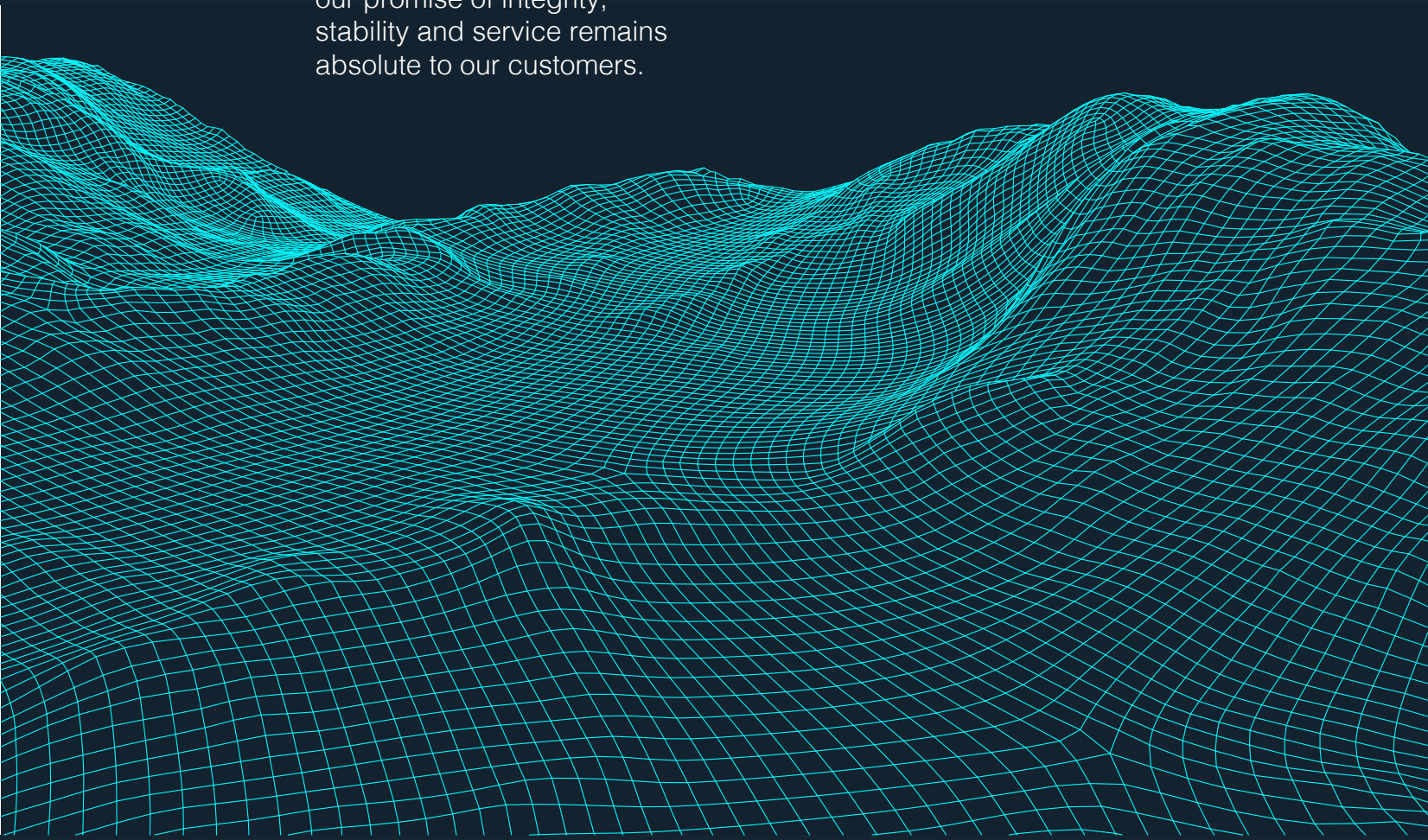




Strength in Consistency

In an ever changing market,
our promise of integrity,
stability and service remains
absolute to our customers.



Annual Report

2025

United Finance PLC at a Glance



United Finance PLC

Camellia House
22 Kazi Nazrul Islam Avenue
Dhaka - 1000

From a humble beginning to a
**Dynamic Board
of Directors**
leading the legacy



**37
Years**
of excellence in
Financial Services

**23
Branches**
serving customers
in all 64 districts



Mobile App



Engaging social media presence



**AA+ Long
Term Credit
Rating Score**

Short Term - ST2 Outlook
Stable Services



ufplc.com



16354

What Differentiates United Finance PLC

 Trusted Institutional Strength	37 Years of Institutional Legacy Operating since 1989, United Finance PLC has built a strong reputation for prudent management, financial discipline, and long-term value creation across multiple economic cycles in Bangladesh.
	AA+ Credit Rating Among the highest-rated NBFIs, United Finance reflects strong asset quality, sound capital adequacy, and robust governance practices that inspire confidence among depositors and investors.
 25 Offices Nationwide	Nationwide Presence with Digital Integration With a network of offices across Bangladesh, and a Core Banking Software (CBS) platform implemented since 2020, United Finance PLC delivers accessible financial services through a digitally integrated operating framework, with ISO/IEC 27001:2022 certification.
	Digital Finance, Re-imagined With UMA UMA brings on-boarding, deposits, and financing together in one award-winning digital ecosystem.
 Responsible Finance Leadership	Sustainable and Responsible Finance Sustainability principles guide our financing approach, promoting responsible lending, environmental awareness, and long-term stakeholder value creation.
	Strong Governance and Transparency Listed on the Dhaka Stock Exchange (DSE) since 1994, United Finance PLC maintains a long track record of transparent disclosure, regulatory compliance, and professional management.

Strength in Consistency

At United Finance, we recognize that progress is rarely linear. What defines us is the consistency of our direction.

At times, we grow. At times, we consolidate. Yet through every shift, our core commitment does not waver.

This is our story of sustainability; Not one of uninterrupted expansion, but of enduring commitment.

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In an ever
changing market,
our promise of
integrity, stability,
and service
remains absolute
to our customers.

Sustainability at
United Finance
PLC, is in simply
being consistent.



The Report

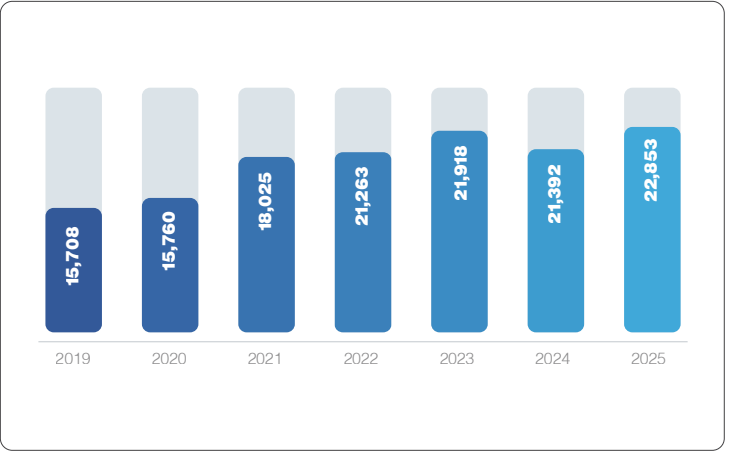
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Annual General Meeting

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Key Highlights

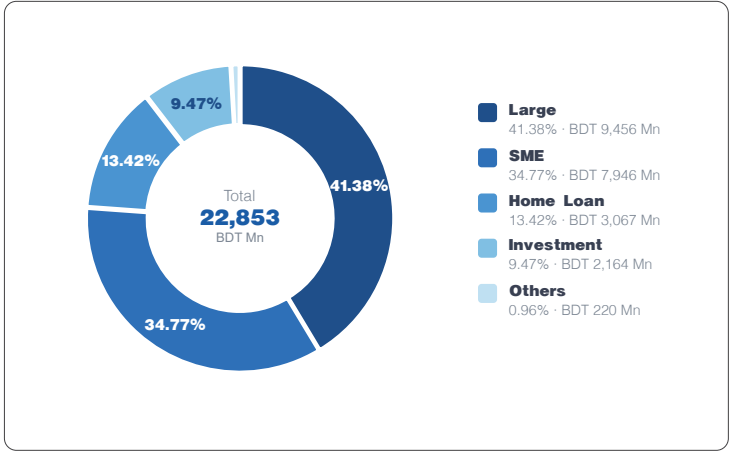
Total Loan & Investment

in BDT million



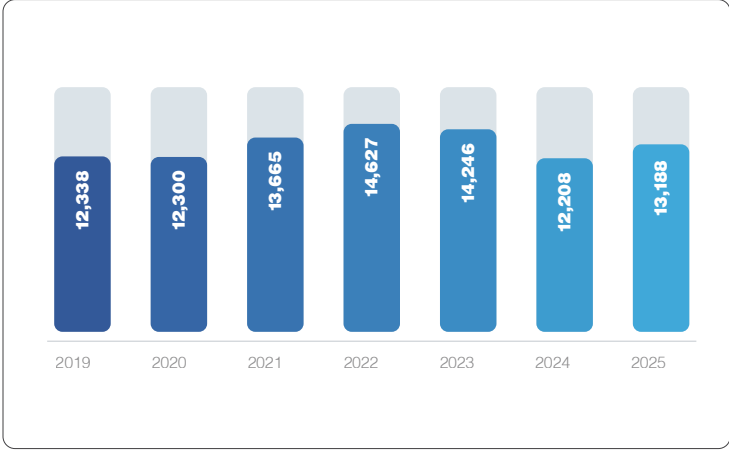
Portfolio Composition

Dec'25, share %



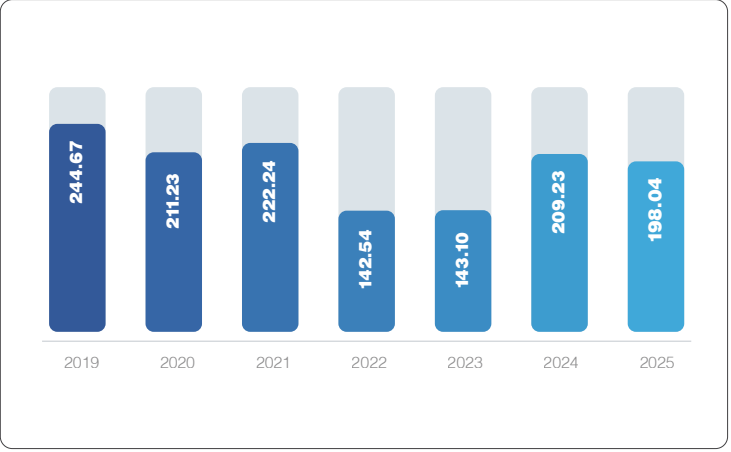
Deposits

in BDT million



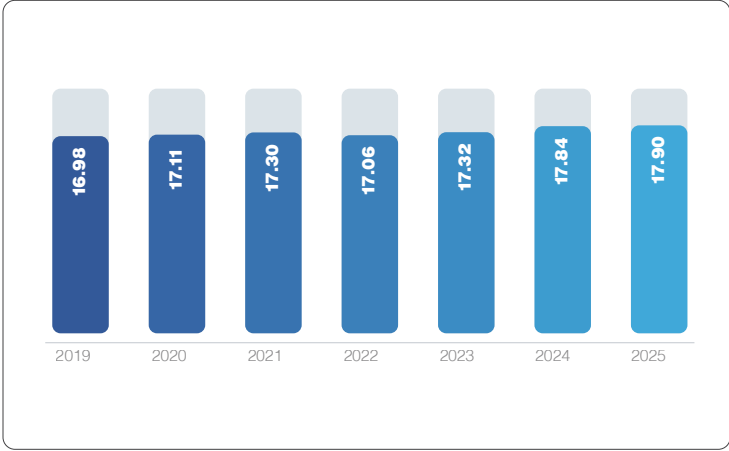
Net Profit After Tax

in BDT million



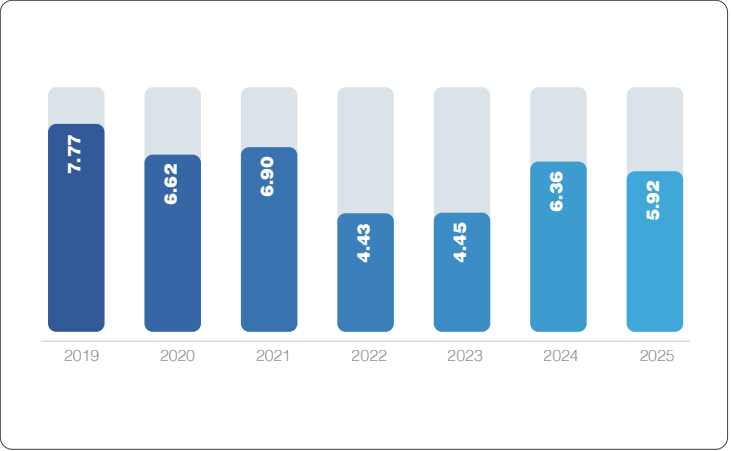
Net Asset Value

in BDT million



Return On Equity

in %



Key Highlights



5,523
Customers Onboarded
through UMA



8
Integrated Services
Available on UMA 24/7



76.84%
Sustainable Finance
Disbursement



BDT 15,233M
Green and Sustainable
Portfolios



U-Rise Startup Loan
Now Accessible on UMA



BDT 1,520M
Channeled through 11 Partner
Microfinance Institutions



12,611
Customers Reached under
BB-Linked Financing



64 Districts
Nationwide Portfolio Coverage

Key Highlights

UMA

Our Industry-First,
Award-Winning Digital Finance App



18.45%
Capital Adequacy Ratio



198.04 Mn
Net Profit After Tax



37 YEARS
of Excellence in
Financial Services



600
Total Employee



Bangladesh
Fintech Award
2025
Winner: FinTech Innovation
of the Year - NBFi



444.33 Mn BDT
Contribution to Government



85,246
CSR Beneficiaries



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



5.95%
NPL Ratio



8,678
Deposit Customers



BDT
20,689M
Total Loan Portfolio



BDT
13,188M
Total Deposit
Portfolio

Integrated Report

Our Integrated Annual Report provides a detailed preview of the value we add to the economy, environment, and society over time, using 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.

Reflection of the Integrated Report

Our Integrated Annual 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 Boundaries

This report has been prepared in accordance with the International Integrated Reporting Council (IIRC) framework’s guiding principles, taking into account applicable regulatory frameworks and international best practices. The report covers the period from January 1, 2025 to December 31, 2025 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 the 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 Task Force on Climate-related Financial Disclosures (TCFD) recommendations, the Company discloses information related to governance oversight, strategic 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.

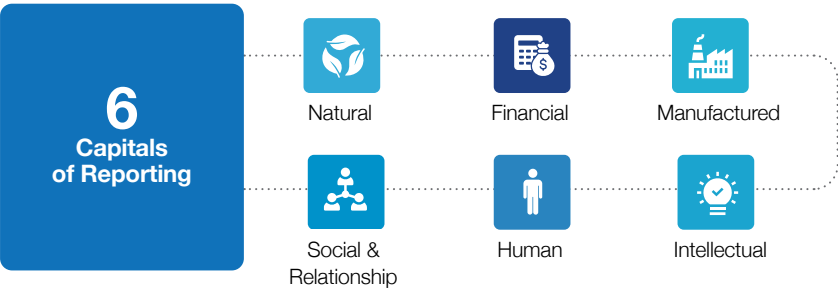
While the foundational elements remain consistent with the Annual Report 2024-2025, the disclosures, structure, and overall presentation have been significantly enhanced this year.

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. The materiality assessment is shown on the following page.



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	Al-Muqtadir Associates
3	Audited Financial Statements of United Finance Limited Employees' Provident Fund	Hossain Billal & Co.
4	Audited Financial Statements of United Finance Limited Employees' Gratuity Fund	Hossain Billal & Co.
5	Actuarial Valuation of Gratuity Fund	FM Consulting International

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.

Mohammed Abul Ahsan
Managing Director (Acting)

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 the 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.

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



www.ufplc.com/Financial_Report/ar2025.pdf

Materiality Determination and Reporting

At United Finance PLC, 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 of 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, Manufactured



Macroeconomic & Geopolitical Environment

- Risks:**
Inflation and fiscal instability disrupt growth
- Opportunities:**
Strategic positioning during economic shifts
- Strategy:**
Business sustainability, diverse funding
- Actions:**
Non-political stance, value-added offerings
- Capitals:**
Financial capitals



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 capitals



Employee Safety, Culture, and Well-Being

Risks:

Poor workplace safety affects morale, retention, & costs

Opportunities:

Engaged workforce drives growth

Strategy:

Holistic employee development

Actions:

Building agile and empowered teams

Capitals:

Human and intellectual capitals



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 and natural capitals



Shareholders' Rights and Returns

Risks:

Weak shareholder engagement can deter investment

Opportunities:

Boost reputation and access capital at a lower cost

Strategy:

Transparent governance

Actions:

Strong investor communication, leveraging 37 years of expertise

Capitals:

Financial, social and relationship capitals



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 and relationship capitals



Prevention of Financial Crime

Risks:

Digital assets pose money-laundering risks

Opportunities:

Trust and resilience through strong controls

Strategy:

Risk management, leadership synergy

Actions:

AML/CFT compliance, internal controls

Capitals:

Financial capitals



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, Manufactured and Social capitals



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 and relationship capitals

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
Communities	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



Notice of the Thirty-Seventh Annual General Meeting

Notice is hereby given that the Thirty Seventh Annual General Meeting (AGM) of the shareholders of United Finance PLC will be held on Monday, 29 June 2026 at 11:00 a.m. through hybrid system at Police Convention Hall, 37/3/B Eskaton Garden Road, Ramna, Dhaka, Bangladesh in accordance with the Bangladesh Securities and Exchange Commission (BSEC) order nos. BSEC/CMRRCD/2009-193/08 dated 10 March 2021 and BSEC/ICAD/SRIC/2024/318/09 dated 16 January 2024 to transact the following business:

1. To receive, consider and adopt the Directors' Report, Auditors' Report and Audited Accounts for the year ended on 31 December 2025.
2. To declare Dividend for 2025.
3. To retire/re-elect Directors
4. To consider the appointment of Statutory Auditors for the year 2026 and fix their remuneration.
5. To consider the appointment of Corporate Governance Compliance Auditor for the year 2026 and fix the remuneration.

By order of the Board

Dated: Dhaka
8 June 2026


Labiba Mahjabin
Company Secretary (Acting)

Notes:

1. The Shareholders whose name appeared in the Members'/Depository Register on Record Date i.e., 19 May 2026 will be eligible to attend/participate and vote in the Annual General Meeting through hybrid system and to receive Dividend.
2. A shareholder entitled to attend/participate and vote at the meeting may appoint a proxy to attend/participate and vote in his/her stead. The scanned copy of the proxy form duly affixed with a revenue stamp of Tk 100.00 must be e-mailed to 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 hybrid system 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 along with full name, Folio/BO ID to receive the hybrid system meeting invitation.
5. Full login/participation process to the hybrid system meeting will also be available in the Company website www.ufplc.com.
6. The soft copy of Annual Report 2025 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 2025 and proxy form will be available on the Company website www.ufplc.com.
7. Shareholders and proxies interested to attend physically are requested to record their entry in the venue of Annual General Meeting well in time.

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 37th AGM.

The Company

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Vision, Mission, Goals, Values, Code of Conduct

Business Philosophy



Our Vision

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



Our Mission

Our mission is anchored in three enduring commitments.

- Devote continuous effort to improve products and services to sustain 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 Strategic Goals

United Finance PLC pursues its vision and mission through four stakeholder-centric strategic goal clusters, each with specific operational commitments:



Customer-Centric Goals

- Deliver superior service through timely response, fairness, and value-driven financial solutions.
- Enhance digital accessibility to deliver seamless, convenient customer experiences.



Risk Management Goals

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



Shareholder Goals

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



Employee Goals

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



Our Core Values

United Finance PLC's institutional culture is shaped by a set of core values that govern how we conduct business, treat our stakeholders, and pursue our mission. These values are

not aspirational statements; they are behavioral standards embedded in our governance framework, performance evaluations, and day-to-day decision-making.



Integrity

We conduct all our business activities with honesty, transparency, and the highest ethical standards. Integrity is non-negotiable — whether in financial reporting, client dealings, or regulatory compliance.

We do not engage in corruption, bribery, or any conduct that could compromise public trust.



Excellence

We are committed to delivering the highest quality of service in everything we do. Excellence means continuously improving our processes, products, and people, not settling for 'good enough.'

We measure ourselves against the best-in-class and strive to exceed the expectations of every client and stakeholder we serve.



Customer Focus

Every decision we make is evaluated through the lens of customer value. Our clients — whether SMEs, corporates, or individuals — are at the center of our strategic design.

We listen actively, respond promptly, and tailor financial solutions to our clients' real needs, not the convenience of our internal processes.



Innovation

We embrace change as an opportunity. Our investment in digital platforms, core banking infrastructure, and process automation reflects our commitment to innovation as a competitive strategy.

We encourage our people to challenge conventions, propose new ideas, and pioneer solutions that keep United Finance PLC ahead of the curve.



Responsibility

We take responsibility for our impact on our clients, our employees, the communities in which we operate, and the environment.

Responsible lending, social investment, environmental stewardship, and employee welfare are not peripheral concerns; they are central to how we define institutional success and legacy.



People First

Our people are our most valuable asset. We invest in their growth, protect their well-being, and create a workplace culture where talent thrives and is rewarded fairly.

We believe that a highly motivated, skilled, and values-aligned workforce is the ultimate source of competitive advantage, and the foundation of every client relationship and stakeholder outcome we deliver.

Code of Conduct

United Finance PLC's Code of Conduct establishes the ethical and behavioral standards that all employees, directors, and agents of the Company must uphold. The Code is not

a set of rules imposed from above; it is an expression of the values that define who we are and how we choose to operate. Key pillars of the Code include:

Area of Conduct

Standard and Commitment

Corruption and Bribery

A strict zero-tolerance stance. Bribery, whether direct or indirect, is entirely inconsistent with the Company's values and is not tolerated under any circumstances.

Confidentiality

All business information, including client data, financial results, and strategic plans, is treated as strictly confidential. Misuse of confidential information for personal gain is prohibited and may constitute a criminal offense.

Protection of Personal Data

All personal data handled by UFPLC, whether of customers, employees, or other individuals, is processed with care and in full compliance with relevant laws and regulations, particularly where the information is sensitive.

Information Affecting Share Price

As a publicly listed entity, UFPLC strictly enforces regulations governing non-public information that could influence the market price of its shares. Insider trading is strictly prohibited.

Human Rights and Dignity

UFPLC supports international human rights principles as outlined in the UN Declaration. No employee shall participate in, contribute to, or support the violation or circumvention of human rights in any form, within or outside the workplace.

Money Laundering

UFPLC is resolutely opposed to money laundering and implements AML (Anti-Money Laundering) measures to ensure that its financial services and platforms are not used for illegal financial activities.

Environmental Stewardship

UFPLC is committed to minimizing its ecological footprint and actively promotes and utilizes environmentally responsible technologies and financing practices, consistent with its broader sustainability mandate.

Health, Safety & Workplace

The Company is dedicated to identifying, eliminating, and managing all workplace hazards and risks. It maintains a safe, healthy, and inclusive working environment and actively promotes employee well-being.

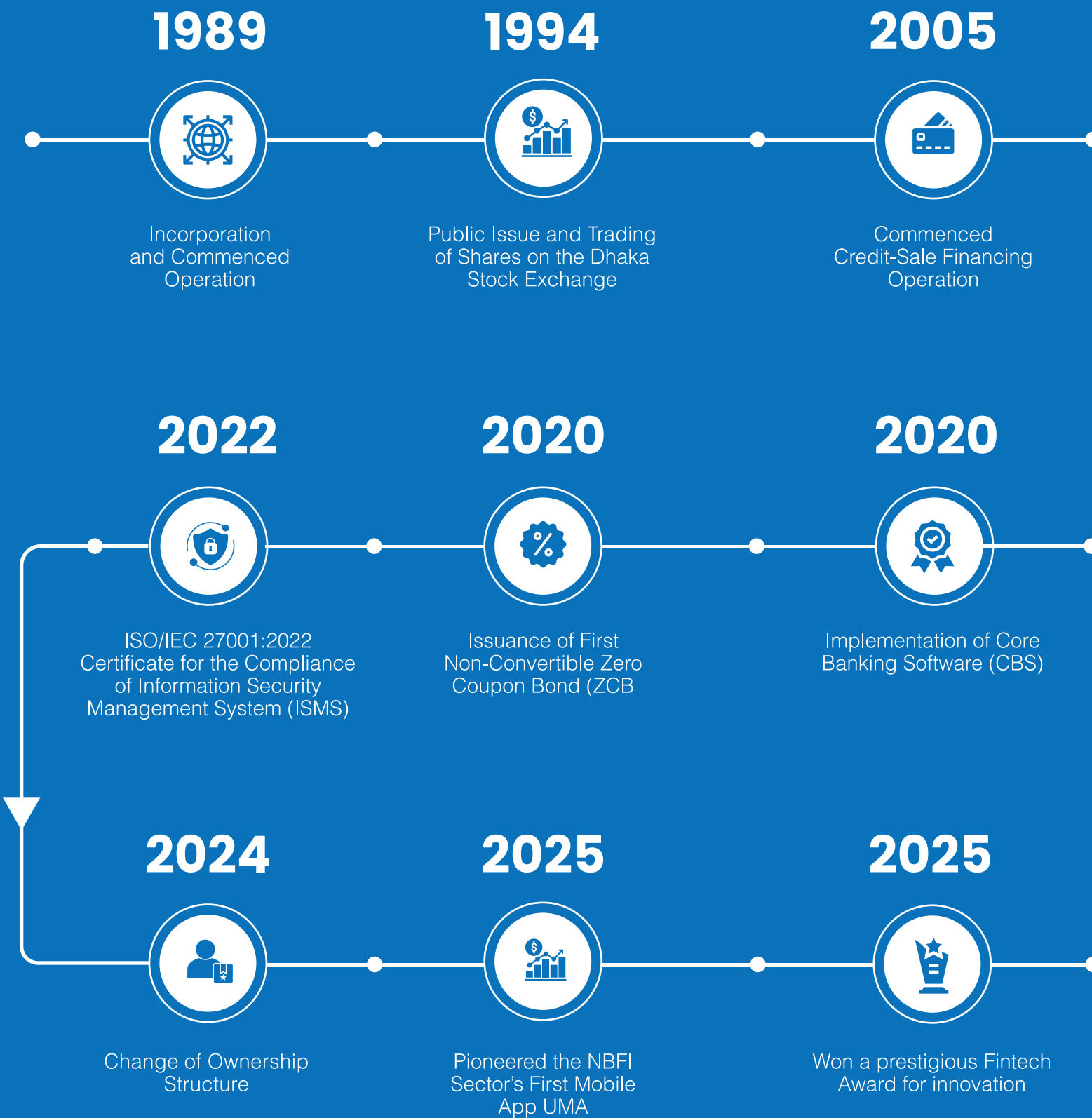
Political Activity

UFPLC does not provide financial or any other support to political parties. Employees are free to participate in personal political activities provided there is no conflict of interest with their professional duties.

Accounting and Financial Reporting

UFPLC prioritizes accuracy, completeness, and transparency in recording all business transactions. Financial statements are prepared in accordance with applicable laws, professional standards, and regulatory requirements of Bangladesh.

Key Milestones



2005



Commenced
Public Deposit
Mobilization

2007



Commenced Home
Loan Operation

2011



Increased
Authorized Capital

2019



Commenced
Metro Home
Loan Operation

2014



Changed Name from United
Leasing Company Limited to
United Finance Limited

2012



Commenced
Distributor Finance
Operation

2025



Advisory Partnership
with International Finance
Corporation (IFC)

2025



Introduced URise Startup
Loan Program



Performance Analysis

United Finance PLC -Year Ended 31 December 2025

The financial performance of United Finance PLC in 2025 was shaped by three dominant forces: the compression of interest rate spreads as the NBFIs sector adjusted to a market-driven rate environment; subdued private sector credit demand reflecting macroeconomic caution and pre-election investment restraint; and the Company’s own deliberate strategic choices to prioritize balance sheet quality and operational efficiency over volume growth.

Against this context, the results presented below reflect an institution that absorbed the headwinds of a difficult cycle while maintaining capital strength, depositor confidence, and a portfolio significantly healthier than the sector average.

1. Income Statement Highlights

Total income for 2025 was BDT 2,838 million, a decline of 3.7 percent from BDT 2,948 million in 2024. The reduction was driven by margin compression on the funded income side, a consequence of the competitive deposit rate environment and the recalibration of lending rates following Bangladesh Bank’s market-based rate reform.

Operating expenses declined modestly to BDT 761 million (2024: BDT 804 million), reflecting easing wage and overhead costs. However, provision charges declined meaningfully from BDT 197 million in 2024 to BDT 132 million in 2025, as the Company’s proactive portfolio management and early warning systems limited the need for accelerated provisioning relative to the prior year’s elevated credit loss cycle.

Profit before tax stood at BDT 318 million, and net profit after tax at BDT 198 million, a moderate decline of 5.35% from the 2024 level of BDT 209.23 million.

Income Statement (BDT Mn)	2025	2024	2023	2022	2021
Total Income	2,838	2,948	2,421	2,320	2,127
Financial Expense	1,626	1,599	1,353	1,221	1,147
Net Revenue (after fin. expense)	1,212	1,349	1,068	1,099	980
Operating Expenses (OPEX)	761	804	752	784	660
Operating Profit (before provision)	451	546	316	315	320
Provision for Loan Losses	133	197	89	153	61
Profit Before Tax (PBT)	318	348	227	162	260
Net Profit After Tax (PAT)	198	209	143	143	222

2. Profitability Ratios

The Company’s Return on Equity (ROE) for 2025 was 5.92%, a modest decline from 6.36% in 2024 but materially above the 4.43–4.45% recorded in 2022–2023, affirming that the profitability recovery initiated in 2024 has been broadly sustained. The decline in ROE in 2025 is primarily attributable to the compression of the

operating profit margin, from 18.5% in 2024 to 15.9% in 2025, as the interest-spread environment normalized. Return on Assets (ROA) similarly moderated to 0.69 percent (2024: 0.74 percent), reflecting both the lower net profit and modest balance sheet growth.



198.04 Mn

BDT Net Profit After Tax
-5.3% YoY



5.92%

Return on Equity
2024: 6.36%



0.69%

Return on Assets (ROA)
2024: 0.74%



BDT 1.06

Earnings Per Share
2024: BDT 1.12

Profitability Indicator	2025	2024	2023	2022	2021
Net Profit After Tax (BDT Mn)	198.04	209.23	143.10	142.54	222.24
Return on Equity — ROE (%)	5.92	6.36	4.45	4.43	6.90
Return on Assets — ROA (%)	0.69	0.74	0.51	0.54	0.94
Earnings Per Share — EPS (BDT)	1.06	1.12	0.76	0.76	1.19
Net Asset Value Per Share (BDT)	17.90	17.84	17.32	17.06	17.30
Net Profit Margin (%)	16.34	15.51	13.41	12.97	22.67

3. Balance Sheet Performance

United Finance PLC's balance sheet grew steadily in 2025, with total assets reaching BDT 29,388 million, an increase of 4.90 percent from BDT 28,016 million in 2024. The growth was driven by expansion in the Lease and Term Finance portfolio (+7.4 percent to BDT 16,389 million) and Short-Term Finance (+19.5 percent to BDT 1,233 million), partially offset by a moderate contraction in the Home Loan portfolio (-3.4 percent to BDT 3,067 million), which reflected subdued housing market activity amid elevated borrowing costs.

Total disbursements reached BDT 11,089 million in 2025, an increase of 25.1 percent from BDT 8,871 million in the prior year, demonstrating renewed deployment activity and growing borrower engagement across the company's diversified client base. On the funding side, total deposits grew 8.03% to BDT 13,188 million, with individual depositors accounting for 52.92% of the total and growing 16.83% year-on-year, reflecting sustained institutional trust amid sector-wide deposit fragility.

Balance Sheet (BDT Mn)	2025	2024	2023	2022	2021
Total Assets	29,388.07	28,015.57	28,818.52	27,183.22	25,859.75
Lease and Term Finance Portfolio	16,389.19	15,257.76	15,941.12	15,790.99	13,573.42
Home Loan Portfolio	3,066.99	3,173.59	3,333.51	3,291.77	2,267.15
Short-Term Finance Portfolio	1,232.65	1,032.01	1,102.03	1,137.83	1,387.70
Total Loans & Advances	20,688.83	19,463.36	20,376.74	20,220.59	17,228.27
Total Customer Deposits	13,188	12,208	14,246	14,627	13,665
Shareholders' Equity	3,349	3,338	3,241	3,192	3,236

4. Asset Quality and Capital Adequacy

The company's Non-Performing Loan (NPL) ratio stood at 5.95 percent as at 31 December 2025, up from 4.98 percent at the end of 2024. The increase of 97 basis points was driven primarily by the economic slowdown's impact on smaller enterprise borrowers and the trading sector, which accounts for a material share of the NBFi loan book. Despite the increase, the company's NPL ratio remained significantly below the NBFi sector average, reflecting the sustained effect of disciplined underwriting, active

account monitoring, and a robust early warning framework. The Large Business segment maintained an NPL ratio of 1.44 percent, and several key sectors, including pharmaceuticals, cement, glass, and financial corporates, recorded zero classified loans at year-end.

Capital Adequacy Ratio (CAR) remained robust at 18.45 percent against the regulatory minimum of 10 percent.

DuPont Analysis

Five-Factor Decomposition of Return on Equity · 2021–2025

The DuPont analysis disaggregates Return on Equity (ROE) into its fundamental performance drivers, enabling a precise attribution of changes in ROE to specific dimensions of operational, financial, or structural behavior. For a Non-Banking Financial Institution (NBFI), where intermediation is the core business model and financial leverage is a structural feature of the balance sheet, the DuPont framework provides an essential lens for understanding whether returns are being generated through operational quality or through leverage amplification.

The Five-Factor DuPont Model

The five-factor decomposition disaggregates ROE into the following identities:

$$\text{ROE} = \text{Tax Burden} \times \text{Provision Burden} \times \text{Operating Profit Margin} \times \text{Asset Turnover} \times \text{Financial Leverage}$$

$$\text{ROE} = (\text{PAT} \div \text{PBT}) \times (\text{PBT} \div \text{Op. Profit}) \times (\text{Op. Profit} \div \text{Revenue}) \times (\text{Revenue} \div \text{Avg. Assets}) \times (\text{Avg. Assets} \div \text{Avg. Equity})$$

For United Finance PLC, 'Operating Profit' is defined as Total Income less Financial Expense and Administrative/Operating Expenses; that is, pre-provision operating income. This definition captures the core lending spread and operational efficiency of the business before the impact of credit loss provisioning and taxation. Average total assets and average shareholders' equity are used to compute turnover and leverage ratios, consistent with standard NBFi analytical practice.

DuPont Decomposition — Five-Year Data (2021–2025)

DuPont Factor	2025	2024	2023	2022	2021
Total Revenue (BDT Mn)	2,838.19	2,947.80	2,420.72	2,319.89	2,127.12
Operating Profit — pre-provision (BDT Mn)	451.21	545.48	315.36	314.86	320.59
Profit Before Tax — PBT (BDT Mn)	318.36	348.40	226.58	161.99	259.63
Net Profit After Tax — PAT (BDT Mn)	198.04	209.23	143.10	142.54	222.24
Avg. Total Assets (BDT Mn)	28,702	28,417	28,001	26,521	23,710
Avg. Shareholders' Equity (BDT Mn)	3,344	3,290	3,216	3,214	3,219
(1) Tax Burden PAT ÷ PBT	62.21%	60.05%	63.16%	87.99%	85.60%
(2) Provision Burden PBT ÷ Op.Profit	43.89%	38.36%	45.38%	45.27%	69.32%
(3) Op.Profit Margin = Op. Profit ÷ Revenue	15.90%	18.50%	13.03%	13.57%	15.07%
(4) Asset Turnover Revenue ÷ Avg. Assets	9.89%	10.37%	8.65%	8.75%	8.97%
(5) Financial Leverage Assets ÷ Equity	858.31%	863.74%	870.68%	825.17%	736.56%
ROA (PAT ÷ Avg. Assets)	0.69%	0.74%	0.51%	0.54%	0.94%
ROE (PAT ÷ Avg. Equity)	5.92%	6.36%	4.45%	4.43%	6.90%

Year-by-Year DuPont Commentary

2021

Pre-Stress Baseline — Strong Margins, Conservative Leverage

In 2021, the Company generated ROE of 6.90 percent, the highest in the five-year review period, supported by a healthy Operating Profit Margin of 15.07 percent and a robust Tax Burden ratio of 0.856, reflecting a relatively moderate effective tax incidence on pre-tax earnings. The Provision Burden ratio of 0.693 indicates that provisioning charges consumed approximately 31 percent of

pre-provision operating profit, consistent with a still-manageable credit environment. Asset Turnover stood at 0.090x, characteristic of NBFI balance sheet structures, while Financial Leverage of 7.37x provided a measured amplification of operating returns. Total Revenue of BDT 2,127 million and Net Profit After Tax of BDT 222 million established the pre-stress profitability baseline from which all subsequent DuPont movements are assessed.

2022

Provision Surge — ROE Trough Despite Margin Resilience

2022 marked a meaningful deterioration in ROE to 4.43 percent, the joint-lowest in the review period, despite Operating Profit Margin holding broadly steady at 13.57 percent and Total Revenue growing to BDT 2,320 million. The DuPont decomposition isolates the Provision Burden ratio as the principal driver of weakness: at 0.453, provisioning charges absorbed nearly 55 percent of pre-provision operating profit of BDT 315 million, compressing

Profit Before Tax to BDT 162 million. This sharp provision intake reflects the first wave of asset quality stress as post-pandemic inflationary pressures, fuel price volatility, and taka depreciation began to impair borrower repayment capacity. Asset Turnover remained stable at 0.088x, and Financial Leverage expanded modestly to 8.25x, providing a partial but insufficient offset to the provisioning drag. ROA fell to 0.54 percent, confirming that the profitability compression was broad-based across the asset base.

2023

Stabilization — Compressed Returns Across All Factors

ROE remained depressed at 4.45 percent in 2023, as the Company absorbed the compounding effects of Bangladesh Bank's aggressive monetary-tightening cycle, elevated funding costs, and continued asset-quality pressures. Operating Profit Margin declined further to 13.03 percent, the lowest in the review period, as rising financial expenses outpaced the growth in Total Revenue, which expanded to BDT 2,421 million. The Provision Burden ratio improved marginally to 0.454 from

0.453, indicating that provisioning remained heavy in absolute terms, with PBT of BDT 227 million absorbing the bulk of provision charges against pre-provision profit of BDT 315 million. Asset Turnover remained suppressed at 0.087x, reflecting cautious portfolio deployment in a risk-averse credit environment, while Financial Leverage continued its upward drift to 8.71x as equity accumulation lagged balance sheet growth. The Tax Burden ratio improved to 0.632, suggesting some moderation in the effective tax rate, yet it was insufficient to materially lift the bottom line. ROA at 0.51 percent marked the cyclical trough in asset-level returns.

2024

Sharp Recovery — Margin Expansion as the Singular Driver

2024 represents the most significant positive inflection across the five-year period, with ROE recovering decisively to 6.36 percent. The DuPont decomposition attributes this recovery to the Operating Profit Margin, which expanded from 13.03 percent in 2023 to 18.50 percent in 2024, a 547-basis-point improvement, as Total Revenue surged to BDT 2,948 million and pre-provision Operating Profit reached BDT 545 million. Three concurrent forces drove this exceptional margin recovery: (i) Bangladesh Bank's transition to a market-based interest rate corridor enabled material repricing of the loan portfolio at higher yields; (ii) the high-rate environment amplified returns on

government treasury securities, generating low-risk, high-margin investment income; and (iii) operating cost discipline contained expense growth, preserving income-to-expense spreads. Asset Turnover recovered to 0.104x, the highest in the review period, confirming improved utilization of earning assets and portfolio yield. The Provision Burden ratio, however, declined to 0.384, as credit provisioning increased substantially, PBT of BDT 348 million against pre-provision profit of BDT 545 million, reflecting continued but contained asset quality evolution. The Tax Burden ratio moderated to 0.600, and Financial Leverage remained broadly stable at 8.64x. The combined effect lifted ROA to 0.74 percent and ROE to 6.36 percent, a clear, operationally earned recovery.

Margin Normalization — Resilient Returns in a Transitioning Rate Environment

ROE moderated to 5.92 percent in 2025, a contraction of 44 basis points from 2024, as the extraordinary margin environment of the prior year partially unwound. The DuPont decomposition isolates the Operating Profit Margin as the primary driver of change: margin compressed from 18.50 percent to 15.90 percent, as the full-cycle benefit of 2024 rate repricing normalized and competitive deposit pricing weighed on funded spreads, even as Total Revenue remained broadly sustained at BDT 2,838 million. Pre-provision Operating Profit declined to BDT 451 million from BDT 545 million, reflecting this margin compression. Importantly, the Provision Burden ratio improved meaningfully to 0.439 from

0.384, indicating that provision charges declined in absolute terms, PBT of BDT 318 million against pre-provision profit of BDT 451 million, consistent with improved credit quality management and a reduction in new impairment formation. The Tax Burden ratio improved to 0.622, indicating modest gains in effective tax efficiency. Asset Turnover declined slightly to 0.099x from 0.104x, consistent with a marginally expanded asset base of BDT 28,702 million amid subdued sector-wide private credit demand. Financial Leverage declined marginally to 8.58x as equity accumulation of BDT 3,344 million slightly outpaced balance sheet growth, a modestly deleveraging capital dynamic. ROA settled at 0.69 percent, and the net ROE of 5.92 percent, in the context of a normalizing rate cycle and compressed sector profitability, represents a fundamentally sound and resilient outcome.

Conclusion — DuPont Analysis

The five-factor DuPont analysis over the 2021–2025 period reveals a Company whose ROE trajectory has been governed primarily by movements in Operating Profit Margin, rather than by changes in financial leverage or asset turnover.

This is diagnostically significant: it confirms that neither the 2022–2023 ROE trough nor the 2024 recovery was a leverage-driven phenomenon but rather a direct expression of the underlying operating environment, specifically, the provisioning cycle and the interest rate repricing dynamic, respectively.

The 2025 moderation in ROE from 6.36 percent to 5.92 percent is similarly margin-driven and reflects the orderly normalization of an exceptional rate tailwind rather than any structural deterioration in the Company's credit quality or operational efficiency.

The progressive improvement in the Provision Burden ratio, from its 2022–2023 trough of approximately 0.45 toward 0.44 in 2025, confirms that the provisioning cycle is gradually unwinding, even if not yet fully resolved. Financial Leverage has remained broadly stable across the period, and the Company has avoided the pattern of leverage amplification to defend ROE,

a discipline consistent with prudent capital management.

Looking forward, the DuPont framework identifies three actionable levers for ROE improvement:

- (i) selective loan portfolio expansion into higher-yielding segments as monetary easing reduces marginal funding costs and restores spread;
- (ii) improved Asset Turnover through accelerated balance sheet deployment as private credit demand recovers with macroeconomic stabilization; and
- (iii) continued improvement in the Provision Burden ratio as legacy asset quality issues are progressively resolved through recovery and write-off, releasing the earnings drag that has persisted since 2022.

The Company's stable equity base of BDT 3,344 million and disciplined leverage profile provide the institutional foundation from which these objectives can be pursued with measured confidence.

Business Ethics and Principles

Business Principle

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

Human Worth

The company 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 developing 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 workplace health while continuously seeking 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 disclosure 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 authorities, 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 the company.

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, proper authorization, and complete documentation.

Financial statements are prepared in accordance with legal and professional standards.

Competition

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

Corruption and Bribery

The company maintains a strict stance against all forms of corruption. Bribery, whether direct or indirect, is entirely inconsistent with its values and is not tolerated under any circumstances.

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 within the company.

Our Products

Our Loan Products

Business Loan

A flexible financing solution designed to support working capital, expansion, or operational needs of businesses, with tailored repayment options. Our Business Loan includes;

 Lease Financing A funding solution where an asset is provided over a period in exchange for periodic payments, without requiring full ownership upfront.	 Term Loan A fixed-amount loan provided for a specific duration, repayable in regular instalments over the agreed term.
 Credit Sale Financing Financing is provided to businesses to support sales on credit, ensuring smooth cash flow while awaiting customer payments.	 Distributor Finance Short-term financing tailored for distributors to ensure uninterrupted supply chains and business growth.
 Short-Term Revolving Loan A renewable credit line that allows businesses to borrow, repay, and repeat within a set limit.	 Pre-Delivery Finance Financing offered to manufacturers or suppliers before the delivery of goods, ensuring smooth production and operational continuity.
 Syndication Financing A large loan provided by a group of lenders to fund significant projects or transactions, sharing risk and resources among participants.	 Startup loan 'URise' URise is a fully digital startup loan program under the Bangladesh Bank refinancing scheme, designed to foster youth-driven innovation and entrepreneurship.

Retail Loan

A broad category of loans offered to individual customers for personal, non-commercial purposes, with flexible terms and repayment options, including;

 Home Loans Financing provided to purchase, construct, or renovate residential property, typically repaid over a fixed term with interest.	 Car Loan Financing designed to help individuals purchase new or used vehicles.
 Home Equity Loan A secured loan that allows homeowners to borrow against the equity in their existing property.	 Personal Loan A loan provided to individuals for personal expenses such as education, medical needs, or travel.
 Loan Against Deposit A secured loan where funds are borrowed against deposits, offering competitive interest rates.	

Our Deposit Products

 Term Deposit Start your savings journey with an affordable minimum deposit and flexible tenures. Enjoy easy access to loan facilities against your deposit, subject to applicable terms and conditions.	 Deposit Pension Schemes (DPS) Begin your investment with minimal monthly installments or an initial down payment. Any Time Any Deposit is a flexible Deposit Pension Scheme (DPS) that allows clients to save at their own convenience, enabling deposits at any time based on their financial capacity and preferences.
 Insured Deposit Invest with minimal monthly instalments, featuring insurance coverage for enhanced investment security. Available products include Insured DPS, Insure Easy Millionaire Scheme, and more.	 Earner Deposit Maximize your savings with periodic returns. Choose from products like the Monthly Earner Scheme, Quarterly Earner Scheme, and more.
 Double Money Deposit Enhance your savings with periodic returns designed to double your investment over time.	 Lease Rental Deposit Scheme United Finance Lease Rental Deposit (UFLRD), a structured liability product designed to offer customers stable returns derived from lease-financed assets. Positioned as a wealth -building scheme, it was offered in both fixed-term and periodic payout variants to cater to diverse customer preferences. This initiative reflects the company's continued focus on product innovation, portfolio diversification, and strengthening its deposit base through value-driven offerings.

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

Our Services

 Invoice Management	 Wealth Management
 Business Advisory	 Online Service

Business Model

The organization’s business model is a framework through which it converts inputs into outputs and achieves outcomes through 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 45.70% corporate loans, 38.41% SME loans, and 15.89% in the retail segment, the company ensures a steady and diversified revenue stream.

Notably, 51% of the portfolio is concentrated on different industrial segments, about 17% in the trade and commerce sector, and 15% in the housing sector, maintaining a 92.61% credit utilization ratio.

Prudent asset-liability management, sound credit underwriting, and proactive asset management support operational efficiency and risk mitigation.

A strong compliance culture, efficient 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.



BDT 20,689M
Loan Portfolio



92.62%
Credit Utilization



6,615
Loan Accounts



5.95%
Overall NPL Rate



BDT 13,188M
Total Deposits



24
Branch Network



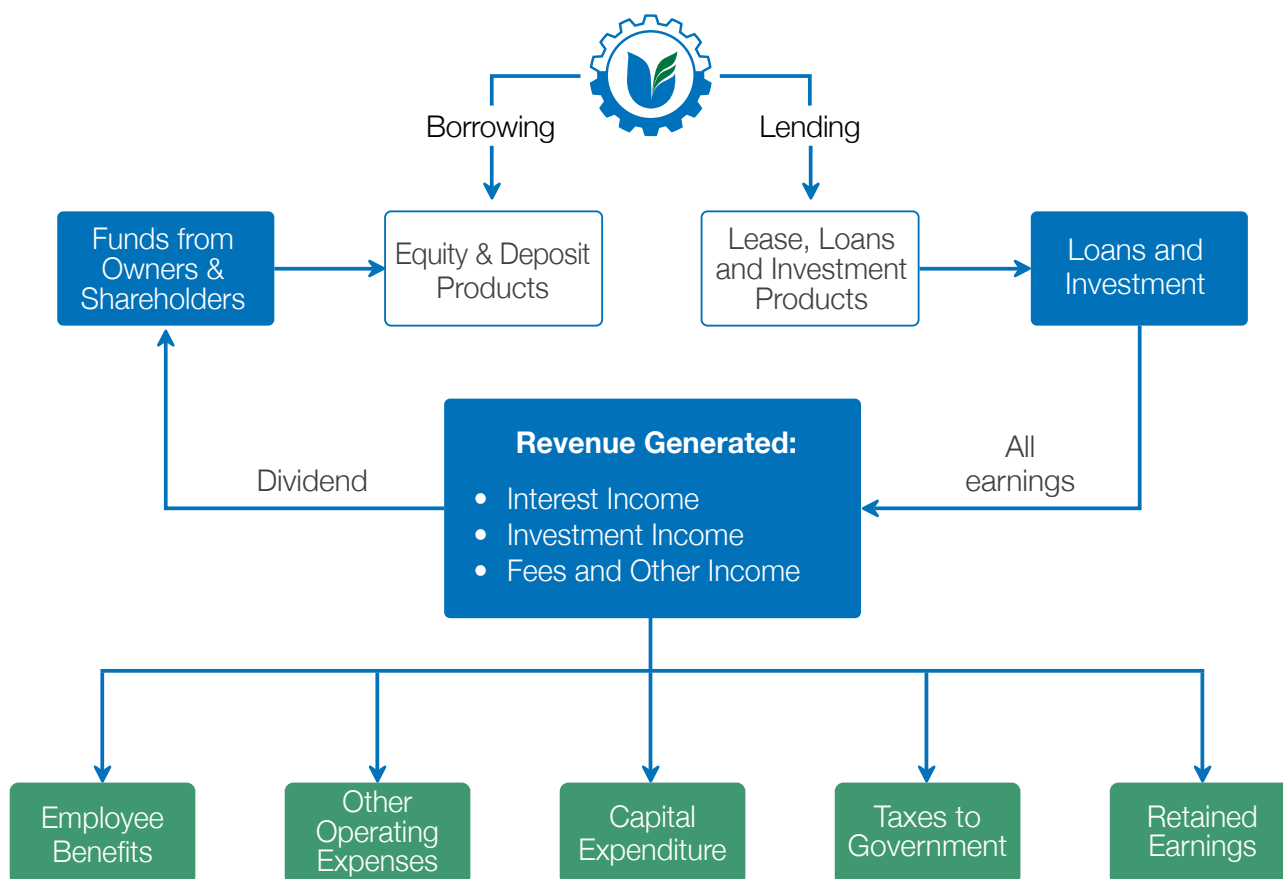
64
Districts Covered



600
Employees



UFPLC Operating Model



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

Key Resources & Relationship

Capitals

- Financial Capital
- Human Capital
- Manufactured Capital
- Intellectual Capital
- Social and Relationship Capital
- Natural Capital

Policies & Partnerships

- Shareholders
- Banks/FIs
- Depositors
- Investors
- Regulators
- Vendors
- Other Organization

Enabling Competitive Advantage

United Finance PLC focuses on dedicated strategic approaches to navigate economic cycles, adapt to market changes, and consistently outperform regulatory benchmarks. The following pillars underpin our differentiated position in Bangladesh's NBFI sector.

National Network Coverage

24 offices serving all 64 districts, extending reach well beyond major urban centers to underserved rural economies.

Sustainable Finance Leadership

Sustainable Finance achievement of 73.84 significantly exceeded the 20% Bangladesh Bank target, positioning UFPLC as an ESG leader.

Diversified Loan Portfolio

Balanced exposure across Corporate (45.7%), SME (38.4%), and Retail (15.9%), mitigating concentration risk across cycles.

Strong Regulatory Compliance

ISO/IEC 27001:2022 certified, AA+ credit rating, and consistent adherence to Bangladesh Bank sustainable finance guidelines.

Digital & Operational Innovation

Core Banking Software, paperless onboarding, e-archiving, and digital process automation drive efficiency and customer experience.

People-Centric Culture

600 professionals, 38 training programs, 19,600 training hours ensuring skilled, motivated, and sustainability-aware human capital.

Delivering Value

Our 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 across five core value propositions.

Exceptional Customer Experience

Delivering personalized and seamless financial solutions through a network of dedicated relationship managers and digital touchpoints.

Affordable Financial Solutions

Providing cost-effective products tailored to diverse needs from micro-entrepreneurs to large corporates with flexible repayment structures.

Convenient & Digital Services

Enhancing accessibility through digital onboarding, SMS/email notifications, and technology-driven service delivery, reducing friction.

Expanding Nationwide Reach

Bridging financial gaps beyond major cities through 64-district coverage and 81 SME resources deployed across Bangladesh.

Empowering Entrepreneurs

Supporting SME and women entrepreneurship with innovative financing, BDT 1,533.94 million SME portfolio across 38.41% of the total book.

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.

Key Risks

Financial Risk

Credit risk, liquidity risk, market risk, and interest rate risk are inherent in lending and funding operations. Managed through robust credit underwriting, ALM policies, and diversified funding

Operational Risk

Risks from internal process failures, system outages, fraud, or human error. Mitigated via BCP, DRP, ISO 27001:2022 certification, and regular process audits.

Strategic & Business Risk

Risks arising from adverse business decisions, competitive pressures, or changes in the economic environment are addressed through scenario planning and Board-level strategy oversight.

Non-Financial Risk

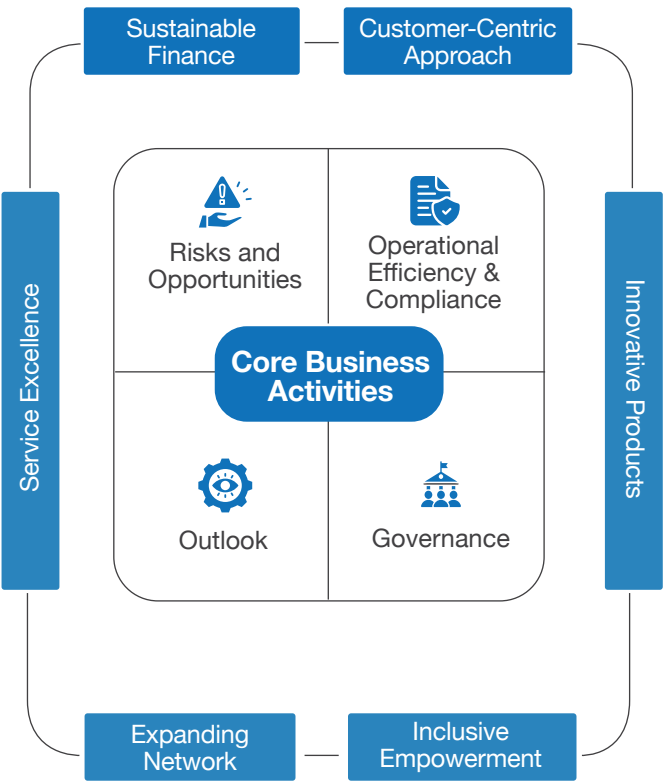
ESG, reputational, regulatory compliance, and climate transition risks. Managed through ESRM policy, Bangladesh Bank sustainable finance compliance, and GRI-aligned reporting.

Revenue Drivers		Cost Drivers
Interest Income	Primary	• Employee Benefits
Investment Income	Secondary	• Other Operating Expenses
Fees & Other Income	Tertiary	• Capital Expenditure
		• Taxes to Government

Value Creation Framework

Financial Capital	3,349 million BDT Equity	22,853 million BDT Credit Portfolio	13,188 million BDT Total Deposits	18.45% Capital Adequacy Ratio (CAR)
Intellectual Capital	1.38 million BDT spent on publicity and advertisement	Customer Centricity	Culture of Innovation	Robust Technology
Human Capital	19,600 Hours of training were provided to employees in total	600 Employees	Experienced and diverse management team	Maintain a healthy work-life balance
Social & Relationship Capital	2,779 active customers in the Sustainable and Green Finance Segment	85,246 Total Beneficiaries from CSR activities	Regular stakeholder engagements	
Natural Capital	Green Financing consistently exceeds industry standard	Conducted Environment & Social Due Diligence (ESDD)	Paperless initiatives	Investment in digital transformation
Manufactured Capital	23 branches And two offices	353 million BDT Worth of fixed assets	2,613 million BDT Worth of other assets	Revamped operational procedures

Operating Framework



Impact on Stakeholders



Customers

- Total loan disbursed to Cottage, Micro, Small & Medium Enterprise Financing (CMSME): BDT 9,257 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 12.39%



Regulators

- Full adherence to regulatory guidelines
- Total tax contribution to the government: BDT 444 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



Shareholders/Investors

- Proposed cash dividend payment: 10%
- Strong and stable balance sheet
- Net profit BDT 198.04 million
- Return on equity 5.92%
- Net asset value per share 17.90
- Return on asset 0.69



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, ensuring operational efficiency, and creating long-term value for stakeholders across all business activities.

Value Creation Foundations

1. Governance and Risk Resilience

Value Drivers

- **Regulatory Compliance:** Adherence to financial regulations and industry standards to maintain trust and transparency.
- **Corporate Governance:** Strong governance practices guide decisions, ensure accountability, and maintain organizational integrity.
- **Credit Risk Resilience:** Rigorous credit risk assessment that mitigates financial exposure and maintains portfolio health.
- **Operational Risk Resilience:** Systems and processes to minimize operational risks and ensure continuity.
- **Internal Control Mechanisms:** Effective control structures that guarantee regulatory compliance and operational efficiency.
- **Risk Audits:** Regular audits to identify emerging risks and address them
- **BDT 444 million** tax paid to the government.

2. Technological Empowerment

- **Data-Driven Insights:** Leveraging data to make informed decisions, improve financial performance, and drive growth.
- **Process Optimization:** Streamlining and automating processes to reduce operational costs and improve service speed.
- **Technology Audits:** Regular checks to ensure the integrity and performance of all technological infrastructure.

3. People-Centric Excellence

- **Strategic Workforce Planning:** Aligning workforce needs with business objectives for optimal performance.
- **Equitable Recruitment Policies:** Promoting fairness and inclusivity in the hiring process.
- **Continuous Employee Development:** Investing in training programs to build skills and leadership capabilities.
- **Performance Transparency:** Clear performance evaluation processes that align individual goals with company success.
- **Recognition and Reward Systems:** Ensuring strong employee motivation through performance-based rewards and recognition.
- **Career Growth Pathways:** Providing opportunities for career advancement and skill development.
- **Competitive Compensation Packages:** Offering attractive compensation to retain top talent and ensure job satisfaction.
- **Employment generation 87.**

4. Financial Integrity and Transparency

- **Adoption of Global Accounting Standards:** Following international accounting and financial reporting standards for accurate and transparent financial disclosures.
- **Regulatory Compliance in Reporting:** adherence to regulatory guidelines in financial reporting for accountability and trust.
- **Advanced MIS Reporting:** Utilizing Management Information Systems (MIS) for accurate, timely, and actionable insights to support strategic decisions.

Value Creation Foundations

5. Market-Centric Innovation

Value Drivers

- **Customer Insights & Segmentation:** Conducting in-depth surveys to understand customer needs and tailor services accordingly.
- **Product Innovation & Development:** Creating customer-centric financial products and services that meet evolving market demands.
- **Efficient Process Design:** Streamlining and digitization of processes help to ensure products are delivered efficiently and effectively.

6. Sales and Service Excellence

- **Customer-Focused Sales Team:** A well-trained and motivated sales force focused on customer relationships and satisfaction.
- **Brand Strategy and Marketing:** Developing strong marketing campaigns to enhance brand visibility and communicate the company's value proposition.
- **Optimized Distribution Networks:** Establishing and maintaining robust networks to ensure effective product distribution.
- **Customer Support & Satisfaction:** Implementing comprehensive support systems to manage customer inquiries, complaints, and feedback.

7. Sustainable Financial Management

- **Diverse Borrowing Options:** Maintaining flexibility in financing through a mixture of short-term and long-term borrowing options.
- **Effective Asset and Liability Management:** Ensuring balanced funding and efficient liquidity management.
- **Increase in sustainable finance**

8. Asset Quality and Growth

- **Selective Asset Quality Standards:** Adopting stringent asset quality criteria to ensure strong portfolio performance.
- **Diverse Loan and Deposit Products:** Offering a broad range of products tailored to meet the needs of various customer segments.
- **Efficient Loan Processing:** Fast-track loan approval and disbursement for eligible borrowers to maintain a competitive edge.
- **Effective Collections Management:** Implementing robust collections processes to maximize recoveries and minimize defaults.
- **Continuous Portfolio Monitoring:** Regular assessment and adjustment of the portfolio to optimize performance and minimize risk.

Financial Capital

Monetary resources that fund our lending operations, drive growth, and deliver value to stakeholders

Financial Capital is the monetary foundation that enables United Finance PLC to sustain and grow its core business. It encompasses equity, deposits, institutional borrowings, and retained earnings through which we deploy credit, manage liquidity, and generate sustainable returns for all stakeholders.

In 2025, the Company delivered a resilient financial performance characterized by disciplined portfolio growth, improved asset quality, and continued investment in long-term balance sheet strength.

198.04 million BDT Net Profit After Tax	5.92% Return on Equity (ROE)	0.69% Return on Assets (ROA)	BDT 1.06 Earnings Per Share (EPS)	BDT 17.90 Net Asset Value Per Share
BDT 1.00 Dividend Per Share	18.45% Capital Adequacy Ratio (CAR)	5.95% Non-Performing Loan Ratio (NPL)	BDT 29.39 Bn Total Assets	

5-Year Financial Performance

Indicator (BDT Mn)	2025	2024	2023	2022	2021
Total Income	2,838.19	2,947.80	2,420.72	2,319.89	2,127.12
Financial Expense	1,626.29	1,598.69	1,353.42	1,221.28	1,146.72
Operating Expense	760.69	803.62	751.94	783.76	659.82
Profit Before Tax	318.36	348.40	226.58	161.99	259.63
Net Profit After Tax	198.04	209.23	143.10	142.54	222.24
Total Assets	29,388.07	28,015.57	28,818.52	27,183.22	25,859.75
Total Deposits	13,187.52	12,207.83	14,246.08	14,627.28	13,665.36
Loan Portfolio	20,688.83	19,463.36	20,376.74	20,220.59	17,228.27
Shareholders' Equity	3,349.12	3338.19	3,241.24	3,191.69	3,236.27

Loan Disbursement & Portfolio

Portfolio Category (BDT Mn)	2025	2024	YoY Change
Lease & Term Loan Disbursement	10,432.90	8,245.31	+26.5% ↑
Home Loan Disbursement	656.57	625.42	+5.0% ↑
Lease & Term Finance Portfolio	16,389.19	15,257.76	+7.4% ↑
Home Loan Portfolio	3,066.99	3,173.59	(3.4%)
Short-Term Finance Portfolio it After Tax	1,232.65	1,032.01	+19.4% ↑

Funding Sources & Capital Structure

United Finance PLC maintains a diversified funding structure, balancing retail deposits, institutional borrowings, and internally

generated equity to optimize the cost of funds and ensure liquidity resilience.

Funding Source	Position (2025)	Position (2024)	Strategic Direction
Shareholders' Equity	BDT 3,349.12 Mn	BDT 3,338.19 Mn	Organic retention & growth
Total Deposits (Retail & Institutional)	BDT 13,187.52 Mn	BDT 12,207.83 Mn	Expand retail deposit franchise
Long Term Liabilities	BDT 14,104.08 Mn	BDT 11,960.59 Mn	Optimize tenor & cost mix
Capital Adequacy Ratio (CAR)	18.45%	18.81%	Well above regulatory minimum
Total Eligible Capital	BDT 3,502.15 Mn	BDT 3,498.05 Mn	Strengthening capital buffers
Total Eligible Capital	~1.71x	1.71x	Prudent liquidity management

Core Revenue Drivers

Revenue Driver	Description	2025 Value Added
Interest Income	Primary income from lease, term loans, home loans & short-term finance	Core contributor
Investment Income	Returns from government treasury bills, bonds, and investments in preference shares	Material contributors grew amid a high-rate environment
Fee & Other Income	Processing fees, service charges, advisory income	BDT 84.02 Mn
Operating Revenue (Total)	Net interest Income and fee-based income	BDT 1,212 Mn
Net Interest Income/ Working Funds	Margin efficiency metric	3.51%
Operating Profit/ Working Funds	Operating efficiency metric	1.75%

Value Added Statement 2025

The Value-Added Statement illustrates the total wealth generated by United Finance PLC and its distribution among

key stakeholders, demonstrating the breadth of the Company's economic contribution.

Value Added & Distribution	2025 (BDT Mn)	2025 (%)	2024 (BDT Mn)	2024 (%)
Operating Revenue	2,754.17	—	2,831.36	—
Cost of Borrowing	(1,626.29)	—	(1,598.69)	—
Other Income	84.02	—	116.44	—
Provisions	(132.85)	—	(197.09)	—
Operating Expenses excluding Staff & Depreciation	(149.39)	—	(125.75)	—
Total Value Added	929.65	100%	1,026.27	100%
To Employees — Salary & Allowances	531.84	57%	595.47	58%
To Government — Taxes	120.32	13%	139.17	14%
To Shareholders — Cash Dividend	187.11	20%	112.27	11%
Retained in Business (Capital Reserves & Depreciation)	90.38	10%	179.37	17%

Contribution to the National Economy

Contribution Type	2025 (BDT Mn)	2024 (BDT Mn)	YoY Change
Total Tax Contribution to the National Exchequer	444.33	395.81	+12.2% ↑
Corporate Income Tax	158.30	128.15	+23.5% ↑
Withholding Tax Collected & Deposited	213.03	195.76	+8.8% ↑
Withholding VAT	18.27	11.02	+65.8% ↑
Wages & Salaries to Employees	531.84	595.47	(10.7%)
Dividend to Shareholders	187.11	187.11	—
Retained for Business Growth	90.38	179.37	(49.61%)

Financial Capital Aligned with Sustainable Development Goals (SDGs)



SDG 1
No Poverty



SDG 8
Decent Work & Economic Growth



SDG 9
Industry, Innovation & Infrastructure



SDG 10
Reduced Inequalities



SDG 16
Peace, Justice & Strong Institutions



SDG 17
Partnerships for the Goals

Way Forward

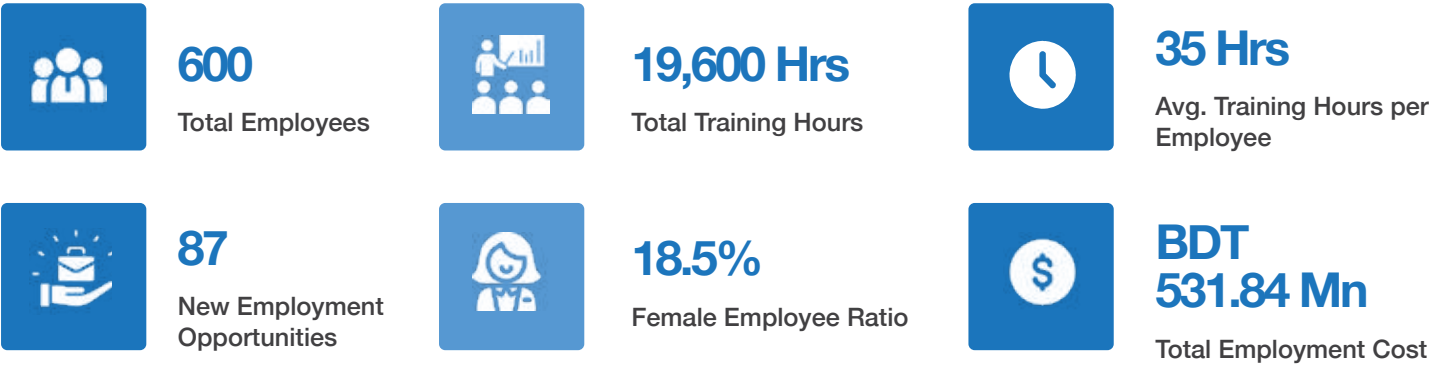
- Retail Deposit Expansion:**
Deepen the retail funding franchise through enhanced outreach and new deposit product offerings.
- Credit Quality Focus:**
Maintain NPL below 6% through rigorous portfolio monitoring and proactive recovery management.
- Cost Efficiency:**
Continue to optimize the cost-to-income ratio through process automation and operational discipline.
- Asset- Liability Management (ASL) Strengthening:**
Improve asset-liability matching to mitigate interest rate and liquidity risks in a changing rate environment.
- Capital Resilience:**
Explore innovative financial instruments to diversify funding sources and sustain capital adequacy above regulatory thresholds.

Human Capital

The capability, commitment, and well-being of our people drive sustainable value creation

In 2025, United Finance PLC pursued a more efficiency-focused people strategy, building a leaner , more productive workforce while deepening investment in learning and performance culture.

Despite a 13.5% reduction in headcount, total training hours rose by 9.1%, and revenue per employee improved meaningfully.



Organizational Structure

Permanent Employees

Indicator	2025	2024
Total Employees	600	694
Permanent Employees	562	617
Non-Permanent Employees	38	77
Male (Permanent)	458	514
Female (Permanent)	104	103
Female Ratio (%)	18.5%	16.42%
Persons with Disabilities	1	1
Tribal Community Members	7	12

Employees by Age Group & Recruitment Sources

Indicator	Approx. %
Online Portal	Experienced, Sales, field roles, & all levels
Internal Job Posting	Junior-Mid level
Job Fair (Campus & University Drives)	Fresher & Interns
Employee Referrals	Sales & Field roles
Internal Promotions	High performers

Training Summary

Training Metric	2025	2024	Change
Total Training Programs	38	35	+8.6% ↑
Internal Programs	24	24	Maintained
External Programs	14	11	+27.3% ↑
Employees Participated	560	599	(6.5%)
Total Training Hours	19,600	17,970	+9.1% ↑
Avg. Hours per Employee	35	30	+16.7% ↑
Leadership Development Programs	1	1	Continued

Category of Training

Name	Key Topics	Audience
Compliance & Regulatory	1. Anti Money Laundering & Combating Financing of Terrorism 2. Anti-Money Laundering Act 3. Code of Conduct	All Employees
ICT Risk Management	1. IT Awareness training	All Employees
Green Banking & Sustainability	1. Sustainable & Green Financing 2. Green Credit Guarantee Fund (GCGF)	1. Risk Management Department 2. Relationship Managers
Financial Literacy	1. New Women Entrepreneur	Client and External Party
Credit Risk Management	1. Credit Documentation & Legal Issues 2. Product-wise Credit Risk	Branch Managers, Sales, Credit, Social, and Administrative Management (SAM) & Credit Administration Department (CAD)
Sales Management & Customer Service Training	1. Customer Service: How to Deal with Premium Customers	Sales, Branch Manager

Performance, Progression & Compensation

Area	Audience
Performance Framework	KPI-based evaluation aligned to departmental and Company objectives; merit-linked increments and variable bonus
Annual Salary Review	Increment based on performance rating + Cost of Living Adjustment (COLA); market-benchmarked
Promotions 2025	Merit-based promotions granted across levels
Career Roadmap	Each employee has a progression path on MyHR tracking employment history, training, and development
Succession Planning	Key management positions covered by internal talent pipeline — reducing external dependency
Monetary Benefits	Basic salary + Conveyance + Medical + Utilities
Long-Term Benefits	Provident Fund (matched), Gratuity (from 6 months), Leave Encashment
Insurance & Leave	Health Insurance for all employees, which includes IPD and Maternity
Other Facilities	Mobile/handset allowance

Diversity, Equity & Inclusion (DEI)

DEI Indicator	2025	2024
Female Employees (Permanent + non-permanent)	111	103
Women in Senior Management (MANCOM)	2 of 9 (22%)	2 of 9 (22%)
Incidents of Discrimination	Nil	Nil

Way Forward

- Code of Conduct Ceremony
- Picnic
- Women's Day
- Eid Greetings & Town Hall
- National Integrity Award
- Pohela Baishak Celebration
- Strategic Session
- UMA Team Recognition
- 36th Anniversary Celebration celebrated (April 27, 2025) with Long Service Awards at Head Office and all branches.

Human Capital Aligned with Sustainable Development Goals



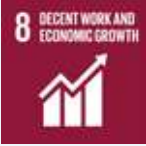
SDG 3
Good Health & Well-Being



SDG 4
Quality Education



SDG 5
Gender Equality



SDG 8
Decent Work & Growth



SDG 10
Reduced Inequalities



SDG 16
Strong Institutions

Our Future Priorities

- **Capability Building:**

Expand external partnerships and technical training; increase average. training hours per employee.
- **Performance Culture:**

Fully embedded KPI-based evaluation and link outcomes directly to compensation and promotions.
- **Technology-Enabled HR:**

Leverage MyHR for talent analytics, career tracking, and data-driven people decisions

Intellectual Capital

Knowledge, technology, brand equity, and institutional processes that drive innovation and competitive advantage

Intellectual capital represents the knowledge, expertise, technology infrastructure, brand reputation, and process excellence that give United Finance PLC its distinctive competitive position.

With over 35 years in Bangladesh's financial services industry, the Company's intellectual capital is both a product of its history and an investment in its future, enabling it to serve customers better, operate more efficiently, and innovate continuously.

37 Years
Market Presence & Brand Trust

BDT 14 mn
Brand & Publicity Investment

5,523
Digital Customer Onboarding (UMA)

1,939
Digital Deposits Opened

11
MyHR Platform Modules

AA+ Rating
Long-Term Credit Rating (Upgraded)

Technology & Digital Infrastructure

Platform / System	Function	Impact
FinUltimus (Core Banking System)	Seamless financial transactions, account management, and financial processing for all business lines	Operational backbone — real-time reliability
UMA - United Finance Mobile App	End-to-end digital customer platform: account opening, deposits, statements, 24/7 access, biometric security	5,523 customers onboarded online
MyNet (Intranet Operations Hub)	Task management, approval workflows, internal news, document repository, complaint reporting & notifications	Digital operational processes deployed
MyHR (People Management Platform)	Employee lifecycle management: profile, payroll, attendance, career progression, training, evaluation, benefits	Full HR digitization achieved
MyTraining (Learning Management System)	Structured learning management: enrollment, completion tracking, and development records for all employees	19,600 training hours tracked and managed
NFP4 (Portfolio Monitoring System)	Credit portfolio management, appraisal workflows, management reporting, TAT tracking, and loan origination	End-to-end credit lifecycle digitized
GreenDesks	Paperless office environment supporting sustainability and digital document management	Reducing paper use across offices

Brand Reputation & Market Standing

- Recognized as one of Bangladesh Bank’s top sustainable financial institutions, which is a distinction earned through 37 years of ethical banking
- Long-Term Credit Rating upgraded to ‘AA+’ reflecting strong financial discipline and stakeholder confidence
- Bangladesh Fintech Award winner: Best Mobile App for UMA.
- Brand visibility maintained through targeted digital marketing, community outreach, and cluster-level strategic engagement

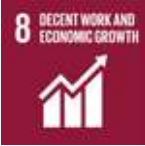
Process Efficiency & Institutional Knowledge

Knowledge Domain	Key Initiatives & Outcomes
Credit Process Optimization	NFP4 pipeline aging tracking, TAT analytics, and approval workflow digitization reduce turnaround time
Policy & Compliance Framework	Company-wide HR, credit, sustainability, and conduct policies are reviewed and maintained annually
Data-Driven MIS Reporting	Advanced MIS enabling management-level, operational, and performance reports for strategic decision-making
Environmental Intelligence	ESDD (Environmental & Social Due Diligence) conducted
Customer Segmentation & Analytics	Portfolio analytics across corporate, SME, and diversified retail segments
Research & Regulatory Intelligence	Membership in BAPLC, Bangladesh Employers Federation, Bangladesh Money Market Dealers, IBB, and others

Intellectual Capital Aligned with Sustainable Development Goals (SDGs)



SDG 4
Quality Education



SDG 8
Decent Work & Growth



SDG 9
Industry & Innovation



SDG 10
Reduced Inequalities



SDG 12
Responsible Consumption



SDG 17
Partnerships for Goals

Way Forward

- Digital Expansion:**
Scale UMA adoption and digital customer onboarding; expand UMA features including loan origination and investment management
 - Analytics & AI:**
Deepen data analytics capabilities; leverage AI-driven decision tools for credit underwriting and portfolio monitoring
- Process Re-engineering:**
Continue automation of manual workflows; target 300+ digital practices across the Company by 2026
 - Brand Building:**
Strengthen brand positioning as a sustainable, customer-first NBFi through targeted digital and community campaigns

Manufactured Capital

Physical infrastructure, digital platforms, and operational facilities enabling nationwide service delivery

Manufactured capital includes the physical and digital infrastructure assets through which United Finance PLC delivers financial services across Bangladesh. This includes its branch network, head office operations, IT systems, equipment, and digital platforms.

In 2025, the Company continued to invest strategically in both physical presence and digital infrastructure, ensuring that customers in every district have access to reliable, efficient, and sustainable financial services.



25

Total Offices (incl. Head Office)



64

Districts Covered Nationwide



BDT 353.31 Mn

Fixed Assets



5,523

Digital Onboardings (UMA)



218

Digital Operational Practices



BDT 2,613.23 Mn

Other Operational Assets

Branch & Office Network

Infrastructure Component	Details
Total Offices	25 offices (including Head Office) spread across Bangladesh
Geographic Coverage	Operations in all 64 districts are ensuring no customer is underserved
Key Branch Locations	Dhaka (multiple), Chattogram, Khulna, Bogura, Cumilla, Sirajganj, Pabna, Dinajpur, Jashore, Rangpur, Noakhali, Rangamati, Cox's Bazar, Sylhet, Rajsahi, Barishal, Gazipur.
Branch Presence	Urban, semi-urban, and rural areas — ensuring inclusive financial access
Fixed Assets (BDT Mn)	353.3 million (including land, buildings, furniture, fixtures, and equipment)
Other Operational Assets	BDT 2,613.23 million supporting daily operations and service delivery

Digital Infrastructure & Technology Platforms

Platform	Capability	2025 Achievement
UMA — Mobile App	Customer-facing: deposits, accounts, statements, onboarding, 24/7 access	Customers onboarded; Bangladesh Fintech Award: Best Mobile App
Online Service Portal	Real-time deposit enrollment, SMS/email notifications, and account management	Expanded customer access beyond branch hours
FinUltimus (CBS)	Core banking: transactions, account management, financial reporting	Operational backbone across all 25 offices
NFP4 (Portfolio System)	Credit lifecycle: origination, appraisal, monitoring, reporting	Full portfolio digitization — manual processes eliminated
MyNet (Intranet)	Daily operations: tasks, approvals, documents, internal news	218 digital practices are deployed organization-wide
MyHR (HR Platform)	End-to-end people management: payroll, training, appraisal, career	11 modules live; full employee lifecycle digitized

Green Office & Sustainability Features

- Paperless Operations:**
Recruitment, approvals, credit appraisals, and archiving are conducted entirely digitally.
 - Hybrid Vehicles:**
Introduced across the fleet to reduce Scope 1 direct emissions from organizational transport.
 - Energy Optimization:**
LED lighting, daylight utilization, and inverter-based electronic equipment across all branches
 - Plastic-Free Workplace:**
Sustainable alternatives to plastic are being adopted across the Head Office, and branches are in progress.
- Air Quality Improvement:**
Tree plantation initiative launched across the Head Office and branch network (July Mass Uprising commemoration)
 - Plants & Indoor Greenery:**
Indoor air quality improved through placement of air-purifying plants in office premises

Manufactured Capital Aligned with Sustainable Development Goals (SDGs)



SDG 7

Affordable & Clean Energy



SDG 9

Industry & Infrastructure



SDG 11

Sustainable Cities



SDG 12

Responsible Consumption



SDG 13

Climate Action



SDG 15

Life on Land

Way Forward

- Branch Expansion:**
Expand branch presence in strategic semi-urban and rural locations to improve financial access
 - Digital Transformation:**
Continue scaling UMA, NFP4, and MyNet capabilities; target 300+ digital operational practices by 2026
- Green Infrastructure:**
Invest in solar energy, energy-efficient HVAC, and other green-certified infrastructure solutions
 - Cybersecurity:**
Strengthen IT security infrastructure and DRP systems per regulatory requirements

Social & Relationship Capital

Stakeholder relationships, community investments, and networks that sustain our license to operate and grow.

Social and Relationship Capital reflects the trust, partnerships, and community bonds that United Finance PLC has built over 37 years in Bangladesh's financial ecosystem.

It incorporates the Company's relationships with customers, regulators, shareholders, employees, business partners, and the communities it serves, all of which are essential to long-term value creation and institutional resilience.



82,159
Beneficiaries: Safe Drinking Water



BDT 5 Mn
Total CSR Spending



BDT 7,037 Mn
CMSME Loans Disbursed (2025)



376
Financial Literacy Participants



2,779
Sustainable & Green Finance Customers



BDT 2,522 Mn
Women Entrepreneurship Financed

Stakeholder Engagement Framework

Stakeholder Group	Key Interests	How We Engage	Our Commitments / Outcomes
Shareholders & Investors	Sustainable returns, governance, business strategy	AGMs , financial disclosures, investor meetings, Board meetings	EPS BDT 1.06 NAV BDT 17.90 Cash dividend BDT 1.00/share SDG 3,8,9,16,17
Customers	Quality service, affordability, privacy, digital access, and dispute resolution	UMA App, Online Portal, branch network, customer feedback, MR/product innovation	Deposit Customers : 8678. Loan Customers: 5789 Bangladesh Fintech Award: Best App SDG 8,9,10
Employees	Career growth, safety, fair pay, Diversity, Equity, and Inclusion (DEI), and well-being	HR programs, engagement events, training, grievance portal, MyHR	600 employees 35 hrs training/employee 19% women hires SDG 3,5,8,10
Regulatory Bodies	Compliance, transparency, and timely reporting	Online regulatory submissions, on-site inspections, industry forums, and training workshops	BDT 444.33 Mn taxes paid Full BB compliance SDG 10,16
Business Partners & Vendors	Fair trade, fair payment, and relationship building	Periodic meetings, performance reviews, and transparent procurement	Strong partner ecosystem supporting operations nationwide SDG 8,17
Society & Community	Financial inclusion, education, environment, healthcare, disaster relief	CSR programs, financial literacy, green financing, MFI partnerships	BDT 11,787.32 Mn sustainable finance Disbursement 82,159 water beneficiaries SDG 1–17 (multiple)

Corporate Social Responsibility (CSR) 2025

CSR Pillar	Initiative	Impact (2025)
Education	- Contributed to the Prime Minister's Education Assistance Trust (PMEAT) to support educational access and student welfare. - Partnered with Baatighar to establish library and book donation initiatives at Shahjalal University of Science and Technology, benefiting 461 students. - Provided educational materials to SOS Children's Villages Bangladesh, supporting the learning needs of 557 students. - Extended support for the care and development of a child with autism.	1000+ underprivileged students supported
Financial Literacy	- Conducted comprehensive literacy programs across Dhaka, Pabna, Barishal, Dinajpur, Belkuchi, Narsingdi, Chuadanga, and Cumilla. - Implemented the "Youth Festival-2025" financial literacy initiative, reaching a total of 223 participants, including 158 boys and 65 girls.	153 direct participants; nationwide youth awareness - A total of 223 participants attended the Youth Festival 2025.
Healthcare	- Donation to the Bangladesh Cancer Aid Trust (BANCAT) to support underserved cancer patients across Bangladesh. - supported community-based emergency healthcare services by donating to Amader Ambulance. - Provided financial aid to patients suffering from serious illnesses, including cancer, thyroid disorders, and cardiovascular diseases	A total of 21 individuals are covered under health care and community medical support.
Climate Action / Safe Water	27 RO water filtration systems installed: 25 schools, 1 hospital, 1 railway station across Bangladesh	82,159 beneficiaries — students, patients, commuters
Environment	- Tree plantation across all branches and the Head Office (July Mass Uprising commemoration) - Indoor air quality improvement at workplaces	Greener, healthier workspaces; urban heat reduction
Disaster Relief & Community	Flood relief, winter aid, support to the Relief Fund; lifestyle development programs for underprivileged communities	Support to vulnerable communities in crisis
Financial Inclusion / MFIs	MFI partnerships: BDT 1,570 Mn channeled through 11 MFIs to 12,611 customers	Rural & micro-entrepreneurs reached across Bangladesh

Financial Inclusion — MFI Partnership Network

Partner MFI	Amount (BDT Mn)	Linked Customers
Resource Integration Centre (RIC)	100.00	560
People-Oriented Program Implementation	100.00	896
Society for Development Initiatives (SDI)	100.00	376
Socio Economic Backing Association (SEBA)	150.00	2,302
Padakhep Manabik Unnayan Kendra	200.00	1,189
Wave Foundation	70.00	319
Rural Reconstruction Foundation	200.00	527
Bangladesh Extension Education Services	300.00	2,015
Jagorani Chakra Foundation	200.00	1,554
Gram Bikash Kendra	50.00	2,183
Social Advancement Through Unity (SATU)	100.00	690
TOTAL	1,570.00	12,611

Financial Inclusion — MFI Partnership Network

Inclusion Metric	2025
CMSME Loans Disbursed	BDT 7,037 million
Sustainable Agriculture Financing	BDT 823.22 million (8.0% of sustainable linked finance)
Sustainable MSME Financing	BDT 3,849.00 million (38% of sustainable linked finance)
Financing for Rural Entrepreneurs	BDT 4,970.36 million (13,143 rural entrepreneurs)
Financing Farmers (Rural Agri Credit)	BDT 911.02 million
Women Entrepreneurship Financed	BDT 2,522.25 million
Total Sustainable Finance Disbursed	BDT 11,787 million (76.84% of term loan disbursements)
Financial Literacy Program Participants	153 (women entrepreneurs, micro-entrepreneurs, migrant workers)

Social & Relationship Capital Aligned with Sustainable Development Goals (SDGs)



SDG 1
No Poverty



SDG 2
Zero Hunger



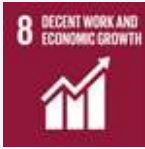
SDG 3
Good Health & Well-Being



SDG 4
Quality Education



SDG 5
Gender Equality



SDG 8
Decent Work & Growth



SDG 10
Reduced Inequalities



SDG 16
Peace & Justice



SDG 17
Partnerships for Goals

Way Forward

- CSR Expansion:**
Deepen CSR reach across education, healthcare, climate action, disaster preparedness, and other sectors defined by the Bangladesh Bank.
 - Financial Inclusion:**
Expand CMSME credit, women's financing, and rural outreach through new MFI partnerships
- Stakeholder Transparency:**
Strengthen investor communication, sustainability disclosures, and ESG reporting quality
 - Community Digital Access:**
Use UMA and digital literacy programs to bring underserved communities into formal finance

Natural Capital

Environmental resources, green financing, and climate stewardship for long-term ecological resilience

Natural Capital reflects United Finance PLC’s responsibility toward the natural environment through its lending decisions, its operational practices, and its commitment to climate-conscious governance.

In 2025, the Company significantly deepened its green financing portfolio, conducted its first comprehensive portfolio-level carbon accounting exercise, and embedded environmental discipline across all major operational touchpoints.

The Company guides every environmental decision with its 8R sustainability approach: Reduce, Reuse, Recycle, Renew, Respect, Reinvest, Restore , Reimagine



BDT 11,787 Mn

Total Sustainable Finance Disbursed (2025)



76.84%

Sustainable Finance as % of Term Loans



14.78%

Green Finance Achievement



295.69%

Green Finance vs Target



16.08%

Total Sustainable Finance Growth YOY



180 Sectors

Assessed for Carbon Footprint

Sustainable Linked Finance Breakdown

Sustainable Finance Category	Disbursement 2025	% of Sustainable Portfolio
Other Sustainable Linked Finance	BDT 3,905.58 million	39%
Sustainable MSME	BDT 3,849.009 million	38%
Socially Responsible Financing	BDT 1,570.00 million	15%
Sustainable Agriculture	BDT 823.22 million	8.0%
Sustainable Link Financing	BDT 10,147.809 million	100%
Sustainable Finance as % of Term Loans (2025)	76.84%	384.22% of target

Green Financing Disbursement 2024 & 2025, Portfolio — 2025

Green Finance Category	Disbursement (BDT Mn) 2025	Portfolio Outstanding (BDT Mn) 2025	YoY Growth Disbursement
Total Green & Sustainable Finance	11,787.32 Mn	15,233 Mn	+23.7%
Energy & Resource Efficiency Establishment	1,091.45 Mn	1523.78 Mn	+226.0%
Circular Economy & Eco-Projects	350.07 Mn	716.06 Mn	+1476.9%
Renewable Energy Projects	83.20 Mn	32.45 Mn	+306.3%
Green Socially Responsible Financing	80.00 Mn	61.77 Mn	New Initiative
Green Agriculture	22.60 Mn	19.83 Mn	New Initiative
Green CMSME	6.20 Mn	6.67 Mn	-93.8%
Green/Eco-Friendly Establishments	3.50 Mn	42.02 Mn	-78.1%
Liquid Waste Management (ETP conversion)	7.00 Mn	59.26 Mn	New Initiative
Women under Green Finance Disbursement	159 Mn	177.73 Mn	+59.0%

Carbon Footprint & Emissions (Portfolio-Level Carbon Accounting)

In 2025, United Finance PLC conducted its first comprehensive portfolio-level carbon accounting exercise under internationally recognized frameworks such as GHG Protocol, PCAF Standard (2020), GRI 305, and Bangladesh Bank GSFD Circular, covering 180 economic sectors in its lending book.

This marks a defining milestone in our ESG journey and our commitment to climate transparency

Emission Scope	Volume (tCO ₂ eq)	% of Total Financed Emissions	Emission Scope
Scope 1 — Direct Emissions (Borrower Operations)	16,903.59	27.8%	Manufacturing (77%), Agro-processing (8.4%), Poultry Farms (6.7%)
Scope 2 — Energy Use (Borrower Electricity)	13,442.13	22.1%	Manufacturing (92.6%), Financial Intermediaries (1.5%), Commerce & Trade (1.4%)
Scope 3 — Supply Chain (Indirect Emissions)	30,706.01	50.2%	Manufacturing (64.2%), Agro-processing (22.5%), Service Industries (4.5%)
Total Financed emissions	61,051.73	100%	180 sectors assessed; 89 active sectors; 91 zero-emission sectors

Portfolio Concentration — Emissions by Sector

Sector Group	Scope 1	Scope 2	Scope 3	Key Insight
I. Manufacturing	13,012.41	12,441.63	19,727.92	Dominant contributor — 77% of Scope 1; 92.6% of Scope 2
IV. Agro-processing	1,416.35	321.45	6,913.03	Second largest — driven by Scope 3 supply chain
Poultry Farms	1,130.59	1.33	1,303.42	Significant Scope 1 from direct farm operations
III. Service Industries	672.43	283.48	1,376.51	Lower intensity; Scope 3 supply chain focused
C. Commerce & Trade	27.04	678.49	1,376.51	Scope 2 from energy use; Scope 3 is dominant
B. Financial Intermediaries	2.02	562.16	1,376.51	Scope 2 from office electricity; indirect supply chain
Zero-Emission Sectors (91 of 180)	-	-	-	No active credit exposure in these sectors

Operational Sustainability Initiatives

Initiative	Details & 2025 Actions
8R Sustainability Framework	Reduce, Reuse, Recycle, Renew, Respect, Reinvest, Restore, Reimagine applied across all operations
Plastic-Free Workplace	Elimination of plastic in all office environments; sustainable alternatives adopted across all branches and the Head Office
Paper Reduction	Digital onboarding, paperless approvals, e-archiving, and email-first communication significantly reduce paper consumption
Energy Efficiency	LED lighting, inverter-based equipment, daylight optimization, and energy-efficient appliances across 25 offices
Hybrid Vehicles	Fleet transition to hybrid vehicles to reduce Scope 1 transport emissions
Tree Plantation	Plantation drive across Head Office and branches (commemorating July Mass Uprising) — improving air quality and urban greenery
Safe Drinking Water	27 RO filtration systems in 25 schools, 1 hospital, 1 railway station — benefiting 82,159 individuals
Environmental Protection Analysis	13,815 customers assessed for ESDD in 2025 (vs 498 in 2024) — 13,794 Low Risk; 21 Medium Risk; 0 High Risk
Waste Management	Toner recycling, secure paper shredding, and reuse of discarded materials; the waste minimization program is active

Climate Strategy & Emission Reduction Targets

Time Horizon	Key Commitments
2025 (Current)	Establish measurable green finance targets; implement ESRM Policy; carbon accounting for all 180 portfolio sectors
2026 – 2030	Achieve Scope 1 & 2 emission reductions; expand ESRM to wider environmental factors; introduce mandatory sector emissions reporting
2031 – 2040	Scale low-carbon financing; partner with BGMEA, BCI, and industry associations for Scope 3 reduction programs; national sustainability leadership
2041 – 2050	Achieve carbon neutrality in operations (Scope 1 & 2); full sustainability integration across product development and supply chain; Scope 3 by 2050

Natural Capital Aligned with Sustainable Development Goals (SDGs)



SDG 6
Clean Water & Sanitation



SDG 7
Affordable & Clean Energy



SDG 12
Responsible Consumption



SDG 13
Climate Action



SDG 15
Life on Land



SDG 17
Partnerships for Goals

Way Forward

- Green Portfolio Growth:**
Expand renewable energy financing, circular economy projects, and green CMSME targeting a meaningful portfolio increase by 2026
- Carbon Accounting Maturity:**
Strengthen sector emission data quality; implement mandatory emissions tags in the loan origination system; annual assurance from 2026
- Scope 3 Reduction Strategy:**
Develop a supplier emission disclosure program for the top 50 borrowers; engage high-emission sectors through green transition financing
- Green Infrastructure:**
Target Green Branch certification; invest in solar panels, energy management systems, and LEED-aligned office standards
- ESG Disclosures:**
Align with IFRS S1/S2 and GRI Standards; enhance ESG reporting depth and assurance quality in subsequent annual reports

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 2025, 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.



