidelines on Internal Control and Compliance
- xiv) Reviewed and approved the Compliance Calendar 2025
- xv) 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)	Times	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 (i)	(%)	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 (iv)	BDT	1.12	0.76	46.21%
23	Price earning ratio (v)	Times	11.98	20.66	-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

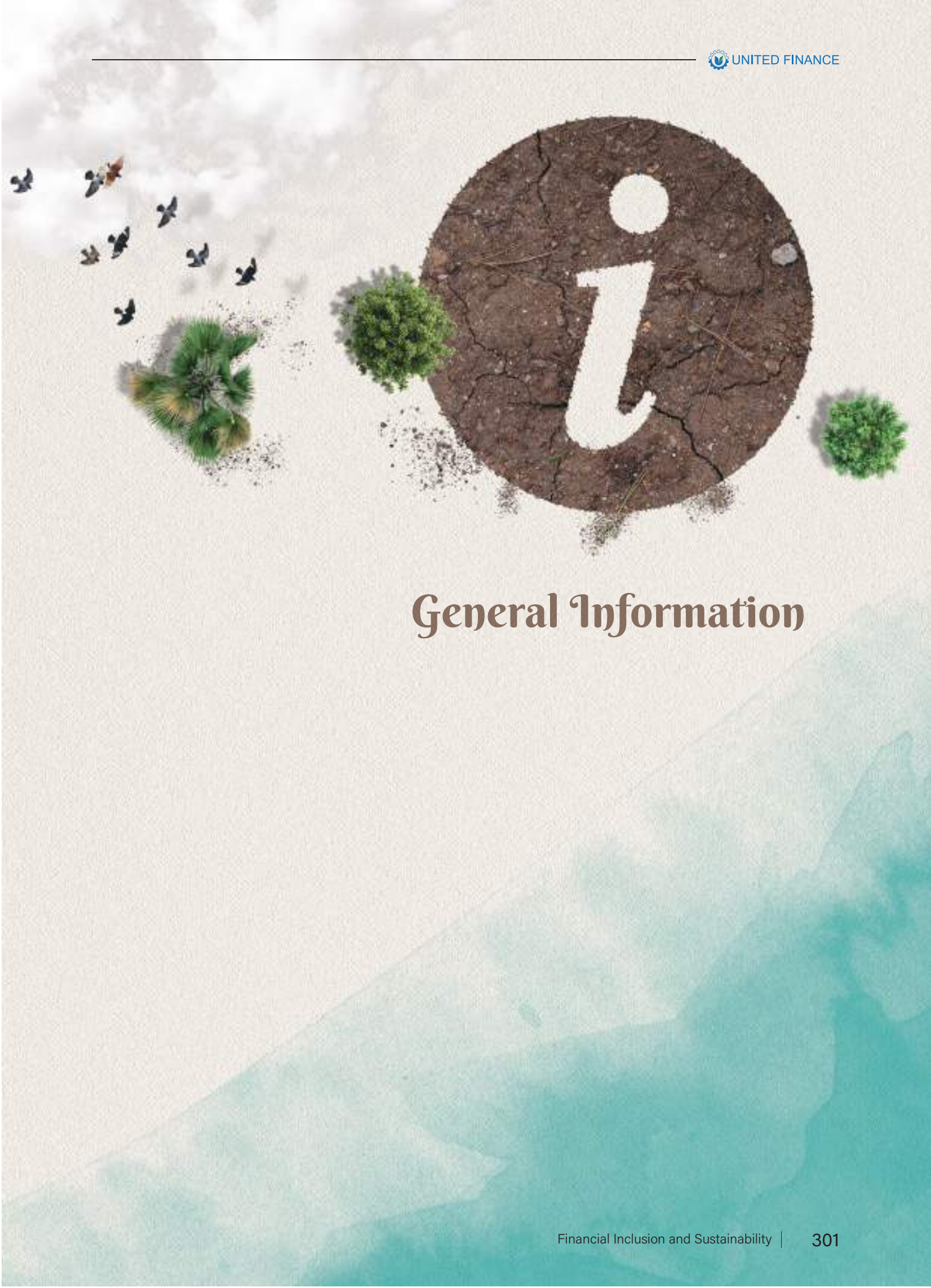


**Najmul Hasan**  
Chairman

Dhaka, Bangladesh  
Dated: 28 April 2025

	Furniture & fixture	Office equipment	Electrical equipment	Software	Motor vehicle	Office space	Right-of-use assets	Total
<b>Cost</b>								
Balance at 01 January, 2024	126,727,879	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
Disposal/adjustment	(1,525,694)	-	(13,177,709)	-	(10,729,425)	-	(1,158,969)	(26,591,797)
<b>Balance at 31 December, 2024</b>	<b>125,949,272</b>	<b>657,006</b>	<b>187,571,001</b>	<b>46,283,157</b>	<b>61,004,610</b>	<b>177,890,411</b>	<b>222,546,124</b>	<b>821,901,582</b>
<b>Accumulated depreciation</b>								
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	82,410,112
Disposal /adjustment	(1,380,690)	-	(13,037,166)	-	(7,637,150)	-	(1,158,969)	(23,213,974)
<b>Balance at 31 December, 2024</b>	<b>105,925,539</b>	<b>508,756</b>	<b>140,717,788</b>	<b>37,143,656</b>	<b>34,717,033</b>	<b>31,501,429</b>	<b>142,158,395</b>	<b>492,672,596</b>
<b>WDV at 31 December, 2024</b>	<b>20,023,733</b>	<b>148,250</b>	<b>46,853,214</b>	<b>9,139,501</b>	<b>26,287,577</b>	<b>146,388,982</b>	<b>80,387,729</b>	<b>329,228,986</b>

Fixed assets including land, building, furniture & fixtures - for 2023									
