

# Paving the Path to a Sustainable Future

Annual  
Report 2024









**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 2024.**

Dear Sirs:

Please find enclosed a copy of the Annual Report along with the Audited Financial Statements including Balance Sheet as at 31 December 2024 and Income Statement, Cash Flow Statement and Statement of Changes in Equity for the year ended 31 December 2024 along with the notes thereon of IPDC Finance PLC. for your kind perusal and record.

Thank you.

Yours Sincerely,



**Samiul Hashim**  
Company Secretary

# NOTICE OF THE 43<sup>RD</sup> ANNUAL GENERAL MEETING

Notice is hereby given for the 43<sup>rd</sup> Annual General Meeting (AGM) of the shareholders of IPDC Finance PLC., 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 2<sup>nd</sup> June 2025 at 09:00 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 2024;
02. To declare dividend for the year ended 31 December 2024;
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) Mr. Munshi Abdul Ahad and Ms. Maqsura Noor Ndc as nominee Directors of GoB, (b) Mr. Sarwar Azam Khan and Mr. Mohammad Iqbal Chowdhury as Independent Directors;
07. To transact any others business (if any) with the permission of the chairman.

By order of the Board



**Samiul Hashim**  
Company Secretary  
Dated: 07 May 2025

## Notes:

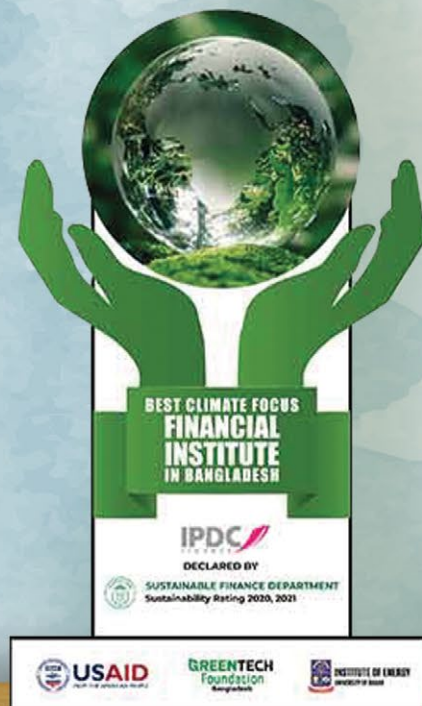
1. Shareholders appeared in the Members/Depository Register as on "Record Date" i.e. 8<sup>th</sup> May 2025 are eligible to attend and vote in the Annual General Meeting (AGM) and to receive the dividend as declared in the AGM.
2. Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/ Admin/81 dated 20 June 2018, the soft copy of the Annual Report 2024, Proxy Form and Notice of 43<sup>rd</sup> 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 2024 and Proxy Form will also be available on the Investor Relations section of the Company's website at: <https://www.ipdcibd.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 43<sup>rd</sup> AGM of IPDC at Head Office, IPDC Finance PLC., Hosna Centre (4<sup>th</sup> 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.ipdcibd.com>. Details of the login process have 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 09:00 am on 2<sup>nd</sup> June 2025. The webcast will start at 08:45 am on 2<sup>nd</sup> June 2025. For any IT related guidance in this regard Members may contact cell number +880 01755 582278 (IT related issues) and +880 1713 076765 (share related issues).



# Awards



**IPDC Wins Gold at  
24<sup>th</sup> ICAB National  
Award**



**IPDC Receives  
Best Climate Focus  
Financial Institute  
Award**

**IPDC Finance Wins  
the 14<sup>th</sup> ICMAB  
Corporate Award**



**IPDC Finance  
Honored with the  
Platinum Award  
for Best Financier  
for Women  
Entrepreneurs under  
Global Category**



**IPDC Secures Top  
Position for the 3<sup>rd</sup>  
Time in Sustainability  
Rating by Bangladesh  
Bank**



**Sustainability Rating 2023**



# CREATING STORIES TRANSFORMING LIVES



LOAN, LEASE  
AND ADVANCE

**69,535 M**

-1.5% vs 2023  
10.8X since 2014



CUSTOMER  
DEPOSIT

**51,761 M**

+2.1% vs 2023  
11.4X since 2014

**17 BRANCHES**

In 2024

**2 NEW BRANCHES  
& 1 SUBBRANCH**

REVENUE

**3,243 M**

OPERATING  
PROFIT

**1,765 M**

NET PROFIT  
AFTER TAX

**363 M**

## FOSTERING SUSTAINABLE FINANCE WITH



Sustainable  
Agriculture



Sustainable  
MSME



Socially  
Responsible  
Financing



Sustainable  
Linked Finance  
Products



Recognized by  
Bangladesh Bank for  
**SUSTAINABILITY  
RATING**

**AAA**  
CREDIT RATING



ENABLING VALUE  
CHAIN FINANCING



Views

**282MN+**

Subscribers

**1.23MN+**

EMPLOYEES

**847**

Women

**23%**

RETURN  
ON EQUITY

**5.44%**

RETURN  
ON ASSET

**0.42%**

CLASSIFIED  
LOAN RATIO

**5.83%**

**FINANCIAL INCLUSION & WOMEN EMPOWERMENT THROUGH**

IPDC  **ভালো বাসা**  
HOME LOAN

IPDC   
নারী উদ্যোক্তা লোন

IPDC 



## Promoting Sustainable Growth in SMEs

**GREW OVER 60%**  
in terms of  
**SME ASSET  
PORTFOLIO**  
in last 5 years



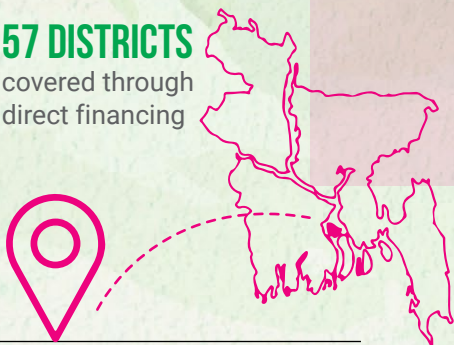
**MANUFACTURING & SERVICE INDUSTRIES  
COMPRISE ALMOST 70%**  
of the Total Asset Portfolio



**RURAL SME  
PORTFOLIO GREW  
4 TIMES**  
since the Pandemic



**57 DISTRICTS**  
covered through  
direct financing



Almost  
**20% OF THE ANNUAL  
DISBURSEMENT**

went under Refinance  
Schemes in 2024



Proud PFI  
in over

**10**

Bangladesh Bank  
SME Refinance  
Schemes



**3 MAJOR SME  
CLUSTERS**

brought under direct  
**FINANCIAL  
INCLUSION**



**300+ ENTREPRENEURS TRAINED AND  
CAPACITATED TO DO BUSINESS  
RESPONSIBLY,**

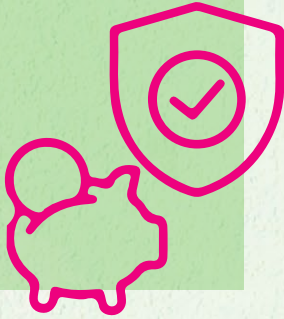
through green transformation and  
gender responsible investment training



Over  
**85% OF THE TOTAL LENDING  
WENT FOR SME BUSINESS  
EXPANSION AND ASSET  
ENHANCEMENT** Purposes



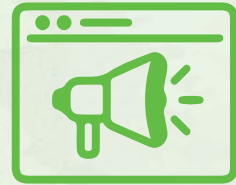
Helped businesses  
**BUILD EMERGENCY  
FUNDS, WHICH GREW  
OVER 100%**  
since the pandemic



Over  
**70% OF THE CMSME  
PORTFOLIO IS COMPRISED  
BY CMS BUSINESS.**



**FINANCED E-COMMERCE  
AND F-COMMERCE  
CLIENT**  
based on their  
**DIGITAL  
FOOTPRINT**



Helped the underserved  
**WOMEN AND YOUTH  
TO START NEW  
GREEN  
BUSINESSES**



Improved  
**LIVING STANDARDS OF  
1600+ HOUSEHOLDS**  
through  
**DEVELOPMENT  
INITIATIVES**



**ENGAGED WITH OVER  
50 BUSINESSES,**  
enabling them to  
**ADOPT GREEN AND  
ENERGY EFFICIENT  
TECHNOLOGY**

for sustainable growth  
through the A2GF Program





## JOYEE

**195 WOMEN  
ENTREPRENEURS**  
trained for  
**BUSINESS AND  
FINANCIAL  
DEVELOPMENT**



**179 WOMEN  
ENTREPRENEURS AND THEIR  
FAMILIES** have been  
capacitated through  
**HEALTH AND LIFESTYLE  
DEVELOPMENT ENGAGEMENT  
SESSIONS.**



**NUMBER OF WOMEN  
ENTREPRENEURS**  
without active linkage  
**GREW OVER  
115%**  
since pandemic



**RURAL JOYEE  
PORTFOLIO  
GREW ALMOST  
3 TIMES**  
in the last 5 years

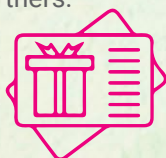


Women  
**ENTREPRENEURS  
COMPRISE 26%  
OF THE SME  
ASSET PORTFOLIO.**

**UNDERTOOK MARKET  
LINKAGE INITIATIVES LIKE  
DHAKA NIGHT MARKET and  
JOYEE FAIR**  
to help Women Entrepreneurs  
**CONNECT TO  
NEW MARKETS**



Launched  
**JOYEE PRIVILEGE  
CARD**  
for Women Entrepreneurs  
and their families, offering  
exclusive healthcare  
benefits from  
strategic partners.



