



এম এম রহমান এড কোং
M M Rahman & Co.
Chartered Accountants



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*Independent Auditor's Report
and Financial Statements*

Of

National Finance Limited

For the year ended 31 December, 2024





**Independent Auditor's Report
To the Shareholders of National Finance Limited
Report on the Audit of the Financial Statements**

Opinion

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

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

Basis for Opinion

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

Other Matter

The Financial Statements of the Company of the year ended 31 December, 2023, were audited by Hoda Vasi Chowdhury & Co., Chartered Accountants auditor who expressed an unmodified opinion on those statements on 20 June, 2024.

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 search internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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

Auditor's Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our Opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatement can arise from fraud and error are considered material if individually or in the aggregate they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgement 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, 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 to the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether 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 material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or if such 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 date of our auditor's report. However, Future events or conditions may cause to continue as going concern.
- Evaluate the Overall presentation, Structure and content of the financial statements, including the disclosure, and whether the financial Statements represent the underlying transactions events in a manner that achieves fair presentation.

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

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



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

Report on other Legal and Regulatory Requirements

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

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof,
- ii. in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books:
- iii. the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- iv. the expenditures incurred were for the purpose of the Company's business for the year,
- v. the financial statements of the Company have been drawn up in conformity with The Finance Company Act, 2023 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- vi. adequate provisions have been made for loans, advances & lenses, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly,
- vii. the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- viii. the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- ix. statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention:
- x. taxes and other duties were collected to be and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking. Income Tax Provision has been made on the basis of actual results of the company.
- xi. nothing has come to our attention that the Company has adopted any unethical means i.e., 'Window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;



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

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

xiv. as disclosed in note 13.04 on the basis of risk weighted asset there is capital surplus that based on minimum capital requirement of Tk 100 core there exists as shortfall. Other than this the company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases have been found satisfactory.

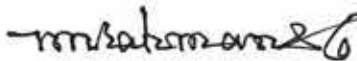
xv. we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 916 person hours for the audit of the books and accounts of the Company;

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

xvii. the company has complied with the 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 financial audit report.

Name of Firm: M M Rahman & Co.
Chartered Accountants

Signature of the Auditor 

Name of the Auditor Syed Mahmud Ahmad FCA
Senior Partner

DVC : 2505270586A5725293
Dhaka, Date : 27/05/2025

Enrolment No. 586

Firm's FRC Enlistment No: CAF-001-144



National Finance Limited
Balance Sheet
As at 31 December 2024

Particulars	Notes	Amount in Taka	
		31 December 2024	31 December 2023 (Restated)
Property and assets			
Cash	3.00	35,600,612	40,197,985
Cash in hand (including foreign currencies)	3.01	86,085	198,448
Balance with Bangladesh Bank and agent bank (including foreign currencies)	3.02	35,514,527	39,999,538
Balance with other banks and financial institutions	4.00	752,365,958	755,590,748
In Bangladesh	4.01	752,365,958	755,590,748
Outside Bangladesh	4.02	-	-
Money at call on short notice	5.00	-	-
Investments:	6.00	187,508,912	187,508,912
Government		-	-
Others	6.01	187,508,912	187,508,912
Loans, Cash Credits, Overdraft etc.	7.00	5,353,672,124	5,185,692,055
Loans, advances and leases		5,353,672,124	5,185,692,055
Bills purchased and discounted		-	-
Fixed assets including premises, furniture and fixtur	8.00	219,133,596	183,669,241
Other assets	9.00	196,971,499	173,436,265
Non-banking assets		-	-
Total assets		6,745,252,701	6,526,095,206
Liabilities and capital			
Liabilities			
Borrowings from other banks, financial institutions and agents	10.00	588,328,467	187,038,845
Deposits and other accounts	11.00	2,423,696,806	2,469,656,652
Current deposits		-	-
Bills payable		-	-
Savings bank deposits		-	-
Term deposits		2,423,696,806	2,469,656,652
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	12.00	3,317,152,488	3,020,412,052
Total liabilities		6,329,177,761	5,677,107,549
Capital/shareholders' equity			
Paid-up capital	13.00	1,472,036,210	1,472,036,210
Retained earnings/Accumulated losses	14.00	(1,232,224,887)	(799,312,171)
Statutory reserve	15.00	176,263,617	176,263,617
Other reserve		-	-
Total shareholders' equity		416,074,940	848,987,656
Total liabilities and shareholders' equity		6,745,252,701	6,526,095,206



Particulars	Notes	Amount in Taka	
		31 December 2024	31 December 2023
Off-balance sheet items			
Contingent liabilities			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Other commitments			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		-	-
Net Asset Value (NAV) per Share	32.00	2.83	5.81

The annexed notes from 1 to 46 form an integral part of these Financial Statements.

Fahima Mannan Chairman	Arifa Kabir Vice Chairman	Abu Shamsul Kabir Director	Irteza Ahmed Khan Managing Director	Md. Kamal Uddin Head of Finance (CC)

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

Name of Firm: M M Rahman & Co.
Chartered Accountants

Signature of the Auditor:

Name of the Auditor: Syed Mahmud Ahmad FCA
Senior Partner

Enrolment No. 586

Firm's FRC Enlistment No: CAF-001-144

DVC : 2505270586AS725293
Dhaka, Date : 27/05/2025



National Finance Limited
Profit and Loss Account
For the year ended 31 December 2024

Particulars	Notes	Amount in Taka	
		2024	2023
Interest income	16.00	319,398,389	370,962,247
Interest paid on deposits and borrowings etc.	17.00	(302,771,386)	(232,264,314)
Net interest income		16,627,003	138,697,933
Investment income	18.00	6,558,508	35,583,469
Commission, exchange and brokerage		-	-
Other operating income	19.00	24,948,647	23,284,687
Total operating income		48,134,158	197,566,088
Salaries and allowances	20.00	75,676,760	71,548,168
Rent, taxes, insurance, electricity, etc.	21.00	7,073,059	9,316,133
Legal & professional fees	22.00	1,053,566	624,975
Postage, stamp, telecommunication etc.	23.00	2,858,300	2,354,991
Stationery, printing, advertisement etc.	24.00	2,831,948	1,485,831
Managing director's salary and allowances	25.00	7,851,694	6,696,290
Directors' fees	26.00	1,378,000	920,000
Auditors' fees	27.00	345,000	287,500
Repairs, maintenance, depreciation and amortization	28.00	16,780,731	15,232,582
Other expenses	29.00	18,083,924	11,336,710
Total operating expenses		133,932,982	119,803,178
Profit before provision		(85,798,824)	77,762,910
Provision against loans, leases and investments	12.05	252,268,133	536,788,975
Provision for diminution in value of investments		34,500,000	7,900,000
Other provisions	12.07	55,942,322	-
Total provision		342,710,455	544,688,975
Total profit/ (loss) before taxes		(428,509,279)	(466,926,065)
Current tax	12.02.01	5,529,427	22,000,000
Deferred tax	12.02.02	(1,125,991)	1,500,000
Provision for taxation		4,403,436	23,500,000
Net profit after taxation		(432,912,715)	(490,426,065)
Appropriations			
Statutory reserve		-	-
General reserve		-	-
Dividends		-	-
Retained surplus / (deficit)		(432,912,715)	(490,426,065)
Earnings / (loss) per share (EPS)	31.00	(2.94)	(3.33)

The annexed notes from 1 to 46 form an integral part of these Financial Statements.

Fahima Mannan
Chairman
 Arifa Kabir
Vice Chairman
 Abu Shamsul Kabir
Director
 Irteza Ahmed Khan
Managing Director
 Md. Kamal Uddin
Head of Finance (CC)

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

Name of Firm: M M Rahman & Co.
Chartered Accountants

Signature of the Auditor:

Name of the Auditor: Syed Mahmud Ahmad FCA
Senior Partner

Enrolment No. 586

Firm's FRC Enlistment No: CAF-001-144

DVC : 2505270586AS725293
Dhaka, Date : 27/05/2025



National Finance Limited
Statement of Changes in Equity
For the year ended 31 December 2024

Particulars	Amount in Taka				
	Share Capital	Statutory Reserve	Other Reserve	Retained Earnings (Restated)	Total
Balance as at 01 January 2023	1,472,036,210	176,263,617	-	(302,006,236)	1,346,293,591
Net profit for the year 2023	-	-	-	(490,426,065)	(490,426,065)
Transfer to statutory reserve	-	-	-	-	-
Add: Prior year adjustment for tax gain/ (loss)	-	-	-	(6,879,871)	(6,879,871)
Balance as at 31 December 2023 (Restated)	1,472,036,210	176,263,617	-	(799,312,171)	848,987,656
Balance as at 01 January 2024	1,472,036,210	176,263,617	-	(799,312,171)	848,987,656
Net profit for the year 2024	-	-	-	(432,912,715)	(432,912,715)
Transfer to statutory reserve	-	-	-	-	-
Balance as at 31 December 2024	1,472,036,210	176,263,617	-	(1,232,224,887)	416,074,940

Fahima Mannan
Chairman

Arifa Kabir
Vice Chairman

Abu Shamsul Kabir
Director

Irteza Ahmed Khan
Managing Director

Md. Kamal Uddin
Head of Finance (CC)