	Furniture & fixture	Office equipment	Electrical equipment	Software	Motor vehicle	Office space	Right-of-use assets	(Amount in BDT)	
<u>Cost</u>									Total
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
Disposal/adjustment	(1,716,065)	-	(355,825)	-	(12,618,615)	-	-		(14,690,505)
<b>Balance at 31 December, 2023</b>	<b>126,727,879</b>	<b>589,601</b>	<b>187,598,986</b>	<b>46,283,157</b>	<b>58,207,786</b>	<b>177,890,411</b>	<b>220,913,801</b>		<b>818,211,620</b>
<b>Accumulated depreciation</b>									
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	23,906,648	11,721,938	8,028,297	4,447,260	28,231,160		84,495,189
Disposal /adjustment	(1,689,908)	-	(340,495)	-	(6,708,836)	-	-		(8,739,239)
<b>Balance at 31 December, 2023</b>	<b>99,324,262</b>	<b>466,035</b>	<b>132,128,952</b>	<b>26,460,780</b>	<b>33,210,518</b>	<b>27,054,168</b>	<b>114,831,743</b>		<b>433,476,458</b>
<b>WDV at 31 December, 2023</b>	<b>27,403,617</b>	<b>123,566</b>	<b>55,470,034</b>	<b>19,822,377</b>	<b>24,997,268</b>	<b>150,836,243</b>	<b>106,082,058</b>		<b>384,735,163</b>



## General Information



# COUNTRYWIDE BRANCH & BOOTH/UNIT OFFICE NETWORK

## Head Office

Camellia House,  
22 Kazi Nazrul Islam Avenue  
Dhaka- 1000

## Head Office (Extension)

SEL Rose N Dale (Level-9),  
116, Kazi Nazrul Islam Avenue  
Dhaka- 1000

## Barisal Branch

119, L.L. Tower (3<sup>rd</sup> Floor)  
Sadar Road  
Barishal- 8200

## Begumganj Branch

G.S.D Bhaban (3<sup>rd</sup> Floor)  
Feni Road, Chowmuhani, Begumganj,  
Noakhali- 3821

## Bogura Branch

Afsar Ali Complex (2<sup>nd</sup> Floor)  
Raja Bazar Islam Road, Borogola  
Bogura- 5800

## Bongshal Branch

Mahmud Tower (Level-8), 19  
Siddique Bazar, North South Road Bongshal,  
Dhaka- 1000