Received  
**PLATINUM AWARD  
AS THE BEST  
FINANCIER FOR  
WOMEN  
ENTREPRENEURS**

at the Global SME  
Finance Awards 2024

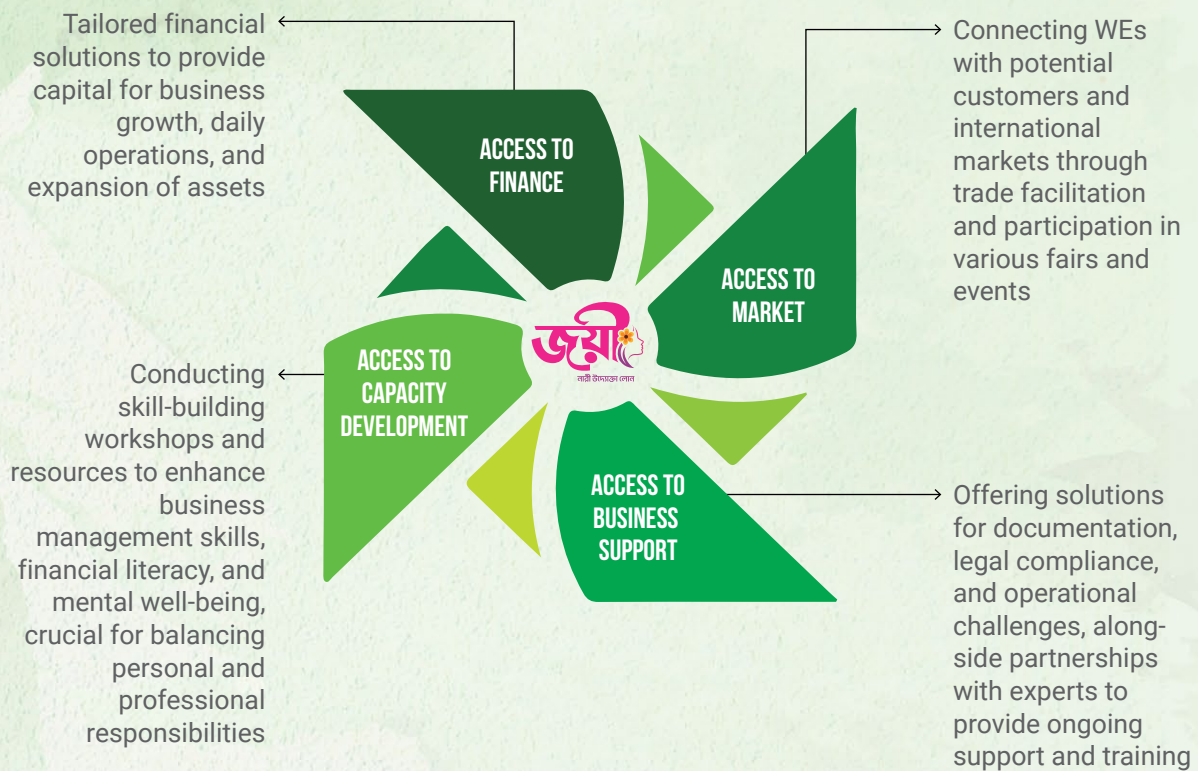


Conducted  
**HEALTH AND  
LIFESTYLE  
DEVELOPMENT  
SESSIONS**

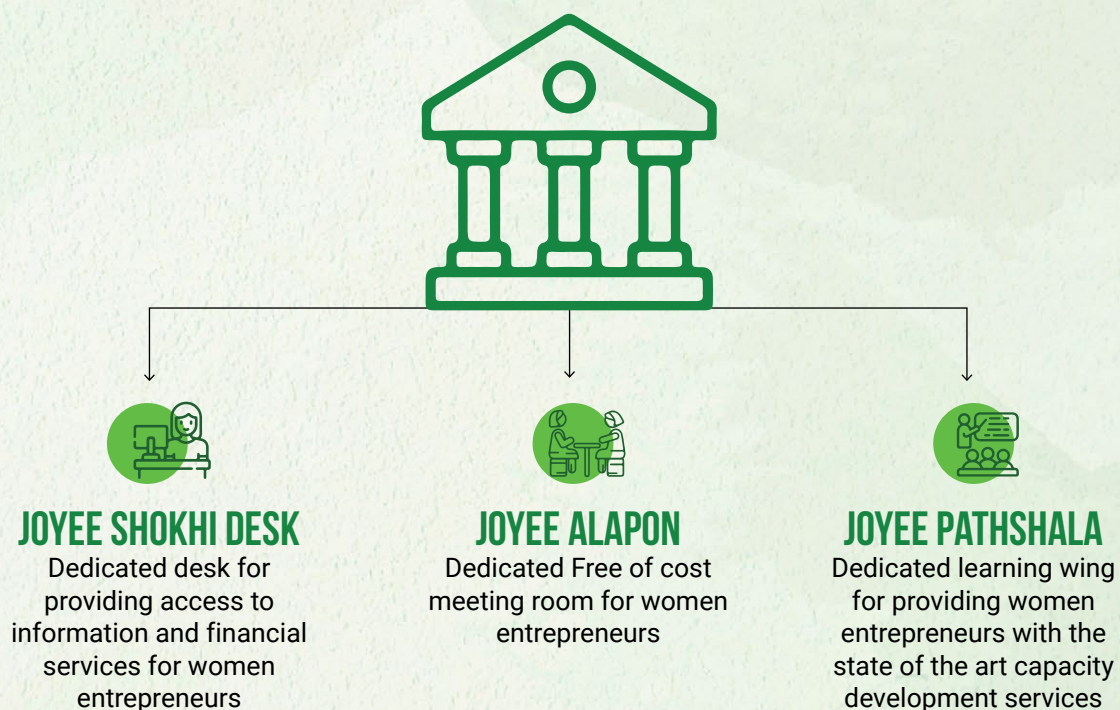
like Cancer awareness,  
Mental Well-being,  
Momprenuer  
Engagement Session  
for Women  
Entrepreneurs and their  
families across  
the country.



## JOYEE- A 360 Business Enabler Suite for Women Entrepreneurs



## Special Features for Women Entrepreneurs at Joyee 360 Premises







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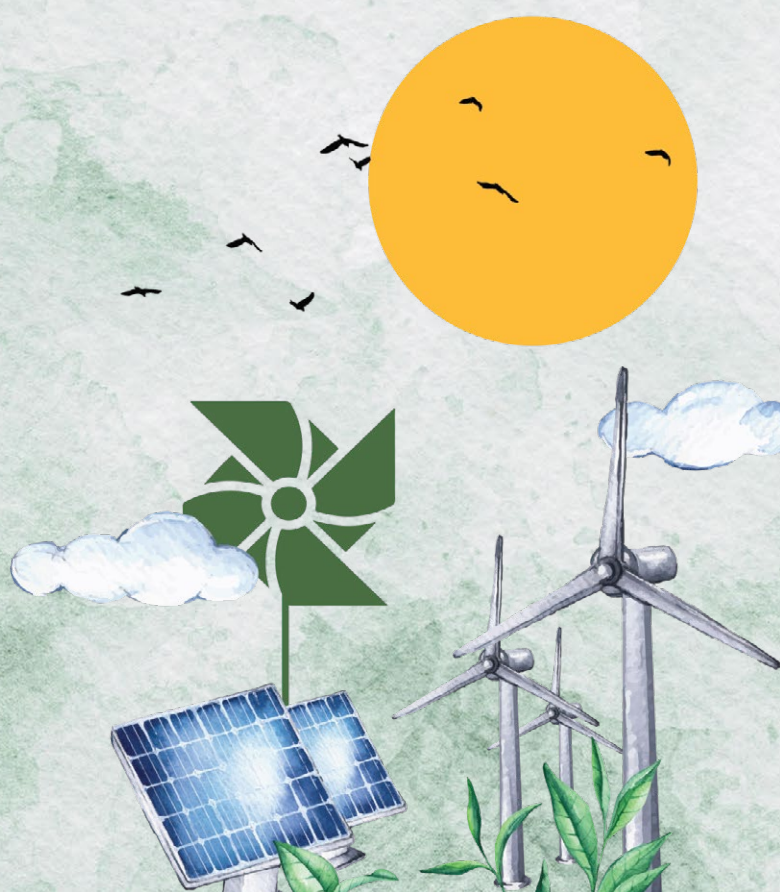
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# Overview of IPDC





# 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 43 years, IPDC has created meaningful stories in different walks of its treasured clientele's life. Since IPDC Finance PLC. was formed, it has been a game changer in developing the country's industrial sector and now 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, retailer financing under Dana.

## WHERE WE OPERATE

At present, IPDC operates across eighteen branches, encompassing its headquarters and seventeen other branches, which collectively serve thirteen districts throughout Bangladesh. Looking forward, IPDC has already set in motion plans to expand its reach and accessibility.

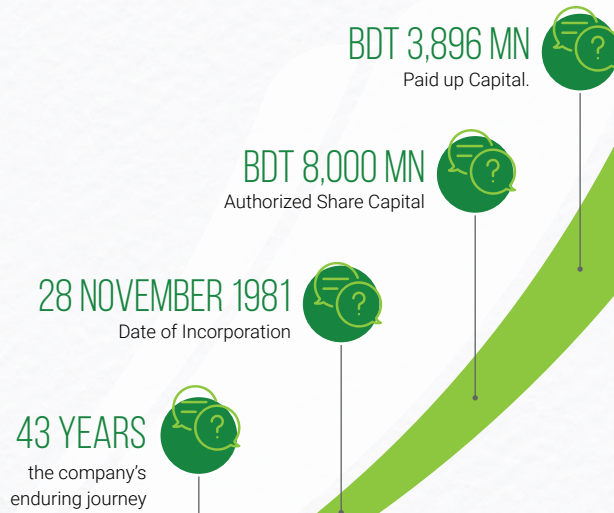




# COMPANY PROFILE



Founded in 1981, IPDC Finance PLC (previously known 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

**Fahmida Khan**  
Chief Financial Officer

**Samiul Hashim**  
Company Secretary



## 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 02 February 1995

**Listing Date:**  
03 December 2006 (DSE & CSE)

**Taxpayer Identification No:**  
111505336736

**Vat Registration No:**  
001103993-0101



## Registered Office

Hosna Centre (4<sup>th</sup> floor)  
106 Gulshan Avenue,  
Dhaka 1212

**PABX:** 55068929, 55068931-37,  
029891758

**FAX:** 55068928, 55068930

**Email:** email@ipdcdbd.com

**Website:** www.ipdcdbd.com



## Investors' Inquiry

**Investors Relation Department**

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

**Fax:** +(88-02) 5506893128

**Email:** email@ipdcdbd.com

**Help Desk**  
**16519**



## AUDITORS

### Auditor:

Nurul Faruk Hasan & Co., Chartered Accountants

### Corporate Governance Auditors:

S. F. Ahmed & 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)

## CONSULTANTS

### Principal Bankers

- Standard Chartered Bank
- Dhaka Bank PLC
- Prime Bank PLC
- Mercantile Bank PLC
- Eastern Bank PLC
- ONE Bank PLC
- WOORI Bank
- Bank Alfalah
- Community Bank Bangladesh PLC
- Dutch Bangla Bank PLC
- United Commercial Bank PLC
- BRAC Bank PLC
- Mutual Trust Bank PLC
- NRB Bank PLC
- NRBC Bank PLC
- Meghna Bank PLC