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Senior Partner

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Dhaka, Date : 27/05/2025



National Finance Limited
Cash Flow Statement
For the year ended 31 December 2024

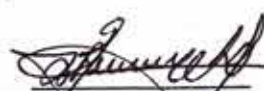
Particulars	Notes	Amount in Taka	
		2024	2023
Cash flows from operating activities:			
Interest received		345,302,177	136,158,281
Interest paid		(294,758,171)	(262,238,050)
Fees, commission and other income received		26,242,884	77,495,979
Investment income		6,974,666	35,420,369
Cash paid as Salary, allowance and remuneration		(82,495,654)	(83,528,198)
Cash paid to suppliers		(43,732,611)	(36,233,500)
Income taxes paid		(34,423,669)	(72,670,870)
Cash generated from operating activities before changes in operating assets and liabilities:		<u>(76,890,378)</u>	<u>(205,595,990)</u>
(Increase)/decrease in changes in operating assets and liabilities:			
Loans and advances to customers		(267,881,810)	1,028,265,393
Other assets		(1,856,146)	909,906
Deposits from customers		(45,959,846)	(177,401,736)
Other liabilities		(15,062,475)	(9,043,526)
Net cash flows from operating activities (A):		<u>(407,650,655)</u>	<u>637,134,048</u>
Cash flows from investing activities:			
Payment for acquisition of property, plant and equipment		(1,461,130)	(8,285,559)
Investment in shares		-	11,009,679
Net cash used in investing activities (B):		<u>(1,461,130)</u>	<u>2,724,120</u>
Cash flows from financing activities			
Drawdown/(repayment) of long term loan		(875,000)	(5,518,750)
Drawdown/(repayment) of bank overdraft		402,164,622	(483,641,473)
Dividend paid		-	-
Net cash flow from financing activities (C):		<u>401,289,622</u>	<u>(489,160,223)</u>
Net inflow/outflow for the year (A+B+C):		<u>(7,822,163)</u>	<u>150,697,945</u>
Opening cash and cash-equivalents		795,788,733	645,090,789
Closing cash and cash equivalents	30.00	<u>787,966,570</u>	<u>795,788,733</u>
Cash in hand (including foreign currencies)		86,085	198,448
Balance with Bangladesh Bank & Agent Bank		35,514,527	39,999,538
Balance with other Banks and Financial Institutions		752,365,958	755,590,748
		<u>787,966,570</u>	<u>795,788,733</u>
Net operating cash flows per share	33.00	<u>(2.77)</u>	<u>4.33</u>

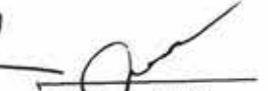
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Fahima Mannan
Chairman

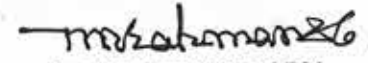

Arifa Kabir
Vice Chairman


Abu Shamsul Kabir
Director


Irteza Ahmed Khan
Managing Director


Md. Kamal Uddin
Head of Finance (CC)

Name of Firm: M M Rahman & Co.
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Signature of the Auditor: 
Name of the Auditor: Syed Mahmud Ahmad FCA
Senior Partner

Enrolment No. 586
Firm's FRC Enlistment No: CAF-001-144

DVC : 2505270586AS725293
Dhaka, Date : 27/05/2025



National Finance Limited
Liquidity Statement (Asset and Liability Maturity Analysis)
As at 31 December 2024

Amount in Taka

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	above 5 years	Total
Assets						
Cash in hand (including balance with Bangladesh Bank)	35,600,612	-	-	-	-	35,600,612
Balance with banks and financial institutions	65,207,875	687,158,083	-	-	-	752,365,958
Money at call and short notice	-	-	-	-	-	-
Investments	-	-	-	187,508,912	-	187,508,912
Loans and advances	235,485,620	438,557,064	2,108,562,500	1,756,545,620	814,521,320	5,353,672,124
Fixed assets including land, building, furniture and fixtures	-	-	-	219,133,596	-	219,133,596
Other assets	1,602,501	12,767,373	17,279,333	165,322,291	-	196,971,499
Total assets:	337,896,608	1,138,482,520	2,125,841,833	2,328,510,419	814,521,320	6,745,252,701
Liabilities						
Borrowing from other banks, financial institutions and agents	96,585,620	127,585,500	222,585,968	141,571,379	-	588,328,467
Deposits and other accounts	86,585,950	730,379,636	856,245,600	745,685,620	4,800,000	2,423,696,806
Provision and other liabilities	51,550,187	193,647,836	965,708,558	1,365,239,905	741,006,002	3,317,152,488
Total liabilities:	234,721,757	1,051,612,972	2,044,540,126	2,252,496,904	745,806,002	6,329,177,761
Net Liquidity Gap	103,174,851	86,869,548	81,301,707	76,013,515	68,715,318	416,074,940

Fahima Mannan
Chairman

Arifa Kabir
Vice Chairman

Abu Shamsul Kabir
Director

Irteza Ahmed Khan
Managing Director

Md. Kamal Uddin
Head of Finance (CC)

Name of Firm:

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor

Name of the Auditor

Syed Mahmud Ahmad FCA
Senior Partner

DVC : 2505270586AS725293

Dhaka, Date : 27/05/2025

Enrolment No.

586

Firm's FRC Enlistment No:

CAF-001-144



National Finance Limited

**Notes to the financial statements
For the year ended 31 December 2024**

1.0 General Information

1.01 Domicile and legal form

National Finance Limited (the "Company"), previously known as Self Employment Finance Limited is a Non Banking Financial Institution (NBFI) incorporated on 30 July 2001 as a Public Limited Company in Bangladesh vide registration no. C-43690 (230)/2001. Pursuant to the certificate for commencement of business dated 30 July 2001 issued by the Registrar of Joint Stock Companies & Firms (RJSC) and license obtained from Bangladesh Bank dated 17 June, 2002 the Company started its business. The Company has obtained permission from Bangladesh Bank on 09 December 2002 for opening its Principal Branch. The Company changed its name from Self Employment Finance Limited to National Finance Limited on 28th January, 2009. The registered office of the Company is situated at Level 8, Confidence Centre, Kha-9 Pragati Sarani, Gulshan, Dhaka-1212.

1.02 Nature of operations and principal activities

The Company has been incorporated for carrying out, inter alia, the business of:

- a) Leasing and hire purchase of movable and immovable property, plants, machinery, equipment, to apparatus, instrument, air-condition, computer materials, vehicles, vessels, ships, aircraft etc.
- b) Granting loans and advances for industry, commerce, agriculture, housing or transportation;
- c) Underwriting or acquisition of, or the investment or re-investment in shares, stock, bonds, debentures, debenture-stock or securities issued by the government or any local authority;
- d) All kinds of financial investment including Islamic Financing and Schemes, bridge financing, long-term loan, working capital financing, discounting of bill of exchange locally in local currency, credit cards etc.
- e) Credit programs at grassroots, village, union, thana, local and national level towards landless, marginal farmers, fisherman, blacksmiths, carpenters, potters, workshops, handicrafts, small traders and projects.
- f) Offer various deposit investment opportunities of predefined tenure ranging from three months to nine years.

2.00 Summary of significant Accounting Policies and basis of preparation of the financial statements:

2.01 Statement of compliance

The financial statements of the Financial Institution are prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Finance Company Act 2023, the Rules and Regulations issued by Bangladesh Bank, the Companies Act 1994. In case any requirement of the Finance Company Act 2023, and provisions and circulars issued by Bangladesh Bank differ with those of IFRS's, the requirements of the Finance Company Act 2023, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRSs are as follows:

i) Investment in shares and securities

IFRS: As per requirements of IFRS 9 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "Fair value through OCI" where any change in the fair value at the year-end is taken to profit and loss account or OCI respectively.

Bangladesh Bank: Investment in marketable ordinary shares has been shown at cost or market price, whichever is lower, on an aggregate portfolio basis. Investment in non-marketable shares has been valued at cost or intrinsic value whichever is lower. Full provision for diminution in value of shares as on closing of the year on an aggregate portfolio basis is made in the financial statements as required by Bangladesh Bank DFIM circular No. 02 dated 31 January, 2012.

ii) Provision on loans and advances/ investments

IFRS: As per IFRS 9 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per FID circular No. 8 dated 3 August 2002 and FID circular No. 3 dated 3 May 2006, a general provision at 1% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue.

iii) Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per IFRS 9 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognized in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per FID circular No. 8 dated 3 August 2002, once a loan is classified, interest on such loans are not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest suspense account, which is presented as liability in the balance sheet.

iv) Other comprehensive income

IFRS: As per IAS 1, Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all Financial Institutions. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Financial Institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

v) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in IFRS 9. Consequently all the required disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

vi) Cash flow statement

IFRS: The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per DFIM Circular 11 dated 23 December 2009, cash flow statement is the mixture of direct and indirect methods.

vii) Balance with Bangladesh Bank: (Cash Reserve Requirement)

IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

2.02 Basis of preparation of the financial statements

The financial statements have been prepared and presented under the historical cost convention, in accordance with the International Financial Reporting Standards (IFRS) and requirements of the Finance Company Act 2023 followed by the Financial Institution Regulations 1994, the Bangladesh Securities & Exchange Rules 1987, Guidelines issued from Bangladesh Bank and other applicable laws and regulations.

2.03 Use of estimates and judgment

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the periods in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are stated in the following notes

Key estimates include the following:

- * Note 8: Depreciation of Property, Plant and Equipment
- * Note 8: ROU assets and lease liabilities
- * Note 16: Interest Income
- * Note 12: Current tax Expenses

2.04 Reporting currency and level of exactitude

The figures in the financial statements have been stated in Bangladesh Taka which is the Company's functional currency and have been rounded off to the nearest integer.

2.05 Comparative information

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

2.06 Authorization for issue of the financial statements

The Board of Directors of the Company has authorized these financial statements for issue May 25, 2025.

2.07 Materiality of financial statements

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

2.08 Statement of changes in equity

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

2.09 Liquidity statement (asset and liability maturity analysis)

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

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

2.10 Assets and basis of their valuation

2.10.1 Cash and cash equivalents

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

2.10.2 Accounting for leases

Following International Financial Reporting Standards IFRS 16 "Leases", accounting for lease transactions have been recorded under finance lease method. Accordingly the aggregate lease receivables excluding un-guaranteed residual value throughout the primary lease term are recorded as gross lease receivables while the excess of net lease receivables over the total acquisition cost constitutes the unearned lease income.