## Chattogram Branch

C & F Tower (5<sup>th</sup> Floor)  
1712 Sheikh Mujib Road, Agrabad C/A,  
Chattogram- 4212

## Chuadanga Branch

Holding No. 0941-03 (1<sup>st</sup> Floor),  
Shahid Abul Kashem Sarak, Post Office Para,  
Bara Bazar, Chuadanga- 7200

## Cox's Bazar Branch

Ashrafia Complex, (2<sup>nd</sup> Floor)  
Burmese Market, Main Road  
Cox's Bazar- 4700

## Cumilla Branch

Siddique Plaza (1<sup>st</sup> Floor)  
Rajgonj, Satipatti  
Cumilla- 3500

## Dinajpur Branch

Torab Uddin Complex (2<sup>nd</sup> Floor)  
South Munshipara, Sadar  
Dinajpur- 5200

## Gazipur Branch

Rabindra Plaza (2<sup>nd</sup> Floor)  
College Gate, Tongi  
Gazipur- 1700

## Jashore Branch

Rashid Center (2<sup>nd</sup> Floor)  
7/A R.N. Road, Mouza Barandi, Kotwali  
Jashore- 7400

## Jinjira Branch

Amin Complex (2<sup>nd</sup> Floor)  
Jinjira Bus Stand, Keranigonj  
Dhaka- 1310

## Khulna Branch

Matri-Bhasha Bhaban (2<sup>nd</sup> Floor),  
63 K.D.A Avenue  
Khulna- 9100

## Mymensingh Branch

Holding No. 17, 16/A  
Chotto Bazar  
Mymensingh- 2200

## Narsingdi Branch

Hazi Shamsul Haque Plaza (2<sup>nd</sup> Floor)  
Pachdona More, Narsingdi, Sador  
Narsingdi- 1600

## Pabna Branch

J.B. Complex (2<sup>nd</sup> Floor)  
Shalgaria Thana Road  
Pabna Sadar, Pabna- 6600

## Rajshahi Branch

111, Habib Plaza (2<sup>nd</sup> Floor), Shaheb  
Bazar (Zero Point), Ghoramara, Boalia  
Rajshahi - 6100

## Rangpur Branch

Holding No.- 75/76 (3<sup>rd</sup> Floor)  
Station Road  
Rangpur- 5400

## Shyamoli Branch

Rupayan Shelford (Level-05, Flat-C5) 23/6,  
Mirpur Road, Shyamoli  
Dhaka- 1207

## Sylhet Branch

Daulatpur Square, Niloy 16 (2<sup>nd</sup> Floor)  
Chowhatta Uttar  
Sylhet- 3100

## Tejgaon Branch

Rahman's Regnum Centre (5<sup>th</sup> Floor), 191/1  
Tejgaon-Gulshan Link Road, Tejgaon C/A  
Dhaka- 1208

## Belkuchi Booth

Amin Razzak Plaza (2<sup>nd</sup> Floor)  
130 Mukundagati Bazar  
Belkuchi Sirajgonj- 6740

## Rangamati Booth

H. B. Plaza (2<sup>nd</sup> floor)  
Holding No. 72/MA, Banarupa  
Rangamati- 4500

# UNITED FINANCE PLC.

Type of Business	Financial Institution
Company Type	Public Limited Company
Listing Status	Listed with Dhaka Stock Exchange PLC.
Former Name	United Leasing Company Limited Renamed to United Finance Limited in 2014 Renamed to United Finance PLC in 2024
Date of Incorporation	27 April 1989
Company Incorporation Number	C-18484
Bangladesh Bank License No.	BCD (Non-Banking)/Dhaka/1/'95; dated 07 February 1995
Tax Identification Number	188716210654
VAT Registration Number	0017857720201

