



Annual Report 2023

Here's To the Future

IPDC
FINANCE





I have always believed that change is human-made. The inequalities that create divisions of rich and poor, powerful and powerless are made by humans. So change is also possible through human acts of compassion, courage and conviction.



Sir Fazle Hasan Abed KCMG

LETTER OF TRANSMITTAL

To
All Shareholders,
Bangladesh Bank,
Registrar of Joint Stock Companies and Firms,
Bangladesh Securities and Exchange Commission,
Dhaka Stock Exchange PLC, and
Chittagong Stock Exchange PLC.

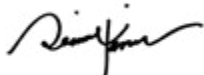
Annual Report for the year ended 31 December 2023.

Dear Sirs:

Please find enclosed, a copy of the Annual Report along with the Audited Financial Statements including Balance Sheet as at 31 December 2023 and Income Statements, Cash Flow Statement and Statement of Changes in Equity for the year ended 31 December 2023 along with the notes thereon of IPDC Finance Limited for your kind perusal and record.

Thank you.

Yours Sincerely,



Samiul Hashim
Company Secretary

NOTICE OF THE 42ND ANNUAL GENERAL MEETING

Notice is hereby given for the 42nd Annual General Meeting (AGM) of the shareholders of IPDC Finance Limited, to be held virtually by using digital platform through the link: <https://ipdc.bdvirtualagm.com> (In pursuance with BSEC Order No. SEC/SRMIC/94-231/91 dated 31 March 2021 and BSEC/ICAD/SRIC/2024/318/87 dated 27 March 2024) on Thursday, 16 May 2024 at 11:00 a.m. to transact the following proceedings:

AGENDA

A. Ordinary Business:

01. To receive and adopt the Directors' Report, Auditors' Report and Audited Financial Statements of the Company for the year ended 31 December 2023;
02. To declare dividend for the year ended 31 December 2023;
03. To elect/re-elected Directors;
04. To appoint the Auditors and to fix their remuneration;
05. To appoint the Corporate Governance Auditors and to fix their remuneration;
06. To confirm the appointment of (a) Ms. Nilufer Nazneen as nominee Director of GoB, (b) Dr. Shah Md. Ahsan Habib as Independent Director (2nd Term);
07. To transact any others business (if any) with the permission of the chairman.

B. Special Business:

1. To change register name of the company to '**IPDC Finance PLC**' From '**IPDC Finance Limited**';

"The Board of Directors in its 219th meeting held on 28 March 2024 changed the registered name of the company to 'IPDC Finance PLC' from 'IPDC Finance Limited' in accordance with the companies Act 1994 (amended in 2020) and to amend the relevant clause of the Memorandum and Articles of Association of the company."

By order of the Board



Samiul Hashim
Company Secretary

Dated: 22 April 2024

Notes:

1. Shareholder's appeared in the Members/Depository Register as on "Record Date" i.e. 24 April 2024 are eligible to attend and vote in the Annual General Meeting (AGM) and to receive the dividend as declared in the AGM.
2. Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/ Admin/81 dated 20 June 2018, the soft copy of the Annual Report 2023, Proxy Form and Notice of 42nd AGM of IPDC is being sent to the email addresses of the shareholders available in their Beneficial Owner (BO) Accounts maintained with the CDBL on Record date. The soft copy of the Annual Report 2023 and Proxy Form will also be available on the Investor Relations section of the Company's website at: <https://www.ipdcdbd.com>. The "Proxy Form" duly filled signed and stamp at BDT 100/- (As per Finance Act, 2022 and Bangladesh Gazette, Additional Edition, published on 9 June 2022) must be sent before 48 hours of commencement of the 42nd AGM of IPDC at Head Office, IPDC Finance Limited, Hosna Center (4th Floor), 106, Gulshan Avenue, Dhaka-1212.
3. The login process to participate in the virtual meeting along with link are also available in Company's website <https://www.ipdcdbd.com>. Details of the login process has also been sent through email/SMS to respective shareholder's email ID/mobile number available in their BO Account maintained with their depository.
4. The shareholders will be able to submit their questions/comments and vote electronically 24 (Twenty-four) hours before commencement of the AGM and during the Annual General Meeting. For logging in to the system, the shareholders need to put their 16 Digit Beneficial Owner (BO) ID Number/ Folio No. and others credential as proof to their identity by visiting the link <https://ipdc.bdvirtualagm.com>.
5. Shareholders are requested to log the system prior to the starting time of the meeting at 11:00 am on 16 May 2024. The webcast will start at 10:45 am on 16 May 2024. For any IT related guidance in this regard Members may contact cell number +880 01713-076765, +880 01711-166131.

CREATING STORIES TRANSFORMING LIVES



**CUSTOMER
DEPOSIT**

50,684 M

+6.6% vs 2022
11.5X since 2013

IN 2023

**15 BRANCHES
INITIATIVE
TAKEN TO OPEN**
3 new Branches



**LOAN, LEASE
AND ADVANCE**

70,571 M

+3.6% vs 2022
12.3X since 2013



REVENUE

2,902 M

OPERATING PROFIT

1,300 M

Net Profit After Tax

343 M



PRITI

BDT 3,951 MN

TOTAL DEPOSIT



JOYEE

BDT 3,319 MN

TOTAL PORTFOLIO



PROVIDING
AFFORDABLE

HOME LOAN

ACROSS THE
COUNTRY



AAA
CREDIT RATING

RETURN
ON EQUITY

5.05%

RETURN
ON ASSET

0.38%

CLASSIFIED
LOAN RATIO

4.93%



Views

282MN+

Subscribers

1.23MN+



ENABLING VALUE CHAIN
FINANCING THROUGH

**150,000+
RETAILERS &
360+ SUPPLIERS**

EMPLOYEES

884

Women

23%



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চার দশকের বিশ্বস্তুতা



THE REPORT

THIS IS IPDC

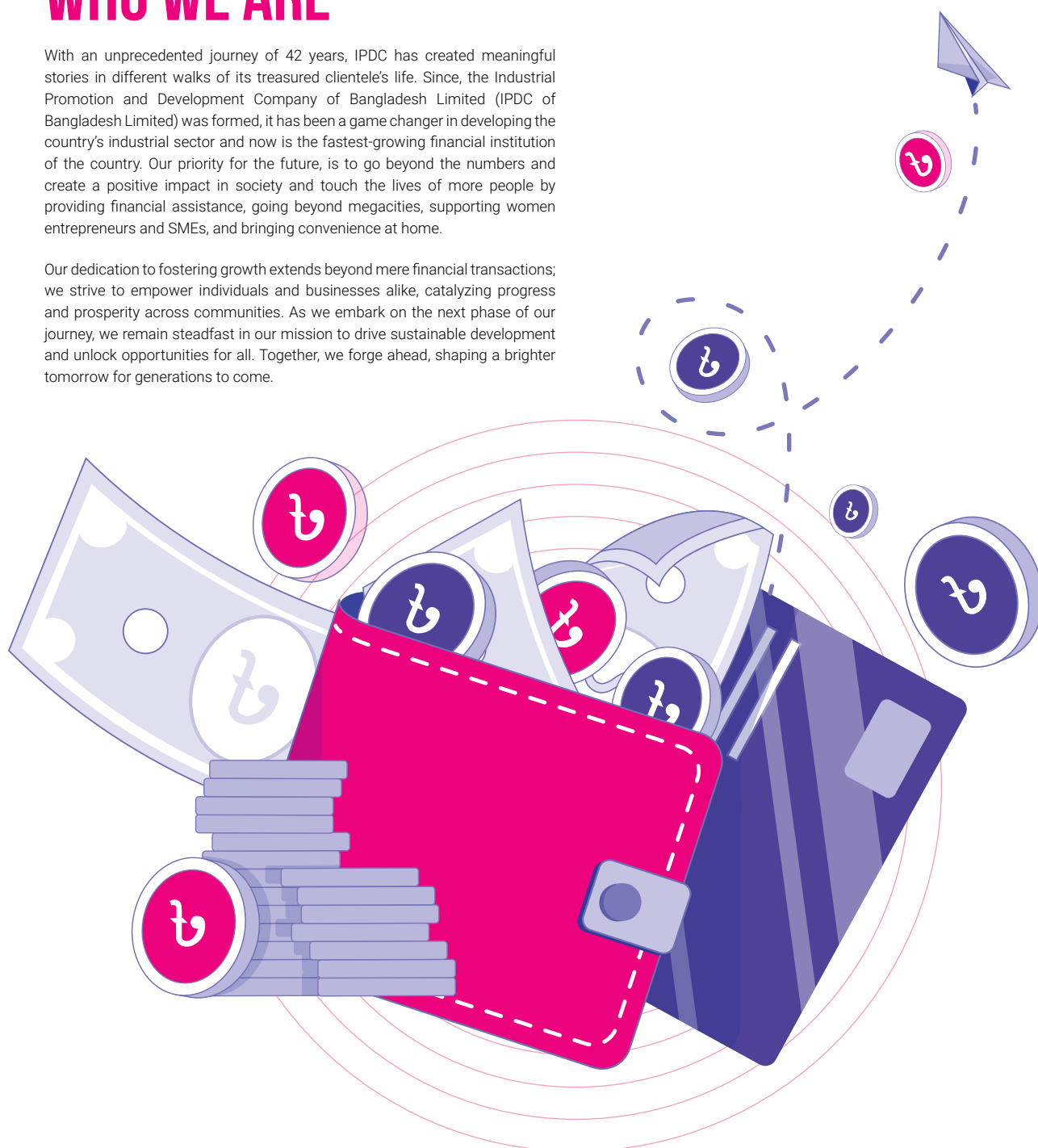


We strive to be the most passionate financial brand in the country that goes beyond the pursuit of financial inclusion of its customers and enables them to live unbound.

WHO WE ARE

With an unprecedented journey of 42 years, IPDC has created meaningful stories in different walks of its treasured clientele's life. Since, the Industrial Promotion and Development Company of Bangladesh Limited (IPDC of Bangladesh Limited) was formed, it has been a game changer in developing the country's industrial sector and now is the fastest-growing financial institution of the country. Our priority for the future, is to go beyond the numbers and create a positive impact in society and touch the lives of more people by providing financial assistance, going beyond megacities, supporting women entrepreneurs and SMEs, and bringing convenience at home.

Our dedication to fostering growth extends beyond mere financial transactions; we strive to empower individuals and businesses alike, catalyzing progress and prosperity across communities. As we embark on the next phase of our journey, we remain steadfast in our mission to drive sustainable development and unlock opportunities for all. Together, we forge ahead, shaping a brighter tomorrow for generations to come.



WHAT WE DO

Our financial assistance ranges from retail, corporate, SME, women entrepreneurship, factoring, etc., securitization of receivables, preference share investments, leasing, venture capital investment, digitally automated supply chain financing platform backed by blockchain technology under Project Orjon, consumer goods financing under IPDC EZ and retailer financing under Dana.

WHERE WE OPERATE

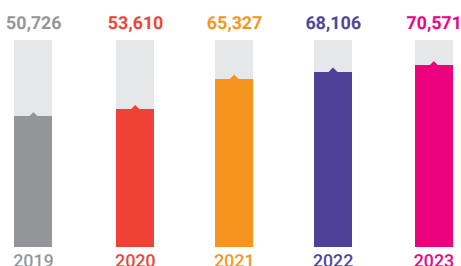
At present, IPDC operates across fifteen branches, encompassing its headquarters and fourteen other branches, which collectively serve twelve districts throughout Bangladesh. Looking forward, IPDC has already set in motion plans to inaugurate three new branches in 2023.

PERFORMANCE HIGHLIGHTS' 2023



Total Asset
91,934 mn

Loan, Lease & Advances



YoY

3.6%

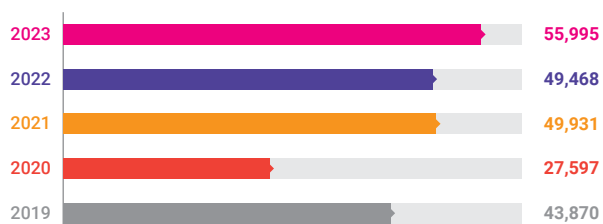
CAGR 5 Years

9.7%

CAGR 10 Years

28.5%

Disbursement

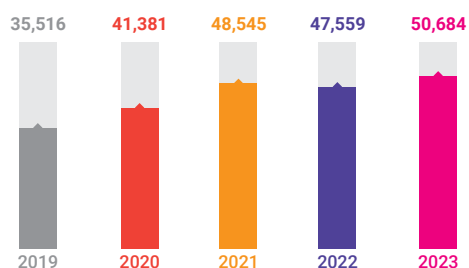


Customer Number

44%
YoY Growth



Customer Deposit



YoY

6.6%

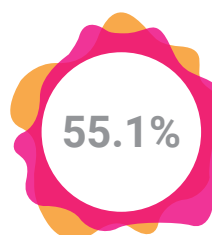
CAGR 5 Years

16.6%

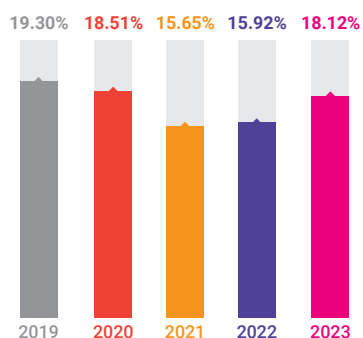
CAGR 10 Years

27.6%

Customer Deposit to Fund Mix



Capital Adequacy Ratio (CAR)



0.92

Earning Per Share (EPS)



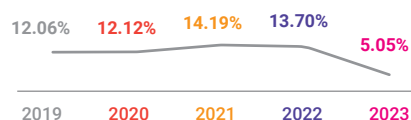
0.38%

Return on Asset (ROA)



5.05%

Return on Equity (ROE)

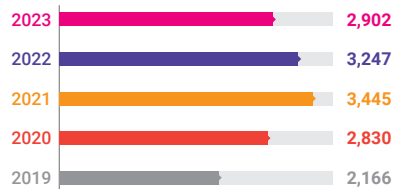




Net Profit After Tax
343 mn

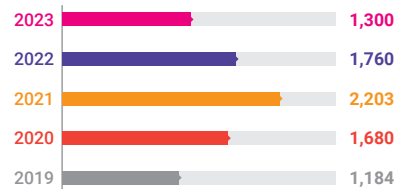
2,902 mn

Revenue

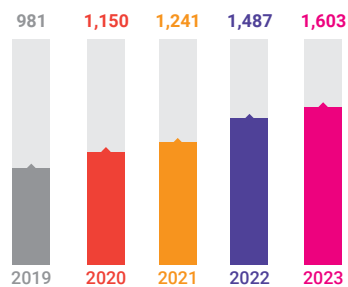


1,300 mn

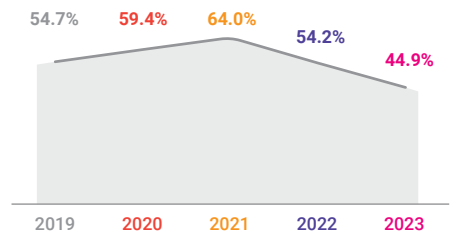
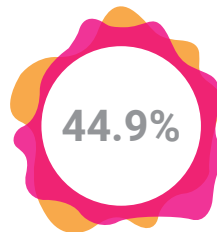
Operating Profit



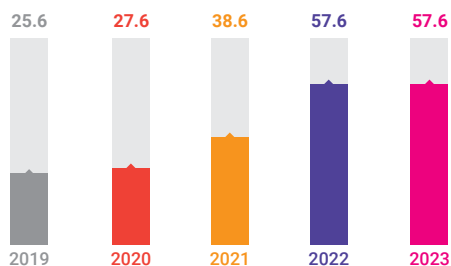
Operating Expense



Operating Profit Margin



Market Price Per Share



CAGR 5 Years

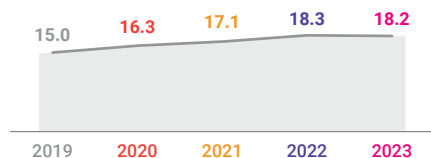
8.6%

CAGR 10 Years

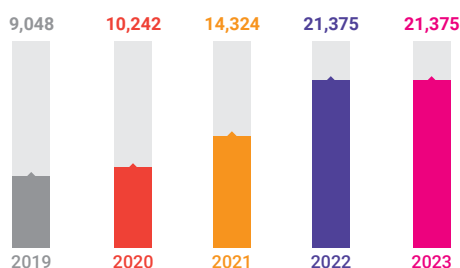
11.2%

18.2

Net Asset Value Per Share (NAV)



Market Capitalization



CAGR 5 Years

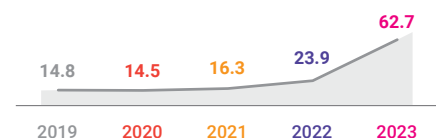
20.8%

CAGR 10 Years

26.2%

62.70

Price Earnings Ratio



A COMPREHENSIVE OVERVIEW OF THE REPORT

Integrated Reporting

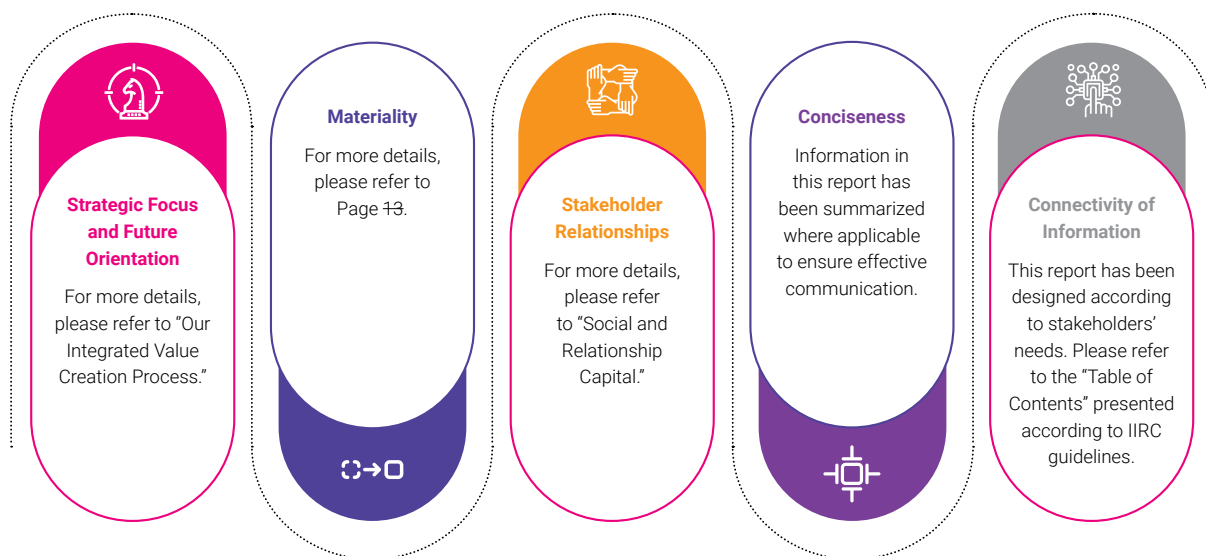
Today's Stakeholders place equal importance on the company's forward-looking sustainability information and historical financial data. With this perspective in mind, we present the annual report of IPDC Finance 2023, which conveys a holistic approach incorporating both financial and non-financial information to provide a comprehensive view of our performance, strategy, governance, prospects, and the environment in which IPDC operates. As a responsible business organization, we believe it is our duty to conduct our operations ethically, thereby creating value for the long-term benefit of society. Although our report is primarily targeted at capital providers, it is also considered attractive to a diverse range of other stakeholders.

Integrated Reporting (IR) combines crucial information about an organization's strategy, governance, performance, and prospects to mirror the commercial, social, and environmental context within which it functions. The information provided in our Integrated Reporting is

historical, futuristic, precise, relevant, consistent, and comparable. It supports a more cohesive and holistic approach to corporate reporting that draws on various reporting standards and communicates the full spectrum of internal and external factors that significantly impact an organization's ability to create value in the short, medium, and long term. For Integrated Reporting, IPDC has adopted the framework outlined by the International Integrated Reporting Council (IIRC).

Reporting Framework

The report confirms the adoption of the 'capital model' to create value, as the International Integrated Reporting Council (IIRC) recommended within its International Framework. Guided by a thorough understanding of the IIRC's standards, this document details our reliance on and impact upon essential forms of capital integral to our long-term value generation. The report's structure is centered on these capitals, incorporating them throughout each segment to map out their interconnectedness and the necessary compromises within the framework of our overall corporate and business unit strategies.



Scope and Boundary

The integrated report of 2023 applies and surfaces only the period from 1 January 2023 to 31 December 2023, covering all data relevant to the Company and its business units. To explain the operational activities and financial results of the Company, we have derived the financial data from the Audited Financial Statements about the fiscal year concluded in 2023, along with appropriate comparative data.

The financial reports are in strict adherence to the accounting standards and protocols:

- International Accounting Standards (IASs) and International Financial Reporting Standards (IFRS)
- Companies Act 1994
- Securities and Exchange Rules 1987
- Financial Reporting Act, 2015
- Financial Institutions Act 1993
- Relevant rules and regulations of Bangladesh Bank
- And other applicable laws and regulations of the land.

Reporting Principles

In preparing the Annual Report 2023, we adhered to the standards outlined in the "Integrated Reporting Checklist," as disseminated by the Institute of Chartered Accountants of Bangladesh (ICAB). This checklist aligns with the framework for Integrated Reporting established by the International Integrated Reporting Council (IIRC). The 2023 report's formulation has been followed by the previously mentioned guiding principles, which were carefully observed.

Comparability

The report herein maintains a consistent foundation with its 2023 prototype, encompassing identical entities, measurement methodologies, and temporal parameters. It comprehensively addresses all significant issues appropriate to our business strategy, risk management, and areas believed to be of paramount importance by our stakeholders. In alignment with our unwavering commitment to enhancing stakeholder communication, the architecture of this report has been meticulously refined. This endeavor highlights our dedication to not only preserving transparency and relevance in our disclosures but also to fostering an environment of continuous improvement in our communication practices.

Materiality Assessment

The material assessment is elaborately detailed in the following sections of this report.

Forward-looking statements

The 2023 Annual Integrated Report of IPDC encompasses various predictive statements scattered throughout its sections. These predictions are based on expected events and outcomes, which may or may not happen and could affect the company's financial and operational performance. These predictions are constructed on a foundation of historical trends, accumulated experience, expectations, and analytical judgments. Expressions such as expect, hope, may, will, and believe typically preface these forward-looking statements. Predominantly, such statements address projections concerning revenues, expenditures, business growth and expansion, cost and capital structures, among other aspects. Some variables that could significantly affect this broader financial sector's landscape are as follows:

- Change in fiscal and monetary policy
- Change in financial and money market

- Change in regulatory and legal frameworks
- Change in technology
- Change in Government policy and regulations
- Change in consumer behavior
- Change in capital market

Given the inherent uncertainties associated with forecasting future events, it is advisable that users of the Annual Integrated Report exercise caution and consider these uncertainties in their decision-making processes.

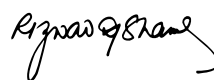
Availability of the Annual

Copies of the Annual Report are distributed to all shareholders in advance of the Annual General Meeting (AGM), attached to the appropriate notice period. Additionally, our report is accessible online at Link: <https://www.ipdcbd.com/aboutus/investorrelations>

Declaration of Integrity of the Integrated Report

I acknowledge that

- reasonable care has been taken in ensuring the integrity of this Integrated Annual Report
- preparation and presentation of the integrated report has been done through collaborative and collective efforts of the stewardship
- the stewardship ensured transparency and accountability and played its part in identification and prioritization of material matters
- the report has been prepared in accordance with the Integrated Reporting Council's International Integrated Reporting Framework, and it addresses the material matter relating to the long-term sustainability of the company
- the report fairly presents the integrated performance of IPDC Finance Limited and the impacts thereof

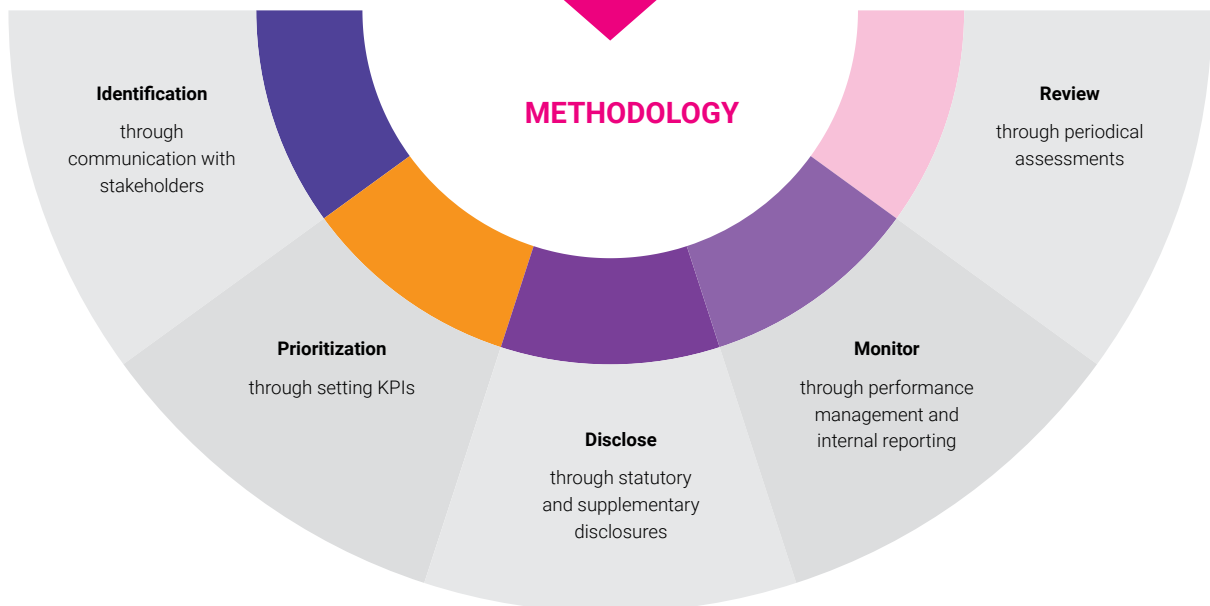


Rizwan Dawood Shams
Managing Director



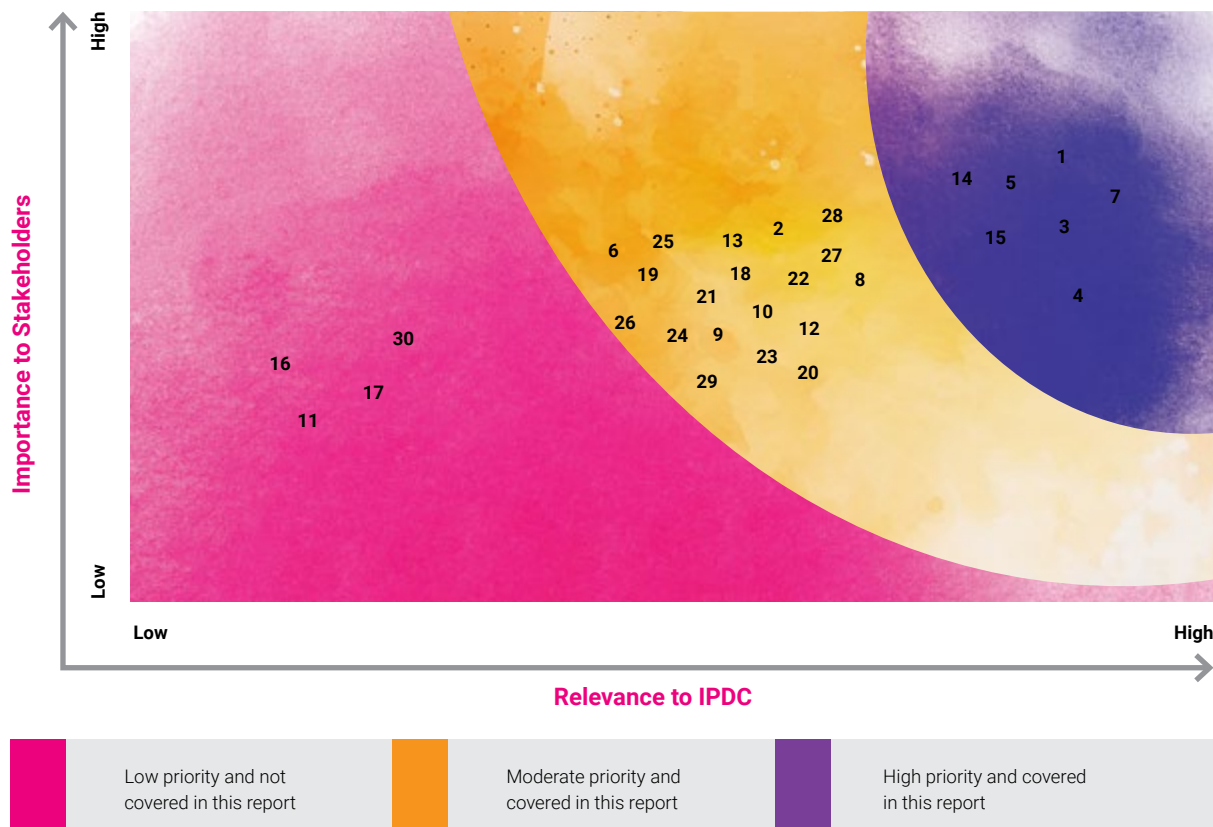
MATERIALITY DETERMINATION

Engaging with stakeholders to refine strategy is integral to responsible and sustainable business practices. Central to this is the process of materiality assessment, which identifies issues influencing an organization's decisions, actions, and performance. This assessment involves ongoing trend analysis, media scrutiny, and stakeholder input, focusing on environmental, social, and governance (ESG) topics with the greatest impact on the business and of utmost concern to stakeholders. By prioritizing these topics, businesses can effectively address them in their policies and programs, ensuring alignment with stakeholder expectations and enhancing long-term value creation. This comprehensive evaluation informs strategies to mitigate risks and capitalize on opportunities within the operating landscape, fostering resilience and competitiveness.



MATERIALITY MATRIX

To define the content for this annual report we assessed our interests and those of our stakeholders and analyzed them based on the significant impact they had:



1. Compliance with Rules and Regulations	11. Carbon Emission	21. Environmental Resource Protection
2. Career Progression for Employees	12. Timely Loan Disbursement	22. On-time Regulatory Reporting
3. Financial Position	13. Effective Communication of Business Strategy	23. Safe and Conducive Workplace
4. Recruiting and Retaining Talents	14. Strong Corporate Governance	24. Simple Documentation Process
5. Knowledge and Skill Enhancement	15. Efficient Risk Management	25. Compliance with supplier contractual terms
6. Corporate Social Responsibility	16. Employee Charity	26. Environmental Stewardship
7. Sustainability of Business	17. Waste Management	27. Societal Impact
8. Service Quality	18. Energy Efficiency	28. Safety of Deposits
9. Work-Life Balance	19. On time Payment Processing	29. Community Engagement
10. Employee Diversity and Inclusion	20. Transparent Procurement Process	30. Local Hiring

OUR TOP PRIORITIES

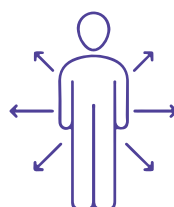
An issue is material to IPDC if it meets any of two conditions. Firstly, it impacts our business in terms of growth, cost and risk. And secondly, it is important to our stakeholders. Through our analysis, we have identified some key issues that are material to both our company as well as our stakeholders. These key issues are illustrated below:



REGULATORS

IPDC Finance ensures compliance with regulations, timely reporting, and effective corporate governance to meet regulatory standards and expectations.

"Government and Risk Management" -Page 20



CUSTOMERS

IPDC Finance prioritizes the safety of deposits, timely loan disbursement, simple documentation processes, and quality customer service for its customers.

"What We Do" -Page 20
"Operational Efficiency"-Page 20
"Service orientation"- Page 20



EMPLOYEES

The company focuses on career progression, skill enhancement, diversity, inclusion, and work-life balance to foster a supportive and enriching workplace environment.

"Human Capital" -Page 20

INVESTORS

IPDC Finance emphasizes financial stability, business sustainability, effective communication of strategy, and robust corporate governance to instill confidence in investors.

"Our Approach to Sustainability" -Page 20
"Governance and Risk Management"-Page 20



COMMUNITIES & SOCIETY

The company is dedicated to social responsibility, environmental stewardship, resource protection, energy efficiency, and active community engagement.

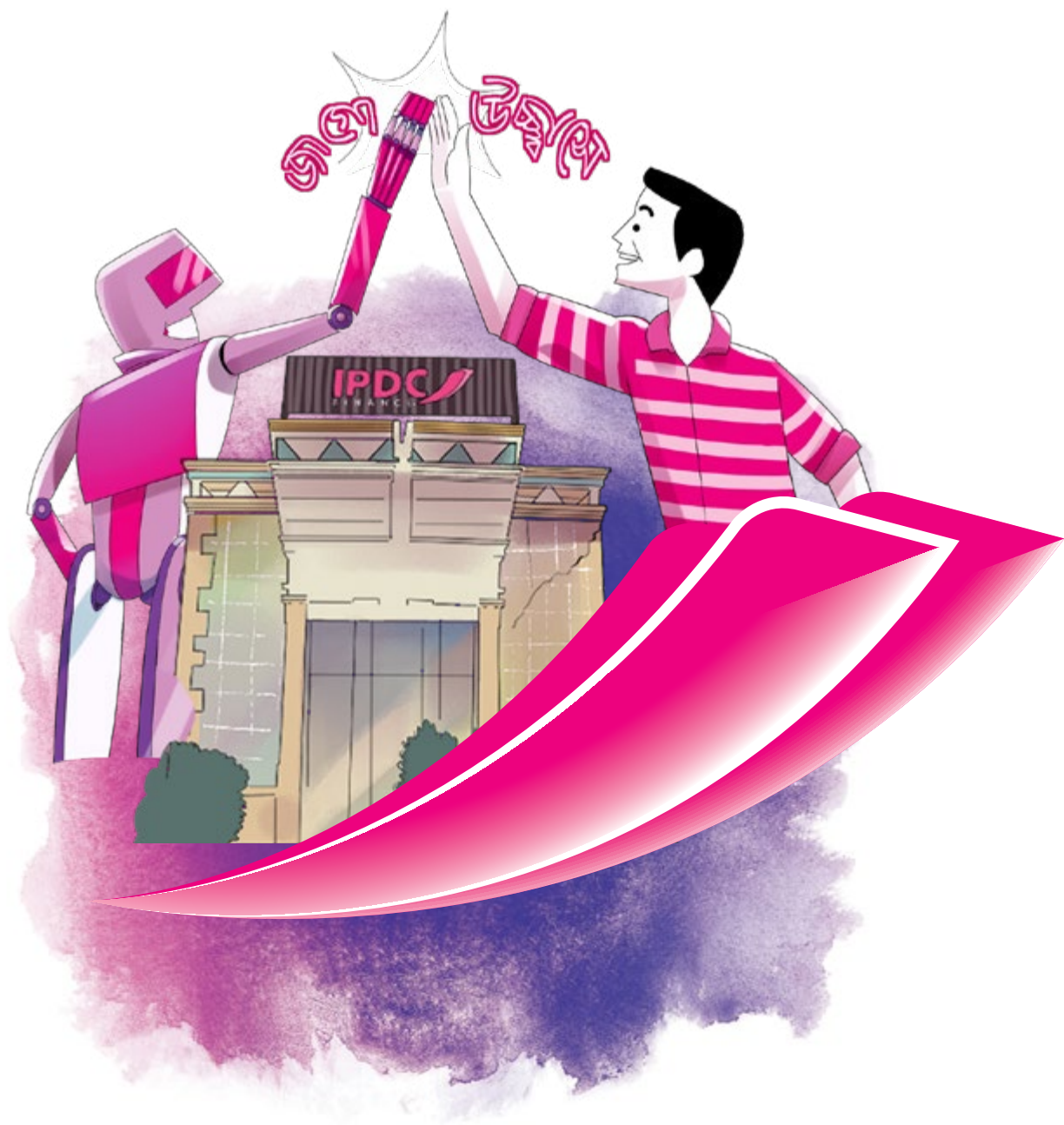
"Impact (CSR)" -Page 20
"CSR Statement"-Page 20
"Human Capital" -Page 20



SUPPLIERS

Compliance with contractual terms, timely payments, and transparent procurement processes are upheld to maintain strong and trustworthy relationships with suppliers.

"Our Approach to Stakeholder Engagement" -Page 20



ବଂଶ କ୍ଷେତ୍ରର ଜାଲ ଖୋଦା

বাংলাদেশের মাটি ও মানুষের
গান নিয়ে জনপ্রিয় প্ল্যাটফর্ম

18th
Business
Awards
The DAILY STAR
EXCELLENCE IN BUSINESS

SMEL
STIMULUS
PACKAGE

আইপিডি
ডিজিট
সফলতা আশা

ডানে ছোট্ট নিন

શ્રી ગુણગાર
અર્ચાવલે મધ્યમ પ્રા.
40 શાસ્ત્ર કમનંદન મંચિ

જારજી જ્ઞાન્ની જાધન
(આઈપીડીપીટી)

দেশভূমি মানুষের
 তিভের বিশ্বতা প্রজ্ঞার অঙ্গী

આંશનિક
ડાલાવાડા શેઠનાત

ગુડિક મંજ

તીર્થ
ઉદ્યાન
જન્ય
લેબ

शस्रभाषण

ଜେମ ପ୍ରମୁଦ ଖେଳାଳି

આધિકાર પ્રાપ્તિ

যাদ্ধা শুরু ১৯৮০ সাল থেকে

IPDC 



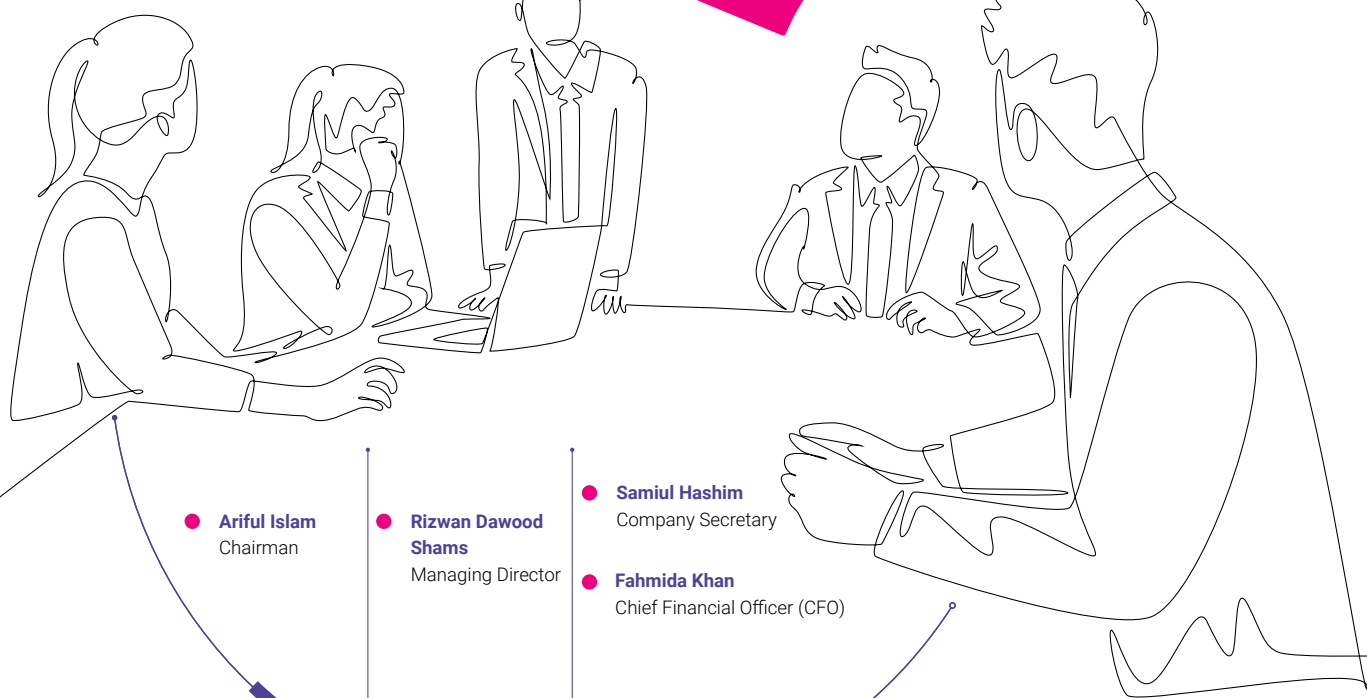
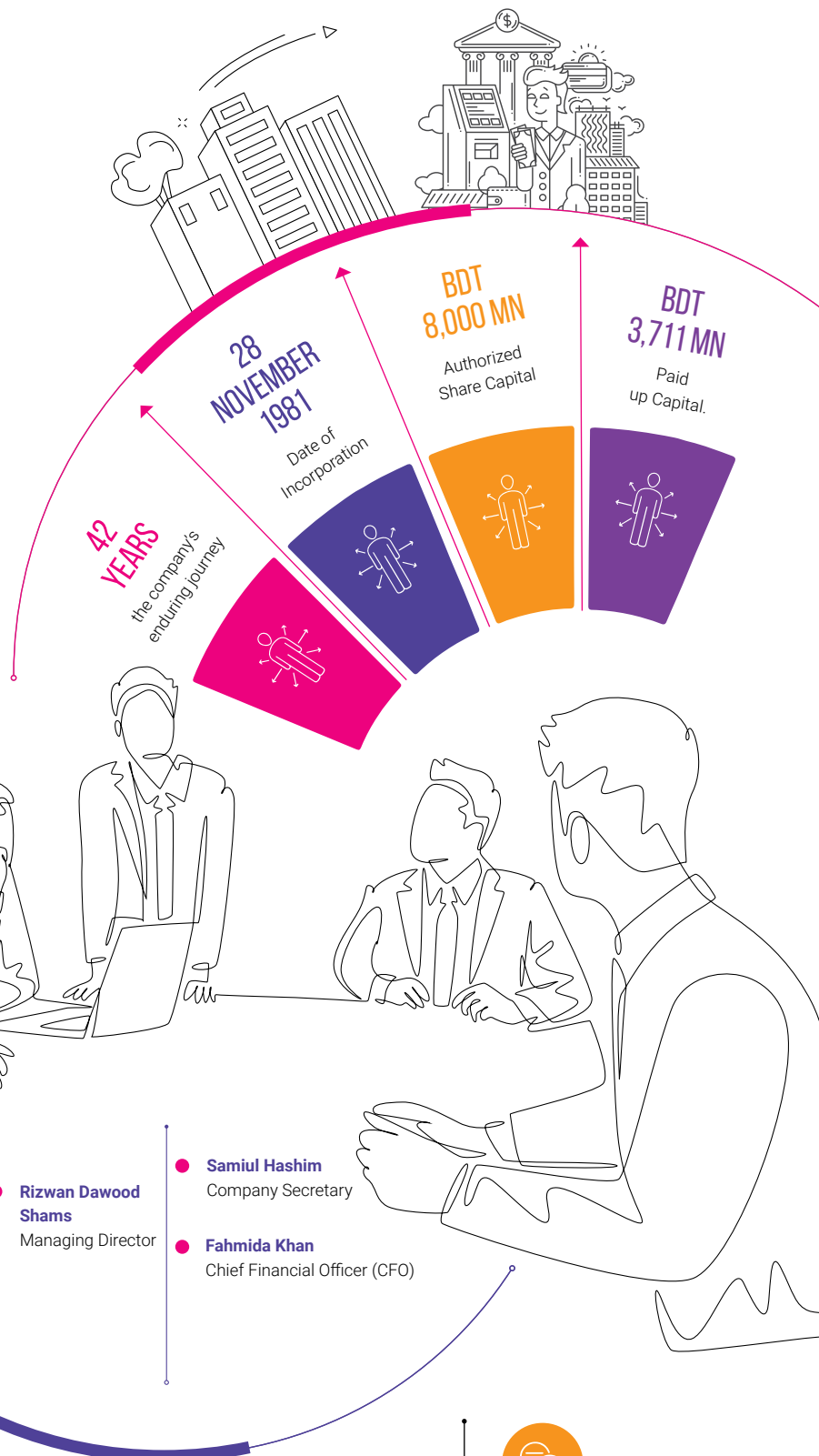


OVERVIEW OF IPDC

COMPANY PROFILE



Founded in 1981, IPDC Finance Limited (previously named as Industrial Promotion and Development Company of Bangladesh Limited) has played a pivotal role in fulfilling its core objective of ushering in the wave of industrialization in Bangladesh. With such an illustrious purpose and intent, the Company introduced innovative financial products and services that together enabled us in building the foundations of leading corporates of Bangladesh.



● **Ariful Islam**
Chairman

● **Rizwan Dawood Shams**
Managing Director

● **Samiul Hashim**
Company Secretary

● **Fahmida Khan**
Chief Financial Officer (CFO)



General Information

Legal Form: Public Limited Company

Registration Number: (c-9566)/392 of 1981-1982 dated 28 November 1981

Bangladesh Bank License Number: BCD (Non-Banking)/Dhaka/3/95 dated 07 February 1995

Listing Date: 03 December 2006 (DSE & CSE)

Taxpayer Identification No: 111505336736

Vat Registration No: 001103993-0101



Registered Office

Hosna Center (4th floor) 106 Gulshan Avenue,
Dhaka 1212

PABX: 55068929, 55068931-37, 029891758

FAX: 55068928, 55068930

Email: email@ipdcdbd.com

Website: www.ipdcdbd.com



Investors' Enquiry

Investors Relation Department

Phone: +(88) 09612885533,
+(88-02) 55068931-6

Fax: +(88-02) 5506893128

Email: email@ipdcdbd.com

Help Desk

16519.

Auditor

Nurul Faruk Hasan & Co., Chartered Accountants

Corporate Governance Auditors

Hoda Vasi Choudhury & Co, Chartered Accountants

Provident Fund Auditor

Snehasish Mahmud & Co, Chartered Accountants

Gratuity Fund Auditor

Snehasish Mahmud & Co, Chartered Accountants

Actuary for Gratuity Valuation

Z. Halim & Associates, Actuarial & Pension Consultants

Tax Consultants

Snehasish Mahmud & Co, Chartered Accountants

Amin Uddin and Associates

Credit Rating Agency

Emerging Credit Rating Limited (ECRL)



BUSINESS PHILOSOPHY

OUR VISION



To become the most passionate financial brand in the country with a special focus on youth, women, and underserved areas.



OUR MISSION

To enable our customers and communities live unbound to their fullest potential by extending innovative financial solutions in a friendly, timely, transparent, and cost-effective manner.





OUR CORE VALUES

We will create extraordinary customer experiences by:

- Serving our customers with passion and honesty
- Going beyond the normal call of duty
- Relentlessly pursuing innovation



OUR GUIDING PRINCIPLES

- Displaying the highest level of Integrity in the way we conduct our business
- Demonstrating a strong Will to Win in the marketplace
- Promoting Diversity in the workplace and community
- Always encouraging Teamwork
- Harnessing the power of Technology to deliver the best customer experience
- Setting the standard for the best Corporate Citizenship in the communities we work

IPDC'S EVOLUTION



1981
1st Private
Financial
Institution (FI) in
Bangladesh

1983
Commenced
commercial
operations

1985
Co-founded IDLC

1995
Received license
Received license
for operating as a
financial Institution
from Bangladesh
Bank

1997
Commenced lease
financing

1999
Launched short-term
working capital

2000
Invested in DBH
Invested in preferred
stock of Delta BRAC
Housing

Introduced preference
share investment
in the country by
investing in Hyundai
Cement, Bangladesh

2004
Introduced zero
coupon bond
Introduced zero-
coupon bond through
securitization of
receivables with
technical assistance
from World Bank

AKFED acquired a
majority share of the
Company through
buying stakes from
IFC, DEG and CDC

2006
Got Public Listing

2008
Auto loan and
Club Royal

Introduced auto
loan and Club Royal,
privileged lifestyle
products for high
networth individuals,
the first of its kind in
the NBF sector

2012
Introduced
factoring and
mortgage finance

2015
Major changes
in shareholding
structure

Major changes
in shareholding
structure with BRAC
taking 25%, Ayesha
Abed Foundation
10%, and RSA Capital
Limited 5% from
AKFED

2016
REBRANDING
Formulated the five-
year strategic paper
by realigning focus
on youth, women, and
underserved areas

Revamped and
rebranded to IPDC
Finance Limited from
Industrial Promotion
and Development
Company of
Bangladesh Limited

Inaugurated branches
in Gazipur, Narayanganj,
and Bogra

2017
Inaugurated
branches

Inaugurated
branches in Jashore,
Mymensingh and
Cumilla



2018

Development of Project Orjon scheme

Commencement of the development of Project Orjon, the first-ever digital supply chain financing solutions using Block Chain Technology in Bangladesh

2019

Best FI

Launch of Orjon, Southeast Asia's First Blockchain-based Digital Supply Chain Finance Platform

Became the Best Financial Institution of the Year at the 18th Bangladesh Business Awards

2020

Manobota deposit

Digitalized and transformed all initiatives and operations to adapt to the new normal brought upon by the pandemic

Launched the Manobota deposit scheme to help the underprivileged community

2021

Onboarded Tamim Iqbal

Onboarded Tamim Iqbal as Uchhasher Ogrodut (Brand Ambassador)

2022

IPDC Amader Gaan

Awarded the Intellectual Property Protection Award 2021 for its contribution in protecting and presenting Bangla Folk music to the youth through "IPDC Amader Gaan".

Child Marriage Prevention Loan

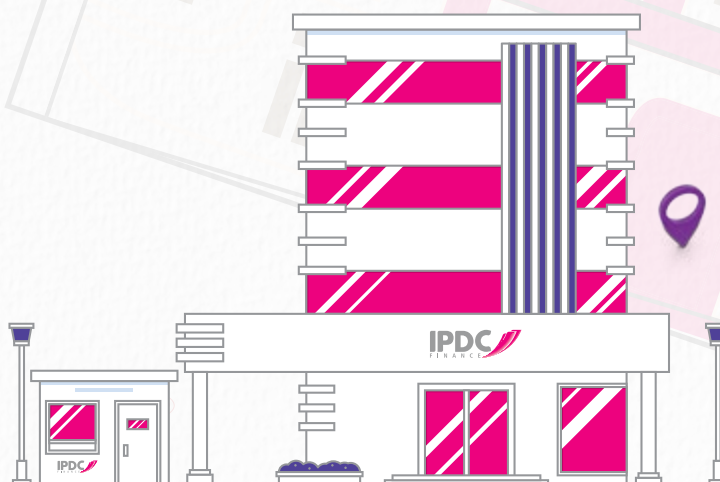
Launched Child Marriage Prevention Loan, the first of its kind, an innovative interest-free loan aimed at preventing child marriages in underprivileged families.

2023

Sponsored Sylhet Strikers in BPL 2023

TRACES OF IPDC

106
HOSNA CENTER



Head Office

Hosna Center (4th Floor)
106 Gulshan Avenue, Dhaka-1212,
Bangladesh.
Telephone: (88-02) 55068929,55068931-6,
2222-90371,2222-90752,2222-91758
Fax: (88-02) 55068930
Email: email@ipdcdbd.com

Motijheel Branch

Surma Tower (4th Floor)
59/2, Purana Paltan, Dhaka-1000
Fax: +(88-02) 9564044
Tel: +(88-02) 9551704, 9570666
Email: email.mjl@ipdcdbd.com

Dhanmondi Branch

Navana G H Heights (11th Floor)
House # 67, Satmosjid Road
Dhanmondi R/A, Dhaka - 1209.
Tel: +(88-02) 48122718-20
Email: email.dhn@ipdcdbd.com

Jashore Branch

Mohashin Super Market (1st Floor)
10 R N Road, Ambika Bashu Lane
Jashore Pouroshova, Jashore
Tel:(0421) 64171-72
Fax: (0421) 64173
Email: email.jsr@ipdcdbd.com

Cumilla Branch

Alahi Tower (2nd Floor)
Holding no-139, Kaporiea Potti, Cumilla
Tel:(081) 74196-97
Fax: (081) 74214
Email: email.comilla@ipdcdbd.com

Mymensingh Branch (Old Address)

Momen Tower (3rd Floor) (New Address)
65, Muktijuddha Sharani Sharak
(Chuto Bazar), Mymensingh
Tel:(091) 51438-39
Fax: (091) 51440
Email: email.myn@ipdcdbd.com

Khulna Branch

Matrihasha Bhaban (3rd Floor)
63 K.D.A. Avenue, P.S. Sonadanga,
Dist. Khulna
Tel: +8802477727518-19
Fax: +8802477727520
Email: email.khulna@ipdcdbd.com

Faridpur Branch

Nowab Ali Tower (1st Floor)
House-9/2, Kobi Jashim Uddin
Road,
Sadar Faridpur
Tel: +880247880178-69
Fax: +8802478801770
Email: email.faridpur@ipdcdbd.com

Rangpur Branch

3rd Floor, R#2, H# 5,
Senpara, P.S. Rangpur Sadar Dist,
Rangpur
Tel:+8802589964600
+8802589964601
+8802589964602
Email: email.rangpur@ipdcdbd.com

Sylhet Branch

Khalil Trade Center (3rd Floor)
House # 01, Block # D,
Main Road Shahjalal Upo-Shahar,
Sylhet - 3100
Fax: +(88-0821) 711177
Tel: +(88-0821) 711112,711128
Email: email.syl@ipdcdbd.com

Narayanganj Branch

Sattar Tower 50(old), 48(new)
S.M. Maleh Road,
Tanbazar, Narayanganj
Tel: +(88-02) 7646435-6
Fax: +(88-02) 7646437
Email: email.nyr@ipdcdbd.com

Gazipur Branch

Shah Jilani Tower
Outpara, Tangail Road,
Gazipur Choerasta, Gazipur-1702
Tel: +(88-02) 49262256-7
Fa: +(88-02)49262258
Email: email.gzi@ipdcdbd.com

Bogura Branch

Amicus Center,
416-417 Sherpur Road,
Bogra Sador, Bogura
Tel: 05161477-8
Fax:05161479
Email: email.bogra@ipdcdbd.com

Chattogram Branch

Aziz Court
Holding No. 88-90
Agrabad Commercial Area,
Agrabad, Chattogram.
Fax: +(88-031) 726329
Tel: +(88-031) 726325-8
Email: email.ctg@ipdcdbd.com

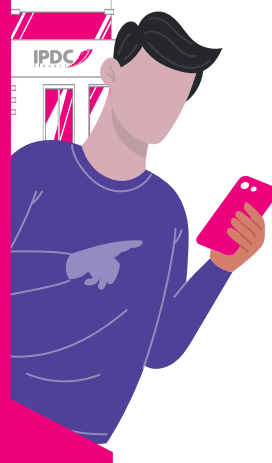
Uttara Branch

Circle Windflower (2nd floor),
Plot no. 30, Sector no. 11,
Sonargaon Janapath,
Uttara Model Town, Dhaka-1230
Fax: +(88-02) 8932630
Tel: +(88-02) 8932152, 8932154
Email: email.uttara@ipdcdbd.com

1st to introduce a comprehensive customer loyalty program in the industry, which offers a package of priority service to its high-value customers.

1st to introduce the concept of investment in preferential share in Bangladesh

CREATING MANY FIRSTS



1st to introduce Asset Securitization product in Bangladesh

One of the founding sponsors of IDLC, the first leasing company

Invested in Preference Share of Delta BRAC Housing (DBH), which is the pioneer and the leader in the private sector specialized mortgage industry.

IPDC took the risk to finance many new ventures in their early stages and some of these institutions are now the leaders in their respective section. Some of the examples are:

1st Private sector TV channel in Bangladesh
-ETV

1st Theme Park in Bangladesh
-Fantasy Kingdom

1st Mineral Water Project
-Aplinefresh

1st Private Sector 5 Star
-Hotel Westin

1st Institutional Finance in Educational Institute
-Scholastica School

1st International Hospital Chain Operating in Bangladesh
-Apollo Hospital, Dhaka



IPDC EZ won Fintech Innovation of the Year-NBFI



IPDC Finance won at the 23rd ICAB National Award for Best Presented Annual Report



IPDC Finance won at the 13th ICMAB Corporate Awards for Best Presented Annual Report

AWARDS



IPDC Finance won the Karlsruhe Sustainable Finance Awards 2023 for Best Innovation in Sustainable Financial Services



IPDC EZ won an Honorable Mention for Digital Lending for Fintech Innovation of the Year



IPDC Finance won the Beijing International PSA Competition 2023 for IPDC Railway Safety Campaign



IPDC Finance won at the Bangladesh Brand Forum for Best Digital Campaign by New Agency for IPDC Amader Gaan



IPDC Finance won at the Bangladesh Brand Forum for Best Use of Data and Analytics for Bhalobasha Home Loan

ARDS

CSR

Education

The development of the educational sector is one of the fundamentals of a country's socio-economic growth. Therefore, IPDC Finance took on diverse approaches that boosted the country's educational progress. Such initiatives are; donating to the Prime Minister's Education Assistance Trust, supporting the dreams of Sadia Mou and providing a monthly stipend for her education, partnering with Jaago Foundation to fund the education of 50 children, establishing a library for the first Department of Robotics and Mechatronics at the University of Dhaka for a better learning environment, allocating stipend for 2 children of Kabil Miah, spreading awareness about Anti-Money Laundering Activity through advertisement, and enriching financial literacy across the whole nation through workshops, booklets, banners, advertisement, and more.



Funding the education of 50 children in partnership with Jaago Foundation



Enriching Financial Literacy across the whole nation through workshops



Establishing a library for the Department of Robotics and Mechatronics at the University of Dhaka



Providing a monthly stipend to Sadia Mou for her education

Health

Physical well-being is one of the primary concerns for a large group of the population of the country. Thus, IPDC Finance has funded establishments and sponsored treatments of many individuals across our country. Such as; conducting workshops regarding Breast Cancer Awareness in collaboration with BANCAT, and the building of the Narail Express GYM which was founded by Mashrafe Bin Mortaza.



Constructing Narail Express gym, founded by Mashrafe Bin Mortaza



Organizing workshops regarding Breast Cancer Awareness in Collaboration with BANCAT

Environment and Climate Change

Improving the environment and mitigating climate change is one of the major concerns of IPDC Finance. Hence IPDC Finance has organized awareness events and facilitated tree plantations on World Environment Day, donated for research about environmental law, and funded a rainwater harvesting program with the Sajida Foundation.



Tree plantations on World Environment Day

Social Welfare

In line with our commitment to creating a positive societal impact, IPDC Finance prioritizes social welfare initiatives aimed at uplifting women, youth, and underserved communities of Bangladesh. Such as; offering the monthly stipend of Birangana Biva Rani, supporting the Child Marriage Prevention Loan and restoring the dreams of school girls, funding of daily food needs of 50 students of Ucchash School for a month in honor of National Mourning Day, distributing blankets among the deprived communities of the country, enriching the skills and developing business mindset among children of impoverished communities and more.



Burnishing the skills of children from impoverished communities in partnership with Hashimukh



Restarting the dreams of a schoolgirl through Child Marriage Prevention Loan



Funding of daily food needs of 50 students of Ucchash School for a month in honor of National Mourning Day



Distributing blankets among the deprived communities

INITIATIVES OF 2023



Empowering entrepreneurs of SMEs at the 5th SME Fair 2023 in Chittagong



Spreading awareness about the financial eco-system at the NBF Fair 2023



Alok Shondha, a festive celebration for the launch of IPDC Amader Gaan Season 5



Exclusive Ford Everest Car Display event hosted at the IPDC Finance Head Office



Engaging with the leading developers in the country for better and more inclusive service for our clients



The 5th Season of IPDC Amader Gaan rolls out



Under the BRAC eco-system, IPDC Finance joins Hope Festival 2023



Inaugurated a daycare center in office premises for the children of IPDC employees.



Recognizing teachers who go beyond teaching to create an impact in the lives of their students through Priyo Shikkhok Shommanona



IPDC Finance shares the win with Sylhet Strickers through sponsorship

HIGHLIGHTS OF 2023



Embracing the New Year with festivities across all branches.



A day filled with yellows and reds to welcome the first day of spring, Pohela Falgun and Valentine's day.



Celebrating International Women's Day through wholesome events for everyone at IPDC Finance.



Recognizing the best performers of IPDC Finance in the Quarter 1 STAR Performers Ceremony.



Organizing a book fair for 2 days for book-loving employees at IPDC Finance.



Arts and crafts corner for the employees and showcasing the children's artwork using recycled materials.



Conducting an online session on mental health by Dr. Rozina Begum and leading a physical fitness session for the employees of IPDC Finance.



Spreading awareness with a session by Dr. Kazi Ali Hassan, running a three-day long campaign for overall health check-ups.



Celebrating International Men's Day with engaging events for both men and women.

CAMPAIGNS OF 2023

IPDC has consistently played a crucial role in fostering effective communication with its stakeholders, customers, shareholders, and beyond. Through various initiatives, it has orchestrated exemplary campaigns that have left a lasting impact on its audience. These campaigns have not only showcased the company's dedication to transparency and engagement but have also served as benchmarks for effective corporate communication strategies. By prioritizing meaningful interactions and delivering compelling messages, IPDC has built enduring relationships with its stakeholders and strengthened its reputation as a trustworthy and responsive organization. Such endeavors highlight IPDC's commitment to excellence in communication and its proactive approach to engaging with diverse audiences to drive mutual understanding and growth.



Cricket World Cup 2023 Campaign

Cricket tournament schedules can be found anywhere. But, IPDC Finance brought a fun and playful way to visualize the schedule of Bangladesh's road to triumph through this campaign.

Extreme Heat Gratitude Post for Hard workers

The extreme heat in the summer of Bangladesh is never a pleasant experience. But for those working amid this heat; IPDC Finance pays its respect through this campaign and sends its gratitude.



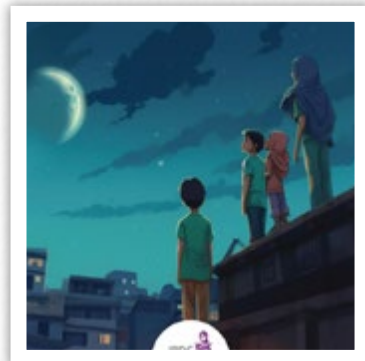
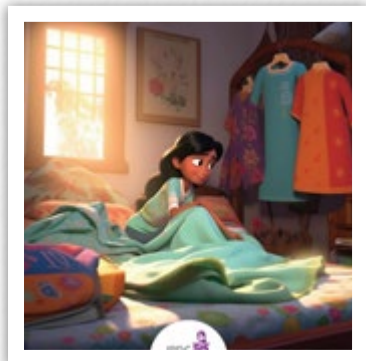
IPDC Desk Calendar 2024

The 2024 IPDC desk calendar brings successful Bengali women to the forefront of every desk it reaches. The goal of this campaign was to empower Bengali women from diverse arenas.



IPDC Priti Eid Nostalgia Series

Eid is not just another day in Bangladesh, it's full of joy, anticipation, and traditions. With the help of image-generative AI, IPDC Finance is showcasing the fundamental moments of Eid festivities in this campaign.



Mother's Day Campaign

No love is like a mother's love. In this campaign, IPDC Finance has illustrated the love between mothers and their kids with a distinct look of the images from an image-generative AI.



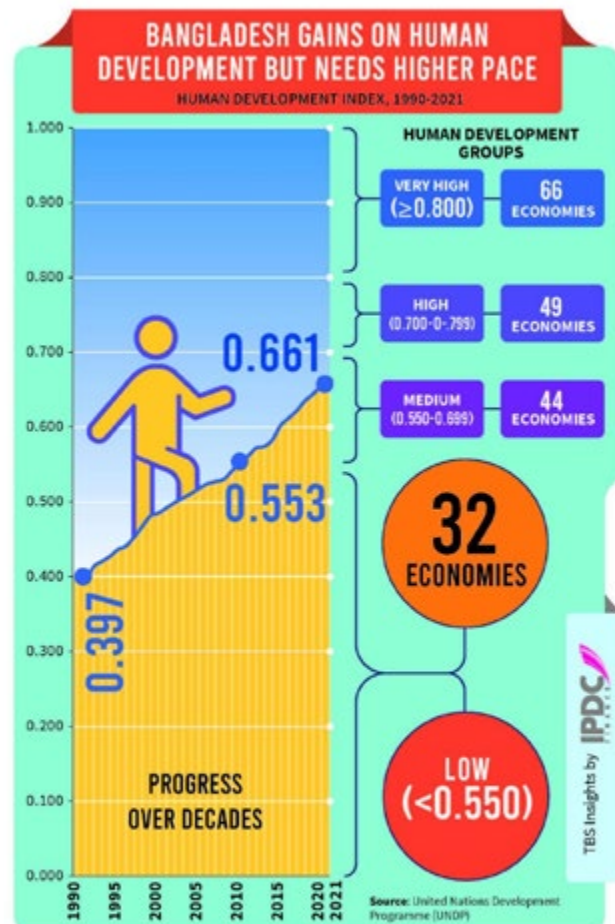
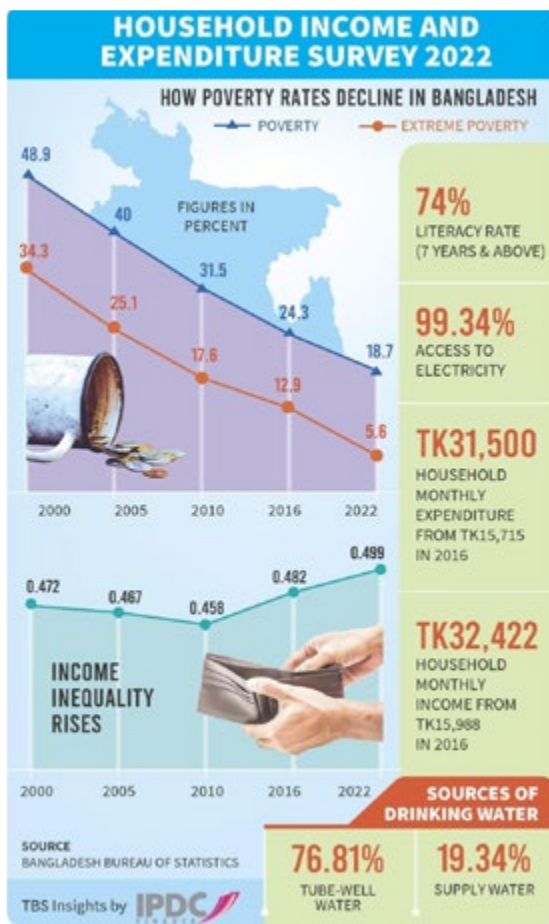
New Year Awareness Campaign

Each year the New Year celebrations see extra added flare from the last one. But even though we humans enjoy fireworks and sky lanterns, they leave a big mark on the environment. With this campaign, IPDC Finance is enlightening the people regarding the causes and impacts.



IPDC-TBS: Access to Essential News Insight

Digital or printed, The Business Standard is revolutionizing the media landscape of the country. The collaboration between IPDC Finance and The Business Standard is transforming access to essential news insights for the mass population.



OUR BUSINESS MODEL



Partners

Taking part in strategic and proactive discussion with key stakeholders helps IPDC to deepen its insights into the drivers of its business, and therefore adjust to changing demands of the stakeholders.

- Customers
- Employees
- Shareholders/Investors
- Suppliers
- Regulators



Resources

For a business, their resources are considered the most valuable assets used to penetrate markets, maintain customer base, and generate income. These can be classified into Physical, Intellectual, Human and Financial.

- Strong Balance Sheet
- Young & Vibrant Human Resource
- Strong Stakeholders Relationship
- Growing Brand Recognition
- IT Systems



Activities

IPDC seeks to go beyond to create intangible resources that will reap benefits, financial and non-financial, for stakeholders and the wider community in the future.

- Providing a Safe Place to Invest
- Selling Financial Products
- Creating Brand Awareness
- Carry-out Social Responsibilities

Source Deposit

Lending to Borrowers

Operating Activities

Integration of innovation into financial products



Delivering Value

IPDC has maintained a loyal customer base by delivering value to its stakeholders and society by adopting a sustainable approach. Our value creation is based on meeting our clients' requirements through accessibility, affordability, & convenience.

- Extraordinary Customer Experience
- Affordable Products and Services
- Bringing Convenience to Home
- Service beyond Megacities
- Creating Entrepreneurs



Customer Segments

Customer segments represent the different groups of individuals and institutions targeted by IPDC. We segment our customers to learn about the distinguished needs that they might have and identify ways to address those specific needs.

- Corporates
- SMEs
- Retail Borrowers
- Depositors
- Investors



COST STRUCTURE:

- Interest Expense
- Infrastructure
- Employees
- Overheads



REVENUE STREAMS:

- Interest Income
- Commission and Fees
- Investment Income



CUSTOMER RELATIONSHIPS:

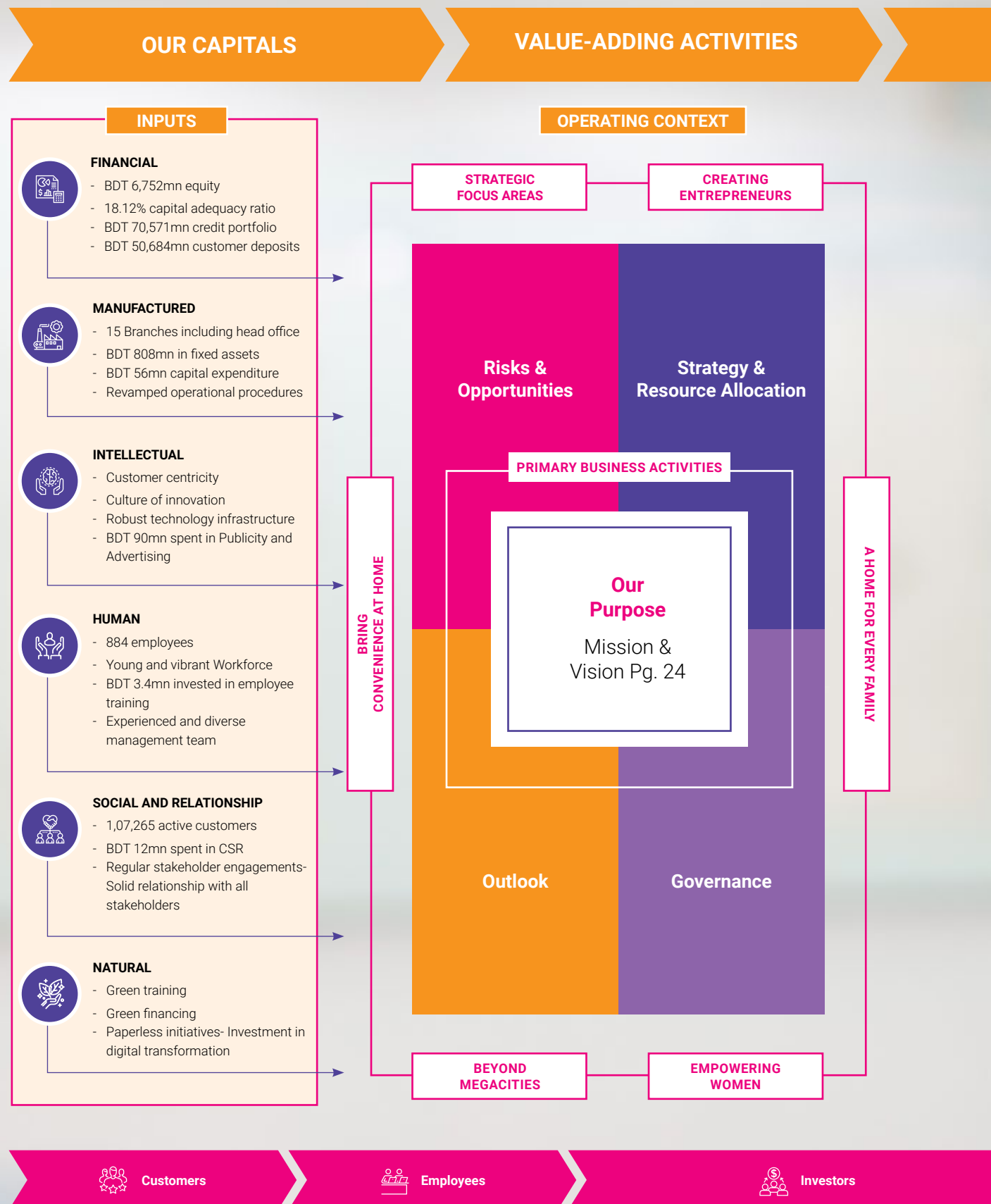
- Personalized Service
- Long-term and Recurring
- Communities



CHANNELS:

- Branch
- Outreach Operations
- Direct Sales
- Social Networks

VALUE CREATION PROCESS FLOW



VALUE FOR STAKEHOLDERS

OUTCOMES

FINANCIAL

- 5.05% return on equity
- 0.38% return on asset
- BDT 2,902 mn revenue- BDT 343 mn net profit



MANUFACTURED

- Strong IT and physical infrastructure
- Presence in all major locations
- Quicker disbursements
- Faster file processing



INTELLECTUAL

- IPDC Shubodh, IPDC Manobota
- Robust Core Banking System
- IPDC EZ Platform
- Dana Platform
- Orjon Platform



HUMAN

- Lower attrition
- Engaged workforce
- Improving gender balance
- Stay home, stay fit campaign



SOCIAL AND RELATIONSHIP

- Fast increasing female customers
- IPDC Shushoma
- Priti & Joyee
- Impactful sponsorships



NATURAL

- Tree plantation- Green solutions
- Power conservation
- Electronic document management system



Suppliers



Communities
and Society



Regulators

PRODUCTS AND SERVICES



Loan Products

As a strategic orientation of our business, we have organized our strategic business units: **Corporate, SME, and Retail.**



Uchhash Club

Personal financial advice to our high-value customers, through our exclusive convenience and engagement platform to our top customers.



Retail Finance

Home Loan

Aims to meet the dream of every individual's aspiration of owning a home.

Personal Loan

Fulfilling a wide range of personal requirements.

Auto Loan

Car financing solutions for both individuals and institutions.

Bhalo Basha Home Loan

Housing finance to the growing middle-income base outside metropolitan areas.

IPDC EZ

A financing platform where customers can purchase from renowned shops/platforms, plan trips abroad and pay later in affordable monthly installments.

Small & Medium Enterprises (SMEs)

Term Loan

Financing for capital and operating expenditures such as balancing of production lines, modernization of manufacturing processes, etc.

Factoring

Receive cash quickly and relieving the first party debt for less than the total amount providing them with working capital to continue trading.

Work Order Finance

Financial assistance to overcome liquidity shortage in a timely manner.

Short Term Financing

Financial assistance to meet day to day running business operations cost.

Joyee

Loan for female entrepreneurs at low-interest rates throughout the year.

Lease Finance

Lease financing to small and medium enterprises against industrial machinery and commercial equipment, others.

IPDC DANA

Dana, an innovative product providing quick access to finance to microentrepreneurs.



Corporate Finance & Advisory

Lease Finance

Financing lease against industrial machinery and commercial equipment, generators, vehicles, etc.

Project and Syndication Financing

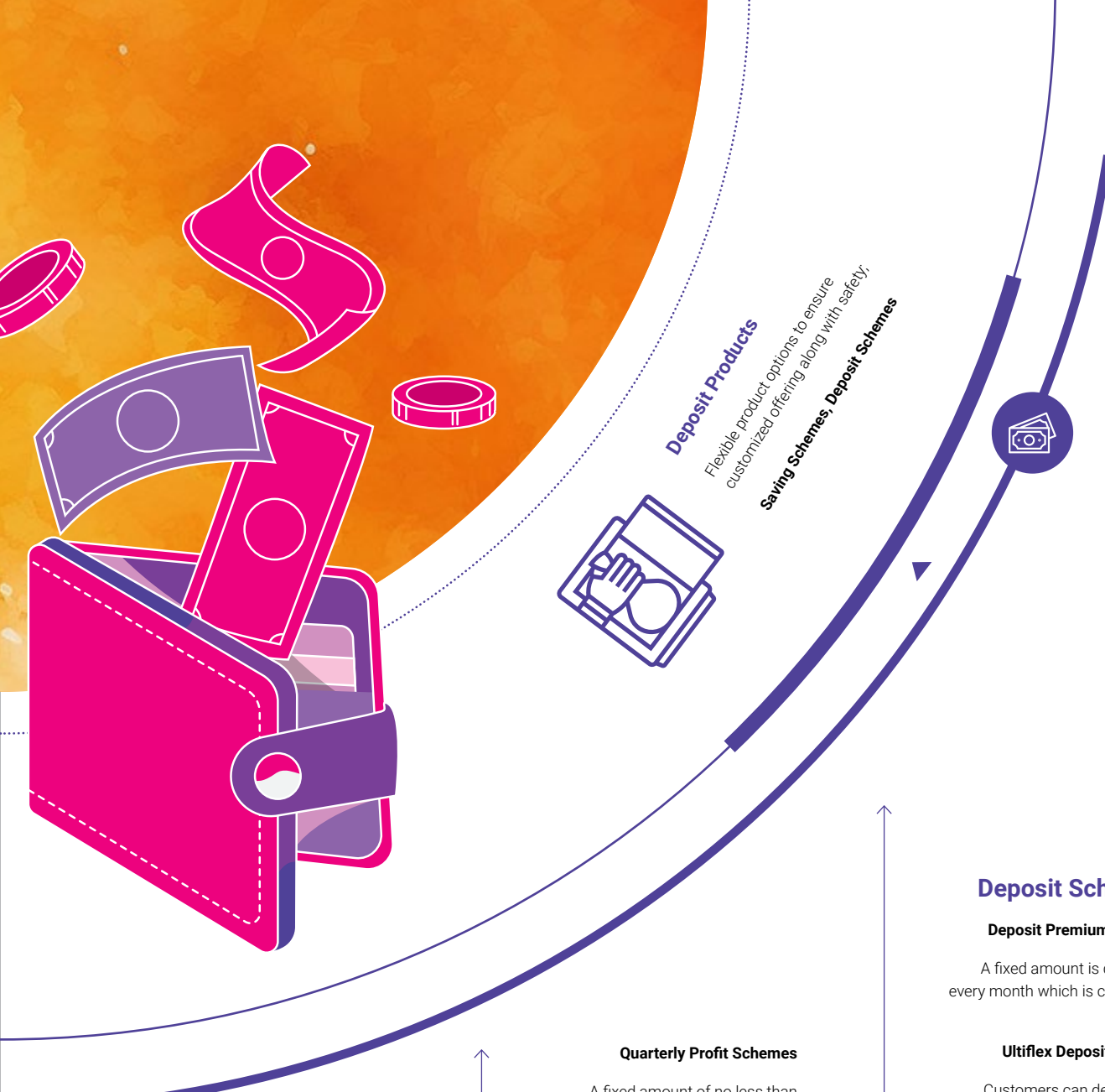
For large-scale investments, IPDC forms consortiums with banks / financial institutions to raise funds.

Term Loan

These long-term loans normally provided to meet capital and operating expenditure requirements of customers.

Short-term Financing

Capital finance to enable companies to meet their day-to-day running of business operations.



Deposit Products

Flexible product options to ensure customized offering along with safety, Saving Schemes, Deposit Schemes

Deposit Schemes

Deposit Premium Scheme

A fixed amount is deposited every month which is capitalized annually.

Ultiflex Deposit Scheme

Customers can deposit any amount of money anytime they wish with a fixed rate. The minimum tenure is 2 years.

Cumulative Profit Scheme

A fixed amount of no less than BDT 50,000 must be deposited in, which minimum tenure is two years and interest is paid at maturity.

Monthly Profit Scheme

A fixed amount of no less than BDT 50,000 must be deposited in which minimum tenure is 1 Year and interest is paid on a monthly basis.

Double Money Deposit Scheme

A fixed amount of no less than BDT 50,000 must be deposited in which the deposited amount is doubled after a certain period.

Priti

An exclusive platform for the female clients of IPDC where they can receive various privileged services and special discounts through partners.

Quarterly Profit Schemes

A fixed amount of no less than BDT 50,000 must be deposited in which minimum tenure is 1 year and interest is paid on a quarterly basis.

Millionaire Deposit Scheme

A monthly scheme with flexible long-term tenure that gives a maturity value of BDT 1 million.

Annual Profit Scheme

A fixed amount of no less than BDT 50,000 must be deposited in which mode of interest payment is annual.

Fixed Deposit General

A fixed amount of no less than BDT 50,000 must be deposited in which minimum tenure is 3 months and interest is paid at maturity.

SIGNATURE PLATFORMS



IPDC AMADER GAAN

IPDC Amader Gaan, a contemporary take on popular Bangladeshi folk music, began its journey on the 50th year of the country's independence. Through this platform, IPDC aspired to celebrate the diversity of Bangladeshi culture while bringing unsung music genres, like folk music, into the global limelight.



UNsung WOMEN NATION BUILDERS AWARDS

The indomitable women who have contributed significantly to the development of Bangladesh surviving all odds of disparity and discrimination are largely ignored. IPDC Finance Limited in association with The Daily Star initiated a platform to acknowledge root level women change makers.



PRIYO SHIKKHOK SHOMMANONA

IPDC Finance Limited and the Daily Prothom Alo jointly organized 'Priyo Shikkhok Shommanona' programme to recognize the extraordinary contribution of school-level teachers across the country.



BANGABANDHU GRANDMASTER APP

The first quiz app on the life and legacy of Father of the Nation Bangabandhu Sheikh Mujibur Rahman was launched by IPDC Finance Limited. Following Bangabandhu's vision, IPDC has taken a unique approach to exhibit his fascinating life and legacy and designed the Bangabandhu Grandmaster App, which promises to be an important guide for the younger generation. The app is available on the web and on both android and iOS platforms.



OGROJ

The online show titled 'OGROJ' celebrates the journeys of successful individuals who have made a mark in their respective fields through their perseverance and a strong sense of purpose. In each episode, distinctive icons from diverse sectors such as Finance, Business, Art, Culture, Education, Sports, and Media are seen flipping through the pages of their lives.



BANGLADESH SUPPLY CHAIN EXCELLENCE AWARDS

Bangladesh Supply Chain Excellence Awards recognizes outstanding individuals and organisations for their exceptional contributions in advancing supply chain knowledge and practices across the industries.

SIGNATURE PROJECTS



SHIRI

Implementing Shiri for internal operations, especially within loan origination systems, offers significant efficiency gains, transparency enhancements, and compliance improvements. By digitizing workflows, Shiri reduces paper usage, streamlines processes, and ensures accuracy and regulatory adherence. Its advanced analytics capabilities facilitate informed lending decisions, making it a transformative solution for optimizing operational efficiency and risk management in financial institutions.



CHILD MARRIAGE PREVENTION LOAN

Child Marriage Prevention Loan, the first of its kind, is an innovative interest-free loan aimed at preventing child marriages in underprivileged families initiated by IPDC Finance. The loan is given to the parents of the girls under the condition that the girls can't be married off before the age of 18 and they must be allowed to continue their education while IPDC Finance assists the parents with their means of livelihood.



SUBODH

IPDC Finance has introduced the first ever interest-free digital book loan titled Subodh, at Amar Ekushey Book Fair 2020. The initiative aimed to mitigate the hindrance that booklovers might face financially while being indulged in the ocean of books at the fair. Under the theme, Notun Boi-er Ghran-e, Subodh Jaguk Pran-e, IPDC launched the product at Bangla Academy premises. Under the scheme, one could avail a loan of up to BDT 3,000 and pay back via three installments during the fair.

SIGNATURE PRODUCTS



IPDC EZ

IPDC EZ is a consumer financing platform where customers can make their desired purchase from renowned shops/platforms, plan and enjoy trips abroad and pay later in affordable monthly installments.



IPDC DANA

IPDC Dana is an innovative product involving microentrepreneurs. It has already been rolled out and successful in its pilot phase with one of the largest FMCG manufacturers of the nation. The project aims to improve the livelihood of the microentrepreneurs by providing them with quick access to finance.



IPDC BHALO BASHA HOME LOAN

Affordable Home Loan (AHL) is a housing finance facility. It slightly differs from traditional housing finance as it is targeted towards the growing middle-income population having business, salary or remittance income and residing mainly outside of the two megacities, Dhaka and Chittagong.



IPDC JOYEE

IPDC Joyee focuses on women entrepreneurs. With a lending rate below the market, Joyee aims to improve access to capital to women, paving the way to financial independence.



IPDC PRITI

IPDC Priti is an exclusive platform for the female clients of IPDC where they can receive various privileged services and special discounts through partners. IPDC Priti is a package offering an array of features such as economic prosperity, financial security, and medical care aimed to improve the quality of life of the Bangladeshi women and offering a gateway to financial independence.

IPDC Finance Limited is the first private sector financial institution of the country established in 1981 by a distinguished group of shareholders namely International Finance Corporation (IFC), USA; German Investment and Development Company (DEG), Germany; the Aga Khan Fund for Economic Development (AKFED), Switzerland; Commonwealth Development Corporation (CDC), UK and the Government of the People's Republic of Bangladesh (GOB).

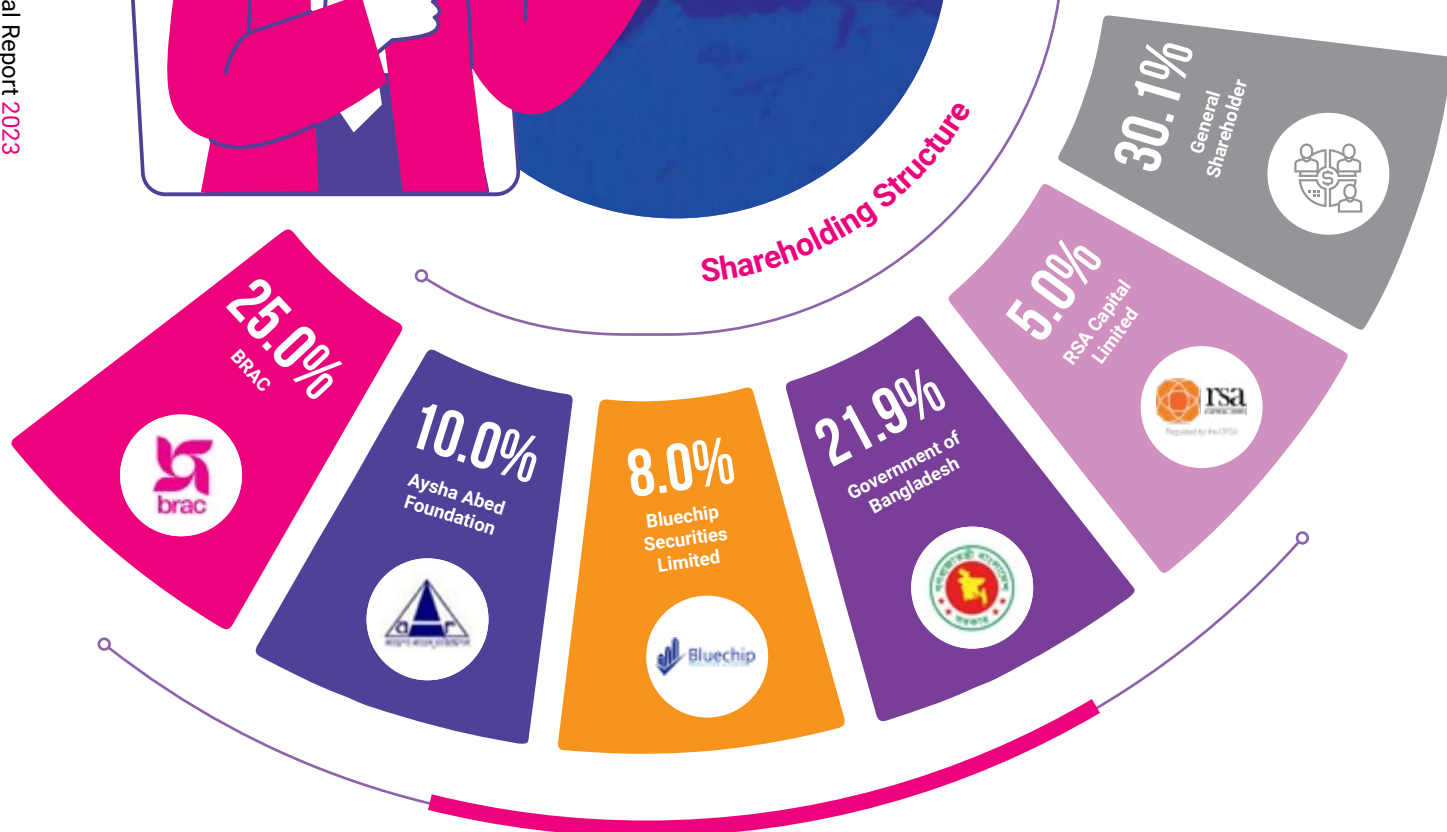
PROFILE OF SHAREHOLDERS

In early 2004 AKFED acquired 70% stake in IPDC by purchasing the shares from IFC, CDC and DEG. In 2006, the shareholding structure was changed by issuance of public shares with AKFED maintaining the management control of the company holding 51% of the shares. In 2015, BRAC, Ayesha Abed Foundation and RSA Capital Limited acquired 40% shares from AKFED at a percentage of 25, 10 and 5 respectively. While AKFED retain 11.05% of the shares. In 2019, Bluechip Securities Limited acquired 8.0388% shares from AKFED. Whereas, Government of People's Republic of Bangladesh and General Public owns the remaining shares of 21.88% and 30.08% separately

As on 31 December 2023, IPDC has an authorized capital of BDT 8,000,000,000; issued, subscribed and paid-up capital of BDT 3,710,915,470 which is same as 2023.