## LEGAL ADVISORS

- Raihan Khalid & Associates (Chattogram)
- Syed Ishtiaq Ahmed & Associates
- Jony Chowdhury and Associates
- Law & Remedy
- Voyance Legal
- ANZ Consultant
- Emadullah Shahidul Islam (Sylhet)
- Jesmin Akter Bithi (Bogura)
- Md Nazrul Islam (Khulna)

## MEMBERSHIPS WITH ASSOCIATIONS

- Bangladesh Leasing & Finance Companies Association (BLFCA)
- International Chamber of Commerce (ICC)
- Foreign Investors' Chamber of Commerce & Industry (FICCI)
- Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)
- Metropolitan Chamber of Commerce and Industry (MCCI)
- Bangladesh Association of Publicly Listed Companies (BAPLC)
- Dhaka Stock Exchange PLC (DSE)
- Chittagong Stock Exchange PLC (CSE)
- Central Depository Bangladesh Limited (CDBL)

# 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 to live unbound and 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

**1999**

- Launched short-term working capital and bridge loan finance

**1997**

- Commenced lease financing

**1995**

- Received license for operating as a financial institution from Bangladesh Bank

**1985**

- Co-founded IDLC

**1983**

- Commenced commercial operations

**1981**

- 1<sup>st</sup> private sector Financial Institution (DFI) in Bangladesh

**2006**

- Got Public Listing

**2004**

- 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

**2000**

- Invested in preferred stock of Delta BRAC Housing
- Introduced preference share investment in the country by investing in Hyundai Cement, Bangladesh

**2008**

- Introduced auto loan and Club Royal, privileged lifestyle products for high net-worth individuals, the first of its kind in the NBFI sector

**2012**

- Introduced factoring finance and mortgage finance

**2015**

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



## 2018

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

## 2017

- Inaugurated branches in Jashore, Mymensingh and Cumilla

## 2016

- 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

## 2021

- Onboarded Tamim Iqbal as Ucchasher Ogrodut (Brand Ambassador)

## 2022

- Awarded the Intellectual Property Protection Award 2021 for its contribution in protecting and presenting Bangla Folk music to the youth through "IPDC Amader Gaan".
- Launched Child Marriage Prevention Loan, the first of its kind, an innovative interest-free loan aimed at preventing child marriages in underprivileged families.

## 2020

- 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 and implemented many other humanitarian initiatives

## 2019

- 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

## 2023

- Sponsored Sylhet Strikers in BPL 2023
- IPDC Finance Wins Gold at ICAB 2023 National Awards

## 2024

- Inaugurated branches in Barishal, Savar and sub-branch in Mirpur
- IPDC Joyee wins prestigious Platinum Award for Best Financier for Women Entrepreneurs under Global Category at the 2024 Global SME Finance Awards, organized by the SME Finance Forum (managed by IFC)
- IPDC secures top position for the 3<sup>rd</sup> consecutive time in sustainability rating by Bangladesh Bank





## TRACES OF IPDC

### Head Office

Hosna Centre (4<sup>th</sup> Floor)  
106 Gulshan Avenue, Dhaka-1212,  
Telephone: +(88-02) 55068929,55068931-6,  
2222-90371,2222-90752,2222-91758  
Fax: (88-02) 55068930  
Email: email@ipdcibd.com

### Motijheel Branch

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

### Dhanmondi Branch

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

### Cumilla Branch

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

### Mymensingh Branch

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

### Khulna Branch

Matribhasha Bhaban (3<sup>rd</sup> Floor)  
63 K.D.A. Avenue, P.S. Sonadanga,  
Dist. Khulna  
Fax: +(88-02) 477727520  
Tel: +(88-02) 477727518-19  
Email: email.khulna@ipdcibd.com

### Faridpur Branch

Nowab Ali Tower (1<sup>st</sup> Floor)  
House-9/2, Kobi Jashim Uddin Road,  
Sadar Faridpur,  
Fax: +(88-02) 478801770  
Tel: +(88-02) 47880178-79  
Email: email.faridpur@ipdcibd.com

### Rangpur Branch

3<sup>rd</sup> Floor of R#2, H# 5,  
Senpara,, P.S. Rangpur Sadar Dist,  
Rangpur  
Tel: +(88-02) 589964600-02  
Email: email.rangpur@ipdcibd.com

### Sylhet Branch

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

### Gazipur Branch

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

### Bogura Branch

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

### Uttara Branch

Circle Windflower (2<sup>nd</sup> 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@ipdcibd.com

### Mirpur Sub-Branch

Dynasty Tower (5<sup>th</sup> floor)  
Plot-01, Road-12, Block-C,  
Section-6, Mirpur, Dhaka.  
Fax: +(88-02) 41001950  
Tel: +(88-02) 41001948-50  
Email: email.mirpur@ipdcibd.com

### Barisal Branch

Dr. Syed Iman Ali Tower (3<sup>rd</sup> floor)  
Holding No. 420, Sadar Road  
Barisal Sadar, Barisal.  
Fax: +(88-02) 478862633  
Tel: +(88-02) 478862631-33  
Email: email.barishal@ipdcibd.com

### Savar Branch

MK TOWER (5<sup>th</sup> Floor) B-16/1,  
Jaleshwar, Shimultola,  
Savar, Dhaka.  
Fax: +(88-02) 223371308  
Tel: +(88-02) 223371306-08  
Email: email.savar@ipdcibd.com



# IPDC'S MANY FIRSTS



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 Sector. Some of The Examples Are:



1st Private sector TV channel in Bangladesh  
-ETV



1st Theme Park in Bangladesh  
-Fantasy Kingdom



1st Mineral Water Project  
-Alpine Fresh



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



# CSR

## Education

The development of the education sector is a cornerstone of a nation's socio-economic growth. Recognizing this, IPDC Finance has undertaken various initiatives to contribute to the country's educational progress. These efforts include supporting Sadia Mou's aspirations by providing her with a monthly stipend for her education and continued partnering with Jaago Foundation to sponsor the education of 50 children. Additionally, we have also allocated stipends for the two children of Kabil Miah, raised awareness about anti-money laundering activities through advertisements, and promoted financial literacy nationwide through workshops, booklets, banners, and other educational materials.



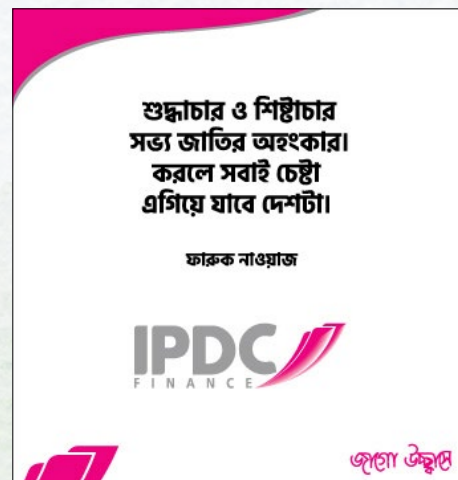
Funding the education of 50 children in partnership with Jaago Foundation



Providing a monthly Stipend to Sadia Mou for her education



Nationwide workshops on financial literacy



Anti Money Laundering Press



## Health

Ensuring physical well-being remains a priority for a significant portion of the population. In line with this commitment, IPDC Finance has extended its support to numerous individuals across the country through various health and wellness initiatives. Key contributions include donating to the Neela Centre-DRRA to facilitate the holistic development of children with disabilities in Dhaka's Vatura slum, supporting the Pushpa Protibondhi Social Welfare Association's special children program, and aiding the establishment of the Narail Express Gym to promote fitness and well-being.

## Environment and Climate Change

IPDC Finance remains committed to environmental sustainability and climate action. As part of this commitment, the organization has undertaken various initiatives to raise awareness and provide direct support for environmental and disaster relief efforts. On World Environment Day, IPDC organized awareness programs and facilitated tree plantations across all its branches nationwide. In collaboration with Enroute Foundation, a dedicated tree plantation drive was carried out in Dhaka. Additionally, IPDC contributed to the Obhizatrik Foundation to aid those affected by the mass flooding in Cumilla and its surrounding areas. Further extending its support, the Sylhet branch distributed food and essential supplies to flood-affected communities in Sylhet and nearby regions. Also, IPDC Finance partnered up with ActionAid for the vulnerable communities in north Bengal to provide climate resilient sustainable agricultural solutions.



climate resilient sustainable agricultural solutions workshop in partnership with ActionAid



Sylhet flood Donation through IPDC Finance Sylhet Branch



Donation to Obhizatrik for flood affected areas near cumilla



Donation to Enroute Foundation for tree plantation in Dhaka



Nationwide tree plantation through IPDC Finance branches



## Social Welfare

As part of its commitment to fostering a positive societal impact, IPDC Finance prioritizes social welfare initiatives that empower women, youth, and underserved communities across Bangladesh. Key efforts include providing a monthly stipend to Birangana Biva Rani, supporting the Child Marriage Prevention Loan to help young girls reclaim their dreams of education, and distributing blankets to vulnerable communities during harsh weather conditions. Additionally, IPDC collaborated with Hashimukh Foundation to host an event where underprivileged children showcased and sold their artwork, fostering both creativity and financial independence. The organization also extends monthly financial support to the family of the late Mr. Lutfur, ensuring stability in the wake of his untimely passing.