## Nationwide Presence

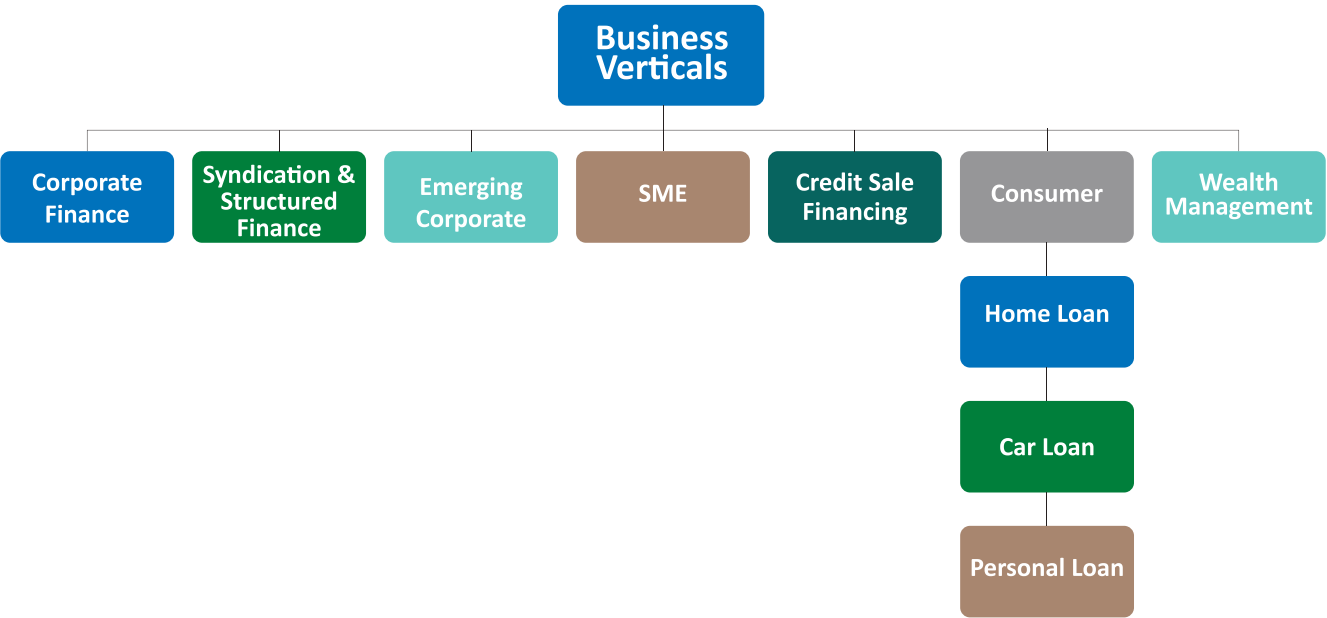
All 64 districts covered through 25 offices network



Number of Branches & Offices 23

Number of Booth Offices 02

## Business Vertical



## Corporate Head Office

Corporate Head Office  
Camellia House, 22 Kazi Nazrul Islam Avenue, Dhaka 1000, Bangladesh

## Contact Details

Telephone: +88-02-41062031, Facsimile: +88-02-41062032  
Contact Center: 16354, Email Address: q&a@ufplc.com  
Website: www.ufplc.com

## OTHER DISCLOSURE

United Finance continues to strengthen its technological foundation with a robust and multi-layered Information Technology framework designed to ensure security, reliability, and client-centric digital innovation. Our approach emphasizes not only technological resilience but also regulatory alignment, workforce excellence, and service efficiency.

### Commitment to Information Security and availability

At United Finance, safeguarding data and maintaining system integrity are top priorities. We are proudly ISO/IEC 27001:2022 certified, demonstrating our alignment with global best practices in information security. Our infrastructure includes a world-class SIEM (Security Information and Event Management) solution for real-time threat detection and response, segregated network zones, and next-generation firewalls with high availability at both data and internet levels. Regular Vulnerability Assessment and Penetration Testing (VAPT), and periodic DR drills further enhance our risk mitigation capabilities.

### Layered Cybersecurity Architecture

From the core to the endpoint of our infrastructure lies multiple layers of defense that safeguards the company's digital ecosystem. This includes the implementation of a Web Application Firewall (WAF), Distributed Denial of Service (DDoS) protection, and full encryption of networks and devices. We have also deployed ransomware protection, cloud-based email security, and an advanced alerting and environmental monitoring system to proactively manage threats. To ensure resilience, we maintain a robust Disaster Recovery (DR) site, allowing us to recover critical services quickly in case of any disruption.