Shareholding Structure



PROFILE OF THE DIRECTORS

ARIFUL ISLAM

**CHAIRMAN,
BOARD OF IPDC**



IPDC Finance Limited

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Director:

Since 24 November 2022

Other Interests:

Nil

Director:

Nil

Qualifications:

- B. Sc. (Honors) in Economics from Scottish Church College, Calcutta University, India.
- MBA in Finance from Institute of Business Administration (IBA), University of Dhaka.
- Advance Diploma in Management Accounting from the Chartered Institute of Management Accountants (CIMA) of UK.

Mr. Islam is the Chairman of IPDC Finance Limited, nominated director of Ayesha Abed Foundation. Mr. Islam also served as a member of Board Audit Committee of IPDC. Mr. Islam is a Business Leader with 26 years of experience across Asia Pacific. He joined BRAC University as CFO in December 2020 and currently leading Finance, IT, Procurement, International & Scholarship functions, spearheading sustainable financing for new campus project as well as modernization of operating systems & IT infrastructure. He has held various senior executive roles with British American Tobacco (BAT) Group across various markets and led the development of new strategic direction & business transformation in priority markets like Japan, Korea & Taiwan. He also served as an Independent Director & Chairman of the Board Audit Committee of Toshirifa Industries Limited from October 2020 to October 2023.

Mr. Islam completed his B. Sc. (Honors) in Economics from Scottish Church College, Calcutta University, India and his MBA in Finance from Institute of Business Administration (IBA), University of Dhaka. He has also obtained Advance Diploma in Management Accounting from the Chartered Institute of Management Accountants (UK).

MOHAMMAD MANZARUL MANNAN

**DIRECTOR,
NOMINATED BY GOB**



Director:

Since 26 December 2021

Other Interests:

- Bangabandhu Sheikh Mujib Medical University (BSMMU) – Member of Finance Committee.
- Dhaka Power Distribution Company Limited (DPDC)
- Dhaka Mass Transit Company Limited (DMTCL)
- Nuclear Power Plant Company Bangladesh Limited (NPCB)
- Bangladesh Overseas Employment and Services limited (BOESL)

Qualifications:

- B.S.S. (Honors) in Economics from University of Chittagong.
- M.S.S. in Economics from University of Chittagong.
- M.Sc. in Financial Economics from University of Bradford, United Kingdom.

Mr. Mohammad Manzarul Mannan is the Government nominated Director of the Board of IPDC Finance Limited and also member of Board Executive Committee of IPDC Finance Limited. He is working as Additional Secretary at the Finance Division, Ministry of Finance. Mr. Mohammad Manzarul Mannan joined Bangladesh Civil Service in 1995 (BCS 15th batch) as Assistant Commissioner. He worked in wide range of government positions in his long career. He served in as many as nine Districts in different positions. He performed as 1st Class Magistrate for long 12 years and adjudicated Speedy Trial Court for 5 years in Narayanganj District. In his long career he served in Chandpur Sadar upazila as AC (Land) and as Upazila Nirbahi Officer in Rangamati Hill District, Noakhali and in Mymensingh District. He worked as Additional Deputy Commissioner in Kurigram District. He was appointed as Deputy Commissioner and District Magistrate in Rangamati Hill District. He served in every position in field Administration with notable success and dignity.

He joined in Finance Division in 2013 and engaged with National Budget formulation and implementation process upto 2016. In 2016 he has been transferred to Rangamati hill district as Deputy Commissioner. Again, he came back to Finance division in 2018 for his keen interest in financial sector.

NILUFER NAZNEEN

**DIRECTOR,
NOMINATED BY GOB**



Director:

Since 16 April 2024

Other Interests:

Nil

Qualifications:

- BSS (Hons.) in International Relations from University of Dhaka.
- MSS in International Relations from University of Dhaka.
- MS in Public Health from North South University.

Ms. Nilufer Nazneen is a government nominated Director by the Government of Bangladesh and also member of the Board Audit Committee of IPDC Finance Limited. She is presently working as Additional Secretary in the Ministry of Industries. Ms. Nazneen has joined Bangladesh Civil Service (Information Cadre) in 1991. She has worked in diversified roles and positions in her dynamic career in different government offices e.g., Bangladesh Betar, Department of Mass Communication, Ministry of Public Administration, Ministry of Information & Broadcasting, Ministry of Textile & Jute and Health Services Division of Peoples' Republic of Government of Bangladesh etc.

SONIA BASHIR KABIR

**INDEPENDENT DIRECTOR
CHAIRMAN, BOARD AUDIT
COMMITTEE**



Director:

Since 31 March 2019

Other Interests:

Managing Director:

SBK Tech Ventures

Vice Chairman:

SBK Foundation

Qualifications:

- Bachelor of Science (BS) from California State University, USA
- Master of Business of Administration (MBA) from Santa Clara University, USA

Ms. Sonia Bashir Kabir is an Independent Director of IPDC Finance Limited and Chairman of Board Audit Committee. Ms. Kabir has been educated/trained in Silicon Valley. After completing her Bachelor of Science and Master of Business Administration (MBA) degrees, she worked in Silicon Valley for Sun Microsystems/Oracle, Venture Capitalists, and startups. Ms. Kabir worked as the Country Director for Dell Bangladesh, Director for Business Development for South East Asia, Managing Director for Microsoft Bangladesh, Myanmar, Nepal, Bhutan & Laos, and Chief Operating Officer for Aamra Technologies.

Ms. Kabir is also working as Vice Chairperson of United Nations Technology Bank for Least Developed Countries, Co- Founder & Vice Chairman of both D Money (Fin Tech) and Syntec (Health Tech). Sonia is also a member of the Governing Board of the Mahatma Gandhi Institute of Education for Peace and Sustainable Development (MGIEP) in New Delhi, India. MGIEP is the youngest of UNESCO's category-1 institutes, and the only one in Asia Pacific.

In 2017, Sonia was recognized as one of the 10 Sustainable Development Goals (SDG) pioneers by the United Nations Global Compact and in 2016, Sonia was one of the 10 recipients of Microsoft's Prestigious Founders Award given by Bill Gates.

PROFESSOR SHAH MD. AHSAN HABIB

INDEPENDENT DIRECTOR



Director:

Since 09 February 2021

Other Interests:

- Senate Member, Jahangirnagar University
- Member of the Governing Body and Chairman of the Executive Committee of Dnet
- Member of ICC, Bangladesh Banking Commission
- Member of the Global Editorial Board of the Asia-Pacific Risk Professional Association (ARPA)
- Trustee, Valor of Bangladesh
- Member, Greentech Foundation

Qualifications:

- Ph. D from Banaras Hindu University, India under BHU Research Scholarship.
- Post-Doctoral Fellowship on Green Banking from Syracuse University, USA under Senior Fulbright Scholarship.

Dr. Shah Md. Ahsan Habib is an Independent Director and member of the Board Audit Committee. Mr. Habib is a Professor Selection Grade of Dhaka School of Bank Management, Bangladesh Institute of Bank Management (BIBM), Dhaka University. Having over 27 years of professional experience, his key research areas include banking operation, SME financing, trade financing, inclusive finance, green banking and financial crime and malpractices. He has teaching experience with Institute of Business Administration (IBA) and Department of International Business of the University of Dhaka; East West University; Brac University and University of Professionals. He has working experience (consultancy) with organizations like the World Bank, UNDP, etc. and has over 200 research papers. He is also a columnist and published over 200 newspaper features.

SAMEER AHMAD

**DIRECTOR,
NOMINATED BY
RSA CAPITAL LIMITED
CHAIRMAN, BOARD
EXECUTIVE COMMITTEE**



Director:

Since 29 October 2015

Other Interests:

Chairman:

- RSA Aviation Ltd.
- RSA Solution Ltd.
- Equinox Ltd.

Managing Director:

RSA Capital Ltd.

Qualifications:

- Bachelor of Arts, Economics & Political Science from Colorado College, Colorado Springs, Colorado, USA.

Mr. Sameer Ahmad is the Chairman of Board Executive Committee of IPDC. Mr. Ahmad is a versatile investment banker with 30 years of experience encompassing the geographic areas of Europe, Middle East, Emerging Africa, and South East Asia. Mr. Sameer started his career in the London investment banking sector, with Kidder Peabody and Co, which was subsequently taken over by Paine Webber and UBS. Mr. Ahmad was responsible for establishing the structured finance unit of Industrial and Infrastructure Development Finance Company Limited (IIDFC). Prior to establishing RSA Capital, he was the treasury consultant with Price water house Coopers for restructuring Agrani Bank.

Mr. Ahmad has founded RSA Capital in 2003 and established himself, as one of the leading investment bankers in Bangladesh by launching the first ever zero-coupon bond, the first step down syndicated loan facility, the first ever unsecured international term loan facility for a microfinance institution and of course the world's first microcredit securitization, the first ever variable rate subordinated domestic convertible bond as Tier 2 Capital with international participation in the Bangladesh market.

He is currently also the Founder and Chairman of RSA Capital (DIFC) Limited. He continues to have extensive banking activities specially in the areas of Merger and Acquisition and Principal Investments.

TUSHAR BHOWMIK

**DIRECTOR,
NOMINATED BY BRAC**



Director:

Since 19 November 2018

Other Interests:

Managing Director:

- BRAC Services Limited
- BRAC Industries Limited
- BRAC Probashbandhu Limited

Director:

- edotco (BD) Co. Ltd
- BRAC Kaiyacherra Tea Company Limited

Qualifications:

- M.Com. in Accounting from University of Dhaka.
- FCA, Institute of Chartered Accountants of Bangladesh (ICAB)

Mr. Tushar Bhowmik is a member of the Board Executive Committee of IPDC. He is also the Finance Director of BRAC Bangladesh. He also serves on the Boards of edotco (BD) Co. Limited., BRAC Kaiyacherra Tea Company Limited, BRAC Services Limited, BRAC Industries Limited and BRAC Probashbandhu Limited. Tushar Bhowmik, an accomplished finance professional with over 21 years of progressive experience in Strategic Leadership, Financial Administration, Corporate Governance, Risk Management, and Internal Control in the corporate arena of Bangladesh and UK.

Prior to joining BRAC, Mr. Bhowmik worked as the Regional Finance Director of Avery Dennison, South Asia. He served Functional Head role in reputed local and multinational companies, like Zuellig Pharma Bangladesh and Rahimafrooz Storage Power Division and worked with Reckitt Benckiser, UK, and Bangladesh.

NAHREEN RAHMAN

**DIRECTOR,
NOMINATED BY BLUECHIP
SECURITIES LIMITED**



Director:

Since 09 January 2020

Other Interests:

Director:

- Bluechip Securities Limited

Qualifications:

- B. Sc. in Economics from North South University, Dhaka, Bangladesh.
- M. Sc. in Economics from North South University, Dhaka, Bangladesh.

Ms. Nahreen Rahman is a member of the Board of Directors of IPDC. Ms. Rahman is also a Director of Bluechip Securities Ltd (BSL) and looks after the entire business operation of BSL. Under her leadership and supervision, the company entered various partnerships with other capital market-based ventures. Ms. Rahman started her career with True Tex Ltd, an RMG based buying house, as an Assistant Merchandiser for a brief span of time. Later, she shifted to the financial sector by joining Uttara Finance and Investments Ltd, a concern of Uttara Group of Companies and one of the leading NBFIs of the country. Ms. Nahreen is a graduate in Economics from North South University.

RIZWAN DAWOOD SHAMS

MANAGING DIRECTOR



Managing Director

Since 15 April 2024

Other Interests:

Nil

Qualifications:

- BBA in Finance & Marketing from North South University, Dhaka
- MBA in Marketing from Victoria University, Australia.

Mr. Rizwan Dawood Shams has been appointed as the Managing Director of IPDC on 15 April 2024. He was also the first ever Additional Managing Director (AMD) at IPDC Finance Limited.

He has 20+ years of experience in the financial sector. Being result driven, he has exemplary skills in risk management, recovery management, team development, and operational excellence with impeccable understanding of the regulatory environment. He joined IPDC on November 1, 2007, as Senior Manager under Corporate Investment and played a pivotal role in transforming the organization over the years with increasing responsibilities. The departments under his supervision include Corporate Business, SME, Supply Chain Finance, Treasury, and Special Asset Management.

Under his visionary leadership, both Lending & Investment Portfolio and Customer Deposits grew by more than 10 times between 2015 and 2022, whilst Operating Profit rose by almost 4 times in the same period. The SME department was reshaped while focus point shifted to nationwide CMSMEs. Supply Chain Financing (SCF) was introduced at IPDC through him in 2012 and now IPDC holds more than 50% of Bangladesh's total SCF market share. Concentrating on digitization and changing business world, major strategic initiatives were introduced, such as the first ever blockchain based supply chain finance platform in Southeast Asia - ORJON and AI-based retailer financing platform-DANA have been developed under his prudent governance. His expertise and direction on treasury operations ensured exponential portfolio growth. Through his judicious expeditiousness, IPDC's NPL is also one of the lowest in the market through efficient recovery and collection mechanism.

Before joining IPDC, Mr. Shams worked at GSP Finance, Habib Bank, and Standard Chartered Bank in numerous critical positions. He holds a Master of Business Administration (MBA) degree from Victoria University, Melbourne, Australia, and a Bachelor of Business Administration (BBA) from North South University. His professional career is decorated with numerous awards and notable professional accreditation from home and abroad.

PROFILE OF THE MANAGEMENT COMMITTEE



ASHIQUE HOSSAIN

Head of Credit Risk Management

Expertise:

Risk Management, Credit Analysis, Credit Management, Financial Management & Strategic Planning, Market Trends, Deal Mechanics, & Structured Finance

Educational Background:

Master of Business Administration, North South University

Bachelor of Science in Civil Engineering, BUET

Years of Experience:

20

RIZWAN DAWOOD SHAMS

Managing Director

Expertise:

Leadership Strategic Business Planning, Corporate & CMSME Sector Development, Product Development, Sophisticated Treasury Management, Financial Inclusion Expansion, High-Value Relationship Management, Sustainable Finance, Special Asset Management & Risk Management.

Educational Background:

Master of Business Administration, Victoria University of Melbourne

Bachelor of Business Administration, North South University

Years of Experience:

20





SAVRINA ARIFIN

Head of Retail Business

Expertise:

Retail Business Development, Sales & Marketing,
Strategic Business Planning,

Relationship Management, Risk Management

Team Development, Product Development & Retail
Collection Management

Educational Background:

Master of Business Administration, North South
University

Bachelor of Business Administration, North South
University

Years of Experience:

18

FAHMIDA KHAN, FCA

Chief Financial Officer

Expertise:

Financial Planning & Controlling Budgeting,
Corporate Reporting, Financial Reporting, Tax &
External Audit

Educational Background:

Bachelor of Business Administration, University of
Dhaka

Years of Experience:

13





MD. SAYEED IQBAL

Chief Human Resources Officer

Expertise:

Using Data and Analytics About Talents to Advice Top Management on Business Strategy, HR Business Partnering and Change Management, Transdisciplinary Thinking and Knowledge in Full Spectrum of Talent Management i.e. Talent Planning & Budgeting, Talent Attraction, Talent Acquisition and On-boarding, Control & Compliance, Talent Development, Employee Engagement, Performance Management, Succession Planning and Attrition Management

Educational Background:

MBA, East West University
PGDHRM
PGD in Supply Chain Management

Years of Experience:

25

MD. AFZALUR RASHID

Chief Technology Officer

Expertise:

Enterprise Solution Development, Outlining Technological Vision, Technological Strategic Planning & Development, Robust, Secure & Scalable Software Architecture Development, Specialization in FinTech and Customized Large-Scale Solution Development, Outlining Technological Vision, Implementing Technology Strategies

Educational Background:

Bachelor & Master of Computer Science and Engineering, Bangalore University
Sun Certified Java Professional Since 2003 from Sun Microsystems, USA
Certified Appraisal Team Member for CMMI from Software Engineering Institute, USA
Certified PCI DSS Implementation & Certification Expert from QRC, Mumbai, India

Years of Experience:

25





SAMIUL HASHIM

Company Secretary, Head of Legal Affairs & Head of Brand and Communications (Current Charge)

Expertise:

Company and Commercial Matters, Customs & Tax, Securities Law, Property Law, Intellectual Law, Banking & Finance Law, Foreign Law, Foreign Exchange Transactions, Cross Border Transactions, Board Secretarial, Corporate Matters, Arbitration, Mediation & Negotiation

Professional Qualifications:

Barrister at Law (Lincoln's Inn)
Advocate, Supreme Court of Bangladesh
ACI Arb, UK
Accredited Commercial Mediator, UK

Educational Background:

Bar Professional Training Course (BPTC), Northumbria University
LL.M in International Commercial Law, Northumbria University
LL.B(Hons), University of London

Years of Experience:

16

FARZANA SHARMEEN

Head of IPDC EZ

Expertise:

Product Development, Project Management, Specialization in Strategic &

Planning for New Business Development & Growth

Educational Background:

Bachelor of Business Administration, IBA, University of Dhaka

Years of Experience:

20





RAHAT JAMIL

Head of Operations (Current Charge)

Expertise:

Credit Administration, MIS Management,
Operational Management, Branch Management,
Credit Risk Management & Customer Service
Management

Educational Background:

Master of Social Science in Economics, University
of Dhaka

Bachelor of Social Science in Economics, University
of Dhaka

Years of Experience:

16

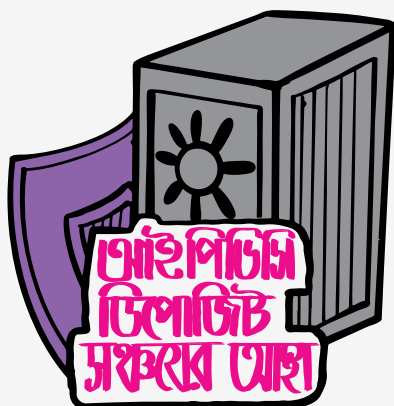


IPDC
সুবোধ

দেশের
প্রথম

বৈ ক্রেতার লোন ডেবা

দেশের সেবা নিয়ে
চার দশক ধরে আপনার পাশে



AAA

ডানা

মাইক্রো-মার্কেটের অর্থায়ন
~ দেশের প্রথম
ডিজিটাল ইকো সিস্টেম

AWARDED
Superbrands
BANGLADESH'S CHOICE
2021

INSPIRING
WOMEN
AWARD

দেশের প্রথম একচেতী জাতিক আদায়
সফলতায় প্রাথমিক

অর্জন

দ্রুত ও নিরাপদ
এই প্রায়শঃ ২০২৩-২৪
খুঁজতে থাকুন ১০ লাখ মুদ্রা

BANGLADESH
INNOVATION
AWARD 2018

SME
STIMULUS
PACKAGE

আইপিডি
ডিজিটাল
সফরের আশ্রয়

জল চোড়নি

আইপিডি
ডালোবাসা হোমলোন

বুটিক শপ

দাঁড়া
উদ্যোগের
জন্য গারজে
লোন সুবিধা

হাসপাতাল

ক্ষুদ্র ব্যবসায়
অর্থায়নের মাধ্যমে প্রায়
৬০ হাজার কর্মসংস্থান সৃষ্টি

সারসী স্মরণীয় সুবিন
আইপিডি প্রাতি

দেশজুড়ে মানুষের
নিজের চিকিৎসা গরুর সঙ্গী

দেশের প্রথম ডেবকারি
আর্থিক প্রতিষ্ঠান
যাত্রা শুরু ১৯৮১ সাল থেকে

IPDC
ডিপোজিট



MESSAGE FROM TOP

STATEMENT FROM THE CHAIRMAN



As we move towards a sustainable future guided by our newly appointed MD & CEO, Rizwan Dawood Shams, our commitment is to uphold a steadfast financial stance amidst market fluctuations and regulatory mandates. We remain steadfast in our dedication to fostering economic advancement in Bangladesh, embracing market challenges with flexibility, innovation, and strategic endeavors to ensure enduring growth."

Ariful Islam
Chairman



2023

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Annual Report 2023

Dear Shareholders,

The year 2023 underscored our resilience and adaptability amid adverse market conditions. We persevered despite the post-pandemic economic crisis, the Russia-Ukraine war and Gaza conflict, depleting FOREX reserves, internal capacity issues in banking systems to facilitate import and export through opening LCs, and energy scarcity. As we embark on 2024, hurdles persist. Rising inflation, foreign exchange volatility, and liquidity constraints are burdening our borrowers and depositors, impacting both businesses and households. We approach these challenges with mindfulness and caution.

We are thankful to our customers for the continued trust and confidence they have placed in our products and services. Management was key in these challenging difficult times. We would also like to express our appreciation to the management and employees for their loyalty, commitment, and hard work, enabling us to reach where we are today. We acknowledge the support of the Central Bank for their prudent guidance and assistance. We are also thankful to Bangladesh Security and Exchange Commission, Chittagong Stock Exchange, Dhaka Stock Exchange and other regulators and valued business partners for their ongoing support to us. Finally, we are thankful to the shareholders who have invested their faith in us.

Performance and Progress

Amidst enduring market conditions and notable macroeconomic shifts in 2023, the banking and finance industry experienced evident instability. During this period, IPDC Finance Limited adopted a cautious approach, prioritizing slower portfolio growth, a decision that proved pivotal in sustaining stability throughout the year. Despite prevailing economic uncertainties, our prudent strategies successfully steered us through challenges, showcasing resilience.

IPDC achieved a modest 3.6% growth in its asset portfolio year-on-year, reaching BDT 70,571 million by the end of 2023 (compared to BDT 68,106 million in 2022). Our classified loan ratio stood at 4.93% by the

year's end, marking one of the lowest figures in the industry. Through strategic redirection and cost-minimizing endeavors, the company effectively optimized its operating expenses.

Although 2023 witnessed a notable decrease in net profit (BDT 343 million), considering the exceptionally demanding conditions, the company's performance remained sustainable, evident in our robust capital base. With a Capital Adequacy Ratio (CAR) of 18.12%, well above the regulatory requirement of 10%, IPDC upheld its AAA Credit Rating status in 2023, symbolizing its resilience.

Beyond the financial figures, IPDC remained committed to implementing strategic projects and laying the groundwork for future expansion in 2024.

A Sustainable approach to Business

As Bangladesh experiences a surge in its Middle-class and Affluent Consumers (MAC) population, IPDC is dedicated to providing accessible housing solutions for this demographic through tailored financing options. To this end, we have already expanded our branch network into non-metropolitan areas to accelerate financial inclusion.

The SME portfolio, totaling BDT 21,965 million by December 2022, accounted for 32.3% of the total portfolio, demonstrating a year-on-year (YoY) growth of 8.8%. With a commitment to bolster the backbone of our economy, the SME sector, we are poised to revamp our verification and credit underwriting processes, aiming for significant enhancements in our services and the expansion of our SME clientele.

Sustainable growth cannot be achieved without creating financial access to our women customers, especially entrepreneurs. In order to cater the need of the women entrepreneurs, we have launched a specialized sub-branch named 'Joyee 360' in Mirpur, Dhaka focusing on the business loan services for women entrepreneurs. "Joyee 360" extends beyond loan services to incorporate additional facilities like a space for conducting their business meetings.

Net Asset Value (NAV) per Share in BDT



18.19

Net Profit After Tax in BDT



343 MN

Additionally, as the urgency for financing to combat global climate challenges grows, our presence in sectors and markets where emissions reduction is paramount positions us to tackle these challenges effectively.

Embracing technological advancements is crucial for ensuring sustainability and transforming socio-economic conditions. In the upcoming year, our primary focus is on achieving seamless end-to-end digital loan disbursement through IPDC EZ for consumers and offering convenient financing solutions through Dana, a retailer financing system that links merchants. Looking ahead, our overarching goal is to harness advanced technologies like big data and machine learning to better serve our customers, streamline credit decisions, and establish a more resilient transaction network.

An Outlook for Future

Looking ahead, 2024 is poised to be another eventful year, with ongoing global political turmoil and economic pressures expected to persist. Uncertainty surrounding inflation and forex reserves is projected to linger into the new year. Despite these challenges, IPDC is committed to achieving sustainable growth in its asset portfolio while proactively mitigating financial and operational risks.

Moreover, the positive trend in the spread over new loans and deposits is encouraging, attributed to the central bank's initiative to adjust the lending and deposit rate cap with SMART rate. The gradual increase in SMART rate is anticipated to positively impact revenue generation. IPDC will continue investing in digitally advanced and customer-centric initiatives to enhance financial transparency, operational efficiency, and customer reach.

Sustainable financing will remain a central focus in 2024 as we strive towards a sustainable future. It is imperative that we reassess our strategy in light of market dynamics and regulatory requirements,

remaining agile, innovative, and strategic in navigating market challenges for sustainable growth.

In demonstrating our commitment, upon approval from Bangladesh Bank, the Company has expanded its reach by opening two new branches and one sub-branch, aiming to extend access to finance to a wider audience. Additionally, in the year 2023, we have allocated the requisite amount of profit to Statutory Reserve. Recognizing the company's growth potential, the Board believes it prudent to conserve capital while delivering higher returns to our shareholders. Therefore, the Board recommends a 10% dividend (5% cash and 5% stock) for the year ending December 31, 2023, pending approval from shareholders at the Annual General Meeting.

Concluding Remarks

The culmination of success throughout the past decade is attributed to IPDC's unwavering commitment to its core purpose: giving back to society and the nation. Upholding our legacy as institution-builders, we are dedicated to empowering thousands of individuals to fulfill their aspirations and journey toward a brighter future.

Sincerely,

Ariful Islam
Chairman

STATEMENT FROM MANAGING DIRECTOR



We are thrilled to guide the company towards a new era of innovation, growth, and excellence, with a strong focus on sustainability, youth, women, and underserved areas. Working together, we will continue to make significant progress towards managing quality portfolio, achieving our strategic goals, and serving our valued customers with unwavering dedication and integrity.

Rizwan Dawood Shams
Managing Director



2023

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• Annual Report 2023

Dear Stakeholders,

In 2023, despite the uncertain economic conditions, Bangladesh achieved significant milestones in infrastructure development. The government of the country initiated several development projects, including the Dhaka Elevated Expressway, the third terminal of Hazrat Shahjalal International Airport, the Bangabandhu Tunnel, the Padma Rail Link, and the railway to Cox's Bazar. Bangladesh also initiated rupee trading with India and passed new laws for the banking and finance company sectors. Additionally, there were positive developments such as Bangladesh becoming the top knitwear supplier in the EU, an increase in the minimum wages for garment workers, the launch of a universal pension scheme, and the awarding of digital bank licenses.

However, the overall economic situation in the country has been affected by the depletion of foreign exchange reserves, rising inflation rates, and increasing default loans. As a result, the prices of daily commodities have increased, while wage growth has fallen behind inflation. The gold market has hit a new record, and the stock market remains bearish.

State of the Economy & Industry

The global economy has been facing several new adverse factors. These include a surge in global commodity prices, an upward trend in inflation, and challenging financial market conditions. Recent tensions in the Middle East have further exacerbated downside risks to global growth momentum. These conflicts have led to significant price increases for fuel, food, and a broad range of other commodities.

Despite the heightened global uncertainty, Bangladesh has a commendable track record of economic growth and development. This robust performance can be attributed to several key factors: favorable demographic dividend, strong exports in the ready-made garment (RMG) sector, resilient remittance inflows, and consistent macroeconomic stability. These factors have collectively supported rapid economic expansion over the past two decades.

The domestic economy has shown remarkable resilience against foreign exchange uncertainty and liquidity crises, experiencing a robust rebound and a return to normalcy in the post-pandemic days. Looking ahead, Bangladesh's economy is showing promising signs of growth, driven by a combination of factors including sustained expansion in the Ready-Made Garments (RMG) and Information Technology (IT) sectors, a continued increase in remittance inflows, the government's ongoing efforts to digitize public services, significant infrastructure development projects, and the implementation of multiple stimulus packages aimed at boosting sectoral growth.

Despite the resilience of the domestic economy, challenges from the global macroeconomic environment and surging commodity prices are impacting the situation.

IPDC in 2023

Despite economic challenges, IPDC had a successful year, growing its business while maintaining strict credit standards and financial health.

Let me take you through the overview of its solid performance in 2023.

- We have taken a proactive approach to managing asset quality by using effective tools such as persuasion, negotiation, legal action, subsequent monitoring, and follow-up.
- Total deposits stood at BDT 60,771mn, showcasing a modest growth of 1.8% from last year. IPDC has made remarkable growth of 7.0% in achieving savings from customers, which constitutes 84.2% of its total deposits.
- As of 31 December 2023, the Capital Adequacy Ratio (CAR) of the company according to Basel II guidelines is 18.12%, which is well above the statutory requirement of 10.00%.
- The operating income of IPDC plummeted by BDT 344.5mn and reached BDT 2,902.5mn, showing a slight degrowth from last

Loan, Lease and Advance in BDT

70,571 MN

YoY GROWTH
3.62%

Refinance in BDT

9,099 MN

YoY GROWTH
30.71%

Customer Number

107,265

YoY GROWTH
44.45%

year. Net Interest Margin (NIM) decreased to BDT 2,422.6mn from BDT 2,770.2mn of last year. However, non-interest income for the year remained the same and stood at BDT 479.8mn (2022: BDT 476.8mn).

- The cost-to-income ratio, measured as administrative expenses to total operating income, stood at only 55.2%. IPDC assures its steadfast commitment to achieving operational controls and efficiencies.

Accolades in 2023

In 2023, IPDC maintained its AAA credit rating, which established its financial stability. The company remained focused on ensuring the highest level of corporate governance to achieve sustainable growth. IPDC was recognized for launching 'IPDC EZ', an app-based cardless EMI platform for customers, and received the EZ Fintech Innovation Award. Additionally, IPDC won the Best Presented Annual Report 2023 award from ICAB (The Institute of Chartered Accountants of Bangladesh).

A Sustainable, Responsible & Humane Approach

IPDC focuses on creating value through its business initiatives and actions that contribute to socio-economic development, combat discrimination, promote gender equality, empower women and youth, and equip industries and other stakeholders to tackle climate change. We are actively involved in sustainable and green financing, and cater to neglected segments of the market, such as youth and women. Our CSR efforts are committed to various sectors, such as education, health, and social welfare. IPDC remains dedicated to achieving its goals while keeping in mind the needs of the society and the community we live in.

Technology-driven Business Model

Although this year has been filled with uncertainty, we have remained committed to our technology-driven business model. We have

continued to innovate in the market and provide our customers with technology-driven products. Our investment in technology-based solution IPDC EZ and Retailer Financing Platform (Dana) demonstrates our dedication to offering end-to-end digital financing solutions for our customers.

2024 and Beyond

Our main goal for the year 2024 is to align our strategies and product remodeling with the changes in the market and economic conditions. We are giving significant importance to efficiently managing non-performing loans, maximizing resource efficiency, and expanding our reach to ensure our customers have access to financing. We anticipate the year to be more stable and predictable, providing us with an opportunity to showcase our financial and brand strength throughout the year.

Acknowledgments

As we embark on the journey to 2024, we are grateful for the invaluable feedback and direction provided by our shareholders, regulators, communities, and other stakeholders. Their unwavering support and guidance have been critical to our success, and we are more determined than ever to build and expand our company with their continued help. We are committed to fostering a strong relationship with our community and country, and we look forward to creating a brighter future together.

Thanking you,



Rizwan Dawood Shams

Managing Director

IPDC
সুবোধ

দেশের
প্রথম

বৈ ক্রেতার লোন ডেবা

দেশের সেবা নিয়ে
চার দশক ধরে আপনার পাশে

AAA

ডানা

মাইক্রো-মার্কেটের অর্থায়ন
~ দেশের প্রথম ~
ডিজিটাল ইকো সিস্টেম

AWARDED
Superbrands
BANGLADESH'S CHOICE
2021

INSPIRING
Women
AWARD

দেশের প্রথম একচেতন ডিজিটাল
সফলতায় প্রাথমিক

অর্জন

দ্রুত ও নিরাপদ
এই প্রাইমস ২০২৩-২৪
যুগে ২৩৩ লাখ ১০ লাখ মুদ্রা

BANGLADESH
INNOVATION
AWARD 2018

SME
STIMULUS
PACKAGE

আইপিডি
ডিজিটাল
সফলতায়

জল চোড়ন

আইপিডি
ডালোবাসা হোস্টেল

গুটিক শপ

দাবি
উদ্যোক্তাদের
জন্য সহজ
লোন সুবিধা

ক্ষুদ্র ব্যবসায়
অর্থায়নের মাধ্যমে প্রায়
৬০ হাজার কর্মসংস্থান সৃষ্টি

সারসী স্মরণীয় সুবিন
আইপিডি প্রাতি

দেশজুড়ে মানুষের
নিজের চিহ্নিতা গল্পের সহী

হাসপাতাল

দেশের প্রথম ডেবকারি

আর্থিক প্রতিষ্ঠান

যাত্রা শুরু ১৯৮১ সাল থেকে



নারী উদ্যোক্তা লোন



MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS

Resilience in Dynamic Economic Environment

Bangladesh has enjoyed a remarkable period of economic expansion in recent years. This growth has translated into significant poverty reduction and a rising standard of living for its citizens. However, the global COVID-19 pandemic threw a curveball, particularly impacting the vital textile and apparel industry, a longstanding pillar of the nation's economic success. Disrupted supply chains and a decline in global demand led to factory closures and operational slowdowns. Despite these temporary setbacks, several factors position Bangladesh for continued economic prosperity. The government's commitment to infrastructural development, attracting foreign investment, and fostering a vibrant private sector is a recipe for sustained growth.

However, challenges loom on the horizon. Climate change poses a significant threat to the nation's agricultural sector and critical infrastructure. To mitigate these risks and promote long-term resilience, the government will need to invest strategically in infrastructure and diversify the economic landscape. Addressing regulatory hurdles and tackling corruption will further enhance Bangladesh's attractiveness as a business destination. By navigating these challenges with foresight and focus, Bangladesh is poised to continue its impressive economic trajectory.

Additionally, Bangladesh's burgeoning population presents exciting opportunities for businesses in healthcare, education, and retail. Bangladesh's economy presents a dynamic landscape. While promising growth opportunities lie in sectors like healthcare, education, and retail, strategic actions are needed to unlock their full potential and bolster the nation's prosperity. Strengthening the exchange rate, fostering a flexible interest rate environment, and expanding social safety nets are crucial steps to ensure sustainable growth. Additionally, optimizing tax collection will provide vital resources for continued government investment in key areas. Bangladesh's economy demonstrates remarkable resilience. Despite recent headwinds from the global slowdown and the pandemic, growth projections remain positive in the medium term. This is due in part to the government's proactive measures, particularly its focus on infrastructure development with new power plants, highways, and bridges. Additionally, Bangladesh's efforts to diversify its economy beyond traditional sectors present exciting opportunities for continued sustainable growth.

ECONOMIC OUTLOOK

The year 2023 witnessed significant economic turbulence on a global scale, affecting nations across continents. Bangladesh, among others, grappled with the ramifications of these challenges, navigating a landscape characterized by uncertainty and complexity. This chapter meticulously examines the economic dynamics of 2023, both on a global scale and with a specific focus on Bangladesh. Against the backdrop of economic uncertainties, this chapter aims to offer a comprehensive understanding of the resilience, challenges, and opportunities that shaped the economic landscape of 2023, both globally and within the context of Bangladesh.

1. Global Outlook

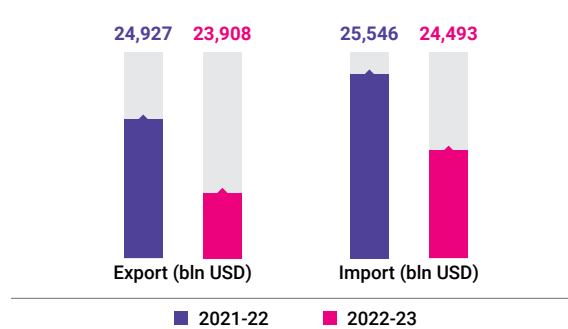
1.1. Disruption due to Russia-Ukraine Conflict:

The Russian invasion of Ukraine has sparked a monumental upheaval in global energy markets, driving crude-oil prices to unprecedented

levels reminiscent of the 1970s. This surge stems from heightened geopolitical tensions and supply disruptions stemming from the conflict, causing significant volatility in energy prices worldwide.

The impact of the conflict is starkly evident in the fluctuating global natural gas price index, which soared to 521.58 in 2022 before declining to 193.86 in 2023. Overall, the Russian-Ukraine conflict has injected profound uncertainty into global energy markets, exerting ripple effects across economies worldwide. Over the past year, the war in Ukraine has caused significant economic consequences, including a 4% decline in global exports and imports. This downturn reflects disruptions in trade due to the conflict, impacting supply chains and market stability worldwide.

Global Trade Deficit

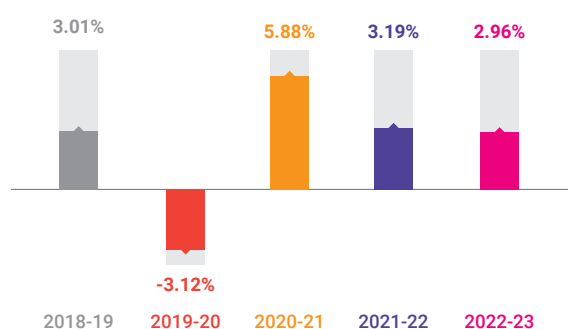


Source: World Trade Organization

1.2. GDP Growth World

The global economy is slowly recovering, although challenges persist. Decreasing energy prices are lowering inflation and relieving household finances, while China's early reopening has boosted global activity. However, core inflation remains persistent, and the effects of rising interest rates are becoming more pronounced. Global GDP growth for 2023 is forecasted at 2.9%, marking the lowest rate since the global financial crisis, excluding the pandemic year of 2020.

World GDP Growth

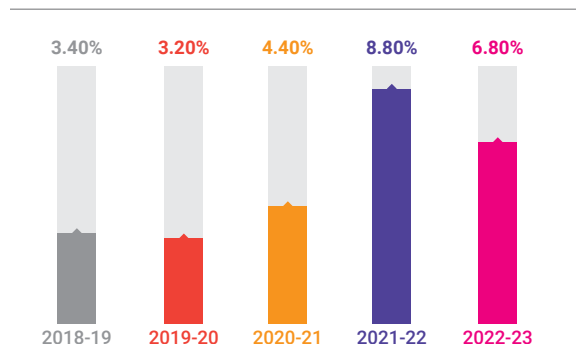


Source: Statista

1.3. Inflation

In most major economies, inflation is declining, yet core inflationary factors persist. In 2023, the global inflation rate decreased to 6.8% from 8.8%, although it remains elevated compared to previous years. The persistently high inflation can be attributed to several factors, including supply chain disruptions, labor shortages, and rising commodity prices.

Inflation rate, average consumer prices-world

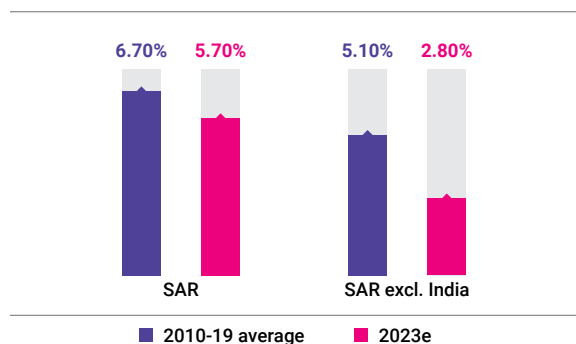


Source: Statista

2. South and East Asia Regional Outlook

In the South and East Asia region, growth experienced a slight slowdown, dropping from 5.9% in 2022 to a still robust 5.7% in 2023, remaining the fastest among all Emerging Market and Developing Economics regions. However, growth in the South Asian region, excluding India, was more subdued. The East Asia and Pacific (EAP) region saw growth rebound to an estimated 5.1% in 2023, mainly due to a temporary surge in activity in China early in the year following the easing of pandemic restrictions. However, this surge quickly dissipated, resulting in a 0.4-point downgrade to estimated growth compared to earlier forecasts. In India, the growth slowdown to 7.2% in fiscal year (FY) 2022/23, ending in March 2023, was attributed to a weakened post-pandemic rebound, particularly in private investment and consumption.

South Asia GDP Growth



Source: Global Economic Prospects, World Bank

In India, the growth slowdown to 7.2 percent in fiscal year (FY) 2022/23, ending in March 2023, was attributed to a weakened post-pandemic rebound, particularly in private investment and consumption. Nevertheless, strong performance in 2023 was supported by robust public investment growth and vibrant services activity, driven by resilient domestic demand for consumer services and exports of business services.

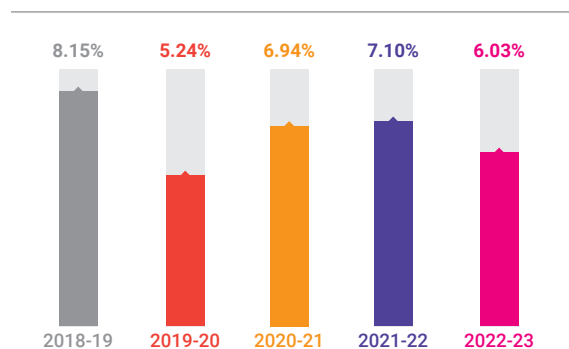
Meanwhile, in Bangladesh, growth slowed to 6 percent in FY2022/23, impacted by import restrictions, rising material and energy costs, and increasing external and financial pressures. Growth in China rebounded in early 2023 following the lifting of pandemic restrictions but slowed through the middle of the year. The slowdown partly reflected a renewed downturn in the property sector, including further declines in sales and prices, contributing to increased financial stress for developers. Additionally, consumer confidence remained weak.

3. Bangladesh Economy

3.1. Real GDP Growth

While the global economy was recovering from the COVID-19 pandemic, the war in Ukraine posed sufficient challenges for Bangladesh, impacting its GDP growth rate, bringing it down from 7.10% in 2022 to 6.03% in 2023. Rising global commodity prices and supply chain disruptions due to the conflict led to slow economic activities. Nonetheless, it has reduced domestic demand and weakened export expansion, ending the positive trend of Bangladesh's remittance inflow contributing to a reduction in its GDP growth.

GDP Growth rate

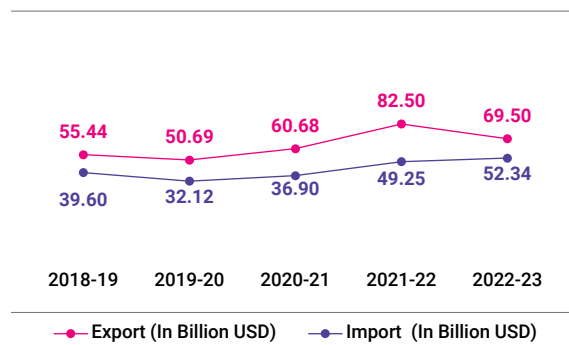


Source: Bangladesh Bank Quarterly Report (July- Sept 2023)

3.2. Trade Deficit

In the first half of fiscal 2022-23, Bangladesh experienced a notable 21% reduction in its trade deficit, reaching \$17.15 billion during the July-May period, primarily due to reduced imports. In FY2022-2023 imports declined by 15.76% to \$69.50 billion, while exports increased by 6.28% to \$52.34 billion, contributing to the reduction in the trade gap. In June, the opening of import letters of credit (LCs) notably decreased, with import LCs worth \$4.75 billion, marking the lowest in June and a 44% decrease compared to the same month of FY22, according to central bank data.

Trade Deficit

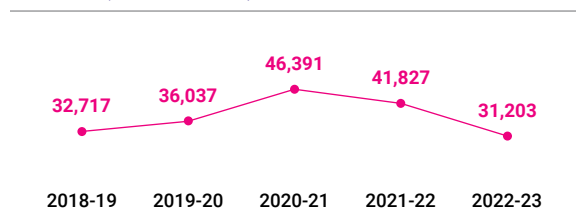


Source: Bangladesh Bank Quarterly Report (July- Sept 2023)

3.3. Reserve

The Bangladesh Bank's reserves have experienced a significant decline, plummeting from over \$46 billion in 2021 to \$31 billion by 2023. Primarily, an imbalance in export-import, combined with a high dependency on imported oil and gas, has contributed to this decline. Additionally, despite efforts to boost incentives, inward remittance flow has decreased. In September, inward remittance fell by 25%, with the average daily inflow dropping to \$9.22 million from \$76.66 million in July. Moreover, ready-made garment exporters are grappling with challenges arising from inflation in the USA and EU, fueled by the Russia-Ukraine conflict.

Reserve (In million USD)

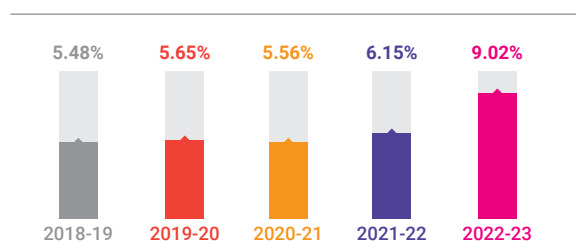


Source: Bangladesh Bank Quarterly Report (July- Sept 2023)

3.4. Inflation Rate

Inflation surged in 2023, significantly affecting the country's Consumer Price Index (CPI). Despite global price reductions following the Russia-Ukraine war, the Bangladeshi market remained unaffected, revealing vulnerability to the dominance of certain businesses. Additionally, an information gap regarding demand and production of essential commodities led to production shortages, exacerbating inflation.

Inflation rate CPI

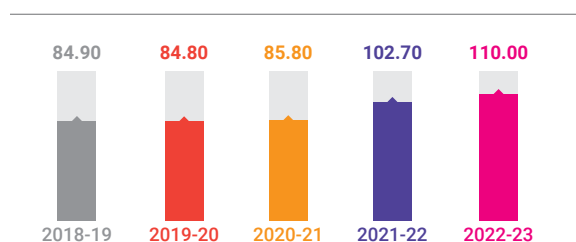


Source: Bangladesh Bank Quarterly Report (July- Sept 2023)

3.5. Dollar Price

Bangladesh's macroeconomic landscape is witnessing notable shifts with a reduced trade gap and fewer import letters of credit. Challenges persist, particularly in the export sector, affecting various industries and impacting the dollar's value. A significant contributing factor to Bangladesh's financial challenges is its heavy reliance on imports and limited local production, putting pressure on foreign exchange reserves. As a result, the dollar rate has surged to 110.0 BDT, a 7% increase from 2022 and a substantial 30% rise from 2019, reaching the highest levels in recent years.

Dollar Price

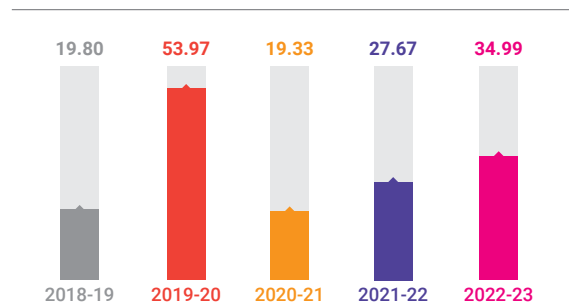


Source: Bangladesh Bank Monthly Report

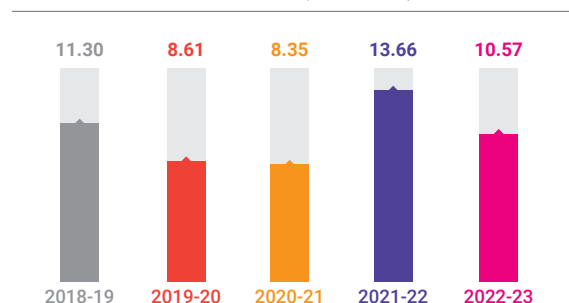
3.6. Public Sector and Private Sector Credit Growth

The public sector saw a modest growth increase, rising from 27.67% in 2022 to 34.99% in 2023, supported by reduced government borrowing and moderate revenue growth. This reflects a deliberate fiscal strategy to enhance financial stability and lessen reliance on external funding. However, the private sector experienced a decline, dropping from 13.66% to 10.57% in 2023 due to weakened investment demand and subdued consumer goods demand. This slowdown is evident in reduced credit expansion in sectors like transport, trade, commerce, and consumer finance, posing challenges for overall economic performance.

Public Sector Credit Growth (In Percent)



Private Sector Credit Growth (In Percent)

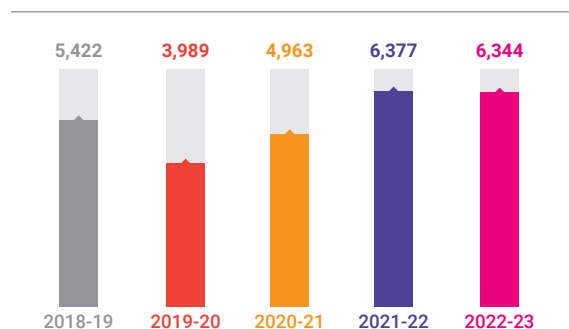


Source: Bangladesh Bank Quarterly Report (July- Sept 2023)

3.7. DSE Broad Index

The global capital market witnessed a predominantly optimistic trend, mirroring the performance of Bangladesh's capital market. Despite some fluctuations, the DSEX Index showed consistent growth from April to June 2023. Starting at 6217.79 (points) in April, it concluded the quarter at 6344.09. However, it's noteworthy that the DSEX experienced a decrease compared to the previous year. By the end of June 2023, the market capitalization of the Dhaka Stock Exchange (DSE) amounted to BDT 7,720.78 billion, representing approximately 19.44 % of the GDP (BDT 44,392.73 billion) for the fiscal year 2022-2023.

DSE Broad Index



Source: Bangladesh Bank Quarterly Report (July- Sept 2023)

MANAGEMENT REVIEW OF THE PERFORMANCE OF THE COMPANY

Navigating Economic Turmoil: Strategies for Stability and Growth in 2023

The economic turmoil from 2020 to 2022 had put our growth ambition on hold however, we have given our continuous effort in 2023 to recover from it all. IPDC has the capability to face any uncertainty in the future to ensure a society that is in harmony with the environment. The main pillars of the company remain strong with industry-leading portfolio quality. The strategies devised for our company's overall operations enabled us to maintain resilience and confront the challenges encountered throughout 2023.

STRATEGY AND RESOURCE ALLOCATION 2023



1. Corporate Strategy

Our corporate strategy addresses the country's macroeconomic development, recognizing the risks and opportunities to drive a growth-led strategic plan for 2023 to not only foster sustainability growth for IPDC. Hence, our broader strategic objectives are built around five key pillars that guide our efforts as we strive to achieve our goals.



A Home for Every Family

IPDC aims to expand accessibility to affordable home loans nationwide, ensuring that families with low and middle incomes can secure access to affordable housing.

Achievement

We opened 577 new home loan accounts in 2023.



Empowering Women

IPDC is dedicated to empowering women by enhancing financial and non-financial assets, facilitating entrepreneurial development, and building a solid foundation for their economic independence.

Achievement

In 2023 total female customer of IPDC was 9,710.



Creating entrepreneurs

IPDC empowers young entrepreneurs by providing innovative financial solutions and essential resources to fuel their business ambitions, nurturing their potential for success.

Achievement

Launched IPDC Dana app in 2023 to cater micro-merchants.



Beyond Megacities

IPDC aspires to serve mass people in Tier-II and Tier-III cities to find potential niche markets where competition remains relatively untapped.

Achievement

In 2023, loan and deposit account numbers grew by 11% and 25%, respectively, beyond Dhaka and Chittagong.



Bring Convenience at Home

We aim to leverage innovative financial solutions and advanced technological platforms to expand our presence in the consumer white goods sector.

Achievement

Inclusion of 2,329 customers through convenient access to loan services via the IPDC EZ app.

2. Strategic Business Unit (SBU) Strategy

SBU's represent distinct entities within the organization, each operating with a focused approach and possessing its own management structure, marketing strategy, and financial targets. The strategic objectives for 2023 encompass enhancing market presence, optimizing operational efficiency, fostering innovation, and ensuring sustainable growth across all SBU's.

2.1 Corporate Business:

The Corporate Business (CB) unit at our organization is designed to address the financial requirements of major corporate entities in Bangladesh. With a growing emphasis on providing tailored financial advice, innovative solutions, and top-tier execution, CB remains committed to upholding excellence through its diverse range of services. This unit continually strives to enhance its offerings and deliver exceptional value to its clients by leveraging its expertise and resources effectively.

2019 vs 2023 5 years CAGR%



● Loan Portfolio	8.6%
● Deposit Portfolio	28.1%



Growth Strategy

- Utilizing extensive corporate connections for effective financing solutions.
- Targeting specific business opportunities with careful credit evaluation.
- Ensuring timely collection while delivering seamless financial services.
- Strengthening risk management practices to minimize credit risks.



Short Term Strategy

- Enhancing Relationship Management and Skill Development
- Further Strengthening Collection Processes.
- Enhance client engagement through tailored financial solutions.

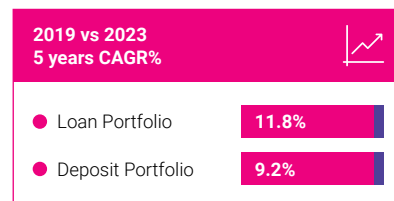


Long Term Strategy

- Developing innovative solutions for evolving financial needs.
- Expanding into various sectors to broaden the customer base.
- Implement advanced risk assessment techniques for better credit management.
- Streamline internal processes to ensure efficient service.

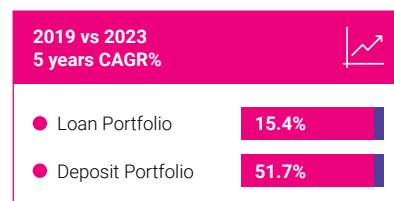
2.2 Retail Business

Retail business of IPDC is not only making financial services more accessible but also fostering financial literacy among underserved communities. Moreover, by simplifying processes, the company aims to ensure financial inclusion of individuals so that they can easily access and benefit from essential financial services. This unit is leveraging a dual strategy of innovation and simplification to empower youth, women, and emerging middle-income earners nationwide. Through digital innovation, retail finance becomes more accessible, especially as Bangladesh undergoes a digital transformation.



2.3 SME Business

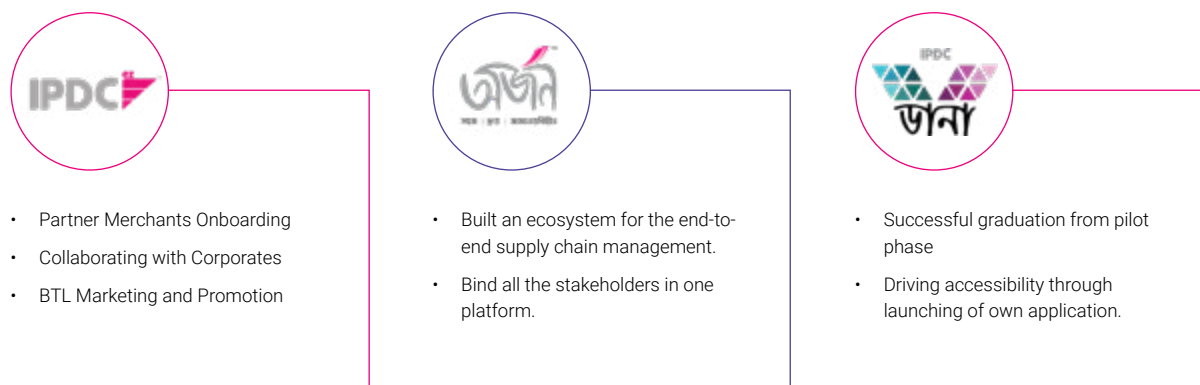
IPDC Finance extends tailored financial solutions to SMEs operating across a wide spectrum of industries in Bangladesh, including agro-processing, pharmaceuticals, manufacturing, steel, cement, and ship-scraping. Within our mid-market segment, we prioritize supply chain finance initiatives, offering specialized services such as work order finance and bill discounting. Our commitment lies in supporting the growth and sustainability of businesses across diverse sectors, facilitating their success in the dynamic market landscape of Bangladesh.



2.4 Inclusion of Technology in Strategic Business Units

IPDC's primary objective is to integrate innovative solutions seamlessly into its customer service framework, thereby rendering financial services more accessible, expeditious, and streamlined. All three units are diligently dedicated to this mission, endeavoring to infuse technological advancements into their operations to augment overall service efficacy and swiftness. For instance, to bring financial services to the customer's doorstep, the Retail business has pioneered its unique product, IPDC EZ. This innovative offering allows individual customers to purchase consumer goods from home without using a credit card and without interest, with the added convenience of EMI facilities. Concurrently, the SME unit has introduced IPDC DANA, a tailored loan application process designed specifically for micro-level retailers. This initiative facilitates hassle-free access to small-scale financing solutions, further expanding financial inclusion. Furthermore, collective efforts are underway to establish the IPDC Orjon platform, leveraging

blockchain technology to substantially simplify the loan disbursement process. This platform epitomizes IPDC's commitment to technological integration in enhancing financial accessibility and efficiency, ensuring sustainable growth and fostering economic empowerment across diverse demographics in Bangladesh.



3. Functional strategy

Functional strategies encapsulate the tailored plans and initiatives implemented within IPDC Finance's operational domains to realize the organization's overarching objectives and aspirations. These strategies involve meticulous approaches to risk management, aimed at bolstering recovery efforts amidst decreasing non-performing loans (NPLs).



4. Taking cautious approach in 2023

Amidst economic downturn and significant macroeconomic challenges in 2023, the NBFi industry in Bangladesh faced turbulence. During this period, it was imperative to take decisive actions to ensure operational continuity. IPDC Finance Limited adopted a cautious approach, which proved instrumental in maintaining sustainability throughout the year. Despite the prevailing economic uncertainties, our prudent strategies helped navigate the challenges and emerge resilient.

Challenges	Strategy	Cautious Actions in 2023
Economic turmoil	Efficient use of limited resources, Caution in energy consumption	This entailed meticulous resource planning and allocation, ensuring that every expenditure was judiciously managed to maximize efficiency
High industry NPL	Efficient and rigorous loan collection process	IPDC strengthened its collection activities through the employment of periodic monitoring tools and management supervision.
Liquidity crisis	Strengthen Risk Management, Reduce Operating Costs	IPDC intensified its efforts to monitor liquidity metrics regularly, enabling prompt identification of any emerging issues and facilitating timely intervention.
Interest Rate Cap	Focus enhanced service quality by offering customer-centric financial services.	IPDC invested in technology and digital infrastructure to streamline processes and improve service delivery efficiency.

Based on the global and Bangladesh economic conjecture, IPDC decided to grow in four strategic fronts. The Company will be taking on the following major strategic initiatives in response to socio-economic trend in the upcoming years.

Area	Strategy	Actions in 2023
Brand	Building vibrant brand across the country	Signature programs such as Amader Gaan, Priyo Shikkhok Shommanona are expected to increase brand presence and solidified its place in the industry as a Superbrand.
Human Resource	Attracting and retaining talents, employer branding and providing rigorous training to our people	Employee well-being was a key priority for IPDC and the company continued to provide training to its workforce by utilizing technology. Additionally, the company did not consider downsizing as an option while looking for cost control initiatives.
Technology	Implement and scale-up technology-based solutions to keep operating costs low and penetrate new markets	Successfully launched platform for Consumer Goods Finance and Retailer Finance. Efforts are underway to scale up Orjon Platform and establish it as a marketplace for other FIs.
Distribution	Increasing our geographic coverage through branch expansion and strategic tie-ups with various stakeholders	Initiated to open 3 new branches were taken in 2023 to extend our customer reach. The company also utilized digital channels to increase reach in the current year.

FINANCIAL PERFORMANCE IN 2023

IPDC continues to deliver superior and balanced financial performance to establish itself as the most valuable non-banking financial institution in Bangladesh. At the end of 2023, IPDC market capitalization was BDT 21.3bn, with asset size of BDT 91.9bn and shareholders' equity of BDT 6.8bn.

1. Holistic Loan Portfolio Management

Following a private sector investment slowdown in 2020 due to pandemic, IPDC experienced consistent growth in 2021 & 2022. In

2023, IPDC continued this upward trajectory with a 3.6% increase in its asset portfolio on YoY basis and stands at BDT 70,571mn at the end of 2023 (2022: BDT 68,106mn). IPDC portfolio mix in 2023 comprised 28% corporate portfolio, 29% retail portfolio, and CMSME contributing 33% to the outstanding portfolio. The loan portfolio has showcased significant growth over the 10 years horizon with an outstanding CAGR of 28.5% in that period. In the shorter period of five years, the portfolio experienced a growth rate of 9.7%.



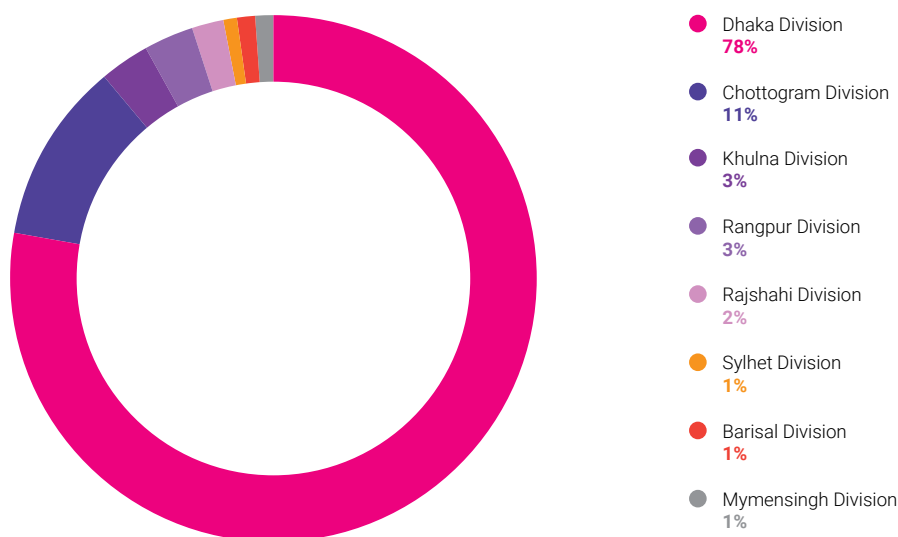
1.1. Geographic Distribution of Loan Portfolio:

The significant concentration of the portfolio is skewed in Dhaka Division. With 78% (BDT 55,040mn) of the total portfolio value (BDT 70,571mn), Dhaka holds a dominant position. Dhaka being the capital and most populous city in Bangladesh, it's likely a significant center for business and economic activity. This plausibly explains a larger concentration of clients or investments in that region. Chittagong Division comes in second with a portfolio share of 11% (BDT 7,862mn). This suggests Chittagong being another important center for the company's business activities. The remaining six divisions (Khulna, Rangpur,

Rajshahi, Sylhet, Barisal, and Mymensingh) collectively account for only 11% of the portfolio. This suggests a limited presence in these regions.

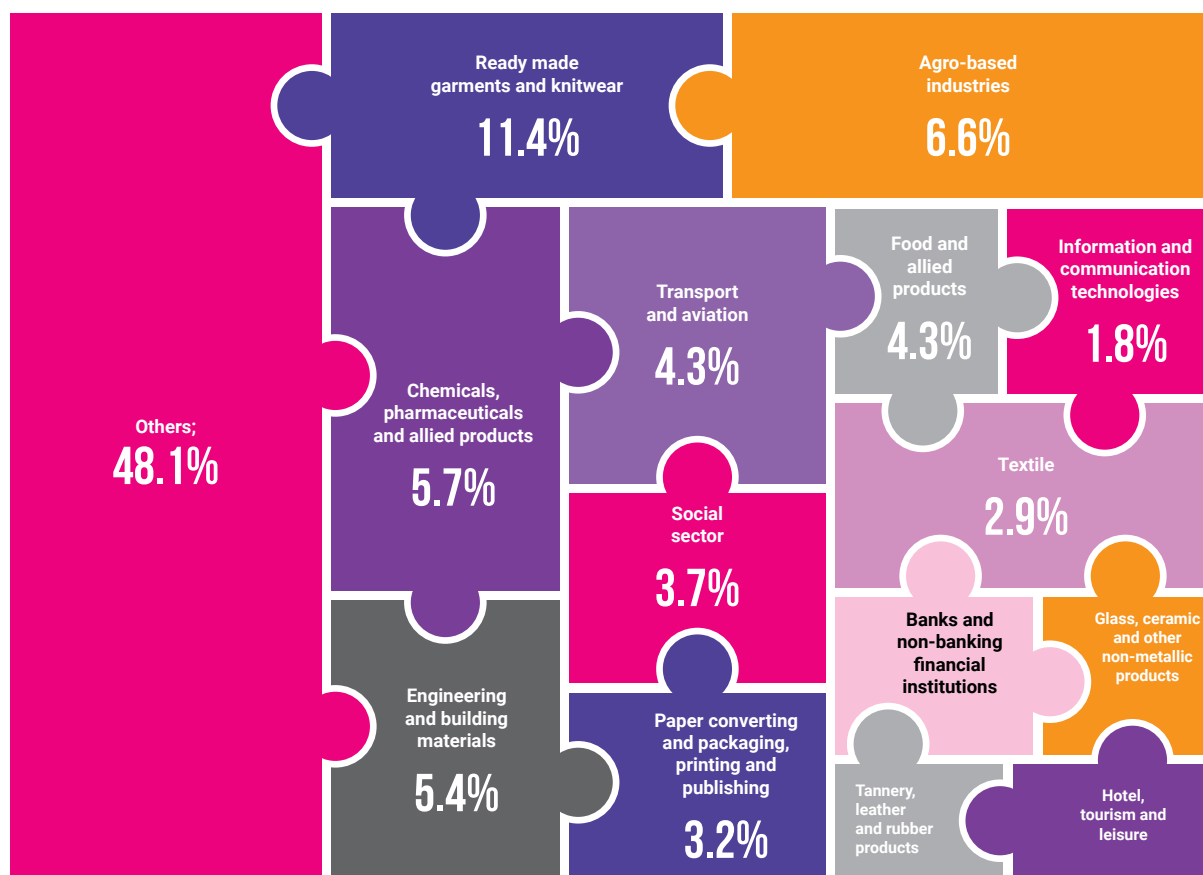
Dhaka might have better developed infrastructure and regulatory environments compared to other regions, making it easier for the company to operate. The company's historical focus might have been concentrated in Dhaka, leading to a larger established client base in that region. The company is now actively involved in finding a significant client base outside its key focus area in Dhaka and Chittagong through expanded distribution channels and specialized products for low-income households.

Geographic Location wise Portfolio



1.2. Sector wise Loan Portfolio

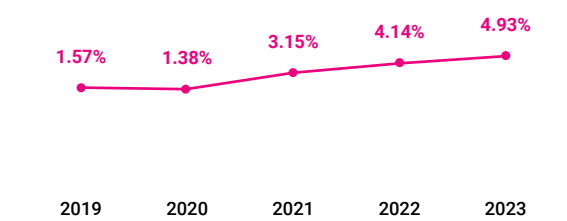
The two main sectors that have significant loan portfolio concentrations of IPDC are Ready made garments and knitwear (11%) and agro-based industries (7%). Sectors like Information and communication technologies (2%) and Banks and non-banking financial institutions (1%) have a relatively smaller share of the loan portfolio.



1.3. Non-Performing Loan (NPL) Status

Our classified loan ratio stood at 4.93% at the end of year 2023 (2022: 4.14%), one of the lowest in the industry. Maintaining the asset quality with keeping classified loans at par in 2024 will be challenging as a recession is looming due to dollar crisis, Russia-Ukraine war and fuel shortages. However, we remain committed to keeping classified loans at a minimum level during the year 2024 as well.

NPL Trend



2. Deposit Mobilization Strategies and Growth Patterns

Total Deposit portfolio increased by 1.8% during 2023 and stood at BDT 60,177mn. IPDC offers a diverse range of investment products with more competitive interest rates on deposits compared to the market as it attracts depositors who are seeking higher returns on their savings. The deposit portfolio has showcased outstanding growth with CAGR of 29.8% over its 10-year time horizon, relatively the same growth as its loan portfolio. Public deposits (deposits excluding FDR from Banks & NBFIs) increased by 7.0% and maintained 84.2% of the total share of deposits, amounting to BDT 50,684mn, whereas deposits from Banks and NBFIs accounted for 15.8% of the pie and amounted to BDT 9,493mn at the end of 2023. With cautious and rigorous credit risk management and stable liquidity outlook as emblemized in highest rating status from leading credit rating agency of the country, IPDC has always managed to ensure a good return for its depositors and timely settlement of the claims earning trust and confidence its customers.



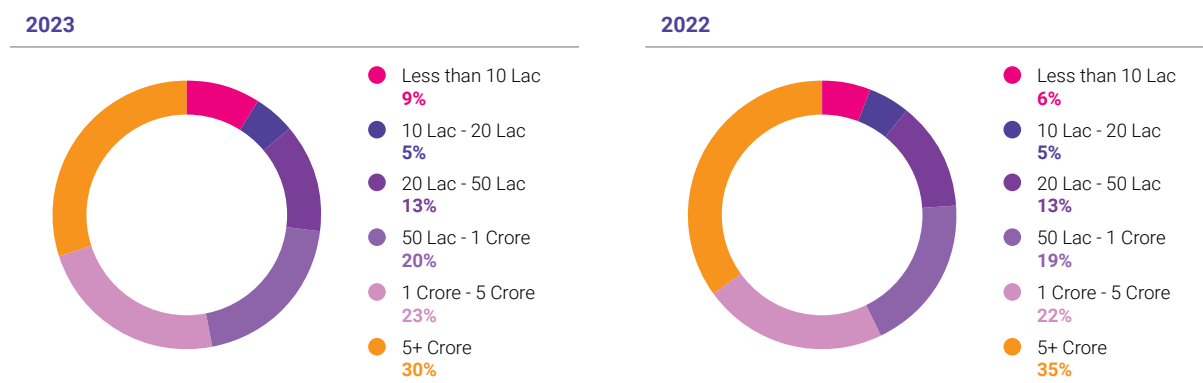
2.1. Balancing Individual and Institutional Account Dynamics

Deposits from individuals accounted for 38.0% of the total deposits and amounted to BDT 19,261mn in 2023 (2022: BDT 16,625mn) representing a growth of 17.9%. Deposits from institutions accounted for the remaining 62.0% and stood at BDT 31,424mn at the end of 2023 against BDT 31,764mn in 2022.



2.2. Account Portfolio Metrics and Ticket Size Analysis

With 85% of accounts holding less than 10 Lac taka, IPDC caters to a large customer base with relatively smaller deposits. This suggests the FI offers products and services tailored to meet the needs of individuals with everyday banking needs. While the majority falls under the smaller deposit range, there's also a presence of high-net-worth individuals. The existence of account categories like "5+ Crore" indicates IPDC caters to a smaller segment of customers with significantly larger deposits. The number of deposit accounts has grown by over 35% in the past three years.



3. DuPont Analysis

The DuPont analysis offers a comprehensive view of our profitability. It reveals how efficiently we utilize our assets (Return on Assets - ROA) and how well we generate returns on shareholders' equity (Return on Equity - ROE). IPDC's DuPont analysis summarizes that IPDC posted a net profit after tax of BDT 343mn (2022: 901mn), delivering a return on assets of 0.4% (2022: 1.0%) and return on equity of 5.1% (2022: 13.7%).

Dupont	Description	2019	2020	2021	2022	2023
Net Interest Income	% of Avg Assets	3.4%	2.9%	3.5%	3.2%	2.7%
Non-Interest Income	% of Avg Assets	0.4%	1.2%	0.8%	0.6%	0.5%
Operating Income	% of Avg Assets	3.8%	4.0%	4.3%	3.8%	3.2%
Operating Expenses	% of Avg Assets	1.7%	1.6%	1.5%	1.7%	1.8%
Cost/Income	% of Operating Income	45.3%	40.6%	36.0%	45.8%	55.2%

Dupont	Description	2019	2020	2021	2022	2023
Operating Profit	% of Avg Assets	2.1%	2.4%	2.7%	2.1%	1.5%
Provisions	% of Avg Assets	0.3%	0.7%	0.9%	0.6%	0.7%
Profit before Tax	% of Avg Assets	1.7%	1.7%	1.9%	1.5%	0.7%
Tax Rate	% of PBT	43.4%	41.3%	41.4%	28.7%	48.2%
RoA	Return on Avg. Assets	1.0%	1.0%	1.1%	1.0%	0.4%
RoE	Return on Avg. Equity	12.1%	12.1%	14.2%	13.7%	5.1%
Assets/Equity	Avg. Assets/Avg. Equity	12.3	12.1	13.0	13.1	13.2

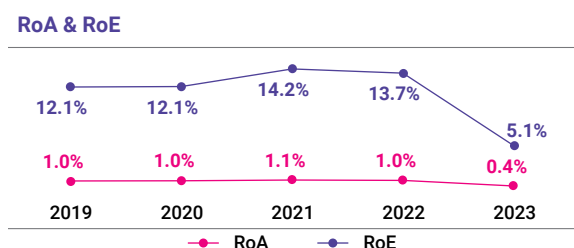
4. Profitability Performance

The industry has encountered various challenges, including inflation, intensified competition, and a liquidity crisis. Despite these difficulties, IPDC has managed to increase its asset portfolio and optimize operating expenses. However, these circumstances resulted in a significant decline in net profit after tax by 62% to BDT 343mn

PARTICULAR	2019	2020	2021	2022	2023
Revenue	2,166	2,830	3,445	3,247	2,902
Operating Profit	1,184	1,680	2,203	1,760	1,300
Net Profit After Tax	562	706	881	901	343

4.1. Measuring and Enhancing Return on Equity and Assets

Return on Asset (RoA) stood at 0.38% in 2023 (2022: 1.05%). RoA is stable for a few years as IPDC's asset base is increasing significantly over the years through its planned business expansion. ROE has a downward trend and stands at 5.05% (2022: 13.70%) due to higher equity base and comparative less profit.



4.2. Comparative Analysis of Net Profit and Net Interest Margin

Operating Income experienced steady growth from 2019 (BDT 2,166mn) to 2021 (BDT 3,445mn), representing a significant increase of approximately 59%. However, this income declined in both 2022 (BDT 3,247mn) and 2023 (BDT 2,902mn). This decrease denotes IPDC's conservative approach in tackling changing market dynamics including interest caps. Operating profit generally mirrored the trend in Operating income. It increased steadily from 2019 (BDT 1,184mn) to 2021 (BDT 2,203mn) and then declined in 2022 (BDT 1,760mn) and 2023 (BDT 1,300mn). Net profit after tax followed a similar pattern as the previous metrics, reaching a peak in 2021 (BDT 881mn). However, 2023 witnessed a significant drop in net profit (BDT 343mn), representing a decrease of over 62% compared to the previous year.

5. Gross Revenue Breakdown for Comprehensive Understanding

(In BDT mn)					
PARTICULAR	2019	2020	2021	2022	2023
Interest Income	6,716	6,902	6,545	7,080	7,434
Interest Expense	4,773	4,885	3,761	4,310	5,011
Investment Income	115	639	471	202	232
Other Non-Interest income	108	174	190	275	247

Interest income, the company's core source of revenue, shows a gradual increase throughout the period, reaching its peak in 2023 (BDT 7,434mn). This suggests IPDC is effectively expanding its loan portfolio and earning higher interest rates on its loans.

5.1. Strategic Management of Interest Expenses

Interest expense has a fluctuating trend. It initially increased from 2019 (BDT 4,773mn) to 2020 (BDT 4,885mn) but then decreased significantly in 2021 (BDT 3,761mn) before rising again in 2022 (BDT 4,310mn) and 2023 (BDT 5,011mn). This volatility is attributed to changes in borrowing needs, interest rate fluctuations, or refinancing activities.

5.2. Maximizing Investment Income Opportunities

Investment income shows significant variation, with a peak in 2020 (BDT 639mn) and a relatively stable trend afterwards. Investment income has registered a growth of 15%. This suggests the company is actively managing its investment portfolio but with varying levels of success. Also, the stock market represents the overall economic woes of the country with no significant movement in the index of the two bourses of Bangladesh.

5.3. Strategies for Non-interest Revenue Growth

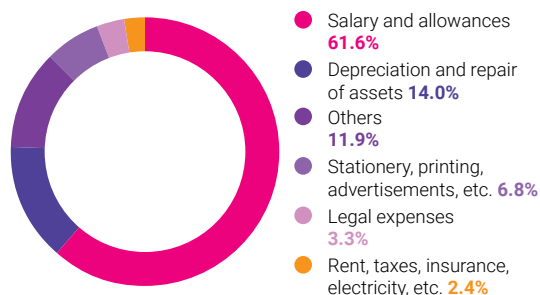
Other non-interest income exhibits a steady increase, potentially indicating the company's efforts to diversify its revenue streams beyond traditional lending activities. Non-interest revenue has registered a decline in 2023 by 10%. Despite an increase in fees & other charges by 37%, recovery of written off loss has registered a decline by 80% due to a significant settlement of loan performed in 2022.

6. Efficient Operating Expense Management

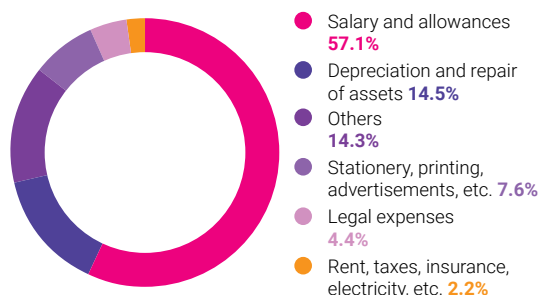
Detailed Operating Expense Breakdown (In BDT mn)

Particulars	2019	2020	2021	2022	2023
Salary & Benefits	566	693	741	848	988
Rent & Utilities	24	26	26	32	38
Depreciation	85	116	117	215	225
Other Operating Expense	306	316	357	177	158
Operating Expense	981	1,150	1,241	1,487	1,603

2023



2022



In the fiscal year 2023, the operating expenses totaled BDT 1,604mn, marking an increase from BDT 1,487mn recorded in the preceding year, representing a growth rate of 7.9%.

6.1. Compensation Strategies Aligned with Organizational Goals

The primary driver behind this increment was the salary and benefit expenses, which amounted to BDT 988mn by the end of 2023 demonstrating a growth of 6.9% and accounting for 61.6% of the total operating expenses for the year. This increase primarily stemmed from salary increments and adjustments for the cost of living (COLA). Despite a decrease in the number of employees, the expenditure on salary and benefits has increased. This rise can be attributed to IPDC's heightened focus on enhancing the welfare and development opportunities for its existing workforce.

6.2. Proactive Management of Depreciation Costs

Additionally, depreciation and asset repair costs constituted a significant portion, comprising 14.0% of the total expenses and experiencing a 4.4% increment from the previous year. Expenses on stationery, printing, and advertisements amounted to BDT 108mn in 2023, registering a decline of 3.5% from the previous year, yet contributing 6.8% to the total operating expenses.

Other segments such as legal expenses, rent, and utilities maintained a similar proportion to the preceding year. Conversely, elements within the category of other operating expenses notably decreased in 2023 by 10.7% compared to the prior year.

7. Prudent Provisioning for Loans and Investment risks

Particulars	2019	2020	2021	2022	2023
Provision for classified loans and advances	33.74	(13.38)	646.66	355.45	691.73
Provision for unclassified loans and advances	118.40	491.52	26.47	94.42	(52.95)
Provision/(reversal) for diminution in value of investments	10.13	0.02	13.99	35.42	0.01
Other Provisions	28.50	-	12.92	10.63	0.49

In the year 2023, the provision for classified loans and advances experienced a notable increase of 94.6% compared to the previous year. This incremental amount is driven by many factors like an increase in non-performing loans leading to a rise in its provision to cover potential losses. In addition, the economy is facing a downturn due to the post pandemic effect, energy crisis and dollar shortages coupled with other global issues. As a result, borrowers may struggle to repay their loans, resulting in higher default rates.

As a part of prudent financial management practice aimed at ensuring the company remains resilient to potential credit losses and regulatory requirements, IPDC periodically reviews the credit portfolio proactively to increase provisions while safeguarding its financial stability. No additional charge has been made this year against the diminution in value of investments as most of the investment in listed shares has been static in market price due to imposition of floor price by BSEC.

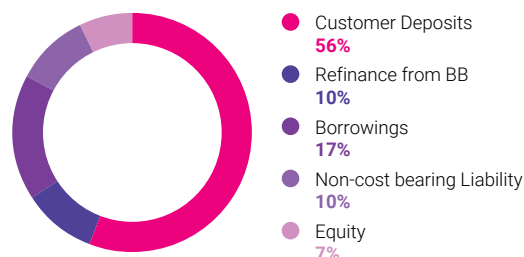
8. Analyzing Fund Size and Mix for Optimal Portfolio Management

The landscape in 2022 worsened as the post-COVID scenario was marred by inflation, war, and a forex crisis, ultimately leading to a liquidity crisis in the economy. Due to the cost-push inflationary pressure, people's disposable income started to limit, which further culminated in insurmountable suffering for the public. This liquidity crunch affected the public deposit of the company as individuals held onto their cash and assets, resulting in a decrease in savings. As a response to the ongoing liquidity crisis, borrowings were secured to ensure the smooth functioning of lending operations. The total bank borrowings increased by 33% from BDT 12,097mn in 2022 to BDT 16,099mn in 2023.

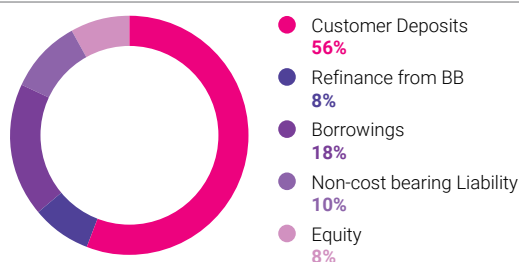
The category that experienced significant increases in borrowing include long-term loans from other banks and refinance schemes of Bangladesh, which rose by 25.5% (BDT 9,763mn). Issuance of IPDC 2nd Subordinated Bond with size of BDT 1500mn (out of which BDT 1300mn has been subscribed) has helped maintaining more liquidity. Short-

term borrowings also witnessed substantial increases, with respective increments of BDT 410mn. Additionally, Repo borrowing against government treasury bonds saw an increase of more than BDT 463mn. These adjustments in borrowing strategies were made to address the liquidity crisis effectively and enable uninterrupted lending operations.

2023



2022



9. Ensuring Liquidity Adequacy

Maintaining Optimal Debt to Equity Ratio and Capital Adequacy Ratio (CAR)

The global economy faced a perfect storm in 2022 with Russia's invasion of Ukraine. Disruptions in supply chains and financial sanctions triggered economic volatility, fueling inflation concerns and raising fears of a global recession in 2023. This war also led to energy shortages, impacting businesses' profitability and access to credit. Consequently, the financial sector felt the strain as companies struggled to repay debts, leading to a rise in non-performing loans (NPLs) and contributing to inflationary pressures.

Despite these challenging market conditions, we maintained a robust capital base. Our Capital Adequacy Ratio (CAR) of 18.12% stands well above regulatory requirements, demonstrating our strong financial foundation for navigating difficult economic environments. As of 2023, our Tier I Core Capital stood at BDT 646mn, with total eligible capital of BDT 902mn. A healthy surplus capital of BDT 404mn for 2023 reflects our ability to manage risk-weighted assets effectively (totaling BDT 49,765mn).

10. In depth Cash Flow Statement Analysis for Liquidity Position

(BDT mn)		
Particulars	2023	2022
A) Net cashflows from/(used in) operating activities	221	(4,144)
B) Net cashflows from/(used in) investing activities	(2,048)	117
C) Net cashflows from/(used in) financing activities	3,289	2,478
D) Net increase/(Decrease) in cash (A+B+C)	1,462	(1,549)
E) Cash and cash equivalents at beginning of the period	12,675	14,224
F) Cash and cash equivalents at the end of the period (D+E)	14,137	12,675

10.1. Cashflow from Operating Activity

Cash generated from operating activities before changes in operating assets and liabilities stood at BDT 849mn, registering a 42.5% decline following the downturn of interest payments and recovery of written off loan. Moreover, despite of the increase in term deposits, subsequent to repayment of previously obtained short term loans along with financing in several operating activities, the Net cash inflow generated in operating activities in 2023 was BDT 221mn.

IPDC generated net operating cashflow per share (NOCFPS) of BDT 0.60 in 2023 from BDT (11.17) in 2022. We always stick to the core

fundamentals of managing liquidity through matching maturity profiling of assets and liability. As a result, our ability to pay-off liability obligations remain solid.

10.2. Cashflow from Investing Activity

The cash flow from investing activities moved to BDT (2,048)mn from BDT 117mn, predominantly due to new investment in government securities to further strengthen the Balance Sheet.

10.3. Cashflow from Financing Activity

IPDC paid dividend of 370mn, which was slightly higher, compared to the amount paid in the previous year of BDT 445mn. Net cashflow from financing activities moved to BDT 3,288mn in 2023 from BDT 2,478mn in 2022.

11. Building & Managing Reserves for Future Stability

(BDT mn)		
Particulars	2023	2022
Statutory reserve	1,229	1,160
Assets revaluation reserve	292	305

To safeguard its financial health and protect depositors, IPDC maintains statutory reserves. These mandatory reserves are set by law (Financial Institutions Act, 1993, Section 9) and regulations (Financial Institution Regulations, 1994, 4(d) & 6). To strengthen its financial stability, IPDC sets aside 20% of its annual net profit after taxes to a special reserve mandated by Bangladesh Bank regulations. This reserve helps IPDC weather unexpected financial difficulties and protects depositors' funds.

12. Measuring Return on Capital Employed for Efficient Resource Utilization

A key measure of a lending company's performance is Return on Capital Employed (ROCE). It shows how effectively they use their money to generate profits. IPDC's ROCE fell from 3.9% in 2022 to 2.8% in 2023. This suggests a decline in their capital utilization. This could be due to a rise in bad loans (NPLs) and broader economic challenges, such as increasing borrowing costs and inflation.

13. Presenting inflation adjusted financial performance for real insights

Over the past five years, loans, advances, and leases have grown at a healthy compound annual growth rate (CAGR) of 15.8% (adjusted for inflation, base year 2016). This strong growth is accompanied by a higher CAGR of 15.2% in total deposits. This reduced our reliance on external borrowing. Our Capital Adequacy Ratio (CAR) of 18.12% remains well above regulatory requirements, demonstrating our strong capital base.

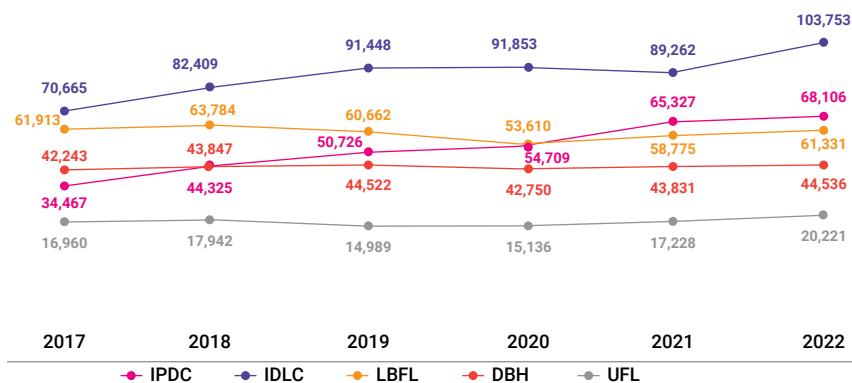
The company achieved impressive revenue growth of 39.9% CAGR over the past seven years. While net profit after tax growth lagged behind operating profit growth due to increased provisioning for our expanding loan portfolio, we still achieved a robust 4.2% CAGR in net profit after tax (adjusted for inflation).

Our net cash flow from operating activities has been negative in the past three years. This is primarily due to higher loan disbursements exceeding deposit inflows in 2023. However, significant cash inflow from financing activities was recorded in 2023, as we opted for long-term loans and issuance of subordinated bond. A large portion of these funds were invested in government treasury bonds, resulting in an inflation-adjusted net cash outflow of BDT (1,279)mn from investing activities in 2023.