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

2.10.3 Accounting for term finance

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

2.10.4 Fixed assets and depreciation

Recognition

All property, plant and equipment are initially stated at cost and depreciated over their expected useful lives. The cost of acquisition of an asset is comprised of its purchase price and any directly attributable cost of bringing the asset to the location and condition for its intended use inclusive of duties and non-refundable taxes.

Fixed assets acquired under finance lease is accounted for at the lower of present value of minimum lease payments under the lease agreements and the fair value of the asset. The related obligation under the lease is accounted for as liability. Finance charges are allocated to accounting period in a manner so as to provide a constant rate of charge on the outstanding liability.

Subsequent cost related to property, plant and equipment is capitalized only when it increases the future economic benefit from the asset. All other expenditures are recognized as expenses as and when they are incurred.

Depreciation

Items of property, plant and equipment except office premises/building are depreciated based on reducing balance method throughout the estimated span of useful life ranging from four to ten years. Depreciation on office premises/building charged based on straight line method throughout the estimated span of useful life for fifty years. For addition to property, Plant and equipment, depreciation is charged from the month of capitalization irrespective of date and depreciation is not charged from the month of disposal. Depreciation is calculated on the cost of fixed asset in order to write off such amount over the estimated useful lives of such assets. The rates of depreciation used are as follows:

<u>Particulars of property, plant & equipment</u>	<u>Rates</u>
Furniture and fixture	10%
Office equipment	20%
Vehicle	20%
Telephone and Fax	10%
Office decoration	10%
Computer	25%
Office premises	02%
Right of use of assets	Lease term

Derecognition

An item of property, plant and equipment is de-recognized on its disposal. The gain or loss arising from de-recognition of an asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

2.10.5 Account receivable

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

2.11 Liabilities and basis of their valuation

2.11.1 Income taxes

Current tax

Current tax expense is provided on estimated taxable profit for the year at the tax rate applicable for the year. Provision has been made in accounts for the current year's income tax.

Deferred tax

Deferred taxation is provided in full for all temporary differences arising between tax bases of assets and carrying amount of assets in the financial statements. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Tax rate prevailing at the Balance Sheet date is used to determine deferred tax.

2.11.2 Provision for accrued expenses

Provisions have been recognized in the balance sheet as follows:

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

2.11.3 Employee benefits

Short term employee benefits

Salaries, bonuses and allowances are accrued in the financial year in which the associated services are rendered by the employees of the Company.

Post-employment benefits

Provident fund

A contributory Provident Fund is operated by the Company on equal participation from both parties, the Company and the employee. The Fund is recognized by the National Board of Revenue and is administered by a Board of Trustees. Employees' provident fund shall mature 100% of both employee and employer contribution after 3 (three) years continuous service from the date of enrolment.

Gratuity fund

A gratuity scheme is maintained by the Company to motivate its employees for long term retention. The Fund is recognized by the National Board of Revenue and is administered by a Board of Trustees. Gratuity scheme is applicable for all its permanent employees who have completed their length of service at least for five years without any break. Provision for gratuity is made annually considering all its eligible employees available at the end of the year.

Other long term benefits

The Company operates a group life insurance scheme for all of its permanent employees. It maintains a health insurance scheme for all of its permanent employees, their spouse and children.

2.11.4 Contingent liabilities and contingent assets

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

2.12 Revenue recognition

2.12.1 Interest income

Interest income comprises of interest income from lease, loans and advances and interest on placement of fund with banks and other financial institutions. Interest due is recognized on accrual basis using the effective interest method. Interest due over ninety days is not recognized as revenue rather it is recognized as interest suspense. Suspended interest is recognized as income on cash basis when it is received.

2.12.2 Lease income

The excess of gross lease rentals receivable over the cost of the leased asset represents the total unearned income at the time of execution of lease. The unearned income is allocated over the period of lease in a pattern reflecting a constant return on the net investment.

2.12.3 Income from long term and short term finance

Income from long and short term finance is recognized as revenue when the interest is due. Interest due over ninety days is not recognized as revenue rather it is recognized as interest suspense. Suspended interest is recognized as income on cash basis when it is received.

2.12.4 Income from dividend

Dividend income from investment in equity shares is recognized when the right to receive the payment is established.

2.12.5 Other operating income

Other operating income is recognized as an when settled the respective lease loan accounts. Such income comprises of, service charge, transfer fee, delinquent charge and miscellaneous receipts.

2.12.6 Income from bank deposits

Interests from short term deposits and fixed deposits are recognized on accrual basis taking into account the principal outstanding and the effective interest rate.

2.12.7 Interest paid on deposits, borrowing, etc.

Interest paid comprises of the interest payable on external borrowing, individual and institutional deposits and direct deposit expenses and are recognized as they accrue.

2.12.8 Impairment of assets

The carrying amounts of the property, plant and equipment and intangible assets are reviewed at each balance sheet date or whenever there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset exceeds its recoverable amount. Impairment losses, if any, are recognized in the profit and loss account.

2.13 Related party disclosure

The Company carried out transaction in the ordinary course of business on an arm length basis at commercial rate with its related parties. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions have been disclosed in note 42.

2.14 Earning per share

Earning per share has been calculated in accordance with IAS-33 "Earning Per Share" and shown on the face of Profit and Loss Account. Basic earning per share is calculated by dividing the net profit attributable to shareholders by the average number of ordinary shares during the financial year.

2.15 Events after the balance sheet date

Events after the balance sheet date are those events that occur between the balance sheet and the date when the financial statements are authorized for issue. All material events occurring after the balance sheet date have been considered in these financial statements.

2.16 Borrowing costs

Borrowing Costs are accounted for as per IAS- 23 "Borrowing Cost" and recognized as expenses in the period in which they incur.

2.17 Foreign currency transaction

In accordance with IAS- 21 " The Effects of Changes in Foreign Exchange Rate" , foreign currency transactions are converted into Bangladesh Taka at exchange rates ruling on the date of transactions while monetary items representing assets and liabilities are translated at exchange rates at that date of Balance Sheet. All resulting exchange differences shall be recognized as a separate component of equity.

2.18 Renewal of FDR and interest thereon

FDR, if not encased on due date, is considered automatically renewed with interest accrued and due at the equivalent current rate of interest.

2.19 Provision and accruals

Provisions have been recognized in the balance sheet when the Company has a present obligation, legal or constructive as a result of a past event and/or when it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation and when a reliable estimate can be made of the amount of the obligation.



2.20 Accounting policy for IFRS 16: leases

At inception of a contract, National Finance Ltd. assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, National Finance Ltd. assesses whether:

a) the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.

b) National Finance Ltd. has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and

c) National Finance Ltd. has the right to direct the use of the asset. National Finance Ltd. has the right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, National Finance Ltd. has the right to direct the use of the asset if either:

(i) National Finance Ltd. has the right to operate the asset; or

(ii) National Finance Ltd. designed the asset in a way that predetermines how and for what purpose it will be used.

National Finance Ltd. presents right of use assets in Annexure A and lease liabilities in note-12 separately.

2.21 Financial risk management policies and objectives

The Board of Directors of the Company sets the overall risk appetite and philosophy; the risk and capital framework underpins delivery of the Board's strategy.

It is the Company's policy to optimize return to shareholders while maintaining a strong capital base and credit rating to support business growth and meet regulatory capital requirements at all times.

The main financial risks facing the Company and its management are as follows:

2.21.1 Credit risk

Credit risk is the risk arising from the possibility that the Company will incur losses from the failure of customers to meet their obligations.

The Company has segregated duties for the officers involved in credit related activities. Credit evaluation, credit administration and credit monitoring and recovery functions are segregated and delegated to credit evaluation department, operations department, collection and special assets management department respectively.

Risk Review department is entrusted with the task of managing the internal risk rating model. This Internal Rating Based (IRB) approach, recommended by the Basel-II committee and also by the Bangladesh Bank in its Supervisory Review Process, coupled with the data integrity management process of monthly credit audit, helps manage asset quality and establishing a prudent credit culture within the Company that is efficient and transparent.

2.21.2 Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due.

The Company's liquidity policy is designed to ensure that it can at all times meet its obligations as they fall due. Liquidity management focuses on overall balance sheet structure and the control, within prudent limits, of risk arising from exposure to the mismatch of maturities across the balance sheet and from undrawn commitments and other contingent obligations. The management of liquidity risk is carried out by Treasury department under approved policy guidelines. Compliance is monitored and coordinated by Treasury both in respect of internal policy and the regulatory requirements. The liquidity management is monitored by Asset Liability Committee (ALCO) on a regular basis. A contingency plan is in place for managing extreme situation. The risk of short term mismatch can be met by the undrawn commitment and expected renewal of deposits.

2.21.3 Market risk

Market risk is defined as the risk of loss resulting from adverse changes in risk factors such as interest rates, and equity prices together with related factors such as market volatilities. The Company is exposed to market risk because of positions held in its trading portfolios and its non-trading businesses.

Interest rate risk arises from the Company's treasury activities and lending businesses due to mismatches between the future yield and funding cost is managed daily by the Treasury department and monthly reviewed by Asset Liability Committee (ALCO) to monitor the interest rate movement and devise a number of alternative options to mitigate possible interest rate risks.

Equity positions can result in changes in the Company's non-trading income and reserves arising from changes in equity prices/income. Such exposure may take the form of listed and unlisted equity. The type, nature and amount of equity exposure held by the Company is not significant. The market value of the equity assets held by the Company at the balance sheet date is much higher than cost price.

2.21.4 Operational risk

Operational risk arises from inadequate process, misuse of process, from human or system error or from external factors.

The Operation Risk Management Committee is responsible for identifying operational risks and take steps to mitigate such risks. The Committee Comprises of the Head of Department, Head of Human Resources and the Head of Information, Communication and Services. The Committee reviews operational processes and evaluates the process in terms of efficiency and adequacy of the process to ensure adequate control. Processes are re-engineered to improve efficiency without diluting the control/risk. The re-engineered process is documented and imparted among the stakeholders of the process to ensure the process delivers as expected. To prevent misuse, 'maker and checker' concept is implemented in every step of operational processes. Also appropriate trainings are arranged regularly to reduce human errors. New products are also designed with internal risk mitigating features.