Figure: stakeholders



How We Engage and Empower

Stakeholder Group	Key Concerns & Delivered Expectations	Engagement Channels	Our Impact & Value
Customers	Access to finance, digital convenience, transparent terms, and financial education	Branches, Relationship Managers, Online Portal (UMA Login), Call Center, and Website	- Sustainable CMSME Loan Disbursed: BDT 7,037 million 12.39% disbursement growth in Sustainable Linked Finance - Online Service Portal introduced for improved accessibility
Regulators	Compliance, transparency, and economic contribution	Reports to Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), NBR, and audits	- Timely delivery of all regulatory and statutory reporting - Tax paid: BDT 444 million to the government - Ad-hoc reporting as per the directives of the regulators
Community	Inclusion, education, sustainability, and gender empowerment	CSR initiatives, awareness campaigns, social media, and community outreach	- Support for SDGs and underserved groups - Targeted CSR programs for community development - Growth in female customer base - Sustainable finance portfolio expanded by 16.08% - Carbon footprint assessment initiated
Shareholders	Return on investment, risk management, and governance	AGM, Annual Reports, Press Releases, Investor Desk, and Website	- Net profit: BDT 198.04 million ROE: 5.92%, ROA: 0.69% NAV per share: BDT 17.9 - Proposed cash dividend - Strong and stable balance sheet
Employees	Career development, a safe workplace, recognition, and fair rewards	Internal communication, trainings, workshops, and engagement events	- Continued investment in skill development, with a total of 175 training hours provided to employees - Inclusive and supportive work culture that promotes collaboration and belonging - Transparent performance management and recognition programs to motivate and reward excellence
Service Providers & Suppliers	Ethical procurement, timely payments, and long-term collaboration	Procurement team, vendor reviews, and contracts	- Transparent procurement practices - Timely disbursementss trengthened supplier relationships and inclusion of local vendors



Strategic Partnership: IFC

Partnered with the International Finance Corporation (IFC) to strengthen affordable housing and empower small businesses across the country.



Strategic Partnership: bKash Limited

Signed a landmark agreement with bKash to transform customer interactions, enabling seamless digital payments for loan installments and savings directly from bKash wallets.



Strategic Partnership: Unimart

Partnered with Unimart, blending our financial expertise with their retail excellence to redefine the customer experience and deliver purposeful innovation and convenience to our shared communities.



Strategic Partnership: UIU

Formed a strategic alliance with United International University (UIU) to nurture the next generation of leaders by enhancing graduate employability, fostering innovation, and promoting financial literacy among students.



Strategic Partnership: United Healthcare

Partnered with United Healthcare Services Ltd. to enhance customer wellbeing through comprehensive healthcare solutions, exclusive benefits, and tailored wellness packages



CSR: SOS Children's Villages

Initiated a meaningful collaboration with SOS Children's Villages, providing essential learning supplies to over 550 children to support education and reduce financial burdens.



Empowering Startups: Bangladesh Bank

Signed a participation agreement with Bangladesh Bank to facilitate a Tk. 500 crore Startup Fund.



Management Training and Team (Donsumdany)

Empowered internal teams through transformative training sessions, focusing on mindset to deliver exceptional customer experiences.



Customer Success: Bangladesh Bank Award

Chenchen Rakhine won the prestigious Bangladesh Bank Women Entrepreneur Award 2024, making us immensely proud of her inspiring 17-year journey building a successful enterprise while preserving local heritage.



Customer Success: Honoring Women Entrepreneur

United Finance PLC proudly honored women entrepreneurs for their exemplary repayment records, celebrating their resilience and contribution to inclusive economic growth.



SME Foundation Appreciation

United Finance was honored with a crest and certificate at the 12th National SME Fair, recognizing our dedicated contribution to SME development and enterprise support.



Expanding CMSME Access: Bangladesh Bank

United Finance Joined forces with Bangladesh Bank’s Credit Guarantee Department to expand nationwide access to finance and empower CMSMEs.

Priorities We Followed in 2025

Working together to ensure a Sustainable Future

Materiality Assessment and Stakeholder Priorities	An issue is considered material to United Finance if it meets either of the following criteria: it has a significant impact on our business performance, whether in terms of growth, cost, or risk, or it is of substantial importance to our stakeholders. Through a rigorous, structured assessment process, we have identified key material issues critical to both our organization and the stakeholders we serve. These priority areas guide our strategic focus and operational decisions.
Regulators	United Finance remains firmly committed to full regulatory compliance, delivering timely and accurate reporting, and the highest standards of corporate governance. We continuously strengthen our risk management framework to align with evolving regulatory expectations and ensure long-term institutional integrity.
Employees	We recognize our employees as our most valuable asset. The Company promotes a culture of continuous learning, career advancement, diversity and inclusion, and work-life balance. Our goal is to create a supportive and engaging workplace that enables our people to thrive and contribute meaningfully.
Communities & Society	United Finance is dedicated to responsible corporate citizenship. Our initiatives focus on environmental sustainability, efficient resource utilization, energy conservation, and meaningful community engagement. We strive to create long-term value for society while minimizing our environmental footprint.
Customers	Customer trust is at the core of our operations. We prioritize the safety of customer deposits, ensure timely loan disbursement, maintain simplified and transparent documentation processes, and deliver superior service quality. Our commitment is to provide a seamless and reliable financial experience.
Investors	We strive to build and sustain investor confidence through strong financial performance, prudent risk management, and transparent communication of our strategic direction. Our focus on sustainable growth and sound governance practices underpins long-term value creation.
Suppliers	United Finance fosters ethical and transparent relationships with its suppliers. We ensure adherence to contractual obligations, timely payments, and fair procurement practices to maintain mutual trust and long-term collaboration. (Refer to: Our Approach to Stakeholder Engagement ; Sustainability Report)
Capital Planning and Management	Ensure adequacy of capital as per the Basel III Capital Accord to support the healthy growth of the business

Operating efficiency through Core Business	To maintain consistency and focus on asset quality
Financial Inclusion	To reduce poverty by promoting financial inclusion
Recovery of Classified Loan	Recovery of classified loans through proper monitoring & relationship management
Technological Innovation	Reducing lead time through technological advances
Human Capital	Improvement of employee productivity

Strategic Priorities for 2026

United Finance PLC approaches 2026 with clarity of purpose and institutional resolve. Guided by over three decades of disciplined financial stewardship, the Company has defined five strategic

priorities that balance near-term resilience with the pursuit of sustainable, long-term growth — for its customers, depositors, shareholders, and the communities it serves across Bangladesh.

01 Asset Quality & Balance Sheet Resilience United Finance PLC enters 2026 with an unwavering commitment to asset quality as its foremost priority. A disciplined, selective approach to credit — backed by rigorous underwriting standards, proactive portfolio monitoring, and robust early warning systems — will continue to protect the balance sheet and sustain depositor confidence through a challenging credit environment.	02 Deepening the Retail Deposit Franchise With approximately 93% of funding sourced directly from individual depositors across Bangladesh, United Finance PLC commands a distinctive and resilient liability base. In 2026, the Company will further deepen this retail franchise — leveraging its 25-office nationwide network, product innovation, and relationship-driven service to consolidate depositor trust and ensure stable, cost-effective funding.	03 Digital Transformation & Customer Experience United Finance PLC is advancing its digital agenda at pace. The UMA mobile application — the first among NBFIs in Bangladesh to enable fully digital deposit account opening — anchors a broader drive toward data-driven credit decisioning, seamless digital customer journeys, and scalable technology infrastructure. Innovation and convenience will define how United Finance serves its customers in 2026 and beyond.
04 Sustainable & Green Finance Leadership United Finance PLC is committed to embedding sustainability at the heart of its financing activities. Building on strong 2025 momentum, the Company will expand its green portfolio, support environmentally responsible enterprises, and align with Bangladesh Bank’s Sustainable Finance Policy Framework — reinforcing its role as a responsible institution contributing to Bangladesh’s long-term economic and environmental resilience.	05 Governance Excellence & Capital Discipline A strong capital base, transparent governance, and close regulatory alignment remain central to United Finance PLC’s institutional identity. These foundations underpin stakeholder confidence, enable sustainable growth, and reflect a culture of accountability and integrity that has defined the Company throughout its 37-year history.	

Our Commitment Going Forward

United Finance remains committed to strengthening its position as a disciplined, customer-focused financial institution while contributing meaningfully to Bangladesh’s broader economic development.

Our priorities going forward are anchored in prudent growth, sound governance, operational resilience, and continuous investment in the capabilities that support sustainable long-term value creation.

The operating environment entering 2026 is expected to improve gradually. Headline inflation is projected to ease further toward 7 percent, creating space for Bangladesh Bank to begin a measured monetary easing cycle that should gradually reduce funding costs across the sector and improve conditions for private sector credit growth.

Foreign exchange reserves are expected to strengthen, and the exchange rate is projected to remain broadly stable in the near term. A post-election improvement in domestic investment confidence, assuming a successful electoral process, should further support economic activity and credit demand across the financial sector.

The structural reforms initiated within the financial sector in 2025 are also expected to contribute to a healthier operating environment over time.

Measures aimed at resolving stressed institutions, strengthening governance standards, and enhancing Bangladesh Bank’s supervision capacity will, over time, reinforce market confidence and improve credit conditions across the sector. United Finance is well-positioned to benefit from this recalibration.

Against this backdrop, our strategic priorities for 2026 are clear: grow the loan portfolio selectively and responsibly as credit conditions improve, with particular focus on SME, Large Business, and housing finance; intensify NPL recovery operations to reduce the classified loan ratio and preserve balance sheet strength; continue building digital capabilities and customer-centric product offerings; and advance our sustainable and green finance franchise as part of our broader commitment to responsible and inclusive growth.

Maintaining adequate capital, disciplined liquidity management, and the governance standards that have long distinguished this institution will remain central to everything we do.

Globally, uncertainties persist, trade policy risks, geopolitical tensions, and volatility in energy and commodity markets continue to warrant careful attention.

United Finance remains focused on managing these risks prudently and positioning itself to respond effectively to changing conditions.

We enter 2026 with a clean balance sheet, a disciplined team, adequate capital, and a clear strategic direction.

Guided by our vision to be the leading high-quality service provider in the markets we serve, we move forward with the discipline, resilience, and long-term commitment that have defined United Finance throughout its thirty-seven-year history, and that will continue to drive sustainable value for our shareholders and for Bangladesh’s development agenda in the years ahead.

Awards and Recognition



Bangladesh Fintech Award

United Finance won the prestigious Bangladesh Fintech Award for UMA, recognized as a game-changing app offering fully digital account opening in the NBFIs sector.



Corporate Award (Chittagong University)

United Finance PLC received the Corporate Award in the Financing Category, a testament to our 37 years of unwavering commitment to financial inclusion and ethical governance.

Event Highlights



Launch of UMA AI Employee

United Finance introduced UMA, Bangladesh's first AI employee, pioneering a new chapter in financial innovation to offer smart guidance and champion digital transformation.



URise Startup Loan Launch

United Finance launched the URise program under Bangladesh Bank's refinancing scheme, enabling entrepreneurs to submit startup loan applications digitally through the UMA app.



Coastal SME Cluster Development

United Finance PLC launched a strategic cluster development initiative with the SME Foundation in Cox's Bazar to strengthen coastal industries and support local entrepreneurs.



Lead Sponsor: Gunijon Sombordhona 2025

United Finance proudly served as Lead Sponsor honoring extraordinary individuals—Syed Manzur Elahi, Prof. Dr. Amirul Islam Chowdhury, and Dr. Firdausi Qadri—for their lifelong national contributions.



United Finance PLC Observes July Mass Uprising Day with Tree Plantation Initiative

United Finance marked July Mass Uprising Day with a tree plantation drive and sapling distribution.



Hult Prize UIU Finale Title Sponsor

Championed youth empowerment and sustainable innovation as the Title Sponsor for the Hult Prize Grand Finale at United International University.



Islamic Finance ConferenceTitle Sponsor:

Sponsored the International Islamic Finance and Banking Conference at the University of Dhaka, promoting ethical, and sustainable financial practices in Bangladesh.



Women's Day 2025

Our female employees celebrated #IWD2025. Investing in women drives change and accelerates progress.



Empowering Voices: MicMasters 2025

Supported MicMasters 2025 at BUP, celebrating the talent, confidence, and leadership of young orators from universities across the nation.



Pahela Boishakh

United Finance celebrated Pohela Boishakh 1432 on April 15, 2025, with festive food and joy.



Academic Excellence: UIU ECON Fest 2025“

Sponsored the UIU ECON Fest 2025, fostering learning and student engagement while sharing valuable industry insights with future economic leaders.



36 Years Foundation day

United Finance marked its 36th Foundation Day on April 27, 2025, celebrating with clients and staff.



Participation in Carnival Fair of Sir John Wilson School

United Finance participated in the Jagannath University (JnU) Job Fair 2025, engaging with bright talents and future leaders.



Jagannath University “Job Junction 2025”

United participated at Jagannath University “Job Junction 2025.



CMSME Women Entrepreneur Fair

We participated in the CMSME Women Entrepreneur Fair to support and empower women-led businesses



Career Fest 5.0 held at the University of Dhaka.

United Finance proudly participated in Career Fest 5.0 at the University of Dhaka to engage talent



Annual Picnic

United Finance enjoyed a vibrant Annual Picnic, fostering team spirit and celebrating our shared joy



Parcpation in Corporate Fairs

United Finance participated in various corporate fairs to connect with professionals and showcase our products and services.



United Finance celebrated SJWS's 30th year by creating a “Dream Tree” filled with student aspirations.

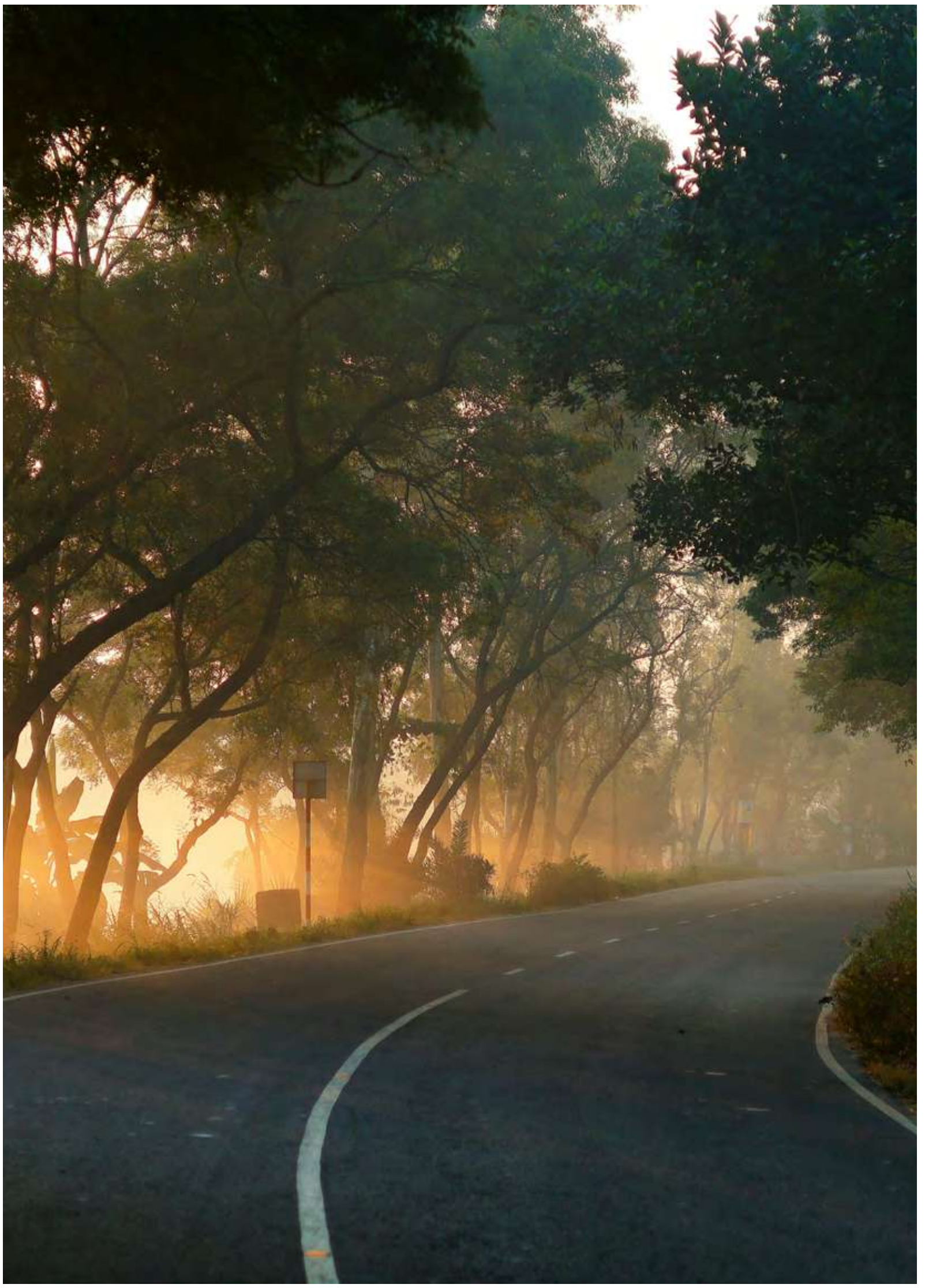


United Finance at the 12th National SME Product Fair 2025



UMA Mobile Application Launch

United Finance PLC officially launched UMA, its groundbreaking mobile banking app, at a ceremony in Dhaka attended by company executives, customers, stakeholders, and media. UMA offers secure, intuitive, and fully digital banking with first-of-its-kind online deposit account opening for non-bank financial institutions in Bangladesh, real-time access to products, instant statement downloads, and mobile service requests. Top company officials described UMA as a milestone in service and innovation, designed for accessibility and transparency. The app is available for download on Google Play Store and Apple App Store



The Leadership

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Najmul Hasan



Assalamualaikum,
Dear Shareholders,

It is my honor and privilege to welcome you to the 37th Annual General Meeting of United Finance PLC. The year 2025 marked thirty-seven years of uninterrupted service by this institution, a milestone that reflects not merely the passage of time but the accumulation of trust and the steadfastness of purpose. It reflects the resilience of a company that has remained committed to its founding values across, sometimes, very different economic and political environments.

On behalf of the Board of Directors, I am pleased to present our performance for the year ended 31 December 2025, together with our assessment of the operating environment and our outlook for the period ahead. 2025 was a year that placed genuine demands on every financial institution in Bangladesh. It required discipline, patience, and clarity of purpose, and I am pleased to report that United Finance PLC met those demands consistently and with integrity.

Our team's professionalism and dedication throughout a genuinely difficult year remain the true engine behind every result presented in this report, and the Board is deeply grateful for their commitment.

Navigating Global Macroeconomic Challenges

The global economy in 2025 demonstrated a degree of resilience that few had fully anticipated at the outset of the year. Overall, global GDP growth held at approximately 3.3%.

However, this headline stability masked significant underlying fragilities directly relevant to Bangladesh's economic trajectory and the operating environment of financial institutions like ours.

Trade policy was the defining disruption of the year. The United States maintained an average effective tariff rate of approximately 17%, the highest since the 1930s, fundamentally reshaping the architecture of global commerce and creating significant uncertainty for export-dependent emerging economies.

For Bangladesh, whose ready-made garments sector accounts for over 80% of export earnings, there was a structural risk that required sustained attention. Global supply chains, still recovering from the post-pandemic disruptions of 2021–2023, were further strained by these tariff regimes and the continuation of geopolitical conflicts in Ukraine and the Middle East, which sustained volatility in energy and commodity markets and other freight costs.

Artificial intelligence-driven capital expenditure emerged as an important new force in the global economy. Central banks in advanced economies began cautiously recalibrating policy rates that had kept global financial conditions somewhat restrictive.

Looking ahead to 2026, the World Bank projects global growth to ease marginally to approximately 2.6% as the temporary supports for trade front-loading fade and tariff effects more fully materialize, a trajectory with meaningful implications for Bangladesh’s export performance and investment climate.

Bangladesh: A Year of Stabilization and Transition

In 2025, Bangladesh’s economy navigated a challenging transition, marked by GDP growth, weak domestic demand due to low private investment and rising non-performing loans, high inflation, and industrial unrest, resulting in weaker industrial production.

Bangladesh’s domestic economic environment in 2025 was shaped by the dual imperatives of macroeconomic stabilization and institutional reform, against the backdrop of a significant political transition. Following the political changes of 2024, the interim government prioritized addressing longstanding structural weaknesses in revenue mobilization, financial sector governance, and foreign exchange management, while managing the immediate pressures of high inflation and subdued private investment.

Headline inflation, which had peaked above 11% in mid-2024, moderated to 8.77% by December 2025, a meaningful improvement, though still above Bangladesh Bank’s target range and continuing to compress household purchasing power.

Bangladesh Bank maintained a contractionary monetary stance throughout the year, with the policy rate held at 10%, contributing to elevated funding costs across the financial sector and keeping private-sector credit growth at historically low levels.

Foreign exchange reserves recovered meaningfully, reaching USD 28.58 billion by year-end, supported by strong remittance inflows and improved current account management, providing welcome relief to the external balance.

The pre-election environment created by the approach to the 2026 national elections introduced additional uncertainty in the latter part of 2025, contributing to cautious, constrictive investment behavior among both domestic and foreign investors and dampening credit demand in the private sector. GDP growth showed early signs of recovery, with Q1 FY2026 recording 4.50% growth, up from 2.58% in the prior-year period. Still, full-year growth remained below historical norms, reflecting the combined weight of elevated borrowing costs, political transition effects, and global trade headwinds. The capital market also remained under pressure throughout the year, with zero IPO listings, reflecting investor caution and the sector’s ongoing regulatory recalibration.

Financial Sector: Reform, Stress, and Realignment

The banking and non-bank financial institution sector navigated one of its most challenging years in recent memory. The gross NPL ratio in the banking sector reached 30% by December 2025 and was expected to rise further following the implementation of stricter loan classification criteria. The NBFIs sector carried an even heavier NPL burden.

In response, Bangladesh Bank took landmark supervisory action in 2025: approving the liquidation of nine financially stressed non-bank financial institutions, facilitating the merger of five Islamic banks under the Bank Resolution Ordinance of 2025, and restructuring the boards of multiple institutions.

A financial sector built on sound governance and transparent asset quality can genuinely serve Bangladesh’s development ambitions, and some of the 2025 reforms, disruptive as they are in the near term, can lay important groundwork for that outcome.

Resilient Performance Amid a Challenging Environment

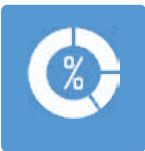
Despite the demanding backdrop, United Finance PLC delivered results that show the strength of our institutional foundations.

The Company achieved an ROE of 5.92% in 2025, driven by interest rate spreads following Bangladesh Bank’s shift to a market-based rate framework and by strategic allocation toward government treasury instruments. These results reflect disciplined asset-liability management and a focused approach to optimizing income streams within a constrained credit environment.



5.92%

Return on Equity (ROE)



18.45%

Capital Adequacy Ratio vs. 10% minimum



1.06

Earnings PerShare



17.90

Net Asset Value Per Share

Earnings per share declined 5.35% due to a contraction in interest rate spreads across the wider NBFIs sector, as funding costs remained elevated through much of the year and lending margins came under pressure from a competitive and regulatory environment. The Board's priority in 2025 was institutional soundness our capital position reflects that discipline.

The Net Asset Value (NAV) rose to 17.90 a 0.33% increase. At the same time, the deposit base expanded to BDT 13,188 million, growing by BDT 979 million, with individual depositors, the most trust-sensitive segment, growing 16.83% year-on-year due to high flight in quality in 2025. This sustained depositor confidence, in a year of sector-wide stress, is among the results the Board regards most highly.

**Risk Management:
Preserving Stability and Strength**

The Board maintained rigorous oversight of the Company's risk management framework throughout 2025. Asset quality management was a central operational priority, with the year-end NPL ratio held at 5.95%, significantly below the industry average, through disciplined credit underwriting, proactive portfolio monitoring, and an enhanced early-warning system that enabled the identification of potential delinquencies before they became defaults.

Our Capital Adequacy Ratio of 18.45%, comfortably above the regulatory minimum of 10%, and total eligible capital of BDT 350.40 crore, affirm the robustness of our capital base and our capacity to absorb stress while remaining positioned for growth. Provision coverage was maintained at an adequate level, with a surplus of .25 million. BDT 836.3 million was held against a required level of BDT 836 million.

Liquidity risk was managed within the regulatory maturity mismatch requirements across all time buckets, and the Company's fund utilization ratio improved to 92.62 %, reflecting efficient deployment of available resources. Scenario-based stress testing and forward-looking risk forecasting capabilities were further strengthened during the year, providing the Board with greater confidence in the institution's resilience under adverse conditions. Operational and cybersecurity risk frameworks were also reinforced, with the Company recording zero material cybersecurity incidents or fraud events during 2025. Environmental risk assessment remains integrated into the credit approval process, and no high-risk accounts have been approved.

Credit Rating: Reflecting Institutional Strength

The Company continues to maintain a strong credit profile, as reflected in its AA+ credit rating. This rating underscores the Company's robust capital position, prudent risk management practices, and consistent track record of financial discipline.

It also reflects the confidence of external stakeholders in the Company's ability to meet its financial obligations promptly. The rating remains a testament to United Finance's resilient business model and its commitment to maintaining stability and credibility in a challenging operating environment.

**Governance and Sustainability:
Strengthening Trust, Driving Impact**

In a financial sector under heightened scrutiny, strong governance remains fundamental to our operations. At United Finance, we embed this in our decision-making, our responsibilities to depositors, and our accountability to stakeholders.

The new Board, which took reins of the company at the beginning of the year, introduced fresh perspectives and strategy while upholding our established standards, reinforcing an institutional culture of transparency and discipline that underpins stakeholder trust.

At the same time, sustainable finance remained a key strategic priority in 2025, with BDT 11,787 million disbursed and the green finance portfolio growing by 111% year-on-year. Support for women entrepreneurs under green financing also exceeded targets by over 143%, reflecting our commitment to aligning financial performance with broader economic and social development.

**Digital Transformation:
Building for Tomorrow's Customer**

On digital transformation, the Company introduced the United Finance Mobile Application, the first such platform in the NBFIs sector, and onboarded UMA, an AI-enabled virtual assistant, alongside strengthened internal digital tools. These initiatives are delivering measurable improvements in customer accessibility and operational efficiency, and the Company's digital leadership in the NBFIs space was recognized with a fintech award this year.

Those of you who have not yet used our App, UMA, I invite you to try it and enjoy the benefit of having relevant information in your hands. Our technology roadmap for 2026 remains focused on deeper digital customer journeys, data-driven credit underwriting, and continued strengthening of cybersecurity.

Looking Ahead: 2026 and Beyond

As we look ahead to 2026, the Board is cautiously optimistic while remaining clear-eyed about the risks that persist. Domestically, headline inflation is expected to ease further, creating space for Bangladesh Bank to begin a measured monetary easing cycle that will gradually reduce funding costs and improve conditions for private-sector credit growth.

Foreign exchange reserves are projected to strengthen, the exchange rate is expected to remain broadly stable, and the post-election environment should support a meaningful recovery in domestic investment confidence.

Globally, however, uncertainties remain substantial. The World Bank projects global growth to ease to approximately 2.6 % in 2026 as the front-loading effects of 2025 trade activity fade and tariff impacts build.

Continued US trade policy uncertainty, with the effective tariff rate expected to remain near historic highs, poses a direct risk to Bangladesh's RMG export competitiveness, particularly if major trading partners respond with their own retaliatory measures or if global consumer demand in key destination markets softens further.

Geopolitical tensions in Ukraine and the Middle East and their ensuing impact continue to create unpredictability in energy and commodity markets.

For United Finance PLC, our strategic priorities in 2026 are to:

enhance and sustain the growth of your company by taking prudent measures, including: grow the loan portfolio selectively and responsibly as credit conditions improve; continue investing in digital capabilities and customer-centric product development; advance our sustainable and green finance franchise; and maintain the capital strength and governance standards that have distinguished this institution throughout its thirty-seven-year history.

The Board is confident that these priorities, pursued with the discipline that has defined United Finance, will deliver meaningful long-term value for shareholders and contribute to Bangladesh's broader development agenda.

Vote of Thanks

On behalf of the Board of Directors, I extend our sincere gratitude to all shareholders for their continued confidence and support, and to our valued depositors and customers whose trust underpins everything this institution does. I thank Bangladesh Bank for their consistent and constructive oversight during a period of significant sectoral reform.

Their commitment to a more disciplined and transparent financial sector serves the long-term interests of all stakeholders. I also acknowledge the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, and all regulatory and institutional partners for their guidance and collaborative approach.

To our employees: your dedication, professionalism, and adaptation throughout a genuinely demanding year have been the true foundation of our performance. The Board recognizes your contribution and remains committed to investing in your growth, development, and well-being.

Thirty-seven years on, we remain committed – as we always have, and as we always will.



Najmul Hasan

Chairman of the Board of Directors



Mohammed
Abul Ahsan

Our performance in 2025 is a testament not to the absence of challenges, but to the quality of our response to them — measured, disciplined, and grounded in a deep understanding of the communities we serve.

Dear Shareholders
and Fellow Stakeholders,

It is my privilege to present the performance and progress of United Finance PLC for the year ended on 31 December 2025, a year that made genuine demands on every institution in Bangladesh’s financial sector, and one in which I believe our Company’s response demonstrated both the strength of our fundamentals and the discipline of our team.

Our performance this year illustrates our resilience as we delivered a net profit of BDT 198.04 million, alongside ROA and ROE of 0.69% and 5.92%, respectively.

The year was shaped by persistent funding cost pressures, a contraction in private sector credit demand, and the structural reform of the NBFi sector, all of which required active management and strategic clarity.

We steered our business through a challenging environment by focusing on quality over expansion of the loan book, maintaining a conservative yet effective approach to risk management, and reinforcing our client-centric strategy.

Navigating a Challenging Macroeconomic
Landscape

Bangladesh’s economy in 2025 moved gradually toward stabilization, but with continued strain. Headline inflation eased from 10.34% at December 2024 to 8.49 % by December 2025, driven by Bangladesh Bank’s contractionary monetary stance, with the policy rate maintained at 10 % for most of the year. Although inflation showed signs of improvement, it remained well above the central bank’s target, compressing household purchasing power and dampening consumer demand throughout the year.

Foreign exchange reserves recovered meaningfully, supported by a strong surge in remittance inflows. GDP slowed as Q2 FY2026 grew just 3.03%, thanks to higher services and agriculture activity growth. However, while approaching the 2026 elections, the pre-election environment leading to event risk introduced caution among both domestic and foreign investors, subduing private sector credit growth to historic lows of 6.29 % by mid-year due to contractionary monetary policy. Export performance remained under pressure — H1 FY2026 exports declined 2.19 % year-on-year — partly due to the Chattogram Port strike in October 2025 and softening global demand in key RMG destination markets. Government domestic borrowing more than doubled in the first four months of FY2026, crowding out private sector credit and keeping the 10-year Treasury bond rate at an average of 10.9 %, a key driver of the sector’s elevated cost of funds throughout the year.

Indicator	2025	2024	Change
Headline Inflation (Dec)	8.49%	10.34%	Improving
GDP Growth (Q1 FY2026)	4.50%	2.58%	Recovering
Forex Reserves (Dec, BPM6)	USD 28.58 Bn	USD 21.40 Bn	+33.58% YoY
Private Sector Credit Growth	6.58% (Nov)	7.28%	Historic lows
Exchange Rate (avg.)	~BDT 122/USD	~BDT 120/USD	Broadly stable
10-Year T-Bond Rate (avg.)	10.9%	12.36%	Eased yet Elevated

The NBFi Sector: A Year of Structural Reform

For Non-Banking Financial Institutions (NBFIs), 2025 was among the most consequential years in the sector’s history. Bangladesh Bank approved the liquidation of nine financially stressed NBFIs and facilitated the merger of five Islamic banks under the Bank Resolution Ordinance of 2025 - landmark interventions that will, over time, reduce systemic fragility and restore depositor confidence across the sector. The NBFi sector’s aggregate NPL burden reflected years of accumulated numbers.

Against this backdrop, the sector faced tightening liquidity, rising provisioning requirements, and elevated funding costs that compressed net interest margins across the board.

United Finance PLC navigated this environment from a position of relative strength. Our NPL ratio of 5.95%, while higher than the prior year’s 4.98%, reflected the broader economic slowdown’s impact on borrower cash flows and the slowdown in the loan portfolio, which remained a fraction of the prevailing industry average. Our capital adequacy ratio of 18.45% stood comfortably above the 10% regulatory minimum mark, and our depositor base continued to grow, a meaningful signal of continued institutional trust in an environment where depositor confidence was widely tested.

Financial Performance

The year’s financial results reflect the combined effect of a contracting interest rate spread environment and disciplined operational management.

Total income for 2025 stood at BDT 2,838 million, which is a decline of 3.72% from BDT 2,948 million in 2024, as the compression of net interest margins across the NBFi sector weighed on funded revenue.

This spread compression, driven by elevated deposit rates in a competitive funding environment and the pricing dynamics of Bangladesh Bank’s market-based rate framework, was the primary headwind to profitability during the year.

Against this, the Company’s response on the cost side was effective. Operating expenses declined 5.34 % from BDT 804 million in 2024 to BDT 761 million in 2025, which was achieved through disciplined cost rationalization, process automation, and the elimination of non-essential expenditure without compromising service quality.

Profits before tax stood at BDT 318.35 million, and net profit after tax at BDT 198.04 million, reflecting a moderate decline of 5.35 % against a prior year that had benefited from a more favorable rate environment.

Earnings per share for 2025 stood at BDT 1.06 (2024: BDT 1.12) and Return On Equity (ROE) at 5.92 % (2024: 6.36 %). Net asset value per share increased to BDT 17.90 from BDT 17.84 in the prior year, affirming the steady compounding of shareholder value that has characterized this institution’s track record over time.

Balance Sheet and Portfolio Growth

Despite the income headwinds, the Company delivered meaningful balance sheet growth in 2025. Total assets grew by 4.90 % to BDT 29,388 million. The loan portfolio expanded by 6.3 % to BDT 20,689 million, supported by growth across the Lease and Term Finance segment and a significant increase in Short-Term Finance.

Total disbursements during the year reached BDT 11,089 million, which is a 25.1 % increase over BDT 8,871 million in 2024, reflecting renewed deployment activity and growing client demand across the Company’s diversified borrower base spanning all 64 districts.activity and growing client demand across the company’s diversified borrower base spanning all 64 districts.

Our deposit portfolio grew by 8.03 % to BDT 13,188 million, supported by a term deposit mobilization and a sustained retail deposit growth momentum. The growth in deposits in a year of sector-wide trust deficits reflects the institutional credibility that United Finance has built over 37 years with consistent and transparent conduct.

Portfolio Metric	2025	2024	Growth
Total Assets (BDT Mn)	29,388	28,016	+4.90%
Total Loans & Advances (BDT Mn)	20,689	19,463	+6.30%
Lease and Term Finance (BDT Mn)	16,389	15,258	+7.40%
Home Loan Portfolio (BDT Mn)	3,067	3,174	-3.37%
Short-Term Finance (BDT Mn)	1,233	1,032	+19.5%
Total Disbursements (BDT Mn)	11,089	8,871	+25.1%
Total Customer Deposits (BDT Mn)	13,188	12,208	+8.03%
Shareholders' Equity (BDT Mn)	3349.12	3,338	+0.40%

Asset Quality and Risk Management

Asset quality management was the defining operational priority of the year. Our NPL ratio stood at 5.95 % as at 31 December 2025 - an increase of 97 basis points from 4.98 % in 2024, driven primarily by the economic slowdown's disproportionate impact on smaller and mid-sized enterprises. Despite this increase, our NPL ratio remained significantly below the prevailing industry average, a sustained outcome of our disciplined credit governance culture. We take no satisfaction in watching sector-wide asset quality deteriorate; rather, it sharpens our own resolve to be rigorous at the point of credit origination and proactive in account management.

Throughout the year, we reinforced our early warning system to identify stressed accounts before formal classification, enabling more constructive engagement with borrowers at an earlier stage of the credit cycle.

Regular portfolio reviews, strengthened underwriting criteria, and key components of our asset quality management approach were targeted recovery initiatives. Liquidity risk was managed within all regulatory maturity mismatch requirements across time buckets, and our fund utilization ratio improved during the year to 92.6% from 90.63% in 2024, reflecting efficient deployment of available resources.

Our Capital Adequacy Ratio of 18.45 %, which was well above the 10 % regulatory minimum mark, affirms the robustness of our capital base. Total eligible capital stood at BDT 350.21 crore, against a minimum capital requirement of BDT 195.05 crore, providing a capital surplus of BDT 155.35 crore and significant capacity to absorb stress while remaining positioned for growth.

We also expanded our scenario-based stress testing and forward-looking risk forecasting capabilities during the year, enhancing the quality of risk intelligence available to management and the Board.

Strategic Responses: How We Managed the Year

United Finance's operating strategy in 2025 remained disciplined and focused on resilience. In a challenging macroeconomic environment, the Company prioritized portfolio quality over volume, strengthening secured exposures across SME, emerging corporate, and corporate segments through prudent underwriting, selective client acquisition, and tighter portfolio monitoring.

A key strategic focus during the year was maintaining portfolio profitability while improving funding efficiency. The Company expanded financing in refinance-eligible sectors through facilities of the Bangladesh Bank, thereby supporting access to comparatively lower-cost funding.

Lending rates were calibrated in line with the market-based rate framework to protect net interest margins while remaining competitive.

On the liability side, United Finance increased its focus on retail deposit clients, which provided a stable and sticky funding base amid market volatility. Liquidity was further supported by prudent investment in government treasury instruments during a period of subdued private-sector credit demand.

Cost discipline remained a core priority, supported by tighter control over discretionary spending, greater process automation, and focused allocation of resources toward customer-facing and revenue-generating activities.

Asset quality remained resilient throughout the year, with strengthened credit surveillance, tighter risk selection, and an enhanced early warning framework helping maintain non-performing loans below 6%, remaining below the industry average and positioning the Company for responsible growth in 2026.

Digital Transformation: Building for Tomorrow

Digital transformation at United Finance is an operational commitment. In 2025, we continued to advance the United Finance Mobile Application (UMA), the first of its kind in the NBFi sector, enhancing its functionality, user experience, and security protocols. Customers can open Term and Build-Up Deposits, access real-time account information, and manage their financial relationship with the Company through a secure, mobile-first interface protected by Two-Factor Authentication (2FA). With over 129 million internet users in Bangladesh, the digital channel is not supplemental; it is increasingly the primary interface through which new and younger customers will engage with financial institutions.

We also onboarded UMA, our AI-enabled virtual employee, which is supporting customer service responsiveness and reducing friction across key customer touchpoints. Back-office process automation contributed directly to the operating cost reduction achieved during the year. Our digital achievements were recognized through a fintech award in 2025, acknowledging our leadership in NBFi digital capabilities. Looking ahead, our technology roadmap is focused on deepening data-driven credit underwriting, expanding digital customer journeys across the lending lifecycle, and continuing to strengthen our cybersecurity posture.

Sustainability and Responsible Finance

Sustainable finance remained a core strategic commitment in 2025. The Company disbursed BDT 11,787 million toward sustainable financing activities during the year, achieving 384 % of its overall sustainable finance target, a result that reflects both the scale of our ambition and the depth of our integration of ESG principles into credit decision-making. The green finance portfolio grew 111 % year-on-year, supported by disbursements to renewable energy, energy efficiency, and sustainable agriculture projects.

Bangladesh Bank’s Sustainability Rating recognized United Finance’s performance across green finance, social impact, governance quality, and regulatory compliance. We are committed to deepening our climate risk assessment capabilities and expanding our sustainable finance portfolio as the regulatory and investment framework evolves.

Our People

Every outcome reported in this statement was delivered by a team that chose professionalism and dedication throughout a genuinely demanding year. We continued to invest in employee development, training, and career progression, not as an expense, but as a long-term competitive investment. The quality of our people is a structural advantage that capital and technology cannot replicate. We maintained our commitment to a fair, inclusive, and merit-based work environment, and we remain committed to investing in the team that makes United Finance function.

Outlook for 2026

We enter 2026 cautiously optimistic. The conditions for improvement are increasingly in place: headline inflation is expected to ease as per the Bangladesh Bank, creating space for the Bangladesh Bank to begin a measured monetary easing cycle that should gradually reduce funding costs across the sector.

A post-election improvement in investment confidence, while assuming a successful electoral process, should meaningfully improve private sector credit demand. Foreign exchange reserves are projected to strengthen further, and the exchange rate is expected to remain broadly stable. The structural reforms initiated in the NBFi sector in 2025, including the resolution of stressed institutions, the tightening of governance standards, and the strengthening of Bangladesh Bank’s supervisory capacity, will, over time, create a healthier and more disciplined operating environment for well-managed institutions.

United Finance is well-positioned to benefit from this recalibration. Our strategic priorities in 2026 are clear: grow the loan portfolio selectively and responsibly as credit conditions improve, with particular focus on SME, Large Business, and housing finance; intensify NPL recovery operations to reduce the classified loan ratio; continue building our digital customer capabilities; expand our sustainable and green finance franchise; and leverage the improving monetary environment to optimize our cost of funds and improve net interest margins. We enter 2026 with a clean balance sheet, a disciplined team, adequate capital, and a clear strategic direction.

Acknowledgements

I extend my heartfelt gratitude to our respected Chairman and the Board of Directors for their guidance and support throughout the year. I also wish to express our sincere appreciation to the Governor and officials of Bangladesh Bank and the Bangladesh Securities and Exchange Commission for their continued oversight and constructive engagement.

To our valued shareholders, depositors, and customers, your continued trust, particularly through a period of sector-wide uncertainty, is the foundation upon which this institution operates and the standard to which we hold ourselves every day.



Mohammed Abul Ahsan
Managing Director (Acting)

Shareholding Structure

SL.	SHAREHOLDERS	NUMBER OF SHARES		% OF SHARE HOLDING	
		2025	2024	2025	2024
1	Sponsors				
	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%
	Sub-total of Sponsors	40,871,770	40,871,770	21.85%	21.85%
2	Directors				
	Moinuddin Hasan Rashid	9,337,019	9,337,019	4.99%	4.99%
	Mahenoor Sultana Rashid	9,337,019	9,337,019	4.99%	4.99%
	Najmul Hasan	4,652,881	4,652,881	2.49%	2.49%
	Kutubuddin Akhter Rashid	5,443,990	5,443,990	2.91%	2.91%
	Khondaker Zayed Ahsan	5,443,990	5,443,990	2.91%	2.91%
	Sub-total of Directors	34,214,899	34,214,899	18.29%	18.29%
3	General Institutions				
	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%
	Other Institutions	16,054,634	19,053,732	8.58%	10.18%
	Sub-total of General: Institutions	25,154,029	28,153,127	13.44%	15.04%
	Individuals				
	General Public	86,873,916	83,874,818	46.42%	44.82%
	Sub-total of General Public (Institution and Individuals)	112,027,945	112,027,945	59.86%	59.86%
	Total Shareholding	187,114,614	187,114,614	100%	100%

Board Of Directors

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83

From left to right

**Khondakar
Zayed Ahsan**

Director of the Board
Member of the Risk Management
Committee

**Mahenoor
Sultana Rashid**

Director of the Board
Member of the Audit Committee.

**Professor Dr.
Mohammad
Omar Farooq**

Independent Director
Member of Audit Committee
Member of
Risk Management Committee

**Moinuddin Hasan
Rashid**

Director of the Board
Member of the Executive Committee

**Md. Jahidur
Rahman**

Independent Director
Chairman of the Audit Committee



Ormaan Rafay Nizam

Director of the Board
Member of the Audit Committee
Member of the Risk Management
Committee

Najmul Hasan

Chairman of the Board
Chairman of the Executive Committee
Member of the Risk Management
Committee

Kutubudddin Akhter Rashid

Director of the Board
Member of the Audit Committee

Kayes Khalil Khan

Director of the Board
Chairman of the Risk Management
Committee
Member of the Executive Committee.

Professor Dr. Mahfuzul Hoque

Independent Director
Member of the Executive
Committee





Najmul Hasan

Mr. Najmul Hasan has been appointed as the Chairman of the Board of Directors of United Finance PLC. He holds a Master’s degree in Political Science from the 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 the UK with a heritage spanning 125 years at the time. During his tenure, he served as Regional Director of Development for South and Southeast Asia of Halcrow Group and as Managing Director of Halcrow Bangladesh Limited. By the time he left the company in 2002, Halcrow had grown under his leadership into one of the largest international engineering consulting practices in Bangladesh.

In 2006, Mr. Hasan joined United Hospital Limited as Chief Executive Officer. At the time, the organization was establishing a new 500-bed multidisciplinary hospital, and he initially undertook responsibility for this startup. He later oversaw the development, operations, administration, and finance sector of the healthcare facility. When he concluded his tenure in 2018, the hospital’s yearly turnover exceeded Tk 360 crore.

During this period, he also laid the groundwork for the establishment of United Medical College which received government permission to admit students in 2019. Mr. Hasan also developed the United College of Nursing, which is now completing its 15th year of establishment and offers courses in Diploma in Nursing, BSc Graduate course in Nursing and MSc course in Nursing, and currently serves on the Governing Body of United College of Nursing.

From mid-2019 to the end of 2022, he was the Chief Executive Officer of United Property Solutions Limited, a company engaged in land procurement & development, architectural and engineering design, and the construction of buildings and structures. During this time, the company’s annual budget ranged between BDT 50 and 70 crore.

He also worked Surbana Jurong, an engineering and architectural firm based in Singapore as an Urban Sector Advisor, with about 700 staff working across its wholly owned companies in Bangladesh. Mr. Hasan brings broad experience in managing large organizations across various sectors, both domestically and internationally.

His expertise spans strategic business planning, business development, identifying new business opportunities, forging new partnerships, project planning, development, and implementation.

Najmul Hasan

Chairman of the Board
Chairman of the Executive Committee
Member of the Risk Management Committee

Moinuddin Hasan Rashid



Mr. Moinuddin Hasan Rashid serves as an insightful leader and a distinguished member of the Board of Directors at United Finance PLC. Being the Chairman of United Group of Companies, one of Bangladesh's most prominent and diversified conglomerates, he leads strategic growth and innovation across multiple sectors.

Mr. Rashid began his career with United Group in 2005, initially focusing on sales and marketing for United City, a premium township development in Dhaka.

Early in his tenure, he took on the critical responsibility for power plant development, demonstrating exceptional leadership that enabled the successful implementation of key power generation projects.

These initiatives established United Group as a significant 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 foresight.

He has been instrumental in diversifying United Group's portfolio and expanding its presence across real estate, healthcare, and retail sectors.

His leadership philosophy is rooted in social responsibility, emphasizing integrity, transparency, and community benefit. This philosophy has helped build strong stakeholder trust while reinforcing United Group's internal culture.

Iconic ventures such as Centrepont, Unimart, Chef's Table, Sir John Wilson School, United Medical College Hospital, and United International University reflect his vision of aligning business success with meaningful societal impact.

Mr. Rashid envisions United Group as a pioneer in creating innovative business models that deliver sustainable value to the community.

His commitment to nurturing a motivated workforce and implementing long-term strategic policies supports the organization's continued growth. 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
Member of the Executive Committee



Kutubuddin Akhter Rashid

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 directorship positions in several prominent organizations, including United Enterprises & Co. Ltd., United Lube Oil Ltd., and United Mymensingh Power Ltd.

Since joining United Group in 2018, Mr. Rashid has distinguished himself as a key member of the project team involved in several nationwide power projects.

His dedication and leadership have been instrumental to the success of these initiatives, earning him key directorial roles across numerous United Group ventures.

Mr. Rashid showed remarkable leadership, strategic vision, and decisive execution in the face of the COVID-19 pandemic's unparalleled hurdles by making sure United Payra Power Ltd. was commissioned on schedule.

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

Kutubuddin Akhter Rashid

Director of the Board
Member of the Audit Committee



Khondakar Zayed Ahsan

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

He serves as the Managing Director of Dhaka Indenting Limited and Shahji Enterprises & Co. Ltd., and holds 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 dedicated to promoting leadership and social development.

Mr. Ahsan began his career with United Group in January 2019, gaining valuable experience across various departments. He later specialized in Information Technology, leading the successful implementation of a business automation solution that significantly enhanced 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 a diverse professional background and a forward-looking perspective, Mr. Ahsan continues to drive growth, innovation, and operational excellence in the organizations he serves.

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

Khondakar Zayed Ahsan

Director of the Board
Member of the Risk Management Committee



Ormaan Rafay Nizam

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

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

He is involved in various social activities and is actively working with the Bhatyari Golf and Country Club. Furthermore, he is the Honorary Consul of France in Chattogram.

After graduating from the University of Chattogram, he earned a B.Sc. from the London School of Economics.

Ormaan Rafay Nizam

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



Kayes Khalil Khan

With a distinguished career spanning more than twenty (20) years, Mr. Kayes Khalil Khan is an accomplished corporate strategist with extensive leadership expertise across asset management, securities, and diversified conglomerates.

He currently serves on the Board of Directors of United Finance PLC (representing United Insurance Company Limited), where he brings vital governance oversight as the Chairman of the Risk Management Committee and a Member of the Executive Committee. Concurrently, as Group Executive Director at United Enterprises & Co. Ltd., Mr. Khan delivers strategic direction and drives operational excellence across the group's core business portfolios.

Throughout his career, Mr. Khan has demonstrated a proven track record in corporate governance, strategic investment identification, and institutional transformation. Prior to his leadership roles within United Group, he held several pivotal executive positions, including General Manager at LR Global Bangladesh Asset Management Company, alongside senior strategic roles at Nordic Woods Limited, EC Securities Ltd., and Union Capital Limited.

His broad cross-sectoral expertise enables him to seamlessly align macro-organizational objectives with global best practices, ensuring sustainable growth, risk mitigation, and long-term institutional growth.

Kayes Khalil Khan

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



Mahenoor Sultana Rashid

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 drive success across the organizations she represents.

Mahenoor Sultana Rashid

Director of the Board
Member of the Audit Committee



Professor Dr. Mahfuzul Hoque

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 31 years of experience 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.

Moreover, he 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
Member of the Executive Committee



Professor Dr. Mohammad Omar Farooq

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. Additionally, he 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 previously 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 has contributed to numerous academic books and conferences.

Professor Dr. Mohammad Omar Farooq

Independent Director
Member of Audit Committee
Member of Risk Management Committee



Md. Jahidur Rahman

Mr. Md. Jahidur Rahman is an Independent Director on the Board of United Finance PLC. He is a seasoned Chartered Accountant with over 23 years of professional experience in listed and non-listed public interest entities as well as international and large domestic 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, including 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.
Chairman of the Audit Committee



Mohammed Abul Ahsan

Mohammed Abul Ahsan is serving as the Deputy Managing Director of United Finance PLC. He also holds the position of Acting Managing Director of the company and previously during 2022-2023 he served that role for 14 months.

He has over 24 years of professional experience in the financial sector with extensive contributions in Financial Products and Services, Risk Management, Branch Management, Product Development, System Development, SME Financing, Business Process Re-engineering, Project Management, Technology Implementation & Automation, and Human Resources.

Mr. Ahsan joined United Finance in 2002 and served as the 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.

Mr. Ahsan also worked at Sun Life Financial in Waterloo, Ontario, Canada (from 2014–2018) on the Wholesale New Business Operations Team as a Case Manager (Asian Market – part of the Global Operations Team).

He also worked in the Dealer Operations Team of Sun Life Financial, covering GIC, Mutual Funds, and Segregated Funds.

Mr. Ahsan completed his Honors in Economics from the University of Dhaka. Additionally, he completed his two master's degrees in Economics and Health Economics from the same university. He has attained Certification in Canadian Securities and has received several training sessions from renowned domestic and international institutions.

Mohammed Abul Ahsan

Ex-officio Director of the Board
Member of the Executive Committee

Management Committee

- 98** Profile of the Management Committee
- 102** Organogram
- 104** Senior Executives

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Profile of the Management Committee



Mohammed Abul Ahsan

Managing Director (Acting)

24 years of work experience

Experience

- Acting Managing Director, United Finance PLC
- Deputy Managing Director, United Finance PLC
- Former Chief Transformation Officer, Chief Business Officer, Head of Risk Management, Head of Human Resources
- Case Manager, Sun Life Financial, Canada

Education

- M.Sc. in Health Economics, University of Dhaka
- M.Sc. in Economics, University of Dhaka
- B.Sc. (Honors) in Economics, University of Dhaka
- Canadian Securities Certification

Expertise

- Financial Product Innovation
- Strategic Transformation
- Technology Integration
- Human Resource Management
- Business Transformation
- Strategic Transformation
- Branch Operations
- Risk Management
- Credit Risk & MIS
- SME Financing

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Successfully led the digital transformation journey of United Finance. Internal efficiency tools like NFP4, Mynet, MoApp and customer app UMA have his incredible contribution. Mr. Ahsan is by nature customer centric and has passion for transparent business management.

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ahsan@ufplc.com



Lingkon Mondal, FCA

Chief Financial Officer

16

years of work
experience

Education & Credentials

- MBA in Accounting Information Systems, University of Dhaka
- BBA, University of Dhaka
- Fellow Chartered Accountant (FCA)
- Chartered Secretary (ICSB)

Expertise

Financial Planning & Control Corporate Reporting
Financial Reporting Tax & External Audit Budgeting
Treasury Management

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lingkon@ufplc.com



Md. Enayet Latif

Head of Branch Management

30

years of work
experience

Education & Credentials

- MBA, Royal Roads University, Canada
- Bachelor of Arts, University of Chittagong
- Commissioned Officer, Bangladesh Army (23+ years)
- UN Peacekeeping Missions in Sierra Leone and DR Congo
- Former Head of Monitoring & Collections

Expertise

Branch Operations Management Resource Management
Administrative Leadership Credit Portfolio Oversight
Performance Optimization Operational Risk Management

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enayet@ufplc.com



Sharmi Noor Nahar

Chief Human Resources Officer (Acting)

28

years of work
experience

Education & Credentials

- M.Com in Management, National University
- Fellow Member (FCS), Institute of Chartered Secretaries of Bangladesh (ICSB)
- Company Secretary for 14 years
- Head of Service Excellence & Process Improvement

Expertise

HR Planning & Strategy Corporate Governance
Board Secretariat Regulatory Compliance
Service Excellence Organizational Coordination

.....
sharmi@ufplc.com



Sabrina Mehnaz

Head of Internal Control and Compliance

21

years of work
experience

Education & Credentials

- MBA in Finance, Institute of Business Administration (IBA), University of Dhaka
- Head of Internal Control & Compliance
- Leadership roles across Treasury, HR, Business, and Branding functions

Expertise

Regulatory Compliance Audit & Control Review
Compliance Monitoring & Assurance Internal Control
Human Resources Branding & Communication

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Zia Ul Alam Chowdhury

Head of Special Asset Management

27 years of work experience

Education & Credentials

- MBA in Finance & Banking, International Islamic University Chittagong
- Bachelor of Law, Southeast University

Expertise

Special Asset Management NPL Recovery Strategy
Monitoring & Collections Litigation & Case Management
Regulatory Compliance Credit Risk Assessment
Debt Restructuring Legal Documentation
SME Portfolio Arbitration & Dispute Resolution

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Labiba Mahjabin

Company Secretary (Acting)

15 years of work experience

Education & Credentials

- MBA in Finance, East West University
- BBA in Finance, East West University
- Associate Chartered Secretary (ACS)

Expertise

Board Secretariat Corporate Governance
Regulatory Filing & Compliance Stakeholder Management
Policy & Compliance Management Minutes & Resolutions
Drafting BSEC & RJSC Compliance
Legal Documentation Corporate Records Management

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Rahat Amjad

Head of Credit Risk

15 years of work experience

Education & Credentials

- BBA in Finance & Economics, East West University
- Extensive local and international professional training in risk management and digital finance

Expertise

Credit Management Credit Underwriting & Analysis
Loan Portfolio Management Risk Assessment & Appraisal
Project Finance Evaluation Short-Term & Trade Finance
Digital Financial Services Fintech & Insurtech

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Tareq Islam Shuvo

Head of Retail

18 years of work experience

Education & Credentials

- Executive MBA, IBA, University of Dhaka
- BBA in Finance, Khulna University
- MIT Design Thinking Program
- HDFC Housing Finance Management Training

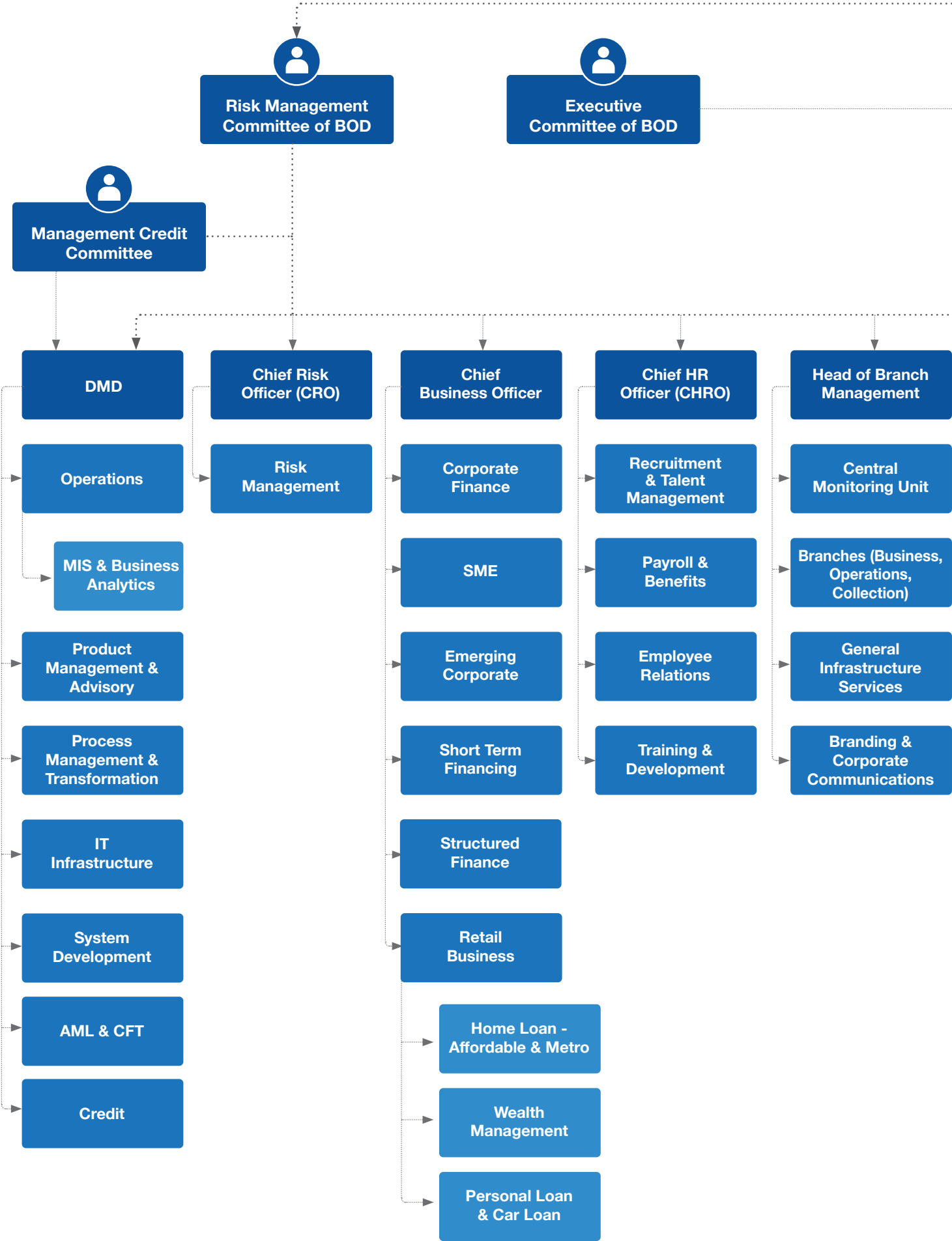
Expertise

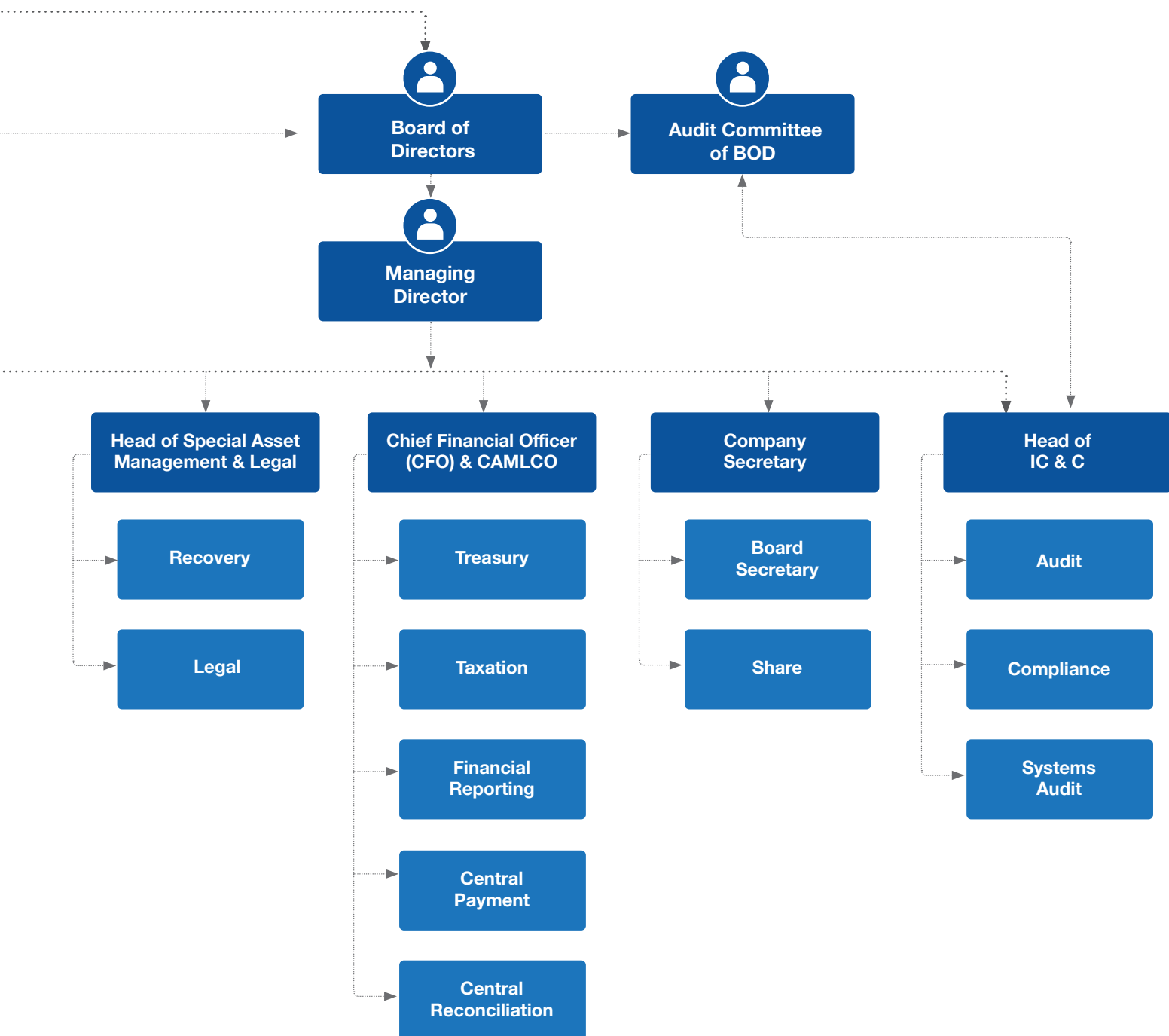
Retail Business Development People Management
Channel Development Brand & Corporate Communication
Change Management & Transformation Pricing Strategy
Strategic Planning Fintech & Digital Innovation

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Organogram





Senior Executives



Mohammed Ashfaul Haque Chowdhury
Cluster Head (Cluster 1)



Md. Sazzad Hossain
Cluster Head (Cluster 3)



Abu Md. Mahmudul Hasan
Head of General Infrastructure Services



Indrojit Deb
Cluster Head (Cluster 4)



Israt Jahan Anny
Head of Structured Finance



Md. Mahfuz Alam
Cluster Head (Cluster 2)



Md. Rashid-Al-Asad
Head of Home Loan



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



Sudip Saha
Head of SME and
Women Entrepreneur Financing



Sushil Kumar Mondal

Head of Operations



Abdullah-Al-Mamun

Head of Short Term Financing



Arnab Kumar Das

Head of Financial Reporting



Ashique Mahmud Sayed

Head of Deposit Operations



Ashraful Alam

Head of Credit - SME &
Women Entrepreneur Financing



Cheri Dewan

Unit Head - Wealth Management-
Corporate Business



Jason Anik Pandey

Head of Product Management &
Business Strategy Department



Kazi Md Faisal Robin

Branch Manager



Masud Parvez

Head of Emerging Corporate



Md. Mahedi Hasan

Unit Head - Workflow Management



Mohammad Iqbal Khan

Unit Head - Wealth Management
Retail Business



Md. Tanveer Islam

Head of Credit - Corporate &
Emerging Corporate



Md. Tanvir Mahmud

Unit Head - Wealth Management
Distribution Business



Md. Taufiquzzaman

Head of System Development
and Project Management



Md. Mamun Iqbal

Head of Compliance



Sirajul Islam

Head of Treasury



Sk. Md. Monir Hossain

Head of IT Infrastructure Services



Masum Khan

Cluster Collection Head



Md. Saharia Khan
Head of Central Payments



H.M. Mashiur Rahaman
Unit Head - Mortgage Management



Muhammad Hedayetur Rahaman
Head of Car Loan



Nazmus Sakeeb
Head of Training &
Employee Engagement Program



Abdullah Al Mamun
Unit Head-Write Off and Liquidation



Golam Shahkarar
Acting Head of Credit - Retail



Md. Gazi Nazmul Hassan
Unit Head- SAM Data Analytics
& Large loan Recovery



Omar Sharif
Unit Head - Credit Monitoring



Shamima Rahman
Unit Head - Calculation Management



Sujan Sarker

Unit Head - Crop and
Critical Loan Collection



Sadman Sakib

Head of MIS & Business Analytics



H. M. Abu Saleh Talukder

Unit Head - Credit Documentation and
Disbursement Processing



Abdul Aziz

In-charge of Central Reconciliation



Mithu Kumar Das

Acting In-charge of Taxation

Operating Environment and Risk Management

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Overview of Macroeconomic Highlights

The year 2025 presented a challenging and rapidly evolving operating environment for Bangladesh’s financial sector. A complex combination of domestic transition and global uncertainty shaped conditions across the economy, influencing credit markets, investor confidence, and institutional behavior throughout the year.

Globally, economic growth remained broadly steady while inflationary pressures eased gradually. Elevated trade policy uncertainty, geopolitical tensions, and uneven global demand, however, continued to weigh on emerging markets, including Bangladesh, creating an external environment that demanded careful navigation.

Domestically, Bangladesh’s macroeconomic trajectory reflected cautious early stabilization following a period of political and economic stress. Headline inflation moderated from its December 2024 peak, foreign exchange reserves recovered strongly on the back of increased remittance inflows, and GDP growth improved during the first quarter of FY2026, driven largely by a rebound in industrial activity.

Despite these improvements, private sector credit growth remained historically low, restrained by subdued investment confidence, weak private demand, and the crowding-out effect of elevated government domestic borrowing. Capital market activity also remained under pressure, with declining turnover and weakened investor sentiment persisting through the year. The financial sector underwent a significant period of restructuring and regulatory transformation.

The enactment of the Bank Resolution Ordinance 2025, alongside the proposed liquidation of weak NBFIs and consolidation within the banking sector, marked a decisive shift toward stronger governance and enhanced regulatory oversight.

These developments created short-term sectoral disruption while simultaneously reinforcing the importance of institutional discipline and prudent risk management across the financial system.

Structural shifts in Bangladesh’s social and demographic landscape continued to reshape long-term demand for financial services. The expansion of the middle-income population, rising mobile connectivity, and growing digital adoption supported demand for formal financial services, while wage growth remaining below inflation compressed household purchasing power and increased financial stress among lower-income segments.

The CMSME sector continued to play a central role in economic activity and employment generation, reinforcing its strategic importance within the financial sector.

Technology continued to emerge as an increasingly important competitive factor. The expansion of mobile financial services, rising demand for digital-first customer experiences, and the growing adoption of AI-assisted analytics reshaped customer expectations and operating models across the sector.

Financial institutions faced intensifying pressure to strengthen cybersecurity resilience and enhance digital infrastructure in response to evolving regulatory and operational requirements. Environmental and climate-related risks remained material macroeconomic considerations.

Floods, extreme temperatures, and disruptions to agricultural production continued to affect inflation, economic activity, and borrower repayment capacity in climate-sensitive sectors.

Bangladesh Bank’s sustained emphasis on sustainable and green finance, supported by refinancing schemes and sustainable finance programs, created meaningful opportunities for financial institutions to expand environmentally responsible financing.

Against this backdrop, United Finance remained focused on disciplined risk management, prudent portfolio growth, sound governance, and operational resilience — the institutional foundations that the evolving macroeconomic and regulatory environment continued to underscore as essential for navigating an increasingly complex financial landscape.

Macroeconomic Factors and Their Impact

The operating environment for United Finance PLC in 2025 was defined by a complex and intersecting set of macroeconomic forces, both global and domestic, that tested the resilience of every participant in Bangladesh’s financial sector. Globally, while headline growth held at 3.3% and inflation continued its gradual descent, elevated trade policy uncertainty, concentrated AI-driven investment booms, and persistent geopolitical fractures created an environment of systemic uncertainty that affected capital flows, export demand, and investor sentiment across emerging markets, including Bangladesh.

Domestically, 2025 marked a pivotal transition year: inflation began its descent from the 10.34% peak reached in December 2024, foreign exchange reserves recovered significantly to USD 28.58 billion (+33.58% YoY), and first-quarter GDP growth of 4.50% in FY2026 signaled a recovery trajectory.

Yet these green shoots coexisted with persistent headwinds — historically low private sector credit growth (6.58%), a capital market in decline (DSEX -6.73%), record-low private investment

growth, and a landmark wave of NBFI sector restructuring, including the proposed liquidation of nine weak NBFIs and the merger of five stressed Islamic banks.

United Finance PLC’s strategy and operations are calibrated with precision, neither paralyzed by risk aversion nor blinded by opportunity. The analyses presented in this section, PESTEL, Porter’s Five Forces, and SWOT, provide the structured framework through which we assess our external environment, competitive positioning, and internal capabilities, and derive the strategic responses that will anchor our performance in 2025 and beyond.

United Finance PLC enters 2026 in a position of measured confidence. Our asset quality, capital adequacy, funding discipline, and governance culture have been stress-tested by two years of exceptional difficulty, and they have held. The analysis that follow explain why, and what we intend to do next.

PESTEL Analysis

PESTEL analysis is a strategic tool used to assess the macro-environmental factors, Political, Economic, Social, Technological, Environmental, and Legal, that define the operating context of a business, industry, or sector. By systematically examining these external influences, United Finance PLC can anticipate risks,

identify opportunities, and make informed strategic decisions. This analysis is particularly critical in 2025, a year in which Bangladesh’s financial landscape was simultaneously shaped by political transition, monetary tightening, digital acceleration, climate stress, and a historic wave of sector restructuring.



Political

Maintain operational neutrality; adapt to post-election governance transition and reform agenda.



Economic

Strengthen credit and liquidity risk management; exploit high-yield sovereign instruments and recovery momentum.



Social

Expand inclusive finance offerings to the growing middle class; deepen digital and SME engagement.



Technological

Accelerate digital platform investment; reinforce cybersecurity infrastructure; leverage CBS capabilities.



Environmental

Promote green financing; leverage Bangladesh Bank’s sustainable finance refinancing schemes.



Legal

Enhance compliance frameworks; respond proactively to Bank Resolution Ordinance and NBFI restructuring directives.

Political Factor

Current Context (2025)

Bangladesh's political landscape in 2025 remained in active transition under the interim government which assumed power following the uprising of August 2024.

The interim administration continued its dual mandate of enacting structural governance reforms, including financial sector restructuring, anti-corruption measures, and electoral framework design, while managing the macroeconomic stabilization program.

An election roadmap announced in late 2025 provided the first credible timeline for a return to elected governance and was greeted with cautious optimism by the investment community. Relations with key bilateral partners, including the IMF, World Bank, and development finance institutions, remained constructive, supporting the reform narrative.

However, private investment fell to a decade-low of 22.03% of GDP in FY2025, reflecting the depth of investor uncertainty during the transition period. ADP implementation reached only 17.21% of the annual target in H1 FY2026, the slowest pace in recent years, reflecting governance capacity constraints within the transitional administration. The IMF's USD 1.3 billion tranche, originally scheduled for disbursement in 2025, was deferred pending clarity on the election, adding an external layer of conditional pressure over fiscal management.

Business/Sectoral Implications

- Private investment fell to a decade-low of 22.03% of GDP in FY2025, signals that investor confidence has not yet returned despite macroeconomic stabilization. Recovery is contingent on post-election governance clarity.

- Government domestic borrowing more than doubled in Jul-Oct FY2026 versus the prior year, with 87% sourced domestically (T-bills, T-bonds, NSCs), thereby crowding out private-sector credit.
- ADP implementation at 17.21% of the target in H1 FY2026, the slowest pace in recent history, reflects execution capacity constraints and poses downside risk to GDP growth through reduced public infrastructure spending.
- The Bank Resolution Ordinance 2025 and the structured NBFIs sector restructuring (9 liquidations proposed, 5 Islamic banks merged) represent a decisive policy shift towards enforcement of governance standards, positive for well-managed institutions but disruptive to sector confidence in the short term.
- Diplomatic continuity with multilateral partners and the reform mandate of the interim government present long-term opportunities for UFPLC to position itself as a governance-compliant, reform-aligned institution.

UFPLC Strategic Response

UFPLC maintained strict operational neutrality throughout the political transition, reinforcing stakeholder confidence through consistent financial performance, transparent reporting, and proactive engagement with regulatory authorities.

The Company views the structural reform agenda, including NBFIs sector restructuring and strengthened governance standards, as a competitive opportunity: institutions with sound governance and strong asset quality, such as UFPLC, are positioned to capture market share as weaker peers exit or restructure. UFPLC's readiness for heightened regulatory standards, including the Bank Resolution Ordinance 2025, is a strategic differentiator in the post-reform sector landscape.

Economic Factor

Current Context (2025)

Bangladesh's economic environment in 2025 was one of cautious recovery from the twin stresses of political disruption and inflationary overheating. Headline inflation descended from the December 2024 peak of 10.34% to 8.77% by December 2025, with food inflation moderating to 8.16% and non-food inflation easing to 9.28%.

Despite this progress, real wages continued to erode, and the Wage Rate Index grew by 8.12%, still below inflation, compressing consumer purchasing power and weighing on SME and retail borrower repayment capacity. Bangladesh Bank maintained the policy rate at 10% for most of 2025, reflecting continued caution on inflation, though the elevated rate environment created meaningful funding cost pressures for NBFIs. GDP growth in Q1 FY2026 reached 4.50%, up from 2.58% in Q1 FY2025, driven by an industrial sector rebound of 6.97%.

Full-year FY2025 growth is estimated at approximately 4.0%. Private sector credit growth fell to a historic low of 6.29% in mid-year before recovering marginally to 6.58% by November, reflecting both weak private demand and the crowding-out effect of elevated government domestic borrowing.

Foreign exchange reserves recovered strongly to USD 28.58 billion (+33.58% YoY), underpinned by a surge in remittance inflows (+18.05% YoY in H1 FY2026). Exports, however, declined 2.19% YoY in H1 FY2026, with December exports falling 14.25%, reflecting subdued global RMG demand and disruptions from the Chattogram Port strike. Net FDI grew 59.95% YoY, the first positive growth in two years, signaling an early recovery of foreign investor interest.

Business/Sectoral Implications

- Inflation above wage growth continued to erode real household income, increasing pressure on retail and SME borrower repayment behavior and elevating early-stage delinquency risk across the NBFIs sector.
- The Policy rate, which was maintained at 10%, sustained high funding costs for deposit-taking NBFIs, compressing net interest spreads (sector spread: 5.78% in November 2025) and limiting pricing flexibility relative to banks.
- Government domestic borrowing doubling created a crowding-out dynamic, absorbing institutional liquidity while simultaneously offering UFPLC a high-yield, low-risk investment opportunity in government securities.
- Private sector credit growth at a historic low suppressed new loan demand, requiring NBFIs to compete more intensively for high-quality borrowers, favoring institutions with stronger credit risk screening capabilities.
- Remittance surge (+18.05%) and FX reserve recovery (+33.58%) improved Bangladesh’s external sector fundamentals, reducing BDT depreciation pressure and providing greater macroeconomic stability through 2026.

- DSEX declined 6.73% over 2025, and average daily turnover fell to BDT 5.2 billion (from BDT 6.3 billion in 2024), reflecting weak investor sentiment and suppressing market-based funding channels.

UFPLC Strategic Response

UFPLC proactively recalibrated its earning asset mix in 2025 to capture the high-yield government securities opportunity, consistent with the 2024 strategy that drove Operating Profit Margin to 11.22%.

On the liability side, the Company focused on disciplined deposit mobilization and funding cost optimization. Credit portfolio growth was deliberate and selective, prioritizing lower-risk sectors and avoiding volume expansion at the expense of quality.

UFPLC’s 2025 credit strategy reflected the principle that, in a low-credit-growth environment, the quality of underwriting, not quantity of disbursement, is the primary determinant of long-term portfolio health.

Social Factor

Current Context (2025)

Bangladesh’s social landscape in 2025 continued its long-run transformation, shaped by demographic momentum, rapid digital adoption, and the uneven distribution of economic gains. The middle-income segment, estimated at over 44 Million in 2025, is on track to reach 60 Million (approximately 33% of the population) by 2030, representing a structural expansion of the formal financial services market.

Mobile financial services (MFS) continue to grow rapidly, with top 3 MFS providers collectively serving tens of millions of users. Formal banking penetration remains limited: only 25.35% of adults maintain accounts with formal banking institutions, underscoring the structural depth of the financial inclusion opportunity. Digital literacy and mobile connectivity reached 69.93% mobile phone penetration and 36.92% internet access nationally.

Against these positive secular trends, 2025’s economic stress continued to pressure lower-income households. Wage growth below inflation (8.12% wages vs. 8.77% inflation) compressed disposable incomes, and Bangladesh’s Gini coefficient increased (0.499 in HIES 2022 vs. 0.482 in 2016), signaling rising income inequality.

The CMSME sector, which contributes 25–27% of GDP, remained central to Bangladesh’s employment and economic fabric and represents the single largest addressable opportunity for UFPLC’s portfolio growth over the medium term.

Business/Sectoral Implications

- Expanding middle-income segment and rising digital adoption create structural demand for formalized, digitally accessible financial products across mortgage, SME lending, consumer finance, and wealth management.
- Income inequality and real wage compression in 2025 increased credit risk in lower-income retail segments, reinforcing UFPLC’s strategic preference for SME and corporate lending, where credit quality is more stable.
- Low formal banking penetration (25.35%) represents a deep, underserved opportunity for NBFIs to expand financial access — particularly in semi-urban and peri-urban markets where UFPLC’s 23-branch network already operates.
- The CMSME sector’s 25–27% contribution to GDP and the 724 MFI network serving 41.55 million individuals underscore the social and commercial imperative of inclusive finance — an area where UFPLC has an established lending track record.
- Continued growth in MFS transactions creates both a competitive dynamic (MFS providers entering lending) and a partnership opportunity (co-lending or digital distribution through MFS platforms).

UFPLC Strategic Response

UFPLC will continue to expand its CMSME lending portfolio in a disciplined manner, leveraging its 25-office network and digital capabilities to reach underserved SME clients.

The Company will actively pursue digital channel investments to lower the cost of financial access and improve client convenience.

In 2025, UFPLC disbursed BDT 9,257.20 million to CMSME borrowers, a testament to its commitment to inclusive finance.

Going forward, the Company will explore MFS-integrated service-delivery partnerships to expand its retail reach without proportional increases in infrastructure cost.

Technological Factor

Current Context (2025)

The technology landscape for Bangladesh's financial sector accelerated significantly in 2025, driven by continued growth in mobile financial services, early adoption of AI-assisted credit analytics, and the global artificial intelligence investment boom reshaping financial services. MFS transactions in Bangladesh exceeded BDT 17.37 trillion in 2024 (+28.42% YoY), and growth continued through 2025.

Fintech disruptors, including digital lending embedded in MFS platforms such as bKash, are progressively encroaching on the traditional NBFI lending space, targeting the same SME and consumer segments that constitute UFPLC's core market. Globally, the Magnificent Seven technology companies drove outsized market returns through AI infrastructure investment, and financial services firms worldwide are beginning to embed AI into credit scoring, fraud detection, and customer engagement workflows.

In Bangladesh, Bangladesh Bank's updated digital banking guidelines and requirements for enhanced cybersecurity governance created additional compliance imperatives.

UFPLC implemented its Core Banking Software (CBS) in 2020 and achieved ISO/IEC 27001:2022 Information Security Management System certification, positioning it well relative to peers in the digital readiness spectrum.

Cybersecurity risks, however, continue to escalate sector-wide, with the financial sector remaining among the most targeted by malicious actors.

- MFS platform growth is shifting customer transaction habits and expectations. Clients increasingly expect digital-first interactions, real-time processing, and transparent product terms, raising the bar for NBFIs.
- UFPLC's CBS platform and ISO 27001 certification represent a meaningful competitive advantage in the peer NBFI landscape, where many institutions remain operationally fragmented and digitally underprepared.
- Cybersecurity risk is systemic and growing; a significant breach, whether at UFPLC or a sector peer, could materially damage customer confidence in digital financial services across Bangladesh.

UFPLC Strategic Response

UFPLC is accelerating its digital transformation agenda, investing in advanced analytics capabilities, enhancing its customer-facing digital interfaces, and evaluating strategic fintech partnerships to extend its reach without a proportional increase in costs.

The Company's ISO/IEC 27001:2022 certification and CBS infrastructure provide a solid digital foundation. In 2025 and into 2026, UFPLC will prioritize the deployment of AI-assisted risk analytics, digital channel enhancements, and cybersecurity resilience — recognizing that technology leadership is no longer optional for competitive survival in Bangladesh's evolving NBFI sector.

Business/Sectoral Implications

- Fintech-enabled digital lending is lowering barriers to credit access for UFPLC's core customer segments (SMEs, retail borrowers), intensifying competition for quality clients, and putting pressure on loan pricing and turnaround time.
- AI-driven credit analytics represent an emerging capability gap: early adopters are beginning to achieve measurably superior credit risk segmentation and operational efficiency, a gap that will widen if not addressed.

Environmental Factor

Current Context (2025)

Bangladesh's climate vulnerability remained acute in 2025. The country, despite being among the lowest carbon emissions globally, continues to face severe climate-induced economic shocks. The 2025 floods in Bangladesh affected over 5.6 million people, caused an estimated \$7.4 billion in damages, and resulted in at least 129 deaths, severely impacting agriculture, infrastructure, and food security across 18 districts., exacerbating inflationary pressures. Temperatures reached 42°C, disrupting economic activity across agriculture, construction, and logistics. These events had direct knock-on effects on the NBFi portfolio: agricultural supply chain disruption increased credit risk for SME borrowers in food processing, distribution, and retail; flood damage to productive assets reduced collateral values; and inflationary food price spikes reduced real household incomes, weakening loan repayment capacity. Bangladesh Bank's Sustainable Finance framework remains one of the most progressive in emerging markets.

In 2025, Bangladesh Bank continued to maintain its Green Finance Refinancing Scheme, providing concessional funding to institutions that channel credit towards renewable energy, energy efficiency, and environmentally sustainable projects.

The global trend toward ESG-oriented investment is also creating demand-side pressure: institutional investors and development finance institutions increasingly screen for ESG credentials when allocating capital.

Business/Sectoral Implications

- Climate-induced agricultural shocks (floods, temperature extremes) directly increase credit risk for SME and CMSME borrowers in agriculture-linked value chains, a segment relevant to UFPLC's portfolio.

- Bangladesh Bank's green refinancing schemes provide subsidized funding for qualifying green lending, a cost-of-funds advantage for institutions that develop dedicated green finance products.
- ESG investor scrutiny is growing: institutional counterparties, bond investors, and development finance partners are increasingly applying ESG filters that reward well-governed, sustainability-oriented institutions.
- Climate risk is becoming a credit risk factor in its own right: collateral located in climate-vulnerable zones, borrowers in climate-exposed sectors, and counterparties without climate adaptation plans carry higher intrinsic credit risk.
- The government's National Air Quality Management Plan (2024–2030) and existing environmental regulations create both compliance requirements and market opportunities for green lending products.

UFPLC Strategic Response

UFPLC integrates environmental risk into its credit assessment process through Environment and Social Due Diligence (ESDD) conducted for qualifying loan applications. The Company will expand its green finance portfolio, leveraging Bangladesh Bank's refinancing facilities to build a sustainable finance book that generates both concessional funding benefits and ESG-oriented investor appeal. |

UFPLC views climate risk not as a peripheral concern but as a material credit risk factor that must be embedded in loan origination, monitoring, and provisioning frameworks. In 2026, the Company will develop a formal Climate Risk Policy to codify its approach to climate-related financial risk.

Legal Factor

Current Context (2025)

The legal and regulatory environment in 2025 represented the most consequential transformation in Bangladesh's financial sector in a generation. Three landmark legislative and regulatory developments defined the year: the enactment of the Bank Resolution Ordinance 2025 (May 2025), which for the first time created a proposed resolution framework for distressed financial institutions; the announcement of liquidation proceedings for nine financially weak NBFIs (December 2025); and the merger of five stressed Islamic banks into United Islami Bank (November 2025).

These actions fundamentally reshaped the sector landscape and established that Bangladesh Bank is prepared to use its supervisory authority with unprecedented decisiveness. For

BFIU (Bangladesh Financial Intelligence Unit) intensified AML and CFT monitoring, increasing reporting obligations. Internationally, the IMF's program conditionality (the USD 1.3 billion tranche deferred to post-election 2026) created additional pressure on the government's fiscal management, and indirectly on the financial sector's operating environment.

UFPLC, with its AA+ credit rating, sub-6% NPL ratio, and strong capital adequacy (CRAR 18.45% in 2025), the regulatory intensification is a competitive opportunity rather than an existential threat. The Finance Companies Act 2023 and evolving Bangladesh Bank guidelines on willful defaulter identification, credit classification, and provisioning standards continued to impose heightened compliance obligations.

Business/Sectoral Implications

- The Bank Resolution Ordinance 2025 eliminates regulatory ambiguity around the resolution of distressed institutions, reducing the systemic risk posed by zombie NBFIs and accelerating the sector’s quality cleansing.
- NBFIs sector consolidation (9 liquidations, 5 Islamic bank mergers) will reduce competitive intensity among bottom-tier peers and free up quality client relationships and deposit balances that can migrate to stronger institutions.
- Stricter credit classification and provisioning standards (aligned with IFRS 9 principles) increase the near-term provisioning burden across the industry, but reward institutions like UFPLC that have maintained conservative provisioning disciplines.
- BFIU’s intensified AML/CFT monitoring increases compliance overhead — but also raises the reputational bar for sector participants, advantaging those with established compliance infrastructure.
- Loan recovery constraints under the judicial system — where defaulters routinely obtain stay orders — remain a structural impediment to NBFIs credit quality management and are not yet resolved by the 2025 reforms.

UFPLC Strategic Response

UFPLC’s compliance infrastructure has been built to anticipate, not merely react to, regulatory change. The Bank Resolution Ordinance 2025 and NBFIs restructuring wave reinforce UFPLC’s strategic positioning as a governance-compliant, well-capitalized institution in a sector undergoing fundamental quality correction.

The Company is actively engaging with the evolving regulatory framework — strengthening its AML/CFT compliance capabilities, reviewing provisioning adequacy in light of updated Bangladesh Bank guidelines, and preparing its governance disclosures for the emerging sustainability reporting requirements.

UFPLC views the regulatory transformation of 2025 as a structural tailwind for institutions that have earned their governance reputation over decades.

Market Forces and Competitive Landscape

The financial sector in Bangladesh continues to evolve amid a dynamic and intensely competitive landscape, shaped by regulatory transformation, macroeconomic volatility, digital disruption, and shifting customer expectations.

As a key player in the Non-Banking Financial Institution (NBFI) sector, United Finance PLC operates in an industry characterized by structural headwinds, elevated NPLs, funding-cost pressures, and regulatory restructuring, alongside significant medium-term opportunities arising from financial-inclusion imperatives, digital adoption, and the quality-sorting effect of sector consolidation.

This section examines the impact of Porter's Five Forces on UFPLC's operations, assessing competitive intensity and industry attractiveness to refine our approach to risk management, sustainable growth, and strategic value creation in 2025 and beyond.

Bangladesh's NBFI sector comprises 35 licensed institutions operating alongside 62 scheduled banks, 5 non-scheduled banks, and a rapidly expanding fintech ecosystem, making it one of the most competitive financial landscapes for institutions of UFPLC's scale.

Bargaining Power of Buyers (Borrowers and Depositors) | HIGH

Factors Affecting UFPLC

The operating environment in 2025 has placed considerable negotiating leverage in the hands of borrowers and depositors alike.

Private sector credit growth has slowed to a historic low of 6.58%, compressing demand across the sector and intensifying competition among banks and NBFIs for a shrinking pool of quality borrowers.

In this environment, corporate and SME clients have become acutely rate-sensitive, and their ability to negotiate favorable terms has grown accordingly.

This dynamic is further reinforced by the rise of digital lending platforms, particularly MFS-embedded products such as bKash, which have reduced information asymmetry, accelerated credit comparison, and lowered the friction of switching between institutions.

Borrowers today face fewer barriers and more choices, which structurally weakens any single lender's pricing power. On the liability side, the picture is equally challenging.

Depositors in 2025 operate in a high-rate environment, with NSCs offering yields of 10% or higher, creating a credible and accessible alternative to NBFI fixed deposits.

Large institutional depositors, including insurance companies, pension funds, and corporate treasuries, are increasingly channeling liquidity into government securities, tightening the supply of institutional funds available to the sector and placing upward pressure on deposit costs across the board.

Responses and Strategies Going Forward

Against this backdrop, UFPLC's strategy is oriented toward deepening the quality of its client relationships rather than competing on price alone.

The Company will develop customized financial solutions that incorporate loyalty benefits, relationship pricing, and bundled service offerings, reducing the likelihood that clients make decisions based solely on rate.

Complementing this, UFPLC will invest in the speed and responsiveness of its digital platform, offering real-time account management and faster loan turnaround times to meet the service expectations that digital alternatives have helped establish.

On pricing, the Company will implement risk-based frameworks that reward high-quality borrowers with competitive rates while preserving adequate margins on higher-risk exposures.

To address deposit concentration risk, UFPLC will broaden its deposit product suite through digital integration, including MFS-linked deposits and auto-sweep products, designed to attract and retain retail depositors at scale.

Underpinning all of this is a commitment to strengthening relationship management for key SME and corporate clients, where UFPLC's specialized expertise in lease financing, distributor finance, and structured products serves as a meaningful and defensible differentiator.

**Bargaining Power of Suppliers
(Funders and Capital Providers) | HIGH**

Factors Affecting UFPLC

The funding environment facing NBFIs in 2025 is one of the most constrained in recent memory, shaped by a combination of macroeconomic pressures, regulatory policy, and structural disadvantages inherent to the sector. Bangladesh Bank’s policy rate, maintained at 10% through 2025, has materially elevated the cost of wholesale borrowing, with the burden falling disproportionately on NBFIs that lack the retail deposit franchise available to scheduled banks.

Compounding this, government domestic borrowing more than doubled in July-October FY2026 compared to the prior year, absorbing significant institutional liquidity through T-bills, T-bonds, and NSCs and reducing the volume of low-cost funds flowing toward NBFI balance sheets. NBFIs are also structurally disadvantaged in accessing cheaper funding, as they cannot offer current accounts, have limited access to interbank overnight markets, and must offer higher deposit rates to attract retail savings in competition with banks.

The sector-wide stress triggered by 9 proposed NBFI liquidations has further heightened depositor risk perception, making it harder and more expensive for institutions across the sector to mobilize funds, even those whose credit quality remains strong. Bangladesh Bank’s reduction or modification of targeted refinancing schemes has eliminated another avenue for cost-effective funding, leaving NBFIs with a narrower, more expensive set of capital sources.

Responses and Strategies Going Forward

UFPLC’s response to this funding environment is built on two parallel objectives: diversifying its sources of capital and actively communicating its credit strength to funders who can differentiate between institutions. On diversification, the Company will explore bond issuance in the domestic capital market, engage development finance institutions, including DFIs and the ICA for concessional long-tenor credit lines, and pursue green bond structures as a sustainable financing avenue.

