Private & Confidential

Mahamud Sabuj & Co

Phoenix Finance and Investments Limited

Independent Auditor's Report and
Audited Financial Statements
As at and for the Year Ended 31 December 2025

Independent Auditor's Report
To the Shareholders of Phoenix Finance and Investments Limited
Report on the Audit of the Financial Statements

Qualified Opinion

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

In our opinion, except for the effects given in the Basis for Qualified Opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and of financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as explained in note # 2 and comply with the Finance Company Act, 2023, the Rules and Regulations issued by the Bangladesh Bank, the Companies Act, 1994 and other applicable Laws and Regulations.

Basis for Qualified Opinion

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

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

Mahamud Sabuj & Co. MSC Chartered Accountants

Material Uncertainty Related to Going Concern

The Company incurred a Net profit after tax amounting to BDT (3,392,556,991) during the year and reported Net Assets amounting to BDT (16,995,582,595) as of 31 December 2025. Furthermore, as part of our going concern assessment, we evaluated the maturity profile of the Company's assets and liabilities to identify any structural mismatches that may adversely impact the Company's liquidity position in future. As at 31 December 2025, our assessment identified a net liquidity gap of BDT 16,881,247,346, indicating a material funding deficit. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis, which is dependent on the successful implementation of emergency income-generating measures and the securing of additional capital funding. Our opinion is not modified in respect of this matter.

Emphasis of Matters

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

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

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

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

Mahamud Sabuj & Co. MSC Chartered Accountants

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

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

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	***Our response to key audit matters***
1. Measurement of provision for loans, advances and leases	
The process for estimating the provision for loans and advances portfolios associated with credit risk is significant and complex. For the individual analysis, provisions consider the estimates of future business performance and the market value of the collaterals provided for credit transactions. For the collective analysis, these provisions are manually processed and deal with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.	We tested the design and operating effectiveness of key controls focusing on the following: • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identified the loss events, including early warning and default warning indicators; and

Mahamud Sabuj & Co. MSC Chartered Accountants

Description of key audit matters	*Our response to key audit matters*
At year end, the Company reported total gross loans and advances of BDT 25,674.84 million (2024: BDT 25,930.65 million) and provision for loans and advances of BDT 14,823.62 million (2024: BDT 13,701.98 million). Our audit focused on the following significant judgements and estimates, which give rise to a heightened risk of material misstatement or management bias: • Completeness and timing of recognition of loss events in accordance with criteria set out in relevant DFIM and other relevant Circulars issued by Bangladesh Bank; • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; • Loans and advances unclassified and provisions released based on the injunctions from the Honorable High Court Division of the Bangladesh Supreme Court; and • The adequacy of down payments received at the time of loan and advance rescheduling, as a down payment is required under the relevant DFIM circulars and letters issued by Bangladesh Bank. Provision measurement is primarily dependent upon key assumptions relating to the probability of default, ability to repossess collateral, and recovery rates.	• Reviewed the quarterly Classification of Loans (CL). Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: Reviewed the adequacy of the Company's general and specific provisions; • Assessed the methodologies on which the calculation of provision amounts is based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; • We have reviewed the relevant DFIM circulars and letters issued by Bangladesh Bank, which clearly require full receipt of the down payment prior to rescheduling. However, prevailing industry practice recognizes down payments made prior to the approval of the financial statements by the appropriate authority for purposes of determining the classification status of loans and advances and their eligibility for rescheduling. • Considered guidance given to the bank by Bangladesh Bank in this regard for this period; and • Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See notes # 2.23, 6 and 13.1 to the financial statements	

Mahamud Sabuj & Co. ★ Chartered Accountants ★ MSC

Description of key audit matters	*Our response to key audit matters*
2. Recognition of interest income from loans and advances.	
Recognition of interest income has a significant and wide influence on Financial Statements. Recognition and measurement of interest income have followed circulars of Bangladesh Bank We identify recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the Company and therefore there is an inherent risk of fraud and error in recognition of interest income by management to meet specific targets and expectations.	We tested the design and operating effectiveness of key controls over the recognition and measurement of interest on loans and advances: • We performed a test of operating effectiveness on manual control in place to measure and recognize interest income; • We have also performed substantive procedures to check whether the interest income is recognized completely and accurately; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See notes # 2.6, and 19 to the financial statements.	
3. Measurement of deferred tax assets and liabilities	
The Company disclosed deferred tax assets amounting to BDT 140.79 million, and BDT 108.08 as of 31 December 2025, and 31 December 2024 respectively. Significant judgment is required in relation to deferred tax assets, and liabilities as their recoverability and adjustment are dependent on forecasts of future profitability over a number of years.	We obtained an understanding and evaluated the design, and the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax assets & liabilities and the assumptions used in estimating the Company's future taxable income. We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. We involved tax specialists in assessing key assumptions, controls, recognition, and measurement of deferred tax assets and liabilities. We also considered amendment to IAS 12 *Income Taxes* dated 5 May 2021 and effective from 1 January 2024 in recognizing and measuring Deferred Tax Assets, and Deferred Tax Liabilities. Besides, special consideration was given to provisions against loans and advances,

Description of key audit matters	*Our response to key audit matters*
	provisions against off-balance sheet exposure, interest receivables and payables against financial instruments. We have assessed the appropriateness and presentation of disclosures against IAS 12 *Income Taxes*.
See notes # 2.26 and 9.1 to the financial statements	
4. IT systems and controls	
The Company's key financial accounting and reporting processes are significantly dependent on the automated controls over the Company's information systems. As such there exist risks that gaps in the IT control environment, including automated accounting procedures, IT-dependent manual controls and controls preventing unauthorized access to systems and data could result in the financial accounting and reporting records being materially misstated. The IT systems and controls, as they impact the financial recording and reporting of transactions, are key audit matters.	We performed audit procedures to assess IT systems and controls over financial reporting, which included the following: • Tested the sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access, system change management and computer operations; • Assessed the management's evaluation of access rights granted to applicants relevant to financial accounting and reporting systems and tested the resolution of a sample of exceptions; • Assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights; • Tested the specific application controls for key financial reporting controls.
5. Impairment assessment of unquoted shares	
In the absence of quoted price in an active market, the fair value of unquoted shares and securities, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence requires an elevated level of judgment and assumption.	We assessed the process and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process. We have tested a sample of investments as of 31 December 2025 and compared our results to the recorded value.