2.21.5 Prevention of money laundering

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. In order to manage the risk of money laundering, the Company has set up an effective Anti-Money Laundering Program in line with Anti-Money Laundering Act and Bangladesh Bank guidelines. The Company employed a Chief Compliance Officer at Head Office and Compliance Officers at branches who independently review the transactions of the accounts to verify suspicious transactions. The Company developed manuals for prevention of money laundering and introduced Know Your Customer (KYC) Form and Transaction Profile (TP) of customers at branch level and all other regulations are being complied meticulously. Continuous training is being imparted to all categories of Officers and Executives to enhance expertise for identifying suspicious activities and transactions.

2.22 Compliance report on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRS)

The institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Financial Reporting Standards (IFRS) and International Accounting Standards (IASs). National Finance Limited has applied all the applicable of IAS and IFRS as adopted by ICAB while preparing the financial statements. Details are given below:

Name of the International Financial Reporting Standards (IFRSs)	IFRS No.	Status
First-time Adoption of Bangladesh Financial Reporting Standard	1	Not applicable
Shares Based Payment	2	Not applicable
Business Combination	3	Not applicable
Insurance Contracts	4	Not applicable
Non current Assets Held for Sale and Discontinued Operation	5	Not applicable
Exploration for and Evaluation of Mineral Resources	6	Not applicable
Financial Instruments: Disclosures	7	Applied*
Operating Segments	8	Not applicable
Financial Instruments	9	Applied
Consolidated Financial Statements	10	Not applicable
Joint Arrangements	11	Not applicable
Disclosure of Interest in other Entities	12	Not applicable
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	Not applicable
Revenue from Contract with Customers	15	Applied
Leases	16	Applied

Name of the International Accounting Standards (IASs)	IAS No.	Status
Presentation of Financial Statements	1	Applied*
Inventories	2	Not applicable
Statement of Cash Flows	7	Applied
Accounting policies, Changes in accounting Estimates & Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employees Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government	20	Not applicable
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Separate Financial Statements	27	Applied
Investments in Associates and Joint Ventures	28	Not applicable
Financial Instruments: Presentation	32	Applied*
Earning per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provision, Contingent Liabilities and Contingent Assets	37	Applied*
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied
Investment Property	40	Not applicable
Agriculture	41	Not applicable

- * Bangladesh Bank is the prime regulatory body for Financial Institutions in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with the provision of IAS/ IFRS as marked above. As such the Organization has departed from those contradictory requirements of IAS/IFRS in order to comply with the rules and regulations of Bangladesh Bank.

2.23 Regulatory & legal compliance

The bank has complied with the requirements of following regulatory & legal authority:

- The Companies Act, 1994
- Finance Company Act, 2023
- Rules & regulations issued by Bangladesh Bank
- Income Tax Act 2023
- Value Added Tax and Supplementary Duty Act, 2012



		Amount in Taka	
		2024	2023
3.00	Cash		
3.01	Cash in hand		
	In local currency	86,085	198,448
	In foreign currency	-	-
		86,085	198,448
3.02	Balance with Bangladesh Bank and agent Bank (Including foreign currencies)		
	Bangladesh Bank		
	In local currency	35,514,527	39,999,538
	In foreign currencies	-	-
		35,514,527	39,999,538
	Sonali Bank Ltd.	-	-
	Sonali Bank Ltd., (as an agent of Bangladesh Bank) - local currency	-	-
		35,514,527	39,999,538
		35,600,612	40,197,985
3.02.01	Cash reserve requirement (CRR) and Statutory liquidity requirement (SLR)		
	Balance with Bangladesh Bank		
	Deposits with Bangladesh Bank is non-profit bearing and maintained to meet the cash reserve requirement (CRR). As required by Bangladesh Bank, CRR @ 2.5% is required to maintain with Bangladesh Bank in current account on all deposits taken from depositors other than Banks and financial institutions.		
	Balance with other commercial banks and FI's:		
	The cash reserve requirement on the company's term deposits received from public at the rate of 2.5% has been calculated and maintained with Bangladesh Bank in current account and 5% statutory liquidity reserve, including CRR, on the demand liabilities has been maintained current account balance with Bangladesh Bank and balance with other banks and financial institutions. Both the reserves maintained by the company are in excess of the statutory requirements, as shown below:		
3.02.02	Cash reserve requirement (CRR): 1.5% of average demand and time liabilities		
	Required reserve	27,389,839	28,756,679
	Actual reserve held with Bangladesh Bank	35,672,534	39,884,282
	Surplus	8,282,695	11,127,603
	In reference of DFIM circular no. 03, dated: 21 June 2020 the cash reserve requirement (CRR) rate 1.5% instead of 2.5% in the period of COVID-19.		
3.02.03	Statutory liquidity requirement (SLR): 5% of Average demand and time liabilities		
	Required reserve	114,207,351	119,638,902
	Actual reserve held	280,732,411	291,622,239
	Surplus	166,525,060	171,983,337
4.00	Balance with other banks and financial institutions		
	Inside Bangladesh (Note - 4.01)	752,365,958	755,590,748
	Outside Bangladesh (Note- 4.02)	-	-
		752,365,958	755,590,748



		Amount in Taka	
		2024	2023
4.01	Inside Bangladesh		
	Fixed deposit account		
	Mutual Trust Bank PLC	334,658,384	311,986,046
	Southeast Bank PLC	180,171,529	164,549,598
	Uttara Bank PLC	118,966,633	112,857,066
	Bengal Commercial Bank PLC	-	34,221,217
	Modhumoti Bank PLC	53,361,537	51,531,219
		687,158,083	675,145,146
	Short term deposits/STD		
	Premier Bank PLC	154,460	2,546
	Mutual Trust Bank PLC	957,270	15,818,307
	Mercantile Bank PLC	51,690	2,371,265
	The City Bank PLC	2,047,635	2,011,965
	BRAC Bank PLC	1,347,951	2,541,815
	Commercial Bank of Ceylon PLC	-	-
	Midland Bank PLC	29,150	30,645
	United Commercial Bank PLC	209,963	44,636
	Prime Bank PLC	86,654	1,579
	Modhumoti Bank PLC	-	1,341
	NCC Bank PLC	37,308	36,682
	Shahjalal Islami PLC	2,443,375	1,246,108
	Southeast Bank PLC R.K. Mission Road Branch	853,407	1,010,633
	Pubali Bank PLC	436,966	63,828
	First Security Islami Bank PLC	-	-
	Dhaka Bank PLC	49,989	4,046
	Bengal Commercial Bank PLC	41,968	242,325
	Standard Chartered Bank PLC	2,282,070	838,783
	Southeast Bank PLC, Aganagar Branch	5,694	6,775
	Premier Leasing & Finance Limited	54,172,322	54,172,322
		65,207,875	80,445,603
		752,365,958	755,590,748
4.02	Outside Bangladesh (nostro accounts)	-	-
4.03	Maturity-wise groupings (inside and outside Bangladesh)		
	Payable on demand	-	-
	Up to 1(one) month	65,207,875	80,445,603
	Over 1(one) month but not more than 3 (three) months	687,158,083	675,145,146
	Over 3 (three) months but not more than 1 (one) year	-	-
	Over 1 (one) year but not more than 5 (five) years	-	-
	Over 5 (five) years	-	-
		752,365,958	755,590,748
5.00	Money at call and on short notice		
	Financial institutions	-	-
	Banks	-	-
6.00	Investments in shares and government securities		
	Government security	-	-
	Other investments (Note- 6.01)	187,508,912	187,508,912
		187,508,912	187,508,912



		Amount in Taka	
		2024	2023
6.01	Other investments		
	Unquoted shares	-	-
	Quoted shares	187,508,912	187,508,912
	Mutual funds	-	-
		<u>187,508,912</u>	<u>187,508,912</u>
	Details are shown in Annexure-B		
6.02	Maturity grouping of investments		
	Payable on demand	-	-
	Up to 1(one) month	-	-
	Over 1(one) month but not more than 3 (three) months	-	-
	Over 3 (three) months but not more than 1 (one) year	-	-
	Over 1 (one) year but not more than 5 (five) years	187,508,912	187,508,912
	Over 5 (five) years	-	-
		<u>187,508,912</u>	<u>187,508,912</u>
7.00	Loans, advances and leases		
	Leases finance (Note: 7.01.01)	1,312,832,744	1,186,074,635
	Term finance (Note: 7.01.02)	4,040,839,381	3,999,617,420
		<u>5,353,672,124</u>	<u>5,185,692,055</u>
7.01.01	Lease finance		
	Lease finance	1,625,132,166	1,497,196,256
	Add: receivable lease rental	275,819,881	264,764,580
		<u>1,900,952,047</u>	<u>1,761,960,836</u>
	Less: accumulated depreciation	588,119,304	575,886,202
	Net investment in leases	<u>1,312,832,744</u>	<u>1,186,074,635</u>
7.01.02	Term finance- net of current maturity		
	Term loan	3,244,690,174	3,166,509,124
	Receivables	796,149,207	833,108,296
		<u>4,040,839,381</u>	<u>3,999,617,420</u>
7.02	Bills purchased and discounted		
	Payable in Bangladesh	-	-
	Payable outside Bangladesh	-	-
		<u>-</u>	<u>-</u>
7.03	Maturity grouping of loans, advances and leases		
	Repayable on demand	-	-
	Up to 1(one) month	235,485,620	251,117,993
	Over 1(one) month but not more than 3 (three) months	438,557,064	419,357,616
	Over 3 (three) months but not more than 1 (one) year	2,108,562,500	2,083,042,709
	Over 1 (onc) year but not more than 5 (five) years	1,756,545,620	1,797,923,231
	Over 5 (five) years	814,521,320	634,250,505
		<u>5,353,672,124</u>	<u>5,185,692,055</u>