The ALM framework will be strengthened to actively manage interest rate risk embedded in the asset-liability duration gap, with fixed-rate instruments used to lock in funding costs ahead of anticipated rate reductions. In parallel, UFPLC intends to leverage its AA+ credit rating as a tangible differentiator, communicating to institutional depositors and wholesale funders that the Company’s credit quality warrants more favorable pricing than sector-wide risk perception might suggest. A digital deposit mobilization strategy will be pursued through MFS partnerships and digital banking platforms to build a broader, more cost-efficient retail funding base. Finally, the Company will explore Islamic finance deposit products to reach depositors who prefer Shariah-compliant savings instruments, a segment that remains largely underserved within the NBFI space.

Threat of Substitutes | MEDIUM

Factors Affecting UFPLC

The products and services that have traditionally defined the NBFI value proposition are facing growing substitution pressure from multiple directions, though the threat remains moderate given the structural complexity of UFPLC’s core offerings. In the retail and micro-SME lending space, MFS-embedded digital credit products such as bKash Credit and Nagad loans have established a credible alternative by offering faster, collateral-free access to financing, appealing particularly to borrowers who prioritize speed and convenience. On the deposit side, Government National Savings Certificates and T-bills continue to draw retail savers away from NBFI fixed deposits, offering yields of 10 to 12% in 2025 and shrinking the deposit base available to the sector.

The microfinance sector, comprising 731 MFIs serving 41.55 million borrowers, offers a persistent competitive alternative in rural and peri-urban lending, particularly for lower-income sectors and small-business finance.

The consolidation of five Islamic banks into United Islamic Bank in November 2024 has materially strengthened the Shariah-compliant finance segment, offering Muslim-majority borrowers and depositors a more organized institutional alternative. Peer-to-peer lending platforms and cooperative societies further extend the substitution landscape, particularly in underserved segments with limited access to formal NBFI products.

Responses and Strategies Going Forward

UFPLC’s strategic response to substitution risk is grounded in deepening its presence in product lines that digital and informal alternatives find difficult to replicate. Structured lease financing, syndicated corporate lending, distributor finance, and home loans require institutional capacity, risk expertise, and relationship depth that most substitute providers lack, and the Company will continue to invest in and expand these offerings.

Recognizing the growth of Shariah-compliant demand, UFPLC will develop a formal Islamic finance window or dedicated Shariah-compliant product line, positioning the Company to serve clients who might otherwise migrate to Islamic banking alternatives. Rather than treating digital lending platforms purely as competitors, UFPLC will build its own digital infrastructure for co-branded lending products, converting that substitution threat into a distribution channel. Speed-to-decision and digital disbursement capabilities will also be enhanced to close the turnaround gap that currently gives digital-first alternatives a competitive edge.

In the green and sustainable finance segment, UFPLC will leverage Bangladesh Bank’s refinancing facilities to offer a rate-competitive product in the SME and CMSME space, areas where substitutes have yet to establish a meaningful presence.

Threat of New Entrants | LOW TO MEDIUM

Factors Affecting UFPLC

The barriers to formal entry into Bangladesh's NBFI sector remain substantive, and the current regulatory climate does not suggest an imminent wave of new institutional competition. Bangladesh Bank's licensing framework imposes significant capital, governance, and operational requirements on prospective entrants, and no new NBFI licenses have been issued in recent years, reflecting both regulatory caution and the sector's current difficulties. The ongoing liquidation of nine NBFIs in 2025 reinforces this picture, signaling a period of contraction rather than expansion and reducing the probability of near-term traditional NBFI entry.

The more credible threat comes from fintech and embedded finance players, who operate under lighter capital requirements, benefit from digital-first infrastructure, and can access specific customer segments through regulatory sandbox arrangements without requiring full NBFI licensing. Foreign financial institutions face considerable regulatory, operational, and cultural barriers to market entry, though development finance institutions such as the IFC and ADB are progressively deepening their engagement with Bangladesh's financial sector. Looking further ahead, the post-reform regulatory environment may attract new well-capitalized entrants once governance standards stabilize, but this represents a medium-term consideration rather than an immediate competitive pressure.

Responses and Strategies Going Forward

UFPLC's approach to the entrant threat is centered on making the Company's competitive position genuinely difficult to replicate, rather than simply relying on regulatory protection.

Brand equity, long-standing client relationships, and institutional reputation are treated as durable moats that new entrants, particularly digital ones, cannot quickly or inexpensively acquire. Continuous investment in digital capabilities is equally important, as narrowing the technology gap that currently makes fintech entrants attractive to certain customer segments removes one of the primary footholds available to new competition.

The Company's capital adequacy position, with a CRAR of 19.45% in 2025, well above regulatory minimums, reinforces UFPLC's standing as a stable and creditworthy counterparty in the eyes of funders, borrowers, and regulators.

Deepening specialization in structured finance products, including leasing, syndication, and distributor finance, is an additional line of defense, as these areas demand relationship depth and sector knowledge that pose steep learning curves for any new market participant.

UFPLC also intends to participate actively in post-reform regulatory consultations, engaging with the process of shaping a framework that appropriately rewards governance quality and maintains appropriate entry standards.

Competitive Rivalry | HIGH

Factors Affecting UFPLC

Competitive intensity within Bangladesh's NBFI sector is high and, in important respects, is being reshaped by forces that go beyond the traditional dynamics of price and product competition. The sector comprises 35 licensed NBFIs operating alongside 62 scheduled banks, all pursuing the same core customer segments, including SMEs, corporates, and retail clients, in a constrained private credit environment where growth has slowed to 6.58%.

The proposed liquidation of nine NBFIs and the merger of five Islamic banks in 2025 have altered the competitive map considerably, reducing the number of active competitors while simultaneously creating customer uncertainty that the surviving institutions must navigate carefully. Banks represent a structurally formidable competitive force, having systematically expanded into NBFI territory across lease financing, SME term lending, and related products over the past five years, competing directly with UFPLC's core products while benefiting from lower funding costs and larger balance sheets. Low switching costs across both lending and deposit products mean that client loyalty cannot be assumed, and intensify price-based competition across the sector. The DSEX's 6.73% decline, alongside zero IPO activity in 2025, has further intensified competitive pressure in the traditional credit and deposit space, where rivalry is most direct.

Responses and Strategies Going Forward

UFPLC's competitive strategy in this environment is built on the recognition that sustainable differentiation does not come from price, but from the quality and reliability of the service and expertise the Company delivers. In the SME and corporate segments, the Company will compete on turnaround speed, sector-specific product knowledge, and relationship depth, positioning value delivered as the primary basis for client retention rather than rate alone. Building the institutional knowledge base that underpins this positioning requires sustained investment in talent, and UFPLC will prioritize continuous development of its relationship managers, credit analysts, and risk professionals as a core competitive asset. Operationally, loan approval and disbursement workflows will be streamlined through digital automation, reducing turnaround times and enabling the Company to compete credibly with banks and fintech alternatives in terms of process efficiency.

The NBFI sector consolidation, while disruptive, also presents a meaningful opportunity: the clients of liquidated or merged NBFIs represent an addressable market for UFPLC to expand its customer base, and the Company will actively pursue these relationships.

Across all of this, continued investment in UFPLC's digital platform, spanning its mobile application, web portal, e-statement, and digital disbursement infrastructure, will ensure that the Company eliminates service gaps that create competitive vulnerability and meets the expectations of clients who increasingly benchmark their experience against what banks and fintechs provide.

Way Forward

UFPLC operates in a highly competitive and structurally transforming financial sector. Bargaining power from both buyers and suppliers remains elevated, competitive rivalry is intense, and technology-enabled substitutes are progressively encroaching on traditional NBFI territory.

At the same time, the sector restructuring underway, driven by the Bank Resolution Ordinance 2025 and NBFI liquidation proceedings, is creating a once-in-a-decade market share opportunity for well-governed, well-capitalized institutions.

UFPLC’s strategic response is threefold:

- (1) Compete on quality and speed, not just price, leveraging specialist product expertise and relationship depth to retain and grow its client base;
- (2) Diversify and optimize funding, expanding capital market, institutional, and digital deposit channels to reduce funding cost pressure; and

- (3) Invest aggressively in digital capability, closing the technology gap with bank and fintech competitors while reinforcing the cybersecurity infrastructure that protects institutional integrity.

These strategic pillars, executed with the discipline that has defined UFPLC’s operations for over three decades, will position the Company to emerge from the current sector restructuring period stronger, leaner, and better positioned for the next growth cycle.

Entity Analysis

A holistic picture of United Finance PLC can be understood through this entity analysis, where we link our core competencies across the value chain and identify areas for continued improvement (2025–26). This analysis enables us to leverage our institutional strengths, mitigate risks, and exploit opportunities as we pursue sustainable, inclusive, and governance-driven growth.

UFPLC Brand

With a legacy spanning over 37 years

- Established in 1989; one of Bangladesh's oldest and most trusted NBFIs
- Continued investment in brand visibility, stakeholder communications, and CSR to deepen public trust

AA+ Credit Rating: A Mark of Financial Credibility

- Rating reflects strong repayment ability, prudent governance, and sustainable financials

Strategic Partnership with IFC: Strengthening Inclusive Finance

- Enhances capabilities in affordable home loans and SME financing, supported by global expertise and a strategic focus on inclusive growth and sustainable development.

Fintech Innovation Award: Advancing Digital Financial Services

- Received the 3rd Bangladesh Fintech Award in the NBFI category for its innovation, the United Finance Mobile App (UMA), reflecting the Company's commitment to technology-driven innovation and customer experience.

Commitment to Financial Inclusion and Sustainability

- Active CSR programs in education, healthcare, and disaster relief — 85,246 total beneficiaries
- Continue community engagement to bolster brand equity and social impact

Customer Centricity

Diversified, Need-Based Product Portfolio

- Comprehensive suite: lease finance, term loans, home loans, personal loans, credit-sale financing, deposit products
- 46% corporate, 38% SME, and diversified retail, balanced for risk and revenue
- Continue to innovate and tailor financial solutions to evolving customer needs

Accessible and Inclusive Financial Services

- BDT 9,257.20 million disbursed to the CMSME sector in 2025
- BDT 2,981.70 million supporting - women entrepreneurs, driving gender-inclusive finance
- Reach underserved segments through targeted product design and digital outreach

Ethics, Transparency, and Client Trust

- Comprehensive code of conduct embedded across all operations and business lines
- Customer satisfaction surveys and competitive market analysis drive service improvement
- Continue ethics training for all new recruits and ongoing staff refreshers

Infrastructure

Nationwide Branch Network

- 23 branches and 2 offices, including the head office, covering all 64 districts of Bangladesh
- Strategic presence in Dhaka, Chattogram, Khulna, Bogura, Cumilla, Sirajganj, Pabna, and beyond
- Continue expanding into key strategic locations with lean, cost-effective office formats

Digital Service Delivery Platform

- Establishing the UMA mobile app, which is believed to be among the first dedicated apps in the NBFI sector
- Online Service Portal enabling real-time deposit enrollment, account management, and notifications

Certified Information Security Infrastructure

- ISO/IEC 27001:2022 certified for Information Security Management Systems
- Regular technology audits ensuring system integrity, performance, and regulatory compliance
- Continue automation and IT upgrades to ensure uninterrupted, secure service delivery

Strong Financial Foothold

Solid and Stable Capital Base

- Shareholders' equity of BDT 3,349.12 million; CAR of 18.45% well above regulatory minimum
- Continue to maximize shareholder returns through disciplined capital allocation and retained earnings growth

Prudent Asset-Liability Management

- Credit portfolio of BDT 22,853.25 million; 92.62% credit utilization ratio
- Gradual reduction of high-cost institutional borrowings to improve interest spread
- Continue to optimize ALM practices to manage liquidity and interest rate risk

Consistent Financial Returns

- Net profit of 198.04 million despite a challenging macroeconomic environment
- Continue delivering sound, improving financial performance to sustain shareholder confidence

Governance & Compliance

Regulatory Compliance as a Core Priority

- Full adherence to Bangladesh Bank, BSEC, and RJSC regulations across all operations
- Total contribution to national treasury: BDT million 444.33 a 12% increase from 2024
- Strive to uphold compliance as a non-negotiable institutional value at every level

Proactive Engagement with Regulatory Reforms

- Risk Management Committee and Risk Management Forum broadened in 2025 to strengthen oversight and governance coverage
- Early Alert System enhanced for proactive credit risk identification and intervention
- Continue collaborative engagement with the Bangladesh Bank to adopt best practices

Institutional Shareholding and Board Leadership

- Major shareholders are prominent directors of United Group, a respected national conglomerate
- Experienced Board of Directors provides strategic stewardship and governance oversight
- Visionary management team with direct stakeholder accountability and performance orientation

Quality Human Resources

Adept and Empowered Workforce

- 600 professionals across the head office and branches nationwide
- Young, vibrant workforce supported by competitive compensation and a merit-based culture
- Continue investing in talent retention through performance-linked rewards and career growth pathways

Continuous Learning and Development

- 19,600 total training hours delivered in 2025 across technical, compliance, and leadership programs
- Leadership Skill Enhancement Training conducted for key management staff
- MyHR HRIS system and NFP4 appraisal tool digitize and streamline people management

Culture of Integrity and Innovation

- Comprehensive code of ethics embedded in HR policy and onboarding for all new recruits
- Inclusive workplace: diversity programs and equal opportunity initiatives across all grades
- Foster an innovative, performance-driven culture aligned with the Company's long-term mission

Scope for Improvement

Dependency on Interest Income

- As an NBFI without transactional deposit accounts, United Finance PLC's revenue remains concentrated in net interest income. We are addressing this through:
- Improving operational efficiency and cost-to-income ratio in the near term
- Introducing fee-based income streams through advisory, processing, and service-related charges
- Expanding product offerings to generate diversified, non-interest revenue over the medium term

Funding Cost Disadvantage Relative to Banks

- NBFIs in Bangladesh cannot access low-cost current and savings deposits, creating a structural pricing disadvantage versus scheduled banks. We are addressing this through:
- Diversifying funding sources - exploring bond issuance, equity financing, and DFI partnerships
- Expanding the retail deposit franchise to build a lower-cost, more stable funding base
- Strengthening Asset-Liability Management (ALM) to optimize the funding mix and reduce the cost of funds

Portfolio Concentration in Dhaka and Adjacent Areas

- Despite a network spanning all 64 districts, the loan portfolio remains concentrated in major urban centers. We are addressing this through:
- Expanding home loan and SME portfolios in semi-urban and peri-urban markets
- Deploying lean, cost-effective branch formats in strategic secondary locations
- Leveraging the UMA mobile app and digital channels to reach customers beyond physical branch proximity

Slower Adaptation to Digital Product Innovation

- United Finance PLC's product suite remains weighted toward traditional term lending instruments, with emerging fintech alternatives gaining traction. We are addressing this through:
- Accelerating the development and rollout of digital lending and deposit products via the UMA platform
- Exploring strategic fintech partnerships to co-develop innovative, technology-enabled financial solutions
- Pursuing Islamic financial products and other niche segments to diversify the product portfolio

Risk Management Report

Risk Management Overview

UFPLC’s risk management function is integral to the institution’s success, ensuring 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 and uphold transparency, accountability, and financial resilience.

Key Risk Management Principles

1

Regulatory Compliance & Best Practices:

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

2

Forward-Looking Risk Assessment:

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

3

Robust Risk Mitigation Measures:

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

4

Integrated Risk Management Approach:

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

5

Strategic Alignment:

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

6

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 risk-taking limits.
- 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 decisions that enable 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 could 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.



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 that reinforces accountability and informed decision-making.

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 that reinforces accountability and informed decision-making.

The following values guide risk-taking and risk-management activities of UFPLC:



Forward Thinking:

Emerging risks and potential vulnerabilities are proactively identified and managed to strengthen resilience.



Risk-Return Optimization:

Business is accepted when the risk premium is justified, but avoided when the risk is disproportionate.



Accountability:

Every employee is responsible for managing the risks related to their field of work.



Customer Centricity:

Understanding target customers and their needs is essential for building a quality portfolio.



Internal Control:

Maintaining a robust and resilient control environment provides structural capacity to detect, prevent, and respond to potential risks.



Transparency:

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:

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

Illustrative Risk Management Framework

The following diagram and descriptions summarize 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 arising from day-to-day operations.
	2nd line defense	The Risk Management Division constitutes the second line of defense, facilitating compliance and oversight of the first line of defense and developing and maintaining the implementation of relevant policies, frameworks, controls, and tools.
	3rd line defense	The Internal Control and Compliance Unit forms the third and final line of defense. It reviews and provides independent assurance to regulatory and external bodies on the effectiveness of the first two lines and the company’s overall risk management practices.
Risk Monitoring	Risk Appetite	UFPLC has a risk appetite that includes quantitative measures (which can be translated into risk limits) and qualitative statements (which clearly articulate the motivations for taking on or avoiding certain types of risks).
	ERM Tools	UFPLC utilizes various tools (stress testing and scenario analysis) to proactively 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 aligned with industry standards and regulatory mandates, establishing minimum control requirements to support 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 2025), the following number of employees received training to promote a strong risk culture and increase risk awareness within the company

SL No	Training Subject	Total Courses	Total Participants
1	Asset-Liability Risk Management	9	180
2	Credit Risk Management	5	73
3	Financial Administration	3	8
4	Internal Control & Compliance and Legal Risk Management	6	157
5	Anti- Money Laundering Risk Management	1	670
6	ICT Risk Management	5	675
7	Comprehensive Risk Management	1	40
8	Sustainable Risk Management	3	38
Total No. of Courses/Participants		33	1,833

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 rates, loan/lease classifications, written-off loan status), liquidity position, funds 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 adaptability of risk appetite statements to dynamic external scenarios.

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

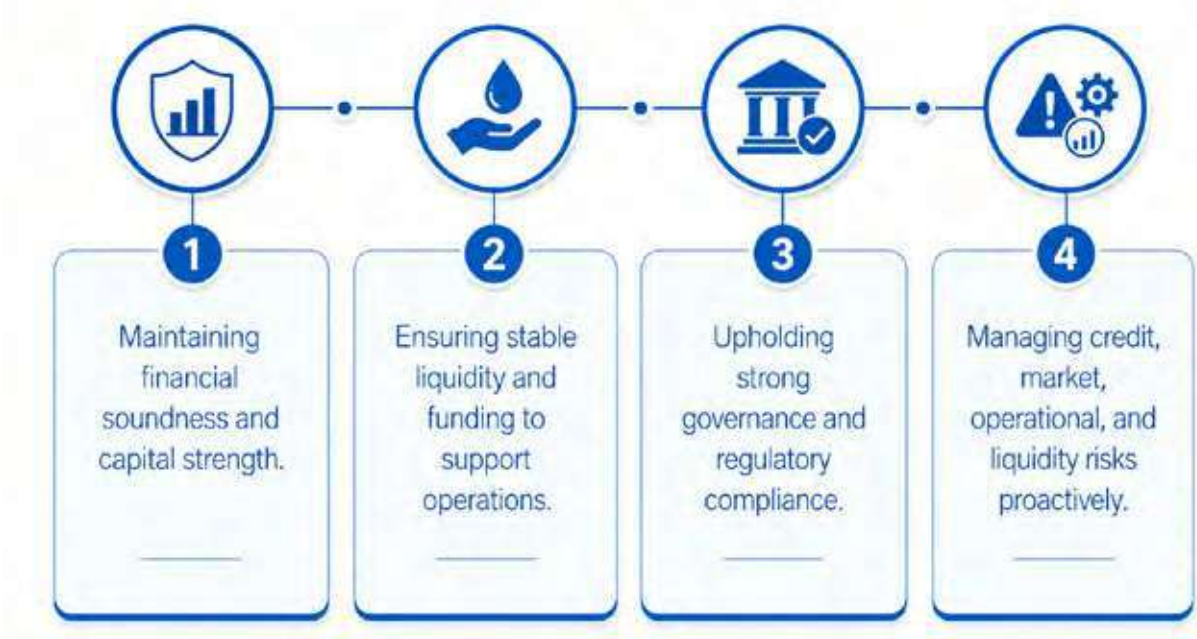
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In addition, strategic considerations such as CAMELS rating, Credit Rating, economic value addition, new product offerings, digital transformation, and customer service initiatives are taken into account .



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.

Credit Risk Appetite

Risk Categories	Risk Appetite	UFPLC Position
Non-Performing Loan (NPL) Ratio	≤ 5% of the total loan portfolio	Slightly Above Appetite Level
Single Borrower Exposure Limit	≤ 20% of regulatory capital	Within Limit
Group Exposure Limit	≤ 25% of regulatory capital	Within Limit
Any Single Sector Exposure Limit	≤ 25% of the total credit portfolio	Within Limit
Any Single Leased Assets Exposure Limit	≤ 25% of the total leased assets portfolio	Within Limit

Liquidity Risk Appetite

Risk Categories	Risk Appetite	UFPLC Position
Any Single Depositor Concentration	$\leq 15\%$ of the total deposit portfolio	Within Limit
Structural Liquidity Profile	Within $\pm 15\%$ of outflows in all buckets	Within Limit
Liquidity Coverage Ratio	$\geq 100\%$	Within Limit
Credit Utilization Ratio	$\leq 95\%$	Within Limit

Operational Risk Appetite

Risk Categories	Risk Appetite	UFPLC Position
Fraud & Cybersecurity Incidents	$\leq 0.5\%$ of revenue impact per year	Within Limit
Business Continuity Plan (BCP) Testing	100% coverage annually	Within Limit
Internal Control Audit Findings	No more than 5% high-risk findings un- resolved	Within Limit
Employee Turnover (Yearly)	$\leq 20\%$	Within Limit

Regulatory Risk & Compliance Risk Appetite

Risk Categories	Risk Appetite	UFPLC Position
Regulatory Violations	Zero tolerance for material breaches	Satisfactory
AMLCFT Training Coverage	100% of employees annually	Satisfactory
Reporting Delays	Zero tolerance for deadline failure	Satisfactory

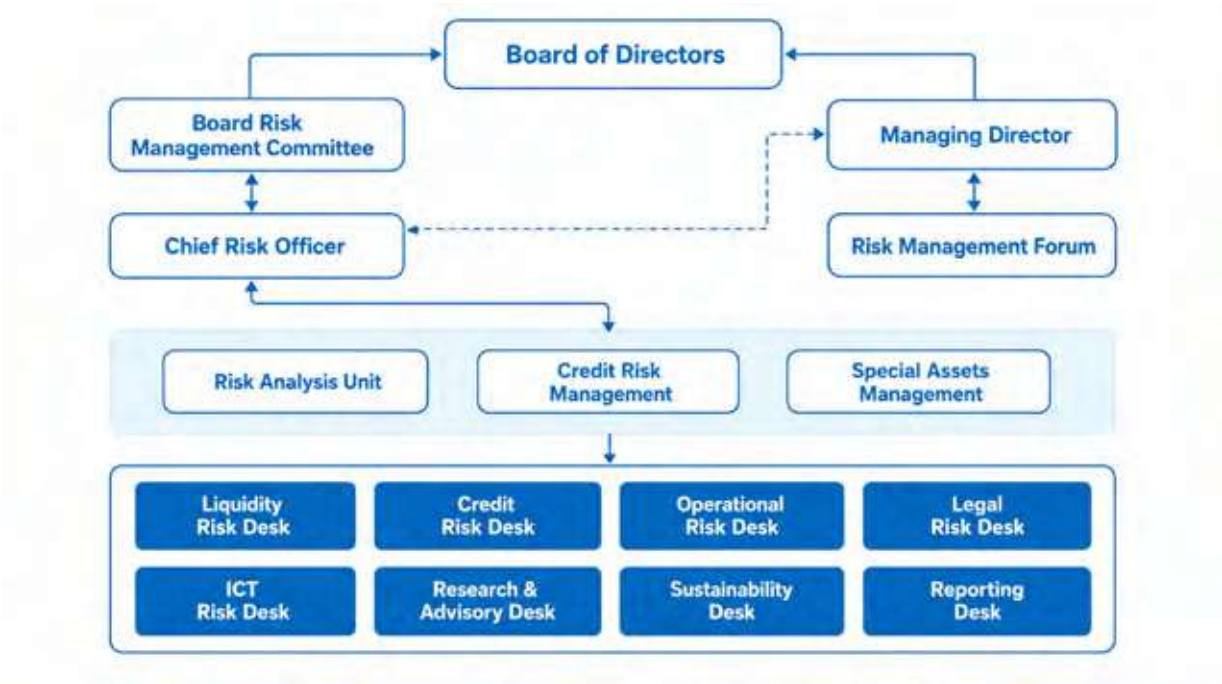
Capital Management

Risk Categories	Risk Appetite	UFPLC Position
Capital Adequacy Ratio	$\geq 15\%$ of RWA	Satisfactory
Stress test (combined minor shock)	$\geq 12\%$ of RWA	Satisfactory

Risk Management Organogram

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

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



Responsibilities of the Board/Managing Director

- Determine a strategic approach to risk and set the 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 10 distinct types, enabling a structured, 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 amplify 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. The 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
 Default Risk: Borrower's failure to repay debt. The risk arises from fund diversion, high credit sales leading to cash crisis, wrong product offering, overfinancing, borrower's willful nonpayment, etc.	 High	✓ Reviewing debt servicing capacity or the financial strength of the borrower ✓ Tracking payment behavior ✓ Financing purpose assessment and need-based credit structuring ✓ Market review/ Peer comparison ✓ Seasonal impact consideration ✓ Credit risk grading ✓ Applying risk transfer ✓ Loan Restructuring ✓ Maintain a relationship to remain in payment priority for the client	✓ Regular visits and market feedback ✓ Review of financial cash flow in regular intervals ✓ Review of industry report ✓ Strengthen Early Alert Reporting ✓ Periodic review of clients categorized as marginal ✓ Portfolio Analysis: PAR & NPL monitoring
 Recovery Risk: Failure to recover outstanding amounts after a client becomes a defaulter. The risk arises from double financing of the same asset, a decline in collateral value, complications in repossession of collateral, lack of insurance coverage for leased assets, the owner's poor net worth, and flight risk.	 Medium	✓ Verifying vendor, asset price, and procurement documents ✓ Verifying the net-worth declaration of the borrower ✓ Ensuring strong group support ✓ Insuring against proprietorship concerns ✓ Collateral security visit by UFPLC employee, and ensuring the signboard on the mortgaged property ✓ Regular asset inspection to verify possession status ✓ Accepting valuations not older than 3 years ✓ Negotiate by practicing calm, calculated, and strategic concessions ✓ Involving the Recovery Agency where suited ✓ Timely loan Rescheduling and litigation ✓ Employing an independent third-party valuation company ✓ Vetting of relevant documentation by appropriately qualified legal personnel ✓ Personal guarantee of the owner of the 3rd-party mortgaged property	✓ Collection of updated documents (including PNW) at the time of repeat financing ✓ Conducting a fresh valuation when the previous one was done more than 3 years ago ✓ Collateral visit and documentation recheck at the time of refinancing ✓ Analysis of NPL%, PAR & Provision coverage ✓ Review the status of lawsuits

Credit Risk

Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
 Concentration Risk: Concentration risk results from high concentration in a particular client/ group/ region/ sector. The risk arises if any such heavily concentrated client or group becomes a defaulter, or if such a heavily concentrated sector or region is adversely affected by macroeconomic or geopolitical events or changes in regulatory guidelines.	 Medium	✓ Maintaining Product Cap as per Credit Policy ✓ Maintaining Sectorial Cap as per Credit Policy ✓ Maintaining Exposure Cap to a single group as per Credit Policy	✓ Periodic review of product, demographic, location, and sectoral credit concentration ✓ Quarterly Stress Testing ✓ Continuous monitoring of macroeconomic indicators and regulatory guidelines

Liquidity Risk

Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
 Funding Liquidity Risk: An inability to meet short-term obligations due to a mismatch between assets and liabilities. Arises from a lack of planning, leading to a mismatch in tenor between assets and liabilities despite being solvent.	 High	✓ Maintaining CRR & SLR balance ✓ Limits on negative gap % in various maturity buckets of SLP analysis ✓ Ensuring a balanced composition in liquidity profile and funding profile ✓ Diversify the liquidity profile across cash balances, money market instruments, and interbank deposits ✓ Diversify funding profile in terms of retail deposit, corporate deposit, bank borrowing (TL), short-term credit lines, and equity financing ✓ Limit concentrations on assets and as well as liabilities ✓ Having a contingency funding plan as an integral part of liquidity management	✓ Conducting periodic stress testing ✓ Tracking balance sheet movement and key ALM ratios ✓ Tracking major changes in key economic indicators ✓ Monitoring the loan-to-fund ratio ✓ Monitoring net stable funding ratio ✓ Monitoring liquidity coverage ratio
 Systemic Liquidity Risk: The risk is 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, an interbank market freeze, or a sovereign debt crisis, all of which can affect liquidity.	 High	✓ Diversification of the funding basket ✓ Maintaining easily accessible and secured credit lines ✓ Maintaining reserves in excess of the CRR & SLR requirement ✓ Policy adherence with a sufficient cushion to deal with liquidity disruptions ✓ Activating a contingency funding plan for handling a liquidity crisis	✓ Tracking balance sheet movement and key ALM ratios ✓ Tracking major changes in key economic indicators and acting accordingly ✓ Tracking regulatory interventions that impact funding

Market Risk

Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
 Interest Rate Risk: Impact of changes in interest rates on the company's net interest income. The risk arises from erroneous pricing and a mismatch in the repricing frequencies of assets, liabilities, and cash flows.	 High	✓ Strengthening capital & reserve to safeguard against unexpected losses ✓ Maintaining higher rate-sensitive assets than rate-sensitive liabilities ✓ Setting a flexible pricing mechanism for loans and deposits ✓ Aligning with market interest rate movements ✓ Proactive adjustment of pricing based on GAP analysis and simulation	✓ Tracking market interest rate movements ✓ Reviewing monetary policy ✓ Conducting earnings at risk simulation to project NII fluctuations in changing interest rate scenarios. ✓ Gap analysis to identify interest rate sensitivity (+/- Gap)
 Macro Risk: 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	✓ Portfolio diversification ✓ Maintain adequate liquidity buffers to withstand economic downturns ✓ Align product pricing to mitigate adverse impacts ✓ Conduct rigorous credit assessments and set risk limits to protect against economic downturn	✓ Stay updated on economic developments to anticipate potential risks ✓ Monitoring geopolitical developments ✓ Stress testing is used regularly to assess the portfolio's resilience to adverse conditions

Capital Adequacy Risk

Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
 Capital Adequacy Risk: Capital adequacy risk is the risk that a financial institution may hold insufficient capital to absorb unexpected losses, meet regulatory requirements, or sustain growth. Therefore, directly affects a company's financial resilience and solvency. The risk arises from rapid credit growth, interbank deposits in poorly rated Banks/FIs, an increase in NPLs, a fall in the value of eligible securities, market volatility (interest rate changes), an increase in unrated corporate credit exposure, high provisioning, excessive dividend distributions, and large operational or fraud-related losses.	 High	✓ Regular capital planning is aligned with strategic growth, profitability, and risk appetite ✓ Maintaining adequate buffers above regulatory minimums ✓ Conduct periodic capital stress tests under severe macroeconomic and operational scenarios ✓ Allocate capital efficiently, focusing resources on activities with optimal risk-return profiles ✓ Align dividend distribution with profitability, capital targets, and regulatory expectations ✓ Incorporate capital adequacy considerations in pricing loans and other products ✓ Adjust lending policies based on capital strength ✓ Continuous monitoring and management of asset quality and liability mix ✓ Timely asset restructuring, portfolio diversification	✓ Regular monitoring and reporting of CAR and Tier-1 capital ratio ✓ Regular stress testing, scenario analysis under adverse conditions ✓ Adjust capital positions proactively based on stress testing results ✓ Set EWIs for asset quality deterioration, profit volatility, NPL growth, etc. ✓ Proactive management actions triggered by EWIs ✓ Monthly/quarterly review at the Risk Committee and Board ✓ Transparent internal reporting ensures senior management oversight

Operational Risk

Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
 People Risk: 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	✓ Robust Training & Awareness Programs ✓ Strong Internal Controls & Segregation of Duties ✓ Effective HR Policies & Employee Engagement ✓ Whistleblower Mechanisms & Ethical Culture ✓ Performance Monitoring & Periodic Audits ✓ Use of physical and logical access controls ✓ Legal recovery measures	✓ Top management reviews ✓ Reconciliation of key accounts and balances ✓ Fraud & Misconduct Detection using internal audits, whistleblower hotlines, and forensic analysis ✓ Employee Engagement & Satisfaction Surveys ✓ Turnover & Retention Analysis ✓ Access & Privilege Monitoring ✓ Competency Assessments
 Process Risk: Process risk encompasses potential losses or disruptions arising from inadequate, poorly designed, ineffective, or improperly executed operational processes within an organization. Risk outcomes can include incomplete or inadequate legal documentation, collateral management mistakes, communication failures, recurring errors in calculations or data entry, or other service delivery issues.	 Medium	✓ Process mapping and standardization ✓ Robust internal control ✓ Training and capacity building ✓ Centralized operations for better oversight of collateral management ✓ Data validation routines ✓ Automation and technology integration ✓ Legal recovery measures ✓ Remediation activities ✓ Data backup and recovery processes ✓ Regular reviews and process audits	✓ Monitor turnaround times and operational bottlenecks ✓ Encourage staff to report process inefficiencies and suggest improvements ✓ Incident Analysis Report (IAR) and escalation ✓ Risk Register & Risk Control & Self-Assessment ✓ Pending document reporting & action planning ✓ Credit collection review meetings
 External Risk: 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	✓ Business continuity plan (BCP) ✓ Disaster recovery plan (DRP) ✓ Immediate response to regulatory changes ✓ Use of physical and logical access controls, where appropriate ✓ Whistleblower reporting ✓ Insurance ✓ Legal recovery measures ✓ Understanding external risk drivers	✓ Context analysis using PESTLE, Porter's, SWOT, and Stakeholder analysis ✓ Macroeconomic Indicators and Market Monitoring ✓ BCP testing ✓ DRP testing ✓ Branch OpRisk Register (BOR) ✓ Risk Register & Risk Control & Self- Assessment

Strategic & Business Risk

Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
 Positioning Risk: 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, a 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.		✓ Regular market surveys and cost of fund projection ✓ interaction with regulators on policy discussion ✓ Integrated strategic and financial planning across the company ✓ Engagement with relevant parties at the planning stage of all essential projects ✓ Setting KPIs at the branch, divisional, and organizational levels ✓ Aligning and updating strategies based on changes in factors ✓ Timely investment in technology ✓ Timely withdrawal of resources from underperforming projects	✓ Monthly financial analysis and discussion of variances in the budget ✓ Benchmarking KPIs within the company and across the industry ✓ Monthly preparation of forecasts and review of reasons for variances ✓ Evaluation of competitor intelligence studies ✓ Evaluate service quality and customer feedback
 Competitive Risk: The risk of losing market share stems from increased competition from peers, fintechs, or new entrants. This may arise from a failure to adopt fintech innovations or to pursue digital transformation, leading to operational inefficiencies or obsolescence.		✓ Customer Centricity at the core of every business decision ✓ Monitoring industry trends, competitor strategies, and customer preferences ✓ Collaboration with fintech firms, technology providers, or industry leaders to enhance capabilities ✓ Strengthening customer relationships through personalized services and loyalty programs ✓ Attract and retain skilled professionals to drive innovation ✓ Leverage automation to maintain a competitive cost structure. ✓ Operational flexibility and faster decision-making in response to competitive pressures ✓ Strengthening brand positioning ✓ Reputation management by proactive communication and transparency	✓ Reviewing feedback from market surveys ✓ Peer performance reviews ✓ Regulatory changes monitoring ✓ Competitors' social media and digital presence tracking ✓ Internal performance reviews ✓ Observe competitor alliances, mergers, and acquisitions
 Regulatory Risk: 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, and tighter lending policies.		✓ Continuously track changes in industry regulations and central bank policies to anticipate potential impacts ✓ Establishing a comprehensive regulatory compliance framework ✓ Regular training and awareness program ✓ Building a strong regulatory relationship ✓ Incident management (escalation, investigation, correction) and response planning	✓ Track industry regulations to anticipate potential impacts ✓ Conduct impact assessments and stress tests to evaluate business resilience under different regulatory scenarios ✓ Maintain open communication with regulatory authorities to stay informed and provide feedback

Strategic & Business Risk

Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
 Implementation Risk: 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	✓ Ensure person-role fit through a robust recruitment, retention, training and development process. ✓ Work process improvement and innovation ✓ Setting KPIs ✓ Benchmarking with best practices from both local and international approaches ✓ Pay attention to the voice of the customer ✓ Timely allocation of resources to critical projects	✓ Structured and systematic methods of gaining employee views and feedback ✓ Analysis and monitoring of standard unit time, for benchmark setting and improving process efficiencies ✓ Regular financial analysis to monitor the returns of each business vertical ✓ Regular monitoring of the projects in progress ✓ Regular monitoring of service standards and quality
 Reputation Risk: 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	✓ Strong Corporate Governance & Ethical Standards ✓ Robust Risk & Compliance Framework ✓ Cybersecurity & Data Protection Measures ✓ Customer Satisfaction & Relationship Management ✓ Employee Engagement & Training ✓ Managing social media accounts to remove hateful comments and deter cyber bullying	✓ Media & Social Media Monitoring ✓ Customer Complaints & Feedback Analysis ✓ Key Risk Indicator (KRI) - Tracking brand perception scores, media sentiment, and customer trust levels. ✓ Monitor employee satisfaction surveys and ethical compliance reports

Legal Risk

Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
 Compliance Risks: 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, a weak internal control framework, errors & delays in regulatory reporting, inadequate compliance with contractual obligations, non-compliance with data protection, etc.	 High	- Aligning in-house policies and procedures with national laws and regulations - Integrating laws and regulations into our regular decision-making processes - Regular scanning of regulator websites to stay up to date with the latest changes and timely communication of relevant updates to relevant stakeholder departments - Ensuring that any changes to product features, processes, policies, procedures and documentation necessitated by legal or regulatory changes are made in a timely manner - Legal vetting of documentation - Regular compliance training and awareness - Seeking and acting in accordance with, the appropriate legal advice - Legal recovery measures - Remediation activities	- Top level management reviews - Incorporation of compliance requirements into branch and departmental Key Control Standards - Litigation register - Internal and external audits

Legal Risks

Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
 AML/CFT Risk: Money laundering and terrorist financing (ML/TF) risk is the risk that UFPLC may - (a) be used to launder money and/or finance terrorism, and (b) Not meeting its obligations under existing legislation, rules, and regulations for the prevention of money laundering and for the combating of terrorism financing.	 Medium	- Designated AML/CFT structure consisting of a Central Compliance Unit - Establishing Branch Anti-Money Laundering Compliance Officers - Appropriate AML/CFT policies and procedures - Implementing a strong KYC and KYE framework - Screen Against Sanctions & Blacklists - Strengthening suspicious transaction monitoring & reporting - Strengthening employee training & awareness - Strengthen Internal Controls & Governance	- Branch Self-assessments - Cash transaction review - - Fund Flow Analysis, Credit Monitoring - Suspicious transaction reporting - An IT-based screening mechanism for the UN Sanctions checklist and locally prescribed organization - Continuous monitoring of media reports - Independent AML Audits & Data Analytics

Technology Risk

Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
 System Failure Risk: System failure risk is the risk of malfunctions or breakdowns in an organization's IT systems, software, or hardware that disrupt operations and reduce efficiency. It arises from hardware failures, software bugs, system crashes, integration issues between technologies, cyber-attacks or mistakes in system configuration and management.	 Medium	✓ Hardware Resilience (ensure backup servers, storage, maintenance, and testing) ✓ Infrastructure Resilience (install UPS & Generators, alternate networks) ✓ Software Stability (regular Patching & Updates, daily backups of critical data, and use High-Availability Systems) ✓ IT Training (Educate employees on best practices, Role-Based Access Control) ✓ Cybersecurity Strengthening (Intrusion Detection & Prevention Systems, Secure Email Gateway (SEG), Firewalls & Endpoint Security Solutions, Regular Penetration Testing & Security Audits)	✓ Performance monitoring (utilizing system, network, and database monitoring tools) ✓ Identification and monitoring of Key Risk Indicators for system failures ✓ Incident response and escalation protocol ✓ Regular audits and penetration testing
 Information Security Risk: It is the risk of unauthorized access, misuse, alteration, or loss of sensitive data, which can lead to financial, legal, or reputational harm. It arises from cyber threats, weak access controls, insider threats, phishing, malware, or compliance failures.	 Medium	✓ Implement role-based access control (RBAC), multi-factor authentication (MFA), and Data Encryption ✓ Regular Security Training and Strict Password Policies ✓ Endpoint Security Solutions and Network Security Measures ✓ Regular Security Audits and Zero-Trust Security Model (continuous verification of users before granting access) ✓ Monitor and control sensitive data transfers ✓ Termination of contact with non-performing vendors ✓ IT governance policies	✓ System log monitoring ✓ Network traffic monitoring ✓ Identification and tracking key risk indicators ✓ Regular audits and penetration testing ✓ Incident response and escalation protocol
Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
 Business Continuity Risk: 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	✓ New Data Center (NDC) enables quick recovery, and Disaster Recovery Site (DRS) ensures continuity during major failures. ✓ AMC for service maintenance, SLA for vendor roles, due diligence, contract reviews, and strong vendor ties for reliability. ✓ Firewalls, SEG, IDPS, endpoint security, encryption, SSL safeguard systems, and data. ✓ Secure WFH: VPNs for encrypted access, MFA for authentication. ✓ Drills: BCP tests remote work, DRP ensures DRS activation after data center failure.	✓ IT Service and performance monitoring ✓ Business operation monitoring ✓ System log monitoring ✓ Network traffic monitoring ✓ Incident response and escalation protocol ✓ Follow the trends of new technologies.

Environmental & Social risk

Potential Risks	Impact	Mitigation Techniques	Monitoring Mechanism
 The probability that the operational activities of a particular client/industry would negatively affect the environment and the community within the operational zone, as well as neighboring areas. We might face a loss if the client stops operations due to regulatory intervention.	 Medium	✓ Accepting credit proposals that pass the “Exclusion list of ESRM Guidelines” of Bangladesh Bank ✓ Establishing a robust ESMS framework as per the Central Bank's Guideline ✓ Verifying that the regulatory clearance documents of the borrower are updated ✓ Incorporating E&S clauses into legal agreements with clients, which gives UFPLC legal recourse in the case of non-compliance by the client ✓ Complying with 10 industry-specific guidance notes on ESRM ✓ A third-party Environmental and Social Impact Assessment (ESIA) must be completed for all Infrastructure Project loan applications ✓ Enhancing the internal capacity of the employees responsible for E&S management ✓ Reviewing the E&S policy and guidelines once a year	✓ Utilizing the updated Excel-based risk assessment template to identify the E&S risk ratings ✓ Transaction escalation to the relevant authority based on the E&S risk ratings (low/medium/high) ✓ Reviewing E&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” ✓ Maintaining MIS on the ESRM Grading

Stress Test Report

Stress tests serve as a tool to evaluate a financial institution's susceptibility to unforeseen yet plausible shifts in key factors, such as increases in non-performing loans, changes in profit margins, 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 conduct quarterly stress tests. 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 immediately 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 Borrowers	Top 5 Borrowers
	Revised CAR	10.58%	3.93%
Interest Rate Risk	Increase in Interest rate	2%	4%
	Revised CAR	18.78%	19.11%
Equity Price Risk	Fall in Stock Prices	10%	25%
	Revised CAR	17.85%	16.91%
Combined	Revised CAR	10.16%	2.54%

Portfolio Concentration

Sector	Exposure (BDT million)	Share
Industry	10,491	50.71%
Trade & Commerce	3,614	17.47%
Housing	3,078	14.88%
Financial Corporation	1,330	6.43%
Service	1,124	5.43%
Agriculture	909	4.39%
Consumer Finance	133	0.64%
Others	10	0.05%
Grand Total	20,689	100.00%

Portfolio Concentration

Top 10 Group Exposure	Exposure (BDT million)	% of Total Portfolio
Group 01	647	3.13%
Group 02	502	2.43%
Group 03	416	2.01%
Group 04	396	1.91%
Group 05	389	1.88%
Group 06	347	1.67%
Group 07	275	1.33%
Group 08	243	1.18%
Group 09	241	1.16%
Group 10	202	0.98%
Total Top 10	3,656	17.67%

SWOT Analysis

The SWOT analysis for United Finance PLC 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 NBFi sector.

It incorporates both qualitative institutional insights and quantitative indicators reflecting the organization's ability to innovate, manage risk, and respond to market demands in 2025 and beyond.

In 2025, this analysis is particularly consequential: UFPLC's sector peers faced unprecedented stress, capital market stagnation, and elevated funding costs.

UFPLC's SWOT profile clearly distinguishes it from the sector median and serves as the foundation for the strategic responses described throughout this report.

Strengths

- Unfaltering commitment to good governance and regulatory compliance:**
a critical differentiator in a sector undergoing structural quality correction.
- AA+ (Long-term) and ST-2 (Short-term) credit rating:**
among the highest awarded to any NBFi in Bangladesh, providing independent assurance of institutional soundness.
- NPL ratio maintained below 6% over the last five years:**
dramatically below the NBFi sector average of 37.11% in September 2025, reflecting superior credit underwriting discipline.
- Capital Adequacy Ratio (CRAR) of 18.45% in 2025:**
well above the regulatory minimum, providing a robust capital buffer against credit shocks and regulatory stress.
- Awarded Bangladesh Bank Sustainability Rating (2nd time) for exemplary sustainable finance practices:**
enhancing ESG credibility with institutional and international counterparties.
- Long-standing market presence since 1989:**
37 years of operational continuity, client relationship depth, and institutional learning that cannot be quickly replicated.
- ISO/IEC 27001:2022 certified Information Security Management System (ISMS):**
a digital resilience credential that distinguishes UFPLC in the NBFi peer group.
- Core Banking Software (CBS) platform implementation since 2020:**
enabling digital integration, real-time reporting, and scalable operational efficiency.
- Diversified product portfolio (lease, term loan, home loan, distributor finance, CMSME, deposits, syndication):**
low concentration risk on both the asset and liability side.
- Strong HR leadership committed to a motivated, capable, and loyal workforce:**
with 600 professionals and a structured talent development and performance framework.
- Proactive investment income strategy:**
government securities investment providing high-margin, low-risk income streams in the elevated-rate environment of 2024–2025.
- Integrated and embedded risk culture:**
robust risk governance across credit, market, liquidity, and operational risk, anchored in Bangladesh Bank core risk guidelines and Basel II requirements.

Weaknesses

- **Elevated funding cost disadvantage relative to banks:**
inability to offer current/savings accounts (CASA) means UFPLC's cost of funds is structurally higher, limiting pricing competitiveness in rate-sensitive credit segments.
- **Balance sheet scale constraint:**
with BDT ~28–30 billion in assets, UFPLC cannot compete with large banks on large-ticket syndicated deals or access the economies of scale that reduce per-unit operating costs.
- **Concentration on traditional lending products with a slower pace of digital product innovation relative to leading banks and fintech entrants:**
creating a growing service experience gap for digitally expectant customers.
- **Deposit mobilization pressure:**
NBFI sector-wide reputational stress from peer liquidations and mergers in 2025 created depositor risk-perception challenges even for strong institutions like UFPLC.
- **Loan recovery constraints:**
dependence on the judicial system, where defaulters routinely obtain stay orders, limits UFPLC's ability to resolve NPLs with the speed required to maintain portfolio quality in a stressed environment.
- **Limited geographic diversification:**
operations concentrated in urban and peri-urban areas; 25 offices; limits access to underserved rural markets; and constrains deposit base expansion.
- **Increased regulatory compliance burden:**
heightened reporting, provisioning, and governance requirements under the 2025 regulatory framework increase operational overhead and require ongoing investment in compliance infrastructure.
- **Private investment growth in Bangladesh at a historic low (22.03% of GDP in FY2025):**
directly suppresses demand for UFPLC's core lease and term lending products in corporate and SME segments.
- **Shifting policy rates create quarterly margin uncertainty:**
UFPLC's fixed-rate lending book exposes it to interest rate risk during periods of rapid policy rate adjustments.

Opportunities

- **NBFI sector consolidation market-share opportunity:**
clients, deposit balances, and quality assets from the nine NBFIs under liquidation proceedings and the five merged Islamic banks represent a concrete, near-term, addressable market for UFPLC to capture.
- **Post-election investment recovery:**
the announcement of a 2026 election roadmap is expected to catalyze a recovery in private investment, which fell to a historic low of 22.03% of GDP in FY2025, driving demand recovery in UFPLC's core corporate and SME lending segments.
- **Monetary easing cycle:**
Bangladesh Bank is expected to begin gradual rate reductions in 2026 as inflation moderates, thereby lowering funding costs and potentially stimulating a recovery in private credit demand.
- **CMSME sector growth:**
the CMSME sector's 25–27% contribution to GDP and approximately 41.55 million borrowers served by MFIs represent a deep, structurally growing market for UFPLC's CMSME lending products.
- **Green and sustainable finance expansion:**
Bangladesh Bank's concessional refinancing schemes for green lending, along with the growing ESG appetite among institutional investors, create a funded, incentive-aligned opportunity to build a dedicated green finance portfolio.
- **Digital transformation leverage:**
UFPLC's CBS platform and ISO 27001 infrastructure provide a strong foundation for developing AI-assisted credit analytics, digital onboarding, and mobile client engagement capabilities.
- **Islamic finance market:**
post-merger consolidation among Islamic banks creates temporary market disruption, presenting an opportunity for UFPLC to develop Shariah-compliant product offerings to capture this growing segment of depositors and borrowers.
- **Remittance and FX stability:**
record remittance inflows (USD 16.26 billion in H1 FY2026, +18.05% YoY) and FX reserve recovery (USD 28.58 billion) improve Bangladesh's macro fundamentals, supporting UFPLC's ability to plan medium-term balance sheet growth.
- **Development finance partnership:**
expanded engagement with IFC, ADB, JICA, and other development finance institutions for concessional credit lines, leveraging UFPLC's AA+ rating and sustainability credentials as access enablers.
- **Expanding middle class:** the Bangladesh middle-income segment, projected to reach 44 million by 2025 and 60 million by 2030, drives structural growth in demand for home loans, consumer finance, and SME products.

Threats

- **Reputational spillover from NBFIs sector stress:**

the proposed liquidation of nine NBFIs and the merger of five Islamic banks have created a systemic perception of depositor risk that affects even well-managed institutions, despite UFPLC's fundamentals remaining sound.

- **Banks encroaching on NBFIs territory:**

leading banks are systematically expanding into lease financing, SME term lending, and structured finance, UFPLC's traditional product segments, with structural funding cost advantages.

- **Fintech and digital lending substitution:**

MFS-embedded credit products are progressively capturing small-ticket lending segments that traditionally flowed to NBFIs, compressing the addressable credit market.

- **Prolonged inflation and real wage erosion:**

with wages (8.12%) growing slower than inflation (8.77%) in 2025, continued real income compression weakens borrower repayment capacity, elevating delinquency risk across retail and SME portfolios.

- **Cybersecurity escalation:**

the financial sector is among the most targeted sectors globally by cyberattacks. A significant breach at UFPLC or a sector peer could materially damage customer confidence in digital financial services.

- **Government domestic borrowing crowding out:**

continued fiscal dominance in domestic capital markets (government borrowing more than doubled in Jul–Oct FY2026) maintains upward pressure on funding costs and reduces private credit appetite.

- **Climate and weather risk:**

Bangladesh's extreme climate vulnerability (flood events, heat extremes) creates structural portfolio risk in agriculture-linked SME segments and increases collateral value uncertainty in flood-prone geographic zones.

- **Regulatory uncertainty post-restructuring:**

the full implications of the Bank Resolution Ordinance 2025, new NBFIs governance guidelines, and revised provisioning standards continue to evolve, creating compliance uncertainty and potential operational disruption.

- **Geopolitical and trade policy risk:**

global trade policy uncertainty (US tariff escalation to 18.5% and US-China tensions) poses downside risk to Bangladesh's RMG export trajectory, a key driver of SME and corporate income in UFPLC's lending portfolio.

- **Judicial recovery constraint:**

the ease with which loan defaulters obtain court stay orders remains a structural impediment to NPL resolution, limiting the effectiveness of UFPLC's collections and recovery framework despite strong origination discipline.

SWOT Strategic Priorities — Implications Matrix

The intersection of UFPLC’s internal SWOT profile with the 2025 external environment generates four strategic priority vectors that will guide the Company’s decision-making through 2025 and into 2026:



Closing Perspective

The analyses presented in this section, PESTEL, Porter’s Five Forces, and SWOT, collectively confirm that United Finance PLC is navigating one of the most demanding operating environments in its 35-year history with its fundamentals intact and its strategic positioning improving. The PESTEL environment in 2025 was characterized by political transition, economic stabilization , accelerating digital disruption, regulatory intensification, and climate stress, each of which carried direct implications for UFPLC’s portfolio, funding, and operations.

The Porter’s Five Forces analysis confirms that competitive intensity in Bangladesh’s NBFIs sector remains high, but that the sector restructuring underway is creating a quality-

sorting dynamic that will increasingly reward institutions with UFPLC’s governance and credit culture. The SWOT analysis demonstrates that UFPLC’s strengths, credit quality, capital adequacy, governance credentials, digital infrastructure, and institutional longevity are precisely the attributes that provide a competitive advantage in this environment.

The risks United Finance PLC faces in 2025 and 2026 are real, material, and require sustained management attention. Our priority for 2026 is to convert the crisis-tested resilience of the past two years into deliberate, disciplined, quality-first growth.

Sustainability Reporting and Climate Disclosure

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Overview of Sustainability

Resilient in Sustainability for a Resilient Bangladesh

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 goal is to generate value for the organization, shareholders, and stakeholders, reflecting the core outcome anticipated by our statement of purpose: “Resilient in Sustainability for a Resilient Bangladesh.”

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 PLC, 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 Bangladesh’s financial sector, 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 2025, United Finance PLC made substantial strides in advancing the UN Sustainable Development Goals (SDGs), building on the foundations established in prior years and accelerating our transition toward a truly sustainable business model.

Both our Green Finance and Sustainable Finance achievements significantly surpassed their respective annual targets, reflecting not only the scale of our ambition but also the genuine integration of sustainability into our core lending decisions.

Sustainable Finance disbursement grew meaningfully compared to the prior year, while Green Finance continued its upward trajectory, a testament to the deepening institutional commitment behind these efforts rather than mere compliance with regulatory expectations.

Our initiatives in 2025 placed special emphasis on financial inclusion and gender equity. Women’s participation under Green Finance exceeded targets by a considerable margin, as did Cottage, Micro, Small, and Medium Enterprises (CMSME) lending under Green Finance, with women under Green CMSME achieving a particularly strong outcome that reflects our deliberate focus on empowering underserved segments of the economy.

Dedicated disbursements were directed specifically toward women entrepreneurs and women-led micro and small enterprises, underscoring our belief that sustainable finance and gender empowerment are inseparable pillars of inclusive growth.

Beyond financial inclusion, 2025 marked a significant year in our carbon accounting journey. As part of our evolving ESG framework, United Finance PLC conducted its first comprehensive financed emissions assessment, systematically quantifying the carbon footprint embedded across our loan portfolio. This disclosure, aligned with the Greenhouse Gas (GHG) Protocol, Partnership for Carbon Accounting Financials (PCAF) Standard, and Global Reporting Initiative (GRI) 305, revealed that the majority of our portfolio’s climate impact lies in Scope 3, reflecting upstream supply-chain emissions from our borrowers rather than direct operational sources.

The assessment identified a small number of high-intensity sectors as the primary drivers of financed emissions, providing a clear basis for prioritizing engagement, transition planning, and future portfolio rebalancing.

This milestone marks an important step in our roadmap toward climate transparency and responsible portfolio management.

We also continued to implement our Environmental & Social Risk Management (ESRM) Policy, expand sustainable investment products, and strengthen governance structures through our Sustainable Finance Committee and Sustainable Finance Unit, ensuring that sustainability is not a peripheral consideration but a central pillar of how United Finance PLC operates, grows, and leads.

As we look ahead, we remain firmly committed to our roadmap through 2050: building momentum, scaling impact, and ultimately achieving carbon neutrality in our operations, for the benefit of our stakeholders, our communities, and the planet.



14.78%

Green Finance Achievement

295.69% of target



76.84%

Sustainable Finance Achievement

384.22% of target



11,787M BDT

Sustainable Finance Disbursed

+BDT 2,257M vs 2024



12.39%

(YoY) Disbursement of Sustainable Linked Financing Growth



227.07%

(YoY) Disbursement of Green Finance Growth



28.67%

Women under Green Finance Achievement

143.37% of target



104%

CMSME under Green Finance Achievement

415.98% of target



97.96%

Women under Green CMSME Achievement

653.05% of Target



1,640M BDT

Green Finance Disbursed

Total 2025



12,684M BDT

Sustainable Linked Finance Portfolio

Total 2025



159M BDT

Women under Green Finance Disbursement

Total 2025



136M BDT

Women Under Green CMSME

415.98% of target



16.08%

Portfolio: Total Sustainable Finance Growth YoY



23.68%

Disbursement : Total Sustainable Finance Growth YoY

Our Approach To Sustainability

Sustainability is not a compliance obligation; it is the strategic foundation upon which United Finance PLC builds its contribution to Bangladesh's long-term economic resilience. In an emerging economy where the pressures of climate change, social inequality, and governance complexity intersect with the demands of rapid financial growth, we believe that institutions that embed sustainability into their core decision-making are not merely responsible actors; they are better-positioned institutions.

At United Finance PLC, environmental stewardship, social accountability, and sound governance are not parallel tracks to our business strategy; they are inseparable from it.

We recognize that effective risk management is the connective tissue between financial performance and sustainable growth. By proactively identifying environmental and social risks across our lending portfolio, operations, and broader stakeholder relationships, we do not simply protect the institution; we strengthen the economic fabric of the communities we serve.

Our commitment, therefore, extends beyond risk mitigation. We actively seek to leverage sustainability as an opportunity: for our borrowers, for Bangladesh's developing financial ecosystem, and for the generations that will inherit the outcomes of today's capital decisions.

Triple Bottom Line

Our Triple Bottom Line (TBL) framework reflects a deliberate conviction that lasting institutional value cannot be measured solely by financial returns.

People, Planet, and Profit are not competing priorities at United Finance PLC — they are mutually reinforcing pillars of a single, integrated purpose.

Our key initiatives and achievements across each of these dimensions reflect the seriousness with which we approach this responsibility, not as a reporting exercise, but as a genuine standard by which we hold ourselves accountable.

People

BDT 0.7520

Million Operating Profit
Per Employee

BDT 0.3300

Million Net Profit Per
Employee

19,600

Training Hours Total

35

Average Training
Hours Per Employee

Profit

BDT 1,166
million

Direct Contribution to
GDP

BDT 198.04
million

Net Profit

Focused on
sustainable financial

growth by investing in green projects and
promoting financial inclusion

Planet

Energy efficient

consumption across our operations

Financing renewable
energy

to promote sustainable growth

Our Roadmap to Sustainability

At United Finance PLC, we have long recognized that Environmental, Social, and Governance (ESG) factors are among the most material determinants of risk and opportunity in long-term finance.

Our sustainability framework is anchored in the Global Reporting Initiative (GRI) standards, which guide our materiality assessments and provide the structured transparency our stakeholders deserve.

Looking ahead, our roadmap is designed to progressively align with International Financial Reporting Standards (IFRS) S1 and S2 disclosure requirements — preparing the institution not only for evolving regulatory expectations but for the deeper accountability that genuine sustainability leadership demands.

Our roadmap is structured across four strategic horizons, each building upon the last — from foundational discipline to sector leadership.



2025

Strengthening the Foundation

- Establish annual Green & Sustainable Finance targets
- Implement ESRM Policy
- Deepen financial inclusion
- Reinforce governance & ethics



2026 – 2030

Building Momentum

- Broaden ESRM policy scope
- Increase green loan portfolio share
- Launch innovative green products
- Expand financial literacy programmes



2031 – 2040

Scaling Up Impact

- Reduce Scope 1 & 2 emissions
- Invest in climate mitigation tech
- Build strategic partnerships
- Empower women entrepreneurs at scale



2041 – 2050

Leading the Way

- Achieve full carbon neutrality
- Embed sustainability across all operations
- Shape Bangladesh's sustainable finance ecosystem
- Recognized national sustainability leader

2025

Strengthening the Foundation

The work of sustainability begins with institutional discipline. In 2025, United Finance PLC established clear, measurable annual targets for both Green Finance and Sustainable Finance disbursements, creating the accountability structures necessary for credible progress.

The formal implementation of our Environmental & Social Risk Management (ESRM) Policy marked a significant step in embedding climate and social risk considerations into our credit and investment decisions.

Alongside this, we deepened our commitment to financial inclusion, ensuring that sustainable finance reaches those who need it most while reinforcing the governance frameworks and ethical business standards that underpin every dimension of our sustainability ambition.

2026-2030

Building Momentum

As our foundations solidify, the next phase of our journey focuses on expansion and acceleration. We will broaden the scope of our ESRM policy to capture a wider range of environmental and social risk factors across our portfolio, progressively increasing the proportion of green financing within our total loan book.

This period will also see the development of innovative financial products and services designed specifically to support sustainable businesses and green infrastructure projects.

Simultaneously, we will strengthen and expand our financial literacy programs, because a truly resilient Bangladesh requires not only access to capital but the knowledge to deploy it wisely.

2031 – 2040

Scaling Up Impact

By the third decade of our roadmap, United Finance PLC will move from building sustainable finance capacity to delivering measurable climate impact. We will pursue tangible reductions in our Scope 1 and Scope 2 operational emissions, invest in innovative technologies for climate change mitigation, and forge meaningful partnerships with government bodies, NGOs, and international organizations to amplify our reach.

This phase marks our ambition to become a recognized leader in sustainable finance in Bangladesh — not by assertion, but through demonstrated, measurable impact. Central to this vision is the empowerment of women entrepreneurs at scale, affirming that financial inclusion and environmental sustainability advance together or not at all.

2041 – 2050

Leading the Way

The final horizon of our roadmap represents the fullest expression of our purpose. Carbon neutrality in our operations, the integration of sustainability across every dimension of our business — from product design to supply chain governance — and an active contribution to the architecture of Bangladesh's sustainable financial ecosystem.

By 2050, we aspire to be recognized not merely as a participant in sustainable finance, but as a national institution that helped define what responsible financial leadership looks like in a developing economy navigating a changing world.

This is not a roadmap built on aspiration alone. It is a structured, staged commitment one that United Finance PLC intends to be held accountable to, year by year, decision by decision. Because a resilient Bangladesh deserves nothing less than finance that is resilient in purpose, resilient in practice, and resilient in its resolve to serve the long-term wellbeing of every stakeholder it touches.

Sustainability Strategy 2025

As per the guidelines of Bangladesh Bank's Sustainable Finance Department (SFD), 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 14.78% of the total loan disbursement — achieving 295.69% of the annual target — while Sustainable Finance accounted for 76.84% of the total finance disbursed, reaching 384.22% of the annual target.



14.78%

Green Finance Achievement

(Target: 5% of total term loan excluding staff loan)



76.84%

Sustainable Finance Achievement

(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 the 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, growing by 16.08% year-on-year, 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.

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, Non-Governmental Organizations (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.

Promoting Financial Inclusion:

- **Microfinance-linked financing and Small and Medium Enterprise (SME) loans:**

products are 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.

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.**

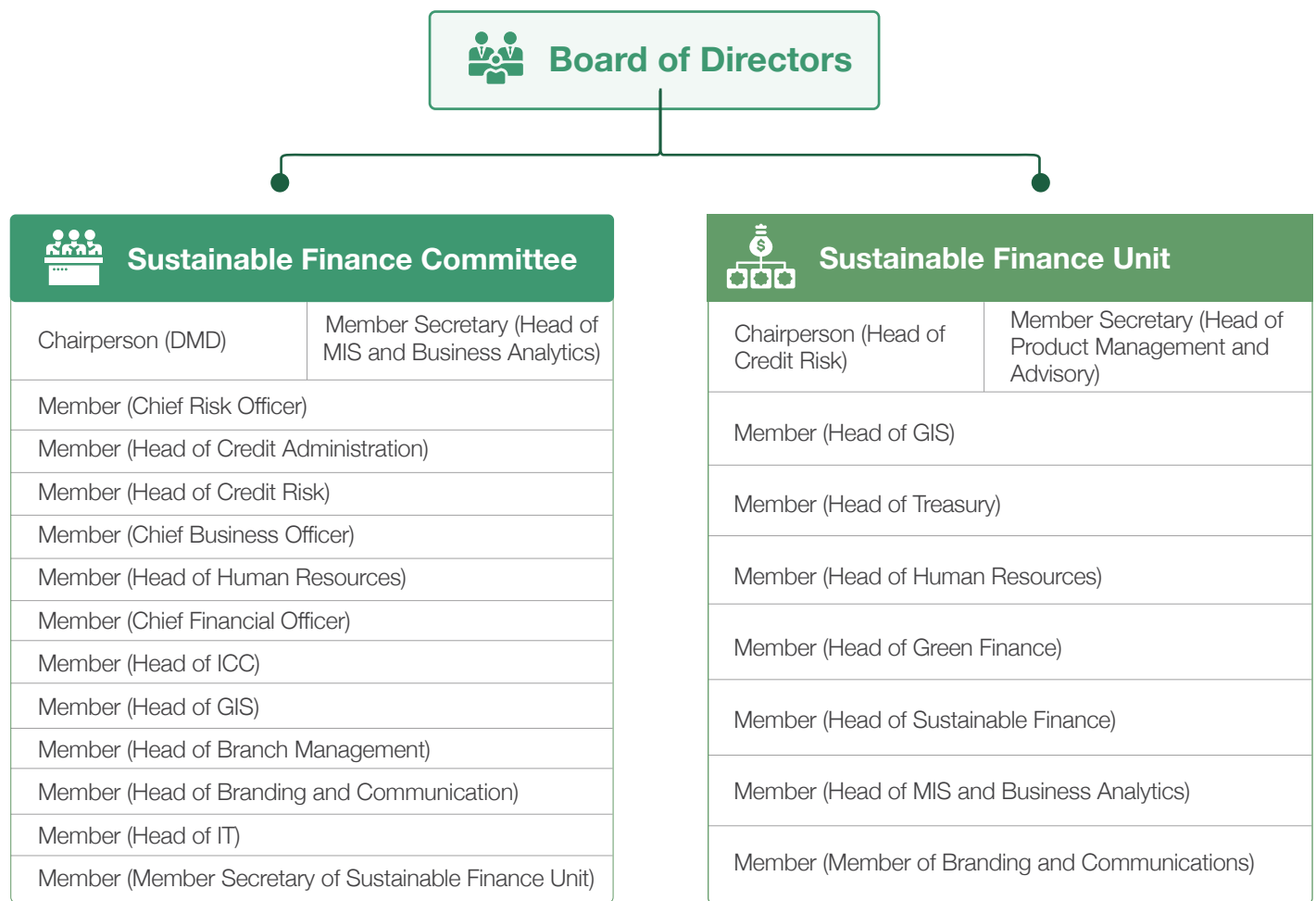
- **Contributing to disaster relief and long-term rehabilitation efforts efforts in affected regions.**

Sustainability Governance

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



Organizational Structure for E&S Governance



Role of the 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 Corporate Social Responsibility (CSR) budget, monitoring related activities, and granting necessary approvals to ensure effective implementation.

Role of Sustainable Finance Committee (SFC)

The Sustainable Finance Committee (SFC) of United Finance PLC is composed of 14 (fourteen) members and is 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 the Sustainable Finance Committee are described as follows:

- Formulate, periodically revise and update organizational policies on green banking, Corporate Social Responsibility (CSR), capitalization and abbreviation, green office guide, green strategy planning, and gender parity to implement sustainable financial policies within United Finance PLC.
- Oversee the implementation of circulars regarding Sustainable Development Goals (SDGs), Green Banking, CSR, and Sustainable Financing published by the Government of 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 United Finance PLC 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 the Sustainable Finance Committee shall nominate another member to act as Chairperson of SFU. The Sustainable Finance Unit shall be comprised of the following members:

The functions of Sustainable Finance Unit are described as follows:

- Formulate, 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 United Finance PLC employees regarding Green Finance, CSR, and Sustainable Financing
- Providing necessary assistance regarding the compliance of Bangladesh Bank Inspection and the United Finance PLC’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 United Finance PLC and the foundations/organizations through which UFL 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)

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

Stakeholders	Key interests	Engagement	Outcomes	Relevant SDGs
Shareholders	- Sustainable growth & strategy - Financial performance - Corporate governance - Risk management - Business expansion plan - Company information	- UFPLC's website, - Annual report - AGM - Board meeting - Investor's meeting - Press release	- Number of outstanding Shares 187,114,614 - EPS BDT 1.06	    
Employees	- Work-life balance - Diversity and career progression - Recruitment and retention - Safe and healthy workplace - Employee engagement/ wellbeing - HR information	- Induction program, employee engagement - programs & awareness session, - Appreciation letter and employee - recognition program, - Online interviews, training - programs & workshops, - Grievance management, - Online HR portal	- Total Employment Generation 87 - Permanent Employee generation 67 and non-permanent employee generation 20	   
Customers	- Quality service - Privacy and information security - Dispute resolution - Product information - Affordability and convenience	- Market Research - Product Innovation - Customer Relationship Management - Geographical Coverage - Customer Feedback	- Total Number of Deposit Customers is 8,678 - Total Number of Asset / Loan Customers is 5,789	   
Regulatory Bodies	- Compliance with regulations, - Awareness and knowledge, - Good corporate governance, - Addressing key issues	- Submission of returns and reports through - online portal, hardcopy & emails, - Training and workshops, circular & directives, Telephone conversations, emails & visits, - Meetings and discussions with senior - management and respective regulators	Contributed to the National Exchequer of total BDT 444.33 Million	   
Business Partners	- Fair trade - Fair enlistment - Relationship with suppliers, - Networking & new business opportunities - Uninterrupted & ethical service,	- Meetings, telephone/emails/ letters, and - Periodic on-site visits, - Standard procurement policy & process, - Reviewing & evaluating performance	Contributed to the National Exchequer of total BDT 444.33 Million	   
Society	- Financial inclusion, - Ethics and code of conduct, - Sustainable initiatives, - Environmental protection through sound lending decision, - Social welfare	- CSR initiatives, - Investing in a green finance project. - Investment in Sustainable Finance Initiatives	- Increase of Total Disbursement in Green & Sustainable Finance of BDT 2257 Million - Total Disbursement in Green & Sustainable Finance in 2025 BDT 11,787 Million - Total CSR spending of exactly 5 Million BDT	       

Impact



20%
of United Finance PLC's total CSR expenditure was allocated to climate initiatives.



82,159 Beneficiaries
through Climate initiatives.



30% of
total spending was allocated to education initiatives, benefiting 1,172 individuals.



30%
of total spending was allocated to health initiatives, benefiting 21 individuals.



BDT 132.93 million
was financed to women clients engaged in sustainable and Green agriculture.



BDT 1091.44 million
in total disbursement for Energy and Resource Efficiency was recorded in 2025, increasing by 756.36 million from 2024.



BDT 83.20 million
in total disbursement for Renewable Energy was recorded, contributing to reduced carbon emissions and increasing by 62.70 million from 2024.



United Finance PLC has further advanced its responsible banking agenda by adopting GRI-based sustainability reporting for the annual report.



560 Employees
were trained in 2025.



Incorporated Sustainable Banking updates into the Board of Directors' agenda on a quarterly basis.



21 branches
have solid waste management systems.



United Finance PLC continued to integrate ESG risks and opportunities into its risk management and strategic processes.



14.67%
of the total new entrepreneurs financed were women.

Key Highlights

01

15,232.77
million BDT

Total Green and Sustainable Finance portfolio in 2025, increasing by BDT 2,110.30 million from 2024, underscoring United Finance PLC's commitment to sustainable lending.

02

11,787.32
million BDT

Green and Sustainable Finance disbursement in 2025, up by BDT 2,256.76 million from 2024, reflecting continued growth in sustainable financing.

03

2,779
clients

were served under the Green and Sustainable Finance portfolio in 2025 (excluding Microfinance Institution (MFI)).

04

12,611
customers

Total Green and Sustainable linked under MFI-linked sustainable financing.

05

823.22
million BDT

disbursed in Sustainable Agriculture, increasing by BDT 47.15 million from 2024.



Key Highlights

01

3849.01
million BDT

disbursed in Sustainable Finance under MSME in 2025, up by BDT 487.47 million from the previous year.

02

1,570
million BDT

disbursed for socially responsible financing

03

350.07
million BDT

invested in Circular Economy and Eco Project Financing.

04

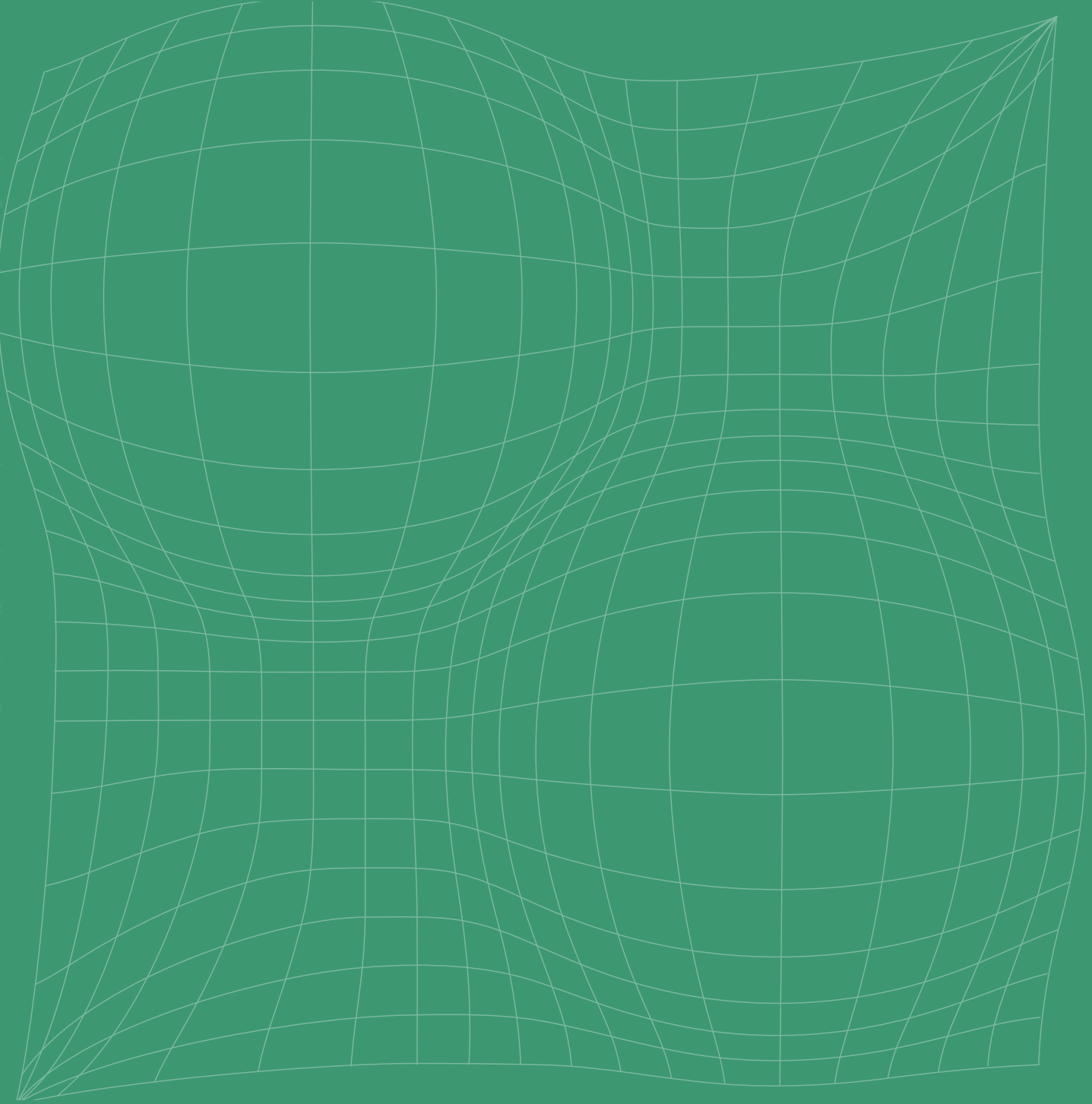
149.25
million BDT

financed for new entrepreneurs under Sustainable Finance, supporting 15 new entrepreneurs.

05

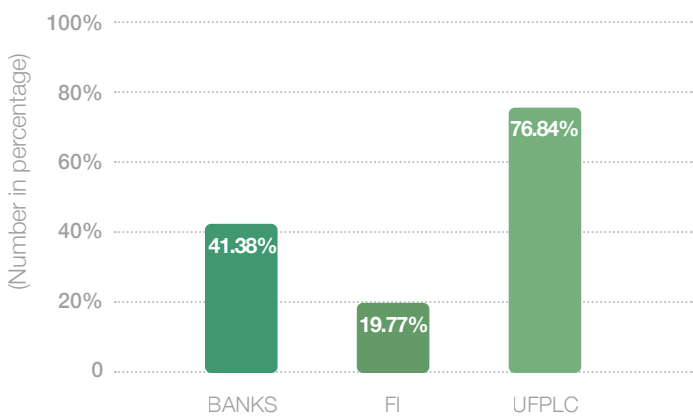
22.60
million BDT

total disbursement in Green Agriculture in 2025.

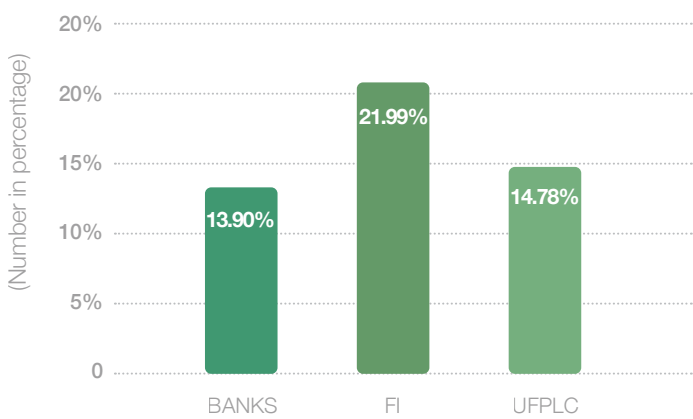


**Approach
to ESG and
Our Priority**

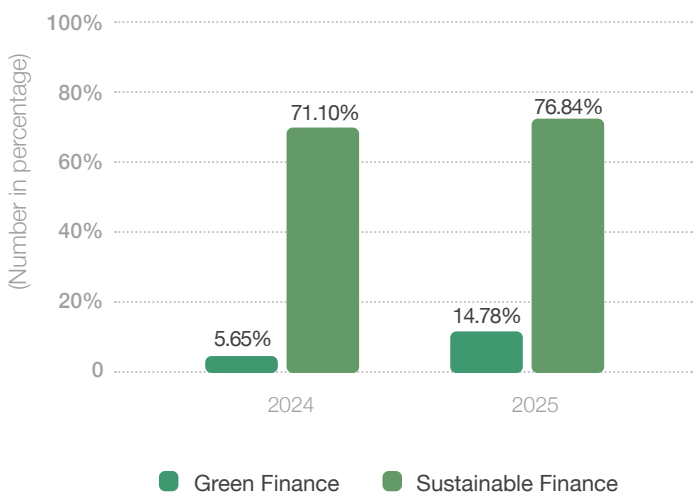
SUSTAINABLE FINANCING AS % OF TERM LOAN DISBURSEMENTS (FY 2025)



GREEN FINANCING AS % OF TERM LOAN DISBURSEMENTS (FY 2025)



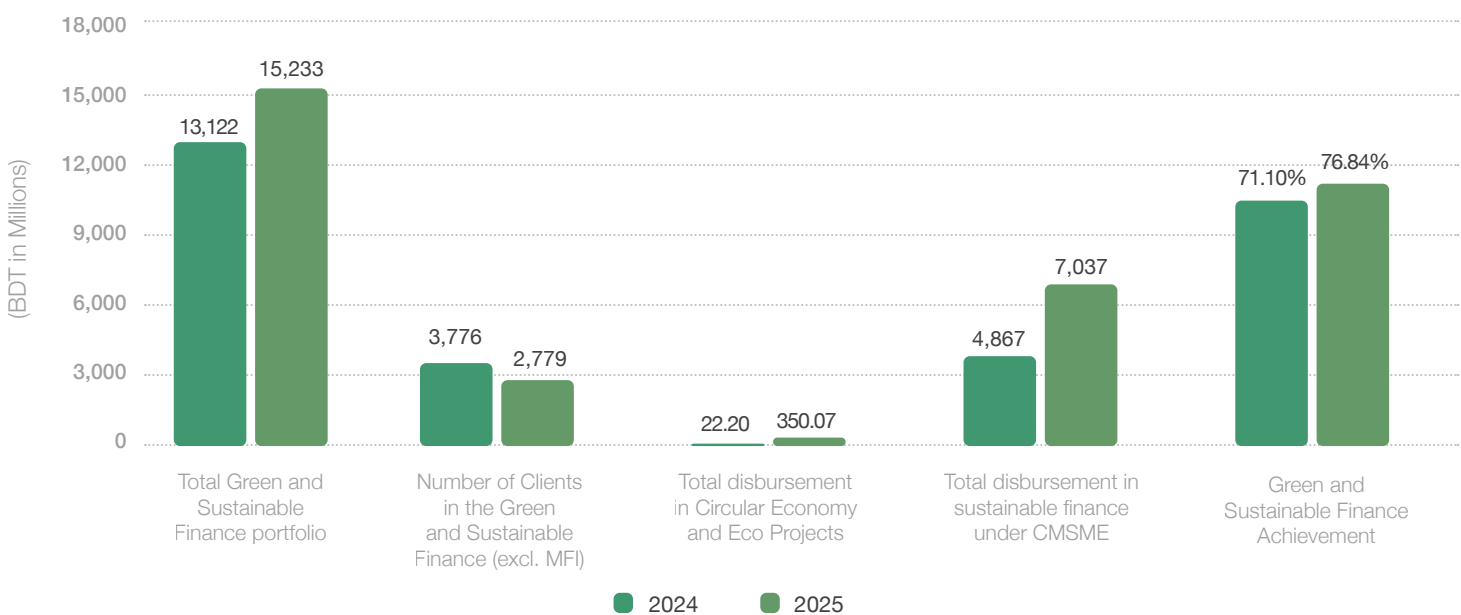
COMPARISON OF GREEN AND SUSTAINABLE FINANCE ACHIEVEMENT



In 2025, United Finance PLC allocated 76.84% of its term loan disbursements to sustainable financing, significantly surpassing banks (40.21%) and financial institutions (20.07%), while green financing stood at 14.78%, nearly three times 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, which grew by 16.08% year-on-year, continued its upward trajectory as businesses increasingly embraced environmental investments alongside financial resilience.

Moving forward, we aim to further 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.

Green and Sustainable Finance Portfolio Growth Overview (2024 - 2025)



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 procedures, 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:

- **Reduce:**

Minimize environmental impacts by optimizing resource use and reducing waste in operations.

- **Reuse:**

Promote the reuse of materials and resources to support circular-economy practices in project financing.

- **Recycle:**

Support projects that prioritize recycling and waste management to conserve the environment.

- **Renew:**

Invest in renewable energy projects and sustainable infrastructure to foster green growth.

- **Respect:**

Uphold ethical business practices, respecting human rights, diversity, and community well-being.

- **Reinvest:**

Reinvest in communities and initiatives that drive financial inclusion, empowerment, and social development.

- **Restore:**

Support environmental restoration projects and green financing initiatives that reverse damage to ecosystems.

- **Reimagine:**

Innovate and adopt sustainable practices across all operations to drive continuous sustainability improvement.

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.

- **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, such as 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 onboarding mechanism for 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 as the primary channel to reduce paper consumption and thereby deforestation. For branding & marketing communication purposes, the Bank is focusing more 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 the Office**

Electricity usage is kept to a minimum by using daylight in the corporate office, and energy-saving bulbs are used throughout. Using electronic equipment with inverter technology instead of conventional equipment helps reduce the carbon footprint and save electricity. Procurement of hybrid cars (a combination of electric and fuel combustion systems) instead of conventional fuel combustion cars.

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.

Emission Factor Methodology

Emission factors are derived from the Bangladesh Bank’s sector classification database and expressed as tonnes of CO₂ equivalent (tCO₂e) per BDT 1 million of outstanding loan or exposure. The factors cover all three GHG Protocol scopes:

- **Scope 1** — Direct emissions from sources owned or controlled by the borrower (e.g., on-site combustion, process emissions, livestock)
- **Scope 2** — Indirect emissions from purchased electricity and heat consumed by the borrower
- **Scope 3** — All other indirect emissions in the borrower’s value chain (upstream supply chain, downstream use of products)

Applicable Standards

This report is prepared in accordance with the following internationally recognized frameworks and local regulatory guidelines:

Framework	Scope	Application in This Report
GHG Protocol (Corporate Value Chain — Scope 3)	Scope 1, 2 & 3 categorization	Classifies emissions from bank's financed activities uwnder Scope 3, Category 15 (Investments)
PCAF Standard (2020)	Financed emissions measurement	Provides sector-specific emission factors and attribution methodology for financial institutions
GRI 305 — Emissions	Disclosure standard	Structures disclosure of Scope 1, 2 & 3 emissions for stakeholder transparency
Bangladesh Bank GSFD Circular	Regulatory requirement	Mandates green finance reporting and climate risk classification for scheduled banks in Bangladesh

Top 20 Sectors by Total Financed Emissions

The following sectors represent the highest financed emission contributors in the portfolio, ranked by total tCO₂e (Scope 1 + 2 + 3).

These sectors require priority attention in transition planning, client disclosure, and emission reduction target-setting.

Values in tCO₂e



61,051.73

Total Finance Emissions



180 Sectors

Assessed



13,442.13

22.1% of the total Scope 2 — Energy Use



16,903.59

27.8% of the total Scope 1 — Direct



30,706.01

50.2% of the total Scope 3 — Supply Chain

Scope 1 | Scope 2 | Scope 3 Breakdown — All Sectors | FY 2024-25

Category	Scope 1 (Direct)	% of Scope	Scope 2 (Energy)	% of Scope	Scope 3 (Supply)	% of Scope
I. Manufacturing	13,012.41	77.0%	12,441.63	92.6%	19,727.92	64.2%
IV. Agro-processing	1,416.35	8.4%	321.45	2.4%	6,913.03	22.5%
Poultry Farms	1,130.59	6.7%	1.33	0.0%	1,303.42	4.2%
III. Service Industries	672.43	4.0%	283.48	2.1%	1,376.51	4.5%
C. Commerce & Trade	27.04	0.2%	187.29	1.4%	678.49	2.2%
B. Financial Intermediaries	2.02	0.0%	195.92	1.5%	562.16	1.8%
Dairy Farms	435.56	2.6%	0.62	0.0%	71.37	0.2%
II. Energy & Power	206.43	1.2%	6.60	0.0%	52.09	0.2%
E. Education	0.39	0.0%	3.39	0.0%	17.34	0.1%
C. Insurance & Pension Funds	0.00	0.0%	0.41	0.0%	2.48	0.0%
Fishing Farms	0.37	0.0%	0.01	0.0%	1.20	0.0%
Agricultural Farms	0.00	0.0%	0.00	0.0%	0.00	0.0%
Agricultural farms without paddy rice	0.00	0.0%	0.00	0.0%	0.00	0.0%
Paddy rice	0.00	0.0%	0.00	0.0%	0.00	0.0%
D. News Media	0.00	0.0%	0.00	0.0%	0.00	0.0%
F. Other Private Sector	0.00	0.0%	0.00	0.0%	0.00	0.0%
A. Non-Bank Depository Corp.	0.00	0.0%	0.00	0.0%	0.00	0.0%
D. Financial Auxiliaries	0.00	0.0%	0.00	0.0%	0.00	0.0%
3) Foreign Offices/NGOs	0.00	0.0%	0.00	0.0%	0.00	0.0%
4) Non-Profit Institutions Serving Households (NPISH)	0.00	0.0%	0.00	0.0%	0.00	0.0%
TOTAL	16,903.59	100.0%	13,442.13	100.0%	30,706.01	100.0%

Zero-Emission Sectors — No Active Exposure

The following sectors carry valid emission factors but reported zero financed emissions for FY 2024-25. This indicates either no active loan exposure in these sectors or that exposure data has not yet been captured in the portfolio system. These sectors should be reviewed to confirm data completeness.

Zero-Emission Sectors per Group | FY 2024-25 | 89 of 180 sectors

Framework

180

Total Sectors Assessed

Scope

89

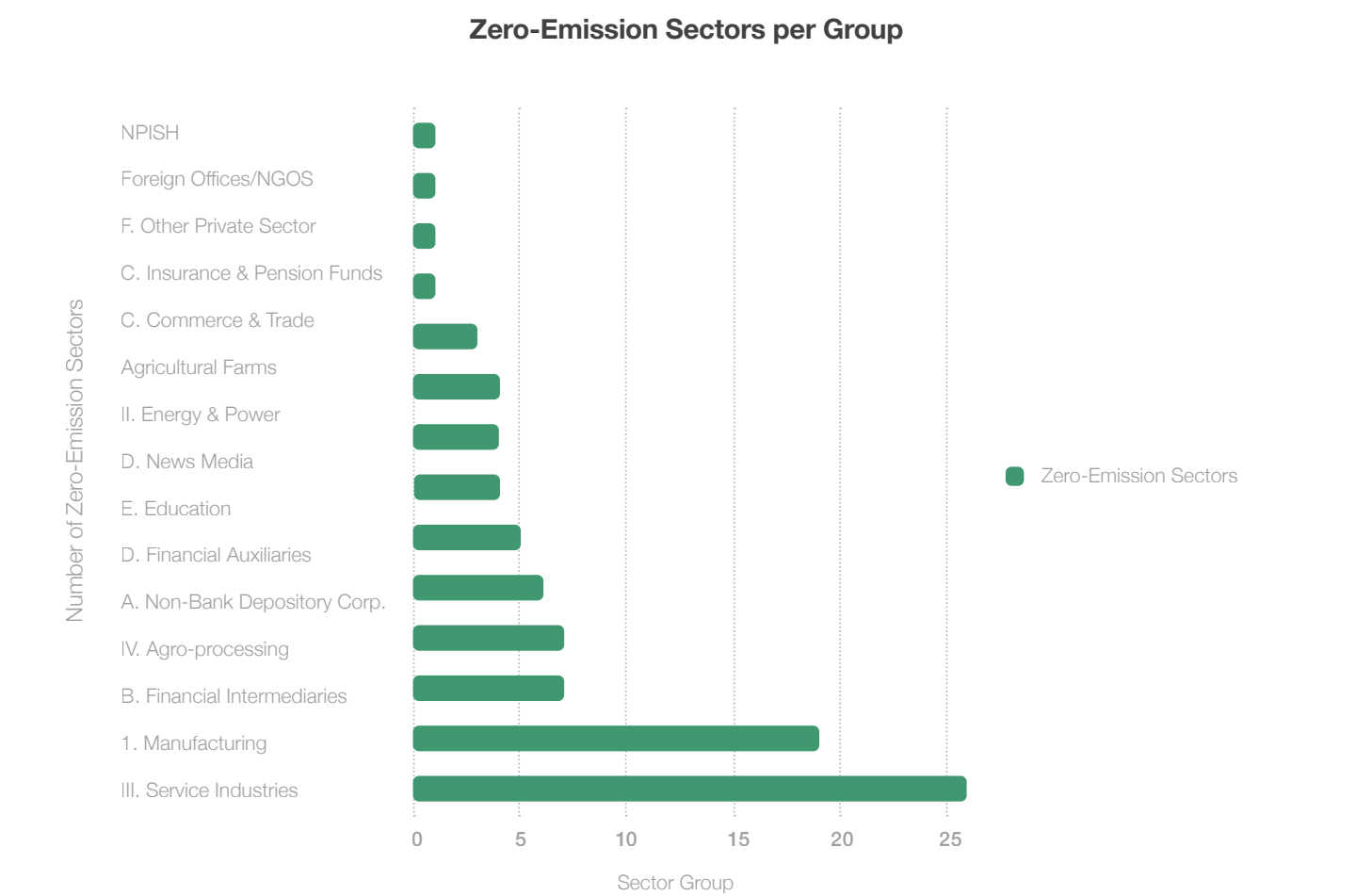
Zero-Emission Sectors

Application in This Report

91

Active Sectors

Sector Group	Zero-Emission Sectors	% of Group Total
III. Service Industries	26	29.2%
I. Manufacturing	19	21.3%
B. Financial Intermediaries	7	7.9%
IV. Agro-processing	7	7.9%
A. Non-Bank Depository Corp.	6	6.7%
D. Financial Auxiliaries	5	5.6%
E. Education	4	4.5%
D. News Media	4	4.5%
II. Energy & Power	4	4.5%
Agricultural Farms	3	3.4%
C. Commerce & Trade	1	1.1%
C. Insurance & Pension Funds	1	1.1%
F. Other Private Sector	1	1.1%
Foreign Offices / NGOs	1	1.1%
NPISH	0	0.0%
TOTAL	89	100.0%



Key Findings & Recommendations

Scope 3 Dominance — Supply Chain Risk

Scope 3 constitutes 50.2% of total portfolio emissions (30,500.04 tCO₂e), reflecting the significant embedded carbon in borrowers' upstream supply chains. This requires a supplier engagement strategy.

- Develop a supplier emission disclosure program for the top 50 borrowers by outstanding balance in Scope 3-dominant sectors.
- Incorporate Scope 3 supply chain risk into sector credit policies for Agro-processing, Manufacturing, and Commerce sectors.
- Partner with industry associations (BGMEA for RMG, BCI for cement) to access industry-level Scope 3 benchmarks.

