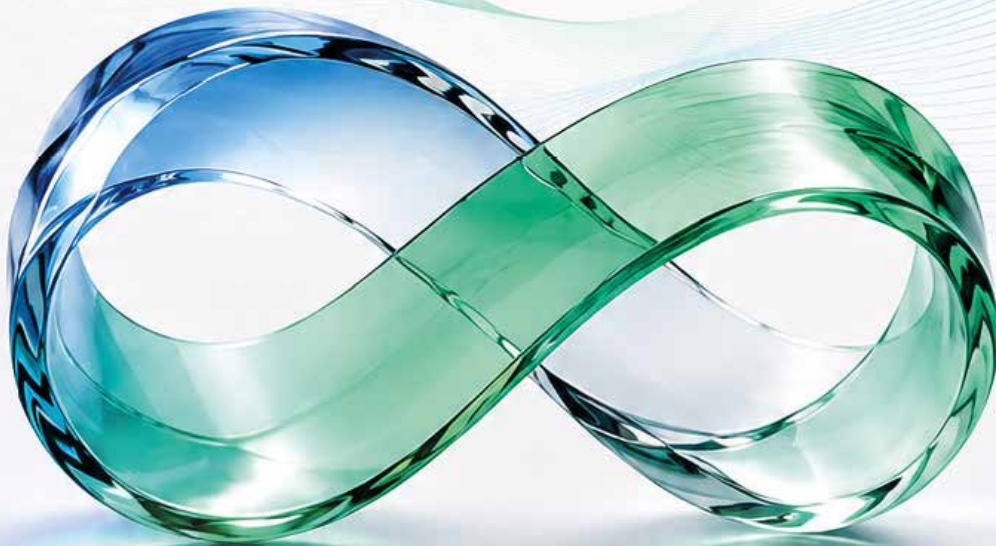




ANNUAL REPORT 2025



**BUILT ON TRANSPARENCY
FOCUSED ON TOMORROW**

Built on
Transparency

Focused on
Tomorrow

Our journey is guided by a simple belief -that trust is built through transparency, and lasting value comes from a clear focus on the future.

The Crystal Loop represents our commitment to open, responsible and ethical practices today, while continuously creating opportunities for a stronger, more sustainable tomorrow.



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AT A GLANCE

	Type of Company	: Public Limited Company
	Type of Business	: Finance Company
	Key Business Segments	: Retail Financing SME Financing Corporate Financing & Advisory Deposit & Savings
	Company Incorporation Number	: C-160166/2020
	Date of Incorporation	: March 09, 2020
	Bangladesh Bank License Number	: DFIM (L) /41
	Number of Branch	: 02
	Address of Head Office	: Finance Square, Level: 15, Holding No-22/A, Road No-102 & 103 Gulshan-2, Dhaka – 1212, Bangladesh.
	Address of Principal Branch	: Rangs RL Square, Level: 13, 201/1 Kha, Bir Uttam Rafiqul Islam Avenue, Progoti Shoroni, Dhaka-1212, Bangladesh.
	Telephone	: +88 09612223322
	Email Address	: info@sfilbd.com
	Web Address	: www.sfilbd.com
	Auditor	: Arun & Company Chartered Accountants Member firm of KPNG & CO. (NIRBHIK GANDHI & ASSOCIATES, India)
	Credit Rating Company	: Emerging Credit Rating Limited
	Legal Advisers	: Barrister Chowdhury Mokimuddin Barrister Shakhawat Hossain
	Tax Adviser	: Adil & Associates



KEY BANKING PARTNERS



Standard Chartered Bank



Eastern Bank PLC.



Southeast Bank PLC.



Trust Bank PLC.



Standard Islami Bank PLC.



Premier Bank PLC.



NRB Bank PLC.



Padma Bank PLC.

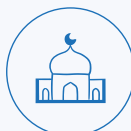


Export Import Bank of Bangladesh PLC.



SUBSIDIARY

SFIL Securities limited
(DSE & CSE TREC Holder)



WING/DIVISION

SFIL Islamic Finance Wing

ABOUT SFIL

SFIL Finance PLC. is a joint venture full-service Bangladesh Bank licensed multi-product financial institution. SFIL's shareholding comprises 96% institutional investments which exerts a key strength in terms of Operation, Internal Control & Compliance, and Corporate Governance. A significant portion of its institutional shareholdings is from renowned foreign fund managers from the Canada and USA. This foreign collaboration helps SFIL to attract foreign funds in both equity and debt form into Bangladesh. Moreover, the foreign collaboration also allows us to bring international best practices into the company.

SFIL is committed to extending the complete array of industry-leading products and services including lending in Corporate, SME, Retail, Term Deposit, Saving Schemes, and Corporate Advisory. The key focus areas for investments are Manufacturing, Infrastructure, SMEs, Cluster-based financial inclusion, Retail, Exports, Green projects, Agro, Emerging industries, Technology with constant improvement and innovation.

The Islamic Finance wing has been introduced products and services as per Shariah guideline of Bangladesh Bank to meet the requirements of customers. This Wing is governed and supervised by independent and experienced Shariah Committee. The Shariah Supervisory Committee members are well known Islamic Scholar, researcher, educationist and pioneer in Islamic Banking industry in Bangladesh. Shariah based products with attractive profit margins are offering to its valuable clients. The financial products and services are fully compliant by the Shariah laws and regulations and guideline of Bangladesh Bank.

SFIL Securities Limited (SFILSL) is a 100% owned subsidiary of SFIL. SFILSL obtained DSE, CSE, Stock broker, Stock Dealer and DP License from BSEC. SFILSL is extending share sale and buy services to its clients. The company started its trading activities on April 28, 2022. As a newly established brokerage we are focusing on building a strong client base to increase income from trading commissions- the main source of income of brokerage firms.

SFIL is passionate about constant improvement and innovation to deliver sustainable performance and superior services for continuously building long-term and mutually beneficial partnerships through a Bond of Transparency.





VISION

To be the most preferred financial partner in our chosen markets excelling in customer service with transparency and smart use of technology.



MISSION

We seek to help our customers achieve their financial goals and dreams through: Personal Connections, Simple Solutions and Lifetime Relationships.

CORE STAR VALUES

Our Core Star Values define who we are, how we work, and the standards we uphold in everything we do. They guide our decisions, shape our culture, and drive sustainable success.



Service Excellence

- Fundamental to our values would be the safeguard of our customers and treating their needs fairly.



Treating Fairly with Respect

- We commit to provide a safe working environment which offers diversity, inclusion and free from any discrimination and harassment.



Accountability

- We value the ability of our staff and organization to honor our commitments to clients and to each other.



Responsive

- We are responsive to our clients and demonstrate exemplary effectiveness with our approach to enhance their perception of us.



SERVICES OF SFIL



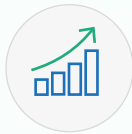
CONVENTIONAL SERVICES



**SAVINGS &
DEPOSITS**



**RETAIL
FINANCE**



**SME
FINANCE**



**CORPORATE
FINANCE**



**CORPORATE
ADVISORY**



ISLAMIC SERVICES



» **Mudarabah Savings & Term Deposit**



» **Hire Purchase Under Shirkatul Meelk (HPSM)**



» **Bai-Murabaha**



» **Bai Muajjal**

CONVENTIONAL SERVICES



SAVINGS & DEPOSITS



Savings

- Monthly Savings schemes
- Millionaire scheme



Regular Earner Deposits

- Monthly income earner
- Quarterly income earner



Term Deposits

- Flexible term deposits
- Cumulative term deposits
- Annual income term deposit
- Easy deposits
- Profit first
- Double money / Triple money



RETAIL FINANCE



Car Loans

- Brand new
- Reconditioned
- Employee car loan scheme



Personal Loans

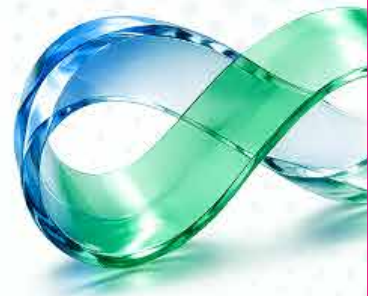
- Marriage loan
- Emergency medical loan
- Travel loan
- Education loan



Home Loans

- Apartment purchase loan
- House purchase loan
- Home equity loan
- Construction extension loan
- Group construction loan
- Commercial purchase loan
- Affordable home construction loan
- Semi pakka construction loan

CONVENTIONAL SERVICES



SME FINANCE

- | | |
|--|--|
| ☐ Term loan | ☐ Seasonal loan |
| ☐ Lease finance | ☐ Short-term loan |
| ☐ Working capital finance | ☐ Commercial vehicle loan |
| ☐ Women entrepreneur loan | ☐ Startup loan |
| ☐ Supplier finance | ☐ Commercial housing loan |



CORPORATE FINANCE

- | | |
|---|--|
| ☐ Term loan | ☐ Bridge finance |
| ☐ Lease finance | ☐ Access to special fund |
| ☐ Working capital finance | ☐ Agency & trustee |
| ☐ Sale & lease back | ☐ Private placement of equity |
| ☐ Preferred equity finance | ☐ Project finance |
| ☐ Club finance | ☐ Syndicated finance |



CORPORATE ADVISORY

- | | |
|---|--|
| ☐ Debt finance | ☐ Preference shares |
| ☐ Equity finance | ☐ Project feasibility |
| ☐ Issuance of bond | ☐ Business plan |
| ☐ Merger acquisition | ☐ Alternative Business Solution |

ISLAMIC SERVICES



MUDARABAH SAVINGS & TERM DEPOSIT

- ☐ Mudaraba Term Deposits (MTD)
- ☐ Mudaraba Hajj Savings Scheme (MHSS)
- ☐ Mudaraba Children Education Savings Scheme (MCESS)
- ☐ Mudaraba Medical Emergency Savings Scheme (MMESS)
- ☐ Mudaraba Travel Plan Savings Scheme (MTPS)



HIRE PURCHASE UNDER SHIRKATUL MEELK (HPSM)

- ☐ SFIL Islamic Apartment Purchase Finance
- ☐ SFIL Islamic House Construction Finance
- ☐ SFIL Islamic Vehicle Purchase Finance
- ☐ SFIL Islamic Machineries Purchase Finance
- ☐ SFIL Islamic Doctors Investment



BAI-MURABAHA

- ☐ Business Expansion Investment
- ☐ Agricultural Investment
- ☐ Women Entrepreneurs Investment
- ☐ Small Business Investment
- ☐ Working Capital Investment



BAI MUAJJAL

- ☐ Business Expansion Investment
- ☐ Agricultural Investment
- ☐ Women Entrepreneurs Investment
- ☐ Small Business Investment
- ☐ Working Capital Investment

CORPORATE HIGHLIGHTS

In 2025, at SFIL Finance PLC. continued its commitment to create positive impact for its stakeholders. Through knowledge sharing, meaningful engagement and continued support, SFIL fostering a better and brighter future.

Tarunner Utshob

SFIL Finance PLC. proudly participated in Tarunner Utshob 2025, celebrating the achievements and potential of youth and reaffirming our commitment to their growth and a prosperous future.



Training Program of AML & CFT

SFIL Finance PLC. conducted a training program at SFIL Head Office on Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) in 2025.



MoU signed with GREENBUD

Regarding a comprehensive guideline to the employees of SFIL for meeting the requirement of sustainability & climate related financial disclosures. Also a completed report on it for the period December 2025 & June 2026.



Financial Literacy Programs

Financial literacy programs were organized to promote practical financial awareness and better understanding of financial matters.



Fire Drill Training

Participating in 'Fire Drill Training', demonstrating the organization's strict commitment to workspace safety and emergency readiness.



EMPLOYEE ENGAGEMENTS



SFIL celebrated its 5 years anniversary, marking a significant milestone in its journey of excellence in compliance and integrity.

The occasion reflected the organization's steady progress, commitment to sound governance, and dedication to creating sustainable value for its stakeholders.





New Year celebration 2025

A shared celebration bringing employees together at the start of the year.

Employee Recognition Award

Recognition was extended to the employees for successfully passing the Banking Professional Exams.



Employee Engagements



Celebration of Bangla NABO BARSHO 1432

A cultural celebration of Bangla NABO BARSHO 1432 help strengthen a connected workplace.



Integrity Award

for Outstanding Performance & Steadfast Commitment to Ethical Excellence



Long Service Award

Recognizing the commitment and dedication of SFIL employees.



SFIL Iftar Program

A shared occasion for reflection connection and togetherness.



Farewell to the employees of SFIL



SFIL values the dedication and contribution of the people who have been part of its journey.

OUR CSR INITIATIVES

At SFIL Finance PLC., we believe in creating positive and lasting impact in the communities we serve. Through our CSR initiatives, we support healthcare and education to build a better tomorrow.

Support to The Centre for The Rehabilitation of The Paralyzed (CRP)

SFIL Finance PLC. care about the needs of People with disabilities. In this purpose, SFIL has donated in Centre for The Rehabilitation of The Paralyzed (CRP) to assist in the operational activities of comprehensive medical care, specialized therapy, vocational training & support services for the physically challenged peoples.



Support to Prime Minister's Education Assistance Trust

Prime Minister's Education Assistance Trust is a Bangladesh government trust fund under the Ministry of Education responsible for providing scholarships to underprivileged students based on merit. SFIL Finance PLC. has donated to the Prime Minister's Education Assistance Trust to support the education of underprivileged students.



DIRECTORS' PROFILE



S M SALAHUDDIN ISLAM | Chairman & Director

Major General (Retd.) S M Salahuddin Islam, currently serving as Chairman of SFIL Finance PLC., has an illustrious 37-year career in the Bangladesh Army, where he held key command and strategic roles including Military Secretary to the Hon'ble President. He commanded two Infantry Brigades, two Battalions, and a RAB unit, and served internationally in the Democratic Republic of Congo. Post-retirement, he served as Executive Chairman of BEPZA, leading industrial growth and investment. He holds a BSc, MDS, Executive MBA, and MPhil, and is a graduate of DSCSC and NDC. He received advanced training from PULADA (Malaysia) and AIT (Thailand). Decorated with the prestigious "Bir Protik" Gallantry Award, he is known

for leadership in high-risk operations, including in the Chittagong Hill Tracts. His distinguished service is further marked by multiple commendations and medals. Mr. Salahuddin is recognized for his visionary leadership, operational excellence, and contributions to national development.



MD. ASLAM MIAH | Director

Md. Aslam Miah is a distinguished legal practitioner and an Advocate of the Supreme Court of Bangladesh, currently serving as the Chairman of The Attorney World Limited. With over 25 years of experience, he has earned a strong reputation for professionalism, integrity, and excellence in providing legal services and corporate advisory support.

His career includes his current role as Group Legal Advisor at Abdul Monem Limited since January 2025, alongside long-standing positions as Legal Advisor to Union Group (since 2012) and Cross Line Composite Ltd. (since 2018). Earlier, he

served as an Executive Assistant Legal Advisor at Rajdhani Unnayan Karttripakkha (RAJUK) from 2000 to 2008, gaining valuable experience in public sector legal affairs.

He holds a BA (1989), MA (1991), and LL.B. (1991) from the University of Dhaka, and was enrolled with the Bangladesh Bar Council in 1996 and the Bangladesh Supreme Court Bar Association in 2001. In addition to leading a private law firm, he is actively involved in social initiatives, holding life memberships in organizations such as TMSS, Sandhani National Eye Donation Society, and the Bangladesh Red Crescent Society.



EHSANUL KABIR | Director

Mr. Ehsanul Kabir is the MD & CEO of Strategic Equity Management Limited (SEML). He is highly experienced and seasoned professional with expertise in Capital Market and Investment Banking. He is the representative Director of SEML, a renowned Asset Management Company operate under the license from Bangladesh Securities and Exchange Commission (BSEC).

DIRECTORS' PROFILE



MD. ABU KAISER, FCA | Independent Director

Md. Abu Kaiser, FCA, a Fellow Chartered Accountant, has an extensive track record in financial strategy, regulatory compliance, and operational efficiency. He is a former Partner at Mahfel Huq & Co., Chartered Accountants, where, since 1994, he played a pivotal role in delivering comprehensive professional services, including statutory audits, financial advisory, management consultancy, corporate taxation, VAT compliance, recruitment solutions, and secretarial support. His work has consistently aligned with regulatory requirements and client objectives.

He previously served as a Consultant for UNDP's Municipal Finance Project (1992–1994), contributing significantly to fiscal planning, public financial management, and governance improvement. From 1987 to 1991, he was the Chief Accountant at CI Sheet Galvanizing Plant, where he oversaw financial reporting, budgeting, production cost control, inventory and store management, taxation, and corporate administration. Earlier, from 1982 to 1986, he served as Manager (Audit) at a Chartered Accounting firm, managing major audit engagements and assurance assignments.

Mr. Kaiser holds a Bachelor of Commerce (B.Com) degree and is a qualified Chartered Accountant. With over four decades of professional experience, he has developed deep expertise in audit and assurance, strategic financial planning, regulatory compliance, risk assessment, internal control systems, and organizational development. His leadership, analytical capability, and dedication to excellence have earned him a reputation as a trusted and respected advisor in the accounting and finance profession.



MD. IDRIS | Independent Director

Md. Idris is an accomplished banking professional with over 30 years of leadership experience in Bangladesh's leading financial institutions. He began his career as an Assistant Engineer at Janata Bank in July 1989 and served in various roles—including Branch Head, Area Head, Divisional Head, and ultimately General Manager until August 2019.

He subsequently served as Deputy Managing Director of Rajshahi Krishi Unnayan Bank and as Managing Director (Additional Charge) from September 2019 to March 2021. He later joined Sonali Bank Limited as Deputy Managing Director (March 2021 – January 2022) and also held the position of CEO & Managing Director (Additional Charge) in November 2021. Additionally, he served as a Director of Bangladesh Commerce Bank Limited from October 2021 to January 2022.

Mr. Idris holds an MBA from Atish Dipankar University of Science & Technology and B.Sc. in Civil Engineering from the Bangladesh University of Engineering and Technology (BUET). He is widely recognized for his strategic vision, strong leadership, and unwavering commitment to institutional growth and excellence.

DIRECTORS' REPORT

TO THE SHAREHOLDERS OF SFIL FINANCE PLC.

Dear Shareholders,

The Board of Directors of SFIL Finance PLC. cordially welcomes you to the 6th Annual General Meeting of the Company. On behalf of the Board of Directors of SFIL Finance PLC., I have the pleasure of presenting the Directors' Report on the operational and financial activities of the Company, together with the audited financial statements for the year ended December 31, 2025, the Independent Auditor's Report, and a comprehensive review of the Company's performance. The report includes business strategy reviews, risk management initiatives, corporate governance practices, and key financial and operational highlights for your consideration, approval, and adoption. This report has been prepared in accordance with the provisions of the Companies Act, 1994, the Finance Company Act, 2023, and the guidelines and directives issued by Bangladesh Bank and other relevant regulatory authorities. The financial statements were reviewed and approved by the Board of Directors at its 97th Board Meeting held on June 29, 2026. Global economic activity continues to face significant challenges, with a broad-based and sharper-than-expected slowdown in growth and inflation remaining elevated compared to levels seen in recent decades. The ongoing cost-of-living crisis, tightening financial conditions across most regions, and escalating geopolitical tensions, including the conflict involving the United States and Iran, have further weighed on the global economic outlook.

ECONOMIC OUTLOOK

World Economic Outlook

The global economy remained resilient throughout 2025 despite persistent geopolitical tensions, elevated trade policy uncertainty, and tight global financial conditions. However, growth continued to moderate compared with the post-pandemic recovery period.

According to the International Monetary Fund (IMF) World Economic Outlook (October 2025), global GDP growth is estimated at 3.2% in 2025, slightly lower than 3.3% in 2024, reflecting weaker investment, slower international trade, and increased policy uncertainty. Advanced economies continued to experience modest growth amid restrictive monetary policies, while emerging market and developing economies maintained comparatively stronger growth, supported by domestic demand and resilient service sectors.

Global inflation continued its downward trajectory during 2025 as supply chain disruptions eased and commodity prices stabilized. Nevertheless, inflation remained above central bank targets in several economies, requiring monetary authorities to maintain relatively restrictive policy stances for most of the year.

International trade recovered gradually, although the pace remained constrained by heightened geopolitical tensions, protectionist trade measures, and changing global supply chains. Investment decisions across many economies were influenced by continued uncertainty regarding interest rates and geopolitical developments.

Financial markets generally remained stable despite episodes of volatility arising from geopolitical events and evolving trade policies. Central banks in major advanced economies adopted increasingly data-dependent monetary policies as inflation moderated, while fiscal authorities focused on maintaining debt sustainability amid elevated public debt levels.

Looking ahead, the IMF projects global growth to moderate further to 3.1% in 2026, with downside risks stemming from:

- Escalation of geopolitical conflicts;
- Increasing trade fragmentation and protectionism;
- High sovereign debt vulnerabilities;
- Financial market volatility;
- Climate-related economic disruptions.

Despite these challenges, technological innovation, digital transformation, and continued investment in artificial intelligence and renewable energy are expected to remain important drivers of medium-term global productivity and economic growth.

Bangladesh Economic Outlook

Bangladesh's economy navigated a challenging macroeconomic environment during FY2024-25. Economic activity slowed due to elevated inflation, tighter monetary policy, external sector adjustments, and subdued private investment. Nevertheless, the economy demonstrated resilience through sustained export growth, strong remittance inflows, and improving external balances.

According to the International Monetary Fund (IMF), Bangladesh's real GDP growth moderated to around 3.7% in FY2025 from 4.2% in FY2024, reflecting slower industrial production and weaker investment demand during the first half of the fiscal year. Growth subsequently improved, supported by stronger exports and recovering domestic economic activity.

Inflation remained one of the principal macroeconomic challenges throughout 2025. Although food and non-food inflation gradually moderated following tighter monetary policy, inflationary pressures remained above the Bangladesh Bank's desired range for much of the year. The Bangladesh Bank continued a cautious monetary policy stance aimed at restoring price stability while safeguarding financial sector resilience.

The external sector showed notable improvement during 2025. Export earnings, particularly from the ready-made garments (RMG) sector, remained resilient despite weaker global demand. Workers' remittance inflows reached record levels, contributing significantly to foreign exchange reserves and supporting external sector stability. The adoption of a more market-based exchange rate mechanism also contributed to improved foreign exchange market conditions.

The banking and financial sector continued to face structural challenges, including:

- Elevated non-performing loans (NPLs);
- Weak tax revenue mobilization;
- Pressure on fiscal balances;
- Governance and asset quality concerns within parts of the financial sector.

Consequently, ongoing financial sector reforms, strengthened supervision, improved corporate governance, and enhanced revenue mobilization remain critical policy priorities.

Public investment continued to support infrastructure development, although fiscal policy remained constrained by lower-than-expected revenue collection and higher interest costs. The Government maintained its focus on major infrastructure projects, export diversification, digital transformation, and investment climate reforms to strengthen long-term economic competitiveness.



Looking ahead, Bangladesh's medium-term outlook remains positive, supported by:

- Recovery in private investment;
- Continued export diversification;
- Strong remittance inflows;
- Ongoing infrastructure development;
- Financial sector reforms;
- Improved business confidence.

However, the outlook remains subject to several downside risks, including persistent inflation, slower global economic growth, external financing conditions, climate-related vulnerabilities, and delays in implementing structural reforms.

SFIL's Performance Snapshot

The year 2025 was sixth year for SFIL to create its strong foothold in the FC fraternity with reasonable growth on its core business operations while setting its backbone and team structure to cater the service needs of its different client base. In the backdrop of low credit appetite, mounting pressure on constant deposit withdrawal, lack of confidence of depositors in banks and FCs and decreasing lending rate, SFIL demonstrated high resilience in achieving its key performance indicators. The loan portfolio stood at BDT 884.02 million which is 10.42% lower than the last year. SFIL has successfully built a quality asset book with 3.44% classified loan ratio. On the other hand, SFIL maintained the deposit portfolio consists of both institutional (Banks & Corporate) and individual clients of BDT 2,303 million in 2025 against BDT 2,962 million in 2024 despite huge withdrawal pressure especially from institutional depositors throughout the year. SFIL earned after tax net profit of BDT (73.24) million in 2025 against BDT (54.09) million in 2024. Profit was significantly impacted in 2025 due to many uncontrollable factors such as, absence of return from Capital Market Investments, provision for the unrealized loss in investments in shares, shrinking Net Interest Margin (NIM), increasing cost of borrowed fund, increase of the balance of Non-Interest Earning Assets etc. Return on Equity stands at (7.16%) at the end of December 31, 2025.

The overall performance outlines our resilience, strength and capabilities to deliver a sustainable growth ensuring growing returns to our shareholders and stakeholders.

Challenges of 2026

- Higher Cost of Funds and Liquidity Constraints: Tight liquidity across the banking and financial sector and intense competition for deposits continued to increase funding costs.
- Weak Capital Market Performance: The prolonged downturn in the capital market and subdued investor confidence adversely affected investment returns and overall market sentiment.
- Macroeconomic Challenges: Persistent inflation, elevated financing costs, and slower economic activity affected borrowers' repayment capacity and reduced demand for financing.
- Political and Business Uncertainty: Political developments and related disruptions to economic activities affected business confidence and delayed investment decisions.
- Pressure on Profitability and Asset Quality: Higher funding costs, increased credit risk, and challenging market conditions continued to put pressure on profitability and required enhanced credit monitoring and prudent risk management.

Business & Operational Activities

SFIL has emerged as a multi-product financial service provider having major focus in Retail Financing, Corporate Financing, SME Financing, Factoring & Work Order Financing, Corporate Advisory Services and

Deposit products. It provides a high standard of professional and personalized services to its diverse set of clients maintaining strict compliance and highest ethical standards. The Company's strategy is to build up a well-diversified credit portfolio across different sectors to manage risk prudently. As of 2025, the credit portfolio represents of 63.91% Corporate Finance, 16.92% SME Finance and 19.18% Consumer Finance respectively.

Performance Highlights 2025

Financial Performance

BDT in Million

Leases, loans and advances	884.02
Total assets	3,620.26
Total deposit balance	2,302.85
Total Shareholders' Equity	1,022.84

Operational Performance

BDT in Million

Gross Operating income	396.18
Financial expenses	329.50
Operating expenses	86.03
Operating Profit	(19.36)
Profit before tax	(60.68)
Net profit after tax	(73.24)

Financial Ratio

Gross Profit Ratio (%)	16.83
Operating Profit Ratio (%)	(4.89)
Capital Adequacy Ratio (%)	24.12
Return on total assets (%)	(2.02)
Return on shareholders' equity (%)	(7.16)
Earnings per share (BDT)	(0.69)

Equity Statistic

Authorized Capital (BDT in Mn)	2,500.00
Paid-up Capital (BDT in Mn)	1,055.75
Shareholders' equity (BDT in Mn)	1,022.84
Number of shares outstanding (No.)	105,575,000
Net asset value (NAV) per share (BDT)	9.69
Earnings per share (BDT)	(0.69)

During the year 2025, lease, loan and advances of SFIL was BDT 884.02 million. Due to the severe impact of Political un-stability on life, livelihood, business and global economy, the Board and the management took a conscious decision to ensure quality balance sheet growth. However, SFIL plans to continue its sustainable growth once business environment of the country is normalized.

SFIL operates through three major segments in lending business: Corporate, Retail & SME. The classified loan ratio was 3.44 % during the year 2025.

Total deposit was BDT 2,303.85 million at the end of 2025. This was made possible by strong efforts of the management team and liability team as well as attractive deposit products. The Company launched innovative campaigns focusing on deposit mobilization during the year.

Operating profit in 2025 amounted to BDT (19.36) million. Interest Income and Income from Treasury played a vital role to attain this operating profit. Profit before tax was amounted to BDT (60.68) million. The company secured profit after tax amounted to BDT (73) million during the year 2025. Besides, there was BDT 11.53 million suspense during the period. However, the company has sufficient provision against portfolio and income tax. NAV per share stood at BDT 9.69 at the end of year 2025 against 10.39 of last year.

Funding

Credit Lines from Government Bank are conventional source of funding for the newly established FC but we have initiated a number of steps during the year 2025 to create visibility & promote SFIL as a licensed deposit taking FC. Our treasury team demonstrated outstanding performance in managing liquidity and keeping the cost of fund low. Continued emphasis was placed to onboard to get cheaper sources of deposits from Individual and Institutions. As of 2025, deposit balance represents of 82.51% from Bank & FC, 5.11% from Corporate and 12.39% from Individuals. The Company maintained its average cost of fund to the level of 11.84% for the year end 2025.

Asset Quality

During the year 2025, the lending portfolio grew at a steady rate during the period, asset quality was successfully maintained. Vigorous follow up and monitoring of client's loan account performance paid off in managing 3.44% NPL at the end of 2025.

Human Resources Management

We have been moderately successful in attracting talents during the period and made a blended mix of quality human capital with dynamism, agility and experience. Our talents have built up the foundations and confidence for organic growth as we continue to proceed ahead to embark upon new challenges. SFIL strongly believes that its human resources are its most precious assets and recognizes them as building blocks for the Company to perform sustainably. SFIL continues to develop and implement proper human resource policies to motivate its employees and ensures their optimum contribution towards the achievement of common goals. As our resources represent a significant competitive edge, the Company continues its policy of recruiting the best professionals and implementing diverse training and motivational programs to develop and retain high-quality, performance-oriented personnel.

SFIL's Contribution to the Society

The Company is strictly committed to contribute for the economic and social development of the country. Besides our core activities, we give utmost priority to increase the standard of living condition of our clients and our employees and directly contribute to the exchequer in the form of various tax, excise duty and VAT during the year. Details are given later in this report in Statement of Contribution to Government Exchequer section.



Risk Management & Control Environment

High quality management of risk is one of SFIL's hallmarks and thus a priority in its activity. It has combined prudence in risk management with use of advanced risk management techniques, which have proven to be decisive in generating recurrent and balanced earnings and creating shareholder value. The activity of risks is governed by the following principles, which are aligned with SFIL's strategy and business model and take into account the recommendations of the supervisory bodies, regulators and the market's best practices.

These are:

A culture of risks integrated throughout the organization. It embraces a series of attitudes, values, skills and ways of acting toward risks that are integrated into all processes, including taking decisions on change management and strategic and business planning.

Independence of the risk function, covering all risks and providing an adequate separation between the risk generating units and those responsible for its control and supervision, and having the sufficient authority and direct access to the management and governance bodies which are responsible for setting and supervising the risk strategy and policies.

Comprehensive approach to all risks as the objective for adequate management and control of them, including risks directly as well as indirectly originated but which can affect it. It is vital to have the capacity to draw up an all-comprehensive view of the risks assumed, understand the relations between them and facilitate their overall assessment, without detriment to the differences of nature, degree of evolution and real possibilities of management and control of each type of risk, adapting the organization, processes, reports and tools to the features of each one.

SFIL has different risk management team to manage and control all types of risks (i.e. Credit risk, concentration risk, market risk, operation risk, liquidity risk, market risk, compliance risk, reputation risk, environment and social risk, related party exposure risk, competition risk, Legal risk, ICT risk, Strategic risk etc.) prudently. The committees are as follows:

- Credit Evaluation Committee (CEC)
- Credit Risk Management Committee (CRM)
- Asset & Liability Management Committee (ALCO)
- Central Compliance Unit (CCU)
- Risk Management Forum
- Internal Control Committee
- HR & Compensation Committee
- Corporate Governance Committee
- National Integrity Strategy (NIS) Committee
- Women Help Desk
- ICT Risk Management Committee
- Sustainable Finance Committee

We are committed to manage the risks and ensure delivery of service to our stakeholders maintaining effective Risk Management System which pays off between risk and return.

Going Concern

The Directors after making necessary inquiries and reviews including reviews of the budget for the ensuing year, capital expenditure requirements, future prospects and risks, cash flows and such other matters required to be addressed in the Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Bangladesh and the Bangladesh Securities and Exchange Commission has adequate resources to continue operations into the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements.

Details about going concern assessment of SFIL is presented in Assessment report on the Going Concern Status of SFIL Finance PLC. later in this report.

Credit Rating

Emerging Credit Rating Limited (ECRL) has assigned A (Pronounced as “A”) long term credit rating and ST-3 short term credit rating to SFIL Finance PLC. based on audited financial statements for the year of 2025 and other available information up to the date of rating declaration. The outlook on the rating is Stable.

The rating reflects the strengths of the Company which is backed by a strong team of management, growth in the non-interest income, deposits and investments, adequate capital coverage with high Tier-1 capital, improved asset quality and well controlled liquidity position.

Corporate and Financial Reporting Framework

Financial Statements have been prepared in conformity with the requirements of the International Financial Reporting Standards (IFRSs), the Companies Act, 1994, Finance Company Act, 2023 and amendments thereto, Bangladesh Bank’s Guidelines and Corporate Governance Code.

Senior Management

Disclosure of all senior management personnel have been accounted in this Report.

Related Party Transactions

Disclosure of all related party transactions, including basis for such transactions, has been provided in the Notes 37 to the Financial Statements.

Insider Trading

The members of the Board of SFIL, or its sub –committee, or its senior management and their family members did not involve in any insider trading and did not violate the provision with regard to insider trading.

Directors Meeting and Remuneration

During the year of 2025, Fourteen (14) Board of Directors’ Meetings were held. All meeting fulfilled the quorum of required directors. The Board has three sub-committee: Executive Committee, Risk Management Committee and Audit Committee.

Appointment / Re-appointment of Directors

As per the Companies Act. 1994 and also as per Article No. 125 of Articles of Associations of SFIL Finance PLC. at the First Annual General Meeting of the Company, all of the Directors shall retire from office. At the Annual General Meetings in every subsequent year one-third of the Directors for the time being or, if their number is not three or multiple of three then the number nearest to one-third shall retire from office who shall however be eligible for re-election.

Furthermore, Article 126 & 127 of Articles of SFIL also states that the directors to retire by rotation every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those who are to retire shall, unless they otherwise agree among themselves, be determined by lottery. A retiring director shall be eligible for re-election in 6th Annual General Meeting and they seek re-appointment.

Status of Compliance & Corporate Governance

Details are given in the next section of the report in Statement of Directors’ Responsibility for Corporate Governance.

Statutory Auditors

On the basis of the proposal of the Board's Audit Committee, the Board in its 97th meeting held on June 29, 2026 recommended the shareholders to appoint Arun & Company, Chartered Accountants (member firm of KPNG & Co.) as the Auditors of SFIL for the year ended December 31, 2026 with a fee of BDT 173,000 (excluding VAT) and BDT 75,000 (excluding Tax & VAT) for the SFIL Securities Limited. SFIL has taken approval from Bangladesh Bank to appoint Arun & Company, Chartered Accountants (member firm of KPNG & Co.) until completion of conclusion of the 7th AGM. As far as the Directors are aware, the Auditors do not have any relationship with or interest with the Company that in their judgments, may reasonably be thought to have a bearing on their independence within the meaning of the Code of Professional Conduct and Ethics issued by the Institute of Chartered Accountants of Bangladesh (ICAB), applicable on the date of this report. The Auditors, Arun & Company, Chartered Accountants (member firm of KPNG & Co.) have expressed their willingness to conduct audit of the Company. They come up for appointment at the Annual General Meeting, with the recommendation of the Audit Committee and the Board of Directors. In accordance with the Companies Act, a resolution proposing the appointment of Arun & Company, Chartered Accountants (member firm of KPNG & Co.) as Auditors is being proposed at the 6th Annual General Meeting.

Internal Control System

The Directors of the Company have taken reasonable steps open to them to safeguard the assets of the Company and to prevent and detect frauds and any other irregularities. For this purpose, the Directors have instituted effective and comprehensive systems of internal controls for identifying, recording, evaluating and managing the risks faced by the Company throughout the year and it is being regularly reviewed by the Board of Directors. This comprises internal reviews, internal audit and the whole system of financial and other controls required to carry on the operations in an orderly manner, safeguard the assets, prevent and detect frauds and other irregularities and secure, as far as practicable, the accuracy and reliability of the records.

Dividend

Considering the overall environment of financial market and current financial strength of the Company, the Directors recommended that 0% cash dividend and 0% stock dividend to be paid for the year ended December 31, 2025. The dividend is subject to approval of the shareholders at the 6th Annual General Meeting.

Acknowledgements

The Board of Directors would take this opportunity to express their profound gratitude and extend appreciation to our valued shareholders, directors, clients, bankers, depositors, lenders, business partners, regulators, service providers and other stakeholders for their continued patronage and support and cooperation.

The Board offers its sincere thanks to the Bangladesh Bank, Registrar of Joint Stock Companies and Firms, National Board of Revenue, Ministry of Finance and other Government authorities for their support and cooperation.

I would also like to thank to the employees of SFIL for their dedication and commitment to make the year 2025 a successful one and look forward to make the year 2026 even better in every terms.

For and on behalf of the Board of Directors.

SD/-

S M Salahuddin Islam

Chairman

SFIL Finance PLC.

STATEMENT OF DIRECTORS' RESPONSIBILITY

FOR FINANCIAL REPORTING, CORPORATE GOVERNANCE AND INTERNAL CONTROL

Responsibility for Financial Reporting

Board of Directors is always committed towards self-controlled environment which is reflected by ensuring proper entries in books of accounts for each financial year that gives a true and fair view of the State of Affairs of the company and by accepting responsibility for the integrity and objectivity of the financial statements. In preparing financial statement, the Board of Directors ensures the followings

- Select relevant accounting policies and apply them consistently
- Make judgments and estimates that are reasonable and prudent
- Comply with applicable Financial Reporting Standards
- Prepare the financial statements on going concern basis
- Comply with applicable Bangladesh Bank circular on financial reporting

The considerations set out above are also required to be addressed by the Directors in preparing the financial statements. The Board of Directors confirms that the International Financial Reporting Standard (IFRSs) which are adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) have been followed meticulously subject to any material departure due to compliance with Bangladesh Bank being disclosed and explained in the notes to the financial statements.

The Board also confirms that the Company keeps accounting records, which disclose with reasonable accuracy, the financial position of the Company and which enables it to ensure that the financial statements comply with the sufficient requirements of the Companies Act, 1994, Securities Exchange Rules 1987 and Finance Company Act, 2023.

Responsibility for Corporate Governance

The Board ensures key decision making and execution within a clear governance framework. A primary task is the governance and oversight of business models which sets out consistent delivery of stake holder value in an uncertain and challenging environment. The Board primary role is to provide leadership, ensure that it is appropriately managed and deliver long-term shareholder value. It also sets the company strategic objectives and provides direction as a whole. A number of key decisions are reserved for and may only be made by the Board, which enables it and the executive management to operate within a clear governance framework.

Responsibility for Internal Control

The Board of Directors is also responsible for proper establishment and maintenance of an effective internal control system that safeguards shareholders' investments and assets of the company through prevention and detection of fraud and irregularities. The Board ensures that statutory and regulatory requirements are met and responds to changes in the Company's internal and external environment and conditions. The Board is responsible for ensuring that an adequate and effective internal control system exists in the organization and that all members of the top management of the Company are maintaining and monitoring the performance of that system. The Board and management must make sure that the Company's information systems produce pertinent and timely information in a form that enables employees, auditors, regulators, shareholders etc. to get the required data and information. The Company has taken proper and sufficient care in installing a system of internal control, which is reviewed, evaluated and updated on an ongoing basis.

SHAREHOLDING COMPOSITION

Shareholders are our valued partners. Their trust and confidence empower us to grow responsibly and create long-term value



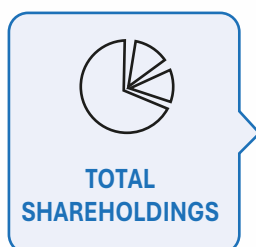
A. INDIVIDUAL SHAREHOLDERS (4%)

Name of Shareholders	Percentage (%)	No. of Shares	Amount in BDT
Ms. Anjuman Ara Shahid	2%	2,111,500	21,115,000
Mr. Raheeb Safwan Sarafat Chowdhury	2%	2,111,500	21,115,000
Total	4%	4,223,000	42,230,000



B. INSTITUTIONAL SHAREHOLDERS (96%)

Name of Shareholders	Percentage (%)	No. of Shares	Amount in BDT
Strategic Finance Limited	20%	21,115,000	211,150,000
Padma Bank Securities PLC.	20%	21,115,000	211,150,000
Strategic Equity Management Limited	6%	6,334,500	63,345,000
Canadian Maple Strategic Wealth Management LP.	48%	50,676,000	506,760,000
Statisticker Inc.	2%	2,111,500	21,115,000
Total	96%	101,352,000	1,013,520,000



100%

Total Shareholding



105,575,000

Total No. of Share



1,055,750,000

Total Amount (BDT)

INDEPENDENT SHARIAH SUPERVISORY COMMITTEE



Dr. Mohammad Manzur-e-Elahi | Chairman

Dr. Mohammad Manzur-e-Elahi is a researcher, educationist, Islamic scholar and writer at the same time well-known media personality. He is known nationally and internationally through Islamic research, propagation of Islam and discussions on TV/YouTube channels. He continues to serve as an Associate Professor in the Department of Islamic Studies at the National University.