		Amount in Taka	
		2024	2023
7.04	Investments (broad categories)		
	In Bangladesh		
	General investments	5,353,672,124	5,185,692,055
	Outside Bangladesh	-	-
		5,353,672,124	5,185,692,055
7.05	Significant concentration		
	Investments to allied concern of directors	116,538,861	163,281,410
	Investments to executives/officers	9,462,485	19,325,946
	Investments to customer groups	5,227,670,778	5,003,084,699
	Industrial investment	-	-
	Others	-	-
		5,353,672,124	5,185,692,055
7.06	Geographical location-wise break-up		
	Urban		
	Dhaka Division	4,460,938,801	4,283,471,513
	Chattogram Division	890,408,102	882,831,790
	Sylhet Division	2,325,221	19,388,752
		5,353,672,124	5,185,692,055
7.07	Sector wise break-up of general investments		
	Trade and commerce industry	3,256,158,336	3,294,488,402
	Garments and knitwear	50,801,906	71,114,473
	Textile	916,877,245	885,185,443
	Agriculture	904,029,217	451,843,357
	Housing	158,374,485	166,820,349
	Food production and processing industry	67,430,936	316,240,031
		5,353,672,124	5,185,692,055
7.08	Investments allowed to each customer exceeding 15% of FI's total capital		
	Total loans, advances and leases	3,992,506,098	3,380,195,139
	No. of customers	19	14
	Classified amount thereon	3,322,601,430	3,029,817,350
7.09	General Investments Classified as per Bangladesh Bank Circular		
	Standard (CMSME)		
	Standard	1,037,585,234	547,763,845
	Special Mentioned Account (SMA)	660,951,797	1,148,367,002
	Sub-standard	242,003,191	124,445,814
	Doubtful	675,400	277,467,550
	Bad & Loss	6,345,273	14,625,152
		3,406,111,229	3,073,022,691
		5,353,672,124	5,185,692,055

Amount in Taka	
2024	2023

7.09.1 Particulars of required provision for loan and advances

Status	Base for provision	Rate	2024	2023
General provision				
Standard (CMSME)	1,037,585,234	0.25%	2,593,963	1,369,410
Standard	660,951,798	1.00%	6,609,518	11,483,670
Special Mentioned Account (SMA)	220,924,594	5.00%	11,046,230	5,603,707
Special provision DFIM Circular-33 Date:19/12/2021 Against reschedule loan			15,903,307	17,100,000
			22,613,236	46,634,456
Specific Provision				
Sub-standard	299,089	20.00%	59,818	41,566,762
Doubtful	1,210,460	50.00%	605,230	2,258,147
Bad & Loss	1,616,161,485	100.00%	1,616,161,485	1,326,117,675
	3,537,132,660			
Total provision required at 31 december	3,537,132,660		1,675,592,787	1,452,133,826

7.10 Particulars of lease, loans and advances

i)	Leases and loans considered good in respect of which the company is fully secured.	908,362,242	1,902,380,681
ii)	Leases and loans considered good in respect of which the company is partially secured.	2,747,832,421	1,001,679,207
iii)	Loans considered good against which the company holds no security other than the debtors' personal guarantee.	-	-
iv)	Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors.	1,697,477,462	2,281,632,166
v)	Classified loans against which no provision has been made	-	-
		<u>5,353,672,124</u>	<u>5,185,692,055</u>
vi)	Loans due from directors either separately or jointly with any other persons.	-	-
vii)	Loans due from officers either separately or jointly with any other persons.	9,462,485	19,325,946
viii)	Loans due from companies or firms in which the directors have interest as directors, partners or managing agents companies, as members.	116,538,861	163,281,410
ix)	Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers either separately or jointly with any other person.	-	-
x)	Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors have interest as directors, Partners or managing agents or in the case of private companies, as members.	-	-
xi)	Due from banking companies and other financial institutions.	-	-

		Amount in Taka	
		2024	2023
xii)	Classified lease, loans and advances		
a)	Classified lease, loans and advances on which interest has not been charged.	3,406,111,229	3,070,165,649
b)	Increase/(decrease) of specific provision.	-	-
c)	Amount of loan written off .	170,503,594	120,910,933
d)	Amount realized against loan previously written off.	5,700,000	57,000,000
e)	Provision kept against loans on the date of preparing the balance sheet.	1,661,023,375	1,423,061,002
f)	Interest credited to Interest suspense account.	1,078,399,576	1,091,443,311
8.00	Fixed assets including premises, furniture and fixtures At cost less accumulated depreciation (Annexure-A)		
	Cost		
	Opening balance	264,824,184	196,254,162
	Addition during the year	52,245,086	71,232,610
	Disposal during the year	-	(2,662,589)
	Closing balance at cost	317,069,270	264,824,184
	Depreciation		
	Opening balance	81,154,943	67,596,119
	Addition during the year	16,780,731	15,232,582
	Adjustment on disposal during the year	-	(1,673,759)
	Accumulated Depreciation	97,935,674	81,154,943
	Carrying value	219,133,596	183,669,241
	Details are shown in Annexure-A		
9.00	Other assets		
	Trade receivables (Note-9.01)	12,767,373	10,790,795
	Advances (Note 9.02)	166,173,541	142,905,990
	Accrued interest income	11,702,273	12,995,011
	Receivable-dividend on shares	768,751	1,184,909
	Security deposit	5,559,560	5,559,560
		196,971,499	173,436,265
9.01	Trade receivables		
	Cheque dishonor charges	412,295	413,795
	Sale of share	303,265	73,125
	Delinquent charges	1,983,110	1,983,110
	Sundry debtors (Others)	10,068,703	8,320,764
		12,767,373	10,790,795
9.02	Advances		
	Legal fee	17,500	17,500
	Advance income tax (Note 9.02.01)	165,322,291	141,932,808
	Advance against expenses	833,750	955,682
		166,173,541	142,905,990



9.02.01 Advance income tax

Restated opening balance
Add: Addition during the year

Less: Adjustment during the year
Total advance income tax

Amount in Taka	
2024	2023
141,932,808	69,261,938
43,331,904	72,670,870
185,264,712	141,932,808
(19,942,421)	-
165,322,291	141,932,808

Audited opening balance

Assessment year 2004-2005
Assessment year 2006-2007
Assessment year 2007-2008
Assessment year 2008-2009
Assessment year 2009-2010
Assessment year 2010-2011
Assessment year 2011-2012
Assessment year 2012-2013
Assessment year 2013-2014
Assessment year 2014-2015
Assessment year 2015-2016
Assessment year 2016-2017
Assessment year 2017-2018
Assessment year 2018-2019
Assessment year 2019-2020
Restated opening balance

886,120,740
-
(1,157,656)
(2,476,576)
(1,034,655)
(19,420,135)
(17,925,631)
(18,441,832)
(42,313,056)
(65,348,610)
(79,480,050)
(100,796,428)
(142,603,522)
(133,143,442)
(81,464,032)
(111,253,177)
69,261,938

Reason for Restatement: The financial statements for the prior year have been restated due to the company not adjusting the advance income tax paid and the corresponding income tax provision, despite the completion of the tax assessment for that year from 2004-2005 to 2019-2020.

10.00 Borrowings from other Banks,
Financial institutions and agents
Inside Bangladesh
Outside Bangladesh

588,328,467	187,038,845
-	-
588,328,467	187,038,845

10.01 Inside Bangladesh
Bank overdraft (Note-10.02)
Long term loan (Note-10.03)
Call loan

588,328,467	186,163,845
-	875,000
-	-
588,328,467	187,038,845

10.02 Bank overdraft
Mutual Trust Bank PLC
Modhumoti Bank PLC
Southeast Bank PLC
Uttara Bank PLC
Southeast Bank PLC, R.K. Mission Road Branch

257,585,963	77,185,519
134,593,746	588,922
43,239,612	99,181
110,118,025	103,180,314
42,791,121	5,109,909
588,328,467	186,163,845

10.03 Long term loan
Bangladesh Bank (under re-finance)

-	875,000
-	875,000

Bank borrowings are secured by

First ranking pari passu charge on present and future fixed and floating assets of National Finance Limited with the future and existing lenders.

Usual charge documents (letter of hypothecation, promissory notes, letter of continuation, letter of arrangements, etc.)

Funds required for the operation of business are primarily obtained from various banks and financial institutions. secured loans are covered by way of first priority floating charge with full title guarantee ranking pari-passu among all the lenders of the company. The company has offered corporate guarantee in some cases as demanded by the lending institutions. The rates short term borrowing bank overdraft 14.00% and 14.50%.