Zero-Emission Sector Data Gaps

- Reconcile zero-emission sectors with the loan management system to confirm exposure versus data gap.
- Implement mandatory sector code tagging in the loan origination system to ensure emission factor mapping completeness.
- Conduct an internal data quality audit before the next annual reporting cycle.

Portfolio Concentration Risk

- The top 3 sectors (Rubber & Plastics, Pharma, Cement) account for 69,721.3 tCO₂eq, 70.8% of total emissions from just 3 out of 180 sectors, extreme concentration risk.
- Rubber & Plastics alone is 42.7% of the entire portfolio's carbon footprint.
- Scope 3 dominates at 68%, meaning the bank has very limited direct control over most of its financed emissions; reduction depends entirely on borrower supply chain decisions.
- Scope 1 (12%) is unusually low for a manufacturing-heavy portfolio, suggesting either data gaps or that most heavy industry Scope 1 is not yet captured.
- Manufacturing contributes across all three scopes: 77.0% of Scope 1, 92.6% of Scope 2, and 64.2% of Scope 3 — it is the single most carbon-critical sector group by a wide margin and warrants a dedicated sub-portfolio climate strategy.
- Service Industries, Commerce & Trade, Education, and Financial sectors collectively contribute less than 5% of total emissions — these are low-carbon sectors where growing exposure would improve overall portfolio carbon intensity without adding significant climate risk.

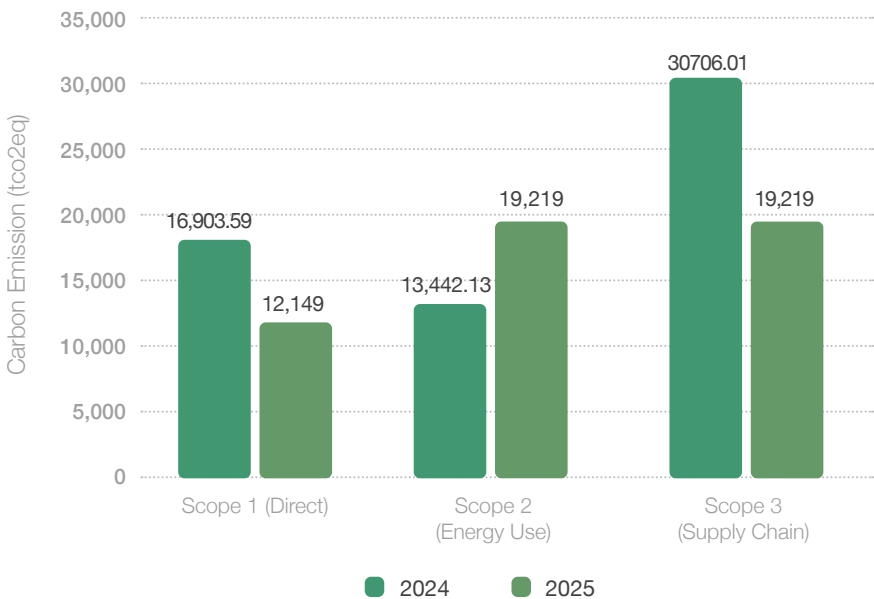
Top 20 Sectors by Total Financed Emissions

Our interim target for 2025 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, we aim to keep the increase to a minimum and address 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) 2025 vs 2024



Strategy	Strategy for 2030	Strategy for 2050
Adopt Low-Emission Office Appliances	Use energy-efficient office equipment such as LED lighting, low-carbon computers, and energy-efficient heating/cooling devices.	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 the responsible disposal or recycling of electronics.
Decarbonize Energy Usage:	- 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. - Aim for 50-60% of energy consumption in major industries to come from renewable sources by 2030.	- 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. - Achieve a 50-60% reduction in Scope 3 emissions across all supply chains by 2050.
Promote Low-Carbon Consumer Behaviour	- Encourage industries like Cement and Steel Engineering to invest in alternative low-carbon production processes. - Achieve a 30% reduction in energy consumption per unit of output by 2030. - Establish policies to encourage waste minimization and the use of recycled materials across all manufacturing sectors	- Encourage industries like Cement and Steel Engineering to invest in alternative low-carbon production processes. - Achieve a 30% reduction in energy consumption per unit of output by 2030. - Establish policies to encourage waste minimization and the use of recycled materials across all manufacturing sectors
Implement Cleaner Fuel Alternatives	- 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. - Reduce Scope 1 emissions by 20-30% by 2030.	- Educate and incentivize consumers to choose low-carbon products through sustainability labelling, carbon footprints on product packaging, and discounts on eco-friendly purchases. - Achieve a 30-40% reduction in consumer-driven Scope 3 emissions by 2050.
Employee Engagement and Awareness	Provide training on energy conservation and sustainability practices in the office.	Integrate sustainability goals and values into the company's mission, vision, and core values. Make sustainability a key part of employee onboarding and create a culture where environmental consciousness is a foundational aspect of work.
Sustainability Reporting and Accountability	- Enforce mandatory emissions reporting for Scope 1 and Scope 2 emissions, including annual reduction targets for each sector. - Ensure that all industries are actively managing their carbon footprint by 2030.	- 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. - Drive systemic change across industries to reduce Scope 3 emissions by 50-60% by 2050.

Climate Change Mitigation

United Finance PLC has demonstrated a resolute commitment to combating climate change through its green and sustainable finance initiatives. In 2025, the company disbursed BDT 1,639.51 million under Green Linked Financing, supporting projects focused on environmental preservation and sustainable development — a substantial leap reflecting the deepening of our green finance ambition.

Additionally, BDT 10,147.80 million was allocated across various Sustainable Linked Finance initiatives, aimed at creating long-term environmental and social value. United Finance PLC also prioritized the renewable energy sector, disbursing BDT 83.20 million to support clean energy projects, while BDT 350.06 million was channeled into circular economy and eco-projects financing.

Together, these actions highlight United Finance PLC’s proactive and growing approach to environmental stewardship and climate action.

A key focus has been on financing new entrepreneurs in sustainable business practices. The company financed 15 new entrepreneurs with a total disbursement of BDT 149.25 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. 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.



BDT 149.25 million

was disbursed, empowering 15 new entrepreneurs with funding to drive sustainable business initiatives.



Total Green Finance Disbursement of
BDT 1639.51 million

supporting environmentally sustainable projects



Green Linked Portfolio amounted to
BDT 2547.93 million

focused on creating long-term environmental and social value



BDT 1091.44 million,

Total amount invested in Energy & Resource Efficiency



BDT 83.20 million

allocated to renewable energy projects, promoting clean energy solutions and a low-carbon economy

3. Green projects

a) Circular Economy & Eco-Projects Financing

Circular Economy & Eco-Projects Financing represented the second largest component of our Green Linked Finance portfolio in 2025, with a total disbursement of BDT 350.07 million, accounting for 21.36% of total green linked finance disbursement and a portfolio outstanding of BDT 716.1 million.

United Finance PLC directed this financing toward a range of recycling and waste repurposing initiatives, including PET bottle recycling plants, plastic waste recycling facilities handling materials such as PVC, PP, LDPE, HDPE, and PS, and paper recycling plants aimed at reducing paper waste and conserving forests.

These investments play a crucial role in reducing plastic and paper pollution, supporting the transition to a circular economy, and contributing to a cleaner and more sustainable environment

b) Renewable Energy

In 2025, United Finance PLC significantly scaled up its commitment to clean energy, disbursing BDT 83.20 million toward renewable energy projects — representing approximately 5.07% of total green-linked finance disbursement, with a portfolio outstanding of BDT 32.45 million.

This expansion reflects our continued dedication to supporting sustainable, eco-friendly energy solutions and reinforces our contribution to Bangladesh's transition toward a low-carbon energy future.

c) Energy & Resource Efficiency Establishment

Energy and Resource Efficiency remained the dominant component of our Green Linked Finance portfolio in 2025, accounting for 66.57% of total green linked finance disbursement with a total of BDT 1,091.45 million disbursed and a portfolio outstanding of BDT 1,523.78 million.

These investments were directed toward improving the energy performance of various industries, reducing electricity consumption, cutting operational costs, and driving sustainability through more efficient use of resources.

The scale of this investment underscores our conviction that energy efficiency is one of the most impactful levers available for reducing the environmental footprint of Bangladesh's industrial base.

d) Green Socially Responsible Financing (SRF)

Green Socially Responsible Financing accounted for 4.88% of our total green-linked finance disbursement in 2025, with BDT 80.00 million disbursed and a portfolio outstanding of BDT 61.77 million.

This category reflects our commitment to financing projects that deliver meaningful environmental benefits while simultaneously advancing social well-being, ensuring that our green finance agenda remains inclusive and people-centered.

e) Green Agriculture

In 2025, United Finance PLC disbursed BDT 22.60 million toward Green Agriculture financing, representing approximately 1.38% of total green-linked finance, with a portfolio outstanding of BDT 19.84 million.

These funds supported environmentally responsible agricultural practices, empowering farmers and agribusinesses to adopt sustainable methods that enhance productivity while minimizing ecological impact.

f) Green CMSME

Our Green CMSME disbursement in 2025 stood at BDT 6.20 million, with a portfolio outstanding of BDT 6.67 million, representing approximately 1% of total green-linked finance.

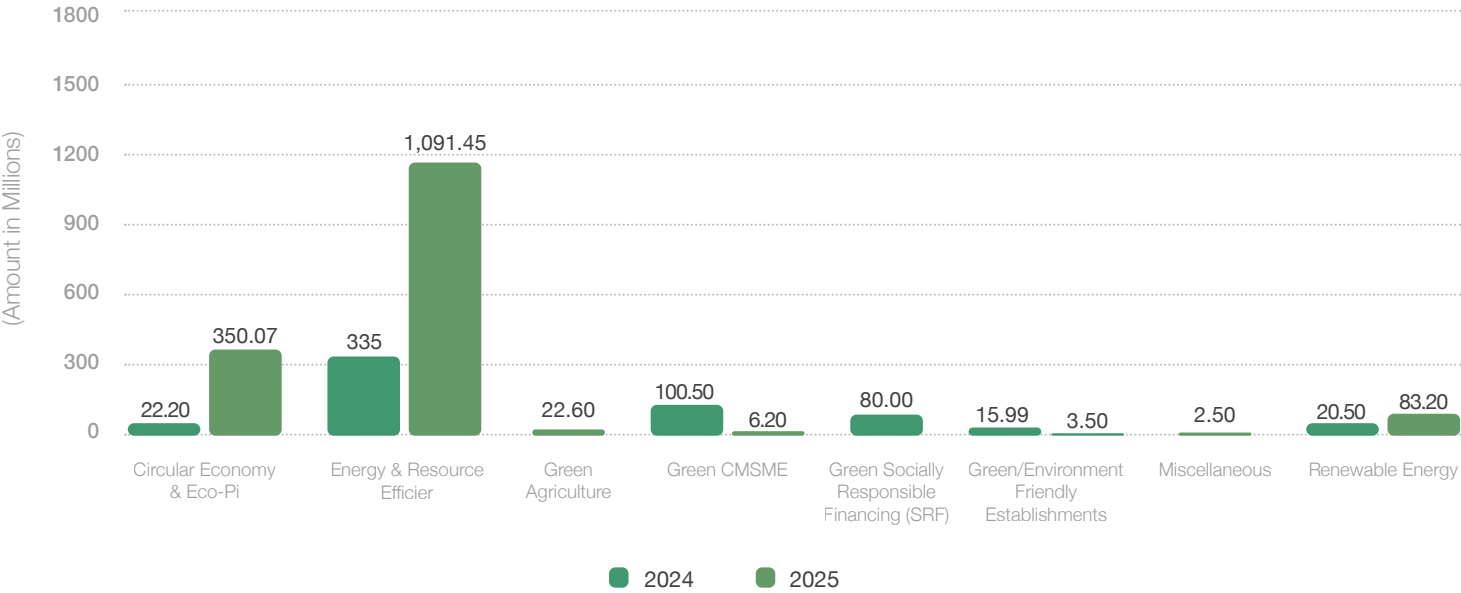
This segment reflects our ongoing commitment to supporting cottage, micro, small, and medium enterprises in adopting environmentally responsible business practices — recognizing that the CMSME sector is a vital engine of inclusive green growth in Bangladesh.

g) Green/Environment Friendly Establishments

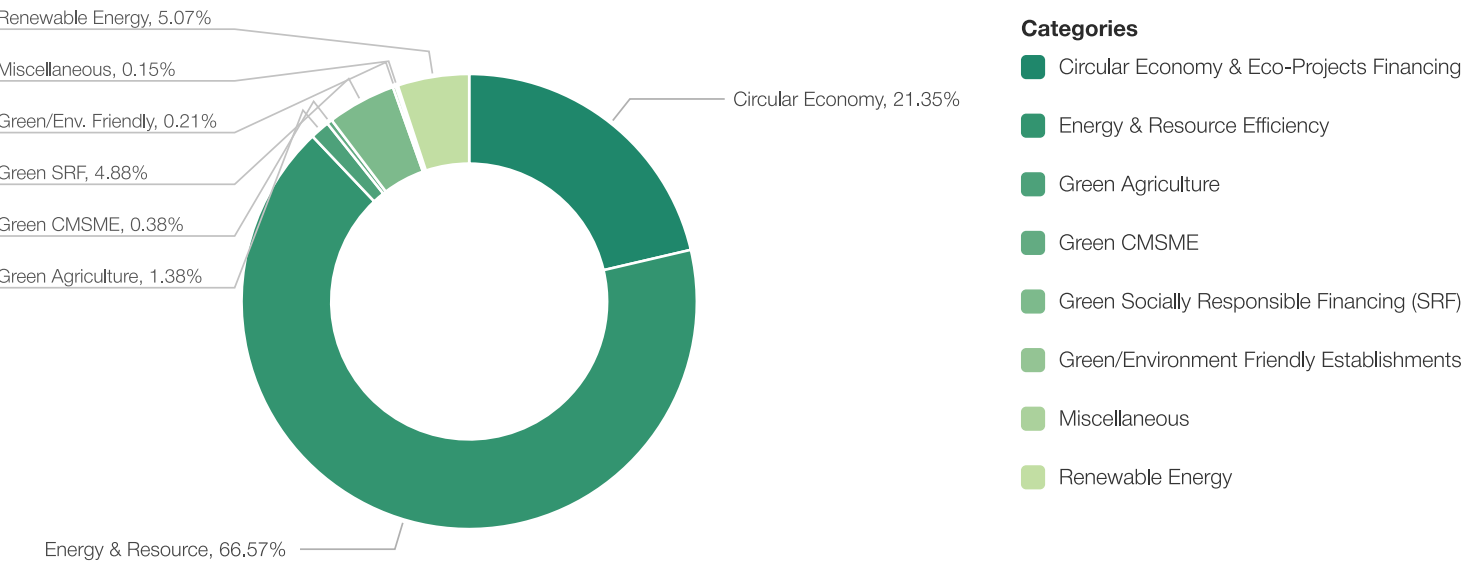
United Finance PLC disbursed BDT 3.50 million toward green and environment-friendly establishment financing in 2025, with a portfolio outstanding of BDT 42.0 million.

These investments support the improvement of factory safety, worker well-being, and environmental compliance - including the implementation of fire defense systems, disaster prevention systems, and occupational health and safety infrastructure.

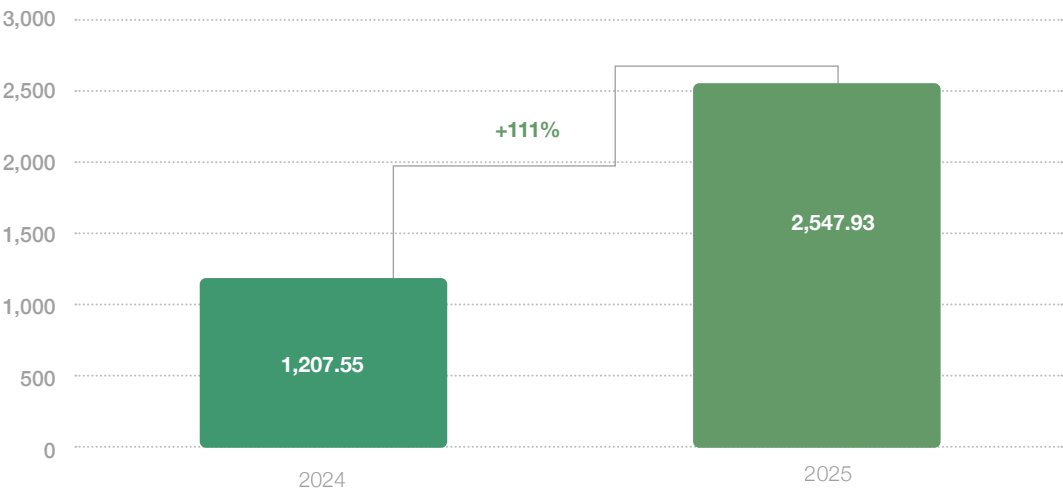
Green Category Disbursement (Amount in Million)



Green Finance Investment Categories



Green Linked Finance Portfolio (in BDT million)



4. Waste Management

At United Finance PLC, responsible waste management is an integral part of our environmental commitment. We maximize paper usage by utilizing both sides of every sheet, and all discarded paper is securely collected and shredded prior to disposal. Old equipment and furniture are donated to charitable organizations or sold for reuse, extending the productive life of assets and reducing landfill contributions.

Food waste from our offices is collected daily by local waste management services, ensuring hygienic and environmentally responsible disposal. Toner cartridges and newspapers are channeled through trusted community recycling partners, ensuring that our waste streams are managed with minimal environmental impact at every stage.

5. Environmental Protection Analysis

Environmental Protection Analysis		2024	2025
Number of customers eligible for Environmental & Social Due Diligence (ESDD)		498	13,815
Number of customers appraised for environmental risk rating		498	13,815
Low		491	13,794
Medium		7	21
High		0	0

The Environmental Protection Analysis for 2025 reflects a transformative expansion in the reach and depth of our environmental risk management practices. The number of customers eligible for Environmental & Social Due Diligence (ESDD) grew dramatically to 13,815 in 2025, compared to 498 in 2024 — an increase of over 27 times — reflecting the significant broadening of our ESDD framework across the loan portfolio.

All 13,815 eligible customers were duly apprised of the environmental risk rating. Of these, 13,794 (99.85%) were classified as low risk, 21 as medium risk, and none as high risk — demonstrating both the quality of our portfolio and the effectiveness of our environmental screening processes. This substantial expansion in ESDD coverage marks a pivotal step in embedding environmental accountability into the core of our lending operations.

Impact of Environmental Initiatives on SDG

SDG Description	SDG
Ensure availability and sustainable management of water and sanitation for all	
Ensure access to affordable, reliable, sustainable, and modern energy for all	
Ensure sustainable consumption and production patterns	
Take urgent action to combat climate change and its impacts	
Take urgent action to combat climate change and its impacts	
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 1166.00 million to the GDP directly. This includes BDT 198.04 in savings, strengthening financial security and investment potential; BDT 444.33 million in taxes, supporting national development; and

BDT 523.63 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
198.04	444.33	523.63	1166.00

- 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 7,037 million.
- Deposit customer retention ratio: 73.83%
- First-time institutional borrowers: 17

Particulars	2025 (Amount in BDT Million)	2024 (Amount in BDT Million)
Financial assistance received from the government (in BDT Million)	2,399.05	3,175.12

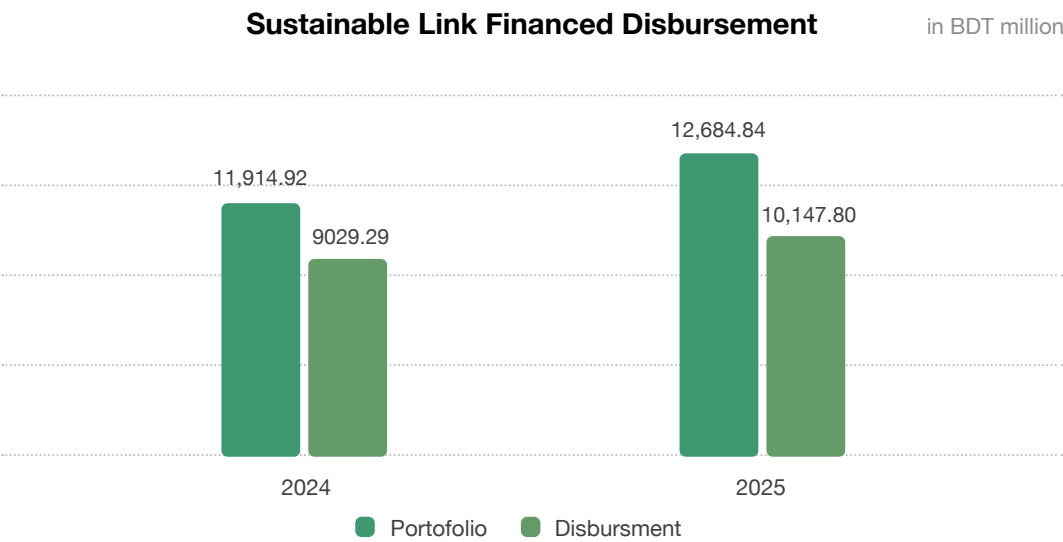
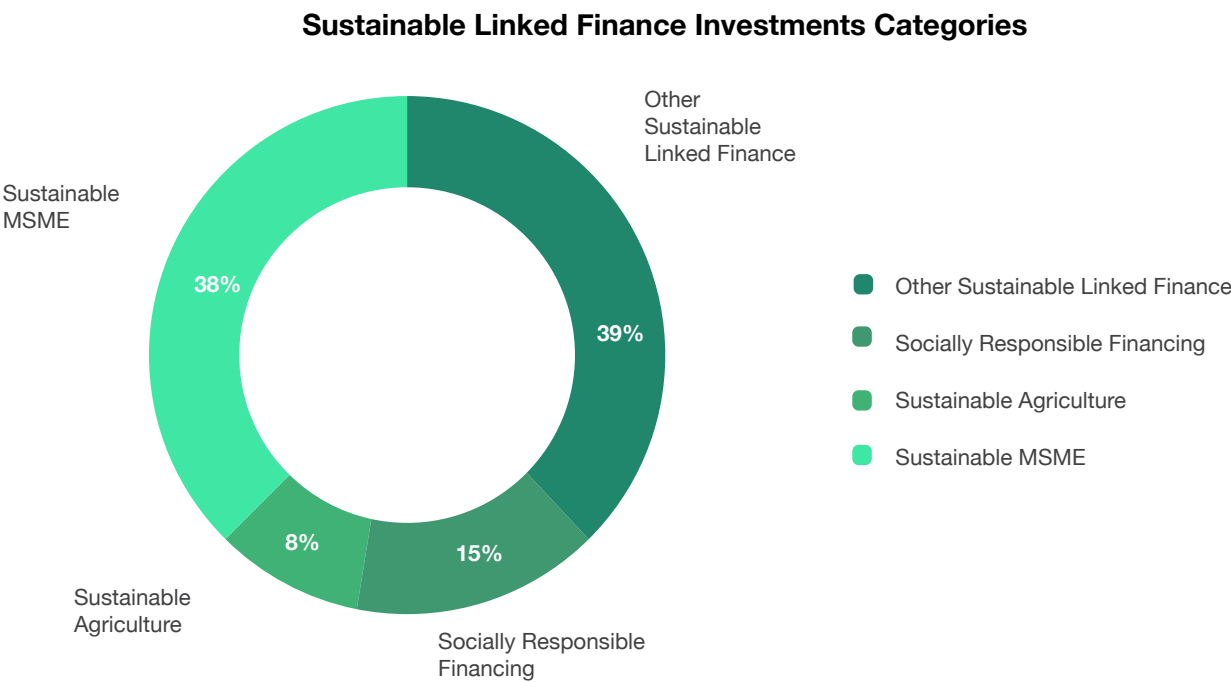


A. Empowering Communities through Sustainable Financing

At United Finance PLC, we are committed to driving sustainable growth through our diverse Sustainable Linked Finance initiatives. In 2025, our total Sustainable Linked Finance disbursement stood at BDT 10,147.81 million, with a total portfolio outstanding of BDT 12,684.84 million, which reflects

the scale and depth of our commitment to financing sustainable economic activity across Bangladesh.

Here is a breakdown of our key areas, their respective disbursements, and portfolios for 2025:



I. Sustainable Agriculture

We allocated BDT 823.19 million toward Sustainable Agriculture financing — representing 8.0% of total sustainable linked finance disbursement, with a portfolio outstanding of BDT 1,704.07 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 Micro, Small, and Medium Enterprises (MSME)

Our Sustainable MSME financing recorded a disbursement of BDT 3,904.31 million, accounting for 38% of total sustainable linked finance disbursement, with an outstanding portfolio of BDT 4,371.87 million.

This reflects our ongoing and deepening support for micro, small, and medium-sized enterprises that integrate sustainable practices into their business models, empowering them to grow while maintaining a positive environmental and social impact.

III. Socially Responsible Financing

United Finance PLC allocated BDT 1,570.00 million to Socially Responsible Financing (SRF), representing 15% of total sustainable linked finance disbursement, with an outstanding portfolio of BDT 1,327.80 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

The largest component of our sustainable portfolio, Other Sustainable Linked Finance (SLF), recorded a disbursement of BDT 3,905.58 million, representing 39% of total sustainable linked finance disbursement, with an outstanding portfolio of BDT 5,281.10 million.

This broad category encompasses a wide range of green and sustainable projects that contribute to environmental conservation and sustainable development across multiple sectors.

B. Empowering Communities through Cottage, Micro, Small, and Medium Enterprises (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 2025, United Finance PLC successfully disbursed BDT 7,037 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.

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 the head office, situated 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 age allowances
- Widow, deserted & destitute women allowances
- Lifestyle development of the unprivileged community
- Stipend for the unprivileged community
- Disable allowances
- Stipend for disabled allowances
- Maternity & Lactating Mother allowances

3. Digital Integration

UMA: United Finance App

United Finance PLC became the first Non-Bank Financial Institution (NBFi) in Bangladesh to launch UMA, a fully featured mobile application, earning the Bangladesh Fintech Award for Best Mobile App.

United Finance PLC’s mobile application, UMA, marks a defining milestone in the company’s history and in the broader trajectory of Bangladesh’s financial services sector. UMA is the first mobile application launched by any Non-Bank Financial Institution (NBFi) in Bangladesh, a distinction that reflects both the ambition and the execution capability of United Finance PLC. The platform’s recognition at the Bangladesh Fintech Award for Best Mobile App affirms its position as a benchmark innovation within the country’s financial technology landscape.

UMA was developed on the foundational premise that financial management should be immediate, intuitive, and always accessible. Through a secure, elegantly designed interface, customers can open accounts digitally, monitor their balances and transactions in real time, download statements and certificates instantly, and initiate service requests at any hour.

The application supports fully paperless onboarding, a capability that positions United Finance PLC at the forefront of financial inclusion in Bangladesh, extending access to customers regardless of geography or time constraints.

Security is central to UMA’s design. Biometric authentication, encompassing fingerprint and facial recognition, keeps access secure, while strong encryption protects customer data to the highest standards. These measures provide customers with confidence to conduct financial activities through the platform without reservation.

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 Short Message Service (SMS) notifications. By leveraging digital tools, we offer added convenience and flexibility, enabling customers to manage their accounts and stay connected with us effortlessly.

UMA is available on iOS (App Store), Android (Google Play), and as a web-based portal — ensuring the broadest possible reach across United Finance’s customer base, irrespective of device or connectivity constraints.

Key Capabilities

Digital Account Opening	End-to-end paperless customer onboarding, including identity verification and account activation, is completed entirely within the app, decreasing the need to visit branches.
Real-Time Account Visibility	Full transparency of balances, transaction histories, and account status, updated in real time and accessible at any moment.
Instant Statements & Certificates	Account statements and official certificates downloadable on demand, eliminating the need for formal requests or branch attendance.
Deposit Management	Customers can open and manage deposit accounts directly through UMA, enabling flexible and convenient savings management.
Biometric Security	Fingerprint and facial recognition authentication, supported by end-to-end encryption, to protect all customer interactions and data.
24/7 Service Access	Round-the-clock availability of all platform services, supported by a responsive customer support infrastructure accessible through the app.



5,523
Digital On-Boarding of
Customers



218
Digital practice of Process and
Operations

MyNet — Operations & Daily Task monitoring Hub

MyNet serves as the operational nerve center of United Finance PLC, the integrated intranet platform through which the company's day-to-day organizational activities are coordinated, documented, approved, and communicated. It is the digital infrastructure that binds together the company's people, processes, and institutional knowledge into a coherent, always-accessible operational environment.

At the center of MyNet's design is a structured task and approval workflow engine. Every operational decision, whether a document authorization, compliance clearance, a cross-departmental request, or a management directive, is initiated, routed, tracked, and resolved through a transparent, auditable digital process.

MyNet digitizes the connective tissue of daily organizational life, such as communication, documentation, approvals, and reporting, which helps

The platform's homepage surfaces each employee's pending tasks and pending approvals in real time, ensuring that institutional momentum is maintained and that nothing falls through the gaps of a complex organization.

MyNet's information architecture supports the company's commitment to a well-informed workforce. Internal news and announcements are published and disseminated through the platform, ensuring that all staff, regardless of branch or department, are aligned with organizational developments. The platform simultaneously curates relevant external financial and market news, keeping management and staff contextually aware of the environment in which the company operates. Cultural touchpoints, such as birthday notifications drawn from Human Resources (HR) records, reinforce a sense of community and belonging within the organization.

in reducing administrative friction and creating a more responsive, better-informed institution at every level.

Platform Modules



Tasks & Approvals

End-to-end digital workflow for task creation, routing, tracking, and multi-level approval — with a complete, auditable record of every action taken.



Gateway

Consolidated access point for linked internal systems and external digital resources, reducing navigation complexity for users across the organization.



Meetings

Digital scheduling and coordination module for meetings, appointments, and inter-departmental sessions, with integrated notification management.



Notification System

Real-time, role-based notification management ensures that every user receives timely and relevant updates across all platform modules.



Document Organizer

Centralized, structured repository for institutional documents — searchable, organized, and accessible to authorized users across all departments.



Internal & External News

Real-time Company announcements alongside curated external financial news feeds keep the workforce informed and contextually aligned.



Reports

Consolidated operational reporting is accessible to management, drawing on data from across the platform to support informed decision-making.



Fast Path Search

Rapid, intelligent search across all records, documents, and personnel within MyNet that significantly reduces time spent on information retrieval.



Complaint Reporting

Structured intake, tracking, escalation, and resolution workflow for complaints — supporting the Company's accountability and service quality commitments.

MyHR — People Management & Employee Lifecycle Platform

MyHR is United Finance PLC’s dedicated Human Resources platform, a comprehensive, employee-facing portal that brings the full spectrum of HR functions into a single digital space that is available at all times. The platform is built on the principle of employee empowerment: every member of staff can independently access, manage, and engage with their own employment journey without intermediary dependence on the HR department for routine information, records, or requests.

MyHR restructures the traditional HR service model. Rather than positioning HR as a gatekeeper of employee information, the platform makes personnel records, payroll data, attendance history, career progression maps, training records, and

benefit entitlements directly and immediately available to each employee through a personalized interface. This shift reduces administrative burden on the HR function while simultaneously improving the employee experience, transforming HR into a strategic partner rather than a transactional intermediary.

The platform encompasses eleven distinct modules, each addressing a specific dimension of the employment lifecycle. From onboarding through active service to performance evaluation and beyond, MyHR provides structured digital support at every stage of an employee’s journey with United Finance PLC.



MyHR transforms HR from a service department into a self-service ecosystem — placing salary information, attendance records, training history, benefit details, health status, and personal documents directly in the hands of each employee, at any time

Employee Self-Service Modules

Module	Function
My Profile	Personal and professional records are always maintained and directly accessible by the employee.
My Career Progression	Visual career roadmap displaying employment history, current grades, and the development pathway ahead.
My Salary	Pay slips, salary history, and compensation structure are accessible without HR or Finance intermediation.
My Attendance	Real-time attendance records, leave balances, and working hour visibility for employees and managers alike.
My HR Services	Structured interface for all common HR requests, such as leave applications, No Objection Certificate (NOC) requests, and service queries.
My Benefit	Full transparency of employee benefit entitlements, welfare provisions, and associated claim processes.
My Training	Training program enrolment, completion tracking, and continuous learning management in one place.
My Exam	Internal examination participation, result records, and assessment management for professional development.
My Evaluation	Performance evaluation records, appraisal outcomes, and review cycle management are digitally maintained.
My Documents	Secure personal document vault for employment letters, certificates, NOCs, and HR-issued records.
My Health Status	Health and wellness records, integrating employee wellbeing into the digital HR management framework.

NFP4 — Portfolio Monitoring & Business Segment Management

NFP4 is United Finance PLC’s dedicated platform for business segment monitoring, credit portfolio management, and operational oversight across the company’s financing activities. It serves as a central platform for managing the credit portfolio, providing real-time visibility and full lifecycle oversight of all financing cases.

The platform consolidates what were previously disparate, manual, or partially automated processes into a single, integrated workflow environment. Credit officers initiate tasks with structured inputs that ensure consistency and completeness from the outset.

Incoming cases populate a live queue that enables teams to manage workloads, maintain turnaround discipline, and prioritize high-value or time-sensitive applications. Credit Information Bureau (CIB) data is integrated

directly into the workflow, enabling credit officers and analysts to assess borrower profiles without switching systems or manually retrieving data.

NFP4’s reporting architecture is one of its most strategically significant features. The dynamic report module generates customizable, real-time analytical outputs across the portfolio — sliced by product, segment, geography, officer, or time period — transforming transactional data into actionable business intelligence.

At the management level, the MD’S Sanction Report provides executive-level visibility over the highest-value approvals, while the Pipeline Aging Report proactively identifies bottlenecks and cases that have exceeded expected turnaround thresholds.

NFP4 consolidates the complete lifecycle of a financing case, from task initiation and CIB inquiry through appraisal, sanctioning, approval, and post-disbursement monitoring, into a single, auditable platform that gives management real-time sight of the entire business pipeline.

Employee Self-Service Modules

Create Task	Structured initiation of new financing applications and credit requests, with consistent data captured from the outset of every case.
Received Tasks	Live queue of incoming cases enabling workload management, prioritization, and turnaround discipline across credit teams.
View CIB Response	Direct integration of Credit Information Bureau (CIB) data into the workflow, enabling efficient borrower assessment without system switching.
Forwarded Tasks	Tracking and management of cases escalated or transferred between officers, teams, or branches during the approval process.
Rejected Applications	Structured review of declined cases, supporting quality review, regulatory compliance, and institutional learning.
Search Appraisal	Rapid retrieval of completed or in-progress appraisal records across the full portfolio, supporting audit and review requirements.

Management Reporting Suite

Report	Purpose & Scope
MD's Sanction Report	Provides executive-level visibility of all cases reaching the Managing Director's approval threshold. Essential for leadership oversight of high-value financing decisions.
Pipeline Aging Report	Identifies cases that have remained at any processing stage beyond defined thresholds, enabling proactive management of bottlenecks and turnaround performance.
Dynamic Report	Customizable, real-time portfolio analytics across multiple dimensions including product, segment, geography, officer, and time period, supporting both operational and strategic decision-making.
Operation Report	Consolidated view of credit operation showing work volumes and activity levels across teams and periods.
Turnaround Time (TAT) Details	Granular turnaround time analytics at the case, stage, and officer level, supporting performance management and process improvement.
Task Initiation Report	Tracks origination volumes and application patterns across business segments, products, and relationship managers.
Performance Report — Credit	Individual and team credit productivity metrics, supporting performance accountability and incentive management.
Task Transition Report	Audit trail of case movement through each approval stage, by whom and when — supporting governance and compliance requirements.
Approval Details Report	Comprehensive record of all approval decisions, conditions, and outcomes across the portfolio for audit and regulatory purposes.
Pending Document File Check	Identifies and flags cases awaiting document completion, preventing pipeline blockage and supporting proactive follow-up.
Queue & Queue Monitoring (View)	Real-time dashboards of case volumes, status distribution, and queue depth across teams — enabling operational management at a glance.

4. Advancing Financial Inclusion through Strategic Partnerships

We remain steadfast in our commitment to financial inclusion by fostering strategic partnerships with leading development organizations across Bangladesh.

In alignment with our ESG priorities, United Finance PLC channeled a total of BDT 1,570 million across 11 partner microfinance institutions, directly reaching 12,611 linked customers, ensuring that financial resources flow to those who need them most.

These partnerships span a diverse network of organizations that collectively serve micro-entrepreneurs, small businesses, rural enterprises, agricultural communities, and capacity-building initiatives.

By working through these trusted institutions, United Finance PLC extends its financial inclusion reach well beyond its own

branch network, embedding itself into the fabric of underserved communities across Bangladesh.

Moreover, channelling funds through these organisations, United Finance PLC enables sustainable economic development across Bangladesh by fostering entrepreneurship, generating employment and improving financial literacy at the grassroots level.

This initiative strengthens the broader microfinance ecosystem and drives inclusive growth, ensuring that capital reaches the communities that stand to benefit from it most.

Through such partnerships, we continue to contribute meaningfully to Bangladesh's progress towards a more equitable, financially empowered and resilient economy.

Name of MFI	Amount	Number of Linked Customers
RESOURCE INTEGRATION CENTRE (RIC)	100.00	560.00
PEOPLE-ORIENTED PROGRAM IMPLEMENTATION	100.00	896.00
SOCIETY FOR DEVELOPMENT INITIATIVES (SDI)	100.00	376.00
SOCIO-ECONOMIC BACKING ASSOCIATION (SEBA)	150.00	2302.00
PADAKHEP MANABIK UNNAYAN KENDRA	200.00	1189.00
WAVE FOUNDATION	70.00	319.00
RURAL RECONSTRUCTION FOUNDATION	200.00	527.00
BANGLADESH EXTENSION EDUCATION SERVICES	300.00	2015.00
JAGORANI CHAKRA FOUNDATION	200.00	1554.00
GRAM BIKASH KENDRA	100.00	2183.00
SOCIAL ADVANCEMENT THROUGH UNITY (SATU)	50.00	690.00
Total	1,570.00	12, 611.00

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 demonstrate consistent regulatory compliance while contributing to 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, Value-Added 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 444.33 increasing by 49 million.

Contribution to National Exchequer (BDT in Million)

Contribution Type	2025 (BDT Million)	2024 (BDT Million)	% Increase/Decrease
Payment of Corporate Income Tax	158.30	128.15	24%
Payment of VAT	9.60	12.76	-25%
Payment of Excise Duty	1.65	2.35	-30%
Withholding Tax Collected & Deposited	213.03	195.76	9%
Withholding VAT Collected & Deposited	18.27	11.02	66%
Withholding Excise Duty Collected & Deposited	43.47	45.76	-5%
Total Contribution	444.33	395.81	12%

Our total contribution to the national exchequer grew by 12.16% % in 2025 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 23.53% and 8.82%, respectively. These contributions underscore United Finance PLC's strong financial performance and our consistent commitment to fulfilling our fiscal responsibilities.

In terms of individual tax categories, our payment of corporate income tax reached BDT 158.30 million in 2025, reflecting a significant 23.53% 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 213.03 million, up by 8.82%,

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 24.76%, while excise duty payments saw a decline of 29.79%.

However, our continued efforts in collecting and depositing withholding VAT and withholding excise duty, with respective changes of +65.79% and -5.00%, reflect our dedication to meeting all tax obligations, even in fluctuating circumstances.

Impact of Financial Inclusion on SDG

United Finance PLC's economic sustainability initiatives support key UN Sustainable Development Goals (SDGs) by promoting financial inclusion and reducing poverty, aligned with SDG 1, fostering sustainable economic growth under SDG 8, reducing inequalities through support for SMEs, farmers, and women entrepreneurs under SDG 10, and encouraging responsible consumption and production practices under SDG 12.

Through strategic partnerships with organizations such as UDDIPAN, RRF, and BEES, the Company empowers underserved communities and strengthens global partnerships for sustainable development in line with SDG 17.

Impact of Environmental Initiatives on SDG

SDG Description	SDG
End poverty in all its forms everywhere	
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
Reduce inequality within and among countries	
Ensure sustainable consumption and production patterns	
Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	

Social Sustainability

Employee Excellence and Engagement

The success of United Finance PLC is inseparable from the commitment, talent, and energy of its people. In 2025, the company made significant strides in cultivating a high-performance culture rooted in learning, collaboration, and inclusiveness. Through structured training programs, regional planning sessions, cultural events, and cross-functional recognitions, the year reflected an organization investing in its people.

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 410 female participants to receive quality education through our contributions.



2,522.25 Mn

Total Amount of Women Entrepreneurship Financed



380

Total Number of Women Entrepreneurship Financed

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	104
Non-Permanent Female Staff	7
Employees availing Maternity Leave	4
Percentage of Women Employee Retention Rate after Maternity Leave	75%
Percentage of Women Employee Retention Rate 12 months after Maternity Leave	75%

2. 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.

	Male	Female
Permanent Employees in 2025	458	104
Non-Permanent Employees in 2025	31	7

	Permanent	Non-Permanent
Employment Generation in 2025	67	20

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	Group Health Insurance	Provident fund	Minimum notice period before switching jobs 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	Mobile phone allowance (communication time)	Leave encashment	
Utilities allowance	Mobile handset allowance		
Risk Allowance	Ex-gratia payment		



b. Strategic Business Session and Engagement

Honoring UMA's Product Team for Excellent Innovation

The dedicated team behind UMA, Bangladesh's first AI-powered financial employee, was honored at a special recognition event attended by the Chairman and Managing Director. Deputy Managing Director and UMA Project Lead, Mr. Mohammed

Abul Ahsan, shared the inspiring journey of bringing UMA from concept to reality, a story of cross-functional collaboration, bold innovation, and relentless execution.

Cluster & Regional Business Planning Sessions

Across the country, United Finance PLC's cluster teams convened a series of focused business planning and strategic review sessions throughout 2025, bringing together senior management and frontline teams to sharpen priorities, address on-the-ground realities, and chart a unified course for performance delivery. These sessions embody the company's conviction that sustained growth is built not from the top down alone, but through the alignment of every branch, every relationship manager, and every team member with a shared strategic vision. Four major cluster sessions were held during the year, each reflecting the unique character and opportunities of its region.

Cluster 2 — Dhaka Division Business Planning Session

The Cluster 2 business planning session brought together branch teams from across the Dhaka Division, including Bongshal, Gazipur, Jinjira, Mymensingh, Narsingdi, Shyamoli, and Tejgaon, for an intensive, forward-looking session focused on performance delivery for 2025.

The meeting provided a structured forum to review progress, identify pipeline gaps, and set bold but achievable targets across each branch. Team leads presented their business plans with candor and ambition, while senior management provided strategic direction and practical guidance tailored to the competitive dynamics of the Dhaka market. The session reinforced a culture of accountability and collective ownership, with every branch leaving with clear commitments and renewed determination to deliver.

Cluster 1 — Strategic Business Session

Held in Chattogram, the Cluster 1 business review brought together Senior Management and the Cluster Leadership Team for a comprehensive mid-year assessment of performance, portfolio quality, and market positioning across the greater Chattogram region. The session went beyond a review of performance, focusing instead on meaningful discussions around client relationships, emerging opportunities in the port city's commercial environment, and the strategic steps

needed to maintain momentum for the rest of the year. With renewed focus and shared ambition, the Chattogram cluster left the review energized, fully aligned on priorities, and ready to capitalize on the region's considerable growth potential.

Northern Cluster — Rangpur Strategic Planning Session

The Northern Cluster strategic planning session in Rangpur carried particular significance, attended in person by senior management, a clear signal of the company's commitment to its northern operations and the communities they serve. The session gave the Northern team a direct line to senior leadership: an opportunity to share ground-level insights, discuss challenges unique to the region, and align on a strategic roadmap for sustainable growth. The Northern team responded with impressive clarity and ambition, presenting well-considered plans that demonstrated deep knowledge of local markets and strong alignment with the Company's broader objectives. The engagement reaffirmed that United Finance's growth story is a national one, rooted equally in Rangpur's agricultural economy as in the commercial centers of Dhaka and Chattogram.

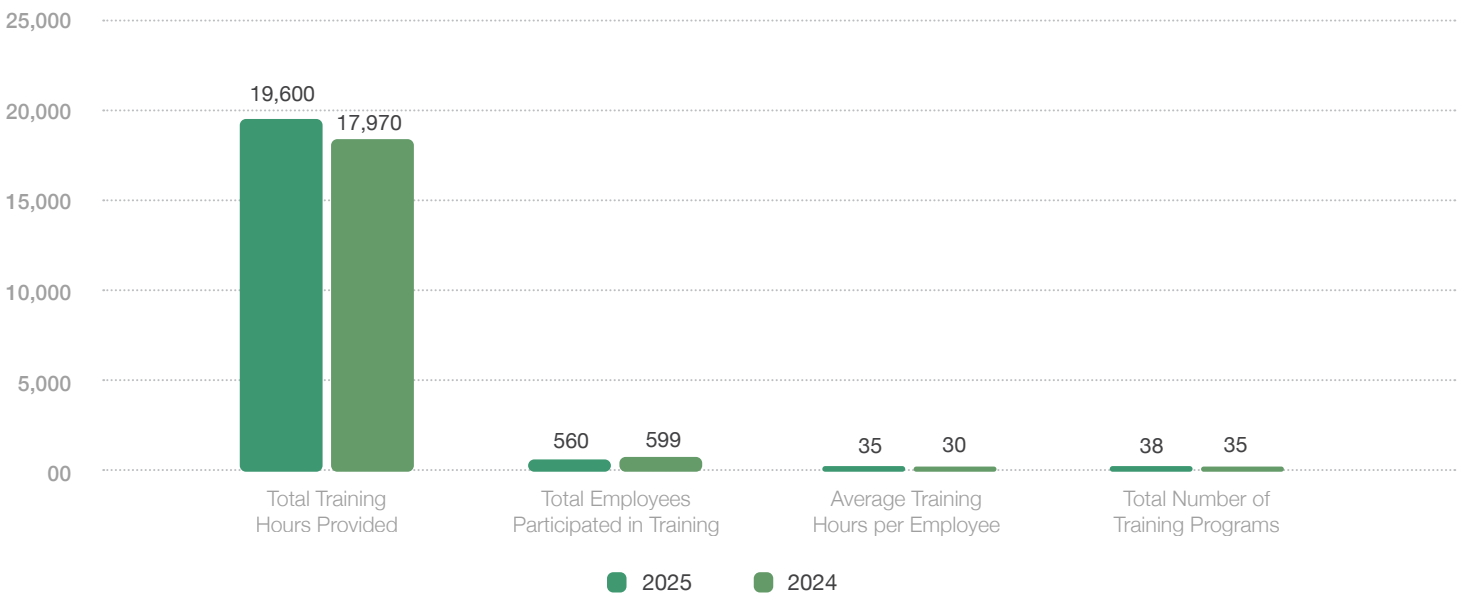
Jashore Cluster — Dynamic Regional Business Meeting

United Finance's Jashore Cluster hosted a dynamic and productive business meeting that brought together senior management and the regional team for an in-depth review of current challenges, market conditions, and strategic opportunities in the south-western corridor. The session was characterized by open, candid dialogue — a hallmark of the Company's leadership culture — with team members encouraged to surface obstacles frankly and contribute ideas for overcoming them. Strategic directions were agreed upon collaboratively, ensuring that the Jashore cluster's plans are both ambitious and grounded in local realities. The meeting concluded with a clear sense of shared purpose: the Jashore team is focused, aligned, and determined to move forward.

c. Training and Development

United Finance PLC recognizes the importance of continuous learning and development to enhance employee performance and align 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 2025, a total of 38 training programs were initiated, of which 24 were internal and 14 were external training programs. A total of 560 employees participated in the training arranged. Additionally, the total hours of Training provided were 19,600. The average training hours per employee were 35. Additionally, one Leadership Development Program was arranged in 2024.



Wealth Management Team – Customer Excellence Training

The Wealth Management Team participated in a transformative training session led by Ghulam Samdani Don, one of Bangladesh’s most respected corporate trainers.

The program provided a deep immersion into the principles of customer delight, from mindset and professional presence to service mastery and relationship management.

A total of 32 employees from Wealth Management across different branches and regions joined the session. The session reinforced the Company’s commitment to ensuring that every client interaction reflects the highest standards of care and expertise.

d. 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 the Bangladesh Bank’s policy, every female employee is entitled to get 6 months’ maternity leave with regular salary and allowances.

e. 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 for that purpose, we have implemented a Business Continuity Plan (BCP) and a Disaster Recovery Plan (DRP), in compliance with the regulatory requirements outlined by Bangladesh Bank.

f. 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.

Employee Engagement & Cultural Celebrations

United Finance PLC believes that a motivated and connected workforce is built not only through professional development but also through shared experiences, cultural pride, and celebrations of milestones. In 2025, the Company marked several significant occasions that brought together employees across all branches and head office, fostering a strong sense of community and belonging.

36th Foundation Day — April 27, 2025

United Finance PLC celebrated its 36th Foundation Day on April 27, 2025, with day-long festivities across all branches and the Head Office. A special ceremony at the Head Office was graced by Chief Guest Mr. Hasan Mahmood Raja, Chief Adviser of United Group, and Special Guest Mr. Najmul Hasan, Chairman of United Finance PLC. All branches joined the celebration virtually, sharing in the spirit of unity and pride. Long Service Awards were presented to recognize the dedication of employees who have shaped the Company’s journey over decades of service.

Pohela Boishakh 1432 — Bengali New Year Celebration

On April 15, 2025, United Finance PLC’s Head Office and all branch offices celebrated Pohela Bishakha 1432 with vibrant cultural festivities. The celebration reinforced the bonds of community and shared cultural identity among the United Finance family.

International Women’s Day — Celebrating Female Excellence

On International Women’s Day, United Finance PLC’s remarkable female employees came together to celebrate strength, dedication, and the progress made toward a more equitable workplace. The event highlighted the Company’s belief that when we invest in women, we drive meaningful change and accelerate progress for all. The celebration served as a reaffirmation of the Company’s commitment to gender equity, inclusive leadership, and the empowerment of women at every level of the organization.

36th Annual General Meeting — Team Recognition

In recognition of the exceptional efforts behind the Annual Report 2024 and the seamless execution of the 36th Annual General Meeting, special crests were presented by Managing Director to team members who made it all possible. This moment reflected deep appreciation for the dedication, teamwork, and cross-functional synergy that defines the United Finance culture.



United Healthcare Partnership — Employee Wellbeing

United Finance PLC entered a strategic partnership with United Healthcare Services Ltd. to enhance employee and customer wellbeing through comprehensive healthcare solutions, exclusive benefits, and tailored wellness packages. The agreement reflects the Company’s holistic view of employee welfare — extending support beyond the workplace to ensure the health, security, and quality of life of its people and their families.

3. Corporate Social Responsibility

Commitment to Ethical Business and Sustainable Development

Sustaining Impact through Ethical Leadership

United Finance's approach to corporate social responsibility extends beyond compliance. Our Corporate Social Responsibility (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.

Financial Literacy — Empowering Communities Through Knowledge

Education and financial literacy remain foundational pillars of United Finance PLC's sustainability commitment. The company recognizes that lasting financial inclusion requires not only the provision of affordable financial products but also the empowerment of individuals and communities to use those products wisely, responsibly, and confidently.

During 2025, United Finance conducted a comprehensive series of Financial Literacy Programs across Dhaka, Pabna, Barishal, Dinajpur, Belkuchi, Narsingdi, Chuadanga, and Cumilla, engaging 153 participants, including women entrepreneurs, micro and cottage entrepreneurs, migrant workers, and individuals from marginalized communities.

The training sessions focused on practical financial management, responsible borrowing, savings practices, and basic business financial planning, equipping participants with the knowledge to make informed financial decisions and strengthen their economic resilience.

Financial Literacy Program 2025 — At a Glance

Locations: Dhaka | Pabna | Barishal | Dinajpur | Belkuchi | Narsingdi | Chuadanga | Cumilla

Total Participants: **153 individuals**

Key Audiences: Women entrepreneurs, micro/cottage entrepreneurs, migrant workers, marginalized communities

Topics Covered: Financial management, responsible borrowing, savings practices, business financial planning

Total Education & Financial Literacy Beneficiaries in 2025: **1,172 individuals**

তারুণ্যের উৎসব ২০২৫ —
National Financial Literacy Week

As a proud partner of the national Financial Literacy Program ‘Tarunyer Utshob 2025’, United Finance PLC participated actively in financial literacy awareness activities observed across Bangladesh from September 1–15. The program aimed to promote responsible financial behavior, particularly among young and first-time financial services users. Under the theme ‘Think before you follow, wise money tomorrow!’, United Finance reinforced its commitment to building a financially aware and empowered nation.

Broader Education Initiatives

Beyond the direct financial literacy programs, United Finance’s CSR education initiatives in 2025 extended to a donation to the Prime Minister’s Education Assistance Trust supporting meritorious students from economically disadvantaged backgrounds; a partnership with Baatighar to support libraries and book donations at Shahjalal University of Science and Technology, benefiting 461 students; and support for SOS Children’s Villages Bangladesh, through which 557 students received essential educational materials. The Company also extended financial assistance for the education of a child living with autism, demonstrating its commitment to inclusive education.

Air Quality Improvement
& Tree Plantation

United Finance PLC took meaningful steps in 2025 to improve air quality in its workplaces and contribute to Bangladesh’s environmental health through a dedicated tree plantation initiative.

In commemoration of the historic July Mass Uprising, the Company launched a special tree plantation drive across its Head Office and branch network, a gesture that honored the spirit of positive transformation and renewal symbolized by that pivotal national moment.

Trees were planted in and around the company’s offices and branches across the country, contributing directly to improved air quality, reduced urban heat, and the creation of greener, healthier workspaces. The initiative was embraced with enthusiasm by employees at all levels, reflecting a shared sense of environmental responsibility and pride in contributing to a cleaner Bangladesh.

Greening Our Workplaces — Air Quality Highlights

The July Mass Uprising tree plantation program delivered measurable environmental benefits at United Finance PLC’s workplaces:

- Trees were planted across the Head Office and the branch network in honor of the July Mass Uprising
- Improved air quality and reduced heat index in and around office premises
- Creation of greener, more pleasant working environments for employees and visitors
- Contribution to urban greening and environmental sustainability in host communities
- Employee participation reinforces a culture of environmental stewardship

United Finance PLC views the health of its work environment as inseparable from the well-being of its people. Cleaner air, greener surroundings, and a culture of environmental care are investments in the long-term vitality of the organization and the communities it serves.

Climate Action — Safe Drinking Water Initiative

Under its Climate Action Corporate Social Responsibility (CSR) pillar, accounting for 20% of total CSR expenditure (BDT 1,000,000), United Finance PLC implemented a Safe Drinking Water Initiative through the installation of 27 Reverse Osmosis (RO) water filtration systems across Bangladesh. Installed in 25 educational institutions, one hospital, and one railway station, these systems benefited 82,159 individuals, including students, patients, and commuters, reducing health risks associated with unsafe drinking water.

Sustaining Impact Through Responsible Leadership

United Finance PLC remains committed to conducting its business responsibly and sustainably while contributing to the socio-economic development of Bangladesh. The company continues to collaborate with government institutions, development organizations, and community partners to ensure that its CSR initiatives create meaningful and lasting impact.

By aligning its CSR activities with national development priorities, United Finance PLC remains dedicated to enhancing the well-being of communities, promoting environmental sustainability, and fostering inclusive growth. Moving forward, the company will continue to strengthen its sustainability initiatives to create enduring value for society and contribute to building a more equitable and resilient future for Bangladesh.

4. 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.

Social Sustainability Impact on SDG

United Finance PLC contributes to Social Sustainability by supporting food relief and sustainable agriculture (SDG 2), promoting employee well-being and health initiatives (SDG 3), distributing books and supporting access to education (SDG 4), empowering women entrepreneurs and advancing gender equality (SDG 5), generating employment and promoting inclusive economic growth (SDG 8), fostering equality through a diverse workforce (SDG 10), and supporting inclusive, accountable institutions and communities (SDG 16).

Impact of Environmental Initiatives on SDG

SDG Description	SDG
End hunger, achieve food security, improve nutrition, and promote sustainable agriculture	
Ensure healthy lives and promote well-being for all at all ages	
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	
Achieve gender equality and empower all women and girls	
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
Reduce inequality within and among countries	
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 expanding its green financing portfolio, with investments in renewable energy, waste management, and resource efficiency. The Company will also diversify its sustainable finance initiatives, focusing on 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.

Approach to Net-Zero Carbon Emissions

United Finance PLC is firmly committed to a structured and credible pathway toward carbon neutrality by 2050. The Company’s approach to achieving net-zero carbon emissions is grounded in comprehensive measurement, transparent disclosure, and phased decarbonization strategies embedded across our operations and financed portfolio. In 2025, we

created a landmark in our climate journey by conducting our first comprehensive financed emissions assessment, systematically quantifying the carbon footprint embedded across our loan portfolio in alignment with the GHG Protocol, PCAF Standard, and GRI 305.

Our Net-Zero Roadmap

Our net-zero ambition is structured across four strategic horizons, each building progressively upon the last:

Phase	Key Commitments
2025 Strengthening the Foundation	Conduct annual carbon footprint assessments; implement Environmental and Social Risk Management (ESRM) Policy; establish measurable Green and Sustainable Finance disbursement targets; reinforce governance and ethics.
2026–2030 Building Momentum	Broaden ESRM policy scope; increase green loan portfolio share; reduce Scope 1 & 2 emissions through energy-efficient technologies; enforce mandatory emissions reporting by 2030.
2031–2040 Scaling Up Impact	Pursue tangible reductions in Scope 1 and Scope 2 operational emissions; invest in climate mitigation technologies; forge strategic partnerships with government bodies, NGOs, and international organizations; begin addressing Scope 3 supply chain emissions.
2041–2050 Leading the Way	Achieve full carbon neutrality in operations; integrate sustainability across all business dimensions; shape Bangladesh’s sustainable finance ecosystem; become a nationally recognized sustainability leader.

Carbon Accounting Framework

At United Finance PLC, we measure and track greenhouse gas (GHG) emissions across all three GHG Protocol scopes.

Emission factors are derived from Bangladesh Bank’s sector classification database and expressed as tonnes of CO₂ equivalent (tCO₂e) per BDT 1 million of outstanding loan or exposure.

- Scope 1:**
Direct emissions from sources owned or controlled by borrowers (e.g., on-site combustion, process emissions, livestock)
- Scope 2:**
Indirect emissions from purchased electricity and heat consumed by borrowers
- Scope 3:**
All other indirect emissions in borrowers’ value chains (upstream supply chains, downstream product use)

Framework	Scope	Application in This Report
GHG Protocol (Corporate Value Chain – Scope 3)	Scope 1, 2 & 3 categorization	Classifies emissions from financed activities under Scope 3, Category 15 (Investments)
PCAF Standard (2020)	Financed emissions measurement	Provides sector-specific emission factors and attribution methodology for financial institutions
GRI 305 – Emissions	Disclosure standard	Structures disclosure of Scope 1, 2 & 3 emissions for stakeholder transparency
Bangladesh Bank GSFD Circular	Regulatory requirement	Mandates green finance reporting and climate risk classification for scheduled banks in Bangladesh

Financed Emissions – 2025 Portfolio Assessment

In 2025, United Finance PLC assessed 180 sectors across its loan portfolio. The total financed emissions stood at 61,051.73

tCO₂e, distributed across three scopes:

Emission Scope	tCO ₂ e	% of Total	Description
Scope 1 Direct Emissions	16,903.59	27.8%	Direct emissions from borrower-controlled sources
Scope 2 Energy Use	13,442.13	22.1%	Indirect emissions from purchased energy
Scope 3 Supply Chain	30,706.01	50.2%	Upstream supply chain emissions of borrowers
Total Financed Emissions	61,051.73	100%	-

Scope 3 constitutes 50.2% of total portfolio emissions, reflecting the significant embedded carbon in borrowers’ upstream supply chains. Manufacturing is the single most carbon-critical sector

group, contributing 77.0% of Scope 1, 92.6% of Scope 2, and 64.2% of Scope 3 emissions across the portfolio.

Portfolio Concentration Risk

The top three sectors, Rubber & Plastics, Pharmaceuticals, and Cement, account for 70.8% of total emissions from just 3 out of 180 sectors assessed. Rubber & Plastics alone represents 42.7% of the entire portfolio’s carbon footprint.

This concentration demands a dedicated sub-portfolio climate strategy and prioritized engagement with high-emission borrowers.

Emission Reduction Strategies

Our interim target for 2025 focuses on reducing Scope 1 and Scope 2 emissions through energy-efficient technologies and waste reduction. We aim to address Scope 3 emissions more

comprehensively from 2030 to 2050, in alignment with global climate targets.

Strategy	Target for 2030	Target for 2050
Adopt Low-Emission Office Appliances	Implement LED lighting, low-carbon computers, and energy-efficient heating/cooling across offices.	Develop a circular economy approach for office equipment — reuse, refurbish, or recycle rather than discard; partner with manufacturers offering take-back programmes.
Decarbonize Energy Usage	Shift high Scope 2 emission industries (Rubber, Pharma, Cement) to renewable energy. Aim for 50–60% of major industry energy from renewables by 2030.	Partner with suppliers to set sustainability standards requiring Scope 3 emission reductions. Achieve 50–60% reduction in Scope 3 emissions across supply chains by 2050.
Implement Cleaner Fuel Alternatives	Promote biomass, natural gas, and hydrogen as alternatives to coal/oil for high Scope 1 sectors. Target 20–30% reduction in Scope 1 emissions by 2030.	Encourage people to buy eco-friendly products using labels and discounts. Aim to cut consumer-related Scope 3 emissions by 30–40% by 2050.
Sustainability Reporting & Accountability	Enforce mandatory Scope 1 and 2 emissions reporting with annual reduction targets. Ensure all industries actively manage their carbon footprint by 2030.	Advocate for global and industry-specific regulations requiring Scope 3 carbon reduction targets. Drive systemic reductions of 50–60% in Scope 3 emissions by 2050.

In-House Green Initiatives

United Finance PLC leads by example in its own operational practices, pursuing energy efficiency and waste reduction across all offices and branches:

- Plastic-Free Workplace:**

Employees are encouraged to replace plastic folders with paper-based alternatives and adopt fully digital workflows, fostering a cultural shift toward sustainability.
- Green Office Features:**

Energy-saving LED bulbs, inverter-technology equipment, use of natural daylight, and procurement of hybrid vehicles reduce the direct operational carbon footprint.
- Reduction of Paper Consumption:**

Paperless recruitment, digital approvals, e-archiving, and online client onboarding significantly reduce paper waste across operations.
- Digital Solutions:**

Email-first communication, video conferencing for meetings and interviews, and online marketing platforms replace paper-based equivalents throughout the organization.

Climate-Related Disclosure

United Finance PLC’s climate-related disclosures reflect our commitment to transparency, accountability, and alignment with global best practices. We recognize that comprehensive

climate disclosure is used as a strategic tool for managing risk, identifying transition opportunities, and demonstrating institutional leadership rather than just a reporting obligation.

Governance of Climate Risk

Climate risk governance at United Finance PLC operates through a multi-tiered oversight structure, from the Board of Directors down to the Sustainable Finance Committee (SFC) and Sustainable Finance Unit (SFU), ensuring that climate-related risks and opportunities receive consistent senior-level attention quarterly.

Sustainable banking updates are incorporated into the Board of Directors’ agenda quarterly, ensuring that climate-related risks and opportunities receive consistent senior-level attention throughout the year.

Environmental & Social Risk Management (ESRM)

United Finance PLC’s ESRM Policy is a cornerstone of our climate-related disclosure framework. It mandates the

systematic identification and assessment of environmental and social risks across our lending portfolio.

Environmental & Social Due Diligence (ESDD)

Environmental Protection Indicator	2024	2025
Customers eligible for ESDD assessment	498	13,815
Customers appraised for environmental risk rating	498	13,815
Low Risk	491	13,794 (99.85%)
Medium Risk	7	21 (0.15%)
High Risk	0	0

The transformative expansion of ESDD coverage, from 498 customers in 2024 to 13,815 in 2025, shows an increase of over 27 times and reflects the significant broadening of our environmental risk management framework across the full loan

portfolio. Of all customers assessed, 99.85% were classified as low environmental risk, demonstrating the quality of our portfolio and the effectiveness of our environmental screening processes.

Financed Emissions Disclosure

2025 marked United Finance PLC’s first comprehensive financed emissions disclosure. The assessment covered 180

sectors across the loan portfolio, with 91 active sectors carrying measurable financed emissions.

Scope 1 | Scope 2 | Scope 3 | Breakdown by Sector Group — FY 2024-25

Category	Scope 1 (Direct)	%	Scope 2 (Energy)	%	Scope 3 (Supply Chain)	%	-
I. Manufacturing	13,012.41	77.0%	12,441.63	92.6%	19,727.92	64.2%	-
IV. Agro-processing	1,416.35	8.4%	321.45	2.4%	6,913.03	22.5%	-
Poultry Farms	1,130.59	6.7%	1.33	0.0%	1,303.42	4.2%	--
III. Service Industries	672.43	4.0%	283.48	2.1%	1,376.51	4.5%	-
C. Commerce & Trade	27.04	0.2%	187.29	1.4%	678.49	2.2%	-
B. Financial Intermediaries	2.02	0.0%	195.92	1.5%	562.16	1.8%	-
Dairy Farms	435.56	2.6%	0.62	0.0%	71.37	0.2%	-
II. Energy & Power	206.43	1.2%	6.60	0.0%	52.09	0.2%	-
TOTAL	16,903.59	100%	13,442.13	100%	30,706.01	100%	61,051.73 tCO ₂ e

Key Findings & Recommendations

Scope 3 Dominance — Supply Chain Risk

Scope 3 represents 50.2% of total portfolio emissions, reflecting significant embedded carbon in borrowers’ upstream supply chains. United Finance PLC will develop a supplier emission disclosure programme for the top 50 borrowers in Scope 3-dominant sectors, and incorporate Scope 3 supply chain risk

into sector credit policies for Agro-processing, Manufacturing, and Commerce sectors. We will also partner with industry associations such as BGMEA (for RMG) and BCI (for cement) to access industry-level Scope 3 benchmarks.

Zero-Emission Sector Data Gaps

Of 180 sectors assessed, 89 reported zero financed emissions for FY 2024-25, indicating either no active loan exposure or incomplete portfolio data capture. United Finance PLC will reconcile zero-emission sectors with the loan management

system, implement mandatory sector code tagging in the loan origination system, and conduct an internal data quality audit before the next annual reporting cycle.

Green Finance Portfolio

United Finance PLC’s climate disclosure is underpinned by substantive action. In 2025, we disbursed BDT 1,639.51 million under Green Linked Financing, with a total green-linked portfolio

outstanding of BDT 2,547.93 million, representing 111% growth year-on-year. Key disbursements by green category include:

Green Finance Portfolio (in BDT million)	2025	2024
Circular Economy & Eco-Projects Financing	716.07	200.73
Energy & Resource Efficiency	1,523.78	671.04
Environment Friendly Brick Production	80.86	109.78
Green Agriculture	19.84	0.00
Green CMSME	6.67	7.95
Green Socially Responsible Financing (SRF)	61.77	0.00
Green/Environment Friendly Establishments	42.02	100.96
Liquid Waste Management	59.27	91.11
Miscellaneous	1.98	0.00
Renewable Energy	32.45	21.99
Solid Waste Management	3.22	3.98
Grand Total	2,547.93	1,207.55

A total of 15 new entrepreneurs were financed with BDT 149.25 million under sustainable business initiatives, empowering innovation-driven, low-carbon enterprises. Under our Climate Action Corporate Social Responsibility (CSR) pillar, accounting for 20% of total CSR expenditure (BDT 1,000,000), the installation of 27 Reverse Osmosis water filtration systems benefited 82,159 individuals across Bangladesh.

Alignment with Sustainability Standards and SDGs

United Finance PLC’s climate-related disclosures and mitigation activities contribute meaningfully to multiple UN Sustainable Development Goals:

SDG	Description
	Ensure availability and sustainable management of water and sanitation
	Secure access to affordable, reliable, sustainable, and modern energy for all
	Ensure sustainable consumption and production patterns
	Take urgent action to combat climate change and its impacts
	Protect, restore, and promote sustainable use of terrestrial ecosystems

Looking ahead, United Finance PLC will continue deepening its climate disclosure framework, progressively aligning with IFRS S1 and S2 disclosure requirements as they become applicable to Bangladesh’s financial sector.

Our commitment is to remain a transparent, accountable, and forward-looking institution — one that holds itself to the highest standards of climate reporting and responsible portfolio management.

Management Discussion and Analysis

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Strategy and Resource Allocation

United Finance PLC’s strategy in 2025 was shaped by a rapidly evolving operating environment characterized by inflationary pressures, shifting customer behavior, funding competition, margin sensitivity, technological disruption, and rising regulatory expectations.

In response, the Company continued to strengthen its business model through disciplined growth, prudent risk management, stronger governance, digital transformation, and integrated resource allocation.

The Company’s strategic direction is centered on balancing resilience and growth. Rather than pursuing expansion through volume alone, UFPLC focused on portfolio quality, funding stability, operational efficiency, customer-centric innovation, and sustainability-oriented business practices.

This approach reflects the Company’s long-term commitment to responsible value creation for shareholders, customers, employees, regulators, and the broader community.

This chapter explains how UFPLC allocates resources across the six capitals - financial, human, intellectual, manufactured, social & relationship, and natural capital - to execute strategy and strengthen long-term competitiveness.

Detailed performance disclosures and numerical indicators are presented separately in the Six Capitals section; accordingly, this chapter focuses primarily on strategic intent, allocation philosophy, execution priorities, and the logic of long-term value creation.



6

Strategic Priorities



6

Capitals Integrated



2

Major 2025 Transformation Milestones



Retail-first

Funding Direction



Digital-led

Service Direction



ESG-aligned

Sustainability Direction

Strategic Context

The operating environment in 2025 remained challenging for financial institutions due to inflationary pressure, funding competition, margin sensitivity, regulatory expectations, and changing customer behavior.

These conditions required stronger discipline in capital allocation, credit selection, liquidity management, and operational execution.

Against this backdrop, UFPLC focused on strengthening resilience rather than pursuing volume-led growth. The Company emphasized quality portfolio expansion, diversification of retail funding, process efficiency, digital transformation, and stronger performance accountability. This strategy helped the Company maintain strategic stability while preparing the organization for the next phase of sustainable growth.

Strategic Interpretation

The strategic response in 2025 was shaped by three connected requirements: strengthening balance sheet resilience, improving

execution discipline, and preparing the Company for a more digital and sustainability-oriented financial landscape.

Strategic Priorities at a Glance

UFPLC’s strategic priorities are designed to support sustainable financial performance while strengthening customer trust, operational agility, people capability, and governance discipline.

These priorities are interconnected and collectively guide resource allocation decisions across the organization.

Strategic Priority	Strategic Intent	Expected Value Creation
Retail Funding Expansion	Strengthen granular and stable funding sources	Improved liquidity resilience and reduced funding concentration
Portfolio Quality	Maintain disciplined growth through prudent credit selection	Stronger asset quality and risk-adjusted returns
Digital Transformation	Expand digital onboarding, automation, and technology-enabled service delivery	Improved customer experience and operational efficiency
Sustainable Finance	Increase responsible and green financing in line with ESG priorities	Long-term portfolio resilience and regulatory alignment
Human Capital Development	Build capability, accountability, and performance orientation	Higher productivity and stronger execution discipline
Governance & Risk Discipline	Strengthen compliance, internal control, and oversight mechanisms	Institutional resilience and stakeholder confidence

Strategy-to-Value Creation Flow



Strategic Progression of UFPLC

UFPLC’s strategic journey reflects a gradual transition from a traditional relationship-led financial institution to a more digitally enabled, performance-driven, and sustainability-oriented organization.

The Company’s evolution has been shaped by changing market needs, regulatory priorities, technology adoption, and stakeholder expectations.

Over time, the Company’s strategic focus has expanded beyond lending growth to include operational discipline, technology integration, governance enhancement, customer accessibility, and integrated value creation.

This progression reflects the recognition that long-term competitiveness now depends not only on financial strength, but also on adaptability, digital capability, governance quality, and stakeholder trust.

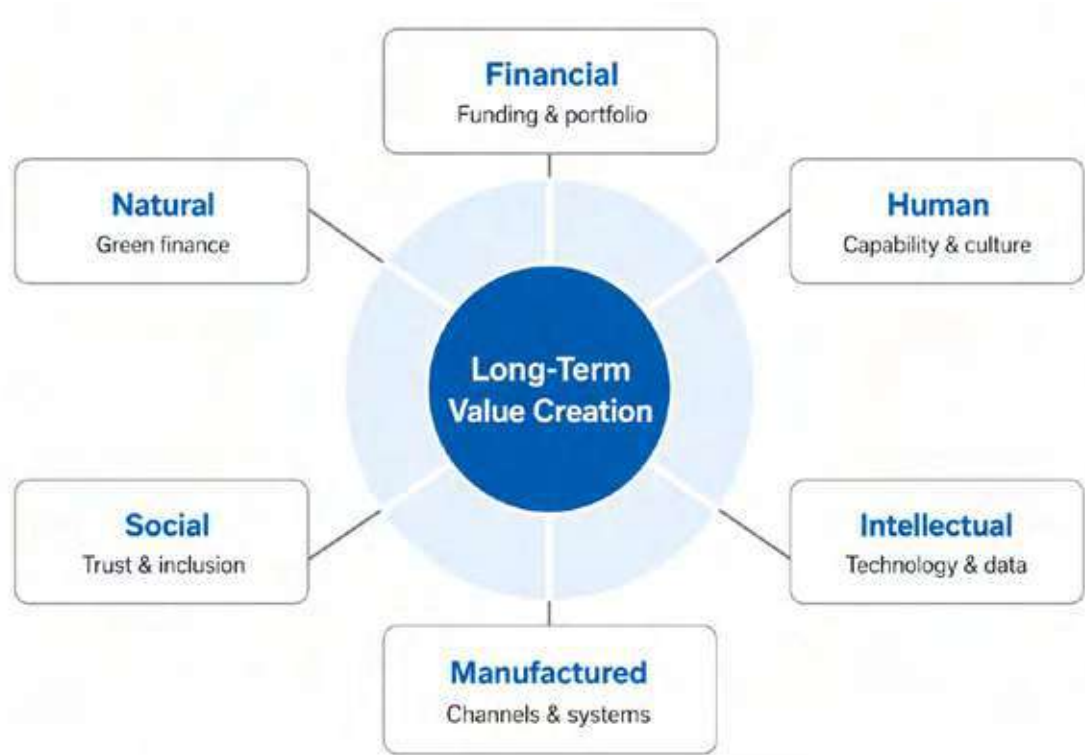
Strategic Phase	Core Focus	Organizational Shift
Foundation & Expansion	Secured lending, customer relationships, and branch presence	Built market presence and a reliable customer base
Efficiency & Control	Centralized processes, internal platforms, and compliance strengthening	Improved governance, monitoring, and operational discipline
Digital & Sustainable Growth	Digital service platforms, performance management, ESG integration	Enhanced agility, accountability, and future readiness

The current strategic phase is centered on disciplined growth, digital enablement, and integrated value creation. Investments in systems, people, governance, and sustainable finance are intended to support a more scalable and resilient business model.

Integrated Thinking & Resource Allocation

Resource allocation at UFPLC is guided by integrated thinking. The Company evaluates strategic initiatives not only by financial return, but also by their contribution to portfolio quality, customer experience, operational efficiency, employee capability, stakeholder trust, and sustainability outcomes.

This approach ensures that short-term business decisions remain aligned with long-term institutional priorities. It also allows the Company to balance growth opportunities with risk appetite, regulatory requirements, and capital resilience.



Capital	Strategic Allocation Focus	Contribution to Strategy
Financial Capital	Portfolio growth, liquidity management, funding structure, and capital resilience	Supports sustainable profitability and balance sheet strength
Human Capital	Training, performance culture, succession planning, and capability development	Strengthens execution capacity and productivity
Intellectual Capital	Technology platforms, analytics, process knowledge, and institutional expertise	Enables innovation, automation, and data-driven decisions
Manufactured Capital	Branch network, IT infrastructure, and service delivery channels	Ensures scalable access and operational continuity
Social & Relationship Capital	Customer engagement, financial inclusion, CSR, partnerships, and stakeholder communication	Builds trust, reputation, and market reach
Natural Capital	Green finance, environmental risk consideration, and eco-efficient operations	Supports ESG alignment and responsible growth

KPI Linkage

Strategic execution is monitored through KPI-linked performance review mechanisms that connect resource allocation decisions with measurable business, operational, people, risk, and sustainability outcomes. This supports accountability and enables management to review progress against strategic priorities.

Capital Allocation Principles

UFPLC applies a disciplined allocation philosophy to ensure that resources are directed toward areas that strengthen business fundamentals and long-term competitiveness. The following principles guide strategic resource deployment:

- Growth must be supported by portfolio quality, liquidity discipline, and appropriate risk controls.
- Technology investments should improve customer experience, operational efficiency, decision-making, and scalability.
- People investments should strengthen performance culture, leadership depth, and future capability.
- Sustainability considerations should be embedded into financing, operations, and stakeholder engagement.
- Capital deployment should remain aligned with regulatory expectations, governance standards, and stakeholder value.

Product, Market & Service Development Strategy

UFPLC’s product, market, and service development strategy continues to focus on balanced growth. The Company aims to deepen its presence in secured retail, SME, CMSME, and selected corporate segments while maintaining prudent credit selection and portfolio monitoring.

A key strategic direction is the gradual strengthening of retail deposit mobilization to support a more stable and granular funding base.

At the same time, digital service delivery is expected to improve customer convenience, reduce process dependency, and expand service reach beyond traditional branch interactions.

Sustainability considerations are increasingly integrated into financing decisions, particularly regarding responsible financing, green initiatives, and ESG-aligned business practices.

Area	Current Strategic Focus	Forward Direction
Lending	Secured retail, SME, CMSME, and term financing	Quality growth with disciplined underwriting and monitoring
Funding	Retail and institutional deposit base	Greater focus on granular retail deposits and funding diversification
Service Delivery	Branch-supported and digital channels	Integrated digital-first customer experience supported by physical network
Sustainability	Green and responsible financing practices	Broader ESG-linked product and portfolio development
Customer Segments	Retail, SME, CMSME, corporate, and underserved customers	Deeper market penetration with customer-centric solutions

Strategic Transformation in 2025

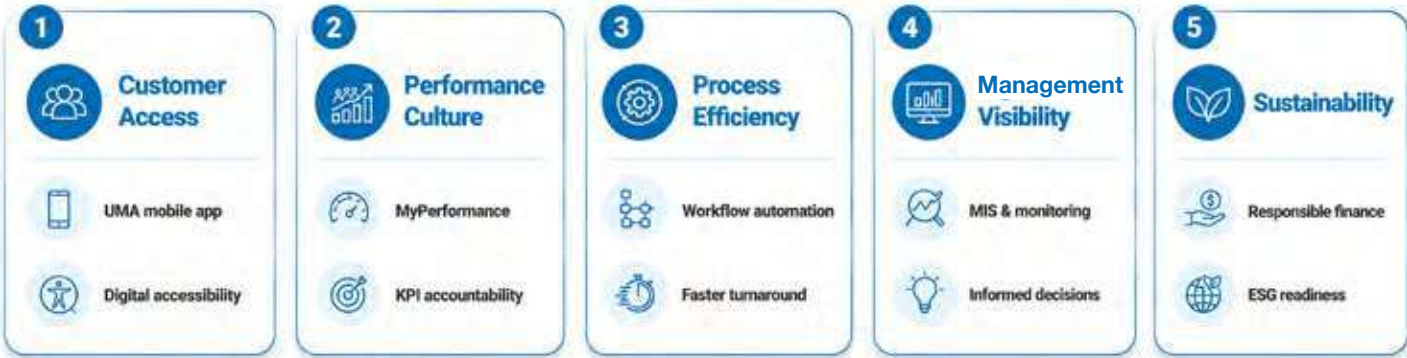
The year 2025 represented an important step in UFPLC’s transformation agenda. The Company continued to modernize its operating model by improving customer-facing digital capability, internal workflow efficiency, and performance-based management practices.

Two major milestones significantly shaped this transformation journey: the implementation of the enterprise-wide

MyPerformance framework and the launch of UMA - United Finance Mobile Application.

Together, these initiatives reflect a broader organizational shift toward data-driven management, customer-centric service delivery, stronger accountability, and agile execution.

2025 Transformation Highlights



Transformation Area	Key Initiative	Strategic Impact
Customer Access	✓ UMA Mobile Application	✓ Improved digital accessibility and convenience
Performance Culture	✓ MyPerformance System	✓ Strengthened KPI-based accountability and performance visibility
Process Efficiency	✓ Workflow Automation	✓ Reduced manual dependency
Data-Driven Management	✓ MIS and Monitoring Platforms	✓ Faster informed decisions
Sustainability Integration	✓ Green Financing Practices	✓ ESG and regulatory readiness

Operating Model Shift

These initiatives are not isolated technology projects. They are part of a broader shift in the operating model toward faster execution,

clearer accountability, stronger control, and an improved stakeholder experience.

Digital Enablement and Performance Culture

Digital transformation at UFPLC is focused on practical business outcomes: better customer access, improved process efficiency, reduced manual intervention, stronger monitoring, and faster decision-making. The launch of UMA strengthened the Company’s customer-facing digital proposition, while internal platforms continued to support workflow management, people

processes, credit monitoring, and reporting discipline. The implementation of MyPerformance further institutionalized a performance-driven culture by linking individual responsibilities with departmental and organizational objectives. This creates stronger visibility over execution and supports merit-based decision-making across the organization.

Digital / Performance Enabler	Primary Purpose	Strategic Benefit
UMA	✓ Customer onboarding and digital service access	✓ Improves convenience and service reach
My Performance	✓ KPI-based performance management	✓ Enhances accountability and performance culture
Internal Workflow Platforms	✓ Task management, approvals, reporting, and monitoring	✓ Improves efficiency and control
Data & MIS	✓ Management reporting and operational visibility	✓ Supports informed decision-making

Strategic Risk, Resilience, and Business Model Adaptability

UFPLC’s strategy is supported by a disciplined approach to risk management and the adaptability of its business model. The Company recognizes that sustainable growth requires a careful balance among credit risk, liquidity risk, interest-rate pressure, operational resilience, compliance requirements, and customer expectations.

Rather than relying solely on traditional growth drivers, UFPLC’s evolving business model combines relationship-based financial services with digital channels, centralized processes, performance management, and sustainability-oriented decision-making. This balanced model supports resilience in the short term and competitiveness in the long term.

Strategic Challenge	Management Response	Strategic Objective
Inflationary and interest rate pressure	Careful pricing, cost discipline, and margin monitoring	Protect profitability and maintain financial resilience
Funding and liquidity pressure	Retail deposit expansion and stronger ALM oversight	Improve funding stability and liquidity flexibility
Portfolio quality risk	Secured lending focus, recovery monitoring, and provisioning discipline	Maintain asset quality and reduce downside exposure
Regulatory and compliance requirements	Strengthened governance, internal control, and compliance monitoring	Ensure responsible and compliant operations
Changing customer expectations	Digital onboarding, service automation, and improved accessibility	Improve customer experience and market relevance

Stakeholder Feedback and Strategic Response

Stakeholder engagement continues to influence UFPLC’s strategic decisions. Feedback from customers, employees, regulators, shareholders, partners, and communities informs service improvement, product development, governance

strengthening, digital transformation, and sustainability initiatives. By integrating stakeholder expectations into strategy formulation and resource allocation, UFPLC strengthens relevance, accountability, and long-term institutional trust.

Stakeholder Group	Strategic Concern	Response in Strategy
Customers	Convenient access, service quality, privacy, and reliability	Digital service channels, branch support, feedback mechanisms, and customer-centric products
Employees	Career growth, fair evaluation, capability development, and engagement	Performance management, training, MyHR-enabled processes, and employee engagement initiatives
Regulators	Compliance, transparency, risk management, and timely reporting	Stronger governance, digital submissions, audit readiness, and compliance monitoring
Shareholders & Investors	Sustainable returns, governance, and strategic clarity	Disciplined capital allocation, financial disclosures, and Board oversight
Community & Partners	Financial inclusion, responsible business, and social impact	CSR, financial literacy, MFI partnerships, and sustainable financing

Innovation and Capital Efficiency

Innovation at UFPLC is focused on improving how the Company uses its capital. It extends beyond technology adoption and includes process redesign, performance visibility, knowledge management, customer experience, and sustainability integration.

By linking innovation with capital efficiency, UFPLC aims to improve productivity, service quality, governance discipline, and long-term competitiveness.

Innovation Focus	Purpose	Capital Enhanced
Digital Customer Platform	Improve service accessibility and convenience	Intellectual, Manufactured, Social & Relationship
Workflow Automation	Reduce manual processes and improve efficiency	Intellectual, Human, Manufactured
Performance Management	Align employee output with business priorities	Human, Intellectual
Data and MIS	Support faster and more informed decisions	Intellectual, Financial
Sustainable Operations	Reduce environmental footprint and improve compliance readiness	Natural, Manufactured, Social & Relationship

Interdependencies and Trade-offs Between Capitals

Strategic decisions often involve trade-offs among capitals. Investments in technology, employee capability, sustainability, and customer expansion may increase short-term cost, but

can improve productivity, scalability, resilience, and institutional capability over time. System adoption is therefore supported by continuous capability development.

Capital Interaction	Nature of Trade-off	Strategic Consideration
Financial vs Human Capital	Capability investment increases near-term cost	Improves long-term productivity and execution
Financial vs Intellectual Capital	Technology requires upfront investment	Enhances efficiency, scalability, and decision quality
Financial vs Natural Capital	Green financing may require a longer-term value assessment	Supports responsible growth and regulatory alignment

UFPLC manages these interdependencies through integrated planning, risk review, and management oversight. The objective is

to ensure that no single capital is strengthened at the expense of long-term institutional sustainability.

Sustainable Resource Allocation and SDG Linkage

Sustainability is embedded in UFPLC's resource allocation philosophy. The Company allocates resources toward initiatives that support responsible financing, inclusive growth, employee development, operational efficiency, environmental stewardship, and strong governance.

The detailed SDG mapping and capital-specific sustainability disclosures are presented in the Six Capitals section. Within this strategy chapter, the focus is on how sustainability considerations guide business decisions and strengthen long-term value creation.

Sustainability Priority	Strategic Resource Allocation	Relevant SDG Themes
Financial Inclusion	SME, CMSME, women entrepreneurship, and rural financing	No Poverty, Decent Work, Reduced Inequalities
Green Finance	Responsible lending and environmentally aligned financing	Affordable Clean Energy, Climate Action, Responsible Consumption
People Development	Training, performance culture, employee well-being, and DEI	Quality Education, Gender Equality, Decent Work
Governance and Compliance	Internal control, risk management, regulatory alignment, and ethical conduct	Strong Institutions and Partnerships
Digital Transformation	Paperless processes, digital onboarding, and service automation	Industry, Innovation and Infrastructure

Long-Term Value Creation Outlook

UFPLC’s long-term value-creation outlook is based on a balanced strategy that integrates financial resilience, customer trust, people capability, digital efficiency, and sustainable finance. The Company aims to pursue growth in a disciplined manner while continuously strengthening governance, operational agility, and stakeholder confidence.

Over the coming years, UFPLC will continue to focus on deepening the retail funding base, improving portfolio quality, expanding digital service capability, growing sustainable finance, and building a more performance-oriented workforce. These priorities will allow the Company to remain resilient in a changing financial landscape while capturing emerging opportunities.

Balanced Value Creation Framework



Way Forward

Strategic Focus Area	Priority Actions
Retail Deposit Expansion	• Deepen retail funding franchise, strengthen customer outreach, and improve deposit product positioning
Portfolio Quality	• Maintain prudent underwriting, proactive recovery monitoring, and risk-based portfolio management
Digital Growth	• Scale UMA adoption, expand digital onboarding, and increase service automation
Performance Culture	• Embed KPI-based performance management and link outcomes with capability development
Operational Efficiency	• Continue process automation, cost discipline, and turnaround time improvement
Sustainable Finance	• Expand green and responsible financing aligned with regulatory and ESG priorities
Governance & Resilience	• Strengthen compliance, internal control, ALM oversight, and risk governance

Closing Perspective

UFPLC's long-term value-creation outlook is based on a United Finance PLC's strategy is centered on building a resilient, responsible, and future-ready institution. By aligning strategic priorities with disciplined capital allocation, investing in people and technology, strengthening governance, and embedding

sustainability into decision-making, the Company is positioned to create sustainable long-term value for its stakeholders. This chapter explains the strategic logic that connects the six capitals to UFPLC's long-term direction and integrated value-creation model.

Financial and Economic Scenario

2025 was a year of progress for Bangladesh and the global economy, shaped by reform efforts and ongoing uncertainty. United Finance PLC operated within this landscape with discipline,

navigating elevated funding costs, subdued private credit demand, and historic changes in the Non-Banking Financial Institutions (NBFI).

1.1 Global Economic Environment

The global economy maintained moderate growth in 2025 at approximately 2.7%, while growth and challenges varied widely across regions. The biggest disruption came from US trade policy, as tariff rates climbed to their highest level since the 1930s, squeezing global trade and hitting export-driven economies like Bangladesh particularly hard. Geopolitical fragmentation persisted,

with ongoing conflicts in Ukraine and the Middle East sustaining energy market volatility. Global inflation, however, continued its sustained descent to approximately 2.6%, as monetary tightening in advanced economies took effect and central banks cautiously began easing cycles.

1.2 Bangladesh Macroeconomic Conditions

Bangladesh's economy in 2025 navigated dual imperatives of stabilization and reform following the political transition of 2024. Headline inflation moderated from 10.34% to 8.77% by year-end, which was a meaningful improvement, but still above Bangladesh Bank's 7–8% target. GDP growth showed an early recovery, with Q1 FY2026 at 4.50% (up from 2.58%), driven by an industrial rebound. Foreign exchange reserves surged 33.58%

to USD 28.58 billion, supported by record remittance inflows. Private sector credit growth, however, fell to a historic low of 6.1%, squeezed by the contractionary monetary stance and rising domestic government borrowing that crowded out private investment.

Indicator	2024	2025
12 Month Average Inflation (Dec)	10.34%	8.77% ↓
GDP Growth (Q1 FY26)	4.22%	3.49% ↑
FX Reserves	USD 21.40 Bn	USD 28.58 Bn ↑
Private Sector Credit Growth	7.3%	6.1% ↓
Exchange Rate (BDT/USD)	~120	~122 →
Policy Rate (BB Repo)	10.00%	10.00% →

1.3 Financial Sector Landscape

The NBFI sector faced its most consequential year in 2025. Bangladesh Bank approved the liquidation of nine financially weak NBFIs and facilitated the merger of five Islamic banks under the Bank Resolution Ordinance 2025, which refers to landmark interventions underpinned by a BDT 5,000 crore government support package for depositor protection. The sector's aggregate

Non-Performing Loan (NPL) ratio reflected years of accumulated governance failures, while the Finance Company Act 2023 introduced stringent deposit limitations that worsened near-term liquidity challenges. These reforms, while disruptive, lay important groundwork for a healthier and more disciplined sector going forward.

Five-Year Performance and Inflation Impact

The following analysis presents United Finance PLC's key financial metrics over 2021–2025 alongside the inflation environment,

providing shareholders with a meaningful assessment of institutional trajectory and real financial performance.



198 Mn

BDT Net Profit
2025



5.95%

NPL Ratio 2025
Well below sector avg.



+8.03%

Deposit Growth
BDT 13,188 Mn total



18.45%

Capital Adequacy
vs. 10% regulatory min.

Profitability held strong through 2021–2023, with net profit growing from BDT 222 million to BDT 143 million, even as inflation escalated from 5.56% to 9.02%. The inflationary peak of 2024 coincided with Bangladesh Bank's aggressive monetary tightening, compressing net interest margins sector-wide. Net profit moderated to BDT 209 million in 2024 and BDT 198 million in 2025, yet the Company maintained positive returns, consistent Net Asset Value (NAV) growth, and capital adequacy well above the regulatory floor throughout. In real inflation-adjusted terms, the pressure on earnings is more pronounced, underscoring the strategic importance of the anticipated monetary easing cycle in 2026 as a catalyst for margin recovery.

The loan portfolio grew at a five-year Compound Annual Growth Rate (CAGR) of approximately 3.4%, from BDT 15,136 million to BDT 20,689 million, with a deliberate quality-over-volume approach in 2024. Deposits demonstrated more consistent momentum, expanding at a CAGR of approximately 6.8% is a resilient trend that held even through 2025, when the sector faced widespread trust deficits. The NPL ratio, while increasing to 5.95% in 2025 from 4.98% in 2024, reflects macroeconomic pressure on borrower cash flows rather than any deterioration in underwriting standards. The Capital Adequacy Ratio has remained consistently above 15%, providing a robust buffer well above the 10% minimum.

Comparison with Industry and Financial Sector

The following benchmarks are United Finance PLC's 2025 performance against the NBFIs sector aggregate and the broader

financial services landscape, providing context on the Company's relative positioning.

Asset Quality

United Finance PLC's NPL ratio of 5.95% in 2025 stands as a fraction of the NBFIs sector aggregate of approximately 30.6%, a sustained outcome of disciplined credit governance across multiple economic cycles. The banking sector's gross NPL ratio reached 30.6% by the end of 2025 and trended higher following

stricter loan classification norms, while the Company's ratio remained tightly controlled. Seven NBFIs peers reported NPL ratios between 90% and 99%. The contrast is stark and reflects years of consistent underwriting discipline at United Finance PLC.