Dr. Mohammad Manzur-e-Elahi has completed his Bachelor's, Master's and PhD degree from the Faculty of Shari'ah of The Islamic University of Madinah. He is also associated with Shariah Committee of different Islamic banks in Bangladesh.

He has established different Islamic institutions with the aim of spreading pure knowledge and education of Islam.



Mawlana Mufti Dr. Mohd. Haroon Rashid | Member

Mawlana Mufti Dr. Mohd. Haroon Rashid is a researcher, educationist, Islamic scholar and writer. Currently he is a Director of Bangla Academy and working with Bangla Academy since 1995. Mawlana Mufti Dr. Mohd. Haroon Rashid has completed his PhD and Graduation from Department of Arabic and Islamic Studies, Aligarh Muslim University, India. He is also visiting professor of Southeast University, International Islamic University, Asian University of Bangladesh and Bangladesh Islami University.



Dr. A.K.M Muhibbullah | Member

Dr. A.K.M Muhibbullah is a researcher, educationist, Islamic scholar and writer. He has completed his PhD and Graduation from Department of Arabic and Islamic Studies, Aligarh Muslim University, India.



Ehsanul Kabir | Member

Mr. Ehsanul Kabir is the MD & CEO of Strategic Equity Management Limited (SEML). He is highly experienced and seasoned professional with expertise in Capital Market and Investment Banking. He is the representative Director of SEML, a renowned Asset Management Company operate under the license from Bangladesh Securities and Exchange Commission (BSEC).



Md. Idris | Member

Md. Idris is an accomplished banking professional with over 30 years of leadership experience in Bangladesh's leading financial institutions. He began his career as an Assistant Engineer at Janata Bank in July 1989 and served in various roles— including Branch Head, Area Head, Divisional Head, and ultimately General Manager until August 2019.

He subsequently served as Deputy Managing Director of Rajshahi Krishi Unnayan Bank and as Managing Director (Additional Charge) from September 2019 to March 2021. He later joined Sonali Bank Limited as Deputy Managing Director (March 2021 – January 2022) and also held the position of CEO & Managing Director (Additional Charge) in November 2021. Additionally, he served as a Director of Bangladesh Commerce Bank Limited from October 2021 to January 2022.

Mr. Idris holds an MBA from Atish Dipankar University of Science & Technology and B.Sc. in Civil Engineering from the Bangladesh University of Engineering and Technology (BUET). He is widely recognized for his strategic vision, strong leadership, and unwavering commitment to institutional growth and excellence.

MANAGEMENT PROFILE



Asit Kumar Chakravorty | *Managing Director and CEO*

Mr. Asit Kumar Chakravorty is the Managing Director and CEO of SFIL Finance PLC. Prior to joining in SFIL Finance PLC., he was the Chief Executive Officer at ICB Capital Management Limited (ICML) and General Manager at Investment Corporation of Bangladesh (ICB) which is a state-owned Investment Bank of Government of the People's Republic of Bangladesh. During his tenure in ICB, he served in different key positions and gained comprehensive understanding on Investment, Credit, Underwriting and regulatory compliance.

Mr. Chakravorty completed the graduation and post-graduation from University of Dhaka in Statistics. He also completed MBA in Banking & Insurance from University of Dhaka. He further honed his expertise by completing the Banking Diploma from the Institute of Bankers, Bangladesh (IBB). His professional career is decorated with numerous awards and notable professional accreditation.



Tamim Marzan Huda | *Deputy Managing Director*

Mr. Tamim Marzan Huda is the Deputy Managing Director at SFIL Finance PLC. since September 2020, Mr. Tamim had a career span of more than 25 years and served in various Banks and Financial Institutions including Standard Chartered Bank, ICB Islamic Bank and Argus Credit Rating Services Limited. During his career he served in various senior level positions and gained a comprehensive understanding and expertise on underwriting Loans and Credit, Process reengineering, Strategic Planning, Control and compliance etc. He Obtained MBA degree from East West University and also attended many International Seminars and Training Programs at home and abroad.



Md. Moniruzzaman | *EVP, Credit Risk Management*

Mr. Md. Moniruzzaman, Executive Vice President (EVP) presently works as Head of Credit Risk Management department of SFIL Finance PLC. since May 2021. Prior to his current role, he was the Senior Vice President at SFIL Finance PLC. Before joining, he served The Premier Bank Limited, Banani. Mr. Moniruzzaman is a seasoned professional banker who brings in 22 years of experience in Banking Sector. In his last role at The Premier Bank, he managed Credit Division, Banani Branch. Mr. Moniruzzaman completed his B.Com (Hons.) and M.Com from University of Dhaka. During his professional career, he attended various training, workshops on Risk Management & Asset Liability Management.



Mohammad Razibuzzaman Khan | *VP & Deputy CFO*

Mr. Mohammad Razibuzzaman Khan joined at SFIL Finance PLC. in September, 2020. He has 11 years of experience in various financial institutions. His areas of expertise spans over Strategic Planning & Forecasting, Process design and Productivity improvement, Financial Governance & Modelling, Financial Reporting & Financial Management, Treasury Management and Company Secretarial work. He obtained his Master's degree in Accounting. He also completed the Chartered Accountancy Professional Stage (Application Level) from The Institute of Chartered Accountants of Bangladesh (ICAB). During his professional career, he has various training exposure from various renowned institutions.

LEADERSHIP TEAM



Imran Parvez

Head of Operations &
In-Charge, Islamic Finance Wing



Mohammad Ismail Hossain

Head of Internal Control and Compliance (ICC)



Hasan Ahmed Imran

In-Charge, Principal Branch &
Collection & Monitoring



Tanvir Mahmud

Company Secretary



Md. Sabbir Islam

Assistant Vice President
Information Technology (IT)



Md. Monirul Hasan

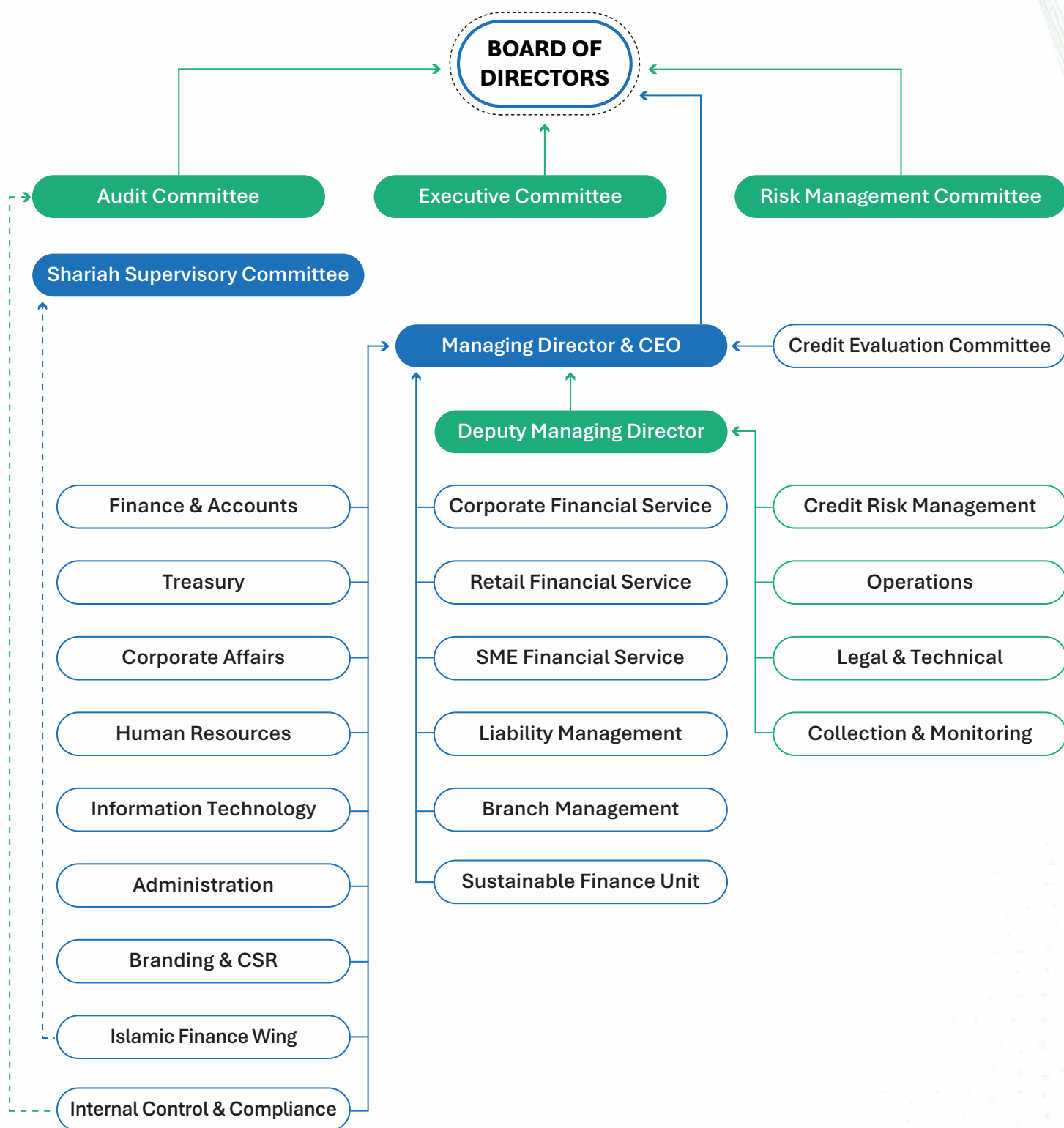
First Assistant Vice President
Legal Division



Md. Motaleb Hossain

First Assistant Vice President &
In-Charge, SME & Emerging Corporate

CORPORATE ORGANOGRAM



RISK MANAGEMENT STRATEGY

Risk Management and Control Framework

SFIL Finance PLC. has established a comprehensive Risk Management and Control Framework to ensure sound corporate governance, financial resilience, and sustainable business growth. The framework enables the effective identification, assessment, measurement, monitoring, mitigation, control, and reporting of material risks across the organization while ensuring full compliance with Bangladesh Bank regulations and other applicable legal and regulatory requirements.

The framework is supported by strong risk governance, clearly defined roles and responsibilities, robust risk management processes, prudent capital adequacy assessment, and an effective internal control system reinforced by independent assurance from the Internal Audit Division and External Auditors. Led by the Risk Management Division in close coordination with business and control functions, the framework promotes informed decision-making, strengthens organizational resilience, fosters a strong risk culture, and supports the achievement of the Company's strategic objectives while safeguarding the interests of shareholders, customers, regulators, and other stakeholders.

Types of Risk

SFIL Finance PLC. recognizes risk as the potential for financial or non-financial losses that may adversely affect its financial position, business operations, strategic objectives, reputation, and long-term sustainability. Risks may arise from both internal and external factors, including weaknesses in governance and internal controls, operational failures, credit exposures, market volatility, regulatory changes, technological developments, and other emerging risks.

To effectively manage these risks, the Company has implemented a comprehensive Enterprise Risk Management (ERM) Framework that facilitates the systematic identification, assessment, measurement, monitoring, mitigation, and reporting of all material risks. This integrated approach strengthens organizational resilience, supports regulatory compliance, promotes sound risk management practices, and enables SFIL Finance PLC. to maintain a prudent risk profile while safeguarding the interests of shareholders, customers, depositors, regulators, and other stakeholders.

Credit Risk

Credit risk is the risk of financial loss arising from the failure of a borrower, counterparty, or other obligor to meet its contractual obligations. As one of the most significant risks faced by SFIL Finance PLC, effective credit risk management is essential to preserving asset quality, maintaining financial stability, and safeguarding the interests of shareholders, depositors, regulators, and other stakeholders.

SFIL Finance PLC. has implemented a comprehensive Credit Risk Management Framework that encompasses prudent credit underwriting, independent credit assessment, risk-based approval processes, continuous portfolio monitoring, effective collateral and recovery management, and proactive remedial actions. The framework addresses key credit risk exposures, including default risk, credit concentration risk, recovery risk, counterparty risk, related-party risk, and environmental and social risk.

Risk Management Strategy

Through disciplined credit risk management practices, regular portfolio reviews, early warning mechanisms, and compliance with Bangladesh Bank regulations and internationally accepted risk management standards, the Company maintains a high-quality, well-diversified credit portfolio, minimizes potential credit losses, and supports sustainable business growth and long-term financial resilience.

Market Risk Management

Market risk is the risk of financial loss arising from adverse movements in market factors, such as interest rates, equity prices, foreign exchange rates, commodity prices, and other market variables. SFIL Finance PLC. manages market risk through a comprehensive framework that ensures market risk exposures are identified, measured, monitored, controlled, and mitigated in line with the Company's Board-approved risk appetite, internal policies, and Bangladesh Bank's regulatory requirements.

The Company's primary market risk exposures comprise interest rate risk and equity risk. These risks are managed through established risk limits, sensitivity and gap analyses, stress testing, scenario analysis, and regular portfolio reviews. Market risk exposures and key risk indicators are periodically reported to Senior Management and the Board of Directors to support informed decision-making and timely risk mitigation.

Through prudent market risk management practices, SFIL Finance PLC. safeguards its financial performance, strengthens portfolio resilience, maintains capital stability, and ensures compliance with applicable regulatory requirements and internationally accepted risk management standards.

Liquidity and Funding Risk Management

SFIL Finance PLC. manages liquidity and funding risk through a comprehensive framework designed to ensure the Company maintains sufficient liquidity to meet its financial obligations and secures stable funding under both normal and stressed market conditions. The framework incorporates prudent liquidity policies, diversified funding sources, cash flow forecasting, maturity gap analysis, liquidity stress testing, contingency funding planning, and continuous monitoring of key liquidity and funding risk indicators.

Liquidity and funding positions are regularly monitored against the Company's Board-approved risk appetite and Bangladesh Bank's regulatory requirements, with periodic reporting to Senior Management, the Risk Management Forum (RMF), and the Board of Directors. Through disciplined asset-liability management, prudent funding strategies, and proactive risk monitoring, SFIL Finance PLC. maintains a strong liquidity profile, strengthens financial resilience, safeguards stakeholder interests, and supports sustainable business growth while ensuring compliance with applicable regulatory requirements and internationally accepted best practices.

Operational Risk Management

Operational risk is the risk of loss arising from inadequate or failed internal processes, people, systems, or external events that may adversely affect the Company's operations, financial performance, regulatory compliance, or reputation. SFIL Finance PLC. manages operational risk through a comprehensive framework that enables the systematic identification, assessment, measurement, monitoring, mitigation, and reporting of operational risks across all business functions.

The framework covers key operational risk categories, including people risk, systems risk, process risk, and external risk, and is supported by robust governance, effective internal controls, information security, business continuity planning, and a strong risk-aware culture. SFIL continuously enhances its operational resilience through proactive risk assessments, Risk and Control Self-Assessments (RCSAs), Key Risk Indicators (KRIs), operational loss event reporting, internal control reviews, cybersecurity measures, disaster recovery planning, employee awareness programs, and regular reporting to Senior Management and the Board of Directors.

Through these integrated risk management practices, SFIL Finance PLC. strengthens operational resilience, minimizes operational losses, ensures regulatory compliance, protects stakeholder interests, and supports the sustainable achievement of its strategic and business objectives.

Risk Management at SFIL

SFIL Finance PLC. has established a comprehensive Enterprise Risk Management (ERM) Framework that supports sustainable growth, financial resilience, and long-term value creation by ensuring that all business activities are conducted within the Board-approved Risk Appetite Framework. The framework integrates risk management into the Company's strategic planning, decision-making, and day-to-day operations, enabling the effective identification, assessment, measurement, monitoring, mitigation, and reporting of material risks across the organization.

The ERM Framework is founded on strong risk governance, clearly defined risk appetite and tolerance, integrated enterprise-wide risk management, and both qualitative and quantitative risk assessment methodologies, including stress testing and scenario analysis. Supported by the Board of Directors, Senior Management, and dedicated risk professionals, the framework is continuously enhanced through robust policies, advanced risk management systems, data analytics, and a strong internal control environment.

Through this disciplined and proactive approach, SFIL Finance PLC. effectively manages its risk profile, strengthens organizational resilience, safeguards stakeholder interests, ensures compliance with regulatory requirements, and supports the sustainable achievement of its strategic and business objectives.

Risk Ownership and Accountability

SFIL Finance PLC. adopts the Three Lines of Defence model to ensure clear risk ownership, accountability, and effective risk governance across the organization. Under this model, business and operational units are responsible for managing risks arising from their activities, while independent control functions, including the Risk Management and Compliance Divisions, provide oversight, monitor adherence to approved policies, and challenge risk-related decisions where necessary. The Internal Audit Division serves as the independent third line of defence by providing objective assurance to the Board of Directors and the Audit Committee on the effectiveness of the Company's governance, risk management, and internal control framework.

This structured approach promotes a strong risk culture, reinforces accountability at all levels, enhances internal controls, and supports sound corporate governance, regulatory compliance, and the sustainable achievement of the Company's strategic objectives.

Risk Management Strategy

Portfolio Management, Stress Testing, and Capital Adequacy

SFIL Finance PLC. employs robust portfolio management practices, supported by regular stress testing and scenario analysis, to monitor portfolio quality, assess risk concentrations, and evaluate the potential impact of adverse economic and market conditions on its financial performance, liquidity, and capital position. The results of these assessments are integrated into the Company's Internal Capital Adequacy Assessment Process (ICAAP), capital planning, and strategic decision-making to ensure adequate capital and liquidity are maintained under both normal and stressed conditions.

Through disciplined portfolio management, prudent capital planning, and continuous enhancement of its risk management practices, SFIL Finance PLC. strengthens its financial resilience, ensures compliance with Bangladesh Bank's regulatory requirements and internationally accepted risk management standards, safeguards stakeholder interests, and supports the sustainable achievement of its long-term strategic objectives.

Risk Management Governance and Organizational Structure

SFIL Finance PLC. has established a robust Risk Management Governance Framework that ensures effective oversight, clear accountability, and independent risk management across the organization. The framework integrates risk management into the Company's strategic planning, business operations, and decision-making processes while ensuring that all risk-taking activities remain aligned with the Board-approved Risk Appetite Framework and applicable regulatory requirements.

Supported by strong governance, defined roles and responsibilities, and effective oversight by the Board of Directors and Senior Management, the framework promotes a strong risk culture, enhances organizational resilience, strengthens regulatory compliance, and supports the sustainable achievement of the Company's strategic and business objectives.

Board Oversight

The Board of Directors has ultimate responsibility for overseeing SFIL Finance PLC's Enterprise Risk Management (ERM) Framework and ensuring that the Company's risk management practices remain aligned with its strategic objectives, Board-approved Risk Appetite Framework, and regulatory requirements. Supported by the Board Audit Committee, the Board approves the Company's risk management strategy, key risk policies, and governance framework, while providing independent oversight of the effectiveness of the Risk Management Division and the overall risk management process.

Through regular reviews of the Company's risk profile, material risk exposures, portfolio concentrations, emerging risks, and key risk indicators, the Board and Senior Management ensure informed decision-making, effective risk oversight, and the timely implementation of appropriate risk mitigation measures, thereby strengthening the Company's financial resilience, governance, and long-term sustainability.

Risk Management Division

The Risk Management Division serves as the independent second line of defence, providing enterprise-wide oversight of SFIL Finance PLC's principal risk exposures. The Division is

responsible for developing and maintaining the Company's risk management framework, policies, methodologies, and monitoring processes to ensure that material risks are effectively identified, assessed, measured, monitored, and reported across the organization.

In addition, the Division oversees portfolio quality, monitors compliance with the Board-approved Risk Appetite Framework, conducts independent risk assessments of significant business initiatives, and provides timely reporting of key risk exposures and emerging risks to Senior Management, the Board Audit Committee, and the Board of Directors. Through these responsibilities, the Risk Management Division strengthens the Company's risk governance, supports informed decision-making, enhances regulatory compliance, and contributes to the sustainable achievement of SFIL Finance PLC's strategic and business objectives.

Risk Reporting and Information Management

SFIL Finance PLC. has established a comprehensive Risk Reporting and Information Management Framework to ensure the timely collection, analysis, and communication of accurate and reliable risk information across the organization. The framework provides Senior Management and the Board of Directors with meaningful insights into the Company's risk profile, enabling informed decision-making, proactive risk management, and effective oversight.

Regular risk reporting covers portfolio performance, risk concentrations, emerging risks, Key Risk Indicators (KRIs), stress testing results, risk limit utilization, and compliance with the Board-approved Risk Appetite Framework and regulatory requirements. Through this structured reporting framework, SFIL Finance PLC. enhances risk transparency, strengthens governance, supports timely risk mitigation, and promotes sustainable business performance and organizational resilience.

Independence of the Risk Management Function

SFIL Finance PLC. maintains the independence of its Risk Management Division as a fundamental principle of effective risk governance. The Division operates independently from revenue-generating business units, ensuring objective risk oversight, unbiased risk assessments, and sound decision-making. The performance evaluation and remuneration of risk management personnel are determined independently to reinforce objectivity and align with industry best practices.

In addition, designated credit officers exercise independent credit approval authority within approved delegated limits based on their experience and competency, ensuring prudent, impartial, and consistent credit decisions. This independent governance structure strengthens risk oversight, enhances regulatory compliance, reinforces accountability, and supports the Company's overall risk management framework and strategic objectives.

Risk Governance in Product Development

SFIL Finance PLC. integrates risk management throughout the product development lifecycle to ensure that new products, services, and business initiatives are developed and implemented within the Company's Board-approved Risk Appetite Framework. The Risk Management Division actively participates in the evaluation, design, review, and approval processes by providing independent risk assessments and expert guidance.

Risk Management Strategy

This proactive approach ensures that material risks are identified, assessed, mitigated, and effectively managed before implementation, while maintaining compliance with regulatory requirements and governance standards. By embedding risk considerations into product development, SFIL Finance PLC. strengthens its risk governance, enhances decision-making, safeguards stakeholder interests, and supports the sustainable achievement of its strategic and business objectives.

Risk Management Forum (RMF) at SFIL

In accordance with Bangladesh Bank's DFIM Circular No. 01 dated 7 April 2013, SFIL Finance PLC. has established a Risk Management Forum (RMF) and a Risk Analysis Unit (RAU) to strengthen its Enterprise Risk Management (ERM) Framework and reinforce effective risk governance across the organization.

Chaired by the Deputy Managing Director (DMD) & Chief Risk Officer (CRO), the RMF comprises representatives from key business, operational, and support functions, ensuring an integrated and enterprise-wide approach to risk management. As the Company's principal management-level risk oversight body, the RMF is responsible for overseeing the identification, assessment, monitoring, and management of material risks, while ensuring that risk management practices remain aligned with the Company's strategic objectives, Board-approved Risk Appetite Framework, and the regulatory requirements of Bangladesh Bank.

Key Roles and Responsibilities of the Risk Management Forum

The Risk Management Forum (RMF) serves as SFIL Finance PLC's principal management-level risk oversight body, providing strategic direction and oversight to ensure the effective implementation of the Company's Enterprise Risk Management (ERM) Framework. The RMF is responsible for fostering a strong risk culture, aligning risk management with the Company's strategic objectives and Board-approved Risk Appetite Framework, and ensuring that material risks are identified, assessed, measured, monitored, mitigated, and reported in a timely and effective manner.

The Forum oversees the implementation of risk management policies, internal controls, governance standards, and risk reporting processes, while promoting enterprise-wide risk awareness, accountability, and informed decision-making. It also monitors the effectiveness of the Company's risk management framework, establishes appropriate reporting and escalation mechanisms, and oversees business continuity, disaster recovery, and operational resilience initiatives. Through these responsibilities, the RMF strengthens organizational resilience, enhances regulatory compliance, safeguards stakeholder interests, and supports the sustainable achievement of SFIL Finance PLC's strategic and business objectives.

Credit Risk Measurement

SFIL Finance PLC. has established a comprehensive Credit Risk Measurement Framework to ensure the continuous assessment, monitoring, and proactive management of credit risk exposures throughout the credit lifecycle. The framework incorporates portfolio surveillance, sectoral analysis, borrower-level monitoring, and an Early Warning Reporting (EWR) mechanism to identify emerging credit risks at an early stage and facilitate timely risk mitigation and remedial actions.

The Credit Risk Management (CRM) Division continuously evaluates macroeconomic conditions, industry trends, and portfolio performance, while Relationship Managers and the Collection and

Recovery Team monitor borrowers' financial condition, repayment behavior, and compliance with financing terms. Through disciplined credit monitoring, effective early warning systems, and proactive portfolio management, SFIL Finance PLC. preserves asset quality, minimizes potential credit losses, strengthens credit risk governance, and ensures compliance with Bangladesh Bank's regulatory requirements and internationally recognized best practices.

Stress Testing and Scenario Analysis

SFIL Finance PLC. conducts comprehensive stress testing and scenario analysis as an integral part of its Enterprise Risk Management (ERM) Framework and Internal Capital Adequacy Assessment Process (ICAAP), in accordance with the regulatory guidelines of Bangladesh Bank. These forward-looking assessments evaluate the potential impact of adverse but plausible economic and market conditions on the Company's financial performance, asset quality, liquidity, capital adequacy, and overall risk profile.

The stress-testing framework covers all material risk categories, including credit, market, liquidity, and capital risks, and incorporates a range of moderate to severe scenarios to identify emerging vulnerabilities and risk concentrations. The results are reviewed by Senior Management and the Risk Management Forum (RMF) and are integrated into the Company's risk management, capital planning, portfolio management, and strategic decision-making processes. Through regular stress testing and scenario analysis, SFIL Finance PLC. strengthens its financial resilience, enhances risk preparedness, ensures adequate capital and liquidity buffers, and supports sustainable business growth while maintaining compliance with Bangladesh Bank's regulatory requirements and internationally accepted risk management standards.

Risk Management and Mitigation Approach

SFIL Finance PLC. adopts a comprehensive Risk Management and Mitigation Approach to effectively manage credit risk exposures, preserve asset quality, and support sustainable business growth. The Company employs prudent credit underwriting, comprehensive due diligence, portfolio diversification, risk-based pricing, legally enforceable collateral, exposure limits, and continuous borrower and portfolio monitoring to ensure that credit risks remain within the Board-approved Risk Appetite Framework.

The Company's risk mitigation strategy is supported by periodic portfolio reviews, early warning mechanisms, stress testing, scenario analysis, and timely recovery and remedial management of deteriorating credit facilities. These practices are regularly reviewed and enhanced to reflect evolving market conditions, regulatory requirements, and industry best practices. Through this disciplined approach, SFIL Finance PLC. minimizes potential credit losses, strengthens portfolio resilience, safeguards stakeholder interests, and ensures compliance with Bangladesh Bank's regulatory requirements while achieving its long-term strategic and business objectives.

SUSTAINABILITY AND CLIMATE-RELATED DISCLOSURE

1 Introduction

The primary objective of this report is to evaluate the organization’s carbon footprint across both operational and financial activities, enabling transparent disclosure and effective management of its climate-related impacts. This effort reflects the organization’s strategic intent to align with international standards such as the **IFRS S1 and S2 disclosure frameworks**, the Greenhouse Gas Protocol, and the **Partnership for Carbon Accounting Financials (PCAF) guidelines** for financed emissions.

The initiative goes beyond compliance, as SFIL Finance PLC. aims to embed environmental and climate considerations into every level of its decision-making processes. The assessment quantifies emissions arising from direct energy use (octane), electricity consumption, and portfolio-based financed emissions. Through this exercise, the organization has established a credible emissions baseline, which will serve as a foundation for tracking progress and developing targeted emission reduction actions.

The broader purpose of this report is to demonstrate how SFIL Finance PLC. integrates sustainability into its governance, strategy, and risk management practices. It also highlights the organization’s approach to climate-related opportunities, such as green financing, renewable energy lending, and efficiency-driven investments. By strengthening its environmental accountability, SFIL Finance PLC. seeks to align with national policy frameworks, such as Bangladesh Bank’s Sustainable Finance Policy, as well as international climate commitments under the Paris Agreement.

Ultimately, this assessment represents a forward-looking step toward operational excellence and resilience. The findings will guide SFIL Finance PLC. in formulating long-term decarbonization pathways, enhancing climate risk assessment mechanisms, and positioning itself as a responsible financial organization committed to supporting a low-carbon and sustainable economy.

2 Governance

SFIL Finance PLC. recognizes that sound governance is fundamental to the effective identification, assessment, monitoring, and management of climate-related and other sustainability-related risks and opportunities. Accordingly, the Company is progressively integrating climate and sustainability considerations into its governance arrangements, business strategy, credit decision-making, risk management processes, and internal control framework.

Oversight is exercised at both Board and management levels through defined responsibilities, structured reporting channels, periodic performance reviews, and established internal controls. These arrangements support compliance with Bangladesh Bank’s Sustainable Finance Policy, Environmental and Social Risk Management Guidelines, Climate Risk Management Guidelines, and applicable sustainability-related financial disclosure requirements.

2.1 Board and Committee Oversight

The Board of Directors holds overall responsibility for overseeing climate-related and other sustainability-

THREE DIMENSIONS OF AN EMISSIONS BASELINE

- 01 OPERATIONAL**
Direct energy use
Octane
- 02 ELECTRICITY**
Purchased electricity
operational activities
- 03 FINANCED**
Portfolio-based
financed emissions

related risks and opportunities affecting SFIL Finance PLC. The Board ensures that material sustainability considerations are appropriately reflected in the Company's strategic planning, financing activities, risk management framework, policies, and major business decisions.

The Risk Management Committee (RMC) serves as the principal Board-level committee responsible for overseeing these matters. The RMC supports the Board by reviewing climate and environmental risk exposures, monitoring the effectiveness of related risk-management measures, assessing regulatory developments, and guiding the integration of sustainability considerations into the Company's operations.

Where relevant, other Board committees also consider climate and sustainability matters within their respective mandates, particularly when reviewing internal controls, regulatory compliance, major financing decisions, portfolio quality, and organizational performance.

2.2 Board and Committee Responsibilities

The responsibilities of the Board and the RMC in relation to climate and sustainability include:

- Integrating climate and sustainability considerations into corporate strategy, business planning, and key decision-making processes;
- Reviewing and approving relevant sustainable finance, environmental and social risk management, and climate-related policies;
- Overseeing the identification, assessment, prioritization, and management of climate-related risks;
- Monitoring green and sustainable finance activities and related implementation progress;
- Ensuring compliance with Bangladesh Bank's regulatory requirements and supervisory expectations; and
- Considering how climate-related risks and opportunities may affect portfolio quality, financial performance, operational resilience, and long-term organizational sustainability.

These responsibilities are incorporated into the applicable mandates, policies, and governance processes of SFIL Finance PLC.

2.3 Information Flow and Reporting to the Board

The Board and the RMC receive regular information on climate-related and other sustainability-related matters through periodic risk reports, management updates, committee papers, and internal reviews.

The information presented may include:

- Climate and environmental risk exposures within the financing portfolio;
- Findings from environmental and social due diligence;
- Performance relating to green and sustainable finance;
- Compliance with regulatory requirements;
- Emerging climate-related risks and opportunities;
- Changes in Bangladesh Bank guidelines and supervisory expectations; and
- Progress in implementing sustainability-related policies and initiatives.

2.4 Skills, Competencies and Capacity Building

The RMC and the Board periodically consider whether appropriate knowledge, skills, and competencies are available to oversee climate-related and other sustainability-related risks and opportunities effectively.

SFIL Finance PLC. supports the development of relevant competencies through training, awareness programmes, regulatory briefings, and professional capacity-building initiatives. Key areas of learning include climate-risk management, sustainable finance, environmental and social due diligence, financed emissions, regulatory disclosure requirements, and emerging sustainability standards.

These initiatives help strengthen the ability of Board members and responsible officials to understand climate-related implications and provide effective oversight in a rapidly evolving regulatory and business environment.

2.5 Sustainable Finance Unit (SFU)

The following members will be responsible for its sustainable finance policy formation, modification, correction and execution of all activities related to Green Banking, Corporate Social Responsibility and Environmental Social Risk Management.

Name	Designation	Role in Committee
Md. Moniruzzaman	Executive Vice President, CRM	Chairman
Imran Parvez	Senior Assistant Vice President, Operations	Member
Mirza Mohammad Mahabub Rashed	Senior Assistant Vice President, CRM	Member
Tanvir Mahmud	Senior Assistant Vice President, Company Secretary	Member
Md. Imran Hossain	First Assistant Vice President, IT	Member
Md. Shariful Islam	First Assistant Vice President, Operations	Focal Point
Md. Motaleb Hossain	First Assistant Vice President, SME & Corporate	Member
Md. Ohiduzzaman	Senior Executive Officer, Operations	Member
Subrata Rudra	Executive Officer, HR	Member
Dewan Matlubul Haque	Executive Officer, Finance & Accounts	Member

2.6 Oversight of Climate and Sustainability Performance

The Board and the RMC oversee the development of climate and sustainability-related priorities and monitor performance through structured governance and reporting processes.

As SFIL Finance PLC. continues to develop its formal climate-related targets, the Board monitors relevant indicators such as:

- Green and sustainable finance disbursement;
- Environmental and social due diligence coverage;
- Compliance with ESRM requirements;
- Exposure to climate-sensitive sectors;
- Implementation of climate-risk-management measures; and
- Progress in strengthening sustainability-related systems and disclosures.

Climate and sustainability performance indicators are not currently directly linked to executive remuneration. However, the possible integration of relevant performance measures into accountability and remuneration arrangements may be considered as the Company's climate-governance and target-setting systems mature.

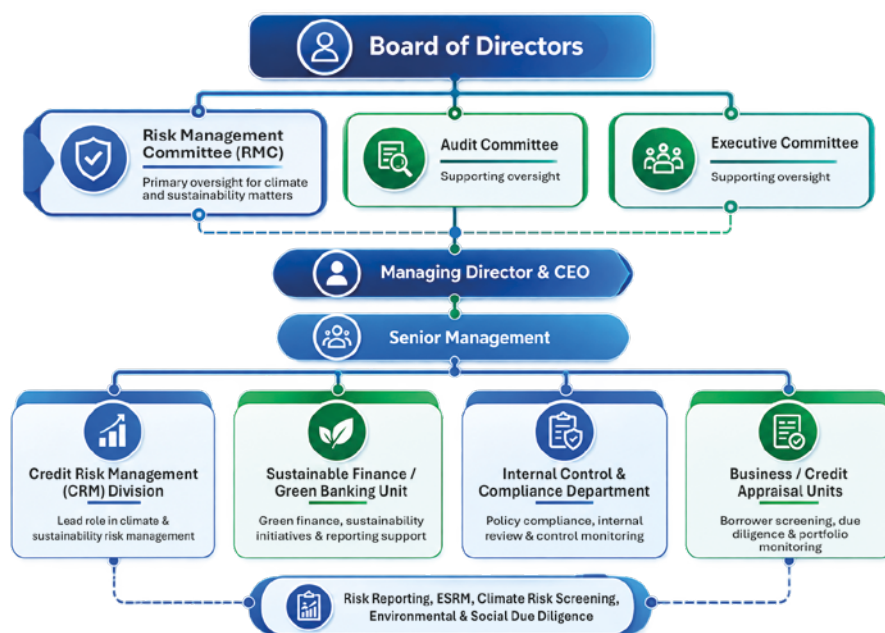
2.7 Management's Role

At the management level, responsibility for managing climate-related and other sustainability-related risks and opportunities is primarily assigned to the Credit Risk Management (CRM) Division under the strategic guidance and oversight of the Risk Management Committee.

The CRM Division is responsible for operationalizing the Company's climate-risk and environmental and social risk-management requirements. Its responsibilities include:

- Conducting or reviewing environmental and social risk assessments;
- Incorporating climate-related considerations into credit appraisal;
- Applying environmental risk-rating and due-diligence tools;
- Monitoring relevant portfolio-level exposures;
- Maintaining climate and sustainability-related risk information;
- Reporting material findings to senior management and the RMC; and
- Supporting compliance with applicable Bangladesh Bank requirements.

The Internal Control and Compliance Department and other relevant functions support the CRM Division by monitoring regulatory compliance, reviewing the application of internal procedures, and promoting consistency across the Company's financing and risk-management activities.



2.8 Management Oversight and Reporting

Management oversight is exercised through periodic review of climate-risk reports, environmental due diligence findings, regulatory compliance updates, and sustainability-related performance information.

The CRM Division reports relevant matters to senior management and the RMC, enabling the responsible governance bodies to evaluate emerging risks, implementation gaps, policy compliance, and the effectiveness of risk-mitigation measures.

This reporting structure helps maintain alignment between Board-approved strategic direction and the operational management of climate and sustainability-related matters.

2.9 Controls and Procedures

SFIL Finance PLC. applies structured controls and procedures to support the identification, assessment, monitoring, and management of climate-related and other sustainability-related risks.

These controls are integrated into the Company's wider credit-risk, operational-risk, compliance, and portfolio-management systems. Climate-related risks are therefore assessed alongside conventional financial, credit, operational, and regulatory risks rather than being managed as a separate or isolated issue.

2.10 Strengthening the Internal Control Environment

The integration of climate and sustainability considerations has strengthened the overall internal control environment of SFIL Finance PLC. Environmental and climate-risk criteria are increasingly embedded in credit assessment, due diligence, approval, monitoring, and reporting processes.

3 Strategy

SFIL Finance PLC. recognizes that climate-related and other sustainability-related risks and opportunities may influence its business model, financing portfolio, operating environment, financial performance, and long-term resilience. The Company is therefore progressively integrating sustainability considerations into its strategic planning, credit decision-making, portfolio management, and operational processes.

The strategic approach of SFIL Finance PLC. focuses on responsible financing, effective environmental and social risk management, regulatory compliance, expansion of sustainable finance, and improved preparedness for physical and transition climate risks. Through this approach, the Company seeks to protect portfolio quality, support sustainable economic activities, and create long-term value for its stakeholders.

3.1 Key Strategic Priorities

Strategic Pillar	Description
Responsible Lending	Integration of Environmental and Social Due Diligence (ESDD) and climate-risk screening into credit appraisal and all financing decisions.
Green Finance Growth	Expansion of financing for renewable energy, sustainable housing, energy-efficient construction, and low-carbon development opportunities.
Operational Efficiency	Reduction of resource consumption through digital transformation, energy efficiency programs, and internal efficiency measures.
Resilient Planning	Alignment of short-, medium-, and long-term business planning with sustainability priorities, climate scenario analysis, and emerging environmental expectations.
Long-Term Value Creation	Strengthening portfolio quality, regulatory readiness, and institutional resilience through climate-informed strategy and ESG integration.

3.2 Concentration of Climate-Related Risks and Opportunities

SFIL Finance PLC. provides financing across several economic sectors. The nature and level of climate-related exposure vary according to the location, operational characteristics, environmental footprint, and regulatory sensitivity of each borrower and sector.

Greater attention may be required for sectors that:

- Consume significant energy or natural resources;
- Generate substantial emissions or pollution;
- Operate in climate-vulnerable geographic locations;
- Rely on climate-sensitive supply chains;
- Face increasing environmental compliance costs; or
- Are affected by changing market and technology requirements.

The Company reviews sectoral and borrower-level information to identify areas where climate-related risks may be concentrated. Portfolio monitoring and environmental and social due diligence are used to support the management of these exposures.

3.3 Strategic Time Horizons

SFIL Finance PLC. applies short, medium, and long-term time horizons when assessing climate-related risks, opportunities, and strategic responses. These time horizons are aligned with the Company's business planning, financing portfolio, regulatory obligations, and risk-management processes.