Particulars	2016 Base	2018	2019	2020	2021	2022	2023	CAGR 7 Year	Times Growth
Financial Performance									
Revenue	794	1,587	1,738	2,149	2,479	2,670	4,646	40.0%	5.9
Operating Profit	474	951	950	1,276	1,585	1,707	815	11.0%	1.72
Net Profit	286	381	451	536	634	683	215	4.3%	0.8
Financial Position									
Loans, Advances and Leases	18,392	37,520	40,707	40,721	47,008	50,628	44,071	15.8%	2.4
Total Deposits	16,219	31,375	37,205	39,845	43,466	46,813	7,579	15.2%	2.3
Paid-up Capital	1,430	1,847	2,836	2,819	2,670	2,876	2,317	10.3%	1.6
Shareholders' Equity	2,620	3,176	4,475	4,606	4,571	4,923	4,219	10.3%	1.6
Total Assets	21,315	42,756	51,682	57,705	61,144	65,852	57,412	17.9%	2.7
Total Liabilities	18,695	39,580	47,208	53,099	56,572	60,928	53,193	18.9%	2.8
Cash Flows									
Net cash from operating activities	1,070	(710)	3,498	5,800	(1,736)	(2,485)	138		
Net cash (used in)/ from investing activities	(396)	(254)	(736)	(2,650)	1,576	70	(1,279)		
Net cash (used in)/ from financing activities	(0)	1,369	2,067	568	(164)	1,494	2,054		
Inflation Rate	5.92%	5.78%	5.48%	5.65%	5.56%	7.70%	9.48%		

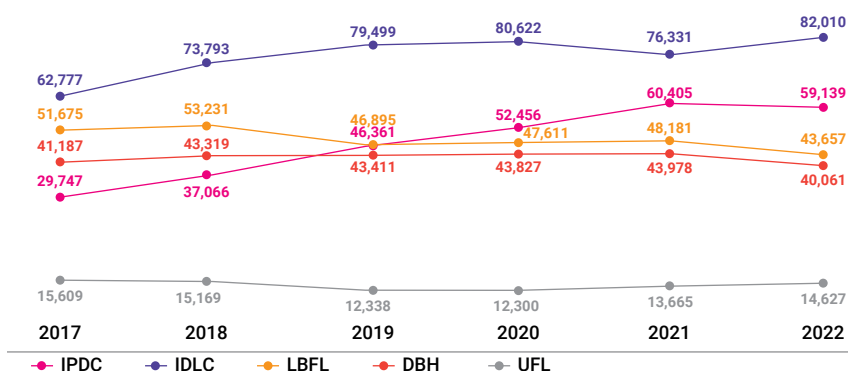
14. Comprehensive Peer Comparison Analysis

Loan , Lease & Advance



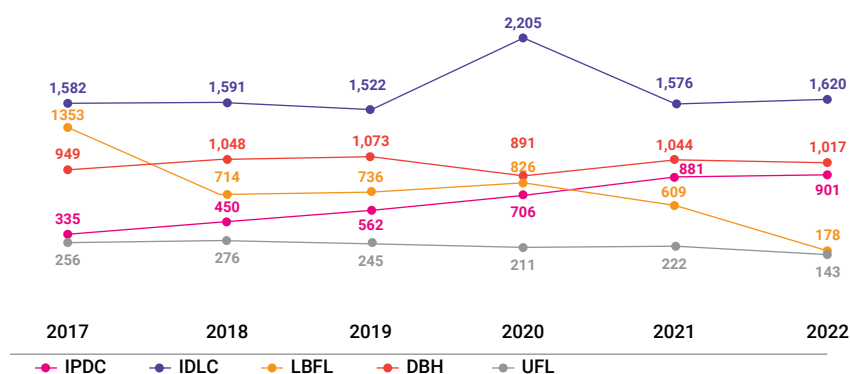
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Deposit

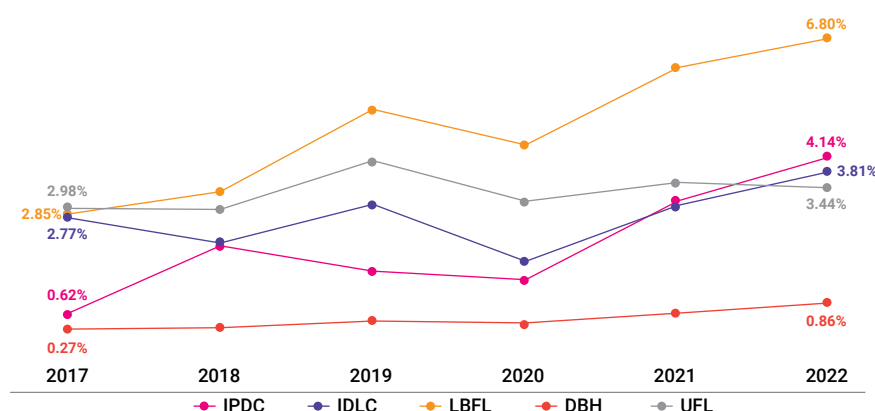


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Net Profit



NPL/CL Ratio



In the dynamic landscape of Bangladesh's Non-Bank Financial Institutions (NBFIs), notable market leaders include IDLC Finance Ltd, IPDC Finance Ltd, LankaBangla Finance Limited, DBH, and United Finance Ltd. These institutions have demonstrated consistent growth trajectories, which have enhanced public confidence in this sector. Among them, IPDC Finance Ltd emerges as a distinguished entity, showcasing robust performance and an unwavering commitment to excellence. Analyzing the financial data as of December 31, 2022, of these five NBFIs, as published on their official platforms, IPDC secures the second position in both loan portfolios and deposit holdings within the cohort of five leading NBFIs. Additionally, IPDC positions itself firmly in third place concerning profitability. Despite facing challenges such as a modest increase in Non-Performing Loan (NPL) ratios, IPDC remains proactive in risk management, poised for continued growth. IPDC remains confident that soon, it will hold the strongest position in terms of both balance sheet and profitability.

ACTIVITIES BEYOND NUMBERS

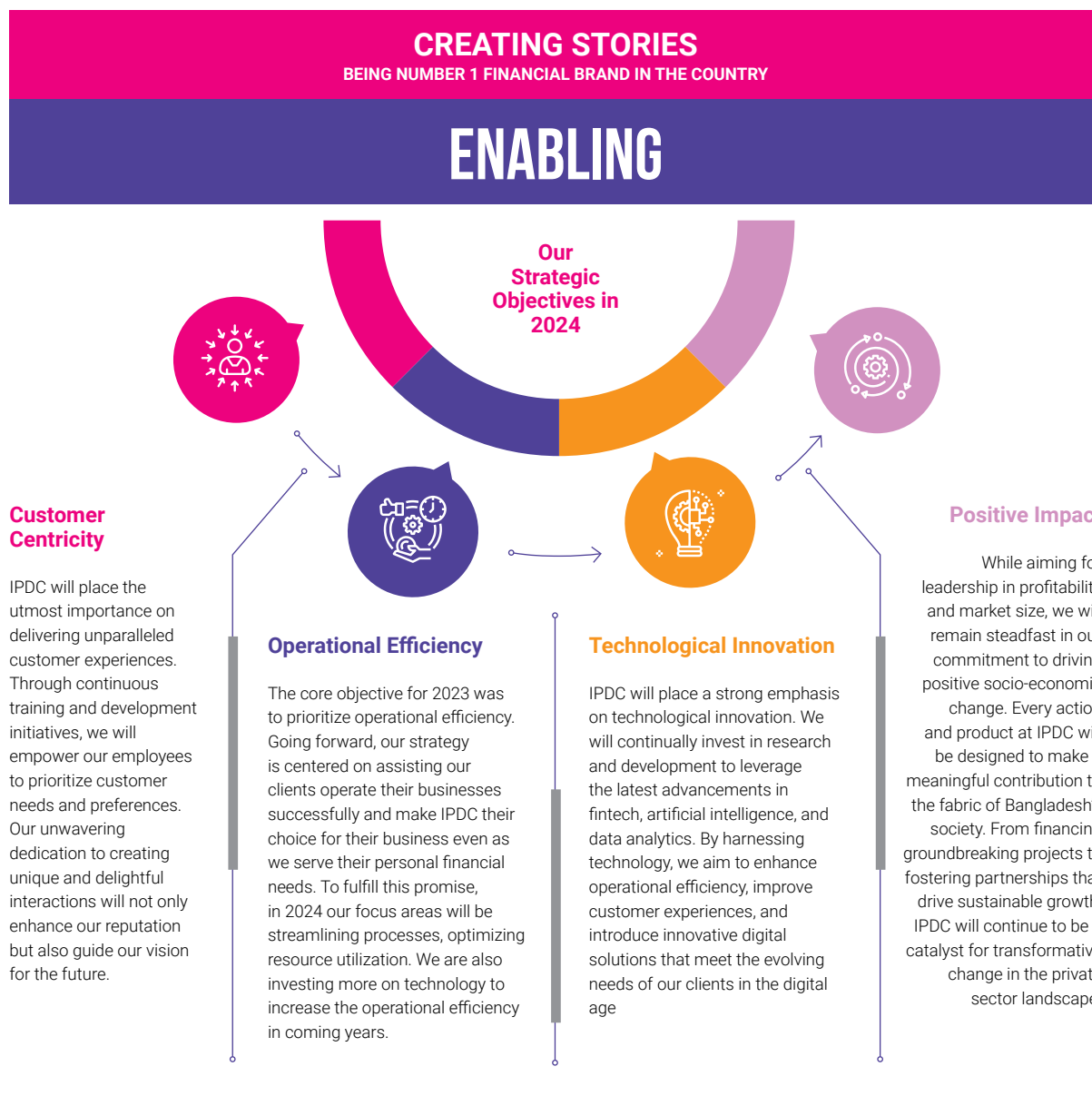
In 2023, IPDC retained its AAA Credit Rating status symbolizing its resiliency. Beyond the financial figures, IPDC remained steadfast in implementing strategic projects and laying the groundwork for future expansion in 2023. The focus of the year was to strengthen the core and ensure stability in business. In Retail, consumer white goods finance remains one of our core focus areas. All of our initiatives in 2023 were aimed at creating a revolution by development of an ecosystem which not only ensured financial inclusion but also made a secure, transparent, reliable marketplace and create collaboration of all the value chains. Enabling women to acquire financial and non-financial assets through financial inclusion was one of our key strategic agenda. IPDC also works to popularize our unique product, IPDC Priti, which is packaged with various services, including economic prosperity, financial security, lifestyle enhancements, and medical care. We also launched a targeted deposit campaign on various occasions which

encouraged savings through preferential rates. In addition to these initiatives, IPDC Finance Limited won various awards in 2023.

ICMAB	NBFI-Silver
ICAB	NBFI-Silver
Bangladesh Fintech Award	Fintech Innovation of the year-NBFI-Winner
Karlsruhe Sustainable Finance Awards'23	Best innovation in Sustainable Financial -Certificate of Merit
Beijing International PSA Competition 2023	Gold

GENERAL REVIEW ON FUTURE PROSPECTS

Our business strategy will go beyond profit growth to create new markets and serving broader stakeholder needs. It will be based on technology enabled and socially responsible business models focusing on cottage, micro, small and medium enterprises (CMSMEs), women and young entrepreneurs, and lower middle-income households outside Dhaka and Chattogram.



Other Disclosures

1. Corporate Social Responsibility

Maintaining strong social commitment in the communities is a key priority for IPDC. For instance, IPDC Finance prioritizes social welfare initiatives aimed at uplifting women, youth, and underserved communities of Bangladesh. Such as; supporting the Child Marriage Prevention Loan and restoring the dreams of school girls, funding of daily food needs of 50 students of Uchhash School for a month in honor of National Mourning Day and more. We also recognized the architects of the nation, our unsung schoolteachers through a program called "Priyo Shikhhok Shommanona".

2. Credit Rating

IPDC has obtained the prestigious credit rating of "AAA" (Long Term) and ST-1 (Short Term) based on the audited financial statements for the year 2022. The credit rating was performed by Emerging Credit Rating Limited on 25 September 2024. Credit rating of AAA indicates that IPDC has an exceptionally strong capacity to meet its financial commitments and exhibits a high degree of resilience to adverse development in the economy and in business and other external conditions and IPDC possess a strong balance sheet and superior earning records.

3. Appropriateness of Disclosure of Accounting policies

The financial statements are prepared in conformity with International Financial Reporting Standards (IFRSs) which 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. The estimates and underlying assumptions are reviewed on a regular basis. Information about significant areas of estimation, uncertainty, and critical judgments in applying accounting policies that have the most significant effects are included in the "Notes to the financial statements".

4. Adoption of new International Financial Reporting Standards (IFRS):

New issued International Financial Reporting Standards (IFRS) as adopted by ICAB and FRC are applied in the preparation of the financial statements, if applicable. To ensure compliance, the requirements of the IFRSs are communicated to all the concerned employees and the financial statements are reviewed by qualified accountants of the Finance and Accounts department and another level of screening is done by the Internal Control and Compliance department.

5. Changes in Accounting Policies and Estimation

During the year ended 31 December 2023, there were no significant changes in accounting policies and estimates which impacted the financial performance, results, or position of the company.

6. Risk and Concern issues related to the financial Statements.

To ensure that financial statements are free from material misstatement and have been prepared in accordance with applicable accounting standards and regulatory requirements, the financial statements are reviewed by the Chief Financial Officer (CFO) after which it is reviewed by Internal Audit and Compliance Department before being placed to the Audit Committee for review, finally after which the financial statement is placed to the Board of Directors for Approval. Some of the risk and concerns associated with the financial statements include the following:

ISSUES

NOTE NO

Specific Accounting Policies and estimation	3.0
Application of Accounting Policies relevant to assets, liabilities, income and expenditure	3.0
Use of Judgements, Estimate and Assumption	2.4

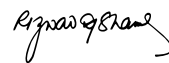
6.1 Inadequate Disclosure

Adequate disclosures as required by IFRS / IAS, regulatory bodies such as Bangladesh Bank, Bangladesh Securities and Exchange Commission etc. may not be made in the financial statement. To ensure that the financial statement meets the required disclosure requirement, new circulars, guidelines, and letters issued by the regulatory authorities are reviewed on an ongoing basis.

7. Operational Risk

Operational risk addresses the risk associated with fraud, forgery, unauthorized activities, error, omission, system failure and external events among others. The Company is managing these risks through written procedures, regular training, awareness programs and monitoring of the implementation of these procedures, to ensure that the financial statements are free from material misstatements.

Thank You



Rizwan Dawood Shams
Managing Director

IPDC
সুবোধ

দেশের
প্রথম

বৈ ক্রেতার লোন ডেবা

দেশের সেবা নিয়ে
চার দশক ধরে আপনার পাশে



বাংলাদেশের মাটি ও মানুষের
গান নিয়ে জনপ্রিয় প্রায় ২৫ বছর

আমাদের
গান IPDC

বাংলাদেশের মাটি ও মানুষের
গান নিয়ে জনপ্রিয় প্রায় ২৫ বছর

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আমরা

জান চোডেন



শ্রম ব্যবসায়
অর্থায়নের মাধ্যমে প্রায়
৬০ হাজার কর্মসংস্থান সৃষ্টি

সারসী স্মরণীয় সুবিন
আইপিডি প্রাইভেট লিমিটেড

দেশজুড়ে মানুষের
নিজের চিকিৎসা রক্তের সঙ্গী

আইপিডি
ডালোবাসা হোমলোন
বাস্তব মাপ
দাঁড়া
উদ্যোগের
জন্য সারসী
লোন সুবিধা

হাসপাতাল

দেশ প্রথম ডেবকারি

আর্থিক প্রতিষ্ঠান

যাত্রা শুরু ১৯৮১ সাল থেকে

IPDC

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গান

AAA

ডানা

মাইক্রো-মার্কেটের অর্থায়ন
~ দেশের প্রথম ~
ডিজিটাল ইকো সিস্টেম

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সফটওয়্যার প্রায় ২৫ বছর

অর্জন

দ্রুত ও নিরাপদ
এই প্রায় ২০২৩-২৪ আর্থিক
বছর ২০২৩-২৪ আর্থিক বছর

BANGLADESH
INNOVATION
AWARD 2018



বাস্তব মাপ

বাস্তব মাপ



DIRECTORS REPORT

DIRECTOR'S REPORT

Dear Stakeholders,

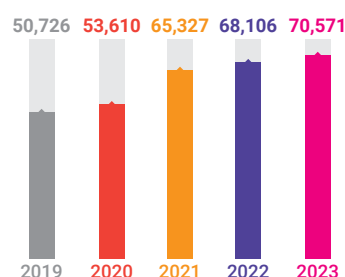
The Board of Directors of IPDC Finance Limited takes great pleasure in welcoming you to the 42nd Annual General Meeting of the Company. On behalf of the Board of Directors, I am presenting the Directors' Report on the operational and financial activities of your Company, together with the Audited Financial Statements for the year ended 31 December 2023. These include reports on business and strategy review, risk management, corporate governance, internal control system, financial and operational highlights for your valued consideration, approval, and adoption. This report has been prepared in compliance with Section 184 of the Companies Act 1994, Finance Company Act 2023, and the guidelines issued by Bangladesh Securities and Exchange Commission (BSEC), Bangladesh Bank, and other regulatory authorities.

In the tumultuous landscape of 2023, the financial sector encountered challenges such as a surge in non-performing loans, dwindling spreads, and liquidity crunch. Yet, a glimmer of hope emerged as the sector slowly but surely began its journey towards revitalization. Through thoughtful strategies, the industry set sail on a path of resilience and transformation. The removal of interest caps and determination

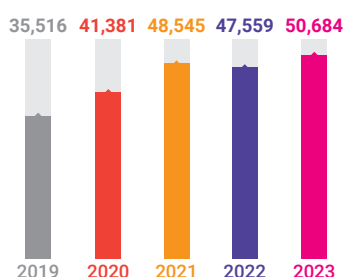
to deliver exceptional customer service became cornerstones in rebuilding trust and confidence within the general populace. While the banking sector witnessed a rebound in spreads after the first quarter, it was the third quarter that saw a similar upturn in the Non-Banking Financial Institutions (NBFI) sector.

In the face of adversity, IPDC Finance Limited emerged as a symbol of perseverance and success. Despite the challenging market conditions, IPDC remained determined to maintain the strongest balance sheet. When the industry grappling with non-performing loan rates around 27.65%, IPDC showcased remarkable prudence by maintaining its NPL at an impressive 4.93%. Through increased disbursements and innovative deposit campaigns, IPDC experienced moderate growth, with total loan growth reaching 3.6% and a notable 6.6% rise in customer deposits. Furthermore, IPDC's balance sheet expanded by a noteworthy 6.0%, affirming its robust financial standing amidst turbulent times. In an era of uncertainty, IPDC remains steadfast in its commitment to providing exceptional service and support to its valued customers. With steadfast dedication to excellence and unwavering loyalty to its stakeholders, IPDC stands as a pillar of strength and stability in the financial landscape.

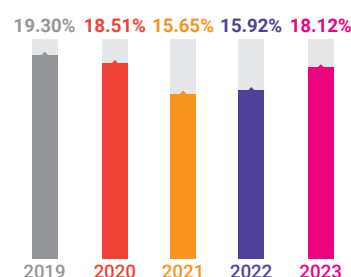
Loan, Lease & Advance



Customer Deposit



CAR



REVENUE

2,902 M

2022: 3,247 MILLION

OPERATING PROFIT

1,300 M

2022: 1,760 MILLION

Net Profit After Tax

343 M

2022: 901 MILLION

CIR

55.22%

2022: 45.8%

ROA

0.38%

2022: 1.0%

ROE

5.05%

2022: 13.7%

NPL

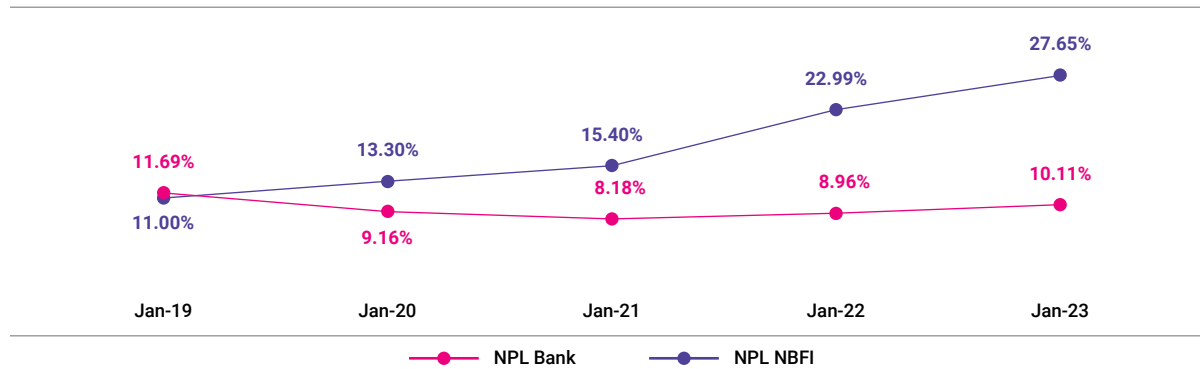
4.93%

2022: 4.14%

INDUSTRY OUTLOOK 2023

In the initial months of 2023, Bangladesh Bank adjusted deposit rates to align with inflation, resulting in higher deposit costs but unchanged lending rate caps for banks and NBFIs. This led to reduced core income for both banks and NBFIs, causing a significant decline in profitability in Q1. Essential measures were implemented by both sectors from Q2 onwards. Additionally, the central bank transitioned

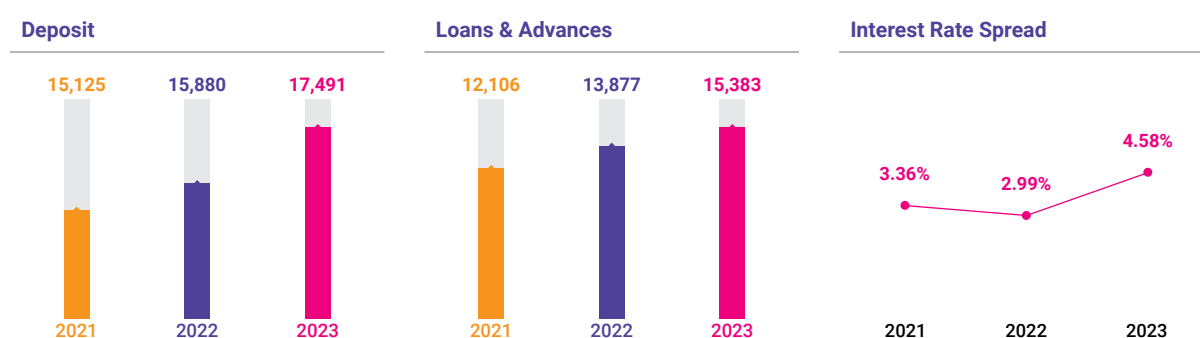
lending rate caps to SMART rate from July 1, 2023, promoting deposit expansion flexibility among financial institutions. Concurrently, the financial sector experienced a steep rise in default loans of BDT250 billion in 2023 due to election-related uncertainties and a severe dollar shortage, impacting business activities and borrower debt servicing. The NBFIs sector faced challenges including high non-performing loans, a liquidity crisis, and significant net interest margin compression in recent quarters.



1. Banking Sector Overview

During the initial months of this year, the majority of banks in Bangladesh encountered operational challenges stemming from various factors such as sluggish deposit growth, slow pace of loan recovery, and the necessity to purchase dollars from the Bangladesh

Bank to facilitate imports. Consequently, most listed banks struggled to achieve profit growth in the first quarter. However, proactive measures against inflationary pressures on deposit rates led to significant improvement during the second quarter. Nevertheless, the increase in the Non-Performing Loan (NPL) rate in the third quarter impeded the banking industry's growth trajectory during that period.



Source: Scheduled Banks Statistics, Bangladesh Bank

*Values as of Dec 2023

By December 2023, bank deposits surged by BDT 1,611 billion (10.1%) compared to December 2022, which had seen an increase of BDT 755 billion (5.0%) over December 2021. Loans and advances increased by BDT 652 billion (4.4%) from September to December 2023, showing a notable rise over the previous quarter and the corresponding quarter

of the previous year. The Bangladesh Bank reported an increase in the bank spread, from 2.99% in December 2022 to 4.58% in December 2023. This increase in the bank spread could be attributed to rising interest rates during the same period, likely influenced by inflationary pressures or changes in monetary policy.

Other Highlights

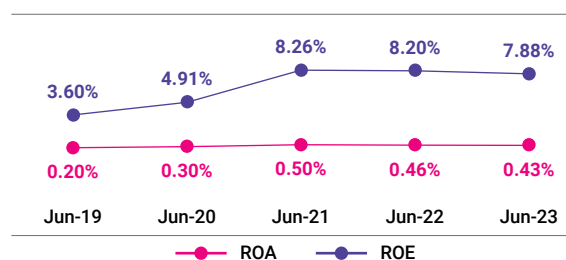
Category	2018-19	2019-20	2020-21	2021-22	2022-23
Call Money Borrow Rate	3.90%	4.70%	2.50%	5.80%	6.20%
Non-Performing Loan (NPL) ratio	11.69%	9.16%	8.18%	8.96%	10.11%
Private Sector Lending Growth	11.30%	8.60%	8.40%	12.90%	10.50%

Source: Scheduled Bank Statistics, Bangladesh Bank Financial Stability Assessment Report, Bangladesh Bank Monthly Economic Indicators

*Values in USD Mn unless otherwise state. **Values as of June to June

Assets in the banking sector grew by 3.9% compared to the previous quarter, reaching BDT 23,142.84 billion by the end of June 2023. However, there was a decline in asset quality, with the non-performing loan (NPL) ratio rising to 10.11% in June 2023 from 8.80% at the end of March 2023. Additionally, the provision maintenance ratio decreased by 3.65% points to 78.76%. Despite these challenges, profitability increased, with the Return on Assets (ROA) and Return on Equity (ROE) reaching 0.43% and 7.88%, respectively, compared to 0.39% and 6.83% in the preceding quarter.

ROA vs ROE



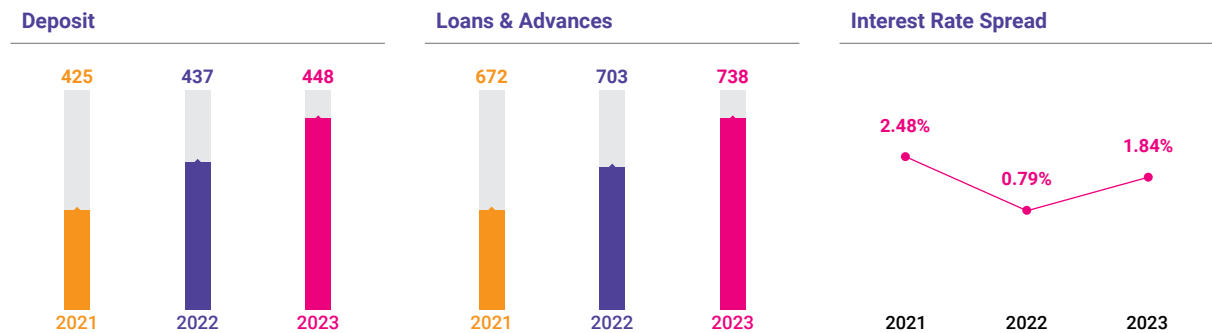
Source: Financial Stability Assessment Report

Profitability

In the first half of 2023, the profitability of Bangladesh's banking sector faced challenges, with the combined profits of 35 listed banks dropping by 9% year-on-year to BDT 41.6 billion. This decline was attributed to lower income from commissions and brokerage fees due to a squeezed spread on forex dealings by the Bangladesh Bank, alongside slow activities in the stock market. Additionally, stringent conditions for non-essential imports and a ceiling on interest rates further impacted commissions and interest income, respectively.

2. Non-Bank Financial Institution (NBFI) Sector Overview

The non-bank financial institution (NBFI) sector endured significant challenges throughout the first nine months of 2023, primarily due to historically low-interest rate spreads. Despite deposit rates rising, lending rates remained capped until early July, exacerbating the situation for NBFIs. This led to a noticeable decline across various financial metrics for the NBFI industry, including net interest income, net profit, return on equity, return on assets, and interest rate spreads.



Source: NBFIs Statistics, Bangladesh Bank

*Values as of Dec 2023

In December 2023, the total deposits (excluding inter-NBFIs) of the NBFIs experienced an increase of BDT 11 billion, or 2.5%, reaching BDT 448 billion compared to December 2022. Concurrently, NBFIs' total loans and advances experienced a rise of BDT 35 billion, or 5.0%, reaching BDT 738 billion during the same period.

interest rate spread for NBFIs exceeded 1% in March but consistently remained below 1% since then, steadily declining. The interest rate spread for NBFIs contracted to a mere 1.84% in December 2023, as per the latest NBFI statistics report from Bangladesh Bank.

Throughout 2023, the NBFI industry encountered significant challenges, primarily stemming from historically low-interest rate spreads. Despite deposit rate increases, lending rates remained capped until the beginning of July, leading to a notable decline across various financial indicators for the NBFI industry. In June, the country's non-bank financial institutions experienced a historic low-interest rate spread of only -0.04%, significantly impacting their profitability. Analysis of Bangladesh Bank data indicates that the

The persistently low-interest rate spread presents a significant obstacle to the profitability and long-term sustainability of NBFIs in Bangladesh. This trend highlights the challenging margin environment in which NBFIs function, restricting their capacity to generate adequate income from lending operations. Furthermore, the narrowing interest rate spread emphasizes the intensified competition within the NBFI sector, as institutions vie to attract deposits while preserving profitability amid stringent regulations and economic uncertainties.

Other Highlights

Category	2018-19	2019-20	2020-21	2021-22	2022-23
Call Money Borrow Rate	3.90%	4.70%	2.50%	5.80%	6.20%
Non-Performing Loan (NPL) ratio	11.69%	9.16%	8.18%	8.96%	10.11%
Private Sector Lending Growth	11.30%	8.60%	8.40%	12.90%	10.50%

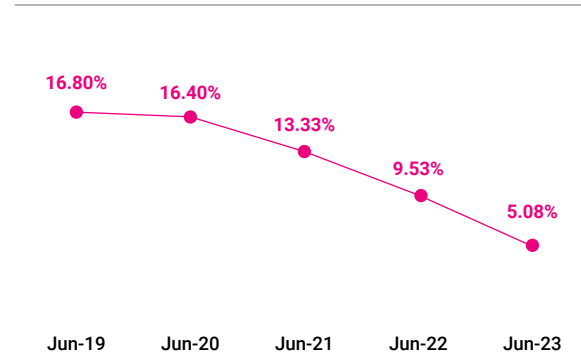
Source: Scheduled Bank Statistics, Bangladesh Bank Financial Stability Assessment Report, Bangladesh Bank Monthly Economic Indicators

*Values in USD Mn unless otherwise state. **Values as of June to June

Notably, the non-performing loan (NPL) ratios among NBFIs are even higher than those in the banking sector. In the first quarter of 2023, the sector's outstanding loans amounted to BDT 715.2 billion, with classified loans totaling BDT 178 billion, as reported by Bangladesh Bank.

By June 2023, financial institutions' total assets increased by 2.52% to BDT 981.85 billion compared to March 2023. However, there was a notable rise in the classified loans and leases ratio, reaching 27.65% from 25.05% in the previous quarter, indicating deteriorating asset quality. Profitability declined further, with ROA and ROE at -1.43% and -32.50%, respectively, compared to -1.32% and -20.67% in the preceding period. The capital adequacy ratio (CAR) dropped by 2.21% to 5.08% by June 2023, raising concerns about financial stability. The Tier-1 capital ratio was 3.13%, highlighting the need for capital reinforcement. These indicate the urgent need for effective risk management and financial restructuring for sustained growth and stability in the financial institution sector.

ROA vs ROE



Source: Financial Stability Assessment Report

Challenges faced by the Industry in 2023

The year 2022 has been ended with so many economic and financial crises that leave the economy of Bangladesh in new challenges to rebound. The sum of all these crises hit the growth of the banking sector of Bangladesh and exhibit multifarious challenges for the year 2023. Here are the top five challenges faced by the industry:



The year 2022 ended with news of loan scams in some non-conventional banks in our country, consequently creating panic among general depositors about rumors of bankruptcy for those banks. Until March 2023, the financial sector faced the negative effects of these rumors. The interest rate cap was another barrier for the financial sector to breathe smoothly to fight against challenges. To address the challenges and restore discipline in the financial sector, several strategies were deemed necessary. Financial Institutions were urged to adopt robust corporate governance practices, including transparency, accountability, and independence, to mitigate conflicts of interest and ensure effective risk assessment. Furthermore, financial institutions needed to prioritize the development and implementation of comprehensive risk management frameworks to effectively assess credit, market, and operational risks. Establishing specialized agencies or courts dedicated to handling loan recovery cases efficiently and strengthening mechanisms for recovering non-performing loans was also deemed essential. By addressing these challenges and implementing the suggested strategies, Bangladesh's financial sector aimed to regain trust, stability, and efficiency, becoming a robust pillar of economic growth and prosperity once again.

IPDC'S FINANCIAL PERFORMANCE ANALYSIS

Non-Banking Financial Institutions (NBFI) in Bangladesh experienced another challenging year in 2023 post pandemic business environment due to multiple external shocks as well as governance issues in some financial institutions. These challenges include a substantial volume of non-performing loans, a severe liquidity crisis, and a considerable contraction of NBFI's net interest margins in recent quarters.

1. 2023 Financials Performance

Despite those challenges, IPDC managed its portfolio efficiently closing the year 2023 with an NPL of 4.93% (4.14% in 2022) which is far lower than that of industry average (27.65% as of June 2023). Our primary focus in 2023 was on efficient balance sheet management, to build the capacity for financial inclusion in retail space through digital solution and collaboration, investing to enhance strong brand presence and capacity building in non-metro areas for offering effective housing finance, market development in some strategic products like Affordable Home Loan (AHL), DANA, IPDC EZ etc., mobilization of stable deposits,

and rationalizing costs. A brief review of financial performances of the year is as follows:

In 2023 IPDC's loans, leases and advances stood at BDT 70,571mn; 3.6% (BDT 2,466 mn by volume) higher than December'22. Customer deposits amounted to BDT 50,684 mn in December'23, reflecting a 6.6% increase from December '22.

Although we have achieved 5.0% growth in gross interest income from loans and leases, but our net interest income decreased in this year due to increasing interest expenses (by 16.3%) for higher cost of deposit as well as unfavorable suspense movements from increasing non-performing loans. Operating Revenue amounted to BDT 2,902mn in 2023, lower by 10.6% against 2022. Total operating expense amounted to BDT 1,603mn increased by 7.8% against 2022 mainly due to increased costs of rent, utilities, and regular increment for cost-of-living adjustment & promotion of existing employees and new head count.

Operating profit in 2023 stood at BDT 1,300mn, lower by 26.2% over 2022. Operating profit drops in 2023 mainly due to lower spread & higher operating expenses.

Total provision expense for loans, leases, and investment in 2023 amounted to BDT 639.3mn; increased by 28.9% against 2022; significantly increased because of deterioration of the asset quality suppressed by the macroeconomic stress and unfavorable business situation followed by rising inflation and disruption in global supply chain system due to international geopolitical tension.

Net Profit After Tax (PAT) for the year stands at BDT 343mn, lower by 61.9% against 2022. Overall, PAT decreased due to lower net funded revenue from shrinking spread, increasing operating expenses, significant growth in non-performing loan requiring more provision expenses and negative suspense movement during this period. Also, stringent loan provisioning and suspense requirement for rescheduling loans aggravated the situation further.

In 2023 IPDC maintained its CAR efficiently at 18.12%, above the 10% requirement under Basel III accord. Over the next year, IPDC is determined to reduce its classified loan ratio and continue to maintain an outstanding portfolio quality. IPDC ensured constant value creation for its esteemed shareholders.

2. Five years Performance Trajectory

BDT MN

PARTICULAR	2019	2020	2021	2022	2023	CAGR 5
Financial Position						
Total Asset	64,402	75,969	84,973	86,732	91,934	12.7%
Total Liabilities	58,826	69,906	78,620	79,929	85,182	12.7%
Loan, Lease and Advance	50,726	53,610	65,327	68,106	70,571	9.7%
Customer Deposit	35,516	41,381	48,545	47,559	50,684	16.6%
Equity	5,576	6,063	6,353	6,803	6,752	12.5%
Loans to Fund Ratio	86.0%	77.2%	84.6%	86.7%	84.9%	
Customer deposit to Fund Mix	55.1%	54.5%	57.1%	54.8%	55.1%	
Stakeholder Ratio						
Earnings Per Share (EPS)	1.72	1.90	2.37	2.43	0.92	
NAV Per Share	15.0	16.3	17.1	18.3	18.2	
Dividend Payout	87.0%	63.1%	50.5%	41.2%		
Net Operating Cash Flow Per Share	12.33	20.58	(6.50)	(11.17)	0.60	

Over the past five years, IPDC's loan portfolio has consistently experienced growth, with the December'23 loan portfolio increasing by approximately 1.6 times compared to the total portfolio in 2018 which represents 9.75% Cumulative Average Growth Rate (CAGR). IPDC's continuous efforts to bring more stable funding mix by growing customer deposit is continuing which reflects its 16.6% CAGR in customer deposit at the end of 2023. IPDC is also committed to

maximizing its shareholders value by ensuring a 12.5% CAGR of shareholders' equity over the last five years. It also maintained a far below loans to fund ratio than regulatory limit that allows IPDC to meet all customers fund commitment on time and as a result gaining more customers satisfaction as well as customers confidence which is reflected in the stable deposit mix in sources of fund (55.1%).

3. Profitability at a Glance

BDT MN

PARTICULAR	2019	2020	2021	2022	2023	CAGR 5
Financial Performance						
Revenue	2,166	2,830	3,445	3,247	2,902	9.1%
Operating Expense	981	1,150	1,241	1,487	1,603	16.4%
Operating Profit	1,184	1,680	2,203	1,760	1,300	3.0%
Profit Before Tax	994	1,201	1,503	1,264	660	-5.2%
Profit After Tax	562	706	881	901	343	-5.3%
Cost to Income Ratio	45.3%	40.6%	36.0%	45.8%	55.2%	
Financial Ratio						
Net Interest Margin*	3.6%	3.2%	3.8%	3.5%	3.0%	
Operating Profit margin**	54.7%	59.4%	64.0%	54.2%	44.8%	
Net Profit Margin***	26.0%	24.9%	25.6%	27.8%	11.8%	
ROE	12.1%	12.1%	14.2%	13.7%	5.05%	
ROA	1.0%	1.0%	1.1%	1.0%	0.38%	

*Net Interest Margin= Net Interest Income/ Interest Earning Asset Excluding Investment

**Operating Profit Margin=Profit Before Provision/Total Operating Income

***Net Profit Margin=Net Profit after Tax/Total Operating Income

Total revenue has amounted to BDT 2,902mn in 2023, which is 10.6% lower from last year since overall macroeconomic condition is driving the cost of deposits higher, hurting overall spread for the company. IPDC experienced a steady growth in revenue, growing at a 7.6% CAGR over the last five years due to its diversified portfolio in Corporate, SME and Retail.

Operating profit in 2023 stood at BDT 1,300mn, lower by 26.2% over 2022, Operating profit drops in Y2023 due to increasing costs, lower spread, higher operating expenses otherwise there were moderate growth of 3.0% over the last 5 years.

PAT also decreased in 2023 to BDT 343mn, lower by 61.9% against 2022 due to multiple negative shocks such as lower spread, increasing

operating costs from routine adjustment of salary and allowances as well as increasing loan loss provisioning. Apart from last year IPDC could generate a healthy amount of value for its shareholders by ensuring a stable net profit margin over the past years.

ROE and ROA have decreased in 2023 due to negative profit growth (-62.0%) in comparison to similar equity and growth of total assets (6.0%) from last year. The cost to income ratio has increased 55.2% because of negative growth (-10.6%) in revenue versus increasing operating costs by 7.8%, which is also reflected in decreasing operating profit margin from last year. Except current year IPDC could maintain above average ROE and ROA over the years.

4. Quarterly Performance Trends

BDT MN

PARTICULAR	Q'1	Q'2	Q'3	Q'4
Profit & Loss				
Revenue	709	699	671	824
Operating Expense	402	415	396	390
Operating Profit	307	284	275	434
Profit Before Tax	72	166	106	317
Profit After Tax	15	80	85	163
Cost to Income Ratio	56.72%	59.33%	59.03%	47.34%

PARTICULAR	Mar'23	Jun'23	Sep'23	Dec'23
Balance Sheet				
Loan, Lease and Advance	68,467	70,092	69,325	70,571
Customer Deposit	48,835	50,418	51,713	50,684
Total Liability	77,184	82,333	80,115	85,182

IPDC's financial and non-financial performances are monitored and guided by The Board and Board's Audit Committee (BAC) quarterly. During 2023, BAC reviewed the quarterly financial statements, and the Board of Directors approved the same before disclosing it to shareholders and stakeholders. Although there is no significant variance in loans and advances or customer deposits in quarterly financials except total liability which was built up in Q2'23 as well as Q4'23 as precautionary measures but profit after tax was not evenly spread each quarter due to deterioration of asset quality and suspension of interest income in Q1 and Q3. On the contrary, better collection and recovery efforts, increased in fees, and commission income as well as cost optimization resulted in a higher bottom line in Q4'23. Quarterly financial performances for 2023 are presented above.

5. Explanation that significant deviations from the last year's operating results

Despite a partial recovery observed in the financial institution sector during the year 2023, the non-bank financial institution (NBFI) sector in Bangladesh continues to grapple with significant challenges. These challenges include a substantial volume of non-performing loans, a severe liquidity crisis, and a considerable contraction of NBFIs' net interest margins in recent quarters. IPDC was also hit hard by those challenges, primarily due to historically low-interest rate spreads. Deposit rates increased while lending rates remained capped until the beginning of July. This situation led to a notable decline of spread in 2023. Although gross interest income observed a growth of 5.0%, interest expense has grown by 16.3% resulting significant drop in net interest income by 12.5%.

Other operating income also decreased significantly in 2023 due to decrease in recovery from written off portfolio by 80% (21.7mn against 111.3mn in 2022) as most of the problematic clients could not meet their commitment due to unfavorable business environment from macroeconomic stress.

Specific provision for loan loss has increased by 94.6% (691.7mn vs 355.5mn) in 2023 because of significant deterioration of the asset quality represented at the increase of non-performing loan requiring more provision expenses and negative suspense movement during

this period. As a result, the bottom line also decreased in 2023 to BDT 343mn, lower by 61.9% against 2022 due to multiple negative shocks such as lower spread, increasing operating costs from routine adjustment of salary and allowances as well as increasing loan loss provisioning.

6. Analyzing Variances Between Quarterly and Annual Financial Statements

Despite a year of uncertainty and lot of regulatory intervention in bringing discipline in interest rates for loans and deposits the focus for the year 2023 was ensuring sufficient liquidity of the company, deposit mobilization, utilize treasury functions, and conservation of cash through cost control initiatives amid illiquid market situations. As a result, IPDC also observed slight variances in financial performance in Q3'23 versus Q4'23.

In Q3'23 revenue has decreased by 28mn because of increasing deposits costs much higher than interest income and significant customers' interest income suspended in Q3'23 due entering in NPL bucket which is also recovered in Q4'24 due to multiple efforts to improve the asset quality and increasing fees and commission income recognized in Q4'23 specifically imposition of supervision charges to eligible existing loans as per Bangladesh Bank guidance. As a result, 153mn revenue increased in Q4'23 from Q3'23.

The company strived to rationalize and optimize costs even delayed few capital investments projects which helped to control costs positively in Q3 & Q4 of 2023. As result the operating profit in Q4'23 saw a significant improvement from higher revenue and lower or relatively stable costs.

The company also maintained sufficient provisions against loans, leases, and investment complying Bangladesh Bank provisioning guidelines amid continuing economic hardships which followed the asset quality status at each month and quarter as a result profit before tax and profit after tax also fluctuated accordingly.

IPDC will put full emphasis on recovery of profitability in the current year and has created strategies and plans that will potentially support growth in sustainable profitability in 2024 and beyond.

SEGMENT WISE PERFORMANCE

For the year ended December 31, 2023

BDT MN

PARTICULAR	Corporate	SME & Emerging Corporate	Retail	Treasury	Total
Net Interest Income	800	787	577	490	2,655
Fees and Other Income	6	110	131	-	247
Net Operating Revenue	807	897	708	4910	2,902
Operating Expenses	330	485	679	109	1,603
Operating Profit	476	412	30	382	1,300

For the year ended December 31, 2022

BDT MN

PARTICULAR	Corporate	SME & Emerging Corporate	Retail	Treasury	Total
Net Interest Income	1,173	882	740	177	2,972
Fees and Other Income	29	124	114	8	275
Net Operating Revenue	1,202	1,007	854	184	3,247
Operating Expenses	300	385	711	91	1,487
Operating Profit	903	621	143	94	1,760

Share in Business

Loan, Lease and Advance

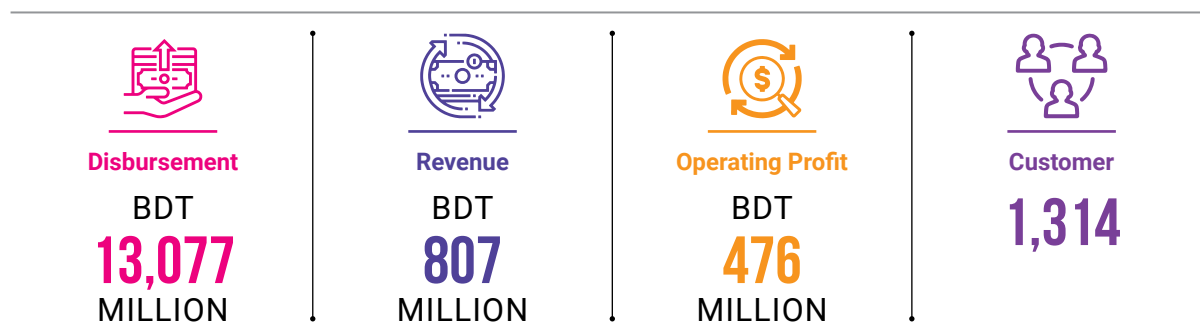


Customer Deposit



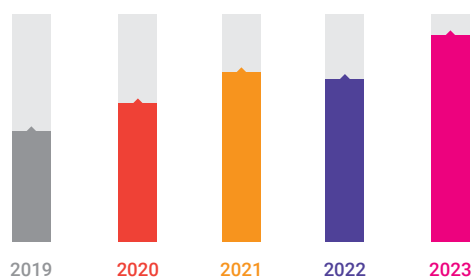
1. Corporate Business

Financial Performance



Credit Portfolio

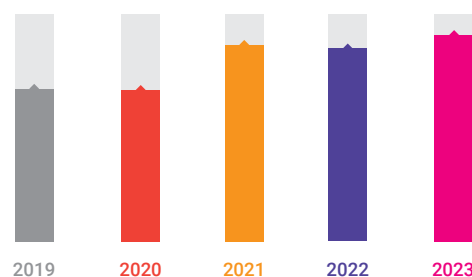
Share in total portfolio **42%**
Total portfolio 2023 BDT **29,313** million



Total corporate loans portfolio as of 31 December 2023 stood at BDT 29,313mn, contributing 42% in total IPDC's loans leases and advances. In 2023 corporate portfolio observed slight degrowth (-3.0%) from last year due to strategic cautious call as economy was facing multiple external and internal shocks arising from macroeconomic stress and political tension surrounding national elections. Total corporate liability has increased significantly by 27.15% to BDT 18,089mn from 14,226mn in 2022. Amidst the uncertain business environment corporate business has disbursed 13,077mn loans to 60 customers and brought 7,839mn new deposits in 2023 from 800+ customers.

Customer Deposit

Share in total portfolio **36%**
Total portfolio 2023 BDT **18,089** million



The operating revenue from corporate business is BDT 807mn decreased by 32.8% due to increasing costs of deposit hurting net interest income badly as well as a portion of interest income suspended due to increasing nonperforming loans. Operating expenses were also increased from regular routine increment and promotion as well as new hire as a result, operating profit dipped to BDT 476mn, reduced by 47% from last year. Still corporate contributed highest (37%) operating margin to IPDC in 2023.

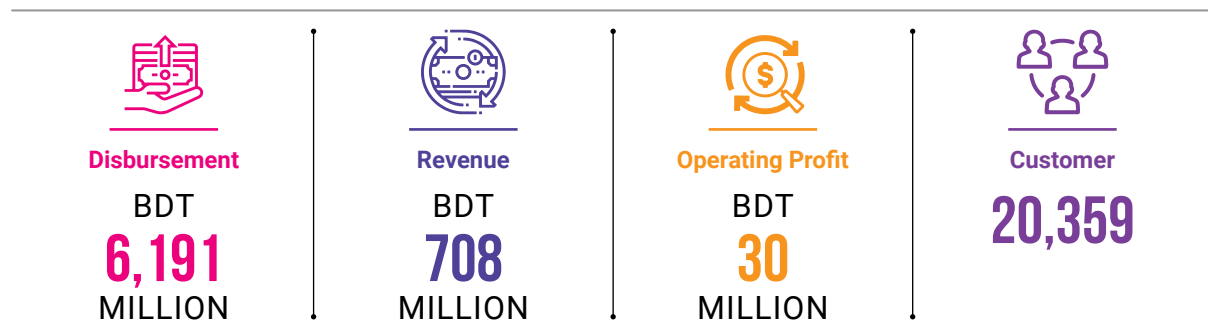
Performance beyond Numbers



IPDC Finance Limited was jointly awarded with a partner RMG corporation for the latter's establishment of Biological Effluent Treatment Plant (ETP) with support from IPDC's financing under the Sreup scheme.

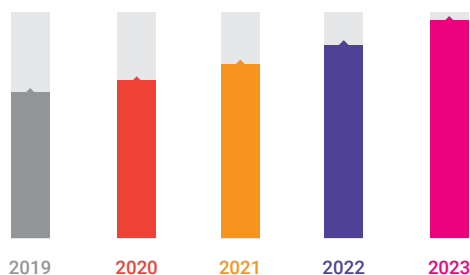
2. Retail

Financial Performance



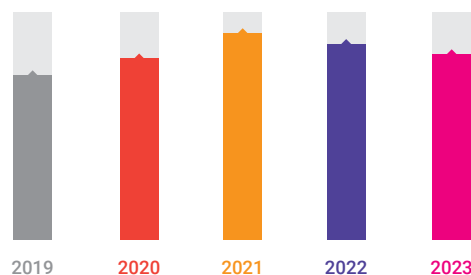
Credit Portfolio

Share in total portfolio **25%**
Total portfolio 2023 BDT **17,945** million



Customer Deposit

Share in total portfolio **42%**
Total portfolio 2023 BDT **27,374** million



Total retail assets as of 31 December 2023 stood at BDT 17,945mn, contributing 25% in total IPDC's loans leases and advances. In 2023 retail portfolio grown by 12.6% (by 2000+mn) from last year due to strategic focus on expansion of retail market space especially affordable home loans (grown by 21.5%). Home loans, auto loans and retail secured loans also positively contributed to 2023's growth momentum. Total retail liability has decreased by 5.4% to BDT 27,374mn from 28,923mn in 2022. Retail business has disbursed

6,191mn loans to 2,780 customers and brought 10,463mn new deposits in 2023 from 3,500+ customers.

The operating revenue from retail business is BDT 708mn decreased by 16.9% due to increasing costs of deposit at a higher rate than the increasing interest rate of loans squeezing net interest income of retail segment. Although operating expenses were controlled at a similar level through cost optimization initiatives throughout the year, operating profit dipped to BDT 30mn, reduced by 78.4% from last year.

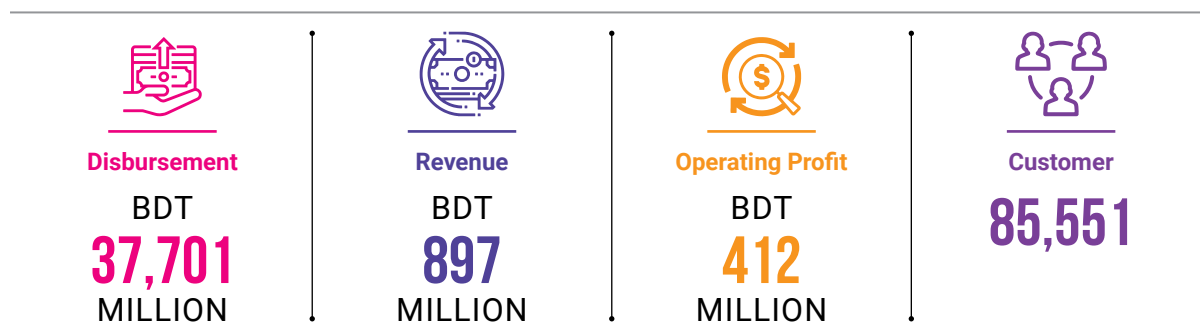
Performance beyond Numbers



IPDC Finance Ltd has arranged a historical colourful event for countries top listed real estate developers for the 1st time. IPDC Developers' Exclusive presents "Eve of Excellence". MD, DMD, Directors, Executive Director, CEOs and Head of Sales from the top listed 20 developers has participated this glorious event.

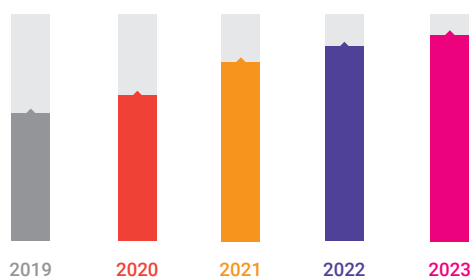
3. SME

Financial Performance



Credit Portfolio

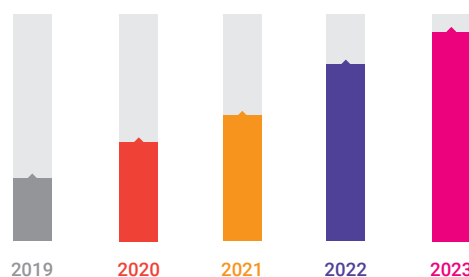
Share in total portfolio **33%**
Total portfolio 2023 BDT **123,313** million



Total SME assets as of 31 December 2023 stood at BDT 23,313mn, contributing 33% in total IPDC's loans leases and advances. In 2023 SME portfolio grown by 6.1% (by 1350+mn) from last year due to strategic focus on expansion of medium market enterprise as well as supply chain finance to selected organizations. Increased effort to utilize refinance scheme as well as green finance scheme by Bangladesh bank positively contributed to 2023's growth momentum. Total SME liability has increased by 18.4% to BDT 5,222mn from 4,411mn in 2022. The significant deposit comes from refinance scheme from Bangladesh Bank which has grown by more than 30% in

Customer Deposit

Share in total portfolio **10%**
Total portfolio 2023 BDT **5,222** million



2023. SME business has disbursed 37,701mn loans to 981 customers and brought 2,443mn new deposits in 2023 from 1,100+ customers.

The operating revenue from SME and emerging corporate is BDT 897mn decreased by 10.7% due to increasing costs of deposit at a higher rate than the increasing interest rate of loans squeezing net interest income of SME segment as well as suspension of a portion of interest income for increased non-performing loans. Operating expenses also increased in the year and as a result operating profit dipped to BDT 412mn, reduced by 33.4% from last year. SME contributed 32% of IPDC's operating profit in 2023.

Performance beyond Numbers



MoU signing with Enroute Greeneries Limited-a sister concern of Enroute International Limited. Through this collaboration, IPDC will finance the agro machineries (used to manufacture disposable and ecofriendly plates and cutleries from Areca Palm Tree Leaves), to the entrepreneurs especially physically challenged people, from Areca Palm Tree Leaves). This is a unique collaboration to provide financial support to entrepreneurs especially physical disabilities, transgender and underprivileged rural women and make them self-sufficient, thus having financial inclusion in the society.

STRATEGIC PRODUCT PERFORMANCE

1. IPDC EZ



IPDC EZ envisages to become the first ever digital EMI facility that enables financial deepening of middle-income households through disruptive, but much needed financial solution. The service is completely app based and the first of its kind in Bangladesh. IPDC EZ is the most convenient fintech solution for both; Merchant to sell more products and Customer to increase affordability to buy high-end products. Customers can get a credit limit up to 3 times of monthly income by registering in the IPDC EZ App. (Pilot Phase)



**Required No
CREDIT CARD**



**Interest
0%**



**No
ANNUAL FEE**



**Installment up to
36 MONTH**



**Open Account in
10 MINUTES**



**No
HIDDEN CHARGE**

Performance in 2023



**Merchants
100+**



**Products
4.5K**

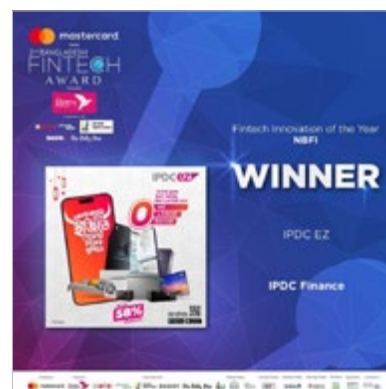
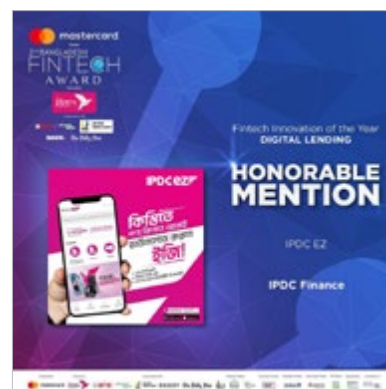


**Outlet
470+**



**Customer
16K**

Awards for IPDC EZ



IPDC EZ, a groundbreaking app by IPDC Finance, has been declared the winner of the Fintech Innovation of the Year (NBFI) category in the prestigious Bangladesh Fintech Award 2023.

2. BHALOBASHA HOME LOAN



Affordable Home Loan (AHL) is a housing finance facility. It slightly differs from traditional housing finance as it is targeted towards the growing middle-income population having business, salary or remittance income and residing mainly outside of the two megacities, Dhaka and Chittagong. We aim to help realize our customers' aspirations of owning a decent home by providing this affordable housing finance.



Minimum Loan Amount
BDT **0.5** MILLION



Minimum Land Area
1.5 KATHA



Loan for
PUCCA & SEMI PUCCA



Maximum Loan Amount
BDT **5.0** MILLION



Maximum Loan Tenure
25 YEARS



Available
ACROSS BANGLADESH

Performance in 2023



Portfolio
BDT **3,203** MILLION



Avg. Ticket Size
BDT **1.7** MILLION



District Covered
56



Customer
5,992

Awards for IPDC Bhalobasha Home Loan



IPDC EZ, a groundbreaking app by IPDC Finance, has been declared the winner of the Fintech Innovation of the Year (NBFI) category in the prestigious Bangladesh Fintech Award 2023.

3. IPDC DANA



With the vision to support the growth aspirations of the CMSMEs, IPDC Finance Limited (IPDC) initiated DANA to facilitate financing to micro & cottage entrepreneurs of the country. Under DANA, the underbanked & unbanked Micro Merchants (MMs) of the country gets financing to support their working capital needs in a structured, collateral free and convenient manner. DANA has already helped thousands of MMEs to increase their revenue and improving standard of living. Thus, DANA is promoting financial inclusion and participating in achieving Sustainable Development Goals (SDGs).

Performance in 2023



4. IPDC Orjon



ORJON is South Asia's first blockchain-based digital supply chain finance platform developed by IPDC Finance. The platform aims for the financial inclusion of MSMEs by providing easy access to collateral-free, low-cost credit in the form of Supply Chain Finance in collaboration with corporate bodies through creating an ecosystem for the end-to-end supply chain management. This Digital Supply Chain Finance platform, Orjon enables easy financing through Factoring Finance, Work Order Finance, and Distributor Finance. The platform will enable us to bind all the stakeholders-corporates, suppliers, distributors, and IPDC in one platform, ensuring.



OTHER DISCLOSURE

Management discussion and analysis

A detailed picture portrait on the overall performance of IPDC Finance limited of the year 2023 on a separate section "Management's take on IPDC's performance" describing how IPDC Finance performed in comparison to the overall NBFI industry, overall financial progression over the years, strategic outlook of all three-business center, all the activities beyond the numbers IPDC performed to develop and for the betterment of its stakeholders in the year 2023.

Future Development

The next chapter of IPDC's story will be to build on the solid foundation that we have created over the last few years and move ahead with renewed passion. Our focus in the short term will be to calibrate distribution points, optimize resource allocation and improve efficiency & productivity of existing resources. We have successfully launched IPDC EZ, our consumer finance platform and Dana Platform, a retailer financing solution to cater to the needs of the largely unbanked segment of the CMSMEs. We also plan to increase our investment in the Capital. In the medium-long term, our plan is to scale these technology platforms and increase our investment in SMEs and Retail segment in a cost-effective manner. On the funding side, we will

continue to increase our share of customer deposits by incentivizing long-term small ticket deposits. This is an approach very different from the other FIs as small ticket size customer deposits tend to be stickier during constricting liquidity conditions.

Equitable treatment to Shareholders

IPDC Finance Limited respects and ensures equitable and fair treatment of all shareholders. Whether they are major or minor, individual, or institutional, we provide them with equal rights. IPDC remains fully committed to delivering higher shareholder value. The steady growth in the company's asset size and continuous improvement in asset quality and smooth growth in profitability underpins the value the shareholders derived from investing in the shares of the Company.

Detailed discussion on Related Party Transaction

Transactions with related parties were executed on the same terms, including interest rates as those prevailing at the time for comparable transactions with normal business transactions with others and do not involve more than a normal risk. A detailed disclosure on related party transactions is provided with the notes to the financial statements. The NEDs do not have executive responsibility of running day-to-day affairs of the company; neither do they put undue influence in taking operating decision of the company.

Insider Trading

The members of the board of IPDC, or its subcommittee, or its senior management and their family members were not involved in any insider trading and did not violate the provision regarding insider trading.

Dividend

While taking dividend decisions, the Company focuses on creating shareholder value by striking a balance between paying out dividends and retaining the surplus to plough back into the business. The required amount from Profit after Tax has been set aside for Statutory Reserve. Considering the high growth potential of the company, the Board recommends 5% cash and 5% stock dividend for the year ended 31 December 2023 subject to approval of the shareholders in 42nd Annual General Meeting

Risk Management Discussion

Risk management is embedded in the organizational structure, culture, operations, systems and process. Business risks across the Company are addressed in a structured and systematic way through a predefined risk management framework. The Board continuously assesses the risks faced by the company and updates policies to strike a balance between risk and growth. While the Board sets the policies, management is responsible for executing those policies across the organization. In "Risk, opportunity and strategy mapping" overall risk management and control framework has been described.

Corporate and Financial Reporting Framework

The Board of Directors confirms compliance with the financial reporting framework for the following:

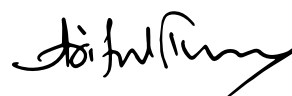
- The financial statements prepared by the management of IPDC fairly present the situation, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment and are reviewed on a regular basis.
- International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.

- The company has designed a sound internal control system, and it is being effectively implemented and monitored.
- The details of related party transactions are disclosed in the "Notes to the Financial Statements".
- Minority shareholders have been protected from abusive actions by, or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress.
- There are no significant doubts about the Company's ability to continue as a going concern.
- Adequate disclosures have been provided for the users of financial statements to understand the impact of financial information, other events and conditions on the entity's financial position and financial performance.
- Reasonable efforts have been made to safeguard company assets and detect and prevent any fraud or other irregularities.

Acknowledgement

The Board of Directors would like to take the time to express its heartfelt gratitude to our valued shareholders, clients, business partners and other stakeholders for their immense support and faith in IPDC. A special thanks to Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Registrar of Joint Stock Companies and Firms, the National Board of Revenue, the Ministry of Industries, the Ministry of Finance and other Government Agencies for their support, collaboration, and initiatives to drive both the financial industry and country forward. A well-deserved thanks to my fellow Board Members for their continued guidance and support in driving forward the vision of the company. Last but not least, the Board has a special note of thanks for the management and employees of IPDC for their tireless efforts and achievements.

For and on behalf of the Board of Directors



Ariful Islam
Chairman
IPDC Finance Limited

KEY OPERATING AND FINANCIAL DATA OF PRECEDING 5 YEARS

ANNUXURE_I

BDT MN

PARTICULARS	2019	2020	2021	2022	2023	Growth (YoY)	CAGR5
Operating Results							
Net Interest Income	1,943	2,017	2,783	2,770	2,423	-12.5%	7.4%
Operating Income	2,166	2,830	3,445	3,247	2,902	-10.6%	9.1%
Operational Expenses	981	1,150	1,241	1,487	1,603	7.8%	16.4%
Operating Profit	1,184	1,680	2,203	1,760	1,300	-26.2%	3.0%
Profit Before Tax	994	1,201	1,503	1,264	660	-47.8%	-5.2%
Net Profit After Tax	562	706	881	901	343	-61.9%	-5.3%

Financial Performance							
Disbursement - Loans, Leases and Advances	43,870	27,597	49,931	49,468	55,995	13.2%	8.1%
Outstanding Loans, Leases and Advances	50,726	53,610	65,327	68,106	70,571	3.6%	9.7%
Fixed Assets	788	777	765	876	808	-7.8%	8.2%
Total Assets	64,402	75,969	84,973	86,732	91,934	6.0%	12.7%
Term Deposits	46,361	52,456	60,405	59,139	60,177	1.8%	10.2%
Borrowings	7,038	10,946	10,496	12,097	16,099	33.1%	22.2%
Total Liabilities and Equity	64,402	75,969	84,973	86,732	91,934	6.0%	12.7%

Equity Information							
Shareholders' Equity	5,576	6,063	6,353	6,803	6,752	-0.8%	12.5%
Paid up Capital	3,534	3,711	3,711	3,711	3,711	0.0%	11.2%
Number of Ordinary Shares	353,420,521	371,091,547	371,091,547	371,091,547	371,091,547	0.0%	11.2%
Net Asset Value Per Share (NAV)	15.0	16.3	17.1	18.3	18.2	-0.8%	12.5%
Earnings per Share (EPS)	1.72	1.90	2.37	2.43	0.92	-61.9%	-7.7%
Year end Market Price per Share	25.6	27.6	38.6	57.6	57.6	0.0%	8.6%
Market Capitalization	9,048	10,242	14,324	21,375	21,375	0.0%	20.8%

FINANCIAL RATIOS					
Solvency					
Current Ratio	1.0	1.0	1.0	1.0	1.0
Credit Deposit Ratio	1.09:1	1.02:1	1.08:1	1.15:1	1.17:1
CAR (%)	19.30%	18.51%	15.65%	15.92%	18.12%
Debt Equity Ratio	1.3	1.8	1.7	1.8	2.4
Loan to Fund Ratio	86.0%	77.2%	84.6%	86.7%	84.9%
Leverage Ratio	8.2%	7.4%	7.1%	7.5%	7.0%
Liquid Asset to Total Deposit	21.1%	28.0%	23.5%	21.4%	23.5%
Liquid Asset to Short Term Liability	30.5%	37.5%	35.2%	28.4%	26.9%
Total Advance to Total Asset	78.8%	70.6%	76.9%	78.5%	76.8%
Govt. Securities to Total Investment	-	67.5%	8.5%	0.0%	35.7%

PARTICULARS	2019	2020	2021	2022	2023
Asset Quality					
Rate of NPL	1.57%	1.38%	3.15%	4.14%	4.93%
Rate of Net NPL	-0.37%	-1.92%	-0.83%	-0.45%	-0.40%
Large Loan Concentration	5.8%	3.5%	4.7%	4.5%	1.6%
Provision Required	699.6	750.2	1,601.5	2,285.6	2,940.6
Provision Kept	800.3	1,278.5	1,951.6	2,352.4	2,940.6
Provision Surplus / (Deficit)	100.7	528.2	350.1	14.3	-
Investors Ratio					
Price Earning Ratio (Times) (Restated)	14.8	14.5	16.3	23.9	62.9
Rate of Dividend	15.0%	12.0%	12.0%	10.0%	10.0%
Dividend Per Share (DPS)	1.5	1.2	1.2	1.0	1.0
Dividend yield (%)	5.9%	4.3%	3.1%	1.7%	1.7%
Dividend Cover (EPS/DPS)	1.1	1.6	2.0	2.4	0.9
Return on Equity (ROE)	12.1%	12.1%	14.2%	13.7%	5.1%
NAV per Share (BDT)	15.0	16.3	17.1	18.3	18.2
Profitability					
Net Interest Margin*	3.6%	3.2%	3.8%	3.5%	3.0%
Operating Profit Margin**	54.7%	59.4%	64.0%	54.2%	44.8%
Net Profit Margin***	26.0%	24.9%	25.6%	27.7%	11.8%
Cost of Fund (CoF)	10.1%	8.8%	6.0%	6.2%	6.9%
Return on Asset (ROA)	1.0%	1.0%	1.1%	1.0%	0.4%
Return on Average Risk Weighted Asstes	1.7%	1.9%	2.0%	1.9%	0.7%
Write-off to Total Loan and Advances	0.8%	0.6%	0.4%	0.3%	0.4%
Cost to Income Ratio	45.3%	40.6%	36.0%	45.8%	55.2%
Earning Asset (% of total assets)	95.0%	95.8%	96.0%	95.2%	96.2%
Revenue per Employee	3.0	3.3	4.1	3.7	3.3
Operating Profit per Employee	1.6	2.0	2.6	2.0	1.5
Average Revenue per Branch	180.5	235.8	229.6	216.5	193.5
Average Operating Profit per Branch	98.7	140.0	146.9	117.4	86.7

*Net Interest Margin= Net Interest Income/ Interest Earning Asset Excluding Investment **Operating Profit Margin=Profit Before Provision/Total Operating Income

***Net Profit Margin=Net Profit after Tax/Total Operating Income

PATTERN OF SHAREHOLDING AS ON 31 DECEMBER 2023

ANNEXURE-II

Names	Position	Number of shares
Parent/Subsidiary/Directors		
Parent/subsidiary/associates and other related parties	Not Applicable	Nil
Mr. Ariful Islam, his spouse and minor child	Chairman	1000
Ms. Sonia Bashir Kabir, her spouse and minor child	Independent Director	Nil
Dr. Shah Md. Ahsan Habib, his spouse and minor child	Independent Director	Nil
Mr. Mohammad Manzarul Mannan, his spouse and minor child	Director	Nil
Md. Md. Anwarul Alam, his spouse and minor child	Director	Nil
Mr. Sameer Ahmad, his spouse and minor child	Director	Nil
Mr. Tushar Bhowmik, his spouse and minor child	Director	Nil
Ms. Nahreen Rahman, her spouse and minor child	Director	Nil
Top Executives		
Mr. Rizwan Dawood Shams	Managing Director	Nil
Ms. Fahmida Khan	Chief Financial Officer (CFO)	Nil
Mr. Samiul Hashim	Company Secretary (CS) and Head of Legal Affairs	Nil
Top Five Executives other than CEO, CFO CS and HIA		
Ms. Savrina Arifin	Head of Retail Business	Nil
Mr. Ashique Hossain	Head of Credit Risk Management	Nil
Mr. Md. Sayeed Iqbal	Chief Human Resources Officer	Nil
Mr. Md. Afzalur Rashid	Chief Technology Officer	Nil
Ms. Jumaratul Banna	Head of Corporate Business & Head of Treasury(Acting)	Nil

Shareholders holding 10% or more voting right:

Name of shareholders	Number of shares	%
Government of the People's Republic of Bangladesh (GOB)	81,193,210	21.8796
BRAC	92,772,883	25.0000
Ayesha Abed Foundation	37,109,152	10.0000

MEETING ATTENDED BY THE DIRECTORS DURING 31 DECEMBER 2023

ANNEXURE_III

Name of Director	Board of Directors Meeting			Executive Committee Meeting			Audit Committee Meeting			Total Remuneration paid in 2023	Remarks	
	Total BOD Meeting held during Director's Tenure	Meeting Attended	Attendance as % of total meeting held	Remuneration paid for attending the meeting	Total EC Meeting held during Director's tenure	Meeting Attended	Remuneration paid for attending the meeting	Total AC Meeting held during Director's tenure	Meeting Attended			Remuneration paid for attending the meeting
			Taka			Taka			Taka			
Mr. Kazi Mahmood Sattar *	5	5		44,000						0	44,000	Nominated by BRAC
Mr. Md. Nurul Alam ***	3	3		26,400				1	1	8,800	35,200	Nominated by GOB
Mr. Mir Khairul Alam	4	4		35,200				1	1	8,800	44,000	Nominated by GOB
Mr. Mohammad Salauddin ****	1	1		8,800				1	1	8,800	17,600	Proxy by GOB
Mr. Md. Anwarul Alam****	5	5		44,000				1	1	8,800	52,800	Nominated by GOB
Mr. Mohammad Manzarul Mannan	13	12		105,600	10	9	79,200			0	184,800	Nominated by GOB
Ms. Sonia Bashir Kabir	13	8		70,400			0	4	3	26,400	96,800	Independent Director
Dr. Shah Md. Ahsan Habib	13	13		114,400			0	4	4	35,200	149,600	Independent Director
Mr. Sameer Ahmad	13	7		61,600	10	8	70,400			0	132,000	Nominated by RSA Capital Ltd.
Ms. Tamara Hasan Abed **	5	5		44,000	5	5	44,000			0	88,000	Nominated by BRAC
Mr. Tushar Bhowmik	13	12		105,600	10	10	88,000			0	193,600	Nominated by BRAC
Mr. Ariful Islam	13	13		114,400				4	4	35,200	149,600	Nominated by Ayesha Abed Foundation
Ms. Nahreen Rahman	13	12		105,600	2	2	17,600	3	3	26,400	149,600	Nominated by Blue Chip Securities Limited
Total Remuneration paid		100		880,000		34	299,200		18	158,400	1,337,600	

Note:

Leave of absence was granted in all cases of non attendance

* Mr Kazi Mahmood Sattar was a Nominee Director of BRAC as Mr. Sattar Retired and re-elected in the 41st AGM on 27.04.2023 but Bangladesh Banks approval was not received.

** Ms. Tamara Hasan Abed was a Nominee Director of BRAC as her nomination was withdrawn on 29.05.2023.

*** Mr.Md. Nurul Alam was a Nominee Director of Government of Bangladesh (GoB), he was replaced by Mr. Mir Khairul Alam on 08.05.2023.

**** Mr. Mir Khairul Alam was a Nominee Director of Government of Bangladesh (GoB), he was replaced by Mr. Md. Anwarul Alam on 23.08.2023.

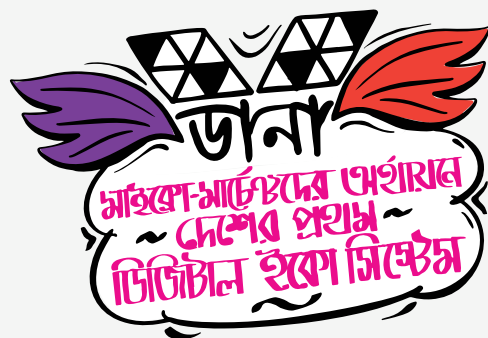
***** Mr. Mohammad Salauddin joined the meeting as Proxy of Mr. Mir Khairul Alam representing Ministry of Industries.

IPDC
সুবোধ

দেশের
প্রথম

বৈ ক্রেতার লোন ডেবা

দেশের সেবা নিয়ে
চার দশক ধরে আপনার পাশে



আমাদের
গান IPDC

আমাদের মাটি ও মানুষের
গান নিয়ে জনপ্রিয় প্রচারণা

18th

Business

Awards

=DHL= The Daily Star
AWARDING EXCELLENCE IN BUSINESS



SME
STIMULUS
PACKAGE

আইপিডি
ডিজিটাল
সফরের আন

আল জোডেন



ক্ষুদ্র ব্যবসায়
অর্থায়নের মাধ্যমে প্রায়
৬০ হাজার কর্মসংস্থান সৃষ্টি

সারসী স্মরণীয় সুবিন
আইপিডি প্রাতি

দেশজুড়ে মানুষের
নিজের চিকিৎসা রক্তের সহী

আইপিডি
জালোবাসা হোম লোন
বুটিক শপ
দাবী
উদ্যোগের
জন্য সরাসরি
লোন সুবিধা

হাসপাতাল

দেশ প্রথম ডেবকারি

আর্থিক প্রতিষ্ঠান

যাত্রা শুরু ১৯৮১ সাল থেকে



ডানা

AAA

ডানা

মাইক্রো-মার্কেটের অর্থায়ন
~ দেশের প্রথম ~
ডিজিটাল ইকো সিস্টেম

AWARDED
Superbrands
BANGLADESH'S CHOICE
2021

INSPIRING
Women
AWARD

দেশ প্রথম একচেতন ডিজিটাল
সফরের আন

অর্জন

দ্রুত ও নিরাপদ
এই প্রচারণা ২০২০-২১ সালে
মুঠ ২৩৩ লাখ ১০ লাখ ১০০ টাকা

BANGLADESH
INNOVATION
AWARD 2018



বাংলা মোডেল

বুটিক শপ

দাবী
উদ্যোগের
জন্য সরাসরি
লোন সুবিধা



RISK, OPPORTUNITY AND STRATEGY MAPPING

INDUSTRY ANALYSIS



NBFIs Sector in Bangladesh

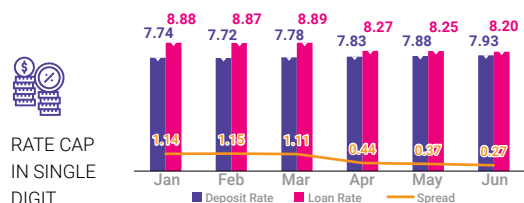
A Brief Synopsis

35 NBFIs
starting with
IPDC in 1981

308
branches
across
Bangladesh

BDT 982 bn
worth of Asset
composition
of FIs

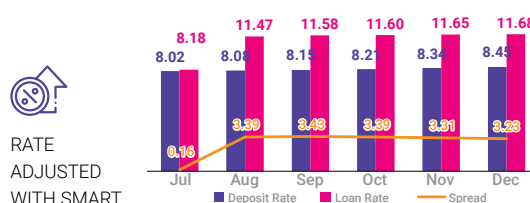
H1'23 A Period through Adversity



RATE CAP
IN SINGLE
DIGIT

"NBFI's interest rate spread falls 60% in a month"
-The Business Standard, 24 May 2023

H2'23 Heave a sigh of relief.



RATE
ADJUSTED
WITH SMART

"NBFI's heave a sigh of relief as lending rate cap goes"
-The Financial Express, 19 June 2023

Key Challenges Faced in H1'23



Stringent
Regulation vis-à-
vis Banks'



Deposit
withdrawal
amid liquidity
crunches.



Central bank
Rate Cap
reduced spread.

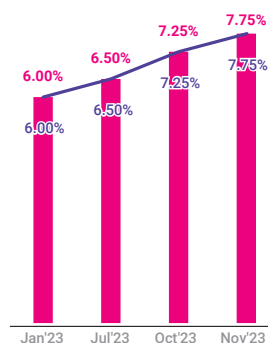


Capital Market
income drops
significantly.



Surge in
NPL after
deferral facility
withdrawal.

Repo Rate Hike in H2'23



Increase in
Deposit & Loan
Rate



Increase in
interbank rate



liquidity stress in
NBFI decrease.

2.46%

DEPOSIT

The total deposits
at the end of Dec'23
increased to BDT 448
billion from BDT 438
billion in Dec'22.

**CONCLUDED
THE YEAR
2023 WITH AN
INCREASE IN**

4.89%

LOAN

The total loan at the end of Dec'23 increased to BDT 738
billion from BDT 703 billion in Dec'22.

3.23

SPREAD

The interest rate
spread at the end
of Dec'23 was 3.23,
whereas in Jan'23, it
was 1.14.

PORTER'S FIVE FORCES MODEL

The financial sector is highly fragmented with 61 scheduled banks and 35 non-banking financial institutions (NBFI) which have witnessed considerable growth in the last two and a half decades after liberalization of the sector. The financial sector, however, is currently passing through a sluggish period marred with increasing NPL ratio.



The financial industry is very competitive and is mostly dominated by banks. The market is centered towards the metro areas of Dhaka and Chattogram. While Banks have an edge over NBFIs due to scale of operation, access to finance and client perception, NBFIs have clear opportunities of operating through a lean business model and providing faster, customized and personalized services to customers. NBFIs are also helping to bridge the credit gaps in several sectors which traditional institutions such as banks are unable to fulfill. These institutions are characterized by their ability to provide niche financial services and due to their relative organizational flexibility, they can often provide tailor-made services relatively faster than banks and financial institutions. Besides, there are market opportunities beyond metropolitan cities specially amongst youth, women, middle and low-income customer segments.

COMPANY ANALYSIS



Strategies for Resilience

43
years of
glorious journey
of IPDC

15
branches
across
Bangladesh in
12 Districts

BDT 21,375 mn
market
capitalization
as of Dec'23

INNCLUSION INNOVATION

in Financial Products



EMPOWERING WOMEN

through innovative products

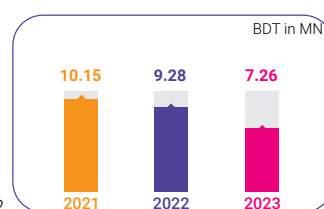


SUSTAINABILITY Initiatives

PRINTING EXPENSE

21.8%

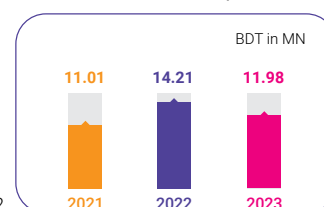
Reduction in Printing
Expense in 2023 than 2022



UTILITY EXPENSE

15.7%

Reduction in Utility
Expense in 2023 than 2022



Corporate Social Responsibility (CSR)



BDT
12.53 MN

INVESTMENT IN Employee Wellbeing



Updated HRIS software to
enable employees to operate
from any location.



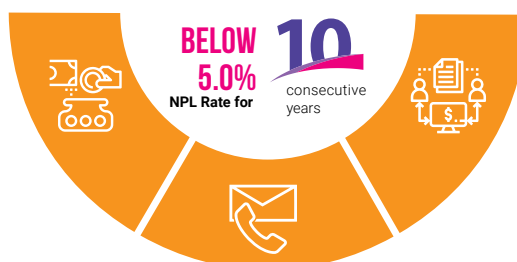
Invested 3.4 million for training
programs aimed at enhancing
employee capabilities.



Inaugurated a daycare center at
the head office.

MANAGEMENT OF NPL RATIO

Enhance the capabilities of
the collection department.

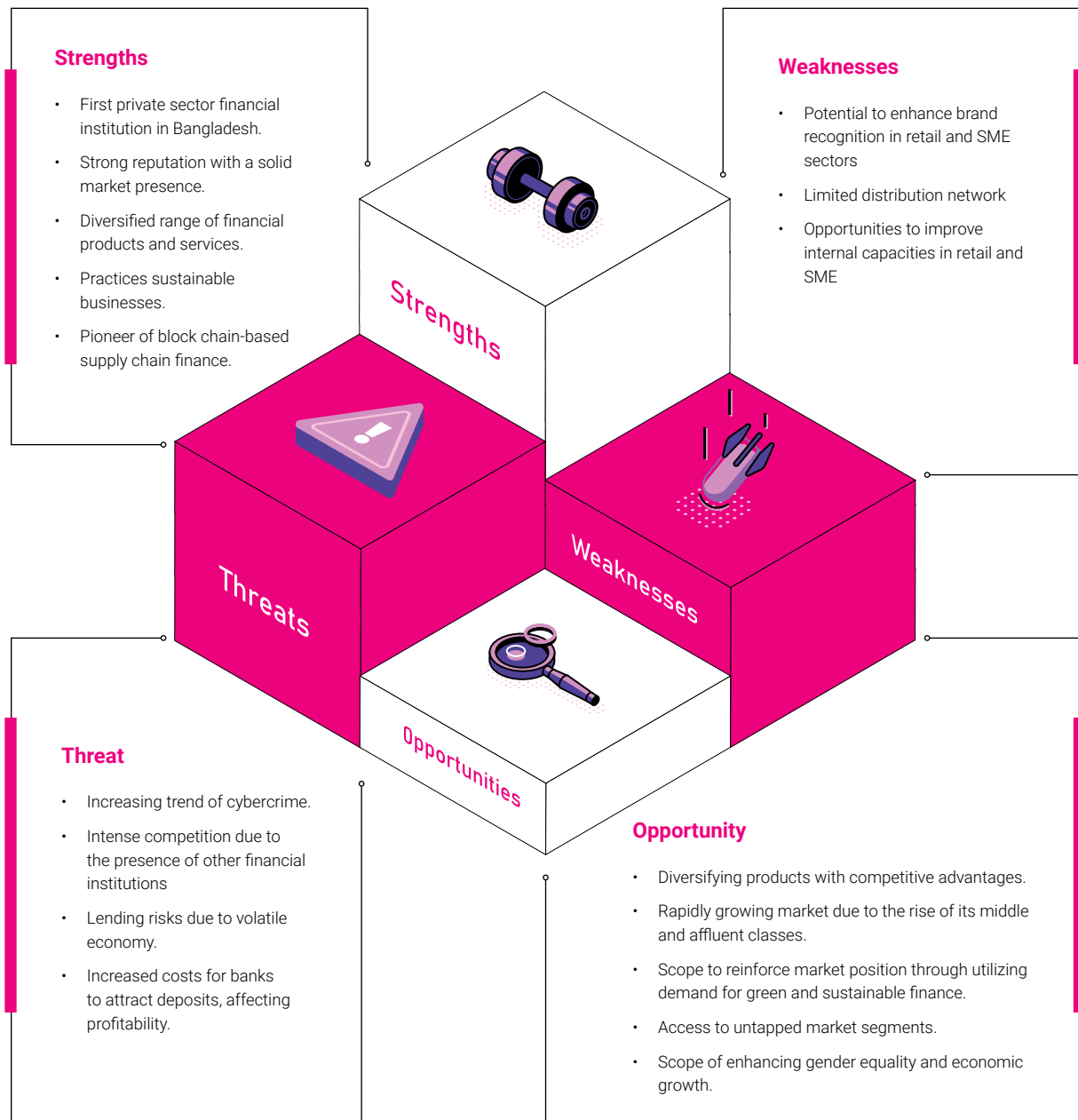


Developed stricter
lending standards.

Implement robust
follow-up processes.

SWOT ANALYSIS

The SWOT analysis serves as a crucial instrument for leveraging a corporation's strong points and addressing its limitations, thereby enabling a thorough evaluation of the possible opportunities and challenges that influence the strategic formulation and decision-making processes within the organization. Additionally, it helps in developing insights into different customer interaction points and their influence on the perceptions of the brand.



Strategic Response

Enhancing Brand Recognition:

Launch targeted marketing campaigns, collaborate with influencers, sponsor events for brand awareness.

Strengthening Internal Capacities:

Provide specialized training, recruit experienced professionals, implement advanced analytics tools.

Leveraging Market Growth:

Develop tailored financial solutions, conduct market research, expand product lines.

Addressing Cybersecurity Risks:

Invest in robust cybersecurity measures, update systems regularly, educate employees and customers.

PESTEL ANALYSIS



Political

The Political aspect refers to the examination of the impact of government policies, political stability, and legal and regulatory frameworks on IPDC and the financial industry itself. It also includes Political factors encompassing trade restrictions, tariffs, and diplomatic relations between countries. Understanding the political landscape is crucial to mitigate risks associated with political instability.

1

Political unrest and election controversies

2

Geopolitical influence

3

Public investment



Impact on Industry

- Political turmoil in Q3 2023 affected customer confidence
- The Russian-Ukraine war impacted global commodity prices, resulting in an economic slowdown
- Public investment has slowed down due to constant geopolitical instability



Impact on IPDC

- IPDC had no impact in its financial solvency due to the political controversies.
- Decrease in income sources had a profound impact in the financial instability, leading to a surge in the loan default rate.



Strategic Response

- Implemented rigorous strategies and monitoring to minimize NPL rates through efficient installment collection.
- IPDC has prioritized promoting its short-term loan dealing with the concerns related to long-term uncertainties.



Economic

The Economic aspect analyzes how economic conditions and trends impact the industry. This includes factors such as inflation rates, interest rates, economic growth, unemployment levels, and exchange rates. It helps identify how these variables influence consumer purchasing power, business costs, demand for products and services, and overall economic stability.

1

Inflation rates

2

Economic growth

3

Interest spread



Impact on Industry

- Inflation has accelerated to 8.7% in 2023 impacting the loan repayment capabilities and investment strategies.
- Mega projects have facilitated a gross portfolio expansion, driving a 6.03% GDP growth in 2023.
- Elimination of the loan interest rate cap in July 2023 led to higher borrowing costs, reducing the amount of private sector loans



Impact on IPDC

- Enhanced operational costs, declining deposit renewals, and rising loan default rate
- Economic slowdown has created challenges acquiring new customers.
- Large loans became less attractive shifting IPDC's loan portfolio.



Strategic Response

- Organized campaigns have been instrumental in motivating depositors.
- Provided incentives to employees to collect new clients.
- One-to-one corporate visits, building trust, and securing commitments to security and integrity.



Social

The Sociocultural dimension delves into how societal trends and cultural values shapes IPDC's operational environment. By closely examining demographic shifts, lifestyle trends, consumer attitudes, societal norms, and cultural practices, businesses can innovate and adapt their offerings, communication strategies, and business models to meet diverse consumer groups' preferences and values, ensuring relevance and fostering loyalty in a dynamically changing societal landscape.