		Amount in Taka	
		2024	2023
10.04	Security wise grouping		
	Secured borrowing	588,328,467	187,038,845
	Unsecured borrowing	-	-
		588,328,467	187,038,845
10.05	Nature of repayment		
	Repayable on demand	-	-
	Repayable within 01 month	96,585,620	35,330,575
	Repayable over 01 (one) month but within 03 (three) months	127,585,500	88,645,850
	Repayable over 03 (three) months but within 01 (one) year	222,585,968	48,562,420
	Repayable over 01 (one) year but within 05 (five) years	141,571,379	14,500,000
	Repayable over 05 (five) years	-	-
		588,328,467	187,038,845
11.00	Deposits and other accounts		
	Current deposits	-	-
	Bills payable	-	-
	Savings bank deposits	-	-
	Term deposits	2,423,696,806	2,469,656,652
	Bearer certificates of deposit	-	-
	Other deposits	-	-
		2,423,696,806	2,469,656,652
11.01	Nature of repayment		
	Repayable on demand	-	-
	Repayable within 01 month	86,585,950	145,685,620
	Repayable over 01 (one) month but within 03 (three) months	730,379,636	657,895,620
	Repayable over 03 (three) months but within 01 (one) year	856,245,600	987,595,810
	Repayable over 01 (one) year but within 05 (five) years	745,685,620	672,614,182
	Repayable over 05 (five) years	4,800,000	5,865,420
		2,423,696,806	2,469,656,652
11.02	Deposits under schemes		
	Short term(3 months)	428,168,492	297,842,874
	Half-yearly(6 months)	319,582,599	302,571,992
	Short term(9 months)	-	-
	Yearly	1,474,823,602	1,367,937,947
	Monthly earner	65,350,000	48,650,000
	Quarterly earner	10,726,000	2,100,000
	Double money	53,133,106	89,486,520
	Triple money	2,000,000	2,000,000
	MDS	12,902,046	23,135,000
	MSS	9,001,878	11,333,891
	FDS	48,009,083	320,396,177
	EFDS	-	4,202,251
		2,423,696,806	2,469,656,652
12.00	Other liabilities		
	Interest payable on term deposits	157,306,320	153,959,647
	Accrued expenses (Note- 12.01)	2,116,945	748,920
	Advance receipt against leases	36,493,664	37,129,131
	Sundry TDS & VDS payable	4,085,336	3,924,427
	Sundry deposit-TDR	5,299,766	5,233,389



	Amount in Taka	
	2024	2023
12.02.02 Deferred tax		
Balance as at 01-01-2024	25,736,731	24,236,731
Provision for the year	(1,125,991)	1,500,000
	<u>24,610,740</u>	<u>25,736,731</u>
Adjusted during the year	-	-
	<u>24,610,740</u>	<u>25,736,731</u>
Deferred tax liability		
Carrying value of depreciable fixed assets	177,877,331	131,915,677
TAX base value	(109,075,829)	(63,554,537)
Temporary differences (A)	<u>68,801,502</u>	<u>68,361,140</u>
Deferred tax asset		
Book value of gratuity payable	(1,355,357)	(322,557)
Unearned revenue	-	-
Temporary differences (B)	<u>(1,355,357)</u>	<u>(322,557)</u>
Right of use of assets	41,256,265	52,310,432
Lease liability	(47,175,561)	(55,689,538)
Temporary differences (C)	<u>(5,919,296)</u>	<u>(3,379,105)</u>
Net taxable temporary differences (A+B+C)	<u>61,526,849</u>	<u>64,659,478</u>
Applicable tax rate	40%	40%
Deferred tax liabilities	<u>24,610,740</u>	<u>25,863,791</u>
Closing deferred tax liabilities	<u>24,610,740</u>	<u>25,736,731</u>
Opening deferred tax liabilities	<u>25,736,731</u>	<u>24,236,731</u>
Deferred tax expenses/(income) for the year	<u>(1,125,991)</u>	<u>1,500,000</u>
12.03 Interest suspense on loans & lease finance		
Balance as on 1st january, 2024	1,091,443,311	1,085,516,226
Add: addition during the period	(13,043,735)	5,927,085
Less: amount of interest suspense recovered	-	-
Less: write off during the year	-	-
	<u>1,078,399,576</u>	<u>1,091,443,311</u>
12.04 Provision for loans, advances and leases		
Opening balance	1,423,061,002	886,272,027
Add: provision required during the year	266,804,545	565,861,799
Less: loan written off	14,305,760	-
Provision required at 31 december	<u>1,675,559,787</u>	<u>1,452,133,826</u>
Less: deferral provision for next year 2025	14,536,412	29,072,824
Provision during the year 2024	<u>1,661,023,375</u>	<u>1,423,061,002</u>
Less: adjustment during the year	-	-
Closing balance	<u>1,661,023,375</u>	<u>1,423,061,002</u>
Provision required at the end of the year	1,661,023,375	1,423,061,002
Provision maintained at the end of the year	1,661,023,375	1,423,061,002
Provision surplus/(shortfall)	-	-

As per BB DFIM Letter DFIM(C)1054/9/2022-2423 Date.29/08/2022 NFL has received permission for the deferral of the required provision amounting to Tk. 1.45 crore to be maintained in 2025.



		Amount in Taka	
		2024	2023
Break down for deferral provision			
	Provision required	144,329,000	144,329,000
	Provision maintained	115,256,175	115,256,175
	Remaining provision for next two years 2024-2025	<u>29,072,825</u>	<u>29,072,825</u>
	Deferral provision	82,943,000	82,943,000
	Less: maintained upto the year	68,406,588	53,870,175
	Remaining provision for next year 2025	<u>14,536,412</u>	<u>29,072,825</u>
Break down of provision:			
	General provision (CMSME)	2,593,963	1,369,410
	General provision	6,609,518	11,483,670
	Special provision as per DFIM Circular No. 33, dated december 19, 2021	15,903,307	17,157,611
	Specific provision	<u>1,635,916,587</u>	<u>1,393,050,312</u>
		<u>1,661,023,375</u>	<u>1,423,061,002</u>
12.05	Provision against loans, leases and investments		
	Loan/ Lease Provision adjusted during the year	252,268,133	536,788,975
	Less: Investment Provision made during the year	-	-
	Provision against loans, leases and investments during the year	<u>252,268,133</u>	<u>536,788,975</u>
The above amount of provision against loans, leases and Investments has been come from off-setting the amount of provision against loan lease and provision against investment.			
12.06	Lease liabilities on office rent derived from present value of all rental payments for our Head Office, Banani, Dhaka and Ctg. branch, CTG. when measuring lease liabilities, National Finance Ltd. discounted lease payments using its incremental borrowing rate (9%).		
12.07	Other provisions		
12.07.01	Provision for other assets		
	Opening balance	5,730,000	5,730,000
	Add: provision required during the year	1,770,000	-
	Less: provision adjustment during the year	-	-
	Total provision for other assets	<u>7,500,000</u>	<u>5,730,000</u>
12.07.02	Provision for balance with other FC's		
	Opening balance	-	-
	Add: provision required during the year	54,172,322	-
	Less: provision adjustment during the year	-	-
	Total provision for balance with other FC's	<u>54,172,322</u>	<u>-</u>
	Total other provisions	<u>61,672,322</u>	<u>5,730,000</u>
13.00	Capital		
	Authorised capital		
	200,000,000 ordinary shares of Taka 10 each.	<u>2,000,000,000</u>	<u>2,000,000,000</u>
13.01	Issued, subscribed and fully paid-up capital		
		<u>No. of Shares</u>	
	Ordinary shares of Tk. 10 each issued for cash	96,000,000	960,000,000
	Bonus shares of Tk. 10 each issued for 2010	4,000,000	40,000,000
	Bonus shares of Tk. 10 each issued for 2013	7,000,000	70,000,000
	Bonus shares of Tk. 10 each issued for 2014	8,560,000	85,600,000
	Bonus shares of Tk. 10 each issued for 2015	10,400,400	104,004,000
	Bonus shares of Tk. 10 each issued for 2016	6,298,020	62,980,200
	Bonus shares of Tk. 10 each issued for 2017	7,935,505	79,355,050
	Bonus shares of Tk. 10 each issued for 2018	7,009,696	70,096,960
		<u>147,203,621</u>	<u>1,472,036,210</u>

Amount in Taka	
2024	2023

13.02 Particulars of fully paid-up share capital

	2024	2023	2024	2023
	No. of shares	No. of shares	(%)	(%)
Sponsor	147,203,621	147,203,621	100	100
Institutions	-	-	-	-
General public	-	-	-	-
	147,203,621	147,203,621	100	100

13.03 Shareholding position as at 31 December 2024

Sl. No.	Name of Shareholders	No. Shares	Amount	Percentage(%)
1	Mr. Md. Abdul Mannan Bhuiyan	4,050,432	40,504,320	2.75%
2	Mr. Saiful Kibria	21,056,408	210,564,080	14.30%
3	Mrs. Rozina Y. Kabir	15,392,095	153,920,950	10.46%
4	Mrs. Roushan Akter	3,980,464	39,804,640	2.70%
5	Mr. Maruf Akter Mannan	4,121,701	41,217,010	2.80%
6	Mr. Sharif Zahir	7,403,836	74,038,360	5.03%
7	Mr. Inamul Haq Khan	4,101,079	41,010,790	2.79%
8	Mr. Humayun Kabir	6,032,355	60,323,550	4.10%
9	OMC LIMITED	3,319,177	33,191,770	2.25%
10	Mr. Asif Zahir	4,459,766	44,597,660	3.03%
11	KABCO Pharmaceuticals Inc., USA	37,073,752	370,737,520	25.19%
12	Ms. Fahima Mannan	3,837,641	38,376,410	2.61%
13	Mr. Abu Shamsul Kabir	3,079,128	30,791,280	2.09%
14	Mr. Ridwan Zahir Khan	3,476,689	34,766,890	2.36%
15	Mrs. Meher Kabir	145,178	1,451,780	0.10%
16	Mr. Rizwan Mannan	3,832,500	38,325,000	2.60%
17	Ms. Maisha Farizma Khan	3,544,358	35,443,580	2.41%
18	Ms. Arifa Kabir	4,200,000	42,000,000	2.85%
19	Ms. Fariha Nazah Kabir	5,435,012	54,350,120	3.69%
20	Ms. Nabiha Sabah Kabir	5,435,012	54,350,120	3.69%
21	Mrs. Momtaz Begum	2,717,506	27,175,060	1.85%
22	Mr. Abu Mohammad Mazharul Kabir	113,229	1,132,290	0.08%
23	Mr. Abu Md.Humayun Kabir	113,229	1,132,290	0.08%
24	Mr. Abu Nurul Kabir	113,229	1,132,290	0.08%
25	Mrs. Bilkis Jahangir	56,615	566,150	0.04%
26	Mrs. Akter Mst.Monju	56,615	566,150	0.04%
27	Mrs. Ferdous Akter	56,615	566,150	0.04%
	Total	147,203,621	1,472,036,210	100%

Amount in Taka	
2024	2023

13.04 Capital adequacy ratio

As per the section 4(GHA) of the Financial Institution Rule, 1994 and subsequently updated vide DFIM circular no. 5 dated 24 July 2011 the minimum paid-up capital of the Financial institution (FI) shall be BDT 100 crore; provided that the sum of paid-up-capital and reserve shall not be less than the minimum capital required under the risk-based assets of the company, criteria determined by the Bangladesh bank.