### Skilled & Certified IT Team

The backbone of our IT success is a highly skilled and certified team of professionals, equipped with industry-leading credentials including PMP, CISA, CCNA, MTCNA, RHCSA, CEH, Azure Administrator, and ISO certifications among others. The team has consistently demonstrated excellence in national-level cyber drills and maintains expertise in secure systems management.

### Organization-wide Security Awareness

To ensure resilience is embedded throughout the organization, we have cultivated a company-wide culture of cyber awareness through mandatory training, regular assessments, and phishing simulations to prepare employees against evolving threats.

### Digital Transformation and Services

United Finance is also advancing through digital transformation and automation, with paperless workflows and fully automated internal systems covering HR, inventory, and other critical operations, driving efficiency and sustainability. Our focus on enhanced digital services enables clients to access a secure mobile app and web portal with 24/7 availability, ensuring convenience without compromising security.

Through strategic investments in technology, people, and processes, United Finance continues to ensure operational excellence, data security, and digital innovation for all stakeholders.

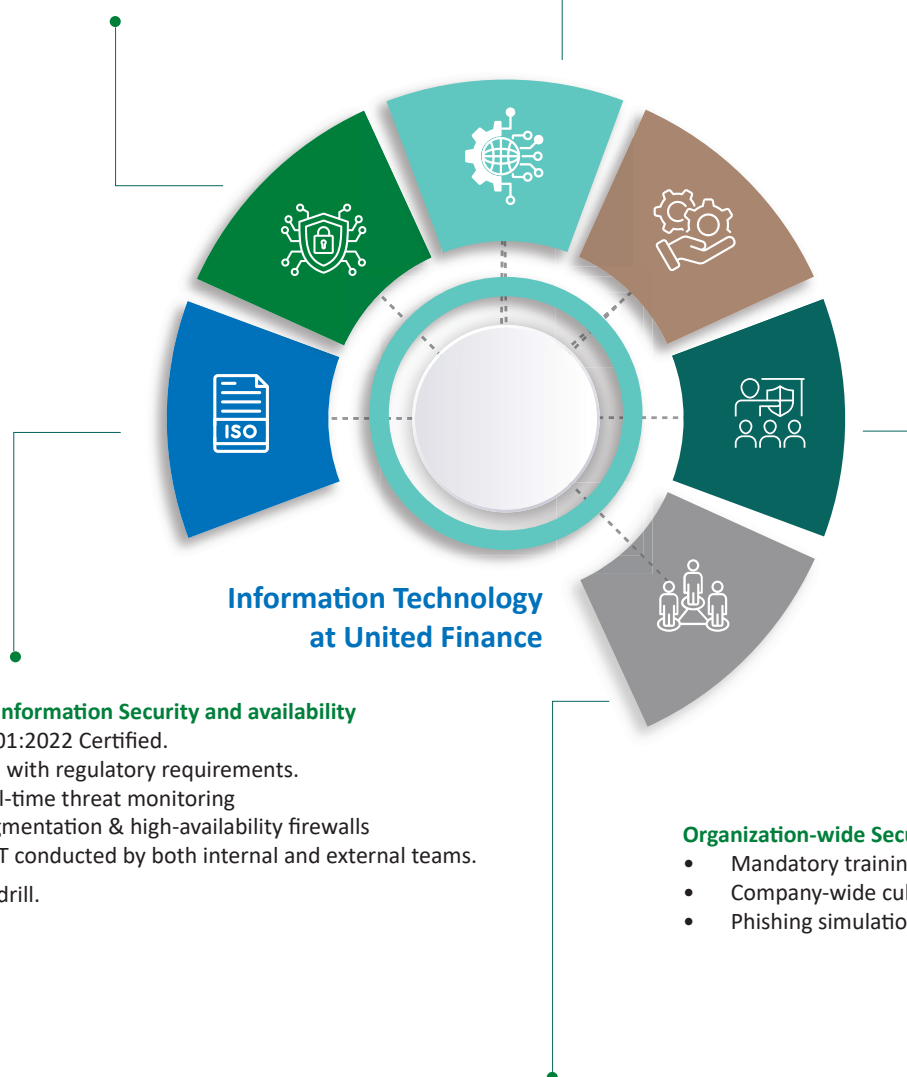


### Layered Cybersecurity Architecture

- Web Application Firewall (WAF)
- DDoS protection, encrypted networks & devices
- Ransomware protection & DR site
- Cloud based email protection.
- Early alerting system.
- Environment Monitoring System.