1

Sustainability Initiatives

2

Demographic shift and domestic market

3

Financial Services Accessibility



Impact on Industry

- Financial sector has significant opportunities for investment in eco-friendly initiatives
- Demographic expansion into middle and affluent classes boosted demands across sectors stimulating consumer spending and investment activities.



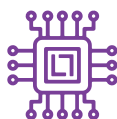
Impact on IPDC

- Created opportunities to invest on sustainable eco-friendly projects.
- Increased the scope of investments on metro city business



Strategic Response

- Offered 68 green financing products and has taken environmental initiatives.
- Opened 3 new branches promoting inclusion.



Technological

Technical factors refer to the impact of technological advancements and innovations on the industry and the market. This includes changes in digital technologies, automation, research and development activities, and the rate of technological innovation. Technical factors also encompass the availability of new materials and processes that can affect operations, product development, and market opportunities.

1

Digital Payment Infrastructure

2

Block Chain Technology

3

Data Analytics and Artificial Intelligence



Impact on Industry

- 2023 had rapid digitization increasing the accessibility of financial services for millions.
- Block Chain Technology has facilitated approval and disbursement turnaround times, thus enhancing efficiency within the supply chain ecosystem
- AI improved customer experience by providing digital assistance contributing to quicker response times while data analytics enable financial service providers to gain deeper insights into customer behavior



Impact on IPDC

- Digitization created new business opportunities.
- Number of digital payment accounts increased
- Block chain technology streamlined



Strategic Response

- Invested in risk management frameworks to handle potential risks associated with digital payments.
- Enabled easy access to collateral-free, low cost credit block chain management
- Integrated advanced technologies, including AI bots and automation engines



Environment

The impact of environmental degradation in Bangladesh is substantial with an estimated annual cost of USD 6.5 billion presenting 3.4% of the country's GDP. This allows NBFIs to engage in CSR, financing sustainable projects.

1

Climate change

2

Development of Green Finance Products

3

Renewable energy projects



Impact on Industry

- Bangladesh government's interest on sustainable development encourages NBFIs to develop and offer green finance products
- Bangladesh commencing large operations of solar and wind projects



Impact on IPDC

- Established Green Banking Unit (GBU) to integrate environmental factors that contributed to a steady growth of our green finance portfolio



Strategic Response

- Continued serving 11 categories of green finance products
- Initiated the disbursement of a significant sum of money on eco-friendly financing ventures



Legal

Legal components significantly impact Bangladesh's Non-Bank Financial Institutions (NBFI) sector by shaping regulations related to lending practices, investment activities, consumer protection, and compliance requirements. These laws ensure financial stability, protect consumers' interests, and maintain integrity within the NBFI sector. Changes in legal frameworks influence NBFI operations, risk management strategies, and the overall business environment, necessitating firms to adapt to new regulations and compliance standards. Additionally, legal factors play a crucial role in addressing issues such as non-performing assets, fraud prevention, and financial transparency, which are vital for the sustainable growth and stability of the NBFI sector in Bangladesh.

1

Regulatory environment

2

Legal landscape

3

Elevated Compliance Requirements



Impact on Industry

- Regulations remains stringent and focus on compliant environment
- Challenges arise in maintaining rigorous monitoring and recovery of Non-Performing Loans (NPLs)



Impact on IPDC

- Establishing internal controls and ensure compliance
- IPDC may deploy additional resources to monitor and recover Non-Performing Loans

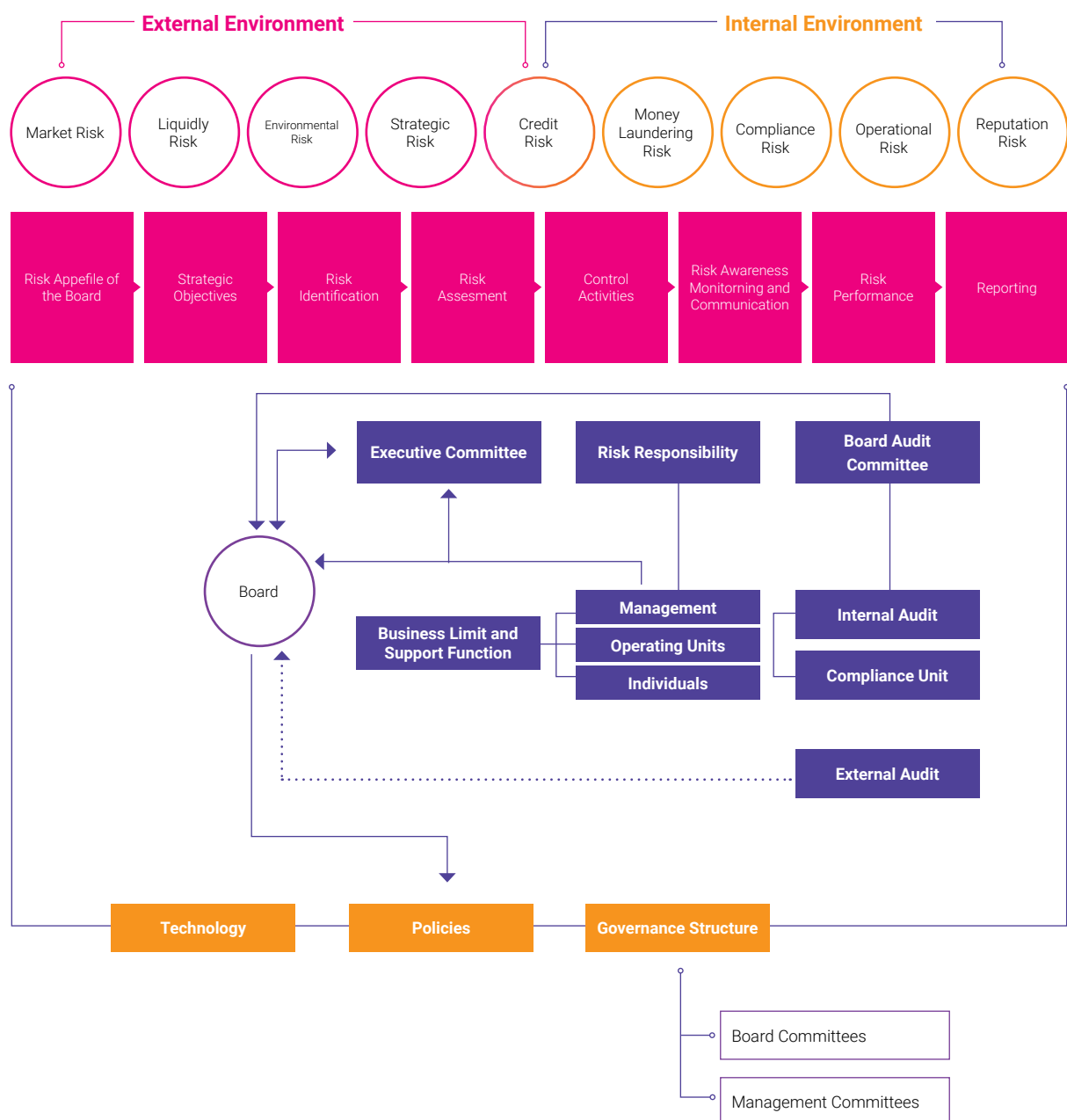


Strategic Response

- Anti-money laundering training for all staff with strict supervision.
- Stringent verification, risk assessment, and monitoring for disbursements.
- Strengthening MIS for easy monitoring, deploying resources for compliance, and implementing business intelligence tools.

INTEGRATED RISK MANAGEMENT FRAMEWORK

To achieve a sound system of risk management and internal control, the Board and the Management ensure that the risk management and control framework are embedded into the overall business processes, culture and structures of the Company. In addition to the best industry practices, the Company follows the Integrated Risk Management Guideline for Financial Institutions issued by Bangladesh Bank. The Risk Management Framework is given below:





Risk Management Principles

Our business model requires us to identify, assess, measure, aggregate and manage our risks, and to allocate our capital among our businesses. We actively take risks in connection with our business and as such the following principles underpin our risk management framework:

- Risk is taken within a defined risk appetite.
- Every risk taken needs to be approved within the risk management framework.
- Risk taken needs to be adequately compensated.
- Risk should be continuously monitored and managed.



Risk Appetite of the Board

Risk appetite is the aggregate level and type of risks the Company is willing and able to accept within its overall risk capacity and is captured by several qualitative principles and quantitative measures. The Company takes strategic initiatives and sets its goals within the limit of overall risk appetite of the Board and the Shareholders. While the Board sets the risk tone, management executes the operations. Organizational philosophy, values, mission, cultures and the external environment also shape the way the company operates given the risk limit set by the Board.



Control Activities

To improve financial and operating performance, IPDC ensures that adequate and appropriate risk mitigating controls are in place against the risks the organization is facing. Organization sometimes weighs the cost of control against the benefit of exercising such controls and thus it optimizes its control activities through-out the organization.



Policies and Guidelines

Policies and procedures are reviewed on regular intervals and necessary modifications are made to the policies based on the market practices, the changes in the regulatory environment and business strategies. The Policy owner initiates the process of review by identifying the respective policy that requires review, prepares an initial draft along with all the references for the changes made, shares the draft policy with the members of Policy Review Task Force (PRTF) for comments and feedback on the same. Upon receiving feedbacks from the members of the PRTF, Policy owner puts forward the changes in the policies to the sub-committee of the Board (Executive Committee/ Audit Committee) for review. Subject to the recommendations of the sub-committee, the Board approves the policies.



Monitoring and Review

Monitoring and review together are an integral part of the risk management process, that ties all elements together to create value for the organization. A strong monitoring and review process serve following purposes:

- Ensuring that controls are adequate and effective
- Feeding wide range of information into risk assessment process
- Analyzing and learning lessons from risk events, including success and failure
- Detecting the changes in the external and internal context which may require revision in risk treatments and priorities
- Identifying the emerging risks



Stress Testing

Stress testing and scenario analysis are used to assess the financial and management capability of IPDC to continue operating effectively under extreme but plausible conditions. Such conditions may arise from economic, regulatory, legal, political, environmental, and social factors. IPDC has a strong commitment to stress testing performed on a regular basis in order to assess the impact of a severe economic downturn on its risk profile and financial position.

IPDCs stress testing framework is designed to:

- Identify where the risk concentrations are
- Understand impact on the institution if biggest customers' default
- Impact on the institution if historical worst-case scenarios recur
- Impact on the institution if it is hit by a similar severe credit loss event that affected competitors in the past



Risk Reporting

IPDC identifies many metrics within its risk measurement systems which support regulatory reporting and external disclosures, as well as internal management reporting across risks and for material risk types. These risk metrics are given in the subsequent sections of Risk Management.

RISK MANAGEMENT GOVERNANCE STRUCTURE

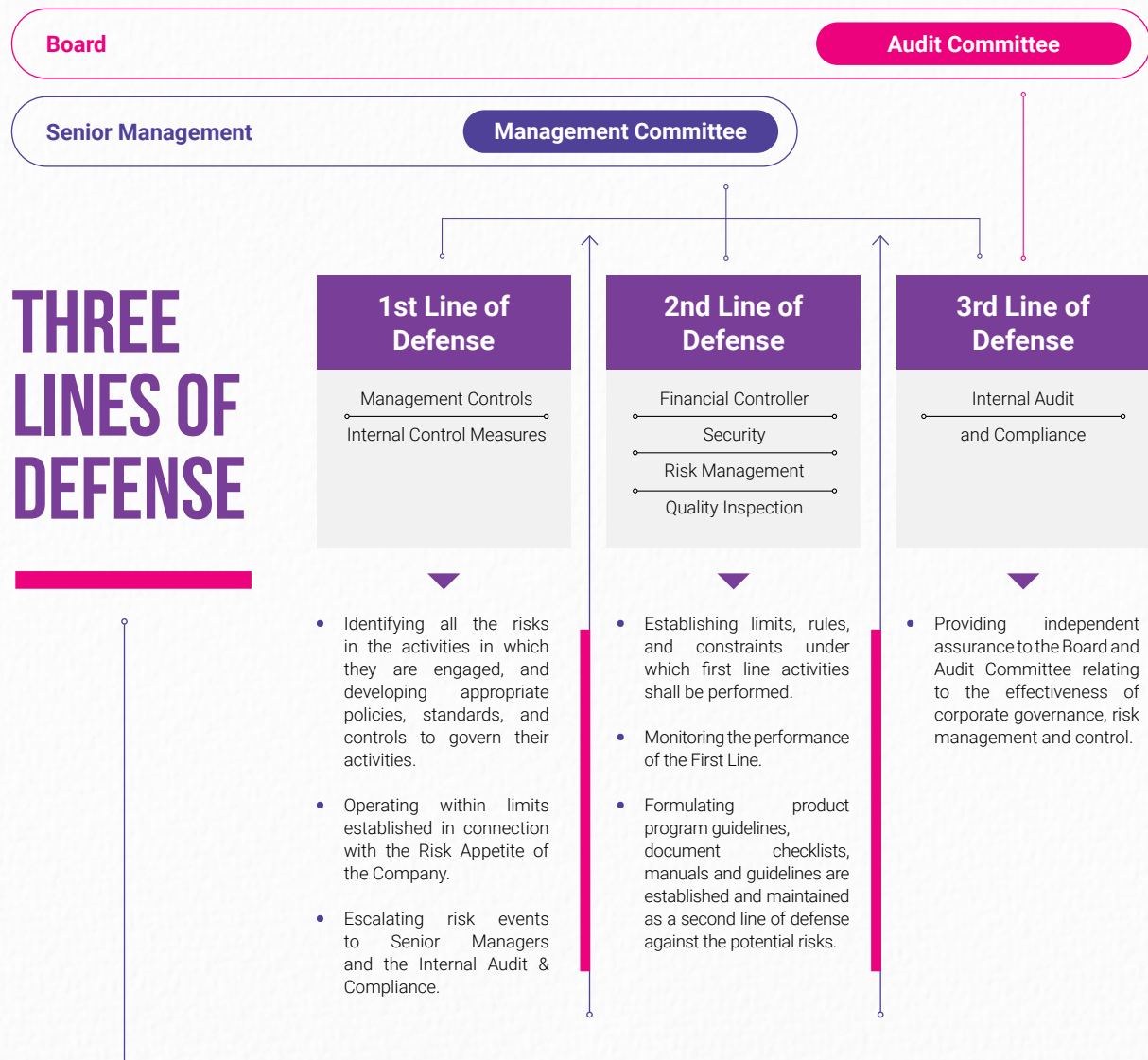
Risk Management Organogram

IPDC has identified relevant risks associated with the financial institution and has come up with a governance framework comprising different committees which have different sets of risk management responsibilities. A summary of the committees and the relationships are given below.



THREE LINES OF DEFENSE

Roles and responsibilities for risk management are defined under a 'Three Lines of Defense' model. Each line of defense describes a specific set of responsibilities for risk management and control. Three Lines of Defense model can enhance clarity regarding risks and controls and help improve the effectiveness of risk management systems.



THREE LINES OF DEFENSE

BOARD SUB-COMMITTEES

Member Composition

Name of the Committee	Number of Members	Independent Directors	Nominated Directors	MD & CEO	Number of Meetings Held
Executive Committee	5	-	4	1	10
Board Audit Committee	5	2	3	-	4

Key Responsibilities of Executive Committee

Credit	Treasury	Other
- Take credit decisions within its authority. - Review status of loans/ facilities approved by the Management. - Review status of achievement of targets under the Annual Business Plan. - To review the adequacy and provisioning of to ensure that IPDC is meeting the laid down requirements. - To review and monitor the recovery process on continuous basis of good and classified portfolio.	- Approve Bank and FI borrowings within its authority. - Review fund position and liquidity statements. - Review Cost of Fund and Return on Funds.	- Review monthly financials of the Company. - Review the loan accounts listed under Early Alert Report to guide the Management for implementing necessary action plan. - Approve expenses within its authority. - Initiation of Artha Rin process against default customers. - Review Credit Policy and Product Program Guidelines (PPG).

Key Responsibilities of Board Audit Committee



Review

- Assessing the capacity and effectiveness of the Internal Audit & Compliance function.
- Evaluating reports on products, support functions, branch compliance, FSs review along with implementation of suggestions contained in the reports.
- Assessing inspection reports issued by Bangladesh Bank and External Auditors; review rectification of irregularities or compliance of recommendations suggested by such external bodies.
- Review internal Policies of the Company and recommend to BoD for approval.
- Assessing the risk management system of the Company.



Others

- Submit meeting minutes to the immediate next meeting of the BoD and to the Bangladesh Bank.
- Review budget and recommend to the Board for approval.
- Request both internal and external auditors for submission of assessment reports on any credit, risk and control related issue under review by Audit Committee.

Member Composition of Committees at Management Level

Title of the Committee	Members	Responsibilities
Management Committee (MANCOM)	- Mr. Rizwan Dawood Shams, Managing Director - Ms. Savrina Arifin, Head of Retail Business - Mr. Ashique Hossain, Head of Credit Risk Management - Ms. Fahmida Khan, Chief Financial Officer - Mr. Md. Afzalur Rashid, Chief Technology Officer - Mr. Samiul Hashim, Company Secretary & Head of Legal Affairs - Mr. Md. Sayeed Iqbal, Chief Human Resources Officer - Ms. Farzana Sharmeen, Head of EZ - Mr. Rahat Jamil, Head of Operations (Current Charge) - Head of Internal Audit & Compliance - Head of Brand & Corporate Communication	- Reviewing of the business plan - Ensuring compliance with regulatory bodies and other statutory guidelines - Discussing operational activities and resolving inter-departmental issues - Recommending and seeking approval to the Board
Risk Management Forum	- Mr. Rizwan Dawood Shams, Chief Risk Officer - Ms. Savrina Arifin, Member - Mr. Ashique Hossain, Member - Ms. Fahmida Khan, Member - Mr. Samiul Hashim, Member - Mr. Rahat Jamil, Member - Ms. Jumaratul Banna, Member - Head of Internal Audit & Compliance, Member - Head of Brand & Corporate Communication, Member	- Designing overall risk management strategy - Communicating views of the Board and Senior Management regarding the Risk Management Culture and Risk Appetite all over the Company - Preparing risk management policies and procedures - Reviewing the market conditions, identifying the external threats and providing recommendations for precautionary measures accordingly - Monitoring the prescribed/threshold limits of Risk Appetite set by the regulator and/or by the FI itself
IT Steering Committee	- Mr. Rizwan Dawood Shams, Managing Director - Ms. Savrina Arifin, Head of Retail Business - Mr. Ashique Hossain, Head of Credit Risk Management - Ms. Fahmida Khan, Chief Financial Officer - Mr. Md. Afzalur Rashid, Chief Technology Officer - Mr. Samiul Hashim, Company Secretary & Head of Legal Affairs - Mr. Md. Sayeed Iqbal, Chief Human Resources Officer - Ms. Farzana Sharmeen, Head of EZ - Mr. Rahat Jamil, Head of Operations (Current Charge) - Head of Internal Audit & Compliance - Head of Brand & Corporate Communication	- Formulating IT strategy and reviewing/approving SOD in IT activities - Reviewing Project Charter, BRD and approving IT projects - IT project prioritization and monitoring progression of application development - Ensuring information security and related controls
Sustainable Finance Committee	- Mr. Rizwan Dawood Shams, Managing Director - Ms. Savrina Arifin, Head of Retail Business - Mr. Ashique Hossain, Head of Credit Risk Management - Ms. Fahmida Khan, Chief Financial Officer - Mr. Md. Sayeed Iqbal, Chief Human Resources Officer - Mr. Rahat Jamil, Head of Operations (Current Charge) - Head of Internal Audit & Compliance - Head of Brand & Corporate Communication - Ms. Jumaratul Banna, Head of Corporate Business & Acting Head of Treasury - Mr. Mohammad Shahidul Islam, Head of Distribution - Mr. Md. Barkat Ullah, Head of General Service & Security - Mr. Imran Khan, Member of Sustainable Finance Unit (Secretary)	- Providing necessary approval, supervision and evaluation of the responsibilities of the Sustainable Finance Unit - Ensuring the coordination and assistance among all the departments associated with the activities of the Sustainable Finance Unit

Title of the Committee	Members	Responsibilities
Asset-Liability Committee (ALCO)	- Mr. Rizwan Dawood Shams, Managing Director - Ms. Savrina Arifin, Head of Retail Business - Mr. Md. Ashique Hossain, Head of Credit Risk Management - Ms. Fahmida Khan, Chief Financial Officer - Ms. Jumaratul Banna, Head of Corporate Business & Acting Head of Treasury	- Assessing the macro-economic situation - Assessing and managing the Balance Sheet related risks - Predict the market rate and significant changes in the market - Taking necessary strategies to mitigate the overall risk - Determining the financial health of the company through ratio analysis - Assessing competitors and pricing in line with the market conditions
National Integrity Strategy (NIS) Implementation Unit	- Mr. Md. Sayeed Iqbal, Focal Point and Chief Human Resources Officer - Mr. Md. Fazlay Azim, Focal Point (Alternative Officer) and Senior Manager, Internal Audit & Compliance - Mr. Mohammad Shahidul Islam, Member and Head of Distribution, Retail Business - Mr. Najam Hossain, Member and Senior Manager, Human Resources - Ms. Tasneem Tazakka Amin, Member & Secretary and Manager, Business Finance	- Promoting awareness regarding integrity, transparency and accessibility to information - Identifying the hurdles regarding the implementation of integrity strategy and providing direction to mitigate the hurdles - Implementing NIS plan along with reporting to Bangladesh Bank regarding activities undertaken by NIS unit
Management Credit Committee (MCC)	- Mr. Rizwan Dawood Shams, Managing Director - Mr. Md. Ashique Hossain, Head of Credit Risk Management - Ms. Fahmida Khan, Chief Financial Officer - Mr. Rahat Jamil, Head of Operations (Current Charge) - Ms. Jumaratul Banna, Head of Corporate Business & Acting Head of Treasury	- Provide credit approval within management limit - Analyzes the merit of every credit proposal and assesses all the relevant risks that can affect Credit Portfolio of the Company - Review and approve customer category, vendor/developer category, organization category etc. on periodic basis as per guidelines of PPG - Approve credit engine rules for system-oriented applications intended to automatic credit assessment and subsequent approval of such loans
Policy Review Task Force (PRTF)	- Mr. Rizwan Dawood Shams, Managing Director - Ms. Fahmida Khan, Chief Financial Officer - Mr. Samiul Hashim, Company Secretary & Head of Legal Affairs - Head of Internal Audit & Compliance - Policy owner	- Review Policies in partnership with Policy Owner and provide feedback - Review the Policy based on risk perspective, assess risk, provide risk grade (High, Medium and Low) and determine frequency of policy review - Circulate approved Policy to the respective stakeholders for implementation

RISK MANAGEMENT STRATEGY

CREDIT RISK

IDENTIFY	ANALYZE	RESPOND	MONITOR	REVIEW & UPDATE
1. DEFAULT RISK The likelihood that a borrower will fail to repay their debt obligations as agreed, leading to financial losses for the lender or investor.	Numbers of overdue, repayment behaviors with other bank and Fis	Strengthen collection and review payment structure	revenue trend, and relevant industry updates	Review collection strategy
2. RECOVERY RISK The potential loss faced by lenders or investors in the event of a borrower default, particularly in recovering the outstanding debt or assets collateralized against the loan.	3,448 million and 71% of coverage against classified loans	Explore scope increasing coverage against non-performing loans	Progress of coverage against other recovery measures	Change requirements of securities accordingly
3. CONCENTRATION RISK The potential vulnerability of an investment or portfolio due to over-reliance on a single asset, borrower, sector, or geographic region.	Portfolio in terms of a single asset, borrower, sector, or geographic region against set parameters	Make changes in portfolio mix if needed	Check whether the parameters need to be updated	Consider changing credit strategy in the long run
SHORT TERM STRATEGY	Conducting Regular Credit Risk Assessments, implementing effective credit scoring models, establishing sound underwriting practices, and monitoring borrower creditworthiness regularly.			
LONG TERM STRATEGY	Developing a Comprehensive Credit Risk Management Policy, establishing clear protocols for identifying and containing credit risk events, notifying affected parties, conducting a post-incident review, and provide Regular Employee Training.			

LIQUIDITY RISK

IDENTIFY	ANALYZE	RESPOND	MONITOR	REVIEW & UPDATE
FUNDING LIQUIDITY RISK Funding liquidity risk refers to the possibility of an organization facing difficulty in obtaining necessary funds to meet short-term financial obligations.	Monthly new deposit and encashment flow, and vendors payment requirements. Forecast cash inflows and outflows.	Ensure operational efficiency, change pricing of deposit and incentives if needed.	Efficiency level and impact of new pricing	Review payment terms, deposit price and incentive policies
SHORT TERM STRATEGY	Operational efficiency within the institutions needs to be increased, in regard to payroll, collecting customer payments, paying expenses and debts.			
LONG TERM STRATEGY	Prepare contingency plan.			

MARKET RISK

IDENTIFY	ANALYZE	RESPOND	MONITOR	REVIEW & UPDATE
INTEREST RATE RISK The potential for changes in interest rates to negatively affect the value of investments or financial instruments.	Forecast impact of interest rate on credit, deposit, and investment portfolio.	Device current pricing and investives accordingly. Device buy or sell strategies of other financial instruments.	Monitor actual vs forecast monthly.	Set risk appetite and device long-term strategy
EQUITY PRICE RISK The potential for changes in the value of equities or stocks to impact investment returns.	Analyze price and transaction trend, Net Asset Value vs market price, sector and company performance.	Diversify portfolio and define investment horizon.	Analyze portfolio performance against market performance.	Set risk appetite and device both short term and long-term strategy.
SHORT TERM STRATEGY	Cautious call for investment and maintain liquidity to serve depositors' demand.			
LONG TERM STRATEGY	Set risk appetite. Develop appropriate policies, processes, and organisation structures that links commodity/ energy pricing policy overall corporate objectives to support ongoing management of market risk.			

ENVIRONMENTAL RISK

IDENTIFY	ANALYZE	RESPOND	MONITOR	REVIEW & UPDATE
An actual or potential threat of adverse effects on living organisms And environment by effluents, emissions, wastes, resource depletion, etc., Arising out of an organization's activities.	Examine the environmental issues and concerns associated with potential business activities proposed for financing.	Enhance the credit risk appraisal process.	Identify, evaluate and manage the environmental risks and the associated financial implications arising from these issues and concerns.	Credit appraisal criteria to be reviewed and changed if needed.
SHORT TERM STRATEGY	Integration of Environmental risks in asset allocation decision-making.			
LONG TERM STRATEGY	Integration of environmental-related criteria in sector and investment policies.			

MONEY LAUNDERING RISK

IDENTIFY	ANALYZE	RESPOND	MONITOR	REVIEW & UPDATE
The potential of financial institutions to be used as a conduit for money laundering or illegal activities, such as terrorism financing, or other criminal activities.	Gather necessary information, conduct verification checks, and evaluate the associated risk level of each customer, applying more stringent due diligence for those deemed high-risk	Perform proper regulatory reporting.	Implement enhanced due diligence, if needed.	Regular monitoring and reviews to assess the residual risk profile and ensure it aligns with the organization's risk mitigation methods
SHORT TERM STRATEGY	Promote Ongoing AML Education and Awareness.			
LONG TERM STRATEGY	Introducing sophisticated transaction monitoring systems is key to identifying and examining suspicious transactions.			

OPERATIONAL RISK

IDENTIFY	ANALYZE	RESPOND	MONITOR	REVIEW & UPDATE
Operational risk is the risk of loss as a result of ineffective or failed internal processes, people, systems, or external events that can disrupt the flow of business operations. This includes the risk of non-compliance as well.	What could go wrong analysis based on different Scenario, and loss data analysis.	Assess risk - based likelihood and impact and formulate mitigation plan.	Testing the control for appropriateness of design, and operating effectiveness	Review process and make necessary changes.
SHORT TERM STRATEGY	Transfer, avoid, accept, and mitigate the identified risks based on likelihood and impact.			
LONG TERM STRATEGY	Design process to prevent the operational risks.			

REPUTATION RISK

IDENTIFY	ANALYZE	RESPOND	MONITOR	REVIEW & UPDATE
Reputation risk originates from various external sources and flows through different levels of an organization, ultimately affecting stakeholders. This is a top strategic business risk.	Identify elements of strategy and operating environment that could affect reputation.	Design an analytical framework around the identified elements and develop automated tracking.	Implement reputation risk Monitoring.	Design key risk indicators to monitor potential reputation impact
SHORT TERM STRATEGY	Apply the analysis of key risk indicators to ongoing decision making.			
LONG TERM STRATEGY	Develop an organizational culture where the strategy for managing reputation risk is constantly recalibrated in response to emerging information.			

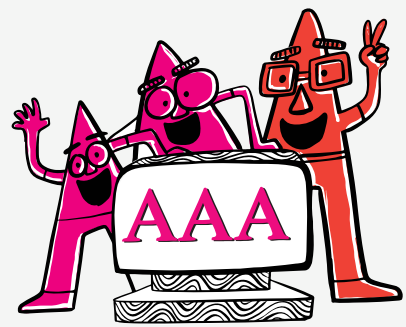


IPDC
সুবোধ

দেশের
প্রথম
৫২ কোটির লোন জেতা

দেশেরা মেবা নিয়ে
চার দশক ধরে আপনার পাশে

AAA



ডানা
মাইক্রো-মার্কেটের অর্থায়ন
~ দেশের প্রথম ~
ডিজিটাল ইকসপ্রিমেণ্ট

AWARDED
Superbrands
BANGLADESH'S CHOICE
2021

INSPIRING
NORTH
AWARD

দেশের প্রথম প্রকট্টিত ডিজিটাল
এক্সপেরিয়েন্স প্রাইজ

জর্জ
দ্রুততা ও নিরাপত্তা
এই প্রাইজের ২০২৩-২৪ সালে
স্বাভাবিকভাবে ১০ লাখ মূল্য বৃদ্ধি

BANGLADESH
INNOVATION
AWARD 2018

18th
Business
Awards
=DHL= The Daily Star
AWARDING EXCELLENCE IN BUSINESS

SME
STIMULUS
PACKAGE

আইপিডি
ডিজিটাল
সফরের আলো

ডান মোড়ান

আইপিডি
ডানোবাসা হোমলোন

গ্রুপিক মশ

দাঁড়া
উদ্যোগের
জন্য সংস্থা
লেন সুবিধা

হাজপাতান

শুধু ব্যবসায়
অর্থায়নের মাধ্যমে প্রায়
৬০ হাজার কর্মসংস্থান সৃষ্টি

সারসী সুললী সূধীন
আইপিডি প্রতি

দেশজুড়ে মানুষের
নিজের চিন্তা করার ক্ষমতা

দেশের প্রথম জেরকারি

আর্থিক প্রতিষ্ঠান

যাত্রা শুরু ১৯৮১ সাল থেকে

সর্বোচ্চ ক্রেডিট রেটিং



OUR CAPITAL

FINANCIAL CAPITAL

Financial capital is the pool of funds that is used to fund our core business activities. This may include deposits, borrowing and equity generated through share capital and retained profits generated from our operations.

2023 Highlights

 Sustainable business Generated value for all stakeholders through effective and powerful governance even during the pandemic	 Access to fund Significantly reduced bank dependency in 2023, deposit from Banks and NBFIs is 19.6%.	 Portfolio quality Plan to diversify our loan portfolio with enhanced focus on Retail and SME loan portfolio thereby reducing our large loan exposure risk.
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Long-term Strategy

As part of our long-term financial strategy, we aim to diversify our funding sources to mitigate risks and optimize capital structure. We seek to secure long-term borrowing to match the tenure of our investments, reducing refinancing risk. To sustainably grow our business and mitigate credit risk, we are prioritizing the enhancement of our credit appraisal and recovery processes. We are committed to meeting the needs and expectations of all stakeholders, including shareholders, customers, employees, and the community, while upholding the highest standards of financial integrity.

Value Creation	Tradeoffs	Outlook	Performance Review
- Fund operations and invest for future growth, ensuring long-term sustainability. - Repay investors with dividends, enhancing business credibility. - Core aspect for financial institutions, impacting bottom-line performance.	- Financial Capital Application: Sustains and grows business, positively influencing various capital types. - Potential Impacts: Positively affects manufactured, human, intellectual, and social capital, while potentially negatively impacting natural capital.	- Increased customer deposit base in 2023 to reduce reliance on bank borrowings and diversify risk. - Plan to strengthen funding base through increased focus on customer deposits and refinancing. - Focus for the next year on improving efficiency and productivity to manage operating expenses growth.	- IPDC managed to end the year with a strong bottom-line growth along with reasonable balance sheet growth. - In-depth analysis of our financial performance can be found in Performance Analysis by Management.



Approaches to Optimizing Financial Capital

 Diversifying revenue sources to manage risk	 Maintaining credit ratings of AAA	 Optimizing fund structure through reduction of cost of fund.	 Attracting funding from varied sources
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VERTICAL ANALYSIS

Balance Sheet

Particulars	2019	%	2020	%	2021	%	2022	%	2023	%
Cash	902.4	1.4%	615.6	0.8%	716.0	0.8%	735.3	0.8%	787	0.9%
Balance with other banks and financial institutions	8,875.0	13.8%	14,058.0	18.5%	13,507.5	15.9%	11,939.5	13.8%	13,350	14.5%
Money at call and short notice	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Investments	1,570.8	2.4%	5,143.6	6.8%	2,740.4	3.2%	2,499.5	2.9%	4,519	4.9%
Loans, advances and leases	50,725.8	78.8%	53,609.7	70.6%	65,327.2	76.9%	68,105.6	78.5%	70,571	76.8%
Fixed assets including land, building, furniture and fixture	787.6	1.2%	776.6	1.0%	765.2	0.9%	876.3	1.0%	808	0.9%
Other assets	1,536.8	2.4%	1,762.3	2.3%	1,912.5	2.3%	2,572.5	3.0%	1,896	2.1%
Non-financial institutional assets	3.8	0.0%	3.8	0.0%	3.8	0.0%	3.8	0.0%	3.8	0.0%
Total assets	64,402.1	100.0%	75,969.4	100.0%	84,972.6	100.0%	86,732.4	100.0%	91,934	100.0%
Borrowings from other banks, financial institutions and agents	7,038.0	10.9%	10,946.5	14.4%	10,495.8	12.4%	12,097.1	13.9%	16,099	17.5%
Deposits and other accounts	46,361.4	72.0%	52,456.3	69.0%	60,405.3	71.1%	59,139.5	68.2%	60,177	65.5%
Other liabilities	5,426.8	8.4%	6,503.2	8.6%	7,718.5	9.1%	8,692.9	10.0%	8,906	9.7%
Total liabilities	58,826.1	91.3%	69,906.0	92.0%	78,619.6	92.5%	79,929.4	92.2%	85,182	92.7%
Shareholders' equity	5,576.0	8.7%	6,063.4	8.0%	6,353.0	7.5%	6,802.9	7.8%	6,752	7.3%
Total liabilities and shareholders' equity	64,402.1	100.0%	75,969.4	100.0%	84,972.6	100.0%	86,732.4	100.0%	91,934	100.0%

* Vertical Analysis of Balance Sheet refers to the components of Balance Sheet items as a % of total Assets over the periods which would be termed as common sizing of Balance Sheet.

Profit and Loss Account

Particulars	2019	%	2020	%	2021	%	2022	%	2023	%
Interest income	6,715.9	310.1%	6,902.3	243.9%	6,544.5	190.1%	7,080.3	218.1%	7,433.7	256.1%
Interest expenses	4,773.2	220.4%	4,885.3	172.6%	3,761.4	109.2%	4,310.1	132.7%	5,011.1	172.7%
Net interest income	1,942.8	89.7%	2,017.0	71.3%	2,783.1	80.8%	2,770.2	85.3%	2,422.6	83.5%
Investment income	115.2	5.3%	638.7	22.6%	471.3	13.7%	202.1	6.2%	232.5	8.0%
Commission, exchange and brokerage	78.2	3.6%	108.4	3.8%	180.3	5.2%	151.2	4.7%	207.3	7.1%
Other operating income	29.6	1.4%	65.7	2.3%	10.0	0.3%	123.5	3.8%	40.0	1.4%
Operating income	2,165.7	100.0%	2,829.8	100.0%	3,444.7	100.0%	3,247.0	100.0%	2,902.5	100.0%
Operating expenses	981.3	45.3%	1,150.2	40.6%	1,241.3	36.0%	1,486.7	45.8%	1,602.7	55.2%
Operating profit	1,184.4	54.7%	1,679.6	59.4%	2,203.4	64.0%	1,760.3	54.2%	1,299.8	44.8%
Provision for loans and advances	152.1	7.0%	478.1	16.9%	673.1	19.5%	449.9	13.9%	638.8	22.0%
Provision/(reversal) for diminution in value of investments	10.1	0.5%	0.0	0.0%	14.0	0.4%	35.4	1.1%	0.01	0.00%
Other provision	28.5	1.3%	-	0.0%	12.9	0.4%	10.6	0.3%	0.49	0.02%
Total provisions	190.8	8.8%	478.2	16.9%	700.0	20.3%	495.9	15.3%	639.3	22.0%
Profit before tax	993.6	45.9%	1,201.4	42.5%	1,503.3	43.6%	1,264.4	38.9%	660.5	22.8%
Provision for taxation	431.1	19.9%	495.9	17.5%	622.3	18.1%	363.4	11.2%	317.5	10.9%
Net Profit after tax	562.5	26.0%	705.6	24.9%	881.1	25.6%	901.0	27.7%	343.0	11.8%

* Vertical Analysis of Profit & Loss Account refers to the components of Profit & Loss Account as a % of Operational Income (Interest income + Investment Income) over the periods which would be termed as common sizing of Profit & Loss Account.

HORIZONTAL ANALYSIS

Balance Sheet

Particulars	2019	%	2020	%	2021	%	2022	%	2023	%
Cash	902.4	85.1%	615.6	-31.8%	716.0	16.3%	735.3	2.7%	787.3	7.1%
Balance with other banks and financial institutions	8,875.0	171.2%	14,058.0	58.4%	13,507.5	-3.9%	11,939.5	-11.6%	13,349.7	11.8%
Money at call and short notice	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Investments	1,570.8	80.8%	5,143.6	227.4%	2,740.4	-46.7%	2,499.5	-8.8%	4,518.7	80.8%
Loans, advances and leases	50,725.8	14.4%	53,609.7	5.7%	65,327.2	21.9%	68,105.6	4.3%	70,571.2	3.6%
Fixed assets including land, building, furniture and fixture	787.6	44.5%	776.6	-1.4%	765.2	-1.5%	876.3	14.5%	807.6	-7.8%
Other assets	1,536.8	52.3%	1,762.3	14.7%	1,912.5	8.5%	2,572.5	34.5%	1,895.8	-26.3%
Non-financial institutional assets	3.8	0.0%	3.8	0.0%	3.8	0.0%	3.8	0.0%	3.8	0.0%
Total assets	64,402.1	27.5%	75,969.4	18.0%	84,972.6	11.9%	86,732.4	2.1%	91,934.0	6.0%
Borrowings from other banks, financial institutions and agents	7,038.0	18.9%	10,946.5	55.5%	10,495.8	-4.1%	12,097.1	15.3%	16,099.2	33.1%
Deposits and other accounts	46,361.4	25.1%	52,456.3	13.1%	60,405.3	15.2%	59,139.5	-2.1%	60,177.0	1.8%
Other liabilities	5,426.8	43.7%	6,503.2	19.8%	7,718.5	18.7%	8,692.9	12.6%	8,906.3	2.5%
Total liabilities	58,826.1	25.8%	69,906.0	18.8%	78,619.6	12.5%	79,929.4	1.7%	85,182.5	6.6%
Shareholders' equity	5,576.0	48.6%	6,063.4	8.7%	6,353.0	4.8%	6,802.9	7.1%	6,751.5	-0.8%
Total liabilities and shareholders' equity	64,402.1	27.5%	75,969.4	18.0%	84,972.6	11.9%	86,732.4	2.1%	91,934.0	6.0%

Particulars	2019	%	2020	%	2021	%	2022	%	2023	%
Long Term Assets	31,251.1	17.8%	35,562.6	13.8%	43,209.8	21.5%	44,162.0	2.2%	45,589.5	3.2%
Current Assets	33,150.9	38.3%	40,403.4	21.9%	41,762.8	3.4%	42,570.4	1.9%	46,344.5	8.9%
Total Assets	64,402.1	27.5%	75,966.0	18.0%	84,972.6	11.9%	86,732.4	2.1%	91,934.0	6.0%
Long Term Liabilities	26,773.6	13.3%	30,801.8	15.0%	38,237.6	24.1%	38,866.1	1.6%	40,616.1	4.5%
Current Liabilities	32,052.5	38.6%	39,102.9	22.0%	40,382.0	3.3%	41,063.3	1.7%	44,566.4	8.5%
Total Liabilities	58,826.1	25.8%	69,904.7	18.8%	78,619.6	12.5%	79,929.4	1.7%	85,182.5	6.6%
Net Current Assets	1,098.5	29.8%	1,300.5	18.4%	1,380.8	6.2%	1,507.1	9.1%	1,778.0	18.0%

Profit and Loss Account

Particulars	2019	%	2020	%	2021	%	2022	%	2023	%
Interest income	6,715.9	32.2%	6,902.3	2.8%	6,544.5	-5.2%	7,080.3	8.2%	7,433.7	5.0%
Interest expenses	4,773.2	41.1%	4,885.3	2.3%	3,761.4	-23.0%	4,310.1	14.6%	5,011.1	16.3%
Net interest income	1,942.8	14.4%	2,017.0	3.8%	2,783.1	38.0%	2,770.2	-0.5%	2,422.6	-12.5%
Investment income	115.2	81.8%	638.7	454.6%	471.3	-26.2%	202.1	-57.1%	232.5	15.0%
Commission, exchange and brokerage	78.2	-12.3%	108.4	38.5%	180.3	66.4%	151.2	-16.2%	207.3	37.1%
Other operating income	29.6	25.0%	65.7	122.3%	10.0	-84.8%	123.5	1133.6%	40.0	-67.6%
Operating income	2,165.7	15.5%	2,829.8	30.7%	3,444.7	21.7%	3,247.0	-5.7%	2,902.5	-10.6%
Operating expenses	981.3	30.6%	1,150.2	17.2%	1,241.3	7.9%	1,486.7	19.8%	1,602.7	7.8%
Operating profit	1,184.4	5.5%	1,679.6	41.8%	2,203.4	31.2%	1,760.3	-20.1%	1,299.8	-26.2%
Provision for loans and advances	152.1	-42.2%	478.1	214.3%	673.1	40.8%	449.9	-33.2%	638.8	42.0%
Provision/(reversal) for diminution in value of investments	10.1	-1068.3%	0.0	-99.8%	14.0	59696.2%	35.4	153.2%	0.01	-100.0%
Other provision	28.5	100.0%	-	-100.0%	12.9	-	10.6	-17.7%	0.49	-95.4%
Total provisions	190.8	-27.3%	478.2	150.7%	700.0	46.4%	495.9	-29.2%	639.3	28.9%
Profit before tax	993.6	15.5%	1,201.4	20.9%	1,503.3	25.1%	1,264.4	-15.9%	660.5	-47.8%
Provision for taxation	431.1	5.0%	495.9	15.0%	622.3	25.5%	363.4	-41.6%	317.5	-12.6%
Net Profit after tax	562.5	25.0%	705.6	25.4%	881.1	24.9%	901.0	2.3%	343.0	-61.9%
EPS	1.72	25.0%	1.90	10.3%	2.37	24.9%	2.43	-89.5%	0.92	-61.9%

* Horizontal Analysis of Profit & Loss Account refers to the analysis of growth of each component of Profit & Loss Account from the previous period

MARKET VALUE ADDED

MVA statement for the year ended 31 December

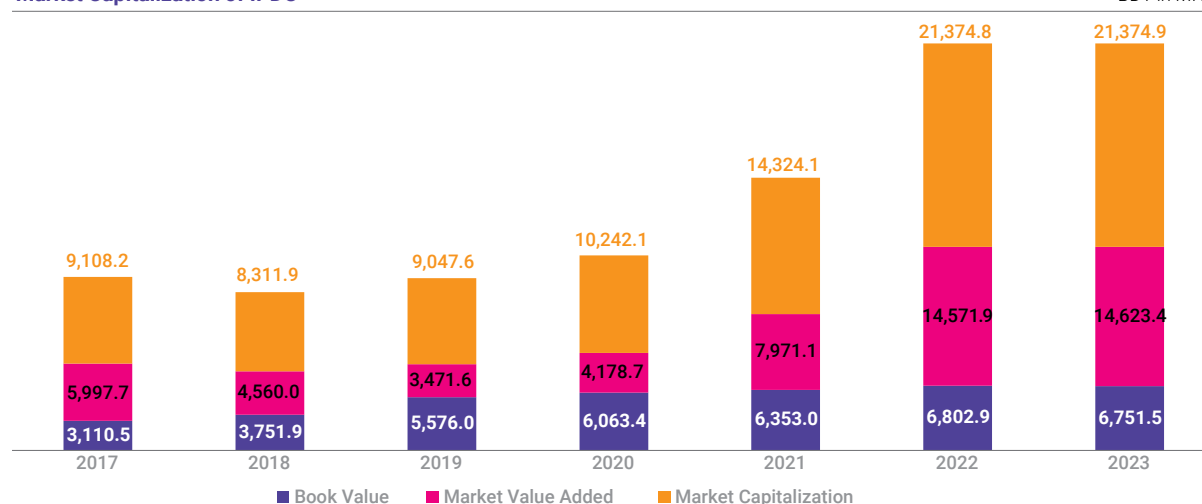
Market Value Added (MVA) measures how the market has evaluated the Company's performance in terms of market value of shares. MVA is the difference between the market value of equity and the book value of equity invested in the Company.

In BDT mn unless otherwise stated

Particulars	2019	2020	2021	2022	2023
Market Value per Share (BDT)	25.60	27.60	38.60	57.60	57.60
Number of Share Outstanding (#)	353,420,521	371,091,547	371,091,547	371,091,547	371,091,547
Total Market Capitalization	9,047.6	10,242.1	14,324.1	21,374.9	21,374.9
Book Value of Outstanding Shares	5,576.0	6,063.4	6,353.0	6,802.9	6,751.5
Market Value Added	3,471.6	4,178.7	7,971.1	14,571.9	14,623.4

Market Capitalization of IPDC

BDT in MN



ECONOMIC VALUE ADDED

EVA statement for the year ended 31 December

Economic Value Added (EVA) measures the company's economic success (or failure) over a period of time. EVA is calculated by taking the company's NOPAT (Net Operating Profit After Tax) and deducting capital charges from NOPAT to get the real economic performance of the company.

Net Operating Profit After Tax (NOPAT)

in BDT mn

Particulars	2019	2020	2021	2022	2023
Operating Profit	1,184.4	1,679.6	2,203.4	1,760.3	1,299.8
Tax	(431.1)	(495.9)	(622.3)	(363.4)	(317.5)
One-off Adjustments	(0.0)	(2.4)	(0.0)	(0.0)	(0.4)
Net Operating Profit after Tax (NOPAT)	753.2	1,186.1	1,581.1	1,396.9	981.9

Average Equity

in BDT mn

Particulars	2019	2020	2021	2022	2023
Shareholders' equity at year end	5,576.0	6,063.4	6,353.0	6,802.94	6,751.5
Accumulated provision for doubtful losses	826.9	1,305.1	1,992.1	2,428.40	3,016.6
Equity	6,402.9	7,368.5	8,345.2	9,231.34	9,768.1
Average Equity	5,409.7	6,885.7	7,856.8	8,788.28	9,499.7

Cost of Equity (%)

in BDT mn

Particulars	2019	2020	2021	2022	2023
Interest rate on 5 Years Government Treasury Bond as on 31 December	8.97%	4.48%	6.55%	7.91%	9.07%
Standard Risk premium	2.00%	2.00%	2.00%	2.00%	2.00%
Cost of equity (%)	10.97%	6.48%	8.55%	9.91%	11.07%

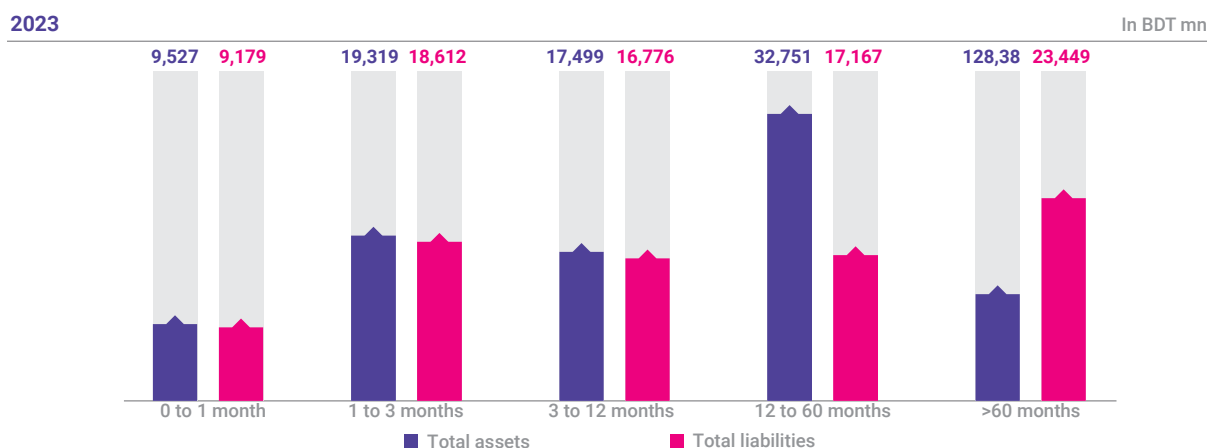
Economic Value Added

in BDT mn

Particulars	2019	2020	2021	2022	2023
NOPAT	753.2	1,186.1	1,581.1	1,396.9	981.9
Cost of equity (Average Equity x Cost of Equity %)	593.4	446.2	671.8	175.8	1,051.6
Economic Value Added	159.8	739.9	909.3	1,221.2	(69.7)

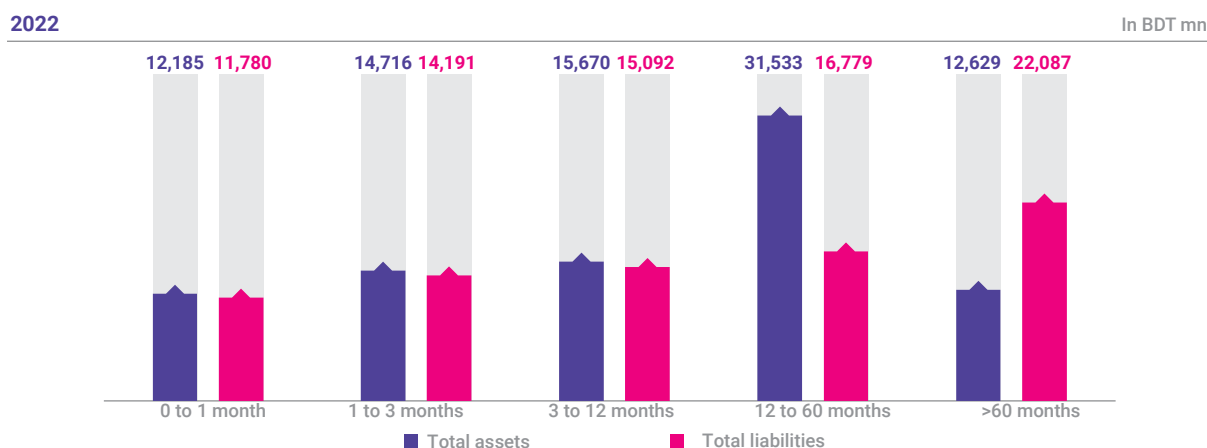
MATURITY ANALYSIS OF ASSETS AND LIABILITIES

In financial institutions, asset and liability management is the practice of managing liquidity and interest rate risks arising out from maturity mismatch between asset and liability. The company should ideally match tenor-wise asset and liability to make sure that the company has enough cash inflow to meet its outflow. Interest rate structure varies with respect to different maturity buckets; therefore, a match between asset and liability is also required which allows the company to adjust its spread due to the movement in market interest rates. Managing maturity schedules of deposits and credit lines in parallel to the demand for loans while ensuring the adequate liquidity of the funds is one of the most crucial aspect of the company. IPDC has established guidelines for the management of assets and liabilities which is in line with central Bank's policy. Interest Rate Sensitivity is analyzed monthly in regular ALCO meetings.



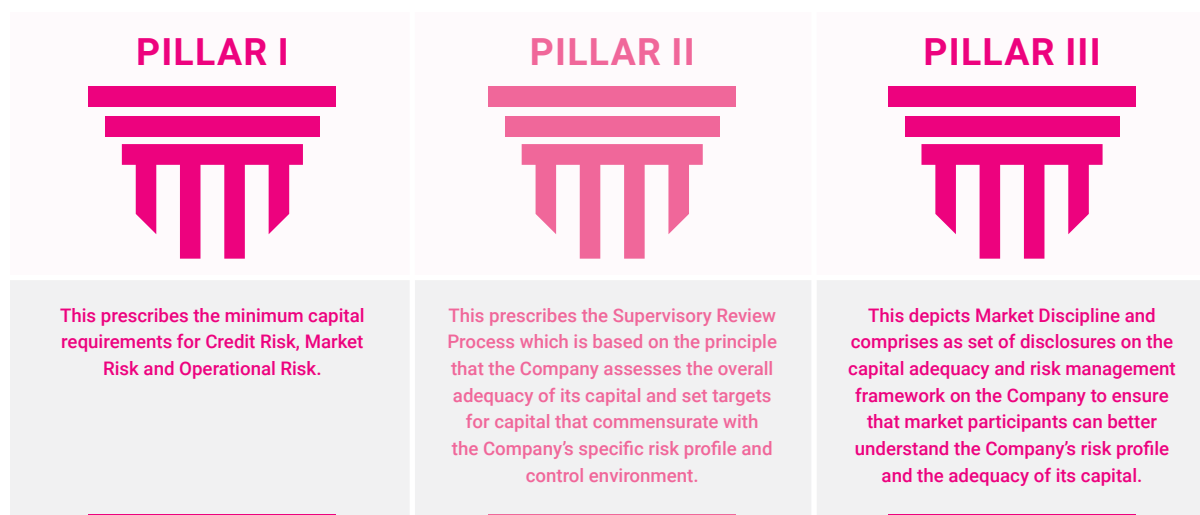
Asset Liability Management Committee

Asset Liability Management Committee (ALCO) is responsible for reviewing the liquidity position of the Company, regulatory compliances, and setting the risk appetite threshold to mitigate the Asset and Liability associated risk of the Company. Asset Liability Management (ALM) deals with the structure of the Company's Balance Sheet and main objective of ALM is to maximize the sustainable return through effective monitoring and management of interest rate risk and maturity risk of assets and liabilities and maintain liquidity at acceptable level. The formation of the ALCO is as follows:



CAPITAL ADEQUACY AND MARKET DISCIPLINE

In accordance with Bangladesh Bank's DFIM Circular no. 14 dated 28 December 2011, the disclosures on capital adequacy and market discipline have been made in line with same circular, which consists of the following three mutually reinforcing pillars:



SCOPE OF APPLICATION

QUALITATIVE DISCLOSURES

The name of the top corporate entity in the group to which this guideline applies

IPDC Finance Limited

An outline of differences in the basis of consolidated for accounting and regulatory purpose with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk weighted)

Not Applicable since the Company does not have any subsidiary

Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.

Not Applicable

QUALITATIVE DISCLOSURES

The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the name(s) of such subsidiaries.

Not Applicable since the Company does not have any subsidiary

CAPITAL STRUCTURE

QUALITATIVE DISCLOSURES

Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier I or in Tier II.

As per the guidelines of Bangladesh Bank, Tier - I and Tier - II Capital of the Company consists of as per following:

Tier I	Tier II
Fully Paid-up Capital	General provision
Share premium account	Revaluation reserves
Statutory Reserve	50% of revaluation reserve of fixed assets
Retained Earnings	45% of revaluation reserve on Securities
	All other preference shares

QUANTITATIVE DISCLOSURES

The amount of Tier I capital, with separate disclosure of:

in BDT mn

Particulars	Amount
Paid-up capital	3,710.9
Share premium account	402.6

Particulars	Amount
Statutory Reserve	1,229.1
General Reserve	
Retained Earnings	1,117.0
Total Tier - I Capital	6,459.6
Total amount of Tier - II Capital	2,557.0
Other deductions from capital	-
Total eligible capital	9,016.6

SCOPE OF APPLICATION

QUALITATIVE DISCLOSURES

A summary discussion of the Company's approach to assessing the adequacy of its capital to support current and future activities.

IPDC has adopted Standardized Approach for computing Capital Charge for Credit and Market Risk while Basic Indicator Approach for Operational Risk. Total Risk Weighted Assets (RWA) is determined by multiplying the capital charge for market risk and operational risk by the reciprocal of the minimum capital adequacy ratio which is currently 10% and adding the resulted figure to the sum of the RWA for credit risk. Capital Adequacy Ratio (CAR) is then determined by dividing total RWA by total Eligible Regulatory Capital:

Particulars	Amount in BDT mn				
Capital requirement for Credit Risk	44,082.7				
Capital requirement for Market Risk	921.9				
Capital requirement for Operational Risk	4,760.7				
Total and Tier I capital ratio - For stand alone	%				
CAR on Total Capital basis	18.12				
CAR on Tier - I Capital basis	12.98				
Five years CAR comparison	2019	2020	2021	2022	2023
Total Eligible Capital	6,839	7,249	7,508	7,756	9,016
Total Risk Weighted Assets	35,430	39,162	47,970	48,708	49,765
CAR %	19.30%	18.51%	15.65%	15.92%	18.12%

CREDIT RISK

QUALITATIVE DISCLOSURES

The general qualitative disclosure requirement with respect to credit risk, including:

Definition of Past Due and Impaired (for Accounting Purposes)

With a view to strengthening credit discipline, the Company classifies loan, leases and advances and maintains provision in line with Bangladesh Bank's FID Circular no. 08 dated 03 October 2002 and FID Circular no. 03 dated 03 May 2006 as follows:

Fixed term loans (repayable within maximum 5 years of time) are classified as:

Substandard	if defaulted installment is equal to or more than the amount of installment(s) due within 6 (six) months, the entire loans are classified as 'Sub-standard'.
Doubtful	if defaulted installment is equal to or more than the amount of installment(s) due within 12 (twelve) months, the entire loans are classified as 'Doubtful'.
Bad/Loss	if defaulted installment is equal to or more than the amount of installment(s) due within 18 (eighteen) months, the entire loans are classified as 'Bad/Loss'.

Fixed term loan (repayable more than 5 years of time) are classified as:

Substandard	if defaulted installment is equal to or more than the amount of installment(s) due within 12 (twelve) months, the entire loans are classified as 'Sub-standard'
Doubtful	if defaulted installment is equal to or more than the amount of installment(s) due within 18 (eighteen) months, the entire loans are classified as 'Doubtful'
Bad/Loss	if defaulted installment is equal to or more than the amount of installment(s) due within 24 (twenty-four) months, the entire loans are classified as 'Bad/Loss'.

Description of Approaches Followed for Specific and General Allowances and Statistical Methods

The Company is following the general and specific provision for loans and advances/investments based on Bangladesh Bank guidelines issued from time to time.

Particulars	Rate
General provision on unclassified loan, leases	1%
General provision on unclassified SME loan, leases	0.25%
General provision on special mention account	5%
Specific provision on substandard loan, leases	20%
Specific provision on doubtful loan, leases	50%
Specific provision on bad/loss loan, leases	100%

Discussion of the Company's Credit Risk Management Policy

Credit risk is the risk of loss that occur from the failure of any counterparty to make required payments in accordance with agreed terms and conditions and/or deterioration of credit worthiness. Credit risk is managed through a framework set by policies and procedures established by the Board. The responsibility is clearly segregated between originator of business transaction and approver in the risk function.

 Credit policies and procedures	The Credit Policy Manual contains the core principles for identifying, measuring, approving and managing credit risk in the Company. These policies are established by the Board of Directors which are designed to meet the organizational requirements. These policies represent the minimum standards for credit extension by the Company and these are not a substitute for the experience and prudent judgment. The policy covers corporate, small and medium enterprise. There is a comprehensive credit appraisal procedure that covers business risk, management risk, financial risk, security risk, environmental risk, reputational risk, and account performance risk. Credit risk management function is independent of business originating functions to establish better internal control systems and conflict of interest. The Head of Credit Risk Management (HoCRM) has clear responsibility for management of credit risk of the Company.
 Credit Rating and Measurement	Risk management plays a central role along with prudential judgment and experience in informed risk-taking decisions and portfolio management. For risk management, the Company uses a numeric grading system associated with a borrower. Though this rating system, 'Credit Risk Grading Matrix (CRGM)' is not a lending decision making tool, but it is used as general indicator to compare one set of customers with others. CRGM analyses a borrower against a range of quantitative and qualitative measures. No rating model for retail and channel financing are currently in practice rather borrowers are assessed against some pre-approved criteria outlined in Product Program Guidelines, which are approved by the BOD.
 Credit Monitoring	The Company, at least quarterly, monitor credit exposures and portfolio performance. Corporate and medium enterprise accounts are continuously monitored under a clearly set out credit policy. Early alerts are raised for financial deterioration, management weakness, irregular repayments, breach of covenants, eroding position in the industry etc. If early alerts are raised, remedial actions are agreed and monitored.
 Credit Risk Mitigation	Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting agreement and other guarantees. The reliance that can be placed on these mitigates is carefully assessed in light with issues such as legal certainty and enforceability, market valuation, and counterparty risk of the guarantor. Collateral is valued by independent third-party surveyor in accordance with the Company's credit policy and procedures.
 Credit Approval	Board of Directors of the Company has the sole authority to approve any credit exposure and to sub delegate to such authority the 'Executive Committee', a subcommittee of the Board, with no approval authority to the Managing Director & CEO and other Departmental Heads.
 Downgraded Credit Management	The Company has a separate 'Special Asset Management (SAM)' department, dedicated for management, settlement, and recovery of Downgraded credits. Major responsibility of this department is to formulate strategy and action plans for minimizing risk, prevention of loss, maximization of recoveries and restructuring, direct recovery and/or legal actions.

QUALITATIVE DISCLOSURES

Product-wise Credit Exposure

Particulars	Amount in BDT mn
Lease finance	4,592.7
Term loans and advances	43,797.3
Mortgage finance	10,472.1
Channel finance	5,189.0
Retail loan	6,152.4
Personal Loan	367.7
Total	70,571.2

Geographical Distribution of Exposures

Particulars	Amount in BDT Mn
Dhaka Division	55,321.7
Chattogram Division	7,862.0
Khulna Division	2,243.0
Rangpur Division	1,765.0
Rajshahi Division	1,275.1
Sylhet Division	541.8
Barisal Division	511.2
Mymensingh Division	1,051.4
Total	70,571.2

Industry or Counterparty-wise Credit Exposures

Particulars	Amount in BDT Mn
Agro-based industries	4,631.3
Banks and non-banking financial institutions	706.5
Chemicals, pharmaceuticals, and allied products	4,038.0
Engineering and building materials	3,769.5
Food and allied products	3,053.2
Glass, ceramic and other non-metallic products	610.4
Hotel, tourism and leisure	72.7
Information and communication technologies	1,274.9
Paper converting and packaging, printing and publishing	2,292.5
Ready-made garments and knitwear	8,188.8
Social sector	2,589.9
Tannery, leather and rubber products	427.4
Textile	2,056.5
Transport and aviation	3,116.9
Others	33,742.9
Total	70,571.2

Residual Contractual Maturity-wise Credit Exposures

Particulars	Amount in BDT Mn
On demand	-
Upto one month	4,744.2
More than one month but less than three months	10,501.0
More than three months but less one year	14,474.4
More than one year but less than five years	31,420.3
More than five years	9,431.2
Total	70,571.2

Amount of impaired loans and if available, past due loans, provided separately

Particulars	Amount in BDT Mn
Gross non-performing assets (NPAs)	3,477.9
NPAs to gross loans and advances (in %)	4.93%

Specific and General Provisions

Particulars	Amount in BDT Mn
Provision for unclassified loans and advances	1,131.8
Provision for classified loans and advances	1,808.8
Total	2,940.6

Charges for Specific Allowances and Charge-offs during the Period : None

Movement of Non-Performing Loan (NPL)

Particulars	Amount in BDT Mn
Opening Balance	2,818
Additions	970
Reductions	310
Closing Balance	3,478

EQUITIES: BANKING BOOK POSITION

QUALITATIVE DISCLOSURES

The general qualitative disclosure requirement with respect to equity risk, including:

i. Differentiation between holding on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons.	Investment in equity securities is broadly categorized into two parts, Quoted Securities that are traded in the secondary markets (Trading Book Assets) and Unquoted Securities that are valued at cost price.
ii. Discussion of important policies covering the valuation and accounting of equity holdings in the banking book positions. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	Both quoted and unquoted securities are valued at cost and necessary provisions are maintained if the prices fall below the cost price.

QUANTITATIVE DISCLOSURES

Value disclosed in the balance sheet of investments, as well as the fair value of those investment; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.

Particulars	Cost Value	Market Value
Quoted Shares	499.3	460.9
Unquoted Shares	4.5	4.5

Particulars	Amount in BDT Mn
Revaluation reserve on fixed assets	291.9
Revaluation reserve on government securities	-
Amounts of the above included in Tier II capital.*	146.0

* 50% of asset revaluation reserve and 45% of revaluation reserve on govt. securities

Capital requirements broken down by appropriate equity groupings, consistent with the Company's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.

Specific Market Risk	Market value of the investment in equity is BDT 460.9 million against which capital requirement @ 10% is BDT 46.09 million.
General Market Risk	Market value of the investment in equity is BDT 460.9 million against which capital requirement @ 10% is BDT 46.09 million

INTEREST RATE IN THE BANKING BOOK

QUALITATIVE DISCLOSURES

The general qualitative disclosure requirement including the nature of interest risk and key assumptions, including assumptions regarding loan prepayments and behavior or non-maturity deposits.

Interest rate risk is the risk where changes in market interest rates might adversely affect the Company's financial condition. Changes in interest rates affect both the current earnings as well as the net worth of the Company. The short-term impact of changes in interest rates is on the Company's Net Interest Income. In long term, changes in interest rates impact the cash flows on the assets and liabilities giving rise to a risk to the net worth of the Company arising out of all re-pricing mismatches and other interest rate sensitive position. The Assets Liability Committee (ALCO) of the Company monitors the interest rate movement on a continuous basis.

QUANTITATIVE DISCLOSURES

The increase/(decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk broken down by currency (as relevant).

Mismatch between Rate Sensitive Liabilities & Assets

Particulars	in BDT mn					
	Within 1 Month	1-2 Months	2-3 Months	3-6 Months	6 Months -1 Year	Above 1 Year
RSL*	755.19	654.57	909.14	680.93	814.34	3,422.08
RSA*	871.59	810.68	1113.39	766.72	870.19	3,844.52
Mismatch	116.40	156.10	204.25	85.79	55.85	422.44
Cumulative Mismatch	116.40	272.51	476.76	562.55	618.40	1,040.84
Mismatch	15.41%	23.85%	22.47%	12.60%	6.86%	12.34%

* RSL: Rate Sensitive Liabilities, RSA: Rate Sensitive Assets

Interest Rate Risk - Increase in Interest Rate

Particulars	in BDT mn		
	Minor 2%	Moderate 4%	Major 6%
Change in the Value of Bond	0.00	0.00	0.00
Net Interest Income	12.37	24.74	37.10
Revised Regulatory Capital	915.21	927.58	939.95
Risk Weighted Assets	4,983.16	4,983.16	4,983.16
Revised CAR (in %)	18.37%	18.61%	18.86%

MARKET RISK

QUALITATIVE DISCLOSURES

Views of Board of Directors on Trading and Investment Activities

Market risk is the possibility of losses of assets in balance sheet and off-balance sheet positions arising out of volatility in market variables i.e., interest rate, exchange rate and price. Allocation of capital is required in respect of the exposure to risks deriving from changes in interest rates and market prices.

Methods used to Measure the Market Risk

Bangladesh Bank suggested the FIs for using Standardized Approach (rule based) in order to calculate the market risk for banking book where the capital charge for interest rate risk, price and foreign exchange risk is determined separately.

Market Risk Management System

Policies and processes for mitigating market risk

- To mitigate the several market risks the Company formed Asset Liability Management Committee (ALCO) that monitors the Treasury Division's activities to minimize the market risk. ALCO is primarily responsible for establishing the market risk management and asset liability management of the Company, procedures thereof, implementing core risk management framework issued by the regulator, best risk management practices followed by globally and ensuring that internal parameters, procedures, practices/policies and risk management prudential limits are adhere to.
- The ALCO reviews the risk of changes in income of the Company as a result of movement in the market interest rates. The Company always try to follow Bangladesh Bank's guidelines to minimize mismatches between the duration of interest rate sensitive assets and liabilities.
- In addition, ALCO holds monthly meetings on a regular basis for controlling day-to-day trading activities, to perform market analysis over interest rate and manage & monitor the level of mismatch for assessing the market risk.

QUANTITATIVE DISCLOSURES

Capital requirements for Market Risk

Particulars	Amount in BDT Mn
Interest rate risk	-
Equity position risk	921.9
Foreign Exchange Position and Commodity risk	-

OPERATION RISK

QUALITATIVE DISCLOSURES

Views of Board of Directors (BoD) on System to Reduce Operational Risk	The operational risk is defined as the risk of loss resulting from inadequacy or failure of internal processes, people, and systems or from external events. The Board of Directors (BoD) of the Company and its Management firmly believe that this risk through a control-based environment in which processes are documented, authorized as independent and transactions are reconciled and monitored. This is supported by an independent program of periodic reviews undertaken by internal audit. All the operational policies and guidelines are duly approved by the BoD.
Performance Gap of Executives and Staffs	The Company always strives to ensure a great place to work by hiring and retaining the most suitable people at all levels of the business. The Company affirms that there exists no performance gap.
Potential External Events	External events like general business and political situation, change in credit quality of the borrowers, change in market conditions etc. can affect the business of the Company. IPDC is proceeding with its strategic plan and its successful implementation for its future performance.
Policies and Procedures for Mitigating Operational Risk	IPDC mitigates operational risk by virtue of designing the organizational structure by clearly defining roles and responsibilities of individuals involved in risk taking as well as managing it, formulating overall risk assessment and management policies, methodologies, guidelines and procedures for risk identification, risk measurement, risk monitoring, defining an acceptable level of risk, mitigating all the core risks in line with their respective guidelines provided by Bangladesh Bank.
Approach for Calculating Capital Charge for Operation Risk	As suggested by the guideline, the Company has computed the capital requirements for operational risk under the 'Basic Indicator Approach (BIA)'. Under BIA, the capital charge for operational risk is a fixed percentage, currently 15% of average positive annual gross income of the Company over the past 3 years.

QUANTITATIVE DISCLOSURES

Capital Requirements for Operational Risk

Particulars	Amount in BDT Mn
Capital requirements for operational risk	4,760.7

WRITTEN-OFF PORTFOLIO AND CLASSIFIED LOAN

Write-off portfolio and classified loans have significant negative impacts on profitability and reduce lending capacity of a financial institution. To mitigate these risks, IPDC Finance Ltd implement rigorous risk management practices and work closely with borrowers to reduce the risk of default. We maintain adequate reserves to cover potential losses from write-off portfolio and classified loans and to absorb losses and maintain liquidity.

Written-off Portfolio

Detail records for all written off accounts are methodically maintained and followed up and the accumulated written off value is disclosed separately under the heading of "notes to the account". At the end of 2023, the FI's total written off loans was BDT 257 million which is 20.3% higher than previous year. As a result of relentless efforts of our Management and SAM department in Year 2022 total recovery from written off loans was BDT 22 million. After considering classification status for a long time a total number of 10 loan accounts have been written off in Year 2022.

Movement in Written-off Portfolio

Particulars	Amount (BDT Mn)
Opening Balance as on January 1, 2023	214
Add.: Amount written off during the year	65
Less: Adjustment/recovered during the year	22
Closing Balance as on December 31, 2023	257

Classified Loan

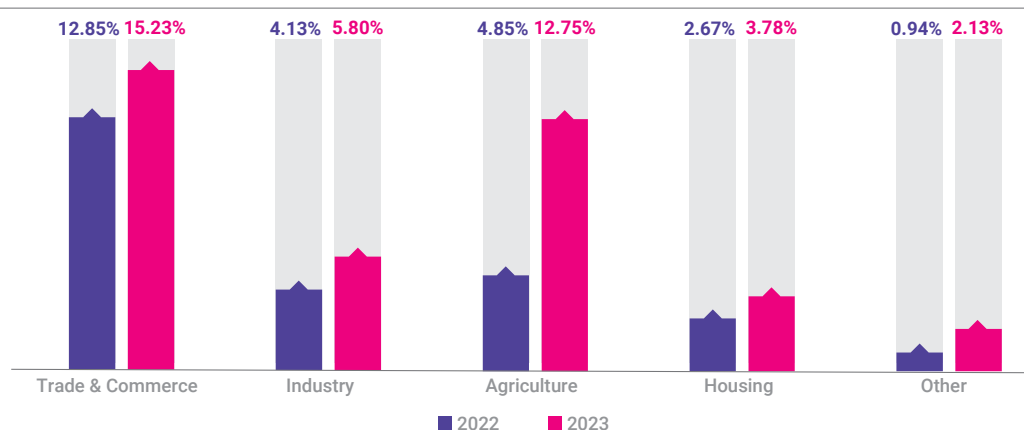
To ensure sustainable growth our core business priority is curb non-performing loans by maintaining quality assets. Due to global economic challenges the year 2023 saw an increase in classified loan ratio to 4.93% in 2023 from 4.14% in 2022. Compare to previous year our loan portfolio also increased which caused proportional increase in classified loan ratio.

Movement in Classified Loan

Particulars	Amount
Opening Balance as on January 1, 2023	2,818
Add.: Addition during the year	970
Less: Recovery & Rescheduled*	245
Less: Write offs	65
Closing Balance as on December 31, 2023	3,478

* Recovery / Reschedule from clients which were classified as on 1 January 2023.

Sector-wise Classified Loan Rate



CREDIT RATING REPORT

Emerging Credit Rating Limited (ECRL) has affirmed AAA long term credit rating and ST-1 short term credit rating to IPDC Finance Limited based on audited financial statements up to December 31, 2022, half yearly unaudited financial statements (Jan to June) of FY2023 and other available quantitative and qualitative information up to the date of rating. The outlook on the rating is "Stable" in last five consecutive years.

Normally rating company considers financial performance, capital base, asset quality, liquidity position, management experience, and prospect of the industry. The assigned rating reflects the strengths of the company which is backed by a strong team of management, growth in the noninterest income, deposits and investments, adequate capital coverage with high Tier-1 capital, improved asset quality and well controlled liquidity position.

Date of Issue	Long-Term Rating	Short Term Rating	Outlook	Date of Validity	Credit Rating Agency
24-Sep-2023	AAA	ST-1	Stable	25-Sep-2024	ECRL
26-Sep-2022	AAA	ST-1	Stable	25-Sep-2023	ECRL
26-Sep-2021	AAA	ST-1	Stable	25-Sep-2022	ECRL
26-Sep-2020	AAA	ST-1	Stable	25-Sep-2021	ECRL
26-Sep-2019	AAA	ST-1	Stable	25-Sep-2020	ECRL
19-Jul-2018	AA1	ST-1	Stable	30-Jun-2019	CRAB
27-Jul-2017	AA1	ST-1	Stable	30-Jun-2018	CRAB
23-Aug-2016	AA2	ST-2	Stable	30-Jun-2017	CRAB
04-Jun-2015	AA2	ST-2	Stable	30-Jun-2016	CRAB

Emerging Credit Rating Limited (ECRL) rating scales for Financial Institutions:



Long Term: **AAA**

An institution rated AAA has an exceptionally strong capacity to meet its financial commitments and exhibits a high degree of resilience to adverse development in the economy, and in business and other external conditions. These institutions typically possess a strong balance sheet and superior earning record.



Short Term: **ST-1**

Short term rating reflects the institutions capacity to meet its financial commitments due within one year. An institution rated as ST-1 has a superior capacity to meet its financial commitments in a timely manner. Adverse development in the economy and in business and other external conditions are likely to have a negligible impact on the institution's capacity to meet its financial obligations.



Outlook: **STABLE**

Indicates that a rating is likely to remain unchanged.

MANUFACTURED CAPITAL

Manufactured Capital is the collection of physical, material and technological objects that are available to an organization to conduct its operation. As a service-driven company, at IPDC manufactured capital includes all physical assets like land, building, information technology, call center, fixed assets and distribution network (represented by branches). In this sense, we leverage our manufactured capital for rigorous credit assessment on one hand and ensuring industry-leading TAT (loan disbursal turnaround times) on the other.

2023 Highlights

 Branch Expansion Initiative Successfully identified and secured locations for three new branches.	 Initiation of daycare services Successfully initiated daycare services for the children of employees.	 Asset Management Implemented robust asset management practices.
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Long-term Strategy

- Ensuring monitoring and measurement of sustainability metrics in new branches.
- Invest in innovative solutions to extend asset lifespan.
- Reduce turn-around-time through elimination of unnecessary process and documentation.

Value Creation	Tradeoffs	Outlook	Performance Review
• Manufactured capital will support our growth ambition as we scale up our business. • Efficient management of these assets will enable expansion beyond megacities. • Utilization of resources will be enhanced, leading to improved operational efficiency.	• Manufactured capital investment entails significant financial capital in the long term, covering depreciation, maintenance, and other ad-hoc charges. • The goal is to minimize tradeoffs between physical and electronic presence to the greatest extent possible.	• Strategic footprint expansion • Establishing zonal hubs to empower branches, aiming to reduce Turn Around Time (TAT) further • Enhance reach at a micro level and provide services at more affordable rates.	• Continued investment in capacity development. • Focus on enhancing IT infrastructure for upcoming strategic products. • Pursuing opportunities for geographic expansion where financially viable.



Maximizing Outcomes

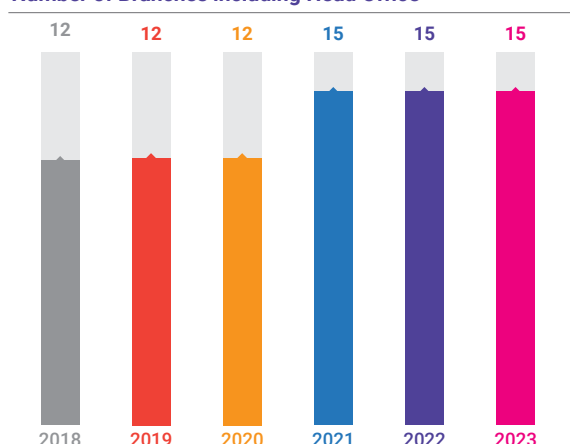
 Strengthening presence in strategic areas nationwide	 Optimizing processes with robust IT infrastructure	 Allocating resources to projects aligned with strategic objectives	 Implementing decentralized processing to reduce turn-around-time
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INFRASTRUCTURE

Distribution Network

IPDC currently operates through fifteen branches including head office branch. The fourteen branches and head office covers twelve districts in Bangladesh. IPDC plans to open additional branches in 2023 subject to obtaining approval from Bangladesh Bank.

Number of Branches including Head Office

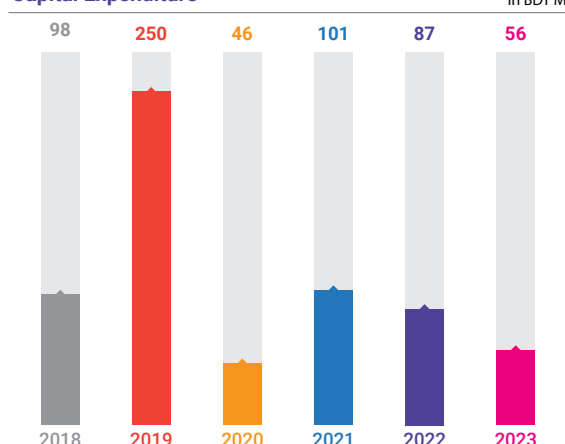


Capital Expenditure

In 2023, a notable reduction in total capital expenditure was observed, amounting to BDT 56 million, compared to BDT 87 million in 2022. The significant capital expenditures in 2023 were primarily driven by two major initiatives: the migration of the Core Banking System (CBS) from version R18 to R22 and the establishment of an extended head office.

Capital Expenditure

in BDT MN



148

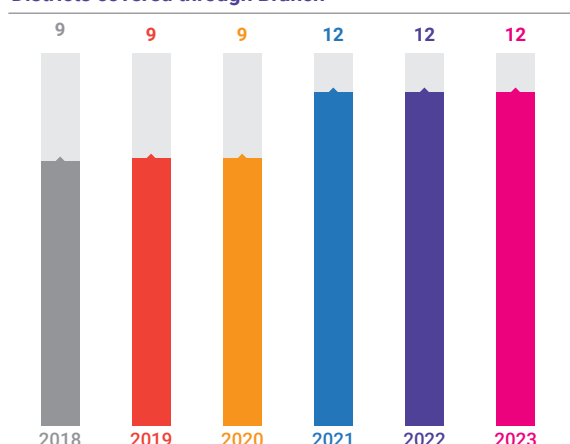


Annual Report 2023

Districts Covered

Currently IPDC has its presence in twelve districts through its various branches. IPDC is increasing its presence in district level through opening outreach offices. These are designed to be low-cost sales centers. IPDC plans to cover additional districts soon through new branches.

Districts covered through Branch

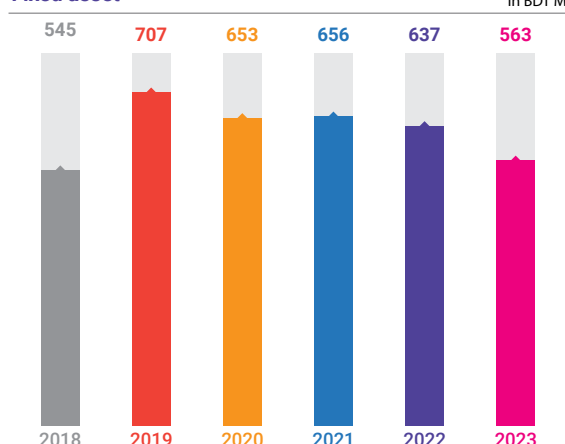


Fixed Assets

In 2023, the Written Down Value (WDV) of fixed assets experienced a decrease, declining from BDT 637 million in 2022 to BDT 563 million. Significant addition in software was the migration of the Core Banking System (CBS) from version R18 to R22.

Fixed asset

in BDT MN



OPERATIONAL EFFICIENCY

The year 2023 was challenging considering the prolonged effect of COVID-19 along with global supply chain disruption due to Russia-Ukraine war. However, we anticipate 2024 to mark a year of recovery, where we will regain momentum in economic growth. At IPDC, we are dedicated to delivering superior customer service while enhancing operational efficiency.

However, adhering to our principals and processes, we believe we can come out only stronger, set model examples for others to follow and create positive differences. In this context, sustainability alignment to business growth, dynamic and talented human resource pool with a strong emphasis on values and stronger risk management controls will represents certain key strengths for our Company as we take a bold leap into the future.

A wide and vibrant product basket with a balanced focus on the corporate, retail and SME sector and high level of operational efficiency has enabled the company to emerge as a point of reference in the country's financial services sector. As one of the most trusted financial brands in the market, IPDC's operational efficiency is encompassed in its customer centricity, and we recognize that our customers place their faith in us and we uphold that confidence every day.

Going forward, our strategy is centered on assisting our clients operate their businesses successfully and make IPDC their choice for their business even as we serve their personal financial needs. To fulfill this promise, we draw on a wide range of financial products and resources to structure creative and innovative solutions that maximize operational efficiency. We always focus on upgrading our interface and functions by using the latest technology, systems and tools.

One of the other key strengths of IPDC is our centralized operations, where product processing is migrated from various points to one or specific centralized destination under supervision of entities independent of business functionalities. The decision-making, risk management and control functions are retained centrally. This overarching framework helps to implement a uniform set of policies, apply best practices and procedures and enforce control functions across the board to carry out the day-to-day functions smoothly and seamlessly.

We are also investing more on technology to increase the operational efficiency. IPDC is one of the Financial Institutions in the industry investing profoundly on the latest and state of the earth technology e.g. Block Chain to improve the operational capacity as well as the efficiency.

BRANCH HIGHLIGHTS

Branch	Fund Under Management (BDT)	Disbursement (BDT)	Number of Customers	Number Full Time Employees
Head Office	81,656	43,624	87,797	565
Dhanmondi	6,087	1,031	1,873	17
Chattogram	7,235	2,970	2,104	54
Motijheel	7,713	1,593	1,359	16
Sylhet	722	182	832	9
Uttara	5,201	1,219	1,492	19
Narayangonj	1,421	733	1,122	14
Bogura	1,762	671	2,018	35
Gazipur	2,461	854	2,317	37
Jashore	1,922	829	2,050	41
Mymensingh	1,470	784	1,415	18
Cumilla	1,199	488	1,013	17
Rangpur	603	243	744	15
Khulna	1,234	446	725	16
Faridpur	571	328	404	11

INTELLECTUAL CAPITAL

Intellectual capital includes the knowledge of our human resources, our intellectual property, technological advantages and brand, reputation and goodwill. Specifically, at IPDC, intellectual capital encompasses intangible assets that are not reflected in the Balance Sheet such as brand, reputation and customer loyalty, among others.

2023 Highlights



Brand Perception

IPDC's brand perception continues to strengthen, driven by a commitment to providing exceptional customer experiences and innovative market communication strategies.



Technology Infrastructure

Significant investments in technology infrastructure have positioned IPDC to leverage emerging trends and enhancing operational efficiency.



Innovation in Products and Services

IPDC's focus on innovation extends to its products and services, with continuous efforts to introduce new offerings and enhance existing ones to meet evolving customer needs.

Long-term Strategy

- Market research to identify changing trends in customer preferences
- Increasing dependency on cloud services and creating a master backup for both IT infrastructure and data.
- Take first mover advantage with new digital products

Value Creation

- Intellectual capital enables navigation of growth prospects in a competitive industry environment.
- Facilitates increased market penetration and market share of our products.
- Empowers customization of customer service offerings.

Tradeoffs

- Investing in intellectual capital reduces stocks of financial capital in the short term.
- Long-term benefits include enhancements in financial, manufactured, natural, human, and social and relationship capital.
- Commitments to intellectual capital contribute to the overall enhancement of various forms of capital in the longer term.

Outlook

- Key focus on ensuring an extraordinary customer experience to enhance customer loyalty and brand perception.
- Passionate about retaining reputation and success in the financial industry in the long term.
- Exploring alternative channels of communication to reach a wider audience.

Performance Review

- IPDC aims for unprecedented growth, investment, and modernization through product innovation and exceptional customer experiences.
- Heavy investment in technology to capitalize on shifting consumer behavior patterns.
- Detailed performance review and status discussed further in subsequent sections of Intellectual Capital.



Approaches to Optimizing Intellectual Capital Outcomes



Focusing on low cost-high yield channels of market communication



Organizing flagship events to promote strategic products such as AHL, IPDC EZ, DANA.



Attracting and retaining people with skills that add value through innovation and creativity



Enhancing customer relationship management and business intelligence

BRAND PERCEPTION

The Market

After having made significant impacts by spreading the industrial wings of the country, IPDC expanded its capacity to evolve as a financial comrade for all. IPDC took the responsibility of changing the perception of its clients toward financial institution from being just mere service providers to influencers making substantial positive changes in their lives. IPDC offers relentless efforts towards serving not only the seekers of financial support but also aspiring a common man to pursue his dreams. Considering the abundance of competitive offerings from banks and other NBFIs, IPDC takes the leverage of accentuating the mere spirit of living unbound through financial inclusion. Over 61 banks and 35 NBFIs are currently jockeying for a position in the same field, but IPDC has managed to make space in the hearts of its clients.

Achievements

In 2023, the accolades garnered by IPDC Finance underscored its unwavering commitment to maintaining its position as a leading and rapidly advancing financial institution while upholding the highest standards of efficiency and meticulous attention to detail. Despite standing out as the strongest and fastest-growing entity in the country's financial landscape, IPDC Finance remained steadfast in its dedication to excellence, ensuring that no aspect of its operations was compromised. These awards served as powerful affirmations of IPDC Finance's brand strength, reinforcing its reputation as a paragon of reliability, innovation, and quality within the industry. Through its relentless pursuit of excellence, IPDC Finance continued to solidify its brand image as a trusted partner for individuals and businesses seeking superior financial solutions and services.

The Silver awards bestowed upon IPDC Finance Limited by ICMAB and ICAB for the annual report underscore its unwavering commitment to transparency and excellence in financial reporting. These accolades validate not only the quality of its financial reporting practices but also demonstrate its adherence to professional standards, instilling trust among stakeholders.