3.4 Strategic Response and Decision-Making

SFIL Finance PLC. responds to climate and sustainability-related risks and opportunities through a combination of financing controls, portfolio monitoring, policy implementation, resource allocation, and capacity-building measures.

Strategic and financing decisions consider:

- Environmental and social due diligence findings;
- The location and nature of a borrower's operations;
- Sector-specific climate vulnerability;
- Regulatory and environmental compliance;
- Potential impacts on repayment capacity;
- Collateral and asset exposure;
- The availability of risk-mitigation measures; and
- Opportunities to finance sustainable and resource-efficient activities.

Where material risks are identified, the Company may require additional information, mitigation measures, corrective action plans, enhanced monitoring, or specific financing conditions before approving or continuing a financing relationship.

3.5 Transition Planning

SFIL Finance PLC. is progressively developing its approach to managing the transition toward a low-carbon and climate-resilient economy. The Company has not yet adopted a comprehensive standalone climate-transition plan with quantified decarbonization pathways.

However, transition-related considerations are being incorporated through:

- Sustainable and green finance activities;
- Environmental and social risk assessment;
- Sectoral and borrower-level screening;
- Financed-emissions measurement;

- Monitoring of regulatory developments;
- Capacity building; and
- The gradual development of climate-related metrics and targets.

As internal capabilities, data availability, and regulatory guidance develop, the Company intends to strengthen the structure and measurability of its transition planning.

3.6 Current and Anticipated Financial Effects

Climate-related risks may affect the Company's financial position, financial performance, and cash flows through changes in borrower creditworthiness, loan impairment, collateral values, operating expenses, regulatory requirements, and financing demand.

Potential financial effects may include:

- Increased credit losses from climate-exposed borrowers;
- Higher impairment provisions;
- Reduced value of climate-vulnerable collateral;
- Increased compliance, data, and capacity-building costs;
- Changes in demand for financing in emission-intensive sectors;
- New investment requirements for climate-risk-management systems; and
- Revenue opportunities from green and sustainable finance.

At present, the Company's assessment of climate-related financial effects is primarily qualitative. More detailed quantitative assessment will depend on improved borrower-level data, scenario-analysis capability, and the availability of appropriate methodologies.

3.7 Resource Allocation

Resources are allocated to support regulatory compliance, environmental and social due diligence, sustainable finance activities, staff development, data collection, internal reporting, and risk-management improvements.

Future resource requirements may include investments in:

- Climate-risk data and information systems;
- Financed-emissions measurement;
- Scenario-analysis tools;
- Staff and Board capacity building;
- Specialized technical expertise; and
- Development of new green and sustainable finance products.

These investments are expected to strengthen risk management and support the Company's long-term strategic objectives.

4 Risk Management

SFIL Finance PLC. recognizes that climate-related and other sustainability-related risks may affect borrower performance, collateral values, portfolio quality, operational continuity, regulatory compliance, and long-term financial resilience. The Company therefore integrates environmental, social, and climate-related considerations into its broader risk-management framework, credit appraisal process, financing decisions, and portfolio-monitoring activities.

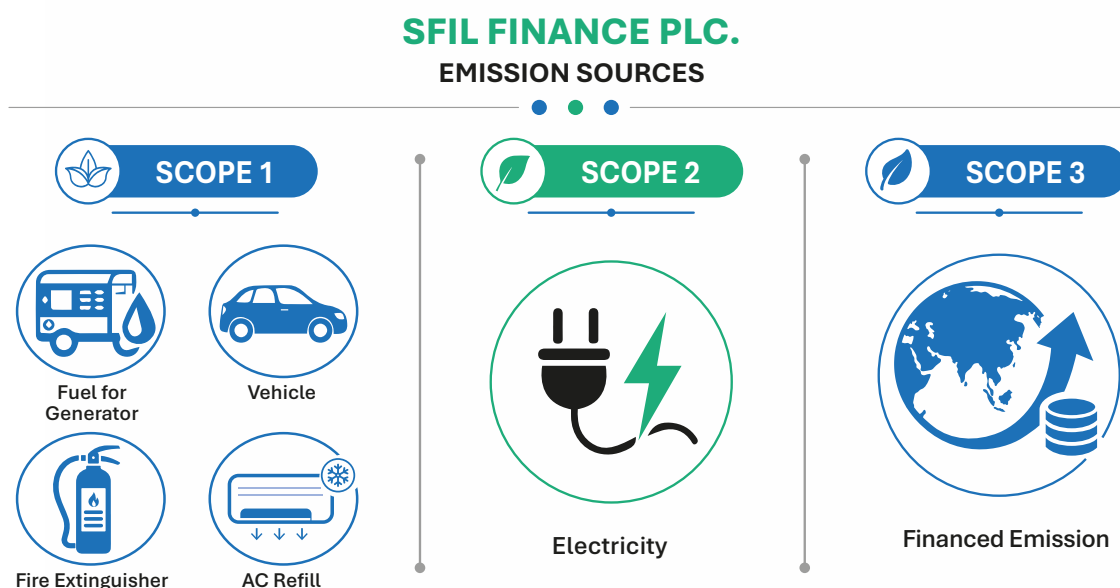
The Company's approach is guided by Bangladesh Bank's Environmental and Social Risk Management Guidelines, Sustainable Finance Policy, Climate Risk Management Guidelines, and other applicable regulatory requirements. These frameworks support the systematic identification, assessment, prioritization, monitoring, and management of physical and transition climate risks across the financing portfolio.

4.1 Key Risk Management Practices

- Integration of Environmental and Social Due Diligence into credit appraisal and approval
- Application of environmental risk rating and climate-risk screening
- Assessment of physical and transition risks affecting borrowers and sectors
- Monitoring of climate-sensitive and environmentally exposed financing portfolios
- Maintenance of climate and sustainability-related risk information
- Periodic reporting to senior management and the Risk Management Committee
- Alignment with Bangladesh Bank's ESRM and climate-risk requirements

5 Metrics and Targets

The Metrics and Targets section of this report provides a quantitative and qualitative overview of SFIL Finance PLC's greenhouse gas performance during the July to December of 2025, along with its future reduction commitments. It consolidates data from operational sources and financed activities to present a complete picture of the organization's climate impact. This section reflects the organization's data-driven approach to measuring, managing, and reducing emissions in accordance with the IFRS S2 and GHG Protocol frameworks. Through continuous monitoring of Scope 1, 2, and 3 emissions, SFIL Finance PLC. aims to establish a robust foundation for evidence-based decision-making and strategic planning. The inclusion of targets demonstrates the organization's forward-looking commitment to decarbonization and accountability, serving as a roadmap for aligning its operations and financial portfolio with national and global climate objectives.



5.1 Quantitative Emission Summary (From July to December 2025)

5.1.1 Scope – 1 Emissions

5.1.1.1 Emissions from Fuel Use in Generators (From July to December 2025)

Table 1: Emissions for Fuel Use in Generator in July to December 2025

Total Diesel Use in Liter	Total Emissions in tCO ₂ e
30.90	0.0009

5.1.1.2 Emissions from Fuel use in Vehicle (From July to December 2025)

Table 2: Emissions for Fuel Use in Vehicle in July to December 2025

Total Octane Use in Liter	Total Emissions in tCO ₂ e
1,280.53	2.93

5.1.1.3 Emissions from Refrigerant use in AC (From July to December 2025)

Table 3: Emissions for Refrigerant Use in AC in July to December 2025

Amount of Refrigerant (R-22 Gas) Recharge in Kg	Total Emissions in tCO ₂ e
2	3.62

5.1.1.4 Emissions from Extinguisher Recharge (kg) in Fire Extinguisher (From July to December 2025)

Table 4: Emissions for Extinguisher Recharge in Fire Extinguisher in July to December 2025

Dry powder in Kg	CO ₂ in Kg	Total Emissions in tCO ₂ e
20	24	0.06

Table 5: Total Scope-1 Emission in July to December 2025

Sl No	Emission Sources	Emission in tCO ₂ e
1	Fuel For Generator	0.0009
2	Vehicle	2.93
3	Fire Extinguisher	3.62
4	AC Refill	0.06
Total Emission in ton CO ₂		6.61

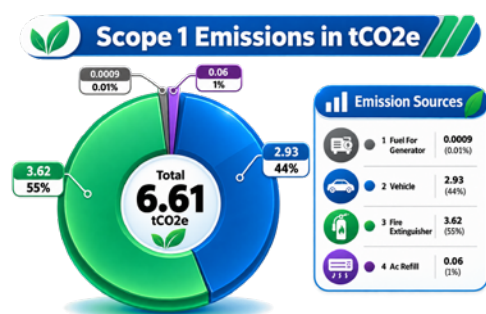


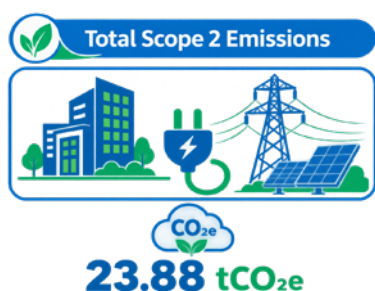
Table 5 presents the total Scope 1 emissions of SFIL Finance PLC. in July to December of 2025, amounting to 6.61-tCO₂e from direct operational sources. Among the emission sources, Fire extinguisher refill contributed the largest share, followed by vehicle fuel consumption, while emissions from generator fuel use and fire extinguisher discharge accounted for comparatively smaller portions. These emissions represent the SFIL Finance PLC's direct greenhouse gas emissions arising from its operational activities.

5.1.2 Scope – 2 Emissions

5.1.2.1 Emissions from Electricity (Source from Grid) (From July to December 2025)

Table 6: Emission for Electricity Consumption in July to December 2025

Total Electricity Consumption in KWH	Total Emissions in tCO ₂ e
38,509.46	23.88



Electricity usage across SFIL Finance PLC's operations totaled 38509.46 KWH during the July to December of 2025, resulting in approximately 23.88 tons of CO₂ equivalent (tCO₂e) emissions, calculated using an emission factor of 0.62-ton CO₂ per MWh. The data reflects consistent energy consumption across the organization's urban and regional branches, with notable monthly variations influenced by seasonal demand and operational intensity.

5.1.3 Scope – 3 Emissions

5.1.3.1 Financed Emissions in July to December 2025

Financed emissions reflect the greenhouse gas emissions associated with the loans and financing activities provided by a financial organization. For SFIL Finance PLC, these emissions arise from different lending segments, each carrying a distinct environmental footprint depending on the nature of the financed activity. Understanding the emissions profile is important for identifying high-impact financing areas and supporting the integration of sustainable finance, climate-conscious lending, and long-term decarbonization strategies into the SFIL Finance PLC's portfolio management approach.

Table 7: Purpose wise Final Emissions as of 31st December 2025

Sl No.	SBS Code	Sum of Balance Outstanding as of end of reporting period	Total financed emissions in tCO ₂ e
1	902119	1,02,05,516.81	8.54
2	902120	2,06,41,919.23	14.75
3	902125	1,13,99,109.39	68.01
4	902131	39,57,998.31	34.75
5	902132	35,47,692.76	5.36
6	902137	2,05,028.70	0.18
7	902150	8,49,876.14	0.08
8	902401	97,33,913.57	7.33
9	902404	15,92,420.20	1.81
10	902407	47,88,82,148.55	12.94
11	902430	7,18,449.81	1.07
12	902453	1,04,91,808.99	5.25
13	902464	21,85,847.00	1.09
14	902488	2,73,79,504.93	14.27
15	902510	6,39,653.05	3.47
16	903009	5,05,08,722.69	28.08
17	903030	53,15,563.48	0.79
18	903040	2,54,82,948.96	3.77
19	903050	1,77,72,906.96	1.18
20	909250	8,29,91,351.46	41.50
21	909299	28,88,979.36	1.44
22	910000	84,19,817.13	4.68
23	911000	8,05,38,085.21	44.78
24	915006	2,76,71,750.52	15.39
Grand Total		88,40,21,013.21	320.50



The table shows that as of the reporting period (July to December 2025), SFIL Finance PLC's total outstanding financed balance was BDT 884.02 million, generating 320.50 tCO₂e of financed emissions across 24 SBS sectors. The largest contribution came from Readymade Garments Industries (SBS Code 902125) (21.22%), followed by Service Holders (Salaried Persons) (SBS Code 911000) (13.97%), GO/Microcredit Organizations (SBS Code 909250) (12.95%), Cement Factories (SBS Code 902131) (10.84%), and Businessmen/Industrialists (SBS Code 903009) (8.76%), indicating that financed emissions are concentrated in a few major sectors.

Total Scope 3 Financed Emissions in tCO₂e

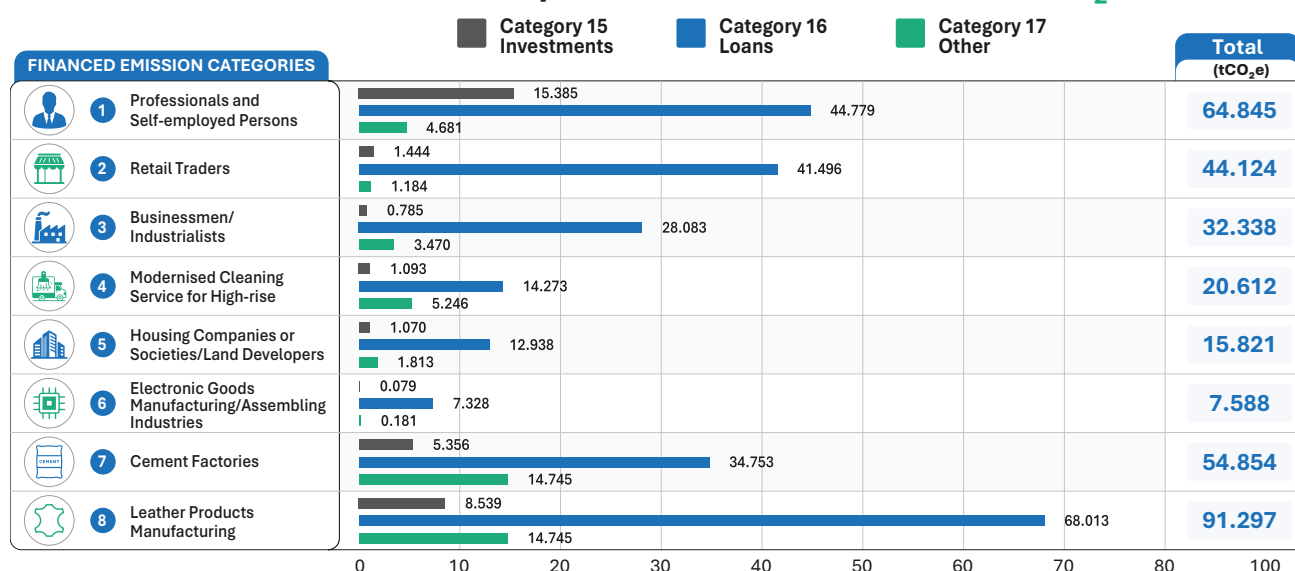
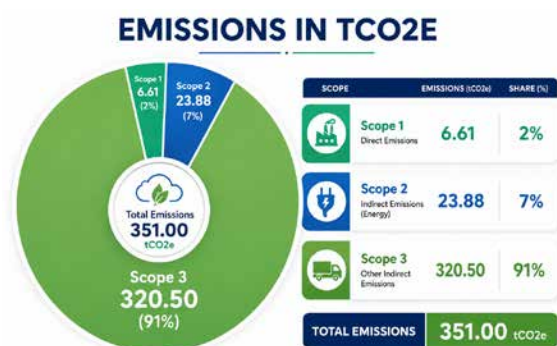


Figure 1: Sectoral Distribution of Financed Emissions (tCO₂e)

5.1.4 Total GHG emissions Summary

TOTAL EMISSION: 350.99-TON CO₂e



The chart illustrates the distribution of greenhouse gas (GHG) emissions of SFIL Finance PLC. across Scope 1, Scope 2, and Scope 3 in 2025. The visualization clearly shows that Scope 3 emissions dominate the overall emissions profile, accounting for approximately 91% of the total emissions. These emissions primarily originate from financed emissions related to the organization's lending and investment portfolio, which reflects the indirect environmental impact of the organization's financial activities.

In contrast, Scope 1 emissions, which arise from direct operational sources such as vehicles, generators, fire extinguishers, and refrigerant refilling, represent only a very small portion of total emissions. Similarly, Scope

2 emissions, associated with purchased electricity consumption, also contribute a minor share of the overall carbon footprint.

This distribution indicates that while operational emissions remain relatively low, the majority of SFIL Finance PLC's climate impact is linked to its financed activities, emphasizing the importance of sustainable financing, green lending, and climate-conscious portfolio management to effectively reduce the organization's overall emissions profile.

6 Decarbonization Roadmap (Emission Reduction Strategy)

SFIL Finance PLC. recognizes that climate change presents both financial risks and strategic opportunities for financial organizations. As part of its long-term sustainability commitment, the organization is progressively integrating climate considerations into its operational practices, financing activities, and risk management framework. While SFIL Finance PLC. has not yet formally established quantified decarbonization targets, the organization intends to develop science-aligned emission reduction goals in the coming years, guided by the objectives of the Paris Agreement, international sustainability disclosure frameworks, and regulatory expectations from Bangladesh Bank.

The development of a formal decarbonization roadmap will enable SFIL Finance PLC. to systematically reduce its greenhouse gas (GHG) emissions across operational activities and its financed portfolio. Given that the majority of the Bank's emissions originate from financed activities (Scope 3), the long-term decarbonization pathway will primarily focus on integrating climate considerations into lending decisions, portfolio management, and sustainable finance initiatives.

In preparation for this transition, SFIL Finance PLC. is taking several foundational steps that will support the future establishment of measurable climate targets and structured emission reduction pathways.

7 Conclusion

This report demonstrates that SFIL Finance PLC. has established a structured foundation for sustainability and climate-related financial disclosure by integrating these considerations into its governance, strategy, risk management, and performance monitoring framework. The organization has strengthened Board and management oversight, embedded climate and sustainability issues into strategic planning, and aligned its risk management processes with Bangladesh Bank's climate risk management expectations, reflecting a forward-looking approach to regulatory compliance and organizational resilience.

The assessment further shows that SFIL Finance PLC's overall emissions profile is dominated by financed emissions, particularly from housing and property-related lending, while operational emissions remain comparatively limited. During the July to December of 2025, the organization recorded total emissions of 350.99-tCO₂e, with Scope 3 continuing to represent the largest share. These findings indicate that SFIL Finance PLC's future decarbonization efforts should primarily focus on portfolio-level climate strategies, sustainable finance expansion, and continued operational efficiency improvements to support long-term low-carbon growth.



KEY HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Amount in million

FINANCIAL PERFORMANCE	SFIL		SFIL GROUP	
	2025	2024	2025	2024
Cash and cash-equivalents	342	231	343	234
Investments	2,021	2,925	2,044	2,945
Leases, loans and advances	884	987	884	987
Total assets	3,620	4,504	3,578	4,464
Total deposit balance	2,303	2,962	2,283	2,932
Total Shareholders' Equity	1,023	1,097	1,015	1,068

OPERATIONAL HIGHLIGHTS

Amount in million

OPERATIONAL PERFORMANCE	SFIL		SFIL GROUP	
	2025	2024	2025	2024
Gross Operating Income	396	511	398	516
Financial expenses	330	389	327	386
Operating expenses	86	90	96	102
Profit before provision & tax	(19)	32	(25)	28
Profit before tax	(61)	(38)	(40)	(45)
Net Profit after tax	(73)	(54)	(53)	(63)

FINANCIAL RATIOS

FINANCIAL RATIOS	SFIL		SFIL GROUP	
	2025	2024	2025	2024
Debt-to-Equity Ratio (Times)	2.54	3.11	2.53	3.18
Earnings Per Share	(0.69)	(0.51)	(0.50)	(0.60)
Non-Performing Loan Ratio	3.44%	0.79%	3.44%	0.79%
Advance Deposit Ratio	38.39%	33.32%	38.72%	33.66%

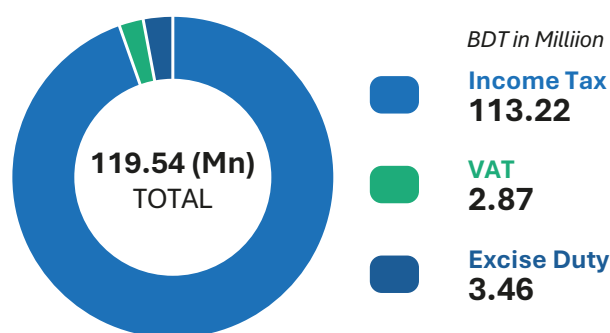
STATEMENT OF CONTRIBUTION TO GOVERNMENT EXCHEQUER

For the year ended 31 December 2025

Government is considered as one of the most important stakeholders which play a critical role in the economic development of the country. Being a legitimate and ethical company, SFIL Finance PLC. contributes to the Government Exchequer when the necessary amounts fall due. For the year 2025, SFIL Finance PLC. made a handsome contribution to Government Exchequer of an amount equal to BDT 119.54 million, composed of income tax, withholding tax, VAT, withholding VAT and excise duty. This is in comparison to BDT 110.86 million in 2024, reflecting its fair and consistent commitment towards national contribution.

Forms of Contribution	2025	2024
Income Tax	113,215,130	100,862,149
Salary	2,946,111	2,592,312
Interest on savings deposit	71,481,743	60,768,344
Payment of Supplier	1,260,561	1,248,240
Advance Corporate Tax	37,526,715	36,253,253
VAT	2,868,801	3,814,851
Processing, Documentation Fee etc.	133,796	445,447
Procurement of goods and services	2,735,005	3,369,404
Excise Duty	3,457,650	6,187,850
Collection of excise duty from clients	2,795,150	3,665,850
Excise duty deducted by bank	662,500	2,522,000
Total Paid to Government Exchequer	119,541,581	110,864,850

TOTAL PAID TO GOVERNMENT EXCHEQUER → **119.54** (Mn)



2025 Vs 2024

+7.83%

YEAR-ON-YEAR CONTRIBUTION

2024



2025

ASSESSMENT REPORT

ON THE GOING CONCERN STATUS OF SFIL FINANCE PLC.

The Going concern is a fundamental accounting concept that underlies the preparation of financial statements of SFIL Finance PLC. in accordance with International Financial Reporting Standards (IFRS) and the International Standard on Auditing (ISA) 570 (Revised) – Going Concern. Under the going concern concept, it is assumed that a Company will continue in operation and that there is neither the intent nor the need to either liquidate it or to cease trading. The purpose of this going concern statement is to bring together the requirements of Company law, accounting standards.

In accordance with IAS 1, management has assessed the Company's ability to continue as a going concern by considering all available information relating to the foreseeable future, including current financial performance, liquidity position, capital adequacy, regulatory compliance, business plans and other relevant internal and external factors.

The Board of Directors and Management of SFIL Finance PLC. have performed their assessment based on the financial statements for the year ended 31 December 2025 together with available financial projections, liquidity forecasts, regulatory requirements and strategic business plans. Based on this assessment, Management has concluded that there are no material uncertainties that would cast significant doubt on the Company's ability to continue as a going concern. Accordingly, the accompanying financial statements have been prepared on the going concern basis of accounting.

Financial Indications

At the close of financial year 2025, total borrowing from other banks and financial institutions was BDT 20.48 million. At the end of 2025, total deposits were BDT 2,282.85 million, representing the Company was able to increase the level of confidence of depositors. As on 31 December 2025, total equity of SFIL stands at BDT 1,014.67 million.

Positive Key Financial Ratios

SFIL financial ratios indicate sound financial strength and prospects and are evident from financial highlights given on this Annual Report.

Depositors Confidence

Total customer deposits stood at BDT 2,282.85 million as at 31 December 2025. Although deposits declined compared with the previous year amid the challenging liquidity environment prevailing across the financial sector, the Company continued to honor all contractual obligations to depositors in a timely manner without any reported default. Management continues to focus on strengthening the deposit base through diversified funding initiatives and enhanced customer relationships.

Expansion of Business

SFIL has always been vested in growth through expanding our product offering. Despite the detriments from the macro-economic challenges, we have managed expansion in the form of geographic and product basket and paving the path for growth in the upcoming year.

Credibility in Payment of Obligations

SFIL has strong credibility in terms of payment of its obligations to lenders. The Company is particular in fulfilling the terms of loan agreements and has never defaulted, even in terms of convenience.

Trend of Investment Portfolio and Performance Growth

The gross loan portfolio amounted to BDT 884.02 million, representing a 10.4% decrease compared with the previous year. The moderation in loan growth reflects management's cautious lending strategy with greater emphasis on credit quality, risk management and recovery of existing exposures rather than aggressive loan expansion during a period of economic uncertainty.

The investment portfolio stood at BDT 2,044.28 million at year-end compared with BDT 2,944.61 million in 2024. The reduction in investment assets primarily reflects management's strategic portfolio rebalancing, liquidity optimization and prudent asset allocation in response to prevailing market conditions. The investment portfolio remains the Company's largest earning asset and continues to provide an important source of income and liquidity.

The Company maintained cash and cash equivalents of BDT 343.17 million, representing a 46.9% increase over the previous year. Net cash generated from investing activities amounted to BDT 899.86 million, primarily resulting from the maturity and reallocation of investment assets. This significantly strengthened the Company's liquidity position during the year.

Although net cash used in operating activities amounted to BDT 632.72 million, the Company maintained adequate liquidity through prudent treasury management and optimization of its investment portfolio.

Working Environment and Employee Satisfaction

SFIL is an employee-friendly organization with a very good corporate environment in the company. The company pays a competitive compensation with fringe benefits like vehicle allowance, provident fund, gratuity and recognition program, etc. At the end of the year 2025, total number of employees was 36.

Capital Strength

The Company continues to maintain a strong capital base with total shareholders' equity of BDT 1,014.67 million. Despite recording a net loss during the year, the Company's capital position remains positive and provides an adequate financial buffer to support ongoing operations and future business growth.

Maintenance of Capital Adequacy Ratio (CAR)

As per the DFIM Circular Number 14, dated December 28, 2011 of the Bangladesh Bank prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions has come into force from January 01, 2012. As per the guidelines, Financial Company (FC) are required to maintain a minimum CAR @ 10%. CAR of SFIL at the end of 2025 is 24.12% which is significantly higher than the requirement.

Changes in Government Policy

The management anticipates no significant changes in legislation or government policy, which may materially affect the business of the Company.

Monitoring Compliance

Compliance with our Code of Conduct and Ethics is embedded in our employment contracts, recruitment and performance management activities. We have set explicit targets for compliance, commencing at executive management level. All employees are required to comply with our Code of Conduct and Ethics and report conduct that may be in breach of the law, the Code or policy. Advice on SFIL policies, practices

and management systems is available via our Human Resources department. Any employee, contractor or consultant can confidentially report concerns about conduct, practices or issues to our HR department.

Compliance is a Key Result Area examined as part of our Performance Management Process and failure to complete required compliance training can be a factor in determining the employee's entitlement to performance-based remuneration and could lead to termination of employment in serious cases. Additionally, employees are required to undertake issue specific training for topics such as anti-money laundering and combating terrorist financing, fraud, corruption and privacy. Our 'HR Manual' and 'Employee Handbook' covers our Code of Conduct and Ethics, standards and behaviors and important policies and procedures such as our Anti-Bribery Policy and Fraud and Corruption Policy.

Overall Going Concern Conclusion

Based on the assessment performed in accordance with IAS 1 and ISA 570 (Revised), and after considering the Company's financial position, liquidity profile, capital strength, funding arrangements, regulatory compliance, business strategy and future cash flow projections, the Board of Directors and Management are satisfied that SFIL Finance PLC. has adequate resources to continue its operational existence for the foreseeable future.

DISCLOSURE UNDER PILLAR III ON CAPITAL ADEQUACY AND MARKET DISCIPLINE

For the year ended December 31, 2025

Background of Capital Adequacy

Capital is the foundation of any business. In a Finance Company, capital is a prime factor to consider when assessing the safety and soundness. It acts as a cushion in case the value of the bank's assets declines and liability rises. Maintaining a minimum capital level is of paramount importance for a Financial Institution so that adequate protection against risk can be ensured. A strong Capital Management Policy protects an organization by identifying and mitigating risks, as well as establishes a base of confidence by depositors, creditors, and other stakeholders.

Capital Adequacy gives a view on a Finance Company's financial strength and stability. Adequate capital provides assurance to the stakeholders on the company's ability to provide consistent services.

Capital Adequacy is a basis for measurement of the amount of capital that the Finance Company needs to hold to ensure that no excess leverage is taken that would lead to insolvency. Capital Adequacy is best expressed as the Capital Adequacy Ratio (CAR), also known as Capital to Risk Weighted Assets Ratio. CAR is a measure of a FC's core capital expressed as a percentage of its risk weighted asset. The objective of CAR is built around the Market Discipline, whereby depositors' get a standardized measurement on the extent to which their wealth is exposed to risk, and thereby establish confidence on the Financial Institution's operations. The CAR measurement is also directed towards making a FC's capital more risk sensitive and shock absorbent.

The following detailed qualitative and quantitative disclosures are provided in accordance with "Prudential Guidelines on Capital Adequacy and Market Discipline" for Financial Institutions which has been published on December 2011.

The disclosures are made on the basis of consolidated along with its separate audited financial statements of SFIL Finance PLC. and its subsidiary as at and for the year ended December 31, 2025 prepared under International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and related circulars/instructions issued by Bangladesh Bank from time to time.

The Basel II Accord is based on three mutually reinforcing pillars. The First pillar is about Minimum Capital Requirement (MCR), second is about Supervisory Review Process (SRP) and the last is about Market Discipline. This accord outlines the level of capital required by an FC against various types of risks including credit, market and operational risk based on the risk profile of the organization.

Basel II		
Pillar I	Pillar II	Pillar III
Minimum Capital Requirement (MCR)	Supervisory Review Process	Disclosure & Market Discipline

A) Scope of Application

Qualitative Disclosures:

The framework applies to SFIL Finance PLC. on "Consolidated Basis" on the reporting date December 31, 2025 and "Solo Basis" information has been presented beside those of "Consolidated Basis" to facilitate comparison. The SFIL Group has a wholly owned subsidiary: SFIL Securities Limited, which is fully consolidated.

Quantitative Disclosures: Not Applicable.

B) Capital Structure

Qualitative Disclosures:

As per Basel II guidelines, regulatory capital consists of Tier - 1 : Core Capital and Tier – 2 : Supplementary Capital.

Conditions for maintaining regulatory capital:

The calculation of Tier 1 capital and Tier 2 capital, shall be subject to the following conditions:

- i) Tier 2 Capital amount will be limited to 100% of the amount of Tier 1 Capital.
- ii) 50% of revaluation reserves for fixed assets and 45% of revaluation reserves for securities are eligible for Tier 2 capital.

Tier 2 capital includes:

- i) General provision up to a limit of 1.25% of Risk Weighted Asset (RWA) for Credit Risk.
- ii) Revaluation reserves for equity instruments up to 10%.
- iii) All other preference shares.

Quantitative Disclosures:

Tier -1: Core Capital of SFIL as on December 31 as follows:

Figures in BDT Million

Particulars	Solo		Consolidated	
	2025	2024	2025	2024
Paid-up capital	1,055.75	1,055.75	1,055.75	1,055.75
Statutory reserve	30.17	30.17	30.17	30.17
Other Reserve	-	-	-	-
Capital Reserve	-	-	0.11	0.11
Non-repayable share premium account	-	-	-	-
General reserve	-	-	-	-
Retained Earnings	(63.09)	10.84	(71.36)	(17.57)
Minority interest in subsidiaries	-	-	0.002	0.002
Non-cumulative irredeemable preference shares	-	-	-	-
Dividend equalization account	-	-	-	-
Other (if any item approved by Bangladesh Bank)	-	-	-	-
Less Shortfall in provisions required against investment in shares	-	-	-	-
Total Tier 1 Capital (a)	1,022.84	1,096.76	1,014.68	1,068.47

Tier-2: Supplementary Capital of SFIL as on December 31 as follows:

Figures in BDT Million

Particulars	Solo		Consolidated	
	2025	2024	2025	2024
General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheet exposure)	7.91	11.08	7.91	11.08
50% of Asset Revaluation Reserve	-	-	-	-
45% of Securities Revaluation Reserve	-	-	-	-
All other Preference Shares	-	-	-	-
Other (if any item approved by Bangladesh Bank)	-	-	-	-
Total Tier 2 Capital (b)	7.91	11.08	7.91	11.08
Total Eligible Capital (a+b)	1,030.75	1,107.85	1,022.59	1,079.55

C) Capital Adequacy

Qualitative Disclosures:

SFIL has adopted Standardized Approach for computation of Capital Charge for Credit Risk and Market Risk while Basic Indicator Approach for Operational Risk. Total Risk Weighted Assets (RWA) of the Company is determined by multiplying the capital charge for market risk and operational risk by the reciprocal of the minimum capital adequacy ratio i.e. 10% and adding the resulting figures to the sum of risk weighted assets for credit risk. Total RWA is then used as denominator while total Eligible Regulatory Capital as on numerator to derive Capital Adequacy Ratio.

Strategy to achieve the required Capital Adequacy:

- Asking unrated corporate clients to have credit rating from External Credit Assessment Institutions (ECAIs) recognized by Bangladesh Bank.
- Rigorous monitoring of overdue contracts to bring those under 90 days overdue.
- Financing clients having good credit rating.
- Assessing incremental effect of capital charge over the expected net income from financing before sanctioning any appraisal, which could be one of the criteria for taking financing decision.

Quantitative Disclosures:

Figures in BDT Million

Particulars	Solo		Consolidated	
	2025	2024	2025	2024
Capital requirement for Credit Risk	1,053.72	1,202.38	986.40	1,140.31
Capital requirement for Market Risk	3,014.03	3,037.79	3,048.89	3,067.62
Capital requirement for Operational Risk	206.50	236.75	203.36	240.94
Capital Adequacy Ratio (CAR) on total capital basis (%)	24.12%	24.75%	24.13%	24.27%

Risk Management

At SFIL, disciplined risk management is considered as the key to organizational success. With that objective in mind, strong management structure and risk management system, along with robust policies, are developed to allow the company to manage the internal and external, and regulatory environments. A robust risk management framework is built to effectively cover the necessary requirements of managing risk. Establishment and oversight of the Company's risk management framework lie with the Company's Board of Directors. The risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk control standards, and to monitor the risks and adhere to defined policies. Protocols and responsibilities are clearly delineated such that decision making with regards to risk management are taken positively. SFIL contemplates having the industry practices of identifying, measuring and controlling risks. The Risk management policies and systems are reviewed regularly to reflect changes in market conditions and operations. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

By implementing rigorous risk management policy, risk adjusted returns are maximized, while ensuring that the company remains within its desired risk appetite. Emphasis is given on establishing a risk management culture which takes into account the underlying assertions:

- Risk considered must be in line with the company's goals, and also must support the company's risk appetite.
- Responsibility of identifying and taking risks within the organization lies with every employee. The company carries the overall responsibility of ensuring that the risk-taking within the organization is disciplined and focused.
- Accountability is ensured by taking risk agreed by the respective company authorities and also assuring that the risks taken are transparent, controlled, reported and falls within the appropriate infrastructure and resource.
- Future risk emergence is identified and necessary steps taken to anticipate its impacts.
- Effective Risk Management Policy and Controls are founded to use the risk as a competitive advantage.
- Continuous improvement of the risk management approaches and methodologies to enhance current risk policies.
- Analyze and establish any new or improved policy to strengthen the company's risk management position.
- Ensuring consistent statutory compliance with regards to capital adequacy and risk management.

In accordance with the Basel II guidelines, SFIL takes precautionary methods against credit, equity, market, operational, and liquidity risks.

D) Credit Risk

Qualitative Disclosures

Credit Risk is effectively measured and managed through a framework of policies and procedures. All credit exposures undergo proper approving authority as a mean of effective management of counterparty credit risk. A defined structure is established for delegation of credit approval authority and for monitoring compliance with appetite.

Proper due diligence is applied to review the credit applications. Defined processes and procedures are used to support credit underwriting activities at levels of the business. As a part of proper underwriting standards, appropriate valuations of collaterals are done for secured credits.

A counterparty is also required to have an approved limit in place, prior to drawdown of funds. Every credit party is subject to credit rating, and the rating is actively monitored as a part of effective credit risk management. Account level activity along with limit utilization monitoring is set as a part of risk trigger mechanisms. This helps to identify early alert situations based on which the company can take proper actions. Potential problem accounts are identified, investigated, controlled and monitored.

Past dues and impaired exposures are defined in accordance with the relevant Bangladesh Bank regulations. Specific and general provisions are computed periodically in accordance with the Bangladesh Bank regulations. The Company writes off a loan or an investment debt security balance, and any related allowances for impairment losses, when the Company Credit determines that the loan or security is uncollectible. This determination is made after considering information such as the occurrence of significant changes in the borrower's / issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

Approved Credit Policy by the Board of Directors

The Board of Directors has approved the Credit Policy for the company where major policy guidelines, growth strategy, exposure limits (for particular sector, product, individual company and group) and risk management strategies have been described/stated in detail. Credit Policy is regularly updated to cope up with the changing global, environmental and domestic economic scenarios.

Independent Credit Risk Management (CRM) Department

An independent Credit Risk Management (CRM) Department is in place, at SFIL, to scrutinize projects from a risk-weighted point of view and assist the management in creating a high-quality credit portfolio and maximize returns from risk assets.

Independent Internal Control and Compliance Department (ICCD)

Appropriate internal control measures are in place at SFIL. SFIL has also established Internal Control and Compliances Department (ICCD) to ensures, compliance with approved lending guidelines, Bangladesh Bank guidelines, operational procedures, adequacy of internal control and documentation procedures. ICCD frames and implements policies to encounter such risks.

Quantitative Disclosures:

i) Total gross credit risk exposures broken down by major types of credit exposure. Figures in BDT Million

Particulars	Solo		Consolidated	
	2025	2024	2025	2024
Lease Finance	81.38	122.21	81.38	122.21
Loan Finance	633.11	677.85	633.11	677.85
House Finance	117.88	124.46	117.88	124.46
Car Lease	48.62	56.42	48.62	56.42
Loan Against Deposit	1.78	3.05	1.78	3.05
Personal Loan	1.26	2.82	1.26	2.82
Loan to subsidiaries	-	-	-	-
Total	884.02	986.81	884.02	986.81

ii) Movement of NPL & Specific Provision.

Figures in BDT Million

Particulars	Solo		Consolidated	
	2025	2024	2025	2024
Gross Non Performing Loans (NPLs)	30.44	7.78	30.44	7.78
Non Performing Loans (NPLs) to outstanding loan and advance	3.44%	0.79%	3.44%	0.79%
Movement of Non Performing Loans (NPLs)				
Opening balance	7.78	7.28	7.78	7.28
Add/Less Net movement during the year	22.66	0.50	22.66	0.50
Closing Balance of Non Performing Loans (NPLs)	30.44	7.78	30.44	7.78
Movement of specific provision for (NPLs)				
Opening balance of Specific Provision	2.76	0.55	2.76	0.55
Less Written off during the year	-	-	-	-
Recovers during the period	-	-	-	-
Add Provision made during the period	7.94	2.21	7.94	2.21
Closing Balance of specific provision for (NPAs)	10.70	2.76	10.70	2.76

iii) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.

Figures in BDT Million

Particulars	Solo		Consolidated	
	2025	2024	2025	2024
Dhaka Division	884.02	986.81	884.02	986.81
Total	884.02	986.81	884.02	986.81

E) Equities: banking book positions

Equity Risk including 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 provision is maintained as per terms and condition of regulatory authority.

Figures in BDT Million

Particulars	Solo		Consolidated	
	Cost Price	Market Price	Cost Price	Market Price
Quoted shares	243.78	159.90	266.92	177.32

F) Interest rate in the banking book
Qualitative Disclosures

The general qualitative disclosure requirement including the nature of interest risk and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits. Interest rate risk in the banking book arises from mismatches between the future yield of an assets and their funding cost. Assets Liability Committee (ALCO) monitors the interest rate movement on a regular basis. SFIL measure the Interest

Rate Risk by calculation Duration Gap i.e. a positive Duration Gap affect company's profitability adversely with the increment of interest rate and a negative Duration Gap increase the company's profitability with the reduction of interest rate.