Description of key audit matters	*Our response to key audit matters*
Due to the high level of judgment and assumption involved in evaluating the impairment assessment of unquoted shares, we considered this to be a key audit matter.	We have assessed the appropriateness and presentation of disclosures against relevant accounting standards and other relevant guidelines.
See note #13.1 to the financial statements	

Other information

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

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

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

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

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

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

Mahamud Sabuj & Co. ★ MSC ★ Chartered Accountants

Mahamud Sabuj & Co.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Mahamud Sabuj & Co. ★ MSC ★ Chartered Accountants

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

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

Report on other Legal and Regulatory Requirements

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

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

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

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

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

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

(vi) Adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;

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

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

Mahamud Sabuj & Co. ★ MSC ★ Chartered Accountants

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

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

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

(xii) Proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;

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

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

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

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

Mahamud Sabuj & Co. ★ Chartered Accountants ★ MSC

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

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

Place: Dhaka, Bangladesh
Dated: 29 June 2026

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

Md. Mahamud Hosain FCA
Managing Partner
ICAB Enrollment No: 0833
DVC: 2606300833AS528781

Mahamud Sabuj &Co

Phoenix Finance & Investments Limited

Balance Sheet

As at 31 December 2025

	NOTES	2025	2024
			(Amount in Taka)
PROPERTY AND ASSETS			
Cash	3		
In hand (including foreign currencies)		48,801	150,336
Balance with Bangladesh Bank and its agent (including		180,590,731	110,636,574
		180,639,532	110,786,910
Balance with other banks and financial institutions			
In Bangladesh		427,603,740	379,648,575
Outside Bangladesh		-	-
		427,603,740	379,648,575
		608,243,272	**490,435,485**
Money at call and short notice	4	-	-
Investments	5		
Government		-	-
Others		135,103,486	139,047,098
		135,103,486	**139,047,098**
Loans, advances and leases			
Loans, advances and leases etc.	6	25,674,844,101	25,930,649,129
Bills purchased and discounted	7	-	-
		25,674,844,101	**25,930,649,129**
Fixed assets including land, building, furniture and fixture	8	**587,945,332**	**622,223,066**
Other assets	9	**275,635,966**	**207,217,237**
Non - business assets	10	**99,522,911**	**194,988,911**
Total assets		**27,381,295,068**	**27,584,560,926**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and ag	11	3,829,994,792	3,911,626,281
		3,829,994,792	**3,911,626,281**
Deposits and other accounts	12		
Current and other accounts		-	-
Bills payable		-	-
Savings account		142,313,856	193,196,987
Term deposits		17,128,822,653	16,995,736,267
Bearer certificates of deposit		-	-
Other deposits		-	-
		17,271,136,509	**17,188,933,254**
Other liabilities	13	23,275,746,362	20,087,026,995
		23,275,746,362	20,087,026,995
Total liabilities		**44,376,877,663**	**41,187,586,530**
Capital/shareholders' equity			
Paid up capital	14	1,658,741,950	1,658,741,950
Share Premium		87,408,700	87,408,700
Statutory Reserve	15	780,196,143	780,196,143
General Reserve		2,000,000	2,000,000
Revaluation Reserve	16	502,049,670	521,230,308
Retained Earnings	17	(20,025,979,058)	(16,652,602,705)
		(16,995,582,595)	**(13,603,025,604)**
Total liabilities and shareholders' equity		**27,381,295,068**	**27,584,560,926**

Mahamud Sabuj & Co. Chartered Accountants MSC

Mahamud Sabuj &Co

OFF-BALANCE SHEET ITEMS		2025	2024
Contingent liabilities			
Acceptances and endorsements		-	-
Letters of guarantee		-	
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		-	-
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
Total Off-Balance Sheet items including contingent liabilities		-	-
Net Asset Value per share	31	**(102.46)**	**(82.01)**

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

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

Signed in terms of our separate report of even date.

Mahamud Sabuj& Co.,
Chartered Accountants

Md. Mahamud Hosain, FCA
Managing Partner
Enrollment Number: 0833
DVC: 2606300833AS528781

Place: Dhaka
Dated: June 29, 2026
DVC No:

Phoenix Finance & Investments Limited

Profit and Loss Account

For the year ended 31 December 2025

(Amount in Taka)

PARTICULARS	NOTES	2025	2024
Interest income	19	496,244,806	492,040,032
Interest expenses on deposits, borrowings, etc.	20	2,404,830,587	2,627,383,597
Net interest income		**(1,908,585,781)**	**(2,135,343,565)**
Income from Investment	21	1,190,794	5,213,208
Commission, exchange and brokerage	22	-	-
Other operating income	23	42,196,648	43,072,003
		43,387,442	**48,285,211**
Total operating income (A)		**(1,865,198,339)**	**(2,087,058,354)**
Salaries and allowances	24	163,329,486	190,835,167
Rent, taxes, insurance, electricity etc.	25	27,632,659	27,298,473
Legal expenses		1,604,080	1,158,196
Postage, stamp, telecommunication etc.	26	2,701,447	2,151,739
Stationery, printing, advertisements etc.	27	2,214,468	1,731,480
Managing Director's Remuneration		6,906,429	-
Directors' fees	28	1,484,500	577,000
Auditors' fees		315,000	1,437,500
Charges on loan losses		-	-
Depreciation and repair of assets	29	37,792,893	37,459,577
Other expenses	30	30,657,924	30,941,764
Total operating expenses (B)		**274,638,886**	**293,590,896**
Profit before provision (C=A-B)		**(2,139,837,225)**	**(2,380,649,250)**
Provision for Future Losses (D)	13.1(ii)	**1,277,750,663**	**5,708,986,401**
Total profit before tax (C-D)		**(3,417,587,888)**	**(8,089,635,651)**
Provision for tax			
Current		7,680,000	14,250,000
Deferred	9.1	(32,710,897)	(21,563,938)
		(25,030,897)	**(7,313,938)**
Net profit after tax		**(3,392,556,991)**	**(8,082,321,713)**
Retained Earnings brought forward from previous year		(16,652,602,705)	(8,589,461,630)
Amortized of Revaluation Reserve		19,180,638	19,180,638
		(20,025,979,058)	**(16,652,602,705)**
Appropriations		-	-
Statutory reserve		-	-
General reserve		-	-
CSR fund		-	-
Retained surplus		**(20,025,979,058)**	**(16,652,602,705)**
Earnings per share	32	**(20.45)**	**(48.73)**

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

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

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

Signed in terms of our separate report of even date.