Capital Strength and Regulatory Standing

The Company's Capital Adequacy Ratio of 18.45% against 10% regulatory minimum compares favorably against both the sector average and the banking sector's CRAR of 1.56% (as of September 2024), which fell below the Basel III requirement. United Finance PLC maintained full regulatory compliance

throughout 2025, with no supervisory action, in a year when nine NBFIs were liquidated, and five banks were placed under resolution. The Company's AA+ credit rating affirms institutional soundness and investment-grade standing.

Deposits and Funding Stability

Deposit growth of 8.03% in 2025, with individual depositors growing 16.83% year-on-year, stands in contrast to sector-wide deposit erosion experienced at stressed institutions. In a year defined by NBFIs sector turmoil, United Finance PLC's continued

ability to attract and retain depositors reflects the institutional trust earned over 37 years of transparent and consistent conduct. This funding stability is a meaningful competitive advantage as the sector recalibrates.

Sustainable Finance

United Finance PLC achieved 384% of its sustainable finance target. disbursements allocated to sustainable activities, the Company leads the sector in green finance integration, a

differentiator that positions it favorably against evolving regulatory expectations and ESG-sensitive investor appetite.



5.95%

UFPLC NPL Ratio
vs. ~35.52% sector
avg.



AA+

Credit Rating
CRISL — Investment
Grade



384%

Sustainable
Finance Target



0

Regulatory
Actions

The structural reforms of 2025, while disruptive in the near term, are expected to create a healthier and more disciplined NBFi landscape over the medium term. For well-governed institutions with clean balance sheets, strong capital positions, and established depositor relationships, this recalibration represents a

meaningful opportunity. United Finance PLC enters 2026 well-positioned to translate the improving macroeconomic environment into restored earnings momentum and responsible portfolio growth.

Risks and Concerns Related to the Financial Statements:

The Company’s primary focus is to ensure the integrity, transparency, and quality of the financial statements presented in the Annual Report. While preparing the Annual Report 2025, utmost importance has been given to presenting a true and fair

view of the affairs of the Company in compliance with applicable laws, regulations, and accounting standards. In this regard, the following principles have been followed:

True and Fair View

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Financial Reporting Council (FRC), along with the requirements of the Finance Company Act, 2023, Companies Act, 1994, Securities and Exchange Rules, 2020, Dhaka Stock Exchange (Listing) Regulations, 2015, and Bangladesh Bank circulars/guidelines.

The financial statements have been prepared on a going concern basis using the accrual basis of accounting, except for the statement of cash flow, which has been prepared on a cash basis.

Where requirements of Bangladesh Bank or other local regulations differ from IFRSs, such requirements have been complied with and the related impacts or departures, if any, have been appropriately disclosed in the financial statements.

Maintenance of Proper Books of Account

The Company has maintained proper books of accounts and relevant records in accordance with applicable laws and regulatory requirements.

Adequate internal control and reporting mechanisms have been maintained to ensure the reliability and accuracy of financial information.

The Company complied with the applicable laws, regulations, circulars, and guidelines issued by the relevant regulatory authorities of Bangladesh.

Accounting Policies and Estimates

Appropriate accounting policies have been consistently applied in the preparation of the financial statements.

Accounting estimates and judgments used in the financial statements are reasonable, prudent, and based on management’s best assessment.

Compliance with applicable IFRSs and related disclosure requirements has been ensured.

The Board Audit Committee of the Company reviewed the financial statements for the year ended 31 December 2025 and recommended the same to the Board of Directors for approval. The external auditors of the Company, A. Qasem & Co., Chartered Accountants, have issued an independent unqualified audit opinion on the financial statements for the year ended 31 December 2025.

Detailed accounting policies and significant judgments, estimates, and assumptions used are provided in Notes 2.13 and 2.5, respectively.

Operational Risk:

Operational risk arises from inadequate or failed internal processes, people, systems, or external events, including fraud, human error, system failure, cyber threats, and regulatory non-compliance.

The Company manages operational risk through established policies and procedures, internal controls, regular monitoring, training programs, internal audit and compliance reviews, and business continuity arrangements to ensure operational efficiency and reliability of financial reporting.

Key Operating Highlights

United Finance PLC

Financial Performance	Unit	2025	2024	2023	2022	2021	5 year CAGR (%)
Lease and Term Loan Disbursement	BDT Million	10,432.90	8,245.31	9,873.52	10,421.97	8,641.88	14.21%
Home Loan Disbursement	BDT Million	656.57	625.42	936.69	1,528.23	1,266.52	17.79%
Lease and Term Finance Portfolio	BDT Million	16,389.19	15,257.76	15,941.21	15,790.99	13,573.42	6.34%
Home Loan Portfolio	BDT Million	3,066.99	3,173.59	3,333.51	3,291.77	2,267.15	18.36%
Short Term Finance Portfolio	BDT Million	1,232.65	1,032.01	1,102.03	1,137.83	1,387.70	-6.92%
Total Assets	BDT Million	29,388.07	28,015.57	28,818.52	27,183.22	25,859.75	6.39%
Long Term Liabilities	BDT Million	14,104.08	11,960.59	13,155.14	11,894.90	9,109.70	15.31%
Total Deposit	BDT Million	13,187.52	12,207.83	14,246.08	14,627.28	13,665.36	1.40%
Net Current Asset	BDT Million	1,651.58	1,514.22	1,309.55	949.76	1,263.57	34.40%

Operational Performance	Unit	2025	2024	2023	2022	2021	5 year CAGR (%)
Total Income	BDT Million	2,838.19	2,947.80	2,420.72	2,319.89	2,127.12	5.28%
Financial Expense	BDT Million	1,626.29	1,598.69	1,353.42	1,221.28	1,146.72	5.04%
Operating Expense	BDT Million	760.69	803.63	751.94	783.76	659.82	5.03%
Profit Before Tax	BDT Million	318.36	348.40	226.58	161.99	259.63	3.23%
Net Profit After Tax	BDT Million	198.04	209.23	143.10	142.54	222.24	-1.28%

Equity Statistics	Unit	2025	2024	2023	2022	2021	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	11.50	13.40	15.80	15.80	21.10	-8.26%
Market capitalization	BDT Million	2,151.82	2,507.34	2,956.41	2,956.41	3,948.12	-8.26%
Shareholders' equity	BDT Million	3,349.12	3,338.19	3,241.24	3,191.69	3,236.27	0.91%
Net asset value per share	BDT	17.90	17.84	17.32	17.06	17.30	0.91%

Financial Ratios	Unit	2025	2024	2023	2022	2021	YoY Growth (%)
Debt equity ratio	Times	6.41	6.10	6.65	6.39	5.94	4.96%
Average effective tax rate	%	37.79	39.95	36.84	12.01	14.40	-5.39%
Financial expenses coverage ratio	Times	1.28	1.34	1.23	1.26	1.28	-4.75%
Current ratio	Times	1.14	1.12	1.11	1.08	1.09	1.73%
Return on total assets	%	0.69	0.74	0.51	0.54	0.94	-6.28%
Non performing loan ratio	%	5.95	4.98	4.84	3.44	3.56	19.49%
Return on Equity	%	5.92	6.36	4.45	4.43	6.90	-6.87%
Earnings per share	BDT	1.06	1.12	0.76	0.76	1.19	-5.35%
Dividend per share	BDT	1.00	1.00	0.60	0.50	1.00	0.00%
Dividend yield	%	8.70	7.46	3.80	3.16	4.74	16.52%
Dividend payout ratio	%	94.48	89.43	78.45	65.64	84.19	5.65%
Price earnings ratio	Times	10.87	11.98	20.66	20.74	17.76	-9.33%
Net interest income as a percentage of working funds	%	3.51	4.10	3.17	3.63	3.70	-14.40%
Operating profit as percentage of working funds	%	1.75	2.13	1.25	1.32	1.51	-17.90%

Highlights as per Bangladesh Bank

United Finance PLC. as on 31 December

Sl	Particulars	Unit	2025	2024	Growth (%)
1	Paid-up capital	MBDT	1,871.15	1,871.15	-
2	Total Eligible capital	MBDT	3,502.15	3,498.05	0.12%
3	Capital surplus	MBDT	1,604.23	1,732.50	-7.40%
4	Total assets	MBDT	29,388.07	28,015.57	4.90%
5	Total Term deposits	MBDT	12,073.07	11,367.86	6.20%
6	Total lease, loans and advances	MBDT	20,688.83	19,463.36	6.30%
7	Total contingent liabilities and commitments	MBDT	-	-	0.00%
8	Loan to deposit ratio	Times	1.71	1.71	0.09%
9	Percentage of classified lease, loans and advances against total leases, loans and advances	(%)	5.95	4.98	19.49%
10	Profit after tax and provision	MBDT	198.04	209.23	-5.35%
11	Amount of loans classified during the year	MBDT	1,231.06	969.22	27.02%
12	Provisions kept against classified loans	MBDT	679.32	589.72	15.19%
13	Provision surplus	MBDT	0.25	11.08	-97.75%
14	Cost of fund	(%)	9.24	8.37	10.39%
15	Interest earning assets	MBDT	25,511.07	24,578.45	3.79%
16	Non-interest earning assets	MBDT	3,876.99	3,437.11	12.80%
17	Return on Equity (i)	(%)	5.92	6.36	-6.87%
18	Net Return to total earning assets	(%)	0.78	0.85	-8.81%
19	Return on total assets (ii)	(%)	0.69	0.74	-6.28%
20	Income from investment in shares and bonds	MBDT	220.83	180.89	22.08%
21	Earnings per share (iii)	BDT	1.06	1.12	-5.35%
22	Net income per share (iv)	BDT	1.06	1.12	-5.35%
23	Price earning ratio (v)	Times	10.87	11.98	-9.33%

MBDT= Bangladeshi BDT in Million, BDT= Bangladeshi BDT

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 December 31 (For the last five years)

	2025	2024	2023	2022	2021
PROPERTY AND ASSETS					
Cash					
In hand	119%	119%	119%	100%	100%
Balance with Bangladesh Bank and its agent bank(s)	97%	94%	112%	132%	100%
	97%	94%	112%	132%	100%
Balance with banks and other financial institutions					
In Bangladesh	65%	70%	75%	59%	100%
Outside Bangladesh	-	-	-	-	-
	65%	70%	75%	59%	100%
Money at call and short notice	-	-	-	-	-
Investments					
Government	74422%	72142%	0%	50%	100%
Others	178%	152%	194%	131%	100%
	272%	242%	193%	131%	100%
Lease, loans and advances					
Lease receivable	94%	106%	102%	107%	100%
Loans, cash credits, overdrafts, etc.	135%	117%	128%	123%	100%
	120%	113%	118%	117%	100%
Fixed assets including land, building, furniture and fixtures	82%	76%	89%	104%	100%
Other assets	129%	122%	119%	106%	100%
Non-financial institutional assets	-	-	-	-	-
Total assets	114%	108%	111%	105%	100%
LIABILITIES AND CAPITAL					
Liabilities					
Borrowing from banks, other financial institutions and agents	151%	150%	134%	104%	100%
Deposits and other accounts					
Current deposits & other accounts etc.	-	-	-	-	-
Bills payable	-	-	-	-	-
Savings bank deposits	-	-	-	-	-
Term deposits	91%	85%	103%	107%	100%
Bearer certificates of deposit	-	-	-	-	-
Other deposits	315%	238%	155%	127%	100%
	97%	89%	104%	107%	100%
Other liabilities	132%	123%	116%	105%	100%
Total liabilities	115%	109%	113%	106%	100%
Capital / Shareholders' equity					
Paid-up capital	100%	100%	100%	100%	100%
Share premium	100%	100%	100%	100%	100%
Statutory reserve	114%	110%	106%	103%	100%
General reserve	100%	100%	100%	100%	100%
Retained earnings	87%	101%	74%	64%	100%
Total Shareholders' equity	103%	103%	100%	99%	100%
Total liabilities and Shareholders' equity	114%	108%	111%	105%	100%

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 2021 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 Company's sustainable balance sheet expansion.

Horizontal Analysis

Profit and Loss Account (For last five years)

	2025	2024	2023	2022	2021
OPERATING INCOME					
Interest income	131%	137%	112%	108%	100%
Interest paid on deposits, borrowings, etc.	142%	139%	118%	107%	100%
Net interest income	116%	134%	102%	111%	100%
Investment income	329%	270%	168%	114%	100%
Commission, exchange and brokerage	-	-	-	-	-
Other operating income	64%	89%	118%	120%	100%
Total operating income (A)	124%	138%	109%	112%	100%
OPERATING EXPENSES					
Salaries and allowances	115%	129%	120%	120%	100%
Rent, taxes, insurance, electricity etc.	72%	69%	73%	97%	100%
Legal expenses	184%	167%	174%	143%	100%
Postage, stamp, telecommunication etc.	60%	76%	78%	106%	100%
Stationery, printing, advertisements etc.	156%	123%	48%	128%	100%
Managing Director's salary and benefits	77%	87%	12%	83%	100%
Directors' fees	331%	77%	126%	128%	100%
Auditors' fees	114%	107%	100%	100%	100%
Charges on loan losses	-	-	-	-	-
Depreciation and repair of assets	129%	118%	116%	119%	100%
Other expenses	127%	103%	96%	131%	100%
Total operating expenses (B)	115%	122%	114%	119%	100%
Profit before provision C=(A-B)	141%	170%	98%	98%	100%
Provision for lease, loans and advances	177%	282%	145%	218%	100%
Provision for diminution in value of investments	0%	0%	0%	0%	100%
Other provision	100%	100%	0%	100%	-
Total provision (D)	218%	323%	146%	251%	100%
Operating profit before taxes E=(C-D)	123%	134%	87%	62%	100%
PROVISION FOR TAXATION					
Current Tax	299%	358%	218%	45%	100%
Deferred Tax	84%	223%	167%	-23%	100%
Total provision for taxation (F)	322%	372%	223%	52%	100%
Net profit after taxation (E-F)	89%	94%	64%	64%	100%
Earnings per share (EPS)	89%	94%	64%	64%	100%

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 2021 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 and net profit have remained relatively stable, notwithstanding some deviations in 2022 and 2023.

Balance Sheet as at 31 December (For last five years)

	2025	2024	2023	2022	2021
PROPERTY AND ASSETS					
Cash					
In hand	0.01%	0.01%	0.01%	0.00%	0.00%
Balance with Bangladesh Bank and its agent bank(s)	0.73%	0.74%	0.86%	1.07%	0.85%
	0.73%	0.75%	0.87%	1.08%	0.86%
Balance with banks and other financial institutions					
In Bangladesh	11.41%	12.93%	13.44%	11.15%	19.96%
Outside Bangladesh	-	-	-	-	-
	11.41%	12.93%	13.44%	11.15%	19.96%
Money at call and short notice	-	-	-	-	-
Investments					
Government	2.54%	2.58%	0.00%	0.00%	0.00%
Others	4.83%	4.31%	5.35%	3.83%	3.08%
	7.36%	6.89%	5.35%	3.83%	3.08%
Lease, loans and advances					
Lease receivable	20.32%	23.94%	22.51%	25.08%	24.58%
Loans, cash credits, overdrafts, etc.	50.08%	45.53%	48.19%	49.31%	42.04%
	70.40%	69.47%	70.71%	74.39%	66.62%
Fixed assets including land, building, furniture and fixtures	1.20%	1.18%	1.34%	1.64%	1.67%
Other assets	8.89%	8.79%	8.30%	7.91%	7.81%
Non-financial institutional assets	-	-	-	-	-
Total assets	100.00%	100.00%	100.00%	100.00%	100.00%
LIABILITIES AND CAPITAL					
Liabilities					
Borrowing from banks, other financial institutions and agents	27.69%	28.77%	24.92%	20.67%	20.80%
Deposits and other accounts					
Current deposits & other accounts etc.	-	-	-	-	-
Bills payable	-	-	-	-	-
Savings bank deposits	-	-	-	-	-
Term deposits	41.08%	40.58%	47.53%	52.16%	51.48%
Bearer certificates of deposit	-	-	-	-	-
Other deposits	3.79%	3.00%	1.90%	1.65%	1.37%
	44.87%	43.58%	49.43%	53.81%	52.84%
Other liabilities	16.04%	15.74%	14.40%	13.78%	13.84%
Total liabilities	88.60%	88.08%	88.75%	88.26%	87.49%
Capital / Shareholders' equity					
Paid-up capital	6.37%	6.68%	6.49%	6.88%	7.24%
Share premium	0.01%	0.01%	0.01%	0.01%	0.01%
Statutory reserve	3.76%	3.80%	3.55%	3.66%	3.74%
General reserve	0.65%	0.68%	0.66%	0.70%	0.73%
Retained earnings	0.61%	0.74%	0.53%	0.48%	0.79%
Total Shareholders' equity	11.40%	11.92%	11.25%	11.74%	12.51%
Total liabilities and Shareholders' equity	100.00%	100.00%	100.00%	100.00%	100.00%

Profit and Loss Account (For last five years)

	2025	2024	2023	2022	2021
OPERATING INCOME					
Interest income	89.26%	89.91%	88.96%	89.97%	90.72%
Interest paid on deposits, borrowings, etc.	-57.30%	-54.23%	-55.91%	-52.64%	-53.91%
Net interest income	31.96%	35.68%	33.05%	37.33%	36.81%
Investment income	7.78%	6.14%	4.66%	3.29%	3.15%
Commission, exchange and brokerage	-	-	-	-	-
Other operating income	2.96%	3.95%	6.38%	6.74%	6.12%
Total operating income (A)	42.70%	45.77%	44.09%	47.36%	46.09%
OPERATING EXPENSES					
Salaries and allowances	18.45%	19.89%	22.62%	23.46%	21.41%
Rent, taxes, insurance, electricity etc.	0.65%	0.61%	0.78%	1.08%	1.22%
Legal expenses	0.97%	0.84%	1.07%	0.92%	0.70%
Postage, stamp, telecommunication etc.	0.47%	0.57%	0.72%	1.01%	1.04%
Stationery, printing, advertisements etc.	0.22%	0.17%	0.08%	0.22%	0.19%
Managing Director's salary and benefits	0.29%	0.31%	0.05%	0.38%	0.50%
Directors' fees	0.05%	0.01%	0.02%	0.03%	0.02%
Auditors' fees	0.03%	0.03%	0.03%	0.03%	0.04%
Charges on loan losses	-	-	-	-	-
Depreciation and repair of assets	3.86%	3.42%	4.09%	4.37%	4.01%
Other expenses	1.81%	1.41%	1.59%	2.29%	1.90%
Total operating expenses (B)	26.80%	27.26%	31.06%	33.78%	31.02%
Profit before provision C=(A-B)	15.90%	18.50%	13.03%	13.57%	15.07%
Provision for lease, loans and advances	3.81%	5.84%	3.67%	5.73%	2.87%
Provision for diminution in value of investments	-	-	-	-	0.00%
Other provision	0.87%	0.85%	0.00%	0.86%	0.00%
Total provision (D)	4.68%	6.69%	3.67%	6.59%	2.87%
Operating profit before taxes E=(C-D)	11.22%	11.82%	9.36%	6.98%	12.21%
PROVISION FOR TAXATION					
Current Tax	4.36%	5.02%	3.72%	0.80%	1.95%
Deferred Tax	-0.12%	-0.30%	-0.27%	0.04%	-0.19%
Total provision for taxation (F)	4.24%	4.72%	3.45%	0.84%	1.76%
Net profit after taxation (E-F)	6.98%	7.10%	5.91%	6.14%	10.45%
Appropriations					
Statutory reserve	1.40%	1.42%	1.20%	1.23%	2.09%
General reserve	-	-	-	-	-
Dividends, etc.	-	-	-	-	-
	1.40%	1.42%	1.20%	1.23%	2.09%
Retained surplus	5.58%	5.68%	4.71%	4.91%	8.36%

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.

Value Added

Operating revenue

Cost of borrowing

Other income

Provisions

Operating expenses excluding staff costs and depreciation

Value added

Distribution of value addition

To Employees:

as salary and allowances

To Government:

as taxes

To Shareholders:

as cash dividend

Retained in the business:

as capital and revenue reserve

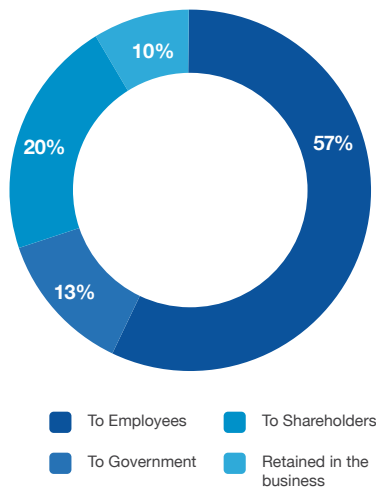
as depreciation

Number of employees

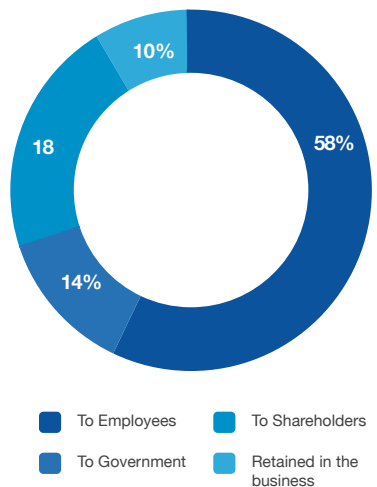
Value added per employee

2025		2024	
BDT Million	(%)	BDT Million	(%)
2,754		2,831	
(1,626)		(1,599)	
1,128		1,233	
84		116	
1,212		1,349	
(133)		(197)	
(149)		(126)	
930	100%	1,026	100%
532	57%	595	58%
120	13%	139	14%
187	20%	187	18%
90	10%	105	10%
11	1%	22	2%
79	9%	82	8%
930	100%	1,026	100%
724		829	
1.28		1.24	

Value Added Statement 2025



Value Added Statement 2024



Market Value Added (MVA) Statement

For the period ended December 31

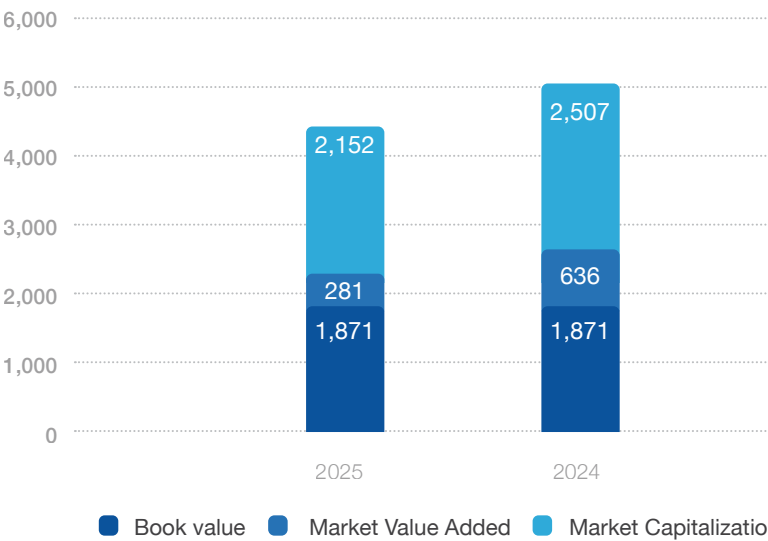
The Market Value Added (MVA) Statement represents the company's performance as perceived by the market, primarily reflected in its share price. It measures the difference between the company's total market value and the capital invested by shareholders and debt holders. In essence, MVA accounts for the total capital claims against the company, including both equity and debt, compared to its market valuation.

In BDT million unless otherwise stated

	2025	2024
Market Value per Share (BDT)	11.50	13.40
Number of Share Outstanding	187.11	187.11
Total Market Capitalization	2,151.82	2,507.34
Book value of shares outstanding	1,871.15	1,871.15
Market value added	280.67	636.19

MVA of United Finance PLC

BDT in Mn



Economic Value Added (EVA) Statement

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.

In BDT million

Net Operating Profit After Tax (NOPAT)	2025	2024
Net operating profit	318.36	348.40
Provision for taxes	120.32	139.17
Net Operating Profit After Tax (NOPAT)	198.04	209.23
Average Equity	2025	2024
Capital employed	3,349.12	3,338.19
Accumulated provision for doubtful losses	925.92	818.76
Equity	4,275.04	4,156.96
Average Equity	4,216.00	4,058.66
Cost of Equity (%)	2025	2024
Average interest rate on 10 Years Government Treasury Bond	10.97%	12.36%
Standard Risk premium	2.00%	2.00%
Cost of equity (%)	12.97%	14.36%
Economic Value Added	2025	2024
Net operating profit after tax	198.04	209.23
Cost of equity (Average Equity x Cost of Equity %)	546.81	582.99
Economic Value Added	(348.77)	(373.77)

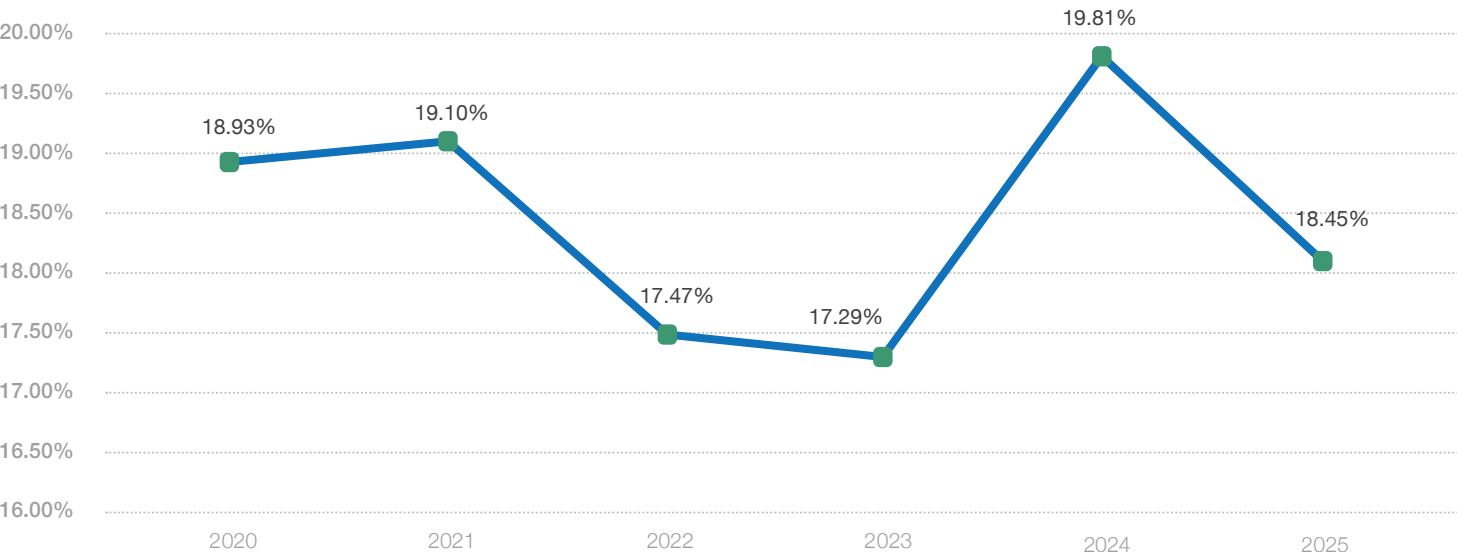
Capital Adequacy Ratio

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 2025, UFPLC's capital adequacy ratio stood at 18.45%.

In BDT Million

2025 UFPLC	
A) Tier I: Core Capital	3,352
Paid-up capital	1,871
Share premium	4
Statutory reserves	1,106
General reserves	190
Dividend equalization reserves	-
Capital reserves	-
Retained earnings	179
Non-controlling interest	-
B) Tier II: Supplementary capital	153
General Provision	153
C) Total eligible capital	3,502
D) Total risk-weighted assets	18,979
Capital Adequacy Ratio (%)	18.45%

Capital Adequacy Ratio Trend:



Non-Financial Highlights

Environment	2025	2024
Electricity Consumption per Employee	16,717	14,150
Transport Usage for Official Purpose	18,967	12,421
Water Consumption per Employee	617	461
Paper Usage per Employee	3,517	2,709

Unit: BDT

Green Financing	2025	2024
Green Portfolio	2,548	1,208
Sustainable Linked Finance	12,685	9,029

Unit: BDT Mn

Social	Unit	2025	2024
Employee			
Employee Attrition Rate	%	28%	28%
Total Employee	Count	600	694
Percentage of Women Hires	%	19%	17%
Employees Trained (in persons)	Count	560	599
Training Programs Conducted	Count	38	35
Total Training Hours	Hours	19,600	17,970
Incidents of Child Labor	Count	Nil	Nil
Incidents of Discrimination	Count	Nil	Nil
Incidents of Forced or Compulsory Labor	Count	Nil	Nil
Customer			
Registered Users of Digital Platform	Count	6615	505
Deposit Client Base	Count	16989	9,147
Proportion of Female Depositors	%	29%	22%
Community			
Beneficiary Through Healthcare Initiatives	Count	21	106
Total CSR Beneficiary	Count	85,246	19,869
Financial Literacy Exposure	Count	27	275

Contribution of United Finance to the National Economy

United Finance PLC continued to reinforce its role in the national economy through consistent fiscal contributions, disciplined financial management, and strict adherence to regulatory compliance. The Company's contribution in an environment where enhancing domestic resource mobilization is an important part of macroeconomic stability is a reflection of its financial performance and its operational dedication to governance and transparency.

During 2025, the Company contributed a total of BDT 444.33 million to the national exchequer, compared to BDT 395.81 million in 2024, registering a growth of 12.16% year-on-year.

The increase was primarily driven by higher corporate income tax payments and an increase in withholding tax collections, supported by improved earnings performance and expanded business activities.

Corporate income tax increased to BDT 158.30 million in 2025 from BDT 128.15 million in 2024, reflecting a strong growth of 23.53%. This increase is consistent with improved profitability, driven by enhanced portfolio quality, disciplined risk management, and operational efficiency. The growth in tax contribution also reflects United Finance PLC's sustained ability to generate value within a stable governance framework.

From BDT 195.76 million in the previous year, withholding tax collection and deposit increased to BDT 213.03 million, reflecting a growth of 8.82 %. This increase highlights the Company's expanding transactional base and its role as an active intermediary in ensuring timely tax deduction and remittance in accordance with regulatory requirements.

Withholding VAT recorded a significant increase to BDT 18.27 million in 2025 from BDT 11.02 million in 2024, reflecting a sharp growth of 65.79%, driven by strengthened internal control systems and improved monitoring of taxable transactions.

Contribution to National Exchequer

(BDT in Million)

Component	2025	2024	Change
Corporate Income Tax	158.30	128.15	+23.53%
VAT	9.60	12.76	-24.76%
Excise Duty	1.65	2.35	-29.79%
Withholding Tax	213.03	195.76	+8.82%
Withholding VAT	18.27	11.02	+65.79%
Withholding Excise Duty	43.47	45.76	-5.00%
Total Contribution	444.33	395.81	+12.16%

Although VAT and excise duty declined during the year to BDT 9.60 million and BDT 1.65 million , respectively, this movement was primarily driven by changes in the business mix, transaction structure, and applicable tax base. Similarly, withholding excise duty slightly decreased to BDT 43.47 million from BDT 45.76

million, reflecting minor fluctuations in underlying transaction volumes.

Despite these variations across individual tax heads, the overall contribution trajectory remained positive, driven by strong growth in corporate income tax and withholding-based contributions.

Structural Composition of Contribution

A key feature of the 2025 contribution profile is the dominance of withholding-related payments, which accounted for a significant portion of total remittance. This reflects the Company's dual role in the economy, as both a direct taxpayer and a facilitator of tax collection through its financial intermediation activities.

Direct contributions (corporate income tax, VAT, and excise duty) stood at BDT 169.55 million, while indirect contributions through withholding mechanisms amounted to BDT 274.77 million. This structure underscores United Finance PLC's increasing integration within the formal financial system and its contribution to strengthening tax compliance mechanisms at the national level.

Macroeconomic Relevance

United Finance PLC’s contribution to the national exchequer supports broader macroeconomic objectives, particularly in the context of domestic resource mobilization and fiscal sustainability. As public expenditure requirements continue to expand in areas such as infrastructure, social protection, and economic development, consistent corporate tax contributions play a critical role in supporting fiscal balance.

The steady growth in contributions also reflects the gradual strengthening of the formal financial sector’s role in the economy. By ensuring timely tax payments and efficient withholding practices, the Company contributes to improving the effectiveness of revenue collection systems and enhancing overall compliance culture within the financial ecosystem.

Financial Inclusion and Development Impact

Beyond fiscal contributions, United Finance PLC continues to support inclusive economic growth through targeted financing to Small and Medium Enterprises (SMEs), emerging entrepreneurs, and underserved segments of the economy. These initiatives contribute directly to employment generation, income diversification, and productivity enhancement across multiple sectors.

The Company’s financial inclusion strategy is aligned with key Sustainable Development Goals (SDGs), particularly SDG 1 (No

Poverty), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities).

Through responsible lending practices, the Company also supports SDG 12 (Responsible Consumption and Production) by encouraging sustainable business behavior among clients.

These efforts are further strengthened through partnerships with development organizations such as UDDIPAN, Rural Reconstruction Foundation, and Bangladesh Extension Education Services, enabling wider outreach to grassroots communities and underserved populations.

Forward Outlook

United Finance PLC remains committed to:

- Strengthening fiscal contributions through sustainable profitability
- Enhancing compliance-led financial governance
- Expanding inclusive financing initiatives
- Deepening impact through strategic partnerships

As Bangladesh advances toward higher economic resilience, the Company continues to play a responsible and meaningful role in supporting national development priorities.



Mohammed Abul Ahsan
Managing Director (Acting)

Business Segment Review

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Business Segment Performance



18.45%
Capital Adequacy
Ratio



5.95%
NPL Ratio



13,188M
BDT total Deposits



2,982
SME Clients
Served

2025 Business Segment Performance – United Finance PLC

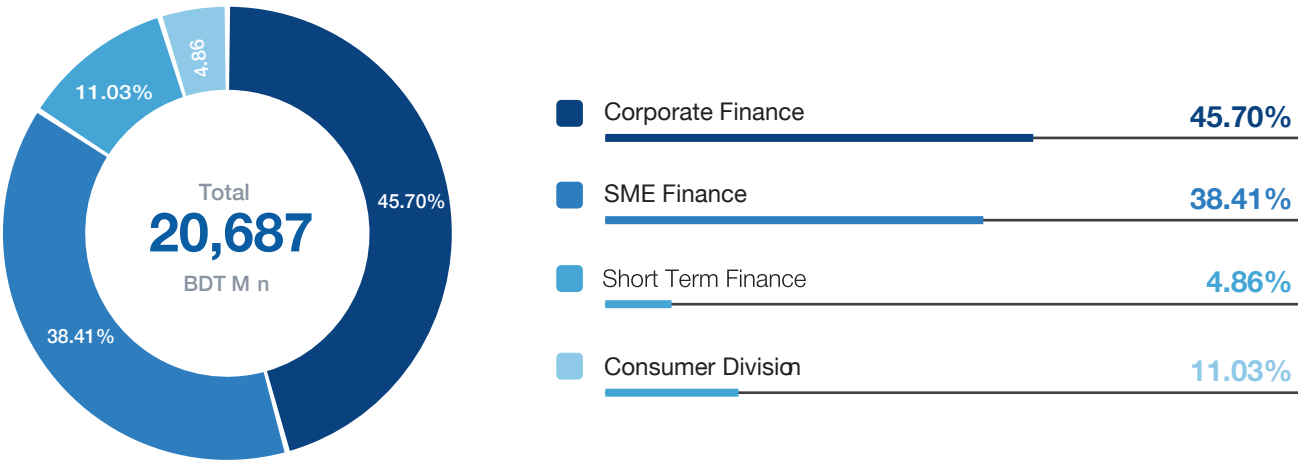
In 2025, United Finance PLC delivered a resilient performance despite elevated interest rates, liquidity constraints, subdued private sector credit growth, inflationary pressures, tighter monetary policy, and weaker long-term investment appetite. Stress across the NBFIs sector created divergence among institutions, allowing financially sound and well-governed players to strengthen their market position. Against this backdrop, United Finance maintained a prudent growth strategy focused on asset

quality, capital strength, and liquidity stability. With a Capital Adequacy Ratio of 18.45% and a Non-Performing Loan ratio well below sector averages, the Company reinforced its position as a stable financial institution. Its strong green and sustainable finance contribution, strategic partnership with the International Finance Corporation (IFC), diversified business models, disciplined credit practices, and balanced portfolio mix continued to support long-term growth.

In 2025, United Finance proved that disciplined growth and inclusive finance are not competing priorities—they are mutually reinforcing. Our diversified business model, anchored by strong asset quality, ESG leadership, and the IFC strategic partnership, positions us uniquely to accelerate Bangladesh’s economic transformation while delivering consistent, sustainable value to every stakeholder we serve.

— Managing Director (Acting), United Finance PLC

Loan Portfolio at a Glance



At year-end 2025, United Finance’s total loan portfolio stood at approximately BDT 20,687 million, diversified across four business segments and reflecting its commitment to serving a broad spectrum of Bangladesh’s economy—from large corporates to emerging micro and small enterprises.

The SME segment remained a core pillar of the Company's inclusive finance strategy, accounting for 38.41% of the total portfolio, or BDT 7,946 million. During 2025, disbursements reached BDT 4,589 million, reflecting 31.4% year-on-year growth.

Operating through 18 branches and serving 2,982 active clients, the segment covers enterprises ranging from cottage and micro businesses to emerging corporates. Its product suite includes

term finance, lease finance, and refinancing schemes under CMSME, Women Entrepreneur, Agro, and Startup financing. During the year, the segment focused on strengthening operational capabilities, improving pipeline quality, and enhancing turnaround efficiency. The Women Entrepreneur portfolio remained a key area of strength, supported by strong repayment performance and expansion across urban and semi-urban markets.

SME Finance (38.41% of Portfolio)	
Portfolio Size	BDT 7,946M
Disbursements	BDT 4,589M
Y-o-Y Growth	+31.4%
Clients Served	2,982
Branch Network	23 Branches

Corporate Finance (45.70% of Portfolio)	
Portfolio Size	BDT 9,456M
Disbursements	BDT 6,363M
NPL Ratio	1.44%
Branches	4 Corporate
Key Sector	Manufacturing

Short Term Finance	
Portfolio Size	BDT 1,232.64M
Focus Sector	Manufacturing
Products	Factoring, WO, PDF
Structure	Transaction-base

Consumer Division (Retail Franchise Building)	
Anchor Product	Home Loans
Borrower Profile	Salaried / Owners
New Products	Car & Personal Loans
Strategy (2025)	Quality-first
IFC Support	Active

The Corporate Finance segment, operating through four corporate branches, remained the primary driver of balance sheet growth in 2025. It accounted for 45.70% of the total portfolio, equivalent to BDT 9,456 million, while disbursements reached BDT 6,363 million. Asset quality remained strong, with an NPL ratio of 1.44%, well below industry benchmarks. The portfolio remained concentrated in manufacturing, with additional exposure to trade and services. In response to the liquidity environment, the segment also expanded short-term and working capital financing to support corporate clients.

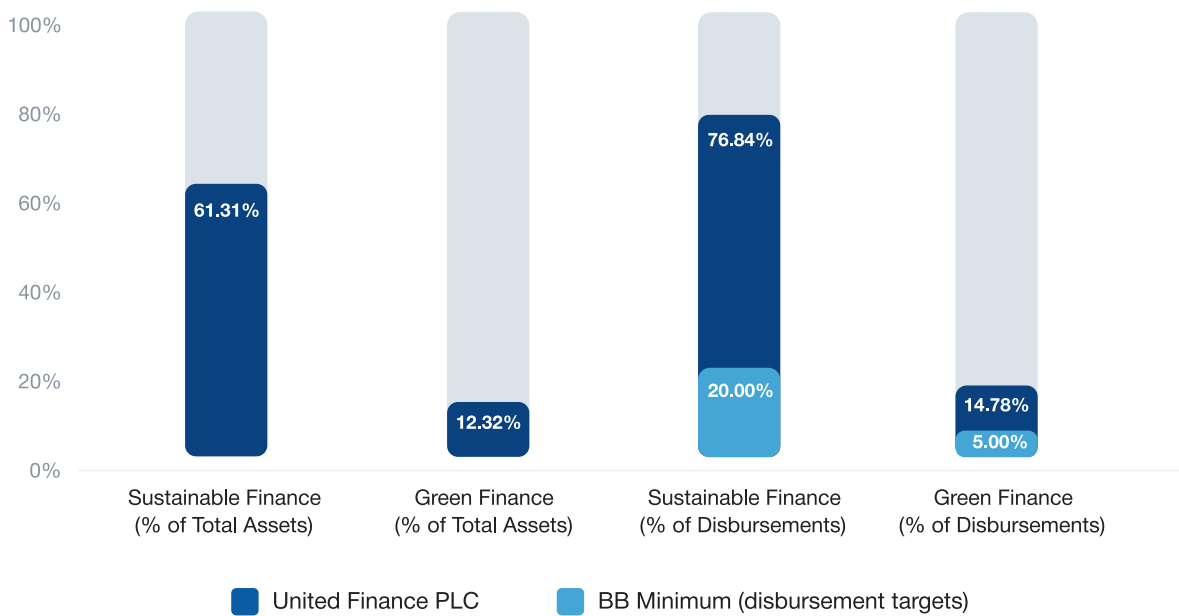
Short Term Finance continued to play a strategic role in supporting business ecosystems and portfolio quality. With a portfolio of BDT 1,232.64 million, the segment focused on structured, transaction-based lending. The portfolio was primarily concentrated in manufacturing, with complementary exposure to services and trading. Through factoring, work order finance, pre-delivery finance, and revolving facilities, United Finance supported liquidity across value chains and strengthened relationships with corporate anchors and supply networks.

The Consumer Division continued to support portfolio diversification while building a scalable retail franchise. Anchored by home loans, the segment recorded steady growth driven by sustained housing finance demand and customer-centric offerings. Its borrower base remained diversified across salaried individuals, landlords, and business owners. During 2025, the Consumer Division adopted a cautious growth strategy, prioritizing asset quality and operational efficiency amid economic uncertainty.

The Company also initiated controlled expansion into car loans and personal loans, supported by stronger credit assessment frameworks and digital process enhancements. Its strategic partnership with the International Finance Corporation (IFC) continued to strengthen product design, risk management, and operational capabilities.

Green Banking remained a strategic growth pillar in 2025, with United Finance significantly exceeding Bangladesh Bank benchmarks. Green Finance accounted for 14.78% of disbursements against a 5% minimum, while Sustainable Finance reached 76.84% against a 20% benchmark. Green and Sustainable Finance represented 12.32% and 61.31% of total assets, respectively, reflecting strong ESG integration. The portfolio spans renewable energy, energy efficiency, sustainable infrastructure, environmentally compliant industries, and Women Entrepreneur, CMSME, and Startup Finance under the sustainable finance taxonomy. Supported by low-impact digital operations and embedded Environmental and Social Risk Management (ESRM), the Company is well positioned to scale climate-focused financing and sustainable solutions in 2026.

Green & Sustainable Finance Performance vs. Bangladesh Bank Benchmarks

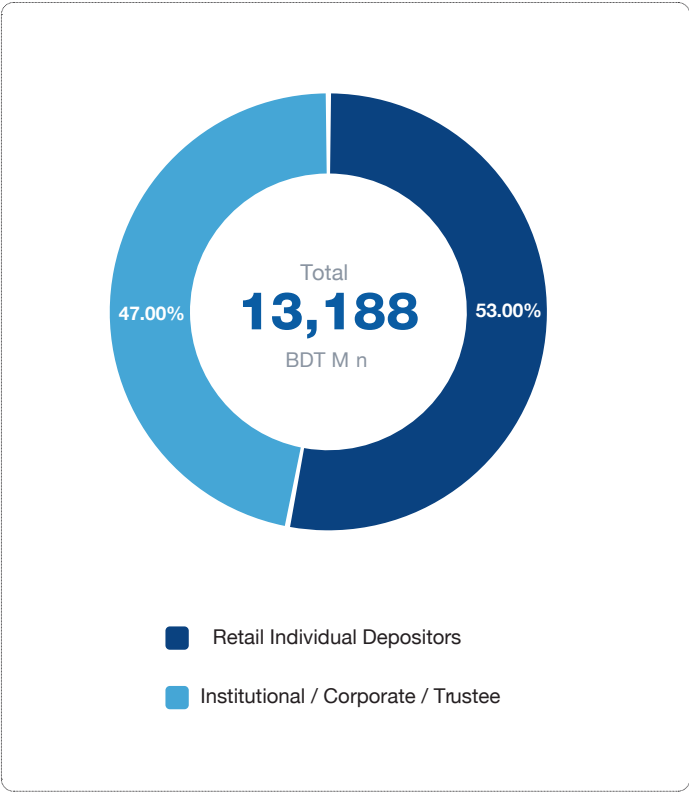


On the funding side, United Finance PLC maintained a stable and diversified deposit base, with total deposits reaching BDT 13,188 million in 2025, reflecting a recovery from the previous year. The deposit portfolio remained predominantly retail-driven, with individual depositors accounting for 53% of the total base, supported by institutional deposits from corporate and trustee segments. Continued focus on customer engagement, product innovation, and gradual digitalization strengthened depositor confidence and supported sustainable liability growth.

Looking ahead to 2026, United Finance is well-positioned to build on its operational momentum. The SME segment will continue expanding inclusive finance with emphasis on women-focused financing, stronger assessment quality, and improved pipeline efficiency. Corporate Finance will pursue selective growth through working capital solutions, sector specialization, and ESG-aligned financing while maintaining strong asset quality. Short Term Finance is expected to scale further through anchor-led ecosystem expansion and technology-driven process improvements. The Consumer Division will focus on strengthening secured lending, expanding digital capabilities, and developing strategic partnerships.

Across all segments, sustainability, digital transformation, and disciplined risk management will remain central to the Company's strategy. Supported by a strong capital base, diversified portfolio, and deep client relationships, United Finance remains well positioned to navigate evolving market conditions, deliver consistent growth, and create long-term value through responsible and inclusive financing.

Finding & Deposit Base



Small and Medium-sized Enterprise

The Small and Medium Enterprise (SME) segment is one of the most strategically significant business lines of United Finance PLC, directly serving the tier of the economy that employs the largest share of Bangladesh's workforce and generates a substantial share of the national economic output. At the close of 2025, the SME segment, including the Emerging Corporate book, accounted for 38.41% of the Company's total loan portfolio, firmly establishing it as the largest single segment in the lending business and a defining pillar of United Finance PLC's identity as an inclusive development finance institution.

Operating across a network of 23 branches spanning the country's major commercial hubs and semi-urban centers, the segment serves businesses ranging from grassroots-level cottage and micro enterprises to small , medium, and large enterprises engaged in manufacturing, trading, services, and agro-linked activities.

This breadth of coverage itself is a strategic statement: United Finance PLC. is not simply a lender to established businesses, but a financial partner to entrepreneurs and enterprise owners at every stage of the business lifecycle.

The product portfolio that the segment offers reflects this ambition. Core term finance and lease finance facilities sit alongside a suite of purpose-built refinancing schemes, Women Entrepreneur, CMSME, Agro, JICA TSL, and Startup Financing, each designed to bring credit within reach of a specific category of borrower who might otherwise face barriers to formal financial services. Together, these channels enable the segment to serve clients with diverse needs, collateral profiles, and operating characteristics, while maintaining the credit discipline that underpins portfolio quality and investor confidence.

The year 2025 was one of consolidation and capability-building. Disbursement volumes across the network reflected genuine commercial activity, with a core group of high-performing branches, led by Dinajpur, Tejgaon, Chuadanga, and Chattogram, demonstrating that disciplined pipeline management and strong Relationship Manager engagement translate directly into above-target outcomes. At the same time, the segment-level data revealed recurring operational patterns, in pipeline concentration, turnaround time, and pre-submission quality, that the organization is systematically addressing. The strategic priorities described later in this review are the outcome of that analysis.

Portfolio Share	38.41% of United Finance PLC's total loan portfolio
Average Ticket Size	3.40
Portfolio as on Dec'25	BDT 7,946 Mn
Branch Network	23 branches across major commercial and semi-urban centers
Customer Base	2,637
Client Coverage	Cottage, Micro, Small, Medium, and Large Enterprise

Strategic Partnership with IFC

United Finance PLC is proud to announce a landmark strategic partnership with the International Finance Corporation (IFC), a member of the World Bank Group, to significantly strengthen Affordable Housing and SME Financing across Bangladesh.

This collaboration marks a defining moment in the Company's growth journey, one that aligns global expertise and institutional credibility with local ambition and deep market knowledge.

Over the next five years, United Finance will sharpen its focus on empowering small businesses and enabling homeownership for more families. With IFC's diagnostic support and strategic guidance, the Company is building a robust foundation for sustainable, inclusive growth across underserved segments and geographies.

Why This Partnership Matters

The IFC partnership signals United Finance PLC's commitment to internationally recognized standards of SME finance, affordable housing, and gender-lens investing.

It brings structured capacity-building support, access to concessionary refinancing lines, and alignment with global ESG frameworks, strengthening the Company's ability to serve clients who have historically been underserved by the formal financial sector.

Inclusive Finance and Refinancing Schemes

United Finance PLC.'s participation in national and international refinancing schemes is one of the clearest expressions of the Company's dual mandate: delivering competitive financial returns while advancing financial inclusion and sustainable development. In 2025, these schemes collectively channeled most of the segment's disbursement volume, enabling the Company to offer concessional terms to borrowers who form the backbone of the Bangladeshi economy.

Women Entrepreneur Program

The Women Entrepreneur Program was among the most actively expanded schemes within the segment during 2025. Facilities under this program were disbursed across eight branches: Tejgaon, Gazipur, Rangpur, Rajshahi, Khulna, Bogura, Chuadanga, and Rangamati, serving women-owned and women-led businesses in trading, manufacturing, food services, and retail.

The program's concessionary interest rate and extended repayment tenure make formal credit accessible to women entrepreneurs who might otherwise be excluded from the conventional lending market due to limited collateral or shorter operating histories.

The credit performance of Women Entrepreneur facilities during the year was notably positive. Repayment discipline among clients in this segment was strong, and the risk profile of approved cases, while often characterized by smaller balance sheets and less formal financial records, was supported by stable household cash flows, community accountability structures, and the determination of first-generation business owners operating in familiar local markets.

This experience reinforces the evidence, both from United Finance PLC’s own book and from the broader development finance literature, that women-owned enterprises represent a high-quality credit segment when assessed through appropriate frameworks. Importantly, the geographic spread of Women Entrepreneur disbursements, reaching branches in rural and semi-urban areas including Rangamati and Chuadanga, confirms that demand for women-focused finance extends well beyond the urban commercial centers where financial services are most concentrated. This finding has direct implications for the segment’s growth strategy: meaningful scale in the Women Entrepreneur program will require a distributed origination effort across the entire branch network, rather than a concentration in a small number of high-density markets.

United Finance PLC celebrated the remarkable achievements of women entrepreneurs recognized for their exemplary repayment track records under Bangladesh Bank’s refinancing scheme. At a special ceremony held at the Company’s Head Office, Chairman of United Finance PLC, and Managing Director presented special recognitions to honorees, acknowledging their courage, resilience, and contribution to inclusive economic growth.

Speaking at the event, the Managing Director said, “We extend our heartfelt gratitude to these remarkable women entrepreneurs. Their courage and determination inspire us to stand beside our customers and communities. United Finance remains committed to investing in sustainable and responsible initiatives that create lasting impact.

Honoring Women Entrepreneurs
Bangladesh Bank Women Entrepreneur Award 2024

Spotlight: [Chenshen Rakhain](#)
Founder, Messrs May Rakhain Burmese Store

Chenshen Rakhain’s story is one of extraordinary courage, vision, and perseverance. Beginning her entrepreneurial journey with traditional komar loom weaving in her early years, she has built a thriving business, Messrs May Rakhain Burmese Store, over more than 17 years, engaged in the production and marketing of local attire, boutique items, cosmetics, and accessories.

Operating from her own premises, she currently runs a well-established store employing 7 workers, of whom 5 are women, making a direct and measurable contribution to women’s economic empowerment and the preservation of local cultural heritage. As part of the cluster program, her initiative has opened new horizons for local artisans. United Finance PLC is proud to have played a role in her inspiring journey.

Coastal Entrepreneurs Finance Initiatives

United Finance PLC, in strategic collaboration with SME Foundation, has launched a transformative cluster development initiative in Cox’s Bazar — focused on strengthening the dry fish, salt, snail, and shellfish industries that sustain thousands of livelihoods along Bangladesh’s coastline. The discussion session, held on July 18, 2025, was attended by senior leadership from both organizations, including Anwar Hossain Chowdhury, Managing Director of SME Foundation, and Suman Chandra Saha, Deputy General Manager.

From United Finance PLC, the session was represented by Mohammed Ashfaquul Haque Chowdhury, Cluster Head; Sudip Saha, Head of SME and Women Entrepreneur Financing; and Rokan Uddin Muhammad Al-Mamun, Branch Manager, Cox’s Bazar. This initiative aims to promote inclusive coastal economic growth by enhancing access to finance, improving local infrastructure, and equipping entrepreneurs with the resources they need to scale.

Cluster Focus Areas

- Dry Fish Processing & Trade
- Salt Production & Distribution
- Snail & Shellfish Industry Development
- Access to Formal Finance for Coastal Entrepreneurs
- Infrastructure Support & Business Development Services

Portfolio Performance

Throughout 2025, the SME segment maintained a consistent pace of new business across the branch network. This level of origination activity, maintained across 23 geographically dispersed branches and a varied RM workforce, reflects the segment’s embedded presence in local business communities and the strength of client relationships that RMs have developed over time.

Performance across the branch network was varied, as is expected in any business with significant geographic spread and differentiated local markets. The branches that consistently led the network shared several characteristics: our dedicated workforce had strong familiarity with sector-specific risk profiles, which reduced document query cycles, and Sales Team Managers actively monitored pipeline health week by week rather than reactively. These branches demonstrated that meeting and exceeding targets is as much a discipline question as a market opportunity question.

The portfolio is predominantly composed of small and micro enterprises. However, several CMSME-linked channels account for a disproportionately high share of total disbursement value. This distribution is strategically appropriate: it preserves the segment’s inclusive finance character while ensuring that the portfolio mix generates sufficient per-account income to sustain the cost of a broad branch network and a large RM workforce.

Credit Quality Assurance & Operational Excellence

Credit quality management remained a consistent focus throughout 2025. The segment’s multi-tier approval structure provides layered oversight that has served the portfolio well. The approval authority framework ensures that higher-exposure proposals receive proportionate scrutiny, while smaller facilities can move through the process efficiently at delegated authority levels.

Sustainable Finance Contribution

United Finance PLC’s SME segment made a meaningful contribution to the Company’s sustainable finance portfolio in 2025. A growing share of disbursements was classified under the Bangladesh Bank’s sustainable finance taxonomy, spanning Sustainable Agriculture, Energy and Resource Efficiency, and Sustainable MSME categories. This progress reflects both deliberate origination effort, RMs identifying and structuring eligible transactions, and the natural alignment between the segment’s core client base and the sustainable finance framework’s priority sectors.

Agricultural lending, to rice millers, agro-traders, and allied agribusinesses, qualified under the Sustainable Agriculture classification, recognizing the contribution of working capital finance to food supply chain stability and rural livelihoods. Manufacturing facilities extended under the JICA TSL scheme were classified under Energy and Resource Efficiency, reflecting investments in production processes that reduce energy consumption and material waste. Startup and technology-linked facilities contributed to the Sustainable MSME category, supporting enterprise development in sectors with strong employment multiplier effects.

The Women Entrepreneur program carries its own sustainability dimension. Extending formal credit to women-owned businesses, particularly in rural and semi-urban contexts, advances gender equity in economic participation, reduces dependence on informal and often exploitative credit sources, and builds long-term household financial resilience. As the Company develops its ESG reporting framework and responds to growing investor and regulatory interest in gender-lens finance, the Women Entrepreneur portfolio will be an increasingly important component of the sustainability narrative.

Strategic Priorities for 2026

Building on the operational experience and portfolio insights accumulated through 2025, the SME segment has defined a focused set of strategic priorities for the year ahead. These priorities are designed to be mutually reinforcing.

Better assessment quality reduces rejections and shortens turnaround time, which accelerates disbursements; earlier and more balanced disbursements improve fee income realization and reduce end-of-month execution risk; and a deepened Women Entrepreneur program expands both the portfolio and the Company’s sustainable finance credentials.

Expanding Women-Focused Finance

- Accelerate Women Entrepreneur disbursements across the full 23-branch network, with specific targets for rural and semi-urban branches currently below program penetration benchmarks
- Develop simplified assessment pathways and dedicated RM training modules for women entrepreneur case origination, with emphasis on alternative income verification and appropriate collateral substitutes
- Build origination partnerships with women’s cooperatives, trade associations, and NGO networks to expand the pipeline of eligible borrowers beyond walk-in clients
- Align Women Entrepreneur facilities with Sustainable Finance classifications where eligible, strengthening the Company’s gender-lens portfolio and supporting ESG reporting commitments
- Review processing fees and associated cost barriers to ensure that the concessionary rate advantage of the Women Entrepreneur scheme is not eroded at the point of access

Improving Trading Sector Returns

- Rebalance of new origination within the trading sector toward higher-ticket distribution and wholesale clients, where per-account income is more commensurate with the assessment effort required
- Develop sector-specific financial benchmarks for key trading categories, agricultural commodities, hardware, pharmaceuticals, and consumer goods, to enable more consistent and defensible revenue assessment
- Introduce enhanced inventory and receivables evaluation as standard components of trading client assessment, reducing dependence on self-reported sales figures that cannot be independently verified
- Review portfolio concentration in specific trading sub-sectors to ensure adequate diversification and limit exposure to correlated commodity prices and supply chain risks

Strengthening Assessment & Pipeline Management

- Introduce mandatory pre-submission checklists, aligned to the top rejection reasons identified through the year’s credit experience, as a condition of formal proposal submission
- Establish structured monthly rejection feedback sessions between the credit team and originating RMs, creating a closed learning loop that raises origination standards over time
- Implement proactive weekly pipeline monitoring at the branch and cluster level, with defined early warning indicators to identify proposals at risk of missing disbursement windows

- Institutionalize parallel documentation preparation during the credit review stage to reduce post-approval delays and accelerate the conversion of sanctioned facilities to disbursements

Introduce minimum monthly submission standards at the RM level, with individual performance tracked and reported alongside disbursement and rejection metrics

Outlook

The SME segment approaches 2026 with a combination of competitive position, operational clarity, and strategic intent that gives management confidence in the year ahead. Representing 38.41% of the Company's total loan portfolio, the segment is not a peripheral activity; it is the core of United Finance PLC's lending business, and its performance is directly determinative of the Company's financial results, social impact credentials, and reputation in the market. The investment made in operational improvement through 2025, in process discipline, RM capability, credit quality frameworks, and inclusive finance expansion, will compound through 2026 and beyond.

The macroeconomic environment in Bangladesh provides a broadly supportive backdrop. Continued growth in domestic consumption, the resilience of the agricultural and agro-processing sectors, the expansion of manufacturing and light industry in secondary cities, and the rapid growth of women-led enterprises across urban and rural communities all translate into sustained demand for the type of working capital and term finance that the SME segment provides. The Company is well-positioned to capture this demand through a branch network already present in the relevant markets, a product suite appropriately calibrated, and a team that understands its clients and their operating environments.

The segment's commitment to financial inclusion, most visibly expressed through the Women Entrepreneur program, CMSME refinancing, and startup finance, is not simply a regulatory obligation or a reputational investment. It reflects a genuine belief that the most durable and profitable SME lending franchise is one built on broad access, deep client relationships, and a reputation for standing with borrowers through the full cycle of their business development. That is the franchise United Finance PLC is building, and the SME segment is at its center.

Consumer Division

Established as a key growth engine of United Finance PLC, the Consumer Division plays a pivotal role in expanding the company’s retail footprint and strengthening its asset portfolio.

The division offers customer-centric financial solutions through its core products, including Home Loans, Home Equity Loans, Car Loans, Personal Loans, Crop Finance, and Loan Against Deposit (LAD).

These offerings are designed to meet the evolving needs of diverse customer segments while ensuring convenience, flexibility, and affordability.

A strong emphasis is placed on affordable housing finance, targeting middle-income and emerging customer groups to promote financial inclusion and expand geographical reach.

In line with this strategic focus, United Finance PLC has partnered with the International Finance Corporation (IFC) to strengthen its capabilities in affordable housing and SME financing.

This collaboration is aimed at enhancing product design, improving risk management frameworks, and aligning operations with global best practices.

Through efficient service delivery, competitive pricing, and structured risk management, further strengthened by IFC advisory support, the division continues to build customer trust and reinforce the Company’s brand positioning.

The Retail Business Segment continues to contribute to portfolio diversification while expanding access to structured financial solutions for individuals.

Home Loans remain the cornerstone of the portfolio, demonstrating steady growth supported by sustained demand and the Company’s strategic focus on customer-oriented lending solutions.

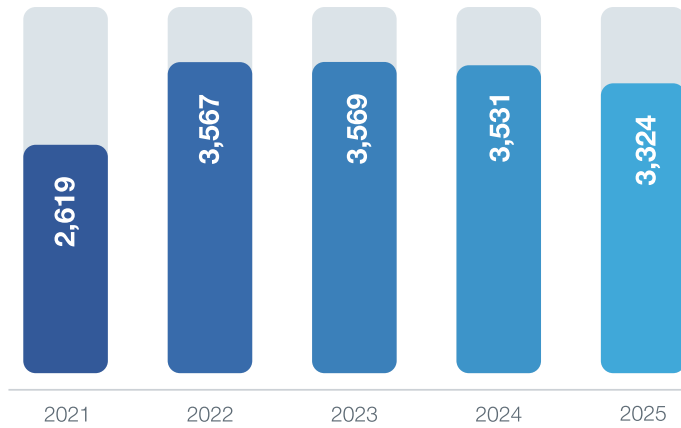
Between 2021 and 2025, the segment recorded a Compound Annual Growth Rate (CAGR) of approximately 6.1%, reflecting consistent portfolio expansion. During the year, the Company also initiated pilot initiatives for Car Loans and Personal Loans to assess market potential and expand its retail product offerings.

These pilot programs aim to gradually build a broader retail financing portfolio while maintaining strong risk management practicestrive to create long-term sustainable value for our customers and communities.

Portfolio Trend

in BDT Mn

The Consumer portfolio has exhibited stable growth over the last five years:



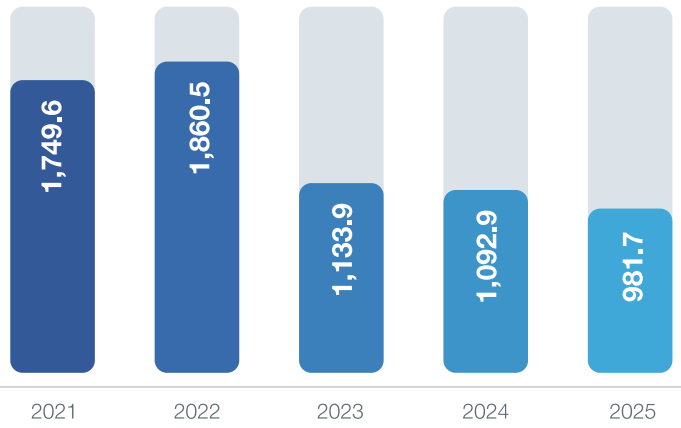
Sector Breakdown – 2025

The portfolio demonstrates a well-diversified customer mix with concentration in relatively stable income segments:

Businessman	17.50%
Govt. Service Holder	23.61%
Individual	3.02%
Landlord	32.15%
Manufacturing	0.31%
Professionals/Self-Employed	1.28%
Pvt. Service Holder	15.56%
Remittance Earner	5.75%
Service	0.22%
Trading	0.59%
Grand Total	100.00%

Disbursement

in BDT Mn



Business Focus of 2025 Aligned with Strategic Goals

Promoting sustainable financial well-being by:

- Strengthening portfolio quality through disciplined credit assessment
- Enhancing collection efficiency and recovery mechanisms
- Delivering superior customer experience through process optimization

Year in Review

Industry Overview and Our Response

Internal Factors

- Increasing demand for consumer financing driven by urbanization and rising lifestyle aspirations
- Growing expectations for fast, digital, and paperless financial services
- Need to maintain strong portfolio quality and minimize credit risks
- Market volatility is impacting customer affordability and borrowing behavior

Our Response

- Expansion of tailored financial products with competitive pricing and flexible repayment structures
- Strengthening digital onboarding and automation to improve turnaround time and customer experience
- Implementation of robust credit risk assessment frameworks, further enhanced through IFC-supported advisory initiatives
- Development of customer-focused service models to cater to diverse client segments

External Factors

- Impact of inflation, policy rate changes, and regulatory guidelines on lending rates
- Increasing competition from banks, NBFIs , and FinTech platforms
- Economic fluctuations affecting repayment capacity
- Market uncertainty influencing consumer sentiment

Our Response

- Dynamic pricing strategies aligned with market and regulatory conditions

- Differentiation through personalized service, relationship management, and product innovation
- Flexible restructuring and advisory support during economic stress periods
- Continuous monitoring of market trends to proactively manage risks and opportunities

Affordable & Sustainable Financing Focus

United Finance PLC remains committed to promoting affordable and sustainable financing solutions, particularly in housing, by integrating environmentally responsible practices and leveraging global expertise through its collaboration with IFC. This approach ensures long-term economic and social benefits while expanding access to finance for underserved segments.

Growth Strategy
Core Direction

Objective: Fast, low-risk and sustainable scale-up.

The Consumer Division’s growth strategy is centered on building a secure, scalable, and diversified retail portfolio:

- Anchor on secured retail: Home Loans, Home Equity, and Loan Against Deposit (LAD)
- Selective unsecured expansion: Personal & Car Loans for pre-qualified and payroll-linked customers
- Liability-led model to optimize cost of funds
- Cross-sell architecture: multi-product customer relationships
- Channel diversification: branch, developer, dealer, and corporate ecosystems
- Strong risk discipline: low LTV, robust underwriting, controlled unsecured exposure

Short-Term Strategy (1–2 Years)

Objective: Fast, Low-Risk Scale-Up

- Accelerate ‘Home Loans’ through developer tie-ups and salaried segment focus
- Rapidly expand LAD as a low-risk, high-yield product
- Controlled rollout of Car Loans and Personal Loans
- Activate cross-sell through bundled offerings and product linkages
- Strengthen distribution through branches, RM incentives, and referral ecosystems
- Maintain strict risk controls (≤70% LTV, salaried focus, limited unsecured exposure)

Long-Term Strategy (3–5+ Years)

Objective: Scalable, Digital, and Diversified Retail Franchise

- Maintain a predominantly secured portfolio with controlled unsecured expansion
- Build a strong liability franchise through tiered deposit products
- Develop end-to-end digital platform (UFin Direct Vision)
- Strengthen ecosystem partnerships (developers, dealers, corporates)
- Implement data-driven and pre-approved lending models, supported by enhanced frameworks developed through IFC collaboration
- Position as a “trusted and fast retail financial partner”

Future Outlook

Short-Term (1–2 Years)

- Strengthen digital lending platforms and customer journey
- Enhance credit risk models and portfolio quality
- Improve operational efficiency and turnaround time

Medium-Term (3–5 Years)

- Introduce innovative and sustainable financing products
- Expand customer base through targeted market penetration
- Strengthen fintech and ecosystem partnerships

Long-Term (5+ Years)

- Establish leadership in consumer financing among NBFIs
- Drive financial inclusion through accessible lending solutions
- Build a sustainable, technology-driven consumer finance ecosystem aligned with global best practices

Conclusion

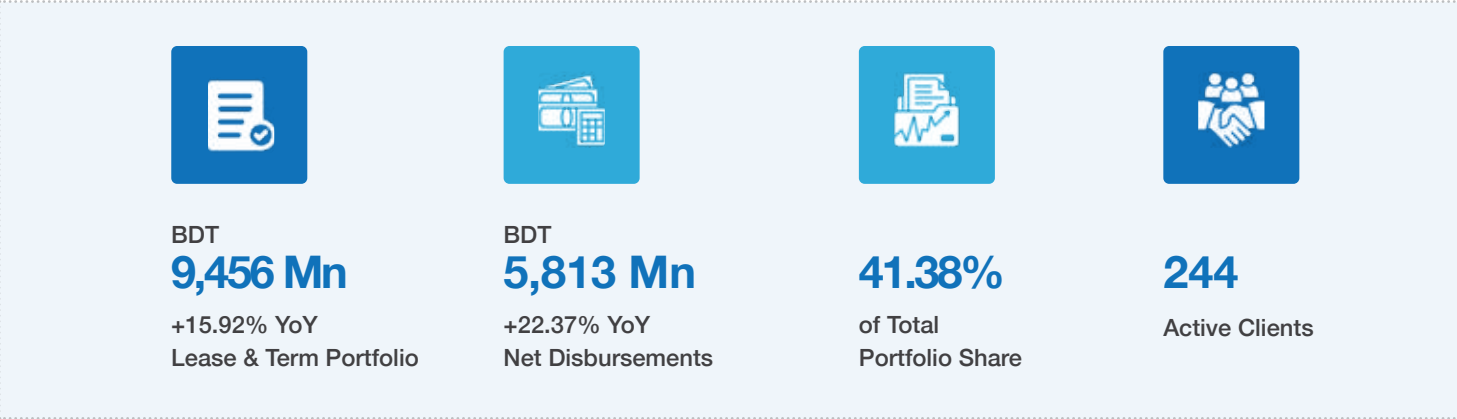
The Consumer Division demonstrated resilience amid a challenging operating environment, with a measured moderation in portfolio size and disbursements compared to 2024.

This reflects a prudent and disciplined approach adopted by United Finance PLC to safeguard asset quality and ensure long-term sustainability.

Leveraging its strong fundamentals and strategic collaboration with International Finance Corporation, the company continues to strengthen its Home Loan and SME-linked ecosystem, focusing on quality growth and operational efficiency.

The division remains committed to enhancing customer experience, expanding financial inclusion, and positioning itself for a stable recovery laying a solid foundation for sustainable growth in the periods ahead.

Corporate Finance - Large Business Segment

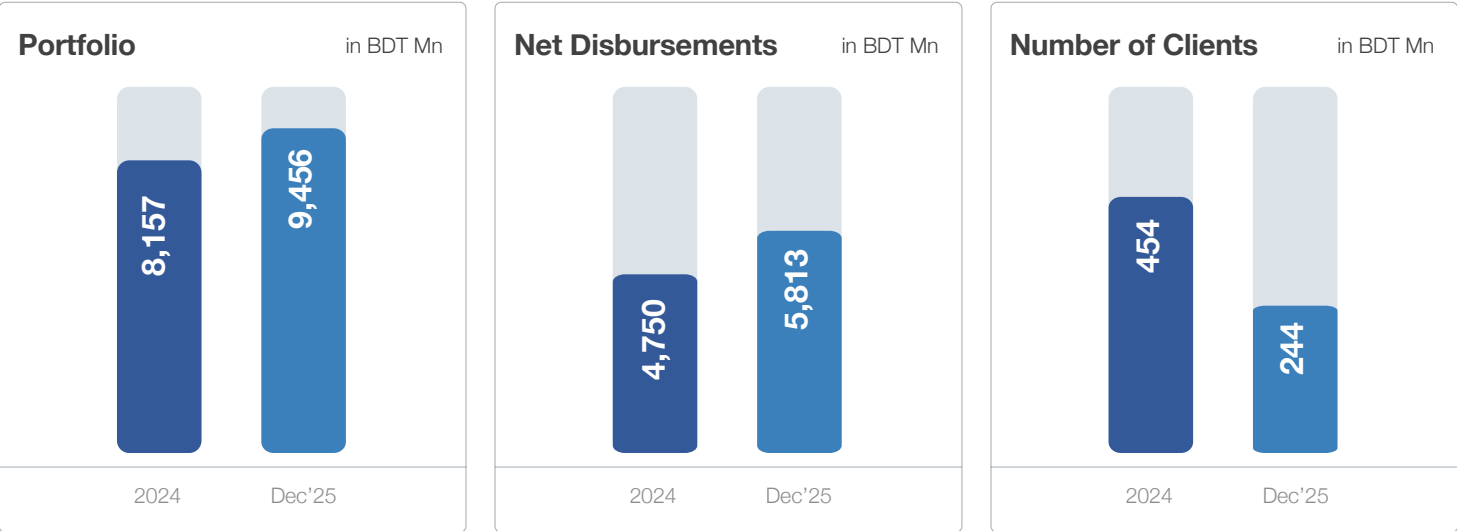


Overview

United Finance PLC’s Corporate Finance (Large Business) division delivers structured lending solutions to large domestic corporates, conglomerates, and established mid-market businesses across Bangladesh. Supported by a dedicated team of 12 professionals, the division manages the Company’s Lease and Term Finance portfolio, the largest segment of the UFPLC balance sheet. The division’s mandate is disciplined: relationship-driven origination, rigorous credit assessment, and active post-disbursement portfolio management, with quality consistently prioritized over volume.

Against a backdrop of contractionary monetary policy, with Bangladesh Bank holding its policy rate at 10%, and an operating environment marked by weak private sector credit growth (6.1% in December 2025), sluggish industrial output, and sector-wide NBFI stress, the Large Business segment delivered its strongest portfolio growth in three years. The division closed in December 2025 with a portfolio of BDT 9,456 million, growing 15.92% year-on-year from BDT 8,157 million at the end of 2024.

Portfolio Disbursement Performance



Performance Analysis

Portfolio Growth

The Lease and Term Finance portfolio expanded by BDT 1,299 million (+15.92%) to close at BDT 9,456 million in December 2025, marking the strongest year-on-year growth rate in the segment in three years. This expansion was supported by deliberate expansion into lower-risk corporate segments and the conversion of market-share opportunities arising from

the restructuring of competing NBFIs. As private-sector bank credit growth fell to 6.58%, and remained below 7% for six consecutive months, a growing number of large corporates redirected their borrowing demand toward Financial Institutions, including UFPLC, despite higher lending costs relative to the banking sector.

Disbursement Activity

Net disbursements reached BDT 5,813 million in YTD December 2025, a 22.37% increase over BDT 4,750 million deployed in 2024, demonstrating strong origination momentum. The division-maintained pricing discipline throughout the year, applying risk-based pricing frameworks that protected net interest margins while enabling competitive deployment into investment-grade corporate relationships.

Client Base Reclassification

The reported number of active clients fell from 454 to 244, a decline that is predominantly structural rather than indicative of client attrition. In December 2025, 92 clients were reclassified to the SME segment following an update to client-size eligibility thresholds, accounting for the majority of the movement. The underlying quality of the remaining client pool improved as a result of this recalibration.

Key Challenges & Responses

Challenge	Our Response
Bank policy rate held at 10%; private investment growth subdued. Companies sought FI financing despite higher borrowing costs.	Focused origination on investment-grade relationships; applied risk-based pricing to protect net interest margins while remaining competitive.
Slower industrial production weakened business cash flows, rising NPL pressure, and reduced collection efficiency.	Intensified post-disbursement monitoring and early warning triggers; accelerated recovery actions on classified accounts.
92 clients reclassified to SME under updated eligibility criteria, reducing the reported client count.	Client recalibration improved portfolio homogeneity; segment concentration in genuinely large corporate relationships strengthened the credit quality profile.

Looking Ahead

Short Term - 2026	Medium Term - 2027	Long Term - 2028+
 - Sustain portfolio growth while reinforcing credit quality standards. - Reduce NPL through strong and efficient recovery from classified clients. - Selectively target working capital and trade finance in manufacturing and agro-processing.	 - Build sector-specialist capabilities in healthcare, food processing, and infrastructure. - Onboard quality corporate relationships migrating from restructuring NBFIs.	 - Position UFPLC as the preferred NBFi partner for ESG-committed large corporates in Bangladesh. - Achieve diversified portfolio composition across core growth sectors.

Short Term Finance

The total short-term portfolio stands at BDT 1,232.65 million, demonstrating a strong concentration in financing solutions. Of this, BDT 1,006.06 million (81.6%) is allocated to Credit sales Financing, Distributor Finance, Work Order Financing, Pre-Delivery Finance, Short-Term Revolving Facilities (STF) while the remaining BDT 226.59 million (18.4%) is contributed by the Consumer Division.

The Short-Term Financing segment is primarily driven by key products such as Credit Sales Financing (Factoring of Accounts Receivable), Distributor Finance, Pre-delivery Finance, and STF Revolving facilities, reflecting the institution’s strategic focus on supporting working capital requirements across business value chains.

This composition highlights a well-aligned portfolio mix, with a dominant emphasis on scalable and transaction-based financing while maintaining a complementary presence in the consumer segment.

Short-Term Financing continues to be a key pillar of the asset portfolio of United Finance PLC, playing a critical role in supporting businesses with structured working capital solutions across the value chain. The Company provides tailored financing to corporates, suppliers, contractors, and service providers, enabling them to maintain liquidity, ensure operational continuity, and strengthen financial resilience.

During 2025, the short-term portfolio demonstrated steady performance, contributing meaningfully to the Company’s overall disbursement, revenue generation, and operating profitability.

The portfolio trend reflects sustained demand for short-term financing solutions, particularly from businesses integrated within established supply chain ecosystems.

From a sectoral perspective, this portfolio remains predominantly concentrated in the manufacturing sector, which accounted for 64.01% of total exposure in 2025.

This reflects United Finance PLC’s strategic focus on supporting industrial growth and production-linked activities. The service sector contributed 22.10%, driven by financing extended to contractors, logistics providers, and service-oriented enterprises. Meanwhile, the trading sector represented 13.89% of the portfolio, highlighting the Company’s selective engagement in trade-backed financing structures.

United Finance PLC offers a diversified suite of short-term financing solutions designed to address the varying working capital requirements of businesses:

Credit Sales Financing

This facility enables businesses to unlock immediate liquidity by converting receivables into cash. It supports improved cash flow management, reduces collection risk, and ensures uninterrupted business operations.

Distributor Finance

Short-term financing tailored for distributors to ensure uninterrupted supply chains and business growth.

Work Order Financing

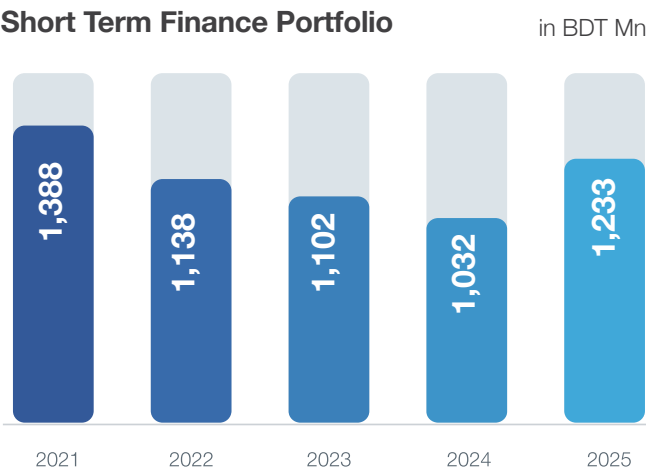
Designed for suppliers and service providers with confirmed work orders, this solution facilitates timely project execution by providing upfront funding before payment realization.

Pre-Delivery Finance

This financing supports manufacturers and suppliers in procuring raw materials and managing production costs prior to delivery, ensuring fulfillment of supply commitments.

Short-Term Revolving Facilities (STF)

These facilities offer flexible working capital support to clients with recurring funding needs, allowing multiple drawdowns and repayments within approved limits to efficiently manage day-to-day operations.



Through these structured financing solutions, the Company strengthens relationships across the supply chain ecosystem. Disciplined credit and risk management remain key to maintaining portfolio quality and sustainability.

Business Objectives – 2025

For the year 2025, United Finance PLC aims to strengthen its Short-Term Financing by focusing on sustainable growth, profitability, and portfolio quality:

Portfolio Expansion

Achieve steady growth in portfolio with a focus on high-quality assets, particularly within the manufacturing-driven ecosystem. Revenue and Profitability Enhancement

Revenue and Profitability Enhancement

Increase contribution to total revenue and operating profit through optimized pricing strategies and efficient fund utilization.

Sectoral Optimization

Maintain a strong presence in the manufacturing sector while gradually increasing exposure in service and selective trading segments to ensure a balanced portfolio mix.

Customer Base Growth

Expand the client base by onboarding new corporates, suppliers, and SMEs, especially those linked with established anchor clients.

Asset Quality Maintenance

Ensure disciplined credit underwriting and proactive portfolio monitoring to maintain a healthy risk profile and minimize non-performing assets.

Growth Strategy

United Finance PLC aims to further scale its short-term financing portfolio by aligning growth initiatives with sectoral strengths and evolving market dynamics. Given the strong concentration in manufacturing, the Company will continue to deepen its presence in this segment while gradually diversifying across complementary sectors.

Key strategic priorities include:

Anchor-led Ecosystem Expansion

Strengthening partnerships with large corporates to onboard upstream suppliers and downstream distributors into structured financing programs.

Sectoral Diversification

Increasing exposure in high-potential sectors such as pharmaceuticals, infrastructure services, and high-value trading segments, while maintaining a balanced portfolio mix.

Digital enablement

Enhancing operational efficiency through technology-driven onboarding, credit assessment, and disbursement systems to reduce turnaround time and improve customer experience.

SME integration

Expanding access to finance for small and medium enterprises by integrating them into formal supply chain networks anchored by established corporates.

Short-Term Strategy

In the near term, the Company will focus on optimizing portfolio performance and leveraging immediate growth opportunities:

Selective Client Acquisition

Targeting high-quality borrowers with strong linkages to reputable corporate anchors, particularly within the manufacturing and service sectors.

Product Enhancement

Refining existing short-term financing solutions to offer competitive pricing and more customized financing structures aligned with client needs.

Operational Efficiency

Streamlining internal processes to accelerate approval and disbursement cycles, improving service delivery.

Risk Containment

Maintaining strict credit discipline and proactive monitoring to safeguard asset quality amid evolving economic conditions.

Long-Term Strategy

Over the long term, United Finance PLC aspires to position itself as a leading service provider in Bangladesh by building a scalable, technology-enabled ecosystem:

Platform-based Financing Model

Developing an integrated digital platform connecting corporates, suppliers, and financiers within a seamless ecosystem.

Data-driven Credit Analytics

Leveraging transaction data and alternative credit scoring models to enhance risk assessment and broaden financial inclusion.

Sustainable Financing Focus

Incorporating ESG considerations by prioritizing environmentally and socially responsible supply chains, particularly within the manufacturing sector.

Strategic Partnerships

Collaborating with international development institutions, fintech companies, and large corporates to scale innovative and inclusive financing solutions.

Green Banking

Green Banking continues to play a pivotal role in strengthening Bangladesh’s transition towards a climate-resilient and sustainable economy, particularly in light of increasing environmental vulnerabilities and evolving regulatory expectations.

As a responsible financial institution, United Finance PLC remains committed to integrating sustainability principles within its financing and operational practices, thereby contributing to long-term economic and environmental stability.

In alignment with Bangladesh Bank’s Green Banking Policy and Sustainable Finance Policy 2020, financial institutions are encouraged to allocate a minimum of 5% of their total loan portfolio towards green financing initiatives, alongside broader sustainable finance targets.

United Finance PLC complied with all regulatory requirements and exceeded the prescribed thresholds, showing a strong commitment to sustainable finance.

During 2025, the company recorded notable progress in this area. Green Finance accounted for **14.78%** of total disbursement, substantially surpassing the regulatory requirement of 5%.

Similarly, sustainable finance constituted **76.84%** of total disbursement, well above the minimum benchmark of 20%. In terms of portfolio composition, green finance represented **12.32%** of the total portfolio, while Sustainable Finance accounted for **61.31%**, reflecting United Finance PLC’s strategic focus on environmentally and socially responsible financing.

United Finance PLC continues to expand its green financing footprint across key sectors such as renewable energy, energy efficiency, sustainable infrastructure, and environmentally compliant industrial practices.

The company also emphasizes financing solutions that support Small and Medium Enterprises (SMEs), green entrepreneurship, and inclusive growth, thereby aligning sustainability with economic development objectives.

Alongside its financing initiatives, the company has undertaken various operational measures to minimize its environmental impact. Ongoing digital transformation efforts, which include paperless documentation, automated approval systems, virtual communications, and electronic statements, have significantly reduced resource consumption.

Additionally, initiatives such as energy-efficient office management and optimized IT infrastructure contribute to lowering the overall carbon footprint and improving operational efficiency.

Environmental and Social Risk Management (ESRM) remains an integral component of the company’s credit assessment process, ensuring that all financing decisions are evaluated against environmental and social risk parameters in line with regulatory guidelines. Continuous monitoring mechanisms further ensure compliance and reinforce responsible financing practices.

Looking forward, United Finance PLC aims to further strengthen its green banking framework by enhancing climate risk integration, expanding sustainable product offerings, and leveraging technology-driven solutions to improve environmental performance.

Through these initiatives, the company is well-positioned to support Bangladesh’s sustainable development agenda while delivering resilient and responsible financial growth.



Wealth Management Overview

Deposit Portfolio Trend and Segment-wise Composition

Deposit Portfolio Growth

United Finance PLC continues to maintain a stable and well-managed deposit base supported by a diversified portfolio of savings and investment products designed to meet the financial needs of individuals and institutions.

Over the past six years, the Company's deposit portfolio has demonstrated a generally positive trajectory. Total deposits increased from BDT 12,300 million in 2020 to BDT 13,665 million in 2021 and further reached a peak of BDT 14,627 million in 2022, reflecting strong deposit mobilization and growing client confidence.

In the subsequent period, the portfolio experienced a moderate adjustment in line with broader market liquidity conditions, standing at BDT 14,246 million in 2023 and BDT 12,208 million in 2024. In 2025, the deposit base showed a recovery, reaching BDT 13,188 million, indicating renewed momentum in deposit growth and sustained trust among depositors.

Segment-wise Deposit Composition

The company's deposit structure continues to be predominantly driven by retail clients, which strengthens the stability of its funding base.

As of 2025, individual depositors account for 93.03% of the total deposit portfolio, highlighting the strong relationship United Finance PLC has built with its retail customer base.

Institutional deposits constitute a smaller but important portion of the portfolio. Corporate deposits represent 4.08%, while trustee deposits account for 2.65% of the total deposits.

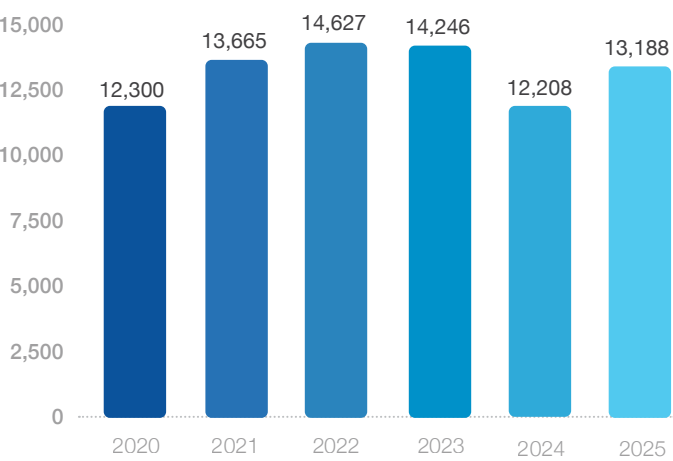
Deposits from insurance companies contribute 0.21%, and other Non-Banking Financial Institutions (NBFIs) account for 0.02% of the deposit base.

Strategic Focus

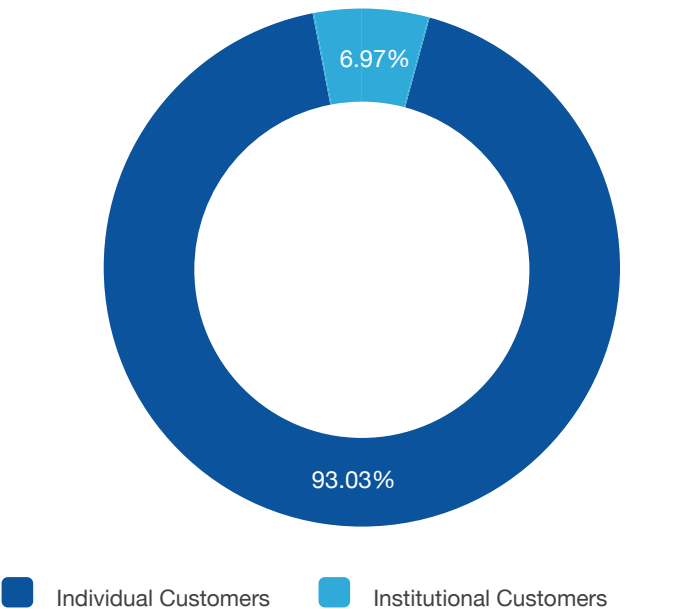
United Finance PLC is strengthening its deposit franchise through product innovation, enhanced customer engagement, and the gradual expansion of digital financial services.

By maintaining a diversified and stable funding structure with a strong retail foundation, the Company aims to support sustainable asset growth and deliver long-term value to its shareholders.

Deposit Portfolio Trend



Deposit Customer Segment



Year in Review and Strategic Outlook – 2025

In 2025, United Finance PLC demonstrated resilience and strategic focus in growing and stabilizing its deposit portfolio, despite a challenging financial environment. Through client-centric products, prudent financial management, and operational efficiency, the company maintained strong depositor confidence and a stable funding base.

The deposit portfolio showed a recovery in 2025, reflecting renewed momentum. Retail deposits continued to dominate, representing 93.03% of total deposits, while corporate (4.08%), trustee (2.65%), insurance (0.21%), and NBFIs (0.02%) provided complementary diversification, enhancing portfolio stability.

There has been a series of customer and employee centric campaigns in the 2nd half of the year. Customers campaigns were specially designed to serve the targeted segments, and the campaigns were equally prioritized by the relevant motivation for the employees working in wealth management.

To streamline the deposit mobilization, deposit specialists have been deployed at branch level. The wealth management team has

been segmented in 3 parts: Retail, Corporate and Distribution. This clear segregation has improved efficiency and result.

The launch of United Finance Mobile App - UMA in August 2025 has further enhanced trust, faster service delivery and a complete digital solution for the customers.

Strategic Achievements

Client Acquisition & Retention:

Achieved strong client growth while maintaining high retention rates, ensuring portfolio stability. Deposit retention rate which fell down at 50% level in 2024 has been improved significantly in the 2nd half of the year.

Portfolio Growth:

Positive growth observed across tenure, ticket size and customer number. An innovative initiative of higher return for small ticket depositors have resulted in positive momentum.

Operational Efficiency:

Enhanced processes and innovative product offerings contributed to steady deposit mobilization and client confidence. Usage of UMA has significantly improved customers confidence in product and service.

Industry Overview and Our Response

The financial sector faced challenges in 2025, including political uncertainty, liquidity pressures, and broader market volatility affecting banks and non-banking financial institutions.

United Finance's Response

Strong Governance:

Maintained robust corporate governance and risk management practices to safeguard liquidity and stability.

Prudent Financial Strategy:

Conservative financial management minimized exposure to market volatility.

Employee Alignment:

Aligned employee objectives with organizational priorities, enhanced accountability, and fostered continuous improvement.

These initiatives enabled United Finance to remain resilient, continue delivering client service excellence, and sustain long-term business stability.

Future Outlook

Looking ahead, United Finance PLC is committed to sustainable growth, digital transformation, and enhanced client value:

- Short Term:**

Increase productivity, strengthen deposit mobilization, and deepen client engagement.
- Medium Term:**

Expand digital financial services, improve accessibility and convenience, and introduce innovative products such as Loan Against Deposit (LAD) facilities.
- Long Term:**

Strengthen the retail deposit base while strategically growing institutional relationships, supporting sustainable asset growth, and delivering long-term shareholder value.

By combining a strong retail foundation, innovative product offerings, and prudent risk management, United Finance PLC is well-positioned to drive sustainable growth and continued leadership in the financial services sector.



United Finance Mobile App (UMA) – Transforming the Way Bangladesh Saves, Invests, and Grows

2025 is considered a landmark in the proud story of United Finance PLC. With over 36 years of service to the people of Bangladesh, the Company has always stood at the intersection of trust and innovation, much like a financial partner to individuals, entrepreneurs, and communities across all 64 districts of the country. Yet no other year has demonstrated this commitment to excellence more vividly than 2025, as United Finance PLC unveiled its most ambitious leap into the digital era: the United Finance Mobile App, widely known as UMA.

In an age where the expectations of customers are defined by immediacy, transparency, and seamless access, UMA was conceived as a living, breathing extension of United Finance PLC’s promise to deliver world-class service from the palm of a customer’s hand. Designed entirely in-house by United Finance’s own technology team, the app represents the Company’s deepest convictions: that great financial services must be simple, inclusive, and available to everyone, regardless of age, background, or geography.



The Bangladesh Fintech Award 2025

In November 2025, the financial and technology communities of Bangladesh gathered at the prestigious Pan Pacific Sonargaon Hotel in Dhaka for the 3rd Bangladesh Fintech Awards, a ceremony that has become the country’s foremost celebration of digital financial innovation. In a highly competitive field of banks, fintech startups, and financial institutions from across the country, United Finance PLC won the award in the Non-Bank Financial Institution

(NBFI) category for UMA’s innovative contribution to digital financial services.

This honor is an affirmation that the vision United Finance PLC had for a truly digital, customer-first NBFI experience has resonated deeply with the nation’s entire financial ecosystem, rather than just customers.



Bangladesh’s First Fully Digital NBFI Account Opening

What sets UMA apart from every other financial application in the country’s NBFI sector is a distinction that belongs to it alone: UMA is the only mobile app in Bangladesh’s NBFI sector that offers a completely digital account opening experience. For the first time in the country’s NBFI history, a customer does not need to visit a branch, fill out paper forms, or wait days for account activation. From enrolment to operation, the entire journey happens securely on a smartphone.