Quantitative Disclosures

Maturity wise Distribution of Assets-Liabilities:

Figures in BDT Million

Particulars	1 to 30/31day (1month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year
A. Total Rate Sensitive Liabilities	165.42	215.40	252.31	355.14	363.44
B. Total Rate Sensitive Assets	194.15	249.38	279.39	385.37	373.64
C. Mismatch	28.73	33.98	27.08	30.24	10.20
D. Cumulative Mismatch	28.73	62.71	89.79	120.02	130.22
E. Mismatch (%)	17.37%	15.77%	10.73%	8.51%	2.81%

G) Market Risk

Market Risk management is set as per the parameters defined in the policy. The objective of the Company's market risk management is to manage and control market risk exposures set within the acceptable parameters, thereby ensuring solvency while optimizing the Company's risk return strategy.

Sufficient oversight and reporting are conducted for management of market risk profile. Overall authority for market risk rests with the ALCO. Setting market liquidity as the primary factor for determining the level of limits for portfolio trading, ALCO provides limits for each type of risk in aggregate and for individual portfolios.

The table below gives details of Market Risk for 2025:

Figures in BDT Million

Particulars	Solo		Consolidated	
	2025	2024	2025	2024
Interest rate risk	-	-	-	-
Equity position risk	301.40	303.78	304.89	306.76
Foreign exchange risk	-	-	-	-
Commodity risk	-	-	-	-
Total	301.40	303.78	304.89	306.76

H) Operational Risk

Operational Risk framework is designed to ensure operational risk identification, assessment, control and monitoring at business and group level. Management of operational risks is an integral part of the roles played by business and the functional teams.

The Risk Management Division oversees whether the operational risk exposures fall within the policy. Defined standards of measurement are also outlined which plays one of the critical roles of ensuring that the risks are managed within the acceptable tolerance limits. The policies and standards are also reviewed periodically to keep the framework updated.

The types of events that could result in material operational risk loss or business disruptions are as follows:

- Internal and external fraud
- Damage to physical assets
- Business process disruptions and system failures
- Failure in service executions and deliveries, as well as process management

No such potential external event exists to rise operational risk of SFIL Finance PLC. at the time of reporting.

Calculation of Risk Weighted Assets (RAW)

RWA figure is calculated on the basis of credit, market, and operational risks. Total RWA is determined by first multiplying the amount of capital charge for market risk and operational risk with the reciprocal of the minimum CAR.

The resulting figure is added to the sum of the Risk Weighted Assets for credit risk.

Figures in BDT Million

Particulars	Solo		Consolidated	
	2025	2024	2025	2024
Credit Risk				
1. On Balance Sheet	1,053.72	1,202.38	986.40	1,140.31
2. Off Balance Sheet	-	-	-	-
Market Risk	3,014.03	3,037.79	3,048.89	3,067.62
Operational Risk	206.50	236.75	203.36	240.94
Total RWA	4,274.26	4,476.91	4,238.65	4,448.87

Based on the data derived, the Capital Adequacy Ratio (CAR) is calculated. SFIL follows the standard CAR measurement method.

$$\text{CAPITAL ADEQUACY RATIO (CAR)} = \frac{\text{Core Capital} + \text{Supplementary Capital}}{\text{Risk Weighted Assets}} \times 100$$

Figures (except percentage) in BDT Million

Particulars	Solo		Consolidated	
	2025	2024	2025	2024
Core Capital	1,022.84	1,096.76	1,014.68	1,068.47
Supplementary Capital	7.91	11.08	7.91	11.08
Total Eligible Capital	1,030.75	1,107.85	1,022.59	1,079.55
Risk Weighted Asset (RWA)	4,274.26	4,476.91	4,238.65	4,448.87
Capital Adequacy Ratio (CAR)	24.12%	24.75%	24.13%	24.27%
Core Capital to RWA	23.93%	24.50%	23.94%	24.02%
Supplementary Capital to RWA	0.19%	0.25%	0.19%	0.25%
Minimum Capital Requirement (Higher of 10% of RWA or 100 crore)	1,000	1,000	1,000	1,000
Excess Capital over Regulatory Requirement	30.75	107.85	22.59	79.55

The CAR figure of SFIL Finance PLC. can be seen to be comfortably above the Bangladesh Bank's CAR requirement of 10%. This is in line with the institution's approach to being compliant, establish investors' confidence and demonstrate company stability.

NOTICE OF THE 6TH ANNUAL GENERAL MEETING

Date: July 30, 2026

Notice is hereby given that to all the Shareholders of SFIL Finance PLC. that the 6th Annual General Meeting (AGM) of the company to be held on Thursday, August 20, 2026 at 5:00 PM through physical presence in the Head Office to transact the following businesses:

AGENDA

- | | |
|-------------------|---|
| AGMA-06-01 | To receive, consider and adopt the Directors' Report, Auditors' Report and Audited Financial Statements for the period ended December 31, 2025; |
| AGMA-06-02 | To approve dividends out of the profits for the period ended December 31, 2025; |
| AGMA-06-03 | To elect the directors who are retiring in terms of relevant provision of the Articles of Association of the Company; |
| AGMA-06-04 | To appoint Auditors and to fix their remuneration for the year ended December 31, 2026; |
| AGMA-06-05 | To transact any other business with the permission of the Chairman; |

Your attendance in the meeting will be highly appreciated.

By the order of the Board



Tanvir Mahmud
Company Secretary

STATEMENT FROM

THE MANAGING DIRECTOR & CEO



Dear Shareholders and Stakeholders,

Bangladesh's economy faced a challenging macroeconomic environment in 2025, marked by slower growth, persistent inflation, weak private investment, financial-sector vulnerabilities, and continued economic uncertainty. Real GDP growth moderated to around 3.7% in FY2025 from 4.2% in FY2024, while inflation remained elevated. However, stronger exports and robust remittance inflows helped ease external-sector pressures and rebuild foreign exchange reserves.

Macroeconomic Stability:

Tighter monetary and fiscal policies, greater exchange-rate flexibility, and reform initiatives supported macroeconomic stability, although they also constrained domestic demand and investment.

Inflation:

Inflation remained a major challenge, with average CPI inflation at approximately 10% in FY2025, affecting household purchasing power, business costs, and confidence.

Investment & Industrial Activity:

Private investment and industrial activity remained subdued due to economic uncertainty, high borrowing costs, and structural constraints. Reviving investment and improving the business environment remain key priorities.

Financial Sector:

The financial sector continued to face stressed balance sheets, weak asset quality, undercapitalization, and governance challenges. Stronger governance, risk management, and financial-sector reforms are essential for restoring confidence.

External Sector:

A more flexible exchange-rate framework, stronger exports, and resilient remittance inflows supported the external position and contributed to rebuilding foreign exchange reserves. The RMG sector remained a key driver of export performance, although diversification and competitiveness remain important challenges.

Fiscal & Global Challenges:

Weak revenue mobilization constrained fiscal capacity, while geopolitical tensions, trade uncertainty, commodity-price movements, and slower global demand continued to affect Bangladesh's trade- and remittance-dependent economy.

Outlook:

Bangladesh can return to a stronger growth path through effective reforms focused on inflation control, financial-sector stability, revenue mobilization, private investment, export diversification, employment generation, and external-sector resilience. The IMF projected growth to recover gradually to around 4.7% in FY2026.

Overall:

Despite significant challenges, stronger exports, robust remittance inflows, and rebuilding foreign exchange reserves demonstrated the resilience of Bangladesh's economy. At SFIL Finance PLC., we remain committed to prudent liquidity and risk management, sound governance, financial discipline, customer support, and sustainable long-term growth.

Highlights of 2025:

SFIL earned “Long Term: A and Short Term: ST-3” Credit Rating status from Emerging Credit Rating Limited (ECRL) with a Stable outlook, reflecting the Company’s continued regulatory compliance, strong capital position and diversified investment portfolio amid a challenging operating environment. The Company remained meticulously focused on key areas including risk management, capital adequacy, liquidity management, portfolio quality and operational efficiency.

Investment Portfolio: Investments continued to account for the largest share of SFIL’s asset base. During 2025, the investment portfolio stood at BDT 2,021.13 million, representing 55.83% of total assets. The portfolio remained diversified across Government Treasury Bills, marketable securities and bonds, supporting prudent management of the Company’s assets and liquidity.

Credit Quality and NPL: Credit quality remained a key area of focus for SFIL throughout 2025. In response to the challenging operating environment, the Company continued to emphasize prudent credit assessment, portfolio monitoring and adequate provisioning. Although gross loans and advances declined by 10.42% to BDT 884.02 million, the Company strengthened its provisioning position, with loan-loss reserves increasing by 45.73% to BDT 131.70 million. The gross NPL ratio stood at 3.44% at the end of 2025. Going forward, “No compromise in quality” will continue to be the guiding principle in managing the Company’s credit portfolio.

Liquidity Management: SFIL continued to maintain a strong liquidity and capital position during 2025. The Capital Adequacy Ratio (CAR) stood at 24.12%, significantly above Bangladesh Bank’s minimum regulatory requirement of 10%. The Company also maintained its regulatory CRR and SLR requirements, with CRR and SLR balances of BDT 22.58 million and BDT 768.57 million, respectively. These positions demonstrate SFIL’s continued commitment to prudent liquidity and capital management.

Fund under Management (FUM): During 2025, SFIL continued to face pressure on its funding base amid challenging market conditions. Customer deposits decreased by 22.28% to BDT 2,303.87 million from BDT 2,964.49 million in 2024, primarily reflecting reductions in term deposits. Despite the funding pressure, the Company maintained disciplined liquidity management and improved its loan-to-deposit ratio to 38.39% from 33.32% in the previous year, demonstrating more effective deployment of available funds while maintaining a prudent liquidity position.

Community Engagement: As part of its commitment to responsible business and community development, SFIL continued to recognize the importance of contributing to society and supporting inclusive economic development. The Company remains committed to strengthening its CSR initiatives and creating positive impact for communities and stakeholders.

Sectoral Exposure: SFIL continued to strengthen its focus on SME financing as part of its portfolio diversification strategy. SME loans increased by 72.82% during 2025, representing 13.18% of the total loan portfolio. Through SME financing, SFIL continues to support manufacturing, trading and service-oriented businesses and contribute to broader economic development.

SFIL Strategies for Changing Economic Scenario and Onward: The year 2025 presented significant challenges for the financial sector, including liquidity pressures, asset-quality concerns and declining earnings. Against this backdrop, SFIL’s strategy remained focused on prudent balance-sheet management, rigorous monitoring and follow-up, portfolio diversification, strengthening credit risk management and improving operational efficiency. The Company will continue to focus on sustainable business growth while maintaining strong risk management, regulatory compliance and financial discipline.

Technology Development: Technological leadership remains an essential component of SFIL’s strategy for delivering value to its customers and stakeholders. The Company remains committed to leveraging technology to simplify operational processes, strengthen internal controls, improve efficiency and enhance customer service. Continuous development of technology platforms will remain an important priority in supporting SFIL’s transformation and sustainable growth.

Human Resources Management: SFIL recognizes that its people are fundamental to the successful execution of its strategies and long-term objectives. The Company remains committed to developing its human resources through continuous training, professional development, employee engagement and retention of critical talent. Building a capable, motivated and performance-oriented workforce remains a key priority for sustainable growth.

Service First Policy: We value our customers, both internal and external, and remain committed to providing a superior service experience. Understanding customer needs and perspectives remains central to our approach to developing products and services. Through a customer-centric culture, SFIL seeks to strengthen relationships, enhance service quality and build long-term customer confidence.

Brand Positioning: SFIL continued to strengthen its brand presence and customer relationships during 2025. The Company remained focused on improving customer relationship management, enhancing operational efficiency and building greater visibility across relevant communication channels. Our pursuit of becoming a trusted and customer-focused financial services brand remains supported by continuous engagement with our customers and stakeholders.

Islamic Finance Services: SFIL continued to expand and develop its Islamic Finance Wing, which operates under the supervision of an independent and experienced Shariah Supervisory Committee. The Wing offers Shariah-based products including Mudaraba Term Deposits, Mudaraba Savings Scheme, Mudaraba Hajj Savings Scheme, Hire Purchase Under Shirkatul Melk and Bai-Murabaha, providing customers with alternative savings and financing solutions.

Operational Efficiency: SFIL remained focused on improving operational efficiency and controlling operating expenses during 2025. Operating expenses decreased to BDT 86.03 million from BDT 90.21 million in 2024, reflecting the Company's continued efforts toward disciplined cost management and efficient utilization of resources.

Besides many, the key priorities for 2026 are enumerated below:

- Strengthening asset quality and credit risk management;
- Diversifying the financing and investment portfolio;
- Expanding SME, Retail and other targeted financing segments;
- Strengthening deposit mobilization and funding diversification;
- Enhancing liquidity and balance-sheet management;
- Leveraging technology to improve operational efficiency and customer service;
- Strengthening internal control, compliance and risk management;
- Staff training, development and employee engagement;
- Enhancing customer relationship management and service quality;
- Expanding Islamic Finance Services;
- Strengthening the SFIL brand and market presence; and
- Creating sustainable long-term value for shareholders and other stakeholders.

Looking Ahead: Despite the challenges experienced during 2025, SFIL remains confident in its ability to navigate the evolving financial landscape. By maintaining an unrelenting focus on our valued customers, prudent risk management, capital strength, quality portfolio growth and operational excellence, we look forward to building a stronger and more resilient SFIL. Our commitment to a "focused on tomorrow" will continue to guide our efforts to create sustainable value for our shareholders, customers, employees and communities.

Acknowledgements:

I would like to acknowledge and thank the Chairman and all the members of the Board of Directors for their valuable support, guidance and input to the management in our endeavors. I also thank the Bangladesh Bank, external auditors and other regulatory authorities for their time-to-time prudent support and guidance. Thank our external stakeholders for their continued willingness to partner with SFIL in its long-term growth journey. By looking after our customers, and building on the strong foundations we have created through the pandemic, we will in return continue to create value for shareholders. We want to assure to everyone that our resilience will take us ahead, and we will be able to overcome the challenging economic climate and be able to create value for all our stakeholders.

In the end, I convey sincere gratitude and appreciation to our valued shareholders, directors, clients, bankers, depositors, lenders, business partners, regulators, service providers and other stakeholders for their continued patronage and support and cooperation. Also, I acknowledge our employees for their hard work, dedication and commitment.

At SFIL, we look forward to your continued support and goodwill as we march ahead in our quest for resilient growth. I wish you peace, prosperity and good health.

Sincerely,

Sd/-

Asit Kumar Chakravorty
Managing Director & CEO



Arun & Company

CHARTERED ACCOUNTANTS

Member Firm of K P N G & Co. (India)



**Independent Auditor's Report
To the Shareholders of
SFIL Finance PLC.
On the Audit of the Financial Statements
For the Year Ended 31st December 2025**

Opinion

We have audited the accompanying consolidated financial statements of SFIL Finance PLC. and its Subsidiary (the "Group") as well as the separate financial statements of SFIL Finance PLC. (the "Company") which comprise the Consolidated and Separate Balance Sheet as at 31 December 2025 and Consolidated and Separate Profit or Loss Account, Consolidated and Separate Statement of Changes in Equity and Consolidated and Separate Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in Notes 1 to 40 to the Consolidated and Separate Financial Statements.

In our opinion, the accompanying Consolidated Financial Statements of the Group and Separate Financial Statements of the Company present fairly, in all material respects, the financial position of the Group and Company as at December 31, 2025 and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 (amended on 2020) and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The company submitted all the pending returns as required by Section 36 of the Companies Act 1994 to the Registrar of Joint Stock Companies and Firms (RJSC) which is still in process of approval. We are unable to verify the current shareholding positions and any director changes as the certified copies from RJSC were not available.

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 for the year ended 31 December 2025. 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 the matter stated below, our description of how our audit addressed the matter is provided in that context.

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Leases, Loans & Advances

Risk	Our response to the risk
Classification The classification of loans & advances are determined by specific Bangladesh Bank's circulars which have wide ranging effect on the financial position and performance of the FC, namely through provisioning requirements. Furthermore, the calculation of RWA (Risk Weighted Assets) is, to some extent, dependent on the classification of loans and advances which ultimately impact the CAR (Capital Adequacy Ratio) – significant indicators of FC's health under the BASEL - II regime. At year end the Company reported total gross loans and advances of Tk. 884,021,013 (2024: Tk. 986,808,863) and provision for loans and advances of Tk. 19,444,033 including general provision Tk. 8,745,658 & specific provision Tk. 10,698,375 (2024: Tk. 14,581,715). Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates. The Company's disclosures about provisioning of Loans & Advances are included in note. 12.5 and 7.	We tested the design and operating effectiveness of key controls focusing on the following: • The credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Financial Institution Classification of Loans (CL); Furthermore, we have assessed on test basis the loan application receipt, assessment, documentation and authorization process against Company's policy and Bangladesh Bank's requirements. Legal expert's views regarding securitization of the loans have also been considered. As part of our process, we have reviewed the loan files, bank statements, and its provisioning requirements. Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.



Interest Income and Investment Income

Risk	Our response to the risk
At year end the SFIL Finance PLC. reported total Interest Income Tk. 171,922,566. This interest income includes interest on House Loan, Commercial Mortgage Loan, Lease of Industrial Equipment, Auto Loan, Delinquent Interest, and Interest on Term Finance, Interest on Fixed Deposits, Interest on Short Term Deposit, and Interest on Loan against FDR. (Note # 18) The SFIL Finance PLC. also reported Investment income TK. 223,270,915 from dividend income, interest income from Govt. treasury bill, capital gain from sales of marketable securities and interest on Non-Convertible Bond.	We have tested the design and operating effectiveness of key controls focusing on the following: • Verify and calculate interest income based on cut of date with the value of investment, amortization, applicable interest rate; • Verify proper revenue recognition through cut of date for interest receivable; • Verify the authentication of documents; • Timing of revenue recognition. Our substantive procedures in relation to the revenue recognition comprises the following: • Obtaining supporting documentation for transactions recorded for Interest on Investment such as make loans and advance, Purchase date of FDR and Treasury bill, physical verification of FDR to confirm maturity date and amount of interest, bank statement and interest receivable at the year ended date to determine whether revenue was recognized in the correct period; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

IT systems and controls

Risk	Our response to the risk
Our audit procedures have a focus on IT system and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.	We tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.



Legal & Regulatory Matters

Risk	Our response to the risk
We focused on this area because the Company operates in a legal and regulatory environment that is exposed to various risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. Significant Legal & Regulatory matters pertaining to the Company were: Compliance of rules & regulations, including submission of returns to various regulators. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. Overall, the legal provision represents the Company's best estimate for existing legal matters that have estimate for existing legal matters that have a probable and estimable impact on the Company's financial position. Current Tax: The Company reported net current tax expense of Tk. 15,476,911 as at 31 December 2025 (2024: Tk. 21,021,110). The Company's disclosures relating to current tax are include in note 34 to the financial statements.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the legal provision and contingency process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the Company's regulatory matters and inspected internal notes and reports. We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. We obtained an understanding evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of current tax and the assumption used in estimating the Company's tax liability for the year ended 31 December 2025. Furthermore, we reviewed the correspondences, assessment orders and other relevant documents to evaluate the basis of the provisions maintained in the financial statements.



Deferred Tax Liability

Risk	Our response to the risk
Deferred Tax: The Company reported net deferred tax Liabilities to totaling Taka Nil as at 31 December 2025 and Deferred Tax Assets Total Tk. 4,334,217 as at 31 December 2025. Significant judgment is required in relation to deferred tax assets/liabilities as their recoverability is dependent on forecasts of future profitability over a number of years. The Company's disclosures relating to deferred tax are included in note- 9.2 and Note 34 to the financial statements.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Company's future taxable income. We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's. Finally assessed the appropriateness and presentation of disclosures against IAS-12 Income Tax.

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.

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

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, 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.



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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 IFRS and 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.

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Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 (amended on 2020), the Securities and Exchange Commission Rules 1987 and Finance Company Act, 2023 and the other rules and regulations issued by Bangladesh Bank from time to time, 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 accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) the Consolidated and Separate 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 loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- (vii) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (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 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;



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- (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% risk weighted assets of the Company and we have spent around 2,000 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) the Company has complied with the DFIM Circular-11, Dated: 23 December 2009 in preparing these financial statements, DFIM Letter No. DFIM(P)1052/30/2021-2625 dated: November 16, 2021, section 37(4) of Finance Company Act, 2023 and proper compliance of standards by Financial Reporting Council (FRC).

Dhaka, Bangladesh
Dated: 29 June 2026

Mizanur Rahman FCA
Partner

Arun & Company
Chartered Accountants
Enrollment No: 2026
DVC: 2606292026AS775817

SFIL Finance PLC. and its Subsidiary

Consolidated Balance Sheet

As at 31 December 2025

Particulars	Notes	Amount in BDT	
		31-Dec-2025	31-Dec-2024
PROPERTY AND ASSETS			
Cash	3	13,856,571	22,468,828
In hand (including foreign currencies)	3.1	130,000	130,000
Balance with Bangladesh Bank and its agent (including foreign currencies)	3.2	13,726,571	22,338,828
Balance with other Banks and Financial Institutions	4	329,309,840	211,136,712
Inside Bangladesh		329,309,840	211,136,712
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments	6	2,044,276,362	2,944,607,664
Government securities		430,234,238	1,330,761,398
Others investments		1,614,042,124	1,613,846,266
Leases, loans and advances	7	884,021,013	986,808,863
Loans, cash credit, overdraft and leases etc.		884,021,013	986,808,863
Bills purchased and discounted		-	-
Fixed Assets including Land, Building, Furniture & Fixtures	8	91,208,484	108,563,616
Other assets	9	215,813,578	190,026,224
Non-banking assets		-	-
TOTAL ASSETS		3,578,485,848	4,463,611,906
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	20,477,907	178,054,959
Deposits & other accounts	11	2,283,869,417	2,934,490,318
Current deposits and other accounts etc.		-	-
Bills payable		-	-
Saving bank deposit		-	-
Term deposits	11.1	2,282,848,020	2,931,747,409
Bearer certificate of deposits		-	-
Other deposits	11.2	1,021,397	2,742,909
Other liabilities	12	259,463,284	282,601,249
Total liabilities		2,563,810,608	3,395,146,525
Capital/Shareholders' Equity			
Paid up Capital	13	1,055,750,000	1,055,750,000
Statutory reserves	14	30,171,513	30,171,513
Capital Reserves		114,809	114,809
Retained earnings	15	(71,363,270)	(17,573,293)
Total Equity attributable to equity holders of the company		1,014,673,052	1,068,463,030
Non-controlling interest		2,188	2,351
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,578,485,848	4,463,611,906

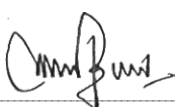
SFIL Finance PLC. and its Subsidiary

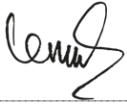
Consolidated Balance Sheet

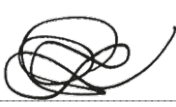
As at 31 December 2025

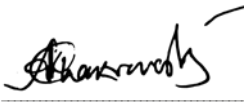
Particulars	Notes	Amount in BDT	
		31-Dec-2025	31-Dec-2024
OFF-BALANCE SHEET ITEMS			
Contingent liabilities		-	-
Acceptances and endorsements		-	-
Letter of guarantee		-	-
Irrevocable letters of credit		-	-
Bill for collection		-	-
Other contingent liabilities		-	-
Other commitments		4,002,000	25,660,051
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		-	-
Undisbursed contracted loans and leases	16	4,002,000	25,660,051
Total Off-Balance Sheet Items including Contingent Liabilities		4,002,000	25,660,051
Net Asset Value (NAV) per share	36	9.61	10.12

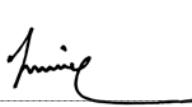
The annexed notes from 1 to 40 form an integral part of these financial statements.


Chairman


Director


Director


Managing Director & CEO


Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka, Bangladesh

Dated: 29 June 2026

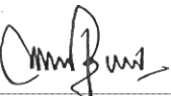
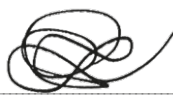
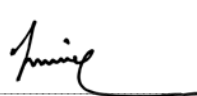

Mizanur Rahman FCA
Partner
Arun & Company
Chartered Accountants
Enrollment No: 2026
DVC: 2606292026AS775817

SFIL Finance PLC. and its Subsidiary

Consolidated Profit and Loss Account
For the year ended 31 December 2025

Particulars	Notes	Amount in BDT	
		31-Dec-2025	31-Dec-2024
Interest income	18	171,942,907	250,135,796
Less: Interest on deposits and borrowings etc.	19	327,012,553	386,205,509
Net interest income		(155,069,646)	(136,069,713)
Income from investment	20	223,256,411	260,228,921
Commission, Exchange and Brokerage	21	1,963,712	3,292,654
Other operating income	22	586,836	2,408,174
Total Operating Income		70,737,313	129,860,036
Salary and allowances	23	52,668,047	54,906,523
Rent, taxes, insurance, electricity etc.	24	2,793,357	2,766,148
Legal and professional fees	25	257,063	616,195
Postage, stamp, telecommunication etc.	26	731,305	752,390
Stationery, printing, advertisement etc.	27	2,387,606	3,633,876
Managing Director's salary and allowances	28	3,900,000	2,710,000
Directors' fees	29	1,743,056	184,944
Auditors' fees	30	549,410	402,500
Charges on loan losses		-	-
Depreciation and repair of Company's assets	31	19,270,012	20,411,432
Other expenses	32	11,812,527	15,183,060
Total Operating Expenses		96,112,383	101,567,068
Profit before provision		(25,375,070)	28,292,968
Provisions for leases, loans & investments	33	14,210,625	73,676,953
Provision for leases, loans and advances		4,862,318	(324,351)
Provision for diminution in value of investments		9,559,897	73,771,971
Other provisions		(211,590)	229,334
Profit before tax		(39,585,695)	(45,383,986)
Provision for taxation	34	13,512,828	17,708,667
Current tax expense		16,420,949	22,271,060
Deferred tax expense/ (income)		(2,908,120)	(4,562,393)
Net Profit/(Loss) after taxation		(53,098,524)	(63,092,653)
Attributable to:			
Shareholders of the Company		(53,098,360)	(63,092,473)
Non-controlling interest		(163)	(180)
		(53,098,524)	(63,092,653)
Appropriations:			
Statutory reserve		-	-
Retained earnings		(53,098,524)	(63,092,653)
Dividend		-	-
		(53,098,524)	(63,092,653)
Earnings Per Share (EPS)	35	(0.50)	(0.60)

The annexed notes from 1 to 40 form an integral part of these financial statements.

 Chairman
 Director
 Director
 Managing Director & CEO
 Company Secretary

Signed in terms of our separate report of even date annexed.



Mizanur Rahman FCA
Partner

Arun & Company
Chartered Accountants

Enrollment No: 2026

DVC: 2606292026AS775817

Place: Dhaka, Bangladesh

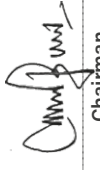
Dated: 29 June 2026

SFIL Finance PLC. and its Subsidiary
Consolidated Statement of Changes in Equity
For the year ended 31 December 2025

Particulars	Attributable to equity holders of the company					Non-controlling interest	Total Equity
	Share Capital	Statutory Reserves	Capital Reserves	Retained Earnings	Total		
	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Balance as on 01 January 2025	1,055,750,000	30,171,513	114,809	(17,573,293)	1,068,463,030	2,351	1,068,465,381
Prior year adjustment	-	-	-	(691,618)	(691,618)	-	(691,618)
Net Profit /(Loss) for the year	-	-	-	(53,098,360)	(53,098,360)	(163)	(53,098,524)
Appropriation to statutory reserve	-	-	-	-	-	-	-
Balance as on 31 December 2025	1,055,750,000	30,171,513	114,809	(71,363,270)	1,014,673,052	2,188	1,014,675,240

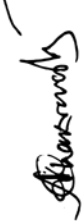
For the year ended 31 December 2024

Particulars	Attributable to equity holders of the company					Non-controlling interest	Total Equity
	Share Capital	Statutory Reserves	Capital Reserves	Retained Earnings	Total		
	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Balance as on 01 January 2024	1,055,750,000	30,171,513	114,809	45,519,180	1,131,555,503	2,531	1,131,558,034
Net Profit /(Loss) for the year	-	-	-	(63,092,473)	(63,092,473)	(180)	(63,092,653)
Appropriation to statutory reserve	-	-	-	-	-	-	-
Balance as on 31 December 2024	1,055,750,000	30,171,513	114,809	(17,573,293)	1,068,463,030	2,351	1,068,465,381


Chairman


Director


Director


Managing Director & CEO


Company Secretary

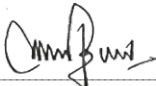
Signed in terms of our separate report of even date annexed.

Place: Dhaka, Bangladesh
Dated: 29 June 2026

SFIL Finance PLC. and its Subsidiary

Consolidated Statement of Cash Flows
For the year ended 31 December 2025

Particulars	Amount in BDT	
	31-Dec-2025	31-Dec-2024
A) Cash flows from operating activities		
Interest received	171,116,753	304,249,210
Interest paid	(350,320,064)	(415,618,457)
Fees and commission received	2,726,082	5,486,372
Received from other operating activities	-	13,081
Income from investment	222,998,805	248,849,209
Dividend received	1,606,736	10,715,367
Cash paid to employees (including directors)	(58,257,613)	(57,854,940)
Cash paid to suppliers & Others (including office rent)	(30,585,664)	(16,089,067)
Income taxes paid	(38,470,753)	(37,554,862)
Paid for other operating activities	(10,020,584)	(15,183,060)
Cash generated from operating activities before changes in operating assets and liabilities	(89,206,302)	27,012,853
Increase/ (Decrease) in operating assets & liabilities		
Leases, Loans and advances to customers	102,787,849	397,769,152
Other assets	(299,886)	(181,291)
Deposits from customers	(654,309,255)	(900,932,132)
Other liabilities	8,307,710	1,973,115
	(543,513,582)	(501,371,155)
Net Cash from Operating Activities	(632,719,884)	(474,358,303)
B) Cash flows from investing activities		
Changes in investment in securities	900,453,851	(1,204,904,056)
Purchase of property, plant and equipment	(596,044)	(1,998,098)
Disposal of property, plant and equipment	-	781,379
Net Cash used in Investing Activities	899,857,807	(1,206,120,775)
C) Cash flows from financing activities		
Drawdown of Term Loan, OD and REPO	(157,577,052)	93,340,270
Net Cash used in Financing Activities	(157,577,052)	93,340,270
D) Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	109,560,871	(1,587,138,808)
E) Opening cash and cash-equivalents	233,605,540	1,820,744,347
F) Closing cash and cash-equivalents (D+E)*	343,166,411	233,605,540
* Closing cash and cash-equivalents		
Cash in hand	130,000	130,000
Balance with Bangladesh Bank and its agent bank(s)	13,726,571	22,338,828
Balance with other Banks and Financial Institutions	329,309,840	211,136,712
	343,166,411	233,605,540


Chairman


Director


Director


Managing Director & CEO


Company Secretary

Place: Dhaka, Bangladesh

Dated: 29 June 2026

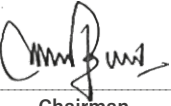
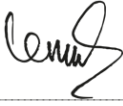
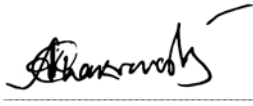
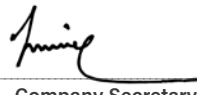
SFIL Finance PLC.
Balance Sheet
As at 31 December 2025

Particulars	Notes	Amount in BDT	
		31-Dec-2025	31-Dec-2024
PROPERTY AND ASSETS			
Cash	3	13,826,571	22,438,828
In hand (including foreign currencies)	3.1	100,000	100,000
Balance with Bangladesh Bank and its agent (including foreign currencies)	3.2	13,726,571	22,338,828
Balance with other Banks and Financial Institutions	4	327,961,479	208,479,267
Inside Bangladesh		327,961,479	208,479,267
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments	6	2,021,132,349	2,925,163,300
Government securities		430,234,238	1,330,761,398
Others investments		1,590,898,111	1,594,401,902
Leases, loans and advances	7	884,021,013	986,808,863
Loans, cash credit, overdraft and leases etc.		884,021,013	986,808,863
Bills purchased and discounted		-	-
Fixed Assets including Land, Building, Furniture & Fixtures	8	69,808,574	84,632,940
Other assets	9	303,510,399	276,550,466
Non-banking assets		-	-
TOTAL ASSETS		3,620,260,385	4,504,073,663
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	15,277,777	169,556,604
Deposits & other accounts	11	2,303,869,417	2,964,490,318
Current deposits and other accounts etc.		-	-
Bills payable		-	-
Saving bank deposit		-	-
Term deposits	11.1	2,302,848,020	2,961,747,409
Bearer certificate of deposits		-	-
Other deposits	11.2	1,021,397	2,742,909
Other liabilities	12	278,277,674	273,263,780
Total liabilities		2,597,424,868	3,407,310,701
Capital/Shareholders' Equity		1,022,835,517	1,096,762,963
Paid up Capital	13	1,055,750,000	1,055,750,000
Statutory reserves	14	30,171,513	30,171,513
Retained earnings	15	(63,085,996)	10,841,449
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,620,260,385	4,504,073,663

SFIL Finance PLC.
Balance Sheet
As at 31 December 2025

Particulars	Notes	Amount in BDT	
		31-Dec-2025	31-Dec-2024
OFF-BALANCE SHEET ITEMS			
Contingent liabilities		-	-
Acceptances and endorsements		-	-
Letter of guarantee		-	-
Irrevocable letters of credit		-	-
Bill for collection		-	-
Other contingent liabilities		-	-
Other commitments		4,002,000	25,660,051
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		-	-
Undisbursed contracted loans and leases	16	4,002,000	25,660,051
Total Off-Balance Sheet Items including Contingent Liabilities		4,002,000	25,660,051
Net Asset Value (NAV) per share	36	9.69	10.39

The annexed notes from 1 to 40 form an integral part of these financial statements.

				
Chairman	Director	Director	Managing Director & CEO	Company Secretary

Signed in terms of our separate report of even date annexed.

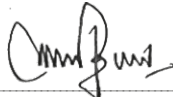
Place: Dhaka, Bangladesh
Dated: 29 June 2026


Mizanur Rahman FCA
Partner
Arun & Company
Chartered Accountants
Enrollment No: 2026
DVC: 2606292026AS775817

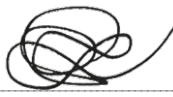
SFIL Finance PLC.
Profit and Loss Account
For the year ended 31 December 2025

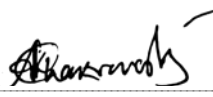
Particulars	Notes	Amount in BDT	
		31-Dec-2025	31-Dec-2024
Interest income	18	171,922,566	250,064,863
Less: Interest on deposits and borrowings etc.	19	329,504,012	388,918,486
Net interest income		(157,581,445)	(138,853,623)
Income from investment	20	223,270,915	258,464,075
Commission, Exchange and Brokerage	21	-	-
Other operating income	22	983,775	2,395,444
Total Operating Income		66,673,245	122,005,896
Salary and allowances	23	47,189,282	48,547,344
Rent, taxes, insurance, electricity etc.	24	2,515,607	2,450,460
Legal and professional fees	25	199,563	475,417
Postage, stamp, telecommunication etc.	26	410,800	423,501
Stationery, printing, advertisement etc.	27	2,304,904	3,597,482
Managing Director's salary and allowances	28	3,900,000	2,710,000
Directors' fees	29	1,743,056	184,944
Auditors' fees	30	306,667	306,667
Charges on loan losses		-	-
Depreciation and repair of Company's assets	31	17,438,951	18,361,326
Other expenses	32	10,020,584	13,153,986
Total Operating Expenses		86,029,415	90,211,126
Profit before provision		(19,356,170)	31,794,770
Provisions for leases, loans & investments	33	41,323,831	69,366,057
Provision for leases, loans and advances		4,862,318	(324,351)
Provision for diminution in value of investments		36,673,103	69,461,074
Other provisions		(211,590)	229,334
Profit before tax		(60,680,001)	(37,571,287)
Provision for taxation	34	12,555,827	16,523,317
Current tax expense		15,476,911	21,021,110
Deferred tax expense/ (income)		(2,921,084)	(4,497,793)
Net Profit/(Loss) after taxation		(73,235,828)	(54,094,604)
Appropriations:			
Statutory reserve		-	-
Retained earnings		(73,235,828)	(54,094,604)
Dividend		-	-
		(73,235,828)	(54,094,604)
Earnings Per Share (EPS)	35	(0.69)	(0.51)

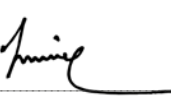
The annexed notes from 1 to 40 form an integral part of these financial statements.


Chairman


Director


Director


Managing Director & CEO


Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka, Bangladesh
Dated: 29 June 2026

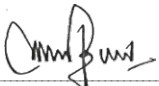

Mizanur Rahman FCA
Partner
Arun & Company
Chartered Accountants
Enrollment No: 2026
DVC: 2606292026AS775817

SFIL Finance PLC.
Statement of Changes in Equity
For the year ended 31 December 2025

Particulars	Share Capital	Statutory Reserves	Retained Earnings	Total
	BDT	BDT	BDT	BDT
Balance as on 1 January 2025	1,055,750,000	30,171,513	10,841,449	1,096,762,963
Prior year adjustment	-	-	(691,618)	(691,618)
Net Profit /(Loss) for the year	-	-	(73,235,828)	(73,235,828)
Appropriation to statutory reserve	-	-	-	-
Balance as on 31 December 2025	1,055,750,000	30,171,513	(63,085,996)	1,022,835,517

For the year ended 31 December 2024

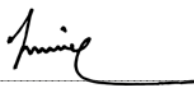
Particulars	Share Capital	Statutory Reserves	Retained Earnings	Total
	BDT	BDT	BDT	BDT
Balance as on 1 January 2024	1,055,750,000	30,171,513	64,936,054	1,150,857,567
Net Profit /(Loss) for the year	-	-	(54,094,604)	(54,094,604)
Appropriation to statutory reserve	-	-	-	-
Balance as on 31 December 2024	1,055,750,000	30,171,513	10,841,449	1,096,762,963


Chairman


Director


Director


Managing Director & CEO


Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka, Bangladesh

Dated: 29 June 2026

SFIL Finance PLC.
Statement of Cash Flows
For the year ended 31 December 2025

Particulars	Amount in BDT	
	31-Dec-2025	31-Dec-2024
A) Cash flows from operating activities		
Interest received	171,500,688	304,178,277
Interest paid	(352,945,380)	(418,481,380)
Fees and commission received	983,775	2,193,718
Received from other operating activities	-	351
Income from investment	222,998,805	247,718,178
Dividend received	1,326,992	10,178,352
Cash paid to employees (including directors)	(52,778,848)	(51,495,760)
Cash paid to suppliers & Others (including office rent)	(27,690,594)	(13,220,516)
Income taxes paid	(37,526,715)	(36,253,154)
Paid for other operating activities	(10,020,584)	(13,153,986)
Cash generated from operating activities before changes in operating assets and liabilities	(84,151,861)	31,664,080
Increase/ (Decrease) in operating assets & liabilities		
Leases, Loans and advances to customers	102,787,849	397,769,152
Other assets	(99,886)	7,556
Deposits from customers	(660,620,900)	(906,432,132)
Other liabilities	3,798,672	1,973,115
	(554,134,266)	(506,682,309)
Net Cash from Operating Activities	(638,286,126)	(475,018,229)
B) Cash flows from investing activities		
Changes in investment in securities	904,030,951	(1,196,622,185)
Purchase of property, plant and equipment	(596,044)	(1,905,375)
Disposal of property, plant and equipment	-	653,296
Net Cash used in Investing Activities	903,434,907	(1,197,874,265)
C) Cash flows from financing activities		
Drawdown of Term Loan, OD and REPO	(154,278,827)	84,841,915
Issuance of ordinary share	-	-
Net Cash used in Financing Activities	(154,278,827)	84,841,915
D) Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	110,869,954	(1,588,050,579)
E) Opening cash and cash-equivalents	230,918,095	1,818,968,674
F) Closing cash and cash-equivalents (D+E)*	341,788,049	230,918,095
* Closing cash and cash-equivalents		
Cash in hand	100,000	100,000
Balance with Bangladesh Bank and its agent bank(s)	13,726,571	22,338,828
Balance with other Banks and Financial Institutions	327,961,479	208,479,267
	341,788,049	230,918,095


Chairman


Director


Director


Managing Director & CEO


Company Secretary

Place: Dhaka, Bangladesh

Dated: 29 June 2026

SFIL Finance PLC.