Mahamud Sabuj& Co.,
Chartered Accountants

Md. Mahamud Hosain, FCA
Managing Partner
Enrollment Number: 0833
DVC: 2606300833AS528781

Place: Dhaka
Dated: June 29, 2026
DVC No:

Phoenix Finance & Investments Limited

Cash Flow Statements

For the year ended 31 December 2025

(Amount in Taka)

PARTICULARS	NOTES	2025 Taka	2024 Taka
Cash Flow from Operating Activities			
Interest received	35	1,428,032,074	1,072,222,158
Interest payment	36	(1,535,629,756)	(1,891,427,168)
Dividend received		325,481	480,392
Fees and Commission received		-	-
Cash Payments to Employees		(170,235,915)	(190,835,167)
Cash Payments to Suppliers		(2,214,468)	(1,731,480)
Income Tax Paid		(6,993,986)	(7,184,441)
Received from other Operating activities	37	39,629,975	41,779,085
Payments for other Operating activities	38	(57,663,629)	(54,886,824)
Operating Profit before changes in Operating Assets and Liabilities		**(304,750,224)**	**(1,031,583,445)**
Changes in Operating Assets and Liabilities			
Purchases/Sale of Trading Securities		3,943,612	39,780,843
Loans and Lease Finance to Customers		255,805,028	234,338,877
Other Assets		(68,418,729)	(8,611,955)
Deposits received from Bank and Financial Institutions		45,000,000	140,000,000
Deposits received from Customers		37,203,255	(166,541,724)
Other Liabilities		233,683,850	838,599,639
Sub Total		**507,217,016**	**1,077,565,680**
A) Net Cash Flow from Operating Activities		**202,466,792**	**45,982,235**
Cash flows from Investing Activities			
Purchase/sale of securities		-	-
Proceeds from Sale of fixed assets		73,500	2,013,000
Purchase/sale of Property, Plant and Equipments		(3,101,016)	(4,012,670)
Purchase/Sale of Subsidiaries		-	-
B) Net Cash Flow from Investing Activities		**(3,027,516)**	**(1,999,670)**
Cash flows from Financing Activities			
Increase/(decrease) of borrowings		(81,631,489)	(307,321,236)
Payments for redemption of loan capital and debt securities		-	-
Received from issue of ordinary shares		-	-
Dividend Paid		-	-
C) Net Cash Used By Financing Activities		**(81,631,489)**	**(307,321,236)**
D) Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**117,807,787**	**(263,338,671)**
Effect of Exchange rate changes on cash and cash equivalents		-	-
E) Cash and cash equivalents at the beginning of the year		490,435,485	753,774,156
F) Cash and cash equivalents at the end of the year (D+E)		**608,243,272**	**490,435,485**
Cash and cash equivalents at the end of the year represent			
Cash in Hand		48,801	150,336
Balance with Bangladesh Bank and its agent bank		180,590,731	110,636,574
Balance with other banks and financial institutions		427,603,740	379,648,575
Money at call on short notice		-	-
		608,243,272	**490,435,485**
Net Operating Cash Flow Per Share	33	**1.22**	**0.28**

Mahamud Sabuj & Co. ★ Chartered Accountants ★ MSC

Phoenix Finance and Investments Limited

Statement of Changes in Equity

For the year ended 31 December 2025

Amount in Taka

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

Mahamud Sabuj & Co. ★ Chartered Accountants ★ MSC

Mahamud Sabuj & Co

Phoenix Finance & Investments Limited

Liquidity Statement

Assets and Liabailities Maturity Analysis

As at 31 December 2025

Particulars	*Amount in Taka*					
	Up to 01 Month	01-03 Months	03-12 Months	01-05 Years	Above 05 years	Total
Assets						
Cash in hand (including balance with bangladesh Bank)	48,801	-	-	-	180,590,731	180,639,532
Balance with other banks and financial institutions	50,000,000	111,000,000	120,000,000	146,603,740	-	427,603,740
Money at Call on Short Notice	-			-	-	-
Investment in securities	1,350,000	126,253,486	-	-	7,500,000	135,103,486
Investment (Loans and Advances)	180,094,900	360,189,800	1,620,854,100	8,477,285,920	15,036,419,381	25,674,844,101
Fixed assets including land, building, furniture and fixtures	-	-	-	-	587,945,332	587,945,332
Other Assets	550,000	97,111,250	7,187,553	-	170,787,163	275,635,966
Non-business Assets	-	-	99,522,911	-	-	99,522,911
Total assets (i)	**232,043,701**	**694,554,536**	**1,847,564,564**	**8,623,889,660**	**15,983,242,607**	**27,381,295,068**
Liabilities						
Financing (Borrowing) from Other banks, financial institutions and agents	158,150,000	290,500,000	899,100,000	2,482,244,792	-	3,829,994,792
Deposits and other accounts	50,323,850	371,852,530	1,175,960,600	9,247,842,400	6,425,157,129	17,271,136,509
Provision and other liabilities	68,855,000	130,012,582	501,000,000	4,656,000,000	17,805,543,531	23,161,411,113
Total Liabilities (ii)	**277,328,850**	**792,365,112**	**2,576,060,600**	**16,386,087,192**	**24,230,700,660**	**44,262,542,414**
Net Liquidity Gap (i-ii)	**(45,285,149)**	**(97,810,576)**	**(728,496,036)**	**(7,762,197,532)**	**(8,247,458,053)**	**(16,881,247,346)**

Mahamud Sabuj & Co. * Chartered Accountants * MSC

Phoenix Finance & Investments Limited

Notes to the Financial Statements

For the year ended 31 December 2025

1 Legal Status and Nature of the Company

1.1 Legal Status of the Company

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

1.2 Nature of Business Activities

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

1.3 Head office and Branch offices

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

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

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

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

2.2 Going Concern Estimation

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

2.3 Accounting for Leases

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

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

Mahamud Sabuj & Co. MSC Chartered Accountants

2.4 Accounting for Direct Finance

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

2.5 Investments

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

2.6 Revenue Recognition

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

Lease Income:

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

Interest on term finance and short term finance:

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

Interest on real estate finance:

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

Dividend income and profit or loss on sale of securities:

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

2.7 Interest Suspense Account

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

2.8 Recognition of Fixed

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

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

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

Mahamud Sabuj & Co. ★ MSC ★ Chartered Accountants

2.9 Depreciation on Fixed Assets

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

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

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

2.10 Disposal of Fixed Assets

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

2.11 Impairment of Assets

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

2.12 Receivables and Others

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

2.13 Accrued Expenses and Other Payables

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

2.14 Statutory Reserve

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

2.15 Corporate Social Responsibility (CSR) Fund

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

2.16 Cash and Cash Equivalent

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

2.17 Cash Flow Statements

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

Mahamud Sabuj & Co. MSC Chartered Accountants

2.18 Earnings Per Share (EPS)

The company calculates Earning per Share (EPS) by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year. In accordance with IAS-33 "Earnings Per Share" which has been shown on the face of Profit and Loss Account and the computation of EPS is stated in Note-32.

Basic Earning represents earning for the year attributable to ordinary shareholders. As there were no preference dividends, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Weighted Average number of ordinary shares outstanding during the year represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time-weighting factor.