### Digital Transformation and Services

- Paperless workflow
- Automated internal systems (HR, Inventory, etc.)
- Secure mobile app & web portal for client.
- 24/7 client access with high-level security



### Commitment to Information Security and availability

- ISO/IEC 27001:2022 Certified.
- Fully aligned with regulatory requirements.
- SIEM for real-time threat monitoring
- Network segmentation & high-availability firewalls
- Regular VAPT conducted by both internal and external teams.
- Periodic DR drill.

### Organization-wide Security Awareness

- Mandatory training & assessments
- Company-wide culture of cyber awareness
- Phishing simulations for awareness.

### Skilled & Certified IT Team

- Demonstrated excellence in national-level cyber drills with notable annual achievements.
- Certifications: PMP, CISA, CEH, MCSA, OCP, CCNA, MTCNA, RHCSA, VCP, MCCAIE, WSHISA, Azure Administrator, ISO Lead Auditor, ISO Lead Implementer.
- Strong expertise in secure system management



# GRI Index

Disclosure No.	Requirements	Reference	Page
<b>Organisation Profile</b>			
<b>102-1</b>	a. Name of Organization	United Finance PLC.	Cover Page
<b>102-2</b>	a. A description of the organization’s activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	<a href="https://www.ufplc.com/en/Home/PersonalLoans">https://www.ufplc.com/en/Home/PersonalLoans</a> <a href="https://www.ufplc.com/en/Home/BusinessLoans">https://www.ufplc.com/en/Home/BusinessLoans</a>	<b>17, 18 26-28</b>
<b>102-3</b>	a. Location of headquarters	<a href="https://www.ufplc.com/en/Home/ContactUs">https://www.ufplc.com/en/Home/ContactUs</a>	<b>302</b>
<b>102-4</b>	a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	Countries served: Bangladesh	-
<b>102-5</b>	a. Nature of ownership and legal form.	Nature of Ownership and Legal Form: Public Limited Company	-
<b>102-6</b>	a. Markets served including: i. geographic locations where products and services are offered ii. Sectors served iii. Types of customers and beneficiaries	<a href="https://www.ufplc.com/en/Home/ContactUs">https://www.ufplc.com/en/Home/ContactUs</a>	<b>302</b>
<b>102-7</b>	a. Scale of the Organization, including i. Total number of employees ii. Total number of operations iii. Net sales (for private sector organizations) or net revenues (for public sector organizations) iv. Total capitalization (for private sector organizations) broken down in terms of debt and equity v. Quantity of products or services provided.	Financial Statements, Notes to the Financial Statements, Sustainability Report	<b>256-300 135-160</b>
<b>102-8</b>	a. Total number of employees by employment contract (permanent and temporary), by gender b. Total number of employees by employment contract (permanent and temporary), by region c. Total number of employees by employment type (full-time and part-time), by gender d. Whether a significant portion of the organization’s activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made	Sustainability Report	<b>135-160</b>
<b>102-9</b>	a. A description of the organization’s supply chain, including its main elements as they relate to the organization’s activities, primary brands, products, and services.	Products and Services Business Model Sustainability Report	<b>26-28 135-160</b>
<b>102-10<sup>1</sup></b>	a. Significant changes to the organization & supply chain, including i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.	<a href="https://www.ufplc.com/en/Home/ShareholdingStructure">https://www.ufplc.com/en/Home/ShareholdingStructure</a>	<b>73</b>
<b>102-11</b>	a. Whether and how the organization applies the Precautionary Principle or approach.	Yes, Precautionary Approach to Financing	-