The recognition from the Bangladesh Fintech Awards highlights IPDC Finance Limited's pioneering efforts in fintech innovation. Winning the Fintech Innovation of the Year for Non-Banking Financial Institutions (NBFI) reinforces its leadership in leveraging technology to transform financial services. Additionally, the honourable mention in Digital Lending solidifies its position as an innovator in the digital lending space, showcasing its agility in meeting evolving customer needs.

The Karlsruhe Sustainable Finance Awards 2023 acknowledge IPDC Finance Limited's dedication to sustainability and responsible finance. The Certificate of Merit for Best Innovation in Sustainable Financial Services underscores its commitment to integrating environmental, social, and governance (ESG) factors into its operations, appealing to socially conscious investors and customers.

Awards from the Bangladesh Brand Forum recognize IPDC Finance Limited's excellence in leveraging data and analytics for strategic decision-making and marketing initiatives. Winning Bronze for Best

Use of Data and Analytics highlights its proficiency in utilizing data-driven insights to enhance customer experiences and drive business growth. Moreover, the Gold award for Best Digital Campaign by New Agency showcases its innovative marketing strategies, demonstrating its effectiveness in engaging audiences in the digital landscape.

Lastly, the Gold award from the Beijing International PSA Competition 2023 reflects IPDC Finance Limited's excellence in public service advertising, underscoring its impactful communication efforts in promoting Railway Safety.

While the authorizing committees responsible for these awards may vary, they typically consist of industry experts, professionals, and esteemed individuals who evaluate nominations based on predefined criteria. Their expertise and impartial judgment ensure the integrity and credibility of the award selection process, further enhancing the prestige of the accolades bestowed upon IPDC Finance Limited.

Promotion

Amongst the existing popular banks and financial institutions that took on primary shades for their brand color, IPDC decided to pick a very quirky magenta hue with an eccentric payoff line, "Jaago Ucchashe". Unlike its competitors, IPDC spread the notion of living unbound, beyond the confinements of life. After three decades of conventional modus operandi in the field of finance, one of the most magnificent rebranding in the history of the financial industry took place in the end of 2016, taking the nation by wonder.

Through a flamboyant mode of communication in social media targeting millennials, who are self-expressive, liberal and receptive to new ideas and ways of living, IPDC incorporated into its communication their expectations from a brand in order to make it a more favourable choice. A full-fledged digital plot with the right mix of GDN, GNR and YouTube goes hand in hand with other mediums.

IPDC believes collaboration is key for innovation, therefore, it associates itself with promising educational institutes, media houses and independent associations to have a bigger and louder reach across the country. Apart from engaging in sponsorships, IPDC has undertaken ground-breaking initiatives, such as Unsung Women Nation Builders Awards, in association with The Daily Star, to accredit the female change makers from the grassroots.

Brand Values

At IPDC Finance Limited, we firmly believe that the greatest achievement of any individual lies in being able to cherish each day. Our mission is to alleviate the challenges people face by providing financial assistance, enabling them to live unrestricted lives. As a brand, IPDC Finance holds the power to weave narratives throughout every stage of life, from infancy to old age. We aspire to shape stories by empowering our clients to pursue their dreams and experience boundless joy. Whether it's the thrill of purchasing a new car, the satisfaction of owning a home, the pride of pursuing higher education, the excitement of launching a new startup, or simply the tranquillity of retiring to a beach, IPDC Finance endeavours to be there every step of the way, facilitating moments of fulfilment and liberation.

DIGITAL PRESENCE

facebook

				
IPDC Finance	IPDC Amader Gaan	IPDC Priti	IPDC EZ	Priyoshikkhok
421,884	141,625	52,297	1,386	5,000

FOLLOWERS

facebook

				
IPDC Finance	IPDC Amader Gaan	IPDC Priti	IPDC EZ	Priyoshikkhok
408,695	95,362	52,877	1,072	5,100

LIKES

YouTube

	
IPDC Finance	IPDC Amader Gaan
2,948	1,255,622

SUBSCRIBER

LinkedIn


IPDC Finance
40,613

FOLLOWERS



IPDC Finance
40,613
FOLLOWERS

PRODUCT FORMULATION AND INNOVATION

Product Formulation

In 2023, amidst a rapidly evolving financial landscape, IPDC continued its legacy of pioneering ventures, building on decades of expertise and commitment to innovation. Since its inception, IPDC has been at the forefront of driving economic growth and facilitating financial inclusion in the nation. Over the years, IPDC has consistently adapted to the changing needs of businesses and individuals, offering a comprehensive suite of financial solutions tailored to various sectors and purposes.

IPDC's strategic vision for product innovation remained steadfast, guided by a commitment to leveraging emerging technologies and market insights to deliver value to its customers. Through continuous research and development efforts, IPDC aimed to anticipate and address the evolving financial needs of its diverse clientele.

Building upon its past successes, IPDC expanded its product offerings to include innovative solutions designed to empower entrepreneurs, support small and medium enterprises (SMEs), and foster economic development across the country. The introduction of new financial products and services aimed to provide greater access to capital, facilitate business growth, and enhance financial well-being for individuals and businesses alike.

In addition to its traditional banking services, IPDC continued to explore new avenues for financial innovation. Leveraging its expertise in blockchain technology, IPDC launched ORJON, Southeast Asia's First Blockchain-Based Digital Supply Chain Finance Platform, in partnership with IBM in 2019. This groundbreaking platform aimed to promote financial inclusion among MSMEs by providing easy access to collateral-free, low-cost credit through supply chain finance solutions.

IPDC's approach to product formulation emphasized the careful consideration of materials and their interactions to enhance properties, improve processing, and deliver active ingredients in convenient and usable forms. By focusing on innovation and customer-centricity, IPDC remained dedicated to driving positive change and fostering sustainable growth in the financial sector.

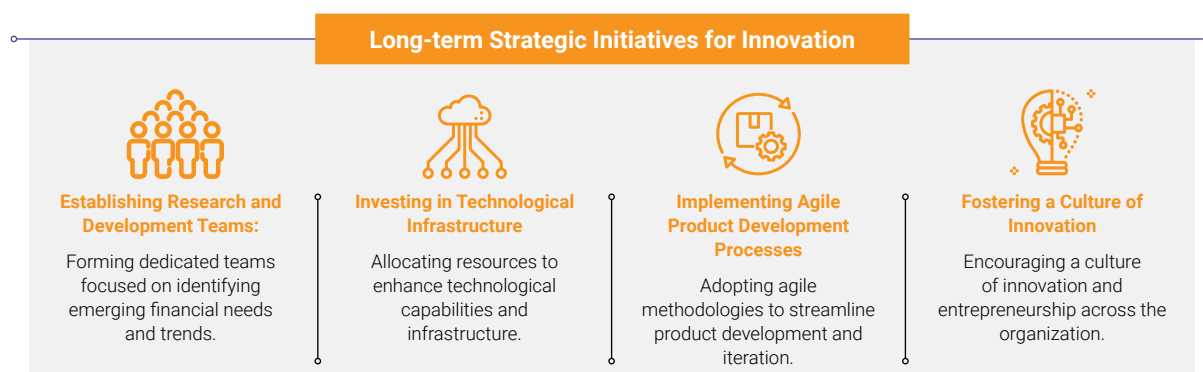
Product innovation

IPDC has long been recognized as a pioneer in the financial sector, consistently pushing boundaries and embracing innovation to meet the evolving needs of its customers. With a rich history of groundbreaking ventures and a relentless commitment to progress, IPDC has cemented its position as a leader in driving economic growth and financial inclusion.



In its pursuit of excellence, IPDC has established strategic initiatives aimed at fostering innovation across various facets of its operations. These initiatives encompass a range of approaches, from harnessing

technological advancements to cultivating a culture of creativity and collaboration within the organization.



SERVICE ORIENTATION

At IPDC Finance Limited, we recognize that every customer harbors an ideal expectation of the service they anticipate when engaging with a financial institution. Service quality, therefore, is measured by how well a service aligns with these customer expectations. From its inception, IPDC has been rooted in the principles of superior service quality, robust corporate governance, and a culture of excellence, leading to its emergence as one of the most esteemed financial brands in the country.

Initiatives for service excellence:

- **Commitment to Service Quality:** IPDC places a strong emphasis on service quality as a cornerstone of its business strategy, recognizing its pivotal role in enhancing customer satisfaction and fostering loyalty.
- **Proactive Customer Engagement:** IPDC has implemented significant changes to proactively meet customer demands and requirements. Notably, the establishment of a dedicated complaints cell within the organization underscores its commitment to ensuring prompt and satisfactory resolution of customer issues.
- **Customer Feedback Integration:** Customer feedback is viewed as a crucial driver of improvement at IPDC. The company actively solicits and utilizes customer feedback to effect meaningful changes and continuously enhance its products and services.
- **Customer Loyalty Programs:** IPDC has introduced exclusive customer loyalty programs, offering priority services to select clientele as part of its commitment to fostering long-term customer relationships.

In line with our customer-centric approach, we have embarked on various customer-facing initiatives to enhance the overall customer experience. This includes the introduction of innovative customer loyalty programs and the leveraging of technology to ensure the highest levels of customer satisfaction.

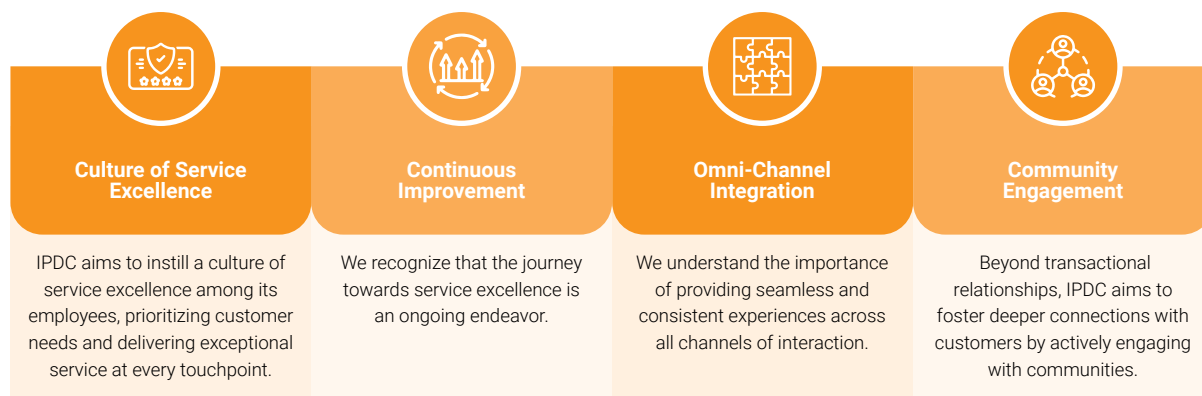
Looking ahead, IPDC is poised to introduce groundbreaking digital supply chain financing solutions, further demonstrating our commitment to innovation and meeting the evolving needs of our customers. Additionally, plans are underway to scale up retailer financing and Consumer White Good Financing (CWGF) in collaboration with major manufacturers, aiming to provide accessible financial solutions to a wider customer base.

At IPDC Finance Limited, we firmly believe that innovation is intrinsically linked to meeting customer expectations. Extensive market research is regularly conducted to gain insights into evolving customer needs, driving our efforts to introduce new products and processes that resonate with our clientele.

Moreover, we recognize that motivated employees are crucial in ensuring customer delight. Our people are our brand ambassadors, and their interactions with customers are instrumental in shaping our brand reputation. To this end, we have implemented various initiatives to keep our employees engaged and motivated, fostering a culture of excellence and customer-centricity throughout the organization.

In addition to our current initiatives, IPDC Finance Limited is committed to fostering a long-term strategic vision centered around service orientation.

Long-term Strategic Initiatives for Innovation



Creating an Extraordinary Customer Experience

IPDC believes that competing in the market is not possible only with the price factor alone, customer satisfaction is the most important factor to become the business leader. The ability of the company to remain in the business is necessary to win customers over competition. Creating Superior and extra ordinary customer experiences is the key success factor for us.

IPDC is constantly looking for areas of innovation and ways to meet the demands of a 21st-century customer. We are looking for ways to improve our customer service, which creates benefits in our company. Such as;

- **Empowering our employees:** Our customer service employees are our front line. As such, we ensure that we have the right resources to provide exceptional customer service. Empowering employees

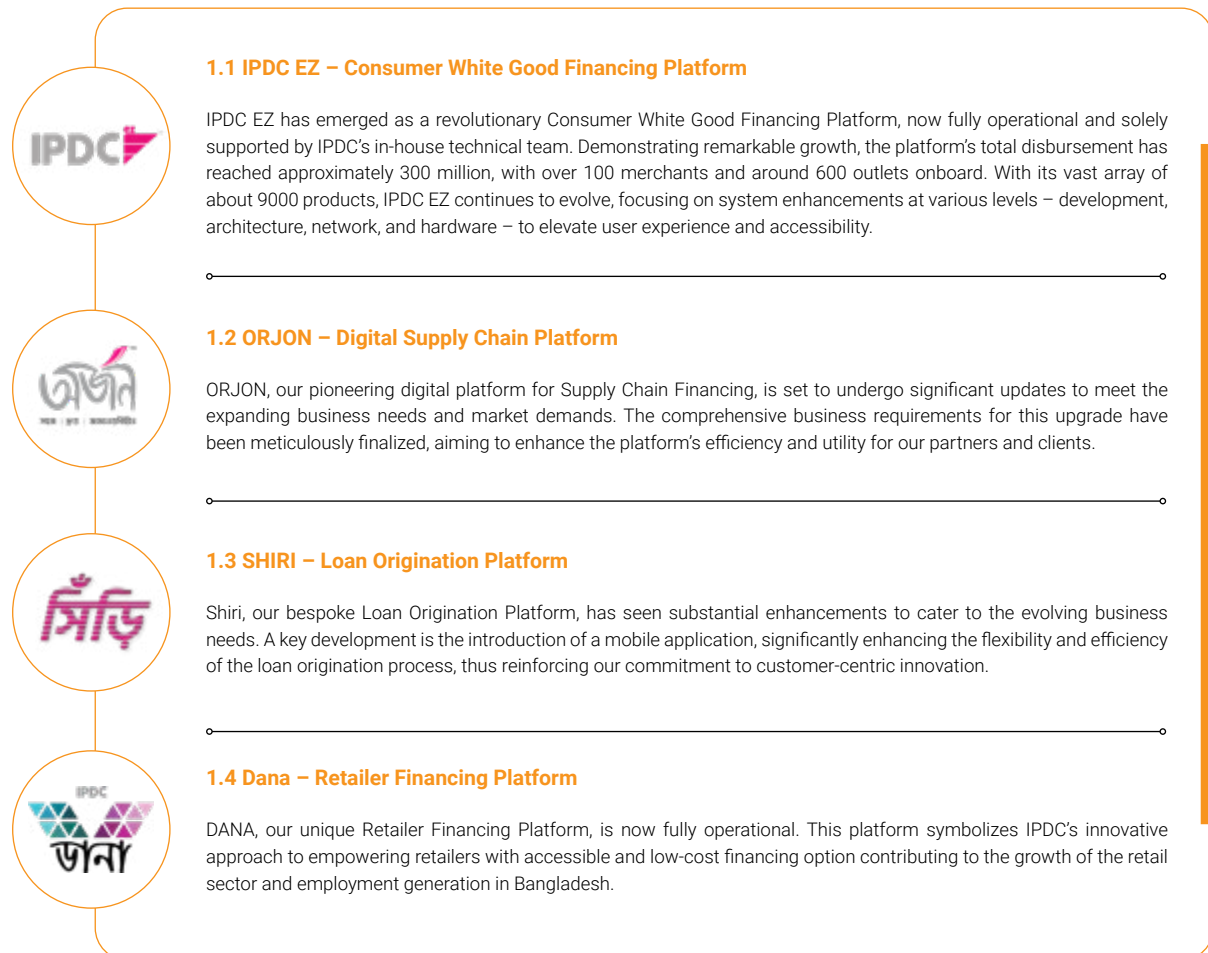
with fast access to information and streamlined processes is the first step to improving employee productivity and employee satisfaction.

- **Staying Consistent Across All Touch Points:** Providing consistent and accurate information across channels is a priority at IPDC. Providing consistent information is becoming more and more crucial for institutions hoping to provide the best in banking customer service.
- **Embracing Financial Technology:** Staying in compliance with strict regulations and meeting customer demand for immediate, on-the-go service are issues banks and credit unions are constantly struggling. Exploring advances in mobile payment options, to increase security, integrating systems and converting old data to new formats etc.

IT CAPABILITIES AND DIGITAL TRANSFORMATION

1. Business Transformation Initiative

In 2023, IPDC's journey towards digital excellence continued to gain momentum, building upon the substantial advancements made in the previous year. Our commitment to revolutionize business operations and customer interactions through digitalization remained at the forefront of our strategic initiatives. This year, IPDC has not only enhanced existing digital solutions but also successfully launched new technological advancements.



Other Business Transformation Initiatives



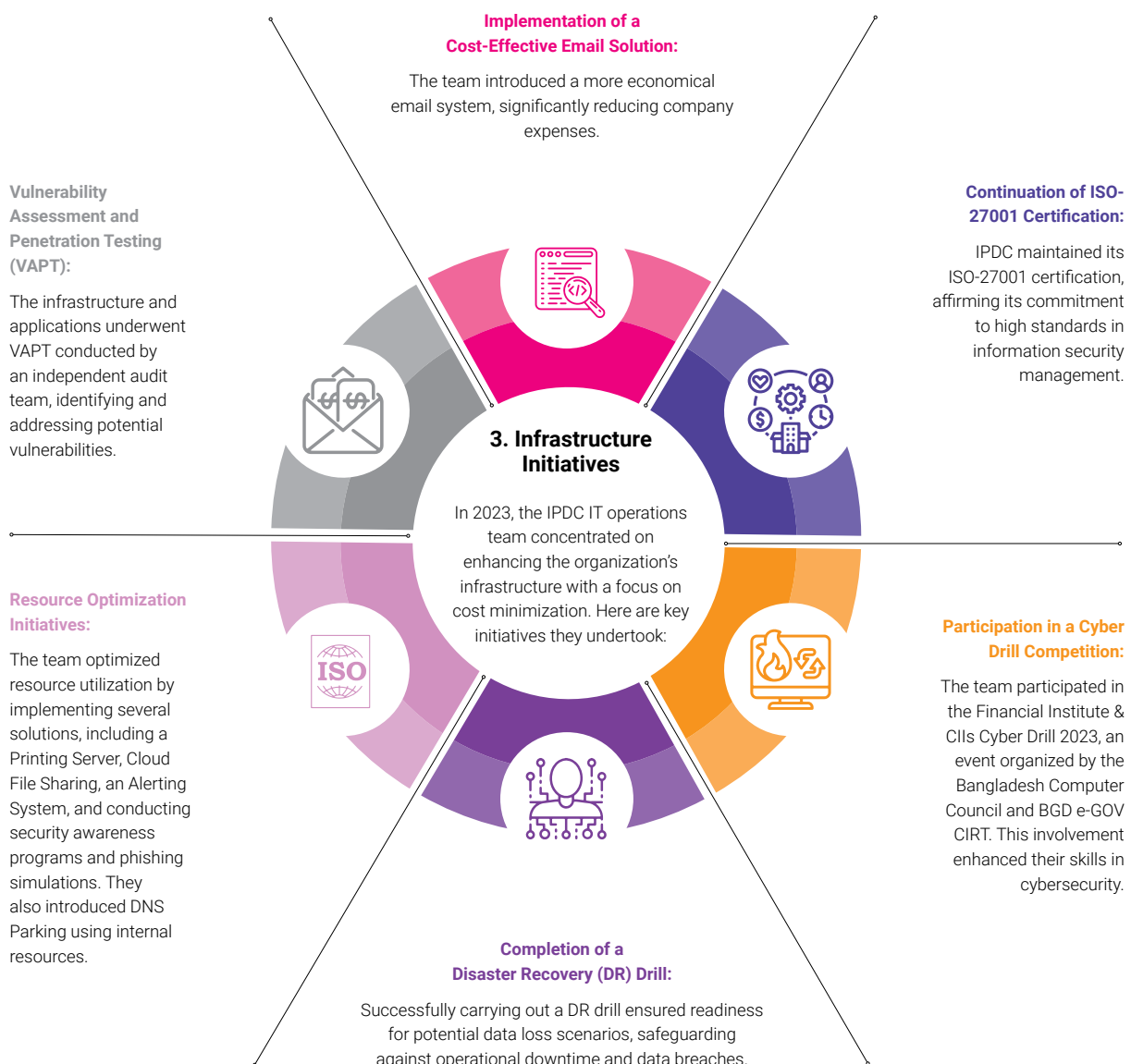
2. Governance Structure

IPDC's robust IT governance structure continues to play a pivotal role in guiding our digital transformation journey. The IT Steering Committee, comprising MANCOM members, the IT team, and subject matter experts, remains instrumental in aligning IT initiatives with IPDC's strategic goals.

The IT Steering Committee's role has been pivotal in overseeing and prioritizing IT projects. This year, the committee's focus has been on:

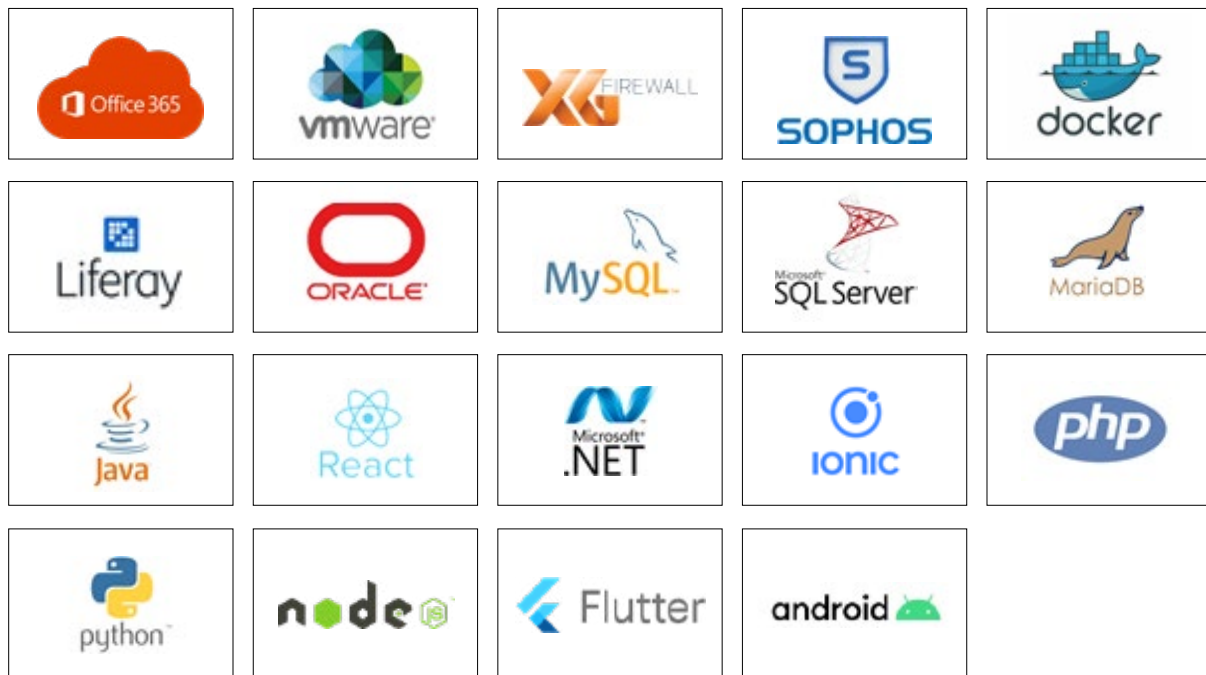
- Prioritizing IT projects aligning with organizational goals.
- Approving new IT initiatives and ensuring their strategic fit.
- Providing advice on IT operations and assessing the impact of IT investments.
- Steering the organization towards managing ICT risks effectively.
- Guiding on funding and sourcing of IT resources.
- Evaluating and approving project priorities and ensuring risk management measures are in place.
- Directing compliance with regulatory and statutory requirements in line with Bangladesh Bank guidelines.

These initiatives and governance structures illustrate IPDC's unwavering commitment to digital innovation and operational excellence, setting a benchmark in the industry.



These initiatives not only reduced costs but also enhanced the overall security, efficiency, and operational resilience of IPDC's IT infrastructure.

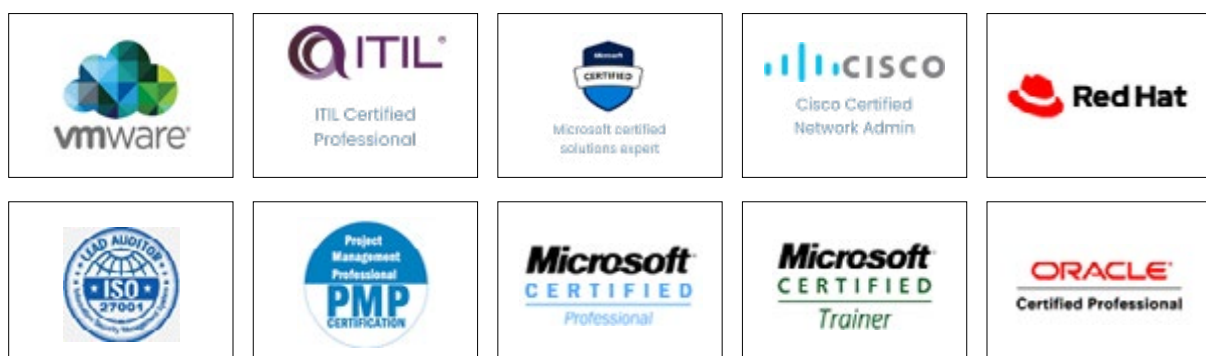
4. Technologies Used



5. Our Partners



6. Our Team Certifications:



HUMAN CAPITAL

At IPDC, human capital isn't just about workforce; it's about enhancing their skillset, making them ready for future and creating an enabling work environment where they can exhibit their full potential. Due to the global economic crisis and rapid technological advancement in 2023, our priority for managing human capital shifted. Highlights of 2023 were:

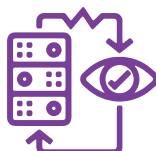
2023 Highlights

 Promoting Diversity, Equity & Inclusion (DEI)	 A Culture of Continuous Learning	 Technological Enhancement in HR	 Engaged Workplace
Stressed for a diverse workforce hiring employees irrespective of gender, race, religion, color, ethnicity etc	Focused more on need-based training through application of 70:20:10 rule of learning.	Implemented new HRIS platform "इडिसन" in the year 2023 for better employee services which previous HRIS lacked.	Conducted townhall every month combining physical and virtual platform, to build synergy among our employees.

Long-term Strategy

- Foster a culture of inclusivity and diversity through ongoing education and support programs.
- Cultivate a learning environment that embraces the 70:20:10 approach for continuous professional development.

Value Creation	Optimizing Human Capital Outcomes	Tradeoffs	Outlook
• Prioritize ongoing skill development to meet customer demands effectively. • Promote a workplace culture based on ethics for sustainable growth. • Maintain agility within the team.	• Streamline our processes and simplify our job. • Ensure a culture of continuous learning. • Leverage technology and develop our employees. • Curating our culture and making it a value driven organization.	• Maximize in-house skills • Mitigate financial capital drain by balancing human capital investment with operational needs. • Ensure efficient use of resources by aligning human capital investments with organizational goals and priorities.	• Prioritize talent review processes and succession planning. • Implement individual development plans for continuous growth. • Sustain current engagement initiatives while introducing new programs for a highly engaged workforce.



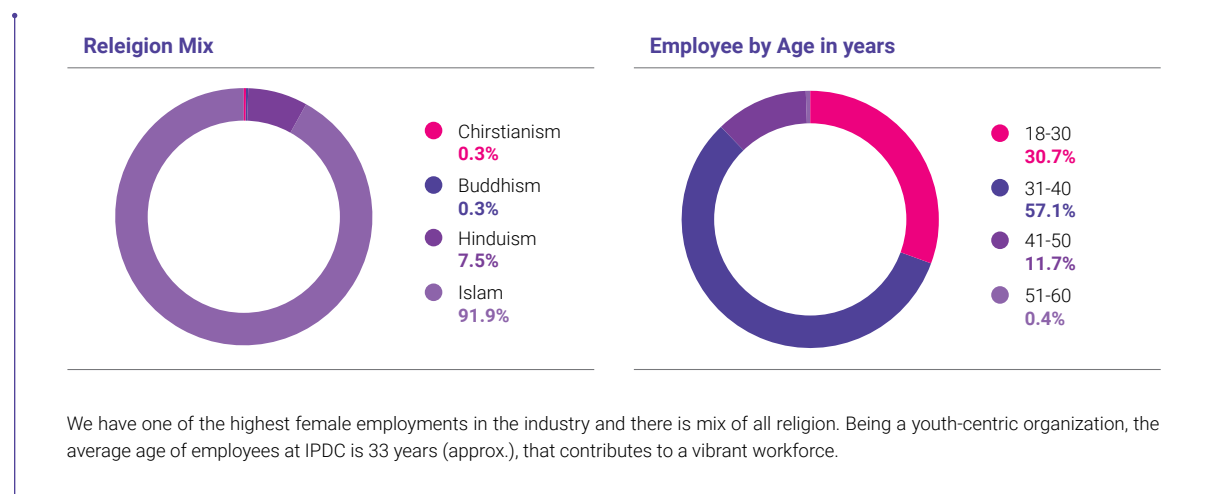
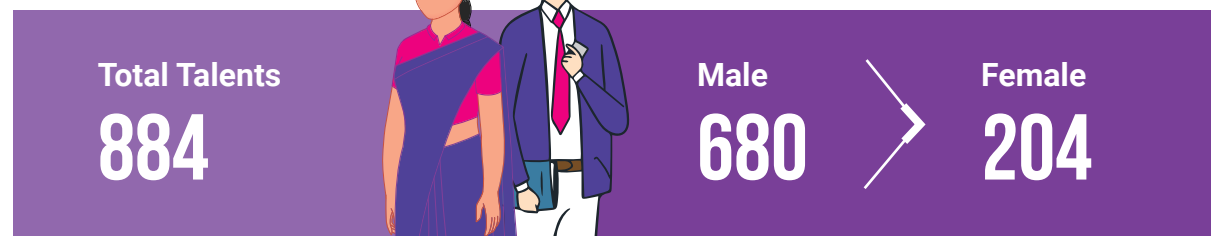
Outcome and Performance Review

		
IPDC has been adhering to rigorous recruitment processes to select the right resources for the Company and has been offering competitive packages to attract the best talent.	IPDC has been running multiple need-based training programs with a view to rejuvenating its human capital.	Nurturing a culture of employee engagement through various formal and informal events.

STATEMENT OF HUMAN CAPITAL

In the light of the global economic downturn and our country's current financial challenges, we decided not to expand our resource allocation in 2023. Instead, our primary focus was on fostering employee development and ensuring a work environment where employees can unleash their full potential.

Our Talent Strength



Employer Branding Initiative

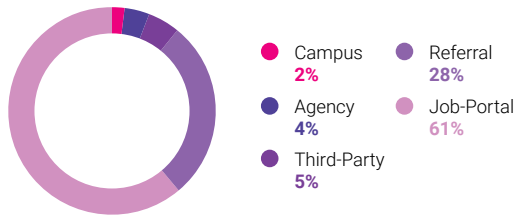
To raise awareness among upcoming graduates and inspire them to consider a career at IPDC, we organized multiple CAREER talks at prestigious universities in 2023. We also participated in career fairs to engage with prospective candidates along with showcasing opportunities at IPDC.



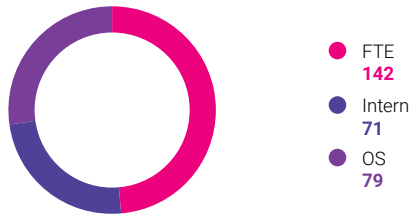
Talent Acquisition

At IPDC, we hire talents with innovation, passion, tech savvy and a team-based approach through competency-based interview and assessment center. We maintain a free, fair and equal employment opportunity for all. All our job advertisements are circulated in all available job sites prevailing in the country. The following graph outlines a summarized overview of our recruitment in 2023, offering transparency and insight into our impartial hiring practices.

Recruitment Sources- 2023



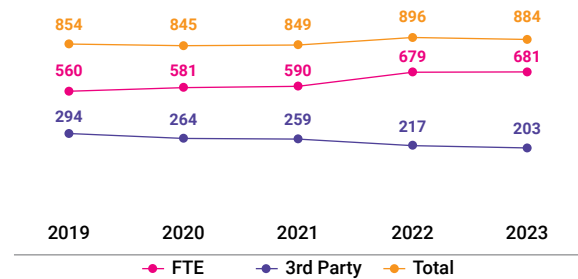
Joined - 2023



Growth & Distribution of Human Resources

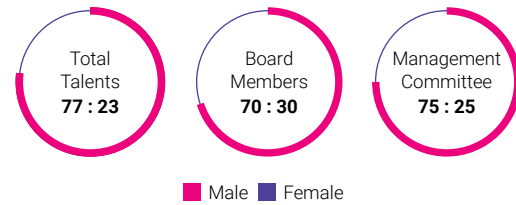
IPDC has grown exponentially over the past 5 years as demonstrated in the figure with the total number of employees reaching to 884 in the year 2023. Expansion of human resources, through effective recruitment and training of employees based on business needs, have taken place among all the departments with Retail Business and Business Finance being the two departments with the highest number of employees.

Employees over the last 5 Years



Gender Ratio

We are one of the most gender balanced organizations in the industry. We not only focus on women employment but also focus on women empowerment. We continuously thrive to foster on a gender balance organization by recruiting more female talent. 4 out of 8 Business units are led by Female.



Attrition Rate

We aim to keep our employees engaged and motivated. However, it is not always feasible and possible to make sure that no one separates from IPDC. Our attrition rate in 2023 is 15%. Although it is below industry standard but reducing it is a top priority for us in the coming years.

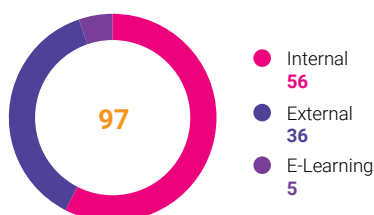
Employee's Competencies and Capacity Development

At IPDC we always work to improve our employees' competencies and capabilities to bring out the best possible outcome from them. In the year 2023, due to Bangladesh Bank restrictions, all the trainings were conducted inside Bangladesh. Therefore, our efforts towards employee training in the year 2023 were mainly on:

- Focused more on internal training. Inhouse SMEs (Subject Matter Experts) were assigned to impart training on their area of expertise to our employees.
- Emphasis was given to e-learning.
- Orientation sessions for new joiners were made robust.
- Assigned buddies for all new joiners.

Summary of 2023 training is pictured below:

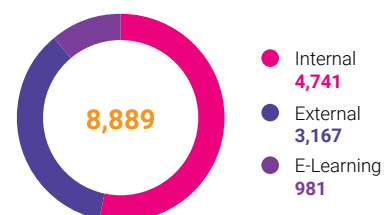
No. of Training Sessions



Total Participants
635 FTE & 188 OS

Unique Training
38

Total Training Hours





Performance Management

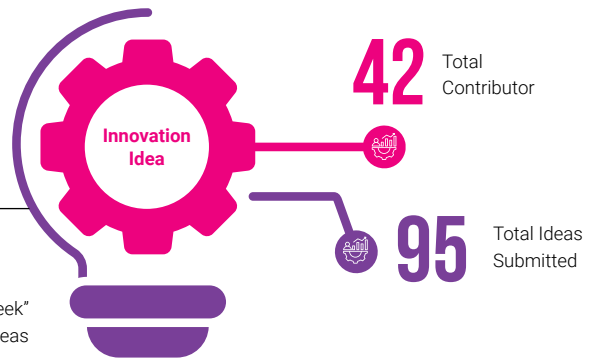
At IPDC, we practice a performance driven culture. Our performance management has 3 cycles:



Based on year-end review; promotion, yearly increment, and performance bonus are finalized. Promotion and increment are also executed during the year for exceptional performance of an employee and to meet exigencies. To support employees with performance issues, we offer a specialized three-month development program known as the "Performance Improvement Plan. In 2023, we conducted an improvement plan for 36 employees and 24 employees successfully improved their performance.

Internal Career Growth

At IPDC, we always focus on placement of internal employees when a role is vacant considering the growth of our employees. To achieve this, we have succession planning in place for every critical role. In the year 2023, 12 critical roles were filled in by internal employees against 21 vacant critical roles.



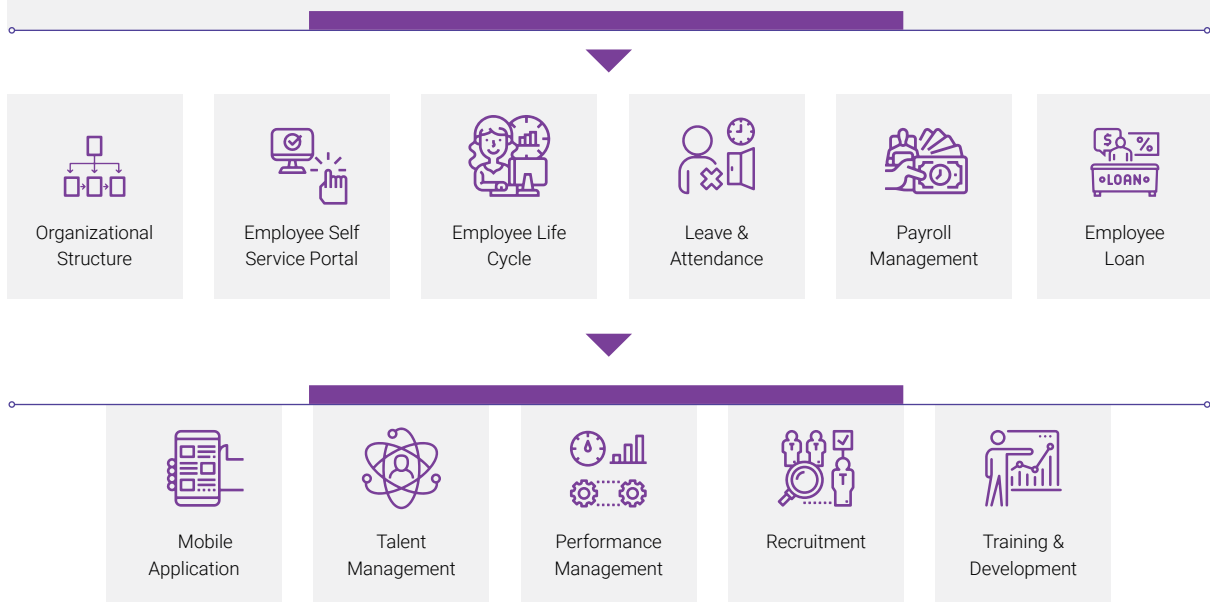
Promoting Innovation at Work

We encourage innovation in our work culture. organized "Innovation Week" in the year 2023, where employees were asked to submit innovative ideas which would improve our business practices. During the event, 42 employees submitted a total of 95 innovative ideas. At the end of the innovation week, the winner, 1st runner up and 2nd runner up were declared and rewarded.

Enhancement of HRIS

We installed a NEW HRIS in the year 2023 named after our head office address "इष्टिमन १०६", with an aim to provide best possible HR support to our employees which previous HRIS lacked. This covers the full spectrum of HR services considering the total life cycle of an employee.

Key modules include:



Employee Safety & Security

Safety and security of employees are our topmost priority. Employees are provided with a safe and secure work environment. In addition to prevailing arrangements, following initiatives were taken in the year 2023 for a safer and secure workplace:

- Yearly firefighting and emergency response procedures were practiced in every office.
- First-aid boxes are placed in every office.
- Agreements are made with renowned hospitals for emergency services and discount facilities for our employees.
- Employees are covered by hospitalization and life insurance.
- Pool cars provided for late office work.
- Day care service is opened in 2023 so that employees feel safe and relaxed at work and their baby is taken care of at office premises.
- Several awareness sessions were organized during the year for improvement of employee health.

Curating Work Culture

We always foster to ensure a workplace where employees feel empowered, respected, valued and relaxed to deliver their assigned jobs to their best efforts. Few initiatives to make our work culture more engaged and safer in the year 2023 were as follows:

- Arranged session on "Safeguarding", prevention against gender-based violence and harassment where 358 employees participated.
- We conducted 5 sessions on values and "Code of Conduct" throughout the year to remind employees regarding their conduct within the workplace.
- We conducted "Yoga" and mental wellbeing sessions for employees to keep them mentally and physically fit.
- We celebrated important days i.e. Women's Day, Men's Day, Pohela Boishakh, Pohela Falgun and Valentine's Day to bring agility within the team and keep them engaged.
- There were arrangements for different indoor games i.e. table tennis, carom, Ludo, chess etc. within the organization and competitions were arranged to keep employees energized and motivated.
- We rewarded top sale performers and support functions quarterly.
- Rewards were also given for excellence, achievement and the chairman's award annually.



Men's Day Celebration



Fitness Session



Falgun Celebration



Indoor Games

HUMAN RESOURCE ACCOUNTING

Human Resource Accounting is an attempt to identify, quantify and report investment made in Human resources of an organization that is not presently accounted for under conventional accounting practice. helps to determine how much investment the company has made on its employees and how much return it can expect from this investment.

in BDT mn, % unless otherwise stated

Particulars	2019	2020	2021	2022	2023
Number of Employees	854	845	849	896	884
Average Number of Employees	727	850	847	873	890
Loan Portfolio per Employee	69.8	63.1	77.1	78.1	79.3
Customer Deposit per Employee	48.9	48.7	57.3	54.5	56.9
Revenue per Employee	3.0	3.3	4.1	3.7	3.3
Operating Cost per Employee	1.4	1.4	1.5	1.7	1.8
Operating Profit per Employee	1.6	2.0	2.6	2.0	1.5
Net Profit per Employee	0.8	0.8	1.0	1.0	0.4
Staff Benefit Cost per Employee	0.8	0.8	0.9	1.0	1.1
Staff Cost as a % of Operating Expense	57.73%	60.23%	59.66%	58.17%	62.59%



Implications for IPDC

Rather than looking at employees as costs, the system is redirected toward viewing them as assets. This can involve the assignment of values to employees based on their experience, education, innovativeness, leadership, and so forth.

Given that no HR specific accounting standards exists, IPDC does not capitalize any Human Resource related cost and follows conventional method of accounting. However, IPDC utilizes the concept of HR accounting to measure employee productivity and considers these findings in management decision making.



Performance in 2023

Even though employee base of IPDC decreased from 896 to 884 in 2023, average employees increased from 873 to 890. Loan portfolio per employee increased to BDT 79.3 million in 2023 from BDT 78.1 million in 2022. Staff cost as a percentage of operating expense increased from 58.17% in 2022 to 62.59% in 2023. Operating profit per employee decrease to BDT 1.5 million as the overall operating profit for IPDC decrease and stood at 1,300 million in 2023.

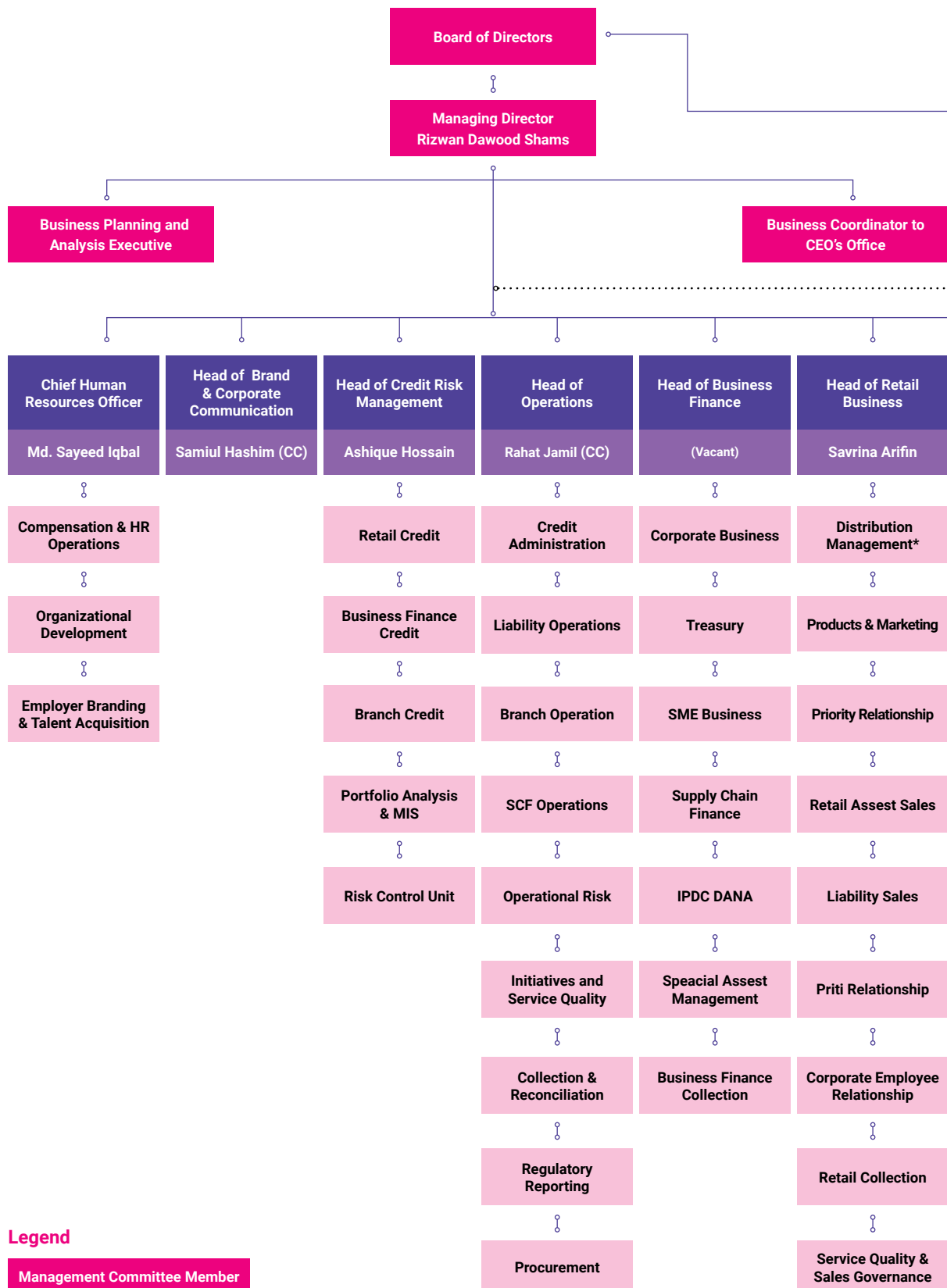


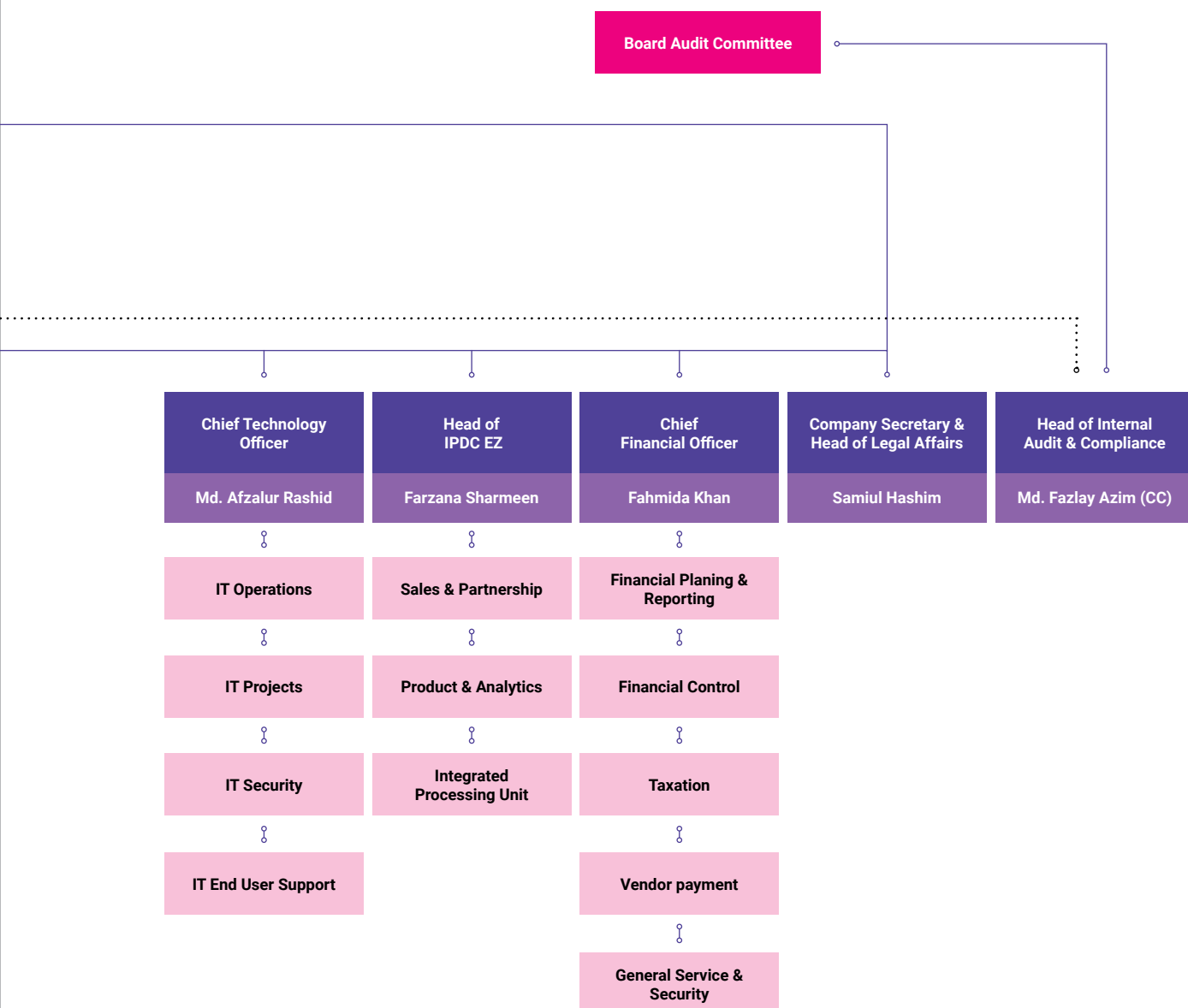
Our Future Priorities

Our future priorities are based on present and future business needs and equipping our employees and organization accordingly.

1. To build a "Dream Team" by hiring and retaining talents from diverse backgrounds and transforming it into an "Agile Organization" through empowered teams and individuals.
2. Create a diverse and inclusive work environment where talents from all backgrounds feel safe and welcomed to create an environment of trust for increased employee engagement, innovation, and productivity.
3. Assign HR representative for every business unit with special focus to strategic products to align people strategy with business strategy.
4. Equip and support leaders with the skills they need to lead teams in today's VUCA world to transform IPDC into an "Agile Organization".
5. Ensure a culture that promotes customer centric mindset in the attitude of every IPDCian, create extraordinary customer experience and achieve competitive edge.
6. Create a work environment where talents feel respected, enjoy ethical work culture, exhibit creativity, and feel happy to join work with a smile.

IPDC FINANCE LIMITED ORGANOGRAM





SOCIAL AND RELATIONSHIP CAPITAL

Social and relationship capital is the cooperative and supportive relationships we share with our customers, clients, capital providers, industry associations, regulators, strategic partners and other stakeholders in our ecosystem. We create, develop, maintain and nurture these relationships to stay socially relevant and operate as a responsible corporate. It is important for IPDC to be responsive to the needs and interests of all stakeholders and to build social trust through authentic corporate citizenship.

2023 Highlights

 Stakeholder Management	 Employee Volunteerism	 Social Investments
Introduced revamped format of Investors Meet to better reach stakeholders	Provided support for platforms to utilize the employee skills towards solving social issues.	Invested in education, sports, culture, and arts

Long-term Strategy

- Deploy additional resources to monitor shift in stakeholder sentiment and address stakeholder issues promptly
- Developing a platform, preferably web-based, to spread financial knowledge
- Collaborating with international bodies to finance such initiatives

Value Creation	Tradeoffs	Outlook	Performance Review
• Social and relationship capital facilitates the creation of new business opportunities and contributes to the development of other forms of capital. • Collaborative work practices and customer-centricity strengthen trust with customers, employees, suppliers, and communities.	• Investment in community through social programs reduces financial capital initially but enhances growth in the long term. • CSR campaigns contribute to improvement in both natural & social capital. • Long-term benefits include strengthened community relationships and enhanced social capital.	• Primary focus on Small & Medium Enterprises (SMEs) in business expansion efforts. • Collaboration with market players to serve as a catalyst for young entrepreneurship development. • Reinvestment of savings from lower tax rates back into the economy to boost overall tax contribution.	• IPDC, as a value-driven company, remains committed to creating societal value. • Continued offerings such as IPDC Manobota and Shubodh prioritize societal impact over profitability. • Detailed discussion available in subsequent sections of Social and Relationship Capital.



Approaches to Optimizing Social and Relationship Capital Outcomes

			
Focus our CSR efforts on health, socioeconomic infrastructure and education in rural communities	Effective and frequent engagement with stakeholders to address material issues	Continuing to forge and strengthen partnerships with our supplier	Build reputational value and market visibility to attract vital competencies

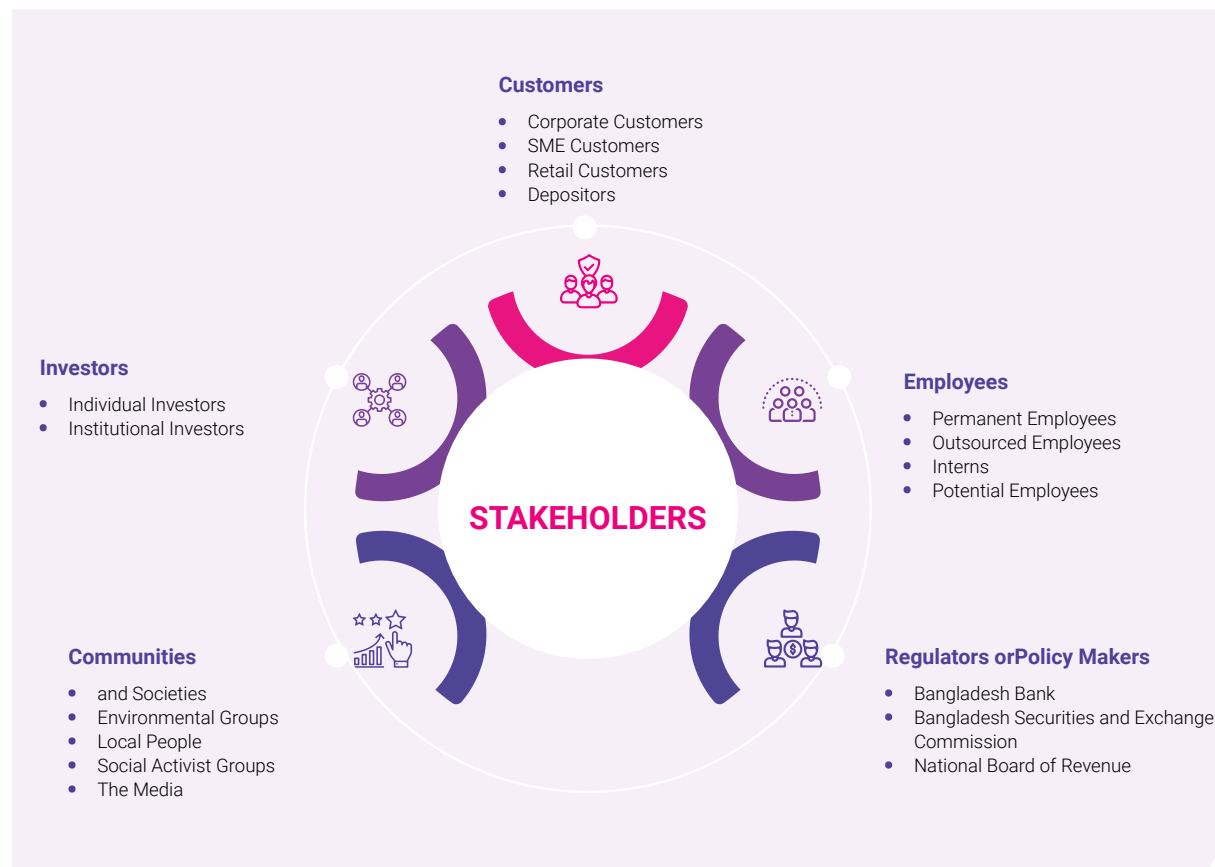
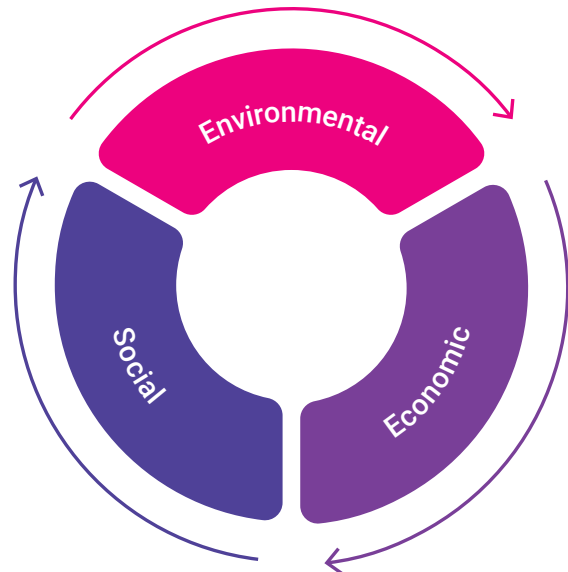
OUR APPROACH TO STAKEHOLDER ENGAGEMENT

The sustainability of our company depends on the sustainability of our stakeholder relationships. As such, we consider and engage not only shareholders, employees and clients, but also suppliers, public authorities, the local community and civil society in general, financial partners etc. The sustainability of our stakeholder relationships is the guiding principle for the managerial decision-making process and the pillar of a more comprehensive corporate strategy.

We derive significant value from our diverse stakeholders across all our activities and engage with, listen to and learn from them. Working in partnerships is crucial in delivering our vision to make the world healthier and more sustainable through innovation. We realize that engaging with our stakeholders is an important source of information to assist in defining risks and opportunities as well as setting our strategic objectives within the value chain. We incorporate their feedback on specific areas of our business into our planning and actions.

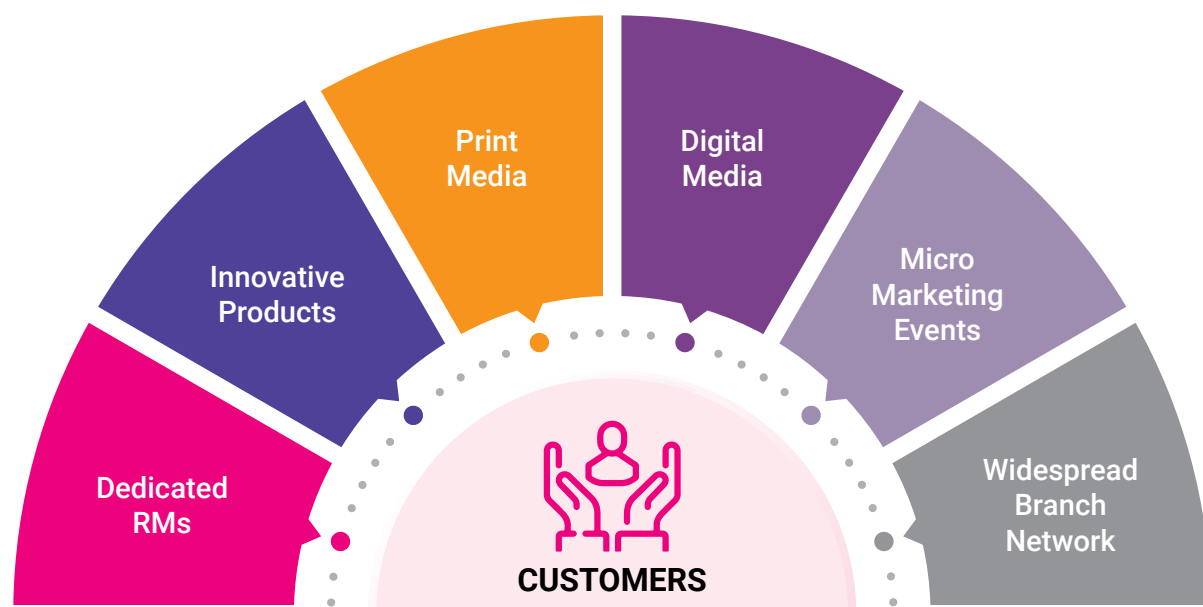
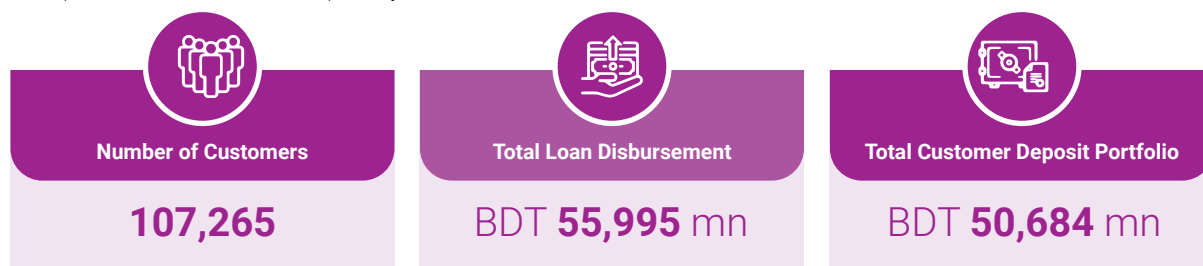
Identifying Our Stakeholders

IPDC recognizes that sustainable business can only be accomplished by engaging with its stakeholders and comprehending the impact of its operations on the environment. The criteria we utilize to determine our stakeholders are as follows::



Customers

At the core of IPDC's strategy lies a customer-centric approach. The company strives to gain a deeper understanding of its customers' unique needs and desires beyond mere demographic information such as names, ages and incomes. By doing so, IPDC can identify opportunities for growth and develop innovative solutions that cater precisely to the current and future demands of its customers.



Ways We Create Value for Our Customers

Safety of deposits

Status as of 2023: With a credit rating of AAA, IPDC stands as a trustworthy organization along with a strong management team and board that ensures the organization's steady financial health.

Long-term Initiatives/Commitments: Diversifying the portfolio with more focus on Retail (Bhalo Basha Home Loan) and SME (Joyee) to reduce concentration risk and better maturity matching with deposits to reduce liquidity risk further.

Timely loan disbursement

Status as of 2023: Our loan operation process is being reengineered to reduce loan disbursement time. Decentralization by introducing branch wise credit risk management and forming dedicated teams for loan disbursement of strategic products such as affordable home loan allowed IPDC to reduce disbursement time significantly.

Long-term Initiatives/Commitments: We plan to reduce the Turnaround Time (TAT) to half of the current processing, particularly for customers availing loans from branches outside of Dhaka.

Innovative & affordable services

Status as of 2023: IPDC is constantly working towards better, innovative and more diversified products such as Priti, Joyee and Bhalo Basha Home Loan for superior service for our customers.

Long-term Initiatives/Commitments: Our strategy revolves around the people beyond megacities. We are currently exploring ways to reduce our distribution cost through cost-effective distribution channels and focus more on digital channels which will translate into affordable products for consumers.

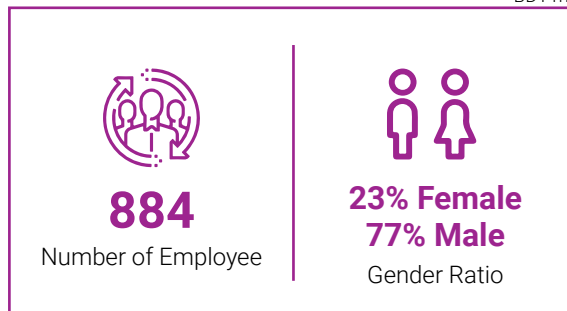
Employees

IPDC's employees are the key to its success and the company's steady growth requires an evolving approach to fulfil the potential of the people who work in the organization. We foster a spirit of innovation, shared engagement, and personal responsibility. We employed 884 people as of 31 December 2023 and we invested significant resources in ensuring our status as an employer of choice.

Forms of Engagement

Engagement Method	Frequency of Engagement
Meetings	As Necessary
One-on-one Discussions	As Necessary
Written Communication	As Necessary
Verbal Communication	As Necessary
Tender for Proposals	As Necessary
Annual Report	Annual
Trainings	As Necessary
Town Hall	Monthly

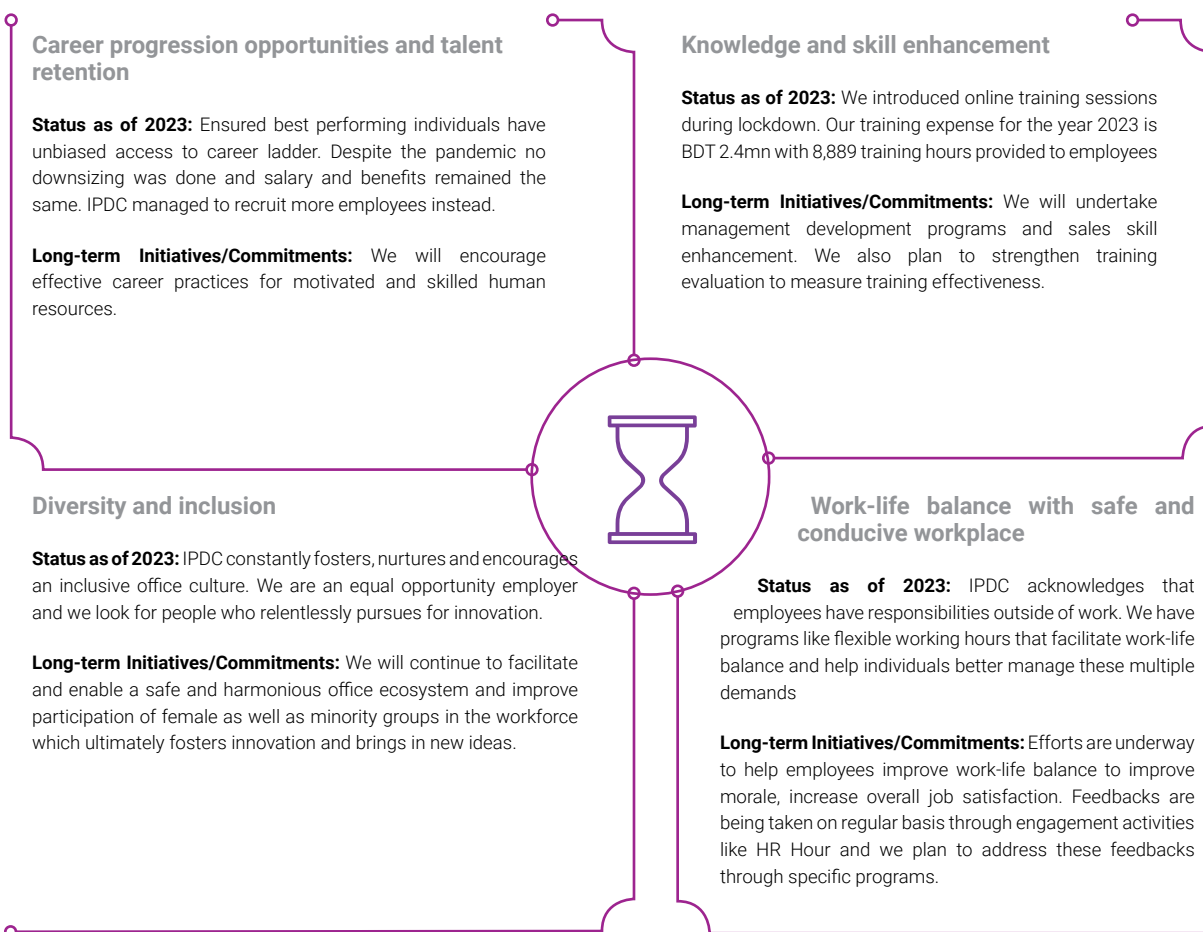
BDT mn



Why it is Important to Engage Employees

Interactions with our employees are the main ways that customers experience the brand of the Company. Hence, our employees are crucial to the achievement of our customer experience ambitions and are the foundation of our service proposition.

Ways We Create Value for Our Customers



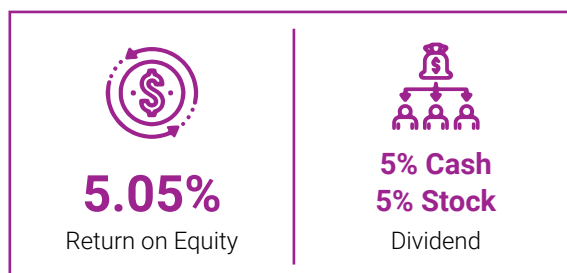
Further details on employee related initiatives can be found in the Human Capital Section of this report.

Investors

As a major source of capital, Investors require sustainable growth and information on a continuous basis to track IPDC's performance and achievements in enhancing shareholder wealth.

Forms of Engagement

Engagement Method	Frequency of Engagement
Website	Regular
Print Media	As Necessary
Email	As Necessary
Investors Meet	Quarterly
Postal Service	As Necessary
Annual Report	Annually
Extraordinary General Meeting	As Necessary
Annual General Meeting	Annual



Ways We Create Value for Our Investors

Financial position and Performance

Status as of 2023: IPDC's performance was strong, with net profit growth surpassing the industry average and low non-performing loans, as explained in the Message from the Top section.

Long-term Initiatives/Commitments: Our commitment is to sustain portfolio growth while controlling non-performing loans, leading to increased return on asset and equity as the portfolio matures.

Sustainability of business

Status as of 2023: IPDC Finance achieved business growth despite the pandemic, and also advanced towards sustainability through impactful social initiatives. More details can be found in Our Approach to Sustainability section of this report.

Long-term Initiatives/Commitments: We aim to undertake sector-specific activities and innovate technology-based solutions that capitalize on disruptive market developments and promote greater acceptance.

Effective communication of business strategy

Status as of 2023: Our communication efforts include disclosures of all mandatory as well as supplementary information through websites. Additionally, we have organized Investors Meet online on quarterly basis to communicate strategy updates to our investors.

Long-term Initiatives/Commitments: Continue looking for additional ways to increase governance and financial disclosures so that investors and stakeholders remain well informed about shift in company strategy.

Effective corporate governance with efficient risk management

Status as of 2023: IPDC understands the general expectations of its shareholders regarding Governance

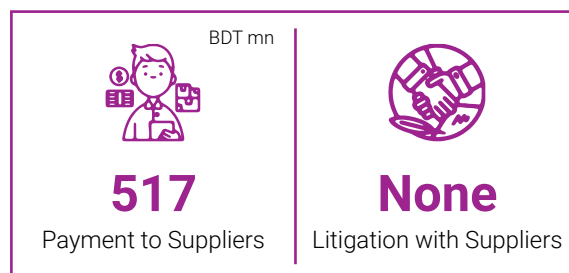
Long-term Initiatives/Commitments: Risk management processes will feature real-time integration and enterprise-wide sharing of internal data. Employees will have ready access to information on existing and emerging risks. Governance model will be upgraded as an ongoing process.

Suppliers

With increasing footprints, suppliers of goods and services to the institution is gradually becoming a key business partner. Our suppliers are integral to how we fulfil our customers' needs and we work closely with them to manage risks and drive continuous developments in the standards of performance through the procurement of goods and services.

Forms of Engagement

Engagement Method	Frequency of Engagement
Meetings	As Necessary
One-on-one Discussions	As Necessary
Written Communication	As Necessary
Verbal Communication	As Necessary
Tender for Proposals	As Necessary
Annual Report	Annual



Ways We Create Value for Our Suppliers

Compliance with contractual terms

Status as of 2023: We engage in mutually beneficial and sustainable relationships with our suppliers in an environment of equity, mutual respect and honesty. There have been no incidents in 2023 where IPDC failed to meet the contractual terms agreed with a supplier.

Long-term Initiatives/Commitments: We remain committed to ensure that our payment process is compliant with the best practices in the industry. In this regard, we will continually review and update our policies periodically.

On-time payment processing

Status as of 2023: As our business is growing, we are continually strengthening our procurement team and removing bottlenecks to make the payment process faster while maintaining all the compliance standards.

Long-term Initiatives/Commitments: Yearly review of the payment process to make sure that we have the best practices in the industry in this area.



Transparent procurement process

Status as of 2023: Our policies require us to go for competitive procurement activities and bidding processes that foster equal opportunity so that qualified suppliers can provide products and services that meet our requirements.

Long-term Initiatives/Commitments: We will continue to update our policy and practices to maintain high compliance standards in procurement which will ensure a transparent procurement process

Communities and Societies

IPDC interacts with many other people and groups who are not directly involved with the business activities of the company but have significant influence on it. These includes local residents, community development groups, environmental and development organizations, citizen associations, and non-governmental organizations (NGOs).

Forms of Engagement

BDT mn

Engagement Method	Frequency of Engagement
Website	Regular
CSR Initiatives	As Necessary
Social Media	Regular
Marketing Events	Regular
Press Releases	As necessary
Annual Report	Annual



12.53

CSR Spending

Ways We Create Value for Our Communities and Societies

Social responsibility and impact to society

Status as of 2023: IPDC took several initiatives to fulfil its social responsibilities in a manner that reflects the company's mission, vision and values. Further details regarding this can be found in Corporate Social Responsibility and Value-Added Statement Section.

Long-term Initiatives/Commitments: We intend to follow a "Shared Value" approach and undertake socially useful programs for welfare & sustainable development of the community at large.

Environmental stewardship

Status as of 2023: IPDC planted trees in the adjacent areas of branch offices and extensively using E-Documentation system for supporting paperless initiative. Further details regarding this has been discussed in the Environmental Initiatives section.

Long-term Initiatives/Commitments: Drive paperless initiative at branch level through utilizing the E-documentation platform.



Resource protection and energy efficiency

Status as of 2023: We have replaced old and inefficient motor vehicles and equipment for efficient use of energy. We have also taken fuel conservation efforts like video conferencing to reduce travel between offices.

Long-term Initiatives/Commitments: Reducing energy demands through optimizing work hours and reducing overtime work.

Effective corporate governance with efficient risk management

Status as of 2023: We have sponsored several social events which provided us a chance to directly interact with the local communities. Details in this regard can be found in Events and Sponsorship section as well as the Signature Events section

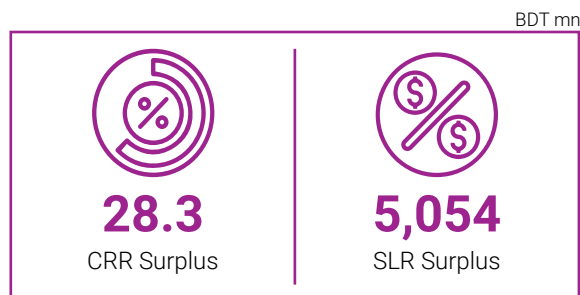
Long-term Initiatives/Commitments: Continue to sponsor value adding and sustainable methods of community engagement.

Regulators/Policy Makers

Regulators/Policy Makers consist of body, department or organization that supervises, monitors and controls an industry or business activity and have significant influence on the core operations of the business.

Forms of Engagement

Engagement Method	Frequency of Engagement
Meetings	As Necessary
One-on-one Discussions	As Necessary
Written Communication	As Necessary
Verbal Communication	As Necessary
Annual Report	Annual



Why it is Important to Engage Regulators/Policy Makers

Changes in policy and regulatory environment may provide opportunities or pose risk to our operations. Working closely with the regulators/policy makers ensures that our company evolves through a compliant and effective way.

Ways We Create Value for Our Suppliers



VALUE ADDED STATEMENT

"Value added" is the wealth which the Company has able to create by providing clients with a quality, value added service. This statement shows how the value so added has been distributed.

Value Added by the Company

Value Added	2019	%	2020	%	2021	%	2022	%	2023	%
Net Interest Income	1,942.8	118.1%	2,017.0	100.3%	2,783.1	117.9%	2,770.2	122.2%	2,422.6	106.9%
Commission, Exchange & Brokerage	78.2	4.8%	108.4	5.4%	180.3	7.6%	151.2	6.7%	207.3	9.1%
Investment Income	115.2	7.0%	638.7	31.8%	471.3	20.0%	202.1	8.9%	232.5	10.3%
Other Income	29.6	1.8%	65.7	3.3%	10.0	0.4%	123.5	5.4%	40.0	1.8%
Management expenses ex-cluding salaries & allowances, depreciation	(330.3)	-20.1%	(341.1)	-17.0%	(383.5)	-16.2%	(483.7)	-21.3%	(462.3)	-20.4%
Provision for doubtful losses	(190.8)	-11.6%	(478.2)	-23.8%	(700.0)	-29.6%	(495.9)	-21.9%	(639.3)	-28.2%
Total Value Added by The Company	1,644.6	100.0%	2,010.5	100.0%	2,361.2	100.0%	2,267.3	100.0%	1,800.8	79.4%

Distribution of Value

Value Added	2019	%	2020	%	2021	%	2022	%	2023	%
Employees										
As salaries & allowance	566.5	34.4%	692.8	34.5%	740.6	31.4%	864.8	38.1%	1,003.1	44.2%
Provider of Capital										
Dividends to shareholders	327.2	19.9%	530.1	26.4%	445.3	18.9%	445.3	19.6%	371	16.4%
Government										
As taxes	431.1	26.2%	495.9	24.7%	622.3	26.4%	363.4	16.0%	317.5	14.0%
Expansion & Growth										
Retained as capital and re-serve	235.2	14.3%	175.4	8.7%	435.7	18.5%	455.7	20.1%	(28.0)	-1.2%
Depreciation	84.5	5.1%	116.3	5.8%	117.2	5.0%	138.1	6.1%	137.2	6.1%
Total	319.8	19.4%	291.7	14.5%	553.0	23.4%	593.8	26.2%	109.2	4.8%
Total Distribution of Value Addition	1,644.6	100.0%	2,010.5	100.0%	2,361.2	100.0%	2,267.3	100.0%	1,800.8	79.4%

STATEMENT ON CONTRIBUTION TO GOVERNMENT EXCHEQUER

For the year ended 31 December 2023

Particulars	2019	2020	2021	2022	2023
Withholding Tax					
Salary	23,146,650	24,623,687	32,164,871	44,198,218	48,189,625
Interest on savings deposit	349,449,706	422,820,132	311,350,282	474,471,609	569,225,560
Payment of Supplier	4,738,528	1,892,688	4,660,801	4,091,390	2,641,047
House Rent	1,155,978	1,072,143	1,058,749	1,439,694	1,900,163
Dividend Payment	15,000,000	36,947,074	45,020,223	46,101,727	38,514,945
Payment for Professional & Technical Services	4,326,115	1,587,483	2,314,463	3,283,467	2,124,579
Others	18,729,582	7,334,202	27,235,207	86,799,094	90,871,222
Total Withholding Tax	416,546,559	496,277,409	423,804,596	660,385,198	753,467,141
VAT					
House Rent	4,391,499	5,087,170	5,706,564	6,984,205	8,453,902
Processing, Documentation Fee etc.	12,323,267	11,731,558	21,462,148	19,592,023	21,282,724
Procurement of goods and services	6,736,513	4,983,283	7,333,892	9,553,907	6,499,135
Legal, Professional & Technical Fees	6,436,705	2,305,302	6,230,295	7,815,827	5,374,401
Director Fees	68,400	93,600	86,400	84,000	121,600
Promotion	4,170,241	1,967,511	2,896,853	2,260,307	1,864,178
Others	8,169,290	7,355,198	6,996,912	13,520,946	14,400,352
Total VAT	42,295,915	33,523,622	50,713,064	59,811,214	57,996,291
Corporate Tax	392,364,068	307,549,101	373,194,584	666,739,322	628,737,138
Excise Duty	39,289,100	54,432,150	76,084,550	79,471,618	102,194,400
Total Paid to Government Exchequer	890,495,642	891,782,282	923,796,794	1,466,407,352	1,542,394,971

NATURAL CAPITAL

Banks and financial institutions utilize natural resources, resulting in carbon emissions from activities such as travel, office operations, and paper usage, which can harm the environment. Additionally, financing environmentally adverse projects can further exacerbate these negative impacts. At IPDC, our capital is intricately linked to natural resources, which are essential for value creation. As a non-banking financial institution, we prioritize deploying our financial resources in ways that support the preservation and sustainability of natural capital or reduce its depletion.



Responsible use of resource

Subsidied the uses of plastic, paper, glass and metal whenever applicable



Climate-oriented product

Created awareness on the responsibility IPDC has assumed towards transition to a low carbon economy



Fight against climate change

Strengthened green financing initiatives to tackle issues caused by climate change

Long-term Strategy

Utilizing e-bills, mobile banking channels, and electronic services is a strategic approach employed by IPDC to reduce paper waste and promote environmental sustainability. By shifting towards digital platforms for transactions and communications, IPDC aims to minimize its ecological footprint and contribute to a greener environment.

Value Creation	Tradeoffs	Outlook	Performance Review
- Bangladesh's limited resources necessitate strategic management of natural forces to mitigate food supply volatility and its impact on inflation and interest rates. - Preservation and utilization of natural capital are imperative for ensuring long-term business sustainability amidst environmental challenges.	- Our utilization of non-renewable resources, along with emissions and waste, impacts the natural capital. We strive to mitigate the adverse impacts. - Additionally, there are cases where we also influence human and social relationship capital.	- Commitment to Sustainability: IPDC aims to finance more environment-friendly projects and transition towards green banking. - Paperless Initiatives: Efforts include reducing paper usage through E-Doc system adoption and organizing green events for internal and external awareness.	- IPDC recognizes that preserving ecosystems is essential for ensuring sustainable economic development. - The company prioritizes minimizing its adverse environmental footprint by utilizing renewable energy and recyclable materials whenever feasible.



Approaches to Optimizing Natural Capital



Improving IT infrastructure to decrease the need for travel



Raising employee consciousness to minimize waste



Enhancing goals for green and sustainable financing

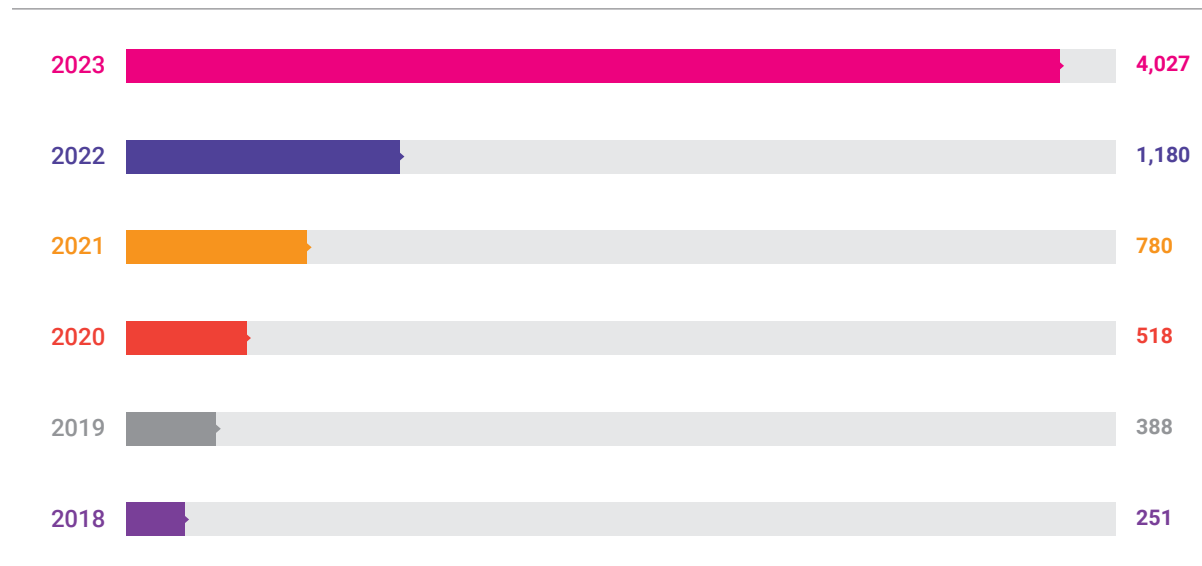


Promoting green practices at the branch level

GREEN FINANCE

Green Finance promotes environmental conservation by reducing resource consumption, transitioning from paper transactions, and supporting environmentally friendly initiatives through lending products. It aims to minimize negative environmental impacts and promote positive ones, thus contributing to green initiatives through financial instruments. IPDC, as a pioneering financial institution in Bangladesh, adheres to the Sustainable Finance Policy of Bangladesh Bank. It pledges to integrate environmental considerations into its operations while fostering economic growth. This commitment is reflected in the steady expansion of its green finance portfolio.

Green Portfolio (BDT mn)



Green Finance advocates for the adoption of eco-friendly technology in various industries through credit products. Green finance encompasses activities involving the interconnectedness of finance, investment, and the environment. It is often grouped with terms such as environmental, social, and governance (ESG), sustainable finance, and climate finance. The goal of green finance is to boost the volume of financial resources from various sectors—public, private, and non-profit—towards the SDGs.

Green Finance advocates for and facilitates the channeling of financial resources and associated services towards the advancement and execution of sustainable business models, lending, trade, economic endeavors, as well as environmental and social projects and policies. Integral to Sustainable Finance, Green Finance entails targeted financing directed towards green technologies, activities, products, projects, and initiatives, along with companies or institutions exhibiting superior environmental performance and/or compliance with ESG norms and standards.

IPDC has been collaborating with Bangladesh Bank to facilitate green refinancing schemes to eligible borrowers for a long time. This not only allows borrowers to enjoy lucrative rates, but also enables IPDC to promote projects which benefit the environment.

In line with its commitment to environmental sustainability and responsible banking practices, IPDC is strategically focusing on bolstering its green finance portfolio as part of its future plans. Recognizing the urgent need to address climate change and promote sustainable development, the company aims to significantly increase its financing in green technologies, renewable energy projects, and environmentally friendly initiatives. Moreover, IPDC plans to enhance its collaboration with important stakeholders to identify and prioritize green financing opportunities. Through these concerted efforts, IPDC is poised to play a pivotal role in accelerating the transition towards a more green and resilient economy.

ENVIRONMENTAL INITIATIVES

Environmental sustainability is a key part of IPDC's social responsibility efforts. IPDC has established environmental policies, goals, and practices that help guide its activities inside and out. IPDC is staunchly committed to the environment and combating climate change and reduces both its direct impacts, through the use of natural resources by its internal operations, and its indirect impacts through its financing activities. IPDC's activities range across a wide array of endeavors, such as participation in conservation initiatives in communities across the country.



Environmental Sustainability Initiatives

Plantation

It would not be stretching things if one were to say that without trees, we humans would not be able to exist on this beautiful planet. To give back to the creation which has facilitated life from the inception of life is what can be claimed humane now. IPDC planted trees in the adjacent areas to insist the compelling issue of safeguarding the earth.

Paperless Initiatives

IPDC committed to a paperless office to create a work environment in which the use of paper is eliminated or greatly reduced. This is done by converting documents and other papers into digital form. IPDC believes "going paperless" not only works well for the environment but can only save money, boost productivity, save space, make documentation and information sharing easier, keep personal information more secure and help the environment. The concept is extended to communications outside the office as well.

Fuel Conservation

Video Conference

Expanding every day, IPDC is very known for its collaborations with valuable partners for the better good of all the parties. Such collaborations call for several meetings which in turn brings a lot of fuel emission for travelling back and forth to office premises. Hence, that bring video conferencing in the picture to be used instead of face to face meetings with partners.

Green Branch

To have a concentrated focus on green initiatives, IPDC anticipates opening a completely green and ecofriendly branch to pave ways to follow by other financial institutions as well in the future. IPDC strives to make sure all the possible steps are being followed in the fulfilment of a green branch.

Further details and disclosures regarding our environmental initiatives can be found on Our Approach to Sustainability Section.