Liquidity Statement
(Assets and Liabilities Maturity Analysis)
As at 31 December 2025

Particulars	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	above 5-years term	Total
	BDT	BDT	BDT	BDT	BDT	BDT
Assets						
Cash in hand (including foreign currencies)	100,000	-	-	-	-	100,000
Balance with Bangladesh Bank and its agent (including foreign currencies)	5,970,334	-	-	-	7,756,237	13,726,571
Balance with other banks and financial institutions	183,461,479	144,500,000	-	-	-	327,961,479
Money at call and short notice	-	-	-	-	-	-
Investments	-	350,275,478	460,246,852	730,376,318	480,233,701	2,021,132,349
Leases, Loans and advances	2,185,847	21,867,877	214,991,718	210,755,222	434,220,349	884,021,013
Fixed assets including land, building, furniture and fixtures	-	-	-	-	69,808,574	69,808,574
Other assets	-	-	-	-	303,510,399	303,510,399
Non-banking assets	-	-	-	-	-	-
Total Assets	191,717,660	516,643,355	675,238,570	941,131,540	1,295,529,260	3,620,260,385
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	2,830,828	-	9,163,984	3,282,965	-	15,277,777
Deposits	74,836,982	100,598,924	2,125,416,081	1,996,033	-	2,302,848,020
Other accounts	-	-	61,912	959,485	-	1,021,397
Provision and other liabilities	22,881,775	10,701,331	35,462,105	36,234,186	172,998,278	278,277,674
Total Liabilities	100,549,585	111,300,255	2,170,104,082	42,472,669	172,998,278	2,597,424,868
Net Liquidity Surplus/(Gap)	91,168,075	405,343,101	(1,494,865,512)	898,658,871	1,122,530,982	1,022,835,517


Chairman


Director


Director


Managing Director & CEO


Company Secretary

Place: Dhaka, Bangladesh
Dated: 29 June 2026

SFIL Finance PLC. and its Subsidiary

Notes to the Consolidated and Separate Financial Statements
As at and for the year ended 31 December 2025

1 Legal status and nature of the company

1.1 Domicile, legal form and country of operation

SFIL Finance PLC. (hereinafter referred to as “SFIL” or “the Company”) previously known as "Strategic Finance and Investments Limited" is a full-service Bangladesh Bank licensed multi product finance company, was incorporated in Bangladesh with the Registrar of Joint Stock Companies and Firms (RJSC) vide registration no. C-160166/2020 dated 9 March 2020 as a Public Limited Company under the Companies Act, 1994. The company changed its name in November 28, 2023 at RJSC and get permission in January 10, 2024 from Bangladesh Bank. It started commercial operations after obtaining license from Bangladesh Bank under the Financial Institutions Act, 1993 which were then replaced by Finance Company Act, 2023. The registered address of the company is situated at Finance Square, Level-15, Holding-22/A, Road-102 & 103, Gulshan-2, Dhaka - 1212, Bangladesh. Currently the company has one branch office located at Rangs RL Square, Level: 13, Kha 201/1, 203, 205/1, 205/3 , Bir Uttam Rafiqul Islam Avenue, Progoti Shoroni, Dhaka-1212, Bangladesh.

Consequently the company has acquired the following Licenses and legal approvals:

Sl. No.	Name of License	Registration No.	Date of License	Renewed up to
1	Certificate of Incorporation	C-160166/2020	9-Mar-20	N/A
2	Certificate for Commencement of Business	92815	9-Mar-20	N/A
3	Bangladesh Bank License	DFIM(L)/41	19-Mar-20	N/A
4	Tax Identification Number (TIN)	225704900074	24-Aug-20	N/A
5	Value Added Tax Registration Certificate	003315458-0101	2-Nov-20	N/A
6	Trade License	TRAD/ DNCC/032617/2022	6-Aug-25	30-Jun-26

1.2 Company's activities

SFIL specializes in providing Long term Finance and Short term Finance, Lease Finance, Loan Against Deposit, Personal Loan, Work Order Finance, Receivable Finance, Mortgage Finance, Equity Finance, Syndication Finance, CMSME Finance and Corporate advisory. The company offers attractive savings and deposits products to both institutions and individual clients.

1.3 Islamic Division

1.3.1 SFIL Islamic Finance Wing

SFIL got permission from Department of Financial Institutions and Markets (DFIM), Bangladesh Bank on December 22, 2022 (Letter # DFIM(L)/1053/104/2022-3747) to open Islamic Shariah Based Wing. SFIL Islamic Finance Wing (IFW) is supervised by independent and experienced Shariah Supervisory Committee. SFIL Islamic Finance Wing offers Mudaraba Term Deposits, Mudaraba Savings Scheme, Mudaraba Hajj Savings Scheme, Hire Purchase Under Shirkatul Melk and Bai-Murabaha. Islamic Wing maintains its books of account separately. Separate Balance Sheet and Profit & Loss account of SFIL Islamic Finance Wing are given in annexure D.1 and D.2 respectively.

1.4 Subsidiary Company

1.4.1 SFIL Securities Limited (SFILSL)

SFIL Securities Limited (hereinafter referred to as "SFILSL" or "the company") a wholly owned subsidiary company (99.99%) of SFIL Finance PLC., was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration # C-170009/2021 dated March 21, 2021 as a private limited company under the Companies Act, 1994. The Company is a Trading Right Entitlement Certificate (TREC) holder of both Dhaka Stock Exchange PLC. (276) and Chittagong Stock Exchange PLC. (154). The principal activities of SFIL Securities Limited are to act as a TREC holder of stock exchanges and to carry on the business of broker, jobbers or dealers in stocks, shares, securities, bonds, debentures. The Company is also authorized to buy, sell, hold or otherwise acquire or invest the capital of company in shares, stocks and fixed income securities, etc.

2. Basis for preparation and significant accounting policies

2.1 Statement of compliance

The consolidated financial statements and separate financial statements of SFIL have been prepared on a going concern basis following accrual basis of accounting except for cash flows statement as per circular No. 11 dated December 23, 2009 issued by Department of Financial Institutions and Markets of Bangladesh Bank and Bangladesh Bank's other circulars and guidelines or directives and in accordance with International Financial Reporting Standards (IFRSs), Financial Reporting Act, 2015, Finance Company Act, 2023 and the Companies Act, 1994 and other applicable laws & regulations.

In several cases, the laws, circulars, guidelines or directives of Bangladesh Bank differ from those of financial reporting standards as promulgated by International Accounting Standards Board (IASB) and as adopted by national standard setter, i.e., The Institute of Chartered Accountants of Bangladesh (ICAB), the requirements of Bangladesh Bank prevails and these financial statements have been prepared by departing from those requirements of IFRSs with a view to comply with the regulatory requirements.

The Company has consistently applied the accounting policies to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards have been considered.

The requirements of accounting standards as per IFRS that have been departed to comply with Bangladesh Bank requirements have been disclosed in detail in note - 2.3

However, these departures with IFRSs have been made by following all of the relevant provisions of IAS 1 and detail disclosures are given in note - 2.3 by following the provision of Para 20 of IAS 1 : Presentation of Financial Statements.

2.2 Presentation of financial statements

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

2.3 Disclosure of departure from few requirements of IAS/IFRS due to mandatory compliance of Bangladesh Bank's requirements

SL	Nature of Departure	Title of IAS/ IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1	Presentation and disclosure of Financial Statements and Financial Instruments	IAS 1 "Presentation of Financial Statements"	Other comprehensive income (OCI) is a component of financial statements and the elements of OCI are to be disclosed in a single other comprehensive income statement.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11 dated 23 December 2009 which will strictly be followed by FCs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement. As such the financial institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.	Financial Statements for 2025 have been prepared as per the guideline and templates issued by Bangladesh Bank. There is no financial impact for this departure in the financial statements.
2	Current/ Non-current distinction	IAS-1 "Presentation of Financial Statement"	As per Para 60 of IAS-1 "Presentation of Financial statement" An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.	As per DFIM Circular No. 11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In this templates there is no current and non-current segmentation of assets and liabilities.	Financial Statements for 2025 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.
3	Off-balance sheet items	IAS 1 "Presentation of Financial Statements"	There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.	As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	Financial Statements for 2025 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.
4	Non banking assets	IAS 1 "Presentation of financial statements"	There is no concept of non banking assets items in any IFRS; hence there is no requirement for disclosure of non banking assets items on the face of the balance sheet.	As per DFIM Circular No. 11 dated 23 December 2009, non banking assets must be disclosed separately on the face of the balance sheet.	Presentation of financial statements is not aligned with requirements of the IAS 1. There is no financial impact for this departure in the financial statements.

SL	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
5	Complete set of financial statements	IAS 1 "Presentation of Financial Statements"	As per IAS 1.10: "Presentation of Financial Statements" complete set of financial statements are i) a statement of financial position, ii) a statement of profit or loss and other comprehensive income, iii) a statement of changes in equity, iv) a statement of cash flows, v) notes, comprising significant accounting policies and other explanatory information and vi) statement of financial position at the beginning of preceding period for retrospective restatement.	As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are i) Balance sheet, ii) Profit and loss account, iii) Statement of cash flows, iv) Statement of changes in equity, v) Liquidity statement, vi) Notes, comprising significant accounting policies and other explanatory information.	Financial Statements for 2025 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.
6	Intangible asset	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" para 54 the statement of financial position shall include separate line item for intangible assets.	As per DFIM Circular No. 11, dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in annexure-A and annexure-B as separate line item.	Financial Statements for 2025 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.
7	Presentation of cash and cash equivalent	IAS 7 "Statement of Cash Flows"	Cash equivalent 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 the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day to day operations.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all Finance Company. The templates of financial statements provided detail presentation for statement of cash flows.	Financial Statements for 2025 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
8	Measurement of deferred tax asset	IAS 12 "Income Taxes"	A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.	As per DFIM circular No. 7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against provision on lease, loans, advances, investments & others.	During the year 2025, there is no impact in the financial statements due to this departure as the Company did not consider any deductible temporary difference against the total cumulative provision for leases, loans, advances, investments and others was BDT 131.70 million.

SL	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
9	Preparation of "Statement of Cash Flows"	IAS 7 "Statement of Cash Flows"	The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per DFIM Circular No. 11, dated 23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Financial Statements for 2025 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.
10	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS-9 "Financial Instruments"	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 month expected credit losses.	As per DFIM Master Circular No. 04 dated July 26, 2021 and DFIM Circular No. 37 dated December 4, 2024, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances. Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments (for CMSME 5%, 20% and 100%) depending on the duration of overdue.	In Financial Statements, as at 31 December 2025, accumulated provision for leases, loans and advances stand at BDT 19.44 million.
11	Valuation of Investments in quoted and unquoted shares	IFRS-9 "Financial Instruments"	As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit and loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the period-end is taken to profit and loss account or other comprehensive income respectively.	As per FID circular No. 08, dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.	During this year total market value of all shares are less than the cost price of all shares. As on December 31, 2025 there was BDT 83.88 million and BDT 89.60 million unrealized loss on separate and consolidated investment in marketable securities respectively.
12	Recognition of interest income for SMA and classified lease, loans and advances	IFRS-9 "Financial Instruments"	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 become credit impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.	As per DFIM Circular No. 04 dated July 26, 2021, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense for leases, loans and advances.	As at 31 December 2025, in Financial Statements interest suspense on Leases, Loans and Advances was BDT 6.44 million. Additionally interest suspense on investment on bond was BDT 5.09 million

SL	Nature of Departure	Title of IAS/ IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
13	Presentation and disclosure of Financial Statements and Financial Instruments	IAS 1 "Presentation of Financial Statements" IFRS 9 "Financial Instruments" IFRS 7 "Financial Instruments: Disclosure"	Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement. IAS 1 requires separate line item for intangible assets on the face of statement of financial position. IFRS 9 and IFRS 7 require specific presentation and disclosure relating to all financial instruments.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all FCs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement. Intangibles assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets. As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 9. As such some disclosure and presentation requirements of IFRS 7 have not been made in the accounts.	Financial Statements for 2025 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
14	Disclosure of presentation of profit	N/A	There is no requirement to show appropriation of profit in the face of statement of comprehensive income.	As per DFIM circular no 11, dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account.	Financial Statements for 2025 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
15	Impairment of Margin Loan (Loans and receivables)	IFRS-9 "Financial Instruments"	Measurement after initial recognition at amortized cost and recording of changes through profit and loss.	As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMRRCD/2009-193/196 dated 28 December 2016, provisions for the year 2016 on impairment of principal portion of margin loan may be kept at 20% on each quarter for the five quarters starting from December 2016.	There is no such impact for this.

2.4 Components of the financial statements

The financial statements comprise of (As per DFIM Circular no. 11, Dated December 23, 2009) and as per the Para 1.10 of IAS-1: Presentation of Financial Statements:

- a) Consolidated and Separate Balance Sheet as at 31 December 2025;
- b) Consolidated and Separate Profit and Loss account for the year ended 31 December 2025;
- c) Consolidated and Separate Statement of Changes in Equity for the year ended 31 December 2025;
- d) Consolidated and Separate Statement of Cash Flows for the year ended 31 December 2025;
- e) Liquidity Statement as at 31 December 2025;
- f) Notes to the Consolidated and Separate Financial Statements as at and for the year ended 31 December 2025.

2.5 Presentation and functional currency and level of precision

The financial statements are presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest BDT.

2.6 Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRSs) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. Provisions and accrued expenses are recognized in the financial statements in line with the International Accounting Standards (IASs)-37: "Provisions, Contingent Liabilities and Contingent Assets" when

- the Company has a legal or constructive obligation as a result of past event.
- it is probable that an outflow of economic benefit will be required to settle the obligation.
- a reliable estimate can be made of the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

2.7 Going concern

The Company has adequate resources to continue its operation for foreseeable future. For this reason, the directors continue to adopt 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.

2.8 Materiality and aggregation

Each material item as considered by management significant has been presented separately in financial statements. No amount has been set off unless the Company has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

2.9 Directors' responsibility statement

The Board of Directors are responsible for the preparation and presentation of these consolidated and separate financial statements.

2.10 Statement of Cash flows

The statement of cash flows is prepared using the mixture of direct and indirect method as stipulated in International Accounting Standard (IAS) 7: "Cash Flow Statements", and in accordance with the instruction of Bangladesh Bank.

2.11 Liquidity statement

The Liquidity Statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as on the reporting date as per following bases:

- a) Balance with other banks and financial institutions, money at call and short notice etc. are on the basis of their term.
- b) Investments are on the basis of their residual maturity term.
- c) Leases, loans and advances are on the basis of their repayment or maturity schedule.
- d) Fixed assets are on the basis of Bangladesh Bank circular.
- e) Other assets are on the basis of Bangladesh Bank circular.
- f) Borrowings from other banks and financial institutions as per their maturity or repayment term.
- g) Deposits and other accounts are on the basis of their maturity period and behavioral past trend.
- h) Other long term liability on the basis of their maturity term.
- i) Provisions and other liabilities are on the basis of their settlement.

2.12 Books of account

The Company maintains its books of account for main business in Electronic Form through soft automation.

2.13 Branch accounting

The Company has one branch, with no overseas branches as on 31 December 2025. Accounts of the branch is maintained at the head office from which these accounts are drawn up.

2.14 Revenue recognition

Revenue is only recognized when it meets the following five steps model framework as per IFRS-15: "Revenue from Contracts with Customers"

- a) identify the contract(s) with a customers;
- b) identify the performance obligations in the contract;
- c) determine the transaction price;
- d) allocate the transaction price to the performance obligations in the contract;
- e) recognize revenue when (or as) the entity satisfies a performance obligation.

2.14.1 Interest income on leases, loans and advances

Interest income is recognized when interest is accrued. No interest on loan (except mortgage and short term loan) is accounted for as revenue where any portion of capital or interest is in arrears for more than 3 months for the loan tenure of which is within 5 years or in arrears for more than 6 months for the loan tenure of which is more than 5 years. In case of mortgage loan, no interest on loan is accounted for as revenue where any portion of capital or interest is in arrears for more than 9 months and in case of short term loan, no interest on loan is accounted for as revenue where any portion of capital or interest is in arrears for more than 2 months.

2.14.2 Fee based income

Fees on services rendered by the company are recognized as and when service are rendered.

2.14.3 Income from investment

Capital gain or loss on investment in shares

Capital gain or loss arising from the sale of investment in shares is accounted on monthly basis.

Dividend income

Dividend income is recognized when it is actually received by the company in respect of accrued dividend income from investments in both listed and non-listed share (Ref: Bangladesh Bank DFIM Circular No. 03 dated July 7, 2025).

Income from Coupon bearing Bond

Interest income on coupon bearing bond is recognized as revenue on an accrual basis.

2.15 Operating expenses

Major component of operating expenses other than salary and allowances are office rent, printing and stationery, postage and stamp, telecommunication, legal and professional fees and other miscellaneous expenses. All expenses are recognized on accrual basis of accounting.

2.15.1 Salary and allowances

Salary and allowances comprise basic salary, house rent, conveyance allowance, festival bonus, leave fare assistance etc. All expenses related to salary and allowances are recognized on accrual basis of accounting.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and deposits that are readily convertible to a known amount of cash and that are not subject to significant risk of change in value.

2.17 Investments

2.17.1 Investment in Government Treasury bill

Investment in Government Treasury Bill classified as "Held to Maturity" are non-derivatives financial assets with fixed or determinable payments and fixed maturities that the management has the intention and ability to Held to Maturity (HTM).

As per IFRS-9, Financial assets are classified as either:

- (i) amortized cost;
- (ii) fair value through profit or loss;
- (iii) fair value through other comprehensive income.

In case of valuation of investment in Government Bills, SFIL followed amortized cost method, as it meets both the business model assessment and contractual cash flow assessment.

2.17.2 Investment in marketable shares

Investment in listed securities are carried at cost. Adequate provision has been made for excess of cost over market value of the shares. Unrealized gain are not recognized in the profit and loss account.

2.18 Recognition and measurement of fixed assets

2.18.1 Assets acquired under own finance

These are recognized initially at cost and subsequently at cost less accumulated depreciation in compliance with the IAS-16, "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any direct cost attributable to bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into use, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the assets, the expenditure is capitalized as an additional cost of the assets.

2.18.2 Depreciation on fixed assets

Depreciation on fixed assets is charged using straight-line method in accordance with IAS-16: "Property, Plant and Equipment". No depreciation is charged from the month of disposal. Asset category wise depreciation rate are as follows:

Name of Assets	Useful Life (Years)	Rate (%)
Furniture & Fixture	5	20.00%
Office Decoration	6	16.67%
Office Equipment	5	20.00%
IT Equipment	5	20.00%
Motor Vehicle	8	12.50%
Right of Use of Assets	Lease Term	-

Lease Term and Consideration changed for Right of Use of Assets and Lease Liability for new rental agreement of subsidiary. The gain or loss arising for this change is recognized in consolidated financial statements.

2.18.3 Intangible Assets

Intangible assets comprise the value of software and license. Intangible assets acquired separately are measured on initial recognition at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

2.18.4 Amortization on Intangible Assets

Amortization is calculated using the straight line method to write down the cost of intangible assets to their residual values over their estimated useful lives based on the management best estimates of 2 to 5 years.

2.19 Other assets

Other assets include all balance sheet accounts not covered specifically in other areas of the supervisory activity as per DFIM circular # 11 dated: December 23, 2009 and Provisions will be calculated as per DFIM circular # 10 dated: October 3, 2021.

2.20 Contingent asset and contingent liability

The Company does not recognize any Contingent Asset and Contingent Liability, but discloses the existence of contingent liability in the financial statements. A contingent liability is a probable obligation that arises from the past events and whose existence will be confirmed by the occurrence of uncertain future events beyond the control of the Company or a present obligation that is not recognized because of outflow of resources is not likely or obligation cannot be measured reliably.

2.21 Borrowing costs

Borrowing costs are recognized as expenses in the period in which they incur in accordance with IAS 23 "Borrowing cost".

2.22 Conversion of foreign currency transactions

Foreign currency transactions are translated into Bangladeshi Taka at rates prevailing at the respective dates of transactions, while foreign currency monetary assets at the end of the year are reported at exchange the rates prevailing on the balance sheet date.

2.23 Provision for leases, loans and advances

Generally, provision against classified leases, loans and advances is made on the basis of quarter end review by the management and instruction contained in DFIM Circular No. 04, dated 26 July 2021 and DFIM Circular Letter No:37, Dated 04 December 2024 . However, at the discretion of management, provision against classified loans and advances may be made on monthly basis. The provisions rates are given below:

Particulars	Rate
General Provision on:	
Unclassified of leases, loans and advances of Non CMSME	1%
Unclassified of Cottage, Micro, Small and Medium Enterprise(CMSME)	0.25%
Unclassified of Brokerage House, Merchant Bans and Stock Dealers	2%
Special Mention Account (SMA) of leases, loans and advances of Non CMSME	5%
Special Mention Account (SMA) of leases, loans and advances of CMSME	0.25%
Off-Balance Sheet Exposures	1%
Specific Provision on:	
Sub-Standard (SS) of leases, loans and advances of Non CMSME	20%
Sub-Standard (SS) of leases, loans and advances of CMSME	5%
Doubtful (DF) of leases, loans and advances of Non CMSME	50%
Doubtful (DF) of leases, loans and advances of CMSME	20%
Bad Loss (BL) of leases, loans and advances	100%

2.24 Interest Suspense account

In compliance with DFIM Circular No. 04, dated 26 July 2021, interests on leases, loans and advances overdue beyond two months period (in case of loan duration is within 1 year), overdue beyond three months period (in case of loan duration is within 5 years) and overdue beyond six months period (in case of loan duration is more than 5 years) are not recognized as revenue and credited to interest suspense account.

Interests on mortgage finance overdue beyond nine months period are not recognized as revenue and credited to interest suspense account.

2.25 Corporate Tax

a. Current tax

Provision for current income tax is normally made as prescribed in the provision of Income Tax Act, 2023 and amendments made thereto from time to time on the profit made by the company considering major taxable allowances and disallowances and the same is understated or overstated to that extent. Any shortfall or excess provision will be duly adjusted after submission of tax return or tax audit or final assessment. For the purpose of these financial statements, management has assumed that the existing tax rates will be applicable for income year 2025 as well, which are mentioned below:

Regular Business Tax Rate	Rates
SFIL Finance PLC. - Finance Company	40%
SFIL Securities Limited - Private Limited Company	25%

Other Business Tax Rate	Rates
Dividend Income	20%
Capital gain on sale of marketable securities	15%

b. Deferred tax

The Company accounts for deferred tax as per International Accounting Standards (IASs) 12: "Income Taxes". Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the date of reporting of the financial statements.

The Company provides disclosures based on the classes of assets and liabilities related to the temporary differences. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax liabilities are recognized for all taxable temporary differences and it is probable that temporary differences will not reverse in the foreseeable future. Both the Deferred tax assets and liabilities are reviewed at each reporting date considering the probability of benefit or detriment realizable. Deferred tax assets and liabilities are not offset and are presented separately as per Bangladesh Bank directive.

2.26 Employees benefit obligation

2.26.1 Defined contribution plan

The Company operates a contributory provident fund scheme for its permanent employees. Provident Fund is administered by a Board of Trustees and is funded by contributions equally from the permanent employees and from the Company @ 10% of basic salary of the employees. The contributions are invested to ensure optimum return to the employees.

2.26.2 Defined benefit plan

The Company also operates a funded gratuity scheme (which is a defined benefit scheme as specified in IAS 19). Gratuity fund is administered by a Board of Trustees and Company contributions are invested separately from company assets. Employees are entitled to gratuity benefit after completion of minimum years of service with the company.

2.27 Term deposits

Term Deposits by customers and Banks/FC are recognized when the Company enters into contractual provisions of the arrangements with the counterparties, which is generally on trade date, and initially measured at the consideration received.

2.28 Write-off

Write-off describes a reduction in recognized value. It refers to the recognition of the reduced or zero value of an asset. Generally it refers to an investment for which a return on the investment is now impossible or unlikely. The item's potential return is thus cancelled and removed from ("written-off") the Company's balance sheet.

Recovery against debts written off or provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities, properties or advances.

2.29 Provision for liabilities

A provision is recognized in profit and loss account when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS - 37: "Provisions, Contingent Liabilities and Contingent Assets".

2.30 Statutory reserves

As per clause no. 6 of Financial Institutions Regulations, 1994, Financial Institution is required to transfer at least 20% of its profit after tax and before appropriation of dividend in a particular year, if the financial institution's sum of Share Premium Account (if any) and Statutory Reserves is less than the paid up capital of that financial institution.

2.31 Earnings per Share (EPS)

SFIL calculates EPS in accordance with the requirement of IAS - 33: "Earnings Per Share", which has been shown on the face of the profit and loss account and the computation is stated in Note - 35.

2.32 Minority interest in subsidiaries

A minority interest, which is also referred to as non-controlling interest (NCI) is ownership of less than

50% of a company's equity by an investor or another company. Minority interest shows on the balance sheet of companies with a majority interest in a company representing the proportion of its subsidiaries owned by minority shareholders. Also, minority interest is reported on the consolidated income statement as a share of profit belonging to minority shareholders.

2.33 Capital reserve

As per Bangladesh Securities and Exchange Commission's (BSEC) notification no. BSEC/CMRRCD/2017-357/221/Admin/89 dated May 22, 2019, SFIL Securities Limited has maintained 10% provision on the last year's profit after tax as Capital Reserve and the full amount of such reserve shall be accounted for in computing total capital.

2.34 BASEL II and its implementation

To cope with the international best practices and to make the capital more risks sensitive as well as more shock resilient, guidelines on 'Basel Accord for Financial Institutions (BAFI)' have been introduced from 1 January 2011 on test basis by the Bangladesh Bank. At the end of test run period, Basel Accord regime will be started and the guidelines on BAFI will have come fully into force from 1 January 2012 with its subsequent supplements/revisions. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital, and Disclosure requirement as stated in these guidelines have to be followed by all finance companies for the purpose of statutory compliance. In line with Bangladesh Bank requirement, the Company has already formed BASEL Implementation Unit (BIU) to ensure timely implementation of BASEL II accord.

2.35 Events after the reporting period

Where necessary, all the material events after the reporting period have been considered and appropriate adjustments / disclosures have been made in the consolidated and separate financial statements.

2.36 Financial risk management

SFIL always concentrates on delivering high value to its stakeholders through appropriate trade-off between risk and return. A well structured and proactive risk management system is in place within the Company to address risks relating to credit, market, liquidity, operations and anti-money laundering. In addition to the industry best practices for assessing, identifying and measuring risks, SFIL also considers guidelines for managing core risks of financial institutions issued by the Bangladesh Bank, vide FID Circular No. 10 dated September 18, 2005, DFIM Circular No. 07, dated 4 October 2012 for management of risks and more recently, DFIM Circular No. 03 dated January 24, 2016.

Credit Risk

To encounter and mitigate credit risk the company employed multilayer approval process, policy for maximum exposure limit of sector or groups, policy for customers' assets maximum exposure limit, mandatory search for credit report from Credit Information Bureau, looking into payment performance of customer before financing, adequate insurance coverage for funded assets, vigorous monitoring and follow up by Special Assets Management Team, strong follow up of compliance of credit policies by Internal Control and Compliance Department (ICCD), taking collateral, seeking external legal opinion, maintaining neutrality in politics and following arm's length approach in related party transactions, etc.

The Credit Evaluation Committee (CEC) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to counter associated risks. The CEC critically reviews projects from risk point of view. An independent Credit Risk Management Department is in place, at SFIL, to scrutinize projects from a risk-weighted point of view and assist the management in creating a high quality credit portfolio and maximize returns from risk assets.

Liquidity Risk

The objective of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. Liquidity requirements are managed on a day-to-day

basis by the Treasury Division which is responsible for ensuring that sufficient funds are available to meet short term obligations, even in a crisis scenario and for maintaining a diversity of funding sources. Treasury Division maintains liquidity based on historical requirements, anticipated funding requirements from operation, current liquidity position, collections from financing, available sources of funds and risks and returns.

Market Risk

Risk Management Unit (RMU) is responsible for overall monitoring, control and reporting of market risk while treasury mid office is an integral part of market risk management which independently evaluates and monitors treasury department's transaction from risk perspective.

Market risk is the risk that changes in market prices, such as interest rates and credit spreads will affect the income or the value of financial instruments.

The Asset Liability Management Committee (ALCO) of the Company regularly meets to assess the changes in interest rates, market conditions, carry out asset liability maturity gap analysis, re-pricing of products and thereby takes effective measures to monitor and control interest rate risk.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

SFIL objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the reputation with overall cost effectiveness and innovation.

The Board of Directors has delegated responsibility for operational risk to Management Committee which is responsible for the development and implementation of controls to address operational risk.

SFIL has also established an internal control & compliance department (ICCD) to address operational risk and to frame and implement policies to encounter such risks. This department assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and manage operational risk.

Money Laundering and Terrorist Financing Risk

To mitigate the risks, SFIL, while adhering to various guidelines and circulars issued by the Bangladesh Financial Intelligence Unit (BFIU), put in place a strict compliance program consisting of the following components:

- a) Development and implementation of internal policies, procedures and controls to identify and report instances of money laundering and terrorism financing;
- b) A dedicated structure and sub-structure within the organization, headed by a Central Compliance Unit (CCU) for proactively managing AML and CFT compliance;
- c) Appointment of a Chief Anti Money Laundering Compliance Officer (CAMLCO) to lead AML/CFT efforts throughout the company;
- d) Independent audit functions including internal and external audit function to test the programs;
- e) Ongoing employee training programs.

2.37 General Notes

- (i) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- (ii) Figures of the year 2024 have been rearranged whenever considered necessary to ensure comparability with the current year.
- (iii) Figures in these notes and annexed financial statements have been rounded off to the nearest Taka / BDT.

2.38 Status of Compliance of International Financial Reporting Standard (IFRSs)

In addition to compliance with local regulatory requirements in preparing consolidated and separate financial statements, SFIL applied following IFRS and IAS:

Name of IFRS	IFRS No.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	IFRS-1	N/A
Share Based Payment	IFRS-2	N/A
Business Combinations	IFRS-3	N/A
Insurance Contracts	IFRS-4	N/A
Non-current Assets Held for Sale and Discontinued Operations	IFRS-5	N/A
Exploration for and Evaluation of Mineral Resources	IFRS-6	N/A
Financial Instruments: Disclosures	IFRS-7	*Applied
Operating Segments	IFRS-8	N/A
Financial Instruments	IFRS-9	*Applied
Consolidated Financial Statements	IFRS-10	Applied
Joint Arrangements	IFRS-11	N/A
Disclosure of Interests in Other Entities	IFRS-12	N/A
Fair Value Measurement	IFRS-13	*Applied
Regulatory Deferral Accounts	IFRS-14	N/A
Revenue from Contracts with Customers	IFRS-15	Applied
Leases	IFRS-16	Applied
Insurance Contracts	IFRS-17	N/A

Name of IAS	IAS No.	Status
Presentation of Financial Statements	IAS-1	*Applied
Inventories	IAS-2	N/A
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	N/A
The Effects of Changes in Foreign Exchange Rates	IAS-21	Applied
Borrowing Cost	IAS-23	Applied
Related Party Disclosures	IAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	N/A
Separate Financial Statements	IAS-27	Applied
Investments in Associates and Joint Ventures	IAS-28	N/A
Financial Reporting in Hyperinflationary Economies	IAS-29	N/A
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	N/A
Agriculture	IAS-41	N/A

N/A - Not Applicable

* As the regulatory requirements differ with the Standards, relevant disclosures have been made in accordance with Bangladesh Bank requirements (please see note - 2.3)

Notes	Particulars	SFIL		SFIL Group	
		Amount in BDT		Amount in BDT	
		31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
3 Cash in hand					
	Cash in hand (including foreign currencies) (Note-3.1)	100,000	100,000	130,000	130,000
	Balance with Bangladesh Bank and its agent (including foreign currencies) (Note-3.2)	13,726,571	22,338,828	13,726,571	22,338,828
		13,826,571	22,438,828	13,856,571	22,468,828
3.1 Cash in hand (including foreign currencies)					
	Local Currency	100,000	100,000	130,000	130,000
	Foreign Currency	-	-	-	-
		100,000	100,000	130,000	130,000
3.2 Balance with Bangladesh Bank and its agent (including foreign currencies)					
	Local Currency	13,726,571	22,338,828	13,726,571	22,338,828
	Foreign Currency	-	-	-	-
		13,726,571	22,338,828	13,726,571	22,338,828
3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)					
Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR) have been calculated and maintained in accordance with Finance Company Act, 2023, Financial Institution Regulations, 1994, and FID Circular No. 06, dated November 06, 2003, FID Circular No. 02, dated November 10, 2004. DFIM Circular No. 01, dated January 12, 2017, DFIM Circular No. 03, dated June 21, 2020, DFIM Circular No. 27, dated August 23, 2021.					
Cash Reserve Requirement (CRR) has been calculated at the rate of 1.5% on Total Term Deposits which is preserved in current account maintained with Bangladesh Bank. Total Term Deposit means Term or Fixed Deposit, Security Deposit against Lease/Loan and other Term Deposit, received from individuals and institutions (except Bank & Finance Company).					
Statutory Liquidity Reserve (SLR) has been calculated at the rate of 5.0% on total liabilities, including CRR of 1.5% on total Term Deposit. SLR maintained in liquid assets in the form of cash in hand (notes & coin in Taka), balance with Bangladesh Bank and other banks and Financial Institutions, unencumbered treasury bill and treasury bond and any other assets approved by Government Circular issued by Gazette or Bangladesh Bank.					
a) Cash Reserve Requirement (CRR)					
	Required reserve	7,756,237	10,698,135	7,756,237	10,698,135
	Actual reserve maintained	22,580,385	30,946,173	22,580,385	30,946,173
	Surplus / (Deficit)	14,824,149	20,248,039	14,824,149	20,248,039
b) Statutory Liquidity Reserve (SLR)					
	Required reserve (including CRR)	35,434,706	50,766,588	35,434,706	50,766,588
	Actual reserve maintained (including CRR) (Note-3.3(i))	768,567,209	1,354,997,582	768,567,209	1,354,997,582
	Surplus / (Deficit)	733,132,503	1,304,230,994	733,132,503	1,304,230,994
3.3(i) Actual Reserve maintained (including CRR)					
	Cash In Hand	100,000	100,000	100,000	100,000
	Bangladesh Bank	13,726,571	22,338,828	13,726,571	22,338,828
	Padma Bank PLC.	148,136	-	148,136	-
	Eastern Bank PLC.	269,230	795,266	269,230	795,266
	The Premier Bank PLC	4,667	166,210	4,667	166,210
	Standard Chartered Bank	132,266	2,352,924	132,266	2,352,924
	NRB Bank PLC.	1,838	13,786	1,838	13,786
	Export Import Bank of Bangladesh PLC.	224,841	2,883,602	224,841	2,883,602
	Southeast Bank PLC.	165,133,689	4,927,464	165,133,689	4,927,464
	Standard Bank PLC.	160,475,566	171,849,549	160,475,566	171,849,549
	Trust Bank PLC.	1,621,245	-	1,621,245	-
	Government Treasury Bills	426,729,160	1,149,569,955	426,729,160	1,149,569,955
		768,567,209	1,354,997,582	768,567,209	1,354,997,582

Notes	Particulars	SFIL		SFIL Group	
		Amount in BDT		Amount in BDT	
		31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
4. Balance with other Banks and Financial Institutions					
A. Inside of Bangladesh					
Local Currency (Note - 4.1)	327,961,479	208,479,267	329,309,840	211,136,712	
Foreign Currency (Note - 4.2)	-	-	-	-	
	327,961,479	208,479,267	329,309,840	211,136,712	
4.1 Local Currency					
Interest bearing SND/HPA Account (Note - 4.1.1)	25,957,944	34,240,817	27,306,306	36,898,262	
Mudaraba SND Account (Note - 4.1.2)	1,803,534	2,687,339	1,803,534	2,687,339	
Mobile Financial Services - Nagad	-	-	-	-	
Fixed Deposit Receipt account (Note - 4.1.3)	290,000,000	160,000,000	290,000,000	160,000,000	
Mudaraba Fixed Deposit - Standard Bank PLC.	10,200,000	11,551,111	10,200,000	11,551,111	
	327,961,479	208,479,267	329,309,840	211,136,712	
4.1.1 Interest bearing SND/HPA Account					
Padma Bank PLC.	148,136	511,991	156,991	529,896	
Eastern Bank PLC.	269,230	114,342	279,132	125,835	
The Premier Bank PLC	4,667	24,159,929	4,667	24,159,929	
Standard Chartered Bank	132,266	2,974,877	132,266	2,974,877	
NRB Bank PLC.	1,838	10,613	1,838	10,613	
Export Import Bank of Bangladesh PLC.	3,460	139,503	3,460	139,503	
Southeast Bank PLC.	25,133,689	5,626,226	25,298,443	6,395,305	
Standard Bank PLC.	225,566	703,337	225,566	703,337	
Trust Bank PLC.	39,092	-	39,092	-	
IFIC Bank PLC.	-	-	1,164,851	1,858,969	
	25,957,944	34,240,817	27,306,306	36,898,262	
4.1.2 Mudaraba SND Account					
Export Import Bank of Bangladesh PLC.	221,381	2,687,339	221,381	2,687,339	
Trust Bank PLC.	1,582,153	-	1,582,153	-	
	1,803,534	2,687,339	1,803,534	2,687,339	
4.1.3 Fixed Deposit Receipt account					
Southeast Bank PLC.	140,000,000	-	140,000,000	-	
Standard Bank PLC.	150,000,000	160,000,000	150,000,000	160,000,000	
	290,000,000	160,000,000	290,000,000	160,000,000	
4.2 Foreign Currency					
	-	-	-	-	
4.3 Maturity grouping of balance with other banks and financial institutions					
Up to 1 month	183,461,479	203,428,156	184,809,840	206,085,601	
Over 1 month but not more than 3 months	144,500,000	5,051,111	144,500,000	5,051,111	
Over 3 months but not more than 6 months	-	-	-	-	
Over 6 months but not more than 1 year	-	-	-	-	
Over 1 year but not more than 5 years	-	-	-	-	
Over 5 years	-	-	-	-	
	327,961,479	208,479,267	329,309,840	211,136,712	
5. Money at call and short notice					
	-	-	-	-	
6. Investments					
Government Securities					
Treasury Bills	430,234,238	1,330,761,398	430,234,238	1,330,761,398	
	430,234,238	1,330,761,398	430,234,238	1,330,761,398	
Other Investments					
Investment in marketable securities (Note - 6.1)	243,776,999	247,280,791	266,921,012	266,725,155	
Investment in bond - SFL (Note - 6.2)	1,347,121,112	1,347,121,112	1,347,121,112	1,347,121,112	
	1,590,898,111	1,594,401,902	1,614,042,124	1,613,846,266	
	2,021,132,349	2,925,163,300	2,044,276,362	2,944,607,664	

6.1 Investment in marketable securities

Details of marketable securities are given below:

Business segments	SFIL		SFIL Group	
	Cost Price	Market Price	Cost Price	Market Price
Food & Allied	3,404,635	1,882,896	3,699,827	2,014,654
Telecommunication	2,513,436	1,360,950	2,513,436	1,360,950
Bank	200,869,244	132,569,167	209,905,210	138,875,591
Textile	2,586,966	1,491,600	6,368,527	4,648,600
Pharmaceuticals & Chemicals	22,553,421	16,336,428	23,887,612	17,473,728
Fuel & Power	9,771,049	4,345,043	9,771,049	4,345,043
Travel & Leisure	2,078,248	1,910,000	5,414,341	4,221,100
IT	-	-	5,030,913	4,200,243
Corporate Bond	-	-	330,097	184,500
	243,776,999	159,896,084	266,921,012	177,324,409

All investments in marketable securities are valued on an aggregate portfolio basis, at cost value, at the Balance Sheet date. As on December 31, 2025 there was BDT 83,880,915 unrealized loss on investment by SFIL Finance PLC. in marketable securities and BDT 89,596,604 unrealized loss on consolidated investment in marketable securities.