2.19 Transactions and Translation of Foreign Currencies

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

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

2.20 Employees' Retirement Benefit-Gratuity

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

2.21 Employees' Provident Fund and Group Insurance Scheme

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

2.22 Provisions

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

2.23 Provision for Loans, Leases and Advances

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

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

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

2.24 Events after the Balance Sheet Date

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

2.25 Use of Accounting Estimates

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

Mahamud Sabuj & Co. MSC Chartered Accountants

2.26 Income Tax

Current Tax

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

Deferred Tax

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

2.27 Disclosure of Deviations

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

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

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

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

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

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

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

2.28 Authorization

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

2.29 Others

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

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

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

Mahamud Sabuj & Co. MSC Chartered Accountants

3 A) CASH

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

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

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

3.1.1 Cash Reserve Requirement (CRR)

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

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

3.1.2 Statutory Liquidity Requirement (SLR)

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

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

3.2 Balance with Other Banks and Financial Institutions

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

Mahamud Sabuj & Co. MSC Chartered Accountants

Short Term Deposit	2025	2024
AB Bank Limited	15,708	16,139
Al-Arafah Islami Bank Limited	1,231	-
Bank Asia Limited	641,263	2,439,056
BASIC Bank Limited	13,030	9,113
BRAC Bank Limited	1,573	3,521
Dhaka Bank Limited	30,661	32,078
Dutch Bangla Bank Limited	38,144,205	5,804,114
EXIM Bank Limited	1,830	3,118
Eastern Bank Limited	467,408	-
First Security Bank Limited	1,488	3,169
IFIC Bank Limited	22,402	23,475
Jamuna Bank Limited	70,995	482,769
Janata Bank Limited	2,801	4,056
Meghna Bank Limited	2,403	4,588
Mercantile Bank Limited	39,264,753	9,734,013
Midland Bank Limited	3,201	11,344
Mutual Trust Bank Limited	8,764,120	6,344,610
One Bank Limited	18,973	19,354
United Commercial Bank Limited	918,228	-
Pubali Bank Limited	501,105	501,220
Rupali Bank Limited	37,408	38,558
Shahjalal Islami Bank Limited	1,826,771	88,750
Social Islami Bank Limited	417,920	418,219
Sonali Bank Limited	39,519	39,974
South Bangla Agriculture Bank Limited	3,296	56,550
Southeast Bank Limited	12,778,961	7,939,445
Standard Bank Limited	245,036	245,482
The City Bank Limited	4,205,064	20,265,254
The Premier Bank Limited	379,771	1,158,931
The Trust Bank Limited	49,195	49,515
Union Bank Limited	3,430	4,048
Uttara Bank Limited	21,447	17,911
	108,895,196	**55,758,374**

Fixed Deposit Receipt		
Dhaka Bank Limited	54,304,767	108,715,976
EXIM Bank Limited	21,130,604	19,471,450
Hajj Finance Company Limited	45,000,000	-
Prime Finance and Investments Limited	140,000,000	140,000,000
Shahjalal Islami Bank Limited	48,719,141	46,791,601
Social Islami Bank Limited	9,492,960	8,844,689
	318,647,472	**323,823,716**
Total	**427,603,740**	**379,648,575**

3.3 Maturity-wise grouping	2025	2024
On Demand	-	-
Up to 1 month	50,048,801	111,736,910
Not more than 3 months	111,000,000	35,000,000
More than 3 months but less than 1 year	120,000,000	49,500,000
More than 1 year but less than 5 years	146,603,740	294,198,575
More than 5 years	-	-
	427,652,541	**490,435,485**

4 MONEY AT CALL AND SHORT NOTICE

MONEY AT CALL AND SHORT NOTICE	-	-

5 INVESTMENTS

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

a) Government securities

Treasury bill	-	-
National Investment bonds	-	-
Bangladesh Bank bill	-	-
Government notes/bonds	-	-
Prize bonds	-	-
	-	**-**

b) Other investments

Investment in non marketable ordinary shares	7,509,100	7,500,000
Investment in preference shares	-	-
Investment in debenture and bonds	-	-
Investment in venture capital	-	-
Investment in marketable securities	2,918,680	1,978,630
Investment in open end mutual fund	-	3,943,612
Other investments	124,675,706	125,624,856
Gold etc.	-	-
	135,103,486	**139,047,098**

5. 1 Other investments	**No of Company**	**Market Value/NAV**	**Cost -2025**	**Cost -2024**
Investment in non marketable ordinary	1	-	7,509,100	7,500,000
Investment in marketable securities	2	424,067	2,918,680	1,978,630
Mutual/Unit Fund	7	90,676,634	124,675,706	124,675,706
Manufacturing companies and others	0	-	-	949,150
	9	**91,100,701**	**127,594,386**	**127,603,486**
Investment in open end mutual fund	2	-	-	3,943,612
Total	**12**	**91,100,701**	**135,103,486**	**139,047,098**

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

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

Mahamud Sabuj & Co. ★ Chartered Accountants ★ MSC

6 LOANS, ADVANCES AND LEASES

	2025	2024
a) Inside Bangladesh		
Short Term Finance (a.i)	224,274,764	663,957,142
Lease Finance (a.ii)	4,148,816,988	4,282,941,841
Term Finance (a.iii)	18,690,589,437	18,282,597,741
Real Estate Finance (a.iv)	2,056,226,783	2,135,700,573
Capital Market Exposure (a.v)	503,988,477	506,957,477
Staff Loan (a.vi)	50,947,652	58,494,355
Total Loans and Lease Finance	**25,674,844,101**	**25,930,649,129**
a.i) Short Term Finance		
Revolving Credit	120,005,073	560,237,320
Loan against Deposit	104,269,691	103,719,822
	224,274,764	**663,957,142**
a.ii) Net Investment in lease finance		
Principal Outstanding	3,602,096,698	3,809,038,974
Interest Receivable	546,720,290	473,902,867
Total Investment in Lease Finance	**4,148,816,988**	**4,282,941,841**
a.iii) Term Finance		
Principal Outstanding	15,753,703,944	16,218,027,871
Interest Receivable	2,936,885,493	2,064,569,870
	18,690,589,437	**18,282,597,741**
a.iv) Real Estate Finance		
Principal Outstanding	1,588,521,872	1,850,699,284
Interest Receivable	467,704,911	285,001,289
	2,056,226,783	**2,135,700,573**
a.v) Capital Market Exposure		
Own Subsidiaries and/or Sister Concerns	-	-
Other Brokerage House, Merchant Banks and Stock Dealers	503,988,477	506,957,477
	503,988,477	**506,957,477**
a.vi) Staff Loan		
Loan Against Provident Fund	14,915,143	24,492,635
Staff Car Loan	22,468,586	20,107,962
Staff Consumer Loan	12,302,748	11,376,837
Staff House Building Loan	1,261,175	2,516,921
	50,947,652	**58,494,355**
b) Outside Bangladesh	-	-
Total Loans, Advances and Leases (a+b)	**25,674,844,101**	**25,930,649,129**

6.1 Maturity wise Grouping

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

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

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

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

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

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

6.4 Sector-wise Loans, Leases and Advances:

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

6.5 Geographical Location-wise loans advances and leases:	Composition (%)	2025	2024
Bogura	0.59%	150,279,485	159,436,250
Chattogram	16.65%	4,273,874,299	4,732,156,016
Dhaka	82.48%	21,175,497,620	20,956,476,320
Khulna	0.29%	75,192,697	82,580,543
Total	**100%**	**25,674,844,101**	**25,930,649,129**