Power Conservation

IPDC aims to save electricity in its buildings to help reduce carbon dioxide emissions and conserve fuel reserves, as well as save financial resources. IPDC believes in taking simple yet impactful steps for saving electricity at a personal level. A few pointers are asked to be embedded in the work habits of all employees as follows:

- Dressing for the season to
- reduce air conditioning usage.
- Keeping the thermostat above 24°C.
- Checking the building's
- airtightness.
- Using sleep/hibernation and energy-saving modes for PCs.
- Replacing old, inefficient
- equipment with those that
- have a high energy rating.
- Keeping lights free of dust and using LEDs.
- Turning off switches when not in use.
- Save Water



IPDC
সুবোধ

দেশের
প্রথম
বই ক্রমের লেন দেবা

দেশেরা মেবা নিয়ে
চার দশক ধরে আপনার পাশে

AAA

ডানা

মাইক্রো-মার্কেটের অর্থায়ন
~ দেশের প্রথম ~
ডিজিটাল ইনোভেশন সিস্টেম

AWARDED
Superbrands
BANGLADESH'S CHOICE
2021

INSPIRING
WOMEN
AWARD

দেশের প্রথম প্রকটন ডিজিটাল
এক্সপার্ট প্রাইজ

অর্জন

দ্রুততা ও নিরাপত্তা
এই প্রাইজ ২০২৩-২৪-এ
২০২৩-২৪-এ ১০০ লাখ টাকার
ব্যয়

BANGLADESH
INNOVATION
AWARD 2018

SME
STIMULUS
PACKAGE

আইপিডি
ডিজিটাল
সফরের আলো

ডান মোড়ান

আইপিডি
ডানোবাসা হোমলোন

গ্রুপিক শপ

দ্রুত
উদ্যোগের
জন্য সহজ
লেন সুবিধা

হাজপাতান

শ্রুত ব্যবহারে
অর্থায়নের মাধ্যমে প্রায়
৬০ হাজার কর্মসংস্থান সৃষ্টি

সারসী সুললী সুললী
আইপিডি প্রতি

দেশজুড়ে মানুষের
নিজের চিন্তা করার জন্য

দেশের প্রথম জেবকারি

আর্থিক প্রতিষ্ঠান

যাত্রা শুরু ১৯৮১ সাল থেকে

IPDC **ez**

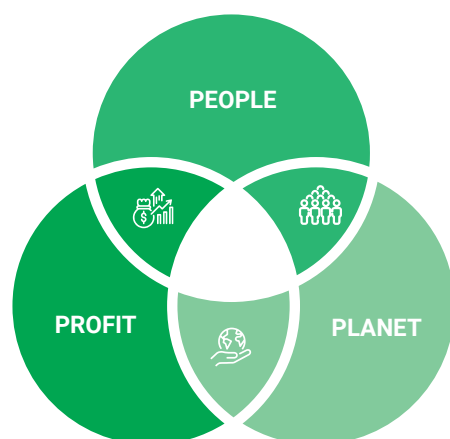


SUSTAINABILITY REPORT

APPROACH TOWARDS SUSTAINABILITY

With over 40 years of history, IPDC understands the importance of value that stands the test of time. Sustainability initiatives without strong profits are not actually sustainable, while strong profits to the detriment of sustainability weaken the endurance of a business. The sustainability report covers all the activities undertaken by IPDC which have a significant impact on the business of the organization, as well as its stakeholders.

As an entity which aspires to be a role model for industry, IPDC is dedicated to upholding the highest standards of accountability and transparency. Our strategy also includes a commitment to go for deepening our sustainable impact, because we recognize the breadth of the role that businesses hold in creating a sustainable future. In every business and operational decision, IPDC adheres to the 3Ps of sustainability which are People, Planet, and Profit.

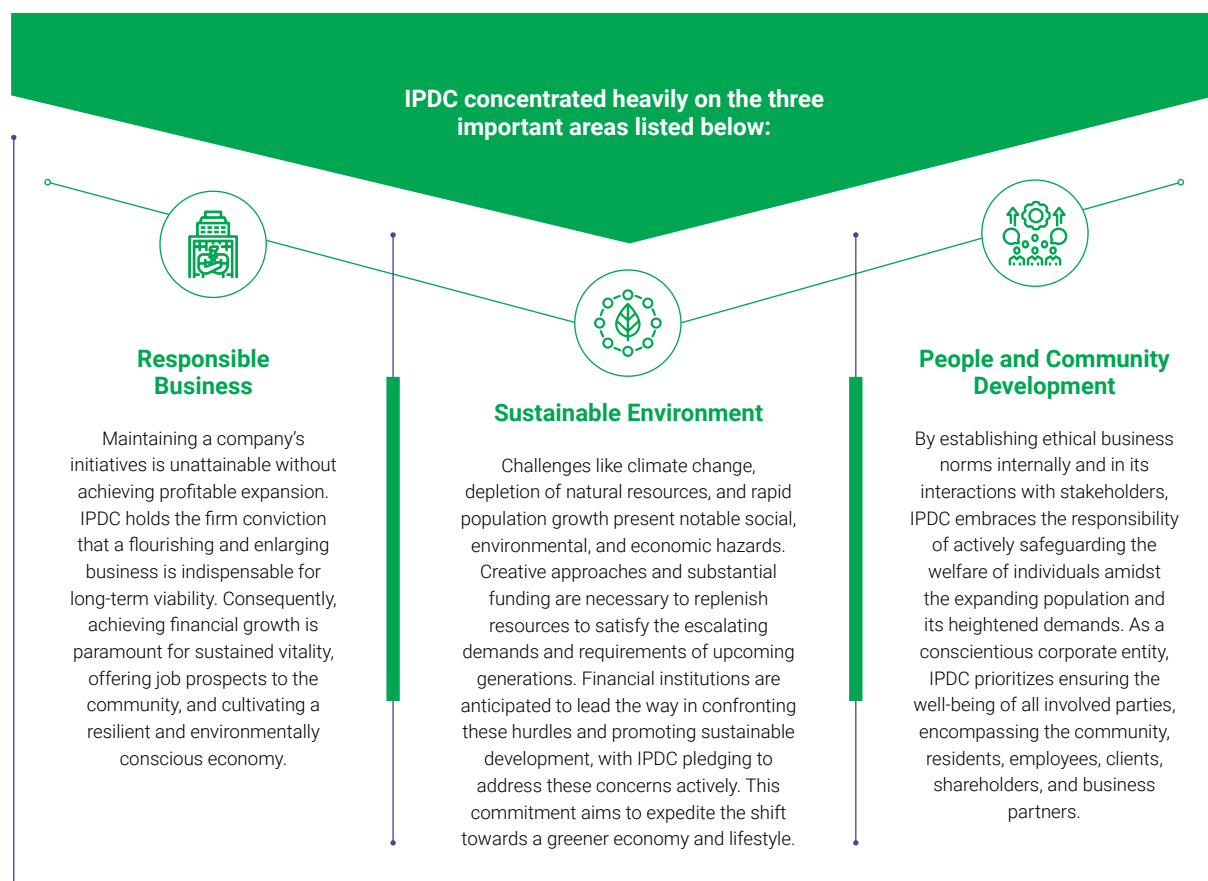


1.1. Objective of this Report

This report highlights the impacts IPDC had on a wide range of sustainability matters and allows transparency regarding the related risks and opportunities that lie ahead. In the ever-changing industry, a crystalline strategy has been implemented with focus on creating value, innovation, and sustainability.

The sustainability report covers all the activities undertaken by IPDC which have a significant impact on the business of the organization, as well as its stakeholders.

IPDC aspires to embed sustainability in the business initiatives and reports. This certainly cannot be achieved without stakeholders' involvement in comprehensive business as well as operational plans.



1.2. Sustainable Finance Committee

The Sustainable Finance Committee is responsible for making policy, directing, advising, approving, and evaluating sustainable and green finance, CSR, climate finance, refinancing, governance and green marketing activities performed by IPDC.

The members of the committee are as follows:

Mr. Rizwan Dawood Shams	Managing Director
Ms. Savrina Arifin	Head of Retail Business
Mr. Ashique Hossain	Head of Credit Risk Management
Ms. Fahmida Khan	Chief Financial Officer
Mr. Md. Sayeed Iqbal	Chief Human Resources Officer
Mr. Rahat Jamil	Head of Operations (Current Charge)
Ms. Jumaratul Banna	Head of Corporate Business & Acting Head of Treasury
Mr. Md. Shahidul Islam	Head of Distribution
Mr. Md. Barkat Ullah	Head of General Service & Security
Mr. Imran Khan	Member of Sustainable Finance Unit (Secretary)

ENABLING SUSTAINABLE BUSINESS

2.1. Green Finance

Green Finance promotes environmental conservation by reducing resource consumption in operations such as electricity and water usage and transitioning away from paper transactions. It encourages environmentally friendly initiatives and advocates for the adoption of greener technology in various industries through lending products. Essentially, Green Finance involves lending to projects that either minimize negative environmental impacts or promote positive ones, thereby supporting green initiatives through financial instruments.

In contemporary society, there is a heightened awareness of how individual actions affect the environment, and this consciousness extends to the financial sector as well. IPDC stands out as one of the pioneering financial institutions in the nation, implementing the Sustainable Finance Policy of Bangladesh Bank. IPDC pledges to incorporate environmental considerations into its operations while simultaneously contributing to the economic advancement of the country. This commitment is underscored by the steady growth of our green finance portfolio over the years.

2.2 Green Products/Services/Projects

IPDC provides a comprehensive range of green financing solutions in accordance with the guidelines set by Bangladesh Bank. To cater to the diverse segments within the economy, we offer a total of 94 products spanning across 14 categories in green financing. These categories include Renewable Energy, Energy and Resource Efficiency, Solid Waste Management, Liquid Waste Management, Alternative Energy, Circular Economy & Eco-Projects Financing, Environment-Friendly Brick Production, Green/Environment Friendly Establishments, Green Agriculture, Green CMSME, Green Socially Responsible Finance, Blue Economy Financing, Information and Communication Technology, and Miscellaneous.

2.3 Green Marketing and Development

The significance of informing borrowers about the benefits of implementing sustainable practices and technology is acknowledged by IPDC. Many borrowers can be reluctant to make an initial investment

in sustainable technology because they are unaware of the large cost savings and other advantages that come with going green. In order to tackle this problem, IPDC regularly organizes knowledge-sharing activities to increase awareness of the long-term benefits of green projects.

With an emphasis on raising awareness and highlighting the advantages of sustainability, IPDC has effectively increased the scope of its green initiatives. In the future, the company hopes to further encourage its prospective borrowers to use environmentally friendly goods, services, and projects. IPDC tries to foster a more environmentally conscious future for all parties concerned by incentivizing firms to adopt sustainable practices and allocate resources towards eco-friendly initiatives and technologies.

2.4 Specially Designed Services for Women - IPDC Priti and Joyee

From the beginning of its operations, IPDC gave special focus to the female population of Bangladesh and their needs. In that light, IPDC has taken numerous initiatives to promote women rights and prosperity. Focusing on the female segment, IPDC has two specially designed services - Priti and Joyee.

Priti is a comprehensive package designed to enhance the well-being of Bangladeshi women by providing economic opportunities, financial stability, and healthcare services, ultimately empowering them towards financial self-sufficiency. Customers of Priti receive exclusive advantages such as special rates for both loans and deposits, access to special events, complimentary driving lessons through IPDC Auto Loan, etc.

Joyee is dedicated to supporting women entrepreneurs by offering loans at rates lower than the market average, with the goal of increasing women's access to capital and empowering them towards achieving financial independence. A specially designed IPDC Joyee 360 sub-branch is located at Mirpur, Dhaka. At Joyee 360, a dedicated meeting space named Joyee Alapon is provided for Joyee clients for their business meetings. Moreover, under IPDC Joyee, workshops and training sessions on entrepreneurship are held.



2.5 CMSME

Previously, IPDC Finance has offered financing to support for promoting the longevity and expansion of CMSMEs. To aid these businesses, IPDC provides loans at competitive interest rates and flexible repayment conditions. Furthermore, IPDC has focused on enhancing the skills of entrepreneurs through various training and knowledge-sharing initiatives. CMSME financing initiatives are directed towards fostering the sustainable and ethical growth of CMSMEs, as well as advocating for gender equality and environmental sustainability, which are crucial for advancing sustainable development and creating a positive social impact.



2.6 DANA – Retailer Financing

IPDC has introduced IPDC DANA, a platform tailored for micro-merchants, aimed at bolstering their operational capabilities by providing microloans specifically designed for retailers. The project endeavors to enhance the livelihoods of micro-entrepreneurs through expedited access to financial resources, enhancing financial inclusion.



2.7 Bhalo Basha Loan - Affordable Home Loan for the Underserved

The Bhalo Basha Loan scheme seeks to offer cost-effective financing to underserved individuals living outside of the urban regions of the country. This service aims to improve home ownership for every individual who dreams of owning their own dwellings in their communities.



2.8 EZ - Cardless Consumer Financing Platform

IPDC EZ is a product tailored for retail customers seeking a simple and convenient way to purchase consumer electronics and other items. IPDC established an online platform which is easily available to consumers on their fingertips, with a number of products from trusted retail shops listed in the platform for convenient shopping experience.

FOSTERING SUSTAINABLE BUSINESS INITIATIVES (SPONSORSHIP)

In line with our social responsibilities and commitments, IPDC Finance has sponsored various initiatives and programs that contribute to the development of society and the economy. Through these sponsorships, IPDC Finance aims to create a sustainable future for Bangladesh while promoting economic growth and development. In the year 2023, IPDC Finance has sponsored several big events such as the NBFI Fair, the 5th International SME Fair, the Sylhet Strikers Cricket Team in BPL 2023, the International Conference on Teaching Literature and Interdisciplinarity at East West University, the 1st International Case Conference on Business and Management at BRAC University, the 49th Aga Khan Gold Cup Golf Tournament, Saraswati Puja Festival in Jagannath Hall at University of Dhaka, the Inter School Football Tournament at Scholastica, the 50th Year Celebration of Aranyak Nattodol, Valorous, along with many others.



NBFI Fair 2023



The 5th International SME Fair



The International Conference on Teaching Literature and Interdisciplinarity



Sylhet Strikers Cricket Team

SUSTAINABLE INITIATIVES

4.1. The Environment

As a responsible financial institution, IPDC recognizes the environmental footprint of its operations. The company is actively transitioning from traditional manual business practices to more sustainable methods to minimize its environmental effects. Through this, IPDC believes it can create a substantial positive change in the environment.

4.2. Indoor Plantation

Greenery in our surroundings symbolizes sustainability, and IPDC promotes this concept by encouraging indoor plants within its premises. IPDC believes this can contribute to larger environmental efforts such as increasing green spaces, reducing carbon footprint, and promoting sustainability. It fosters a sense of responsibility towards the environment and encourages a greener lifestyle among individuals.

4.3 Going Paperless

The goal of IPDC's paperless initiative is to significantly minimize or eliminate the reliance on paper within the workplace. Since last several years, IPDC is already using Electronic Document System (eDoC) to reduce the use of papers in the office space. Additionally, IPDC has moved on to the electronic memo approval system (e-nothi) whereby internal memos are approved entirely online. IPDC views transitioning to a paperless system as beneficial for the environment, cost-effective, productivity-boosting, space-saving, conducive to information sharing, and protective of personal data.

IPDC has also implemented measures to reduce paper consumption through the following initiatives:

- Implementing double-sided printing as the default setting on printers and maximizing paper usage by utilizing both sides for photocopying.
- Previewing documents before printing to prevent mistakes and reduce the necessity for reprints.
- Opting for smaller fonts when printing to decrease the number of pages required, if feasible.
- Sharing handouts or meeting minutes via email in advance of training sessions or meetings to eliminate the need for printed materials for each participant.
- Placing a designated "recycled paper" container near printers or workstations to encourage employees to use it for draft purposes.
- Repurposing mail envelopes for internal or unofficial use to reduce paper waste.

- Using electronic notepads on laptops or smartphones instead of traditional paper notebooks for personal notetaking.

4.4. Green Branch

The implementation of plans to establish a green branch is aligned with long-term goals, and IPDC aspires to attain it. The importance of reducing our ecological impact and supporting environmental initiatives has been underscored by the expanding market activities and growing global awareness of environmental concerns. Embracing eco-friendly practices presents numerous advantages beyond simply fulfilling our environmental responsibilities. It can positively affect our business by cutting operational expenses and enhancing the efficiency of our operations.

4.5. The Society

As a socially conscious financial institution, IPDC acknowledges its obligation to the community in which it functions. We perceive sustainability not merely as a trend, but as a commitment to the well-being of individuals and the environment in our vicinity. Our dedication to societal welfare is ingrained in our corporate ethics and practices, as we endeavor to create a beneficial influence on the communities we are engaged with. IPDC's innovative services such as Priti, Joyee, and Bhalo Basha Loan are crafted to tackle enduring societal challenges such as women entrepreneurship, financial independence, affordable housing, and so on.

4.6. Energy Reduction

Among the objectives of IPDC is to reduce electricity usage in its office facilities to decrease energy consumption and protect fuel reserves. The company promotes energy-efficient habits at the individual level and advocates for the adoption of the following practices:

- Adjusting attire for the weather to reduce reliance on air conditioning.
- Setting the thermostat at temperatures above 24°C.
- Assessing the insulation of the building for optimal energy conservation.
- Using energy-saving settings on electronic devices.
- Upgrading outdated, inefficient equipment with energy-efficient alternatives.
- Switching off power sources when not in use.
- Implementing water conservation measures.

THE GOVERNANCE SYSTEM

The corporate governance framework of IPDC is anchored in its core values of fairness, transparency, responsibility, and accountability. To uphold compliance, the company strictly adheres to the regulations and guidelines set forth by regulatory bodies such as Bangladesh Bank, Bangladesh Securities and Exchange Commission, etc. Various committees, such as the Board Audit Committee, Board Executive Committee, and Management Committee, play pivotal roles in achieving these objectives. The internal auditor reports directly to the Audit Committee and is not related to management.

To safeguard the interests of stakeholders, IPDC has adopted the following core values:

- Addressing clients' needs promptly, objectively, and with top priority.
- Recognizing and developing the potential and skills of employees at all levels through rewarding exceptional performance and promoting internal talent to cultivate a culture of high expectations and success.
- Emphasizing a focus on quality and maintaining the business culture of the company.
- Engaging in initiatives that contribute to societal and national progress.
- Upholding the values of the local community.

- Keeping a vigilant eye on economic developments impacting the business and adapting to changing consumer expectations.
- Conducting continuous planning, strategic diversification, and orderly expansion to overcome challenges.
- Demonstrating leadership through setting a positive example for others to follow and taking responsibilities towards shareholder very seriously.

5.1. Enabling Sustainable Society

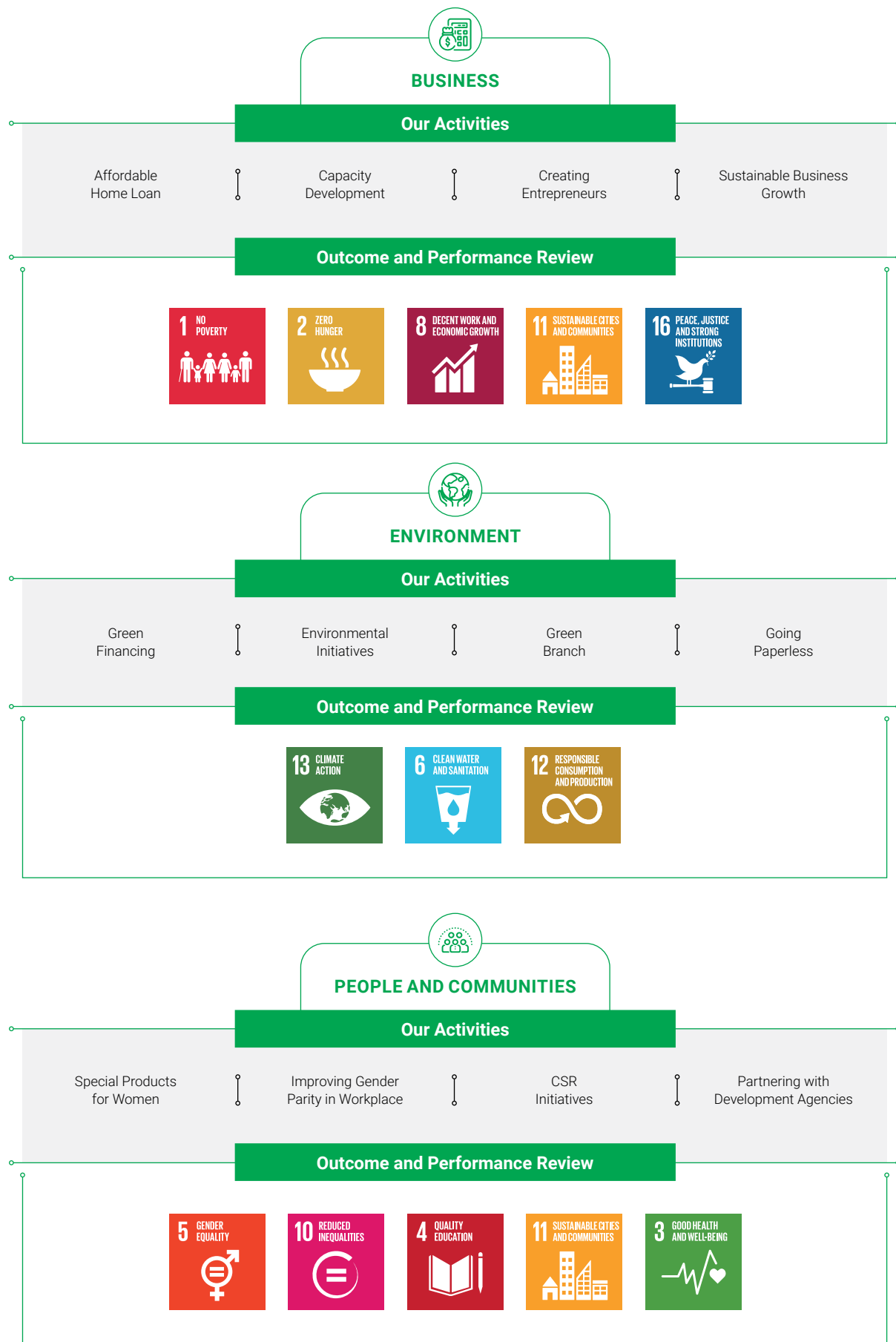
IPDC advocates for information accessibility, media literacy, and the promotion of independent and diverse media. By supporting media development, IPDC empowers communities and encourages accountability, transparency, and democracy. The organization also backs the use of media and communication to address environmental concerns and promote sustainable growth. Through its financing and initiatives, IPDC plays a crucial role in advancing sustainable development and fostering resilient and inclusive societies. IPDC has worked towards its objectives by establishing educational institutions, libraries, and public facilities. The company has supported various educational bodies, libraries, sports academies, and NGOs by providing resources such as books, sports gear, and assistance during emergencies. Furthermore, IPDC has introduced sustainable financial products such as Affordable Home Loans and SME loans for outside major cities, contributing to the progress of surrounding regions near its project locations.

COMMITMENT TO SUSTAINABLE DEVELOPMENT GOALS

IPDC pledges to adhere to the United Nation's Sustainable Development Goals which became a priority for member countries, governments, private sectors, civil societies, and responsible organizations around the world. IPDC believes that significant development can be made through the financial institutions to impact the implementation of SDGs along the following axes:



COMMITMENT TO SDG GOALS

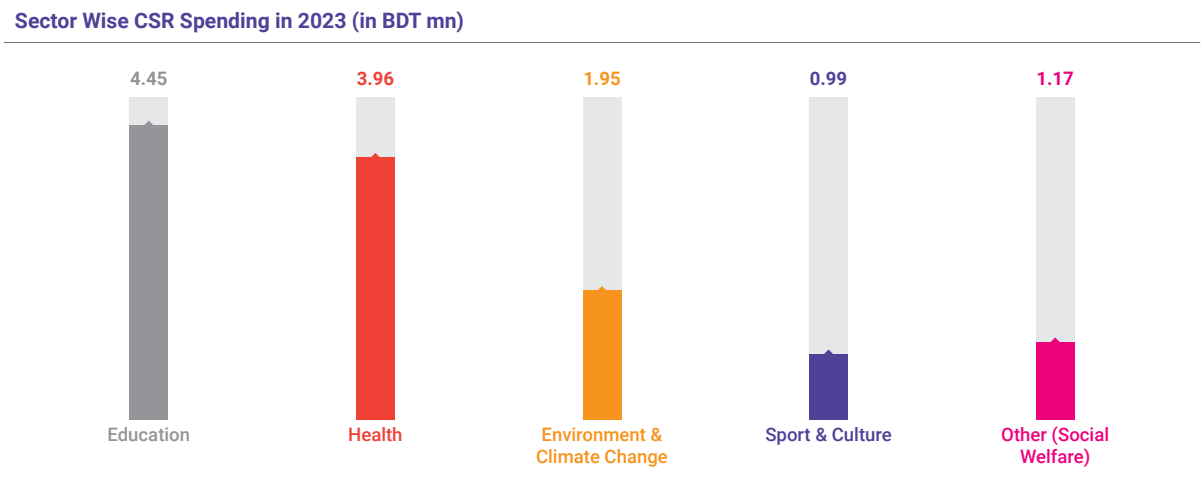


CSR STATEMENT

Corporate Social Responsibility (CSR) has always been a fundamental part of IPDC Finance’s operations. Therefore IPDC Finance engages in various activities for the development of the social sector of the country by proactively contributing to the socio-economic growth and enabling more individuals to take part in and benefit from the country’s progress. IPDC Finance’s CSR guideline corresponds with its vision to serve women, youth, and underserved populations. The correlation with the vision is observable in the recent CSR donations in sectors such as education, health, environment, etc.

IPDC Finance considers sustainability as a fundamental aspect of its business strategy, such as its commitment to cooperate with environmental guidelines to maintain an ecological and social balance, assuring that the planet becomes a safer and habitable place for all living beings and the upcoming generation. Hence, IPDC Finance strives to protect this habitable planet for the upcoming generations by adopting new opportunities for financing, investment policies, and portfolio management which operates to create a strong and prosperous yet low-carbon economy.

CSR Expenditure (2023)



SUSTAINABILITY SCORE CARD

Performance Indicators	2021	2022	2023
Customers			
Number of customers	27,421	74,256	107,265
Number of branches	15	15	15
Loans to Corporate Business (BTD mn)	30,797	30,205	29,313
Loans to SME Business (BTD mn)	20,198	21,965	23,313
Loans to Retail Business (BTD mn)	14,332	15,935	17,945
Employees			
Permanent	590	679	680
Contractual	259	217	204
New Recruitments	190	407	292
Female (%)	20%	23%	23%
Average training hours per headcount	13	13	11
Training expenditure per headcount	3,013	6,473	3,825
Employee salary and benefits (BTD mn)	741	865	1,003
Investors			
Revenue (BTD mn)	3,445	3,247	2,902
Operating Profit (BTD mn)	2,203	1,760	1,300
Profit after Tax (BTD mn)	881	901	343
Economic value added (BDT mn)	909	526	(70)
Market value added (BDT mn)	7,971	14,572	14,623
Dividends distributed (BTD mn)	445	445	371
Dividends (%)	12%	10%	10%
Suppliers			
Total purchase of goods and services	383	484	462
Payment to Suppliers*	391	522	517
Communities and Society			
CSR Contribution (BTD mn)	13	17	12
Utility expense per square feet (BTD)	228	238	162
Printing & stationery expense per employee (BTD)	6,652	12,854	10,162
Travelling expense per employee (BTD)	20,106	23,857	19,963
Regulators			
Penalty for Violations of Laws and Regulations	-	-	-
Total tax to government (BTD mn)	924	1,466	1,542

*Including interest & principal portion of lease payments

IPDC
সুবোধ

দেশের
প্রথম

৫২ কোটির লোন জেতা

দেশেরা মেবা নিয়ে
চার দশক ধরে আপনার পাশে



শিল্পায়ন ও গ্রামীণ উন্নয়ন

AAA

ডানা

মাইক্রো-মার্কেটের অর্থায়ন
~ দেশের প্রথম ~
ডিজিটাল ইকো সিস্টেম

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Superbrands
BANGLADESH'S CHOICE
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WOMEN
AWARD

দেশের প্রথম প্রকটন ডিজিটাল
এক্সচেন্স প্রাচীর

অর্জন

দ্রুততা ও নিরাপত্তা
এই প্রাচীর ২০২৩-২৪ সালে
স্বাভাবিকভাবে ১০ লাখ মুদ্রা

BANGLADESH
INNOVATION
AWARD 2018



বাংলা চোড় দিন

গ্রুপিক শপ
একটি
উদ্যোগের
জন্য সংস্থা
লেন সুবিধা

হাজপাতান

18th
Business
Awards
=DHL= The Daily Star
AWARDING EXCELLENCE IN BUSINESS

SME
STIMULUS
PACKAGE

আইপিডি
ডিজিটাল
সফরের আলো

ডার চোড় দিন

আইপিডি
ডালোবাসা হোমলোন

শুধু ব্যবসায়
অর্থায়নের মাধ্যমে প্রায়
৬০ হাজার কর্মসংস্থান সৃষ্টি

সারসী সুললী সূধীন
আইপিডি প্রতি

দেশজুড়ে মানুষের
নিজের চিন্তা করার ক্ষমতা

দেশের প্রথম ডেবকারি

আর্থিক প্রতিষ্ঠান

যাত্রা শুরু ১৯৮১ সাল থেকে

IPDC

কর্পোরেট ফাইন্যান্স



GUIDING PRINCIPLES OF GOVERNANCE

CORPORATE GOVERNANCE STATEMENT

1. Overview:

IPDC believes compliance to be one of its key priorities and is continuously working to strengthen and improvement of its corporate governance with the aim to have sustainable growth, transparency, accountability, development of corporate values and to meet the expectation of shareholders, customers, regulators, and other key stakeholders. Hence, the corporate governance of IPDC sets top priorities in fairness, transparency, accountability, and responsibility on its topmost priority.

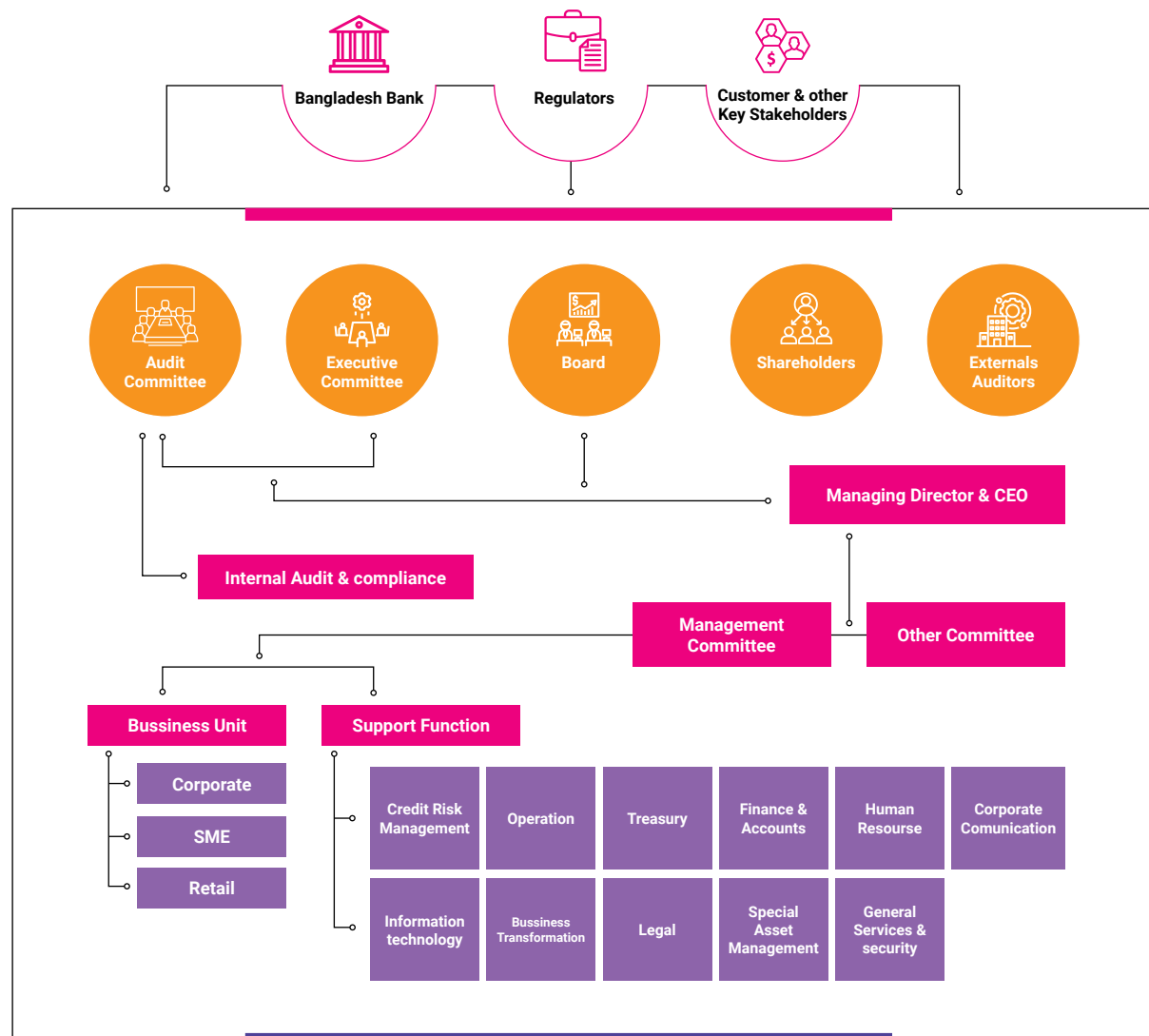
IPDC follows the Corporate Governance Code and other directives issued by Bangladesh Securities and Exchange Commission (BSEC) and other circulars, policies and guidelines issued by Bangladesh Bank, Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and other regulatory authorities. Our compliance with the corporate governance code has been certified by an external auditor.

The purpose of the Corporate Governance Report is to provide an overview of the various activities relating to corporate governance.

1.1 Mandatory and voluntary code of corporate governance adopted

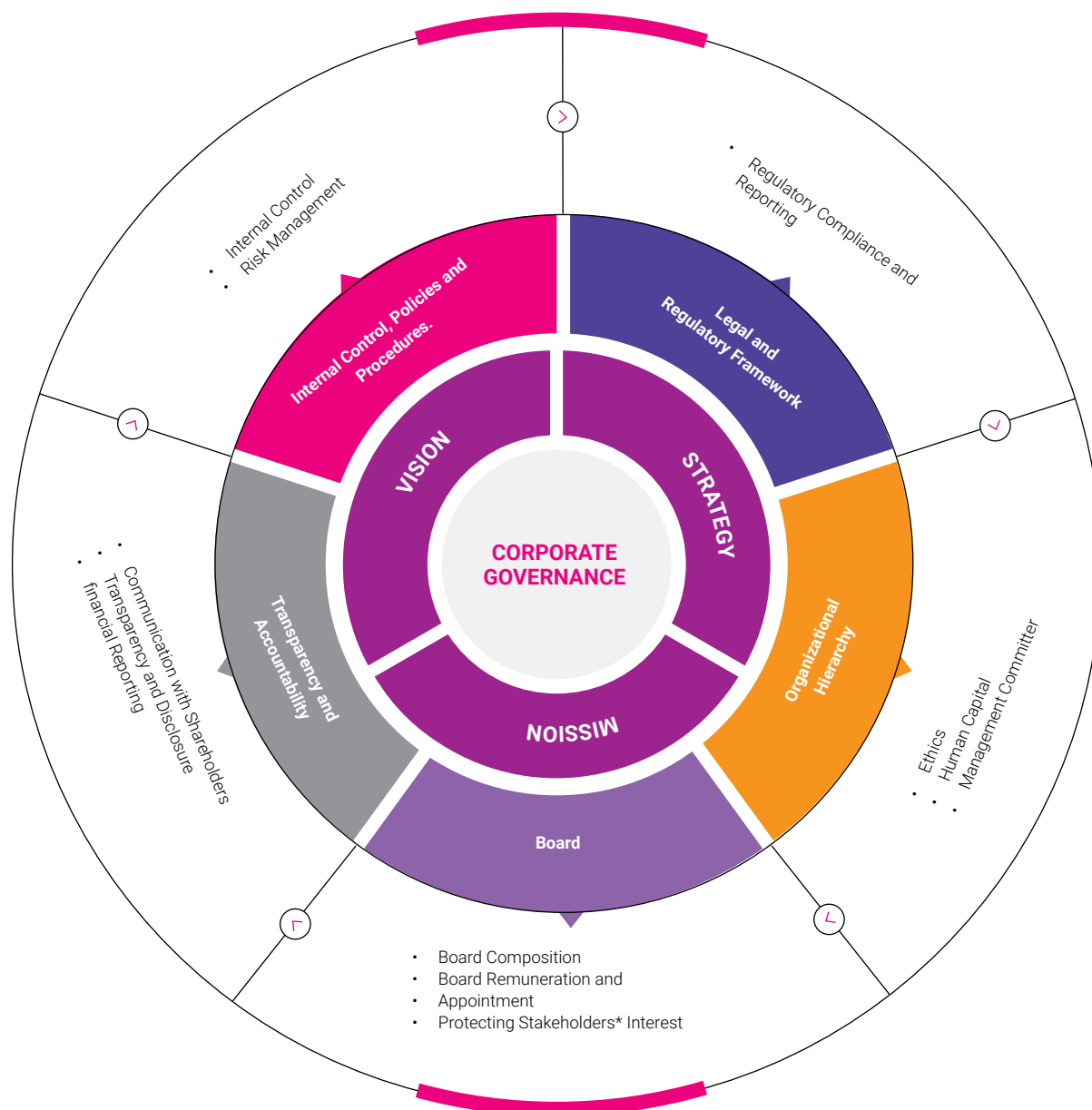
IPDC being a compliance focused organization, every year presents Corporate Governance Report to its shareholders, customers, regulators and other key stakeholders. All reports are available on the official website of IPDC Finance Limited.

2. Governance Structure



3. Corporate Governance Framework

IPDC's corporate governance framework is based on the principles of accountability, transparency, ethical management, and fairness. A philosophy of sound governance is entrenched across the business. The directors recognize that good governance, achieved through an ethical culture, competitive performance, effective control, and legitimacy, can create sustainable value, and enhance long-term equity performance.



THE BOARD

The primary role of the Board is to protect and enhance long-term shareholder value through formidable strategy aligned with good governance. It sets the overall strategy for IPDC and supervises executive management. It also ensures that good corporate governance policies and practices are implemented within the company. In the course of discharging its duties, the Board acts in good faith, with due diligence and care, and in the best interests of the Company, its shareholders and other relevant stakeholders including the regulators.

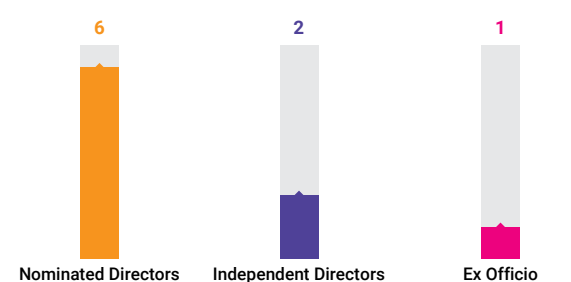
1. Board Composition

The Board is accountable for ensuring that, as a collective body, it has the appropriate skills, knowledge, and experience to perform its role effectively. It provides leadership through oversight, review and by providing guidance whilst setting the strategic direction of the Company. The Board members collectively brings a wide range of industry expertise and depth of experiences

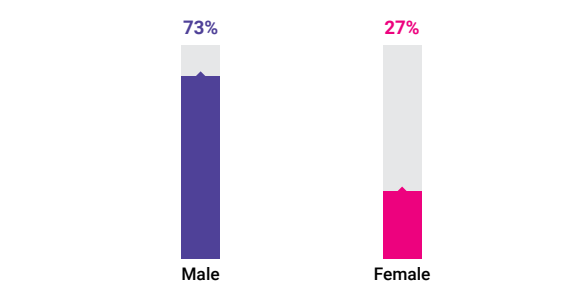
Name of Director	Board of Directors	Executive Committee	Audit Committee
Mr. Ariful Islam	Chairman, Nominated by Ayesha Abed Foundation	-	-
Ms. Nilufer Nazneen	Director, Nominated by GOB	-	Member
Mr. Mohammad Manzarul Mannan	Director, Nominated by GOB	Member	-
Ms. Sonia Bashir Kabir	Independent Director	-	Chairman
Dr. Shah Md. Ahsan Habib	Independent Director	-	Member
Mr. Sameer Ahmad	Director, Nominated by RSA Capital Ltd.	Chairman	-
Mr. Tushar Bhowmik	Director, Nominated by BRAC	Member	-
Ms. Nahreen Rahman	Director, Nominated by Bluechip Securities Limited	Member	Member
Mr. Rizwan Dawood Shams	Managing Director officio		

2. Board Balance

Independent vs Nominated Directors



Gender Balance



3. Knowledge And Expertise of Director

The Board of Directors have a wide variety of knowledge and experience in various sectors. This ensures that together, they formulate the right policy for the development of the business while having the specialized skills and the ability to foresee developments across a larger perspective and with enough independence to audit the management in a balanced manner. A short biography of all the members of the board of directors is set out in the Profile of the Board of Directors section of this annual report.

Name of Director	Field of Study
Mr. Ariful Islam	Finance and Economics
Ms. Nilufer Nazneen	International Relations
Mr. Mohammad Manzarul Mannan	Economics and Finance
Ms. Sonia Bashir Kabir	IT and Business Administration
Dr. Shah Md. Ahsan Habib	Finance and Accounting
Mr. Tushar Bhowmik	Finance and Accounting
Mr. Sameer Ahmad	Arts, Economics & Political Science
Ms. Nahreen Rahman	Economics
Mr. Rizwan Dawood Shams	Finance and Marketing

4. Financial and Accounting Knowledge, Management Skills

The Board of Directors has diversified expertise along with Finance and Accounting knowledge and management skills in performing its role and responsibilities. Directors hail from different sectors/industries which equipped IPDC with a Board of Directors having expertise in enriched financial, accounting and management skill set along with knowhow of the market.

5. Training and Development organized for Directors.

To aid the Board of Directors in performing its role and responsibilities, it is essential that they get sufficient and appropriate training. IPDC

organizes training for the members of the Board along with regular updates on the market affairs, regulatory changes and economical progression of the Country. These training and knowledge based sessions are approved by the Board or its Sub-Committees as and when applicable.

6. Roles & Responsibility of Boards

The board has overall responsibility for the Organization. The responsibilities of the board of Directors include:

- Setting overall strategic direction of the company
- Review and approval of business strategy
- Review and approval of budget
- Review of performance against financial and strategic objectives
- Approval of internal policies and guidelines
- Approval of financial statements
- Understanding risk and setting risk appetite
- Ensuring good governance
- Appointment of Managing Director and fixation of benefits

7. Philosophy of Board Governance

The Board always focuses on the areas of ethical risk, provide guidance to directors to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and help foster a culture of honesty and accountability. The Board believes that good governance is the key to contribute to value of living by heightening accountability, strong risk and performance management, transparency and ethical and effective leadership.

8. Annual Evaluation Process of the Board

An evaluation of the Board is performed through self-assessment and by the shareholders at the Annual General Meeting (AGM). The management reports, quarterly financial statements and implementation status of boards' directives provide a basis against

which the Board can assess its own performance. The directors are elected by the shareholders in the AGM and the shareholders at the AGM can comment on the performance of the Board against which the Board can take steps to enhance its performance.

9. Code of conduct for the chairperson, board members and Managing Director

Bangladesh Bank & Bangladesh Securities and Exchange Commission (BSEC) issues various Corporate Governance Guidelines, directives and other circulars whereby it requires the Board of Directors to formulate a code of conduct for all members of the Board including Chairman of the Board and Managing Director of the Company. It is to enhance corporate governance in the interest of investors and the capital market along with other stakeholders. In this context, IPDC Finance Limited has already laid down the Code of Conduct for the Board Members herein referred to as "Code of Conduct for the Board Members of IPDC Finance Limited". IPDC encourages good management as part of Corporate Governance. To achieve good governance, IPDC implemented the concepts of corporate governance with openness, integrity and accountability.

DIRECTORS

1. IPDC's policy on Appointment of Directors

IPDC always follows the existing rules and regulations as directed by the Bangladesh Bank and BSEC in regard to appointment of Directors. There are two categories of Directors in the Board of IPDC Finance Limited, one is Nominated Directors, and another is Independent Directors. After having nomination and recommendation from the relevant members of the Board and followed by necessary approval from Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), a director is appointed in the Board of IPDC Finance Limited.

2. Re-appointment and retirement of Directors

As per Article 100 and 101 of the Articles of Association of the Company, the following 2 (Two) Directors will be eligible to offer themselves for retirement or re-election as per Article 105 of the Articles of Association of the Company. Below-mentioned directors will be selected for retirement/re-election, at the 219th Board Meeting. Brief resumes of the directors are furnished in the 'About IPDC' section of this Annual Report.

Mr. Ariful Islam	Nominated by Ayesha Abed Foundation
Mr. Nahreen Rahman	Nominated by Bluechip Securities Limited

3. Independence of Directors

There are two (02) Independent Directors in the Board of IPDC Finance Limited. Ms. Sonia Bashir Kabir is into her 2nd term as Independent Director and Dr. Shah Ahsan Habib is has just finished his 1st term and will continue for the 2nd term as Independent Director upon approval of Bangladesh Bank and BSEC. Both of them are specialist on their respective sectors and playing pivotal role in the Board for ensuring compliance and good governance in the organization.

Name of Director	Board of Directors	Executive Committee	Audit Committee
Ms. Sonia Bashir Kabir	Independent Director	-	Chairman
Dr. Shah Md. Ahsan Habib	Independent Director	-	Member

4. Duties and Responsibilities of Existing Board of Directors

The Chairperson of the Board, other board members and Chief Executive Officer of the company are advised to read and carefully

understand the Code of Conduct of IPDC so as to understand and act in accordance with highest standards of personnel and professional integrity, honesty and ethical conducts. The Board Members represent the interests of stockholders, in optimizing long term value by overseeing performance of the Company on stockholder's behalf. The Board Members' responsibilities in performing this oversight function include the following:

a) Corporate Governance Practice:

Shall maintain and help IPDC in maintaining highest degree of Corporate Governance practices.

b) Duty of Care:

Shall act in utmost good faith and exercise due care, diligence and integrity reasonably expected from an ordinary person of his or her knowledge and experience in performing their office duties.

c) Duty of Loyalty:

Board Members must act honestly, in good faith, and in the best interests of IPDC. In placing the interests of IPDC ahead of their own personal or business interests, Board Members must:

- be honest in their dealings within IPDC and with others on behalf of IPDC;
- avoid situations where they could profit at the expense of IPDC, appropriate a business opportunity of IPDC, or otherwise put themselves in a position of conflict between their own Personal Interests and the best interests of IPDC;
- avoid speaking against or undermining any decision of the Board, regardless of whether the Director agrees with or voted for that decision; and
- Shall not, without the prior approval of the Board, as the case may be, accepts employment or a position of responsibility with any other organization for remuneration or otherwise that are prejudicial to the interests of IPDC and shall not allow personal interest to conflict with the interest of IPDC.
- Shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment.
- Shall ensure that they use IPDC's assets, properties, information and intellectual rights for official purpose only or as per the terms of their appointment.

d) Gift/Favor/Payments:

- Shall not seek, accept or receive, directly or indirectly, any gift, payments or favour in whatsoever form from IPDC's business associates, which can be perceived as being given to gain favour or dealing with IPDC and shall ensure that IPDC's interests are never compromised.
- No Board Member shall, in connection with the transfer of the whole or any part of any undertaking or property of the company, receive any payment, by way of compensation for loss of office, or as consideration for retirement from office, or in connection with such loss or retirement from the transferee of such undertaking or property or from any other person, unless particulars with respect to the payment proposed to be made by such transferee or person, including the amount thereof, have been disclosed to the members of the company and the proposal has been approve by the company in general meeting. Where any of the Board Members of the Company receives payment of any such amount, the amount shall be deemed to have been received by him in trust for the company.

- iii. Board Members must not solicit or accept benefits, entertainment or gifts in exchange for or as a condition of the exercise of his or her duties or as an inducement for performing an act associated with his or her duties or responsibilities with IPDC.
- iv. Board Members generally may accept gifts, hospitality or other benefits associated with their official duties and responsibilities if such gifts, hospitality or other benefits:
 - are within the bounds of propriety, a normal expression of courtesy, or within the normal standards of hospitality;
 - would not bring suspicion on the respective member's objectivity and impartiality; and
 - would not compromise the integrity of IPDC.
- v. An improper benefit should be returned to the person offering it as soon as practicable. If there is no opportunity to return an improper gift or benefit, or where the return may be perceived as offensive for cultural or other reasons, the gift must immediately be disclosed to the Chairman of the Board for his/her recommendation(s)

e) Duty of Confidentiality:

Borad Members shall maintain confidentiality of information entrusted by IPDC or acquired during performance of their duties and shall not use it for personal gain or advantage. Board Members must not divulge confidential information that he or she receives to anyone other than persons who are authorized to receive the information. The duty to maintain information in confidence continues after any of the Board Members ceases to be a member of the board of IPDC or employed by the same.

f) Duty to Disclose/ Financial Interest/Conflict of Interest:

- i. Borad Members shall in conformity with applicable legal provisions disclose personal and/ or financial interest in any business dealings concerning IPDC and shall declare information about their relatives (spouse, dependent children and dependent parents) including transactions, if any, entered into with them.
- ii. Board Members must not exercise any decision-making power which could bring about financial benefit to the respective individual due to his or her financial holdings, business interests or property interests.
- iii. Board Members must not personally enter into contracts or transactions where to do so may be detrimental to IPDC's best interests or where the activity is in conflict with the proper discharge of the Board Members' duties to IPDC.
- iv. Board Members must not use corporate property to pursue his or her Personal Interests or the interests of Related Persons for material personal gain where such use would result in additional material cost or any material loss to IPDC or otherwise detracts from the Board Members' performance of duties to IPDC. Corporate property includes real and tangible items such as land, buildings, furniture, fixtures, equipment, and vehicles and also includes intangible items such as data, computer systems, reports, information, proprietary rights, patents, trademarks, copyrights, logos, name, and reputation etc.
- v. The Board must advise the Chairman of the Board as soon as reasonably possible and effect disclosure in writing to IPDC at the first Board meeting at or after which the respective party becomes aware of such a matter.
- vi. No Board Members shall, without the consent of the Company in general meeting, hold any office of profit under the Company except that of a managing director or manager or a legal or technical adviser or a banker.

g) Moral Turpitude:

Borad Members shall not commit any offences involving morale turpitude or any act contrary to law or opposed to the public policy

h) Communicating with Media:

Borad Members shall not communicate with any member of press print or electronic media or publicity media or any other outside agency on matters concerning IPDC, except through Chairman or any other person/member authorized by the Board.

i) Serving Customers and the Stakeholders

For ensuring standardized services and ethical business development, Board Members should identify their existing and potential users, side by side with the selection of service providers at various levels. Efficient and effective selection and categorization would enable IPDC to make proper business plan.

j) Service Provider

- i. Analyze and determine customer base and review and understanding their needs effectively;
- ii. Add in and provide product and service excellence with integrity and sincerity;
- iii. Provide with secured and advanced banking facilities-products and services;
- iv. Be fair and well-committed in serving the customers and stakeholders;
- v. All services sold or served be passed - through the legal and regulatory processes; and
- vi. Each type of stakeholders' involvement and concern be clearly defined and clearly understood.

k) Encouraging people for knowledge and skill enhancement

- i) Providing opportunities for professional development;
- ii) Evaluating performance objectively; and
- iii) Applying values & principles consistently.

l) Delivering to Partners

- i) Adherence to good corporate governance practices;
- ii) Protecting intellectual property;
- iii) Protecting reputation of IPDC; and
- iv) Strengthening competitive behavior.

m) Being Proactive

- i) Anticipating and embracing changes;
- ii) Encouraging and rewarding innovation responsibly; and
- iii) Maintaining and sharing accurate and useful information.

n) Working in Teams

- i) Remain individually and make others accountable for every action;
- ii) Refrain from favoritism and bias;
- iii) Extract value from different perspectives;
- iv) Work jointly and collectively; and
- v) Acknowledge and appreciate value for both individual team contributions.

o) Respecting Each Other and reciprocity

- i) Recognize and respect human dignity;
- ii) Provide/establish a working environment free of harassment and intimidation;

- iii) Comply with social and occupational health & safety regulations; and
- iv) Protect organization from damage/loss of physical assets.

p) Guarding against Arrogance

- i) Celebrate successes and achievements with modesty;
- ii) Meet the legitimate expectations of stakeholders; and
- iii) Express personal identity with dignity, courtesy and tolerance.

q) Responsibilities

i. Responsibility to Shareholders

- a. IPDC should preserve the lawful benefits and interests of their shareholders;
- b. Should make utmost endeavor to maximize profit and increase payout ratio for the stakeholders; and
- c. Should make best effort to maximize company profit and manage the same ethically and properly.

ii. Responsibility to Customers

To satisfy the customers-needs efficiently, IPDC requires to:

- a. Understand and honor the customer needs, as well as serve them indifferently, promptly and honestly;
- b. Ensure complete secrecy of customers` affairs/account information at all times unless asked by any competent court or any other lawful authority;
- c. Issue notice with reasonable time in case of closure of bank accounts for any legitimate reason(s);
- d. Provide customers with requested account statement accurately and promptly;
- e. Keep the customers updated regarding any suspicious operations in his account;
- f. Exercise due diligence in the operation of customer accounts; and
- g. Keep customers fully informed with all banking and financial products.

iii. Responsibility to Community/Society

All banking and other financial activities of IPDC must comply with the recognized/established legal, regulatory, as well as social/community norms, customs and values.

iv. Commitment to the Environment

Environmental and climatic protections are among the most pressing global challenges of the time. All of these are to be taken into account in all areas of lending/financing. Emphasizing on the areas of energy and climate change while lending, bankers would support the process of sustainable economic growth of the country. Bankers/financial managers must have firm commitment to choose and do the right things, along with the compliance of legal requirements. They must consider structural and non-traditional risks management options that inherent to banking and other financial activities side by side with the management of traditional financial risks, such as credit risk, market risk and operational risk etc. Risks inherent to environmental and social events/activities also need to be taken into consideration.

r) Leaving office / Involvement in Politics:

- i. Any Board Members, after leaving IPDC, must refrain from taking improper advantage of his or her previous office.

- ii. Any Board Members' political activities must be clearly separated from activities related to his or her appointment. If engaging in political activities, in relation to their duties and responsibilities, Board Members must remain impartial and retain the perception of impartiality.

s) Duty of Compliance:

- i. Board Members shall ensure compliance of the prescribed safety & environment related norms and other applicable codes, laws, rules, regulations and statutes, which if not complied with may otherwise, disqualify him/ her from his/ her association with IPDC.
- ii. Board shall comply with the provisions of Companies Act 1994, Financial Institutions Act 1993, Guideline and regulations of Bangladesh Bank, rules and regulations of Stock Exchanges, Bangladesh Securities and Exchange Commission (BSEC) and other regulatory authorities.
- iii. Board Members shall comply with all applicable laws and regulations and with the Articles and By-Laws of IPDC and the policies of IPDC adopted by the Board from time to time, including this Code of Conduct.
- iv. Shall ensure compliance with Policy related to Trading of IPDC Shares and must not involved in insider trading.

t) Duty of Knowledge:

Board Members must familiarize themselves with the relevant legislation applicable to IPDC and to the Board and satisfy themselves that appropriate safeguards are in place to ensure IPDC's or their compliance with that legislation.

u) Reporting to the Chairman:

A member of the Board must report to the Chairman of the Board any activity concerning the Board Members of IPDC which:

- i. he or she believes contravenes the law;
- ii. represents a real or apparent conflict of interest or a breach of these standards of conduct;
- iii. represents a misuse of Company funds or assets; or
- iv. represents a danger to public health, safety, or the environment
- v. investigate the Chairman of the Board shall investigate any complaint of non-compliance with the Code of Conduct with respect and impartiality and report to the Board with his or her recommendation.

5. Directors' Report on Preparation and Presentation of Financial Statements and Corporate Governance

The Directors' Report on the preparation and presentation of financial statements and corporate governance serves as a pivotal aspect of our company's transparency and accountability. This report provides shareholders, investors, and stakeholders with valuable insights into the processes, procedures, and principles guiding our financial reporting and governance practices.

In the previous chapter titled "Directors' Report", a detailed discussion on the Directors' Report has been presented. This discussion delves into various aspects such as the adherence to accounting standards, the accuracy and integrity of financial reporting, the effectiveness of internal controls, and the company's commitment to corporate governance principles. Within the Directors' Report, emphasis is placed on the meticulous preparation and presentation of financial statements in accordance with applicable accounting standards and regulatory requirements.

INDEPENDENT DIRECTOR

1. Adequate Representation of Non-Executive Directors

Number of Non-Executive Directors: 6

IPDC's Board comprises six (6) Non-Executive Directors (NEDs) including two (2) Independent Directors. All the Non-Executive Directors are nominated by their respective institution's shareholders except for the Independent Directors. All the Directors bring forth independent judgment and considerable knowledge to perform their roles effectively. The NEDs do not have executive responsibility of running day-to-day affairs of the company; neither they put undue influence in taking operating decision of the company.

2. Adequate Representation of Independent Directors

Number of Independent Directors: 2

Bangladesh Securities and Exchange Commission (BSEC), Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018, at least one-fifth of the total directors of the Board shall be Independent Directors. The composition of the Board of Directors of IPDC consists of eight (8) Directors including two (2) Independent Directors. Independence of the respective Independent Directors is confirmed during selection and appointment of the Directors, and they remain committed to continue with such independence throughout their tenure.

3. Criteria for Appointment of Independent Directors

Independent Directors are appointed in compliance of Corporate Governance Code 2018 of Bangladesh Securities & Exchange Commission (BSEC) and DFIM Circular no. 01 dated 24 February 2023 by Bangladesh Bank and other circulars from time to time.

4. Role of Independent Directors

Independent Directors, representing the depositors and public, have enormous role in decision making and compliance matters of the organization as members of the Board as well as members/chairman of the sub-committees.

5. Independence and Non- conflict of Interest of Non-executive Directors from Day-to-Day Operations

IPDC appoints Independent Directors who do not hold any shares in the Bank and do not have any family or other relationship with its Board of Directors and its executive management. IPDC also ensures compliance with Bangladesh Bank's guidelines and Bangladesh Securities and Exchange Commission's notification relating to appointment of Independent Directors and seeks approval from Bangladesh Securities and Exchange Commission and Bangladesh Bank for appointing a person as an Independent Director which ensures the independence of the Independent Director. IPDC has two (02) independent directors out of eight (08) directors (excluding Ex-officio member).

SEPARATION OF DUTIES BETWEEN CEO AND CHAIRMAN

The Chairman of the Board is not the Chief Executive of the Company and are independent of each other, and their roles are autonomous and separate, in accordance with the DFIM Circular No. 07, dated 25.09.2007.

1. Chairman

The Chairman runs the Board. The Chairman serves as the primary link between the Board and the management and works with the Managing Director and CEO and the Company Secretary to set the agenda

for Board meetings. It is the Chairman's responsibility to provide leadership to the Board and ensure that the Board works effectively and discharges its responsibilities as Directors of the Company.

1.1 Appointment of Chairman

Chairman of IPDC Finance Limited is selected by the members of the Board for two years.

1.2 Role of The Chairman

The role and responsibilities of the Chairman of the Board is defined and set by the Board. The Chairman's primary role is to ensure that the Board is effective in its task of setting and implementing the Company's direction and strategy. The Chairman is selected by the Board. The principal features of the role of the Chairman comprise the followings:

- Providing leadership to the Board
- Taking responsibility for the Board's composition and development
- Ensuring sufficient provision of information available to the Board
- Planning and conducting Board meetings effectively
- Getting all the Directors involved in the Board's work
- Ensuring the Board's focus on key tasks
- Engaging the Board in assessing and improving its performance
- Overseeing the induction and development of Directors
- Supporting the Managing Director and CEO.

1.3 Responsibilities of The Chairman

The Chairman of the Board shall be responsible for the management, development and effective performance of the Board of Directors and provides leadership to the Board for all aspects of the Board's functions. He will:

- ensure effective operations of the Board and its committees in conformance with the highest standards of corporate governance
- ensure effective communication with shareholders, host Governments and other relevant constituencies and ensure that the views of these groups are understood by the Board
- set the agenda, style and tone of Board discussions to promote constructive debate and effective decision making
- ensure that all Board Committees are properly established, composed and operated
- support the Managing Director and CEO in strategy formulation and, more broadly, provide support and give advice
- ensure an effective relationship among Directors, acting as the principal conduit for communication and issues relating to business strategy, planned acquisitions and corporate governance
- establish a harmonious and open relationship with the Managing Director and CEO;
- ensure that Board Committees are properly structured and all corporate governance matters are fully addressed
- encourage active engagement by all members of the Board.

2. Managing Director/CEO

2.1 APPOINTMENT OF MANAGING DIRECTOR

The Managing Director (MD) is appointed by the Board subject to the consent of the shareholders in the Annual General Meeting (AGM) and approval of Bangladesh Bank.

2.2 Roles and Responsibilities of the Managing Director

The main duties and responsibilities and authorities of the Managing Directors are as follows:

- Perform duty as delegated by the board.
- Business planning and achieving targets set by the board through execution of business plan
- Ensure compliance with Financial Institutions Act, 1993 and related guidelines and circulars
- Appointment and appraisal of the employees

2.3 Annual evaluation of the Managing Director by the Board

Assessing the performance of the Managing Director is one of the responsibilities of the board. The Board does the performance assessment of Managing Director annually based on the specific targets as set forth in Annual Budget and long-term strategic goals. Additionally, The Board also evaluates the performance of the Managing Director in each quarter when the month-end financial performance of the Bank is placed before the Board for review. The process begins before the new financial year commences so that performance objectives which reflect the organization's strategic objectives and priorities are agreed upon. The Board considers both financial and non-financial goals in both short term and long term while setting targets and doing the performance assessment.

2.3.1 Evaluation based on Financial Performance

The Board of IPDC always evaluates the financial performance of the company based on the management report, quarterly unaudited financial performance and audit annual financials against budgetary goals for the year vis a vis previous years achievements.

2.3.2 Evaluation based on Non-Financial goals

The Board of IPDC also evaluates the non-financial goals of the company on quarter basis on achievements of KRAs (Key Result Areas) as well as performance comparison with previous years achievements.

COMPANY SECRETARY AS THE BRIDGE BETWEEN BOARD AND MANAGEMENT

The Board appointed a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) as per the policy of the company and related rules and regulations. The positions of Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) are held by different individuals and they are proficient in the field of regulatory, financial and corporate laws to carry out their assigned roles, responsibilities and duties.

1. Company Secretary

The Company Secretary of the Company, who is also the Head of Legal Affairs, has day-to-day knowledge of the Company's affairs. Company Secretary reports to the Board of Directors and is responsible for providing advice on governance matters. The Company Secretary's biography is set out in the Profile of the Management Committee section of this annual report.

1.1 Role of Company Secretary

In compliance with the Corporate Governance guidelines, the Company Secretary has defined roles and responsibilities approved by the Board. The Company Secretary acts as a mediator between the Company, its Board of Directors, stakeholders, the government and regulatory authorities. He has expertise in corporate laws, capital markets, security laws and corporate governance. He also keeps

close review of all legislative, regulatory and corporate governance developments that might affect the Company's operations and ensure that the Board is fully briefed on these and that it has regard to them when taking decisions. The Company Secretary ensures that the best management practices and work ethics are embraced to create value for the Company. He ensures that the concept of stakeholders is in the Board's mind when important and business decisions are being taken co-ordinates the policies of the Company, fulfills the management function and provides guidance on strategic decisions for the improvement and growth of the Company.

2. Chief Financial Officer

The Chief Financial Officer reports to the CEO and is responsible for providing advice on financial matters. A biography of the Chief Financial Officer is set out in the Profile of the Management Committee section of this annual report.

2.1 Role of CFO

A chief financial officer (CFO) is the senior executive responsible for managing financial operations of the organization, including accounting, financial reporting, tax and business control. The CFO assists the senior management in formulating strategic plans, financial goals and objectives of the company. Major roles of the Chief Financial Officer include:

- Oversee preparation annual budget, financial and business plans.
- Help maintain optimum capital structure
- Forecast and control operating costs
- Oversee preparation of monthly financials with analysis
- Oversee preparation of quarterly, half yearly and annual financial statements
- Liaise with the External Auditor and oversee the audit procedure
- Ensure compliance with all reporting, accounting and audit requirements imposed by the regulators
- Ensure proper tax management and compliance system

3. Head of Internal Audit and Compliance (HIAC)

Head of Internal Audit and Compliance reports directly to the Audit Committee of IPDC's Board of Directors and is responsible for assessing and mitigation of various control risks. A biography of the Head of Internal Audit and Compliance is set out in the Profile of the Management Committee section of this annual report.

3.1 Role of HIAC

The Head of Internal Audit and Compliance (HIAC) is responsible for IPDC's strategic risk-based internal audit plan. Responsibilities include providing reasonable assurance on the effectiveness of the organization's risk management and the strength of internal controls.

BOARD MEETING

1. Holding of Board Meetings and Attendance

In compliance with Bangladesh Bank's directive, the meeting of the Board of Directors is normally held at the registered Corporate Head Office of the Company. The meetings are held frequently and at least quarterly to help the Board discharge its responsibilities and functions. The meetings are scheduled in advance and the notice of each Board meeting is given in writing to each Director by the Company Secretary. A detailed disclosure on Board Meeting Frequency and Members' Participation is provided as an Annexure of Directors Report.

2. Process of holding board meeting

IPDC follows the process of the Bangladesh Secretarial Standards (BSS) as adopted by the Institution of Chartered Secretaries of

Bangladesh (ICSB). The Company Secretary circulates the Notice and agenda to the Board member at least 14 days prior to the scheduled date. Then all relevant Board papers are sent to the Board Members at least 3 working days prior of the meeting. All members are free to access all information if required by them. During the Board Meeting, Company Secretary ensures all requirements & take notes of the meeting and prepare the Minutes of the meeting.

3. Number of Board Meetings Held in 2023

In the year 2023, the Board has conducted total 13 meetings throughout the year.

4. Key Activities of the Board in 2023

The Board of Directors of IPDC Finance Limited discussed matters related to company performance, policy formulation, resource allocation and risk management. A summary of the key agendas is given below:

Key agendas considered by the Board of Directors during 2023

Q1 2023	1	Adoption of Directors' Report, Auditors' Reports and Audited Financial Statements for the year ended 31 December 2022 and recommendation for appropriation of the profit for the year 2022 and dividend declaration.
	2	Auditor's Report on Corporate Governance Certificate by Auditor.
	3	Appointment of Statutory and Corporate Governance Auditors for the year 2023 and fixing their remuneration.
	4	Fixing the AGM date, Time, and Record date along with dividend declaration
	5	Management Report on the performance of IPDC for the year ended December 31, 2022.
	6	Approval of credit proposals recommended by Board Executive Committee
	7	Approval of policies and guidelines
Q2 2023	1	Approval of un-audited financial statements for the 1st Quarter 2023 ending 31 March 2023
	2	Approval for Strategic initiatives
	3	Approval for Capital Expenditure for new and existing branches
	4	Approval for Employee benefits and others.
	5	Approval of CSR Budget for year 2023
Q3 2023	1	Approval of Un-audited Half Yearly Financial Statements as on 30 June 2023
	2	Report on investment in stock market
	3	Renewal of Credit Manual
	4	Report on critical NPL accounts and recovery action plan
Q4 2023	1	Approval of Un-audited financial statements for the 3rd Quarter ending 30 September 2023
	2	Approval of Budget for 2024 along with Year 2023 estimates
	3	Approval of proposals Chairman's Award
	4	Proposals of Appointment/Re-appointment of Managing Director
	5	Discussion on Key features and impact of new Finance Company Act 2023

BOARD'S COMMITTEES AND THEIR RESPONSIBILITIES

The board's sub-committees include Audit Committee and Executive Committee. Board Committees and their responsibilities are also outlined in detailed in the Integrated Risk Management Framework section.

1. Remuneration Committee, Nomination Committee:

As per the Corporate Governance Code issued by BSEC, a company needs to form a Nomination and Remuneration Committee (NRC). However, as per the Central Bank's regulation, no NBFI can form any Board Subcommittee other than Executive Committee and Audit Committee. Additionally, IPDC has obtained a clarification from Bangladesh Bank and confirmed that IPDC does not need to form a Nomination and Remuneration Committee (NRC). However, IPDC has a risk management forum. Detail regarding the member composition of the risk management forum as well as key responsibilities are provided in the Integrated Risk Management Framework section.

2. Audit Committee:

The Audit Committee (hereinafter referred as 'the Committee') as a sub-committee of the Board assists the Board in ensuring reflection of true and fair view of the state of affairs of IPDC in the financial statements, also the Committee assists the Board in ensuring a robust risk management framework and effective monitoring system within the Company. The Committee is responsible to the Board and the duties of the Audit Committee is clearly set forth in ToR of Audit Committee approved by the Board.

2.1 Constitution of the Audit Committee:

IPDC's Audit Committee has been formed pursuant to the Bangladesh Bank guideline on Internal Control and Compliance framework vide DFIM Circular No.- 13, dated: October 26, 2011, and the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC), dated: June 3, 2018.

The Audit Committee of IPDC as on 31 December 2023 comprises of the following members:

Name	Status with the Committee	Status with the Board
Ms. Sonia Bashir Kabir	Chairman	Independent Director
Dr. Shah Md. Ahsan Habib	Member	Independent Director
Mr. Md. Anwarul Alam	Member	Director
Mr. Ariful Islam	Member	Director
Ms. Nahreen Rahman	Member	Director

The Company Secretary acts as the secretary of the Committee.

2.2. Qualification of the members of the Committee:

All the members of the Committee are 'financially literate' as defined by the Corporate Governance Code of BSEC with professional qualifications and enormous experience. Qualifications of the Chairman and members of the Committee are addressed on pages ... of this Annual Report.

2.3. Chairman of the Audit Committee:

The Chairman of the Audit Committee, Ms. Sonia Bashir Kabir, is one of the Independent Directors possessing vast experience. In the absence of the Chairperson of the Audit Committee, the remaining members elect one of themselves as Chairman for that meeting constituting a quorum as required under condition No. 5(4)(b) of Corporate Governance Code of BSEC and recording the reason of absence of the regular Chairman.

The Chairman of the Audit Committee remains present in the Annual General Meeting (AGM). However, in case of absence of Chairman of the Audit Committee, any other member from the Audit Committee attends the AGM and reason for absence of the Chairman of the Audit keep recorded.

2.4. Meeting of the Audit Committee:

The Audit Committee conducted 4 (four) meetings in 2023. The quorum of the meeting of the Audit Committee in compliance with the Corporate Governance Code.

2.5. Role of Audit Committee

The Audit Committee on behalf of the Board of Directors attempts to ensure effective implementation of the processes set out in the business plan and policies. The major role of the Committee is to monitor and review the effectiveness of the internal control system. The Committee is also responsible for overseeing the financial reporting process and ensuring the integrity of the Financial Statements so that it provides a true and fair view of the states of affairs of the Company. In addition, the Committee reviews and when appropriate, makes recommendations to the Board on risk management framework, business risks, internal control, and compliance. The Committee satisfies itself, by means of suitable steps and appropriate information, that proper and satisfactory internal controls systems are in place to identify the risks so that the Company's business is conducted in a sound manner.

2.6. Purpose of the Committee

The Committee considers the internal control and its effectiveness within the organization. The main purpose of the Committee is to assist the Board of Directors on the following matters:

- Evaluates performance of the Company's internal control functions;
- Ensures compliance of the Company with legal and regulatory requirements;
- Reviews effectiveness of risk management framework of IPDC and makes recommendations on the reporting, control and compliance aspects of the Company;
- Provides independent monitoring, guidance and if necessary, to challenge executive management;
- Performs independent review to ensure control over financial reporting and all other operational matters; and
- Evaluates whether the Financial Statements reflect true and fair view of the affairs of the Company and have been prepared as per the regulatory guidelines.

2.7. Reporting of the Audit Committee:

Reporting to the Board of Directors:

The Audit Committee reports directly to the Board of Directors and under certain circumstances, can also report to the BSEC, Bangladesh Bank and other regulatory bodies. The Audit Committee immediately reports to the Board of Directors in the following cases:

- On conflict of interest;
- Suspected and presumed fraud or irregularity or material defect in the internal audit and compliance process or in the financial statements;
- Suspected infringement of laws and regulatory compliances; and
- Any other matter which should be disclosed to the Board of Directors immediately;

No such issues occurred at IPDC during the year 2023.

Reporting to the Authorities:

The Audit Committee is authorized to report the findings to the BSEC, Bangladesh Bank and other regulatory bodies that has a material impact on the financial conditions and results of operations of the Company reported to the Board with rectification but unreasonably ignored.

No such circumstances happened during the year ended 31 December 2023.

Reporting to Shareholders and General Investors:

The Committee presented a summary of its activities to shareholders and other interested parties through 'Report of the Audit Committee' of this Annual Report.

NAVIGATING STAKEHOLDER AND SHAREHOLDER RIGHTS: A COMPREHENSIVE OVERVIEW

1. Shareholders Right

Shareholders of IPDC are its backbone to whom company owes fiduciary duty. Shareholders enjoy certain rights such as voting at shareholder meetings i.e. AGM, EGM to approve the members of the board of directors, dividend distributions, and many other important agenda of the Company. Accountability and transparency are ensured through highest practice of corporate governance to preserve the rights of the shareholders.

2. Stakeholder Value

IPDC gives highest importance to a culture driven by the interest of its stakeholders to survive and thrive as it puts IPDC in more competitive advantageous position and grow sustainably. IPDC give emphasis on improving parameters like health of the business, performance, and investment potentials by considering nonfinancial and intangible indicators such as corporate culture, strategy, leadership, innovation, social responsibility, long-term risk management, and the values of its key stakeholders. IPDC has redesigned its management education to adopt a holistic social contracting perspective and the multistakeholder model.

3. Minority Shareholders

Board of Directors gives emphasis on various legal protections and rights that are available to the minority shareholders to safeguard their interests and prevent unfair treatment. Minority shareholders, regardless of their minimal ownership, can vote in AGM in significant decisions. They receive compulsory dividends every year from the company. The ownership structure or the representation in the Board is well balanced to ensure no discrimination or unfair treatment is being done to any section of shareholders irrespective of its status as majority or minority shareholders.

4. Redressal of investors Complaints:

Complaint management mechanisms are an integral part of the stakeholder engagement process. Investors having top priority for the company, IPDC dedicates an investor relations department catering all communications and issues of the investor through making all financial, key facts and figures of the company available to the investors. Any complaint is communicated through the process of the department and considered to provide redress to the investors at the earliest possible time.

5. Communication and Relationship with Stakeholders

It is the company's policy that all external communication by the Company will:

- be factual and subject to internal vetting and authorization
- not omit material information
- share information in a timely, clear and objective manner

IPDC strongly believes that all stakeholders should have access to complete information on its activities, performance and product initiatives

5.1 Communication through Quarterly Reports

The quarterly performance of IPDC is communicated through the quarterly financial statements and in addition to being issued on the

website it is also issued in two widely circulated national dailies one in English and another in Bangla and online portal.

5.2 Communication through Annual General Meeting (AGM)

All shareholders have the right to attend the Annual General Meeting (AGM) where they can meet and communicate with the Directors and express their views regarding the Company's business, prospects and other matters of interest. The shareholders are always encouraged to attend the meetings or, if they are unable to attend, to appoint proxies.

5.2.1 Shareholding Representation at the AGM

Shareholders representation at the AGM is ensured as per the requirements of Company Act 1994 and rules/directives of BSEC. Since COVID, AGMs are being held virtually through online platform where shareholders attend the meeting through their dedicated BOLD and able to vote electronically. An independent scrutinizer, along with representation from DSE and CSE ensures transparency of the shareholders representation and voting process.

5.2.2 AGM attendance of Directors

Directors representing respective shareholders are communicated to attend the AGM through notice and agenda sent to them 21 days prior. Chairman of the Board of IPDC along with Chairman of the Board Audit Committee, as mandatory requirement by BSEC Corporate Governance Code, remain present at the AGM along with other directors representing the shareholders in compliant with the required attendance by the Company Act 1994.

5.3 Process of Communicating the Schedule

All notices of the Annual General Meeting (AGM)/ Extraordinary General Meeting (EGM) are sent to the Exchange and simultaneously to the shareholders at least 21 days prior to AGM and 21 days prior to EGM. Copies of the Annual Report are also sent at least 14 days before the Annual General Meeting to the shareholders. Notice of the AGM is sent to the Dhaka Stock Exchange (DSE), Bangladesh Securities and Exchange Commission (BSEC), online newspaper and print media. The notice of the AGM is also made available on the company website.

5.4 Communication Through Quarterly Investors Meet

IPDC conducts quarterly investors meet session where quarterly financial results are discussed. It is an open forum where investors get an update on the recent performance and progress against strategic priorities of the company. The event is also live streamed so that investors who are unable to attend the event physically can share their thoughts and ask questions through virtual presence

5.5 Communication Through Website

The Company's website (www.ipdcdbd.com) displays, the annual reports, half-yearly reports, quarterly reports, product offerings, recent announcements, presentations and event updates. Price Sensitive Information (PSI) are made publicly available as required by the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Limited (DSE) and the Chittagong Stock Exchange Limited (CSE) and the Bangladesh Bank. In addition to ensuring timely compliance, this also enables dissemination of information to all stakeholders and the public through print and online media.

ENVIRONMENT AND SOCIAL OBLIGATION

The Sustainable Finance Department of Bangladesh Bank has issued guidelines on Environmental & Social Risk Management (ESRM) for Banks and Financial Institutions on June 16, 2022, which core objective is to make the company realize to integrate Environment & Social (E&S) risks and incorporate appropriate risk mitigation measures in credit management to be able for expanding the credit/investment portfolio rather than avoid investing in high E&S risks.

Based on the guidelines of Bangladesh Bank, IPDC develops its own policy to ensure IPDC's commitment to E&S management, and it defines procedures for identifying, assessing, and managing E&S risk of financial transactions, describes the decision-making process, outlines roles, responsibilities, and capacity needs of staff, and states documentation and recordkeeping requirements. IPDC continually endeavors to ensure effective Environmental & Social management practices in all its activities, products, and services with a special focus on the following:

- Ensuring that all activities undertaken by the Company are consistent with the Applicable Requirements
- Ensuring that all projects are reviewed against the Applicable Requirements
- Financing projects only when they are expected to be designed, built, operated, and maintained in a manner consistent with the Applicable Requirements.
- Making best efforts to ensure that all projects are operated in compliance with the Applicable requirements on an ongoing basis, during the currency of the Company's financing.
- Ensuring transparency in its activities
- Ensuring that the management and the shareholders of the client companies understand the policy commitments made by the Company in this area.

Applicable Requirements

IPDC ensure that all projects are reviewed & evaluated against the following Environmental & Social requirements.



The Exclusion List for all projects



The applicable national laws on environment, health, safety and social issues and any standards established therein.



The IFC Performance Standards

Steps For Conducting Environment and Social Due Diligence (ESDD)



Step: 01 Exclusion List

Screening of the project against a list of activities under exclusion list, the loan to be rejected if the project involves in the list.



Step: 02 DoE Categorization

Reviewing of industry sector and environmental and social issues that are typically associated with this type of operation.



Step: 03 ESDD

Reviewing project compliance with national regulations & international standards, assessing track record, & documenting



Step: 04 Generate Risk Rating

Upon completion of the relevant checklist a risk rating (High, Medium, or Low) will be generated automatically.



Step: 05 ESAP

For High and Medium Risk transaction, a time bound action plan and relevant covenants must be included in the loan documentation.



Step: 06 Escalation

Depending upon the risk rating, the transaction has to be escalated to the relevant authority according to escalation matrix.



Step: 07 Monitoring

Review of the proposed actions to mitigate potential environmental & social issues throughout all phases of the project life cycle.



Step: 08 Reporting

IPDC reports both internally to senior management & externally to Bangladesh Bank, shareholders on their sustainability performance.

Sustain office practices for environmental responsibility.

IPDC diligently sustains its commitment to environmental stewardship by steadfastly implementing a wide array of practices within its office environment. These practices are meticulously designed to be environmentally responsible and eco-friendly, reflecting IPDC's dedication to minimizing its ecological footprint and promoting sustainability.

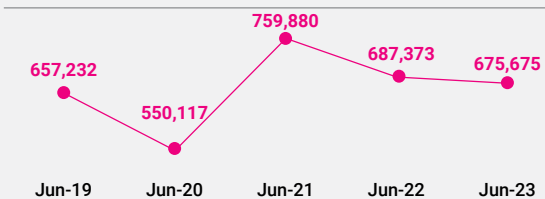


Major Activities in 2023

Reduce Energy Consumption

Since 2022, IPDC has been steadfastly committed to reducing its electricity consumption rate. Rather than opening new branches during that year, IPDC achieved a significant drop in electricity consumption and diligently worked to sustain this progress. In 2023, these efforts yielded success, as the consumption rate remained consistent with the previous year. As we prepare to open three new branches in the coming year, IPDC is dedicated to implementing and maintaining these energy-saving measures across all branches.

Total electricity consumption (in KWH)



**Electricity consumption in the new expansion of the Head Office was 162,470 KWH, which is not included here for direct comparison with the previous year's data.

Utilize Sustainable Materials

IPDC collaborated with Hasimukh, an NGO dedicated to the welfare of underprivileged children, to host a program aimed at promoting environmental consciousness. During the event, participants engaged in crafting activities utilizing recycled materials. The primary objective was to inspire individuals to embrace recycling practices. Pottery and crafts fashioned from recycled materials were subsequently displayed within IPDC's office premises as decorative elements. This initiative motivated numerous employees to adopt a mindset of reusing everyday items.



Employees are actively engaged in crafting items using recycled materials.

Foster environmentally friendly behaviors

In an effort to instill inspiration among its employees, sustainability practices, IPDC took a meaningful step at the dawn of 2023. As a symbol of commitment to environmental stewardship, the company gifted a tree to each member of its workforce. This initiative was not merely a customary New Year's gift, but a deliberate action aimed at fostering a culture of eco-consciousness within the organization. Each tree symbolized a personal responsibility to nurture and protect the natural world, reflecting the company's ethos of sustainability and corporate social responsibility.



In a thoughtful gesture towards fostering environmental consciousness and sustainability, IPDC distributed trees among its employees as New Year gifts.

Other endeavors aligned with environmentally friendly practices include



CSR Activities dedicated for Environment

Chapter- 02



Integration of Sustainable Business Practices

Chapter- 08



Green Finance Initiatives through lending products

Chapter- 6.1



Execution of environmental initiatives by IPDC

Chapter- 6.2

ETHICS & COMPLIANCE

IPDC is committed to upholding the highest standards of ethics and compliance by its employees while doing Business. Acts of every employee are governed by "Code of Conduct" which is approved by our Board of Directors and reviewed after every three years. Moreover, we are a value driven organization which separates us from others while displaying ethics in our activities. Be it business or in the community.

1. Fundamentals of Code of Conduct

"Code of Conduct" reflects ethical commitments and moral obligations by our employees through their acts inside and outside workplaces while doing business. It drives the actions of our employees and is reflected in the ethical way of doing business. Fundamental areas of "Code of Conduct" are narrated below:

1.1. Displaying Ethical Behaviors

 Integrity: At IPDC, every employee should be a role model for ethical behavior and promote a culture of integrity. Violations of the code should be reported, and appropriate actions are taken accordingly. Similarly, we recognize employees who exemplify ethical standards.	 Conflict of Interest: Employees must avoid conflicts of interest and refrain from seeking unauthorized or illegal advantages while in their roles. Any potential conflicts should be disclosed.	 Harassment and Discrimination: We show zero tolerance to any form of discrimination and harassment. Employees are encouraged to speak up and report any harassment.	 Engagement in other Employment: Employees are not allowed to engage in any commercial activity without prior permission from the appropriate authority.	 Obligation after Separation: Employees will be held responsible even after separation for wrongdoings conducted during their stay at IPDC.
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1.2. Ethical Business Practices

 Fair Treatment of Customers: Every employee should ensure an extraordinary customer experience through fair, concise and clear communication.	 Privacy and Security of Client Information: Employees are bound to keep a client's information confidential unless it is clearly stated otherwise.	 Protecting Confidential Information about the Company and its Stakeholders: Every employee is bound to maintain confidentiality of information about the company and its stakeholders which they might gather because of their role.	 Kickback & Secret Commission: Employees are strictly prohibited to accept kickback/ secret commission from suppliers/ clients/ anyone for undue advantages.	 Gifts, Entertainments, and Favors: Employees are prohibited from accepting any gifts, entertainment or personal favors that could potentially influence business decisions in any manner.
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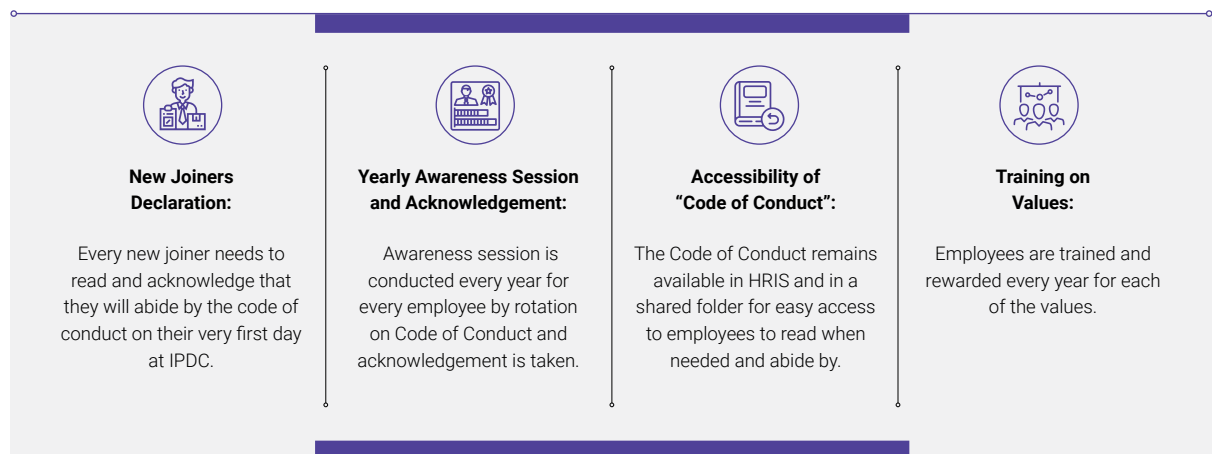
2. Value Driven Organization

IPDC is a value driven organization. We have a set of 7 values that drive the behavior of our employees at the workplace and beyond. All the employees must display the required behavior in each value. Employees are rewarded who set examples and held responsible for wrongdoings.



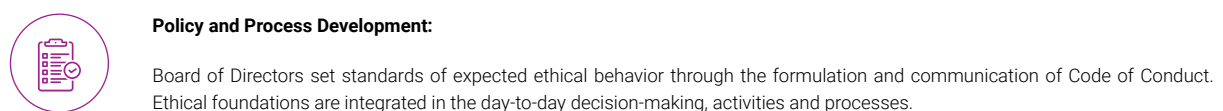
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3. Application of Ethics and Compliance in Workplace



4. Board Commitment

The Board of Directors of IPDC are committed and ensure that the company's business activities are conducted in accordance with the highest standards of ethics and compliance through all the employees of IPDC. As part of this, Board of Directors have instituted several approaches to underline its commitment to the highest standards of ethical behavior.





Organizational Structure and Control Mechanism:

Established a clearly defined organizational structure that assigns responsibility and authority for the conduct of organizational functions. Installed a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis.



Personal Investments and Insider Trading:

The Board members shall not engage in insider trading with respect to the purchase and sale of the Company's securities. The Board members shall not buy or sell securities while in possession of material non-public information about the issuer of that security, whether the issuer is IPDC or any another company.



Anti-Fraud Programs:

All must remain vigilant about any kinds of frauds, thefts or illegal activities and must not engage at any cost. Any such activity should be immediately reported, and appropriate actions are taken accordingly. All employees are trained every year on AML&CFT by rotation.



Application of Whistleblowing Policy:

All personnel working for IPDC act as whistleblowers and report any activity that is not in accordance with our code of conduct. Identity of whistleblower, always remain confidential and IPDC remains responsible for their protection.



Reporting Mechanisms:

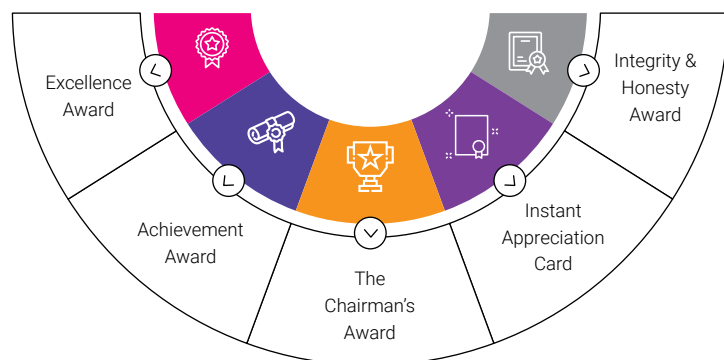
Number of reporting mechanisms are in place at IPDC for reporting any irregularities. We practice open door communication policy for reporting. We have placed "Talk-to-Me" box in all offices to report unusual matters. Recently, we have incorporated reporting mechanism in HRIS, where employees can hide their identity and report any issue of concern. Last but not the least, we have "Shushoma" a platform designed solely for female to raise any issues of their concern.