Blanket Distribution through Drubotara Youth Development Foundation



Child Marriage Prevention Loan support in collaboration with Amal Foundation



# INITIATIVES OF 2024



BRAC University Career Fest



2025 Calendar Unveiling Ceremony



IPDC Priti Spreading Financial Awareness at Dhaka Flow Festival on Women's Day





IPDC Joyee Putting Women Entrepreneurs to the Forefront at Dhaka Night Market



AHL Micro Marketing Initiative (MMI) in Sylhet with Medical Marketing Executives



Investment Fair at Banglalink Head Office to promote IPDC Deposit Schemes



# 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.

"Corporate Governance and Risk Management"-Page 176-233



## 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 17  
"Operational Efficiency"-Page 137  
"Service orientation"- Page 142



## 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 145-152



## INVESTORS

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

"Sustainability Report" -Page 95-120  
"Corporate Governance and Risk Management"-Page 176-233

## COMMUNITIES & SOCIETY

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

"Impact (CSR)" -Page 26  
"CSR Statement"-Page 118



## 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 154-162

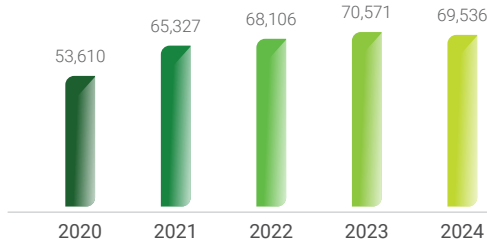


# PERFORMANCE HIGHLIGHTS 2024



Total Asset  
**89,124 MN**

## Loan, Lease & Advances



YoY

**-1.5%**

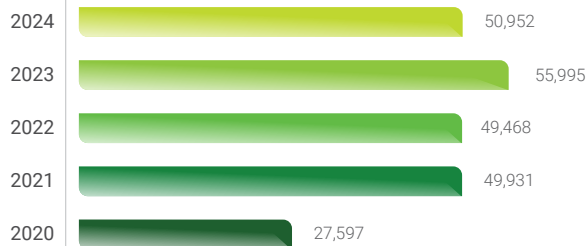
CAGR 5 Years

**6.5%**

CAGR 10 Years

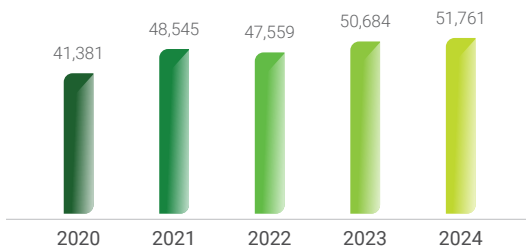
**28.5%**

## Disbursement



Customer Number  
**90,689**

## Customer Deposit



YoY

**2.1%**

CAGR 5 Years

**7.8%**

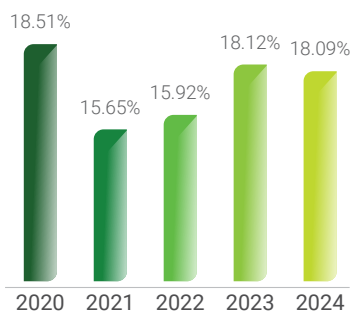
CAGR 10 Years

**29.2%**

## Customer Deposit to Fund Mix



## Capital Adequacy Ratio (CAR)



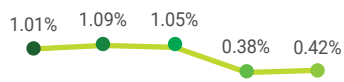
**0.93**

Earning Per Share (EPS)



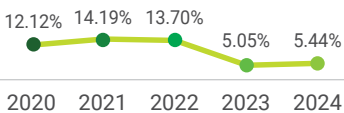
**0.42%**

Return on Asset (ROA)



**5.44%**

Return on Equity (ROE)







Net Profit After Tax

**363 MN**

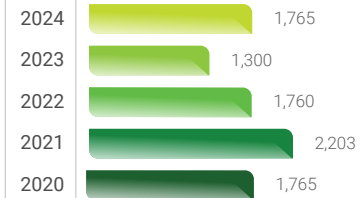
**3,243 MN**

Revenue

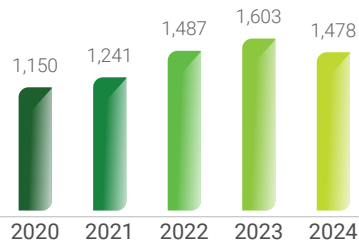


**1,765 MN**

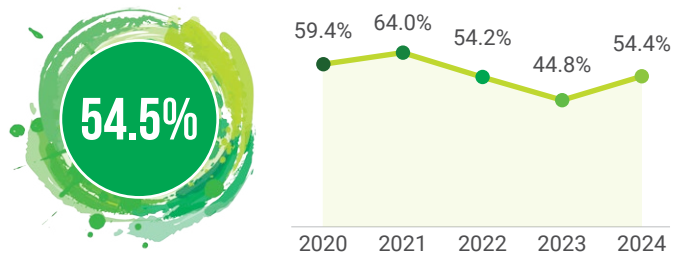
Operating Profit



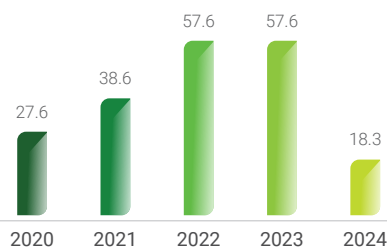
Operating Expense



Operating Profit Margin



Market Price Per Share



CAGR 5 Years

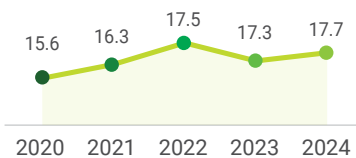
**-6.1%**

CAGR 10 Years

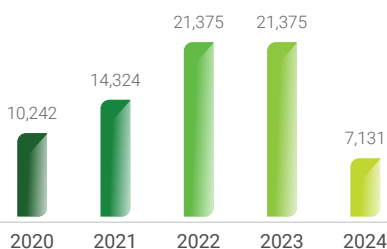
**-0.2%**

**17.7**

Net Asset Value  
Per Share (NAV)



Market Capitalization



CAGR 5 Years

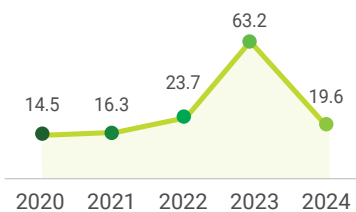
**-5.2%**

CAGR 10 Years

**0.2%**

**19.6**

Price Earnings  
Ratio





# PRODUCTS AND SERVICES

## Loan products

As a strategic orientation of our business, we have organized our business activities into three broad strategic business units:

**Corporate, SME, and Retail.**

## Deposit products

Flexible product options to ensure customized offering along with safety.

**Saving Schemes, Deposit Schemes**

## Uchhash Club

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

# Loan Products

## RETAIL FINANCE

### HOME LOANS

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

### PERSONAL LOANS

Fulfilling a wide range personal requirement.

### AUTO LOANS

Car financing solutions for both individuals and institutions.

### BHALOBASHA HOME LOAN

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



## SMALL & MEDIUM ENTERPRISES (SMES)

### TERM LOANS

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.

### IPDC DANA

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

### LEASE FINANCE

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





## CORPORATE FINANCE & ADVISORY

### LEASE FINANCE

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

### TERM LOANS

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

### PROJECT AND SYNDICATION FINANCING

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

### SHORT-TERM FINANCING

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



## DEPOSIT SCHEMES

### DEPOSIT PREMIUM SCHEME

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

### MILLIONAIRE DEPOSIT SCHEME

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

### ULTIFLEX DEPOSIT SCHEME

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

### ANNUAL PROFIT SCHEME

A fixed amount of no less than BDT 10,000 must be deposited in which mode of interest payment is annual.

### CUMULATIVE PROFIT SCHEME

A fixed amount of no less than BDT 10,000 must be deposited in which interest is paid at maturity.

### FIXED DEPOSIT GENERAL

A fixed amount of no less than BDT 10,000 must be deposited in which minimum tenure is 3 months 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 3 months and interest is paid monthly.

### 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.

### 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.

### PRITI

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



# SIGNATURE PLATFORMS



## IPDC AMADER GAAN

IPDC Amader Gaan, a contemporary take on popular Bangladeshi folk music, began its journey on the 50<sup>th</sup> 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 PLC. in association with The Daily Star initiated a platform to acknowledge root level women change makers.



## PRIYO SHIKKHOK SHOMMANONA

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



## IPDC PRITI

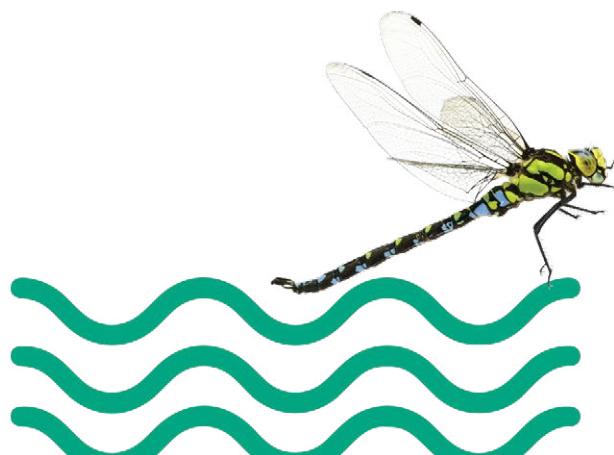
IPDC Priti is an exclusive platform for the female clients of IPDC where they can receive various privileged services and special discounts through partners. IPDC Priti is a package offering an array of features such as economic prosperity, financial security, and medical care aimed to improve the quality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

# SIGNATURE PROJECTS



## 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 living.



# SIGNATURE PRODUCTS



## 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 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 Chattogram.