Notes	Particulars	SFIL		SFIL Group	
		Amount in BDT		Amount in BDT	
		31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024

6.2 Investment in bond - Strategic Finance Limited (SFL)

Opening balance	1,347,121,112	1,224,655,556	1,347,121,112	1,224,655,556
Add: Interest capitalized during the year	134,712,111	122,465,556	134,712,111	122,465,556
Less: Received during the year	134,712,111	-	134,712,111	-
Closing balance	1,347,121,112	1,347,121,112	1,347,121,112	1,347,121,112

As per Bangladesh Bank No Objection Certificate (Circular no.: DFIM(BS)1057/35/2020-2116, dated: November 29, 2020), SFIL Finance PLC. invested BDT 100 Crore to Non-Convertible Redeemable Coupon Bearing Bond which is issued by Strategic Finance Limited and approved by Bangladesh Securities and Exchange Commission (BSEC).

6.3 Maturity grouping of Investments

On demand	-	-	-	-
Up to 1 month	-	358,190,494	-	358,190,494
Over 1 month but within 3 months	350,275,478	444,232,966	357,218,682	450,066,275
Over 3 months but within 1 year	460,246,852	1,190,494,190	469,504,457	1,198,271,936
Over 1 year but within 5 years	730,376,318	765,578,983	737,319,522	771,412,292
Over 5 years	480,233,701	166,666,667	480,233,701	166,666,667
	2,021,132,349	2,925,163,300	2,044,276,362	2,944,607,664

7. Leases, loans and advances

A. Inside Bangladesh

Corporate Finance

Lease Finance	65,410,556	107,853,404	65,410,556	107,853,404
Loan Finance	499,524,068	624,809,255	499,524,068	624,809,255
	564,934,624	732,662,660	564,934,624	732,662,660

Consumer Finance

House Finance	117,880,305	124,460,327	117,880,305	124,460,327
Car Lease	48,617,067	56,418,866	48,617,067	56,418,866
Loan Against Deposit	1,782,400	3,051,882	1,782,400	3,051,882
Personal Loan	1,255,862	2,819,603	1,255,862	2,819,603
	169,535,635	186,750,678	169,535,635	186,750,678

SME Finance

Lease Finance, SMALL	6,204,470	12,810,389	6,204,470	12,810,389
Loan Finance, SMALL	95,341,624	21,225,082	95,341,624	21,225,082
Lease Finance, MID	9,760,351	1,548,335	9,760,351	1,548,335
Loan Finance, MID	38,244,309	31,811,719	38,244,309	31,811,719
	149,550,754	67,395,524	149,550,754	67,395,524

Total (Inside Bangladesh)

	884,021,013	986,808,863	884,021,013	986,808,863
B. Outside Bangladesh				
Total (Outside Bangladesh)	-	-	-	-
	884,021,013	986,808,863	884,021,013	986,808,863

Notes	Particulars	SFIL		SFIL Group	
		Amount in BDT		Amount in BDT	
		31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
7.1 Maturity wise grouping					
	On Demand	2,185,847	82,305,917	2,185,847	82,305,917
	Not more than 3 months	21,867,877	18,896,730	21,867,877	18,896,730
	More than 03 Months to 01 Year	214,991,718	277,437,137	214,991,718	277,437,137
	More than 01 Year to 05 Years	210,755,222	489,137,734	210,755,222	489,137,734
	More than 05 Years	434,220,349	119,031,344	434,220,349	119,031,344
		884,021,013	986,808,863	884,021,013	986,808,863
7.2 Leases, Loans and advances on the basis of significant concentration					
	a) Leases, Loans and advances to the institutions in which Directors have interest	-	-	-	-
	b) Leases, Loans and advances to Chief Executive and other senior executives	5,996,390	6,178,971	5,996,390	6,178,971
	c) Leases, Loans and advances to customer groups:				
	i. House finance	114,572,110	120,943,282	114,572,110	120,943,282
	ii. Car Loan	46,144,277	55,985,786	46,144,277	55,985,786
	iii. Personal loan	1,040,458	1,142,947	1,040,458	1,142,947
	iv. Loan against deposits (LAD)	1,782,400	2,499,692	1,782,400	2,499,692
	v. Small and medium enterprises	116,474,240	67,395,524	116,474,240	67,395,524
	vi. Special program loan (BB refinancing scheme)	-	-	-	-
	vii. Staff loan	-	-	-	-
	viii. Industrial Leases, Loans and advances(Note-7.2(d))	598,011,138	732,662,660	598,011,138	732,662,660
	ix. Other loans and advances	-	-	-	-
		884,021,013	986,808,863	884,021,013	986,808,863
	d) Details of Industrial Leases, Loan and advances				
	i. Agriculture Industries	639,653	1,749,793	639,653	1,749,793
	ii. Garments and Knitwear	21,718,934	22,957,693	21,718,934	22,957,693
	iii. Textile	10,322,095	55,889,879	10,322,095	55,889,879
	iv. Food Production and Processing industry	-	-	-	-
	v. Leather and Leather Goods	4,332,753	7,095,517	4,332,753	7,095,517
	vi. Iron, Steel and Engineering	205,029	1,688,489	205,029	1,688,489
	vii. Ship Manufacturing Industry	-	168,848	-	168,848
	viii. Electronics and Electrical Products	849,876	1,813,266	849,876	1,813,266
	ix. Transport and Aviation	7,899,091	16,025,425	7,899,091	16,025,425
	x. Real Estate & Housing	480,474,569	508,411,807	480,474,569	508,411,807
	xi. Other Industries	71,569,140	116,861,942	71,569,140	116,861,942
		598,011,138	732,662,660	598,011,138	732,662,660
7.3 Leases, Loans and advances-geographical location wise					
	Dhaka Division	884,021,013	986,808,863	884,021,013	986,808,863
		884,021,013	986,808,863	884,021,013	986,808,863
7.4 Classification wise leases, loans and advances					
	Unclassified				
	Standard	841,330,700	937,984,749	841,330,700	937,984,749
	Special Mention Accounts (SMA)	12,254,066	41,046,785	12,254,066	41,046,785
		853,584,766	979,031,534	853,584,766	979,031,534
	Classified				
	Sub-standard	-	168,848	-	168,848
	Doubtful	2,185,847	-	2,185,847	-
	Bad/loss	28,250,401	7,608,481	28,250,401	7,608,481
		30,436,248	7,777,329	30,436,248	7,777,329
		884,021,013	986,808,863	884,021,013	986,808,863

Notes	Particulars	SFIL		SFIL Group	
		Amount in BDT		Amount in BDT	
		31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024

7.5 Particulars of required provision for leases, loans and advances

Status	Base for Provision	Percentage (%) of Provision Required				
General Provision			7,870,435	10,826,310	7,870,435	10,826,310
Standard - Non SME	701,574,274	1.00%	7,015,743	8,796,992	7,015,743	8,796,992
Standard - CMSME	139,756,426	0.25%	349,391	145,714	349,391	145,714
Standard - Brokerage	-	2.00%	-	-	-	-
Special Mention Accounts (SMA) - Non SME	10,106,016	5.00%	505,301	1,878,855	505,301	1,878,855
Special Mention Accounts (SMA) - CMSME	-	0.25%	-	4,750	-	4,750
Specific provision			10,698,375	2,755,405	10,698,375	2,755,405
Sub-standard - Non SME	-	20.00%	-	5,065	-	5,065
Sub-standard - CMSME	-	5.00%	-	-	-	-
Doubtful - Non SME	-	50.00%	-	-	-	-
Doubtful - CMSME	1,360,641	20.00%	272,128	-	272,128	-
Bad/loss	10,426,247	100.00%	10,426,247	2,750,339	10,426,247	2,750,339
Required provision for leases, loans and advances			18,568,810	13,581,715	18,568,810	13,581,715
Total provision required			18,568,810	13,581,715	18,568,810	13,581,715
Total provision maintained			19,444,033	14,581,715	19,444,033	14,581,715
Excess/(short) provision at 31 December			875,224	1,000,000	875,224	1,000,000

Provision on SME loan has been calculated as per DFIM Circular Letter No:37, Dated 04 December 2024.

7.6 Details of large loan

i) Number of client to whom Lease, Loans and Advances (15% or above of the company's total capital)	2	2	2	2
ii) Amount of outstanding Lease, Loans and Advances (To the client mentioned above)	478,882,149	505,674,141	478,882,149	505,674,141
iii) Amount of classified Lease, Loans and Advances (Out of the amount as mentioned above)	-	-	-	-

Total capital of the SFIL Finance PLC. was BDT 1,022,835,517 as at 31 December 2025 and was BDT 1,096,762,963 as at 31 December 2024.

7.7 Particulars of Leases, Loans and advances

i) Leases, Loans and advances considered good in respect of which the Bank/ FC is fully secured.	753,392,140	829,870,499	753,392,140	829,870,499
ii) Leases, Loans and advances considered good for which the Bank/FC holds no other security than the debtor's personal security.	448,840	23,831,128	448,840	23,831,128
iii) Leases, Loans and advances considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors.	123,592,025	126,928,266	123,592,025	126,928,266
iv) Loan adversely classified; for which no provision is created.	-	-	-	-
v) Leases, Loans and advances due by directors or officers of the Bank/ FC or any of them either jointly or separately with any other persons.	6,588,009	6,178,971	6,588,009	6,178,971
vi) Leases, Loans and advances due by companies and firms in which the directors of the Bank/FC have interests as directors, partners or managing agent or in case of private companies as members.	-	-	-	-
vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors and managers or officers of the Bank/ FC or any of them either severally or jointly with any other persons.	-	-	-	-
viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Bank/ FC have interests as directors, partners or managing agents or, in case of private companies as members.	-	-	-	-
ix) Due from other Bank and FC	-	-	-	-
	884,021,013	986,808,863	884,021,013	986,808,863

Notes	Particulars	SFIL		SFIL Group	
		Amount in BDT		Amount in BDT	
		31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
x)	Information in respect of classified Leases, Loans and advances:				
a)	Classified leases, loans and advances for which interest/ profit not credited to income	30,436,248	7,777,329	30,436,248	7,777,329
b)	Amount of provision kept against loans classified as bad/ loss as at the Balance Sheet date	10,426,247	2,750,339	10,426,247	2,750,339
c)	Amount of interest credited to the interest suspense account	4,292,360	2,641,738	4,292,360	2,641,738
xi)	Cumulative amount of written off Leases, Loans and advances:				
	Opening Balance				
	Amount written off during the period	-	-	-	-
	Amount received off during the period	-	-	-	-
	Balance of written off loans and advances yet to be recovered	-	-	-	-
	The amount of written off Leases, Loans and advances for which law suits have been filed	-	-	-	-
8.	Fixed Assets including Land, Building, Furniture and Fixtures				
	Freehold Assets (Note- 8.1)	9,528,814	14,058,872	10,172,482	16,211,277
	Lease Hold Assets (Note- 8.2)	55,250,564	63,263,144	56,006,806	65,008,959
	Intangible Assets (Note-8.3)	5,029,196	7,310,924	25,029,196	27,343,380
		69,808,574	84,632,940	91,208,484	108,563,616
	Details are given in Annexure-A and Annexure-B				
8.1	Freehold assets				
	A. Cost				
	Opening Balance	27,108,063	27,431,756	31,580,469	32,076,439
	Add : Addition during the year	46,044	1,765,875	46,044	1,858,598
		27,154,106	29,197,631	31,626,512	33,935,037
	Less: Adjustment / Disposal during the year	-	2,089,568	1,769,480	2,354,568
		27,154,106	27,108,063	29,857,032	31,580,469
	B. Accumulated depreciation				
	Opening Balance	13,049,191	9,487,877	15,369,192	11,082,411
	Add : Charged during the year	4,576,102	4,997,587	5,267,317	5,859,971
		17,625,292	14,485,463	20,636,509	16,942,382
	Less: Adjustment / Disposal during the year	-	1,436,273	951,959	1,573,190
		17,625,292	13,049,191	19,684,551	15,369,192
	C. Written down value (A-B)	9,528,814	14,058,872	10,172,482	16,211,277
8.2	Lease Hold Assets				
	A. Cost				
	Opening Balance	74,536,816	71,114,500	78,569,012	73,242,171
	Add : Addition during the year	-	5,588,986	1,067,636	7,493,511
		74,536,816	76,703,486	79,636,649	80,735,682
	Less: Adjustment / Disposal during the year	-	2,166,670	4,032,196	2,166,670
		74,536,816	74,536,816	75,604,453	78,569,012
	B. Accumulated depreciation				
	Opening Balance	11,273,672	4,502,949	13,560,054	5,964,129
	Add : Charged during the year	8,012,580	7,937,392	8,800,106	8,762,594
		19,286,252	12,440,341	22,360,159	14,726,722
	Less: Adjustment / Disposal during the year	-	1,166,669	2,762,513	1,166,669
		19,286,252	11,273,672	19,597,646	13,560,054
	C. Written down value (A-B)	55,250,564	63,263,144	56,006,806	65,008,959

Notes	Particulars	SFIL		SFIL Group	
		Amount in BDT		Amount in BDT	
		31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
8.3 Intangible Assets					
A. Cost					
	Opening Balance	13,773,455	13,633,955	34,298,321	34,158,821
	Add : Addition during the year	550,000	139,500	550,000	139,500
		14,323,455	13,773,455	34,848,321	34,298,321
	Less: Adjustment / Disposal during the year	-	-	-	-
		14,323,455	13,773,455	34,848,321	34,298,321
B. Accumulated depreciation					
	Opening Balance	6,462,532	3,682,792	6,954,941	4,000,264
	Add : Charged during the year	2,831,728	2,779,739	2,864,184	2,954,677
		9,294,259	6,462,532	9,819,125	6,954,941
	Less: Adjustment / Disposal during the year	-	-	-	-
		9,294,259	6,462,532	9,819,125	6,954,941
	C. Written down value (A-B)	5,029,196	7,310,924	25,029,196	27,343,380
9. Other assets					
Non income generating assets					
	Advances, Deposits and Prepayments (Note-9.1)	135,922,955	112,281,993	198,071,272	174,700,095
	Deferred tax asset (Note-9.2)	4,334,217	1,413,133	4,505,328	1,597,208
Income generating assets					
	Interest and other receivables (Note-9.3)	13,234,727	12,812,849	13,234,727	12,812,849
	Receivable with Brokerage House	21,501	45,491	2,250	916,072
	Investment in Subsidiary Company - SFILSL (Note-9.4)	149,997,000	149,997,000	-	-
		303,510,399	276,550,466	215,813,578	190,026,224
9.1 Advances, Deposits and Prepayments					
	Advance Income Tax (Note-9.1.1)	119,593,481	94,276,406	120,885,881	95,874,719
	Advance to Supplier & Others	129,375	10,000	129,375	10,000
	Security Deposit - Office Rent	16,114,500	16,114,500	16,314,500	16,332,300
	Prepayment for Stamp Expense	24,150	29,630	24,150	29,630
	Receivable from Gratuity Fund Account	-	53,490	-	53,490
	Dividend Receivable	-	1,746,500	117,200	1,843,300
	Receivable from Client	61,448	51,467	61,448	51,467
	Receivable from Broker (Dealer Account)	-	-	10,976	57,748
	Receivable from DSE & CSE	-	-	302,742	222,443
	Security Deposit with Stock Exchange & others (Note-9.1.2)	-	-	60,225,000	60,225,000
		135,922,955	112,281,993	198,071,272	174,700,095
9.1.1 Advance Income Tax					
	Opening balance	94,276,406	106,011,752	95,874,719	107,269,601
	Add: Addition during the year	37,526,715	36,253,154	38,470,752	37,503,104
		131,803,121	142,264,906	134,345,471	144,772,704
	Less: Adjustment for Assessment Year 2025-26	12,209,640	-	13,459,590	-
	Less: Adjustment for Assessment Year 2024-25	-	21,722,083	-	22,380,012
	Less: Adjustment for Assessment Year 2023-24	-	26,266,417	-	26,517,974
	Closing balance	119,593,481	94,276,406	120,885,881	95,874,719
The amount of advance income tax is (a) Payment made through payment order under section 154 of the Income Tax Act 2023 and (b) Tax deduction at source (TDS). TDS mainly deduction of tax at sources (i) By FI on income arisen from deposits (TDR) (ii) Interest income on bank balances (iii) Income from Dividend income (iv) Interest income on Govt. Treasury Bill, securities and (v) Payment order under section 153 of the Income Tax Act 2023.					
9.1.2 Security Deposit with Stock Exchange & others					
	Security Deposit - DSE	-	-	30,000,000	30,000,000
	Security Deposit - CSE	-	-	30,000,000	30,000,000
	Security Deposit - CDBL	-	-	200,000	200,000
	Clearing House Deposit - CSE	-	-	25,000	25,000
		-	-	60,225,000	60,225,000

9.2 Deferred Tax Assets

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

Deferred tax liability/asset is arrived at as follows:

			SFIL Finance PLC.	
			31-Dec-2025	31-Dec-2024
Particulars	Accounting Base Carrying Amount	Tax Base Carrying Amount	Taxable/(Deductible) temporary difference	Taxable/(Deductible) temporary difference
Fixed assets net of depreciation				
Furniture & Fixture	2,014,196	3,166,368	(1,152,172)	(638,211)
Office Decoration	2,786,809	3,532,918	(746,108)	(351,212)
Office Equipment	1,434,818	2,813,283	(1,378,465)	(932,894)
IT Equipment	1,335,033	1,827,985	(492,953)	327,441
Motor Vehicle	1,957,958	2,194,699	(236,740)	254,405
IT Software	5,029,196	3,956,061	1,073,135	2,915,848
Taxable/(Deductible) Temporary Difference (A)	14,558,010	17,491,313	(2,933,303)	1,575,377
Deductible Temporary Difference				
Right of Use of Assets			55,250,564	63,263,144
Lease liability			(62,987,773)	(68,122,274)
Difference			(7,737,210)	(4,859,130)
Unearned Revenue			(165,029)	(249,079)
Gratuity Provision			-	-
Total Deductible Temporary Difference (B)			(7,902,239)	(5,108,209)
Total (A+B)			(10,835,542)	(3,532,832)
Deferred tax (Asset) / liability at applicable tax rate 40%			(4,334,217)	(1,413,133)
Deferred tax (Income) / Expenses (Note-34)			(2,921,084)	(4,497,793)
			SFIL Group	
			31-Dec-2025	31-Dec-2024
Deferred tax (Asset) / liability			(4,505,328)	(1,597,208)
Deferred tax (Income) / Expenses (Note-34)			(2,908,120)	(4,562,393)
			SFIL	SFILSL
Applicable tax rate for Business or Profession			40%	25%

Notes	Particulars	SFIL		SFIL Group	
		Amount in BDT		Amount in BDT	
		31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
9.3 Interest and other receivables					
	Interest receivables-Fixed Deposit	5,431,604	5,020,296	5,431,604	5,020,296
	Interest receivables- MSND, SND & HPA account	93,521	82,951	93,521	82,951
	Interest receivables-Non-Convertible Bond	7,709,602	7,709,602	7,709,602	7,709,602
		13,234,727	12,812,849	13,234,727	12,812,849
9.4 Investment in Subsidiary Company - SFIL Securities Limited (SFILSL)					
	Out of the total of 15,000,000 Ordinary shares issued as paid up, SFIL Finance PLC. holds 14,999,700 Ordinary shares of BDT 10 each.				
10. Borrowings from other banks, financial institutions and agents					
	Inside Bangladesh (Note-10.1)	15,277,777	169,556,604	20,477,907	178,054,959
	Outside Bangladesh	-	-	-	-
		15,277,777	169,556,604	20,477,907	178,054,959
10.1 Inside Bangladesh					
	Secured Loan				
	Long Term Loan - NRB Bank PLC.	15,277,777	25,634,683	15,277,777	25,634,683
	REPO against Govt. Treasury Bills	-	143,906,250	-	143,906,250
		15,277,777	169,540,933	15,277,777	169,540,933

Notes	Particulars	SFIL		SFIL Group	
		Amount in BDT		Amount in BDT	
		31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
	Unsecured Loan				
	Unsecured Bank Overdraft - NRB Bank PLC.	-	15,671	-	15,671
	Long Term Loan - ICB Fund	-	-	5,200,130	8,498,355
		-	15,671	5,200,130	8,514,026
	Total Inside Bangladesh	15,277,777	169,556,604	20,477,907	178,054,959
10.2	Maturity grouping of borrowings from other banks, financial institutions & agents				
	Payable on demand	-	-	-	-
	Up to 1 month	2,830,828	146,362,350	3,727,540	147,250,838
	Over 1 month but within 3 months	-	-	-	-
	Over 3 months but within 1 year	9,163,984	7,916,477	11,725,526	10,378,069
	Over 1 year but within 5 years	3,282,965	15,277,777	5,024,841	20,426,051
	Over 5 years	-	-	-	-
		15,277,777	169,556,604	20,477,907	178,054,959
11.	Deposits and other accounts				
	Term deposits (Note-11.1)	2,302,848,020	2,961,747,409	2,282,848,020	2,931,747,409
	Other deposits (Note-11.2)	1,021,397	2,742,909	1,021,397	2,742,909
		2,303,869,417	2,964,490,318	2,283,869,417	2,934,490,318
11.1	Term deposits				
	Regular Term Deposit (Note-11.1.1)	295,075,979	563,535,199	275,075,979	533,535,199
	Regular Day Wise Deposit (Note-11.1.2)	948,214,370	1,358,809,577	948,214,370	1,358,809,577
	Monthly Earner Deposit - Individual	42,400,000	21,200,000	42,400,000	21,200,000
	Quarterly Earner Deposit (Note-11.1.3)	1,000,900,000	1,000,400,000	1,000,900,000	1,000,400,000
	Monthly Saving Scheme - Individual	1,444,264	1,303,721	1,444,264	1,303,721
	Millionaire Deposit Scheme - Individual	386,392	879,341	386,392	879,341
	Mudaraba Term Deposit (Note-11.1.4)	14,391,016	13,619,570	14,391,016	13,619,570
	Mudaraba Monthly Earner Deposit - Individual	-	2,000,000	-	2,000,000
	Mudaraba Scheme Deposit	36,000	-	36,000	-
		2,302,848,020	2,961,747,409	2,282,848,020	2,931,747,409
11.1.1	Regular Term Deposit				
	Regular Term Deposit - Corporate	109,749,747	140,344,698	89,749,747	110,344,698
	Regular Term Deposit - Individual	185,326,233	423,190,501	185,326,233	423,190,501
		295,075,979	563,535,199	275,075,979	533,535,199
11.1.2	Regular Day Wise Deposit				
	Regular Day Wise Deposit - Bank & FI	900,000,000	1,300,000,000	900,000,000	1,300,000,000
	Regular Day Wise Deposit - Corporate	5,044,279	5,604,964	5,044,279	5,604,964
	Regular Day Wise Deposit - Individual	43,170,091	53,204,613	43,170,091	53,204,613
		948,214,370	1,358,809,577	948,214,370	1,358,809,577
11.1.3	Quarterly Earner Deposit				
	Quarterly Earner Deposit - Bank & FI	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
	Quarterly Earner Deposit - Individual	900,000	400,000	900,000	400,000
		1,000,900,000	1,000,400,000	1,000,900,000	1,000,400,000
11.1.4	Mudaraba Term Deposit				
	Mudaraba Term Deposit - Corporate	2,811,718	2,620,812	2,811,718	2,620,812
	Mudaraba Term Deposit - Individual	11,579,297	10,998,758	11,579,297	10,998,758
		14,391,016	13,619,570	14,391,016	13,619,570
11.1.5	Group-wise break -up of term deposits				
	Government	-	-	-	-
	Bank	1,900,000,000	2,300,000,000	1,900,000,000	2,300,000,000
	Insurance	9,722,103	9,996,184	9,722,103	9,996,184
	Other institutions	107,883,641	138,574,291	87,883,641	108,574,291
	Individuals	285,242,276	513,176,934	285,242,276	513,176,934
		2,302,848,020	2,961,747,409	2,282,848,020	2,931,747,409

Notes	Particulars	SFIL		SFIL Group	
		Amount in BDT		Amount in BDT	
		31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
11.1.6 Maturity analysis of Term deposits					
	Payable on demand	-	-	-	-
	Up to 1 month	74,836,982	491,087,254	54,836,982	461,087,254
	Over 1 month but within 6 months	1,042,398,823	2,383,932,958	1,042,398,823	2,383,932,958
	Over 6 months but within 1 year	1,183,616,182	71,139,922	1,183,616,182	71,139,922
	Over 1 year but within 5 years	1,996,033	15,587,274	1,996,033	15,587,274
	Over 5 years but within 10 years	-	-	-	-
	Over 10 years	-	-	-	-
		2,302,848,020	2,961,747,409	2,282,848,020	2,931,747,409
11.2 Other deposits					
	Non-Interest Bearing Security Deposit	1,021,397	2,742,909	1,021,397	2,742,909
		1,021,397	2,742,909	1,021,397	2,742,909
12. Other liabilities					
	Withholding Tax payable	18,211,978	26,664,686	18,219,398	26,707,862
	Withholding VAT payable	244,526	339,925	255,647	357,539
	Excise Duty	894,800	1,571,550	894,800	1,571,550
	Interest payable- (Note - 12.1)	22,891,717	51,641,735	22,531,456	51,200,498
	Audit fee payable	191,667	191,667	434,410	287,500
	Payable for CIB Fee	65,137	38,660	65,137	38,660
	Payable for Client's Legal Fees	579,472	665,219	579,472	665,219
	Payable for Stamp Charge	109,150	100,130	109,150	100,130
	Payable to suppliers and others	3,022,917	3,170,120	4,671,662	4,755,234
	Provision for current tax (Note - 12.2)	25,634,692	22,367,421	27,076,972	24,115,613
	Unearned Revenue	165,029	249,079	165,029	249,079
	Provision for CSR Climate Fund	52,500	37,500	52,500	37,500
	Interest Suspense (Note-12.3)	11,530,609	7,731,937	11,530,609	7,731,937
	Lease Liability - Right of Use of Assets (Note-12.4)	62,987,773	68,122,274	63,765,663	69,882,172
	Provision for doubtful accounts and future losses (Note-12.5)	131,695,708	90,371,876	109,111,381	94,900,755
		278,277,674	273,263,780	259,463,284	282,601,249
12.1 Interest payable					
	Regular Term Deposit (Note-12.1.1)	13,919,291	30,946,042	13,479,291	30,286,042
	Regular Day Wise Deposit (Note-12.1.2)	4,906,044	15,971,385	4,906,044	15,971,385
	Monthly Earner Deposit - Individual	238,027	111,309	238,027	111,309
	Quarterly Earner Deposit (Note-12.1.3)	3,004,917	2,782,111	3,004,917	2,782,111
	Long Term Loan	550,849	924,273	550,849	924,273
	Interest Payable on REPO	-	606,180	-	606,180
	Mudaraba Term Deposits (Note-12.1.4)	270,742	285,851	270,742	285,851
	Mudaraba Monthly Earner Deposits	-	14,583	-	14,583
	Mudaraba Scheme Deposits	1,848	-	1,848	-
	Consolidated Customer Account (CCA)	-	-	79,739	218,763
		22,891,717	51,641,735	22,531,456	51,200,498
12.1.1 Regular Term Deposit					
	Regular Term Deposit - Corporate	6,658,650	5,244,354	6,218,650	4,584,354
	Regular Term Deposit - Individual	7,260,641	25,701,688	7,260,641	25,701,688
		13,919,291	30,946,042	13,479,291	30,286,042
12.1.2 Regular Day Wise Deposit					
	Regular Day Wise Deposit - Bank & FI	2,202,778	13,443,056	2,202,778	13,443,056
	Regular Day Wise Deposit - Corporate	93,282	158,195	93,282	158,195
	Regular Day Wise Deposit - Individual	2,609,984	2,370,134	2,609,984	2,370,134
		4,906,044	15,971,385	4,906,044	15,971,385
12.1.3 Quarterly Earner Deposit					
	Quarterly Earner Deposit - Bank & FI	3,000,000	2,777,778	3,000,000	2,777,778
	Quarterly Earner Deposit - Individual	4,917	4,333	4,917	4,333
		3,004,917	2,782,111	3,004,917	2,782,111
12.1.4 Mudaraba Term Deposits					
	Mudaraba Term Deposits - Corporate	61,962	56,956	61,962	56,956
	Mudaraba Term Deposits - Individual	208,780	228,895	208,780	228,895
		270,742	285,851	270,742	285,851

Notes	Particulars	SFIL		SFIL Group	
		Amount in BDT		Amount in BDT	
		31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
12.2 Provision for current tax					
	Opening balance	22,367,421	49,334,811	24,115,613	50,794,297
	Add: Addition during the year	15,476,911	21,021,110	16,420,949	22,271,060
		37,844,332	70,355,921	40,536,562	73,065,357
	Less: Adjustment for Assessment Year 2025-26	12,209,640	-	13,459,590	-
	Less: Adjustment for Assessment Year 2024-25	-	21,722,083	-	22,431,770
	Less: Adjustment for Assessment Year 2023-24	-	26,266,417	-	26,517,974
	Closing balance	25,634,692	22,367,421	27,076,972	24,115,613
	Current tax provision has been adjusted in accordance with the final tax liability computed in the income tax return submitted to the National Board of Revenue (NBR) under the self-assessment procedure pursuant to Section 180 of the Income Tax Act, 2023.				
12.3 Interest Suspense					
	Interest Suspense on leases, loans and advances	6,440,410	2,641,738	6,440,410	2,641,738
	Interest Suspense on Investment in Bond	5,090,199	5,090,199	5,090,199	5,090,199
		11,530,609	7,731,937	11,530,609	7,731,937
12.3.1 Movement of interest suspense account					
	Opening Balance	7,731,937	765,711	7,731,937	765,711
	Add: Transferred to interest suspense during the year				
	Interest Suspense on leases, loans and advances	5,435,833	2,062,910	5,435,833	2,062,910
	Interest Suspense on Investment in Bond	-	4,993,111	-	4,993,111
		13,167,770	7,821,732	13,167,770	7,821,732
	Less: Interest suspense realized during the year				
	Interest Suspense on leases, loans and advances	1,637,161	89,794	1,637,161	89,794
	Less: Write off during the year	-	-	-	-
	Closing balance	11,530,609	7,731,937	11,530,609	7,731,937
12.4 Lease Liability - Right of Use of Assets					
	As per IFRS 16, Lease liability - Right of Use of Assets derived from present value of all rental payments for corporate head office and principal branch. SFIL Finance PLC. has leased commercial office space for corporate head office at Finance Square (Level-15), Gulshan-2, covering area of 4,395 square feet and for principal branch office at Rangs RL Square (Level-13), Progoti Saroni, covering area of 1,500 square feet. When measuring lease liabilities, SFIL discounted lease payments using its incremental borrowing rate.				
12.5 Provision for doubtful accounts and future losses					
	General provision (Note-12.5.1)	8,745,658	11,826,310	8,745,658	11,826,310
	Specific provision	10,698,375	2,755,405	10,698,375	2,755,405
	Provision for diminutions in value of investments (Note-12.5.2)	112,180,930	75,507,827	89,596,604	80,036,706
	Other Provisions	70,744	282,334	70,744	282,334
		131,695,708	90,371,876	109,111,381	94,900,755
12.5.1 General provision					
	Corporate Finance				
	Lease Finance	654,106	1,074,785	654,106	1,074,785
	Loan Finance	5,664,045	8,734,805	5,664,045	8,734,805
		6,318,151	9,809,590	6,318,151	9,809,590
	Consumer Finance				
	House Finance	1,561,563	1,244,603	1,561,563	1,244,603
	Car lease	486,171	564,189	486,171	564,189
	Loan Against Deposit	17,824	30,519	17,824	30,519
	Personal Loan	12,559	28,196	12,559	28,196
		2,078,116	1,867,507	2,078,116	1,867,507
	SME Finance				
	Lease Finance, SMALL	15,511	32,026	15,511	32,026
	Loan Finance, SMALL	232,889	52,809	232,889	52,809
	Lease Finance, MID	24,401	3,871	24,401	3,871
	Loan Finance, MID	76,590	60,508	76,590	60,508
		349,391	149,214	349,391	149,214
	Total General Provision	8,745,658	11,826,310	8,745,658	11,826,310

Notes	Particulars	SFIL		SFIL Group	
		Amount in BDT		Amount in BDT	
		31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
12.5.2 Provision for Diminutions in Value of Investments					
	Provision for Investments in Quated Share	83,880,915	75,507,827	89,596,604	80,036,706
	Provision for Investments in Equity Share - Subsidiary	28,300,015	-	-	-
		112,180,930	75,507,827	89,596,604	80,036,706
	Provision on Investment in listed securities and Non-listed equity shares (Subsidiary) has been maintained as per DFIM Circular No:3, Dated 07 July 2025.				
12.5.3 Movement of specific provisions for leases, loans, investments and other assets					
	Opening Balance	2,755,405	550,068	2,755,405	550,068
	Less: Write off during the year	-	-	-	-
	Add: Amount received from previously write off	-	-	-	-
	Add: Provision kept during the year	7,942,970	2,205,337	7,942,970	2,205,337
	Less: Provision which were received or have no obligation	-	-	-	-
	Add: Net charged to profit & loss account	-	-	-	-
	Closing Balance	10,698,375	2,755,405	10,698,375	2,755,405
13. Share capital					
	Authorized				
	250,000,000 ordinary shares of Tk.10/- each	2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000
	Issued, subscribed and paid up				
	105,575,000 ordinary shares of Tk.10/- each	1,055,750,000	1,055,750,000	1,055,750,000	1,055,750,000

The Shareholders of the company approved 3.0% stock dividend for the year ended on December 31, 2022 in the 3rd Annual General Meeting (AGM) held on 30 May 2023 and 2.50% stock dividend for the year ended on December 31, 2021 in the 2nd Annual General Meeting (AGM) held on May 28, 2022. Accordingly, after completion of all the regulatory formalities duly, the number of Ordinary Shares of the company stands at 105,575,000 and the paid-up capital stands at BDT 1,055,750,000.

Given below the history of raising of Share Capital of SFIL Finance PLC.

Year of Allotment	Particulars of allotment	Number of Shares issue		Paid up Share (Cumulative)	Amount of Shares Capital (BDT)	Amount of Shares Capital (BDT) (Cumulative)
		Bonus	Cash			
2020	In time of Incorporation	-	100,000,000	100,000,000	1,000,000,000	1,000,000,000
2022	2.5% Stock Dividend	2,500,000	-	102,500,000	25,000,000	1,025,000,000
2023	3% Stock Dividend	3,075,000	-	105,575,000	30,750,000	1,055,750,000

Details of shareholding position are as under:

Sponsor Shareholders:		31-Dec-2025			31-Dec-2024
		Percentage (%)	No. of Shares	BDT	BDT
A. Local Shareholders					
Individual Sponsors					
	Ms. Anjuman Ara Shahid	2%	2,111,500	21,115,000	21,115,000
	Mr. Raheeb Safwan Sarafat Chowdhury	2%	2,111,500	21,115,000	21,115,000
		4%	4,223,000	42,230,000	42,230,000
Institutional Sponsors					
	Strategic Finance Limited	20%	21,115,000	211,150,000	211,150,000
	Padma Bank Securities Ltd.	20%	21,115,000	211,150,000	211,150,000
	Strategic Equity Management Ltd.	6%	6,334,500	63,345,000	63,345,000
		46%	48,564,500	485,645,000	485,645,000
	Total Local Share Capital	50%	52,787,500	527,875,000	527,875,000
B. Foreign Shareholders					
Institutional Sponsors					
	Canadian Maple Strategic Wealth Management LP.	48%	50,676,000	506,760,000	506,760,000
	Statisticker Inc.	2%	2,111,500	21,115,000	21,115,000
	Total Foreign Share Capital	50%	52,787,500	527,875,000	527,875,000
	Total Shareholdings (A+B)	100%	105,575,000	1,055,750,000	1,055,750,000

Notes	Particulars	SFIL		SFIL Group	
		Amount in BDT		Amount in BDT	
		31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024

13.1 Capital Adequacy Ratio (CAR)

As per section 4(GHA) of the Financial Institution Regulation 1994, Finance Company Act 2023 and DFIM Circular No. 5, dated July 24, 2011, the minimum paid up capital of the Finance Company shall be BDT 100 crore; Provided that the sum of paid up capital and reserves shall not be less than the minimum capital determined by the Bangladesh Bank under the Risk-Based Assets of the company. The surplus eligible capital of the SFIL at the close of business on 31 December 2025 were BDT 60.86 crore and 31 December 2024 were BDT 66.02 crore respectively.

Core Capital (Tier-1) / Shareholders' Equity

Paid-up capital (Note-13)	1,055,750,000	1,055,750,000	1,055,750,000	1,055,750,000
Share premium	-	-	-	-
Statutory reserves (Note-14)	30,171,513	30,171,513	30,171,513	30,171,513
Other Reserve	-	-	-	-
Capital Reserve	-	-	114,809	114,809
General reserves	-	-	-	-
Dividend equalization reserves	-	-	-	-
Retained earnings (Note-15)	(63,085,996)	10,841,449	(71,363,270)	(17,573,293)
Non-controlling interest	-	-	2,188	2,351
Sub-Total	1,022,835,517	1,096,762,963	1,014,675,240	1,068,465,381

Supplementary Capital (Tier -II)

General Provision (Unclassified loans up to specified limit + SMA + Off Balance Sheet exposure)	7,910,455	11,082,911	7,910,455	11,082,911
Assets Revaluation Reserves up to 50%	-	-	-	-
Revaluation Reserve for Securities up to 45%	-	-	-	-
All others preference shares	-	-	-	-
Others(if any other item approved by Bangladesh Bank)	-	-	-	-
Sub-Total	7,910,455	11,082,911	7,910,455	11,082,911

A) Total capital	1,030,745,972	1,107,845,874	1,022,585,695	1,079,548,292
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Total assets including off -balance sheet exposures	3,624,262,385	4,529,733,714	3,582,487,848	4,489,271,957
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B) Total risk weighted assets	4,274,257,561	4,476,910,671	4,238,650,110	4,448,873,822
C) Required capital based on risk weighted assets (10% on B)	427,425,756	447,691,067	423,865,011	444,887,382
D) Surplus (A-C)	603,320,215	660,154,807	598,720,684	634,660,889
E) Capital Adequacy Ratio (%)	24.12%	24.75%	24.13%	24.27%
F) Core Capital to RWA (%)	23.93%	24.50%	23.94%	24.02%
G) Supplementary Capital to RWA (%)	0.19%	0.25%	0.19%	0.25%

14. Statutory Reserves

Opening balance	30,171,513	30,171,513	30,171,513	30,171,513
Add: Transferred from profit	-	-	-	-
Closing balance	30,171,513	30,171,513	30,171,513	30,171,513

In compliance with Finance Company Act 2023 and Financial Institution Regulations 1994, transfer to statutory reserve at least 20% of it's profit after tax and before appropriation of dividend in a particular year.