This is a fundamental reimagining of what financial service delivery can look like in Bangladesh. For the elderly customer in a rural district, the busy professional in Dhaka, or the young entrepreneur launching their first venture, UMA removes every friction point that once stood between a person and their financial aspirations.



The UMA Experience:
A Comprehensive Suite of Digital Features

Our app has been designed with one governing principle: the customer must always feel in control. This application was designed to make financial services more convenient, allowing

everyday transactions to be completed quickly and from anywhere . The following is a detailed account of the capabilities that define UMA's digital offering:

	Service Request	From deposit encashment and payment authorizations to tax document uploads, customers can submit a comprehensive range of service requests directly through UMA. What previously required a physical visit or a formal letter can now be initiated within seconds. Every request is logged, tracked, and managed through a secure digital workflow, ensuring accountability and speed.
	Real-Time Balance	Gone are the days of waiting for a monthly statement or calling the branch to check a balance. UMA provides live, real-time visibility into account balances across all of a customer's deposit and loan accounts, consolidated under a single login. Whether a customer holds a Fixed Deposit, a Deposit Pension Scheme, or a retail loan, their complete financial picture is always at their fingertips.
	Account Summary	Our app presents customers with a clean, intuitive overview of their entire account portfolio. Customers can view product details, tenure, maturity schedules, instalment records, and payment history, all consolidated in one place, with the clarity and transparency that United Finance has always stood for.
	Account Statement	Customers can generate and download detailed account statements for any specific date range they choose. The process is instant with no waiting, no queuing, and no paperwork. Statements are available in a downloadable format, giving customers a professional record of their financial activity whenever they need it.
	AIT Statement	The Advance Income Tax (AIT) statement is a critical document for customers during the annual tax filing season. UMA allows customers to generate and download their AIT statement across all accounts in a single step, which simplifies compliance and saves significant time.
	Balance Confirmation Certificate	For customers who require an official balance confirmation, whether for loan applications or business purposes, UMA generates a certified Balance Confirmation Certificate instantly for any given date. This eliminates the traditional multi-day turnaround and empowers customers with documentation on demand.
	New Deposit Application	Customers can open new Fixed Deposit Receipts (FDR) and Deposit Pension Scheme (DPS) accounts entirely within the app, supported by a streamlined e-KYC verification process. Initial payments can be made through UMA's secure, encrypted partner payment gateway, completing the account opening journey without a single visit to a branch.



Security at Every Layer

United Finance PLC understands that trust is the foundation of every financial relationship. UMA has been built with multiple layers of security to safeguard customers’ personal and financial information. Registration is protected by OTP verification and strong password protocols. Login is secured through multi-factor authentication.

All financial transactions are routed through an encrypted payment gateway that meets the compliance standards of the Financial Institution Act 2023 and Bangladesh Bank regulations. For customers, this means their data, accounts, and transactions are supported by strong security measures.



The URise Startup Loan

United Finance’s digital ambitions are not confined to deposit management. The Company has equally expanded its commitment to the entrepreneurial ecosystem of Bangladesh through the launch of URise, which is its dedicated startup loan product, delivered under the Bangladesh Bank Special Startup Refinancing Scheme.



A Legacy of Reach, Renewed Through Technology

United Finance PLC currently operates through 23 branches spread across Bangladesh, covering all 64 districts and serving as the only NBFI with the widest national footprint in the country.

This geographical breadth has always been a defining quality of the Company, the ability to reach customers in places where financial services have historically been scarce or inaccessible.

With UMA, this reach is no longer constrained by the physical location of a branch. Every customer with a smartphone and a mobile number is now, in effect, a step away from United Finance’s full suite of digital deposit services.

The app has transformed United Finance PLC’s distribution model, making it possible to serve a customer in a remote district with the same speed, quality, and professionalism as one sitting in central Dhaka.

United Finance also achieved one of the lowest Non-Performing Loan (NPL) ratios in the NBFI industry in 2024, a testament to the rigor of its risk management and the strength of its customer relationships. This financial discipline, combined with the technological ambition embodied by UMA, positions United Finance as one of Bangladesh’s most resilient and forward-looking financial institutions.



The Digital Horizon

The journey that UMA has begun is far from complete. The 3rd Bangladesh Fintech Award recognizes what United Finance has achieved so far, while also encouraging the company to aim for even greater goals in the future.

The Company is committed to continuously enriching UMA’s capabilities, adding new services, deepening integrations, and expanding access to underserved segments of the population, as part of its long-term strategy to build a truly futuristic NBFI.

In a rapidly digitizing world, where customer expectations are shaped by the best technological experiences across every industry, United Finance PLC has made clear its intention to lead.

Through UMA, through URise, through its expanding branch network, and through the enduring values that have guided it for 37 years, the Company is writing the next chapter of Bangladesh’s financial story, one digital deposit at a time.



United Finance PLC:

37 Years of Trust,

One Digital Future

Bangladesh’s Premier

Non-Bank

Financial Institution

Digital Transformation

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UMA and Digital Transformation

United Finance PLC is committed to building a smarter, faster, and more accessible financial institution through digital transformation. From the way customers open accounts to how employees manage daily tasks, technology is reshaping business to be more efficient, transparent, and more connected.

The Company changed Bangladesh's financial sector's history by launching the United Finance Mobile App, UMA. They soon became the first Non-Bank Financial Institution (NBFI) in the country to offer a fully featured mobile banking application. This was a statement about the future of the Company, where every customer can access financial services from anywhere, at any time, without ever needing to visit a branch.

UMA was built around one simple idea: managing your finances should be easy. Whether a customer wants to open a deposit account, check their balance, or download a certificate, they can do all of it through their phone; quickly, securely, and entirely on their own terms.

A Landmark in Bangladesh's Fintech Story

UMA's launch placed United Finance PLC at the forefront of financial technology in Bangladesh. The app quickly earned industry recognition, winning the Bangladesh Fintech Award for Best Mobile App, signaling that the platform had set a new standard for digital financial services in the country.

Available on iOS (App Store), Android (Google Play), and as a web-based portal, UMA reaches customers across all devices and connectivity conditions, ensuring no one is left behind.

Bangladesh's First AI Employee

Beyond being a digital banking tool, UMA is also Bangladesh's first AI employee. United Finance PLC introduced UMA to create stronger and more meaningful customer engagement beyond everyday transactions.

As an AI presence, UMA:

- Promotes financial literacy and helps customers understand their options properly
- Raises awareness of United Finance's products and services
- Acts as the digital face of the organization, reflecting its values and vision
- Provides customers with round-the-clock guidance on financial matters

How UMA Works:

UMA brings together a wide range of financial services into one secure, easy-to-use platform:



Digital Account Opening

Customers can open deposit accounts entirely through the app without any paperwork or a branch visit required, making financial services more accessible and faster. The entire process, from identity verification to account activation, happens digitally.



Real-Time Account Visibility

UMA allows customers to instantly view their account balances, transaction history, and account status anytime, reducing the need to wait for statements or contact the branch for updates.



Instant Statements and Certificates

Account statements and official certificates can be downloaded on demand, directly from the app. Customers no longer need to make a formal request or travel to a branch for documents they may need urgently.



Deposit Management

Customers can open and manage their deposit accounts through UMA, with flexible options to suit their savings goals. Automated installment collection through linked bank accounts or mobile wallets makes saving effortless.



U-Rise Startup Loan Integration

UMA now includes access to the U-Rise startup loan, a newly added feature that allows aspiring entrepreneurs to explore and apply for financing directly through the app, bringing business support closer to everyday customers.



Tax Return Receipt Submission

Customers can submit their tax return receipts digitally through UMA, removing the hassle of a physical visit for this routine but important requirement.



Early Encashment Requests

If a customer needs to access their funds before the maturity date of a deposit, they can submit an early encashment request directly through the app.



Biometric Security

UMA uses fingerprint and facial recognition to keep accounts secure, supported by end-to-end encryption that protects all customer data, allowing customers to manage their finances with complete confidence.



24/7 Service Access

All services on UMA are available around the clock, every day of the year. Whether it is late at night or during a public holiday, customers are never cut off from their financial needs.

UMA and Its Impact

The introduction of UMA has had a measurable and meaningful impact, both on the customers who use it and, on the way, United Finance PLC operates. By moving key financial services to a digital platform, the company has opened up access, and built a more responsive relationship with its customer base.



Expanding Access to Financial Services

Perhaps the most important impact of UMA is how it has extended the reach of United Finance’s services. Customers no longer need to live near a branch or take time off work to manage their finances. From a smartphone, they can do in minutes what used to take hours — and they can do it from anywhere in the country.

This matters especially for customers in areas that are underserved by physical branches. UMA breaks down geographic barriers and makes financial inclusion a practical reality, not just an aspiration.



A Paperless Way of Banking

UMA supports fully paperless onboarding and account management. Every process that once required printed forms, physical signatures, and document storage now takes place digitally. This not only speeds up service delivery but also reduces the environmental footprint of the company’s operations — a step that aligns with United Finance’s broader commitment to sustainable business practices.



Stronger Customer Confidence Through Security

Security has always been a concern for customers adopting digital financial services. UMA was designed with this in mind. Biometric authentication — fingerprint and facial recognition — combined with strong encryption ensures that only the right person accesses the right account. Customers can use the app with confidence, knowing their money and data are protected.



Growth in Digital Adoption

Since its launch in August 2025, UMA has seen strong uptake among customers. The platform has successfully onboarded thousands of customers digitally, reflecting a genuine shift in how people prefer to interact with their financial institution.

Key indicators of this growth include:

- Number of accounts opened digitally through UMA
- Percentage of active customers regularly using the app
- Growth in digital transactions over the year
- Adoption of the U-Rise startup loan through UMA



Industry Recognition

The Bangladesh Fintech Award for Best Mobile App is more than a trophy — it is a validation of United Finance’s approach to digital transformation. It reflects that the industry and its experts recognized UMA as a genuine innovation: well-designed, secure, and impactful.

This recognition also raises the bar for digital financial services across the sector, positioning United Finance as a leader that others will look to.

Digital On-Boarding at a Glance

Metric	
Customers Onboarded Digitally via UMA	5,523
.....	
Digital Practices of Process & Operations	218



A Platform Built for the Future

UMA is not a finished product — it is a growing platform. With new features like the U-Rise startup loan integration already added, and with the foundation in place to support further services, UMA is designed to evolve alongside the needs of United Finance’s customers and the demands of a rapidly changing financial landscape.

Behind every smooth customer experience is a company that runs efficiently on the inside. United Finance PLC has invested in building systems and tools that keep teams connected, decisions moving, and operations running without unnecessary delays or manual workarounds.

Two platforms sit at the heart of this internal digital ecosystem: MyNet, the company's operational hub for day-to-day tasks and communication, and NFP4, the dedicated system for managing the company's credit portfolio and business operations

MyNet — The Operational Hub of United Finance

MyNet is the internal platform that holds the Company together daily. It is where tasks are assigned and completed, documents are stored and shared, approvals are sought and granted, and news reaches every member of staff.

MyNet digitizes the connective tissue of daily organizational life: communication, documentation, approvals, and reporting, creating a more responsive, better-informed institution at every level.

Rather than relying on emails, printed memos, or verbal instructions that can be missed or misremembered, MyNet creates a transparent, auditable record of organizational activity. Every action taken on the platform is tracked, which means nothing falls through the cracks.

What MyNet Does

This is built around the real, daily needs of a financial institution:

- **Tasks and Approvals:**
Every operational decision, from document sign-offs to cross-departmental requests, is created, tracked, and resolved through a structured digital workflow.
- **Document Organizer:**
A central, organized repository for all institutional documents, searchable and accessible to the right people across all departments.
- **Internal and External News:**
Company announcements are published and distributed through MyNet in real time. At the same time, the platform also surfaces relevant external financial and market news, keeping staff informed of the world around them.
- **Meetings:**
Scheduling and coordination of meetings, inter-departmental sessions, and appointments, with built-in notification management.

- **Reports:**
Management has access to consolidated operational reports drawn from across the platform, supporting informed and timely decisions.
- **Fast Path Search:**
A powerful search function that cuts across all records, documents, and people within MyNet, significantly reducing the time employees spend looking for information.
- **Gateway:**
A single access point for all linked internal systems and external digital resources, simplifying navigation for users across the company.
- **Notification System:**
Role-based notifications ensure that every employee receives timely, relevant updates and only the updates that matter to their work.
- **Complaint Reporting:**
A structured process for logging, escalating, and resolving complaints, reinforcing the company's commitment to accountability and service quality.

In the year under review, 218 digital practices were deployed through MyNet across the organization, which reflects how deeply embedded this platform has become in daily operations.

MyHR — People Management, Simplified

Sitting alongside MyNet is MyHR, United Finance PLC's dedicated platform for human resources. MyHR gives every employee direct access to their own employment records, payroll information, leave balances, training history, etc., which reduces the need to contact the HR department for routine queries.

MyHR transforms HR from a service department into a self-service ecosystem, placing salary information, attendance records, training history, benefit details, health status, and personal documents directly in the hands of each employee, at any time.

Employees get instant answers to their HR questions. The HR function is freed from routine administrative tasks and can focus on more strategic work. And the organization as a whole move faster, with less friction.

MyHR covers eleven modules spanning the full employee lifecycle:

Module	What It Provides
My Profile	Personal and professional records are always up to date and accessible to the employee
My Career Progression	A visual roadmap of employment history, current grade, and the path ahead
My Salary	Pay slips, salary history, and compensation details, and no HR intermediary needed
My Attendance	Real-time attendance, leave balances, and working hours for employees and managers
My HR Services	A single place for all HR requests: leave applications, NOCs, and service queries
My Benefit	Full details of benefit entitlements, welfare provisions, and how to claim them
My Training	Training enrollment, completion tracking, and continuous learning management
My Exam	Internal exams, results, and assessment records for professional development
My Evaluation	Performance appraisals, review outcomes, and cycle management
My Documents	A secure digital vault for employment letters, certificates, NOCs, and HR records
My Health Status	Health and wellness records, integrating wellbeing into the digital HR framework

NFP4 — Smart Management of the Credit Portfolio

NFP4 is the platform that manages everything related to United Finance PLC’s lending and credit activities. Before NFP4, many of these processes were handled manually or across separate systems, creating the risk of delays, errors, and blind spots in the portfolio. This brings it all together into one place.

NFP4 brings the entire financing process into a single, auditable platform, covering everything from task initiation and credit bureau checks to appraisal, approval, sanctioning, disbursement, and post-disbursement monitoring.

This enables management to track the full business pipeline in real time with greater visibility and control.

Task and Workflow Management

- **Create Task:**
New financing applications are initiated with structured, consistent data from the very start of every case.
- **Received Tasks:**
A live queue of incoming cases allows credit teams to manage workloads, set priorities, and maintain turnaround discipline.
- **View CIB Response:**
Credit Information Bureau (CIB) data is integrated directly into the platform, so credit officers can assess a borrower’s history without switching to a separate system.
- **Forwarded Tasks:**
Cases escalated or transferred between officers, teams, or branches are tracked seamlessly through the process.
- **Rejected Applications:**
Declined cases are recorded and reviewed, supporting quality improvement and regulatory compliance.
- **Search Appraisal:**
Completed and in-progress appraisal records across the portfolio can be retrieved quickly, supporting audit and review needs.

Management Reporting Suite

NFP4 provides leadership and management with a comprehensive set of reports to stay on top of the business:

Report	What It Shows
MD's Sanction Report	All cases that have reached the Managing Director's approval level are essential for oversight of major decisions
Pipeline Aging Report	Cases that have stayed too long at any processing stage flag bottlenecks before they become problems
Dynamic Report	Customizable, real-time portfolio analytics by product, segment, geography, officer, or time period
Operation Report	Work volumes and activity levels across teams and time periods
TAT Details	Turnaround time data at the case, stage, and officer levels supporting performance improvement
Task Initiation Report	Tracks where new applications are coming from, across business segments, and relationship managers
Performance Report — Credit	Individual and team credit productivity, supporting accountability and incentive management
Task Transition Report	A full audit trail of every case movement through the approval stages
Approval Details Report	A complete record of all approval decisions and conditions for audit and compliance purposes
Pending Document File Check	Flags cases waiting on documents, so nothing gets stuck due to missing paperwork
Queue & Queue Monitoring	Real-time dashboards of case volumes, status, and team workloads for operational management at a glance

Customer Digital Touchpoints

United Finance PLC understands that strong customer relationships are built through consistent, accessible, and responsive communication. Across multiple digital channels, the company maintains an active presence that goes well beyond traditional financial services like sharing information, answering questions, telling stories, and keeping customers and communities engaged.

These digital touchpoints work together to ensure that no matter how a customer chooses to reach out, whether through a phone call, an email, a social media message, or a visit to the website, they receive the same quality of attention and care.

United Finance PLC serves 9,154 deposit customers and 7,122 loan customers across all 64 districts of Bangladesh through an integrated network of digital customer touchpoints. These channels help customers stay informed, connected, and supported while strengthening the company's intellectual, social, manufactured, and human capital.

Key Highlights	
Deposit Customers	8,678
Loan Customers	7,122
Districts Covered	64
Facebook Followers	154K
LinkedIn Followers	8,144
Long-Term Credit Rating	AA+

Contact Center

The Contact Center provides direct customer support for account inquiries, service requests, and complaint resolution. It also helps collect customer feedback to improve products and services.

Email

Email is used for formal and documented communication with customers. Through email, United Finance PLC shares:

- Account updates and notifications
- Deposit maturity reminders
- Product and service announcements
- Important operational updates

Facebook

With over 154,000 followers, Facebook is one of United Finance PLC's most active customer engagement platforms. The company uses Facebook to share:

- Company news and updates
- Product campaigns and promotional content
- Financial literacy and awareness posts
- CSR initiatives and community stories
- Career opportunities
- Interactive engagement content

LinkedIn

LinkedIn connects United Finance PLC with investors, regulators, professionals, and business partners. Content shared on LinkedIn includes:

- Corporate announcements and strategic updates
- Recruitment and career opportunities
- Industry insights and financial sector analysis
- Sustainability and CSR activities
- Product and campaign highlights

Website

The website acts as United Finance's central digital platform and provides:

- Online enrollment for deposit schemes
- Access to UMA and other digital services
- Real-time email and SMS notification sign-ups
- Product and service information
- Regulatory disclosures and financial reports

SMS Notifications

SMS remains an important communication channel, particularly for customers without regular internet access. United Finance uses SMS for:

- Transaction confirmations and account activity alerts
- Installment due date reminders
- Important account notifications
- Promotional messages and campaign updates

Intellectual Capital Behind the Touchpoints

United Finance's digital channels are supported by strong intellectual capital, including its 36-year brand reputation, customer insights, operational expertise, and digital platforms such as FinUltimus, UMA, MyNet, and MyHR. These capabilities help ensure that communication remains reliable, secure, accessible, and customer-focused across every touchpoint.

Digital Infrastructure and Platform Overview

The following table summarizes the key digital platforms that power United Finance's operations and customer engagement:

Report	What It Shows	2025 achievement
UMA — Mobile App	Customer-facing platform: deposits, accounts, statements, onboarding, 24/7 access	Bangladesh Fintech Award for Best Mobile App; 5,523 customers onboarded digitally
Online Service Portal	Real-time deposit enrollment, SMS/email notifications, and account management	Expanded customer access well beyond branch hours
FinUltimus (CBS)	Core banking: transactions, account management, and financial reporting	Operational backbone across all 25 offices
NFP4 (Portfolio System)	Credit lifecycle: origination, appraisal, monitoring, and reporting	Full portfolio digitization; manual processes eliminated
MyNet (Intranet)	Daily operations: tasks, approvals, documents, and internal news	218 digital practices deployed organization-wide
MyHR (HR Platform)	End-to-end people management: payroll, training, appraisal, and career	11 modules live; full employee lifecycle digitized

United Finance PLC's digital transformation is an ongoing commitment. By investing in tools that serve customers better, empower employees, and sharpen operational efficiency, the Company is building a financial institution that is ready for the future.

The Governance

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Corporate Governance Compliance Statement by the Company Secretary on Behalf of the Board of Directors

Dear Shareholders,

On behalf of the Board of Directors of United Finance PLC, it is my pleasure to present the Corporate Governance Compliance Statement for the year ended 31 December 2025.

This statement outlines the Company's adherence to the prevailing corporate governance framework and ensures transparency, accountability, and adherence to ethical standards across the Organization.

Corporate governance remains a cornerstone of the Company's operational integrity and long-term sustainability. The Board of Directors continues to play a pivotal role in safeguarding the interests of shareholders and stakeholders, while providing strategic guidance and effective oversight of the Management in achieving the Company's business objectives.

During the year under review, the Board remained actively engaged in overseeing the Company's strategic direction, financial performance, risk management practices, and regulatory compliance obligations.

The Board discharged its responsibilities through regular meetings and its Committees, namely the Executive, Audit, and Risk Management Committees, each operating under clearly defined Terms of Reference. In line with regulatory directives, the Audit Committee has also discharged the responsibilities relating to nomination and remuneration functions.

The governance structure of the Company is appropriately constituted, including the Executive, Non-Executive, and Independent Directors, in compliance with applicable regulatory requirements.

The Board and its Committees have functioned effectively, ensuring prudent decision-making, robust control, and sound risk management practices.

The Company has maintained full compliance with the Corporate Governance Code, 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC), as amended up to date, the Corporate Governance Guidelines and circulars issued by Bangladesh Bank, the provisions of the Finance Company Act, 2023, the relevant provisions of the Companies Act, 1994, Bangladesh Secretarial Standards, and the Listing Regulations of the Dhaka Stock Exchange PLC.

Throughout the year, the Company has ensured the timely submission of all regulatory reports, the proper documentation of Board and Committee proceedings, and the disclosure of Price Sensitive Information and Material Information to stakeholders, in accordance with applicable laws and regulations.

The internal control and compliance framework has been continuously reviewed and strengthened to address regulatory expectations and operational risks.

The Board remains committed to upholding the highest standards of corporate governance and continues to foster a culture of integrity, accountability, and transparency across the organization.

This commitment is fundamental to sustaining stakeholder confidence and ensuring the long-term success of the Company.

We express our sincere appreciation to our valued shareholders and stakeholders for their continued trust and support.

Yours sincerely,



Labiba Mahjabin

Company Secretary (Acting)
On behalf of the Board of Directors

Governance Practices

Governance Approach

At United Finance PLC, governance practices are designed to ensure disciplined execution, regulatory compliance, and ethical conduct across all levels of the organization.

The Company emphasizes embedding governance into day-to-day operations, ensuring that all business activities are conducted in a structured, well-controlled environment.

Board and Management Oversight

The Board of Directors and management maintain a structured approach to governance through regular meetings, comprehensive reporting, and documented decision-making processes.

Board and Committee deliberations are supported by detailed agenda papers and are properly recorded to ensure transparency, accountability, and fairness.

Regulatory Compliance Framework

The Company ensures adherence to applicable regulatory requirements, including the Corporate Governance Code, 2018 (BSEC), circulars issued by Bangladesh Bank, the Finance Company Act, 2023, the Companies Act, 1994, and the Listing Regulations of Dhaka Stock Exchange PLC. Compliance is monitored through internal control mechanisms and periodic reviews by the Audit Committee and designated control and compliance personnel.

Disclosure and Transparency Practices

The Company maintains a robust disclosure regime to ensure the timely dissemination of Price Sensitive Information (PSI) and Material Information in compliance with applicable regulatory requirements. Regulatory filings, financial reporting, and stakeholder communications are conducted in accordance with prescribed timelines and standards.

During the year under review, the Company made the following key disclosures

Price Sensitive Information (PSI) Disclosures

Date	Details
29-Oct-2025	Financial Statement – Third Quarter End (Unaudited)
31-Aug-2025	Credit Rating
27-Jul-2025	Financial Statement – Half Year End (Unaudited)
14-May-2025	Financial Statement - 1st Quarter End (Unaudited)
28-Apr-2025	United Finance 36th AGM Notification

Material Information (MI) Disclosures

Date	Details
22-Jul-2025	Ms. Labiba Mahjabin was appointed as Acting Company Secretary.
18-May-2025	Professor Dr. Mohammad Omar Farooq and Mr. Md. Jahidur Rahman were appointed as the Independent Directors.
16-Jan-2025	Mrs. Mahenoor Sultana Rashid was appointed as Director.

These disclosures were disseminated through the stock exchange and relevant communication channels to ensure transparency and equal access to information for all stakeholders.

Internal Control and Compliance

The Company operates a structured internal control and compliance framework, supported by the Internal Control and Compliance (ICC) function.

This framework ensures continuous monitoring of operational, financial, and regulatory risks. Observations from internal and external audits are presented to the Audit Committee, and corrective actions are systematically tracked.

Risk Management Practices

Risk management is integrated into the Company's operational processes. The key risks, including credit, market, operational, and compliance risks, are periodically assessed and reviewed. Management regularly reports risk exposures and mitigation measures to the Board and its Committees to ensure informed oversight and decision-making.

Ethical Standards and Accountability

The Company upholds high standards of ethical conduct through clearly defined policies, codes of conduct, and delegated authority frameworks. Decision-making authority is exercised within approved limits, ensuring appropriate checks and balances across all functions.

Continuous Improvement

The Board remains committed to enhancing governance practices through periodic review of policies, strengthening control mechanisms, and alignment with evolving regulatory expectations and industry standards.

Statement of Corporate Governance

United Finance PLC believes that corporate governance is fundamental to ensuring transparency, accountability, ethical business conduct, and sustainable long-term growth. The Company maintains a strong governance framework designed to protect the interests of shareholders, depositors, customers, regulators, employees, and other stakeholders while securing compliance with all applicable laws, rules, regulations, and regulatory directives.

The corporate governance framework of United Finance PLC is guided by the principles of integrity, fairness, prudent risk management, and responsible decision-making . The Board of Directors remains committed to maintaining the highest standards of governance and continuously strengthening governance practices in line with evolving regulatory requirements and industry’s best practices.

At United Finance PLC, corporate governance is considered a strategic foundation for institutional sustainability , operational excellence, and stakeholder confidence. The Company’s governance structure supports disciplined oversight, effective management supervision, proper segregation of responsibilities, and robust internal control mechanisms.

The Board of Directors provides strategic direction and oversight to the Management and ensures that the affairs of the Company are conducted in a prudent and transparent manner within an appropriate risk management framework.

The governance framework of United Finance PLC is supported by:

- A competent, diversified, and independent Board of Directors;
- Clearly defined roles and responsibilities of the Board, Management, and Board Committees as stipulated by the regulators;
- Strong internal control and compliance culture;
- Effective risk management practices;
- Transparent financial reporting and disclosures;
- Accountability towards shareholders and stakeholders;
- Ethical business practices and professional conduct; and
- Continuous monitoring of regulatory compliance requirements.

The Company remains committed to safeguarding the interests of minority shareholders and ensuring equitable treatment of all shareholders through transparent disclosures and fair governance practices.

United Finance PLC complies with the applicable provisions of:

- The Companies Act, 1994;
- The Finance Company Act, 2023;
- Bangladesh Bank circulars, guidelines, and directives applicable to Financial Institutions;

- Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code, 2018 and subsequent amendments;
- Dhaka Stock Exchange (Listing) Regulations, 2015;
- International Financial Reporting Standards (IFRS);
- International Accounting Standards (IAS);
- Secretarial Standards of the Institute of Chartered Secretaries of Bangladesh (ICSB); and
- Other applicable laws, rules, regulations, and regulatory requirements.

United Finance PLC remains fully committed to acting with integrity. By following established standards for how it operates, the Company ensures that it remains open about its progress, takes ownership of its results, and builds a business that lasts for the long term.

The Board of Directors is supported by different Board Committees, including:

- Executive Committee (EC);
- Audit Committee (AC); and
- Risk Management Committee (RMC).

In accordance with Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance requirements and Bangladesh Bank directives, the Audit Committee also discharges the responsibilities of the Nomination and Remuneration Committee (NRC).

Board Secretariat plays a key role in ensuring effective governance practices, regulatory compliance, proper conduct of Board and Committee meetings, timely disclosures, and communication with regulators, shareholders, and stakeholders.

United Finance PLC remains committed to continuously reviewing and improving its governance practices to align with changing regulatory expectations, market dynamics, and stakeholder interests.

The Company believes that strong corporate governance enhances institutional resilience, strengthens stakeholder confidence, and supports sustainable value creation.

The Board of Directors firmly believes that maintaining a robust governance culture is essential for achieving the strategic objectives of the Company and ensuring long-term sustainable growth.

Value Creation through Corporate Governance Framework

The governance practices of United Finance PLC are supported by a structured oversight mechanism comprising the Board of Directors, Board Committees, Management, and control functions. Through effective governance practices, the Company continuously strengthens operational efficiency, internal control systems, risk management culture, regulatory compliance, financial discipline, and stakeholder engagement.

Core Areas of Corporate Governance

Governance Areas	Focus Areas
Strategic Oversight	Business strategy, sustainable growth, ethical leadership
Regulatory Compliance	Compliance with Bangladesh Bank, BSEC, DSE Listing Regulations, and applicable laws
Risk & Control Environment	Internal control, risk management, compliance culture, prudent financial practices
Transparency & Accountability	Financial reporting, public disclosures, stakeholder communication
Governance Structure	Board oversight, Board Committees, policies & procedures, delegation of authority
Sustainability & Ethics	Responsible business conduct, integrity, ethical culture, and long-term value creation
Human Capital & Culture	Professional responsibility, governance awareness, organizational integrity, talent development
Shareholder Protection	Fair governance, equitable treatment, and protection of minority shareholder interests

Governance Strengthening Factors

- Strong Policies & Procedures
- Effective Internal Controls
- Competent and Independent Board
- Risk-based Decision Making
- Ethical Culture & Integrity
- Continuous Monitoring & Improvement

Governance Outcomes

Through effective implementation of its governance framework, United Finance PLC continues to achieve:

- Strengthened regulatory compliance culture;
- Enhanced transparency and accountability;
- Improved risk management and internal control environment;
- Sustainable business growth and operational discipline;
- Better stakeholder confidence and shareholder protection;
- Strengthened organizational integrity and governance awareness; and
- Long-term sustainable value creation.

United Finance PLC remains committed to continuously strengthening its governance practices in alignment with evolving regulatory expectations, industry standards, and stakeholder interests.

The Company believes that a strong governance culture is essential for maintaining institutional stability, protecting stakeholder interests, and ensuring sustainable future growth.

Corporate Governance Structure

Structural Framework

The governance structure of United Finance PLC is designed to ensure clear accountability, effective oversight, and alignment with statutory and regulatory requirements.

Board of Directors

The shareholders constitute the ultimate authority of the Company, exercising their rights through general meetings. The Board of Directors, acting on behalf of the shareholders, is responsible for providing strategic direction, approving key policies, and overseeing the overall performance and risk profile of United Finance PLC.

The Board operates within the framework of applicable laws and regulations, including the Companies Act, 1994, the Finance Company Act, 2023, and the Corporate Governance Code, 2018 (BSEC).

Board Committees

The Board is supported by its Committees, namely the Executive Committee, Audit Committee, and Risk Management Committee, which are constituted to provide focused oversight in their respective spheres.

Each Committee operates under Board-approved Terms of Reference (ToR), ensuring clarity in roles, responsibilities, and reporting lines.

In line with regulatory directives, the Audit Committee also discharges responsibilities relating to the Nomination and Remuneration functions, thereby ensuring governance through Board composition, succession planning, and evaluation of senior management.

Management Structure

The Management, led by the Managing Director, operates under the direction and supervision of the Board.

Management is responsible for implementing Board-approved strategies, policies, and operational plans, while maintaining effective risk management and internal control systems.

Delegation of Authority

A clearly defined delegation-of-authority framework is in place to ensure that operational decisions are made at the appropriate levels.

The framework establishes defined approval limits and escalation mechanisms to the Board and its Committees, ensuring accountability and control across all functions.

Control and Assurance Functions

The governance structure is supported by key control and assurance functions, including Internal Control and Compliance (ICC), Risk Management, and Finance.

These functions provide independent oversight, monitoring, and reporting to the management and relevant Board Committees.

Separation of Oversight and Execution

This structured framework ensures a clear separation between oversight and execution responsibilities. The Board and its Committees focus on governance and strategic oversight, while Management is responsible for execution, thereby strengthening accountability, regulatory compliance, and organizational discipline.

Statutory Reporting

Key Pointers for Shareholders

A statutory reporting calendar and comprehensive company disclosures are critical tools for investors. Considering 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	2025
Q1 Financial Statements Disclosure	15 May 2025
Half-Yearly Financial Statements Disclosure	28 July 2025
Q3 Financial Statements Disclosure	30 October 2025
Record Date for EGM	21 April 2026
Bangladesh Bank NOC for Islamic Finance Window	23 April 2026
Dispatch of Notice for the Extraordinary General Meeting	26 April 2026
Publication of Annual Financial Statements	7 May 2026
Approval of Annual Financial Statements by the Board	28 April 2026
Extraordinary General Meeting (EGM)	17 May 2026
Record Date for Entitlement (AGM)	19 May 2026
Dispatch of Notice for the Annual General Meeting	8 June 2026
Distribution of Annual Report to Shareholders	15 June 2026
Annual General Meeting (AGM)	29 June 2026
Dividend Payment/Transfer Date	28 July 2026

Shareholding Distribution: Comparative Breakdown

Types of Shareholders	2025		2024	
	No. of Shares	% of shares	No. of Shares	% of shares
Sponsor	40,871,770	21.84	40,871,770	21.84
Director	34,214,899	18.29	34,214,899	18.29
Government	-	-	-	-
Local Institutions	25,154,029	13.44	28,153,127	15.05
Foreign Institutions	-	-	-	-
Public: Individuals	86,873,916	46.43	83,874,818	44.82
Total	187,114,614	100	187,114,614	100

Shareholding Distribution: Comparative Breakdown

2025			2024		
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	United Insurance Company Ltd.	37,116,828	19.84
Moinuddin Hasan Rashid	9,337,019	4.99	Moinuddin Hasan Rashid	9,337,019	4.99
Nizamuddin Hasan Rashid	9,337,019	4.99	Nizamuddin Hasan Rashid	9,337,019	4.99
Mahenoor Sultana Rashid	9,337,019	4.99	Mahenoor Sultana Rashid	9,337,019	4.99
ICB	6,173,636	3.30	ICB	6,173,636	3.30
Sharfuddin Akhter Rashid	5,443,990	2.91	Sharfuddin Akhter Rashid	5,443,990	2.91
Kutubuddin Akhter Rashid	5,443,990	2.91	Kutubuddin Akhter Rashid	5,443,990	2.91
Khondaker Zayed Ahsan	5,443,990	2.91	Khondaker Zayed Ahsan	5,443,990	2.91
Akhter Mahmud	5,443,990	2.91	Akhter Mahmud	5,443,990	2.91
Khandaker Moinul Ahsan	5,443,990	2.91	Khandaker Moinul Ahsan	5,443,990	2.91

Non-Performing Loan (NPL) Management

Introduction and Strategic Importance

Bangladesh's Non-Banking Financial Institution (NBFI) sector continues to navigate an increasingly complex macroeconomic environment. Persistent inflationary pressures, constrained liquidity, and subdued borrower repayment capacity have collectively contributed to an elevated level of non-performing loans across the industry. Against this backdrop, effective Non-Performing Loan (NPL) management has emerged as a central pillar of financial stability and sustainable value creation for institutions such as United Finance PLC.

United Finance PLC recognizes that the quality of its loan portfolio reflects the strength of its overall risk management culture. This extends beyond credit decisions at origination to include client selection, appraisal, disbursement, monitoring, and recovery. Preserving asset quality is, therefore, a strategic commitment rather than merely an operational objective. The Company is resolute in its determination to maintain NPL at manageable levels while continuing to identify and pursue risk-adjusted lending opportunities that support growth.

Integrated Approach to NPL Management

NPL management at United Finance PLC is not treated as a standalone remedial function; it is embedded within the Company's overarching Credit Risk Management (CRM) framework. This integrated design ensures that every stage of the credit lifecycle, from origination to exit, is governed by consistent risk principles and institutional oversight.

The company's approach to NPL management is built on three mutually reinforcing pillars:

- Prevention:**
Proactive prevention through disciplined pre-sanction risk assessment and structured credit appraisal.
- Early Detection:**
Early detection through continuous post-disbursement monitoring, Early Alert System (EAS), and timely corrective action.
- Structured Recovery:**
Structured recovery through a tiered resolution framework for stressed and non-performing loans, combining negotiation, legal recourse, and collateral enforcement.

This end-to-end integration ensures that risk ownership is distributed across the organization and that potential credit stress is identified and addressed well before a loan deteriorates into a non-performing classification.

Pre-Sanction Risk Assessment — NPL Prevention

United Finance PLC regards robust credit appraisal as the most effective instrument for NPL prevention. Before any credit facility is sanctioned, each proposal undergoes a comprehensive assessment across the following dimensions:

- Financial Analysis:**
Detailed analysis of the borrower's financial statements to objectively evaluate repayment capacity and overall financial health.
- Repayment Capacity Assessment:**
Assessment of the borrower's ability to generate sufficient cash flows to service the proposed facility, incorporating stress scenarios where appropriate.
- Industry and Market Risk Review:**
Evaluation of the sector in which the borrower operates, including market dynamics, competitive conditions, cyclical risks, and the regulatory environment.
- Management Quality Evaluation:**
Appraisal of the quality and stability of the borrower's ownership and management team, including succession risk and key-person dependency.
- CIB and Credit History Checks:**
Verification of the borrower's credit history and repayment track record through Credit Information Bureau (CIB) reports and other available data sources.
- Cash Flow Projections:**
Review of projected cash flows to assess the adequacy and sustainability of debt repayment over the tenure of the facility.
- Collateral Adequacy Assessment:**
Assessment of the nature, value, and enforceability of the proposed collateral, ensuring that security coverage is adequate relative to the exposure.
- Facility Structuring and Regulatory Alignment:**
Careful structuring of the facility, including tenure, repayment schedule, and pricing, to align with the borrower's cash flow profile and United Finance PLC's risk appetite and regulatory obligations.

Only proposals that satisfy the Company's predetermined risk criteria across these dimensions are advanced for approval, ensuring that credit quality is protected from the outset.

Post-Disbursement Monitoring and Early Warning

The Company's risk management responsibilities do not conclude at the point of disbursement. United Finance PLC maintains a structured and continuous monitoring regime for all active loan accounts, with particular vigilance applied to accounts exhibiting signs of emerging stress.

Key elements of the post-disbursement monitoring framework include:

- **Early Alert System (EAS):**
A defined set of Early Warning Indicators (EWIs) is applied to the loan portfolio regularly. These indicators encompass financial, operational, and behavioral signals, including irregular repayment patterns, deterioration in financial performance, adverse changes in the borrower's business environment, and early signs of overleveraging.
- **Periodic Client Reviews:**
All borrower accounts are subject to scheduled periodic reviews to assess changes in creditworthiness, business conditions, and collateral values.
- **Relationship Manager Engagement:**
Relationship Managers maintain active engagement with borrowers, providing the Company with on-the-ground intelligence about emerging client-side risks and facilitating early intervention when required.
- **Restructuring and Rescheduling:**
Where early warning signals indicate potential deterioration, the company takes timely corrective action. Depending on the level of stress, this may include restructuring repayment terms before a loan becomes non-performing or rescheduling classified accounts.

This proactive monitoring philosophy ensures that United Finance PLC is not reactive in its management of credit risk but rather anticipates stress and intervenes early, thereby reducing the probability of a loan transitioning into the non-performing category.

Recovery and Resolution Framework

Despite the strength of preventive and monitoring controls, certain loans may nonetheless become non-performing due to borrower-specific factors or broader macroeconomic shocks. In such cases, United Finance PLC activates a tiered recovery and resolution framework designed to maximize recovery value while minimizing provisioning costs and portfolio at risk.

For accounts exhibiting early signs of stress but not yet classified as non-performing, the company's primary response is to initiate structured exit or remediation. This includes establishing a structured repayment timeline for the borrower, exploring facility restructuring options, and increasing the involvement of Relationship Managers and senior credit personnel.

For accounts that have transitioned into the non-performing category, the company's Special Assets Management (SAM), a dedicated team responsible for managing delinquent and impaired accounts, assumes primary responsibility. This unit pursues recovery through a sequenced approach:

- **Negotiation and Settlement:**
Structured dialogue with the borrower and guarantors to reach a mutually agreed repayment arrangement or amicable settlement, avoiding unnecessary escalation where resolution is achievable.
- **Recovery Agent Engagement:**
Where direct recovery efforts prove insufficient, the Company engages qualified third-party recovery agents with specialist expertise in receivables recovery and asset repossession.
- **Collateral Enforcement:**
Where negotiated settlement is not achievable, the Company exercises its rights over pledged collateral, including the auction or liquidation of mortgaged properties and secured assets.
- **Legal Recourse:**
As a final recourse, legal proceedings are initiated under the Artha Rin Adalat (ARA) Act and the Negotiable Instruments (NI) Act, as applicable, to enforce recovery through the judicial system.

Tactics Employed for Collection and Recovery

Strategy	Tactics Employed
Recovery of Due Payments	• Courtesy telephone reminders • Scheduled client visits • Soft-written overdue notifications
Prevention of Further Deterioration	• Intensified telephone follow-up with clients and guarantors • On-site meetings and visits • Persuasive demand letters • Formal legal notice for overdue payment
Full Settlement of Liabilities	• Structured negotiation meetings • Formal legal notice • Litigation under the Negotiable Instruments (NI) Act • Engagement of third-party recovery agents • Termination and auction/liquidation of secured assets or mortgage • Litigation under the Artha Rin Adalat (ARA) Act • Write-off, subject to case-by-case assessment

6. Strengthening the Legal and Operational Infrastructure

United Finance PLC recognizes that effective NPL recovery is contingent not only on the quality of its recovery teams but also on the robustness of its legal and operational foundations.

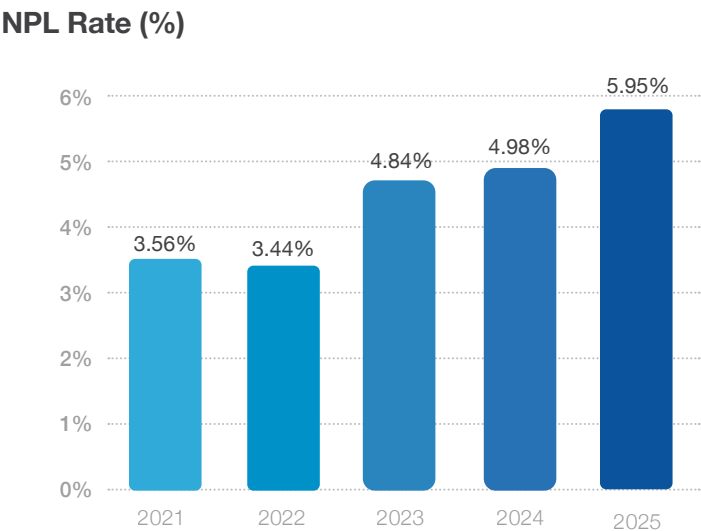
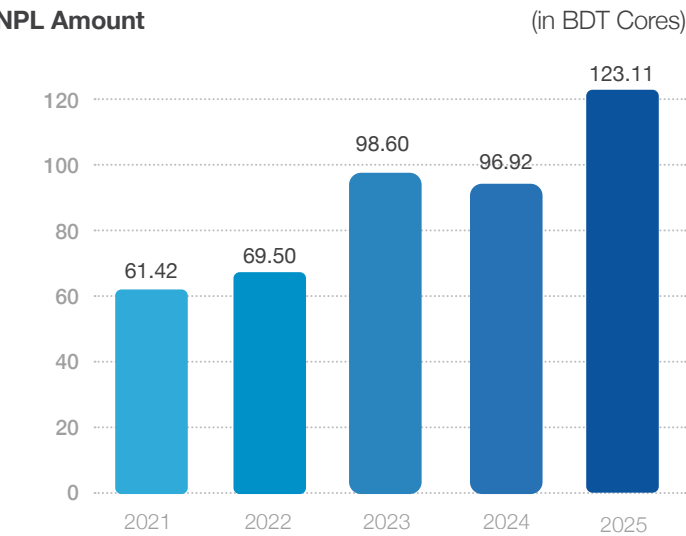
To this end, the Company maintains active oversight of all ongoing legal proceedings, tracking case progress and coordinating closely with legal counsel to accelerate resolution.

The company ensures full compliance with Bangladesh Bank’s regulatory provisions on NPL classification, provisioning, and recovery, as well as applicable legal frameworks, including the Artha Rin Adalat (ARA) Act and the Negotiable Instruments (NI) Act. Documentation standards are continuously reviewed to ensure the enforceability of security arrangements and guarantees.

Internal recovery processes are subject to regular review and improvement, with lessons learned from resolved cases incorporated into updated procedures and training.

This commitment to continuous improvement ensures that the Company’s recovery infrastructure remains fit for purpose even as the operating environment evolves.

Highlights of 2025



Future Outlook and Strategic Focus

Looking ahead, United Finance PLC remains committed to further strengthening its Non-Performing Loan (NPL) management capabilities in response to both prevailing challenges and anticipated future risks. The Company's strategic agenda for NPL management is built around the following priorities:

- Selective Lending and Sectoral Diversification:**
The company will continue to exercise disciplined credit selection, prioritizing borrowers and sectors that offer resilient risk-adjusted returns. Lending decisions will reflect a granular assessment of sector-specific risks, with allocation strategies reviewed and adjusted at the beginning of each financial year.
- Technology and Data Analytics Investment:**
United Finance PLC will deepen its investment in technology platforms and data analytics to enhance the predictive capability of its Early Alert System (EAS), enabling faster identification of emerging portfolio stress and more timely intervention.
- Early Warning System Enhancement:**
The company will continue to refine and expand its EAS framework, incorporating a broader range of behavioral, financial, and macroeconomic signals to improve the accuracy and timeliness of stress detection.

- Risk Governance Strengthening:**
Risk governance structures will be further strengthened through enhanced board-level oversight, improved management information systems, and more rigorous performance accountability for credit and recovery teams.
- Operational Capacity Building:**
The Special Assets Management (SAM) will enhance operational capabilities to accelerate the resolution of existing NPL stock and manage new cases with greater efficiency.

United Finance PLC enters the period ahead with a clear-eyed acknowledgment of the challenges posed by the current macroeconomic climate, but also with a structured, proactive, and well-governed approach to NPL management. The company is confident that its integrated CRM framework, strengthened recovery capabilities, and forward-looking strategic initiatives will enable it to preserve asset quality, protect stakeholder value, and sustain its financial resilience in the years to come.

Dividend Declaration & Distribution Policy



Policy Statement

The Board of Directors of United Finance PLC has adopted this Dividend Declaration & Distribution Policy pursuant to the requirements of the 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.



Policy Guidelines

• 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 objectives of rewarding shareholders by providing a reasonable return on their investments and retaining sufficient earnings to support the Company's future growth. 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 & regulations, 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
• Profit earned during the year • Profit available for distribution • Liquidity profile of the Company • Funding and lending requirements • Creation of contingency fund	• Business expansion • Capital expenditure requirements • Need for conservation of cash • Trend of past dividends payout ratio	• Economic environment • Market trends and industry practice • Statutory provisioning and appropriation guidelines • Tax matters and other contingent liabilities

• Forms of Dividends

The Board, in the meeting that considers and approves the annual financial statements, may recommend final dividends for approval by the shareholders at 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 Dividend 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 for ordinary shares with a face value.

The shareholders whose names 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 dividend payments shall be determined in accordance with the applicable rules and regulations of the respective terms of issue of such other class of shares

• 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

• **Utilization of Retained Earnings**

The Board may retain such earnings of the Company as it deems necessary to increase shareholder value. Utilization of the Company's retained earnings shall be guided by business growth plans, capacity-building and modernization initiatives, replacement of capital assets, and any other long-term strategic plans.

• **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.

• **Review & Amendment**

The Policy shall be reviewed from time to time to ensure conformity with market and regulatory changes. In the event of any conflict between the requirements of this policy and any statutory rules or regulations, the statutory rules or regulations shall prevail, and this policy will be appropriately amended.

• **Dividend Distribution Procedure:**

In accordance with the guidelines of the 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 recognized 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 for the concerned shareholder is available, issue a dividend warrant and forward it by registered post or courier to the shareholder.
- Directly credit stock dividends to the BO account or issue a bonus share certificate to the shareholder within 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 the 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.

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 in 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:

- Pillar I: Minimum Capital Requirements:**

Requires a Non-Banking Financial Institution (NBFI) to maintain a minimum Capital Adequacy Ratio (CAR) of 10% of Risk-Weighted Assets (RWA). Pillar I establishes minimum standards for capital management based on risk sensitivity to (a) Credit Risk, (b) Operational Risk, and (c) Market Risk.
- Pillar-II: Supervisory Review Process:**

Encourages Financial Institutions (FIs) to develop a better risk management system. 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 that are not fully captured under Pillar I (e.g., interest rate risk in the banking book, concentration risk).
- Pillar-III: Market Discipline:**

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.

A. Scope of Application

Qualitative Disclosures:

- The name of the top corporate entity in the group to which this guideline applies.

- 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)
- Any restrictions or other major impediments to the 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.

Qualitative 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 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 Financial Institution's (FI) solvency.
- Tier-2 Capital (Supplementary Capital):**

It supports the Capital Adequacy Ratio (CAR) 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 also includes:**
 - General provision up to a limit of 1.25% of Risk Weighted Asset (RWA) for Credit Risk;
 - Revaluation reserves: (i) 50% Revaluation reserve for fixed assets, (ii) 45% Revaluation reserve for securities, and (iii) 10% Revaluation Reserve for Equity Instruments;
 - 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 Tier 1 capital.

Quantitative Disclosures:

Particulars	BDT crore
Paid -up Capital	187.11
Non-repayable Share Premium Account	0.38
Statutory Reserve	110.55
General Reserve	19.00
Retained Earnings	17.87
Minority interest in Subsidiaries	-
Non-Cumulative and Irredeemable Preference Shares	-
Dividend Equalization Account	-
Others (if any item approved by BB)	-
(a) Total Tier 1 Capital	334.91
(b) Total Amount of Tier 2 capital	15.30
(c) Other Deductions from Capital	-
Total Eligible Capital = (a+b+c)	350.21

C. Capital Adequacy

Qualitative Disclosures: A summary discussion of the Financial Institution's (FI) approach to assessing the adequacy of its capital to support current and future activities.

Capital Adequacy Ratio:

UFPLC has adopted the standardized approach for the computation of Capital Charge for Credit Risk and Market Risk, while the Basic Indicator Approach for Operational Risk. Total Risk Weighted Assets (RWA) of the Company is determined by multiplying the capital charges 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 (RWA) for credit risk. Total "RWA" is then used as the denominator while total "Eligible Regulatory Capital" as on numerator to derive the 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 the incremental effect of capital charge on the expected net income from financing before sanctioning any appraisal. This is to avoid any adverse impact on net income.

Ongoing measures:

- Concentrating on Small and Medium Enterprise (SME) clients having exposure up to BDT 1 crore, as this will carry 75% fixed risk weight (for regular contracts only);
- Financing clients with a good credit rating;
- Leveraging credit risk mitigation by taking eligible financial collateral 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	168.00
(b) Capital Charge for Market Risk	3.65
(c) Capital Charge for Operational Risk	18.14
Total Capital Adequacy Requirement:	189.79
Total Risk-weighted Asset (RWA):	1,897.92

Total and Tier 1 Capital Ratio:

Particulars	Amount
Capital Adequacy Ratio (%)	18.45%
Core Capital to RWA (%)	17.65%

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 (FI), 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 the 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 credit quality. 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 the 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 before any loan facility disbursement.

Collection Monitoring Unit:

The Credit Monitoring Unit (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 for 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 a 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 (EAS):

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:

The Company tracks its loan portfolio based on payment arrears, regularly monitoring impairment levels on loans and advances. In compliance with the Department of Financial Institutions and Markets (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 Non-Banking Financial Institution (NBFI) must also ensure that the provisioning is in line with the regulatory requirements.
- Non-Banking Financial Institutions (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, Non-Banking Financial Institutions (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:

The Company 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, 2025, a total of 230 clients with a net exposure of BDT 773.77 crore were eligible for credit ratings. Of these, 98 clients with a net exposure of BDT 527.56 crore had valid credit ratings, representing 68.18% 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	581.10	28.09%
Term Finance	1,011.31	48.88%
Home Loan	292.85	14.15%
Auto Loan	2.21	0.11%
Personal Loan	0.57	0.03%
Short Term Finance	116.91	5.65%
Interest Receivable	63.93	3.09%
Grand Total	2,068.88	100.00%

(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	996	48.13%
Chattogram	173	8.36%
Gazipur	117	5.67%
Jashore	107	5.17%
Dinajpur	91	4.39%
Barishal	67	3.25%
Mymensingh	66	3.17%
Rangpur	63	3.04%
Bogura	58	2.79%
Khulna	54	2.63%
Begumganj	47	2.28%
Chuadanga	43	2.06%
Pabna	36	1.76%
Rajshahi	30	1.47%
Cumilla	22	1.04%
Belkuchi	21	1.02%
Sylhet	21	1.01%
Narsingdi	21	1.00%
Coxs Bazar	21	0.99%
Rangamati	15	0.75%
Total	2,069	100.00 %

Credit Exposure by Sector:

SL	Particulars	BDT Crore
A	Trade and Commerce	361.43
B	Industry	1,049.09
1.	Garments & Knitwear	75.23
2.	Textiles	38.18
3.	Food Production, Processing & Rice Mills	283.07
4.	Jute & its Products	28.09
5.	Plastic & Rubber Industry	102.38
6.	Leather & Leather Goods	33.23
7.	Iron, Steel & Engineering	52.61
8.	Pharmaceuticals & Chemicals	132.81
9.	Cement & Allied Industry	34.94
10.	Paper, Packaging, Printing, Publishing & Allied Industry	104.71
11.	Wood, Furniture & Fixture	17.60
12.	Glass, Glassware & Ceramic Industry	41.53
13.	Ship Manufacturing & Breaking	-
14.	Electronics & Electrical Products	29.78
15.	Power, Gas, Petroleum, Water & Sanitary	5.00
16.	Transport & Aviation	49.55
17.	Others	20.40
C	Agriculture	90.89
1.	Crops	9.48
2.	Forestry	-
3.	Poultry & Livestock	35.44
4.	Fisheries	0.18
5.	Others (Cold Storage, Biofuel, Seed, Feed, Agri-related related Other Institutions & Services)	45.79
D	Mining & Quarrying	-
E	Housing	307.77
1.	Individual/Retail Housing	306.70
2.	Project/Commercial Housing	1.08

SL	Particulars	BDT Crore
F	Financial Corporation	132.98
1.	Bank	-
2.	Financial Institution	-
3.	Insurance Company	0.21
4.	Non-Governmental Organization (NGO)	132.77
5.	Audit & Accounting Firm	-
6.	Credit Rating Agency	-
7.	Merchant Banking	-
8.	Other Financial Auxiliaries	-
G	Service	112.39
1.	Education, Career & Training (Institutional), Consultancy, Supervisory	1.50
2.	Tourism, Hospitality & Logistics	-
3.	Health Sector	29.61
4.	Media, Advertising & Event Management	9.41
5.	Beautification & Gym	0.02
6.	Tailoring & Laundry	-
7.	Private Survey Institution	-
8.	Restaurant Service, Catering & Online Food Supplier	5.06
9.	Telecommunication & Information Technology	4.55
10.	Others	62.25
H	Consumer Finance	13.30
1.	Personal Loan	0.58
2.	Auto Loan	2.22
3.	Employee/Staff Loan	-
4.	Credit Card	-
5.	Loan Against Deposit	10.50
I	Others	1.04
	Grand Total	2,068.88

d. 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	88.30
Over 1 month but <=3 months	161.67
Over 3 months but <=1 year	674.83
Over 1 year but <=5 years	838.76
Over 5 years	305.32
Grand Total	2,068.88

e. 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:

Industry-Wise	Year 2024 BDT crore	Year 2025 BDT crore
Trade & Commerce	49.83	62.77
Industry	35.33	43.80
Agriculture	2.17	2.20
Mining & Quarrying	0.00	0.00
Housing	8.17	12.42
Financial Corporation	0.00	0.00
Service	1.41	1.91
Consumer Finance	0.00	0.00
Others	0.00	0.00
Grand Total:	96.92	123.11

BDT crore

Counter-party Type-wise Provisions (in BDT crore):

Counterparty Type	Outstanding	Provision
Standard	1,899.54	19.48
SMA	46.24	3.04
Substandard	9.91	0.46
Doubtful	15.16	2.05
Bad/loss	98.03	58.59
Total:	2,068.88	83.62

Gross Non-Performing Assets (NPAs); Non-Performing Assets (NPAs) to Outstanding loans & advances.

Movement of Non-Performing Assets (NPAs):

Particular	BDT crore
Opening balance	96.92
Additions	47.48
Reductions	(21.29)
Closing balance	123.11

Movement of Specific provisions for NPAs:

Particular	BDT crore
Opening balance	59.78
Provisions made during the period	11.56
Write-off	(8.26)
Write-back of excess provisions	5.69
Closing balance	68.76

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; there is no scope for any capital gains or losses.

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 the terms and conditions of the regulatory authority. On the other hand, unquoted shares are valued as per the latest audited accounts.

Qualitative 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: In BDT crore

Particulars	Cost Price	Market Price
Quoted shares*	1.53	18.27
Unquoted shares**	140.38	-

Note:

*Quoted shares comprise 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), where the capital charge for equities would apply on their current market value in Financial Institution's (FI) 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, and convertible securities that behave like equities.

Investment in Shares: In BDT crore

Particulars	Market Value	Risk Weight	Capital Charge
Specific Risk	18.27	10%	1.83
General Market Risk	18.27	10%	1.83
Total:	36.54		3.65

F. Interest Rate in the Banking Book

Qualitative Disclosures:

(a) The general qualitative disclosure requirement, including the nature of interest risk and key assumptions that include 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 result in mismatches between lending rates and funding costs.

UFPLC's Asset Liability Management Committee (ALCO) formulates strategies to manage changes in market conditions by monitoring the movements in the lending rates and borrowing costs every month . 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.

Qualitative 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:

In BDT crore

Period	RSA	RSL	Net Gap
Up to 3m	484.11	302.48	181.63
>3m to 6m	314.38	266.07	48.31
>6m to 12m	518.16	436.57	81.59
>12m	1,025.72	903.64	122.08

Note:

RSA = Rate Sensitive Assets, RSL = Rate Sensitive Liabilities, Net Gap = (RSA – RSL), and m = months

Impact on Net-Interest Income (NII):

In BDT crore

Interest shock	1%		2%	
Period	^	v	^	v
Up to 3m	1.82	(1.82)	3.63	(3.63)
>3m to 6m	2.30	(2.30)	4.60	(4.60)
>6m to 12m	3.12	(3.12)	6.23	(6.23)
>12m	4.34	(4.34)	8.67	(8.67)
Change in NII	11.57	(11.57)	23.13	(23.13)

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 the Standardized (rule-based) Approach, where capital charges for interest rate risk, pricing risk, and foreign exchange risk are 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:	3.65
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 staff ,
- (3) potential external events,
- (4) policies and processes for mitigating operational risk
- (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 Staff :

UFPLC is an equal opportunity employer. It recognizes the importance of having the right people in the right positions to achieve organizational goals. Our recruitment and selection are 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 the performance gap that will contribute more to the bottom line.

People's performance is assessed on the basis 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 basis of how well the assigned KPIs are met by the employee.

Potential External Events:

The operating environment of a financial institution can create external factors that directly affect business performance, even when UFPLC is not directly involved in the related transactions or decision-making. These include:

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 affecting both asset quality and profitability. Currency depreciation increases import costs, reduces collateral values, 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.

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 increase compliance costs. Fiscal policy changes or implementation of post-LDC (Least Developed Country) graduation standards could also require strategic realignment.

Political and Social Events:

The political landscape plays a crucial role in shaping financial sector stability. Investor sentiment may 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.

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.

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 (National Identification) verification services, can interrupt onboarding processes, KYC (Know Your Customers) verifications, and digital transactions. Growing reliance on core banking and MFS (Mobile Financial Service) platforms makes operational resilience and cybersecurity a top priority.

External Financial Market Events:

Global financial markets also influence the risk landscape for NBFIs (Non-Banking Financial Institutions) such as 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 through domestic lending and funding conditions.

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.

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 formats, 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. ERMCM also oversees the operational risk issues.

ERMCM analyzes ‘high’ and ‘moderate’ risk indicators and sets responsibility for specific people to resolve the issues.

Approach for Calculating Capital Charge:

UFPLC applies the ‘Basic Indicator Approach’ of Basel-II as prescribed by the Bangladesh Bank (BB) in CAMD guidelines. Under this approach, banks have to calculate the average annual gross income (GI) of the last three years and multiply the result by 15% to determine the required capital charge.

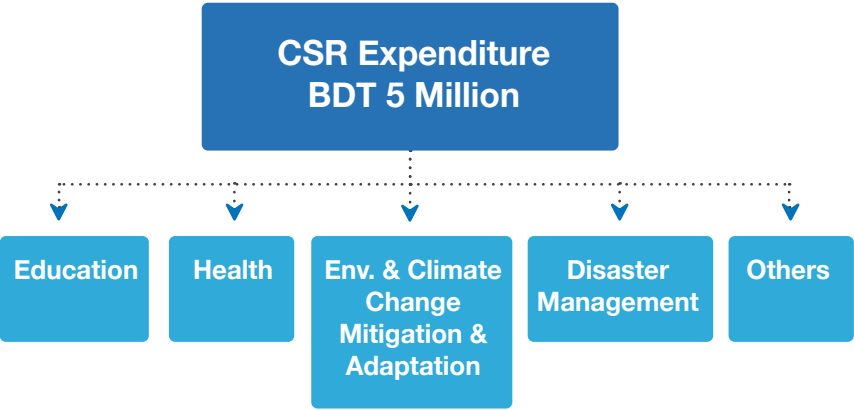
Gross Income is the sum of ‘Net Interest Income’ and ‘Net noninterest income’ of a year.

Quantitative Disclosures:

(b) The capital requirements for operational risk

Particulars	3 Years Average	Risk Weight	Capital Charge
Gross Income	120.94	15%	18.14

Corporate Social Responsibility



United Finance PLC remains firmly committed to Corporate Social Responsibility (CSR) with a vision to operate as a responsible and forward-looking financial institution, contributing to the overall quality of life of society while maintaining environmental sustainability. The Company recognizes CSR not merely as a philanthropic activity, but as an integral component of its business strategy to address key sustainable development challenges through structured initiatives and community investments.

The CSR interventions of United Finance are designed to reduce poverty, inequality, and social exclusion, while improving access to healthcare, education, and basic living standards for underserved and vulnerable segments of society. Since its inception, the Company has consistently contributed to socio-economic development by supporting impactful programs across multiple sectors. Over the years, United Finance has strengthened its corporate governance framework by clearly defining roles and responsibilities and enhancing transparency and accountability between the Board of Directors and Management.

While safeguarding the interests of depositors, the Company also considers the broader impact of its operations on customers, employees, partners, and the communities in which it operates. In doing so, United Finance plays an important role in supporting economic development while promoting environmental stewardship.

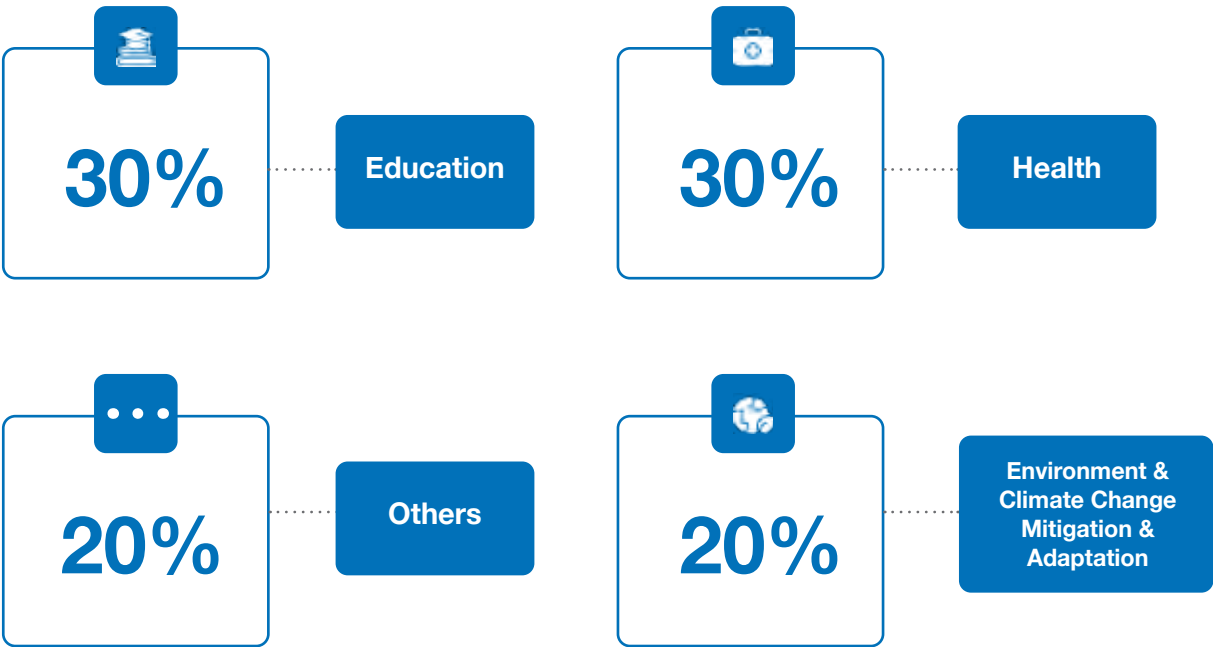
In 2025, United Finance allocated BDT 5.00 million towards CSR initiatives across key priority areas, including education, healthcare, climate action, and social welfare.

These initiatives collectively benefited over 85,246 individuals across Bangladesh, reflecting the Company’s commitment to creating long-term social value alongside financial performance.

Aligned with the guidelines and principles of Bangladesh Bank, United Finance continues to prioritize social and environmental considerations in its operations.

Through its CSR initiatives, the Company remains committed to creating sustainable value for society and contributing to the long-term, inclusive development of the country.

Our Impacts Allocation



Strategic CSR Focus Areas

Education: Investing in Knowledge and Financial Literacy

(30% of total CSR expenditure | BDT 15,00,000 | 1,172 beneficiaries)

Education and financial literacy remain key pillars of the CSR initiatives of United Finance. The organization continues to invest in programs that promote financial awareness, support educational institutions, and enhance access to academic resources for students and underserved communities.

During the year, United Finance conducted a series of Financial Literacy Programs in Dhaka, Pabna, Barishal, Dinajpur, Belkuchi, Narsingdi, Chuadanga, and Cumilla, engaging 153

participants including women entrepreneurs, micro and cottage entrepreneurs, migrant workers, and individuals from marginalized communities.

The training sessions focused on practical financial management, responsible borrowing, savings practices, and basic business financial planning, enabling participants to make informed financial decisions and strengthen their economic resilience.



Financial Literacy and Inclusion Initiatives – 2025

United Finance PLC remains deeply committed to advancing financial inclusion and building a financially aware society through structured and sustainable financial literacy initiatives. During 2025, the Company expanded its outreach by conducting a series of targeted financial literacy programs across multiple regions, reinforcing its role as a responsible financial institution.

The Company successfully implemented financial literacy programs in Dhaka, Pabna, Barishal, and Dinajpur, alongside dedicated Financial Literacy Week training sessions in Belkuchi, Narsingdi, Chuadanga, and Cumilla.

These initiatives enabled United Finance to connect with diverse communities across urban and semi-urban areas, ensuring broader access to essential financial knowledge.

Designed with a long-term impact perspective, the programs focused on practical financial education, including savings discipline, responsible borrowing, basic investment awareness, and financial planning. By equipping participants with essential financial skills, United Finance PLC contributes to economic resilience at the grassroots level by empowering individuals to make informed financial decisions.

The strong participation and engagement observed across all locations reflect a growing demand for financial education and underline the effectiveness of the Company's outreach approach. More importantly, these initiatives are aligned with United Finance's sustainability agenda, supporting inclusive economic growth and enhancing financial capability within underserved segments.

Going forward, the Company plans to further expand these initiatives by integrating digital platforms, forming strategic partnerships, and developing need-based content tailored to different demographic groups. Through continuous investment in financial literacy, United Finance PLC aspires to create lasting social impact while strengthening trust, expanding its customer base, and contributing to a more inclusive financial ecosystem.

United Finance also contributed to national educational initiatives through a donation to the Prime Minister's Education Assistance Trust, which provides financial assistance to meritorious students from economically disadvantaged backgrounds, helping reduce dropout rates and ensure continuity in education.



To further enhance access to academic resources, United Finance renovate libraries and partnered with Baatighar of donation of books at Shahjalal University of Science and Technology, benefiting 461 students through improved learning facilities.

Additionally, the organization supported educational development initiatives implemented by SOS Children's Villages Bangladesh, through which 557 students received essential educational materials and academic support.

United Finance also extended financial assistance to support the education of a child living with autism, demonstrating the organization's commitment to inclusive education and equal learning opportunities for children with special needs.

Through these initiatives, United Finance supported 1,172 beneficiaries under the education and financial literacy sector in 2025.



Healthcare: Supporting Access to Critical Medical Treatment

(30% of total CSR expenditure | BDT 1,500,000 | 21 beneficiaries)

Access to quality healthcare remains a critical challenge for many individuals in Bangladesh. United Finance remains committed to supporting individuals facing severe medical conditions by providing financial assistance for life-saving treatments and medical care.

During 2025, United Finance extended financial support to patients suffering from serious illnesses including cancer, thyroid disorders, and cardiovascular diseases.

Assistance was provided for complex medical procedures such as cancer treatment and open-heart surgery, helping alleviate the financial burden on affected families.

United Finance also contributed to the Bangladesh Cancer Aid Trust, which provides treatment assistance to underserved cancer patients across the country, benefiting 14 patients.

Furthermore, the organization supported community-based emergency healthcare services through a donation to Amader Ambulance, a nonprofit initiative in Manirampur, Jessore that provides ambulance services to underserved communities lacking timely access to emergency transportation.

Through these healthcare initiatives, United Finance supported 21 beneficiaries, ensuring access to essential medical care for individuals in need.

Climate Action: Promoting Environmental Sustainability

(20% of total CSR expenditure | BDT 1,000,000 | 82,159 beneficiaries)

Environmental sustainability remains a key priority within the CSR framework of United Finance. The organization recognizes the importance of ensuring access to safe drinking water and promoting responsible environmental practices.



These filtration systems were installed in 25 educational institutions, one hospital, and one railway station, ensuring access to safe and clean drinking water for a large number of people.

This initiative benefited 82,159 individuals, including students, patients, and commuters, while also helping reduce health risks associated with unsafe drinking water.

By promoting access to clean water and encouraging responsible water usage, United Finance continues to contribute to improved public health and environmental sustainability.



Social Welfare and Community Development
(Others)

(20% of total CSR expenditure | BDT 1,000,000 | 1,894 beneficiaries)

United Finance PLC remains committed to supporting vulnerable communities and promoting inclusive social development through targeted social welfare initiatives.

During the year, the organization distributed 600 blankets to underprivileged individuals in Kushtia and Rangpur through institutions referred by Bangladesh Bank, providing support during the winter season.

United Finance PLC also partnered with the Centre for Disability in Development to support 63 persons with disabilities, contributing to improved well-being and access to support services.

In addition, United Finance PLC supported youth and innovation initiatives through contributions to the Junior Economists’ Forum at United International University, where 600 students and young innovators participated in entrepreneurship and innovation programs including the Hult Prize campus and national competitions.

Further support was extended through book donation initiatives promoting Bengali language, literature, and cultural heritage, benefiting 630 individuals, as well as financial assistance to individuals with disabilities and special needs. Through these initiatives, United Finance supported 1,894 beneficiaries under its social welfare and community development programs.



Sustaining Impact Through Responsible Leadership

United Finance PLC remains committed to conducting its business in a responsible and sustainable manner while contributing to the socio-economic development of the country.

The organization continues to collaborate with government institutions, development organizations, and community partners to ensure that its CSR initiatives create meaningful and lasting impact. By aligning its CSR activities with national development priorities, United Finance PLC remains dedicated to enhancing the well-being of communities, promoting environmental sustainability, and fostering inclusive growth.

Moving forward, United Finance will continue to strengthen its CSR initiatives to create sustainable value for society and contribute to building a more equitable and resilient future.

Youth Festival-2025

Apart from schedule Finance literacy program, “Youth Festival-2025.” A series of impactful programs were organized to equip young participants with essential knowledge and practical skills in financial management.

A total of 19 training sessions were held across all branches and two unit offices, successfully reaching 223 participants in total, including 158 boys and 65 girls.

The training covered a wide range of topics such as banking products, money management, loans, cybersecurity, entrepreneurship, and sustainable finance, with the aim of enabling informed financial decision-making among youth from diverse backgrounds.

The programs were designed to raise awareness and encourage the adoption of secure and responsible digital financial practices.

In addition, the institution has shared visual content of the activities through its digital and social media platforms to enhance outreach and engagement. Overall, the initiative reflects a strong commitment to financial inclusion and youth empowerment through structured financial education programs.



EMERGING
Credit Rating Ltd

United Finance PLC.
Credit Rating Report (Agreement No: 2018-0700-6346)

Valid From	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
June 25, 2025	June 24, 2026	Surveillance-7	AA+	ST-2	Stable
June 25, 2024	June 24, 2025	Surveillance-6	AA	ST-2	Stable
June 25, 2023	June 24, 2024	Surveillance-5	AA-	ST-2	Stable

Date of Incorporation : April 27, 1989

Managing Director : Mr. Mohammad Rafiqul Islam

Authorized Capital : BDT 3,000.00 million (As on December 31, 2024)

Paid up Capital : BDT 1,871.15 million (As on December 31, 2024)

Total Assets : BDT 28,015.57 million (As on December 31, 2024)

Total Liabilities : BDT 24,677.37 million (As on December 31, 2024)

Contact Analysts : Prosenjit Datta Kanongo prosenjit@emergingrating.com
Md. Harun Chowdhury harun@emergingrating.com

Credit
Analysis


Arifur Rahman FCCA, FCA, CSAA
Chief Executive Officer
Emerging Credit Rating Limited

RATING SYMBOL

LONG-TERM RATINGS

ECRL's Long-Term Ratings are assigned to debt with maturities of more than one year. These debt ratings specifically assess the likelihood of timely repayment of principal and payment of interest over the term to maturity of such debts.

RATING	DEFINITION (Credit Rating Companies Rules, 2022. 10.(15))
AAA	Strongest credit quality
AA+	Below strongest credit quality
AA	Very strong credit quality
AA-	Below very strong credit quality
A+	Very good credit quality
A	Above average credit quality
A-	Moderately good credit quality
BBB+	Moderate credit quality
BBB	Average credit quality
BBB-	Below average credit quality
BB+	Moderately below average credit quality
BB	Slightly below average credit quality
BB-	Less than average credit quality
B+	Significantly below average credit quality
B	Weak credit quality
B-	Very weak credit quality
C	Poor credit quality
D	Default (Failed to meet their rated financial commitment on time or when due)

SHORT-TERM RATINGS

ECRL's Short-Term (ST) Ratings are assigned to specific debt instruments with original maturities of one year or less, and are intended to assess the likelihood of timely repayment of principal and payment of interest.

RATING	DEFINITION (Credit Rating Companies Rules, 2022. 10.(15))
ST - 1	Strongest ability to meet short term financial commitments
ST - 2	Above average ability to meet short term financial commitments
ST - 3	Average ability to meet short term financial commitments
ST - 4	Below average ability to meet short term financial commitments
ST - 5	Well below average ability
ST - 6	Default (Failed to meet their short term financial commitments)

Notes: Short-Term (ST) Ratings will also carry a suffix (bg) for bank-guaranteed issues, (cg) for corporate-guaranteed issues, (fg) for FGI-guaranteed issues, and (s) for all other supports when such guarantees or supports give favorable effect to the assigned rating.

Rating Outlook

ECRL's Rating Outlook assesses the potential direction of the Corporate Debt Rating over the intermediate term (typically over a one to two-year period). The Rating Outlook may either be :

POSITIVE	Which indicates that a rating may be raised;
NEGATIVE	Which indicates that a rating may be lowered;
STABLE	Which indicates that a rating is likely to remain unchanged; or
DEVELOPING	Which indicates that a rating may be raised, lowered or remain unchanged.

In line with Bangladesh Securities and Exchange Commission (Credit Rating Companies) Rules, 2022. 10(8)A(g), the following disclosure is provided

Disclaimer

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Report of Audit Committee

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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 present Committee which has been operational since June 02, 2025, is as follows:

SL	Name	Status	Role	Educational Qualification
1	Mr. Md. Jahidur Rahman	Independent Director	Chairman	Chartered Accountant
2	Prof. Dr. Mohammad Omar Farooq	Independent Director	Member	M.A. and PhD
3	Mrs. Mahenoor Sultana Rashid	Director	Member	BBA
4	Mr. Kutubuddin Akhter Rashid	Director	Member	Graduate, Malaysia
5	Mr. Ormaan Rafay Nizam	Director	Member	Graduate, UK

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. However, from January 1, 2025 – June 1, 2025, the following Committee was active:

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

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Qualification of the Chairman of the Committee



Current Chairman:

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.



Former Chairman:

Dr. Hoque is a Professor of Accounting and Information Systems (AIS) at the Faculty of Business Studies, University of Dhaka. Dr. Hoque has over 30 years of experience in active teaching and research, consultancy, social development and community engagement activities.

Apart from holding current position as the Director of the Master of Professional Accounting (MPA) program, Dr. Hoque also successfully contributed in the roles of the Director of Master of Accounting in Taxation (MAT) program at the University of Dhaka. He played a crucial role in bridging the gap between the academia and the accountancy profession in Bangladesh while serving as

the Director of Learning and Development and as the Secretary of the Institute of Chartered Accountants of Bangladesh (ICAB) from 2011 to 2014. He was the Advisor of MBA, EMBA and MBM Programs, East West University, Bangladesh. Dr. Hoque is currently the Director on the Board of Power Grid Company of Bangladesh (PGCB) Limited. He is also the director of Japan Society of Organization and Accounting (JSOA), General Body Member of Dushtha Shasthya Kendra (DSK), Member of Board of Studies and Technical Research Committee of ICAB and Editor-in-Chief of the “Journal of Financial Markets and Institutions” published by BICM. As a special task assigned by the Government of Bangladesh, Dr. Hoque worked as a consultant for Delta Life Insurance Company Limited.

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, income statement, 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.



External Audit

- 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.
- 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 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.



Nomination and Remuneration Committee (NRC)

Bangladesh Bank has advised through DFIM Circular Letter no. 18 dated 21 May 2024 that NRC related activities shall be carried out by the Audit Committee. Accordingly, UFPLC incorporated all the terms of reference of NRC in the ToR of the Audit Committee. The main role of NRC is to oversee, among others, the following matters and report to the Board with recommendations:

- Formulate the criteria for determining qualifications, positive attributes and recommend a policy to the Board relating to the remuneration of the top-level executives.
- Devise a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
- Identify persons who are qualified and who may be appointed to top level executive positions in accordance with the criteria laid down and recommend their appointment and removal to the Board.

- Develop, recommend and review annually the company's human resources and training policies.



Reporting to the Board

- The Committee regularly reports to the Board on activities and findings of the Committee, particularly on 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 2025, the Committee held six (6) 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 and required Management Committee members attended these meetings to address the Committee's queries and receive directives for improvement.

The meeting dates are stated below:

Meeting		Date
1	85th Audit Committee Meeting	March 05, 2025
2	86th Audit Committee Meeting	April 28, 2025
3	87th Audit Committee Meeting	May 14, 2025
4	88th Audit Committee Meeting	June 26, 2025
5	89th Audit Committee Meeting	July 27, 2025
6	90th Audit Committee Meeting	October 27, 2025

Responsibilities carried out by the Committee during 2025

During 2025, the Committee diligently carried out its responsibilities in accordance with its mandate. The Committee discussed, reviewed and advised on the following significant issues:

- i. Draft Audited Financial Statements for the year ended December 31, 2024, including discussions with the Bangladesh Bank Inspection Team, External Auditors and Management in accordance with regulatory requirements, prior to recommendation to the Board for approval.
- ii. Quarterly and half-yearly financial statements for 2025, prior to recommendation to the Board for approval.
- iii. Audit Committee's report for inclusion in the Annual Report 2024.
- iv. Appointment of external auditors including the audit fees for 2025.
- v. Appointment of external professional to certify Corporate Governance compliance including the professional fees for 2025.
- vi. 'Management Discussion and Analysis' section of the Annual Report for 2024.
- vii. Reports of Internal Control & Compliance and Risk Management Forum.
- viii. Calendar of Internal Control & Compliance for 2026.
- ix. Quarterly report on Willful Defaulter-related information.

- x. Cases related to lease/loan write-off and status of pending legal cases.
- xi. External auditors' Management report including Management's responses for 2024.
- xii. Important Policy and Operational Guidelines.
- xiii. Activities performed under the role of NRC.

Following its review and discussions, the Committee considers that the internal control and compliance framework operates effectively and ensures reliable and transparent reporting of the Company's operational results and financial position. The Audit Committee conveys gratitude to the Board of Directors, Management, external auditors, Bangladesh Bank and Bangladesh Securities and Exchange Commission for their ongoing support and collaboration, which have significantly contributed to the effective execution of its oversight responsibilities.



Md. Jahidur Rahman
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 the 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 2025, the interest coverage ratio was 1.28 times, indicating that the Company maintained an adequate ability to meet its debt servicing obligations.
Low Borrowing Dependency	As of December 31, 2025, the Company's total borrowings amounted to BDT 8,138.16 million, representing 31.25% 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.
Sustained 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, 2025, total deposits stood at BDT 12,073.07 million. The continued confidence of depositors is evident from the high rate of new deposit acquisition and strong renewal trends—momentum that is expected to be sustained in the coming periods.
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.
Consistency in Net Profit After Tax	In 2025, the Company demonstrated resilience by maintaining stable profitability despite the challenging local and global economic conditions, including inflationary pressures, market volatility, higher financing costs and political instability. Net profit stood at BDT 198.04 million compared to BDT 209.23 million in 2024, reflecting relatively stable earnings in a complex operating environment. This stability was achieved through effective cost management and prudent financial strategies.
Well-Capitalized Financial Standing	UFPLC ranks among the leading equity-based financial institutions in the sector. As of December 31, 2025, the Company’s total equity stood at BDT 3,349.12 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.
Renew of Borrowing Facilities and Securing New Loans	The Company’s strong financial position and solid reputation enable it to secure or renew borrowing 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.
Changes in Government’s Policy	The Management and the Board do not anticipate any significant changes in legislation or government policy that could materially impact the Company’s business operations.

• **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 2025, the Company has proposed a dividend payout of 10%, consistent with its long-term dividend strategy, demonstrating ongoing profitability and operational stability.

Years	2025	2024	2023	2022	2021
Dividend%	10%	10%	6%	5%	10%

• **Consistent Financial Performance**

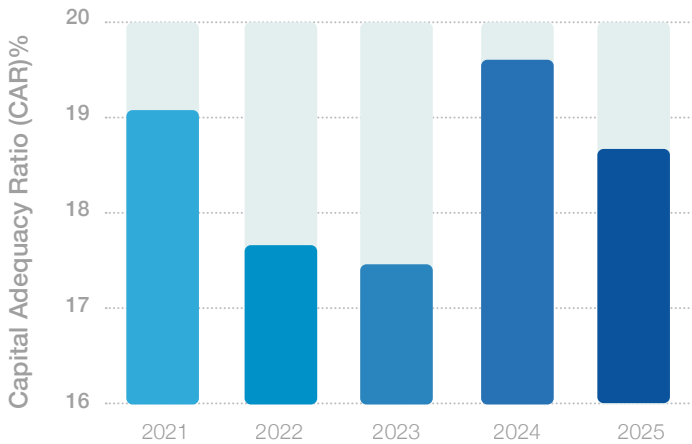
The Company demonstrates stable financial performance, supported by continuous growth in revenue, profitability and cash flow generation, as reflected in its 2025 financial results. This steady performance ensures that the Company remains financially viable and sustainable for long-term success.

• **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 2025, the ratio was 18.45%. This strong capital position serves as a safeguard against financial risk, assuring stakeholders of the Company’s capacity to withstand adverse conditions.



2. Operational Viability Indicators

• **Business Diversification and Risk Mitigation**

The Company has built a diversified portfolio, particularly focusing on segments such as CMSME, retail and corporate financing. This diversity reduces dependency on any single market and mitigates sector-specific risks, enhancing long-term operational stability.

• **Workforce Strength and Employee Engagement**

The Company encourages a skilled and motivated workforce with a strong focus on employee development. In 2025, 38 training programs were conducted (24 internal and 14 external) with 560 employees participating to reinforce and upgrade workforce capabilities.

These efforts reflect the Company’s commitment to employee development that ensures job satisfaction, employee retention and engagement, thus fostering a positive and productive work environment for 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-positioned 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 stakeholders of the Company’s long-term viability.

• **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 would negatively impact its business operations or financial performance. This regulatory stability supports Company’s ability to maintain its operations without significant disruption.

Confirmation 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 objectives. The 2025 financial statements have been prepared with the assumption that the Company will continue its operations in the foreseeable future, underscoring its strong position to fulfill regulatory requirements and meet stakeholder expectations.

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 compliance with 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 ensuring that these financial statements comply with relevant accounting standards to reflect the Company's financial health accurately.

They also 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, they 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 confirm that the financial statements are transparent and accurate so that the stakeholders are in a position to make prudent decisions.



Corporate Governance

Strong corporate governance is upheld under the Directors who support the long-term success and sustainability of the Company. Their responsibilities go beyond oversight, which formulates the values, culture and ethical standards of the Company.

They 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 conduct is 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, evaluate performance and manage key risks. They also 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

A. Qasem & Co., Chartered Accountants, was appointed as the auditor of the United Finance PLC and conducted an annual audit with particular emphasis on 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 a detailed review, the auditor has provided an independent opinion on the financial statements.

In line with the requirements outlined 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, Al-Muqtadir Associates, Chartered Secretaries was appointed to conduct a review for the year 2025. Following an 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

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Board of Directors' Report

Dear Shareholders,

On behalf of the Board of Directors of United Finance PLC, we are honored to present the Directors' Report on the operational and financial activities of your Company for the year ended 31 December 2025, together with the Audited Financial Statements.

This report has been prepared in compliance with Section 184 of the Companies Act 1994, the Finance Company Act 2023, and guidelines issued by Bangladesh Securities and Exchange Commission (BSEC), Bangladesh Bank, and other applicable regulatory authorities.

The year 2025 was one of measured stabilization for Bangladesh, a year in which macroeconomic headwinds from 2024 began to recede, yet structural challenges persisted. Inflation moderated, foreign exchange reserves rebuilt, and the external balance improved meaningfully. At the same time, private investment remained cautious, export momentum was subdued, and the financial sector continued its reform journey under the decisive stewardship of Bangladesh Bank. In this complex but gradually improving landscape, United Finance PLC maintained its commitment to prudent financial management, governance integrity, and sustainable value creation for all stakeholders.

World Economy

Global Economic Outlook

The global economy maintained moderate aggregate growth of approximately 2.7% in 2025, broadly in line with the IMF's January 2026 World Economic Outlook Update. While this headline stability is broadly encouraging, it continues to mask a deepening divergence of forces across geographies and sectors. The defining geopolitical and economic disruption of 2025 was the sustained elevation of US trade policy uncertainty,

the effective US tariff rate reaching approximately 16.8%, the highest since the 1930s. A temporary US-China trade truce agreed in November 2025 paused tariff escalation and provided near-term relief to global supply chains, but residual uncertainty over trade frameworks, export controls on semiconductors, and broader protectionist sentiment continued to weigh on business investment and cross-border commerce.

Growth Divergence

While US economic momentum remained solid at approximately 1.9%, supported by AI-led technology investment and fiscal stimulus, large emerging economies faced headwinds. China's economy grew at approximately 5.0%, supported by

export strength but constrained by persistent weak domestic demand. Euro area growth remained sluggish, and South Asian economies, including Bangladesh, continued to grapple with structural adjustment pressures.

Inflation and Monetary Policy

Global headline inflation continued its sustained descent to approximately 2.6% in 2025, driven by the cumulative effect of monetary tightening in advanced economies and easing commodity prices. Central banks in the US, Europe, and the

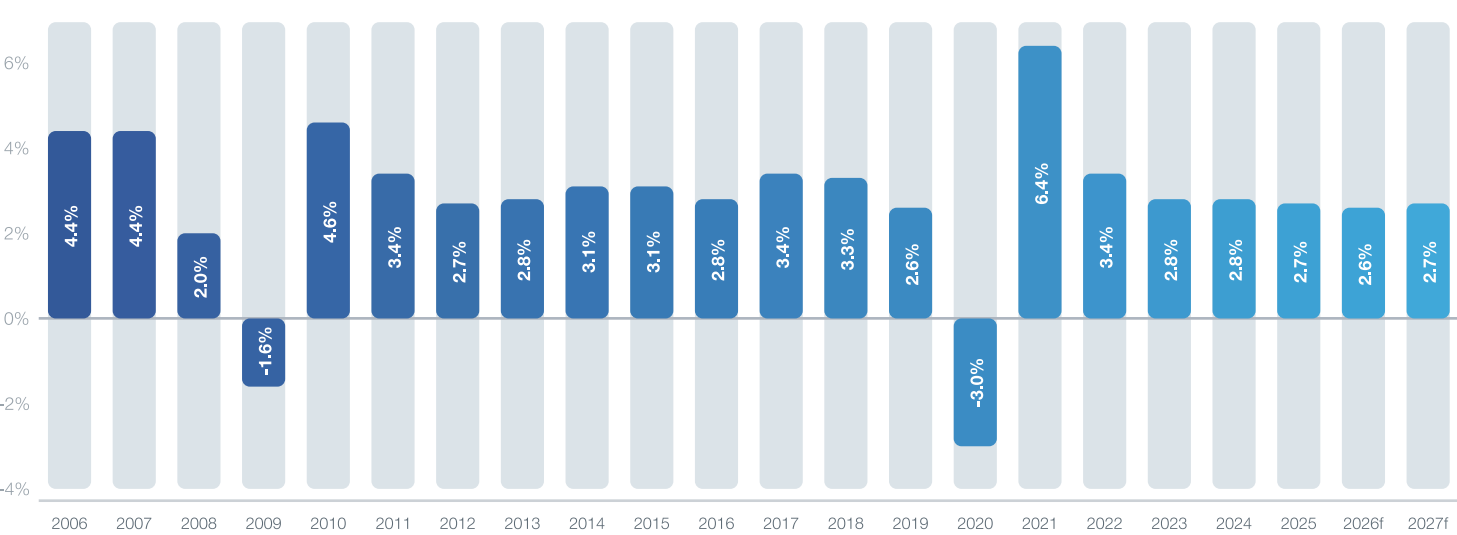
UK began cautious easing cycles as inflation approached target levels, providing some relief to global funding conditions. The IMF projects global inflation to moderate further to approximately 2.5% in 2026.

Geopolitical Fragmentation

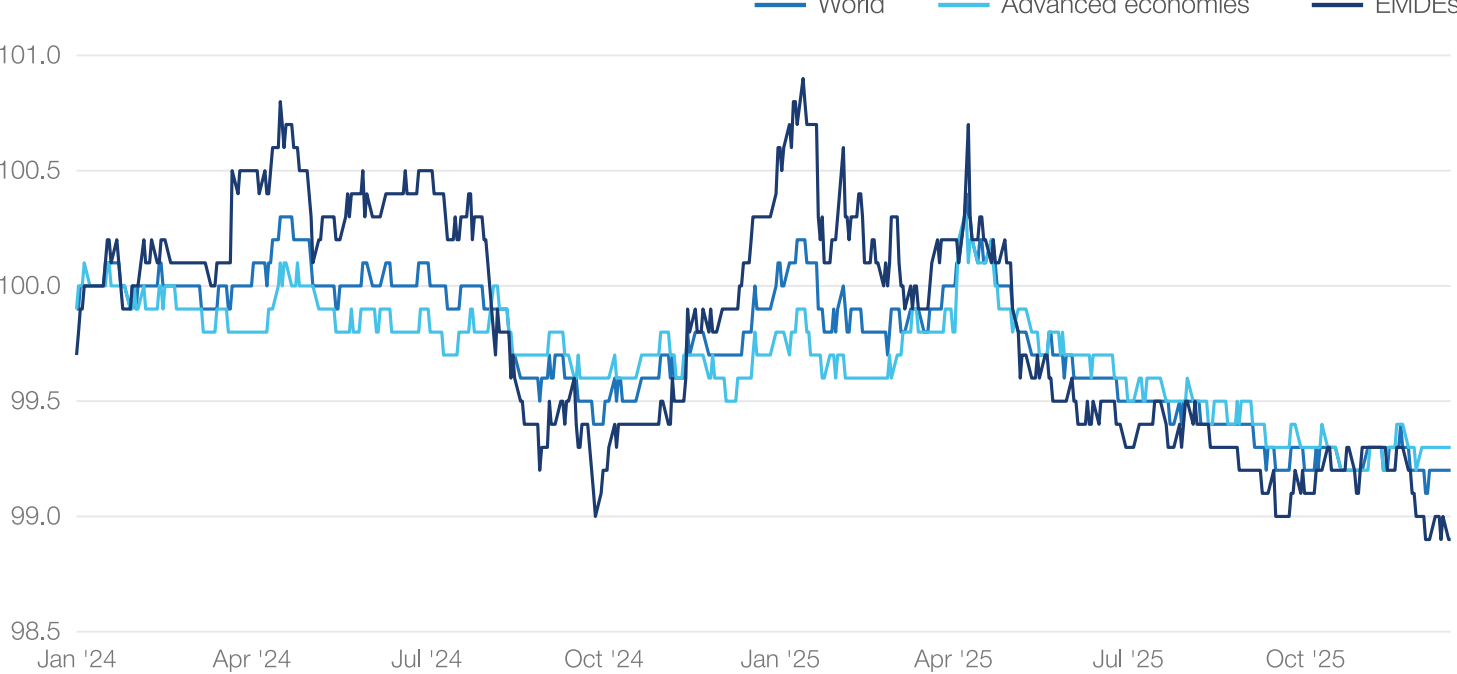
The Russia-Ukraine conflict persisted without resolution, sustaining uncertainty in energy markets. Middle East tensions created intermittent disruptions to shipping routes. The WEF Global Risks Report 2026 identified geoeconomic confrontation as the most severe near-term risk globally. Despite these tensions, equity markets, led by technology stocks, maintained elevated valuations, underpinned by optimism about AI

investment. Global FDI remained under pressure in 2025, with outflows at USD 1,576,967 million and inflows at USD 1,151,374 million, as geopolitical tensions and weaker cross-border M&A weighed on investment, while global unemployment rose modestly amid automation, AI adoption, and skilled labor shortages.