5. Compliance and Monitoring:

- Compliance with the Code of Conduct and Ethics is embedded in the employment terms and conditions of all employees.
- All employees are trained every year on "Code of Conduct" by rotation, and they acknowledge that they have read, understood and will abide by the code.
- We show zero tolerance for non-compliance to "Code of Conduct" and disciplinary actions are taken immediately based on the merit of the incident.
- Every year external and internal audits take place within the organization and corrected measures are taken for any identified deviations.

6. Reward and Recognition:

Every year, employees are rewarded in different categories for displaying exemplary behavior and performance while performing their assigned responsibilities to boost their morale and exhibit integrity and sincerity in discharging their duties. Mentionable recognition programs are:



INTERNAL CONTROL SYSTEM

IPDC's internal control system has been engineered to ensure accurate and reliable financial reporting and preparation of financial statements in accordance with applicable laws and regulations, IFRS and other requirements for listed companies. IPDC uses the COSO (Committee of Sponsoring Organizations of the Treadway Commission) Framework to assess the effectiveness of the system of internal control. IPDC adopts COSO's definition of internal control, which is defined as a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance. Internal control system is one of the principal means by which risk is managed and is applied to all aspects of operations across all departments.

Objective of Internal Control

IPDC's internal control system is designed to assist the organization to perform better and achieve its objectives. It allows IPDC to identify its weaknesses and take steps to overcome those weaknesses. The primary objectives of internal control are:

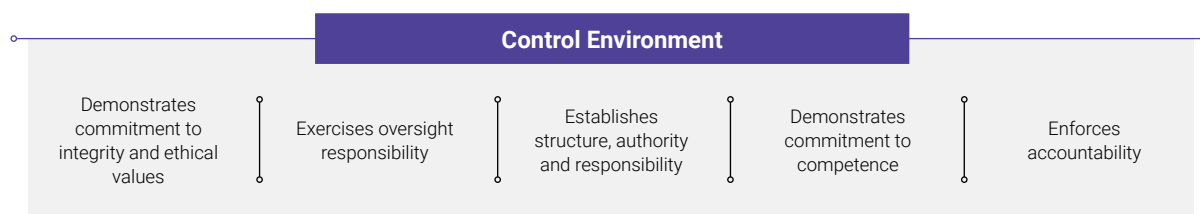
Operations Objective:	Reporting Objective:	Compliance Objective:
Efficiency and effectiveness of activities.	Reliability, completeness and timelines of financial and management information.	Compliance with applicable laws and regulations.

Components of Internal Control

Control Environment

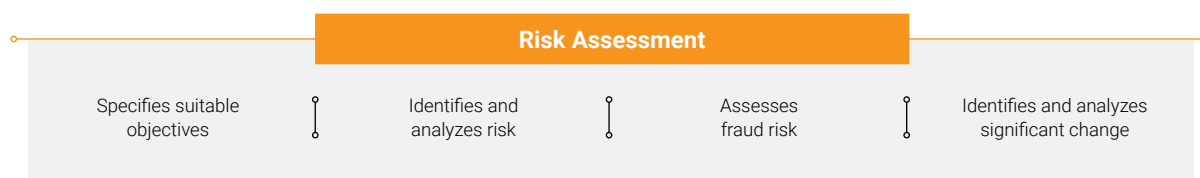
The foundation of IPDC's Internal Control System is the control environment. It is defined by policies and directives, manuals, and codes, and enforced by the organizational structure of IPDC with clear responsibility and authority based on collective values. The Board of Directors and Senior Management establish the tone at the top regarding the importance of internal control and expected standards of conduct. Additionally, the Audit Committee (established by the Board) assists in overseeing relevant policies and important accounting principles applied by the company.

The limits of responsibilities and authorities are given in directives for delegation of authority, manuals, policies and procedures, and codes, including the Code of Conduct, the Workplace Policy, and the Anti-Corruption Policy, as well as in policies for information, finance, and in the accounting manual. Together with laws and external regulations, these internal guidelines form the control environment and all IPDC employees are held accountable for compliance.



Risk Assessment

Risk assessment involves a dynamic and iterative process for identifying and analyzing risks to achieving the entity's objectives, forming a basis for determining how risks should be managed. Management considers possible changes in the external environment and within its own business model that may impede its ability to achieve its objectives



Control Activities

Control activities involves the establishment of control policies and procedures and verification of compliance with those policies and procedures. IPDC develops and reviews policies and procedures on a continuous basis and make amendments to them as and when required. To ensure effectiveness of internal control, IPDC has set up appropriate control structure and control activity through the organization at each business level and employees have been provided with clear job descriptions and necessary authority. Some control activities in place includes the following:



REPORT OF THE AUDIT COMMITTEE

Scope of work of Audit Committee

The scope of the Audit Committee of IPDC Finance Limited (hereinafter referred as 'the Committee') is authorized to monitor and review the effectiveness of the Company's Internal Audit and Compliance function in the context of the Company's overall risk management system. The Committee performs its activities within the Terms of Reference of the Committee and is empowered to seek information from any Director or employee of the Company from time to time as it thinks fit. The Committee presents a summary of its activities to shareholders and other interested parties by means of this report.

Duties and responsibilities

The duties and responsibilities of the Committee are:

Review of Financial Statements

The Committee has reviewed the quarterly, half-yearly and annual Financial Statements of the Company, focusing particularly on any significant changes to accounting policies and practices, significant adjustments arising from the audits, the going concern assumptions and compliance with applicable Financial Reporting Standards and other legal and regulatory requirements.

Review of the activities of the Internal Audit & Compliance

The Committee reviews and approves the Risk-based Internal Audit & Compliance Plans to satisfy itself with the consistency and coverage of the risk management framework of the Company. The Committee reviews the following activities:

- Review and satisfy itself that the Internal Audit & Compliance Department has the competency and qualifications to maintain its mandates;
- Review the status report from the Internal Audit & Compliance Department and ensure that appropriate actions have been taken to implement its recommendations;
- Recommend any broader review deemed necessary as a consequence of any issues that may have been identified; and
- Request and review any special audit when deemed necessary.

Regarding functions of External Auditor

Nurul Faruk Hasan & Co (Deloitte Bangladesh), a Bangladeshi partnership, and a Member firm of Deloitte Touche Tohmatsu Limited, were appointed as statutory external auditors of the Company at the 41st Annual General Meeting held on April 27, 2023. As a part of ensuring highest level of corporate governance, the Committee prohibits the external auditors from performing any work that they may subsequently need to audit, or which might otherwise create a conflict of interest. The Committee has ascertained that the external auditors of the Company have not been engaged in any one of the following material non-audit services:

- Appraisal or valuation services or fairness opinions;
- Financial information system design and implementation;
- Book-keeping or other services related to the accounting records or Financial Statements;
- Broker-dealer services;
- Actuarial services; and
- Internal Audit services.

The Committee has also ascertained the following:

- None of the partners or employees of the external audit firm possesses any share of IPDC at least during the tenure of their audit assignment.
- The external audit firm is not receiving any fee which is contingent upon such factors like achieving targeted non-performing loan ratio by the Company, loan disbursement target etc.

The Committee evaluated the expertise, resources, independence and objectivity of the external auditors and reviewed their effectiveness as external auditor before recommending their appointment to the Board.

The Committee also reviewed the auditing performance of the external auditors and their audit reports, reviewed the findings and recommendations made by the external auditor for removing the irregularities detected and made recommendations to the Management regarding removing those irregularities.

Major activities of the Committee:

The Committee met 4 (four) times during the year 2023 to carry out the following major activities:

- Reviewed and recommended to the Board on approval of the Annual Financial Statements for the year ended December 31, 2022;
- Reviewed the Management Letter from external auditors for the year 2022 together with the Management's responses to the findings;
- The Committee held meeting with the statutory auditors for review of the annual financial statements of 2022 before submission to the Board for approval;
- Reviewed the External Auditors' Certificate on Corporate Governance compliance under Sec 2CC of the Securities and Exchange Ordinance, 1969 for the year ended December 31, 2022;
- Reviewed Management's response on Bangladesh Bank's comprehensive inspection report on the Financial Statements as of December 31, 2021;
- The Committee reviewed the External Auditor's Report on Information Systems & Security Audit;
- Reviewed the Risk Based Internal Audit & Compliance Plan for the year 2024;
- Reviewed internal policies of the Company and recommended to the Board for approval;
- Reviewed the development and installation of Heat Map and Risk Register of the Company for 2023;
- Reviewed and ascertained that the internal control system including financial and operational controls, accounting system, and reporting structure are adequate and effective;
- Reviewed the periodical inspection reports of the Company conducted and submitted by the Internal Auditors and recommended necessary instructions to the Management for proper and prompt resolution of the irregularities/objections stated therein;
- Reviewed the actions taken by the Management for implementation of Audit Committee observations on issues deliberated in Audit Committee reports;
- The Committee placed its reports regularly to the Board of the Company for review and monitoring the activities with recommendations on internal control system, compliance with rules and regulation of the regulatory bodies;
- Reviewed first quarter, half-year and third quarter ended Financial Statements for the year 2023 and recommended to the Board for its approval;
- Reviewed statement of significant related party transactions submitted by the Management and as presented in the Financial Statements of the year 2022;
- Reviewed the Management's Discussion and Analysis before disclosing in the Annual Report of 2022; and
- The Committee reviewed the Risk Management Framework of IPDC on half-yearly basis.

Based on the above review and discussions, the Committee is of the view that the internal control and compliance procedures are adequate to present a true and fair view of the activities and financial status of the Company.



Sonia Bashir Kabir
Chairman, Audit Committee

ROLE OF THE EXECUTIVE COMMITTEE

Executive Committee is the Subcommittee of the Board of Directors which needs to be formed and operated as per Bangladesh Bank's regulation. Executive Committee members have many oversight roles. The main activities of the Executive Committee include approving the credit-risk taking activities of the company based on the regulations of established approving authority and reviewing and endorsing credit granting activities. Additionally, they are responsible for the facilitating the board in establishing and maintaining good governance practices. Oversight duties also include overseeing ad-hoc committees that work on policy development by making sure that they complete their objectives. Discussions of the Executive Committee should be encapsulated in their minutes, which they should present to the full board in a timely manner.

Purpose of the Executive Committee

The Executive Committee is the decision-making body of the company, established to collectively decide upon priority topics, facilitate information sharing among senior management and the Board and support strong team spirit. The Executive Committee is a sub-committee formed by the Board of Directors of the Company. The primary responsibility of committee is to provide advice and support the Board on strategic and business decision making within the guideline of the Board and regulatory authorities. Scope of work of the Executive Committee is fixed by the Board which includes the following matters:

- Review and approve credit facilities recommended by the management within the discretionary authority delegated by The Board from time to time.
- Review the status of recovery under classified loans, status of portfolio direction and progress under litigation.
- Review the status of credit facilities approved by the management.
- Review strategies and the company's structural risk management framework
- Review adequacy of loan provisioning
- Review coherence of the commercial policies and principles with budget objectives
- Optimization of market risk strategies within the guidelines set by the Board of Directors

Structure of Executive Committee

The Executive Committee of the company comprises of the following members:

Name	Status in the Committee	Status in the Board
Mr. Sameer Ahmad	Chairman	Director
Mr. Tushar Bhowmik	Member	Director
Mr. Mohammad Manzarul Mannan	Member	Director
Ms. Nahreen Rahman	Member	Director
Mr. Rizwan Dawood Shams	Member	Managing Director

Major Activities of the Executive Committee

The Committee met 10 times during the year 2023 through video conferencing to carry out the following major activities:

- A total number of 15 proposals with an aggregate value of BDT 2,939.50 million (including renewals of BDT 1,900 million) were considered for approval in EC meeting dated, January 16, 2023, of which 2 credit proposal aggregating 900 million were recommended to the Board for approval.
- A total number of 20 proposals with an aggregate value of BDT 4,723 million (including renewals of BDT 2,560 million) were considered for approval in EC meeting dated February 20, 2023, of which 2 credit proposals aggregating 940 million were recommended to the Board for approval.
- A total number of 12 proposals with an aggregate value of BDT 1,391 million (including renewals of BDT 880 million) were considered for approval in EC meeting dated March 23, 2023, of which 1 credit proposals aggregating 80 million were recommended to the Board for approval.
- A total number of 6 proposals with an aggregate value of BDT 1,533.50 million (including renewals of BDT 1,080 million) were considered for approval in EC meeting dated May 03, 2023.
- A total number of 5 PPGs were recommended to the Board for approval in EC meeting dated May 22, 2023.
- A total number of 1 proposal with an aggregate value of BDT 10 million was considered for approval in EC meeting dated June 20, 2023.
- A total number of 9 proposals with an aggregate value of BDT 2,565 million (including renewals of BDT 1,450 million) were considered for approval in EC meeting dated July 17, 2023, of which 2 credit proposals aggregating 1,100 million were recommended to the Board for approval.
- A total number of 22 proposals with an aggregate value of BDT 6,600 million (including renewals of BDT 4,930 million) were considered for approval in EC meeting dated September 20, 2023, of which 1 credit proposals aggregating 1,100 million were recommended to the Board for approval.
- A total number of 06 proposals with an aggregate value of BDT 1,860 million (including renewals of BDT 1,540 million) were considered for approval in EC meeting dated October 16, 2023, of which 3 credit proposals aggregating 1,320 million were recommended to the Board for approval.
- A total number of 8 proposals with an aggregate value of BDT 1,270 million (including renewals of BDT 500 million) were considered for approval in EC meeting dated November 20, 2023.

CORPORATE GOVERNANCE CERTIFICATE

Annexure 1

Hoda Vasi Chowdhury & Co Chartered Accountants

Annexure-B

[Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of IPDC Finance Limited

on

Compliance on the Corporate Governance Code

(Issued under Condition No. 9.00 of Corporate Governance Guidelines of "BSEC" vide notification on SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018)

We have examined the compliance status to the Corporate Governance Code by IPDC Finance Limited (the "Company") for the year ended 31 December 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the condition of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the Company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of IPDC Finance Limited is highly satisfactory.



Sk Md Tarikul Islam, FCA

Partner

Enrolment no. 1238

Hoda Vasi Chowdhury & Co

Chartered Accountants

Dhaka, 27 March 2024

National Office : BTMC Bhaban (6th & 7th Floor), 7-9 Karwan Bazar Commercial Area, Dhaka- 1215, Bangladesh
Chattogram Office : Delwar Bhaban (4th Floor), 104 Agrabad Commercial Area, Chattogram-4100, Bangladesh

STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE GUIDELINE

Annexure 2

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 (amended on 16 October 2023) issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1	Board of Directors			
1(1)	Size of the Board of Directors: The total number of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty);	✓		
1(2)	Independent Directors (IDs)			
1(2)(a)	At least 2 (two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be Independent Directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		
1(2)(b)	Without contravention of any provision of any other law, for the purpose of this clause, an "independent director" means a director			
1(2)(b) (i)	Who either does not hold share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		The IDs provide declarations about their compliances
1(2)(b) (ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		Do
1(2)(b) (iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		Do
1(2)(b) (iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	✓		Do
1(2)(b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		Do
1(2)(b) (vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		Do
1(2)(b) (vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance;	✓		Do
1(2)(b) (viii)	Who is not independent director in more than 5 (five) listed companies;	✓		Do
1(2)(b) (ix)	Who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non-payment of any loan or advance or obligation to a bank or a financial institution; and	✓		Do
1(2)(b) (x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		Do
1(2)(c)	Independent Director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM): Provided that the board shall appoint the independent director, subject to prior consent of the commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	✓		The appointment of IDs is approved by AGM
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	√		
1(3)	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory, and corporate laws and can make meaningful contribution to business;	√		The qualification of IDs justifies their skills
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or	√		
1(3)(b)(ii)	Corporate Leader who is or was a top-level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	Not Applicable		
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or	Not Applicable		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	Not Applicable		
1(3)(c)	The independent director must have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	√		
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		The Chairman and MD or CEO are different individual
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer; and	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1(5)	The Directors Report to shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.;	Not Applicable		No such event occurred in the year
1(5)(ix)	An explanation of any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements;	✓		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	Not Applicable		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name wise details where stated below) held by:	✓		
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		
1(5)(xxiii)(b)	Directors, Chief Executive Officer Company Secretary, Chief Report, Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		
1(5)(xxiii)(c)	Executives;	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1(5)(xxiv)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders: -			
1(5)(xxiv) (a)	A brief resume of the director;	✓		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas;	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements			
1(5)(xxv) (a)	Accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediately preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	√		
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√		
1(6)	Meetings of the Board of Directors			
	The company shall conduct Board meetings and record the minutes of the meetings as well as required books and records in line with the provision of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	Not Applicable		Complied as per the prudential guideline given by Bangladesh Bank
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company	Not Applicable		Do
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company;	Not Applicable		IPDC has no subsidiary
2(b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company;	Not Applicable		Do
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	Not Applicable		Do
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	Not Applicable		Do
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Not Applicable		Do
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a MD or CEO, CS, CFO and HIAC;	√		
3(1)(b)	The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;"	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	√		No such event occurred in the year
3(2)	Requirement to attend Board of Directors' Meetings:			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
3(3)(a)(i)	These statements do not contain any materially untrue Annual Report statement or omit any material fact or contain statements that might be misleading;	√		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in this Annual Report;	√		
4	Board of Directors' Committee for ensuring good governance in the company, the Board shall have at least following subcommittees:			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.	Not Applicable		Complied as per the prudential guidelines given by Bangladesh Bank
5	AUDIT COMMITTEE:			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board of Directors.	√		
5(1)(b)	Future plan and projection or forecast for company's operation performance and financial position, with justification thereof, actual position shall be explained to the shareholders in the next AGM.	√		
5(1)(c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	Constitution of the Audit Committee:			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members.	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) Independent Director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	"When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;"	√		No such event occurred in the year
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without Independent Director.	√		
5(3)	Chairman of the Audit Committee			
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
5(3)(c)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	√		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	Role of Audit Committee:			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Control Risk management process;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold the meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	√		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in this Annual Report;	√		
5(5)(j)	Review statement of significant related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	√		
5(6)	Reporting of the Audit Committee:			
5(5)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any: -			
5(6)(a)(ii)(a)	Report on conflicts of interests;	Not Applicable		No such event occurred in the year
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defecting the internal control system;	Not Applicable		No such event occurred in the year
5(6)(a)(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations;	Not Applicable		No such event occurred in the year
5(6)(a)(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately;	√		
5(6)(b)	If the audit committee has reported to the board about anything which is material impact on the financial condition and results of operation and has discussed with the board and the management that any rectification is necessary and if the audit committee finds that such rectification has been unreasonably ignored, the audit committee shall report such finding to commission, upon reporting of such matters to the board for three times or completion of a period of 6 months from the date of first reporting to the board, whichever is earlier.	Not Applicable		No such event occurred in the year
5(7)	Reporting to the shareholders and general investors			
	Report on activities carried out by the audit committee, including any report made to the board under condition no. 5(6)(a)(ii) above during the year, shall be signed by the chairperson on the Audit committee and disclosed in the annual report of the issuer company.	√		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	Not Applicable		Complied as per the prudential guidelines given by the Bangladesh Bank
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	Not Applicable		Do
6(1)(c)	ToR of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b);	Not Applicable		Do
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	Not Applicable		Do
6(2)(b)	"At least 02 (two) members of the committee shall be non-executive directors;"	Not Applicable		Do
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	Not Applicable		Do
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	Not Applicable		Do
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	Not Applicable		Do
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	Not Applicable		Do
6(2)(g)	The company secretary shall act as the secretary of the Committee;	Not Applicable		Do
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	Not Applicable		Do
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	Not Applicable		Do
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	Not Applicable		Do
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	Not Applicable		Do
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	Not Applicable		Do
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	Not Applicable		Do
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	Not Applicable		Do
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	Not Applicable		Do
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC;	Not Applicable		Do
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	Not Applicable		Do
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	Not Applicable		Do
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	Not Applicable		Do

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	Not Applicable		Do
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	Not Applicable		Do
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	Not Applicable		Do
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	Not Applicable		Do
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	Not Applicable		Do
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	Not Applicable		Do
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	Not Applicable		Do
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	Not Applicable		Do
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	Not Applicable		Do
7	External or Statutory Auditors			
7(1)	The issuer Company shall not engage its external or statutory auditors to perform the following services of the company, namely: -	√		
7(1)(i)	appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	financial information systems design and implementation;	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services	√		
7(1)(vii)	Any service that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange;	√		
8(2)	The company shall keep the website functional from the date of listing;	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s);	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in this Annual Report.	√		IPDC obtained the certificate from Hoda Vasi Chowdhury & Co. Chartered Accountants
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		Annexure-C is presented in this report

STATEMENT OF COMPLIANCE WITH GOOD GOVERNANCE GUIDELINE ISSUED BY BANGLADESH BANK

Annexure 3

In terms of DFIM Circular No. 07, dated September 25, 2007 of Bangladesh Bank, Financial Institutions are required to comply with the policy on role and responsibility of the Board of Director and Chief Executive Officer. The Company has implemented those guidelines as per the directives of Bangladesh Bank. Status report on compliance with those guidelines is given below:

Sl No.	Particulars	Compliance Status
01.	Responsibilities and authorities of Board of Directors	
A.	Work Planning and Strategic Management	
i	The Board shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goal and in the issues relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor at quarterly rests the development of implementation of the work-plans	Complied
ii	The Board shall have its analytical review incorporated in the Annual report as regard the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies.	Complied
iii	The Board will set the Key Performance Indicator (KPI)s for the CEO and other senior executives and will evaluate half yearly / yearly basis.	Complied
B	Formation of sub-committee	
	To expedite the process of decision making, (e.g., approval of loan/lease, write off, rescheduling etc.) Board may form Executive Committee with the Director (excluding any alternate director)	Complied
C	Financial Management	
i	Annual budget and statutory financial statements shall be adopted finally with the approval of the Board.	Complied
ii	Board shall review and examine in quarterly basis various statutory financial statements such as statement of income-expenses, statement of loan/lease, statement of liquidity, adequacy of capital, maintenance of provision, legal affairs including actions taken to recovery of overdue loan/lease.	Complied
iii	Board shall approve the procurement policy and shall accordingly the delegation of power for making such expenditure. The maximum delegation of power shall rest on the CEO and to management. However, decision relating to purchase of land, building and vehicles shall remain with the Board.	Complied
iv	The Board shall adopt the operation of bank accounts. Groups maybe formed among the management to operate bank accounts under joint signatures.	Complied
D	Management of loan/lease/investments	
i	Policy on evaluation of loan/lease/investment proposal, sanction and disbursement and its regular collection and monitoring shall be adopted and reviewed by the Board regularly based on prevailing laws and regulations. Board shall delegate the authority of loan/lease/investment specifically to management preferably on Managing Director and other top executives.	Complied
ii	No director shall interfere on the approval of loan proposal associated with him. The director concerned shall not give any opinion on that loan proposal.	Complied
iii	Any syndicated loan/lease/investment proposal must be approved by the Board.	Complied
E	Risk Management	
	Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly.	Complied
F	Internal Control and Compliance	
	A regular Audit Committee as approved by the Board shall be formed. Board shall evaluate the reports presented by the Audit Committee on compliance with the recommendation of internal auditor, external auditors and Bangladesh Bank Inspection team	Complied
G	Human Resource Management	
i	Board shall approve the policy on Human Resources Management and Service Rule. Chairman and director of the Board shall not interfere on the administrative job in line with the approved Service Rule.	Complied

SI No.	Particulars	Compliance Status
li	Only the authority for the appointment and promotion of the Managing Director/Additional Managing Director/ Deputy Managing Director/ General Manager and other equivalent position shall lie with the Board in compliance with the policy and Service Rule. No director shall be included in any Executive Committee formed for the purpose of appointment and promotion of others.	Complied
H	Appointment of CEO	
	The Board shall appoint a competent CEO for the Company with the approval of the Bangladesh Bank and shall approve any increment of his salary and allowances.	Complied
I	Benefit to the Chairman	
	Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle in the business-interest of the Company subject to the approval of the Board.	Complied
J	Responsibilities and Duties of the Chairman	
I	Chairman shall not participate in or interfere into the administrative or operational and routine affairs of the Company as he has no jurisdiction to apply executive power;	Complied
li	The minutes of the Board meetings shall be signed by the Chairman;	Complied
lii	Chairman shall sign-off the proposal for appointment of Managing Director and increment of his salaries & allowances;	Complied
K	Responsibilities of Managing Director & CEO	
I	Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management;	Complied
li	Managing Director shall ensure compliance of Financial Institutions Act 1993 and other relevant circulars of Bangladesh Bank and other regulatory authorities;	Complied
lii	All recruitment/promotion/training, except recruitment/promotion/training of AMD, DMD, and General Manager shall be vested upon the Managing Director. He shall act such in accordance with the approved HR Policy of the Company;	Complied
Iv	Managing Director may re-schedule job responsibilities of employees;	Complied
V	Managing Director may take disciplinary actions against the employees except AMD, DMD and General Manager;	Complied
Vi	Managing Director shall sign all the letters/statements relating to compliance of policies and guidelines. However, Departmental/Unit Heads may sign daily letters/statements as set out in DFIM circular no. 2 dated 06 January 2009 if so, authorized by the Managing Director.	Complied

GOING CONCERN

Annexure 4

The company displays no symptoms (as indicated below) of possible problems of going concern, thus the financial statements have been on a going concern basis:

Particulars	Indication of Going Concern
Deteriorating liquidity position of the company not backed by sufficient financing Arrangements	No
High financial risk arising from increased gearing level rendering the company vulnerable to delays in payment of interest and loan principal	No
Inability of making debt payments when falling due	No
Over trading, that is, growing beyond financial capacity of the company	No
Significant trading losses being incurred for several years	No
Profitability of the company is essential for its survival in the long term	No
Aggressive growth strategy not backed by sufficient finance	No
Increasing level of short-term borrowing and overdraft not supported by increase in business	No
Inability of the company to maintain liquidity ratios as defined in the loan covenants	No
Serious litigations faced by the company or high off-balance sheet liability for which the company does not have the financial strength to pay the possible settlement	No
Inability of the company to develop a new range of commercially successful products	No
Refusal by finance providers to renew existing facility or make new loans	No
Operating in an industry which is no more profitable	No
Failure to innovate and respond to the changes in the external environment	No
Failure to adjust high operating gearing (fixed cost to total cost) while industry or company revenue is falling	No
Falling margin with no sign or possibility of increase in sales volume in future	No

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Assessment Report on the Going Concern

Going concern is one of the fundamental assumptions in the preparation of financial statements. As per the requirements of International Accounting Standards, Companies Act, Listing Rules and Bangladesh Securities & Exchange Commission Guidelines, management and directors should satisfy themselves about the appropriateness of using going concern assumption in the preparation of the financial statements. The management of an entity therefore has a responsibility to assess the entity's ability to continue as a going concern in the foreseeable future. Under the going concern assumption, an entity is normally viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. The management and directors of the Company has made annual assessment for the year ended December 31, 2023, of whether the Company is a going concern involves making appropriate inquiries including review of budget and future outcome of inherent risk associated in the business. The management and directors of the Company are satisfied from the following factors that the preparation of financial statement for the year ended December 31, 2023, on the basis of going concern assumption is appropriate.

The following indicators underline the company's ability to continue as a going concern:

High Interest Coverage Ratio	During the year 2023, interest coverage ratio stood at 2.2 times, which means the company has strong debt servicing capacity.
Less Dependency on Bank Borrowings	As at December 31, 2023 total bank borrowing of the Company was BDT 16,009 million which is 17.5% of the total liabilities. This indicates that Company has no significant dependency on bank borrowings.
Continuous Support from the Depositors	The Company has a very good relationship with the depositors and a good track record and reputation in settling its obligation to its depositors. As at December 31, 2023 total deposits stood at BDT 60,177 million. The depositors continued to keep strong confidence on us which is reflected in higher acquisition rate and renewal rates of deposits. This trend is expected to continue in coming days.
Favorable Key Financial Ratios	The Company's financial ratios (Please see the Key Financial and Operating Performance) revealed the sound financial strength and prospect of the Company.
Consistent Payment of Dividend	IPDC Finance Limited has been paying dividend consistently on a regular basis to the shareholders since 2006 which reflect Company's long-term viability in operational existence.
Strong Capability in Settling of Obligation	The Company has strong credibility in terms of settlement of obligation to the lenders. Company has no default payment history for settlement of its obligation.
Growth in Net Profit After Tax	Net profit also dropped by 61.6% and stood at BDT 346mn in Y2023. The drop in profitability is largely attributed to lower spread due to interest rate caps along with increasing NPL trend and provision requirements.

Solid Growth in Quality Lending Portfolio	In the year 2023 the loans, leases and advances increased by 3.6% compared to year 2022, whereas classified loan ratio stands at 493% which is much below the industry average. This represents the positive indication of sustainable business of the Company.
Expansion of Business	Apart from growth in quality lending portfolio, IPDC is piloting Consumer Goods financing and Retailer Financing and dedicated platforms for these products are in development and is expected to be launched soon.
Employee Satisfaction and Working Environment	IPDC Finance is an employee friendly organization. There is a very good corporate environment in the organization. The Company pays a competitive compensation package with fringe benefits like car facilities, provident fund, performance bonus, gratuity, group insurance, hospitalization insurance, reward and recognition program etc.
Maintenance of Capital Adequacy Ratio (CAR)	As per DFIM circular number 14, dated December 28, 2011 of Bangladesh Bank regarding Capital Adequacy and Market Discipline for Financial Institutions, each Financial Institutions are required to maintain Capital Adequacy Ratio (CAR) of at least 10.00% of the total risk weighted assets. As at December 31, 2023 CAR of IPDC is 18.12% vis-à-vis requirement of 10.00% i.e., Company maintains 8.12% surplus capital.
Strong Equity Base	IPDC is one of the highest equity-based companies among the Financial Institutions. As at December 31, 2023 total equity of the Company is BDT 6,751 million including paid up capital of BDT 3,711 million.
Ability to Pay Day-to-day Operational Expenses	The company has not faced any difficulties in meeting its day-to-day operational expenses and has continued its reputation of paying vendors on time. The company generates sufficient operating cash flow to meet operational expenses.
Renew of Borrowing Facilities and Obtaining New Loans	The solidity of financial position and the reputation allows the company to negotiate or renew borrowing facilities at a favorable rates and flexible terms and conditions.
Off-balance Sheet Obligations	The company keeps very low exposure in off-balance sheet liabilities and the company has sufficient financial strength to pay the obligations should these materialize.
Changes in Government's Policy	Management and Board anticipate no significant changes in legislation or government policy which may materially affect the business of the Company.

Based on the review of the major indicators, the management and Directors of the Company is of the view that the preparation of the financial statements of the Company for the year ended 31 December 2023 on the basis of "going concern assumption" is appropriate.

IPDC DIVIDEND DISTRIBUTION POLICY

Annexure 5

A. Dividend Distribution Policy

As per Directive of the Bangladesh Securities and Exchange Commission bearing No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 and Rule 9 & 10 of Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021, this Dividend Distribution Policy is formulated and shall be disclosed in the annual report and official websites.

B. Approval Time

The annual or final Dividend shall be paid off to the entitled shareholder within **30 (Thirty) days** of approval. Provided that interim dividend shall be paid off to the entitled shareholder, within **30 (Thirty) days** of record date.

C. Cash Dividend distribution process

Cash Dividend shall be distributed in the following manner and procedures, namely:-

- (i) Within 10 (ten) days of declaration of cash dividend by the board of directors, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of the IPDC Finance Limited, dedicated for this purpose only;

- (ii) The IPDC Finance Limited shall pay off cash dividend directly to the bank account of the entitled shareholder or unit holder as available in the BO account maintained with the Depository Participant (DP), or the bank account as provided by the shareholder or unit holder in paper form, through **Bangladesh Electronic Funds Transfer Network (BEFTN)**;

Provided that the IPDC Finance Limited may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through **BEFTN**;

- (iii) The IPDC Finance Limited, upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, shall pay off such cash dividend to the **Consolidated Customers' Bank Account (CCBA)** of the stock broker or the separate Bank Account of the Merchant Banker or the Portfolio Manager through **BEFTN**;

Provided that upon receiving the cash dividend, the stock broker or merchant banker or portfolio manager shall immediately account for such dividend in the individual client's portfolio account;

Provided further that the stock broker or merchant banker or portfolio manager shall provide detailed information (e.g., BO Account number, code number, Bank account number, intention, etc. of the client or customer including CCBA of stock broker or separate bank account of merchant banker or portfolio manager) to the IPDC Finance Limited for such claim.

- (iv) The IPDC Finance Limited, in case of non-availability of bank account information or not possible to distribute cash dividend through **BEFTN** or any electronic payment system, shall issue

cash dividend warrant and shall send it by post to the shareholder or unit holder;

- (v) The IPDC Finance Limited shall pay off cash dividend to non-resident sponsor, director, shareholder, unit holder or foreign portfolio investors (FPI) through the security custodian in compliance with the rules or regulations in this regard;

- (vi) The IPDC Finance Limited immediately after disbursement of the cash dividend and issuance of certificate of tax deducted at source, if applicable, shall intimate to the shareholder or unit holder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder or unit holder;

- (vii) The IPDC Finance Limited shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof; as per BO account number-wise or name-wise or folio number-wise of the shareholder or unit holder; and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (Quarterly/Annually) as a separate line item **'Unclaimed Dividend Account'**;

Provided that the IPDC Finance Limited shall publish the year-wise summary of its unpaid or unclaimed dividend in the websites;

Provided further that any unpaid or unclaimed cash dividend including accrued interest (after adjustment of Bank Charge, if any) thereon, if remains, shall be transferred to a separate bank account of the IPDC Finance Limited as maintained for this purpose, within **1 (one) year** from the date of declaration or approval or record date, as the case may be.

D. Stock Dividend or Bonus Share Distribution Policy

The IPDC Finance Limited, shall credit stock dividend directly to the BO account or issued the bonus share certificate of the entitled shareholder, as applicable, within **30 (Thirty) days** of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the **Central Depository Bangladesh Limited (CDBL)**;

E. Issuance of Stock Dividend or Bonus Share process

The IPDC Finance Limited, the CDBL and the Exchange(s) shall follow the provisions of **অবস্থান ৪৬** of the **ডিজিটাল (ব্যবহারিক) প্রবিধানমালা, ২০০৩** for issuance of bonus Shares;

Provided that the IPDC Finance Limited shall maintain a suspense BO account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:

- (i) The IPDC Finance Limited shall send at least **3 (Three) reminders** to the entitled shareholder;

- (ii) The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to the IPDC Finance Limited;

Provided that any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus share shall be credited to the Suspense BO Account.

- (iii) The IPDC Finance Limited shall, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO Account of the allottee, or issue bonus shares to the allottee, as applicable, within **15 (Fifteen) days** of receiving application with an intimation to the commission and the Exchange(s);
- (iv) Any voting rights on such undistributed or unclaimed stock dividend or Bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established.

F. Compliance Report regarding Dividend Distribution

The IPDC Finance Limited shall submit a compliance report to the Commission and the Exchange(s) in a specific format at **Annexure-A** [sample given by the BSEC] in respect of the Clause (B), (C), (D) and (E) above, within **7 (Seven) working days** of completion of dividend distribution;

Provided that the IPDC Finance Limited shall publish the compliance report in its website.

G. Forfeiture of unclaimed cash dividend or stock dividend

The IPDC Finance Limited shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of the land in force.

H. Transferred to the Fund of the Commission for unpaid or unclaimed or unsettled cash dividend

If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (Three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by the IPDC Finance Limited to the fund as directed or prescribed by the commission;

Provided that the IPDC Finance Limited shall provide detailed information to the manager of the fund during transfer of cash dividend as directed or prescribed by the Commission;

Provided further that if any shareholder or unit holder claims his cash dividend after transfer of such dividend to the Fund, within 15 (Fifteen) days of receiving such claim, the IPDC Finance Limited shall, after proper verification of the claim, recommend to the manager of the fund to pay off such dividend to the claimant in accordance

with the provisions and procedures as directed or prescribed by the commission.

I. Transferred to the Fund of the Commission for unclaimed or unsettled stock dividend or bonus shares

If any stock dividend or bonus shares remain unclaimed or unsettled including corporate benefits in terms of bonus shares thereon for a period of **3 (Three) years** from the date of declaration or approval or record date, as the case may be, shall be transferred in dematerialized form to the BO Account of the fund as mentioned at **Clause No. H;**

Provided that the IPDC Finance Limited shall provide detailed information to the manager of the fund during transfer of stock dividend or bonus shares as directed or prescribed by the Commission;

Provided further that if any shareholder claims his stock dividend or bonus shares after transfer of such dividend or bonus share to the BO Account of the Fund, within 15 (Fifteen) days of receiving such claim, the IPDC Finance Limited shall, after proper verification of the claim, recommend to the manager of the fund to pay off such dividend or bonus share to the claimant's BO Account in accordance with the provisions and procedures as directed or prescribed by the commission.

J. Maintaining Detail Information of the shareholder or unit holder for the purpose of proper distribution of cash dividend or stock dividend

The IPDC Finance Limited, by itself or by appointing an Agent, shall maintain detailed information of BO Account, Bank Account, Mobile Phone Number, E-mail address and address of the shareholder or unit holder for the purpose of proper distribution of cash dividend or stock dividend;

Provided that the IPDC Finance Limited or its agent or the CDBL or its DP shall keep confidentiality of information.

Provided further that the IPDC Finance Limited shall collect such detailed updated information from the CDBL or its DP from time to time when needed for the purpose of proper distribution of cash dividend or stock dividend and other compliances. In case of holding paper shares, the IPDC Finance Limited shall update the information **at least once a year.**

K. Binding clause

In the event of any confusion or difference of opinion on any matter whatsoever, the IPDC Finance Limited shall be bound to follow the decision of the Commission and shall consider the decision of the commission is final on all concerned.

IPDC
সুবোধ

দেশের
প্রথম

৫২ কোটির লোন জেতা

দেশেরা মেবা নিয়ে
চার দশক ধরে আপনার পাশে

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মাইক্রো-মার্কেটের অর্থায়ন
~ দেশের প্রথম ~
ডিজিটাল ইকো সিস্টেম



ক্ষুদ্র ব্যবসায়ের
অর্থায়নের গাঠনিক প্রায়
৬০ হাজার কর্মসংস্থান সৃষ্টি

আমাদের
গান IPDC

বাংলাদেশের মাটি ও মানুষের
গাল নিয়ে জনপ্রিয় প্রায় ২০ বছর

18th
Business
Awards
= DHL = The Daily Star
AWARDING EXCELLENCE IN BUSINESS

AWARDED
Superbrands
BANGLADESH'S CHOICE
2021

INSPIRING
WOMEN
AWARD

দেশের প্রথম প্রকটন ডিজিটাল
অর্থায়ন প্রকল্প

অর্জন

দ্রুততা ও নিরাপত্তা
এই প্রকল্পের ২০২৩-২৪ সালে
২০২৩-২৪ সালে ১০ লাখ ক্ষুদ্র ব্যবসা

BANGLADESH
INNOVATION
AWARD 2018

SME
STIMULUS
PACKAGE

আইপিডি
ডিজিটাল
সফরের আলো

ডান মোড়ক

আইপিডি
ডিজিটাল
সফরের আলো

গ্রুপিক মন
উদ্যোগের
জন্য গাঠনিক
লেন সুবিধা

ক্ষুদ্র ব্যবসায়ের
অর্থায়নের গাঠনিক প্রায়
৬০ হাজার কর্মসংস্থান সৃষ্টি

সারসী সুললী সুললী
আইপিডি প্রতি

দেশজুড়ে মানুষের
নিজের চিন্তা করার ক্ষমতা

দেশের প্রথম ডেবকারি

আর্থিক প্রতিষ্ঠান

স্বাগত

সাপ্লাই চেইন ফাইন্যান্সে
সবার চেয়ে এগিয়ে



FINANCIAL STATEMENTS

DECLARATION BY CEO AND CFO

Date: 10 March 2024

The Board of Directors
IPDC Finance Limited
Hosna Centre (4th Floor),
106 Gulshan Avenue, Dhaka 1212

Subject: Declaration on Financial Statements for the year ended on 31 December 2023

Dear Sirs,

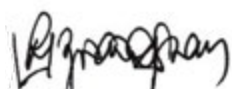
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006 158/207/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of IPDC Finance Limited for the year ended on 31 December 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31 December 2023 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Rizwan Dawood Shams
Managing Director & CEO (Acting)



Fahmida Khan
Chief Financial Officer



IPDC FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

Independent Auditor's Report

TO THE SHAREHOLDERS OF IPDC FINANCE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IPDC Finance Limited, (the "Company") which comprise the balance sheet as at 31 December 2023, and the profit and loss account, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting as explained in Note 2 and also comply with the Finance Company Act 2023, the rules and regulations issued by Bangladesh Bank and the Companies Act 1994.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), together with the ethical requirements that are

relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed that matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to those matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	How the matters were addressed in our audit
01. Measurement of provision for loans and advances The process for estimating the provision for loans and advances associated with credit risk is judgmental and complex. The identification of and provisioning for non-performing assets is done in accordance with DFIM 04 Master Circular: Loan/Lease Classification and Provisioning dated 26 July 2021 issued by Bangladesh Bank. At year-end 31 December 2023, the Company reported total gross leases, loans, and advances of BDT 70,571,239,544 (2022: BDT 68,105,576,243) and provision for leases, loans, and advances of BDT 2,940,556,330 (2022: BDT 2,352,369,879). See Note 3.11 and 14.1 to the financial statements for the accounting policy and for relevant disclosure regarding the provision of loans and advances respectively. Provision for loans and advances is a key audit matter due to the level of regulatory and other stakeholders' focus as well as the judgments and estimates involved in determining the amount of provision. Significant judgments and estimates, related to the provision for loans and advances that have a high degree of estimation uncertainty with a potential range of reasonable outcomes which could give rise to material misstatement are: - The provision for identified non-performing leases, loans, and advances is impacted by classification of non-performing leases, loans, and advances, value of eligible collateral securities etc. - The company is also required to apply its subjective judgment to determine the identification and provision required against non-performing leases, loans, and advances considering various quantitative as well as qualitative factors. - Measurement for additional provision beyond the minimum regulatory prescribed is primarily dependent upon judgments and key assumptions relating to the probable financial position of default borrowers on a forward-looking basis reflecting a range of future economic conditions. - Adequacy of provision and timing of recognition of loss events in accordance with criteria set out in DFIM Circular No 04 dated 26 July 2021.	Our procedures, in relation to the key audit matter described, included among others: - Reviewed the Company's policy with respect to the measurement and provision for loans and advances for compliance with the relevant prudential norms issued by the Bangladesh Bank. - Also, tested the design, implementation, and operating effectiveness of key controls related to the following: - Control over quarterly Classification of Loans (CL); - Identification of classification, including early warning and default warning indicators; and -Credit monitoring and provisioning process. Assessed the methodologies on which the basis for provision amount is worked out and tested the completeness and accuracy of the underlying information/inputs; Assessed on a sample of performing leases, loans, and advances whether there was a need to classify such performing leases, loans, and advances as non-performing leases, loans, and advances based on subjective judgment considering various quantitative as well as qualitative factors; Recalculated the provision amount of leases, loans, and advances, and checked loan classification in line with the Bangladesh Bank Guidelines, and compared the amount of loan provision and loan classification disclosed in the financial statements and with the quick summary report issued by Bangladesh Bank.

02. IT Systems and Controls

The IT infrastructure is critical for the smooth functioning of the Companies' business operations as well as for timely and accurate financial accounting and reporting.

Our audit procedures have a focus on IT systems and controls (with specific focus on primarily included user access management and changes to the IT environment) due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations and the reliance on automated and IT-dependent manual controls. These are key to ensuring IT-dependent and application-based controls are operating effectively.

Core Banking Solution (CBS) [called Temenos T24] is primarily relevant for financial reporting. Due to the pervasive nature and complexity of the IT environment, we have ascertained Key Information technology ("IT") systems and controls used for CBS as a key audit matter.

We involved our internal IT specialists to obtain an understanding of the Company's IT-related control environment and key changes during the audit period that may be relevant to the audit.

For the key IT systems pertaining to CBS used to prepare accounting and financial information, our areas of audit focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular, the internal IT specialists:

- Tested the design, implementation, and operating effectiveness of the company's General IT controls over CBS. This included the evaluation of the company's controls including segregation of duties and access rights being provisioned/modified based on duly approved requests, access for exit cases being revoked in a timely manner during the year;
- Tested key automated and manual business cycle controls and logics for system-generated reports relevant to the audit including testing of compensating controls or alternate procedures to assess whether any unaddressed IT risks can materially impact the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the director's reports, management discussion and analysis, statement of corporate governance, financial highlights and certification on corporate governance but doesn't include the financial statements and our auditor's report. The directors' reports, management discussion and analysis, statement of corporate governance, financial highlights and certification on corporate governance are expected to be made available to us after the date of this auditor's report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance of the Company.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the

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

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

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

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

Other matter

The financial statements of the Company for the year ended 31 December 2022, were audited by another Chartered Accountancy Firm who expressed an unmodified opinion on those statements on 1 March 2023.

Report on Other Legal and Regulatory Requirements

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

- I. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 Company's balance sheet, profit and loss account together with annexed notes dealt with by the report are in agreement with the books of account and returns;
- IV. the expenditures incurred, and payments made were for the purposes of the Company's business.
- V. the financial statements of the Company have been drawn up in conformity with the Finance Company Act 2023 and in accordance with the accounting rules and regulations which were issued by

Bangladesh Bank to the extent applicable to the Company;

- VI. adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- VII. the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- VIII. the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- IX. statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- X. taxes and duties collected and deposited in the government treasury by the Company as per government instructions were found satisfactory based on test checking;
- XI. nothing has come to our attention that the Company has adopted any unethical means i.e. "window dressing" to inflate the profit and mismatch between the maturity of assets and liabilities;
- XII. proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- XIII. based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- XIV. the Company has complied with relevant laws pertaining to capital, reserve, net worth, cash & liquid assets and procedure for sanctioning and disbursing loans/leases were found satisfactory;
- XV. we have reviewed over 80% of the risk-weighted assets of the Company and we have spent around 1300 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 account;
- XVII. the Company has complied with the Section 33 of the Finance Company Act 2023 in preparing these financial statements; and
- XVIII. all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Dhaka, Bangladesh
Dated: 28 March 2024

For Nurul Faruk Hasan & Co
Chartered Accountants
FRC Enlistment Number: CAF-001-139



Md. Faruk Uddin Ahammed
Partner
Enrollment No. 720
DVC: 2403280720AS460784

IPDC Finance Limited

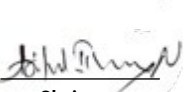
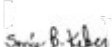
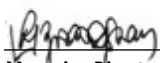
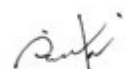
BALANCE SHEET

As at 31 December 2023

Particulars	Note	31 December 2023 Taka	31 December 2022 Taka
Property and assets			
Cash	5		
In hand (including foreign currencies)		495,000	495,000
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		786,835,844	734,784,074
		787,330,844	735,279,074
Balance with other banks and financial institutions	6		
Inside Bangladesh		13,349,654,597	11,939,491,287
Outside Bangladesh		-	-
		13,349,654,597	11,939,491,287
Money at call and short notice		-	-
Investments	7		
Government securities		1,612,792,857	-
Other investments		2,905,885,109	2,499,501,477
		4,518,677,966	2,499,501,477
Loans, advances and leases	8		
Loans, cash credits, overdrafts etc.		70,571,239,544	68,105,576,243
Bills purchased and discounted		-	-
		70,571,239,544	68,105,576,243
Fixed assets including land, building, furniture and fixture	9	807,561,945	876,327,403
Other assets	10	1,895,779,638	2,572,451,163
Non banking assets	11	3,752,405	3,752,405
Total assets		91,933,996,939	86,732,379,052
Liabilities and capital			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	16,099,168,254	12,097,050,078
Deposits and other accounts	13		
Current accounts and other accounts		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		60,177,042,834	59,139,483,337
Bearer certificate of deposits		-	-
Other deposits		-	-
		60,177,042,834	59,139,483,337
Other liabilities	14	8,906,272,322	8,692,902,498
Total liabilities		85,182,483,410	79,929,435,913
Shareholders' equity			
Paid up capital	15	3,710,915,470	3,710,915,470
Share premium	16	402,627,680	402,627,680
Statutory reserve	17	1,229,075,678	1,160,484,505
Assets revaluation reserve	18	291,906,470	304,583,030
Retained earnings	19	1,116,988,231	1,224,332,454
Total shareholders' equity		6,751,513,529	6,802,943,139
Total liabilities and shareholders' equity		91,933,996,939	86,732,379,052

Particulars	Note	31 December 2023 Taka	31 December 2022 Taka
Off-balance sheet items			
Contingent liabilities			
Acceptances and endorsements		-	-
Letters of guarantee	20	-	12,163,774
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total contingent liabilities		-	12,163,774
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 other commitments		-	-
Total off-balance sheet items including contingent liabilities		-	12,163,774
Net Asset Value (NAV) per Share	43	18.19	18.33

The annexed notes from 1 to 48 and Annexure A, B and C are an integral part of these financial statements.

					
Chairman	Director	Director	Managing Director (Acting)	Chief Financial Officer	Company Secretary

As per our annexed report of same date

Dhaka, Bangladesh
Dated: 28 March 2024

For Nurul Faruk Hasan & Co
Chartered Accountants
FRC Enlistment Number: CAF-001-139



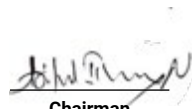
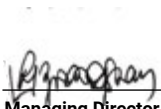
Md. Faruk Uddin Ahammed
Partner
Enrollment No. 720
DVC: 2403280720AS460784

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2023

Particulars	Note	2023 Taka	2022 Taka
Interest income	22	7,433,716,178	7,080,316,655
Less: Interest paid on deposits and borrowings, etc.	23	5,011,087,715	4,310,117,945
Net interest income		2,422,628,463	2,770,198,710
Investment income	24	232,450,624	202,104,580
Commission, exchange and brokerage	25	207,345,214	151,194,042
Other operating income	26	40,027,100	123,455,293
Total operating income		2,902,451,401	3,246,952,625
Salary and allowances	28	987,688,639	848,352,078
Rent, taxes, insurance, electricity, etc.	29	38,181,778	32,296,269
Legal expenses	30	52,119,724	65,668,980
Postage, stamp, telecommunications, etc.	31	15,279,184	15,782,422
Stationery, printing, advertisements, etc.	32	108,493,198	112,386,288
Managing Director's salary and allowances	33	15,450,000	16,450,000
Directors' fees	34	1,337,600	1,223,720
Auditors' fees	35	954,500	1,759,500
Charges on loan loss		-	-
Depreciation and repair of assets	36	224,852,408	215,356,247
Other expenses	37	158,326,588	177,392,964
Total operating expenses		1,602,683,619	1,486,668,468
Profit before provision		1,299,767,782	1,760,284,157
Provision for loans and advances	38	638,774,929	449,862,621
Provision/(reversal) for diminution in value of investments	39	9,646	35,418,720
Other Provisions		489,370	10,631,900
Total provision		639,273,945	495,913,241
Profit before tax		660,493,837	1,264,370,916
Provision for taxation			
Current tax expense	14.4.1	355,266,140	367,448,480
Deferred tax expense/ (income)	40	(37,728,167)	(4,097,643)
Net profit after tax		317,537,973	363,350,837
Appropriations			
Statutory reserve		68,591,173	180,204,016
General reserve		-	-
Proposed dividend		-	-
		68,591,173	180,204,016
Retained surplus		274,364,691	720,816,063
Earnings per share (EPS)	41	0.92	2.43

The annexed notes from 1 to 48 and Annexure A, B and C are an integral part of these financial statements.

					
Chairman	Director	Director	Managing Director (Acting)	Chief Financial Officer	Company Secretary

As per our annexed report of same date

Dhaka, Bangladesh
Dated: 28 March 2024

For Nurul Faruk Hasan & Co
Chartered Accountants
FRC Enlistment Number: CAF-001-139



Md. Faruk Uddin Ahammed
Partner
Enrollment No. 720
DVC: 2403280720AS460784

CASH FLOW STATEMENT

For the year ended 31 December 2023

Particulars	Note	2023 Taka	2022 Taka
A) Cash flows from operating activities			
Interest received		7,477,260,204	7,300,904,900
Interest paid		(4,900,430,241)	(4,202,352,324)
Dividend received		121,162,832	129,490,996
Fee and commission received		207,345,214	151,194,042
Recoveries of loan previously written off		21,772,009	111,333,612
Payment to employees		(992,150,142)	(891,379,010)
Payment to suppliers		(461,774,431)	(475,909,601)
Income taxes paid		(628,737,138)	(666,729,110)
Payments for interest portion of lease payments		(18,455,900)	(12,715,091)
Receipt from other operating activities		17,899,996	33,130,584
Payment for other operating activities		-	-
Cash generated from/(used in) operating activities before changes in operating assets and liabilities		843,892,403	1,476,968,998
Changes in operating assets and liabilities			
Statutory deposits		-	-
Sale of trading securities		-	-
Loans and advances to other banks		40,298,678	306,181,140
Loans and advances to customers		(2,483,021,787)	(3,141,079,992)
Other assets		329,923,907	(360,959,981)
Deposits from other banks and financial institutions		(2,087,300,000)	(280,000,000)
Deposits from customers		3,124,859,497	(985,781,650)
Other liability accounts of customers		-	-
Trading liabilities		306,230,766	(1,354,689,837)
Other liabilities		146,516,363	194,447,879
Cash received/(paid) from operating assets and liabilities		(622,492,576)	(5,621,882,441)
Net cash from operating activities		221,399,827	(4,144,913,443)
B) Cash flows from investing activities			
Net proceeds of investment in securities		(1,995,908,732)	240,976,887
Purchase of property, plant and equipment		(56,688,959)	(125,574,267)
Sale proceeds of property, plant and equipment		4,825,239	2,417,634
Net cash (used in)/ from investing activities		(2,047,772,452)	117,820,254
C) Cash flows from financing activities			
Receipts from issue of loan and debt securities		1,963,705,750	-
Payments for redemption of loan and debt securities		(253,823,765)	(410,968,055)
Payments for principal portion of lease payments		(36,394,874)	(32,916,682)
Receipts from issue of ordinary share		-	-
Receipts/(payments) of long term loan		1,986,005,425	3,366,875,141
Dividends returned/(paid) in cash		(370,904,831)	(444,651,372)
Net cash (used in)/ from financing activities		3,288,587,705	2,478,339,032
D) Net increase in cash (A+B+C)		1,462,215,080	(1,548,754,157)
E) Effect of changes in exchange rate over cash and cash equivalents		-	-
F) Cash and cash equivalents at beginning of the period		12,674,770,361	14,223,524,518
G) Cash and cash equivalents at the end of the period (D+E+F)		14,136,985,441	12,674,770,361
Break down of cash and cash equivalents:			
Cash in hand		495,000	495,000
Balance with Bangladesh Bank and its agent bank(s)		786,835,844	734,784,074
Balance with other banks and financial institutions		13,349,654,597	11,939,491,287
		14,136,985,441	12,674,770,361
Net Operating Cashflow per Share (NOCFPS)		0.60	(11.17)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2023

Particulars	Paid up capital Taka	Share premium Taka	Statutory reserve Taka	Assets revaluation reserve Taka	Retained earnings Taka	Total Taka
Balance as at 1 January 2023	3,710,915,470	402,627,680	1,160,484,505	304,583,030	1,224,332,454	6,802,943,139
Surplus/(deficit) on account of revaluation of assets	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-
Transfer of revaluation reserve due to excess depreciation on building	-	-	-	(2,348,317)	2,348,317	-
Remeasurements of defined benefits liability (assets)	-	-	-	-	(12,965,684)	(12,965,684)
Deferred tax liability	-	-	-	(10,328,243)	-	(10,328,243)
Currency translation differences	-	-	-	-	-	-
Net gain/(loss) not recognised in the profit and loss account	-	-	-	-	-	-
Net profit for the period ended 31 December 2023	-	-	-	-	342,955,864	342,955,864
Dividend	-	-	-	-	(371,091,547)	(371,091,547)
Issuance of bonus share	-	-	-	-	-	-
Issuance of share capital	-	-	-	-	-	-
Appropriation during the period	-	-	68,591,173	-	(68,591,173)	-
Balance as at 31 December 2023	3,710,915,470	402,627,680	1,229,075,678	291,906,470	1,116,988,231	6,751,513,529
Balance as at 1 January 2022	3,710,915,470	402,627,680	980,280,489	305,973,574	953,231,430	6,353,028,643
Surplus/(deficit) on account of revaluation of assets	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	116,422	-	116,422
Transfer of revaluation reserve due to excess depreciation on building	-	-	-	(2,348,317)	2,348,317	-
Remeasurements of defined benefits liability (assets)	-	-	-	-	(6,753,500)	(6,753,500)
Deferred tax liability	-	-	-	841,351	-	841,351
Currency translation differences	-	-	-	-	-	-
Net gain/(loss) not recognised in the profit and loss account	-	-	-	-	-	-
Net profit for the period ended 31 December 2022	-	-	-	-	901,020,079	901,020,079
Dividend	-	-	-	-	(445,309,856)	(445,309,856)
Issuance of bonus share	-	-	-	-	-	-
Issuance of share capital	-	-	-	-	-	-
Appropriation during the period	-	-	180,204,016	-	(180,204,016)	-
Balance as at 31 December 2022	3,710,915,470	402,627,680	1,160,484,505	304,583,030	1,224,332,454	6,802,943,139

IPDC Finance Limited

LIQUIDITY STATEMENT

(Assets and liabilities maturity analysis)
As at 31 December 2023

Particulars	Up to 1 month Taka	1-3 months Taka	3-12 months Taka	1-5 years Taka	Above 5 years Taka	Total Taka
Assets						
Cash in hand (including balance with Bangladesh Bank)	787,330,844	-	-	-	-	787,330,844
Balance with other banks and financial institutions	3,995,280,612	8,552,861,095	801,512,891	-	-	13,349,654,597
Money at call and short notice	-	-	-	-	-	-
Investments	-	264,905,098	2,222,856,199	1,330,916,669	700,000,000	4,518,677,966
Loans and advances	4,744,242,132	10,501,027,014	14,474,437,004	31,420,324,072	9,431,209,323	70,571,239,544
Fixed assets including land, building, furniture and fixture	-	-	-	-	807,561,945	807,561,945
Other assets	-	-	-	-	1,895,779,638	1,895,779,638
Non banking assets	-	-	-	-	3,752,405	3,752,405
Total assets	9,526,853,587	19,318,793,206	17,498,806,094	32,751,240,741	12,838,303,311	91,933,996,939
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	882,613,297	2,720,392,931	2,831,159,722	7,875,482,888	1,789,519,416	16,099,168,254
Deposits	7,532,972,926	15,266,701,671	12,821,589,837	8,671,463,437	15,884,314,963	60,177,042,834
Other accounts	-	-	-	-	-	-
Provision and other liabilities	763,028,269	624,669,734	1,123,280,014	620,199,043	5,775,095,262	8,906,272,322
Total liabilities	9,178,614,492	18,611,764,336	16,776,029,573	17,167,145,368	23,448,929,641	85,182,483,410
Net liquidity surplus/ (gap)	348,239,095	707,028,870	722,776,521	15,584,095,373	(10,610,626,330)	6,751,513,529

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2023

1. Reporting entity

1.1. Company profile

IPDC Finance Limited (hereinafter referred as "IPDC" or the "Company") was incorporated as a public limited company in 1981 under the Companies Act, 1913 as the premier private sector long term lending institution in Bangladesh with a mandate to promote economic growth in the country in its earlier name 'Industrial Promotion and Development Company of Bangladesh Limited'. The Company is registered as a financial institution under the Financial Institutions Act, 1993 on 7 February 1995. The registered office of the Company is situated at Hosna Center (4th Floor), 106 Gulshan Avenue, Dhaka, Bangladesh. The Company has listed its share with both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) in Bangladesh on 3 December 2006. Currently the Company has fifteen branch offices (including head office) located at Gulshan, Dhanmondi, Motijheel, Uttara, Chattogram, Narayanganj, Bogura, Gazipur, Sylhet, Cumilla, Mymensingh, Jashore, Rangpur, Faridpur and Khulna.

1.2. Nature of business of the Company

The Company has diversified its product portfolio and evolved as multiproduct financial institution that is specialised in providing long term and short term finance, project finance, lease finance, supply chain finance, home loan, equity financing, syndication finance, retail finance, Small & Medium Enterprises (SME) finance, asset backed securitisation, retailer finance, factoring finance, IPDC Ez and related consultancies.

2. Basis of preparation

2.1 Statement of compliance

The Financial Reporting Council (FRC) was formed as per the Financial Reporting Act (FRA), 2015. FRC adopted the International Financial Reporting Standards (IFRSs) issued by International Accounting Standard Board (IASB) which shall be followed by public interest entities in preparing their financial statements. The Finance Company Act, 2023 also referred to comply the procedures as prescribed by Bangladesh Bank and such financial reporting standards and regulation as prescribed by FRC for the preparation of financial statements.

Accordingly, the financial statements of the Company continue to be prepared in accordance with International Financial Reporting Standards (IFRSs), the requirements of the Finance Company Act, 2023, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994 and Amendment (2nd) upto 2020, the Securities and Exchange Rules 2020, Income Tax Act, 2023, The Value Added Tax and Supplementary Duty Act, 2012, The Value Added Tax and Supplementary Duty Rules, 2016. If any requirement of the Finance Company Act, 2023, and circulars issued by Bangladesh Bank, contradicts with that of IFRSs, the requirements of the Finance Company Act, 2023, and circulars issued by Bangladesh Bank shall prevail. The financial statements have been prepared on historical cost basis except for land and building which are presented/stated at revalued amount. The Board of Directors of the Company has authorised these financial statements on 28 March 2024.

2.2 Disclosure of departure from few requirements of IASs/IFRSs due to mandatory compliance of Bangladesh Bank's requirements:

Bangladesh Bank is the prime regulatory body for Non-Banking Financial Institutions (NBFI) in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations differ with the requirements of IASs/IFRSs. As such the Company has departed from those contradictory requirements of IASs/IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below; along with financial impact where applicable.

S.L	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1.	Presentation and disclosure of financial Statements and financial instruments	IAS 1 "Presentation of financial statements"	Other comprehensive income (OCI) is a component of financial statements and the elements of OCI are to be included in a single other comprehensive income statement.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11 dated 23 December 2009 which will strictly be followed by NBFIs. The templates of financial statements issued by Bangladesh Bank do not include other comprehensive income (OCI) and the elements of other comprehensive income are not allowed to be included in a single comprehensive income statement.	Presentation of financial statements is not fully aligned with all requirements of IAS 1.
2.	Current/ non-current distinction	IAS 1 "Presentation of financial statements"	As per Para 60 of IAS 1 "Presentation of financial statements", An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.	As per DFIM Circular No. 11 dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the financial institutions. In these templates there are no current and non-current segmentation of assets and liabilities	Presentation of financial statements is not fully aligned with all requirements of the IAS 1. Moreover, the liquidity statement shows the current/ non-current portion of assets and liabilities in this regards.
3.	Off-balance sheet items	IAS 1 "Presentation of financial statements"	There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.	As per DFIM Circular No. 11 dated 23 December 2009, off balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	Presentation of financial statements is not aligned with requirements of the IAS 1. There is no financial impact for this departure in the financial statements.

S.L	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
4.	Non banking assets	IAS 1 "Presentation of financial statements"	There is no concept of non financial institutional assets items in any IFRS; hence there is no requirement for disclosure of non banking assets items on the face of the balance sheet.	As per DFIM Circular No. 11 dated 23 December 2009, non banking assets must be disclosed separately on the face of the balance sheet.	Presentation of financial statements is not aligned with requirements of the IAS 1. There is no financial impact for this departure in the financial statements.
5.	Complete set of financial statements	IAS 1 "Presentation of financial statements"	As per IAS 1 "Presentation of financial statements" complete set of financial statements are i) statement of financial position, ii) statement of profit or loss and other comprehensive income, iii) statement of changes in equity, iv) statement of cash flows, v) notes, comprising significant accounting policies and other explanatory information and vi) statement of financial position at the beginning of preceding period for retrospective restatement.	As per DFIM Circular No. 11 dated 23 December 2009, complete set of financial statements are i) balance sheet, ii) profit and loss account, iii) statement of cash flows, iv) statement of changes in equity, v) statement of liquidity, vi) notes, comprising significant accounting policies and other explanatory information.	Presentation of financial statements is not aligned with requirements of the IAS 1. There is no financial impact for this departure in the financial statements.
6.	Intangible assets	IAS 1 "Presentation of financial statements"	As per IAS 1 "Presentation of financial statements" para 54 the statement of financial position shall include separate line item for intangible assets.	As per DFIM Circular No. 11 dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in annexure- A as separate line item.	Presentation of financial statements is not aligned with requirements of the IAS 1. There is no financial impact for this departure in the financial statements.
7.	Presentation of cash and cash equivalents	IAS 7 "Statement of cash flows"	Cash equivalent are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day to day operations.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11 dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements provided detail of presentation of statement cash flows.	Presentation of financial statements is not fully aligned with the requirements of IAS 7. Thus items (Balance with Bangladesh Bank) which should be presented under "investment activities" as per IAS rather shown as cash & cash equivalent.
8.	Measurement of deferred tax assets	IAS 12 "Income taxes"	A deferred tax asset shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised	As per DFIM circular No. 7 dated 31 July 2011, no deferred tax asset can be recognised for any deductible temporary difference against loan, leases, advances, investments and others.	Total cumulative provision for loan, leases, advances, investments and others was BDT 3,069.14 million as on 31 December 2023 and deferred tax assets thereon BDT 1,150.93 million not recognised on this temporary difference as per BB circular.
9.	Preparation of "Statement of cash flows"	IAS 7 "Statement of cash flows"	The cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per DFIM Circular No. 11 dated 23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Presentation of financial statements is not fully aligned with all requirements of the IAS.

S.L	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
10.	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 "Financial instruments"	As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses.	As per DFIM Master Circular No. 04 dated 26 July 2021, a general provision at 0.25% to 5% under different categories of unclassified loan (good/standard loans) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances. Loan classification status during the year ended 31 December 2023 has been determined as per DFIM Master Circular No. 04 dated 26 July 2021. Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.	Total provision for loan, leases and advances has been charged for the year ended 31 December 2023 of BDT 638.77 million as per Bangladesh Bank guidelines. On the other hand, accumulated provision for loan, leases and advances stand at BDT 2,940.56 million as at 31 December 2023.
11.	Valuation of investments in quoted and unquoted shares	IFRS 9 "Financial instruments"	As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit and loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the period-end is taken to profit and loss account or other comprehensive income respectively.	As per FID Circular No. 08 dated 3 August 2002, investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however in case of any unrealised gain, no such gain can be recognised and investments are recognised at cost only.	During this year there is no impact in the financial statements due to this departure as the net assets value is higher than cost for all unlisted equity investment and full provision was kept for the listed equity investment.
12.	Recognition of interest income for SMA and classified lease, loans and advances	IFRS 9 "Financial instruments"	Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.	As per FID Circular No. 03, dated 3 May 2006, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognised as income, rather the respective amount needs to be credited as a liability account like: loan, leases and advances.	At year end, interest suspense for loan, leases and advances has increased to BDT 817.99 million from BDT 774.38 million resulting increase of BDT 46.72 million of interest suspense. This amount has been shown as other liabilities in note 14.2.
13.	Presentation and disclosure of financial statements and financial instruments	IFRS-7 "Financial instruments: disclosures"	IFRS 7 requires specific presentation and disclosure relating to all financial instruments.	As per Bangladesh Bank guidelines, financial instruments are categorized, recognised and measured differently from those prescribed in IFRS 7. As such some disclosure and presentation requirements of IFRS 7 have not been made in the accounts.	Presentation of financial statements is not fully aligned with all requirements of IFRS 7.

2.3 Functional and presentation currency

The financial statements are presented in Bangladeshi (BDT/Taka/Tk.) currency which is the Company's functional currency.

2.4 Use of estimates and judgments

The preparation of these financial statements in conformity with International Financial Reporting Standards (IFRSs) 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 recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies having the most significant effect in the year ended 31 December 2023 is included in the following notes:

- a) Note 10.1.2 Deferred tax assets
- b) Note 14.1 Cumulative provision for loans, advances and investments
- c) Note 14.3 Net defined benefit obligation - employees' gratuity fund
- d) Note 14.4 Provision for corporate tax
- e) Note 14.9 Deferred tax liabilities
- f) Note 36.1 Depreciation and amortisation

2.5 Going concern

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

2.6 Materiality and aggregation

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

2.7 Branch accounting

The Company has fifteen branches including head office, having no overseas branch as at 31 December 2023. Accounts of the branches are maintained at the head office from which these financial statements are drawn up.

2.8 Reporting period

The financial period of the Company was determined from 1 January to 31 December each year and is followed consistently.

2.9 Directors' responsibility statement

The Board of Directors is responsible for presentation and overseeing of the company's reporting process of the financial statements under section 183 of the Companies Act 1994 and Amendment (2nd) upto 2020, and as per the provision of 'The Framework for the Preparation and Presentation of Financial Statements'.

2.10 Consistency

In accordance with the IFRS framework for the presentation of the financial statements together with IAS 1: Presentation of Financial Statements and IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors, the Company applies the disclosure principles consistently from one period to the next. Where selecting and applying new accounting policies, changes in accounting policies applied, correction of errors, the amounts involved are accounted for and disclosed in accordance with the requirement of IAS 8. The Company has applied the same accounting and valuation principles for the year ended 31 December 2023 as in financial statements for 2022.

3 Significant accounting policies

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

3.1 Lease of premises

IPDC Finance Limited follows IFRS 16: Leases for the recognition, measurement, presentation and disclosure of its all leases.

3.2 Direct finance

Direct finance operation consists of short-term finance and long-term finance, accounts for which are maintained based on accrual method of accounting. Outstanding loans for short-term finance and unrealised principal for long-term finance, auto loan, home loan and other finances are accounted for as direct finance assets of the Company. Interest earnings are recognised as operational revenue periodically.

3.3 Investments

Investment comprises of investment in equity, corporate bond and government securities.

3.3.1 Investment in equity

Investment in equity is classified broadly in following categories.

3.3.1.1 Unlisted shares

Equity finance consists of equity participation in the form of unlisted ordinary shares recognised at cost. Adequate provision is maintained, if required, for diminution in value of shares as per the latest available audited financial statements as on the closing of the period on an individual investment basis.

3.3.1.2 Listed shares

Investments in cumulative marketable ordinary shares held for trading or held for dividend income are shown under other assets. These are reported at cost and adequate provision is made for excess of cost over market value of the shares. Unrealised gains are not recognised in the profit and loss account.

3.3.1.3 Preference shares

Investment in cumulative preference shares has been reported at cost and dividend income is recognised in the profit and loss account on accrual basis and considered as operational revenue.

3.3.2 Investment in Government securities

Investment in Government securities shall be classified as financial asset measured at amortised cost, fair value through other comprehensive income and fair value through profit and loss on the basis of both:

- a) the entity's business model for managing the financial assets; and
- b) the contractual cash flow characteristics of the financial assets.

3.3.2.1 Amortized cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3.3.2.2 Fair value through other comprehensive income

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3.3.2.3 Fair value through profit and loss

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

3.4 Revenue recognition

3.4.1 General

As per IFRS 15: Revenue from Contracts with Customers, an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

3.4.2 Lease income

The excess of aggregate rentals receivable over the cost of the leased asset constitutes the total unearned lease income. The unearned lease income is recognised as revenue on accrual basis over the terms of the lease. However, lease income against classified and Special Mention Account (SMA) is not recognised as revenue but transferred to interest suspense account as per Bangladesh Bank circulars and directives.

3.4.3 Dividend income

3.4.3.1 Listed and unlisted shares

Dividend income against listed and unlisted equity investment is recognised when the shareholders' legal right to receive payments has been established i.e. during the period in which dividend is declared in the Annual General Meeting.

3.4.3.2 Preference shares

Dividend income on cumulative preference shares is recognised on accrual basis.

3.4.3.3 Gain on sale of shares

Capital gain on sale of shares listed in the stock exchanges is recognised when such gain is realised.

3.4.4 Interest on long term finance and short term finance

Interest income on long term finance and short term finance is recognised as revenue on accrual basis. However, interest income on Special Mention Account (SMA) and classified finance is not recognised as income but credited to interest suspense account as per Bangladesh Bank circulars and directives.

3.4.5 Interest on secured lending

Interest on secured lending is recognised as revenue on accrual basis.

3.4.6 Fee based revenue

Fee based revenue is recognised as income on cash basis.

3.4.7 Grant income

As per IAS 20: Accounting for Government Grants and Disclosure of Government Assistance, grant is recognised only when there is reasonable assurance that (a) the company will comply with any conditions attached to the grant and (b) the grant will be received. A grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, is recognised as income in the period in which it is receivable. Any grant received against any capital expense is recognised as deferred income and is subsequently adjusted with depreciation expense over the period of the assets.

3.5 Interest suspense

Lease income as well as interest income on long term finance, short term finance, lease finance, channel finance, auto loan and all other loans and advances under category of classified and Special Mention Account (SMA) are not recognised as revenue but credited to interest suspense account.

3.6 Fixed assets including land, building, furniture and fixture

3.6.1 Own assets

Fixed assets except land and building are stated at cost less accumulated depreciation and accumulated impairment losses, if any. On the other hand, land and building are stated under revaluation model. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes as per IAS 16: Property, plant and equipment.

3.6.2 Subsequent expenditure on fixed assets including land, building, furniture and fixture

Subsequent expenditure is capitalised when it increases the future economic benefit from the assets and fulfills asset capitalization criteria. All other expenditures are recognised as expense as and when they are incurred.

3.6.3 Depreciation/amortisation on fixed assets including intangible assets

Depreciation is provided to allocate the cost of the assets after commissioning over the period of their expected useful life in accordance with the provisions of IAS 16: Property, plant and equipment. Full month's depreciation is charged on additions irrespective of date when the related assets are put into use and no depreciation is charged on the month of disposal. Depreciation is calculated on the cost of assets in order to write off such cost over the estimated useful life of such asset. Depreciation/amortisation has been provided at the following rates on straight line basis for current and comparative period:

	Useful life (years)
Building	34*
Motor vehicles	8
Furniture and fixture	8
Equipment and appliances	5
Software	5**

*The useful life of building after revaluation.

**Considering the release of newer versions by Temenos and the need to align with their future roadmap, IPDC has upgraded the T24 Core Banking Software from R18 to R22. This upgrade was essential to avoid additional Extended Maintenance Costs (EMC), ensure future compatibility, and meet the strategic requirements of IPDC. Given this significant upgrade and the remaining validity of the software license until 30 December 2028, IPDC has extended the depreciation period of the T24 Core Banking Software R22 for remaining five years from 1 November 2023.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

3.6.4 Impairment

The review of impairment for financial and non-financial assets including intangible assets is performed at each reporting date to assess whether there is any indication that an asset may be impaired (i.e. its carrying amount may be higher than its recoverable amount). If any such indication exists, the asset's recoverable amount is reviewed and determined. If the written down value or carrying amount of an asset exceeds recoverable amount, the difference is recognized as impairment loss.

3.6.5 Disposal of fixed assets including land, building, furniture and fixture

On disposal of item of fixed assets including land, building, furniture and fixture, gain or loss on such disposal is reflected in the profit and loss account as non-operating income or loss.

3.6.6 Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Such assets are measured at the lower of their carrying amount and fair value less cost to sell, as per IFRS: 5 Non-current Assets Held for Sale and Discontinued Operations.

3.7 Intangible assets

The intangible assets comprise the value of accounting software licensed for the Company, other than software applied to the operating systems of computers. An intangible asset is recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Company over a period of time and the cost of the asset can be measured reliably as per IAS 38: Intangible Assets. Intangible assets acquired separately are recorded on initial recognition at costs and are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

3.7.1 Subsequent expenditure on intangible assets

Subsequent expenditure on intangible asset is capitalised only when it increases the future economic benefit from the assets and fulfills asset capitalization criteria. All other expenditures are recognised as expense as and when they are incurred.

3.7.2 Amortisation of intangible assets

Intangible assets are amortised on straight line basis to the profit and loss account from the date when the asset is available for use over its estimated useful life. Intangible assets i.e. acquisition cost of softwares is amortised within five years of acquisition.

3.8 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset from part of the cost of that asset, are capitalized as per IAS 23: Borrowing Costs. All other borrowing costs are recognised as expense in the period in which they are incurred in accordance with the IAS 23: Borrowing Costs.

3.9 Foreign currency translation

Transactions in foreign currencies are translated to BDT at the exchange rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange ruling at the end of the period. Resulting exchange differences are recognised in the profit and loss account.

3.10 Income tax expenses

Income tax expense comprise current and deferred tax.

3.10.1 Current tax

Provision for current tax has been made on the basis of the profit of the year as adjusted for taxation purposes in accordance with the provisions of Income Tax Act, 2023 and amendments made thereto from time to time. The Company's current tax liability is calculated using tax rate (current tax rate is 37.5%) that is applicable on the reporting date, and any adjustments to tax payable in respect of previous years.

3.10.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

3.11 Provision for loans, advances and investments

Provision for loans, advances and investments is an estimate of the losses that may be sustained in the investment portfolio. The provision is based on two principles (1) IAS 37: Provision, Contingent Liabilities and Contingent Assets and (2) Bangladesh Bank guidelines. The methodology for measuring the appropriate level of the provision relies on several key elements, which include both quantitative and qualitative factors as set forth in the Bangladesh Bank guidelines. DFIM Master Circular no. 04 dated 26 July 2021 is the basis for calculating the provision for loans, advances and investments.

Loan classification status during the year ended 31 December 2023 has been determined as per DFIM Master Circular no. 04 dated 26 July 2021.

Provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.

3.11.1 Write off of loans, advances and investments

In compliance with Bangladesh Bank DFIM circular no. 2 dated 1 April 2019, loans, advances and investment can be written off to the extent that (i) 100% provision is maintained (ii) against which legal cases are pending (iii) prior approval of board and (iv) classified as Bad Loss for at least 3 years. However, small loan up to tk. 200,000 where cases under Artha-Rin Adalat Ain, 2003 is not mandatory, can be written off without filing case subject to fulfillment of other conditions mentioned in the circulars. The item's potential return is thus cancelled and removed ("written off") from the Company's balance sheet. However, these write off will not undermine or affect the claim amount against the borrower. Recovery against the written off is credited to other operational income. Income is recognised where amounts are either recovered and/or adjusted against securities/properties or advances there against or are considered recoverable.

3.12 Employee benefits

3.12.1 Defined contribution plan

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

3.12.2 Defined benefit plan

The Company operates a funded gratuity scheme for its permanent employees. Employees are entitled to gratuity benefit after completion of five years continuous service with the Company from the date of joining. The gratuity is calculated on the last basic pay and is payable at the rate of one month's basic pay for every completed year of service less than ten years and one & half month basic pay for ten years and above.

3.12.3 Short-term benefit

Short-term employee benefit (salary, bonus etc.) obligations are measured on an undiscounted basis and are expensed as the related service is provided.

3.12.4 Other employee benefit obligation

The Company operates a group life insurance and hospitalisation insurance schemes for its permanent employees.

3.13 Accrued expenses, provisions and payables

Liabilities are recognised for goods and services received, whether paid or not, for those goods and services. Payables are not interest bearing and are stated at their actual value.

Provisions and accrued expenses are recognised in the financial statements when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be probable to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.14 Cash and cash equivalents

Cash and cash equivalents comprises cash in hand, cash at bank and term deposits that are readily convertible to a known amount of cash and that are subject to an insignificant risk of change in value.

3.15 Cash flow statement

Cash flow statement has been prepared in accordance with the IAS 7: Statement of Cash Flows under direct method as recommended in the DFIM circular no. 11 dated 23 December 2009 issued by the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank.

3.16 Earnings per share (EPS)

The Company presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

4. General

4.1 Related party disclosure

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

4.2 Litigation

The Company is not a party to any material law suits except those arising in the normal course of business. The Company has filed necessary law suits against some of the default clients for non-performance in loans and advances repayment. The Company, however, has made adequate provision against such doubtful finances.

4.3 Guarantees, commitments and contingencies

Financial guarantees are contracts that require the Company to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. Loan commitments are commitments to provide credit under pre-specified terms and conditions.

Liabilities arising from financial guarantees or commitments to provide a loan at a below-market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. The liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment to settle the liability when a payment under the contract has become probable. Financial guarantees and commitments to provide a loan at a below-market interest rate are included within other liabilities.

4.4 Statutory reserve

As per Financial Company Act, 2023, Non-Bank Financial Institutions (NBFIs) are required to transfer 20% of its post tax profit to statutory reserve before declaration of dividend. This requirement has been properly complied with Bangladesh Bank regulations.

4.5 Borrowings from other banks, financial institutions and agents

Borrowings include short term and long term borrowings from banks and non-bank financial institutions. These are stated at amounts outstanding on the reporting date. Interest expense on these borrowings is charged to the profit and loss account on accrual basis.

4.6 Dividend payments

Proposed dividends are not recognised as a liability in the balance sheet in accordance with IAS 10: Events After the Reporting Period.

4.7 Risk management

Risk is defined as uncertainties resulting in adverse variation of profitability or in losses, financial or otherwise. The risk management of the Company covers core risk areas of credit risk, liquidity risk, market risk that includes foreign exchange risk, interest rate risk, equity risk, operational risk and reputation risk. The objective of the risk management is that the Company evaluates and takes well calculative business risks and thereby safeguarding the Company's capital, its financial resources and profitability from various risks.

4.7.1 Credit risk

Credit risk is the risk of loss that may occur from the default of any counterparty to repay in accordance with agreed terms and conditions and/or deterioration of creditworthiness. Board of Directors is the apex body for credit approval of the company. However, they delegate authority to the Managing Director & CEO or other officers. The Board also sets credit policies to the management for setting procedures, which together has structured the CRM framework in the company. The Credit Manual contains the core principles for identifying, measuring, approving and managing credit risk in the company. The policy covers corporate, retail, Small and Medium Enterprise (SME) exposures. Policies and procedures together have structured and standardised CRM process both in obligor and portfolio level. There is a comprehensive credit appraisal procedure that covers industry/business risk, management risk, financial risk, facility structure risk, security risk, environmental risk, reputational risk, and account performance risk.

4.7.2 Operational risk

Operational risk addresses the risk associated with fraud, forgery, unauthorised activities, error, omission, system failure and external events among others. The Company is managing these risks through written procedures, regular training, awareness programs and monitoring of the implementation of these procedures.

Operational risks are analyzed through review of various control tools like Departmental Control Function Check List (DCFCL), Quarterly Operations Report (QOR), Loan Documentation Check List (LDCL), and Self Assessment Anti Fraud Internal Control Check list. This is a self-assessment process for detecting high risk areas and finding mitigates of those risks. The effectiveness of the company's Internal control are monitored on an ongoing basis, Key/high risk items are identified and monitored as part of daily activities."

4.7.3 Interest rate risk

Interest rate risk is the risk to earnings or capital of the company arising from movement of interest rates. The movement of interest rates affects companies' reported earnings and capital by changing:

- Net interest income
- The market value of trading accounts (and other instruments accounted for by market value), and
- Other interest sensitive income and expenses.

To manage interest rate risk, ALCO regularly monitors various ratios and parameters. The company deploys several analysis techniques (e.g. rate sensitive gap analysis, duration gap analysis) to measure interest rate risk, its impact on net interest income and takes insight about course of actions."

4.7.4 Liquidity risk

"The objective of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Company is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balance. Responsibility of managing and controlling liquidity of the company lies with Asset Liability Committee (ALCO) that meets at least once in a month. Asset Liability Management (ALM) desk being primarily responsible for management of liquidity risk closely monitors and controls liquidity requirements on a daily basis by appropriate coordination of funding activities. A monthly projection of fund flows is reviewed in ALCO meeting regularly. On monthly basis, ALCO monitors liquidity management by examining key ratios, maximum cumulative outflow, upcoming funding requirement from all business units, asset-liability mismatch etc.

ALCO also monitors concentration of deposits on large institutional depositors which is volatile in nature. In addition to these ratios, the company prepares structural liquidity profile, maturity profile of term deposit, cash flow modelling and contingency funding plan on monthly basis, which are analysed in ALCO meeting to ensure liquidity at the level acceptable to the company and regulators."

4.7.5 Market risk

Risk Management Unit (RMU) is responsible for overall monitoring, control and reporting of market risk while treasury mid office is an integral part of market risk management which independently evaluates and monitors treasury department's transaction from risk perspective. Overall risk parameters and exposures of the company are monitored by RMU and periodically reported to company's Risk Management Committee (RMC). Market risk can be subdivided into three categories depending on risk factors: interest rate risk, foreign exchange risk, and equity price risk.

4.7.6 Equity price risk

Equity price risk is the risk of losses caused by changes in equity prices. These losses could arise because of changes in the value of listed shares held directly by the company; changes in the value of listed shares used as collateral for loans whether the loan was made for the purpose of buying the shares; and changes in the value of unlisted shares. Mark to Market is the tool the company applies for making full provision against losses arisen from changes in market price of securities.

As of 31 December 2023, the company set aside Tk. 41.04 million charging its profit and loss account over the periods to cover unrealised loss against quoted securities.

4.7.7 Information and communication technology risk

IPDC adheres to the IT Security policies and procedures in line with ICT Security guideline of Bangladesh Bank. To prevent attack from Cyber criminals/fraudsters, IPDC IT has established standard physical and logical security measures for all sensitive IT infrastructures (e.g. Data Centre, Disaster Recovery Site, etc.). Besides, IPDC has standard logical IT security measures like access control system, intrusion detection, access log and periodic security assessment for all systems. Vulnerability assessment exercises, both internally and externally, are conducted regularly to identify security weakness and implementing control for mitigation.

IPDC has Business Continuity Committee (BCC) to manage any manmade or natural incident/disaster. IT Security team has also taken initiatives to create awareness about cybersecurity among all IPDC employees and customers through retail and corporate channels. We have separate information system audit to identify control gaps and improve continually.

4.8 Contingent liabilities and contingent assets

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

Any present obligation that arises from past events but is not recognised because:

- a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- b) the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits can reliably be estimated.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income which may never be realised.

4.9 Liquidity statement

The Liquidity Statement of assets and liabilities as on the reporting date has been prepared on residual maturity term in accordance with DFIM Circular no. 06 dated 26 July 2011, as per following bases:

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

4.10 Events after the balance sheet date

All material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed in note no. 45 of these financial statements.

4.11 Comparatives and reclassification

Comparative information have been disclosed in respect of 2022 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements.

To facilitate comparison, certain relevant balances pertaining to the comparatives have been rearranged/ restated/reclassified whenever considered necessary to conform to current period's presentation.

4.12 Integral components of financial statements

The financial statements of the Company include the following components:

- i) Balance sheet as at 31 December 2023
- ii) Profit and loss account for the year ended 31 December 2023
- iii) Cash flow statement for the year ended 31 December 2023
- iv) Statement of changes in equity for the year ended 31 December 2023
- v) Notes to the financial statements as at and for the year ended 31 December 2023

4.13 BASEL II and its implementation

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

4.14 Impact of inflation and changing prices

Financial Institutions are affected differently by inflation than those of industrial ventures. While industrial and manufacturing companies generally have significant investments in inventories and fixed assets, financial institutions ordinarily do not have such investment. As a result, financial institutions are generally in a better position than industrial ventures to respond to inflationary trends by monitoring the spread between interest cost and interest income yields through adjustments of maturities and interest rates of assets and liabilities.

Financial statements presented herein have been prepared in accordance with International Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), which required the measurement of the financial position and operating results in terms of historical costs. However, in some cases, particular IAS/IFRS specifically suggests to measure some assets/liabilities at fair value.

4.15 Others

- The Company publishes its quarterly accounts as per IAS 34 "Interim Financial Reporting" and the Bangladesh Securities and Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2008-183/Admin/03-34 dated 27 September 2009.
- Figures in these notes and the accompanying financial statements have been rounded off to the nearest Taka.
- Previous year's figures have been rearranged, where necessary, to conform to current year's presentation.
- Company Balances shown in the accounts are duly reconciled.