15. Retained earnings

Opening balance	10,841,449	64,936,054	(17,573,293)	45,519,180
Add: Profit/(loss) for the year	(73,235,828)	(54,094,604)	(53,098,360)	(63,092,473)
	(62,394,379)	10,841,449	(70,671,653)	(17,573,293)
Less: Appropriation to statutory reserve	-	-	-	-
Less: Prior year adjustment (Note - 15.1)	691,618	-	691,618	-
Closing balance	(63,085,996)	10,841,449	(71,363,270)	(17,573,293)

Notes	Particulars	SFIL		SFIL Group	
		Amount in BDT		Amount in BDT	
		31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
15.1 Prior year adjustment	Global Islami Bank PLC declared a 5% cash dividend for the year ended 31 December 2023, and SFIL Finance PLC recognized dividend income of BDT 691,618 in 2024 based on number of share holding on record date. Subsequently, the dividend was revoked on 21 August 2025. Accordingly, the previously recognized dividend income has been reversed as a prior year adjustment in 2025.				
16. Other commitments	In the normal course of business, the company makes various contract, controls and disbursements. No material losses are anticipated as a result of these transactions. During the year 2025, undisbursed sanctioned loan and leases amount was BDT 4,002,000 as off balance sheet item under the head of other commitments.				
17. Particulars of profit and loss account					
	Income				
	Interest income (Note - 18)	171,922,566	250,064,863	171,942,907	250,135,796
	Income from investment (Note - 20)	223,270,915	258,464,075	223,256,411	260,228,921
	Commission, Exchange and Brokerage (Note - 21)	-	-	1,963,712	3,292,654
	Other operating income (Note - 22)	983,775	2,395,444	586,836	2,408,174
		396,177,257	510,924,382	397,749,866	516,065,545
	Expenses				
	Interest on deposits and borrowings etc. (Note - 19)	329,504,012	388,918,486	327,012,553	386,205,509
	Salary and allowances (Note - 23)	47,189,282	48,547,344	52,668,047	54,906,523
	Rent, taxes, insurance, electricity etc. (Note - 24)	2,515,607	2,450,460	2,793,357	2,766,148
	Legal and professional fees (Note - 25)	199,563	475,417	257,063	616,195
	Postage, stamp, telecommunication etc. (Note - 26)	410,800	423,501	731,305	752,390
	Stationery, printing, advertisement etc. (Note - 27)	2,304,904	3,597,482	2,387,606	3,633,876
	Managing director's salary and allowances (Note - 28)	3,900,000	2,710,000	3,900,000	2,710,000
	Directors' fees (Note - 29)	1,743,056	184,944	1,743,056	184,944
	Auditors' fees (Note - 30)	306,667	306,667	549,410	402,500
	Depreciation and repair of Company's assets (Note - 31)	17,438,951	18,361,326	19,270,012	20,411,432
	Other expenses (Note - 32)	10,020,584	13,153,986	11,812,527	15,183,060
		415,533,426	479,129,612	423,124,935	487,772,577
	Profit before provision	(19,356,170)	31,794,770	(25,375,070)	28,292,968
18. Interest income					
	Interest on Corporate Finance (Note - 18.1)	96,281,938	116,046,025	96,281,938	116,046,025
	Interest on SME Finance (Note - 18.2)	20,802,217	8,845,101	20,802,217	8,845,101
	Interest on Consumer Finance (Note - 18.3)	23,022,964	28,247,874	23,022,964	28,247,874
	Interest on Balance with other Banks and FIs (Note - 18.4)	31,815,447	96,925,863	31,835,788	96,996,796
		171,922,566	250,064,863	171,942,907	250,135,796
18.1 Interest on Corporate Finance					
	Lease Finance	12,457,653	20,016,060	12,457,653	20,016,060
	Loan Finance	83,824,285	96,029,965	83,824,285	96,029,965
		96,281,938	116,046,025	96,281,938	116,046,025
18.2 Interest on SME Finance					
	Lease Finance, SMALL	1,327,778	2,032,800	1,327,778	2,032,800
	Loan Finance, SMALL	15,703,314	3,415,184	15,703,314	3,415,184
	Lease Finance, MID	755,582	340,326	755,582	340,326
	Loan Finance, MID	3,015,542	3,056,791	3,015,542	3,056,791
		20,802,217	8,845,101	20,802,217	8,845,101
18.3 Interest on Consumer Finance					
	House Finance	14,891,601	17,465,681	14,891,601	17,465,681
	Car lease	7,668,819	7,487,888	7,668,819	7,487,888
	Loan against Deposit	194,530	2,860,575	194,530	2,860,575
	Personal Loan	268,015	433,730	268,015	433,730
		23,022,964	28,247,874	23,022,964	28,247,874

Notes	Particulars	SFIL		SFIL Group	
		Amount in BDT		Amount in BDT	
		31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
18.4 Interest on Balance with other Banks and FIs					
	Fixed deposit receipt accounts	28,630,803	90,722,179	28,630,803	90,722,179
	SND / HP Account	1,732,447	4,821,751	1,752,787	4,892,684
	Profit on Mudaraba Fixed Deposit - Islamic	1,416,743	1,348,491	1,416,743	1,348,491
	Profit on Mudaraba SND account - Islamic	35,455	33,442	35,455	33,442
		31,815,447	96,925,863	31,835,788	96,996,796
19. Interest on deposits and borrowings etc.					
	Interest on Regular Term Deposit (Note-19.1)	43,982,751	72,428,304	41,101,710	69,376,862
	Interest on Regular Day Wise Deposit (Note-19.2)	141,334,837	163,403,166	141,334,837	163,403,166
	Interest Expense on Monthly Saving Scheme - Individual	88,638	110,844	88,638	110,844
	Interest Expense Millionaire Deposit Scheme - Individual	33,365	82,915	33,365	82,915
	Interest Expense on Monthly Earner Deposit (Note-19.3)	3,639,902	7,055,355	3,639,902	7,055,355
	Interest Expense on Quarterly Earner Deposit (Note-19.4)	125,420,409	111,620,761	125,420,409	111,620,761
	Interest Expense on Double Money Deposit - Individual	-	6,373	-	6,373
	Profit paid on Mudaraba Term Deposits (Note-19.5)	1,501,238	1,208,198	1,501,238	1,208,198
	Profit paid on Mudaraba Monthly Earner - Individual	-	84,583	-	84,583
	Profit paid on Mudaraba Savings Deposits	1,848	921	1,848	921
	Interest Expenses on Lease Liability - RoU of Asset	5,308,650	5,644,775	5,442,506	5,707,909
	Interest Expense on Bank Overdraft	64,847	22,657,562	64,847	22,657,562
	Interest Expense on Long Term Loan	2,898,067	4,008,547	3,153,793	4,283,879
	Interest Expense on REPO	5,229,461	606,180	5,229,461	606,180
		329,504,012	388,918,486	327,012,553	386,205,509
19.1 Interest on Regular Term Deposit					
	Regular Term Deposit - Corporate	13,610,408	35,291,595	10,729,366	32,240,153
	Regular Term Deposit - Individual	30,372,344	37,136,709	30,372,344	37,136,709
		43,982,751	72,428,304	41,101,710	69,376,862
19.2 Interest on Regular Day Wise Deposit					
	Regular Day Wise Deposit - Bank & FI	135,049,236	154,270,978	135,049,236	154,270,978
	Regular Day Wise Deposit - Corporate	556,247	562,268	556,247	562,268
	Regular Day Wise Deposit - Individual	5,729,355	8,569,921	5,729,355	8,569,921
		141,334,837	163,403,166	141,334,837	163,403,166
19.3 Interest Expense on Monthly Earner Deposit					
	Monthly Earner deposit - Corporate	-	5,066,962	-	5,066,962
	Monthly Earner deposit - Individual	3,639,902	1,988,393	3,639,902	1,988,393
		3,639,902	7,055,355	3,639,902	7,055,355
19.4 Interest Expense on Quarterly Earner Deposit					
	Quarterly Earner Deposit - Bank & FI	125,347,222	111,395,833	125,347,222	111,395,833
	Quarterly Earner Deposit - Individual	73,187	224,927	73,187	224,927
		125,420,409	111,620,761	125,420,409	111,620,761
19.5 Profit Paid on Mudaraba Term Deposits					
	Profit paid on Mudaraba Term Deposits - Corporate	282,660	273,221	282,660	273,221
	Profit paid on Mudaraba Term Deposits - Individual	1,218,578	934,977	1,218,578	934,977
		1,501,238	1,208,198	1,501,238	1,208,198
20. Income from Investment					
	Capital gain on sale of marketable securities	174,574	9,484,021	(231,700)	10,592,732
	Dividend Income - Marketable securities	272,110	10,847,952	642,190	11,481,766
	Interest on BO Accounts	-	6,791	-	6,791
	Income from Non-Convertible Bond (Note-20.1)	134,712,111	122,363,501	134,712,111	122,363,501
	Income from Government Treasury Bill	88,112,120	115,761,811	88,112,120	115,761,811
	Income from Corporate Bond	-	-	21,690	22,320
		223,270,915	258,464,075	223,256,411	260,228,921
20.1 Income from Non-Convertible Bond					
	During the year 2025 BDT 134,712,111 of interest income from investment in Non-Convertible Bond was recognized on actual collection basis.				
21. Commission, Exchange and Brokerage					
	Commission & Brokerage	-	-	1,963,712	3,292,654
		-	-	1,963,712	3,292,654

Notes	Particulars	SFIL		SFIL Group	
		Amount in BDT		Amount in BDT	
		31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
22. Other operating income					
	Fees and documentations (Note-22.1)	983,775	1,981,556	983,775	1,981,556
	Supervision Fees (Note-22.2)	-	212,161	-	212,161
	Gain/(Loss) on sales of assets / lease assets	-	201,375	(619,768)	201,375
	Miscellaneous Income	-	351	-	351
	Account opening & BO account maintenance fee	-	-	6,450	12,250
	Income from Consolidated Customers Account (CCA)	-	-	216,379	-
	IPO service charge	-	-	-	480
		983,775	2,395,444	586,836	2,408,174
22.1 Fees and documentations					
	Corporate finance				
	Lease Finance	105,105	197,414	105,105	197,414
	Loan Finance	159,769	737,716	159,769	737,716
		264,874	935,130	264,874	935,130
	Consumer Finance				
	House Finance	254,182	727,746	254,182	727,746
	Car lease	104,627	150,236	104,627	150,236
		358,808	877,982	358,808	877,982
	SME Finance				
	Lease Finance, SMALL	7,784	28,444	7,784	28,444
	Loan Finance, SMALL	220,000	-	220,000	-
	Lease Finance, MID	32,309	-	32,309	-
	Loan Finance, MID	100,000	140,000	100,000	140,000
		360,093	168,444	360,093	168,444
		983,775	1,981,556	983,775	1,981,556
22.2 Supervision Fees					
	Loan Finance, SMALL	-	16,267	-	16,267
	Lease Finance, SMALL	-	23,000	-	23,000
	Car Lease	-	172,894	-	172,894
		-	212,161	-	212,161
23. Salary and allowances					
	Salary and allowances	39,782,157	44,717,912	44,834,022	50,602,691
	Festival bonus	3,333,918	3,520,440	3,760,818	3,994,840
	Provident fund contribution	1,419,102	18,816	1,419,102	18,816
	Gratuity Fund	2,654,105	290,176	2,654,105	290,176
		47,189,282	48,547,344	52,668,047	54,906,523
24. Rent, taxes, insurance, electricity etc.					
	Office rent	-	-	-	-
	Insurance	52,088	98,665	52,088	98,665
	Utilities	2,463,519	2,351,795	2,741,269	2,667,483
		2,515,607	2,450,460	2,793,357	2,766,148
		199,563	475,417	257,063	616,195
25. Legal and professional fees					
26. Postage, stamp, telecommunication etc.					
	Postage and courier	1,618	5,077	1,618	5,077
	Stamp charges	-	-	850	9,152
	Telephone bill	36,898	42,824	54,289	61,479
	Internet & Connectivity	372,284	375,600	674,548	676,682
		410,800	423,501	731,305	752,390
27. Stationery, printing, advertisement etc.					
	Printing and stationery	539,654	425,565	622,356	461,959
	Advertisement	1,765,250	3,171,918	1,765,250	3,171,918
		2,304,904	3,597,482	2,387,606	3,633,876

Actual office rent was BDT 10,443,150 (Including VAT) during the year 2025. As adoption of IFRS 16, office rent expenses has been charged through depreciation of right of use of assets and interest on lease liability.

Notes	Particulars	SFIL		SFIL Group	
		Amount in BDT		Amount in BDT	
		31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
28. Managing director's salary and allowances					
	Basic Salary	1,800,000	1,280,000	1,800,000	1,280,000
	Allowances	1,800,000	1,280,000	1,800,000	1,280,000
	Festival Bonus	300,000	150,000	300,000	150,000
		3,900,000	2,710,000	3,900,000	2,710,000
29. Directors' fees		1,743,056	184,944	1,743,056	184,944
Directors' fees include fees for attending the meetings of the Board and it's sub-committees of SFIL Finance PLC.					
In compliance with condition 12.2 (Ga) of DFIM Circular No 01, dated on February 29, 2024, and condition 5 (Ka) of DFIM Circular No 02, dated March 13, 2024, the Independent Directors will be entitled to a maximum of BDT 50,000.00 (subject to applicable tax deduction) as fixed remuneration per month other than meeting attendance fee.					
30. Auditors' fees		306,667	306,667	549,410	402,500
31. Depreciation and repair of Company's assets					
	Repairs and maintenance	84,217	95,562	288,303	188,645
	Software maintenance	1,934,325	2,551,046	2,050,101	2,645,546
	Depreciation & Amortization	15,420,410	15,714,718	16,931,607	17,577,241
		17,438,951	18,361,326	19,270,012	20,411,432
32. Other expenses					
	Training	33,072	192,607	40,662	192,607
	Renewal & Registration fees	473,289	826,471	928,659	1,253,944
	Employee Engagement Program	176,709	98,864	176,709	98,864
	Conveyance	227,752	308,411	292,696	344,736
	Travelling Expenses	14,930	19,296	14,930	19,296
	Business Development Expense	120,719	104,610	120,719	169,357
	Computer accessories	144,997	90,648	144,997	113,032
	Fuel expense	-	71,020	-	71,020
	Vehicle maintenance/Registration	4,872,826	5,376,058	4,872,826	5,376,058
	Office maintenance	1,703,117	1,739,494	2,493,172	2,527,905
	Entertainment	257,127	247,175	285,937	262,221
	Bank charges	29,038	63,594	38,617	69,269
	Excise duty	662,500	2,522,000	718,000	2,554,000
	Business Promotion Expenses	32,778	17,940	32,778	17,940
	Security Guard Services	912,565	789,208	1,094,725	1,146,928
	Recruitment Expenses	20,475	67,920	20,475	67,920
	CSR Expenses	96,000	185,000	96,000	185,000
	BO Maintenance	2,355	13,179	2,205	12,729
	Verification fee	1,532	77,200	1,532	77,200
	Marketing Expense	19,360	188,299	19,360	188,299
	Meeting expense	219,444	154,992	219,444	154,992
	CDBL Charges	-	-	30,208	16,053
	Howla and Laga Charge	-	-	167,180	262,326
	Contribution to Investor's protection fund	-	-	697	1,364
		10,020,584	13,153,986	11,812,527	15,183,060
33. Provisions for leases, loans & investments					
	Provision for leases, loan and advances	4,862,318	(324,351)	4,862,318	(324,351)
	General provision	(3,080,652)	(2,529,688)	(3,080,652)	(2,529,688)
	Specific provision	7,942,970	2,205,337	7,942,970	2,205,337
	Provision for diminution in value of investments	36,673,103	69,461,074	9,559,897	73,771,971
	Investments in Quated Share	8,373,088	69,461,074	9,559,897	73,771,971
	Investments in Equity Share - Subsidiary (Note-33.1)	28,300,015	-	-	-
	Other provisions	(211,590)	229,334	(211,590)	229,334
		41,323,831	69,366,057	14,210,625	73,676,953

Notes	Particulars	SFIL		SFIL Group	
		Amount in BDT		Amount in BDT	
		31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024

33.1 Investments in Equity Share - Subsidiary

In accordance with Bangladesh Bank Circular No. DFIM Circular No:3 Dated 07 July 2025, SFIL maintains provision BDT 28,300,015 against accumulated losses of subsidiary company of SFIL Securities Limited. The provision is determined based on the Company's proportionate share of the accumulated losses of the subsidiary and is recognized in profit or loss. Upon consolidation, the related provision have been eliminated in accordance with IFRS 10.

34. Provision for taxation

Current tax expense/ (income)	15,476,911	21,021,110	16,420,949	22,271,060
Deferred tax expense/ (income) (Note - 34.1)	(2,921,084)	(4,497,793)	(2,908,120)	(4,562,393)
	12,555,827	16,523,317	13,512,828	17,708,667

34.1 Deferred tax expense / (income)

Particular	31-Dec-25	31-Dec-24	Deferred Tax Expense/ (Income)
Deferred Tax Liability	-	-	-
Deferred Tax Assets	4,334,217	1,413,133	(2,921,084)
Deferred Tax Expense/ (Income) of SFIL	4,334,217	1,413,133	(2,921,084)
		31-Dec-25	31-Dec-24
Deferred Tax Expense/ (Income) of SFIL Securities Limited		12,963	(64,600)

35. Earnings Per Share (EPS)

Earnings Per Share as shown in the face of the Profit and Loss Account is calculated in accordance with International Accounting Standard (IAS) 33: Earnings Per Share.

Net Profit After Tax	(73,235,828)	(54,094,604)	(53,098,524)	(63,092,653)
Number of ordinary shares outstanding	105,575,000	105,575,000	105,575,000	105,575,000
Earnings Per Share (EPS)	(0.69)	(0.51)	(0.50)	(0.60)

36. Net Asset Value (NAV) per share

Net Assets (total assets less total liabilities)	1,022,835,517	1,096,762,963	1,014,675,240	1,068,465,381
Number of ordinary shares outstanding	105,575,000	105,575,000	105,575,000	105,575,000
Net Asset Value (NAV) per share	9.69	10.39	9.61	10.12

37. Related Party Disclosure

a) Particulars of Directors and their interest in different entities

SL	Name of the Director	Status in SFIL	Name of the firms /companies in which interested is the proprietor, partner, director, managing agent, guarantor, employee etc.	Status in interested entity	(%) of Holding/ Interest in the concern
1	Mr. S M Salahuddin Islam	Chairman	N/A	N/A	-
2	Mr. Ehsanul Kabir	Director	Strategic Equity Management Limited	Managing Director & CEO	0.01%
3	Mr. Md. Aslam Miah	Director	The Attorney World Limited	Chairman	51.00%
4	Mr. Md. Abu Kaiser, FCA	Independent Director	N/A	N/A	25.00%
5	Mr. Md. Idris	Independent Director	AIM Architects & Engineers Limited	Chairman	50.00%

b) Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with or without common Directors and key management positions. The Company has entered into transaction with other related entities in normal course of business that fall within the definition of related party as per Bangladesh Accounting Standard 24: "Related Party Disclosures."

Details of transactions with related parties and balances with them as at 31 December, 2025 were as follows:

SL No.	Name of the Related Party	Transaction nature	Relationship	Balance as at 01 January 2025	Addition	Adjustment	Balance as at 31 December 2025
1	Asit Kumar Chakravorty	Millionaire Deposit Scheme	Managing Director & CEO	-	193,202	-	193,202
2	Tamim Marzan Huda	Vehicle lease	Deputy Managing Director	433,080	2,535,173	495,463	2,472,790
3	Tamim Marzan Huda	Loan Against Deposit	Deputy Managing Director	552,190	18,630	570,820	-
4	Tamim Marzan Huda	Millionaire Deposit Scheme	Deputy Managing Director	879,341	123,351	1,002,692	-
5	SFIL Finance PLC. Employees Provident Fund	Term Deposit	Provident Fund of SFIL Finance PLC.	8,616,254	780,225	2,252,491	7,143,988
6	SFIL Securities Limited	Term Deposit	Subsidiary company of SFIL Finance PLC.	30,000,000	3,126,389	13,126,389	20,000,000
7	Strategic Finance Limited	Investment in Bond	Shareholding Company	1,349,740,514	134,712,111	134,712,111	1,349,740,514
Total				1,390,221,379	141,295,880	152,159,966	1,379,357,292

Notes	Particulars	SFIL		SFIL Group	
		Amount in BDT		Amount in BDT	
		31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
38. Employees' details					
	No. of employee received BDT 3,000 per month	-	-	-	-
	No. of employee received more than BDT 3,000 per month	36	48	40	54
		36	48	40	54

39. Disclosure of Audit Committee

A. Particulars of audit committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Company in accordance with the Bangladesh Bank's DFIM circular # 1, dated: February 29, 2024.

The Audit Committee of the Board of Directors as of December 31, 2025 consisted of the following members of the board.

Name	Status at the Company	Status at Committee	Educational Qualification
Mr. Md. Abu Kaiser, FCA	Independent Director	Chairman	FCA
Mr. S M Salahuddin Islam	Nominated Director	Member	MBA
Mr. Ehsanul Kabir	Nominated Director	Member	MBA

B. Meeting held by the committee during the year by date

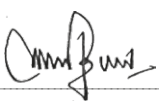
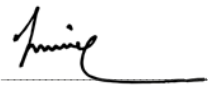
SL	Meeting No	Held on	Number of Presence
1	25th Audit Committee	January 29, 2025	3
2	26th Audit Committee	May 15, 2025	3
3	27th Audit Committee	May 27, 2025	3
4	28th Audit Committee	October 8, 2025	3

40. Events after the Reporting Period

A) The board of directors in its 97th meeting held on 29 June 2026 has approved the financial statements and authorized the same for issue.

B) The board of directors in its 97th meeting held on 29 June 2026 has recommended to the shareholders at 0% of Cash Dividend and 0% Stock Dividend for the year ended 31 December 2025.

C) No other adjusting event had occurred till date of signing the financial statements which recognize adjustment under IAS -10: Events after Reporting Period.

 **Chairman**
 **Director**
 **Director**
 **Managing Director & CEO**
 **Company Secretary**

Place: Dhaka, Bangladesh
Dated: 29 June 2026

SFIL Finance PLC. and its Subsidiary

Consolidated Schedule of Fixed Assets including land, building, furniture and fixtures
As at 31 December 2025

Amount in BDT

Particulars	COST				DEPRECIATION				Written down value as at 31.12.2025
	Balance as at 01.01.2025	Addition during the year	Adjustment / Disposal in the year	Balance as at 31.12.2025	Rate (%)	Balance as at 01.01.2025	Charged during the year	Adjustment/ Disposal in the year	Balance as at 31.12.2025
Freehold Assets	31,580,469	46,044	1,769,480	29,857,032		15,369,192	5,267,317	951,959	19,684,551
Furniture & Fixture	4,881,769	16,054	26,875	4,870,948	20.00	1,803,732	948,290	18,813	2,733,209
Office Decoration	6,305,317	-	1,580,665	4,724,652	16.67	1,854,634	919,191	835,982	1,937,843
Office Equipment	5,067,517	-	161,940	4,905,577	20.00	2,495,719	912,653	97,164	3,311,208
IT Equipment	9,445,866	29,989	-	9,475,856	20.00	6,028,066	1,752,184	-	7,780,250
Motor Vehicle	5,880,000	-	-	5,880,000	12.50	3,187,042	735,000	-	3,922,042
Lease Hold Assets	78,569,012	1,067,636	4,032,196	75,604,453		13,560,054	8,800,106	2,762,513	19,597,646
Right of Use of Assets	78,569,012	1,067,636	4,032,196	75,604,453	-	13,560,054	8,800,106	2,762,513	19,597,646
Intangible Assets	34,298,321	550,000	-	34,848,321		6,954,941	2,864,184	-	9,819,125
Registration fee - DSE & CSE	20,000,000	-	-	20,000,000	-	-	-	-	-
IT Software	14,298,321	550,000	-	14,848,321	-	6,954,941	2,864,184	-	9,819,125
Total as at December 31, 2025	144,447,802	1,663,680	5,801,676	140,309,806	-	35,884,187	16,931,607	3,714,471	49,101,322
Total as at December 31, 2024	139,477,432	9,491,610	4,521,239	144,447,802	-	21,046,803	17,577,241	2,739,858	35,884,187
									108,563,616

SFIL Finance PLC.

Schedule of Fixed Assets including land, building, furniture and fixtures
As at 31 December 2025

Amount in BDT

Particulars	COST				DEPRECIATION					Written down value as at 31.12.2025
	Balance as at 01.01.2025	Addition during the year	Adjustment / Disposal in the year	Balance as at 31.12.2025	Rate (%)	Balance as at 01.01.2025	Charged during the year	Adjustment / Disposal in the year	Balance as at 31.12.2025	
Freehold Assets	27,108,063	46,044	-	27,154,106		13,049,191	4,576,102	-	17,625,292	9,528,814
Furniture & Fixture	4,455,781	16,054	-	4,471,835	20.00	1,591,859	865,779	-	2,457,639	2,014,196
Office Decoration	4,724,652	-	-	4,724,652	16.67	1,150,401	787,442	-	1,937,843	2,786,809
Office Equipment	4,214,071	-	-	4,214,071	20.00	2,021,095	758,158	-	2,779,253	1,434,818
IT Equipment	7,833,559	29,989	-	7,863,549	20.00	5,098,793	1,429,723	-	6,528,516	1,335,033
Motor Vehicle	5,880,000	-	-	5,880,000	12.50	3,187,042	735,000	-	3,922,042	1,957,958
Lease Hold Assets	74,536,816	-	-	74,536,816		11,273,672	8,012,580	-	19,286,252	55,250,564
Right of Use of Assets	74,536,816	-	-	74,536,816	-	11,273,672	8,012,580	-	19,286,252	55,250,564
Intangible Assets	13,773,455	550,000	-	14,323,455		6,462,532	2,831,728	-	9,294,259	5,029,196
IT Software	13,773,455	550,000	-	14,323,455	-	6,462,532	2,831,728	-	9,294,259	5,029,196
Total as at December 31, 2025	115,418,334	596,044	-	116,014,378	-	30,785,395	15,420,410	-	46,205,804	69,808,574
Total as at December 31, 2024	112,180,212	7,494,362	4,256,239	115,418,334	-	17,673,618	15,714,718	2,602,941	30,785,395	84,632,940

SFIL Finance PLC.
Financial Highlights
As at 31 December 2025

Amount in BDT (mn)

Sl No.	Key Indicators	2025	2024
1	Paid-up capital	1,055.75	1,055.75
2	Total capital	1,022.84	1,096.76
3	Capital surplus	603.32	660.15
4	Total assets	3,620.26	4,504.07
5	Total term deposits	2,302.85	2,961.75
6	Total loans, advances and leases	884.02	986.81
7	Total contingent liabilities and commitments	4.00	25.66
8	Credit deposit ratio	38.39%	33.32%
9	Percentage of classified loans against total loan & advance	3.44%	0.79%
10	Profit after tax and provision	(73.24)	(54.09)
11	Amount of classified loans during current year	30.44	7.78
12	Provisions kept against classified loans	10.70	2.76
13	Provision surplus against classified loan	-	-
14	Cost of fund	11.84%	11.56%
15	Interest earnings assets	2,989.34	3,873.17
16	Non-interest earnings assets	630.92	630.90
17	Return on investment (ROI)	-7.16%	-4.93%
18	Return on assets (ROA)	-2.02%	-1.20%
19	Income from investment	223.27	258.46
20	Earnings Per Share (EPS)	(0.69)	(0.51)
21	Net income per share	(1.49)	(1.32)
22	Market price per share	N/A	N/A
23	Price Earnings (P/E) ratio	N/A	N/A

SFIL Finance PLC.
Balance Sheet
Islamic Finance Wing
As at 31 December 2025

Particulars	Notes	Amount in BDT	
		31-Dec-2025	31-Dec-2024
PROPERTY AND ASSETS			
Cash		-	-
In hand (including foreign currencies)		-	-
Balance with Bangladesh Bank and its agent (including foreign currencies)		-	-
Balance with other Banks and Financial Institutions		12,003,534	14,238,450
Inside Bangladesh	3	12,003,534	14,238,450
Outside Bangladesh		-	-
Placement with Bank & other Financial Institutions		-	-
Investments in Shares and Securities		-	-
Government		-	-
Others		-	-
Investment		-	-
General Investments		-	-
Bills Purchased and Discounted		-	-
Fixed Assets including Land, Building, Furniture & Fixtures		-	-
Other assets	4	934,255	693,436
Non-banking assets		-	-
TOTAL PROPERTY AND ASSETS		12,937,789	14,931,886
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Bank & Other Financial Institutions		-	-
Deposits & other accounts	5	14,427,016	15,619,570
Mudaraba Term Deposits	5.1	14,391,016	15,619,570
Mudaraba Scheme Deposits	5.2	36,000	-
Other Mudaraba Deposits		-	-
Other deposits		-	-
Other liabilities	6	294,288	814,310
Total liabilities		14,721,303	16,433,880
Capital/Shareholders' Equity		(1,783,514)	(1,501,994)
Paid up Capital		-	-
Statutory reserves	7	(219,353)	(219,353)
Other Reserves		-	-
Retained earnings	8	(1,564,161)	(1,282,640)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		12,937,789	14,931,886

The annexed notes from 1 to 12 form an integral part of Islamic Finance Wings financial statements.

SFIL Finance PLC.
Profit and Loss Account
Islamic Finance Wing
For the Year Ended 31 December 2025

Particulars	Notes	Amount in BDT	
		31-Dec-2025	31-Dec-2024
Investment income	9	1,452,198	1,381,933
Profit Paid on Deposits	10	1,503,086	1,293,703
Net Investment Income		(50,888)	88,230
Income from investment in Shares & Securities		-	-
Commission, Exchange and Brokerage Income		-	-
Other operating income		-	-
Total Operating Income		(50,888)	88,230
Salary and allowances	11	166,410	433,496
Rent, taxes, insurance, electricity etc.		-	-
Legal and professional fees		-	-
Postage, stamp, telecommunication etc.		-	-
Stationery, printing, advertisement etc.		-	-
Managing director's salary and allowance		-	-
Directors' fees		-	-
Auditors' fees		-	-
Charges on loan losses		-	-
Depreciation and repair of Company's assets		-	-
Other expenses	12	64,222	59,960
Total Operating Expenses		230,632	493,456
Profit/(Loss) before provision and taxation		(281,520)	(405,226)

The annexed notes from 1 to 12 form an integral part of Islamic Finance Wings financial statements.

SFIL Finance PLC
Islamic Finance Wing
Notes to Financial Statements
As at and for the year ended 31 December 2025

1 Legal status and nature of Islamic Finance Wing

1.1 Background of Islamic Finance Wing

SFIL Finance PLC. (hereinafter referred to as “SFIL” or “the Company”) previously known as "Strategic Finance and Investments Limited" obtained permission from Department of Financial Institutions and Markets (DFIM), Bangladesh Bank on December 22, 2022 (Letter # DFIM(L)/1053/104/2022-3747) to operate Islamic Finance Wing (IFW) for conducting Shariah-based financial activities.

The Islamic Finance Wing conducts its business activities in compliance with the principles of Islamic Shariah as approved by the Company's Shariah Supervisory Committee. The IFW offers Shariah-compliant deposit products, investment facilities and other Islamic financial services.

1.2 Operations of Islamic Finance Wing

The Islamic Finance Wing carries out its operations in accordance with the guidelines issued by Bangladesh Bank, applicable laws and regulations. The operation of Islamic Finance Wing is completely separate from the SFIL conventional operation.

The major actives of the IFW include:

- Extended wide range of Islamic Shariah compliant mudaraba based deposit products.
- Investment through Shariah-compliant modes such as Bai-Murabaha, Hire Purchase under Shirkatul Melk (HPSM), Sale & Lease Back and other approved Islamic financing modes.

2. Significant accounting policies and basis of preparation of financial statements

2.1 Basis of Preparation

The financial statements of the Islamic Finance Wing have been prepared in accordance with International Financial Reporting Standards (IFRSs) and Bangladesh Bank guidelines relating to Islamic finance operations.

The Islamic Finance Wing prepare separate books of accounts for reporting and audit purpose.

2.2 Deposit Collection

The Islamic Finance Wing of SFIL Finance PLC. mobilizes deposit through Shariah Compliant Mudaraba Schemes.

2.3 Income Recognition

Profit from investment income is recognized on an accrual basis by following Shariah Principle Strictly.

2.4 Cost Recognition

Expenses are recognized on an accrual basis when incurred. Profit distributed to Mudaraba depositors is recognized as an expense in the period to which it relates. Administrative expenses, employee benefits, depreciation, amortization, and other operating expenses attributable to the Islamic Finance Wing are recognized in the statement of profit or loss in the period in which they are incurred.

Notes	Particulars	SFIL Islamic Wing	
		Amount in BDT	
		31-Dec-2025	31-Dec-2024
3. Balance with other Banks and Financial Institutions			
	Standard Bank PLC.-Mudaraba Term Deposit	10,200,000	11,551,111
	Export Import Bank of Bangladesh PLC.- Mudaraba SND	221,381	2,687,339
	Trust Bank PLC.-Mudaraba SND	1,582,153	-
		12,003,534	14,238,450
4. Other assets			
	Advance Corporate Tax	739,873	437,029
	Profit Receivable - Mudaraba Term Deposit	194,382	256,407
		934,255	693,436
5. Deposits & other accounts			
	Mudaraba Term Deposit (Note: 5.1)	14,391,016	15,619,570
	Mudaraba Scheme Deposit (Note: 5.2)	36,000	-
		14,427,016	15,619,570
5.1 Mudaraba Term Deposit			
	Mudaraba Term Deposits - Corporate	2,811,718	2,620,812
	Mudaraba Term Deposits - Individual	11,579,297	10,998,758
	Mudaraba Monthly Earner Deposit - Individual	-	2,000,000
		14,391,016	15,619,570
5.2 Mudaraba Scheme Deposit			
	Mudaraba DPS - Individual	36,000	-
		36,000	-
6. Other liabilities			
	Withholding Tax payable	21,697	12,875
	Excise Duty	-	1,000
	Profit Payable on Mudaraba Deposit (Note: 6.1)	272,590	300,435
	Payable to SFIL Finance PLC.	-	500,000
		294,288	814,310
6.1 Profit Payable on Mudaraba Deposit			
	Profit Payable on Mudaraba Term Deposit - Corporate	61,962	56,956
	Profit Payable on Mudaraba Term Deposit - Individual	208,780	228,895
	Profit Payable on Mudaraba Monthly Earner Deposit	-	14,583
	Profit Payable on Mudaraba Scheme Deposit	1,848	-
		272,590	300,435
7. Statutory reserves			
	Opening balance	(219,353)	(219,353)
	Add: Transferred from profit	-	-
	Closing balance	(219,353)	(219,353)
8. Retained earnings			
	Opening balance	(1,282,640)	(877,414)
	Add: Profit/(loss) for the year	(281,520)	(405,226)
	Less: Appropriation to statutory reserve	-	-
	Closing balance	(1,564,161)	(1,282,640)
9. Investment income			
	Profit on Mudaraba term deposits	1,416,743	1,348,491
	Profit on Mudaraba SND Accounts	35,455	33,442
		1,452,198	1,381,933
10. Profit paid on Deposits			
	Profit paid on Mudaraba Term Deposits - Corporate	282,660	273,221
	Profit paid on Mudaraba Term Deposits - Individual	1,218,578	934,977
	Profit paid on Mudaraba Monthly Earner Deposits	-	84,583
	Profit Paid on Mudaraba Scheme	1,848	921
		1,503,086	1,293,703
11. Salary and allowances			
	Salary and allowances	160,138	376,320
	Festival bonus	15,680	29,680
	Provident fund contribution	6,272	18,816
	Gratuity Fund	(15,680)	8,680
		166,410	433,496
12. Other expenses			
	Bank Charges	3,113	2,138
	Excise Duty	29,000	24,000
	Meeting Expenses	32,110	32,006
	Performance Reward	-	1,817
		64,222	59,960



ABOUT SFIL SECURITIES LIMITED

SFIL Securities Limited (SFILSL), a wholly owned subsidiary of SFIL Finance PLC. (formerly Strategic Finance & Investments Limited) was incorporated on March 21, 2021 as a private limited company under the Companies Act, 1994. SFIL is a renowned Financial Company (FC) licensed by Bangladesh Bank having institutional investors from Canada, USA and Bangladesh.

SFILSL is a Stock Broker & Stock Dealer licensed by Bangladesh Securities and Exchange Commission (BSEC). The Company started its brokerage operation in April 28, 2022. The main objective of the Company is to act as a TREC Holder of stock exchanges to operate the Central Depository System (CDS) and to carry on the business of brokers, jobbers or dealers in stocks, shares, securities, commodities, commercial papers, bonds, obligations and debentures etc.

The Company has been committed to providing superior brokerage services with a view to bringing positive changes in the capital market by utilizing state-of-the-art technology and applying good corporate governance. It's a TREC Holder of both the stock exchanges in Bangladesh - Dhaka Stock Exchange PLC. (TREC # 276) and Chittagong Stock Exchange PLC (TREC # 154). It's also a full-service Depository Participant (DP) of Central Depository Bangladesh Limited (CDBL). As a consortium of international institutional investor-originated organizations, it is devoted to catering brokerage services with the utmost professionalism through smooth operational process, flawless technological support, uncompromising regulatory compliance, corporate governance, and international best practices within the company.



Incorporated

March 21, 2021
Private Limited
Company



Licensed by

Bangladesh Securities
and Exchange
Commission (BSEC)



TREC Holder

DSE (TREC # 276)
CSE (TREC # 154)



Full-service DP

of Central Depository
Bangladesh Limited
(CDBL)



SERVICES OF SFIL SECURITIES LIMITED

Opening of BO account

Full depository services

Easy IPO application (Online)

Buy-sell of securities traded in the secondary market

Online trading of securities in the secondary market

Fund deposit and withdrawal facilities through online (NPSB, BEFTN, RTGS etc.)

Trading of open-end mutual funds/ unit funds

Access of daily market recap and all market research of our research team

Daily portfolio statement through email

SMS alert system

STOCK BROKER OF



Dhaka Stock Exchange PLC.



Chittagong Stock Exchange PLC.

OUR COMMITMENT

We leverage technology, expertise and a client-first approach to ensure efficiency, transparency and long-term value for our clients.



Trust &
Reliability



Growth
Focused



Client
Centric



Secure &
Efficient

DIRECTORS' REPORT

TO THE SHAREHOLDERS' OF SFIL SECURITIES LIMITED (SFILSL)

It is a pleasure and a privilege on behalf of SFILSL's Board of Directors to present the Directors' Report and Auditor's Report, along with the Audited Financial Statements of SFIL Securities Limited, for the year ended 31 December 2025.

The year 2025 was another challenging and volatile year for Bangladesh's capital market and money market. The market continued to face pressure from macroeconomic uncertainties, elevated interest rates, persistent inflationary pressures, subdued investor confidence political instability, and limited participation from new investors. According to Dhaka Stock Exchange (DSE) data, the benchmark DSEX index ended 2025 at 4,865 points, declining by approximately 351 points, or 6.73%, from the previous year. Trading activity also remained subdued throughout the year, with average daily turnover declining by approximately 18% year-on-year to around BDT 521 crore, reflecting cautious investor participation and relatively limited market liquidity. Nevertheless, the market experienced periods of increased activity during the year. The DSEX reached a high of approximately 5,267 points on 25 February 2025, while trading activity strengthened at various points during the year. In February, DSE daily turnover exceeded BDT 500 crore, while in September, daily turnover crossed BDT 1,400 crore for the first time in approximately one year. These developments indicated that investor participation could improve when market confidence and liquidity conditions strengthened. Overall, however, the capital market remained under pressure for most of 2025. High borrowing costs and comparatively attractive returns from fixed-income instruments continued to compete with equity-market investments. Persistent inflationary pressures, economic uncertainties, and concerns regarding corporate earnings also weighed on investor sentiment and market activity. The DSE also continued its efforts toward the digitalization and modernization of market infrastructure. During the year, initiatives were undertaken to introduce a Smart Submission System and to facilitate the digital submission of regulatory and company-related information. Further initiatives toward the digitalization of the IPO process were also being pursued, which are expected to improve operational efficiency, transparency, and accessibility within the capital market.

As a newly established brokerage, SFILSL primarily focused on capacity building, process development, strengthening internal control & compliance, and digitalization of trading services. After acquiring Stock Broker, Stock Dealer, and DP license from Bangladesh Securities and Exchange Commission (BSEC), the company started its trading activities on April 28, 2022. It's exploring new business avenues and continuously hunting for potential customers both at individual and institutional levels throughout the year. In the year the company posted a Net Loss after Tax of BDT 8.16 million due to the unrealized loss in investment in shares for stock market being bearish and declined turnover in 2025. Going forward, we are focusing on building a strong corporate & retail client base to increase income from trading commissions- the main source of income of brokerage firms.