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

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

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

Status **General**	**Rate (%)**	**Basis for Provision**	**31-Dec-2025 Taka**	**31-Dec-2024 Taka**
Standard (SME)	0.25%	259,288,737	648,222	56,966
Standard (General)	1%	7,711,431,251	77,114,313	15,174,940
Standard (Brokerage House/Merchant	2%	-	-	196,590
Special Mention Account (SMA)	5%	147,011,703	7,350,585	61,220,775
		8,117,731,691	**85,113,120**	**76,649,271**
Specific Provision (Classified)				
Substandard	20%	428,672,701	85,734,540	96,635,465
Doubtful	50%	3,422,861	1,711,431	1,314,417,676
Bad or loss	100%	11,079,148,732	11,079,148,732	11,813,157,103
		11,511,244,294	**11,166,594,703**	**13,224,210,244**
Specific Provision (Other)				
2% extra provision for providing COVID related circular advantage			212,856,684	224,882,281
Required provision for Investments			22,355,131	23,183,297
Required provision for Other Assets			6,984,185	6,984,185
Required provision for Non-Business Assets			60,918,591	-
Required provision for Rescheduled Loan			3,268,794,120	216,397,818
Total Provision Required			**3,571,908,711**	**471,447,581**
Total Required provisions			**14,823,616,534**	**13,772,307,096**
Provision Maintained (Note No. 13.1)			**14,823,616,534**	**13,701,984,938**
Provision Surplus/(Deficit)*			**-**	**(70,322,158)**

6.8 Particulars of Loans, advances and leases:

		2025	**2024**
(i)	Loans, Advances and Leases considered good in respect of which the Financial Institution is fully secured	8,126,018,187	140,022,307
(ii)	Loans, Advances and Leases considered good for which the Financial Institution holds no other security other than the debtor's personal security	535,334,343	292,512,390
(iii)	Loans, Advances and Leases considered good and secured by personal undertaking of one or more parties in addition to the personal security of the debtors	17,013,491,571	25,498,114,432
(iv)	Loans, Advances and Leases adversely classified; provision not maintained there against	-	-
		25,674,844,101	**25,930,649,129**

Mahamud Sabuj & Co. MSC Chartered Accountants

		2025	2024
(v)	Loans, Advances and Leases due by directors or officers of the Financial Institution or any of them either severally or jointly with any other person	785,524,154	799,031,942
(vi)	Loans, Advances and Leases due by companies or firms in which the directors of the Financial Institution are interested as directors, partners or managing agents or, in the case of private companies as members	734,576,502	740,537,587
(vii)	Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the Financial Institution or any of them either severally or jointly with any other persons	16,000,000	4,500,000
(viii)	Maximum total amount of advances including temporary advances granted during the year to the companies or firms in whom the directors of the Financial Institution are interested as directors, partners or managing agents or in the case of private companies as members	16,000,000	8,000,000
(ix)	Due from Bank and Financial Institutions	-	-

		2025	2024
(x)	Amount of classified Loan, Advances and Leases on which interest has not been charged, should be mentioned as follows:		
(A)			
	a. Increase/ (Decrease) in provision during the year	(2,057,615,541)	5,693,269,015
	b. Amount of Loan, Advances and Leases written off	188,064,442	-
	c. Amount realized against Loan, Advances and Leases previously written off	7,917,261	51,530,888
(B)	Amount of provision kept against classified Loan, Advances and Leases as Bad or Loss on the reporting day of Balance Sheet	11,079,148,732	11,813,157,103
(C)	Amount of Interest chargeable to the interest Suspense Account	3,977,799,741	2,996,002,859
(xi)	**Loans Written off:**		
(A)	Cumulative amount of written off loans, advances and leases		
	Balance at January 1	1,378,455,697	1,314,489,595
	Amount written off during the year	188,064,442	63,966,102.00
		1,566,520,139	1,378,455,697
(B)	Outstanding balance of written off loans, advances and leases		
	Opening balance	1,275,771,895	1,263,336,681
	Add: Amount written off during the year	188,064,442	63,966,102
	Less: Amount realized/recovered during the year	7,917,261	51,530,888
	Closing balance	1,455,919,076	1,275,771,895
	Amount of written off loans, advances and leases for which lawsuit filed	1,455,919,076	1,275,771,895

8 FIXED ASSETS INCLUDING LAND, BUILDING, FURNITURE and FIXTURES

	2025	2024
A. Cost:		
Opening balance	1,320,316,061	1,310,239,060
Addition during the year	3,101,016	17,512,670
Less: Disposal during the year	(3,627,249)	(7,435,669)
Closing balance at cost	**1,319,789,828**	**1,320,316,061**
B. Depreciation:		
Opening balance	698,092,995	668,674,666
Addition during the year	37,379,023	36,853,998
Less: Adjustment on disposal during the year	(3,627,522)	(7,435,669)
Accumulated Depreciation	**731,844,496**	**698,092,995**
Carrying value*	**587,945,332**	**622,223,066**

For details please refer to Annexure-A

9 OTHER ASSETS

Mahamud Sabuj & Co. Chartered Accountants MSC

	2025	2024
Income generating other assets :		
Interest Accrued on Fixed Deposit Receipt	9,592,553	11,106,821
Interest Accrued on Loan, leases and advances	51,523,882	-
	61,116,435	**11,106,821**
Non income generating other assets:		
Advance office rent	4,597,923	6,396,423
Advance Against Expenses	826,073	375,008
Advance Against Investments In Share	72,963	72,963
Advance Corporate tax	7,122,931	17,582,624
Deferred tax asset (Note-9.1)	140,792,394	108,081,497
Investment in Associates	58,590,261	63,592,504
Receivable from Phoenix Bhaban	2,516,986	9,397
	214,519,531	**196,110,416**
Total	**275,635,966**	**207,217,237**

9.1 Deferred Tax

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

Deferred Tax Assets is arrived as follows:

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

10 NON- BUSINESS ASSETS

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

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

11 BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS

Mahamud Sabuj & Co. Chartered Accountants MSC

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

11.1 In Bangladesh

Secured Loans (Note No.-11.2)	153,862,566	159,025,002
Unsecured Loans (Note No.-11.3)	3,676,132,226	3,752,601,279
	3,829,994,792	**3,911,626,281**

11.2 Secured Loans

Secured Term loan from other banks and FI

Pubali Bank Limited (Lien with FDR)	153,862,566	159,025,002
	153,862,566	**159,025,002**

11.3 Unsecured Loans

11.3(i) Unsecured Short Term Loan and Overdraft from other banks

	2025	2024
Modhumoti Bank Limited	40,000,000	70,000,000
Mutual Trust Bank Limited	124,876,389	119,418,653
Bangladesh Development Bank Limited	32,500,000	-
National Credit and Commerce Bank Limited	75,800,000	81,100,000
South Bangla Agriculture Bank Limited	25,800,000	25,800,000
The City Bank Limited	100,000,000	100,000,000
Call Loan	120,900,000	114,900,000
	519,876,389	**511,218,653**