Tier-1 (core capital)

Paid-up capital	1,472,036,210	1,472,036,210
Statutory reserve	176,263,617	176,263,617
General reserve	-	-
Other reserve	-	-
Retained surplus	(1,232,224,887)	(799,312,171)
	416,074,940	848,987,655

Tier-2 (supplementary capital)

General provision maintained against unclassified loans	9,203,481	12,853,080
Other reserves	-	-
	9,203,481	12,853,080

A. Total capital held (Tier 1 + Tier 2)

	425,278,421	868,720,605
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B. Required capital

	1,000,000,000	1,000,000,000
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C. Surplus/(Deficiency) (A-B)

	(574,721,579)	(131,279,395)
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Total risk weighted assets (RWA) (note 13.05)	2,470,377,874	2,549,385,000
Total capital held	425,278,421	868,720,605
Capital adequacy ratio on the basis of RWA	17.22	33.81
Core capital on the basis of RWA	16.84	33.30
Supplementary capital on the basis of RWA	0.37	0.50

As the minimum capital requirement is BDT 100 crore, although on the basis of RWA there is excess capital but on the basis of minimum capital requirement of Tk 100 crore there exists a shortfall.

13.05 Total risk weighted assets

(a) Risk weights for credit risk	1,942,050,213	1,879,245,000
(b) Risk weights for market risk	253,361,639	323,140,000
(c) Risk weights for operational risk	274,966,022	347,000,000
Total risk weighted assets (a+b+c)	2,470,377,874	2,549,385,000



	Amount in Taka	
	2024	2023
14.00 Retained earnings		
Restated opening balance	(799,312,171)	(308,886,107)
Add: Net profit for the year	(432,912,715)	(490,426,065)
	(1,232,224,887)	(799,312,172)
Less: Transfer to statutory reserve	-	-
Less: Bonus shares issued / dividend paid	-	-
	<u>(1,232,224,887)</u>	<u>(799,312,171)</u>
Restated of retained earnings	<u>(1,232,224,887)</u>	<u>(799,312,171)</u>
Audited opening balance		(302,006,236)
Add: Prior year adjustment for tax loss		(6,879,871)
Restated opening balance		<u>(308,886,107)</u>
Breakdown for Prior year adjustment for tax loss		
Provision made as per accounts (from 2004 to 2018)		814,175,464
Income tax settlement (from 2004 to 2018)		(816,858,802)
Shortfall provision (from 2004 to 2018)		(2,683,338)
Shortfall provision for the year 2018		(4,196,533)
Prior year adjustment for tax loss		<u>(6,879,871)</u>
Reason for Restatement: The prior year's Retained earnings have been restated because the company did not recognize the necessary adjustment for tax loss, even though the tax assessment had been completed.		
15.00 Statutory reserve		
Opening balance	176,263,617	176,263,617
Add: Profit transferred to statutory reserve @ 20% for the	-	-
	<u>176,263,617</u>	<u>176,263,617</u>
16.00 Interest income		
Leases	31,695,457	69,055,388
Term finance	220,666,997	260,803,082
On fixed and short term deposits with Banks & FI's	67,035,934	41,103,777
	<u>319,398,389</u>	<u>370,962,247</u>
Disclosure: In the previous year the amount of "On fixed and short term deposit with banks & FI's" was presented under Other Operating Income. However upon further review and Consider of the main business of FC's interest earn and some regulatory restrictions for investment in FDR it has been reclassified under Interest Income in the current year.		
17.00 Interest paid on deposits & borrowings		
Interest on borrowing from banks	58,963,410	30,949,932
Interest on term deposits	239,141,434	196,521,510
Interest on lease liability	4,666,542	4,792,872
	<u>302,771,386</u>	<u>232,264,314</u>



		Amount in Taka	
		2024	2023
18.00 Investment income			
Dividend income	6,558,508	4,867,841	
Gain on sale of share	-	30,715,628	
	<u>6,558,508</u>	<u>35,583,469</u>	
19.00 Other operating income			
Service charges	5,395,550	1,989,670	
Delinquent charges	11,417,169	17,022,576	
Other income	4,517,762	3,638,019	
Gain on sale of fixed assets	-	34,632	
NFL employee's provident fund forfeiture account	3,618,166	599,790	
	<u>24,948,647</u>	<u>23,284,687</u>	
20.00 Salaries and allowances			
Salaries	68,304,001	64,846,743	
Bonus	5,821,611	5,238,519	
Gratuity	1,355,357	322,557	
Leave encashment	195,791	1,140,349	
	<u>75,676,760</u>	<u>71,548,168</u>	
21.00 Rent, taxes, insurance, electricity, etc.			
Insurance premium	2,233,719	1,982,461	
Utilities	4,839,340	4,358,428	
Car lease rental	-	2,975,244	
	<u>7,073,059</u>	<u>9,316,133</u>	
22.00 Legal & professional fees			
Legal & professional fees	1,053,566	624,975	
	<u>1,053,566</u>	<u>624,975</u>	
23.00 Postage, stamp, telecommunication etc.			
Postage & courier	204,690	109,658	
Stamp charges	1,123,007	1,076,041	
Telephone bill	1,530,603	1,169,292	
	<u>2,858,300</u>	<u>2,354,991</u>	
24.00 Stationery, printing, advertisement			
Printing & stationery	2,427,878	1,295,264	
Advertisement	404,070	190,567	
	<u>2,831,948</u>	<u>1,485,831</u>	
25.00 Managing director's salary & allowance			
Salary & allowances	7,151,694	5,796,290	
Bonus	700,000	900,000	
	<u>7,851,694</u>	<u>6,696,290</u>	



	Amount in Taka	
	2024	2023
26.00 Directors' fees	1,378,000	920,000
	<u>1,378,000</u>	<u>920,000</u>
27.00 Auditors' fees	345,000	287,500
	<u>345,000</u>	<u>287,500</u>
28.00 Repairs, maintenance, depreciation and amortization		
Depreciation	16,780,731	15,232,582
	<u>16,780,731</u>	<u>15,232,582</u>
29.00 Other expenses		
Travel & conveyance	2,889,976	1,709,774
Fuel expenses	5,165,257	4,008,853
Entertainment	3,596,620	2,115,786
AGM expenses	1,103,728	-
Business development	2,003,487	127,932
Casual labor, security & cleaners	1,677,389	1,664,230
Subscription fee	230,000	320,000
Donation	75,000	81,660
Periodicals	3,466	14,485
Training	123,500	40,700
Bank charge & excise duty	1,215,502	1,140,790
Business commission	-	112,500
	<u>18,083,924</u>	<u>11,336,710</u>



		Amount in Taka	
		2024	2023
30.00	Closing cash and cash-equivalents		
	Cash in hand (local currency)	86,085	198,448
	Balance with Bangladesh Bank	35,514,527	39,999,538
	Balance with other Banks and financial institutions	752,365,958	755,590,748
		<u>787,966,570</u>	<u>795,788,733</u>
31.00	Earning per share(EPS)		
	Net profit after tax	(432,912,715)	(490,426,065)
	Number of ordinary shares outstanding	147,203,621	147,203,621
	Earning per share (EPS)	<u>(2.94)</u>	<u>(3.33)</u>
	Earning per share has been calculated in accordance with IAS-33 "Earning per share".		
32.00	Net asset value (NAV) per share		
	Total assets	6,745,252,701	6,526,095,206
	Total liabilities	(6,329,177,761)	(5,677,107,549)
	Net asset value (NAV)	<u>416,074,940</u>	<u>848,987,657</u>
	Number of ordinary shares outstanding	147,203,621	147,203,621
	Net asset value (NAV) per share	<u>2.83</u>	<u>5.77</u>
33.00	Net operating cash flow per share(re-arranged)		
	Cash flow from operating activities as per statement of cash flows	(407,650,655)	637,134,048
	Number of ordinary shares outstanding	147,203,621	147,203,621
	Net operating cash flow-per share	<u>(2.77)</u>	<u>4.33</u>

34.00 Salaries/perquisites to MD,directors & officers

The aggregate amounts paid/provided during the year in respect of managing director,directors and officers of the company as defined in the securities and exchange rules ,1987 are disclosed below:

Particulars	MD	Directors	Officers
Board meeting fees	-	1,378,000	-
Remuneration/salaries & allowance	7,151,694	-	63,086,755
Bonus	700,000	-	5,821,611
Company's contribution to provident fund	-	-	6,768,395

35.00 Provisions & liabilities

All provisions for expenses and liabilities have been considered and appropriately recognised in preparing these Financial Statements.

36.00 Number of employees

During the year under audit there were 79 number of employees in the company (2023:67 employees)



37.00 Board meeting and directors' remuneration

In the year 2024, 13 (Thirteen) board meetings were held. Each director was paid Tk 8,000 and/or 10,000 for attending board meeting and 50,000 monthly for independent director. no remuneration or special payment was paid to the directors for attending board meetings. Details of board meeting attendance shown in **Annexure-C**.

38.00 The company had no receivable from the directors on 31.12.2024.

39.00 Appropriation during the year

In accordance with IAS 1 "presentation of financial statements", the appropriations for the year is reflected in the statement of changes in equity.

40.00 Claims against the company not acknowledged as debt
There was no claim at the balance sheet date.

41.00 Contingent liabilities

There was no contingent liabilities at the balance sheet date.

42.00 Related party disclosure

Name of directors and their interest in the FI and different entities-shown in **Annexure-D**.

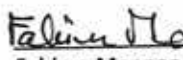
43.00 Reporting currency

The figure in financial statements represents Bangladesh currency (taka), which has been rounded off to the nearest taka wherever necessary.

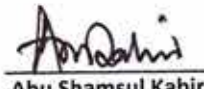
44.00 Directors engagement with other entities are shown in **Annexure-E**.