## 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.



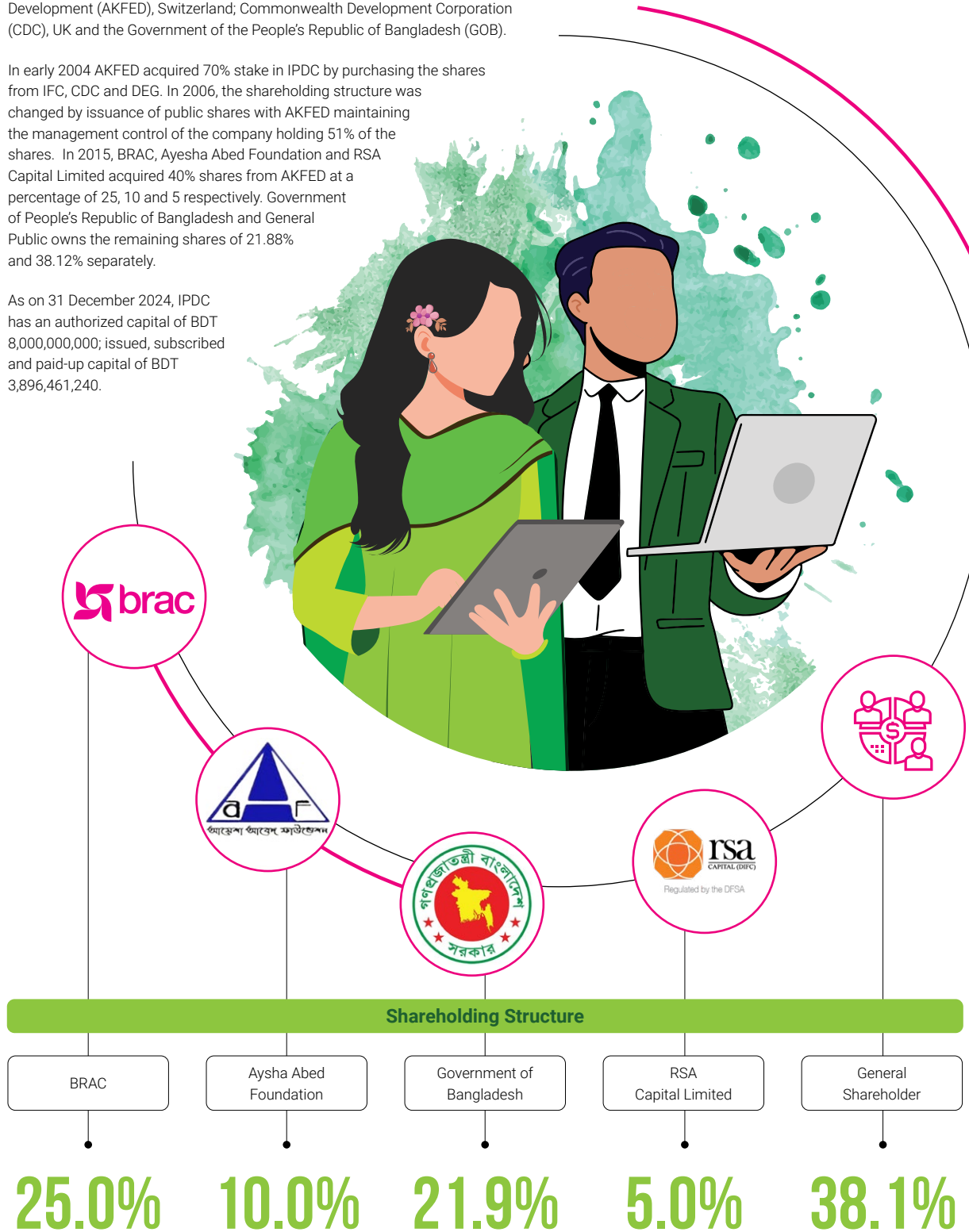


# PROFILE OF SHAREHOLDERS

IPDC Finance PLC is the first private sector finance companies 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).

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. Government of People's Republic of Bangladesh and General Public owns the remaining shares of 21.88% and 38.12% separately.

As on 31 December 2024, IPDC has an authorized capital of BDT 8,000,000,000; issued, subscribed and paid-up capital of BDT 3,896,461,240.



# PROFILE OF THE BOARD OF DIRECTORS

## ARIFUL ISLAM

CHAIRMAN, BOARD OF IPDC  
CHAIRMAN, BOARD EXECUTIVE  
COMMITTEE OF IPDC  
CHAIRMAN, RISK  
MANAGEMENT COMMITTEE OF  
IPDC  
DIRECTOR, NOMINATED BY  
AYESHA ABED FOUNDATION



### Director

Since 24 November 2022

### Other Interests

Chief Financial Officer, BRAC University

### 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. Ariful Islam is the Chairman of IPDC Finance PLC., nominated director by Ayesha Abed Foundation. He is also Chairman of Risk Management Committee (RMC) and Board Executive Committee of IPDC. Mr. Islam is a Corporate Leader with 27 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.



## MUNSHI ABDUL AHAD

DIRECTOR,  
NOMINATED BY GOB



### Director

Since 30 October 2024

### Other Interests

Director

- Nuclear Power Plant Company Bangladesh Ltd.
- Bangladesh Overseas Employment and Services Ltd. (BOESL)
- Startup Bangladesh Ltd.

### Qualifications

- B.Com. (Honors) in Finance and Banking from University of Dhaka.
- M.Com. in Finance and Banking from University of Dhaka.
- Master of Public Affairs in International Economic Relations from Civil Service College of University of Dhaka.

Mr. Munshi Abdul Ahad is a Nominated Director of the Government of Bangladesh in the Board of IPDC Finance PLC. and also member of both Board Executive Committee & Risk Management Committee. He is presently serving as Additional Secretary at the Finance Division, Ministry of Finance. Mr. Ahad has served in many critical government positions in his long career expanding more than 32 years. Mr. Ahad has worked on different Project funded by the World Bank, Asian Development Bank, Food and Agricultural Organization of the United Nations (FAO) and the Government of Bangladesh. Mr. Ahad is serving Bangladesh Civil Service since 1995 and contributed through his dynamic capacities within the Department of Agricultural Marketing, Ministry of Agriculture, Statistics Division of the Ministry of Planning, Directorate of Consumer Rights Protection of Ministry of Commerce and Finance Division of Ministry of Finance. Within the Finance Division, he has navigated the Macroeconomic wing, Budget and Planning wing, Administration and Coordination wing, Implementation wing, and Expenditure Management wing by showcasing his Versatility, Passion and Dedication.

# MAQSURA NOOR NDC

DIRECTOR,  
NOMINATED BY GOB



## Director

Since 5 March 2025

## Other Interests

- Member of Governing Body, Bangladesh Institute of Management (BIM)
- Director, National Institute of Biotechnology

## Qualifications

- M.Sc. in Development Management from University of Birmingham, UK in the year 2014.
- M.S.S. in Economics from University of Dhaka [DU], in the year 1987.
- B.S.S. (honours) in Economics from University of Dhaka [DU], in the year 1986.

Ms. Maqsura Noor NDC is a government nominated Director by the Government of Bangladesh and also member of the Board Audit Committee of IPDC Finance PLC. She is presently working as an Additional Secretary in the Ministry of Industries. Ms. Noor has joined Bangladesh Civil Service (Information Cadre) in 1993. She has worked in diversified roles and positions in her dynamic career in different government offices e.g., Ministry of Industries, Ministry of Public Administration, Department of Nursing and Midwifery, Ministry of Expatriates' Welfare and Overseas Employment, Jatiyo Mohila Sangstha, Ministry of Finance, Ministry of Power, Energy and Mineral Resources (Energy and Mineral Resources Division) and Various Departments of Peoples' Republic of Government of Bangladesh etc.





## TUSHAR BHOWMIK

DIRECTOR, NOMINATED  
BY BRAC

### Director

Since 19 November 2018

### Other Interests

Managing Director

- BRAC Services Limited
- BRAC Industries Limited
- BRAC Probashbandhu Limited
- BRAC Netting Factory

Director

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

Chief Financial Officer, BRAC

### Qualifications

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

Mr. Tushar Bhowmik is nominated director by BRAC in the Board of IPDC Finance PLC.. Mr. Bhowmik is presently serving as Finance Director of BRAC Bangladesh. He also serves on the Boards of edotco (BD) Co. Limited., BRAC Services Limited and BRAC Industries Limited. Mr. Bhowmik is 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 Reckittbenckiser, UK and Bangladesh.

## SARWAR AZAM KHAN

CHAIRMAN, BOARD AUDIT  
COMMITTEE OF IPDC  
INDEPENDENT DIRECTOR



### Director

Since 21 May 2024

### Other Interests

Partner, A. Qasem & Co. Chartered Accountants

### Qualifications

- Bachelor of Commerce (B. Com) from University of Dhaka.
- Master of Commerce (M. Com) in Accounting from University of Dhaka.
- Master of Business Administration in Marketing from City University of Dhaka.

Mr. Sarwar Azam Khan is one of the Independent Directors of IPDC and Chairman of Board Audit Committee of IPDC. He is also a member of Risk Management Committee of IPDC. Mr. Khan is the Partner of A. Qasem & Co. Chartered Accountants (AQC), one of the oldest accounting firms in Bangladesh. Mr. Khan is a seasoned finance professional with a robust educational background, holding prestigious qualifications in Chartered Accountancy and Chartered Secretary. He was the Board member, Finance Director and Company Secretary of GlaxoSmithKline Bangladesh Limited for 17 years. He has expertise in Leadership, Business Laws, Taxation, Financial Management, Strategic Planning and Operational Efficiency. Mr. Khan was Director & member of Finance Committee of Bangladeshi - Canadian Community Services (BCS), Director & Vice-Chair of Finance Committee of Lymphoma, Canada and Director & Chair of Scarborough Center of Healthy Communities, Canada. He was also Past President of the Institute of Internal Auditors, Bangladesh Chapter and Intellectual Property Association of Bangladesh.



# MOHAMMAD IQBAL CHOWDHURY

INDEPENDENT DIRECTOR



## Director

Since 13 May 2024

## Other Interests

Chief Executive Officer, LafargeHolcim Bangladesh PLC.

## Qualifications

- Bachelor of Business Administration in Finance from University of Chittagong.
- Master of Business Administration in Finance from University of Chittagong.

Mr. Mohammad Iqbal Chowdhury is one of the Independent Directors and a member of the Board Executive Committee of IPDC Finance PLC. He is currently leading LafargeHolcim Bangladesh PLC. as the Chief Executive Officer (CEO). Mr. Chowdhury is a dynamic professional having experience more than 24 years within LafargeHolcim Bangladesh (including Chief Operating Officer and Chief Financial Officer role) and also in companies like Marico Bangladesh Limited, Avery Dennison and Berger Paints Bangladesh Limited. He is also member of Executive Committee in Bangladesh Switzerland Chamber of Commerce (SBCCI) and Director at the Foreign Investors Chamber of Commerce (FICCI), Bangladesh.

Mr. Chowdhury has obtained a professional membership as Chartered Secretary from the Institute of Chartered Secretaries of Bangladesh (ICSB).

# PROFESSOR SHAH MD. AHSAN HABIB

INDEPENDENT DIRECTOR



## Director

Since 09 February 2021

## Other Interests

### Member

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

Trustee, Valor of Bangladesh

## 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.

Professor Shah Md. Ahsan Habib is one of the Independent Directors of IPDC and also a member of both Board Audit Committee and Risk Management Committee. Dr. Habib is a Professor Selection Grade of Bangladesh Institute of Bank Management [BIBM]. Having over 26 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. Dr. Ahsan has over 180 research papers/ studies/ publications/ chapters in different national and international journals/books. He is the author/lead author of the books 'Financial Globalization', 'Environmentally Responsible Banking in USA', 'Towards Knowledge Society', 'Green Banking in Bangladesh', 'Trade Services by Banks in Bangladesh', published by the national and international publishers. Dr. Ahsan has working experience as Research Consultant with The World Bank, IFC, IDRC, Oxfam GB, DFID, UNEP, UNDP, GIZ, CPD, InM, FBCCI, etc.; and as Training Consultant with banks both at home and abroad. He is a columnist and published over 200 newspaper features in the national daily newspapers on financing issues.