11.3(ii) Unsecured Loan from Bangladesh Bank

Refinance against SME Loan	-	-
Refinance against Housing Loan	6,770,499	8,735,597
	6,770,499	**8,735,597**

11.3(iii Unsecured Term loan from other banks and FI

Al-Arafah Islami Bank Limited	343,052,240	347,952,240
Bank Asia Limited	171,096,657	171,046,657
BASIC Bank Limited	179,713,076	187,213,076
Dutch Bangla Bank Limited	46,293,043	66,589,882
Jamuna Bank Limited	469,354,545	476,960,545
Midland Bank Limited	387,784,878	393,714,878
Modhumoti Bank Limited	366,839,123	368,124,938
Mutual Trust Bank Limited	108,108,265	114,058,265
National Credit and Commerce Bank Limited	45,873,197	45,823,197
One Bank Limited	108,034,623	110,034,623
Prime Bank Limited	200,015,075	203,627,745
Shahjalal Islami Bank Limited	209,541,187	213,996,187
Southeast Bank Limited	142,628,460	152,128,461
United Commerce Bank Limited	127,453,404	137,638,979
Uttara Bank Limited	243,697,565	243,647,565
	3,149,485,338	**3,232,557,238**

11.3(iv Balance of Lodgments (Bank Reconciliation) from other banks and FI

Eastern Bank Limited	-	89,791
	-	**89,791**

12 DEPOSITS AND OTHER ACCOUNTS

	2025	2024
Institutions		
Banks and Other Financial Institutions	5,640,063,305	5,553,615,363
Other Institutions	4,271,643,222	4,161,047,307
	9,911,706,527	9,714,662,670
Individuals		
Term Deposit Receipt	7,217,116,126	7,281,073,597
Monthly Savings Scheme	142,313,856	193,196,987
	7,359,429,982	7,474,270,584
Total	**17,271,136,509**	**17,188,933,254**

Mahamud Sabuj & Co. MSC Chartered Accountants

Note	Particulars	2025	2024
12.1	**Movement of deposits :**		
	Balance at 1 January	17,188,933,254	17,215,474,978
	Received/renewed during the year	215,851,505	105,318,200
	Repayment during the year	(133,648,250)	(131,859,924)
	Balance as on 31 December	**17,271,136,509**	**17,188,933,254**

Note	Particulars	2025	2024
13	**OTHER LIABILITIES**		
	Provision for Loans, advances and leases/ Investments **(Note 13.1)**	14,823,616,534	13,701,984,938
	Provision for tax **(Note 13.2)**	305,613,181	315,515,805
	Interest suspense **(Note 13.3)**	3,977,799,741	2,996,002,859
	Financial expenses payable **(Note 13.4)**	3,424,511,673	2,555,310,842
	Advance and security deposit **(Note 13.5)**	343,893,137	256,396,588
	Accrued expenses and other payable **(Note 13.6)**	400,312,096	261,815,963
	Total	**23,275,746,362**	**20,087,026,995**
13.1	**Provision for Loans, advances and leases/Investments**		
13.1(i)	**Balance at 1 January**	**13,701,984,938**	**7,999,290,675**
	Write off during the year	(168,398,440)	(57,823,026)
	Recovery from Write Off During the Year	12,279,373	51,530,888
	Provision kept against required for the year	2,219,478,975	5,973,635,574
	Provision released during the year	(941,728,312)	(264,649,173)
	Provision charged for the year (Note- 13.1 (ii))	1,277,750,663	5,708,986,401
	Balance at 31 December	**14,823,616,534**	**13,701,984,938**
13.1(ii)	**Provision charged for the year**		
	General provision-Regular	8,463,849	(140,858,698)
	Specific provision	982,755,164	5,762,362,248
	Provision for diminutions in value of investments	(828,166)	10,868,555
	Write off during the year	168,398,440	57,823,026
	Recovery from Write Off During the Year	(12,279,373)	(51,530,888)
	Non-Business Assets	60,918,591	-
	Deferred Provision Adjusted	70,322,158	70,322,158
		1,277,750,663	**5,708,986,401**
13.1(iii	**Product wise break up of provision**		
	Short term finance	41,453,975	153,203,199
	Lease finance	2,901,989,513	2,664,413,542
	Term Finance	10,606,870,671	9,904,268,110
	House finance	685,052,313	452,023,097
	Finance to Capita Market Exposure	497,441,065	497,324,559
	Staff Loan	551,089	584,949
	Investments in share	22,355,132	23,183,297
	Non-Business Assets	60,918,591	-
	Other Assets	6,984,185	6,984,185
	Total	**14,823,616,534**	**13,701,984,938**
13.2	**Provision for tax**		
	Balance at 1 January	315,515,805	301,265,805
	Provision made during the year	7,680,000	14,250,000
	Transferred to/(from)	(17,582,624)	-
	Balance at 31 December	**305,613,181**	**315,515,805**
13.3	**Interest suspense**		
	Balance as on 1 January	2,996,002,859	2,420,540,244
	Add: Transferred during the year	1,096,847,418	731,452,165
	Less: Amount of interest suspense realized	(134,716,538)	(162,132,626)
	Write off during the year	19,666,002	6,143,076
	Balance as on 31 December	**3,977,799,741**	**2,996,002,859**

Mahamud Sabuj & Co. ★ Chartered Accountants ★ MSC

13.4 Financial expenses payable

	2025	2024
Interest Payable on Deposits	1,960,988,082	1,644,481,057
Interest Payable on Term Loan	1,463,523,591	910,829,785
	3,424,511,673	**2,555,310,842**

13.5 Advance and security deposit

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

Balance at 1 January	256,396,588	512,701,978
Received during the year	89,180,280	-
Repayment during the year	(1,683,731)	(256,305,390)
Balance as on 31 December	**343,893,137**	**256,396,588**

Breakup of advances and security deposits on the basis of category of finance is as under:

Lease finance deposit	31,851,487	33,214,948
Term finance deposit	601,796	830,469
Real Estate finance deposit	67,375	158,972
Sundry Deposit	10,589,714	10,187,343
Term Deposit Payable (Partially unpaid Deposit)*	300,782,765	212,004,856
Total	**343,893,137**	**256,396,588**

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

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

13.6 Accrued expenses and other payable

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

13.6.1 Summary of Unclaimed/Undistributed/Unsettled Dividend

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

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

14 SHARE CAPITAL

	2025	2024
Authorized capital		
300,000,000 Ordinary shares of Tk. 10 each	3,000,000,000	3,000,000,000
Issued, subscribed and paid up capital:		
165874195 Ordinary shares of Tk. 10 each	1,658,741,950	1,658,741,950
Total	**1,658,741,950**	**1,658,741,950**