45.00 Income tax status shown in **Annexure -F**.


46.00 Financial highlights shown in **Annexure -G**.


Fahima Mannan
Chairman


Arifa Kabir
Vice Chairman


Abu Shamsul Kabir
Director


Irteza Ahmed Khan
Managing Director


Md. Kamal Uddin
Head of Finance (CC)



National Finance Limited
Schedule of Fixed Asset
For the year ended 31 December 2024

Amount in BDT

Particulars	COST				Rate (%)	DEPRECIATION				Written down value as at 31.12.2024	Written down value as at 31.12.2023
	Balance as at 01.01.2024	Addition during the Year	Sales/ Adjustment	Balance as at 31.12.2024		Balance as at 01.01.2024	Charged during the Year	Adjustment	Balance as at 31.12.2024		
A. Tangible Assets											
Furniture & Fixtures	10,694,437	311,220	-	11,005,657	10%	5,694,098	521,145	-	6,215,243	4,790,414	5,000,339
Office Equipment	11,448,200	419,000	-	11,867,200	20%	7,687,560	794,027	-	8,481,587	3,385,613	3,760,640
Telephone and Fax	622,358	-	-	622,358	10%	396,683	22,567	-	419,250	203,108	225,675
Office Decoration	23,500,013	521,568	-	24,021,581	10%	11,461,693	1,244,584	-	12,706,277	11,315,304	12,038,320
Computer	12,162,073	209,342	-	12,371,415	25%	10,825,560	351,573	-	11,177,133	1,194,282	1,336,513
Office Premises Principal Branch(UTC)	45,543,955	-	-	45,543,955	2%	10,570,198	910,879	-	11,481,077	34,062,878	34,973,757
Office Premises (Confidence centre)*	94,089,458	-	-	94,089,458	2%	20,065,894	1,881,789	-	21,947,683	72,141,775	74,023,564
Land	-	50,783,956	-	50,783,956	0%	-	-	-	-	50,783,956	-
Total Tangible Assets (A)	198,060,494	52,245,086	-	250,305,580		66,701,685	5,726,564	-	72,428,249	177,877,331	131,358,809
B. Lease Hold Assets											
Right to use of Asset	66,763,690	-	-	66,763,690		14,453,257	11,054,167	-	25,507,425	41,256,265	52,310,432
Total Lease Hold Assets (B):	66,763,690	-	-	66,763,690		14,453,257	11,054,167	-	25,507,425	41,256,265	52,310,432
Total 2024 (A+B):	264,824,184	52,245,086	-	317,069,270		81,154,943	16,780,731	-	97,935,674	219,133,596	183,669,241



National Finance Limited
Details of investment in shares
as at December 31, 2024

Unquoted shares:

Amount in BDT

Name of the Company	No. of share	Cost per share	Cost price	NAV per share		Gain/(loss)
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Quoted shares:

Name of the Company	No. of share	Cost per share	Cost price	Mkt. Price per share	Total value	Gain/(loss)
ACTIVEFINE	100,000	30.09	3,008,550	10.13	1,013,333	(1,995,217)
APOLOISPAT	357,304	17.32	6,189,142	3.98	1,423,261	(4,765,881)
BARKAPOWER	243,639	34.80	8,477,673	11.43	2,785,606	(5,692,067)
DESCO	135,000	57.74	7,794,890	23.28	3,143,250	(4,651,640)
GHAIL	198,000	24.43	4,836,702	11.77	2,329,800	(2,506,902)
ISLAMIBANK	250,000	44.48	11,119,183	48.97	12,241,667	1,122,484
LANKABAFIN	457,143	41.49	18,968,693	18.78	8,586,669	(10,382,024)
MIDASFIN	70,119	32.96	2,310,929	8.82	618,216	(1,692,713)
CITYBANK	439,588	41.71	16,666,968	22.03	9,685,589	(6,981,379)
IDLC	118,616	80.81	9,585,426	34.53	4,096,206	(5,489,220)
LHBL	557,790	80.14	44,698,753	57.87	32,277,448	(12,421,305)
MERCANBANK	294,801	18.16	5,352,723	10.38	3,061,017	(2,291,706)
SOUTHEASTB	218,776	15.57	3,274,305	9.50	2,078,372	(1,195,933)
SOURPHARMA	60,107	236.54	14,217,886	219.97	13,221,536	(996,349)
OLYMPIC	32,000	227.41	7,276,968	160.85	5,147,200	(2,129,768)
SONALILIFE	17	10.00	170	56.05	953	783
ACTIVEFINE	1,000	28.67	28,672	10.13	10,133	(18,538)
BARKAPOWER	10,500	29.09	305,491	11.43	120,050	(185,441)
IFADAUTOS	78,190	79.96	5,760,786	23.35	1,825,737	(3,935,049)
AAMRANET	668,650	21.39	14,303,895	30.55	20,427,258	6,123,363
BPML	1,037	138.76	143,891	37.60	38,991	(104,900)
TILIL	6,575	10.00	65,750	36.03	236,919	171,169
UNIONBANK	207,756	9.52	1,977,837	5.98	1,243,073	(734,764)
AMPL	4,803	10.00	48,030	29.58	142,089	94,059
MKFOOTWEAR	9,030	10.00	90,300	43.88	396,267	305,967
RINGSHINE	131,995	7.62	1,005,300	4.02	530,180	(475,120)
Total			187,508,912		126,680,819	(60,828,093)
Total Provision required						(60,828,093)
Total Provision maintained						60,900,000
Excess/(Shortfall)						71,907



Annexure-C

National Finance Limited
Directors Meeting & Attendance
As at 31 December 2024

Name of the Directors	No. of Meeting held during his/her tenure	Meeting Attended	%
Mr. Md. Abdul Mannan Bhuiyan	9	9	100%
Mr. Inamul Haq Khan	4	4	100%
Mr. Sharif Zahir	8	8	100%
Mrs. Rozina Y. Kabir	4	1	25%
Mr. Maruf Akter Mannan	9	9	100%
Mrs. Roushan Akter	4	4	100%
Ms. Fahima Mannan	13	10	77%
Mr. Asif Zahir	9	6	67%
Ms. Arifa Kabir	13	10	77%
Mr. Abu Shamsul Kabir	4	4	100%
Mr. Redwan Zahir Khan	4	4	100%
Mr. Yawer Sayeed (Independent Director)	13	12	92%



Annexure - D

National Finance Limited
Particulars of Related Parties Transaction
Directors and their interest in the FI and different entities
As at 31 December 2024

Sl. No.	Particulars	Name of the Related Party	Relationship	Sanction	Recovery During 2023	Balance Amount
1	LS08319	Bengal Windsor Thermoplastics Limited	Mr. Humayun Kabir, who is Director of Bengal Windsor Thermoplastics Ltd., is spouse of Ms. Arifa Kabir, Director of NFL	100,000,000	10,619,367	103,566,675
2	LS08334	Bengal Media Corporation Limited	Mr. Humayun Kabir, who is Director of Bengal Media Corporation Ltd., is spouse of Ms. Arifa Kabir, Director of NFL	17,000,000	17,640,816	10,980,547
3	LS08359	Bengal Media Corporation Limited	Mr. Humayun Kabir, who is Director of Bengal Media Corporation Ltd., is spouse of Ms. Arifa Kabir, Director of NFL	6,500,000	8,186,560	1,991,639
Total						116,538,861





National Finance Limited
Statement of Directors' Involvement in other Companies
As at 31st December 2024

Name of Director	Position in NFL	Involvement in other Companies	Position
Ms. Fahima Mannan	Director	OMC HealthCare (Pvt) Ltd.	Director
		OMC Footwear Limited	Director
		OMC Holding Limited	Director
		OMC Steel Limited	Director
		Intellect Technologies (Pvt) Ltd.	Director
Ms. Arifa Kabir	Director	HKB Holdings Ltd.	Director
Mr. Ridwan Zahir Khan	Director	Anonto Footwear Limited	Director
Mr. Abu Shamsul Kabir	Director	Ribco World	Director
Mr. Yawer Sayeed	Independent Director	AIMS of Bangladesh Limited	Director



Annexure -F

National Finance Ltd.
TIN-673166997674
Tax Status
As on 31 December 2024

Income Year	Assessment year	Tax Provision (as per Accounts)	Tax Assessed by Tax Authority	Level of Assessment	Remarks
2018	2019-2020	100,000,000	115,449,710	DCT	Pay by installment.
2020	2021-2022	24,000,000	25,493,120	DCT	Appeal filed to the CT (appeal) against DCT assessment
2021	2022-2023	21,332,000	-	-	Return filed under 82BB.
2022	2023-2024	70,242,686	-	-	Return filed under 82BB.
2023	2023-2024	23,500,000	-	-	Return filed under 82BB.

National Finance Limited
 Overall Performance Highlights
 As at 31 December 2024

SL	Particulars	Amount in Taka	
		2024	2023 Restated
1	Paid- up Capital	1,472,036,210	1,472,036,210
2	Share holders equity	416,074,940	848,987,656
3	Total Assets	6,745,252,701	6,526,095,206
4	Total Deposits	2,423,696,806	2,469,656,652
5	Total Loans & Advances	5,353,672,124	5,185,692,055
6	Loan Deposit Ratio (%)	156.17	147.92
7	Operating Profit	(85,798,824)	77,762,910
8	Profit after Tax	(432,912,715)	(490,426,065)
9	Return on Investment(ROI) [PAT/(Shareholders' equity + Borrowings)]	(43.10)	(47.34)
10	Return on Assets (ROA)	(6.42)	(7.51)
11	Interest Earning Assets	6,293,546,994	6,128,791,715
12	Other Assets	196,971,499	173,436,265
13	Earnings per Share (EPS)	(2.94)	(3.33)
14	Net Asste value (NAV) per share	2.83	5.81
15	Net Operating Cash Flow(NOCF) per share	(2.77)	4.33