# RIZWAN DAWOOD SHAMS

MANAGING DIRECTOR



## 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 is the Managing Director of IPDC Finance PLC.

He has more than 21 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 01, 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, retailer financing platform-DANA have been developed under his prudent governance. His expertise and direction on treasury operations ensured the 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.

**Board of Directors Working Period in IPDC Finance PLC. and Brief Educational Qualification as per the table below:**

| Name of the Director         | Working Period in IPDC Finance PLC. | Education Details                                                                                                                                                                                                                                                                                                                                             |
|------------------------------|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Ariful Islam             | 24.11.2022 to till                  | <ul style="list-style-type: none"> <li>B. Sc. (Honors) in Economics from Scottish Church College, Calcutta University, India.</li> <li>MBA in Finance from Institute of Business Administration (IBA), University of Dhaka.</li> <li>Advance Diploma in Management Accounting from the Chartered Institute of Management Accountants (CIMA) of UK.</li> </ul> |
| Mr. Munshi Abdul Ahad        | 30.10.2024 to till                  | <ul style="list-style-type: none"> <li>B.Com. (Honors) in Finance and Banking from University of Dhaka.</li> <li>M.Com. in Finance and Banking from University of Dhaka.</li> <li>Master of Public Affairs in International Economic Relations from Civil Service College of University of Dhaka.</li> </ul>                                                  |
| Ms. Maqsurah Noor*           | 05.03.2025 to till                  | <ul style="list-style-type: none"> <li>M.Sc. in Development Management from University of Birmingham, UK in the year 2014.</li> <li>M.S.S. in Economics from University of Dhaka [DU], in the year 1987.</li> <li>B.S.S. (Honours) in Economics from University of Dhaka [DU], in the year 1986.</li> </ul>                                                   |
| Mr. Tushar Bhowmik**         | 19.11.2028 to 16.04.2025            | <ul style="list-style-type: none"> <li>M.Com. in Accounting from University of Dhaka.</li> <li>FCA, Institute of Chartered Accountants of Bangladesh (ICAB)</li> </ul>                                                                                                                                                                                        |
| Dr. Shah Md. Ahsan Habib     | 09.02.2021 to till                  | <ul style="list-style-type: none"> <li>Ph. D from Banaras Hindu University, India under BHU Research Scholarship.</li> <li>Post-Doctoral Fellowship on Green Banking from Syracuse University, USA under Senior Fulbright Scholarship.</li> </ul>                                                                                                             |
| Mr. Sarwar Azam Khan         | 21.05.2024 to till                  | <ul style="list-style-type: none"> <li>Bachelor of Commerce (Hons in Accounting) University of Dhaka</li> <li>Master of Commerce (Accounting) University of Dhaka.</li> <li>FCA, Institute of Chartered Accountants of Bangladesh (ICAB).</li> </ul>                                                                                                          |
| Mr. Mohammad Iqbal Chowdhury | 13.05.2024 to till                  | <ul style="list-style-type: none"> <li>BBA, Finance, University of Chittagong</li> <li>MBA, Finance, University of Chittagong</li> </ul>                                                                                                                                                                                                                      |

\*The nomination of Ms. Nilufer Nazneen has withdrawn by GOB on 10 February 2025 and Ms. Maqsurah Noor ndc replaced her on 05 March 2025 as per approval from Bangladesh Bank.

\*\* Third consecutive term as director has been completed on 16.04.2025



# PROFILE OF THE MANAGEMENT COMMITTEE



**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.

**Designation:**

Managing Director

**Educational Background:**

Master of Business Administration, Victoria University of Melbourne

Bachelor of Business Administration, North South University

**Years of Experience:**

21



**Expertise:**

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

**Designation:**

Deputy Managing Director and Chief Operating Officer

**Educational Background:**

Master of Business Administration, North South University

Bachelor of Science in Civil Engineering, BUET

**Years of Experience:**

21



**Expertise:**

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

**Designation:**

Chief Financial Officer

**Educational Background:**

Bachelor of Business Administration, University of Dhaka

**Years of Experience:**

14



**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

**Designation:**

Chief Technology Officer

**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:**

26





**Expertise:**

Using Data and Analytics About Talents to Advise 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

**Designation:**

Chief Human Resources Officer

**Educational Background:**

MBA

PGDHRM

PGD in Supply Chain Management

**Years of Experience:**

26



**Expertise:**

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

**Designation:**

Company Sectary, Head of Legal Affairs and Head of Brand & Corporate Communication (Acting)

**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:**

17



**ABDULLAH AL  
MAHMUD MD. KAYES  
FCCA, CISA**

**Expertise:**

Internal Control, Risk Management, Information System Audit, Internal Audit, Financial Reporting, Regulatory Compliance

**Designation:**

Head of Internal Control and Compliance

**Educational Background:**

BSc (Hons) in Applied Accounting, Oxford Brookes University

**Professional Qualification:**

Association of Chartered Certified Accountants (ACCA)

Certified Information System Auditor (CISA)

**Years of Experience:**

11



**IMRAN  
KHAN**

**Expertise:**

Risk Management, Credit Analysis, Credit Management, Strategic Planning, Branch Banking, Structured Finance & Deal Mechanics

**Designation:**

Deputy General Manager and Head of Credit Risk Management

**Educational Background:**

Master of Business Administration, Faculty of Business Studies, University of Dhaka

Bachelor of Business Administration, Institute of Business Administration (IBA), University of Dhaka

**Years of Experience:**

18



# HIGHLIGHTS OF 2024



Annual Town Hall Event Celebration Takes Off in a Glammers Spin



IPDC Employees Celebrate Colorful Pohela Falgun Event Across All of its Branches and Head Office



International Women's Day Celebration at IPDC Finance Head Office



In collaboration with BRAC Health Care IPDC Facilitated a Health Camp for its Employees and Joyee Clients at Head Office



Deposit Relationship Managers had a Fun-filled Retreat at Forties Downtown Resort



Breast Cancer Awareness Session by Tishcan Arranged for All IPDC Employees at Head Office





International Men's Day Celebration Across All Branches and Head Office at IPDC Finance



Product and Process Training for IPDC Employees Organized by Human Resources Department



Sales & Relationship Management Training for Relationship Managers, Facilitated by Human Resources Department



Training Session on Emotional Intelligence for all Employees organized by Human Resource Department



Breast Cancer Awareness Workshop for all IPDC Employees in Collaboration with "Aamra Nari"



IPDC Finance Raising awareness on Mental Health Issues through day Long Training Session



# CAMPAIGNS OF 2024

IPDC has consistently demonstrated its commitment to fostering strong and effective communication with stakeholders, including customers, shareholders, and the wider community. Through a series of impactful initiatives, the company has executed standout campaigns that resonate with its audience, reinforcing transparency and meaningful engagement. These efforts not only reflect IPDC's dedication to open dialogue but also set new standards for corporate communication. By crafting compelling narratives and prioritizing stakeholder relationships, IPDC has strengthened its reputation as a reliable and forward-thinking organization. Its proactive approach to communication underscores a deep commitment to fostering trust, collaboration, and sustainable growth.

## IPDC Personal Loan Campaign

To address diverse financial needs, IPDC Finance launched a compelling digital communication strategy for its personal loan offerings. The campaign emphasized its key benefit—loan amounts of up to BDT 25 lakh—catering to essential life goals such as higher education, travel, medical emergencies, and weddings.



## IPDC Auto Loan Campaign

To address diverse financial needs, IPDC Finance launched a compelling digital communication strategy for its personal loan offerings. The campaign emphasized its key benefit—loan amounts of up to BDT 25 lakh—catering to essential life goals such as higher education, travel, medical emergencies, and weddings.



## Revamped Joyee Logo

The unveiling of the new IPDC Joyee logo marks a significant step in redefining financial empowerment for women. More than just a lending platform, Joyee is a holistic initiative designed to foster entrepreneurship, leadership, and financial independence, reinforcing IPDC's commitment to supporting women's aspirations.



## IPDC Eid Nostalgia Series

Eid in Bangladesh is more than just a festival—it is a cherished experience filled with joy, traditions, and anticipation. Through intricate hand-drawn creatives, IPDC Finance's Eid Nostalgia campaign brought to life the heartwarming moments that define this special occasion, evoking nostalgia and shared cultural pride.



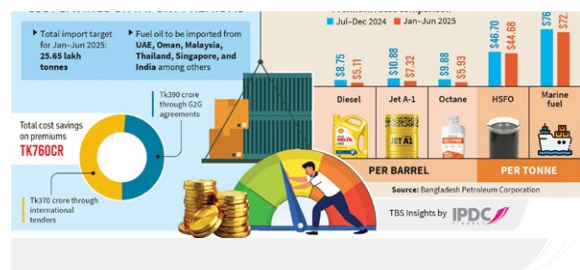
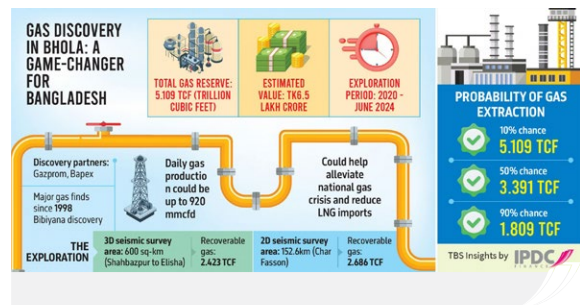
## Mother's Day Campaign

A mother's love is unparalleled—nurturing, boundless, and unwavering. To celebrate this profound connection, IPDC Finance launched a visually distinct campaign featuring hand-drawn illustrations that beautifully captured the essence of maternal love and its deep emotional bond.



## IPDC-TBS: Enhancing Access to News & Insights

In an era of information, accessibility is key. IPDC Finance, in collaboration with The Business Standard, has taken a step towards democratizing financial and business news. This partnership ensures a seamless flow of critical insights, empowering individuals with knowledge through both digital and print platforms.





## IPDC Desk Calendar 2025

The IPDC Desk Calendar 2025 celebrates young Bangladeshi individuals who have made a mark on the global stage. Designed to inspire, this initiative highlights their achievements and ambitions, bringing their stories to the forefront in every workspace it reaches.