Mahamud Sabuj & Co. MSC Chartered Accountants

14.1 Pattern of shareholdings

	2025	2024
Sponsors (Institutions)	181,092,940	181,092,940
Sponsors (Individuals)	250,403,320	292,795,840
General Public (Institutions)	314,799,310	357,706,520
General Public (Individuals)	912,446,380	827,146,650
Total	**1,658,741,950**	**1,658,741,950**

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

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

Year wise Total Number of Shareholders

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

14.3 Capital requirement

	2025	2024
Paid up capital	1,658,741,950	1,658,741,950
Required capital	1,000,000,000	1,000,000,000
Capital Surplus/(Deficit)	**658,741,950**	**658,741,950**

15 STATUTORY RESERVE

Balance as on 1 January	780,196,143	780,196,143
Add: Transferred from profit during the year	-	-
Balance as on 31 December	**780,196,143**	**780,196,143**

16 REVALUATION RESERVE

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

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

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

Mahamud Sabuj & Co. Chartered Accountants MSC

		2025	2024
17	**RETAINED EARNINGS**		
	Balance as on 1 January	(16,652,602,705)	(8,589,461,630)
	Add: Profit after tax for the year	(3,392,556,991)	(8,082,321,713)
	Add: Amortized of Revaluation Reserve	19,180,638	19,180,638
	Less: Prior year Adjustment from Fixed Assets Depreciation	-	-
	Less: Transferred to statutory reserve	-	-
	Balance as on 31 December	**(20,025,979,058)**	**(16,652,602,705)**
18	**PROFIT AND LOSS ACCOUNT**		
	Income:		
	Interest, discount and similar income (Note-19)	496,244,806	492,040,032
	Dividend income (Note -21)	325,481	480,392
	Fees, commission and brokerage	-	-
	Gains less losses arising from investment in securities (Note-21)	865,313	4,732,816
	Gains less losses arising from dealing in foreign currencies	-	-
	Income from Financial Institution's assets (Note- 23)	59,084	1,830,275
	Other operating income (Note-23)	42,137,564	41,241,728
	Profit less losses on interest rate changes	-	-
		539,632,248	**540,325,243**
	Expenses:		
	Administrative expenses		
	Salaries and Allowance (Note-24)	163,329,486	190,835,167
	Rent, Taxes, Insurance, Electricity etc. (Note-25)	27,632,659	27,298,473
	Legal expenses	1,604,080	1,158,196
	Postage, Stamp, Telecommunication etc. (Note-26)	2,701,447	2,151,739
	Stationery, Printing, Advertisement etc. (Note-27)	2,214,468	1,731,480
	Managing Director's Remuneration	6,906,429	-
	Directors' Fee (Note-28)	1,484,500	577,000
	Auditors' Fee	315,000	1,437,500
		206,188,069	**225,189,555**
	Non Administrative expenses		
	Interest, Fees and Commission (Note-20)	2,404,830,587	2,627,383,597
	Losses on Loans and Advances [Note-13(ii)]	1,277,750,663	5,708,986,401
	Depreciation and Impairment on Assets (Note-29)	37,792,893	37,459,577
	Other Operating Expenses (Note-30)	30,657,924	30,941,764
		3,751,032,067	**8,404,771,339**
	Excess of Income Over Expenditure	**(3,417,587,888)**	**(8,089,635,651)**
19	**INTEREST INCOME**		
	Income from lease finance	5,119,733	58,153,373
	Income from real estate finance	7,740,847	55,520,792
	Income from staff loan	2,979,281	4,696,124
	Income from term finance (19.a)	450,997,444	352,644,700
	Overdue Interest	29,407,501	21,025,043
	Total	**496,244,806**	**492,040,032**
19.a	**Income from term finance**		
	From short term finance	84,036,488	70,533,096
	From medium and long short term finance	366,960,956	267,265,493
	From capital market exposure finance	-	14,846,111
		450,997,444	**352,644,700**
20	**INTEREST EXPENSES ON DEPOSITS, BORROWINGS, etc.**		
	Interest on Bank Loan	645,346,255	659,403,900
	Interest on money at call and short notice	15,077,864	10,744,755
	Interest on Deposits	1,744,406,468	1,957,234,942
	Total	**2,404,830,587**	**2,627,383,597**

Mahamud Sabuj & Co. MSC Chartered Accountants

21	INCOME FROM INVESTMENT	2025	2024
	Capital Gain /(loss) on sale of Securities	865,313	4,732,816
	Dividend Income	325,481	480,392
	Total	**1,190,794**	**5,213,208**

22	COMMISSION, EXCHANGE AND BROKERAGE	-	-

23	OTHER OPERATING INCOME		
	Documentation Fee	25,468	39,000
	Gain on sale of Fixed Assets	59,084	1,830,275
	Interest on Bank Deposits	32,027,318	31,296,236
	Proceeds on Final Settlement	5,000	133,874
	Revenue from Phoenix Bhaban	10,007,589	9,462,643
	Salvage Value	48,125	289,550
	Service Charge	24,064	20,425
	Total	**42,196,648**	**43,072,003**

24	SALARIES AND ALLOWANCES	2025	2024
	Employees' Salaries	147,432,611	144,132,862
	Festival Bonus	12,226,322	17,360,672
	Gratuity Fund	3,500,000	22,733,600
	Leave Fare Assistance	170,553	6,608,033
	Total	**163,329,486**	**190,835,167**

25	RENT, TAXES, INSURANCE, ELECTRICITY etc.		
	Electricity Bill	5,086,303	5,153,512
	GAS and WASA Bill	843,690	807,683
	Holding and Vehicle Tax	624,813	588,708
	Insurance Premium	245,867	348,772
	Office Rent	20,831,986	20,399,798
	Total	**27,632,659**	**27,298,473**

26	POSTAGE, STAMP, TELECOMMUNICATION etc.		
	Internet Bill	1,500,114	1,087,810
	Mobile Bill	812,467	699,965
	Phone Bill	186,424	171,814
	Postage, Stamp and Courier	202,442	192,150
	Total	**2,701,447**	**2,151,739**

27	STATIONERY, PRINTING, ADVERTISEMENTS etc.	2025	2024
	Advertisement and Publicity	1,155,957	736,257
	Books and Periodicals	121,664	110,199
	Printing and Stationery	936,847	885,024
	Total	**2,214,468**	**1,731,480**