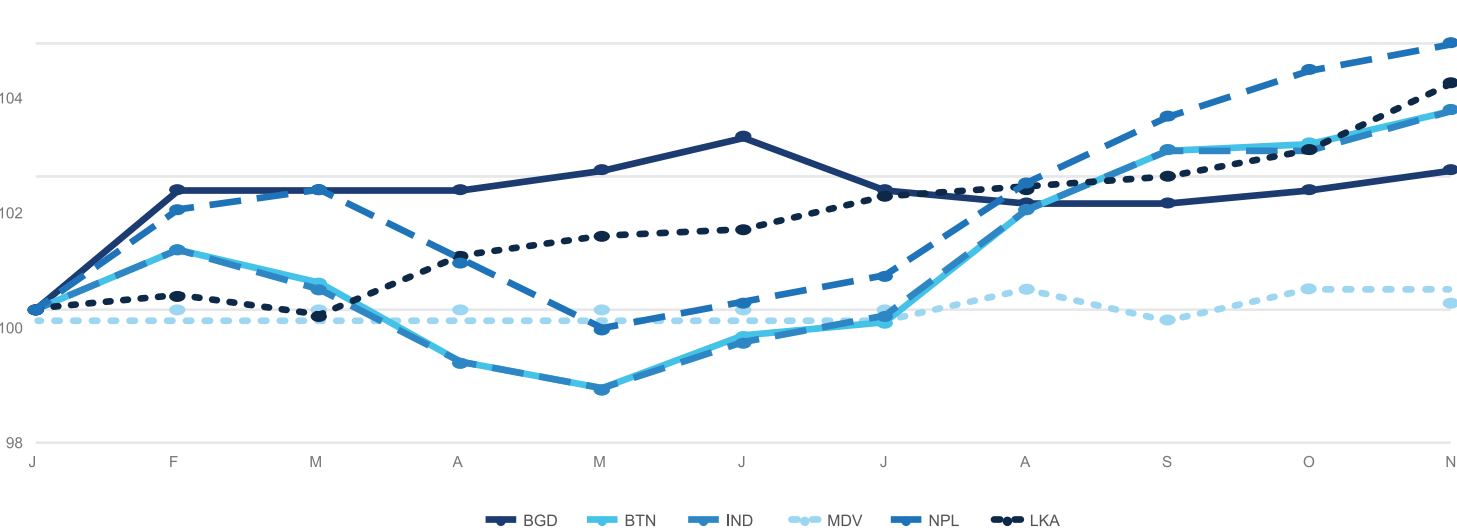
Global Output Growth



Financial Conditions Index

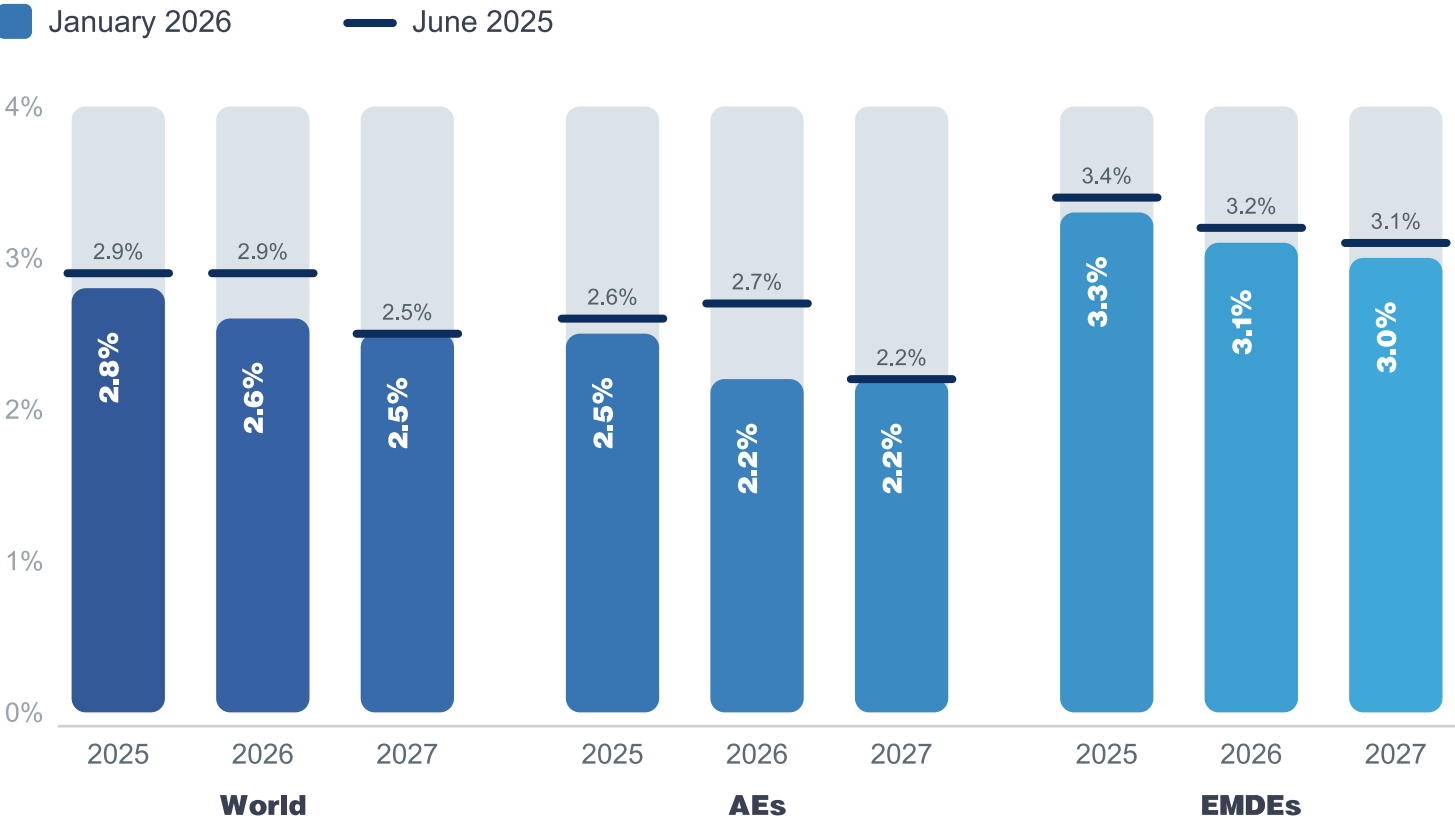


Exchange Rates Against the U.S. Dollar



Global CPI Inflation

in %



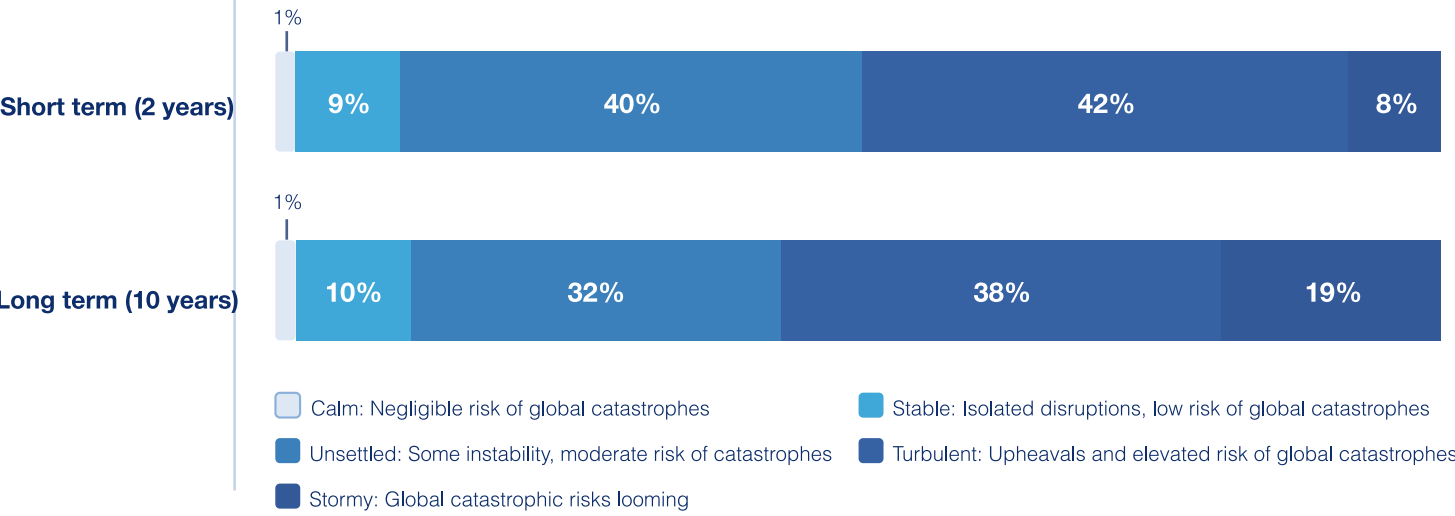
Global Risks and Opportunities

According to the World Economic Forum, the global outlook remains highly uncertain. Goeconomic confrontation emerged as the most immediate risk for 2026, cited by 18% of experts, reflecting rising trade restrictions, sanctions, capital

controls, and supply chain disruptions. State-based armed conflict ranked second at 14%, while misinformation, societal polarization, and extreme weather also remained major near-term concerns.

Short-term (2 years) and long-term (10 years) global outlook

"Which of the following best characterizes your outlook for the world over the following time periods?"



Over the longer term, environmental risks are expected to dominate, with extreme weather, biodiversity loss, and ecosystem disruption identified as key threats. The report also highlights the growing long-term implications of AI, particularly for labor markets, social stability, and global security. Around 68% of respondents expect a more fragmented multipolar global order over the next decade.

Opportunities

- Bilateral Trade Agreements
- Technological innovation and digital transformation
- Emphasis on Renewable Energy
- Trade and supply chain reconfiguration

Bangladesh Economy

Bangladesh Economy

Bangladesh’s economic performance in 2025 was shaped by the twin imperatives of macroeconomic stabilization and institutional reform following the July 2024 political transition. After a deeply challenging 2024 characterized by peak

inflationary pressures, currency volatility, rising non-performing loans, and political disruption, the economy entered 2025 on a path of gradual, if uneven, recovery.

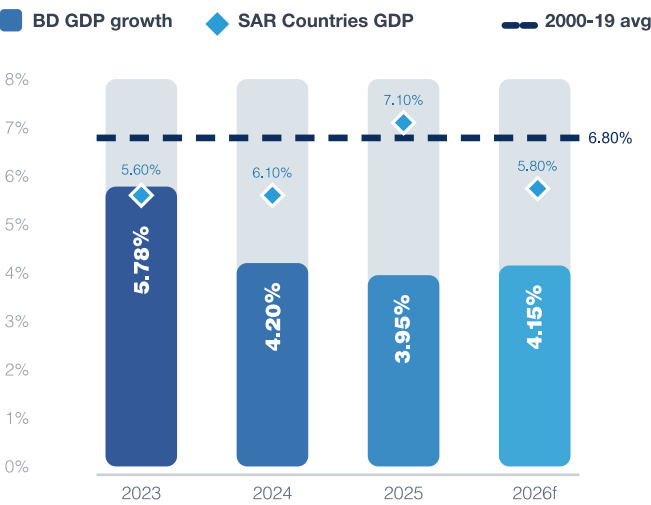
GDP Growth and Sectoral Performance

GDP growth, which had decelerated sharply to approximately 4.2% in FY2024, showed signs of recovery at the start of FY2026. According to the Bangladesh Bureau of Statistics, GDP growth in Q1 FY2026 (July–September 2025) reached 4.50%, up from 2.58% in the corresponding quarter of the prior year. This improvement was driven by a strong rebound in the industrial sector, which grew by 6.97%, reflecting a recovery in manufacturing output from the disrupted levels seen in mid-2024. The services sector also recovered to 3.67% growth,

while agriculture returned to positive territory at 2.30% after contracting in Q1 FY2025. Despite this encouraging start to FY2026, full-year growth in FY2025 remained below 4%. The Asian Development Bank, in its December 2025 revision, cited weaker exports, investment uncertainty, financial sector weaknesses, and the October 2025 strike at the Chattogram Port as material headwinds. Private investment growth slowed in FY2025.

BD GDP Growth Rate

in %



Bangladesh Inflation & Wage Growth 2025



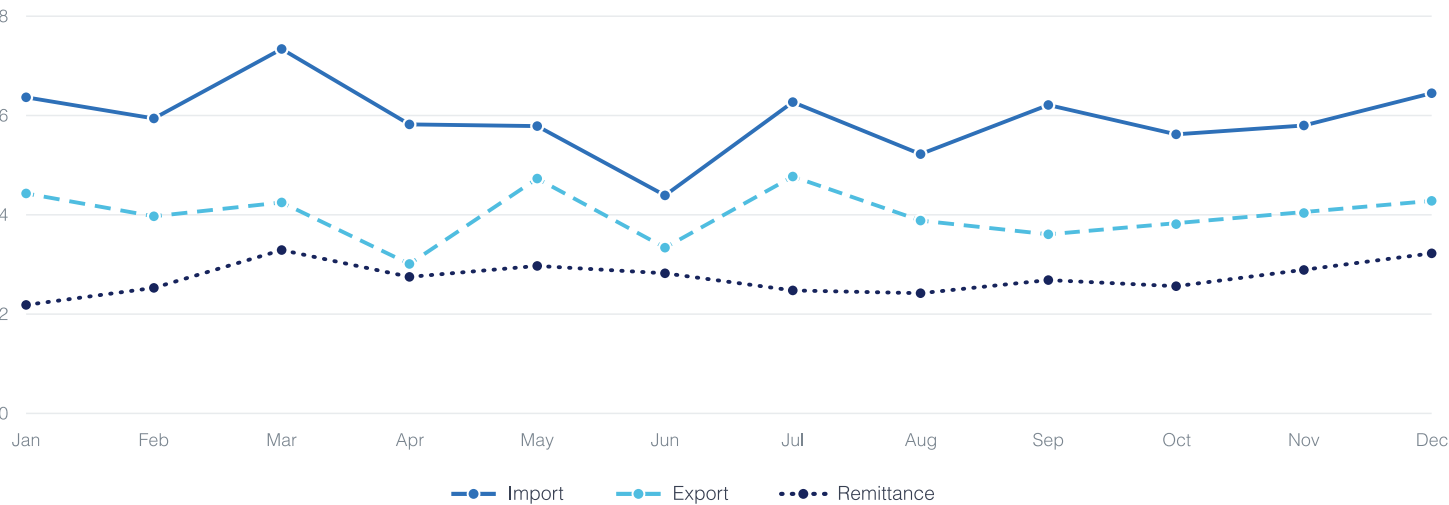
Inflation

Inflation management was the central macroeconomic challenge of 2025. At the start of the year, headline inflation stood at 10.34%, the highest recorded in Bangladesh in at least five years. Throughout 2025, Bangladesh Bank’s continued tight monetary stance, with the policy rate maintained at 10%, contributed to a sustained downward trajectory. By December

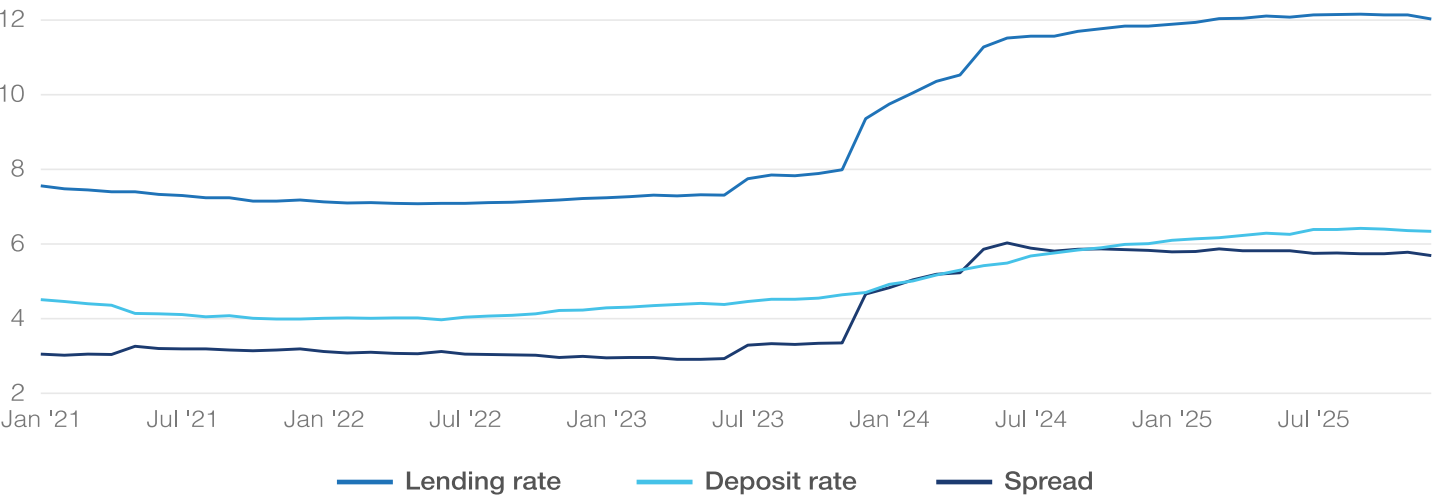
2025, headline inflation had moderated to 8.77%, with food inflation falling to 8.16%. However, non-food inflation proved more resilient at 9.28%, reflecting structural pricing pressures in services and utilities. Bangladesh Bank aims to bring inflation further down toward the 7–8% target range by FY2026.

Bangladesh External Sector

in BDT Mn



Lending & Deposit Rates



External Sector and Reserves

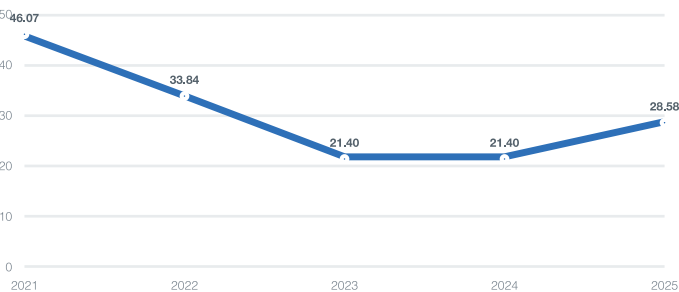
in USD bn

The external sector provided one of the brightest highlights of 2025. Foreign exchange reserves recovered strongly to USD 28.58 billion by December 2025, a year-on-year increase of 33.58% on a BPM6 basis. This remarkable recovery was primarily driven by surging remittance inflows: Bangladesh received USD 16.26 billion in H1 FY2026, an 18.05% increase year-on-year. Export performance, however, remained a concern, with H1 FY2026 exports recording a 2.19%

contraction, weighed down by subdued global RMG demand and the Chattogram Port disruption. On a positive note, net FDI registered USD 651 million during July–November FY2026, the first year-on-year improvement after two consecutive years of decline (+59.95%). The exchange rate remained broadly stable at approximately BDT 122 per USD under Bangladesh Bank's crawling peg regime.

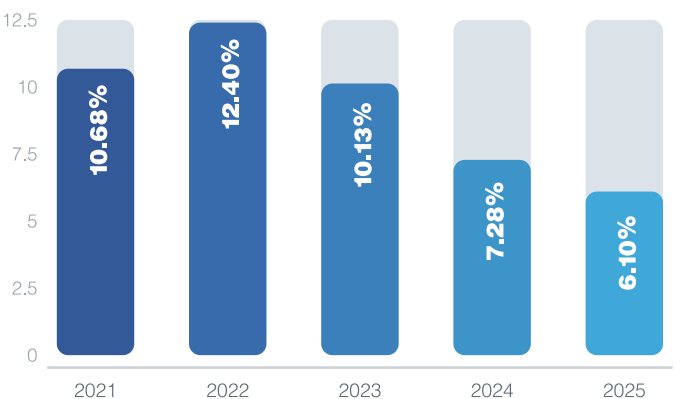
FX Reserve

in USD bn



Private Sector Credit Growth

in %



Monetary Policy and Credit Environment

Bangladesh Bank maintained its contractionary monetary stance throughout 2025, holding the policy rate at 10%. Private sector credit growth fell to a historic low of 6.10% by December 2025, significantly below the double-digit rates of prior years. Surging government domestic borrowing, which more than doubled in H1 FY2026 and accounted for 87% of total government

financing, crowded out private-sector credit and kept the 10-year treasury bond rate at an average of 10.9% throughout the year. Deposit rates across the banking system rose from 6.10% to 6.34% over the course of 2025, and lending rates climbed to 12.03%, compressing borrowers' capacity and dampening credit demand.

Source: Bangladesh Bank, BBS, World Bank | FX Reserves on BPM6 basis

Fiscal Sector Outlook

The national budget for FY25 set total expenditure at Tk. 7,970 billion, including Tk. 2,814 billion for development spending and Tk. 5,069 billion for operating expenditure, resulting in a fiscal deficit of Tk. 2,516 billion. Around 68% of the budget is expected to be financed through revenue collection, with the remainder funded by domestic and external borrowing.

The government has targeted 10% growth in revenue collection to reduce reliance on foreign financing. However, Bangladesh's tax-to-GDP ratio remained low at 7.38% in FY2024, highlighting persistent fiscal constraints. Development expenditure implementation also remained subdued in the early part of FY2025 due to political disruptions and project reprioritization.

Opportunities and Challenges for the Bangladesh Economy

Opportunities	Challenges
- Record remittance growth (+18% YoY in H1 FY26) - Infrastructure development pipeline - Renewable energy transition and green investment - Export diversification beyond RMG - FDI recovery and improved investment climate - Bilateral trade agreements and LDC graduation planning - Demographic dividend and growing digital economy	- Persistently elevated inflation and real wage erosion - Historic high NPLs in banking and NBFI sectors - Sluggish private investment and credit growth - Export headwinds from global trade disruptions - High government borrowing crowding out the private sector - Climate vulnerability affecting agriculture - Looming US tariff impacts on RMG competitiveness

Financial Sector Overview

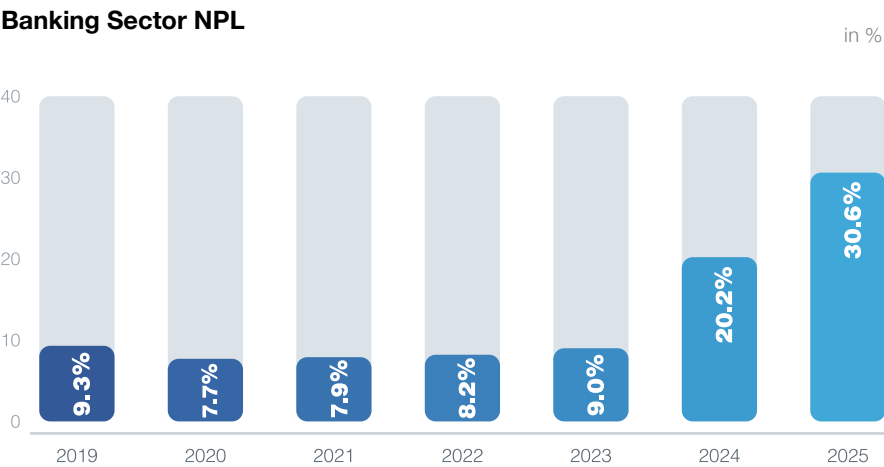
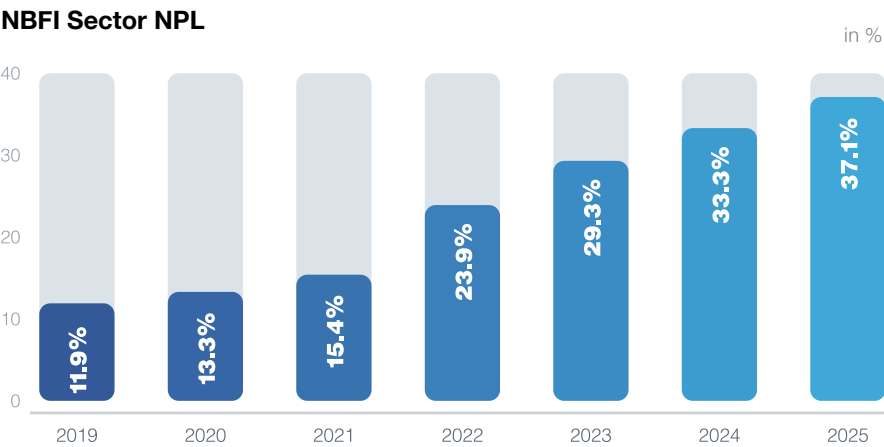
1. Banking Sector

Bangladesh's financial sector operated under considerable stress during 2024–2025, driven by elevated interest rates, weak credit growth, and persistent asset-quality pressures. The average 10-year treasury bond yield remained high at 10.9% in 2025, while the policy rate stayed at 10% for much of the year. Although private sector credit growth recovered modestly to 6.10% by December 2025, overall financing activity remained below historical levels, reflecting cautious business sentiment and tighter liquidity conditions.

The banking sector faced one of its most challenging periods in recent years. Gross non-performing loans rose sharply to 30.6%

by December 2025, while the capital adequacy ratio declined to 1.56% by September 2025, below the Basel III minimum requirement. Deposit growth rebounded to 11.10% in December 2025, reflecting the regaining of public trust in the banking sector.

In response, Bangladesh Bank implemented reform measures, including board restructuring across 11 banks and financial institutions, asset quality reviews, liquidity support, and recovery initiatives, to contain systemic risks and restore stability.



Source: Bangladesh Bank Financial Stability Report; BB Quarterly; IPDC Finance Industry Outlook 2024

Banking & NBFI Sector Indicator	Banking Sector	NBFI Sector	Trend
Gross NPL Ratio	30.60%	37.0% (Sep 2025)	Deterioration ↑
Capital Adequacy Ratio (CRAR)	6.48% in Sep 2024	6.86% in Sep 2024	Below minimum ↓
Deposit Growth (YoY)	11.10%	6.46%	Recovery ↑
Loans & Advances Growth	6.40%	3.62%	Moderated ↓
Interest Rate Spread	5.74% (Oct 2025)	+33 bps YoY expansion	Expanded ↑

Source: Bangladesh Bank Scheduled Bank Statistics; BB Quarterly Volume XXII

2. Non-Bank Financial Institution (NBFI) Sector

The non-bank financial institution (NBFI) sector remained under acute pressure in 2024–2025, reflecting high funding costs, weak deposit growth, and legacy governance weaknesses. The sector’s aggregate non-performing loan ratio rose to 35.52% by September 2024, while 16 NBFIs reported a combined provision shortfall of BDT 1,954 crore by June 2024. Capital adequacy weakened to 6.86%, and return on assets declined to a negative 3.02%, highlighting broad-based institutional stress across the sector.

Despite the introduction of a market-based interest rate framework, deposit growth remained subdued at 1.05%

in December 2024, while loans and advances grew by 3.12%. The Finance Company Act 2023, including tighter deposit restrictions, added further liquidity pressure. A major development in 2025 was Bangladesh Bank’s structural intervention through the liquidation of nine financially weak NBFIs and the resolution of five stressed Islamic banks under the Bank Resolution Ordinance 2025. Supported by a BDT 5,000 crore depositor protection package, these measures represent a significant step toward strengthening governance, restoring market confidence, and improving long-term sector resilience.

Key Regulatory and Policy Initiatives – 2025

Bangladesh Bank and the Government undertook a series of landmark regulatory actions in 2025 to stabilize the financial sector and strengthen the institutional framework for NBFIs and banks alike:

Date	Segment	Regulatory Action / Initiative
Mar 2025	Banks	Exit Policy for Recovery and Settlement of Loans
Mar 2025	Banks	Dividend Declaration Policy for Banks
May 2025	Banks	Bank Resolution Ordinance, 2025, enacted
Jul 2025	NBFIs	Willful Defaulter Identification and Action Process
Nov 2025	Banks	Five Islamic Banks Placed Under Resolution/Merger Process
Nov 2025	Banks	Policy on Loan/Investment Write-off and Recovery Unit Formation
Dec 2025	NBFIs	Nine Financially Weak NBFIs Approved for Liquidation
Dec 2025	NBFIs	Strengthened Provisioning and Classification Guidelines for NBFIs
Dec 2025	NBFIs	Directive on Minimum Capital Adequacy and Governance Compliance
Dec 2025	NBFIs	Fit and Proper Criteria Reinforced for NBFI Boards and Senior Management

Source: Bangladesh Bank Circulars and Press Releases, 2025

Review of Operations of United Finance PLC in 2025

United Finance PLC navigated a complex and demanding operating environment in 2025 with discipline, prudence, and strategic foresight. Against the backdrop of elevated funding costs, constrained private-sector credit growth, and sector-wide structural reforms, the Company maintained its commitment to asset quality, depositor confidence, and sustainable business

development. Our overarching strategy in 2025 was defined by three priorities: protect the balance sheet from credit deterioration; optimize income streams and operating costs to sustain profitability; and position the institution for credit-cycle recovery as the macroeconomic environment improves in 2026 and beyond.



**BDT
198 Mn**

Net Profit After Tax
Positive returns
maintained



5.95%

NPL Ratio
vs. 35.52% sector
average



18.45%

Capital Adequacy
vs. 10% regulatory
minimum



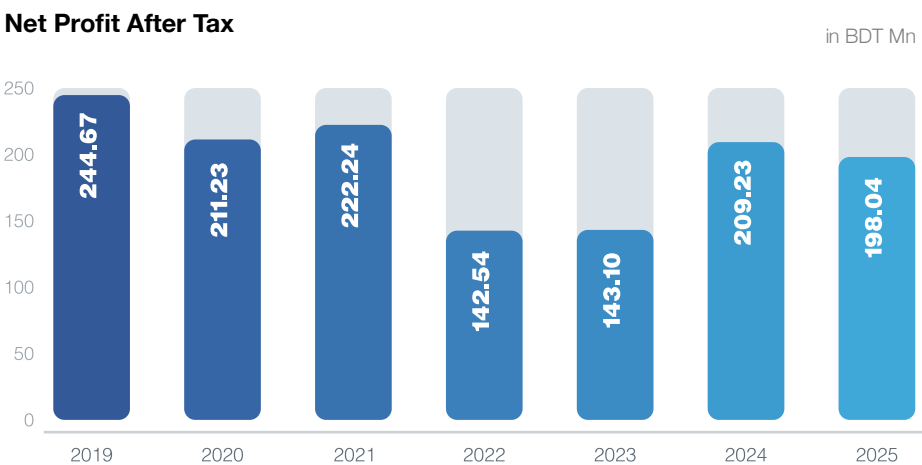
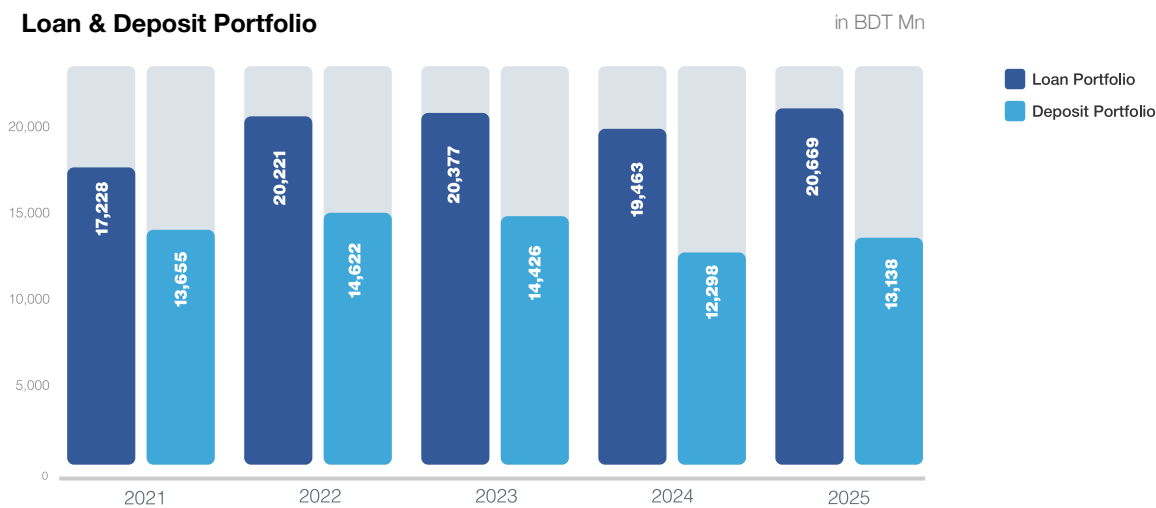
+8.03%

Deposit Growth
BDT 13,188 Mn total

Financial Performance Summary

Particulars	2025	2024	2023	2022	2021	5yr CAGR
Net Profit After Tax	198.04	209.23	143.10	142.54	222.24	-1.28%
Total Assets	29,388.07	28,015.57	28,818.52	27,183.22	25,859.75	6.39%
Total Deposit	13,187.52	12,207.83	14,246.08	14,627.28	13,665.36	1.40%
Net asset value per share	17.90	17.84	17.32	17.06	17.30	0.91%
Return on total assets %	0.69	0.74	0.51	0.54	0.94	-6.28%
Nonperforming loan ratio %	5.95%	4.98	4.84	3.44	3.56	19.08%
Return on Equity %	5.92	6.36	4.45	4.43	6.90	-6.87%
Earnings per share	1.06	1.12	0.76	0.76	1.19	-5.35%
Net interest income %	3.51	4.10	3.17	3.63	3.70	-14.40%

Source: United Finance PLC Audited Financial Statements 2021–2025



Source: United Finance PLC Annual Reports 2021–2025

Loans and Asset Portfolio

In 2025, United Finance PLC maintained a diversified and resilient loan and asset portfolio despite a challenging macro-financial environment marked by high interest rates, liquidity constraints, and subdued credit demand. Total loan portfolio stood at approximately BDT 20,687 million, with strong concentration in Corporate Finance (45.70%) and SME Finance (38.41%), reflecting a balanced growth strategy across large corporates and inclusive financing segments. SME lending recorded robust

expansion, with 31.4% year-on-year growth in disbursements, while Corporate Finance remained the key growth driver, supported by the manufacturing, trade, and services sectors. Short Term Finance and Consumer Finance further enhanced portfolio diversification, ensuring broader exposure across value chains and retail segments while maintaining prudent credit discipline.

Deposit Portfolio

Total deposits grew 8.03% to BDT 13,188 million, with individual depositor balances rising 16.83% year-on-year to BDT 6,979 million, with individual depositors contributing 53% of total deposits. This growth was achieved despite severe sector-wide depositor-trust deficits that affected weaker NBFIs. A testament

to the confidence depositors continue to place in United Finance PLC. New deposit variants launched during the year, including Any Time Any Deposit, Lease Rental Deposit, expanded the retail savings franchise, and diversified the funding mix.

Asset Quality

Asset quality management was a central operational priority. The NPL ratio stood at 5.95% as of 31 December 2025, compared to 4.98% at the end of 2024. While the 95-basis-point increase reflects macroeconomic pressure on borrowers' cash flows, particularly in the SME segment (NPL: 12.02%), the ratio remains a fraction of the NBFI sector aggregate of 35.52% and

the banking sector average of 30%. The Company maintained a provision surplus of BDT .2 million at year-end. Strengthened collection processes, periodic portfolio-monitoring tools, and enhanced early-warning systems were deployed throughout the year.

Capital Adequacy

United Finance PLC maintained a robust capital position with a Capital Adequacy Ratio of 18.45% as at 31 December 2025 against 10% regulatory minimum. This substantial capital buffer

ensures continued resilience against stress scenarios and positions the Company to support responsible balance sheet growth as credit conditions improve.

Challenges Faced

Notwithstanding the Company's resilient performance, 2025 presented significant operational and market challenges that

required active management and strategic discipline throughout the year:

Challenge	Context	Response
High Industry NPL & Credit Risk	Sector-wide NPL at 35.52%; macroeconomic stress on borrowers	Strengthened underwriting; enhanced early warning; proactive collection drive
Elevated Funding Costs	10-yr T-Bond avg 10.9%; deposit rates rising	Diversified deposit mix; focused on retail depositors; reduced reliance on institutional funds
Subdued Credit Demand	Private sector credit growth at historic low 6.58%	Selective growth in Large Business; new retail products launched; investment in government securities
Liquidity Pressure	Finance Company Act 2023 deposit restrictions; sector-wide outflows	Enhanced liquidity monitoring; new deposit product suite; digital onboarding
NBFI Sector Confidence Erosion	Investor/depositor anxiety	Transparent communication; AA+ credit rating maintained; zero regulatory actions

Comparative Financial Performance

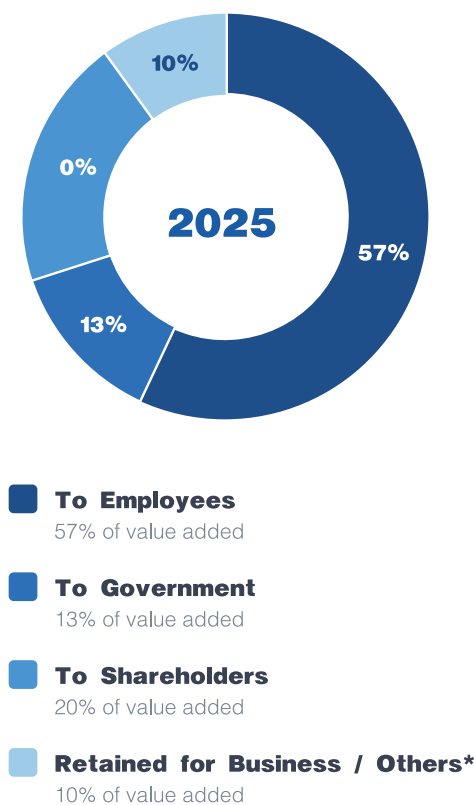
Sl	Highlights of the Overall Activities		2025	2024	Growth (%)
1	Paid-up capital	MBDT	1,871.1	1,871.1	-
2	Total Eligible capital	MBDT	3,502.1	3,498.1	0.12%
3	Capital surplus	MBDT	1,604.2	1,732.5	-7.40%
4	Total assets	MBDT	29,388.1	28,015.6	4.90%
5	Total Term deposits	MBDT	12,073.1	11,367.9	6.20%
6	Total lease, loans, and advances	MBDT	20,688.8	19,463.4	6.30%
7	Total contingent liabilities and commitments	MBDT	-	-	0.00%
8	Loan to deposit ratio	Times	1.71	1.71	0.09%
9	Percentage of classified lease, loans, and advances against total leases, loans, and advances	(%)	5.95	4.98	19.49%
10	Profit after tax and provision	MBDT	198.04	209.23	-5.35%
11	Amount of loans classified during the year	MBDT	1,231.1	969.2	27.02%
12	Provisions kept against classified loans	MBDT	679.32	589.72	15.19%
13	Provision surplus	MBDT	0.25	11.08	-97.75%
14	Cost of fund	(%)	9.24	8.37	10.39%
15	Interest-earning assets	MBDT	25,511.1	24,578.5	3.79%
16	Non-interest-earning assets	MBDT	3,877.0	3,437.1	12.80%
17	Return on Equity (i)	(%)	5.92	6.36	-6.87%
18	Net Return to total earning assets	(%)	0.78	0.85	-8.81%
19	Return on total assets (ii)	(%)	0.69	0.74	-6.28%
20	Income from investment in shares and bonds	MBDT	220.83	180.89	22.08%
21	Earnings per share (iii)	BDT	1.06	1.12	-5.35%
22	Net income per share (iv)	BDT	1.06	1.12	-5.35%
23	Price-earnings ratio (v)	Times	10.87	11.98	-9.33%

Sustainable Finance and ESG

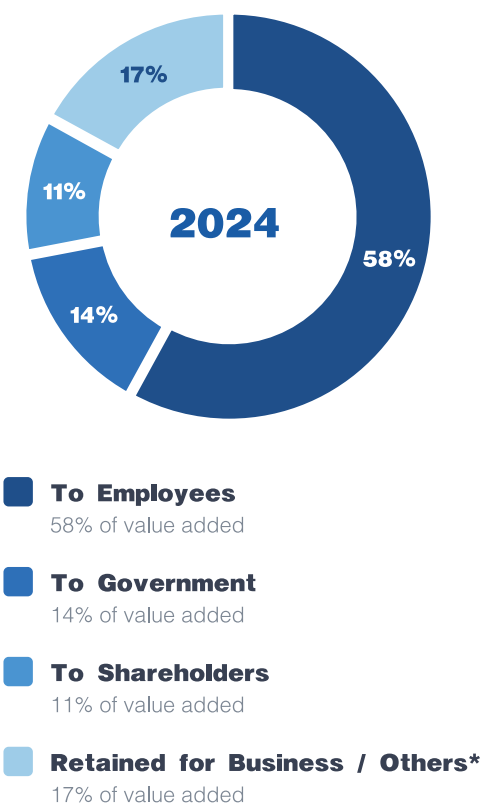
Sustainability remains a core pillar of United Finance PLC's strategic identity. In 2025, 71.10% of total term loan disbursements were allocated to sustainable financing activities, significantly exceeding industry benchmarks. The Company disbursed BDT 11,787 million in sustainable finance, achieving 384% of its annual target. The green finance portfolio stood at BDT 1,207.55 million, supporting renewable energy, energy

efficiency, and sustainable agriculture. The Company disbursed BDT 1,179.21 million to support 150 women entrepreneurs, reinforcing its commitment to inclusive finance and gender equity. United Finance PLC's sustainability framework continues to align with Bangladesh Bank's Green Finance and Sustainable Finance guidelines, as well as evolving global ESG standards.

Value Added Statement 2025



Value Added Statement 2024



Digital Transformation

The United Finance Mobile Application (UMA) was further enhanced in 2025, enabling customers to open Term and Build-Up Deposits, access account details, and manage financial transactions through a secure interface protected by Two-Factor Authentication. An AI-enabled virtual assistant was deployed across digital touchpoints to improve customer engagement

and the efficiency of service delivery. Digital channels now play a critical role in deposit mobilization, customer onboarding, and retail loan processing. The Company plans to deepen its advanced analytics capabilities in 2026 to support data-driven credit decisioning and improve operational efficiency ratios.

Internal Control, Risk Management, and Corporate Governance

The Board, through the Audit Committee and Risk Management Committee, oversees the integrity of the Company's internal control and risk management framework. Key controls include independent internal audit functions with direct access to the Audit Committee and comprehensive credit risk monitoring through early warning systems. Financial statements have been

prepared in accordance with applicable accounting standards and Bangladesh Bank guidelines. United Finance PLC has fully complied with the Corporate Governance Guidelines issued by BSEC. No material regulatory action was taken against the Company during 2025.

Key Operating and Financial Data

Pursuant to the clause 1.5 (xix) of the BSEC Notification No. BSEC/CMRRC/2006-158/207/admin/80 dated 3 June 2018 is presented on page 208, and highlights of the Company's

operations as per the DFIM Circular no. 11 dated 23 December 2009 have also been presented on page 208

Appropriation

The Company's before- and after-tax profit for the year 2025 were BDT 318.36 million and BDT 198.04 million, compared to BDT 348.40 million and BDT 209.23 million, respectively, in

the previous year. The Board recommended an appropriation of the available profit of Tk 188.71 million, as under, which will be placed before the 37th Annual General Meeting for approval:

Particulars	2025 (Taka)
Profit After Tax	198,040,642
Profit Transferred to Statutory Reserve	(39,610,000)
Retained Earnings Brought Forward	20,283,118
Transfer from General Reserve	10,000,000
Available Profit for Appropriation	188,713,761

Dividend

The Board recommended a cash dividend of Taka 1 per ordinary share, amounting to BDT 187.11 million for 187.11 million ordinary shares held on the record date of 19 May 2026, for the year ended 31 December 2025.

Declaration and Certification of Managing Director and Chief Financial Officer

Pursuant to the clause 1.5 (xxvi) of the BSEC Notification No. BSEC/CMRRCD/2006 158/207/admin/80 dated 3 June 2018 is presented on page 321.

Management's Discussion & Analysis

Pursuant to the clause 1.5 (xxv) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/admin/80 dated 3 June 2018 is presented on page 193.

Senior Management

The Senior Management of United Finance PLC remains committed to strengthening the Company's operational resilience, governance standards, and long-term sustainability. Guided by the strategic direction of the Board of Directors, the Management team continues to focus on responsible business growth, regulatory compliance, risk management, and operational excellence.

Through their professional expertise and leadership, the Senior Management team plays a vital role in implementing the Company's strategic objectives and maintaining effective oversight of day-to-day operations. Emphasis is placed on fostering a culture of accountability, ethical conduct, and performance-driven management across the organization.

The Management remains focused on enhancing institutional capability, improving service standards, and aligning business initiatives with the Company's vision, mission, and stakeholder expectations to ensure sustainable value creation and long-term organizational stability.

Shareholding Pattern Diversity

The shareholding structure of United Finance PLC reflects a balanced participation of sponsors, directors, institutional investors, and general shareholders, contributing to the Company's governance strength and long-term strategic stability. Details of the shareholding pattern are presented in Note 13.4 of the Financial Statements on page 371 of this Annual Report.

In addition to a diversified shareholding base, the Company's governance framework is further strengthened through a balanced and diverse composition of the Board of Directors. The Board comprises individuals from varied professional backgrounds, including academia, accounting and finance, business, and corporate leadership, enabling a blend of knowledge, experience, and independent perspectives in the decision-making process.

The Board also reflects diversity in terms of expertise, age, and professional experience, contributing to effective governance, prudent oversight, and strategic guidance aligned with the long-term interests of the Company and its stakeholders. The shareholding pattern of the Company as on 31 December 2025 is disclosed in accordance with the requirements of the Corporate Governance Code, 2018 (BSEC) in Annexure – 1 of this Annual Report on page 305.

Directors

During the year 2025, Bangladesh Bank vide its letter no. DFIM(S)1055/69(06)2025-214 dated 15 January 2025 approved the appointment of Mrs. Mahenoor Sultana Rashid as Director of United Finance PLC for a period of three (03) years upon receipt of her consent to act as Director of the Company.

Further, Bangladesh Securities and Exchange Commission vide letter no. BSEC/ICA/CG/2023/31/Part-1/2/14 dated 30 April 2025 approved the appointments of Professor Dr. Mohammad Omar Farooq and Mr. Md. Jahidur Rahman as Independent Directors of the Company. Subsequently, Bangladesh Bank vide letter no. DFIM(S)1055/69(06)2025-1572 dated 18 May 2025 conveyed its consent regarding their appointments as Independent Directors on the Board of the Company. The appointments of the Independent Directors were thereafter ratified by the shareholders at the 36th Annual General Meeting of United Finance PLC.

Brief Resume of all the Directors

Brief resumes of the Directors, as required under clause 1.5(xxiv) of the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 and Notification No. BSEC/CMRRCD/2009-193/3/Admin/104 dated 05 February 2020, are presented on page 86 of this Annual Report. The resumes include a summary of the Directors' academic qualifications, professional credentials, industry experience, and expertise in relevant functional areas. Details relating to directorships and memberships of Board Committees held by the Directors in other companies are disclosed in Note 43.2 of the Financial Statements on page 380 of this Annual Report.

Retirement and Re-election of the Directors

As per Articles 154, 155, and 156 of the Articles of Association of United Finance PLC, Mr. Najmul Hasan, Mr. Kutubuddin Akhter Rashid, and Mr. Khondaker Zayed Ahsan shall retire by rotation at the 37th Annual General Meeting of the Company and, being eligible, have offered themselves for re-election as Directors of the Company. The Board of Directors has recommended that the matter be placed before the shareholders for consideration and approval at the 37th Annual General Meeting.

Related Party Transactions

Related party transactions involve transfers of resources, services, or obligations between a company and its related parties. A transaction with a related party is presented in note 43.5 of the Financial Statement in this annual report on page 382.

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 in the Board of Directors’ meetings throughout the year. Six (6) Board of Directors meetings were held during the year 2024, and the meeting calendar is depicted below. The details of the Directors’ attendance are presented in Annexure 2 on page 306. The Board of Directors showed their anticipation during the meeting. The details of remuneration for the Directors for attending Board and Board Committee meetings are set out in Annexure – 3 on page 307.

Board Meeting No.	Date of the Board Meeting
230	22 January 2025
231	28 April 2025
232	14 May 2025
233	26 June 2025
234	27 July 2025
235	29 October 2025
236	30 December 2025

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, 2020 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 2025 is presented in note 49 of the Financial Statements in page 383. Besides, the Report of the Audit Committee is presented in this annual report page 281.

Statutory Auditors

A. Qasem & Co., Chartered Accountants, who have served as the Statutory Auditors of United Finance PLC for three consecutive years, shall retire at the forthcoming 37th Annual General Meeting and are ineligible for re-appointment in accordance with the applicable guidelines of Bangladesh Bank and Bangladesh Securities and Exchange Commission. Accordingly, a new Statutory Auditor is required to be appointed by the shareholders for the year 2026 in compliance with the Companies Act, 1994, the Articles of Association of the Company, and other applicable regulatory requirements.

The Board of Directors has recommended the appointment of M. J. Abedin & Co., Chartered Accountants as the Statutory Auditors of the Company subject to approval of Bangladesh Bank.

The matter will be placed before the shareholders for consideration and approval at the 37th Annual General Meeting of the Company.

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 2026.

The Board of Directors recommended the appointment of Al-Muqtadir Associates for the year 2026. 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 2025 is shown in Annexure – 4 of this annual report on page 308. 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 319.

Compliance and Conviction

United Finance PLC remains committed to compliance with applicable laws, regulations, and regulatory guidelines governing its operations. During the year under review, neither the company nor any of its Directors or Senior Management was involved in any loan default.

Strategic Priorities for 2026

As we enter 2026, the Board has defined five clear and disciplined strategic priorities to guide the Company through a period that presents both recovery opportunities and continued structural challenges:

- Asset quality preservation and selective, quality-led credit expansion supported by strengthened underwriting and early warning systems
- Deepening the retail and individual depositor base to strengthen funding stability and reduce concentration risk
- Accelerating digital transformation, advanced analytics for credit decisioning, enhanced digital customer journeys, and scalable technology infrastructure
- Expanding the green and sustainable finance portfolio, aligned with global ESG frameworks and Bangladesh Bank guidelines
- Maintaining strong capital discipline and governance standards, with CAR sustained well above regulatory thresholds

These priorities reflect a balanced approach, one that emphasizes resilience and prudence in the near term while positioning United Finance PLC to capture emerging opportunities as the economic environment stabilizes and the 2026 monetary easing cycle improves funding conditions across the sector.

Outlook for 2026

The outlook for 2026 is cautiously optimistic. Globally, the IMF projects steady growth of approximately 3.3%, with easing inflation creating monetary policy space and AI-led investment continuing to drive corporate capital expenditure. Domestically, headline inflation is forecast to decline toward 7.0%, creating room for Bangladesh Bank to begin a measured monetary easing cycle. This should progressively reduce funding costs across the financial sector and help restore private sector credit demand. Foreign exchange reserves are projected to strengthen further to approximately USD 32 billion, and export momentum is expected to recover gradually as global trade conditions stabilize. For United Finance PLC, we enter 2026 with a clean balance sheet, an AA+ credit rating, a disciplined management team, and an institution whose resilience has been tested and proven through one of the most demanding operating environments in the NBFI sector’s history. The Board is confident in the Company’s ability to translate the improving macroeconomic environment into restored earnings momentum and consistent stakeholder value.

The Board of Directors expresses its deepest gratitude to all shareholders for their continued trust and confidence, to our valued customers and depositors for their steadfast support, and to Bangladesh Bank and BSEC for their constructive regulatory guidance. We acknowledge with deep appreciation the professionalism and dedication of our employees, whose commitment through a genuinely demanding year has been the true foundation of our performance.

For and on behalf of the Board of Directors of United Finance PLC.



Najmul Hasan

Chairman of the Board of Directors

Dhaka, Bangladesh | 2025

Annexure – 1: Shareholding Pattern

Particulars		No. of Shares held	% of total shares
Shares held by:			
(a) Parent, Subsidiary or Associated Companies and other related parties:			
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	2.91%
Mr. Akter Mahmud		5,443,990	2.91%
Mr. Khandaker Moinul Ahsan		5,443,990	2.91%
Mr. Khandaker Zahin Ahsan		5,443,990	2.91%
Sub-total of Local Sponsors		31,112,979	36.47%
(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance, and their spouses and minor children			
Directors, their spouses, and minor children		****	
Chief Executive Officer (CEO)/Managing Director and his spouse and minor children		Nill	
Chief Financial Officer (CFO) and his spouse and minor children		Nill	
Company Secretary (CS) and her spouse and minor children		Nill	
Head of Internal Control and Compliance (HICC)		Nill	
Sub-Total			
(c) Executives (Top five people other than the CEO, CFO, CS, HICC):			
Mr. Mohammed Abul Ahsan	Deputy Managing Director	Nill	
Ms. Sharmi Noor Nahar	Deputy General Manager	Nill	
Mr. Md. Enayet Latif	Deputy General Manager	Nill	
Mr. Zia Ul Alam Chowdhury	Deputy General Manager	Nill	
Mr. Tareq Islam Shuvo	Deputy General Manager	Nill	
Sub-Total			
(d) Shareholders holding 10% or more voting rights :			
United Insurance Company Ltd.		37,116,828	19.84%

Annexure – 2: Meetings Attended by the Directors of United Finance PLC during 2025

Name of Director	Board of Directors Meeting			Executive Committee Meeting			Audit Committee Meeting			Risk Management Committee Meeting		
	Total BOD meet-ings held during the Director's tenure	Meeting Attended	Attendance as % of total meet-ings held	Total EC meet-ings held during the Di-rector's tenure	Meet-ing Attend-ed	Attendance as % of total meetings held	Total AC meet-ings held during the Di-rector's tenure	Meeting Attended	Attendance as % of total meetings held	Total RMC meetings held during the Director's tenure	Meeting Attended	Attendance as % of total meetings held
Mr. Najmul Hasan	7	7	100	10	10	100	-	-	-	4	3	75
Mr. Moinuddin Hasan Rashid	7	7	100	10	4	40	-	-	-	-	-	-
Mrs. Mahenoor Sultana Rashid	7	7	100	-	-	-	6	5	83	-	-	-
Mr. Kutubuddin Akhter Rashid	7	6	86	-	-	-	6	4	67	-	-	-
Mr. Kayes Khalil Khan	7	7	100	10	8	80	-	-	-	4	4	100
Mr. Khondaker Zayed Ahsan	7	7	100	-	-	-	-	-	-	4	4	100
Mr. Ormaan Rafay Nizam	7	5	71	-	-	-	6	3	50	4	3	75
Mr. M. M. Alam	1	1	100	-	-	-	-	-	-	-	-	-
Professor Dr. Mahfuzul Hoque	7	7	100	10	10	100	3	2	67	-	-	-
Professor Dr. Mohammad Omar Farooq	4	4	100	-	-	-	3	3	100	2	2	100
Mr. Md. Jahidur Rahman	4	4	100	-	-	-	3	3	100	-	-	-

Leave of absence was granted in case of non-attendance

Annexure – 3: Remuneration to the Board of Directors’

Directors’ fee includes fees for attending meetings by the non-executive Directors.

Each Director was paid @ Tk. 9,000 per meeting as an attendance fee after deduction of VAT and tax.

Name of Director	Board of Directors Meeting		Executive Committee Meeting		Audit Committee Meeting		Risk Management Committee Meeting		Total Remuneration paid for the year 2025
	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. Najmul Hasan	7	80,500	10	1,15,000	-	-	3	34,500	2,30,000
Mr. Moinuddin Hasan Rashid	7	80,500	4	46,000	-	-	-	-	1,26,500
Mrs. Mahenoor Sultana Rashid	7	80,500	-	-	5	57,500	-	-	138,000
Mr. Kutubuddin Akhter Rashid	6	69,000	-	-	4	46,000	-	-	1,15,000
Mr. Kayes Khalil Khan	7	80,500	8	92,000	-	-	4	46,000	2,18,500
Mr. Khondaker Zayed Ahsan	7	80,500	-	-	-	-	4	46,000	1,26,500
Mr. Ormaan Rafay Nizam	5	57,500	-	-	3	34,500	3	34,500	1,26,500
Mr. M. M. Alam	1	11,500	-	-	-	-	-	-	11,500
Professor Dr. Mahfuzul Hoque	7	80,500	10	1,15,000	2	23,000	-	-	2,18,500
Professor Dr. Moham-mad Omar Farooq	4	46,000	-	-	3	34,500	2	23,000	1,03,500
Mr. Md. Jahidur Rahman	4	46,000	-	-	3	34,500	-	-	80,500
Total Remuneration paid	62	7,13,000	32	3,68,000	20	2,30,000	16	1,84,000	14,95,000

Annexure – 4: Certification on the Compliance with the Corporate Governance Guidelines



efforts umpteenth : বহুবার অসংখ্য

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House # 406, Apartment - 6
Road: 08, Block - D
Bashundhara R/A, Dhaka - 1229
Bangladesh

Phone : 01730 340 340
e-mail: muqtadir@muqtadirbd.com
g-mail: akumuqtadir@gmail.com
VAT Reg: 19041063900
BIN No : 000179575-0202

Report to the Shareholders of United Finance PLC on compliance with the Corporate Governance Code

[As required under code 1(5)(xxvii) of the BSEC Code of Corporate Governance]

We have examined the compliance status to the Corporate Governance Code by **United Finance PLC** for the year ended on 31st December 2025. This code relates to the gazette notification no: BSEC/CMRRCD/2006-158/207/Admin/80 dated the 3rd June 2018 (as amended) of Bangladesh Securities and Exchange Commission (BSEC).

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 Corporate Governance Code. This is a scrutiny and verification and an independent audit on compliance of the conditions of Corporate Governance Code as well as provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of the Corporate Governance Code.

We state that we have obtained all the information and explanations or representations, which we have required, and after due scrutiny and verification thereof, we report that in our opinion and subject to the remarks and observations as reported in the connected Compliance Statement :

- The Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Corporate Governance Code issued by the Commission.
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.
- Proper books and records have been kept by the Company as required under the Companies Act 1994, the securities laws and other relevant laws, and
- The standard of governance in the Company is satisfactory.

This report, however, is no endorsement about quality of contents in the Annual Report of the Company for the year 2025.

Al-Muqtadir Associates
Chartered Secretaries & Consultants



Dhaka, May 23, 2026

A.K.A. Muqtadir FCS
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Annexure- 5: Compliance Report on Corporate Governance Code by BSEC

Compliance Report on CG Code by BSEC

Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
1	Board of Directors'			
1.1	Size of the Board of Directors	√		
1.2	Independent Directors:			
1.2 (a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to be the next integer or whole number for calculating the number of independent director(s);	√		
1.2 (b)	Independent Director means a director-			
1.2 (b)(i)	Who either does not hold any share in the company or holds less than one (1%) share 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 based on 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 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 an 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, advance, or obligation to a Bank or a Financial Institution;	√		
1.2 (b)(x)	Who has not been convicted for a criminal offense 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 the recommendation of the Nomination and Remuneration Committee (NRC) of the company.	√		

Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.2 (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		
1.2 (e)	The tenure of office of an independent director shall be for a period of 3 (three) years and may be extended for one additional term only.	√		
1.3	Qualification of Independent Director (ID):			
1.3 (a)	Independent Director shall be a knowledgeable individual with integrity who can ensure compliance with financial, regulatory, and corporate laws and can make a meaningful contribution to the business.	√		
1.3 (b) (i)	Business Leader who is or was a Promoter or Director of an unlisted company having a minimum paid-up capital of Tk. 100.00 Million or any listed company or a member of any national or international chamber of commerce or registered business association; or	√		
1.3 (b)(ii)	Corporate Leader who is or was a top-level executive not lower than Chief Executive 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 the Government or Statutory or Autonomous or Regulatory body in a position not below 5th Grade of the National Pay Scale, who has at least an educational background of a Bachelor's degree in Economics or Commerce or Business or Law: Provided that, in case of appointment of an Existing Official as an Independent Director, it requires clearance from the organization where he or she is in service; or	√		
1.3 (b)(iv)	University Teacher who has an educational background in Economics, Commerce, Business Studies, or Law;	√		
1.3 (b)(v)	A professional who is or was an advocate practicing at least in the High Court Division of the Bangladesh Supreme Court, or a Chartered Accountant, Cost and Management Accountant, Chartered Financial Analyst, Chartered Certified Accountant, Certified Public Accountant, Chartered Management Accountant, or Chartered Secretary, or equivalent qualification.	√		
1.3 (c)	The independent director must have at least 10 (ten) years of experience in any field mentioned in clause (b);	√		
1.3 (d)	In special cases, the above qualifications may be relaxed, subject to the Commission's prior approval.			N/A
1.4	Duality of Chairperson of the Board and Managing Director /Chief Executive Officer:			
1.4 (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1.4 (b)	The Managing Director (MD) and/or Chief Executive 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 company's non-executive directors.	√		
1.4 (d)	The Board shall clearly define the respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		Defined statements to be presented

Condition No	Title	Compliance Status		Remarks
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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 for the absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1.5	The Directors' Report to Shareholders: 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 the 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 the amount, nature of related party, nature of transactions, and basis of transactions of all related party transactions;	√		
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 of the financial results if the financial results deteriorate after the company goes for an Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offering, Direct Listing, etc.			N/A
1.5 (ix)	If a significant variance occurs between the Quarterly Financial Performance and the Annual Financial Statements, management shall explain the variance in the 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 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 therefrom 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 the reasons thereof, shall be disclosed.	√		
1.5 (xviii)	An explanation that significant deviations from the issuer company's operating results of the last year shall be highlighted, and the reasons thereof shall be explained.	√		
1.5 (xix)	A statement where key operating and financial data of at least the preceding 5 (five) years shall be summarized;	√		

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1.5 (xx)	An explanation of the reasons if the issuer company has not declared a 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 an 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 of the following information to the shareholders:-	√		
1.5 (xxiv)(a)	A brief resume of the director;	√		
1.5 (xxiv)(b)	Nature of his/her expertise in specific functional areas;	√		
1.5 (xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1.5 (xxv)	A Management's Discussion and Analysis signed by the CEO or MD, presenting a 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 the 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 figures 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 the current financial year with the 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 the risk and concerns mitigation plan of the company;	√		
1.5 (xxv)(g)	Plan, projection, or forecast for the 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 the certificate regarding compliance with the 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 the inclusion of confidential business strategy or technical specifications related to products or services.	√		

Condition No	Title	Compliance Status		Remarks
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1.6	Meeting of the Board of Directors Conducting Board meetings and recording the minutes of the meetings and keeping required books and records in line with Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB), insofar as those standards are not inconsistent with any condition of this Code.;	√		N/A
1.7	Code of Conduct for the Chairperson, other Board members, and Chief Executive			
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 the 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 independence.	√		
2	Governance of the Board of Directors of Subsidiary Company			
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
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have also reviewed the affairs of the subsidiary company.			N/A
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the subsidiary company's investments.			N/A
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC), and Company Secretary (CS)			
3.1	Appointment			
3.1 (a)	The Board shall appoint an 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 the 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 the 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 the appointing companies proportionately;	√		
3.1 (d)	The Board shall clearly define the 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).	√		

Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
3.2	Requirement to attend Board of Directors' Meetings: The MD/CEO, CS, CFO, and HIAC of the company shall attend the meetings of the Board	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)	√		
3.2 (a)	Reviewed the Financial Statements and certified to the Board by the MD & CFO	√		
3.2 (a)	Reviewed the truthfulness of the Financial Statements by the MD, CEO, and CFO			
3.2 (a) (ii)	Reviewed compliance with the accounting standard by the MD & CFO	√		
3.2 (b)	Reviewed the absence of fraudulent or illegal transactions or violations of the Company's Code of Conduct	√		
3.2 (c)	Certification of the Financial Statement by the MD/CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee The Board shall have at least the following sub-committees:			
4 (i)	Audit Committee (AC)	√		
4 (ii)	Nomination and Remuneration Committee (NRC)	Financial Institutions are permitted to form only three sub-Committees of the Board, namely the 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 the formation of the NRC.		
5	Audit Committee			
5.1	Responsibility to the Board of Directors			
5.1 (a)	The company shall have an Audit Committee, which shall be 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 a true and fair view of the company's state of affairs and in ensuring effective monitoring 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 outlined 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 an 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 the expiration of the term of service, thus making the number of Committee members 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;	√		

Condition No	Title	Compliance Status		Remarks
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5.2 (e)	The company secretary shall act as the Committee's secretary.	√		
5.2 (f)	The quorum of the Audit Committee meeting shall not be constituted 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 for the absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5.3 (c)	The Chairman of the audit committee shall remain present at the Annual General Meeting (AGM).	√		
	Provided that in the absence of the Chairperson of the Audit Committee, any other member of the Audit Committee shall be selected to be present in the annual general meeting (AGM), and the reason for the 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 four meetings in a financial year:	√		
	Provided that any emergency meeting, in addition to a regular meeting, may be convened at the request of any one of the members of the Committee;			
5.4 (b)	The quorum for the Audit Committee meeting shall be constituted by the presence of either two members or two-thirds of the members of the Audit Committee, whichever is higher, and the presence of an independent director is mandatory.	√		
5.5	Role of the Audit Committee			
5.5 (a)	Oversee the financial reporting process	√		
5.5 (b)	Monitor the choice of accounting policies and principles	√		
5.5 (c)	Monitor the Internal Control Risk management process	√		
5.5 (d)	Oversee hiring and performance of external auditors	√		
5.5 (e)	Hold a meeting with the external or statutory auditors for review of the annual financial statements before submitting them 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 the internal audit function	√		
5.5 (i)	Review the Management's Discussion and Analysis before disclosing in this Annual Report ;	√		
5.5 (j)	Review the 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.	√		

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5.5 (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO), or Rights Share Offer have been utilized as per the purposes stated in the relevant offer document or prospectus approved by the Commission: 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.), every quarter, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for 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.	√		
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 interest;			No such event found
5.6 (a)(ii)(b)	Suspected or presumed fraud, 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 that shall be disclosed to the Board of Directors immediately.			
5.6 (b)	Reporting to the Authorities – Report to the Board of Directors about anything that has a 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)	√		
6	Nomination and Remuneration Committee (NRC)	Financial Institutions are permitted to form only three sub-committees of the 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 the formation of the NRC. However, Bangladesh Bank has further advised, through DFIM Circular Letter no. 18 dated 21 May 2024, that the Audit Committee shall undertake NRC-related activities.		
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 formulating the nomination criteria or policy for determining the qualifications, positive attributes, experience, and independence of directors and top-level executives, as well as a policy for the formal process of considering the remuneration of directors and top-level executives.			
6.1 (c)	ToR of the NRC shall be clearly outlined 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 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 the 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 the occurrence of such vacancy in the Committee.			

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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 an advisor who shall be a non-voting member, if the Chairperson feels that advice or suggestions 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 be constituted without the attendance of at least one 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.			
6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that meeting; the reason for the regular Chairperson's absence shall be duly recorded in the minutes.			
6.3 (c)	The Chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer shareholders' queries.			
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 the presence of either two members or two-thirds of the members of the Committee, whichever is higher, where the presence of an independent director is required as required under condition No. 6(2)(h)			
6.4 (d)	The proceedings of each meeting of the NRC shall be duly 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, responsible, & 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 recommending 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 are 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 and top-level executives 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 the 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 to top-level executive positions in accordance with the criteria laid down, and recommending their appointment and removal to the Board			
6.5 (b)(iv)	Formulating the criteria for the evaluation of the performance of independent directors and the Board			
6.5 (b)(v)	Identifying the company's needs for employees at different levels and determining their selection, transfer, 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, at a glance in its annual report, the nomination and remuneration policy, the evaluation criteria, and the NRC's activities during the year.			

Condition No	Title	Compliance Status		Remarks
		Complied	Not Complied	
7	External or Statutory Auditors	√		
7.1	The issuer Company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7.1 (i)	Appraisal or valuation services or fairness opinions	√		
7.1 (ii)	Financial information systems design and implementation	√		
7.1 (iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7.1 (iv)	Broker-dealer services	√		
7.1 (v)	Actuarial services	√		
7.1 (vi)	Internal audit services or special audit services;	√		
7.1 (vii)	Any service that the Audit Committee determines	√		
7.1 (viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7.1 (ix)	Any other service that creates a conflict of interest	√		
7.2	No partner or employee 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: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law, and daughter-in-law shall be considered as family members.	√		
7.3	Representatives 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.	√		
8	Maintaining the website by the Company			
8.1	The company shall have an official website linked to the stock exchange website.	√		
8.2	The company shall keep the website functional from the date of listing.	√		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant, Cost and Management Accountant, or Chartered Secretary) other than its statutory auditors or audit firm every year regarding compliance with the conditions of the Corporate Governance Code of the Commission, and such certificate shall be disclosed in this Annual Report.	√		
9.2	The professional who will issue the certificate of compliance with this Corporate Governance Code shall be appointed by the shareholders at 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.	√		

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	Responsibilities and authorities of the Board of Directors: The Board of Directors should focus mainly on the policy matters and evaluation of the performance of the institution, such as:	
	a) Work-planning and strategic management:	
	(i) The Board shall determine the Vision/ Mission of the institute. To enhance operational efficiency and ensure business growth, they shall develop strategies and work plans annually.	Complied
	(ii) The Board shall have its analytical review incorporated in the Annual report concerning 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 a half-yearly basis.	Complied
	b) Formation of sub-committee:	
	The Executive Committee may be formed in combination with the Company's directors to settle emergency matters rapidly (approval of loan/lease applications, write-offs, rescheduling, etc.) arising from regular business activities. Except for the Executive Committee, Audit Committee, and Risk Management Committee, no other committee or sub-committee can be formed, even temporarily.	Complied
	(c) Financial management:	
	i) Annual budget and statutory financial statements shall be adopted finally with the approval of the Board.	Complied
	(ii) The Board shall review and examine on a 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 and legal affairs, including actions taken to recover overdue loan/lease.	Complied
	(iii) The Board shall approve the Company's policy on procurement and collection and shall also approve the expenditure according to policy. The Board shall, to the maximum extent, delegate authority to the Managing Director and other top executives to approve expenditure within budget. (iv) The Board shall adopt the process of operations 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. The Board shall delegate the authority for loans/leases/investments specifically to management, preferably to the Managing Director and other top executives.	Complied
	(ii) No director shall interfere in the approval of a 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:	
	The Risk Management Guideline, framed in light of the Core Risk Management Guideline, shall be approved and reviewed regularly by the Board.	Complied

SL	Particulars	Status
	(f) Internal control and compliance management:	
	An Audit Committee, as approved by the Board, shall be formed. The Board shall evaluate the Audit Committee's reports on compliance with the recommendations of internal auditors, external auditors, and the Bangladesh Bank Inspection team.	Complied
	(g) Human resource management:	
	The Board shall approve the policy on Human Resources Management and Service Rule. The Chairman and directors of the Board shall not interfere with the administrative job in line with the approved Service Rule. Only the authority to appoint and promote the Managing Director/Deputy Managing Director/ General Manager and other equivalent positions 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:	
	The Board shall appoint a competent CEO for the institution with the prior approval of the Bangladesh Bank and shall approve the proposal for an increment of his salary and allowances.	Complied
	(i) Benefits offered to the Chairman:	
	For the benefit of the business, the Chairman may be offered an office, a personal secretary, an office telephone, and a vehicle, subject to the Board's approval.	Complied
2	Responsibilities of the Chairman of the Board of Directors:	
	(a) Chairman shall not participate in or interfere with 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 on the proposal for the appointment of the Managing Director and the increment of his salaries & allowances.	Complied
3	Responsibilities of Managing Director:	
	(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 the achievement of financial and other business targets by means of a business plan, efficient implementation of administration, and financial management.	Complied
	(b) For day-to-day operations, the Managing Director shall ensure compliance with the rules and regulations 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 in the Managing Director. He shall act in accordance with the approved HR Policy of the institution;	Complied
	(d) The Managing Director may reschedule job responsibilities of employees.	Complied
	(e) Except for the DMD, GM, and equivalent positions, power to transfer and to take disciplinary action shall be vested in the Managing Director.	Complied
	(f) Managing Director shall sign all the letters/statements relating to compliance with 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, 2025

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, 2025, have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. In this regard, we also certify that:
 - i. We have reviewed the financial statements for the year ended on December 31, 2025, and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
 - ii. There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Lingkon Mondal, FCA

Chief Financial Officer (CFO)
Date: April 24, 2025



Mohammed Abul Ahsan

Managing Director (Acting)
Date: April 24, 2026

From the Desk of the Chief Financial Officer

The financial year 2025 unfolded in a challenging macroeconomic environment, characterized by persistent inflationary pressures, liquidity constraints, and evolving credit conditions across the financial sector. Within this context, United Finance PLC remained focused on disciplined execution, prudent risk management, and the preservation of the strength and stability of its balance sheet.

During the year, the Company reported a net profit after tax of BDT 198.04 million, compared with BDT 209.23 million in 2024, while earnings per share (EPS) stood at BDT 1.06, down from BDT 1.12 in the previous year. While profitability remained broadly stable, the Company continued to strengthen its financial position, with total assets increasing to BDT 29,388.07 million and the lease, loans, and advances portfolio expanding to BDT 20,688.83 million. This steady balance sheet growth reflects a disciplined and well-calibrated approach to navigating a dynamic operating environment.

The year's performance was driven by a combination of external dynamics and proactive management actions. Although operating income was impacted by moderate portfolio growth and funding-related constraints, the Company maintained strong cost discipline and enhanced operational efficiency. A notable reduction in incremental provisioning requirements supported overall profitability. These outcomes demonstrate the effectiveness of our prudent risk management framework and our ability to respond strategically to evolving market conditions while preserving financial resilience.

From a strategic perspective, the Company adopted a structured, forward-looking approach to managing both assets and liabilities. On the funding side, emphasis was placed on improving the stability of the funding mix through a gradual shift toward longer-tenor sources and stronger institutional relationships. Pricing strategies were adjusted in line with the regulatory framework to protect margins while maintaining competitiveness. At the same time, selective allocation to government securities provided additional stability in income and liquidity during a period of softer private sector credit demand.

On the asset side, the Company maintained a measured growth strategy, prioritizing quality over rapid expansion. Lending decisions were guided by strengthened underwriting standards and a disciplined assessment of sectoral risks. Enhanced monitoring and early-warning mechanisms enabled timely risk identification and mitigation, contributing to the portfolio's continued stability and reinforcing the Company's long-term growth foundation.

Operational efficiency remained a key focus throughout the year. Through targeted cost-optimization initiatives, process improvements, and increased automation, the Company maintained a controlled cost structure while continuing to invest in core business areas. These efforts reflect our commitment to building a more efficient and scalable operating model.

The Company also continued to advance its digital capabilities as part of its long-term strategic transformation. Enhancements to digital platforms improved customer accessibility, service delivery, and operational responsiveness, while automation initiatives enhanced internal efficiency. These developments are aligned with our objective of building a more agile, technology-enabled financial institution.

Sustainability and responsible financing remained integral to our business approach. The Company continued to expand its engagement in environmentally and socially responsible financing activities, supporting sectors such as renewable energy, energy efficiency, and inclusive finance. This reflects our commitment to aligning business growth with broader economic and social priorities.

From a liquidity and funding standpoint, the operating environment remained competitive. Despite this, the Company maintained a prudent approach to liquidity management, ensuring adequate buffers and maintaining compliance with all regulatory requirements. Capital adequacy remained robust, providing a solid foundation for future growth.

The Company also continued to uphold high standards of financial reporting and governance. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in Bangladesh, as well as the requirements of the Finance Company Act, 2023, the Companies Act, 1994, and relevant guidelines issued by Bangladesh Bank and other regulatory authorities. Transparency, accuracy, and accountability remain central to our reporting practices. During the year, the Company's credit rating was upgraded to AA+, reflecting the strength of its financial fundamentals, prudent risk management practices, and continued commitment to sound governance.

Looking ahead to 2026, we remain cautiously optimistic. Improving macroeconomic indicators, potential easing of monetary conditions, and strengthening investor confidence are expected to gradually create a more supportive operating environment. In this context, our strategic priorities remain focused on maintaining asset quality, strengthening the funding base, enhancing operational efficiency, expanding digital capabilities, and pursuing selective growth opportunities aligned with our risk appetite.

I would like to express my sincere appreciation to our valued customers, shareholders, regulators, and business partners for their continued trust and support. I also extend my gratitude to our employees for their dedication and professionalism throughout the year. Their commitment remains central to the Company's continued progress.

With a strong foundation, a disciplined approach, and a clear strategic direction, United Finance PLC remains well-positioned to navigate the evolving landscape and deliver sustainable value for its stakeholders.

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Independent Auditors’ 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 2025 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, accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2025 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and Rules and Regulations issued by Bangladesh Bank as explained in Note 2 to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Bangladesh. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

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

Description of key audit matters	Our response to key audit matters
Measurement of provision for lease, loans and advances	
With reference to Note 12.5 to the Financial Statements, the process for calculating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex. The Company calculates provision for loans, advances and leases 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 DFIM Circular No 37 dated 04 December 2024.	We tested the design and operating effectiveness of key controls focusing on the following: - Credit appraisal, loan disbursement procedures, monitoring and provisioning process; - Identification of loss events, including early warning and default warning indicators; - Review of quarterly Classification of Loans (CL);

Description of key audit matters	Our response to key audit matters
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 3.87 million as of 31 December 2025 to comply with the circular. 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. As policy support is extended to individual borrowers on a case-to-case basis, each borrower and respective facility should be separately assessed and justified during the audit about loan classification and provisioning requirements. 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. At the year-end of 2025, the Company reported total gross lease, loans and advances of BDT 20,688.83 million (2024: BDT 19,463.36 million) whereas at the year end of 2025 the Company reported total provision for lease, loans and advances of BDT 836.32 million (2024: BDT 753.67 million).	Our substantive procedures in relation to the provision for lease, loans and advances portfolio comprised the following: - Reviewed the adequacy of the general and specific provisions and loan classification disclosures in the financial statements in line with related Bangladesh Bank guidelines; - Tested the inputs in computation of provision in terms of testing the accuracy of underlying information; - Assessed the methodologies on which the provision amounts based (value of eligible securities, interest suspense), recalculated the provisions for lease, loans and advances; - We checked the no. of instalments outstanding and compliance with DFIM Circular Letter No. 10 dated 04 September 2022 and subsequent amendments; - Obtained Bangladesh Bank Inspection report on FICL audit for the year ended 2025 and checked either the directions or recommendations thereon, have been addressed by the management or not; - In addition, we reviewed individual policy support letters issued by Bangladesh Bank relating to affected borrowers, which specifically outline the classification and provisioning requirements of rescheduled loans under policy support arrangements. We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.
See note no 12.5 to the financial statements	
Adequacy of income tax provision	
At the year end of 2025, the Company reported a provision for income tax of BDT 2,437.37 million (2024: BDT 2,313.70 million). The Company is involved in ongoing tax disputes with the tax authorities at various levels, including the Deputy Commissioner of Taxes (DCT), Appellate Tribunal and the High Court. Significant judgment is required in assessing the adequacy of provisions against these unsettled tax matters, particularly in estimating potential liabilities arising from ongoing assessments and appeals. There is a risk that additional provisions may be required in the event of unfavorable outcomes. Considering the materiality of the balance and the level of judgment involved, we have identified this as a Key Audit Matter.	- We obtained an understanding, evaluated the design and tested the operating effectiveness of key controls over the recognition and measurement of income tax provisions; - We assessed the assumptions used by management in determining taxable income, including identification of allowable and disallowable items; - We evaluated the completeness and accuracy of data used in preparing year-wise tax position summaries for pending assessments and appeals; - We reviewed assessment and appeal orders issued by relevant tax authorities; and - We assessed the adequacy of the income tax provision in light of the status and outcomes of ongoing tax disputes.
See note no 12.7 to the financial statements	

Description of key audit matters	Our response to key audit matters
Recognition of interest income on lease, loans and advances	
Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income have involved complex IT environments. We identify recognition of interest income from loans, advances and leases 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.	We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans, advances/investments focusing on the following. • We performed test of operating effectiveness on automated control in place to measure and recognize interest income; • We have also performed substantive procedure to check whether interest income is recognized completely and accurately; • Reviewing transfer of interests to the income account in line with the Bangladesh Bank's guidelines; • We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines. We performed procedures to ensure that the revenue recognition criteria adopted by the Company is appropriate and in line with the Company's accounting policies.
See note no 21 to the financial statements	
IT systems and controls	
Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. 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.	In addressing this key audit matter, we obtained an understanding of the organization's IT environment, including relevant systems, applications, and related IT control processes supporting financial reporting. With the involvement of our IT audit specialists, we evaluated the design, implementation, and operating effectiveness of key IT general controls over user access management, IT operation, and program changes to the IT environment. Our procedures included testing controls over the granting, modification, and removal of user access rights to determine whether access to key systems was appropriately restricted and aligned with job responsibilities. We also assessed controls over privileged access, including developer and administrator access, to evaluate whether such access was appropriately authorized, monitored, and segregated from incompatible responsibilities. In addition, we tested change management controls over developments and changes made to relevant IT systems, including the review, approval, testing, and migration of program changes into production environments. Where automated controls and IT-dependent manual controls were relevant to our audit, we assessed whether the supporting IT general controls operated effectively throughout the period. Based on the procedures performed, we determined that the IT systems and controls relevant to our audit were operating effectively in all material respects for the purposes of our audit.

Other information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

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

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii. in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- iii. the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- iv. the expenditures incurred were for the purpose of the Company's business for the year;
- v. the financial statements of the Company have been drawn up in conformity with The Finance Company Act, 2023 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- vi. adequate provisions have been made for lease, loans & advances, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- vii. the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- viii. the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- ix. statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- x. taxes and other duties were collected to be and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;
- xi. nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- xii. proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- xiii. based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- xiv. the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;
- xv. we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 3,000 person hours for the audit of the books and accounts of the Company;
- xvi. the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- xvii. all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report financial.

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



ATM Shamim Reza FCA
Partner
Enrolment No.:1766
DVC: 2604281766AS804436
Dhaka, Bangladesh.
Dated: 28 April 2026

UNITED FINANCE PLC.

Balance Sheet

As at 31 December 2025

	Notes	Amount in BDT	
		2025	2024
PROPERTY AND ASSETS			
Cash	3		
In hand		1,539,500	1,539,500
Balance with Bangladesh Bank and its agent bank(s)		213,999,896	207,450,205
		215,539,396	208,989,705
Balance with banks and other financial institutions	4		
In Bangladesh		3,352,733,527	3,623,698,376
Outside Bangladesh		-	-
		3,352,733,527	3,623,698,376
Money at call and short notice	5	-	-
Investments	6		
Government		745,372,650	722,545,075
Others		1,419,056,389	1,206,556,389
		2,164,429,039	1,929,101,463
Lease, loans and advances	7		
Lease receivable		5,972,005,090	6,707,197,027
Loans, cash credits, overdrafts, etc.		14,716,819,923	12,756,160,954
		20,688,825,013	19,463,357,980
Fixed assets including land, building, furniture and fixtures	8	353,306,948	329,228,986
Other assets	9	2,613,233,308	2,461,191,893
Non - financial institutional assets		-	-
Total assets		29,388,067,231	28,015,568,405
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from banks, other financial institutions and agents	10	8,138,160,379	8,058,935,799
Deposits and other accounts	11		
Current deposits & other accounts etc.		-	-
Bills payable		-	-
Savings bank deposits		-	-
Term deposits		12,073,068,942	11,367,864,815
Bearer certificates of deposit		-	-
Other deposits		1,114,447,249	839,967,237
		13,187,516,191	12,207,832,052
Other liabilities	12	4,713,270,761	4,410,606,682
Total liabilities		26,038,947,331	24,677,374,533
Capital/shareholders' equity			
Paid - up capital	13	1,871,146,140	1,871,146,140
Share premium	14	3,750,000	3,750,000
Statutory reserve	15	1,105,510,000	1,065,900,000
General reserve	16	190,000,000	190,000,000
Retained earnings	17	178,713,761	207,397,732
Total shareholders' equity		3,349,119,901	3,338,193,872
Total liabilities and shareholders' equity		29,388,067,231	28,015,568,405
Net asset value per share (NAV)	18	17.90	17.84
Restatement of NAV:			
Net asset		3,349,119,901	3,338,193,872
Number of outstanding shares (current year's)		187,114,614	187,114,614
NAV per share		17.90	17.84

UNITED FINANCE PLC.

Balance Sheet

As at 31 December 2025

OFF-BALANCE SHEET ITEMS

Contingent liabilities

- Acceptances and endorsements
- Letters of guarantee
- Irrevocable letters of credit
- Bills for collection
- Other contingent liabilities

Other commitments

- Documentary credits and short term trade -related transactions
- Forward assets purchased and forward deposits placed
- Undrawn note issuance and revolving underwriting facilities
- Undrawn formal standby facilities, credit lines and other commitments

Total Off-Balance Sheet items including contingent liabilities

Notes	Amount in BDT	
	2025	2024
19		
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-

The annexed notes 1 to 50 form an integral part of these financial statements.


Mohammed Abul Ahsan
Managing Director (Acting)


Khondaker Zayed Ahsan
Director


Mahenoor Sultana Rashid
Director


Najmul Hasan
Chairman

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


ATM Shamim Reza FCA
Partner
Enrolment No.:1766
DVC: 2604281766AS804436

Dhaka, Bangladesh.
Dated: 28 April 2026

UNITED FINANCE PLC.

Profit and Loss Account

For the year ended 31 December 2025

Notes	Amount in BDT	
	2025	2024
OPERATING INCOME		
Interest income	21 2,533,345,474	2,650,472,860
Interest paid on deposits, borrowings, etc.	22 (1,626,292,409)	(1,598,694,243)
Net interest income	907,053,065	1,051,778,617
Investment income	23 220,825,500	180,889,177
Commission, exchange and brokerage	-	-
Other operating income	24 84,018,943	116,441,526
Total operating income (A)	1,211,897,508	1,349,109,320
OPERATING EXPENSES		
Salaries and allowances	25 523,635,847	586,265,376
Rent, taxes, insurance, electricity etc.	26 18,534,496	17,974,189
Legal expenses	27 27,401,132	24,814,770
Postage, stamp, telecommunication etc.	28 13,283,098	16,916,397
Stationery, printing, advertisements etc.	29 6,240,713	4,942,464
Managing Director's salary and benefits	30 8,200,000	9,200,000
Directors' fees	31 1,495,000	348,334
Auditors' fees	32 920,000	862,500
Charges on loan losses	-	-
Depreciation and repair of assets	33 109,619,652	100,724,003
Other expenses	34 51,357,372	41,577,651
Total operating expenses (B)	760,687,308	803,625,685
Profit before provision C=(A-B)	451,210,200	545,483,634
Provision for lease, loans and advances	35 108,252,344	172,085,342
Provision for diminution in value of investments	-	-
Other provision	24,602,139	25,000,000
Total provision (D)	132,854,483	197,085,342
Operating profit before taxes E=(C-D)	318,355,717	348,398,292
PROVISION FOR TAXATION		
Current Tax	36 123,673,633	148,049,819
Deferred Tax	36 (3,358,559)	(8,877,041)
Total provision for taxation (F)	120,315,074	139,172,778
Net profit after taxation (E-F)	198,040,642	209,225,514
Appropriations		
Statutory reserve	15 39,610,000	41,850,000
General reserve	16 -	-
Dividends, etc.	-	-
	39,610,000	41,850,000
Retained surplus	158,430,642	167,375,514
Earnings per share (EPS)	1.06	1.12

The annexed notes 1 to 50 form an integral part of these financial statements.



Mohammed Abul Ahsan
Managing Director (Acting)



Khondaker Zayed Ahsan
Director



Mahenoora Sultana Rashid
Director



Najmul Hasan
Chairman

A. Qasem & Co.

Chartered Accountants
FRC Enlistment No: CAF-001-129



ATM Shamim Reza FCA

Partner
Enrolment No.:1766
DVC: 2604281766AS804436

Dhaka, Bangladesh.
Dated: 28 April 2026

UNITED FINANCE PLC.

Cash Flow Statement

For the year ended 31 December 2025

	Notes	Amount in BDT	
		2025	2024
A) Cash flows from operating activities			
Interest receipts		2,522,665,579	2,493,192,223
Interest payments		(1,551,587,696)	(1,608,655,730)
Dividend receipts		139,002,560	135,449,219
Amount realised from written off clients	7.8 (xi) d	56,910,352	32,034,750
Payments to employees		(563,879,279)	(563,421,944)
Payments to suppliers		(420,042,018)	(426,836,242)
Income taxes paid	9.4	(158,302,486)	(128,147,358)
Receipts from other operating activities	38	91,866,300	140,767,317
Payments for other operating activities	39	(92,358,630)	(61,490,338)
Cash generated from operating activities before changes in operating assets and liabilities		24,274,682	12,891,897
Increase/(decrease) in operating assets and liabilities			
Lease, loans and advances		(1,151,815,660)	1,132,415,951
Other assets		17,265,178	18,354,026
Right-of-use assets		(7,872,536)	(1,632,323)
Term and other deposits		979,684,139	(2,038,249,668)
Accrued expenses and payables		(37,139,682)	(61,495,420)
Short term loan		396,924,136	1,443,089,376
Interest suspense		46,292,168	70,453,548
Provision for gratuity		4,226,328	6,270,972
Other liabilities		252,714,662	216,709,486
		500,278,733	785,915,948
Net cash flows from operating activities		524,553,414	798,807,845
B) Cash flows from investing activities			
Investment in shares		(550,000,000)	(1,420,050)
Investment in Government Securities		(1,504,927,575)	(1,694,920,475)
Redemption of Government Securities		1,482,100,000	972,375,400
Redemption/sale of shares		337,500,000	306,420,050
Redemption of commercial Bond		-	30,000,000
Purchase of fixed assets		(52,973,754)	(27,490,467)
Proceeds from sale of fixed assets		3,491,975	3,936,784
Net cash flows from investing activities		(284,809,355)	(411,098,757)
C) Cash flows from financing activities			
Receipts of long term loan		2,399,054,422	3,175,118,542
Repayments of long term loan		(2,716,753,979)	(3,740,523,789)
Dividend paid		(186,459,661)	(113,067,482)
Net cash flows from financing activities		(504,159,218)	(678,472,729)
D) Net increase/(decrease) in cash and cash equivalents (A+ B + C)		(264,415,159)	(290,763,640)
E) Effects of exchange rate changes on cash and cash equivalents		-	-
F) Cash and cash equivalents at beginning of the year		3,832,688,082	4,123,451,722
G) Cash and cash equivalents at end of the year (D+E+F)		3,568,272,923	3,832,688,082
Cash and cash equivalents at end of the year			
Cash in hand		1,539,500	1,539,500
Balance with Bangladesh Bank and its agent bank(s)		213,999,896	207,450,205
Balance with banks and other financial institutions		3,352,733,527	3,623,698,376
Money at call and short notice		-	-
		3,568,272,923	3,832,688,082
Net operating cash flows per share		2.80	4.27

The annexed notes 1 to 50 form an integral part of these financial statements.



Mohammed Abul Ahsan
Managing Director (Acting)



Khondaker Zayed Ahsan
Director



Mahenoor Sultana Rashid
Director



Najmul Hasan
Chairman

UNITED FINANCE PLC.

Statement of Changes in Equity

For the year ended 31 December 2025

Amount in BDT

Particulars	Paid-up Capital	Share Premium	Statutory Reserve	General Reserve	Retained Earnings	Total
Balance as at 01 January, 2024	1,871,146,140	3,750,000	1,024,050,000	190,000,000	152,290,986	3,241,237,126
Cash dividend paid for the year 2023	-	-	-	-	(112,268,768)	(112,268,768)
Issuance of bonus share for the year 2023	-	-	-	-	-	-
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)	-
Balance as at 31 December, 2024	1,871,146,140	3,750,000	1,065,900,000	190,000,000	207,397,732	3,338,193,872
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 2024	-	-	-	-	-	-
Cash dividend for the year 2024	-	-	-	-	(187,114,614)	(187,114,614)
Net profit after tax for the year 2025	-	-	-	-	198,040,642	198,040,642
Movement of general reserve	-	-	-	-	-	-
Appropriation made during the year	-	-	39,610,000	-	(39,610,000)	-
Balance as at 31 December, 2025	1,871,146,140	3,750,000	1,105,510,000	190,000,000	178,713,761	3,349,119,901

The annexed notes 1 to 50 form an integral part of these financial statements



Mohammed Abul Ahsan
Managing Director (Acting)



Khondaker Zayed Ahsan
Director



Mahenoor Sultana Rashid
Director



Najmul Hasan
Chairman

Dhaka, Bangladesh.
Dated: 28 April 2026

UNITED FINANCE PLC.