## Father's Day Campaign

To address diverse financial needs, IPDC Finance launched a compelling digital communication strategy for its personal loan offerings. The campaign emphasized its key benefit—loan amounts of up to BDT 25 lakh—catering to essential life goals such as higher education, travel, medical emergencies, and weddings.



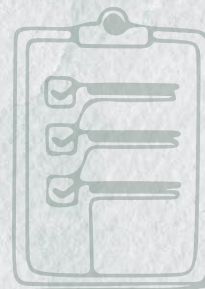
## Ramadan reminiscence

Ramadan in Bangladesh is a time of faith, reflection, and unity. IPDC Finance's Ramadan Nostalgia campaign captured the essence of this sacred month—prayer, generosity, and the joy of iftar—honoring its deep spiritual and cultural significance.





# Directors' Report





# STATEMENT FROM THE CHAIRMAN

**Ariful Islam**  
Chairman



Operating Profit Growth

**35.77%**  
**YoY**



Loan Portfolio  
BDT

**69,536mn**



**As a leading financial institution, we are committed to maintaining a robust financial position despite challenging market conditions. We remain dedicated to supporting economic development in Bangladesh by responding to market challenges with adaptability, innovation, and strategic initiatives. Our goal is to promote sustainable growth and drive positive change, particularly for underserved communities.**

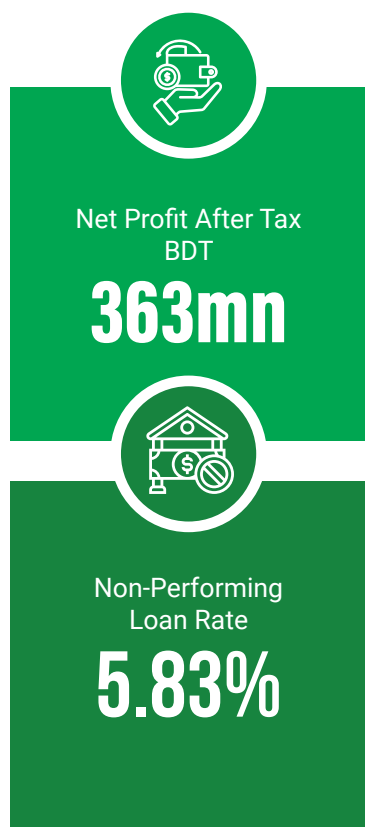
**Ariful Islam**  
Chairman

## Dear Shareholders,

Your company has demonstrated resilience and agility yet again in 2024 in navigating a volatile and evolving macroeconomic market conditions. Multifaceted headwinds including political transitions, global geopolitical shifts, depleting foreign exchange reserves, inflationary pressure and energy supply constraints impacted the national economy throughout the year. These challenging & complex circumstances have tested the ability of your company to respond with focus and foresight.

As we enter 2025, we remain cautious & attentive to a fluid macroeconomic landscape. The financial services sector continues to adapt to evolving monetary conditions, including inflationary trends, interest rate realignments, and liquidity constraints. While such transformations require careful navigation, they also present valuable opportunities for institutions like IPDC Finance PLC to lead with prudence, discipline, and strategic vision.

We extend our heartfelt gratitude to all our shareholders for their continued trust, and to our valued customers for their enduring support. We are thankful to Bangladesh Bank for its consistent and constructive oversight, which has guided us through a complex period. Our appreciation also extends to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, and all our regulatory and institutional partners for their support & collaborative approach. Most importantly, we salute the dedication of the IPDC team, whose professionalism and perseverance remain at the core of our progress.



## Achievements and Developments in 2024

In a year marked by macroeconomic challenges your company, IPDC Finance PLC maintained a measured growth strategy, designed to ensure long-term sustainability. By taking a prudent and thoughtful approach, we safeguarded operational stability while positioning ourselves to seize future opportunities. Although the overall credit appetite was moderate, our commitment to disciplined lending enabled us to effectively manage credit risk and to enhance institutional resilience.

As of December 31, 2024, our asset portfolio stood at BDT 69,536 million, reflecting a marginal 1.5% year-over-year growth. This was a cautious move aligned with our risk-managed lending strategy in a volatile economic cycle. Our robust credit standards were reflected in a classified loan ratio of 5.83%, substantially below the industry

average underscoring the strength of our asset quality.

We achieved a significant 35.77% year-over-year growth in operating profit, driven by strategic cost optimization and enhanced operational efficiency. While we made prudent provisions to reinforce our credit buffers resulting in a 5.91% increase in net profit after tax, these measures were required to sustain our foundation for future growth.

Our strong capital base remains a pillar of confidence, with a Capital Adequacy Ratio (CAR) of 18.09%, well above the regulatory threshold of 10%. In recognition of our sound financial position and governance, your company proudly retained its AAA Credit Rating in 2024.

## Strategic Initiatives and Sustainability

We continue to expand access to affordable housing finance by designing solutions tailored to the growing Middle-Class and Affluent Consumers (MAC) segment. In pursuit of broader financial inclusion, we extended our physical footprint to underserved areas, opening new branches in Barisal, Savar, and Mirpur.

We believe that inclusive progress is essential to national development. In this spirit, we launched Joyee 360, a pioneering sub-branch in Mirpur, Dhaka dedicated to empowering women entrepreneurs. Offering integrated financial, advisory, and capacity-building support, the initiative earned IPDC global recognition as the Global Champion for Women Entrepreneurship Support at the 2024 SME Finance Awards.

As part of our SME-focused transformation, we are enhancing our underwriting and verification frameworks to better support this dynamic sector, which is key to job creation, innovation, and sustainable practices.

Our leadership in green finance has been further recognized by Bangladesh Bank, which designated IPDC as a Sustainable Financial Institution for the third time in this year. We are deepening our commitment to environmentally conscious financing and aligning our portfolio with global sustainability goals. At the same time, we are leveraging advanced technologies including centralized systems with process optimization to deliver

smarter, faster, and more seamless financial services.

## 2025 Strategic Outlook

While the global and domestic landscape continues to evolve, we view these transitions as moments to strengthen our foundation and innovate with purpose as IPDC remains anchored in its commitment to sustainable, value-driven growth.

Encouragingly, recent market-based reforms by Bangladesh Bank have begun to create a more responsive interest rate environment, improving margin dynamics. Additionally, anticipated enhancements in institutional governance may create a more favorable climate for investment and economic revival.

In 2025, our strategic priorities will include advancing transparency, driving digital transformation, and enhancing client-centric innovation. Sustainability will remain a guiding principle as we adapt to shifting regulatory and market realities. Achieving enduring value will depend on our ability to remain agile, disciplined, and technologically progressive.

Given the market environment, the Board of Directors recommends a balanced approach to capital returns, proposing 10% dividend, comprising 5% cash and 5% stock for the financial year ending December 31, 2024, subject to approval at the forthcoming Annual General Meeting.

## In Conclusion

The journey of the past decade stands as a testament to IPDC's commitment to inclusive and impactful finance. Our mission to empower underserved communities and foster socio-economic progress remains as vital as ever.

We look to the future with renewed resolve and gratitude.

Regards,

Sincerely

**Ariful Islam**  
Chairman



# STATEMENT FROM MANAGING DIRECTOR

**Rizwan Dawood Shams**  
Managing Director



**Our customers, shareholders, regulators, communities, and other stakeholders continue to inspire us to strive for excellence each day, especially as we move into 2025. We are excited to lead the company into a new era marked by innovation, growth, and excellence, with a strong emphasis on sustainability, youth empowerment, women's inclusion, and support for underserved regions. Through collective efforts, we aim to make meaningful progress achieving our strategic objectives, and serving our valued customers with steadfast commitment and integrity.**

**Rizwan Dawood Shams**  
Managing Director

## Global Economic Dynamics

The global economy is currently grappling with a series of challenging factors, including a surge in global commodity prices, rising inflation, and difficult financial market conditions. The ongoing tensions in the Middle East, Russia-Ukraine have added to the downside risks, exacerbating the situation and threatening global growth momentum. These conflicts have caused significant price hikes in fuel, food, and many other commodities. Additionally, the onset of a global trade war in early 2025 is expected to further negatively impact price levels, employment, growth, and market stability.

## Bangladesh's Path to Economic Recovery and Transformation

In 2024, despite facing considerable macroeconomic and political challenges, Bangladesh has taken meaningful steps towards economic recovery and structural transformation. Following a student-led movement that triggered a regime change, the newly formed interim government — comprising prominent intellectuals of the country — prioritized addressing long-standing economic mismanagement and implementing critical reforms within the bureaucracy and economy. The proactive measures undertaken by the administration have already signaled early signs of economic revitalization and the emergence of a more transparent, politically neutral business environment. Additionally, the country has witnessed progress in several infrastructural and socio-economic fronts, including notable progress in the Dhaka Metro Rail Project, advancements in the National Special Economic Zone, growth of LEED-certified

green garment factories, initiatives for the repatriation of Rohingya refugees, and enhanced regional cooperation. Furthermore, Bangladesh has engaged in discussions with key Development Finance Institutions (DFIs), such as the World Bank, ADB, the European Investment Bank and others, to secure additional financial support for its economic recovery efforts.

Despite the heightened global and local uncertainties, Bangladesh has demonstrated a commendable track record of economic growth and development. This strong performance can be attributed to several key factors: a favorable demographic dividend, robust exports in the ready-made garment (RMG) sector, and resilient remittance inflows. These factors have collectively supported rapid economic expansion over the past two decades. Although the growth outlook for FY25 is forecasted at 4.1%, the lowest since 2020 due to disruptions in 2024, it remains higher than that of many emerging markets and developed economies. Furthermore, Bangladesh Bank projects a strong GDP growth of 6.0% for FY26.

Nevertheless, the overall economic landscape remains challenging. The pressure on foreign exchange reserves, persistently high inflation, and rising levels of non-performing loans continue to exert pressure on the economy. Consequently, the prices of essential commodities have surged, while wage growth has lagged behind inflationary trends. In addition, private sector credit growth remained slow due to rising interest rates, resulting in slow growth potential for overall economy. Notably, the gold market has reached an all-time high, and the capital market remains bearish. Moreover, the

looming risk of a global trade war in 2025 is expected to create further headwinds for Bangladesh's economic prospects.

### Performance Highlights 2024

Despite prevailing economic challenges, IPDC delivered a resilient performance in 2024, successfully expanding its business while maintaining prudent credit standards and preserving financial stability. Let me walk you through the key highlights of our solid performance during the year.