1 Shareholding Structure is Reported in every Annual Report

Disclosure No.	Requirements	Reference	Page
102-12	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.	No such charters	-
102-13	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.	Sustainability Governance	140
<b>Strategy</b>			
102-14	a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.	Chairman's Statement Managing Director's Statement	66-68 70-72
<b>Ethics and Integrity</b>			
102-16	a. A description of the organization's values, principles, standards, and norms of behaviour.	<a href="https://www.ufplc.com/en/Home/VisionMissionGoals">https://www.ufplc.com/en/Home/VisionMissionGoals</a>	18
<b>Governance</b>			
102-18	a. Governance structure of the organization, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics.	<a href="https://www.ufplc.com/en/Home/BoardOfDirectors">https://www.ufplc.com/en/Home/BoardOfDirectors</a> <a href="https://www.ufplc.com/en/Home/Management">https://www.ufplc.com/en/Home/Management</a>	74-104
<b>Stakeholder Engagement</b>			
102-40	a. A list of stakeholder groups engaged by the organization.	Sustainability Report	135-160
102-41	a. Percentage of total employees covered by collective bargaining agreements.	No employees covered	-
102-42	a. The basis for identifying and selecting stakeholders with whom to engage.	Sustainability Report	135-160
102-43	a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Sustainability Report	135-160
102-44	a. Key topics and concerns that have been raised through stakeholder engagement, including: i. how the organization has responded to those key topics and concerns, including through its reporting ii. The stakeholder groups that raised each of the key topics and concerns	Sustainability Report	135-160
<b>Reporting Practices</b>			
102-45	a. A list of all entities included in the organization's consolidated financial statements or equivalent documents. b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	Not Applicable	-
102-46	a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organization has implemented the Reporting Principles for defining report content.	Integrated Reporting	11-13
102-47	a. A list of the material topics identified in the process for defining report content.	Materiality Determination and Reporting	14-15

Disclosure No.	Requirements	Reference	Page
102-48	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.	Not Applicable	-
102-49	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	Not Applicable	-
102-50	a. Reporting period for the information provided.	01 January, 2023 to 31 December, 2023	-
102-51	a. If applicable, the date of the most recent previous report.	May 08, 2024	-
102-52	a. Reporting cycle	Annual	-
102-53	a. The contact point for questions regarding the report or its contents.	Sharmi Noor Nahar, Company Secretary	-
102-54	a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either: i. 'This report has been prepared in accordance with the GRI Standards: Core option'; ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'.	Sustainability Report This report has been prepared in accordance with the GRI Standards: Core option	135-160
102-55	a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report. b. For each disclosure, the content index shall include: i. The number of the disclosure (for disclosures covered by the GRI Standards) ii. The page number(s) or URL(s) where the information can be found, either within the report or in other published materials iii. If applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.	This table	306-310
102-56	a. A description of the organization's policy and current practice with regard to seeking external assurance for the report. b. If the report has been externally assured: i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process ii. The relationship between the organization and the assurance provider iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report	No external assurance sought	-
<b>Material Topics</b>			
<b>Economic performance</b>			
103-1	a. An explanation of why the topic is material b. The Boundary for the material topic c. Any specific limitation regarding the topic Boundary	Materiality Determination and Reporting	14-15
103-2	a. An explanation of how the organization manages the topic b. A statement of the purpose of the management approach c. A description of the following, if the management approach includes that component i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Grievance mechanisms vi. Specific actions, such as processes and initiatives	Chairman's Statement, Managing Director's Statement, Management Discussion and Analysis and Sustainability Report	66-68 70-72 161-187 135-160
103-3	a. An explanation of how the organization evaluates the management approach.	Chairman's Statement, Managing Director's Statement and Management Discussion and Analysis	66-68 70-72 161-187