4.16 Compliance of International Financial Reporting Standard (IFRS)

Name of the standards	Ref.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	IFRS-1	Not applicable
Share Based Payment	IFRS-2	Not applicable
Business Combinations	IFRS-3	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	IFRS-6	Not applicable
Financial Instruments: Disclosures	IFRS-7	Applied with some departures (note 2.2)
Operating Segments	IFRS-8	Not applicable
Financial Instruments	IFRS-9	Applied with some departures (note 2.2)
Consolidated Financial Statements	IFRS-10	Not applicable
Joint Arrangements	IFRS-11	Not applicable
Disclosure of Interests in Other Entities	IFRS-12	Not applicable
Fair Value Measurement	IFRS-13	Applied
Regulatory Deferral Accounts	IFRS-14	Not applicable
Revenue from Contracts with Customers	IFRS-15	Applied
Leases	IFRS-16	Applied
Insurance Contracts	IFRS-17	Not applicable
Presentation of Financial Statements	IAS-1	Applied with some departures (note 2.2)
Inventories	IAS-2	Not applicable
Statement of Cash Flows	IAS-7	Applied with some departures (note 2.2)
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Applied
Events After the Reporting Period	IAS-10	Applied
Income Taxes	IAS-12	Applied
Property, Plant and Equipment	IAS-16	Applied
Employee Benefits	IAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS-20	Applied
The Effects of Changes in Foreign Exchange Rates	IAS-21	Applied
Borrowing Cost	IAS-23	Applied
Related Party Disclosures	IAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	Not applicable
Separate Financial Statements	IAS-27	Not applicable
Investments in Associates and Joint Ventures	IAS-28	Not applicable
Financial Reporting in Hyperinflationary Economies	IAS-29	Not applicable
Earnings per Share	IAS-33	Applied
Interim Financial Reporting	IAS-34	Applied
Impairments of Assets	IAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied
Intangible Assets	IAS-38	Applied
Investment Property	IAS-40	Not applicable
Agriculture	IAS-41	Not applicable

The Company has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2023 have been considered. However, these amendments have no material impact on the financial statements of the Company.

	Note	2023 Taka	2022 Taka
5 Cash			
Cash in hand (including foreign currencies)	5.1	495,000	495,000
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	5.2	786,835,844	734,784,074
		787,330,844	735,279,074
5.1 Cash in hand			
In local currency		495,000	495,000
In foreign currency		-	-
		495,000	495,000
5.2 Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)			
Bangladesh Bank		786,835,844	734,784,074
		-	-
		786,835,844	734,784,074
Sonali Bank Limited (as an agent of Bangladesh Bank)		-	-
		786,835,844	734,784,074
5.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)			
Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR) have been calculated and maintained in accordance with the section 9 of the Finance Company Act, 2023 and of instructions contained in DFIM circular no. 01 dated 12 January 2017, FID circular no. 02 dated 10 November 2004, FID circular no. 06 dated 06 November 2003 and DFIM Circular No. 03 dated 21 June 2020 issued by Bangladesh Bank.			
Cash Reserve Requirement (CRR) required on the term deposits at the rate of 1.5% has been calculated and maintained with Bangladesh Bank in the form of current account and 5% Statutory Liquidity Reserve (SLR) including Cash Reserve Requirement has been maintained against total liabilities excluding shareholders' equity, borrowings from Bangladesh Bank and other Banks and NBFIs in the form of cash in hand (notes and coin in BDT), balance with Bangladesh Bank and other banks and financial institution, investment at call, unencumbered treasury bills, prize bond, saving certificate and any other assets approved by Bangladesh Bank. Both the reserves as maintained by the Company are shown below:			
Cash Reserve Requirement (CRR)			
The Company requires to maintain cash with Bangladesh Bank current account equivalent to 1.50% of Term Deposits other than deposit taken from banks and financial institutions.			
Required reserve 1.50%		780,844,850	716,321,501
Actual reserve maintained (Dec'23: 1.55%, Dec'22: 1.52%)		809,124,603	727,071,315
Surplus/(deficit)		28,279,753	10,749,814
Statutory Liquidity Reserve (SLR)			
The Company requires to maintain SLR equivalent to 5% of total liability including 1.50% of CRR and excluding loans and deposits taken from banks and financial institutions.			
Required reserve (5%)		2,918,037,527	2,684,152,246
Actual reserve maintained (Dec'23: 13.61%, Dec'22: 9.48%)	5.3.1	7,944,211,519	5,087,259,428
Surplus		5,026,173,992	2,403,107,182
Total surplus		5,054,453,745	2,413,856,996
5.3.1 Actual reserve maintained - including CRR			
Cash in hand		495,000	495,000
AB Bank Limited		-	1,677,482
Prime Bank Limited		29,403,233	132,376,060
BRAC Bank Limited		1,626,816	1,359,677
Mercantile Bank Limited		5,734,105	2,194,792
Eastern Bank Limited		573,878	1,024,261
Dutch Bangla Bank Limited		6,275,150	3,713,793
Dhaka Bank Limited		2,400,203,864	2,202,684,287
United Commercial Bank Limited		-	1,612,295
EXIM Bank Limited		300,000,000	200,000,000
Southeast Bank Limited		-	99,750
NRB Bank Limited		391,287	1,215,186
National Credit and Commerce Bank Limited		2,026,217	-
Jamuna Bank Limited		-	600,000,000
Citizens Bank PLC		600,000,000	350,000,000
One Bank Limited		199,852	358,204,526
Social Islami Bank Limited		300,000,000	300,000,000
Meghna Bank Limited		1,390,000,000	168,744
NRB Commercial Bank Limited		60,000,000	90,000,000
Uttara Finance & Investment Limited		60,000,000	80,000,000
The City Bank Limited		800,000,000	-

	Note	2023 Taka	2022 Taka
IFIC Bank Limited		1,698,896	-
Community Bank Bangladesh Limited		-	869,606
Balance with Bangladesh Bank		775,583,221	759,563,969
Unencumbered Bangladesh Treasury Bill/Bond		1,210,000,000	-
		7,944,211,519	5,087,259,428
6 Balance with other banks and financial institutions			
Inside Bangladesh	6.1	13,349,654,597	11,939,491,287
Outside Bangladesh		-	-
		13,349,654,597	11,939,491,287
6.1 Inside Bangladesh			
<u>In current deposit accounts with</u>			
United Commercial Bank Limited		-	16,400
AB Bank Limited		17,250	33,232
Standard Chartered Bank		154,696	155,336
Prime Bank Limited		72,810,009	3,851,632
Eastern Bank PLC		-	2,018,507
Mutual Trust Bank Limited		-	5
Basic Bank Limited		345	14,208
One Bank Limited		24,798	6,973,840
BRAC Bank Limited		-	105,641
Dhaka Bank Limited		1,451,441	80,369
Standard Bank Limited		2,305	-
NRB Commercial Bank Limited		978,810	-
Meghna Bank Limited		-	10,215
		75,439,654	13,259,385
<u>Short term deposit accounts with</u>			
Dutch Bangla Bank Limited		16,401,197	25,826,684
Prime Bank Limited		202,946	22,337,838
AB Bank Limited		-	1,681,455
Standard Chartered Bank		27,118	23,004
Mercantile Bank Limited		24,484,531	7,948,128
BRAC Bank Limited		15,847,889	7,830,674
Dhaka Bank Limited		263,233,619	402,233,873
United Commercial Bank Limited		4,622,710	7,148,054
Eastern Bank PLC		339,465	567,367
One Bank Limited		15,625,640	318,166,015
NRB Bank Limited		526,199	847,856
Community Bank Bangladesh Limited		1,650	874,389
Meghna Bank Limited		1,292	192,463
Southeast Bank Limited		-	56,513
Bank Asia Limited		920	127,153
NCC Bank Limited		5,789,741	40,198
IFIC Bank Limited		6,631,161	-
Standard Bank Limited		575	-
NRB Commercial Bank Limited		23,137,339	25,402,124
		376,873,991	821,303,788
<u>Short term placement</u>			
Peoples Leasing and Financial Service Limited		28,500,000	28,500,000
Community Bank Bangladesh Limited		-	200,000,000
United Finance Limited		-	200,000,000
Midland Bank Limited		350,000,000	-
Uttara Finance & Investment Limited		-	60,000,000
International Leasing and Financial Service Limited		10,509,240	10,509,240
National Credit and Commerce Bank Limited		-	600,000,000
NRB Bank Limited		-	500,000,000
		389,009,240	1,599,009,240
<u>Short term deposit accounts (in foreign currency) with</u>			
AB Bank Limited		1,367	1,367
		1,367	1,367

	Note	2023 Taka	2022 Taka
Fixed deposit accounts with			
Prime Bank Limited		1,000,000	7,981,284
The City Bank Limited		800,000,000	-
Dhaka Bank Limited		5,266,073,237	5,366,073,237
NRB Commercial Bank Limited		60,000,000	90,000,000
EXIM Bank Limited		916,950,000	500,000,000
Social Islami Bank Limited		650,000,000	650,000,000
Standard Bank Ltd.		790,000,000	790,000,000
Jamuna Bank Limited		-	600,000,000
One Bank Limited		-	250,000,000
Meghna Bank Limited		1,390,000,000	100,000,000
Bank Asia Limited		-	51,011,312
Uttara Finance & Investment Limited		40,000,000	-
IFIC Bank Limited		711,605,253	710,851,674
Citizen Bank PLC		600,000,000	350,000,000
National Housing Finance and Investment Limited		220,000,000	-
National Credit and Commerce Bank Limited		1,062,701,854	40,000,000
		12,508,330,345	9,505,917,507
Total		13,349,654,597	11,939,491,287
6.2 Maturity grouping of balance with other banks and financial institutions			
<i>Repayable:</i>			
On demand		-	-
Within one month		3,995,280,612	6,900,314,395
Within one to three months		8,552,861,095	3,741,862,987
Within three months to one year		801,512,891	1,297,313,905
Within one to five years		-	-
More than five years		-	-
		13,349,654,597	11,939,491,287
7 Investments			
Government securities	7.1	1,612,792,857	-
Other investments	7.2	2,905,885,109	2,499,501,477
		4,518,677,966	2,499,501,477
7.1 Government securities			
Treasury Bill		1,612,792,857	-
Treasury Bond		-	-
National investment bond		-	-
Bangladesh bank bill		-	-
Government notes/bond		-	-
		1,612,792,857	-
In 2023, the company has purchased several treasury bills with positive intention as well as capability to hold the bills until maturity and collect the contractual cashflows which qualify for classification and measurement at amortized cost as per IFRS 9. Accordingly, initially the bills have been recorded at fair value, which is purchase price plus any transaction costs, and subsequently measured at amortized costs using the effective interest method.			
7.2 Other investments			
In ordinary shares:			
Quoted	7.2.1	499,297,607	488,330,642
Unquoted	7.2.2	4,500,000	4,500,000
		503,797,607	492,830,642
Redeemable preference shares	7.2.3	1,611,500,002	1,213,583,335
		2,115,297,609	1,706,413,977
Investment in corporate bonds	7.2.4	790,587,500	793,087,500
		2,905,885,109	2,499,501,477

7.2.1 In ordinary shares - quoted

Business Segments	2023		2022	
	Cost Taka	Market value Taka	Cost Taka	Market value Taka
Pharmaceuticals & Chemicals	110,747,272.00	106,701,762.00	110,747,307	106,045,712
Telecommunications	41,497,856.00	33,332,153.00	41,497,856	33,332,153
Fuel & Power	58,419,723.00	50,156,000.00	58,419,687	50,156,000
Bank	196,732,694.00	184,128,969.00	196,732,694	184,070,012
Food & Allied	61,941,869.00	63,344,355.00	52,998,424	49,687,100
Cement	20,934,673.00	17,108,651.00	20,934,674	14,480,983
Information Technology	2,023,520.00	1,850,000.00	-	-
Engineering	7,000,000.00	4,305,000.00	7,000,000	4,305,000
	499,297,607	460,926,890	488,330,642	442,076,960

	Note	2023 Taka	2022 Taka
7.2.2 In ordinary shares - unquoted			
Quality Feeds Ltd.		1,500,000	1,500,000
Quality Printing Packaging Limited		3,000,000	3,000,000
		4,500,000	4,500,000
7.2.3 In redeemable preference shares			
Premium Seed Limited		4,000,000	4,000,000
Confidence Power Rangpur Limited		80,000,000	120,000,000
Confidence Power Bogra Unit-2 Limited		30,000,000	45,000,000
Summit LNG Terminal Co. (Pvt.) Ltd.		100,000,002	133,333,335
City Sugar Industries Limited		180,000,000	240,000,000
Impress Newtex Composite Textiles Limited		300,000,000	300,000,000
Confidence Power Bogra Limited		47,500,000	71,250,000
Epyllion Knitex Limited		300,000,000	-
Epyllion Style Limited		300,000,000	300,000,000
United Tank Terminal Limited		270,000,000	-
		1,611,500,002	1,213,583,335
7.2.4 In corporate bonds			
Golden Harvest Agro Industries Limited		90,587,500	93,087,500
The City Bank Limited		150,000,000	150,000,000
Jamuna Bank Limited		100,000,000	100,000,000
United Commercial Bank Ltd		200,000,000	200,000,000
Trust Bank Limited		250,000,000	250,000,000
		790,587,500	793,087,500

Unquoted shares are primarily recognised at cost. Adequate provision has been maintained against the unquoted shares whose fair value is lower than the cost.

7.3 Maturity grouping of investments*Repayable:*

On demand	-	-
Within one month	-	-
Within one to three months	264,905,098	-
Within three months to one year	2,222,856,199	-
Within one to five years	1,330,916,669	1,445,102,517
More than five years	700,000,000	1,054,398,960
	4,518,677,966	2,499,501,477

	Note	2023 Taka	2022 Taka
8 Loans, advances and leases			
Loans, cash credits, overdrafts, etc.	8.1	70,571,239,544	68,105,576,243
Bills purchased and discounted		-	-
		70,571,239,544	68,105,576,243
8.1 Loans, cash credits, overdrafts, etc.			
In Bangladesh:			
Long term loan		30,488,754,247	28,994,992,232
Lease finance	8.1.1	4,592,744,548	5,733,916,450
Short term loan		13,308,557,892	14,053,030,603
Channel finance		5,189,040,942	4,196,285,205
Mortgage finance		10,472,057,992	9,489,229,516
Auto loan		4,978,961,256	4,504,246,613
Secured retail loan		871,909,545	519,150,035
Personal loan		367,720,875	373,892,089
Staff loan		256,005,607	211,879,186
Consumer White Goods Finance		45,486,640	28,954,314
		70,571,239,544	68,105,576,243
Outside Bangladesh		-	-
		70,571,239,544	68,105,576,243
8.1.1 Gross lease receivables		4,620,289,408	6,026,403,757
Less: Unearned lease interest income		713,949,422	875,429,556
Net lease receivables		3,906,339,986	5,150,974,201
Add: Overdue lease rentals		686,404,562	582,942,249
		4,592,744,548	5,733,916,450
8.2 a) Net loans and advances including bills purchased and discounted			
Total loans and advances receivables	8	70,571,239,544	68,105,576,243
Less: Provision against loans and advances (specific and general)	8.9(b)	2,940,556,330	2,352,369,879
Less: Cumulative balance of interest suspense	14.2	817,991,860	771,275,374
		66,812,691,354	64,981,930,990
b) Rate of net classified loans and advances			
Gross loans and advances		70,571,239,544	68,105,576,243
Unclassified loans and advances		67,093,327,775	65,287,567,608
Classified loans and advances		3,477,911,769	2,818,008,635
Total provision		2,940,556,330	2,352,369,879
Interest suspense		817,991,860	771,275,374
Total provision and interest suspense		3,758,548,190	3,123,645,253
Net classified loans and advances		(280,636,421)	(305,636,618)
Rate of classified loans and advances		4.93%	4.14%
Rate of net classified loans and advances		-0.40%	-0.45%
8.3 Residual maturity grouping of loans and advances including bills purchased and discounted			
Repayable:			
On demand		-	-
Up to one month		4,744,242,132	4,548,936,596
More than one month but less than three months		10,501,027,014	10,974,344,129
More than three months but less than one year		14,474,437,004	14,372,322,343
More than one year but less than five years		31,420,324,072	30,087,701,582
More than five years		9,431,209,323	8,122,271,593
		70,571,239,544	68,105,576,243
8.4 Loans and advances including bills purchased and discounted are classified into the following broad categories			
Loans and advances			
Inside Bangladesh			
Loans and advances		70,571,239,544	68,105,576,243
Cash credit		-	-
Secured overdraft		-	-
		70,571,239,544	68,105,576,243
Outside Bangladesh		-	-
		70,571,239,544	68,105,576,243
Bills purchased and discounted			
Payable in Bangladesh		-	-
Payable outside Bangladesh		-	-
		-	-
		70,571,239,544	68,105,576,243

	Note	2023 Taka	2022 Taka
8.5 Loans and advances including bills purchased and discounted on the basis of significant concentration			
Loans and advances to the allied concerns of the directors			
Advances to Chief Executive and other Senior Executives			
Managing Director & CEO		2,244,038	3,234,829
Senior Executives (Senior Manager & above)		167,881,429	127,637,240
Other staffs		85,880,140	81,007,118
		256,005,607	211,879,187
Advances to customers' group			
Agricultural		4,631,271,813	4,534,012,532
Large corporate		38,871,122,273	37,215,939,954
Small and medium enterprise		10,289,105,210	11,296,985,152
Retail		16,523,734,641	14,846,759,418
Others		-	-
		70,315,233,937	67,893,697,056
		70,571,239,544	68,105,576,243
8.5.1 Disclosure on large loan			
Loan sanctioned to any individual or enterprise or any organisation of a group, amounting to 15% or more of the Company's total capital and classified amount therein and measures taken for recovery of such loan have been furnished below. Total capital of the Company as at 31 December 2023 was Taka 6,751.51 million against that of Taka 6,802.94 million as at 31 December 2022.			
Number of client to whom loans and advances sanctioned with more than 15% of the Company's total capital each		1	3
Amount of outstanding loans and advances [to the client as mentioned above]		1,123,252,548	3,078,406,239
Amount of classified loans and advances [out of the amount as mentioned above]		-	-
Measures taken for recovery [for the amount as mentioned above]		-	-
8.6 Industry-wise loans and advances including bills purchased and discounted			
Agro-based industries		4,631,271,813	4,534,012,533
Banks and non-banking financial institutions		706,471,785	746,770,463
Chemicals, pharmaceuticals and allied products		4,038,006,492	3,726,263,758
Engineering and building materials		3,769,528,023	3,304,026,878
Food and allied products		3,053,185,753	3,647,045,589
Glass, ceramic and other non-metallic products		610,394,891	625,645,652
Hotel, tourism and leisure		72,715,921	65,985,633
Information and communication technologies		1,274,913,260	1,775,309,989
Paper converting and packaging, printing and publishing		2,292,523,152	2,417,961,231
Ready made garments and knitwear		8,188,750,376	8,199,920,320
Social sector		2,589,907,457	2,597,082,541
Tannery, leather and rubber products		427,363,802	441,307,497
Textile		2,056,478,377	2,144,403,189
Transport and aviation		3,116,852,025	1,940,541,437
Others		33,742,876,417	31,939,299,533
		70,571,239,544	68,105,576,243
8.7 Geographical location-wise loans and advances including bills purchased and discounted			
Dhaka Division		55,321,673,412	53,302,469,097
Chittagong Division		7,861,963,579	7,859,621,733
Khulna Division		2,243,039,690	2,105,352,682
Rangpur Division		1,764,977,604	1,516,142,120
Rajshahi Division		1,275,132,356	1,223,132,982
Sylhet Division		541,782,030	564,159,497
Barisal Division		511,220,989	319,516,772
Mymensingh Division		1,051,449,884	1,215,181,360
		70,571,239,544	68,105,576,243

	Note	2023 Taka	2022 Taka
8.8 Broad economic sector-wise segregation of loans and advances including bills purchased and discounted			
Government and autonomous bodies		-	-
Bank and non-banking financial institutions		706,471,786	746,770,464
Other public sector		-	-
Private sector		69,864,767,758	67,358,805,779
		<u>70,571,239,544</u>	<u>68,105,576,243</u>
8.9 a) Classification of loans and advances including bills purchased and discounted			
Unclassified loans and advances			
Standard-Non CMSME (including staff loans)		54,778,313,236	51,699,317,316
Standard-CMSME		10,711,326,186	12,098,575,545
Standard-Brokerage House/Merchant Banks/Stock Dealers		703,179,416	803,775,316
Special mention account		900,508,937	685,899,431
Total unclassified loans and advances		<u>67,093,327,775</u>	<u>65,287,567,608</u>
Classified loans and advances			
Substandard		210,093,774	477,224,150
Doubtful		645,295,455	915,377,447
Bad/loss		2,622,522,540	1,425,407,038
Total classified loans and advances		<u>3,477,911,769</u>	<u>2,818,008,635</u>
Total loans and advances		<u>70,571,239,544</u>	<u>68,105,576,243</u>
b) Classification and provisioning of loans and advances including bills purchased and discounted			

Classification / status of loans and advances	Amount of outstanding loans and advances as at 31 December 2023	Base for provision	Percentage (%) of provision required as per Bangladesh Bank's directives	31 December 2023	31 December 2022
	Taka	Taka		Taka	Taka
Unclassified loans and advances					
General provision					
Standard-Non CMSME (including staff loans)	54,778,313,236	54,778,313,236	1.00%	547,783,132	516,993,173
Standard-CMSME	10,711,326,186	10,711,326,186	0.25%	26,778,315	30,246,439
Standard-Brokerage House/Merchant Banks/Stock Dealers	703,179,416	703,179,416	2.00%	14,063,588	16,075,506
Special mentioned account	900,508,937	818,278,106	5.00%	40,913,905	30,645,907
	<u>67,093,327,775</u>	<u>67,011,096,944</u>		<u>629,538,940</u>	<u>593,961,025</u>
Specific provision					
Sub-standard	210,093,774	121,794,048	20.00%	24,358,810	65,531,979
Doubtful	645,295,455	408,492,570	50.00%	204,246,285	298,037,204
Bad/loss	2,622,522,540	1,569,899,881	100.00%	1,569,899,883	802,352,360
	<u>3,477,911,769</u>	<u>2,100,186,499</u>		<u>1,798,504,978</u>	<u>1,165,921,543</u>
Provision required				<u>2,428,043,918</u>	<u>1,759,882,568</u>
Special provision*				75,357,237	84,846,133
Additional provision as per regulator requirement **				437,155,175	440,913,143
Total provision required				<u>2,940,556,330</u>	<u>2,285,641,844</u>
Additional provision maintained for Habib Steels Limited***				-	52,442,081
Total provision maintained				<u>2,940,556,330</u>	<u>2,352,369,879</u>
Total provision surplus				-	14,285,954

* As per DFIM circular letter no 33 dated 19 December 2021 and DFIM Letter: 1052/27/2022-21 dated 2 January 2022, 2% additional provision has been reserved against accounts availing deferral facility amounting BDT 95,948,339 as on 31 December 2021 on which BDT 20,591,102 closed during the year 2022 and 2023 and BDT 75,357,237 is for live accounts (BDT 65,346,070 is in general provision and BDT 10,011,167 is in specific provision).

** In reference to Bangladesh Bank Reschedule Master Circular for loan, leases and advances (DFIM Circular No-10 dated 4 September 2022), the provision associated with loan accounts is not to be released after reschedule of the accounts. Accordingly provision amounting to BDT 437,155,175 has been kept as additional provision as per regulator's requirement.

*** As per recommendation of last year's statutory auditor, additional provision had been maintained for Habib Steels Limited.

	Notes	2023 Taka	2022 Taka
8.10	Particulars of loans and advances including bills purchased and discounted		
Loans considered good in respect of which the Company is fully secured		31,113,294,905	29,888,977,075
Loans considered good for which the Company holds no other security other than the debtor's personal guarantee		12,293,941,391	18,465,752,652
Loans considered good and secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors		27,164,003,248	19,750,846,516
Loans adversely classified; provision not maintained there against		-	-
		70,571,239,544	68,105,576,243
Loans due by directors or officers of the Company or any of them either separately or jointly with any other persons *		256,005,607	211,879,186
Loans due from companies or firms in which the directors of the Company have interests as directors, partners or managing agents or in case of private companies as members		-	-
Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the Company or any of them either separately or jointly with any other persons*		82,939,480	62,979,263
Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Company have interests as directors, partners or managing agents or in the case of private companies as members		-	-
Due from other Non-Banking Financial Institutions (NBFIs)		706,471,786	746,770,464
Amount of classified loans and advances on which interest has not been charged to profit & loss account		3,477,911,769	2,818,008,635
(Decrease)/increase in specific provision		691,729,553	355,446,701
Amount of loan and advances written off during the year		65,138,036	56,569,214
Amount realised against loans and advances previously written off		21,772,009	111,333,612
Amount of provision kept against loans and advances classified as bad/loss on the date of preparing the balance sheet		1,569,899,883	802,352,360
Interest creditable to the interest suspense account during the year		821,098,394	774,381,908
* Amount represents loans to employees of the Company only.			
8.11	a) Cumulative amount of written off loan		
Opening balance		213,570,910	269,056,028
Add: Amount written off during the year		65,138,036	56,569,214
		278,708,946	325,625,242
Less: Adjustment/recovered during the year		21,772,009	112,054,332
		256,936,937	213,570,910
b) Amount of written off loan for which lawsuit has been filed for its recovery		256,936,937	213,570,910
8.12	As per DFIM Circular no-08 dated 17 August 2021 and FRC letter (Ref. no-178/FRC/APR/2021/28(17)) dated 21 December 2021, IPDC Finance Limited is required to obtain and preserve audited financial statements for loans and advances sanctioned/renewed to public interest entity. IPDC Finance Limited obtained and preserved audited financial statements in its loan files for 100% loans and advances sanctioned/renewed to public interest entity from 1 January 2023 to 31 December 2023.		

	Notes	2023 Taka	2022 Taka
9 Fixed assets including land, building, furniture and fixture			
Land		279,435,033	279,435,033
Building		90,474,767	90,474,767
Motor vehicles		38,348,893	99,113,115
Furniture and fixture		121,662,723	103,997,117
Equipment and appliances		319,309,280	307,944,263
Software		226,736,787	207,276,075
ROU-Assets for lease rent		284,466,918	272,873,952
		1,360,434,401	1,361,114,322
Less: Accumulated depreciation and amortisation		601,591,208	528,002,132
		758,843,193	833,112,190
Capital work in progress		48,718,752	43,215,213
		807,561,945	876,327,403
Details are shown in Annexure - A			
10 Other assets			
Non-income generating other assets			
Stationery, stamps, printing materials in stock		2,363,653	2,961,102
Advance rent and advertisement		5,528,063	5,453,563
Accrued interest, commission, brokerage, and other income receivables		172,227,817	127,751,808
Security deposits		14,654,203	14,188,340
Prepaid expenses		1,084,119	1,045,172
Others	10.1	1,699,921,783	2,421,051,178
		1,895,779,638	2,572,451,163
10.1 Others			
Advance tax	10.1.1	1,415,319,230	1,833,707,609
Deferred tax assets	10.1.2	114,867,558	87,702,806
Sundry assets	10.1.3	169,734,995	499,640,763
		1,699,921,783	2,421,051,178
10.1.1 Advance tax			
Opening balance		1,833,707,609	1,542,297,143
Payment made during the year/period		628,737,138	666,729,110
		2,462,444,747	2,209,026,253
Adjustment made during the year/period		(1,047,125,517)	(375,318,644)
		1,415,319,230	1,833,707,609
Advance payment of tax represents corporate income tax paid to the Government Exchequer by way of advance income tax under section 154 & 155, and tax deducted at source by third parties under different heads of income and tax paid under section 173 and other sections of the Income Tax Act, 2023 which would be adjusted with the corporate tax liability of the Company.			
10.1.2 Deferred tax assets			
Deferred tax assets have been recognised in accordance with the provision of IAS 12: Income Taxes based on temporary difference arising due to difference in the carrying amount of the assets and liabilities in the financial statements and its tax base. Calculation of deferred tax assets is as follows:			
Deductible temporary differences			
i) Deferred tax asset on gratuity provision			
Carrying amount at balance sheet date		14,847,777	6,228,539
Tax base		-	-
Net deductible temporary differences		14,847,777	6,228,539
Tax rate		37.50%	37.50%
Deferred tax assets on gratuity provision		5,567,916	2,335,702
ii) Deferred tax asset on liabilities for lease rental			
Carrying amount at balance sheet date		213,163,526	203,929,598
Tax base		-	-
Net deductible temporary differences		213,163,526	203,929,598
Tax rate		37.50%	37.50%
Deferred tax asset on liabilities for lease rental		79,936,322	76,473,599

	Notes	2023 Taka	2022 Taka
iii) Deferred tax asset on furniture, fixture, equipment and software			
Tax base		284,259,639	301,055,143
Carrying amount at balance sheet date		205,957,453	277,339,130
Net deductible temporary differences		78,302,186	23,716,013
Tax rate		37.50%	37.50%
Deferred tax asset on furniture, fixture, equipment and software		29,363,320	8,893,505
Total deferred tax assets (i+ii+iii)		114,867,558	87,702,806
Movement of deferred tax assets is as follows:			
Opening balance		87,702,806	43,630,323
Income/(expense) during the period charged to retained earnings		(10,596,425)	4,052,100
Income/(expense) during the period charged to profit and loss		37,761,177	40,020,383
Closing balance		114,867,558	87,702,806
10.1.3 Sundry assets			
City corporation tax		166,320	124,740
Hosna Centre Owners' Society		677,067	677,067
Advance and other receivables		168,891,608	498,838,956
		169,734,995	499,640,763
11 Non banking assets		3,752,405	3,752,405
This represents the mortgaged property (land) acquired from a default customer by virtue of verdict given by the competent court and ownership has been transferred in favor of the Company. The land is mutated in the name of the Company.			
12 Borrowings from other banks, financial institutions and agents			
In Bangladesh	12.1	16,099,168,254	12,097,050,078
Outside Bangladesh		-	-
		16,099,168,254	12,097,050,078
12.1 In Bangladesh			
Long term loan			
<u>Unsecured long term loan</u>			
Borrowing under Refinance Project		9,099,436,420	6,961,471,886
		9,099,436,420	6,961,471,886
<u>Secured long term loan</u>			
Meghna Bank Limited		-	148,162,384
Mutual Trust Bank Limited		216,843,045	281,311,769
National Credit & Commerce Bank Limited		446,989,597	370,385,198
BASIC Bank Limited		-	15,932,400
		663,832,642	815,791,751
Total long term loan		9,763,269,062	7,777,263,637
Short term loan			
<u>Unsecured short term loan</u>		-	-
<u>Secured short term loan</u>			
Standard Chartered Bank		850,000,000	1,000,000,000
Standard Bank Limited		300,000,000	360,000,000
NRB Bank Limited		-	500,000,000
National Credit and Commerce bank		-	600,000,000
Lankan Alliance Finance Ltd		100,000,000	90,000,000
Eastern Bank PLC		2,200,000,000	490,000,000
		3,450,000,000	3,040,000,000
Total short term loan		3,450,000,000	3,040,000,000
Zero Coupon Bond			
<u>Unsecured</u>			
Zero Coupon Bond		-	53,823,765
		-	53,823,765
Subordinated Bonds			
<u>Unsecured</u>			
Subordinated Bonds		1,860,000,000	560,000,000
		1,860,000,000	560,000,000

	Notes	2023 Taka	2022 Taka
Bank overdraft			
<u>Secured</u>			
Dhaka Bank Limited		234,328,361	132,714,295
Woori Bank Limited		166,824,161	166,061,861
Standard Chartered Bank		152,193,463	7,204,097
AB Bank Limited		71,607	-
Bank Alfalah Limited		2,019,774	178,912,854
Mutual Trust Bank Limited		1,464,861	180,399,284
United Commercial Bank Limited		1	-
IFIC Bank Limited		69,288	316,463
Mercantile Bank Limited		1,539,168	353,820
BRAC Bank Limited		9,563	-
Commercial Bank of Ceylon PLC		100,738	-
Eastern Bank PLC		3,572,455	-
Uttara Bank Limited		2	2
		<u>562,193,442</u>	<u>665,962,676</u>
Money at call and short notice			
<u>Unsecured</u>		-	-
Repo borrowing		<u>463,705,750</u>	<u>-</u>
		16,099,168,254	12,097,050,078
12.2 Security against borrowings from other banks and financial institutions			
Secured		5,139,731,834	4,521,754,427
Unsecured		10,959,436,420	7,575,295,651
		<u>16,099,168,254</u>	<u>12,097,050,078</u>
Secured loans are covered by first equitable mortgage of all present and future immovable properties and by floating charges on movable assets of the Company ranking pari-passu among the lenders and in against Fixed Deposit Receipt.			
12.3 Residual maturity grouping of borrowings from other banks, financial institutions and agents			
<i>Repayable:</i>			
On demand		463,705,750	-
Within one month		418,907,547	1,744,558,415
Over one month but within three months		2,720,392,931	1,561,453,687
Over three months but within one year		2,831,159,722	2,494,500,480
Over one year but within five years		7,875,482,888	5,633,626,326
Over five years		1,789,519,416	662,911,170
		<u>16,099,168,254</u>	<u>12,097,050,078</u>
13 Deposits and other accounts			
Term Deposits	13.1	49,807,699,026	41,598,068,252
FDR from Banks & NBFIs		9,492,700,000	11,580,000,000
Other deposits		876,643,808	5,961,415,085
		<u>60,177,042,834</u>	<u>59,139,483,337</u>
13.1 Term deposits			
Product wise break-up of term deposit			
Annual Profit Scheme		6,502,166,591	7,598,300,047
Half Yearly Profit Scheme		-	-
Quarterly Profit Scheme		817,155,796	851,296,099
Monthly Profit Scheme		5,757,916,794	4,812,699,770
Cumulative Profit Scheme		712,603,016	850,773,537
Fixed Deposit FDR GEN		36,017,856,829	27,484,998,799
		<u>49,807,699,026</u>	<u>41,598,068,252</u>
13.2 Residual maturity grouping of deposits and other accounts			
<i>Repayable:</i>			
On demand		-	-
Within one month		7,532,972,926	9,214,027,248
Over one month but within six months		15,266,701,671	12,104,876,241
Over six months but within one year		12,821,589,837	11,590,869,010
Over one year but within five years		8,671,463,437	10,627,216,959
Over five years but within ten years		15,884,314,963	15,602,493,879
		<u>60,177,042,834</u>	<u>59,139,483,337</u>

There was no unclaimed deposits for ten (10) years and more held by the Company at the reporting date.

	Notes	2023 Taka	2022 Taka
14 Other liabilities			
Cumulative provision for loans, advances and investments	14.1	3,016,595,024	2,428,398,927
Cumulative provision for off-balance sheet items		-	121,638
Cumulative provision for other assets		13,531,664	12,920,656
Other provisions		39,009,240	39,009,240
Cumulative interest and dividend suspense	14.2	821,098,394	774,381,908
Net defined benefit obligation - employees' gratuity fund	14.3	14,847,777	6,228,539
Provision for corporate tax	14.4	1,719,825,318	2,411,654,908
Deposit against lease	14.5	547,577,752	483,923,051
Payable interest expenses for finance charge	14.6	1,705,398,635	1,628,120,317
Withholding tax and VAT		165,853,515	159,996,762
Liabilities for special accounts	14.7	375,462,165	300,663,906
Payable for expenses	14.8	86,617,136	106,589,380
Deferred tax liabilities	14.9	122,714,256	112,353,003
Account payable for purchase of fixed asset		12,703,134	6,659,305
Accrued interest on subordinated bonds		49,222,783	14,103,933
Accrued interest on zero coupon bond		-	1,739,694
Liability for lease rental	14.10	213,347,020	203,755,538
Unclaimed dividend account/dividend payable	14.11	2,468,509	2,281,793
		8,906,272,322	8,692,902,498
14.1 Cumulative provision for loans, advances, investments			
Specific provision for classified loans, advances	14.1.1	1,808,768,765	1,167,627,690
General provision against unclassified loans and advances	14.1.2	1,131,787,565	1,184,742,189
Provision for investments	14.1.3	76,038,694	76,029,048
		3,016,595,024	2,428,398,927
14.1.1 Specific provision for classified loans, advances			
Opening balance		1,167,627,690	861,259,080
Specific provision made/(release) for the period	38	691,729,553	355,446,701
Fully provided debt written-off during the period		(50,588,478)	(49,078,091)
Closing balance (i)		1,808,768,765	1,167,627,690
14.1.2 General provision against unclassified loans and advances			
Opening balance		1,184,742,189	1,090,326,269
Provision made during the period / year	38	(52,954,624)	94,415,920
		1,131,787,565	1,184,742,189
Adjustment during the period / year		-	-
Closing balance (ii)		1,131,787,565	1,184,742,189
Total specific and general provision of loans and advances (i+ii)		2,940,556,330	2,352,369,879
14.1.3 Provision for investments			
Opening balance		76,029,048	40,610,328
Provision made for investments during the period / year		5,779,167	36,647,636
Provision released from investments during the period / year		(5,769,521)	(1,228,916)
Total provision made/(released) during the period / year	39	9,646	35,418,720
Closing balance		76,038,694	76,029,048
Total specific and general provision of loans, advances and investments		3,016,595,024	2,428,398,927
Breakdown of cumulative provision for loans, advances and investment:			
Provision for loans, advances and leases		2,940,556,330	2,352,369,879
Provision for investments in equity		76,038,694	76,029,048
		3,016,595,024	2,428,398,927
14.2 Cumulative interest and dividend suspense			
Opening balance		774,381,908	647,566,026
Amount transferred to suspense account during the year		218,103,513	431,393,347
		992,485,421	1,078,959,373
Amount recovered from suspense account during the year		(160,356,839)	(299,848,366)
		832,128,582	779,111,007
Amount written-off/waiver during the year		(11,030,188)	(4,729,099)
Closing balance		821,098,394	774,381,908
Breakdown of cumulative interest and dividend suspense:			
Interest suspense against loans and advances		817,991,860	771,275,374
Dividend suspense against investment in redeemable preference shares		3,106,534	3,106,534
		821,098,394	774,381,908

Amount transferred and recovered from suspense account has been calculated considering movement between end of period balance and amount for 2023 has been updated accordingly.

	Notes	2023 Taka	2022 Taka
14.3 Net defined benefit obligation - employees' gratuity fund			
Net defined benefit obligation - Employees' Gratuity Fund			
Defined benefit obligation		172,288,908	147,306,069
Less: Fair value of plan assets		157,441,131	141,077,530
		<u>14,847,777</u>	<u>6,228,539</u>
Fair value of plan assets - gratuity fund			
Fair value of plan assets as on 1 January		141,077,530	110,746,584
Interest income on plan assets		10,580,815	-
Actual employer contributions		19,200,000	41,136,545
Actual net benefits payments		(13,591,393)	(17,917,540)
Remeasurement gain/(losses) on plan assets		174,179	7,111,941
Fair value of plan assets as on 31 December		<u>157,441,131</u>	<u>141,077,530</u>
Defined benefit obligation - gratuity fund			
Defined benefit obligation as on 1 January		147,306,069	132,746,456
Current service cost		24,982,839	14,559,613
Interest Cost		11,047,955	-
Actual net benefits payments		(13,591,393)	(17,917,540)
Remeasurement (gain)/loss		2,543,438	17,917,540
Defined benefit obligation as on 31 December		<u>172,288,908</u>	<u>147,306,069</u>
Remeasurements gain/(loss) of defined benefits liability/assets			
Opening balance		-	-
Remeasurement gain/(losses) on plan assets		174,179	7,111,941
Remeasurement gain/(losses) on defined benefit obligation		(2,543,438)	(17,917,540)
		<u>(2,369,259)</u>	<u>(10,805,599)</u>
Less: Tax on the Balance of Remeasurement gain/(loss)		888,472	(4,052,100)
		<u>(1,480,787)</u>	<u>(14,857,699)</u>
14.3.1 Plan assets			
Cash at bank		9,360,016	41,038,593
Investments		145,552,308	98,497,110
Accrued Interest		2,528,806	1,541,827
		<u>157,441,131</u>	<u>141,077,530</u>
14.3.2 Principal actuarial assumptions			
Discount rate and expected rate of return on plan assets		7.50%	8.60%
Expected rate of withdrawal of service		10.00%	9.00%
14.3.3 Sensitivity analysis			
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below			
		31 December 2023	
Discount rate (1% movement)		at 8.5%	at 6.5%
Effect in taka		<u>(26,371,068)</u>	<u>32,067,367</u>
14.4 Provision for corporate tax			
Provision for current tax has been made on the basis of the profit for the period as adjusted for taxation purposes in accordance with Income Tax Act, 2023 and amendments thereto. Current tax rate for the Company is 37.5% on its business income.			
Opening balance		2,411,654,908	2,419,525,072
Provision made during the period/year	14.4.1	355,266,140	367,448,480
		2,766,921,048	2,786,973,552
Adjustment made during the period for completed assessments		(1,047,095,730)	(375,318,644)
Closing balance		<u>1,719,825,318</u>	<u>2,411,654,908</u>
14.4.1 Current tax expense			
Prior years tax adjustments		470,357,992	617,994,571
Provision made during the period		<u>(115,091,852)</u>	<u>(250,546,091)</u>
		<u>355,266,140</u>	<u>367,448,480</u>

Assessment against income year 2012 (Assessment year 2013-14) is pending at the honorable High court and assessment against income year 2021 (Assessment year 2022-23) is pending at Commissioner of Taxes (Appeal).

14.4.2 Reconciliation of effective tax rate

Profit before income tax as per profit and loss account
Income tax as per applicable tax rate

Factors affecting the tax charged in current year

On non deductible expenses
Tax savings from reduced tax rates (Capital gain from govt. securities)
Tax savings from reduced tax rates (on dividend income)
Tax savings from reduced tax rates (capital gain from listed equity)
Prior years tax adjustments

Total income tax expenses

2023	
	660,493,837
37.50%	247,685,189
37.76%	249,434,424
0.00%	-
(4.05%)	(26,761,621)
0.00%	-
(17.43%)	(115,091,852)
53.79%	355,266,140
2022	

Profit before income tax as per profit and loss account
Income tax as per applicable tax rate

Factors affecting the tax charged in current year

On non deductible expenses
Tax savings from reduced tax rates (Capital gain from govt. securities)
Tax savings from reduced tax rates (on dividend income)
Tax savings from reduced tax rates (capital gain from listed equity)
Tax savings on deferred dividend income
Prior years tax adjustments

Total income tax expenses

	1,264,370,916
37.50%	474,139,094
13.29%	168,092,907
(0.09%)	(1,193,518)
(1.48%)	(18,722,070)
(0.34%)	(4,321,842)
0.00%	-
(19.82%)	(250,546,091)
29.06%	367,448,480

Notes	2023 Taka	2022 Taka
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14.5 Deposit against lease

Opening balance
Receipts during the period

Adjusted during the period
Closing balance

483,923,051	436,447,537
153,955,330	197,382,194
637,878,381	633,829,731
(90,300,629)	(149,906,680)
547,577,752	483,923,051

Deposit against lease represent lease deposits received from lessees against finance on the stipulation that the amount will be adjusted with the outstanding rentals/instalments. Purpose of taking lease deposits is to secure the finance provided to the clients. No interest is payable on lease deposits.

14.6 Payable interest expenses for finance charge

Accrued interest expenses on term deposits
Accrued interest expenses on long term borrowings
Accrued interest expenses on short term borrowings
Accrued interest expenses on Repo borrowings
Accrued interest expense on refinance project

1,643,238,082	1,557,166,607
6,604,040	6,175,344
8,836,473	17,987,067
486,744	-
46,233,296	46,791,299
1,705,398,635	1,628,120,317

14.7 Liabilities for special accounts

Account payable special account - IPO
Account payable special account - DEG
Account payable special account - other

1,118,406	1,118,356
12,520,578	11,604,008
361,823,181	287,941,542
375,462,165	300,663,906

14.8 Payable for expenses

Legal expenses
Office services
Promotion and publicity
Office rent
Professional fees
Audit fees

22,855,036	20,136,405
47,087,068	51,400,087
12,588,477	31,941,304
130,265	-
2,656,786	1,812,080
1,299,505	1,299,505
86,617,136	106,589,380

	Notes	2023 Taka	2022 Taka
14.9	Deferred tax liabilities		
	i) Deferred tax liability on building		
	Carrying amount at balance sheet date	77,174,977	79,834,935
	Tax base	7,515,207	7,910,744
	Net taxable temporary differences	69,659,770	71,924,191
	Tax rate	37.50%	37.50%
	Deferred tax liability on building	26,122,414	26,971,572
	Revaluation reserve on land	279,435,033	279,435,033
	Tax rate	8.00%	4.00%
	Deferred tax liability on land revaluation	22,354,803	11,177,401
	Total deferred tax liabilities on building and land revaluation	48,477,217	38,148,973
	ii) Deferred tax liability on dividend receivables		
	Carrying amount at balance sheet date	3,300,600	2,576,854
	Tax base	-	-
	Net taxable temporary differences	3,300,600	2,576,854
	Tax rate	20.00%	20.00%
	Deferred tax liability on dividend receivables	660,120	515,371
	iii) Deferred tax liability on rights of use assets (RoU)		
	Carrying amount at balance sheet date	196,205,116	196,503,090
	Tax base	-	-
	Net taxable temporary differences	196,205,116	196,503,090
	Tax rate	37.50%	37.50%
	Deferred tax liability on rights of use assets (RoU)	73,576,919	73,688,659
	Total deferred tax liability (i+ii+iii)	122,714,256	112,353,003
	Movement of deferred tax liabilities is as follows:		
	Opening balance	112,353,003	77,271,614
	Add: Debited to Revaluation reserve on govt. securities	-	-
	Less: Credited to asset revaluation reserve	(10,328,243)	841,351
	Expense/(income) during the period / year	33,010	35,922,740
	Closing balance	122,714,256	112,353,003
14.10	Liability for lease rental		
	Not later than one month	3,137,246	3,143,950
	Later than one month and not later than three months	6,399,765	6,083,340
	Later than three months and not later than one year	30,946,362	27,225,638
	Later than one year and not later than five years	162,910,356	147,332,944
	More than five years	9,953,291	19,969,666
		213,347,020	203,755,538
14.11	Unclaimed dividend account/dividend payable		
	Aging analysis of unclaimed dividend account/dividend payable		
	Upto 3 years	2,468,509	2,281,793
	Over 3 years but less than 5 years	-	-
	5 years and above	-	-
		2,468,509	2,281,793
As a NBFI, IPDC Finance Limited prepares and presents its financial statements as per DFIM Circular (Ref. No: DFIM Circular no-11) dated December 23, 2009, where dividend payable are shown in other liabilities.			
15	Share capital		
	Authorised		
	800,000,000 ordinary shares of Taka 10 each	8,000,000,000	8,000,000,000
	Issued, subscribed and fully paid up		
	371,091,547 (2020: 371,091,547) ordinary shares of Tk 10 each	3,710,915,470	3,710,915,470

15.1 Given below the history of raising of share capital of IPDC Finance Limited

Year of allotment	Particulars of allotment	Number of Shares		Paid up Shares (Cumulative)	Amount of Shares Capital (BDT)	Amount of Shares Capital (BDT) (Cumulative)
		Bonus	Cash			
1981	First (Subscription to the memorandum & Articles of association) at the time of incorporation *	-	50	50	500	500
1982	Subscription	-	8,999,950	9,000,000	89,999,500	90,000,000
1999	400% Stock Dividend	36,000,000	-	45,000,000	360,000,000	450,000,000
2004	Subscription	-	2,801,400	47,801,400	28,014,000	478,014,000
2006	IPO	-	13,900,000	61,701,400	139,000,000	617,014,000
2007	10% Stock Dividend	3,085,070	-	64,786,470	30,850,700	647,864,700
2008	10% Stock Dividend	6,478,640	-	71,265,110	64,786,400	712,651,100
2009	10% Stock Dividend	7,126,510	-	78,391,620	71,265,100	783,916,200
2010	10% Stock Dividend	7,839,160	-	86,230,780	78,391,600	862,307,800
2011	10% Stock Dividend	8,623,070	-	94,853,850	86,230,700	948,538,500
2012	10% Stock Dividend	9,485,385	-	104,339,235	94,853,850	1,043,392,350
2014	10% Stock Dividend	10,433,923	-	114,773,158	104,339,230	1,147,731,580
2015	20% Stock Dividend	11,477,315	-	126,250,473	114,773,150	1,262,504,730
2016	20% Stock Dividend	25,250,094	-	151,500,567	252,500,940	1,515,005,670
2017	20% Stock Dividend	30,300,113	-	181,800,680	303,001,130	1,818,006,800
2018	20% Stock Dividend	36,360,136	-	218,160,816	363,601,360	2,181,608,160
2019	8% Stock Dividend	17,452,865	-	235,613,681	174,528,650	2,356,136,810
2019	1:2(R) Right Share	-	117,806,840	353,420,521	1,178,068,400	3,534,205,210
2020	5% Stock Dividend	17,671,026	-	371,091,547	176,710,260	3,710,915,470

Paid up capital as on 31 December 2023 is made up of 143,508,240 ordinary shares paid up in cash and 227,583,307 ordinary shares through issuance of bonus shares.

15.2 Domestic

Government of the People's Republic of Bangladesh (GoB)
BRAC
Ayesha Abed Foundation
RSA Capital Limited
Bluechip Securities Limited
General shareholders

Notes	2023 Taka	2022 Taka
	811,932,100	811,932,100
	927,728,830	927,728,830
	371,091,520	371,091,520
	185,545,740	185,545,740
	298,311,930	298,311,930
	1,116,305,350	1,116,305,350
	3,710,915,470	3,710,915,470

15.3 Number of ordinary shares and percentage of holding are as follows:

Sponsor shareholders

Local sponsors

Domestic

	2023		2022	
	Number	% of holding	Number	% of holding
BRAC	92,772,883	25.00%	92,772,883	25.00%
GoB	81,193,210	21.88%	81,193,210	21.88%
Ayesha Abed Foundation	37,109,152	10.00%	37,109,152	10.00%
RSA Capital Limited	18,554,574	5.00%	18,554,574	5.00%
Bluechip Securities Limited	29,831,193	8.04%	29,831,193	8.04%
	259,461,012	69.92%	259,461,012	69.92%
General Shareholders	111,630,535	30.08%	111,630,535	30.08%
	111,630,535	30.08%	111,630,535	30.08%
	371,091,547	100.00%	371,091,547	100.00%

15.4 Composition of shareholding is as follows:

	2023		2022	
	Number	% of holding	Number	% of holding
Institutional shareholding (including GoB)	310,881,676	83.77%	301,828,374	81.34%
Individual shareholding	60,209,871	16.23%	69,263,173	18.66%
	371,091,547	100.00%	371,091,547	100.00%

15.5 Classification of shareholders by holding

Number of shares	No. of shareholders	No. of shares	% of holdings
1 to 500 shares	2,759	483,666	0.13%
501 to 5,000 shares	2,240	4,242,868	1.14%
5,001 to 10,000 shares	345	2,593,839	0.70%
10,001 to 20,000 shares	198	2,918,310	0.79%
20,001 to 30,000 shares	81	2,006,705	0.54%
30,001 to 40,000 shares	47	1,641,006	0.44%
40,001 to 50,000 shares	36	1,634,124	0.44%
50,001 to 1,00,000 shares	71	5,219,414	1.41%
1,00,001 to 1,000,000 shares	81	25,086,129	6.76%
over 1,000,000	29	325,265,486	87.65%
Total	5,887	371,091,547	100.00%

The shares are listed in both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. since 03 December 2006 and traded at Tk. 57.60 and Tk. 58.30 at the close of 31 December 2023 at Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. respectively.

15.6 Capital adequacy ratio

In accordance with the Finance Company Act, 2023 and Bangladesh Bank's DFIM circular no. 05 dated 24 July 2011, every Non-Banking Financial Institution which is registered in Bangladesh had to increase its paid up capital to Tk. 1,000 million within 30 June 2012. The Company fulfilled this condition within the stipulated time and as at 31 December 2023, total capital of the Company was Tk. 6,751.51 million out of which paid up capital is Tk. 3,710.92 million.

In accordance with Bangladesh Bank's DFIM Circular no. 14 dated 28 December 2011, financial institutions are required to maintain at least 10% Capital Adequacy Ratio (CAR) in line with the guidelines on Capital Adequacy and Market Discipline (CAMD) for financial institutions, which has come fully into force from 1 January 2012. As of 31 December 2023, the CAR of the Company is 18.12% against the required CAR of 10%. Details are as follows:

	Notes	2023 Taka	2022 Taka
Tier -1 capital (A)		6,459,607,059	6,498,360,110
Tier -2 capital (B)		2,556,986,573	1,257,332,774
Eligible capital (C=A+B)		9,016,593,632	7,755,692,884
Total risk weighted assets		49,765,228,926	48,707,535,777
Minimum capital requirement		4,976,522,893	4,870,753,578
Capital surplus		4,040,070,739	2,884,939,306
Capital adequacy ratio		18.12%	15.92%
16 Share premium		402,627,680	402,627,680

Share premium against 280,140 number of ordinary shares issued in 2004 and 1,390,000 number of ordinary shares issued in 2006 @ Tk. 100 per share i.e. at year ended December 31, 2018 total number of shares would be 16,701,400 @ Tk. 10 per share as the Company changed the denomination of shares from Tk. 100 to Tk. 10 each in 2011 in compliance with the Bangladesh Securities and Exchange Commission's order number SEC/CMRRCD/2009-193/109 dated 15 September 2011. Additional share premium of BDT 235,613,680 received against issue of 117,806,840 number of ordinary share at a premium of BDT 2.00 during the period ended 31 December 2019.

17 Statutory reserve

This comprises of the cumulative balance of statutory reserve as required by section 8 of Finance Company Act, 2023. Transfer to statutory reserve is executed before declaration of dividend.

Opening balance	1,160,484,505	980,280,489
Transferred from profit during the period / year	68,591,173	180,204,016
Closing balance	1,229,075,678	1,160,484,505

	Notes	2023 Taka	2022 Taka
18 Assets revaluation reserve			
Revaluation reserve on land and building	18.1	291,906,470	304,583,030
Revaluation reserve on govt. securities	18.2	-	-
		291,906,470	304,583,030
18.1 Revaluation reserve on land and building			
Opening balance		304,583,030	306,089,996
Revaluation during the year			
Land		-	-
Building		-	-
Adjustment of excess depreciation		(2,348,317)	(2,348,317)
Deferred tax liability on revaluation		(10,328,243)	841,351
		291,906,470	304,583,030
IPDC Finance Limited owns real estate property (commercial space including car parking) for its own use as office premises situated at Hosna Center (4th floor), 106 Gulshan Avenue, Dhaka. This property was revalued at fair value in accordance with IAS 16: Property, Plant and Equipment which requires regular valuation of property to ensure that the value reflects current market condition. The property was first revalued in 2005 and subsequently in 2014, since then significant changes took place in local real estate market, as a result with the consent of the Board of Directors of IPDC Finance Limited, ACNABIN Chartered Accountant as professionally qualified valuer had conducted valuation to determine the fair value of the property, which has subsequently conveyed to management for incorporating in the financials of 2018 after being adopted in the Board. The revaluation was done in accordance with the guideline of Bangladesh Securities and Exchange Commission (BSEC) circular no SEC/CMRRCD/2009-193/150/Admin.			
18.2 Revaluation reserve on govt. securities			
Opening balance		-	(116,422)
Revaluation during the year		-	116,422
		-	-
19 Retained earnings			
Opening balance		1,224,332,454	953,231,430
Net profit after tax for the period / year		342,955,864	901,020,079
Transfer to statutory reserve		(68,591,173)	(180,204,016)
Dividend		(371,091,547)	(445,309,856)
Remeasurements of defined benefits liability (assets)		(12,965,684)	(6,753,500)
Transfer from revaluation reserve		2,348,317	2,348,317
Issuance of bonus shares		-	-
Closing balance		1,116,988,231	1,224,332,454
20 Contingent liabilities			
Acceptances and endorsements		-	-
Letters of guarantee	20.1	-	12,163,774
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		-	12,163,774
20.1 Letters of guarantee			
Director		-	-
Government		-	-
Bank and financial institutions		-	-
Others		-	12,163,774
		-	12,163,774
In the normal course of business, the Company incurs certain contingent liabilities (letters of guarantee). No material losses are anticipated as a result of these transactions.			
21 Particulars of profit and loss account			
<u>Income</u>			
Interest, discount and other similar income	22	7,433,716,178	7,080,316,655
Dividend income	24	133,808,106	109,560,112
Fees, commission and brokerage	25	207,345,214	151,194,042
Gains less losses arising from dealing securities	24	98,642,518	92,544,468
Gains less losses arising from investment securities		-	-
Gains less losses arising from dealing in foreign currencies		-	-
Income from non financial institutional assets		-	-
Other operating income	26	40,027,100	123,455,293
Profit less losses on interest rate changes		-	-
		7,913,539,116	7,557,070,570

	Notes	2023 Taka	2022 Taka
<u>Expenses</u>			
Expenses related to deposits, fee, commission etc.	23	5,011,087,715	4,310,117,945
Charges on loan loss		-	-
Administrative expenses	27	1,465,485,384	1,348,538,944
Other operating expenses		-	-
Depreciation and amortisation	36.1	137,198,235	138,129,524
		6,613,771,334	5,796,786,413
Profit before provision		1,299,767,782	1,760,284,157
22 Interest income			
<u>Interest income on loans and advances</u>			
Interest on lease finance		501,807,994	581,657,854
Interest on long term loan		2,623,363,910	2,517,037,227
Interest on short term loan		1,385,447,779	1,519,990,063
Interest on channel finance		533,376,488	519,018,224
Interest on mortgage finance		1,017,981,155	923,781,616
Interest on secured retail loan		54,214,393	73,602,082
Interest on auto loan		466,695,937	395,351,531
Interest on staff loan		9,211,490	8,755,177
Interest on personal loan		35,921,757	33,887,597
Interest on consumer Finance		6,654,505	4,340,158
		6,634,675,408	6,577,421,529
<u>Interest income on balance with other banks and financial institutions</u>			
Interest on fixed deposits		663,545,446	428,180,579
Interest on overnight and treasury placements		44,646,939	15,686,420
Interest on STD accounts		90,848,385	59,028,127
		799,040,770	502,895,126
		7,433,716,178	7,080,316,655
23 Interest expense on deposits and borrowings etc.			
Interest expenses on term deposits		4,338,890,284	3,731,235,141
Interest expenses on borrowings	23.1	672,197,431	578,882,804
		5,011,087,715	4,310,117,945
23.1 Interest expenses on borrowings			
<u>Local banks and financial institutions</u>			
Interest expenses on short term loan		210,288,287	246,193,634
Interest expenses on long term loan		282,039,379	199,651,624
Interest expenses on call borrowings		22,185,611	39,011,306
Interest expenses on bank overdrafts		24,095,263	29,470,786
Interest expenses on zero coupon bond		436,541	11,207,187
Interest expenses on Subordinated Bonds		133,152,350	53,348,267
		672,197,431	578,882,804
<u>Foreign banks and financial institutions</u>			
Interest expenses on long term lines of credit		-	-
		672,197,431	578,882,804
24 Investment income			
<u>Dividend income</u>			
Dividend income on cumulative preference shares		119,892,898	99,511,689
Dividend income on listed shares		13,255,208	10,018,423
Dividend income on un-listed shares		660,000	30,000
		133,808,106	109,560,112
<u>Interest on treasury bills, bonds and debentures</u>			
Interest income on Govt. treasury bonds		23,267,757	792,120
Interest income on corporate bonds		75,374,761	70,732,038
		98,642,518	71,524,158
Capital gain on sale of listed shares		-	15,715,790
Capital gain on Govt. treasury bonds		-	5,304,520
		98,642,518	92,544,468
		232,450,624	202,104,580

	Notes	2023 Taka	2022 Taka
25 Commission, exchange and brokerage			
Application fee		244,769	482,188
Documentation fee		-	-
Processing fee		132,217,806	150,711,854
Supervision Charge		74,882,639	-
		207,345,214	151,194,042
26 Other operating income			
Transfer price/sale of leased assets		90,000	60,000
Other earnings		13,809,996	5,050,274
Loan loss recovery		21,772,009	111,333,612
Gain/(loss) sale of fixed assets	26.1	355,095	11,407
Income on forfeiture from provident fund		4,000,000	7,000,000
		40,027,100	123,455,293
We have recognized BDT 4,000,000 in 2023 and BDT 7,000,000 in 2022 as income on forfeiture from provident fund and kept tax provision at corporate tax rate amounting to BDT 1,500,000 in 2023 and BDT 2,625,000 in 2022 respectively thereon.			
26.1 Gain/(loss) sale of fixed assets			
Some items of fixed assets which were sold during the period as under:			
Sale proceeds		4,825,239	2,417,634
Cost price of the sold/adjusted items		18,618,914	11,925,628
Accumulated depreciation		14,148,770	9,519,400
Written down value		4,470,144	2,406,228
Gain/(loss) sale of fixed assets		355,095	11,407
27 Administrative expenses			
Salary and allowances	28	987,688,639	848,352,078
Rent, taxes, insurance, electricity, etc.	29	38,181,778	32,296,269
Legal expenses	30	52,119,724	65,668,980
Postage, stamp, telecommunications, etc.	31	15,279,184	15,782,422
Stationery, printing, advertisements, etc.	32	108,493,198	112,386,288
Managing Director's salary and allowances	33	15,450,000	16,450,000
Directors' fees	34	1,337,600	1,223,720
Auditors' fees	35	954,500	1,759,500
Repair and Maintenance	36.2	87,654,173	77,226,723
Other expenses	37	158,326,588	177,392,964
		1,465,485,384	1,348,538,944
28 Salary and allowances		987,688,639	848,352,078
28.1 Number of employees and remuneration thereof			
As per the Schedule XI of the Companies Act, 1994 and Ammended (2nd) upto 2020, the number of employees (including contractual employees) engaged for the whole year or part thereof who received a total remuneration of Taka 36,000 per annum or Taka 3,000 per month were 933 at the end of 31 December 2023 as against 965 in 2022.			
29 Rent, taxes, insurance, electricity, etc.			
Office rent*		14,589,638	7,110,950
Rates and taxes		207,900	249,480
Insurance		11,408,984	10,728,324
Utilities - electricity, gas, water, etc.		11,975,256	14,207,515
		38,181,778	32,296,269
* Actual office rent payment during the year ended 31 December 2023 was BDT 65,768,412. Due to the adoption of IFRS 16, rental expenses is charged as depreciation of Right of Use (ROU) Assets of BDT 42,058,537 and interest expenses of BDT 16,872,558. The reported office rent expenses only include VAT payment on rent.			
30 Legal expenses			
Professional fees		32,806,318	56,269,310
Legal document, notice publication, court fees, etc.		19,313,406	9,399,670
		52,119,724	65,668,980

	Notes	2023 Taka	2022 Taka
31 Postage, stamp, telecommunications, etc.			
Postage, stamps etc.		2,425,192	2,543,425
Telephone		4,886,986	5,566,696
Internet expenses		7,967,006	7,672,301
		15,279,184	15,782,422
32 Stationery, printing, advertisements etc.			
Printing expenses		7,258,446	9,282,606
Stationery Expenses		1,783,318	1,932,347
Publicity and advertisement		90,376,547	95,512,088
Promotional expense		9,074,887	5,659,247
		108,493,198	112,386,288
33 Managing Director's salary and allowances			
Basic salary		9,000,000	9,000,000
House rent allowance		1,200,000	1,200,000
Medical allowance		600,000	600,000
Festival bonus		1,500,000	1,500,000
Performance bonus		-	1,000,000
Leave fare assistance		1,500,000	1,500,000
Company's contribution to provident fund		900,000	900,000
Gratuity		750,000	750,000
		15,450,000	16,450,000
34 Directors' fees			
Honorarium for attending meeting		1,337,600	924,000
Incidental expenses for attending meeting		-	299,720
		1,337,600	1,223,720
Directors' fees include fees for attending the meetings of the Board, Executive Committee and Audit Committee. Each director was remunerated Tk. 8,000 per meeting in accordance with Bangladesh Bank's DFIM circulars number 13 and 03 dated 30 November 2015. In addition, as per policy the Company also bears travelling, accommodation and other related costs of directors who attend Board Meeting from overseas.			
35 Auditors' fees			
Auditors' remuneration for interim audit		-	598,000
Auditors' remuneration for annual audit		690,000	690,000
Auditors' remuneration for involvement in interim audit of Information Risk Management		-	207,000
Auditors' remuneration for involvement in annual audit of Information Risk Management		264,500	264,500
		954,500	1,759,500
36 Depreciation and repair of assets			
Depreciation and amortisation	36.1	137,198,235	138,129,524
Repair and maintenance	36.2	87,654,173	77,226,723
		224,852,408	215,356,247
36.1 Depreciation and amortisation			
Building		2,659,958	2,659,958
Motor vehicles		7,720,180	17,293,135
Furniture and fixture		10,908,604	9,384,925
Equipment and appliances		41,564,784	36,784,069
Software		32,286,172	34,580,730
Depreciation on lease rental *		42,058,537	37,426,707
		137,198,235	138,129,524
Details are shown in Annexure - A			
* In accordance with IFRS 16, lease rental are now capitalized and related depreciation is shown above			
36.2 Repair and maintenance			
Vehicles - fuel		21,164,959	13,765,384
Vehicles - repair and maintenance		12,063,538	8,631,653
Office premises, furniture, fixture and equipment		54,425,676	54,829,686
		87,654,173	77,226,723

	Notes	2023 Taka	2022 Taka
37 Other expenses			
Staff training		7,452,481	20,319,965
Membership fees, subscription and donations		16,155,277	24,532,938
News papers, periodicals, learning materials etc.		11,687	120,313
Recruitment expenses		687,999	1,442,220
Traveling, conveyance and hotel expenses		17,767,204	20,814,899
Entertainment and public relation		12,026,443	12,273,407
Annual General Meeting expenses		3,912,587	6,753,473
Security and cleaning services		15,749,573	12,235,137
Sundry office maintenance		40,945,228	44,836,352
Bank charges		13,576,481	14,688,578
Finance charge on lease rental		16,872,558	12,715,091
Other operational expenses		13,169,070	6,660,591
		158,326,588	177,392,964
38 Provision for loans and advances			
Provision for classified loans and advances		691,729,553	355,446,701
Provision for unclassified loans and advances		(52,954,624)	94,415,920
		638,774,929	449,862,621
39 Provision/(reversal) for diminution in value of investments			
Provision made for other investment			
Quoted shares		(5,744,521)	36,640,878
Unquoted shares		-	(22,500)
Redeemable preference shares		5,779,167	(920,833)
Corporate bonds		(25,000)	(278,825)
		9,646	35,418,720
40 Deferred tax expense/ (income)			
Expense on deductible temporary differences		-	-
Expense/(income) on taxable temporary differences		(37,728,167)	(4,097,643)
Revaluation adjustment of previous year through deferred tax		-	-
		(37,728,167)	(4,097,643)
41 Earnings per share (EPS)			
Basic earnings per share has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period ended 31 December 2023 as per IAS 33: Earnings per share.			
Net profit after tax		342,955,864	901,020,079
Weighted average number of outstanding shares		371,091,547	371,091,547
Basic earning per share		0.92	2.43
Diluted Earnings Per Share (DEPS)			
No DEPS is required to be calculated since there was no scope for dilution of share during the period.			
42 Board meetings			
During the year ended 31 December 2023 a total of 13 (thirteen) Board Meetings were held against 7 (seven) in the year 2022.			
43 Net asset value (NAV) per share			
Net asset		6,751,513,529	6,802,943,139
Number of outstanding shares		371,091,547	371,091,547
Net asset value (NAV) per share		18.19	18.33
44 Net operating cash flows per share (NOCFPS)			
Net operating cash flows		221,399,827	(4,144,913,443)
Number of outstanding shares		371,091,547	371,091,547
Net operating cash flows per share (NOCFPS)		0.60	(11.17)
45 Events after the balance sheet date			
The Board of Directors of the Company in its 219th meeting held on 28 March 2024 recommended 5% (five percent) cash dividend and 5% (five percent) stock dividend.			

Disclosure on Audit Committee of the Board

The Audit Committee of the Board was duly constituted by the Board of Directors of the Company in accordance with DFIM Circular No. 13 dated 26 October 2011 of Bangladesh Bank as well as Notification no. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 of Bangladesh Securities and Exchange Commission. The Audit Committee of the Board of Directors as on 31 December 2023 consisted of the following members of the Board:

Sl. no.	Name	Status with the company	Status with the committee	Educational qualification
i)	Ms. Sonia Bashir Kabir	Independent Director	Chairman	Master of Business of Administration (MBA) from Santa Clara University, USA Bachelor of Science from California State University, USA
ii)	Professor Shah Md. Ahsan Habib, Ph.D	Independent Director	Member	Ph.D. from Banaras Hindu University, India under BHU Research Scholarship Post-Doctoral Fellowship on Green Banking from Syracuse University, USA under Senior Fulbright Scholarship
iii)	Mr. Md. Anwarul Alam	Director	Member	Master of Social Science (MSS) in Political Science from University of Dhaka, Bangladesh Masters in Women's Studies from Flinders University, Australia Bachelor of Social Science (BSS) Hons. in Political Science from University of Dhaka, Bangladesh Graduate Diploma in Gender and Development from Flinders University, Australia.
iv)	Mr. Ariful Islam	Director	Member	MBA in Finance; Institute of Business Administration, Dhaka University, Bangladesh. BSc with Honors in Economics; Scottish Church College, Calcutta University, India Advance Diploma in Management Accounting; The Chartered Institute of Management Accountants (UK)
v)	Ms. Nahreen Rahman	Director	Member	Master of Science in Economics from North South University, Dhaka, Bangladesh Bachelor of Science in Economics from North South University, Dhaka, Bangladesh

The Company Secretary acts as Secretary of Audit Committee.

The Audit Committee of the Board conducted 4 (Four) meetings from 1 January 2023 to 31 December 2023 in which among others, the following salient issues were discussed:

- The Committee reviewed periodical inspection reports on credit assessment, operational, financial procedure and branch operations of the Company conducted and submitted by the Internal Auditors and gave necessary instructions to the Management for proper and prompt resolution of the irregularities/objections stated therein;
- The Committee reviewed the Risk Based Internal Audit & Compliance Plan for the year 2024;
- The Committee reviewed the Audited Financial Statements for the year ended 31 December 2022 and after discussion with the External Auditors, recommended it to the Board of Directors for its approval;
- The Committee reviewed the Management Letter issued by the External Auditors for the year ended 31 December 2022 and management's responses thereto;
- The Committee also reviewed the first quarter, half-year and third quarter financial statements for the year 2023 and recommended to the Board of Directors for its approvals;
- The Committee reviewed and ascertained whether the internal control system including financial and operational controls, accounting system, and reporting structure are adequate and effective or not;
- The Committee reviewed the actions taken by the Management for implementation of Audit Committee observations on issues deliberated in Audit Committee meetings;
- The Committee recommended regarding appointment of External Auditors for Statutory Audit and Corporate Governance Audit of the Company for the year 2023;
- The Committee reviewed External Auditor's Certificate on Compliance of Corporate Governance Code for the year 2022;
- The Committee placed its report regularly to the Board of the Company for review and monitoring the activities with recommendations on internal control system, compliance of rules and regulation of the regulatory bodies;
- The Committee reviewed Management's Discussion and Analysis before disclosing it in Annual Report 2022;
- The Committee reviewed statement of significant related party transactions submitted by the Management and as presented in the Financial Statements of the year 2022;
- The Committee reviewed internal policies of the Company and recommended to the Board for approval;
- The Committee reviewed the development and installation of Heat Map and Risk Register of the Company for 2023;
- The Committee reviewed the External Auditor's Report on Information Systems & Security Audit;
- The Committee reviewed the follow-up status regarding compliance with the recommendations of the BB's Comprehensive Inspection Report for the year ended December 31, 2021, the Management Letter issued by the External Auditors for the year ended 2022 and the External Auditors Report on Information Systems & Security Audit for the year 2023; and
- The Committee reviewed the Risk Management Framework of IPDC on half-yearly basis.

47.

Related party/(ies) disclosure

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 operational decision and include associated companies with or without common directors and key management personnel. The Company has entered into transactions with other entities in normal course of business that fall within the definition of related party as per IAS 24: Related Party Disclosures. Transactions with related parties were executed on the same terms, including interest rates as those prevailing at the time for comparable transactions with normal business transactions with others and do not involve more than a normal risk.

Details of related party/(ies) transactions are as follows:

	Related party	Relationship	Nature of transaction	31 Dec 2022	Inflow/ Repayment	Outflow/ Disbursement/ Encashment	Accrued	31 Dec 2023
	BRAC	Sponsor shareholder of IPDC	Term Deposit	1,875,892,202	1,410,090,500	1,361,988,310	36,281,119	1,960,275,511
	Brac University	Related concern of BRAC	Term Deposit	56,910,339	62,500,000	392,917	3,749,172	122,766,594
	JPGSPH, Brac University	Related concern of BRAC	Term Deposit	235,100,969	209,368,324	224,492,286	16,673,674	236,650,681
	BIGD, Brac University	Related concern of BRAC	Term Deposit	18,752,566	9,000,000	227,438	2,124,378	29,649,506
	Sufia Khatun Foundation	Related concern of BRAC	Term Deposit	55,417,910	19,949,157	21,691,787	3,780,200	57,455,480
	BRACNet Limited	Related concern of BRAC	Term Deposit	331,847,184	-	2,656,705	12,383,524	341,574,003
	BRACNet Limited Employees Gratuity Fund	Related concern of BRAC	Term Deposit	22,814,941	-	92,149	1,482,971	24,205,763
	BRACNet Limited Employees Provident Fund	Related concern of BRAC	Term Deposit	4,009,636	-	-	-	4,009,636
	BRAC IT Services Employees Gratuity Fund	Related concern of BRAC	Term Deposit	18,505,330	18,076,863	18,746,719	1,588,076	19,423,550
	BRAC Provident Fund	Related concern of BRAC	Term Deposit	1,261,972,542	2,113,279,529	1,162,090,336	97,468,824	2,310,630,559
	Education Trust Fund	Related concern of BRAC	Term Deposit	953,193,855	49,700,000	534,231,625	62,941,542	531,593,772
	Guardian Life Insurance Limited	Mr. Shameer Ahmed and Mr. Sameer Ahmad being Director and BRAC being the sponsor shareholder	Term Deposit	66,285,000	20,000,000	1,261,148	6,140,740	91,164,592
	BRAC Bank Limited	Related concern of BRAC	Term Deposit	3,000,000,000	1,000,000,000	4,122,219,306	122,219,306	(0)
	BRAC EPL Stock Brokerage Employee Provident Fund	Related concern of BRAC Bank Limited	Term Deposit	11,650,575	1,000,000	53,006	940,118	13,537,687
	BRAC EPL Stock Brokerage Employee Gratuity Fund	Related concern of BRAC Bank Limited	Term Deposit	8,619,149	700,000	40,811	696,221	9,974,559
	RSA Capital Employees Provident Fund	Related concern of RSA Capital	Term Deposit	6,845,276	-	7,199,971	354,695	-
	Najmul Hasan Zahed Academy	Related concern of BRAC	Term Deposit	21,328,641	-	238,535	1,470,231	22,560,337
	BRAC Kumon Limited	Related concern of BRAC	Term deposit receipt	80,429,094	7,500,000	1,386,490	5,949,382	92,491,986
	BRAC University Employees Provident Fund	Related concern of BRAC University	Term deposit receipt	153,503,050	20,000,000	127,074,764	10,863,214	57,291,500
	BRAC University, IED	Related concern of BRAC University	Term Deposit	2,127,750	4,997,000	2,143,001	151,011	5,132,760
	Lady Syeda Sarwat Abed	Founder and director of the BRAC Institute of Languages (BIL), Brac University, Spouse of Sir Fazle Hasan Abed	Term Deposit	20,884,407	1,000,000	2,398,778	1,461,633	20,947,261
	Asif Saleh	Executive Director of BRAC	Term Deposit	2,000,000	-	-	-	2,000,000
	Sk. Jenefa Khanom Jabbar	Director of BRAC	Term Deposit	43,000,000	2,000,000	1,755,000	1,755,000	45,000,000
	Nahreem Rahman	Member of the Board of Directors of IPDC	Term Deposit	12,103,000	-	102,721	847,210	12,847,489
	Shahnaz Rahman	Mother of Director Nahreen Rahman	Term Deposit	8,000,000	-	-	-	8,000,000
	Mominul Islam	Managing Director & CEO of IPDC	Home Loan	3,234,829	1,104,000	-	113,209	2,244,038
	Benazir Huq	Spouse of Managing Director & CEO	Term Deposit	1,178,967	-	558,738	87,598	707,827
	Fauzia Binte Ahmed	Mother-in-law of Managing Director & CEO	Term Deposit	7,684,589	4,100,000	4,101,742	531,429	8,214,276
	Kazi Mahmood Sattar	Ex-Chairman of IPDC	Term Deposit	7,590,719	-	77,581	745,810	8,258,948
	Shoma Zahid	Spouse of Ex-Chairman of IPDC	Term Deposit	10,159,981	10,000,000	10,402,382	399,902	10,157,500
			SOD Against FDR	6,388,071	510,000	2,583,812	770,588	9,232,471

48 Directors information

48.1 Name of the Directors and the entities in which they have interest as at 31 December 2023

Sl. no.	Name	Status with the IPDC		Firms/companies in which they have interest	
		Position	Nominated by	Name	Position
i)	Mr. Ariful Islam	Director	Ayesha Abed Foundation	None	N/A
ii)	Mr. Md. Anwarul Alam	Director	Government of Bangladesh	None	N/A
iii)	Mr. Mohammad Manzarul Mannan	Director	GoB	Bangabandhu Sheikh Mujib Medical University (BSMMU)	Member, Finance Committee
				Dhaka Power Distribution Company Limited (DPDC)	Director
				Dhaka Mass Transit Company Limited (DMTCL)	Director
				Nuclear Power Plant Company Bangladesh Limited (NPCBL)	Director
				Bangladesh Overseas Employment and Services limited (BOESL)	Director
iv)	Ms. Nahreen Rahman	Director	Bluechip Securities Limited	Bluechip Securities Limited	Director
v)	Ms. Sonia Bashir Kabir	Independent Director	N/A	SBK Tech Ventures	Managing Director
				SBK Foundation	Vice Chairman
vi)	Mr. Tushar Bhowmik	Director	BRAC	BRAC Services Limited	Managing Director
				BRAC Industries Limited	Managing Director
				BRAC Probashbandhu Limited	Managing Director
				edotco (BD) Co. Ltd	Director
				BARC Kaiyacherra Tea Company Limited	Director
vii)	Dr. Shah Md. Ahsan Habib	Independent Director	N/A	Dnet	Member
				ICC, Bangladesh Banking Commission	Member
				Asia-Pacific Risk professional Association (ARPA)	Member
				Greentech Foundation	Member
				Jahangirnagar University	Senate Member
				Valor of Bangladesh	Trustee
viii)	Mr. Sameer Ahmad	Director	RSA Capital Ltd.	Equinox Ltd.	Chairman
				RSA Capital Ltd.	Managing Director
				RSA Aviation Ltd	Chairman
				RSA Solution Ltd.	Chairman
ix)	Mr. Mominul Islam	Managing Director & CEO	Ex-officio	None	N/A

48.2 Significant contracts in which the Company, its subsidiary or any fellow subsidiary company was a party and wherein the Directors have interest that subsisted at any time during the year or at the end of the year. None

48.3 Shares issued to Directors and Executives without consideration or exercisable at discount None

48.4 Nature, type and elements of transactions with the related party Note: 47

48.5 Lending policies in respect of related party:

a) Amount of transactions regarding loans & advances, deposits, guarantees and commitment Note: 47

b) Amount of provision against loans and advances given to related party None

c) Amount of guarantees and commitments arising out of the statement of affairs None

48.6 Investments in securities of the Directors and their related concerns None

FIXED ASSETS INCLUDING LAND, BUILDING, FURNITURE AND FIXTURE

Figures in Taka

Category of asset	Cost/valuation				Depreciation/amortisation				Carrying amount as at 31 December 2023		
	Balance as at 1 January 2023	Revaluation reserve	Addition during the period	Adjustment during the period	Disposal during the period	Balance as at 31 December 2023	Charged during the period	Adjustment during the period		Disposal during the period	Balance as at 31 December 2023
Land	279,435,033	-	-	-	-	279,435,033	-	-	-	-	279,435,033
Building	90,474,767	-	-	-	-	90,474,767	10,639,832	2,659,958	-	13,299,790	77,174,977
Motor vehicles	99,113,115	-	-	-	-	38,348,893	51,405,171	7,720,180	(21,558,334)	30,848,520	7,500,373
Furniture and fixture	103,997,117	-	17,673,915	733	9,042	121,662,723	62,342,727	10,908,604	-	73,242,293	48,420,430
Equipment and appliances	307,944,263	-	19,005,188	(167,799)	7,472,372	319,309,280	197,325,230	41,564,784	(29,221)	231,439,554	87,869,726
Software	207,276,075	-	19,460,712	-	-	226,736,787	129,918,311	32,286,172	2,365,380	164,569,863	62,166,924
Capital work in progress - Software	43,215,213	-	26,060,039	(19,300,000)	1,256,500	48,718,752	-	-	-	-	48,718,752
ROU-Assets for lease rent	272,873,952	-	42,204,599	(373,423)	30,238,210	284,466,918	76,370,861	42,058,537	-	88,191,188	196,275,730
Balance as at 31 December 2023	1,404,329,535	-	124,404,453	(19,840,489)	99,740,346	1,409,153,153	528,002,132	137,198,235	(19,222,174)	44,386,984	807,561,945

Category of asset	Cost/valuation				Depreciation/amortisation				Carrying amount as at 31 December 2022		
	Balance as at 1 January 2022	Revaluation reserve	Addition during the period	Adjustment during the period	Disposal during the period	Balance as at 31 December 2022	Charged during the period	Adjustment during the period		Disposal during the period	Balance as at 31 December 2022
Land	279,435,033	-	-	-	-	279,435,033	-	-	-	-	279,435,033
Building	90,474,767	-	-	-	-	90,474,767	7,979,874	2,659,958	-	10,639,832	79,834,935
Motor vehicles	90,013,115	-	19,500,000	-	10,400,000	99,113,115	42,130,368	17,293,135	0	51,405,171	47,707,944
Furniture and fixture	96,624,232	-	7,528,631	(24,500)	131,246	103,997,117	53,082,620	9,384,925	(1,532)	123,286	62,342,727
Equipment and appliances	257,557,124	-	51,781,521	-	1,394,382	307,944,263	161,935,734	36,784,069	(16,790)	1,377,793	110,619,033
Software	199,512,975	-	7,763,100	-	-	207,276,075	92,972,201	34,580,730	2,365,380	-	77,357,764
Capital work in progress - Software	17,203,119	-	29,018,560	(3,006,466)	-	43,215,213	-	-	-	-	43,215,213
ROU-Assets for lease rent	172,016,598	-	142,399,065	(992,840)	40,548,871	272,873,952	79,493,025	37,426,707	-	40,548,871	196,503,091
Balance as at 31 December 2022	1,202,836,963	-	257,990,877	(4,023,806)	52,474,499	1,404,329,535	437,593,822	138,129,524	2,347,059	50,068,273	876,327,403

Balance as at 31 December 2022 **1,202,836,963** **-** **257,990,877** **(4,023,806)** **52,474,499** **1,404,329,555** **437,593,822** **138,129,524** **2,347,059** **50,068,273** **528,002,132** **876,327,403**

RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES

	2023 Taka	2022 Taka
Net profit after tax	342,955,864	901,020,079
Adjustments for non-cash items:		
Add/(Less): Depreciation expenses	137,198,235	138,129,524
Add/(Less): Provision for loans, advances and investments	639,273,945	495,913,241
Add/(Less): Income on forfeiture of provident fund	-	7,000,000
Add/(Less): (Gain)/ Loss on Disposal of fixed assets	(355,095)	(11,407)
Add/(Less): Adjustment for ROU Lease Rent	(3,968,920)	-
Add/(Less): Accrued expenses	110,657,474	107,765,621
Add/(Less): Accrued income	(44,476,009)	37,449,991
Add/(Less): Provision for Current Tax	355,266,140	367,448,480
Add/(Less): Deferred Tax	(37,728,167)	(4,097,643)
	1,498,823,467	2,050,617,886
Changes in operating assets and liabilities		
(Increase)/Decrease in Loans and advances to other banks	40,298,678	306,181,140
(Increase)/Decrease in Loans and advances to customers	(2,537,880,788)	(3,141,079,992)
(Increase)/Decrease in Other assets	329,923,907	(360,959,981)
Increase/(Decrease) in Deposits from other banks and financial institutions	(2,087,300,000)	(280,000,000)
Increase/(Decrease) in Deposits from customers	3,124,859,497	(985,781,650)
Increase/(Decrease) in Trading liabilities	306,230,766	(1,354,689,837)
Increase/(Decrease) in Payable and accrued expenses	(26,193,926)	(22,790,890)
Increase/(Decrease) in Interest suspense	54,859,001	131,544,981
Increase/(Decrease) in Other liabilities	146,516,363	178,774,010
Payment of Corporate tax	(628,737,138)	(666,729,110)
Cash received/(paid) from operating assets and liabilities	(1,277,423,640)	(6,195,531,329)
Net cash from operating activities	221,399,827	(4,144,913,443)

**Highlights on the overall activities of the Company as at and for the period ended 31 December 2023
and 31 December 2022**

Sl. no.	Particulars	2023	2022
1	Paid up capital (Taka)	3,710,915,470	3,710,915,470
2	Total capital (Taka)	6,751,513,529	6,802,943,139
3	Capital surplus (Taka)	4,040,070,739	2,884,939,306
4	Total assets (Taka)	91,933,996,939	86,732,379,052
5	Total deposits (Taka)	60,177,042,834	59,139,483,337
6	Total loans and advances (Taka)	70,571,239,544	68,105,576,243
7	Total contingent liabilities and commitments (Taka)	-	12,163,774
8	Loan to fund ratio	0.84:1	0.87:1
9	Percentage of classified loans against total loans, advances	4.93%	4.14%
10	Net profit after tax and provision (Taka)	342,955,864	901,020,079
11	Amount of classified loans and advances at the end of the period/year (Taka)	3,477,911,769	2,818,008,635
12	Provisions kept against classified loan (Taka)	1,808,768,765	1,167,627,690
13	Provisions surplus against classified loan (Taka)	-	14,285,954
14	Cost of fund	6.94%	6.23%
15	Interest earning assets (Taka)	88,364,132,453	82,531,309,622
16	Non-interest earning assets (Taka)	3,569,864,486	4,201,069,430
17	Return on equity (ROE)	5.05%	13.70%
18	Return on asset (ROA)	0.38%	1.05%
19	Income from investment (Taka)	232,450,624	202,104,580
20	Earning per share (Taka)	0.92	2.43
21	Net income per share (Taka)	0.92	2.43
22	Price earning ratio (Times)	62.70	23.87



IPDC
সুবোধ

দেশের
প্রথম

এই ক্ষেত্রের লোন সেবা

দেশের সেবা নিয়ে
চার দশক ধরে আপনার পাশে

আইপিডি
ডালো বাসা হোমলোন



দেশজুড়ে মানুষের
নিজের চিহ্নিতা গড়ার জন্য

AAA

ডানা

মহিলা-মার্চেন্টের অর্থায়ন
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২০-২৫ লাখ ১০ লাখ মুদ্রা

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লোন সুবিধা

হাজপাতান

আমাদের
গান IPDC

বাংলাদেশের মাটি ও মানুষের
গান নিয়ে জনপ্রিয় গায়ক

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৬০ হাজার কর্মসংস্থান সৃষ্টি

জাহান্না মুন্সলী সুধীন
আইপিডি প্রিটি

দেশজুড়ে মানুষের
নিজের চিহ্নিতা গড়ার জন্য

দেশের প্রথম ডেবকারি

আর্থিক প্রতিষ্ঠান

যাত্রা শুরু ১৯৮১ সাল থেকে

IPDC



ডালো বাসা
HOME LOAN



OTHERS



**IPDC FINANCE LIMITED
PROXY FORM**

I of being
member of IPDC Finance Limited, hereby appoint Mr./Ms. of
..... as my proxy to attend and vote for me
and on my behalf at the 42nd Annual General Meeting of the Company to be held virtually by using digital platform on Thursday, 16 May 2024 at 11:00
a.m. or at any adjustment thereof.

Signed this

Signature of Proxy

Day of, 2024

Revenue Stamp
Tk 100.00

Signature of Shareholder

BO ID

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No. of Shares

N.B. Important

1. This Proxy Form, duly completed, must be deposited at least 48 hours before the meeting at the Company's Registered Office. Proxy is invalid if not signed and stamped as explained above.
2. Signature of the shareholders should agree with the specimen signature registered with the Company.



**IPDC FINANCE LIMITED
ATTENDANCE SLIP**

I hereby record my attendance at the 42nd Annual General Meeting of the Company being to be held virtually by using digital platform on Thursday, 16 May 2024 at 11:00 a.m.

Name of Member/Proxy

BO ID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Signature

Date

- N.B.** Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and deposit the same at the registration counter on the day of the meeting.

NOTE

[illegible]



Hosna Center (4th Floor), 106 Gulshan Avenue, Dhaka 1212

☎ 16519, 0255068931-36, 0255068930 (Fax)

✉ email@ipdcbd.com 🌐 ipdcfinance 🌐 www.ipdcbd.com | www.ipdc.com