Outlook for 2026

The outlook for Bangladesh's capital market in 2026 will largely depend on the trajectory of inflation, interest rates, liquidity conditions, economic growth, and political stability. The easing of monetary conditions that began during 2025 could provide a supportive backdrop for the market, particularly if inflation continues to moderate and real economic activity strengthens. Following a period of elevated interest rates and subdued market turnover, a sustained decline in inflation could create further scope for monetary easing. Lower interest rates would gradually reduce the attractiveness of fixed-income instruments and may encourage investors to reallocate liquidity toward equities and other capital-market assets. This could support higher market turnover, improved investor sentiment, and a broader recovery in equity valuations. Banks, financial institutions, and corporates with significant holdings of government securities may continue to benefit from capital gains if bond yields decline further. At the same time, lower borrowing costs could improve

corporate earnings prospects by reducing financing expenses and supporting private-sector investment. Companies with strong balance sheets, sustainable earnings, sound corporate governance, and attractive dividend yields are likely to remain better positioned to benefit from an improving investment environment. Economic growth will also be an important driver of market performance. A recovery in private-sector credit, investment, consumption, and business activity could translate into stronger corporate earnings and provide fundamental support for the equity market. Continued improvement in agricultural production and food supply could additionally help contain inflationary pressure. However, the pace and sustainability of the market recovery will depend significantly on political and policy stability. A stable political environment, greater investor confidence, and predictable economic policies would be important for attracting both domestic and foreign investment. Conversely, renewed political uncertainty, external economic shocks, currency pressures, or persistent inflation could limit the effectiveness of monetary easing and delay a sustained market recovery. Overall, 2026 could mark a transition from a period of defensive investment toward a more favorable environment for capital-market assets. If inflation remains under control, interest rates continue to ease, liquidity improves, and political stability is maintained, market turnover and valuations could recover significantly. Nevertheless, the strength of the uptrend will depend not only on lower interest rates but also on improvements in corporate earnings, investor confidence, economic fundamentals, and the broader political environment. In this context, 2026 is expected to offer opportunities for investors positioned toward fundamentally strong companies, quality financial institutions, and sectors that can benefit from lower interest rates and an improving economic cycle. The ability to sustain the recovery, however, will ultimately depend on maintaining macroeconomic stability and rebuilding confidence in the capital market.

Auditors Appointment

Pursuant to Section 210 of the Companies Act, 1994, Arun & Company Chartered Accountants has been appointed as the auditors of the Company for the year 2026 in its 5th Annual General Meeting.

Going Concern

There are no significant doubts upon SFIL Securities Limited's ability to continue as a going concern.

Acknowledgment

I would like to thank the honorable shareholders, board members, clients and patrons, and employees for their continuous support and cooperation. Special thanks to our parent company, SFIL Finance PLC., for providing full support as and when required for the company to grow and expand.

On behalf of the Board of Directors, I would also like to thank the Bangladesh Securities and Exchange Commission (BSEC), the Dhaka Stock Exchange PLC. (DSE), the Chittagong Stock Exchange PLC. (CSE), and the Central Depository Bangladesh Limited (CDBL), who were involved in the journey of our Company by providing exemplary cooperation, support, and guidance.

On behalf of

Board of SFIL Securities Limited

Sd/-

Tamim Marzan Huda
Chairman



Arun & Company

CHARTERED ACCOUNTANTS

Member Firm of K P N G & Co. (India)



**Independent Auditor's Report
To the
Shareholders of
SFIL SECURITIES LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SFIL SECURITIES LIMITED ("the Company"), which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, the statement of change in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 31 December 2025 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations as explained in notes.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The company has not updated annual returns as required by Section 36 of the Companies Act 1994 to the Registrar of Joint Stock Companies and Firms (RJSC). We were unable to confirm the shareholding positions and any director changes took place.

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.



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 these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement 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
Investment in securities	
As at 31 December 2025, the Company held investments in listed securities amounting to BDT 23,144,013. The valuation and disclosure of these investments were considered significant to our audit due to their materiality, exposure to market fluctuations, and compliance with applicable regulatory requirements. These investments are stated at cost, with adequate provision maintained for accumulated unrealized losses where market value is lower than cost, in accordance with Bangladesh Securities and Exchange Commission (BSEC) guidelines. Unrealized gains are not recognized in the statement of profit or loss.	Our audit procedures focused on the existence, valuation, and disclosure of listed equity investments. We verified the existence of securities through brokerage house portfolio statements and reconciled their fair values with available market quotations. We tested relevant internal controls over the investment process and reviewed compliance with applicable regulatory requirements. We also assessed whether the disclosures complied with relevant accounting standards and reporting regulations. These procedures provided sufficient and appropriate audit evidence regarding the valuation and disclosure of the Company's listed investments.
See Note 10.01 and 10.02 to the Financial Statements.	
Cash and cash equivalents	
As at 31 December 2025, the Company reported cash and cash equivalents of BDT 1,378,361. Considering the significance of the balance to the financial statements and the associated risks related to accuracy, completeness, and reconciliation, this area was considered a key audit matter.	We obtained direct bank confirmations and reconciled bank balances with accounting records. We evaluated and tested internal controls over cash management, reviewed a sample of cash transactions for proper classification, and assessed whether related disclosures were complete and compliant with applicable financial reporting standards. These procedures provided sufficient audit evidence over the existence, accuracy, and disclosure of cash balances.



See Note 12.00 to the Financial Statements.

Interest Income

For the year ended 31 December 2025, the Company recognized interest income of BDT 2,901,382 from FDR and current accounts. Due to the materiality and complexity involved in revenue recognition, this area required heightened audit focus.

Our procedures included evaluating the appropriateness of the Company's revenue recognition policies, recalculating interest income for accuracy, testing selected transactions for proper classification, and assessing the effectiveness of internal controls over interest income recording. We also reviewed related disclosures for adequacy and compliance with applicable accounting standards.

See Note 26.00 to the Financial Statements.

Term Loans and Interest Expense

The Company has significant term loan liabilities with corresponding interest expenses that materially affect its financial performance. Given the complexity of loan agreements, interest computations, and disclosure requirements, this area required special audit consideration.

We examined the classification and measurement of term loans, verified interest expense calculations against loan agreements, and tested the accuracy and timeliness of repayments. We also reviewed related financial statement disclosures to ensure they were transparent, complete, and compliant with applicable accounting standards.

See Note 17.00, 20.00 and 27.00 to the Financial Statements.

Review of Other Related matters

Our audit procedures focused on information technology systems and controls due to the pervasive nature and complexity of the IT environment, the high volume of transactions processed regularly, and the reliance on automated and IT-dependent manual controls.

We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.



Arun & Company

CHARTERED ACCOUNTANTS

Member Firm of K P N G & Co. (India)



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 in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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.

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- 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 separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business;

Dhaka, Bangladesh

Dated: 30 April 2026

Mizanur Rahman FCA

Partner

Arun & Company

Chartered Accountants

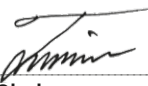
Enrollment No: 2026

DVC: 2604302026AS293803

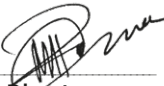
SFIL Securities Limited
Statement of Financial Position
As at 31 December 2025

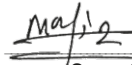
Particulars	Notes	Amount in BDT	
		31-Dec-2025	31-Dec-2024
Assets			
Non-current assets			
Property, plant & equipment	4	643,668	2,152,405
Intangible assets	Sch-A	-	32,457
TREC holding in stock exchanges	5	20,000,000	20,000,000
Right of use Assets	6	756,242	1,745,815
Deferred tax assets	7	171,112	184,075
Security deposits with stock exchanges	8	60,000,000	60,000,000
Total Non-Current Assets		81,571,022	84,114,751
Current assets			
Advances, deposits and prepayments	9	1,717,400	2,041,112
Investments	10	43,144,013	49,444,364
Accounts receivable	11	873,168	1,953,062
Cash and cash equivalents	12	1,378,361	2,687,445
Total Current Assets		47,112,942	56,125,983
Total Assets		128,683,964	140,240,734
Shareholders' Equity & Liabilities			
Shareholders' equity			
Share capital	13	150,000,000	150,000,000
Retained earnings	14	(36,578,104)	(28,415,394)
Capital reserve	15	114,813	114,813
Total Shareholders' equity		113,536,709	121,699,419
Non-current liabilities			
Lease liabilities - Non current portion	16	240,290	839,868
Term loan- Non current portion	17	1,741,875	5,977,918
Total Non-Current Liabilities		1,982,165	6,817,787
Current liabilities			
Accounts payable	18	1,912,988	1,726,438
Lease liabilities - Current portion	19	537,600	920,030
Term loan - Current portion	20	3,458,255	2,520,437
Provision for taxation	21	1,442,279	1,748,192
Provision for diminution in value of investments	22	5,715,688	4,528,879
Other liabilities	23	98,280	279,553
Total Current Liabilities		13,165,091	11,723,528
Total Shareholders' Equity & Liabilities		128,683,964	140,240,734

The annexed notes form an integral part of these financial statements


Chairman


Director


Director


Company Secretary (Acting)

Signed in terms of our separate report of even date annexed



Mizanur Rahman FCA

Partner

Arun & Company

Chartered Accountants

Enrollment No: 2026

DVC: 2604302026AS293803

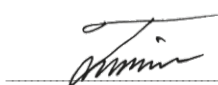
Place: Dhaka, Bangladesh

Dated: 30 April 2026

SFIL Securities Limited
Statement of Profit or Loss and other Comprehensive Income
For the year ended 31 December 2025

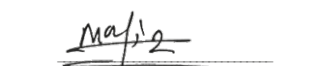
Particulars	Notes	Amount in BDT	
		31-Dec-2025	31-Dec-2024
Operating income			
Brokerage commission income	24	1,963,712	3,292,654
Brokerage commission expenses	25	(198,085)	(279,743)
Net brokerage commission income		1,765,627	3,012,911
Interest income	26	2,901,382	3,122,376
Interest expenses	27	(389,582)	(338,466)
Net interest income		2,511,800	2,783,910
Other operational income	28	(396,789)	13,180
Income from investment	29	(14,504)	1,764,845
		(411,294)	1,778,025
Total operating income		3,866,133	7,574,846
Operating expenses		(9,885,033)	(11,076,648)
Salary and allowances	30	5,478,765	6,359,179
Utility expenses	31	277,750	315,688
Legal & professional fees	32	57,500	140,778
Postage & telephone expense	33	320,505	328,889
Stationery, printing, advertisement	34	82,702	36,394
Audit fee	35	242,743	95,833
Repairs, maintenance and depreciation	36	1,831,060	2,050,106
Other expenses	37	1,594,007	1,749,781
Operating profit/(loss) before provisions & tax		(6,018,900)	(3,501,802)
Other Provisions		(1,186,809)	(4,310,897)
Provision for diminution in value of investment		1,186,809	4,310,897
Profit/(loss) before tax (PBT)		(7,205,709)	(7,812,699)
Income tax	38	(957,001)	(1,185,350)
Current tax expense		944,038	1,249,950
Deferred tax expense		12,963	(64,600)
Profit/(loss) after tax (PAT)		(8,162,710)	(8,998,049)
Earnings Per Share (EPS)	41	(0.54)	(0.60)

The annexed notes form an integral part of these financial statements


Chairman


Director


Director


Company Secretary (Acting)

Signed in terms of our separate report of even date annexed

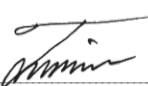
Place: Dhaka, Bangladesh
Dated: 30 April 2026


Mizanur Rahman FCA
Partner
Arun & Company
Chartered Accountants
Enrollment No: 2026
DVC: 2604302026AS293803

SFIL Securities Limited
Statement of Cash Flows
For the year ended 31 December 2025

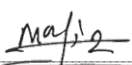
Particulars	Amount in BDT	
	31-Dec-2025	31-Dec-2024
Cash Flows from operating activities:		
Interest received	2,497,106	2,645,370
Commission received	1,742,307	2,500,000
Dividend received	279,744	537,015
Paid to employees	(5,478,765)	(6,359,179)
Client deposits/(withdrawals)	(3,688,355)	89,401,484
DSE/CSE (payment)/received	4,509,038	(88,805,033)
Paid for other operating expenses	(2,895,070)	(4,383,529)
	(3,033,994)	(4,463,873)
Other operating activities:		
Security deposit	(200,000)	(37,500)
Income Tax paid	(944,038)	(563,220)
	(1,144,038)	(600,720)
Net cash used in operating activities	(4,178,032)	(5,064,593)
Cash Flows from investing activities:		
Investment in shares	(3,577,100)	(8,250,718)
Acquisition of assets	-	(81,941)
Investment in FDRs	10,000,000	6,086,000
Net Cash used in investing activities	6,422,900	(2,246,659)
Cash Flows from financing activities:		
Loan from ICB	-	10,000,000
Issuance of share capital	-	-
Repayment Loan from ICB	(3,553,952)	(1,776,976)
Net Cash flow from financing activities	(3,553,952)	8,223,024
Net increase in Cash and Cash Equivalents	(1,309,084)	911,772
Cash & Cash Equivalent at the beginning of the year	2,687,445	1,775,674
Cash & Cash Equivalent at the end of the year	1,378,361	2,687,445

The annexed notes form an integral part of these financial statements


Chairman


Director


Director


Company Secretary (Acting)

Place: Dhaka, Bangladesh

Dated: 30 April 2026

SFIL Securities Limited
Statement of Changes in Equity
For the year ended 31 December 2025

Particulars	Share Capital	Capital Reserve	Retained Earnings	Total Equity
	BDT	BDT	BDT	BDT
Balance at January 01, 2025	150,000,000	114,813	(28,415,394)	121,699,419
Issuance of share capital	-	-	-	-
Comprehensive income for the year	-	-	(8,162,710)	(8,162,710)
Balance at December 31, 2025	150,000,000	114,813	(36,578,104)	113,536,709

For the year ended 31 December 2024

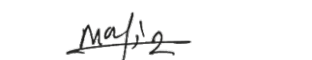
Particulars	Share Capital	Capital Reserve	Retained Earnings	Total Equity
	BDT	BDT	BDT	BDT
Balance at January 01, 2024	150,000,000	114,813	(19,417,345)	130,697,468
Issuance of share capital	-	-	-	-
Comprehensive income for the year	-	-	(8,998,049)	(8,998,049)
Balance at December 31, 2024	150,000,000	114,813	(28,415,394)	121,699,419

The annexed notes form an integral part of these financial statements


Chairman


Director


Director


Company Secretary (Acting)

Place: Dhaka, Bangladesh
Dated: 30 April 2026

SFIL Securities Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2025

1 Company and its activities

1.01 Legal status of the company

SFIL Securities Limited (herein after referred to as "SFILSL" or "the company") was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration # C-170009/2021 dated March 21, 2021 as a private limited company, limited by shares having its registered address at Finance Square, Level- 15, Holding # 22/A, Road No # 102 and 103, Area # CEN(D), Ward # 19, Gulshan-2, Dhaka – 1212. The Company is a Trading Right Entitlement Certificate (TREC) holder of both Dhaka Stock Exchange PLC. (276) and Chittagong Stock Exchange PLC. (154). The company is a wholly owned subsidiary of SFIL Finance PLC., a Finance company incorporated in Bangladesh under the Bangladesh Bank.

Consequently the company has acquired the following Licenses and legal approvals:

Sl. No.	Name of License	Registration No.	Date of Issuance	Renewal up to
1	Certificate of Incorporation	C-170009/2021	21-Mar-21	N/A
2	TIN Certificate	639890182391	21-Mar-21	N/A
3	BIN Certificate	003882195-0101	09-Jun-21	N/A
4	TREC Certificate - DSE	DSE TREC No. 276	01-Sep-21	30-Apr-26
5	TREC Certificate - CSE	CSE TREC No. 154	19-Sep-21	30-Apr-26
6	Stock Broker - DSE	3.1/DSE-276/2022/611	27-Mar-22	26-Mar-26
7	Stock Dealer - DSE	3.1/DSE-276/2022/612	27-Mar-22	26-Mar-26
8	Stock Broker - CSE	3.2/CSE-154/2022/345	27-Mar-22	27-Mar-26
9	DP - CDBL	CDBL-DP-472	10-Apr-22	10-Apr-26
10	Trade License	TRAD/DSCC/039395/2024	21-Sep-25	30-Jun-26

1.02 Principal activities of the company

The principal activities of SFIL Securities Limited are to act as a TREC holder of stock exchanges and to carry on the business of broker, dealers in stocks, shares, securities, bonds, debentures. The Company is also authorized to buy, sell, hold or otherwise acquire or invest the capital of company in shares, stocks and fixed income securities, etc.

2 Basis of preparation of financial statements

2.01 Components of the financial statements

The financial statements comprise of:

- Statement of Financial Position as at 31 December 2025;
- Statement of Profit or Loss and other Comprehensive Income for the year from 01 January 2025 to 31 December 2025;
- Statement of Changes in Equity for the year from 01 January 2025 to 31 December 2025;
- Statement of Cash Flows for the year from 01 January 2025 to 31 December 2025; and
- Notes to the Financial Statements.

2.02 Statement of compliance

The financial statements have been prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987, Securities and Exchange Commission (Stock-Dealer, Stock-Broker and Authorized Representatives) Rules, 2000 and other applicable laws and regulations.

2.03 Basis of measurement

These financial statements have been prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs).

2.04 Functional and presentation currency

The financial statements are presented in Bangladesh Taka (BDT/Taka/Tk.) currency, which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest Taka.

2.05 Use of estimates and judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the year end. Provisions and accrued expenses are recognized in the financial statements in line with International Accounting Standard (IAS) 37: "Provisions, Contingent Liabilities and Contingent Assets" when

- i. The Company has a legal or constructive obligation as a result of past event.
- ii. It is probable that an outflow of economic benefit will be required to settle the obligation.
- iii. A reliable estimate can be made for the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which from the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the year in which the estimates are revised.

2.06 Going concern

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

2.07 Reporting year

The financial year of the Company has been determined to be from 01 January to 31 December each year. These financial statements cover the period from 01 January 2025 to 31 December 2025.

2.08 Date of authorization

These financial statements have been authorized for issue by the Board of Directors on April 29, 2026.

2.09 Statement of cash flows

Cash and cash equivalents consist of cash in hand, bank balances and short-term liquid investments that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

Cash flow statement has been prepared in accordance with the International Accounting Standards (IASs) 7, "Cash flow statement" under direct method.

2.10 Comparative information

Accounting policies have been consistently applied by the company and are consistent with those used in the previous year. Comparative information is rearranged wherever necessary to conform with the current presentation.

3 Significant accounting policies

3.01 Property, plant & equipment

i) Recognition and measurement

All Property, Plant and Equipment are stated at cost less accumulated depreciation as per "IAS 16: Property, plant and equipment". The cost of acquisition of an asset comprises its purchase price and any direct attributable cost of bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into use, such as repairs and maintenance is normally charged off as revenue expenditure in the year in which it incurs. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the assets, the expenditure is capitalized as an additional cost of the assets.

ii) Depreciation

Depreciation is calculated using 'Straight Line Method' at the following rates so as to write off the assets over their expected useful life. Depreciation is charged based on the month of the year of acquisition while no depreciation is charged in the month of disposal.

Sl No.	Category of Assets	Useful Life	Rate %
1	Furniture & Fixtures	5	20%
2	Office Decoration	6	17%
3	Office Equipment	5	20%
4	IT Equipment	5	20%
5	Right of Use of Assets	Lease Term	-

3.02 Intangible assets and amortization of intangible assets

An intangible asset shall only be recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably in accordance with IAS 38: Intangible Assets. Accordingly, these assets are stated in the statement of financial position at cost less accumulated amortization. Software & License is amortized over a period of three (03) years.

3.03 Revenue recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise the revenue during the year and in accordance with the IFRS-15 "Revenue from Contracts with Customers".

i) Brokerage commission

Brokerage commission is recognized as income when a selling or buying order executed.

ii) Interest income

Interest income on bank deposit which is recognized as it accrues, using the effective interest method.

iii) Dividend income and gain/(loss) on sale of marketable securities

Dividend income is recognized when the right to receive or payment is established whereas gain or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized or loss is incurred.

3.04 Investment in securities

Investments in listed securities are carried at cost. Adequate provision has been made considering accumulated unrealized loss of investments (where market price is less than cost) as guided by BSEC. No unrealized gains are recognized in the profit and loss account

3.05 Leases

The Company has adopted IFRS 16. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Under IFRS 16, the company recognizes right-of-use assets and lease liabilities for all leases. During the year, the Company relocated its office in June 2025 and entered into a new lease agreement while exiting the previous lease. As a result, depreciation on right-of-use assets for both leases was charged for June 2025, leading to a total lease depreciation charge equivalent to 13 months during the year, in accordance with IFRS 16 – Leases.

3.06 Related party disclosure

As per International Accounting Standard (IAS) 24: "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties.

3.07 Provision for expenses

Provision for expenses is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate of the amount can be made.

3.08 Provision for tax

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any, in accordance with provisions of Income Tax Act, 2023. It is measured using tax rates enacted or substantively enacted at the reporting date. Applicable tax rate for the Company for the year 2025 is declared by Finance Act 2025.

Deferred tax

The Company accounts for deferred tax as per International Accounting Standard (IAS) 12: "Income Taxes". Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the date of reporting of the financial statements.

3.09 Earnings Per Share

This has been calculated in compliance with the requirements of "IAS 33: Earnings Per Share" by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

3.10 Related party disclosures

The names of the related parties and nature of these transactions have been set out in accordance with the provision of IAS 24: Related Party Disclosures.

Name	Country	Nature of relationship	Nature of transaction	Balance outstanding as at 31 December	
				2025	2024
SFIL Finance PLC.	Bangladesh	Parent Company	Term Deposit	20,000,000	30,000,000
			BO Account	21,501	45,491

[illegible]

Note	Particulars	Amount in BDT	
		31-Dec-2025	31-Dec-2024
9 Advances, deposits and prepayments			
	Security deposit for office rent	200,000	217,800
	Security deposit - CDBL	200,000	200,000
	Clearing house deposit - CSE	25,000	25,000
	Advance income tax (Note-9.01)	1,292,400	1,598,312
		1,717,400	2,041,112
9.01 Advance income tax			
	Opening balance	1,598,312	1,257,848
	Addition:		
	Advance tax deducted at source	696,382	723,825
	Advance tax at source on turnover	247,655	526,125
		944,037	1,249,950
		2,542,350	2,507,798
	Less: Adjustment during the year	1,249,950	909,486
		1,292,400	1,598,312
10 Investments			
	Investment in listed securities - Dealer account (Note-10.01)	17,541,190	11,193,646
	Investment in listed securities - ICB Fund (Note-10.02)	5,602,823	8,250,718
	Investment in Fixed Deposit Receipt (FDR) (Note-10.03)	20,000,000	30,000,000
		43,144,013	49,444,364

All investments in marketable securities are valued on an aggregate portfolio basis at cost price at the balance sheet date. Sufficient provision has been maintained as per BSEC guidelines against this unrealized loss. Please see the note 10.01 and 10.02 for details.

10.01 Investment in listed securities - Dealer account

Particulars	Cost Price	Market Price as on 31.12.2025	Unrealized Gain/ (Loss)
Bank	8,388,228	6,106,424	(2,281,804)
Corporate Bond	330,097	184,500	(145,597)
Travel & Leisure	447,485	267,400	(180,085)
Pharmaceuticals & Chemicals	1,334,191	1,137,300	(196,891)
Textile	2,053,141	1,722,000	(331,141)
Food & Allied	295,192	131,758	(163,434)
IT	4,692,856	3,896,883	(795,973)
	17,541,190	13,446,265	(4,094,926)

10.02 Investment in listed securities - ICB Fund

Particulars	Cost Price	Market Price as on 31.12.2025	Unrealized Gain/ (Loss)
Bank	647,737	200,000	(447,737)
IT	338,057	303,360	(34,697)
Textile	1,728,421	1,435,000	(293,421)
Travel & Leisure	2,888,607	2,043,700	(844,907)
	5,602,823	3,982,060	(1,620,763)

10.03 Investment in Fixed Deposit Receipt (FDR)

Name of the Institutions	FDR account number	31-Dec-2025	31-Dec-2024
SFIL Finance PLC.	001114000000096	-	5,000,000
SFIL Finance PLC.	001114000000097	-	5,000,000
SFIL Finance PLC.	001114000000098	5,000,000	5,000,000
SFIL Finance PLC.	001114000000099	5,000,000	5,000,000
SFIL Finance PLC.	001114000000100	5,000,000	5,000,000
SFIL Finance PLC.	001114000000101	5,000,000	5,000,000
		20,000,000	30,000,000

Note	Particulars	Amount in BDT	
		31-Dec-2025	31-Dec-2024
11 Accounts receivable			
	Interest receivable	440,000	660,000
	Dividend receivable	117,200	96,800
	Receivable from DSE	302,674	222,443
	Receivable from CSE	68	-
	Receivable from Broker (Dealer Account)	10,976	57,748
	Receivable from share trading in ICB Fund	2,250	916,072
		873,168	1,953,062
12 Cash and cash equivalents			
	Cash in hand	30,000	30,000
	Cash at bank (Note-12.01)	1,348,361	2,657,445
		1,378,361	2,687,445
12.01 Cash at bank			
	Bank Name	Type	Accounts No.
	Padma Bank PLC.	Operation	1200221017
	IFIC Bank PLC	CCA	190060624041
	IFIC Bank PLC	Dealer	190060601021
	Southeast Bank PLC.	Operation	13100001703
	Eastern Bank PLC.	Operation	1221070001367
	IFIC Bank PLC	ICB Fund	0210216214041
	IFIC Bank PLC	Govt. Security	0100100567041
		1,348,361	2,657,445
13 Share capital			
	Authorized Capital		
	25,000,000 ordinary shares of Taka 10 each	250,000,000	250,000,000
	Issued, Subscribed and Paid-up Capital		
	15,000,000 ordinary shares of Taka 10 each fully paid	150,000,000	150,000,000
	Details of Shareholding Position of the Company		
	Name of the Shareholders	No. of Shares	% of share holding
	SFIL Finance PLC.	14,999,700	99.998
	Md. Alimul Razi	200	0.001
	Mohammad Razibuzzaman Khan	100	0.001
		15,000,000	100.00
14 Retained earnings			
	Opening balance	(28,415,394)	(19,417,345)
	Add: Profit/(Loss) during the year	(8,162,710)	(8,998,049)
		(36,578,104)	(28,415,394)
	Less: Transfer to capital reserve	-	-
	Closing balance	(36,578,104)	(28,415,394)
15 Capital reserve			
	Opening balance	114,813	114,813
	Add: Addition during the year	-	-
		114,813	114,813
	Less: Adjustment during the year	-	-
	Closing balance	114,813	114,813
	As per Risk Based Capital Adequacy Rules, 2019, Part B [rule (1)(b); rule 5(2)] shall maintain a mandatory provision at least @ 10% of profit after tax of last year as capital reserve.		
16 Lease liabilities - Non current portion			
	Opening balance	839,868	-
	Add: Addition during the year	1,067,636	1,904,525
		1,907,505	1,904,525
	Less: Adjustment during the year	839,868	-
	Less: Transfer to short term portion	827,347	1,064,656
	Closing balance	240,290	839,868
	Lease liabilities derived from present value of all rental payments for office. When measuring lease liabilities, SFIL Securities Limited discounted lease payments using its incremental borrowing rate (10%).		

Note	Particulars	Amount in BDT	
		31-Dec-2025	31-Dec-2024
17 Term loan- Non current portion			
	Opening balance	5,977,918	-
	Add: Addition during the year	255,726	10,276,266
		6,233,644	10,276,266
	Less: Transfer to short term portion	4,491,769	4,298,348
	Closing balance	1,741,875	5,977,918
18 Accounts payable			
	Payable to clients (Note-18.01)	1,127,355	1,575,651
	Payable to DSE & CSE	-	-
	Liabilities for expenses (Note-18.02)	785,633	150,787
		1,912,988	1,726,438
18.01 Payable to clients			
	Broker	1,116,380	1,517,903
	Dealer	10,976	57,748
		1,127,355	1,575,651
This balance represents the clients sale proceeds of shares and deposits against share purchase which is currently lying with the company's bank account.			
18.02 Liabilities for expenses			
	Payable to Supplier & others	540,673	54,085
	Audit fees payable	242,743	95,833
	CDBL	2,217	869
		785,633	150,787
19 Lease liabilities - Current portion			
	Opening balance	920,030	766,952
	Add: Transfer from long term portion	827,347	1,064,656
		1,747,377	1,831,608
	Less: Paid during the year	738,312	911,578
	Less: Adjustment during the year	471,465	-
	Closing balance	537,600	920,030
20 Term loan - Current portion			
	Opening balance	2,520,437	-
	Add: Transfer from long term portion	4,491,770	4,298,348
		7,012,207	4,298,348
	Less: Paid during the year	3,553,952	1,777,911
	Closing balance	3,458,255	2,520,437
21 Provision for taxation			
	Opening Balance	1,748,192	1,459,486
	Add: Provision during the year	944,038	1,249,950
		2,692,229	2,709,435
	Less: Adjustment during the year	1,249,950	961,243
	Closing balance	1,442,279	1,748,192
22 Provision for diminution in value of investments			
	Opening Balance	4,528,879	217,983
	Additional Provision during the year	1,186,809	4,310,897
		5,715,688	4,528,879
	Adjustment during the year	-	-
	Closing balance	5,715,688	4,528,879
23 Other liabilities			
	Withholding Tax payable	7,420	43,176
	Withholding VAT payable	11,121	17,614
	Interest payable - Consolidated Customer Account (Note-23.01)	79,739	218,763
		98,280	279,553

Note	Particulars	Amount in BDT	
		31-Dec-2025	31-Dec-2024
23.01 Interest payable - Consolidated Customer Account			
	Opening Balance	218,763	75,452
	Add: Net interest during the year	149,481	218,763
		368,244	294,215
	Less: Transfer to investor protection fund (25%)	72,127	-
	Less: Transfer to operational accounts (75%)	216,379	-
	Less: Transfer to clients accounts	-	75,452
		79,739	218,763
In accordance with sub-rule (1) of Rule 6 of the Securities and Exchange Rules, 2020, 25% of the interest income accrued in the Customer Consolidated Account (CCA) has been transferred to the Investors' Protection Fund and the remaining 75% has been transferred to the Company's bank account on a semi-annual basis (Gazette Ref. No. BSEC/CMRRCD/2001-80(2nd part)/88/PRD/154, Dated: 03 July 2025).			
24 Brokerage commission income			
	DSE-Broker	1,776,271	3,178,241
	DSE-Dealer	158,837	14,457
	CSE-Broker	28,604	99,956
		1,963,712	3,292,654
25 Brokerage commission expenses			
	Service charge paid to CDBL	30,208	16,053
	Laga charges	167,180	262,326
	Howla charges	-	-
	Contribution to investor's protection fund	697	1,364
		198,085	279,743
25.01 Laga charges			
	DSE-Broker	151,685	252,801
	DSE-Dealer	13,236	1,062
	CSE-Broker	2,259	8,463
		167,180	262,326
26 Interest income			
	Interest on SND account	20,341	70,933
	Interest on FDR	2,881,042	3,051,443
		2,901,382	3,122,376
27 Interest expenses			
	Interest on loan	255,726	275,331
	Interest on lease liability	133,856	63,134
		389,582	338,466
28 Other operational income			
	Account opening fee	1,600	2,800
	BO account maintenance fee	5,000	9,900
	IPO service charge	-	480
	Income from Consolidated Customers Account (CCA)	216,379	-
	Gain/(loss) on sale of fixed assets	(619,768)	-
		(396,789)	13,180
29 Income from investment			
	Capital gain/(loss) on sale of marketable securities	(406,274)	1,108,711
	Interest income from bond	21,690	22,320
	Dividend income- marketable securities	370,080	633,814
		(14,504)	1,764,845
30 Salary and allowances			
	Salary and allowances	5,051,865	5,884,779
	Festival bonus	426,900	474,400
		5,478,765	6,359,179
31 Utility expenses			
	Utilities	277,750	315,688
		277,750	315,688
32 Legal & professional fees			
	Legal and professional fees	57,500	140,778
		57,500	140,778

Note	Particulars	Amount in BDT	
		31-Dec-2025	31-Dec-2024
33 Postage & telephone expense			
	Stamp	850	9,152
	Telephone and mobile bill	17,391	18,655
	Internet & email	302,264	301,082
		320,505	328,889
34 Stationery, printing, advertisement			
	Printing and stationery	82,702	36,394
	Advertisement	-	-
		82,702	36,394
35 Audit fee			
	Professional fees	149,500	-
	Audit fees	93,243	95,833
		242,743	95,833
36 Repairs, maintenance and depreciation			
	Repairs and maintenance	204,087	93,083
	Software maintenance	115,776	94,500
	Depreciation and amortization	1,511,198	1,862,523
		1,831,060	2,050,106
37 Other expenses			
	Training	7,590	-
	Conveyance	64,944	36,325
	Renewal & registration	444,870	427,473
	Entertainment	28,810	15,046
	Computer accessories	-	22,384
	Subscription Fees	10,500	-
	Office security service	182,160	357,720
	Office cleaning service	165,704	171,300
	Office maintenance	615,357	612,548
	Business development	-	64,747
	Bank charges	9,579	5,675
	Excise duty	55,500	32,000
	Overtime	8,993	4,563
		1,594,007	1,749,781
38 Income tax			
	Current tax expense	944,038	1,249,950
	Deferred tax expense	12,963	(64,600)
		957,001	1,185,350
39 Employee details			
	No. of employee received below than BDT 3,000 per month and BDT 36,000 annually	-	-
	No. of employee received more than BDT 3,000 per month and BDT 36,000 annually	4	5
		4	5
40 Events after the reporting period			
	A. The Board of Directors in its 37th meeting held on April 29, 2026 has approved the financial statements and authorized the same for issue.		
	B. The Board of Directors in its 37th meeting held on April 29, 2026 as recommended no cash and stock dividend to the shareholders for the period ended December 31, 2025.		
	C. No other adjusting event had occurred till date of signing the financial statements which recognize adjustment under IAS -10 "Events after Reporting Period".		
41 Earnings Per Share (EPS)			
	Net profit after Tax	(8,162,710)	(8,998,049)
	Number of Ordinary Shares Outstanding	15,000,000	15,000,000
	Earnings Per Share (EPS)	(0.54)	(0.60)
	Earnings per Share has been calculated in accordance with IAS-33: "Earnings Per Share (EPS)".		

SFIL Securities Limited

Schedule of Fixed Assets including land, building, furniture and fixtures

As at 31 December 2025

Property, plant & equipment	C O S T				Rate (%)	D E P R E C I A T I O N				Amount in BDT
	Balance as on 1st Jan 2025	Addition during the year	Adjustment/ Disposal	Balance as on 31st Dec 2025		Balance as on 1st Jan 2025	Charged during the year	Adjustment/ Disposal	Balance as on 31st Dec 2025	
Furniture & Fixtures	425,989	-	26,875	399,114	20%	211,873	82,510	18,813	275,570	123,543
Office Decoration	1,580,665	-	1,580,665	-	17%	704,233	131,749	835,982	-	-
Office Equipment	853,446	-	161,940	691,506	20%	474,624	154,495	97,164	531,955	159,551
IT Equipment	1,612,307	-	-	1,612,307	20%	929,272	322,461	-	1,251,734	360,573
Total as on 31 Dec 2025	4,472,407	-	1,769,480	2,702,927		2,320,002	691,215	951,959	2,059,258	643,668
Total as on 31 Dec 2024	4,644,684	92,723	265,000	4,472,407		1,594,535	862,384	136,917	2,320,002	2,152,405
Intangible assets										
Software & License	524,866	-	-	524,866	20%	492,409	32,457	-	524,866	-
Total as on 31 Dec 2025	524,866	-	-	524,866		492,409	32,457	-	524,866	-
Total as on 31 Dec 2024	524,866	-	-	524,866		317,471	174,938	-	492,409	32,457
Right-of-Use (ROU) Asset										
Right-of-Use (ROU) asset	4,032,196	1,067,636	4,032,196	1,067,636	-	2,286,381	787,525	2,762,513	311,394	756,242
Total as on 31 Dec 2025	4,032,196	1,067,636	4,032,196	1,067,636		2,286,381	787,525	2,762,513	311,394	756,242
Total as on 31 Dec 2024	2,127,671	1,904,525	-	4,032,196		1,461,180	825,202	-	2,286,381	1,745,815

This represents the lease agreement for the office premises and presented as per IFRS 16. At present, The entity has finance lease for office premises where agreement is more than 1 year. As such the amount is recognized as right of use asset for the year as per IFRS 16 and modified restatement policy is followed during initial recognition of IFRS 16.

During the year, the Company relocated its office in June 2025 and entered into a new lease agreement while exiting the previous lease. As a result, depreciation on right-of-use assets for both leases was charged for June 2025, leading to a total lease depreciation charge equivalent to 13 months during the year, in accordance with IFRS 16 – Leases.

SFIL Securities Limited

As at and for the year ended 31 December 2025

Leases

(Annexure-B)

See accounting policy in Note 3.05

A. Leases as lessee (IFRS 16)

SFIL Securities Limited has leased commercial office space in Lily Pond Centre, 3 R.K Mission Road measuring 1050 square feet from Adarsha Somobaya Somity Limited under operating lease. Lease period covers 2 years, with an option to renew for further on expiry of present period. The details of leased property is as follows:

Demised property	Address	Effective date of agreement	Expiry date of agreement	Area (Sq. F)
Commercial office space	Lily Pond Centre, 3 R.K Mission Road, Motijheel Dhaka-1000	1-Jun-2025	30-Jun-2027	1,050

SFIL Securities Limited provides 4 months advance of BDT 2,00,000 for four months rent as security deposit to lessors that is refundable at the end of the lease agreement.

The Company is restricted from entering into any sublease arrangements. Previously this lease was classified as operating lease under IAS 17. Information about lease for which the entity is a lessee is presented below.

i. Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as Right-of-use assets.

Particulars	Amount in BDT
2025	
Balance at 1 January	4,032,196
Addition during the year	1,067,636
Disposal during the year	4,032,196
Depreciation charge for the years	311,394
Balance at 31 December	756,242
(ii) Amount recognised in profit and loss	
2025-Leases under IFRS 16	
Interest on lease liabilities	133,856
(iii) Amount recognised in statement of cash flow	
Total cash outflow for leases	295,596
Leases as lessor	

SFIL Securities Limited did not provide any lease facility to other entity.

SFIL Finance PLC.

NOTES



SFIL Finance PLC.

Finance Square, Level-15, Holding-22/A
Road-102 & 103, Gulshan-2, Dhaka-1212, Bangladesh

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Revenue
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Tk. 20.00

6th Annual General Meeting**PROXY FORM**

I/We _____ of _____ being a member of SFIL Finance PLC. and a holder of _____ shares hereby appoint Mr./Ms. _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the 6th Annual General Meeting of the company to be held on August 20, 2026 (Thursday) at _____ and at any adjournment thereof.

Signed this _____ day of August, 2026

Detail of Proxy
Signature:
Name:

Detail of Member
Signature:
Name:
Folio Number:

NOTE:

- This form of proxy, duly completed, must be deposited at least 72 hours before the meeting at the Company's registered office. Proxy is invalid if not signed and stamped as explained above.
- Signature of the shareholders should agree with the specimen signature registered with the Company and Depository Register.

**SFIL Finance PLC.**

Finance Square, Level-15, Holding-22/A
Road-102 & 103, Gulshan-2, Dhaka-1212, Bangladesh

6th Annual General Meeting**ATTENDANCE SLIP**

I hereby record my attendance at the 6th Annual General Meeting of SFIL Finance PLC. being held on August 20, 2026 (Thursday) at _____ as a holder of _____ shares of the Company.

Detail of Proxy
Signature:
Name:

Detail of Member
Signature:
Name:
Folio Number:

NOTE:

Signature of the shareholder should agree with the specimen signature registered with the Company and Depository Register.



Bond of Transparency

SFIL Finance PLC.



Head Office

Finance Square, Level 15, Holding- 22/A
Road-102 & 103, Gulshan-2
Dhaka 1212, Bangladesh



Principal Branch

Rangs RL Square, Level 13
201/1 Kha Bir Uttam Rafiqul Islam Avenue
Progati Shoroni, Dhaka 1212.



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