Liquidity Statement

As at 31 December 2025

(Analysis of maturity of assets and liabilities)

Amount in BDT

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Assets:						
Cash in hand	1,539,500	-	-	-	-	1,539,500
Balance with Bangladesh Bank and its agent bank(s)	22,330,079	-	-	-	191,669,817	213,999,896
Balance with banks and other financial institutions	1,382,643,527	885,500,000	1,084,590,000	-	-	3,352,733,527
Investments	93,794,019	152,261,270	688,455,500	855,000,000	374,918,250	2,164,429,039
Lease, loans and advances	883,030,151	1,616,683,078	6,748,272,912	8,387,631,331	3,053,207,540	20,688,825,013
Fixed assets including land, building, furniture and fixtures	2,491,665	4,983,330	19,874,833	68,011,534	257,945,586	353,306,948
Other assets	-	-	-	-	2,613,233,308	2,613,233,308
Total assets (A):	2,385,828,941	2,659,427,678	8,541,193,245	9,310,642,865	6,490,974,501	29,388,067,231
Liabilities:						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	1,255,161,794	343,593,452	4,069,580,239	2,469,824,894	-	8,138,160,379
Term deposits	695,388,451	1,714,269,760	2,606,852,853	6,145,652,579	910,905,298	12,073,068,942
Other deposits	50,294,101	92,042,534	385,501,821	469,594,174	117,014,620	1,114,447,249
Other liabilities	85,341,690	188,621,200	448,219,195	271,883,089	3,719,205,587	4,713,270,761
Total liabilities (B):	2,086,186,036	2,338,526,945	7,510,154,108	9,356,954,735	4,747,125,506	26,038,947,331
Net liquidity gap (A - B):	299,642,905	320,900,733	1,031,039,137	(46,311,870)	1,743,848,996	3,349,119,901

The annexed notes 1 to 50 form an integral part of these financial statements.



Mohammed Abul Ahsan
Managing Director (Acting)



Khondaker Zayed Ahsan
Director



Mahenoor Sultana Rashid
Director



Najmul Hasan
Chairman

UNITED FINANCE PLC.
Notes to the financial statements
As at and for the year ended 31 December 2025

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 15 years.

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

2.1 Statement of compliance

The Financial Reporting Council (FRC) was established under the Financial Reporting Act, 2015 (FRA). The FRC has adopted International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), which are applicable to public interest entities in Bangladesh.

Accordingly, the financial statements of United Finance PLC have been prepared in accordance with International Financial Reporting Standards (IFRSs), the requirements of the Finance Company Act, 2023, the rules and regulations issued by Bangladesh Bank, the Companies Act, 1994 and its subsequent amendments, the Securities and Exchange Rules, 2020, the Dhaka Stock Exchange (Listing) Regulations, 2015, and other applicable laws and regulations.

Where any requirement of the Finance Company Act, 2023, or any circular, rules and regulation issued by Bangladesh Bank differs from the requirements of IFRSs, the provisions of the Finance Company Act, 2023 and the directives of Bangladesh Bank shall prevail. Any such departures, where applicable, have been disclosed in Note 2.2 to these financial statements.

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 the requirements of IFRS 9, classification and measurement of investments in shares and securities depend on the entity's business model and the contractual cash flow characteristics of the instruments. Based on these factors, investments are measured either at "fair value through profit or loss" or at "fair value through other comprehensive income", where changes in fair value (determined in accordance with IFRS 13) at the reporting date are recognised in profit or loss or other comprehensive income accordingly.

Bangladesh Bank: As per DFIM Circular No. 03 dated 07 July 2025, investments in listed securities (shares, bonds and debentures) are revalued at the year end at market price and investments in unlisted equity shares are valued based on Net Asset Value (NAV) as per the latest audited financial statements of the investee entity. Provision is made for any diminution in value where the market price/NAV is lower than the cost price after netting off gains and losses within each category of investments. Where the market price/NAV exceeds cost, such excess is not recognised and investments are carried at cost. For preference shares, bonds and debentures of unlisted entities, provisioning is determined based on the classification status and aging criteria prescribed in the circular, including full provision where unrealised loss continues beyond three years.

Financial or presentation effect of the departure: The Financial Statements for 2025 and the corresponding year 2024 have been prepared in accordance with DFIM Circular No. 03 dated 07 July 2025 issued by Bangladesh Bank. During the year, provision has been maintained against preference share investment in accordance with the classification and provisioning requirements prescribed by the circular. The effect of such regulatory treatment has been reflected in these financial statements.

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, DFIM Circular letter No. 37 dated 04 December 2024 and DFIM circular letter No. 13 dated 03 June 2025 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 2025 and corresponding year 2024 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, DFIM Circular letter No. 37 dated 04 December 2024 and DFIM circular letter No. 13 dated 03 June 2025) of Bangladesh Bank. An amount of BDT 108.25 million has been charged as incremental provision for lease, loans and advances for 2025. As at 31 December 2025 accumulated provision for lease, loans and advances stand at BDT 836.32 million.

Four clients have availed rescheduling facilities under policy support, pursuant to specific approval letters issued by Bangladesh Bank for separate exposures: Letter Ref. BRPD, Division-1/CRS/902(4)/2025-14739 dated 12 November 2025 and Letter Ref. BRPD, Division-1/CRS/902(4)/2025-14740 dated 24 September 2025. The facilities have been duly structured and are being administered in accordance with the terms and conditions stipulated in the respective approval letters and applicable regulatory instructions.

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 2025 and the corresponding year 2024 have been prepared in accordance with the guidelines (DFIM Circular No. 04 dated 26 July 2021) of Bangladesh Bank. At the year's end, the interest suspense account increased to BDT 358.53 million from BDT 312.24 million, resulting in an increase of BDT 46.29 million in interest suspense. This amount is 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 2025 and corresponding year 2024 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 2025 and corresponding year 2024 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 2025 and corresponding year 2024 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 2025 and corresponding year 2024 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. Intangible assets are presented in the balance sheet as part of fixed assets and details is provided in annexure-A as separate line item.

Financial or presentation effect of the departure: Financial Statements for 2025 and corresponding year 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

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 2025 and corresponding year 2024 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 2025 and corresponding year 2024 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 2025 and corresponding year 2024 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 2025 and corresponding year 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

2.3 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 the cash flow statement, which has been prepared on cash basis in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and as adopted in Bangladesh by the Financial Reporting Council (FRC), except in 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 Exchange 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 2025 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, 2026.

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)

The Liquidity Statement has been prepared in accordance with Bangladesh Bank DFIM Circular No. 11 dated 23 December 2009, based on the residual maturity of assets and liabilities as at the reporting date, and in line with DFIM Circular Letter No. 18 dated 17 August 2025, under the following assumptions:

- i) Balance with other Banks and financial institutions are classified on the basis of their residual maturity term & behavioral aspect;
- ii) Investments are classified on the basis of the residual maturity of the respective instruments;
- iii) Lease, loans and advances are classified on the basis of their repayment schedule;
- iv) Fixed assets are on the basis of their useful lives;
- v) Other assets are classified on the basis of their adjustment terms;
- vi) Borrowing from other banks, financial institutions and agents, etc. are classified as per their maturity/repayment terms;
- vii) Deposits and other accounts are classified on the basis of their residual maturity and past trend of withdrawal;
- viii) Provisions and other liabilities are classified on the basis of their payment/adjustment terms

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. 03 dated 07 July, 2025. 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 Preference Share

Investment in cumulative preference shares has been reported at cost and dividend income is recognised in the profit and loss account on accrual basis and considered as operational revenue.

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 Account receivable

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

2.13.9 Provision for doubtful assets

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

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

2.13.10 Write off of lease, loans and advances

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

In compliance with Bangladesh Bank DFIM circular No. 2 dated 1 April 2019 and DFIM circular letter No. 08 dated 7 June 2022, 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:

- a. when the Company has a present obligation, legal or constructive as a result of a past event;
- b. when it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation; and
- c. 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, 2026 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 2026. 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

The Company identifies credit risk as the potential loss arising from a borrower's inability to meet repayment obligations or deterioration in creditworthiness. To manage this risk, a structured framework has been established with clearly defined roles: the Credit Department conducts thorough credit evaluations, the Credit Administration Department ensures proper loan documentation and compliance, and the Credit Monitoring Unit & Special Assets Management Department oversees ongoing monitoring and recovery. Risk mitigation measures include internal risk-based assessments, sector-wise exposure limits, collateral valuation, legal vetting, CIB checks and insurance coverage. Early Alert Systems and regular client reviews support proactive identification of potential defaults, maintaining a robust and high-quality credit portfolio.

The Credit Committee regularly assesses market conditions, industry exposures, and credit risks, recommending measures to address emerging challenges. An independent Credit Risk Department evaluates all proposals from a risk-weighted perspective to ensure portfolio quality and optimize returns. Sector-wise exposure limits, product diversification, multilayered credit approval processes, and proactive management of non-performing loans collectively safeguard the Company's credit quality. The Internal Control and Compliance Department ensures adherence to internal policies and regulatory requirements, supporting sustainable growth and compliance with industry standards while maintaining efficient service delivery for clients.

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 arises from potential losses due to failures in processes, systems, policies, or human resources, as well as from external events beyond the Company's control. The Company categorizes operational risk into people, process, system, legal/compliance, and external risk. People risk is mitigated through robust training programs, performance management, ethical culture, internal controls, and continuous monitoring of competency, engagement, and retention. Process and system risks are addressed via process re-engineering, standardization, automation, data validation, centralized operations, and regular audits, ensuring operational efficiency and error reduction. Legal and compliance risks are managed through strict adherence to regulations, internal policies, and timely escalation mechanisms, while external risks such as regulatory changes, macroeconomic shifts, political events, environmental disasters, cyber threats, and sectoral developments are monitored and mitigated through business continuity planning, disaster recovery strategies, insurance, and proactive risk assessment frameworks.

Operational risk events are tracked through Departmental Control Function Checklists, Key Risk Indicators, internal audits, and monitoring systems. The Risk Management Forum is responsible for identifying operational risks and taking 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. These integrated policies and monitoring mechanisms collectively safeguard the Company's operational resilience, support sustainable growth, and enhance stakeholder confidence.

2.17.5 Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)

Money Laundering and Terrorist Financing (ML/TF) risk is defined as the likelihood and impact of the Company's products, services, delivery channels or customer relationships being utilized to facilitate the movement of illicit funds or the financing of prohibited activities. Such exposure could lead to significant regulatory penalties, financial losses and the erosion of stakeholder confidence. Beyond immediate regulatory consequences, these events may undermine trust and adversely impact the Company's long-term reputation and institutional sustainability.

To mitigate these risks, the Company has integrated robust AML/CFT practices into its daily operations through a structured and comprehensive compliance framework. A Central Compliance Unit (CCU) for AML/CFT has been established at the Head Office, spearheaded by the Chief Anti-Money Laundering Compliance Officer (CAMLCO) and supported by a Deputy CAMLCO (DCAMLCO) alongside a team of dedicated Compliance Officers. This team is responsible for overseeing and coordinating all AML/CFT initiatives, ensuring that transactions are meticulously monitored and any suspicious activities are promptly identified and escalated. Furthermore, Branch Anti-Money Laundering Compliance Officers (BAMLCOs) are appointed at the branch level to conduct independent reviews and assist the CCU in maintaining a stringent compliance environment.

In adherence to the Prevention of Money Laundering Act, the Anti-Terrorism Act, and relevant directives issued by Bangladesh Bank and the Bangladesh Financial Intelligence Unit (BFIU), the Company has implemented rigorous internal policies and operational guidelines. Continuous training programs are conducted for employees at all levels to sharpen their ability to identify, assess and report suspicious transactions. The Company remains committed to the regular review and enhancement of its internal controls to ensure ongoing effectiveness and alignment with evolving regulatory expectations.

2.18 Additional Risks

As per DFIM Circular No. 03 dated January 24, 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 risk refers to the risk of potential losses arising from inappropriate business decisions, weak execution of approved strategies, or failure to respond effectively to changes in the business, competitive, or regulatory environment. The Company manages strategic risk through a structured governance framework where strategic matters are discussed at various management forums and at the Board level. The Company maintains a clear strategic direction supported by integrated strategic and financial planning, ensuring alignment between long-term objectives, market dynamics, and risk appetite.

The Company continuously monitors internal and external factors, including market trends, competitive pressures, and regulatory developments, to review and update its strategy as required. Strategic initiatives are translated into actionable plans with defined KPIs, monitored through regular performance reviews and financial analysis. Implementation progress and outcomes are evaluated periodically to ensure effective execution, timely corrective actions, and sustained alignment of the Company's strategy with evolving business conditions.

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

As a leading non-bank financial institution in Bangladesh, United Finance PLC recognizes Environmental and Social Risk (E&S Risk) as a critical component of its overall risk management framework and long-term sustainability strategy, particularly in the context of climate change-induced physical and transition risks that pose increasing challenges to businesses and society. The Company remains firmly committed to minimizing adverse environmental and social impacts arising from its operations and financing activities by integrating Environmental and Social Due Diligence (ESDD) into its credit appraisal process, supported by an exclusion list to avoid financing activities with high environmental or social risks, while prioritizing green, sustainable, and socially responsible initiatives. Sustainability is embedded at the core of United Finance PLC's corporate philosophy, aligning economic growth with environmental stewardship, social well-being, and strong governance in line with global frameworks such as the Global Reporting Initiative (GRI Core Option) and national development priorities. Through the implementation of an Environmental & Social Risk Management (ESRM) Policy, green and sustainable finance policies, and a structured sustainability roadmap aligned with future IFRS S1 and S2 disclosures, the Company proactively identifies, assesses, and mitigates E&S risks while leveraging opportunities in green finance, financial inclusion, and responsible investment. Robust governance mechanisms, led by the Board of Directors, the Sustainable Finance Committee, and the Sustainable Finance Unit, ensure effective oversight, policy implementation, regulatory compliance, and continuous capacity building across the organization. United Finance PLC further strengthens its E&S risk management through carbon accounting across Scope 1, 2, and 3 emissions, targeted emission reduction initiatives, climate change mitigation financing, and investments in renewable energy, circular economy projects, energy efficiency, waste management, and environmentally friendly establishments. In parallel, the Company addresses social risks by promoting financial inclusion, supporting MSME, rural and agricultural financing, empowering women entrepreneurs, ensuring employee well-being, upholding ethical business practices, and contributing to education, healthcare, disaster relief, and community development through structured CSR initiatives aligned with the UN Sustainable Development Goals. Through this integrated and forward-looking approach, United Finance PLC aims to safeguard environmental and social integrity, enhance resilience, and create sustainable value for its stakeholders, reinforcing its vision of empowering a lasting legacy of sustainability.

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 39,610,000 (2024: BDT 41,850,000) 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 2025. 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 form 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

Name of the standards	Ref.	Status
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).

3 Cash

		Amount in BDT	
		2025	2024
	Cash in hand (note-3.1)	1,539,500	1,539,500
	Balance with Bangladesh Bank and its agent bank(s) (note-3.2)	213,999,896	207,450,205
		215,539,396	208,989,705
3.1	Cash in hand		
	In local currency	1,539,500	1,539,500
	In foreign currency	-	-
		1,539,500	1,539,500
3.2	Balance with Bangladesh Bank and its agent bank(s)		
	In local currency (with Bangladesh Bank)	213,999,896	207,450,205
	Sonali Bank as agent of Bangladesh Bank (local currency)	-	-
		213,999,896	207,450,205
3.3	Statutory deposits		

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

Cash Reserve Requirement and Statutory Liquidity Reserve have been calculated and maintained in accordance with section 9 of the Finance Company Act 2023, regulation 5 of the Financial Institution Regulations 1994 and FID Circular No. 6 dated 06 November 2003 and FID Circular No. 02 dated 10 November 2004 and DFIM Circular Letter No. 01 dated January 12, 2017 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:

		Amount in BDT	
		2025	2024
a) Cash Reserve Requirement (CRR)			
Actual reserve maintained (note-3.2)		213,999,896	207,450,205
Required reserve (1.5% on Public deposits)		191,669,817	196,899,350
Surplus		22,330,079	10,550,855
b) Statutory Liquidity Reserve (SLR)			
Actual reserve maintained including CRR (note-3.4)		1,698,191,173	2,145,677,114
Required reserve (5% on average total liabilities)		811,622,425	824,180,004
Surplus		886,568,748	1,321,497,109

The surplus for SLR mostly comprises investment in interest-earning Treasury Bills amounting to BDT 359.92 million, fixed deposits (free FDR) amounting to BDT 245.00 million and the remaining balance held in Short Notice Deposit accounts maintained with different banks and financial institutions.

3.4 Actual reserve maintained (including CRR)

Cash in hand	1,539,500	1,539,500
Balance with Bangladesh Bank and its agent bank(s)	213,999,896	207,450,205
Balance with banks and other financial institutions (except lien FDR) (note-3.4.1)	1,122,733,527	1,453,698,376
Investment in Government securities except counter repo	359,918,250	482,989,032
	1,698,191,173	2,145,677,114

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

Bank Asia PLC.	6,327,312	3,382,205
Brac Bank PLC.	62,422,953	27,569,082
City Bank PLC.	29,262	19,344,359
Dutch-Bangla Bank PLC.	1,968,424	550,326
Eastern Bank PLC.	3,758,154	3,290,743
Mutual Trust Bank PLC.	132,925,241	337,519,347
One Bank PLC.	6,582,906	15,168,934
Prime Bank PLC.	118,178	227,339
Pubali Bank PLC.	50,946,211	1,685,999
Sonali Bank PLC.	5,302	5,724
Standard Bank PLC.	474,460,192	407,040,311
United Commercial Bank PLC.	158,189,390	412,914,009
Bangladesh Industrial Finance Company Limited (BIFC)	115,000,000	115,000,000
Fareast Finance & Investment Limited	110,000,000	110,000,000
	1,122,733,527	1,453,698,376

4 Balance with banks and other financial institutions

In Bangladesh (note-4.1)	3,352,733,527	3,623,698,376
Outside Bangladesh	-	-
	3,352,733,527	3,623,698,376

		Amount in BDT	
		2025	2024
4.1	In Bangladesh		
	<u>Current deposits</u>		
	Bank Asia PLC.	6,327,312	3,382,205
	Brac Bank PLC.	62,422,953	27,569,082
	Dutch-Bangla Bank PLC.	1,968,424	550,326
	Eastern Bank PLC.	3,758,154	3,290,743
	One Bank PLC.	6,582,906	15,168,934
	Pubali Bank PLC.	50,946,211	1,685,999
	Sonali Bank PLC.	5,302	5,724
	City Bank PLC.	29,262	19,344,359
	United Commercial Bank PLC.	29,111,099	68,922,075
		161,151,624	139,919,446
	<u>Short-term deposit (STD)</u>		
	Mutual Trust Bank PLC.	132,925,241	337,519,347
	Prime Bank PLC.	118,178	227,339
	Standard Bank PLC.	454,460,192	387,040,311
	United Commercial Bank PLC.	129,078,291	343,991,934
		716,581,903	1,068,778,930
	<u>Fixed deposits</u>		
	Brac Bank PLC.	200,000,000	200,000,000
	Commercial Bank Of Ceylon PLC.	100,000,000	100,000,000
	Eastern Bank PLC.	200,000,000	200,000,000
	Mutual Trust Bank PLC.	400,000,000	400,000,000
	Prime Bank PLC.	100,000,000	100,000,000
	Pubali Bank PLC.	450,000,000	450,000,000
	Standard Bank PLC.	20,000,000	20,000,000
	City Bank PLC.	370,000,000	370,000,000
	United Commercial Bank PLC.	350,000,000	350,000,000
	Uttara Bank PLC.	60,000,000	-
	Bangladesh Industrial Finance Company Limited (BIFC)	115,000,000	115,000,000
	Fareast Finance & Investment Limited	110,000,000	110,000,000
		2,475,000,000	2,415,000,000
		3,352,733,527	3,623,698,376
4.2	Maturity grouping of balance with banks and other financial institutions		
	On demand	161,151,624	139,919,446
	Up to 1 month	1,221,491,903	1,180,778,930
	Over 1 month but not more than 3 months	885,500,000	880,000,000
	Over 3 months but not more than 1 year	1,084,590,000	1,423,000,000
	Over 1 year but not more than 5 years	-	-
	Over 5 years	-	-
		3,352,733,527	3,623,698,376

		Amount in BDT	
		2025	2024
5	Money at call and short notice	-	-
6	Investments		
	Investment classified as per nature		
	a) Government securities:		
	Treasury bill	745,372,650	722,545,075
	Treasury bond	-	-
	National investment bonds	-	-
	Bangladesh Bank bills	-	-
	Government bonds	-	-
	Prize bonds	-	-
		745,372,650	722,545,075
	b) Other investment:		
	Investment in ordinary shares (note-6.1)	15,262,370	15,262,370
	Investment in preference shares (note-6.2)	1,403,794,019	1,191,294,019
		1,419,056,389	1,206,556,389
		2,164,429,039	1,929,101,463
6.1	Investment in ordinary shares		
	United Insurance Company Limited	15,000,000	15,000,000
	Robi Axiata PLC.	262,370	262,370
		15,262,370	15,262,370

6.1a Investment in United Insurance Company Limited

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

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

	<u>No. of shares</u>
Original purchase 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, 2025 the market value @ Tk. 40.5 (closing market price) of the above 4,450,000 shares was Tk. 180,225,000 against cost price of 600,000 shares @ Tk. 25) at Tk.15,000,000.

6.1b Investment in other companies

Business Segment	No. of share	Cost price	Market price
Telecommunication	26,237	262,370	739,883
	26,237	262,370	739,883

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, 2025 the market value (closing market price) of the above shares was Taka 739,883 against cost price of Taka 262,370.

6.2 Investment in preference shares

	Amount in BDT	
	2025	2024
Regent Energy and Power Ltd.	23,794,019	23,794,019
Confidence Power Rangpur Limited	20,000,000	20,000,000
Confidence Power Bogra Unit-2 Limited	-	12,500,000
City Sugar Industries Limited	25,000,000	50,000,000
City Sugar Industries Limited	25,000,000	50,000,000
H. Akberali & Co. Limited	30,000,000	60,000,000
Premier Cement Mills Limited	75,000,000	125,000,000
Paramount Textile Limited	40,000,000	60,000,000
United Tank Terminal Ltd	110,000,000	150,000,000
Epyllion Knitex Limited	150,000,000	200,000,000
Sheltech Ceramics Limited	80,000,000	140,000,000
Epyllion Style Limited	75,000,000	100,000,000
Ananta Apparels Limited	200,000,000	200,000,000
Sheltech Ceramics Limited	300,000,000	-
Akij Ceramics Limited	250,000,000	-
	1,403,794,019	1,191,294,019

6.3 Maturity grouping of investments

On demand	-	-
Up to 1 month	93,794,019	73,794,019
Over 1 month but not more than 3 months	152,261,270	329,873,812
Over 3 months but not more than 1 year	688,455,500	700,433,632
Over 1 year but not more than 5 years	855,000,000	810,000,000
Over 5 years	374,918,250	15,000,000
	2,164,429,039	1,929,101,463

		Amount in BDT	
		2025	2024
7	Lease, loans, and advances		
7.1	Broad category-wise break-up		
	Inside Bangladesh		
	Lease receivable (note-7.2)	5,972,005,090	6,707,197,027
	Loans (note-7.3)	14,716,819,923	12,756,160,954
		20,688,825,013	19,463,357,980
	Outside Bangladesh	-	-
		20,688,825,013	19,463,357,980
7.2	Lease receivable		
	Net lease receivable (note-7.2.1)	5,811,042,765	6,542,949,009
	Interest receivable	160,962,325	164,248,018
		5,972,005,090	6,707,197,027
7.2.1	Net lease receivable		
	Gross lease receivable	6,979,079,815	7,814,812,873
	Less: Unearned lease income	(1,168,037,050)	(1,271,863,864)
		5,811,042,765	6,542,949,009
7.2.2	Movement of net lease receivables		
	Balance as on January 01	6,542,949,009	6,393,846,507
	Addition during the year	2,073,788,862	3,026,867,737
	Realization during the year	(2,805,695,106)	(2,877,765,234)
		5,811,042,765	6,542,949,009
7.3	Loans		
	Term loan	10,113,066,458	8,318,708,468
	Home loan	2,928,454,776	3,064,891,190
	Auto loan	22,056,982	-
	Personal loan	5,741,675	-
	Short term loan and CSF advances	1,169,114,927	971,113,256
	Interest receivable	478,385,105	401,448,040
		14,716,819,923	12,756,160,954

		Amount in BDT	
		2025	2024
7.3.1	Movement of term loan receivables		
	Balance as on January 01	8,318,708,468	9,322,607,412
	Addition during the year	8,329,760,000	5,218,440,000
	Realization during the year	(6,535,402,010)	(6,222,338,944)
		10,113,066,458	8,318,708,468
7.3.2	Movement of home loan receivables		
	Balance as on January 01	3,064,891,190	3,283,991,959
	Addition during the year	656,573,741	625,415,448
	Realization during the year	(793,010,155)	(844,516,216)
		2,928,454,776	3,064,891,190
7.3.3	Movement of auto loan receivables		
	Balance as on January 01	-	-
	Addition during the year	23,450,000	-
	Realization during the year	(1,393,018)	-
		22,056,982	-
7.3.4	Movement of personal loan receivables		
	Balance as on January 01	-	-
	Addition during the year	5,900,000	-
	Realization during the year	(158,325)	-
		5,741,675	-
7.3.5	Movement of short term loan and CSF advances receivables		
	Balance as on January 01	971,113,256	1,029,631,997
	Addition during the year	4,249,959,071	4,533,384,104
	Realization during the year	(4,051,957,400)	(4,591,902,844)
		1,169,114,927	971,113,256
7.3.6	Break up of interest receivable		
	Term loan	276,083,334	231,857,402
	Home loan	138,530,529	108,698,077
	Auto loan	192,843	-
	Personal loan	46,273	-
	Short term loan and CSF advances	63,532,126	60,892,561
		478,385,105	401,448,040
7.4	Maturity grouping of lease, loans and advances		
	On demand	-	-
	Up to 1 month	883,030,151	1,008,303,695
	Over 1 month but not more than 3 months	1,616,683,078	1,912,868,265
	Over 3 months but not more than 1 year	6,748,272,912	6,111,922,464
	Over 1 year but not more than 5 years	8,387,631,331	7,499,534,974
	Over 5 years	3,053,207,540	2,930,728,582
		20,688,825,013	19,463,357,980

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

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

Number of clients

Amount of outstanding advances

Amount of classified advances

Measures taken for recovery

d) Industry-wise distribution of lease, loans and advances:

1. Agricultural sector:

a) Crop

b) Poultry & livestock

c) Fisheries

d) Others Agriculture (Cold Storage, Biofuel, Seed, Feed, Agri-related other institutions & services)

2. Industrial sector:

a) Service industry

b) Food production/processing industry

c) Chemical & Pharmaceutical

d) Plastic industry

e) Garments

f) Textile

g) Paper, Printing and Packaging industry

h) Iron, Steel & Engineering industry

i) Leather & leather products

j) Electronics and electrical industry

k) Telecommunication/Information Technology

l) Jute and jute products

m) Cement/Concrete and allied industry

n) Glass and ceramic industry

3. Power, Gas, Water and sanitary service

4. Transport & Communication

5. Real Estate & Housing

6. Trade and Commerce

7. Personal Loan

8. Auto Loan

9. Others

Amount in BDT	
2025	2024
2,090,416	2,906,609
-	-
-	-
3,349,119,901	3,338,193,872
1	2
646,560,046	1,072,051,286
Nil	Nil
Not applicable	Not applicable
94,841,467	96,795,113
354,352,527	252,748,962
1,790,101	604,328
457,867,317	168,010,142
2,408,188,335	1,386,694,824
2,830,651,025	2,517,450,707
1,328,054,645	1,453,753,075
1,023,820,186	646,366,733
752,256,200	1,020,996,668
381,782,714	246,519,143
1,047,146,192	998,752,140
526,087,955	1,213,720,537
332,332,140	130,304,398
297,782,119	112,820,881
45,451,138	44,421,778
280,926,562	232,248,571
349,394,205	445,723,075
415,271,877	34,802,013
49,961,140	54,159,488
495,464,197	552,285,758
3,077,740,151	3,200,926,748
3,614,305,105	4,060,022,134
5,787,948	-
22,249,825	-
495,319,941	593,230,765
20,688,825,013	19,463,357,980

		Amount in BDT	
		2025	2024
e) Geographical location-wise lease, loans and advances			
Inside Bangladesh			
Urban			
Dhaka Division		8,089,663,890	7,903,524,777
Chattogram Division		2,043,367,863	2,959,694,127
Khulna Division		1,173,717,749	1,330,257,422
Rajshahi Division		1,046,539,366	1,334,450,389
Rangpur Division		1,091,745,147	1,137,853,106
Barishal Division		544,457,488	633,094,673
Mymensingh Division		617,459,620	619,758,015
Sylhet Division		188,956,897	146,258,228
		14,795,908,021	16,064,890,736
Rural			
Dhaka Division		3,298,428,936	1,801,862,697
Chattogram Division		753,843,583	343,781,433
Khulna Division		743,079,204	421,167,507
Rajshahi Division		363,612,159	305,873,631
Rangpur Division		511,563,231	315,442,748
Barishal Division		65,100,200	58,506,622
Mymensingh Division		138,039,706	113,962,350
Sylhet Division		19,249,974	37,870,255
		5,892,916,992	3,398,467,244
Outside Bangladesh		-	-
		20,688,825,013	19,463,357,980
7.6 Sector-wise lease, loans and advances			
Public sector		-	-
Co-operative sector		-	-
Private sector		20,688,825,013	19,463,357,980
		20,688,825,013	19,463,357,980
7.7 Size-wise lease, loan portfolio concentration			
Cottage, Micro, Small & Medium Enterprise Financing (CMSME)		7,945,692,310	7,806,658,780
Other than Cottage, Micro, Small & Medium Enterprise Financing (CMSME)		12,743,132,703	11,656,699,
		20,688,825,013	19,463,357,980

7.8 Particulars of lease, loans and advances

Amount in BDT		
	2025	2024
i) Lease, loans and advances considered good in respect of which the Company is fully secured	3,224,292,236	3,282,961,457
ii) Lease, loans and advances considered good in respect of which the Company is partially secured	10,005,268,584	7,780,327,339
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	7,459,264,193	8,400,069,184
v) Classified Lease loans, and advances against which no provision has been made	-	-
	20,688,825,013	19,463,357,980
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	2,090,416	2,906,609
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	533,762,351	297,784,145
b) Increase/(decrease) of specific provision against classified lease/loan	89,592,802	58,487,934
c) Amount of loan written off	91,742,038	208,223,653
d) Amount realised against loan previously written off	56,910,352	32,034,750
e) Provision kept against loans classified as bad/loss	626,298,001	554,320,673
f) Interest credited to Interest Suspense account (note-12.2)	358,532,227	312,240,059
xii) Written off lease, loans and advances		
Opening Balance	1,494,362,768	1,286,139,114
During the year	91,742,038	208,223,653
Cumulative to-date	1,586,104,805	1,494,362,768
The amount of written-off lease, loans and advances for which law suits have been filed	1,399,249,738	1,308,455,434
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, 2025, 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.

		Amount in BDT	
		2025	2024
7.9	Classification of leases loans, and advances		
	Unclassified		
	Standard	18,995,366,360	17,952,412,394
	Special mention account (SMA)	462,400,055	541,728,006
		19,457,766,415	18,494,140,400
	Classified		
	Sub-standard	99,142,613	85,060,553
	Doubtful	151,608,139	114,768,197
	Bad/Loss	980,307,847	769,388,831
		1,231,058,598	969,217,581
		20,688,825,013	19,463,357,980
8	Fixed assets including land, building, furniture and fixtures		
	Cost		
	Furniture and fixtures	127,546,269	125,949,272
	Office equipment	651,961	657,006
	Electrical equipment	201,520,681	187,571,001
	Software	46,731,507	46,283,157
	Motor vehicles	88,075,785	61,004,610
	Office space	177,890,411	177,890,411
	Right-of-use assets	230,418,660	222,546,124
		872,835,275	821,901,582
	Less: Accumulated depreciation	(519,528,326)	(492,672,596)
	Net book value at the end of the year (Annexure - A)	353,306,948	329,228,986

		Amount in BDT	
		2025	2024
9 Other assets			
Inside Bangladesh			
Income generating:			
Income receivable (note-9.1)		226,934,312	215,930,205
Non-income generating:			
Deferred tax asset (note-9.2)		24,589,588	21,231,029
Advance, deposit and prepaid expenses		24,571,137	45,194,874
Receivable from provident fund account (note-9.3)		2,971,407	2,971,407
Advance corporate tax (note-9.4)		2,334,166,863	2,175,864,377
		2,613,233,308	2,461,191,893
Outside Bangladesh		-	-
		2,613,233,308	2,461,191,893

9.1 Income receivable amount represents interest receivable on investments other than leases, loans and advances and charges receivable from lease, loans and advances portfolio.

9.2 Deferred tax asset

Deferred tax has been recognized based on deductible/taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provisions of International Accounting Standard (IAS) 12 Income Taxes and under the guidelines of Bangladesh Bank DFIM Circular no. 07 dated 31 July 2011.

	Carrying amount at balance sheet	Tax base	Deductible temporary difference
Fixed assets at book value	248,619,521	293,745,026	45,125,505
Liability to employees' gratuity fund	20,446,731	-	20,446,731
			65,572,236
Applicable tax rate			37.5%
Deferred tax asset as on 31 December, 2025			24,589,588
Deferred tax asset as on 31 December, 2024			21,231,029
Deferred tax income during the year 2025 (note-36)			3,358,559

9.3 The amount comprises forfeited account balances for the years 2015-2018 of resigned employees who did not complete the required years of employment with the Company to be eligible to receive the employer's contribution part.

9.4 Advance corporate tax

Balance as on January 01	2,175,864,377	2,047,717,019
Paid during the year	158,302,486	128,147,358
	2,334,166,863	2,175,864,377

		Amount in BDT	
		2025	2024
10	Borrowing from banks, other financial institutions and agents		
	In Bangladesh (note-10.1)	8,138,160,379	8,058,935,799
	Outside Bangladesh	-	-
		8,138,160,379	8,058,935,799
10.1	In Bangladesh		
	Secured loans		
	Secured long term loans	-	-
	Secured short term loans		
	Bank overdraft		
	Brac Bank PLC.	202,888,055	193,339,768
	Citibank N.A.	1,237,565	892,015
	Commercial Bank Of Ceylon PLC.	92,785,343	94,099,313
	Eastern Bank PLC.	189,325,219	187,736,697
	Mutual Trust Bank PLC.	190,336,635	188,145,531
	One Bank PLC.	4,875,252	4,784,547
	Prime Bank PLC.	95,215,620	95,109,001
	Pubali Bank PLC	689,899,499	555,479,308
	Standard Chartered Bank	32,044,119	41,785,426
	City Bank PLC.	154,585,492	163,788,145
	United Commercial Bank PLC.	348,170,459	339,661,033
	Woori Bank	232,330,045	166,637,685
	Total Bank overdraft	2,233,693,304	2,031,458,468
	Short term loan		
	Standard Chartered Bank	170,000,000	170,000,000
	Bangladesh Bank Repurchase agreement (REPO)	383,590,850	238,901,550
	Total short term loan	553,590,850	408,901,550
	Total secured loan	2,787,284,154	2,440,360,018
	Unsecured loans		
	Unsecured long term loans		
	Bangladesh Bank (Refinance)	1,809,180,390	2,767,009,114
	Bangladesh Bank (Prefinance)	2,826,794,475	2,289,766,667
	SME Foundation (Refinance)	50,936,360	41,800,000
	SME Foundation (Prefinance)	93,965,000	-
	Total unsecured long term loans	4,780,876,225	5,098,575,781
	Short term loans		
	DBH Finance PLC.	450,000,000	400,000,000
	Meridian Finance & Investment Limited	70,000,000	20,000,000
	Alliance Finance PLC	50,000,000	100,000,000
	Total unsecured short term loans	570,000,000	520,000,000
	Total unsecured loans	5,350,876,225	5,618,575,781
	Total borrowing from banks, other financial institutions, and agents	8,138,160,379	8,058,935,799

		Amount in BDT	
		2025	2024
10.2	Analysis by security against borrowing from banks, other financial institutions and agents		
	Secured (FDR pledged as security)	2,613,590,850	2,408,901,550
	Unsecured	5,524,569,529	5,650,034,249
		8,138,160,379	8,058,935,799
10.3	Maturity grouping of borrowing from banks, other financial institutions and agents		
	On demand	-	-
	Up to 1 month	1,255,161,794	1,089,158,542
	Over 1 month but not more than 3 months	343,593,452	673,312,737
	Over 3 months but not more than 1 year	4,069,580,239	3,782,753,435
	Over 1 year but not more than 5 years	2,469,824,894	2,513,711,085
	Over 5 years	-	-
		8,138,160,379	8,058,935,799
11	Deposits and other accounts		
	Current deposits & other accounts etc.	-	-
	Bills payable	-	-
	Savings bank deposits	-	-
	Term deposits (note-11.1)	12,073,068,942	11,367,864,815
	Bearer certificates of deposit	-	-
	Other deposits (note-11.2)	1,114,447,249	839,967,237
		13,187,516,191	12,207,832,052
11.1	Term deposits		
	Deposits from banks and financial institutions	152,954,116	-
	Deposits from other than banks and financial institutions	11,920,114,826	11,367,864,815
		12,073,068,942	11,367,864,815
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	152,954,116	-
	Other public	-	-
	Foreign currency	-	-
	Private	11,920,114,826	11,367,864,815
		12,073,068,942	11,367,864,815

		Amount in BDT	
		2025	2024
11.1.2	Maturity analysis of term deposits		
	a) Maturity analysis of deposits from banks & financial institutions		
	Payable on demand	-	-
	Up to 1 month	2,954,116	-
	Over 1 month but within 3 months	150,000,000	-
	Over 3 months but within 1 year	-	-
	Over 1 year but within 5 years	-	-
	Over 5 years but within 10 years	-	-
	Over 10 years	-	-
		152,954,116	-
	b) Maturity analysis of deposits from other than banks & financial institutions		
	Payable on demand	-	-
	Up to 1 month	692,434,335	1,032,234,480
	Over 1 month but within 3 months	1,564,269,760	1,745,264,745
	Over 3 months but within 1 year	2,606,852,853	3,267,097,508
	Over 1 year but within 5 years	6,145,652,579	5,145,394,964
	Over 5 years but within 10 years	910,905,298	177,873,118
	Over 10 years	-	-
		11,920,114,826	11,367,864,815
		12,073,068,942	11,367,864,815
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	263,105,053	299,620,387
	Interest-bearing deposit	851,342,196	540,346,850
		1,114,447,249	839,967,237
11.2.1	Maturity analysis of other deposits		
	Payable on demand	-	-
	Up to 1 month	50,294,101	46,915,600
	Over 1 month but within 3 months	92,042,534	86,031,319
	Over 3 months but within 1 year	385,501,821	276,896,897
	Over 1 year but within 5 years	469,594,174	331,477,453
	Over 5 years but within 10 years	117,014,620	98,645,969
	Over 10 years	-	-
		1,114,447,249	839,967,237

		Amount in BDT	
		2025	2024
12	Other liabilities		
	Provision for gratuity (note-12.1)	20,446,731	16,220,403
	Interest suspense account (note-12.2)	358,532,227	312,240,059
	Accrued expenses and payables (note-12.3)	837,717,216	838,939,640
	Lease liabilities (note-12.4)	126,369,282	104,484,600
	Provision for lease, loans, advances, other assets and off balance sheet items (note-12.5)	836,316,588	753,763,988
	Provision on others (note-12.6)	89,602,139	65,000,000
	Provision for income tax (note-12.7)	2,437,369,126	2,313,695,492
	Provision on receivable from provident fund account (note-12.8)	2,971,407	2,971,407
	Unpaid/unclaimed Dividend (note-12.9)	3,946,045	3,291,092
		4,713,270,761	4,410,606,682
12.1	Provision for gratuity		
	Defined benefits obligation (note-12.1.1)	90,475,143	80,249,120
	Less: Fair value of plan assets (note-12.1.2)	(70,028,412)	(64,028,717)
		20,446,731	16,220,403
12.1.1	Defined benefits obligation		
	Balance as on January 01	80,249,120	75,720,634
	Interest cost/income	10,175,588	8,551,215
	Current service cost	7,595,337	7,102,925
	Actuarial loss/(gain) arising from:		
	Demographic assumptions	945,318	1,279,979
	Financial assumptions	(21,201,221)	(9,883,195)
	Experience adjustments	29,830,122	14,551,034
	Benefits paid	(17,119,121)	(17,073,474)
	Balance as on December 31	90,475,143	80,249,120
12.1.2	Fair value of plan assets		
	Balance as on January 01	64,028,717	65,771,203
	Interest cost/income	8,118,841	6,445,325
	Contribution paid by the employer	16,220,403	9,949,431
	Benefits paid	(17,119,121)	(17,073,474)
	Expenses/Adjustments	(1,220,428)	(1,063,768)
	Balance as on December 31	70,028,412	64,028,717
12.1.3	Plan assets		
	Cash at Bank	5,218,624	1,265,617
	Investment in Fixed Deposit Receipts	64,809,788	62,763,101
		70,028,412	64,028,717

		Amount in BDT	
		2025	2024
12.1.4	Principal actuarial assumptions		
	Discount rate	10.90%	12.68%
	Rate of return on plan assets	12.68%	11.22%

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.

	2025		2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(4,855,017)	5,454,837	(9,224,130)	10,863,938
Future salary growth (1% movement)	5,801,681	(5,221,819)	11,207,304	(9,632,321)

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,	312,240,059	241,786,511
Add: Amount transferred to interest suspense account during the year	103,633,970	169,810,223
Less: Amount recovered from interest suspense account during the year	(48,209,861)	(20,608,502)
Less: Written off during the year	(9,131,941)	(78,748,173)
	358,532,227	312,240,059

12.3 Accrued expenses and payables

Liabilities for expenses	591,607,599	555,690,342
Liabilities other than expenses	246,109,617	283,249,299
	837,717,216	838,939,640

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	104,484,600	131,873,733
Addition during the year	53,606,671	2,791,291
Interest charged during the year	9,615,160	9,871,271
Office rent adjustment made during the year	(41,337,149)	(40,051,696)
	126,369,282	104,484,600

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

General provision on leases, loans, and advances

Balance as on January 01

Provision made for the year (note-35)

Special provision 2% (15% payment of deferral clients)

Balance as on January 01

Provision made for the year (note-35)

Specific provision on unclassified lease, loans, and advances

Balance as on January 01

Provision made for the year (note-35)

Specific provision on classified lease, loans, and advances

Balance as on January 01

Fully provided debt written off during the year

Amount realized from written off clients

Provision made for the year (note-35)

Total provision for lease, loan, and advances

ii. Provision on other assets and off balance sheet items

Balance as on January 01

Provision made for the year

Total provision for lease, loan, advances, other assets and off balance sheet items

Amount in BDT	
2025	2024
151,813,559	126,567,653
(7,093,823)	25,245,906
144,719,736	151,813,559
4,083,288	5,455,198
(206,141)	(1,371,910)
3,877,148	4,083,288
8,045,733	15,763,051
259,762	(7,717,318)
8,305,494	8,045,733
589,722,709	531,234,774
(82,610,096)	(129,475,480)
56,910,352	32,034,750
115,292,546	155,928,664
679,315,510	589,722,709
836,217,888	753,665,288
98,700	98,700
-	-
98,700	98,700
836,316,588	753,763,988

Provision surplus

	2025		2024	
	Required	Maintained	Required	Maintained
General provision on lease, and loans advances	144,546,818	144,719,736	144,272,824	151,813,559
Special provision 2% (15% payment of deferral clients)	3,877,148	3,877,148	4,083,288	4,083,288
Specific provision on unclassified lease, loans and advances	8,295,215	8,305,494	7,145,396	8,045,733
Specific provision on classified lease, loans, and advances	679,249,895	679,315,510	587,081,715	589,722,709
Other provisions	98,700	98,700	98,700	98,700
	836,067,776	836,316,588	742,681,924	753,763,988
Total surplus		248,812		11,082,065

12.5.1 Base for provision for lease, loans, and advances

Status	Base for Provision	Rate (%)	Required Provision	Kept Provision
General Provision				
Loans and leases CMSME-STD	6,665,002,808	0.25%	16,662,507	16,683,154
Loans and leases STD (Excluding CMSME)	12,288,431,052	1.00%	127,884,311	128,036,582
Loan/lease to the Subsidiaries/Sister Concerns, Brokerage House, Merchant Banks, Stock dealers	-	2.00%	-	-
Special mention account (CMSME-SMA)	233,419,723	0.25%	583,549	584,272
Special mention account (SMA)	154,233,319	5.00%	7,711,666	7,721,222
			152,842,033	153,025,230
Special Reserve				
Extra provision for providing COVID-related circular advantage-STD	-	2.00%	-	-
Extra provision for providing COVID-related circular advantage-SS	-	2.00%	-	-
Extra provision for providing a COVID-related circular advantage	193,857,387	2.00%	3,877,148	3,877,148
			3,877,148	3,877,148

Status	Base for Provision	Rate (%)	Required Provision	Kept Provision
Specific provision				
Sub-standard (CMSME-SS)	162,195,974	5.00%	8,109,799	8,119,848
Sub-standard (Excluding CMSME)	18,132,115	20.00%	3,626,423	3,630,917
Doubtful (CMSME-DF)	150,105,675	20.00%	30,021,135	30,058,335
Doubtful (Excluding CMSME)	22,389,074	50.00%	11,194,537	11,208,409
Bad/ Loss (CMSME)	539,424,438	100.00%	539,424,438	539,424,438
Bad/ Loss (Excluding CMSME)	86,873,563	100.00%	86,873,563	86,873,563
			679,249,895	679,315,510
Provision for loans, advances and leases			835,969,076	836,217,888
Other provision				
Off-Balance Sheet	-	1.00%	-	-
Other Asset	98,700	100.00%	98,700	98,700
			98,700	98,700
Total provision			836,067,776	836,316,588

12.6 Provision on others

Balance as on January 01	65,000,000	40,000,000
Provision made for the year	24,602,139	25,000,000
	89,602,139	65,000,000

Provision on others includes provisions made for investments in compliance with DFIM Circular No. 03 dated July 07, 2025, along with other relevant provisions.

12.7 Provision for income tax

Balance as on January 01	2,313,695,492	2,165,645,673
Corporate tax for the year (note-36)	123,673,633	148,049,819
	2,437,369,126	2,313,695,492

12.8 Provision on receivable from provident fund account

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

		Amount in BDT	
		2025	2024
12.9	Aging analysis of unpaid/unclaimed dividends		
	i. Cash dividend payable		
	Up to 1 year	1,805,469	1,113,410
	Over 1 year but within 3 years	2,140,576	2,177,682
	Over 3 years but within 4 years	-	-
	Over 4 years but within 5 years	-	-
	Above 5 years	-	-
		3,946,045	3,291,092
	ii. Stock dividend payable		
	Up to 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	-	-
		-	-

Unclaimed cash dividends for the year 2021, amounting to Tk 13,94,989.70, were transferred on 30 September 2025 to the Capital Market Stabilization Fund (CMSF) according to Clause no. 9(1) of the Capital Market Stabilization Fund (CMSF) Rules, 2021.

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 dividends payable are shown in other liabilities.

13	Share capital	-
13.1	Authorized capital	
	300,000,000 ordinary shares of BDT 10 each	3,000,000,000
13.2	Issued, subscribed and fully paid-up capital	
	7,000,000 ordinary shares of BDT 10 each issued for cash	70,000,000
	180,114,614 ordinary shares of BDT 10 each issued as bonus shares	1,801,146,140
		1,871,146,140
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 at the close of business on December 31, 2025, was BDT 160.42 crore.

Details are as follows:

	Amount in BDT	
	2025	2024
Core capital (Tier-I)		
Paid up capital (note-13.2)	1,871,146,140	1,871,146,140
Share premium (note-14)	3,750,000	3,750,000
Statutory reserve (note-15)	1,105,510,000	1,065,900,000
General reserve (note-16)	190,000,000	190,000,000
Retained earnings (note-17)	178,713,761	207,397,732
A) Sub-Total	3,349,119,901	3,338,193,872
Eligible supplementary capital (Tier-II)		
General Provision (Unclassified loans up to specified limit + SMA + off-Balance Sheet exposure)*	153,025,230	159,859,291
Assets Revaluation Reserves up to 50%	-	-
Revaluation Reserve for Securities up to 50%	-	-
All other preference shares	-	-
Other (if any item approved by Bangladesh Bank)	-	-
B) Sub-Total	153,025,230	159,859,291
C) Total eligible capital	3,502,145,131	3,498,053,164
Total assets including off-balance sheet exposures	29,388,067,231	28,015,568,405
Risk Weighted Assets (RWA)		
i. Credit Risk	16,799,669,417	15,558,343,639
On- Balance sheet	16,799,669,417	15,558,343,639
Off-Balance sheet	-	-
ii. Market Risk	365,363,298	339,643,910
iii. Operational Risk	1,814,151,141	1,757,510,412
D) Total: RWA (A+B+C)	18,979,183,856	17,655,497,961
E) Required capital based on risk weighted assets (10% of D)	1,897,918,386	1,765,549,796
F) Surplus (C-E)	1,604,226,745	1,732,503,368
Capital Adequacy Ratio (%)	18.45%	19.81%
Core Capital to RWA (%)	17.65%	18.91%
Supplementary Capital to RWA (%) shares	0.81%	0.91%

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

13.4 Percentage of shareholding at the closing date

	No. of shares		Percentage	
	2025	2024	2025	2024
(i) Sponsors	40,871,770	40,871,770	21.84	21.84
(ii) Directors	34,214,899	24,877,880	18.29	13.30
(iii) Financial Institutions and Companies	25,154,029	28,153,127	13.44	15.05
(iv) General public	86,873,916	93,211,837	46.43	49.82
	187,114,614	187,114,614	100.00	100.00

Following the introduction of the Finance Company Act, 2023, Section 10(1), which restricts the percentage of shareholding of the investors, the company has written to the Bangladesh Bank seeking waiver/exemption of this clause. Bangladesh Bank have confirmed that they have forwarded the application to the Finance Ministry, and a favourable reply is being awaited in this regard.

13.5 Shareholding range on the basis of shareholding as at 31 December, 2025

No. of shares	Number of Shareholders	Total number of shares	Percentage of total holdings
1. Less than 500	2,014	318,389	0.17
2. 500 to 5,000	3,454	6,921,805	3.70
3. 5,001 to 10,000	786	5,956,247	3.18
4. 10,001 to 20,000	481	6,960,363	3.72
5. 20,001 to 30,000	175	4,449,535	2.38
6. 30,001 to 40,000	90	3,192,110	1.71
7. 40,001 to 50,000	60	2,790,414	1.49
8. 50,001 to 100,000	117	8,889,234	4.75
9. 100,001 to 1,000,000	87	22,885,661	12.23
10. Above 1,000,000	19	124,750,856	66.67
	7,283	187,114,614	100.00

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			1,105,510,000
General Reserve			190,000,000
Retained Earnings			178,713,761
Total Shareholders' Equity			3,349,119,901

Date of issue & other information:

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

Amount in BDT	
2025	2024

14 Share premium

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

15 Statutory reserve

Balance as at January 01	1,065,900,000	1,024,050,000
Addition during the year	39,610,000	41,850,000
	1,105,510,000	1,065,900,000

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

16 General reserve

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

		Amount in BDT	
		2025	2024
17	Retained earnings		
	Balance as on January 01	207,397,732	152,290,986
	Less: Cash dividend for last year	(187,114,614)	(112,268,768)
	Balance remaining	20,283,118	40,022,218
	Add: Net profit after taxation	198,040,642	209,225,514
	Less: Transfer to statutory reserve during the year	(39,610,000)	(41,850,000)
		178,713,761	207,397,732
18	Net asset value per share (NAV)		
	Total assets	29,388,067,231	28,015,568,405
	Total liabilities	26,038,947,331	24,677,374,533
	Net assets	3,349,119,900	3,338,193,872
	Number of share outstanding (current year's)	187,114,614	187,114,614
	Net asset value per share	17.90	17.84
	Restated NAV:		
	Net assets	3,349,119,900	3,338,193,872
	Number of ordinary shares as at 31 December	187,114,614	187,114,614
	Restated NAV	17.90	17.84
19	Contingent liabilities		
19.1	Letters of guarantee		
	Letters of guarantee (Local)	-	-
	Letters of guarantee (Foreign)	-	-
	Foreign counter guarantees	-	-
		-	-
	Guarantees		
	The Company issues guarantees on behalf of customers. A financial guarantee represents an irrevocable undertaking that the Company will pay to third parties, and it converts into lease or loan on the basis of an agreement with the customers. The maximum amount that the Company could be required to pay under a guarantee is its principal amount.		
20	Profit and Loss Account		
	Income		
	Interest, discount and similar income (note-20.1)	2,607,724,242	2,700,580,946
	Dividend income (note-23)	146,446,732	130,781,091
	Other operating income (note-24)	84,018,943	116,441,526
		2,838,189,918	2,947,803,563
	Expenses		
	Interest, fee, and commission, etc. (note-22)	1,626,292,409	1,598,694,243
	Administrative expenses (note-20.2)	629,871,614	679,637,921
	Other operating expenses (note-34)	51,357,372	41,577,651
	Depreciation on Company's fixed assets	79,458,323	82,410,112
		2,386,979,718	2,402,319,928
		451,210,200	545,483,634

		Amount in BDT	
		2025	2024
20.1	Interest, discount and similar income		
	Interest income (note-21)	2,533,345,474	2,650,472,860
	Interest on Government security (note-23)	74,378,768	49,193,925
	Interest on bonds (note-23)	-	914,162
	Discount income	-	-
	Interest on debentures	-	-
		2,607,724,242	2,700,580,946
20.2	Administrative expenses		
	Salaries and allowances	523,635,847	586,265,376
	Rent, taxes, insurance, electricity, etc.	18,534,496	17,974,189
	Legal expenses	27,401,132	24,814,770
	Postage, stamp, telecommunication, etc.	13,283,098	16,916,397
	Stationery, printing, advertisement, etc.	6,240,713	4,942,464
	Managing Director's salary and benefits	8,200,000	9,200,000
	Directors' fees	1,495,000	348,334
	Auditors' fees	920,000	862,500
	Repairs and maintenance of the Company's assets	30,161,329	18,313,891
		629,871,614	679,637,921
21	Interest income		
	Lease	770,066,083	822,581,076
	Term loan and home loan	1,407,771,049	1,495,127,371
	Short-term financing	120,505,186	117,071,817
	Total interest income	2,298,342,318	2,434,780,264
	Interest on deposit/balance with banks and other financial institutions	4,044,836	13,440,652
	Interest on deposits under lien for credit line facilities	230,958,321	202,251,944
		2,533,345,474	2,650,472,860
22	Interest paid on deposits, borrowings, etc.		
	a) Interest paid on deposits		
	Deposits from other than banks and financial institutions	1,249,201,568	1,236,549,342
	Deposits from banks and financial institutions	8,656,472	-
	Interest-bearing security deposits	39,769,548	24,861,075
		1,297,627,588	1,261,410,417
	b) Interest paid for borrowing		
	Bank loans	88,500,059	59,337,438
	Bangladesh Bank refinance, prefinance & SME foundation refinance	98,388,088	129,562,945
	Call loan	178,250	-
	Overdraft	131,983,265	125,309,968
	Zero-Coupon Bond	-	13,202,204
		319,049,662	327,412,555
	c) Interest expenses-lease liabilities	9,615,160	9,871,271
		9,615,160	9,871,271
		1,626,292,409	1,598,694,243

		Amount in BDT	
		2025	2024
23	Investment income		
	Interest on Government security	74,378,768	49,193,925
	Interest on bonds	-	914,162
	Dividend on shares	146,446,732	130,781,091
		220,825,500	180,889,177
24	Other operating income		
	Reimbursement - invoice, disbursement processing, collection, documentation and other charges	51,799,453	87,265,658
	Early repayment premium	10,599,906	8,391,306
	Late payment interest	8,456,438	8,540,219
	Profit on sale of share	-	219,492
	Income from provident fund forfeited account (note-24.1)	341,111	1,287,585
	Miscellaneous earnings	12,822,036	10,737,266
		84,018,943	116,441,526
24.1	Income from provident fund forfeited account		
	The income is recognised as per section 1 of the Financial Reporting Council (FRC) circular no. 179 dated 07 July 2020. The amount comprises forfeited account balances of resigned employees who did not complete required years of employment with the Company to be eligible to receive employer's contribution.		
25	Salaries and allowances		
	Salaries and allowances	523,635,847	586,265,376
		523,635,847	586,265,376
	Salaries and allowances include an annual contribution of BDT 17,287,782 made to the Recognized Provident Fund during the year 2025. Details relating to the Gratuity Fund are disclosed in Note 12.1.		
26	Rent, taxes, insurance, electricity, etc.		
	Rent, rate, and taxes (note-26.1)	226,429	202,784
	Insurance	7,831,986	7,641,774
	Electricity, gas, and water	10,476,080	10,129,630
		18,534,496	17,974,189
26.1	Movement of Rent, rate, and taxes:		
	Rent expenses charged	41,563,578	40,254,480
	Less: Reclassification of rent (as per IFRS 16 Leases)	41,337,149	40,051,696
	Rent expenses reported	226,429	202,784
	Movement of Rent, rate, and taxes have been included due to implementation of IFRS-16 Leases (office rent).		
27	Legal expenses		
	Legal fees	26,356,382	22,136,320
	Professional fees	1,044,750	2,678,450
		27,401,132	24,814,770
28	Postage, stamp, telecommunication, etc.		
	Stamp expenses	6,373,496	7,158,946
	Postage and courier	825,482	893,385
	Telephone, mobile and internet	6,084,120	8,864,066
		13,283,098	16,916,397

		Amount in BDT	
		2025	2024
29	Stationery, printing, advertisements etc.		
	Printing and stationeries	4,857,904	4,648,596
	Publicity and advertisements	1,382,809	293,868
		6,240,713	4,942,464
30	Managing Director's salary and benefits		
	Remuneration	6,700,000	7,700,000
	Other benefits	1,500,000	1,500,000
		8,200,000	9,200,000
31	Directors' fees		
	Directors' fees	1,495,000	348,334
		1,495,000	348,334

Directors' fees include fees for attending the meeting by the non-executive Directors. Each Director was paid @ BDT 10,000 per meeting as an attendance fee (subject to applicable tax deduction).

32	Auditors' fees		
	Statutory audit fees (including VAT)	920,000	862,500
		920,000	862,500
33	Depreciation and repair of assets		
	Depreciation - (Annexure-A)		
	Furniture and fixture	7,472,524	7,981,967
	Office equipment	48,038	42,720
	Electrical equipment	19,830,213	21,626,002
	System software	7,137,525	10,682,876
	Motor vehicles	11,215,791	9,143,665
	Office space	4,447,260	4,447,260
	Right-of-use assets	29,306,973	28,485,621
		79,458,323	82,410,112
	Repairs		
	Maintenance of electrical equipment, office equipment, motor vehicle & other assets	30,161,329	18,313,891
		109,619,652	100,724,003

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

34	Other expenses		
	Fees and subscriptions	2,505,414	2,955,127
	Bank charges & excise duty	3,455,617	4,935,814
	Entertainment	5,700,819	3,870,368
	Office expenses	11,695,569	6,667,946
	Business promotion expenses	12,638,853	10,670,972
	Annual General Meeting expenses	2,161,316	2,189,393
	Salaries and Allowance - Outsourcing Staff	613,550	-
	Travelling and conveyance expenses	12,586,233	10,288,032
		51,357,372	41,577,651

		Amount in BDT	
		2025	2024
35	Provision for lease, loans and advances		
	General provision on lease, loans and advances	(7,093,823)	25,245,906
	Special provision 2% (15% payment for deferral clients)	(206,141)	(1,371,910)
	Specific Provision on unclassified lease, loans and advances	259,762	(7,717,318)
	Specific Provision on classified lease, loans and advances	115,292,546	155,928,664
		108,252,344	172,085,342
36	Provision for taxation		
	Current tax		
	Corporate tax for the year on operating profit	123,673,633	148,049,819
	Deferred tax		
	Deferred tax (note- 9.2)	(3,358,559)	(8,877,041)
		120,315,074	139,172,778
	Average effective tax rate		
	Operating profit before taxes	318,355,717	348,398,292
	Provision for taxation	120,315,074	139,172,778
	Effective tax rate (note-36.1)	37.79%	39.95%
36.1	Reconciliation of Effective Tax Rate	2025	2024
		%Taka	%Taka
	Profit before income tax as per profit and loss account	318,355,717	348,398,292
	Income tax as per applicable tax rate	37.50%119,383,394	37.50%130,649,360
	Net inadmissible expenses (due to difference between accounting & tax depreciation, lease/loan provision, gratuity provision and others)	9.40%29,918,418	11.58%40,336,536
	Reduced tax due to tax rate being lower than business tax rate (dividend income @ 20% and capital gain on sale of shares @ 15%)	-8.05%(25,628,178)	-6.58%(22,936,077)
	Deferred tax income	-1.05%(3,358,559)	-2.55%(8,877,041)
		37.79%120,315,074	39.95%139,172,778
37	Earnings per share (EPS)		
	Net profit after tax	198,040,642	209,225,514
	Number of ordinary shares outstanding	187,114,614	187,114,614
	Earnings Per share (EPS)	1.06	1.12
	Restatements of EPS:		
	Net profit after tax	198,040,642	209,225,514
	Number of ordinary shares as on 31 December	187,114,614	187,114,614
		1.06	1.12

Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2025 as per International Accounting Standard 33 Earnings Per Share.

		Amount in BDT	
		2025	2024
38	Receipts from other operating activities		
	Reimbursement - invoice processing and collection costs	59,646,809	111,591,449
	Early repayment premium	10,599,906	8,391,306
	Late payment charges	8,456,438	8,540,219
	Profit on sale of share	-	219,492
	Income from provident fund forfeited account (note-24.1)	341,111	1,287,585
	Miscellaneous earnings	12,822,036	10,737,266
		91,866,300	140,767,317
39	Payments for other operating activities		
	Rent, taxes, insurance, electricity, etc.	18,534,496	17,974,189
	Repairs and maintenance	36,964,460	10,946,378
	Travelling and conveyance expenses	12,586,233	10,288,032
	Annual General Meeting expenses	2,161,316	2,189,393
	Salaries and Allowance - Outsourcing Staff	613,550	-
	Entertainment	5,700,819	3,870,368
	Bank charges & excise duty	3,455,617	4,935,814
	Fees and subscriptions	2,505,414	2,955,127
	Office expenses	8,341,725	7,982,705
	Directors' fees	1,495,000	348,334
		92,358,630	61,490,338
40	Net Operating Cash Flow Per Share (NOCFPS)		
	Net cash flows from operating activities	524,553,414	798,807,845
	Number of shares outstanding	187,114,614	187,114,614
	NOCFPS	2.80	4.27
	NOCFPS (Restated)	2.80	4.27
41	Reconciliation of Operating Activities of Cash Flows Statement		
	Particulars		
	Net Profit After Tax	198,040,642	209,225,514
	Depreciation	79,458,323	82,410,112
	Provision for lease, loans and advances	132,854,483	197,085,342
	Written off during the year	(82,610,096)	(129,475,480)
	Amount realised from written off clients	56,910,352	32,034,750
	Provision for taxation	123,673,633	148,049,819
	Profit on sale of fixed assets	(447,834)	(558,962)
	Increase in short term loans	396,924,136	1,443,089,376
	(Increase)/decrease in lease, loans and advances	(1,225,467,033)	913,379,894
	Income tax paid	(158,302,486)	(128,147,358)
	Increase/(decrease) in deposit and other accounts	979,684,139	(2,038,249,668)
	Increase in other liabilities	71,180,754	13,760,518
	Decrease in other assets	6,261,071	58,995,279
	Increase in right-of-use assets	(53,606,671)	(2,791,291)
	Cash flows from operating activities	524,553,414	798,807,845
42	Number of employees		
	Number of employees who received less than BDT 3,000 per month	-	-
	Number of employees who received an aggregate amount of more than BDT 36,000 for the whole year or part of the year	724	829
		724	829

43 Related Party Disclosures

43.1

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 Ltd. having share of 19.84%
7.	Ormaan Rafay Nizam	Director	Nominated by National Brokers Ltd. having share of 2.01%
8.	Professor Dr. Mahfuzul Hoque	Independent Director	Not applicable; no shareholdings
9.	Prof. Dr. Mohammad Omar Farooq	Independent Director	Not applicable; no shareholdings
10.	Md. Jahidur Rahman	Independent Director	Not applicable; no shareholdings
11.	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, 2025

SL	Name of Directors	Status with United Finance PLC.	Entities where they have interest
1	Najmul Hasan	Chairman	Member of Governing Body United College of Nursing Advisor Surbana Jurong Infrastructure Pte Ltd - Bangladesh
2	Moinuddin Hasan Rashid	Director	Chairman 1. United Enterprises & Co. Ltd. 2. Unimart Limited 3. United Aygaz LPG Ltd. 4. United Sulpho-Chemicals Ltd. 5. United City Twin-Tower Developers Ltd. 6. United Healthcare Services Ltd. 7. Eco Life Resort Ltd. 8. Neptune Commercial Ltd. 9. Orange Solutions Ltd. 10. United Tank Terminal Ltd. 11. United Land Port Teknaf Ltd. 12. United Purbachal Land Ltd. Managing Director 1. United Power Generation & Distribution Company Ltd. 2. United Mymensingh Power Ltd. 3. United Property Solutions Ltd. 4. 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. Director 1. Dhaka Indenting Ltd 2. Neptune Land Development Ltd. 3. Khulna Power Company Ltd 4. Leviathan Global BD Ltd. 5. Shaji Enterprise Ltd. 6. United Ashuganj Energy Ltd. 7. Moulvi Tea Company (PRIVATE) Ltd. 8. United Elevator World Ltd 9. United Engineering & Power Services Ltd. 10. United Polymers Limited 11. United Securities Limited 12. United Shipping And Logistic Services Ltd. 13. United Medical College Hospital Ltd
3	Mahenoor Sultana Rashid	Director	Chairman Saadatia Sweaters Ltd.

SL	Name of Directors	Status with United Finance PLC.	Entities where they have interest
4	Kutubuddin Akhter Rashid	Director	Director 1. United Power Generation & Distribution Company Ltd. 2. United Healthcare Services Ltd. 3. United Ashuganj Energy Ltd. 4. United Payra Power Ltd. 5. United 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	Chairman Gunze United Ltd. Managing Director Dhaka Indenting Ltd Director 1. United Enterprises & Co. Ltd. 2. United Pharma & Healthcare Ltd. 3. United Sulpho-Chemicals Ltd. 4. United Healthcare Services Ltd. 5. Eco Life Resort Ltd. 6. United Power Generation & Distribution Company Ltd. 7. United Aygaz LPG Ltd.
6	Kayes Khalil Khan	Director	Chairman United Securities Limited Executive Director United Enterprises & Co. Ltd
7	Ormaan Rafay Nizam	Director	Managing Director National Brokers Ltd. Director Chittagong Warehouse Ltd.
8	Professor Dr. Mahfuzul Hoque	Independent Director	Director 1. Power Grid Company of Bangladesh Limited 2. Japan Society of Organization and Accounting
9	Prof. Dr. Mohammad Omar Farooq	Independent Director	Independent Director United Power Generation & Distribution Company Ltd.
10	Md. Jahidur Rahman	Independent Director	Partner Howladar Yunus & Co. Chartered Accountants
11	Mohammad Rafiqul Islam	Managing Director	-

- 43.3 Significant Contract where the Company is the party and where in Directors have interest
As of 31 December 2025 no such contract exists.
- 43.4 Share issued to Directors and executives without consideration or exercisable at a discount.
As of 31 December 2025 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	112,016,667
National Brokers Limited	Common Director	Term Deposit	115,966,824
National Brokers Limited Provident Fund	Related concern of National Brokers Limited	Term Deposit	40,904,120
United Insurance Company Limited	Sponsor Shareholder	Lease	2,090,416
		Term Deposit	13,500,000
		Insurance premium	274,967
United Insurance Company Limited Employees Provident Fund	Related concern of United Insurance Company Limited	Term Deposit	5,000,000
United Insurance Company Limited Employees' Gratuity Fund	Related concern of United Insurance Company Limited	Term Deposit	18,000,000
United Engineering And Power Services Ltd. Employees' (Contributory) Provident Fund	Related concern of United Engineering and Power Services Ltd.	Term Deposit	181,418,359
Chittagong Warehouses Limited Staff Provident Fund	Related concern of Chittagong Warehouses Limited	Term Deposit	6,589,000
United Finance Limited Employees' Provident Fund	Related concern of United Finance PLC.	Term Deposit	53,531,187
United Finance Limited Employees' Gratuity Fund	Related concern of United Finance PLC.	Term Deposit	28,035,449
Sir John Wilson School Employees' Provident Fund	Related concern of United Professional Services Ltd.	Term Deposit	60,000,000
United International University	Common Director	Term Deposit	10,000,000
Khulna Power Company Ltd	Common Director	Term Deposit	100,000,000
Najmul Hasan	Director	Term Deposit	2,000,000
Khandaker Moinul Ahsan and Khaleda Ahsan	Individuals related by shareholding	Term Deposit	105,512,500
Akhter Mahmud	Individual related by shareholding	Term Deposit	105,512,500
Hasan Mahmood Raja	Individual related to the Director	Term Deposit	800,000,000
Fatema Rashid Hasan	Individual related to the Director	Term Deposit	15,500,000

- 43.6 Lending policy to related parties
Related parties are allowed leases, loans, and advances as per credit policy of the Company on an arm's length basis.
- 43.7 Investment in the Securities of Directors and their related concerns
As of 31 December 2025 no such investment exists.

44 Commitment

Capital Expenditure

Capital expenditure amounting to BDT 8.49 million was contracted for the procurement of various IT hardware but not incurred during the period ended 31 December, 2025 (2024: Nil). This hardware will be delivered by the vendor in 2026; therefore the expenditure will be recognized in the year 2026.

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 2025, the Company had BDT 4,204,277,511 commitment with customers (2024: BDT 2,573,418,306).

45 Claim Against Company not Acknowledged as Debt

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

Except above, there was no such claims against the Company which required to be acknowledged as debt at 31 December 2025.

46 Proposal of Dividend

The Board of Directors has recommended a cash dividend of BDT 1.00 per ordinary share (2024: @ BDT 1.00 per ordinary share) i.e. a total of BDT 187.11 million for 187.11 million ordinary shares held on the record date 19 May 2026.

47 Foreign Currency Transactions

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

48 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 2025, United Finance PLC. sanctioned approximately 1,743 loans. Of these, 500 were retail loans (Personal Loan, Car Loan, and Loan Against Deposit), which are exempt from mandatory submission of audited financial statements.

From the remaining 1,243 facilities, only 271 clients fall under the 'Public Interest Entity' category. Audited financial statements were obtained and preserved at the time of sanction for 140 of these clients. The remaining clients have not yet completed their statutory audits.

49 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, through its 175th Circulating Resolution dated 2 June 2025, elected the following members to the Audit Committee for a period of three years:

SL	Name	Status in the Company	Status with Committee	Educational Qualification
1	Md. Jahidur Rahman	Independent Director	Chairman	M.Com & Chartered Accountant
2	Prof. Dr. Mohammad Omar Farooq	Independent Director	Member	M.A, USA & Ph.D.
3	Mahenoor Sultana Rashid	Director	Member	Graduate
4	Kutubuddin Akhter Rashid	Director	Member	Graduate, Malaysia
5	Ormaan Rafay Nizam	Director	Member	Graduate, UK
6	Labiba Mahjabin	Acting Company Secretary	Acting Secretary	Chartered Secretary

b. Meeting of Audit Committee:

The Audit Committee of the Board conducted 6 (Six) meetings in the year 2025. On invitation, the Company's Managing Director, Deputy Managing Director, Chief Financial Officer (CFO), Head of Internal Audit and Compliance, and Head of Special Assets Management attended the meeting to meet the queries of the Audit Committee and take directives for improvements.

c. Responsibilities executed by the Audit Committee

During 2025, the Audit Committee discharged following responsibilities:

1. Recommended for the appointment of Independent Directors.
2. Discussion among Bangladesh Bank Inspection Team with external auditors in accordance with regulatory requirements, prior to recommendation to the Board for approval.
3. Reviewed the Company's draft financial statements for the year ended on 31 December 2024 and recommended that the same be placed before the Board for approval.
4. Recommended that the report of the Committee be adopted by the Board for publishing in the Annual Report 2024
5. Recommended the Board on the appointment of external auditors for the year 2025 and their audit fee
6. Recommended the Board on the appointment of professional for certification on compliance of Corporate Governance for the year 2025 and their professional fee
7. Reviewed the quarterly financial statements and recommended that the same be placed to the Board for approval
8. Reviewed the quarterly report on Internal Control and Compliance
9. Reviewed the quarterly report on the development of pending legal cases
10. Reviewed the quarterly report on willful defaulter related information
11. Reviewed the Management Letter of the external auditors for the year 2024 along with the management responses on the Company's internal control
12. Reviewed and approved the Operational Guidelines on Internal Control and Compliance
13. Reviewed and approved the Compliance Calendar 2026
14. Reviewed the Human Resource Policy Statement and Guidelines

50 Highlights of the Overall Activities

SI	Particulars		2025	2024	Growth (%)
1	Paid-up capital (note-13.2)	MBDT	1,871.15	1,871.15	-
2	Total Eligible capital (note-13.3)	MBDT	3,502.15	3,498.05	0.12%
3	Capital surplus (note-13.3)	MBDT	1,604.23	1,732.50	-7.40%
4	Total assets	MBDT	29,388.07	28,015.57	4.90%
5	Total Term deposits (note-11.1)	MBDT	12,073.07	11,367.86	6.20%
6	Total lease, loans, and advances (note-7.1)	MBDT	20,688.83	19,463.36	6.30%
7	Total contingent liabilities and commitments (note-19)	MBDT	-	-	-
8	Loan to deposit ratio (note-7.1/note-11.1)	Times	1.71	1.71	0.09%
9	Percentage of classified lease, loans, and advances against total leases, loans, and advances (note-7.9)	(%)	5.95	4.98	19.49%
10	Profit after tax and provision	MBDT	198.04	209.23	-5.35%
11	Amount of loans classified during the year	MBDT	1,231.06	969.22	27.02%
12	Provisions kept against classified loans (note-12.6)	MBDT	679.32	589.72	15.19%
13	Provision surplus (note-12.6)	MBDT	0.25	11.08	-97.75%
14	Cost of fund	(%)	9.24	8.37	10.39%
15	Interest-earning assets	MBDT	25,511.07	24,578.45	3.79%
16	Non-interest-earning assets	MBDT	3,876.99	3,437.11	12.80%
17	Return on Equity (i)	(%)	5.92	6.36	-6.87%
18	Net Return to total earning assets	(%)	0.78	0.85	-8.81%
19	Return on total assets (ii)	(%)	0.69	0.74	-6.28%
20	Income from investment in shares and bonds (note-23)	MBDT	220.83	180.89	22.08%
21	Earnings per share (iii)	BDT	1.06	1.12	-5.35%
22	Net income per share (iv)	BDT	1.06	1.12	-5.35%
23	Price-earnings ratio (v)	Times	10.87	11.98	-9.33%

MBDT = Bangladeshi BDT in Million, BDT = Bangladeshi BDT

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 the December 31 market price of the respective year



Mohammed Abul Ahsan
Managing Director (Acting)



Khondaker Zayed Ahsan
Director



Mahenoora Sultana Rashid
Director



Najmul Hasan
Chairman

Dhaka, Bangladesh.
Dated: 28 April 2026

Amount in BDT

Fixed assets including land, building, furniture & fixtures - for 2025

	Furniture & fixture	Office equipment	Electrical equipment	Software	Motor Vehicle	Office Space	Right-of-use assets	Total
Cost								
Balance at 01 January, 2025	125,949,272	657,006	187,571,001	46,283,157	61,004,610	177,890,411	222,546,124	821,901,582
Addition during the year	1,907,990	-	14,506,489	448,350	36,110,925	-	53,606,671	106,580,426
Disposal/adjustment	(310,994)	(5,045)	(556,809)	-	(9,039,750)	-	(45,734,135)	(55,646,733)
Balance at 31 December, 2025	127,546,269	651,961	201,520,681	46,731,507	88,075,785	177,890,411	230,418,660	872,835,275
Accumulated depreciation								
Balance at 01 January, 2025	105,925,539	508,756	140,717,788	37,143,656	34,717,033	31,501,429	142,158,395	492,672,596
Charge for the year	7,472,524	48,038	19,830,213	7,137,525	11,215,791	4,447,260	29,306,973	79,458,323
Disposal /adjustment	(285,357)	(5,045)	(320,143)	-	(6,257,913)	-	(45,734,135)	(52,602,592)
Balance at 31 December, 2025	113,112,706	551,748	160,227,857	44,281,181	39,674,912	35,948,689	125,731,233	519,528,326
WDV at 31 December, 2025	14,433,562	100,213	41,292,824	2,450,326	48,400,874	141,941,722	104,687,427	353,306,948

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

	Furniture & fixture	Office equipment	Electrical equipment	Software	Motor Vehicle	Office Space	Right-of-use assets	Total
Cost								
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)
Balance at 31 December, 2024	125,949,272	657,006	187,571,001	46,283,157	61,004,610	177,890,411	222,546,124	821,901,582
Accumulated depreciation								
Balance at 01 January, 2024	99,324,262	466,035	132,128,952	26,460,780	33,210,518	27,054,168	114,831,743	433,476,458
Charge for the year	7,981,967	42,720	21,626,002	10,682,876	9,143,665	4,447,260	28,485,621	82,410,112
Disposal /adjustment	(1,380,690)	-	(13,037,166)	-	(7,637,150)	-	(1,158,969)	(23,213,974)
Balance at 31 December, 2024	105,925,539	508,756	140,717,788	37,143,656	34,717,033	31,501,429	142,158,395	492,672,596
WDV at 31 December, 2024	20,023,733	148,250	46,853,214	9,139,501	26,287,577	146,388,982	80,387,729	329,228,986

Amount in BDT

General Information

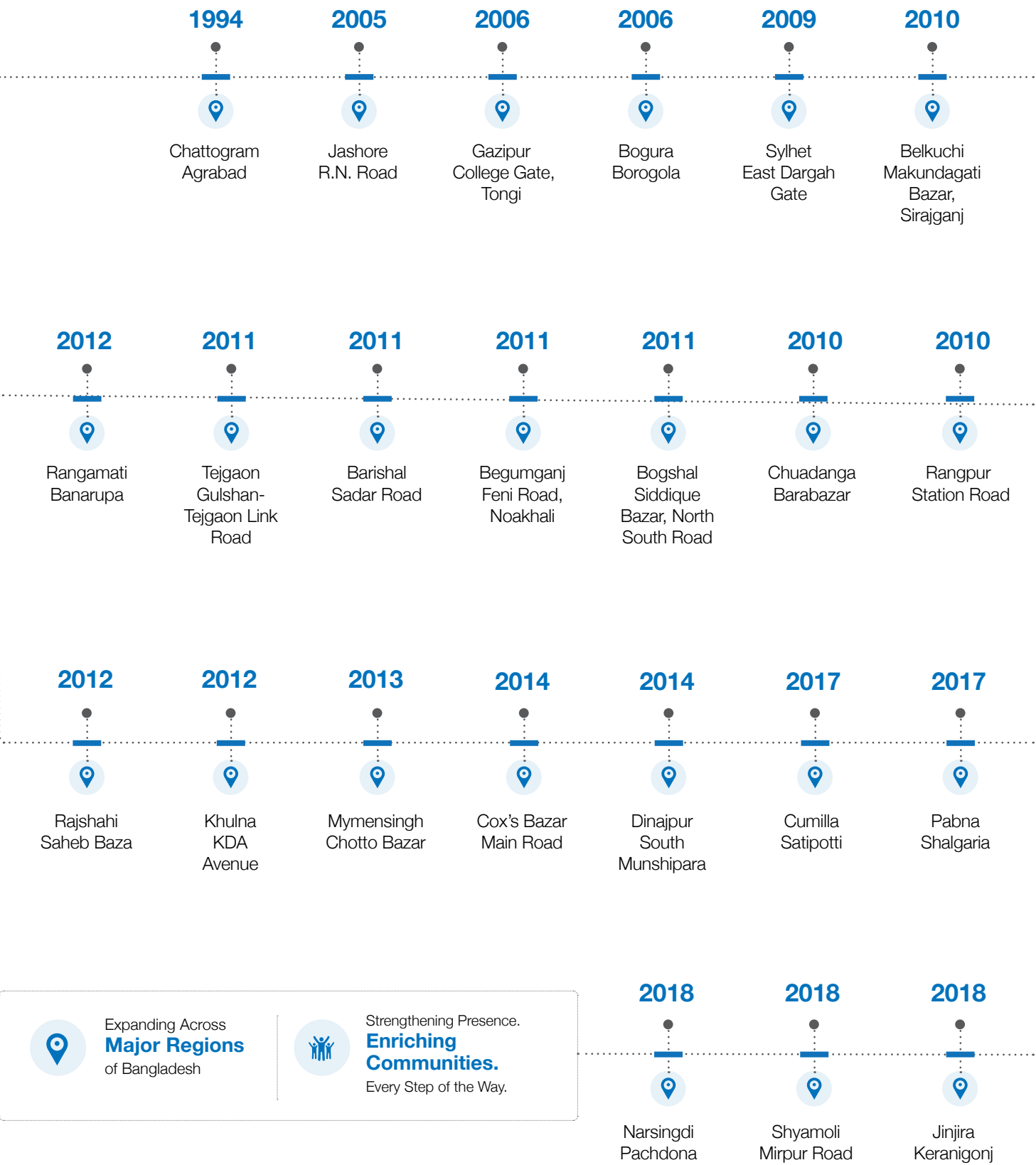
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Branches Opened

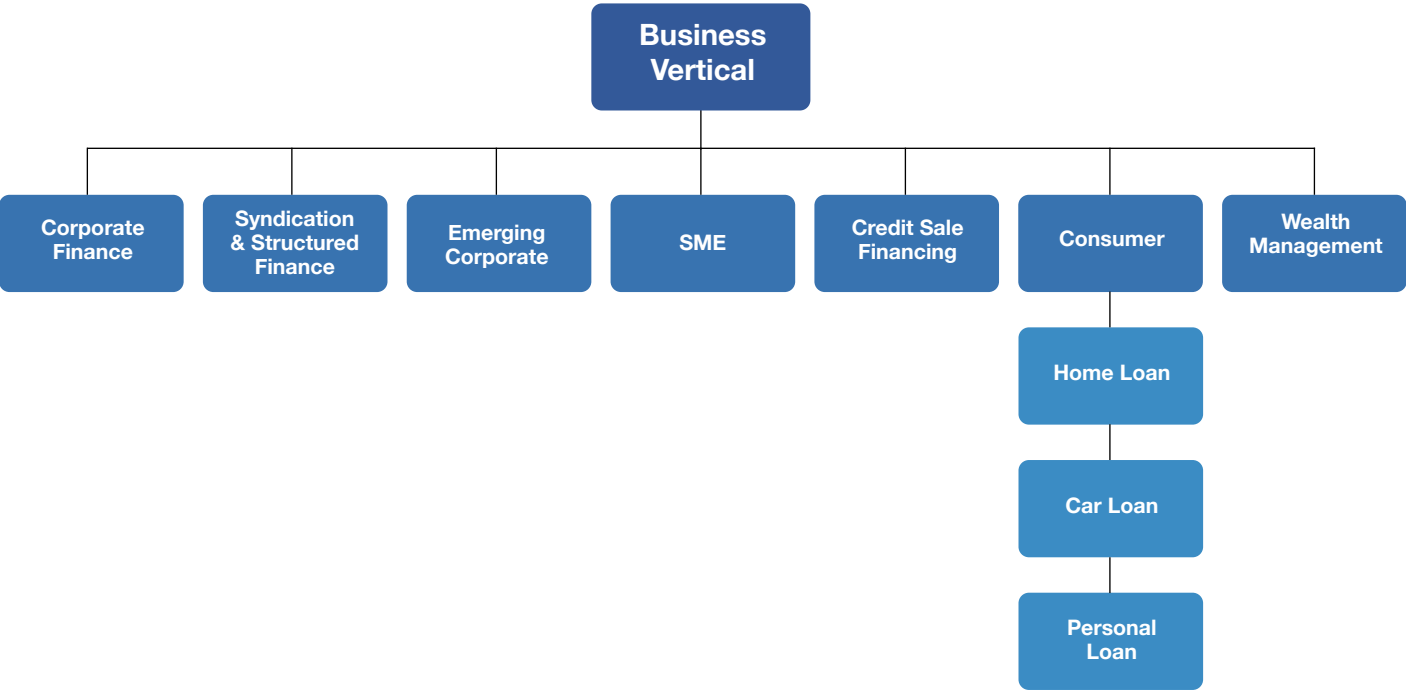
Building our presence. Expanding possibilities.

The journey of our branch network expansion from 1994 to 2018.



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

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 information security best practices.

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, multiple layers of defense safeguard the company's digital ecosystem.

This includes implementing a Web Application Firewall (WAF), Distributed Denial of Service (DDoS) protection, and full encryption for 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.

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 available 24/7, 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, MCCAE, WSHISA, Azure Administrator, ISO Lead Auditor, ISO Lead Implementer
- Strong expertise in secure system management

UNITED FINANCE PLC

Camellia House
22 Kazi Nazrul Islam Avenue, Dhaka-1000

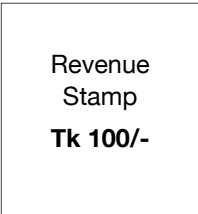
PROXY FORM

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-Seventh Annual General Meeting of the Company to
be held through a hybrid system on Monday, 29 June 2025 at 10:00 a.m. and at any adjournment thereof.

Signed this day of.....2026

.....
Signature of Proxy



Signature of Shareholders.....
Folio/BO ID No.....
No. of Shares

N.B: IMPORTANT

- 1) This Form of Proxy, duly completed, must be submitted at least 48 hours before the meeting in any of the following ways:
 - d) For virtual attendance: Scanned and sent through email at *investor.relations@ufplc.com*
 - e) For physical attendance: Deposited at the Company’s registered office.
- 2) Proxy is invalid if not signed and stamped as explained above.
- 3) Signature of the shareholder should agree with the specimen signature registered with the Company and depository register.

UNITED FINANCE PLC

Camellia House
22 Kazi Nazrul Islam Avenue, Dhaka-1000

ATTENDANCE SLIP

I hereby record my attendance at the Thirty-Seventh Annual General Meeting of the Company being held on
Monday, 29 June 2025 at 10:00 a.m. through hybrid system at
..... full address
.....
.....

Name of Member/Proxy Signature
Folio/BO ID No..... Date

N.B: IMPORTANT

- i) Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and deposit the same at the entrance of the meeting hall.
- ii) Shareholders and proxies are requested to record their entry in the Annual General Meeting well in time.

N.B:

In compliance with the requirements of Bangladesh Securities and Exchange Commission’s Circular No. SEC/CMRRCD/2009-193/154 dated 24 October 2013, no Gift/Gift Coupon/Food Box shall be distributed at the 37th AGM.

GRI Index

United Finance PLC.

Disclosure No.	Requirements	Reference	Page
Organisation Profile			
102-1	a. Name of organization	United Finance PLC.	Cover Page
102-2	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.	https://www.ufplc.com/en/Home/PersonalLoans https://www.ufplc.com/en/Home/BusinessLoans	16 28-29
102-3	a. Location of headquarters	https://www.ufplc.com/en/Home/ContactUs	389
102-4	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	-
102-5	a. Nature of ownership and legal form.	Nature of Ownership and Legal Form: Public Limited Company	-
102-6	a. Markets served including: i. Geographic locations where products and services are offered ii. Sectors served iii. Types of customers and beneficiaries	https://www.ufplc.com/en/Home/ContactUs	388
102-7	a. Scale of the organization, including: i. Total number of employees ii. Total number of operations iii. Net sales or net revenues iv. Total capitalization broken down in terms of debt and equity v. Quantity of products or services provided.	Financial Statements Notes to the Financial Statements Sustainability Report	323-386 146-192
102-8	a. Total number of employees by employment contract, by gender b. Total number of employees by employment contract, by region c. Total number of employees by employment type, by gender d. Whether a significant portion of activities are performed by workers who are not employees e. Significant variations in the numbers reported f. Explanation of how the data have been compiled, including assumptions made	Sustainability Report	146-192
102-9	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	28-29 30 146-192
102-10	a. Significant changes to the organization and supply chain, including changes in operations, share capital structure, capital formation, suppliers, supply chain structure, or supplier relationships.	https://www.ufplc.com/en/Home/ShareholdingStructure	82
102-11	a. Whether and how the organization applies the Precautionary Principle or approach.	Yes, Precautionary Approach to Financing	-
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	152-156
Strategy			
102-14	a. A statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy for addressing sustainability.	Chairman's Statement Managing Director's Statement	74-77 78-81
Ethics and Integrity			
102-16	a. Description of the organization's values, principles, standards, and norms of behaviour.	https://www.ufplc.com/en/Home/VisionMissionGoals	16-19
Governance			
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.	https://www.ufplc.com/en/Home/BoardOfDirectors https://www.ufplc.com/en/Home/Management	83-96 97-108

Disclosure No.	Requirements	Reference	Page
Stakeholder Engagement			
102-40	a. A list of stakeholder groups engaged by the organization.	Sustainability Report	146-192
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	146-192
102-43	a. The organization's approach to stakeholder engagement, including frequency of engagement by type and stakeholder group, and whether engagement was undertaken as part of report preparation.	Sustainability Report	146-192
102-44	a. Key topics and concerns raised through stakeholder engagement, including how the organization responded and the stakeholder groups that raised each topic.	Sustainability Report	146-192
Reporting Practices			
102-45	a. List of all entities included in the organization's consolidated financial statements or equivalent documents. b. Whether any entity included in those documents is not covered by the report.	Not Applicable	-
102-46	a. Explanation of the process for defining report content and topic Boundaries. b. Explanation of how the organization has implemented the Reporting Principles for defining report content.	Integrated Reporting	9-10
102-47	a. A list of the material topics identified in the process for defining report content.	Materiality Determination and Reporting	11-12
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. 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.	Sustainability Report This report has been prepared in accordance with the GRI Standards: Core option	146-192
102-55	a. The GRI content index, specifying each GRI Standard used and listing all disclosures included in the report. b. For each disclosure, the content index includes the disclosure number, page number(s) or URL(s), and reasons for omission, where applicable.	This table	394-396
102-56	a. Description of the organization's policy and current practice regarding external assurance for the report. b. If externally assured, reference to the assurance report, relationship with assurance provider, and involvement of governance body or senior executives.	No external assurance sought	-
Material Topics: Economic Performance			
103-1	a. Explanation of why the topic is material. b. Boundary for the material topic. c. Any specific limitation regarding the topic Boundary.	Materiality Determination and Reporting	11-12
103-2	a. Explanation of how the organization manages the topic. b. Statement of the purpose of the management approach. c. Description of policies, commitments, goals and targets, responsibilities, grievance mechanisms, and specific actions, where applicable.	Chairman's Statement Managing Director's Statement Management Discussion and Analysis Sustainability Report	74-77 78-81 193-220 146-192

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201-1	a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including direct economic value generated, economic value distributed, and economic value retained. b. Where significant, report EVG&D separately at country, regional, or market levels.	Notes to the Financial Statements	335-386
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201-4	a. Total monetary value of financial assistance received from government during the reporting period. b. Information by country. c. Whether and the extent to which any government is present in the shareholding structure.	Sustainability Report Shareholding Structure Notes to the Financial Statements	146-192 82 335-386
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103-1	a. Explanation of why the topic is material. b. Boundary for the material topic. c. Any specific limitation regarding the topic Boundary.	Materiality Determination and Reporting	11-12
103-2	a. Explanation of how the organization manages the topic. b. Statement of the purpose of the management approach. c. Description of policies, commitments, goals and targets, responsibilities, grievance mechanisms, and specific actions, where applicable.	Chairman's Statement Managing Director's Statement Management Discussion and Analysis	74-77 78-81 193-220
103-3	a. Explanation of how the organization evaluates the management approach.	Chairman's Statement Managing Director's Statement Management Discussion and Analysis	74-77 78-81 193-220
401-1	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	146-192
401-2	a. Benefits which are standard for full-time employees but are not provided to temporary or part-time employees, by significant locations of operation, including life insurance, health care, disability and invalidity coverage, parental leave, retirement provision, stock ownership, and others.	Sustainability Report Notes to the Financial Statements	146-192 335-386
401-3	a. Total number of employees entitled to parental leave, who took parental leave, returned to work after leave, remained employed 12 months after returning, and return-to-work and retention rates, by gender.	Sustainability Report	146-192
404-1	a. Average hours of training undertaken by employees during the reporting period, by gender and employee category.	Sustainability Report	146-192
404-2	a. Type and scope of programs implemented and assistance provided to upgrade employee skills. b. Transition assistance programs provided to facilitate continued employability and management of career endings.	Human Capital Sustainability Report	41-44 146-192
404-3	a. Percentage of total employees by gender and employee category who received a regular performance and career development review during the reporting period.	Human Capital Sustainability Report	41-44 146-192

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UNITED FINANCE PLC.

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