Mahamud Sabuj & Co. Chartered Accountants MSC

28 DIRECTORS' FEES

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

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

29 DEPRECIATION AND REPAIR AND MAINTENANCE OF ASSETS

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

30 OTHER EXPENSES

	2025	2024
AGM Expenses	2,284,580	1,599,945
Bank Charge and Excise Duty	1,809,404	1,455,630
Business Development Expense	245,706	14,080
CDBL and Stock Exchange Charge	134,900	957,925
Computer and Software Development Expenses	297,350	247,399
Credit Rating Fee	107,500	107,500
Bond Issue Expenses	-	500,000
Loss from Associates	5,002,243	7,194,002
Staff Training and Recruitment Fee	243,880	33,000
Motor Vehicle Expenses	2,541,465	1,784,137
Penalty Charge for Non-Compliance Issues	1,900,000	600,000
Office Expenses	3,934,207	3,835,140
Office Maintenance	1,950,522	1,769,728
RJSC Fees and Expenses	174,630	26,560
Service Charge (Office)	2,061,291	2,124,117
Subscription and Fees	1,264,400	1,355,805
Travelling and Conveyance	1,285,469	1,019,000
Wages	5,420,377	6,317,796
Total	**30,657,924**	**30,941,764**

31 NET ASSET VALUE (NAV) PER SHARE

Shareholders' Equity (A)	(16,995,582,595)	(13,603,025,604)
Total Number of Ordinary Share (B)	165,874,195	165,874,195
Net Asset Value (NAV) per share (A÷B)	**(102.46)**	**(82.01)**

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

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

Mahamud Sabuj & Co. Chartered Accountants MSC

32 EARNINGS PER SHARE

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

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

Reason for changes in Earnings Per Share (EPS):

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

33 NET OPERATING CASH FLOW PER SHARE (NOCFPS)

Net Cash Flow from Operating Activities (A)	202,466,792	45,982,235
Total Number of Ordinary Share(B)	165,874,195	165,874,195
Net Operating Cash Flow Per Share (NOCFPS) (A÷B)	**1.22**	**0.28**

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

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

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

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

Mahamud Sabuj & Co. ★ MSC ★ Chartered Accountants

35 INTEREST RECEIVED

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

36 INTEREST PAYMENT

Interest Expenses	(2,404,830,587)	(2,627,383,597)
Add: Opening Interest payable on Deposit and Borrowings	(2,555,310,842)	(1,819,354,413)
Less: Closing Interest payable on Deposit and Borrowings	3,424,511,673	2,555,310,842
Total	**(1,535,629,756)**	**(1,891,427,168)**

37 RECEIVED FROM OTHER OPERATING ACTIVITIES

Documentation Fee	25,468	39,000
Received from Phoenix Bhaban	7,500,000	10,000,000
Interest on Bank Deposits	32,027,318	31,296,236
Proceeds on Final Settlement	5,000	133,874
Salvage Value	48,125	289,550
Service Charge	24,064	20,425
Total	**39,629,975**	**41,779,085**

38 PAYMENTS FOR OTHER OPERATING ACTIVITIES

	2025	2024
AGM Expenses	(2,284,580)	(1,599,945)
Assets Maintenance	(414,142)	(605,579)
Audit Fee	(315,000)	(1,437,500)
Bank Charge and Excise Duty	(1,809,404)	(1,455,630)
Business Development Expense	(245,706)	(14,080)
CDBL and Stock Exchange Charge	(134,900)	(1,500)
Computer and Software Development Expenses	(297,350)	(247,399)
Credit Rating Fee	(107,500)	(107,500)
Directors' Fees	(1,484,500)	(577,000)
Legal expenses	(1,604,080)	(1,158,196)
Motor Vehicle Expenses	(2,541,465)	(1,784,137)
Office Expenses	(3,934,207)	(3,835,140)
Office Maintenance	(1,950,522)	(1,769,728)
Postage, Stamp, Telecommunication etc.	(2,701,447)	(2,151,739)
Rent, Taxes, Insurance, Electricity etc.	(27,632,659)	(27,298,473)
RJSC Fees and Expenses	(174,630)	(26,560)
Service Charge (Office)	(2,061,291)	(2,124,117)
Subscription and Fees	(1,264,400)	(1,355,805)
Travelling and Conveyance	(1,285,469)	(1,019,000)
Wages	(5,420,377)	(6,317,796)
Total	**(57,663,629)**	**(54,886,824)**

Mahamud Sabuj & Co. MSC Chartered Accountants

39 CAPITAL ADEQUACY BASED ON BASEL-II

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

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

40 RELATED PARTY TRANSACTIONS

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

Loans, Advances and Leases (Assets with related party)

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

Mahamud Sabuj MSC Chartered Accountants

Equity Investment (Associate Exposure)

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

Deposits (Liabilities with related party)

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

41 SUBSEQUENT EVENTS

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

42 BOARD MEETINGS AND NUMBER OF DIRECTORS

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

Mahamud Sabuj & Co. Chartered Accountants MSC

43 NUMBER OF EMPLOYEES

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

44 Disclosure of Key management Benefits:

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

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

45 AUDIT COMMITTEE

a) Members of Audit Committee

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

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

b) Meetings of Audit Committee

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

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

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

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

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

Mahamud Sabuj & Co. Chartered Accountants MSC

c) **Internal Control**

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

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

ii) Regular monitoring has been done for the effectiveness of the quality control policies and procedures with the effect to evaluate the application of Internal Control System and Internal Audit Policy, Policy for Financial Risk and existing rules and regulations;

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

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

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

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

vii) To guard against money laundering and terrorist financing.

Financial Highlights as Required by Bangladesh Bank

For the year ended 31 December 2025

Sl. No.		2025	2024
1	Paid up Capital	1,658,741,950	1,658,741,950
2	Total Capital (core+ supplementary)	(16,995,582,595)	(13,603,025,604)
3	Capital surplus/(deficit)	18,654,324,545	15,261,767,554
4	Total Assets	27,381,295,068	27,584,560,926
5	Total Term Deposit Receipts	17,271,136,509	17,188,933,254
6	Total Loans, Advances and Leases	25,674,844,101	25,930,649,129
7	Total Contingent Liabilities and Commitments	-	-
8	Credit Deposit Ratio (%)	148.66%	150.86%
9	Percentage of classified loans against total Loans, Advances and Leases	68.21%	88.66%
10	Profit after Tax and provision	(3,392,556,991)	(8,082,321,713)
11	Amount of classified loans	17,513,443,871	22,991,113,817
12	Provisions kept against classified loan	11,916,301,918	13,381,650,157
13	Provision surplus / (deficit)	-	(70,322,158)
14	Cost of Fund	11.57%	11.63%
15	Interest earning Assets	25,809,947,587	26,069,696,227
16	Non-interest earning Assets	1,571,347,481	1,514,864,699
17	Return on Investment (ROI)	19.96%	59.42%
18	Return on Assets (ROA)	-12.39%	-29.30%
19	Income from Investment	1,190,794	5,213,208
20	Earnings per Share	(20.45)	(48.73)
21	Net Asset Value (NAV) per share (Restated-2022)	(102.46)	(82.01)
22	Price Earnings Ratio (Times)	(0.12)	(0.07)

Mahamud Sabuj & Co. MSC Chartered Accountants

Phoenix Finance & Investments Limited

Fixed Assets Schedule

As on December 31, 2025

Annexure-A

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

Mahamud Sabuj & Co. ★ Chartered Accountants ★ MSC