Disclosure No.	Requirements	Reference	Page
201-1	<p>a. Direct economic value generated and distributed (EVG&amp;D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:</p> <p>i. Direct economic value generated: revenues;</p> <p>ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;</p> <p>iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.</p> <p>b. Where significant, report EVG&amp;D separately at country, regional, or market levels, and the criteria used for defining significance.</p>	Notes to the Financial Statements	267-300
201-2	<b>a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure.</b>	Risk Management Report Sustainability Report	106-134 135-160
201-3	<p>a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities</p> <p>b. If a separate fund exists to pay the plan's pension liabilities</p> <p>i. The extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;</p> <p>ii. The basis on which that estimate has been arrived at</p> <p>iii. When that estimate was made</p> <p>c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.</p> <p>d. Percentage of salary contributed by employee or employer</p> <p>e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.</p>	Notes to the financial statements and Sustainability Report	267-300 135-160
201-4	<p>a. Total monetary value of financial assistance received by the organization from any government during the reporting period.</p> <p>b. The information in 201-4-a by country</p> <p>c. Whether, and the extent to which, any government is present in the shareholding structure</p>	Sustainability Report, Shareholding Structure, and Notes to the Financial Statements	135-160 73 267-300
<b>Employment and Training</b>			
103-1	<p>a. An explanation of why the topic is material</p> <p>b. The Boundary for the material topic.</p> <p>c. Any specific limitation regarding the topic Boundary</p>	Materiality Determination and Reporting	14-15
103-2	<p>a. An explanation of how the organization manages the topic</p> <p>b. A statement of the purpose of the management approach</p> <p>c. A description of the following, if the management approach includes that component</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Grievance mechanisms</p> <p>vi. Specific actions, such as processes and initiatives</p>	Chairman's Statement, Managing Director's Statement and Management Discussion and Analysis	66-68 70-72 161-187
103-3	a. An explanation of how the organization evaluates the management approach.	Chairman's Statement, Managing Director's Statement and Management Discussion and Analysis	66-68 70-72 161-187



Disclosure No.	Requirements	Reference	Page
<b>401-1<sup>2</sup></b>	a. Total number and rate of new employee hires during the reporting period, by age group, gender and region. b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.	Sustainability Report	135-160
<b>401-2</b>	a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum: i. Life insurance ii. Health care iii. Disability and invalidity coverage iv. Parental leave v. Retirement provision vi. Stock ownership vii. Others	Sustainability Report Notes to the Financial Statements	135-160 267-300
<b>401-3</b>	a. Total number of employees that were entitled to parental leave, by gender b. Total number of employees that took parental leave, by gender. c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender. d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender. e. Return to work and retention rates of employees that took parental leave, by gender	Sustainability Report	135-160
<b>404-1</b>	a. Average hours of training that the organization's employees have undertaken during the reporting period, by: i. Gender; ii. Employee category.	Sustainability Report	135-160
<b>404-2</b>	a. Type and scope of programs implemented and assistance provided to upgrade employee skills. b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	Human Capital Sustainability Report	35-38 135-160
<b>404-3</b>	a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	Human Capital Sustainability Report	35-38 135-160

<sup>2</sup> Turnover values may be calculated from the employment figures at the start and end of the reporting period

# UNITED FINANCE PLC.

Camellia House  
22 Kazi Nazrul Islam Avenue, Dhaka-1000

## PROXY FORM

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member of United Finance PLC do hereby appoint  
Mr. /Ms. of \_\_\_\_\_  
or (failing him/her) Mr. / Ms. \_\_\_\_\_  
of \_\_\_\_\_  
\_\_\_\_\_

as my/our proxy, to vote for me/us and on my/our behalf at the Thirty-Sixth Annual General Meeting of the Company thorough a digital platform to be held on Tuesday, June 24, 2025 at 10:00 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2025

Revenue  
Stamp  
TK 20/-

Signature of Shareholder \_\_\_\_\_  
Folio/BO ID No. \_\_\_\_\_  
No. of Shares \_\_\_\_\_

\_\_\_\_\_  
Signature of Proxy

### **N.B.: IMPORTANT**

- (1) This Form of Proxy, duly completed, must be scanned and sent through email at least 48 hours before the meeting at investor.relations@ufplc.com. Proxy is invalid if not signed and stamped as explained above.
- (2) Signature of the shareholder should agree with the specimen signature registered with the Company and depository register.



**UNITED FINANCE PLC.**

Registered Office: Camellia House, 22  
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