- IPDC follow a proactive approach to managing asset quality by using effective tools such as persuasion, negotiation, legal action, subsequent monitoring, and follow-up.
- We remained cautious in its deposit collection and lending practices amid macroeconomic challenges. We recorded a marginal 1.5% year-on-year decline in its asset portfolio, reaching BDT 69,536mn by the end of 2024.
- Total deposits stood at BDT 54,319mn, reflecting a decline of 9.7% from the previous year. However, public deposits (excluding FDR from Banks & NBFIs) grew by 2.1%, accounting for 95.2% of total deposits.
- As of 31 December 2024, the Capital Adequacy Ratio (CAR) of the company according to Basel II guidelines is 18.09%, which is well above the statutory requirement of 10.00%.
- The operating income of IPDC increased by BDT 340.4mn and reached BDT 3,242.9mn, marking a growth of 11.73%. Net Interest Margin (NIM) decreased to BDT 2,392.7mn from BDT 2,422.6mn last year. However, non-interest income for the year increased and stood at BDT 850.2mn (2023: BDT 479.8mn), driven by improved investment income.
- The cost-to-income ratio, measured as administrative expenses to total

operating income, stood at only 45.58%. IPDC assures its steadfast commitment to achieving operational controls and efficiencies.

### Awards and Accolades 2024

In 2024, 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. As a result, it has been awarded "Bangladesh Bank's Sustainability Rating 2023", having the recognition for the third time. IPDC Joyee has been honored with the prestigious Platinum Award for Best Financier for Women Entrepreneurs under Global Category at the 2024 Global SME Finance Awards, organized by the SME Finance Forum (managed by IFC) in recognition to our unique initiatives under the Joyee Proposition.

### A Sustainable, Responsible & Humane Approach

IPDC is committed to creating long-term value through its business initiatives and purposeful actions that drive socio-economic development, foster inclusivity, promote gender equality, and empower women and youth. We are dedicated to equipping industries and stakeholders with the necessary tools to address climate change challenges. Our focus on sustainable and green financing enables us to serve often-overlooked market segments, including women and the younger generation. Additionally, our CSR initiatives span diverse sectors such as education, healthcare, and social welfare. IPDC remains steadfast in its pursuit of organizational goals, always aligned with the broader needs of society and the communities we serve.

### Technology-driven Business Model

Although this year has been marked by uncertainty, we have stayed true to our

technology-driven business model. We have consistently focused on innovation and introduced technology-enabled products to better serve our customers. Our investment in the Retailer Financing Platform (Dana) reflects our commitment to providing end-to-end digital financing solutions, ensuring greater convenience, accessibility, and value for our customers.

### Outlook: 2025 and Beyond

Our primary objective for the year 2025 is to align our strategic priorities and product offerings with the evolving market dynamics and economic landscape. We are placing strong emphasis on effective management of non-performing loans, optimizing resource utilization, and expanding our footprint to ensure greater access to financing for our customers. We expect the year to offer a relatively more stable and predictable environment, allowing us the opportunity to demonstrate our financial resilience and strengthen our brand presence across the market.

### Acknowledgments

As we step into 2025, we sincerely appreciate the valuable feedback and guidance shared by our shareholders, regulators, communities, and other stakeholders. Their steadfast support and trust have been instrumental in our journey, inspiring us to grow and strengthen our company further with their continued collaboration. We remain dedicated to nurturing meaningful relationships with our community and country, and we look forward to working together to build a brighter and more prosperous future for all.

Thanking you,



**Rizwan Dawood Shams**  
Managing Director



# DIRECTORS' REPORT

Dear Stakeholders,

The Board of Directors of IPDC Finance PLC takes great pleasure in welcoming you to the 43<sup>rd</sup> 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 2024. 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.

The year 2024 was a turning point for Bangladesh, characterized by significant political upheaval and economic recalibration. A student-led mass uprising in July-August, coupled with widespread public discontent, brought an end to the 15-year rule of the previous regime. In the aftermath, Nobel Laureate Professor Muhammad Yunus was appointed as the head of an interim government. This administration has prioritized structural reforms aimed at restoring institutional integrity, strengthening governance, and laying the groundwork for a free and fair election. Meanwhile, unresolved issues from previous regimes are coming to light, particularly in the financial sector and in the broader economy.

One of the most pressing structural challenges in the financial sector has been widespread loan irregularities, driven by political influence and regulatory mismanagement. However, following the regime

change, significant reforms have been implemented under the new leadership of Bangladesh Bank (BB). Key measures, including the formation of a banking commission, board restructurings, forensic audits etc.—have directly addressed these deep-rooted structural deficiencies. Consequently, the sector has embarked on a slow but steady path to revitalization. BB's prudent initiatives have helped rebuild public trust and confidence in the financial system. In addition, market-driven policies, particularly interest rate, have enabled Banks and NBFCs to improve their interest spreads. Notably, at large the sector has capitalized on a high-interest rate environment by investing in government securities, amid subdued credit demand from the private sector.

Amidst adversity, IPDC Finance PLC emerged as a beacon of resilience and success. Despite challenging market conditions, the company remained steadfast in maintaining a robust balance sheet. While the industry grappled with a staggering NPL ratio of 35.52% (Sep'24), IPDC demonstrated prudence by keeping its NPL ratio at an impressive 5.83% in 2024. Subdued credit demand, driven by ongoing macroeconomic stress and a high-interest rate environment, led to a 1.5% year-on-year (YoY) decline in IPDC's total loan portfolio in 2024. Meanwhile, the customer deposit portfolio registered a modest 2.1% YoY expansion, as IPDC strategically refrained from aggressively acquiring deposits amid reduced credit demand, thereby avoiding excess liquidity and interest costs. Consequently, the company's balance sheet contracted by 3.1% YoY. In an era of uncertainty, IPDC remains unwavering in its commitment to delivering exceptional service and support to its valued customers. With an unrelenting focus on excellence and a deep-rooted dedication to its stakeholders, IPDC continues to stand as a pillar of strength and stability in the financial landscape.

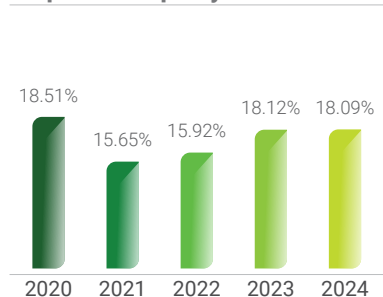
## Loan, Lease & Advance



## Customer Deposit



## Capital Adequacy Ratio



### Revenue

**3,243 MILLION**

2023: 2,902 million

### Operating Profit

**1,765 MILLION**

2023: 1,300 million

### Net Profit

**363 MILLION**

2023: 343 million

### CIR

**45.6%**

2023: 55.2%

### RoA

**0.42%**

2023: 0.38%

### RoE

**5.44%**

2023: 5.05%

### NPL

**5.83%**

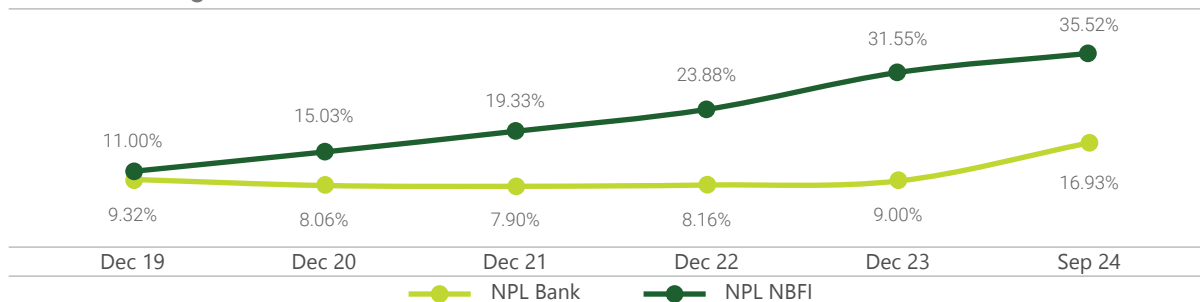
2023: 4.93%

## INDUSTRY OUTLOOK 2024

In May 2024, based on International Monetary Fund's (IMF) suggestion, BB abandoned SMART anchored interest system and introduced a fully market-driven interest rate framework, allowing financial companies to independently determine lending and deposit rates. This shift largely enabled financial companies to benefit from improved interest spreads. In the banking sector, the spread in Q4 2024 increased by 64 basis points compared to Q1 2024, whereas in the non-bank

financial companies (NBFC) sector, it declined by 6 basis points over the same period. Meanwhile, the financial sector witnessed a sharp rise in default loans throughout 2024. As of December 2024, NPLs in the banking sector soared to BDT 3.45tn, representing 20.20% of total loans. In the NBFC sector, NPLs reached BDT 262bn, accounting for 35.52% of total loans. This surge was primarily driven by defaults from politically connected borrowers, compounded by subdued business activities amid macroeconomic distress caused by inflationary pressures.

### Non Performing Loan Ratio



Source: BB Financial Stability Assessment Report, BB Quarterly

### 1. Banking Sector Overview

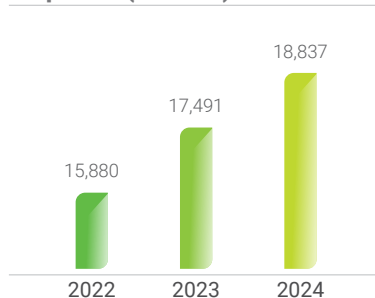
The transition to a market-driven interest rate regime was a pivotal development for the banking sector in 2024, facilitating further improvements in interest rate spreads. Meanwhile, amid subdued credit demand in a high-interest rate environment, banks redirected more funds toward treasury securities, enhancing investment income and ensuring profitability. However, the surge in NPLs due to loan irregularities remained a significant challenge, posing a formidable obstacle to the banking sector's growth trajectory.

In 2024, total bank deposits reached BDT 18.8tn, reflecting a 7.70% YoY growth, compared to 10.14% YoY in 2023. Meanwhile, loans and advances rose to BDT 16.8tn, marking a 9.40% YoY increase, down from 10.85% YoY in the previous year. The slowdown in both deposit and lending growth was primarily driven by persistent inflationary pressures and a high-interest rate environment. Notably, the interest rate spread expanded by 159 basis points YoY, reaching 6.01% in 2024, largely due to Bangladesh Bank's shift toward a market-driven interest rate framework.

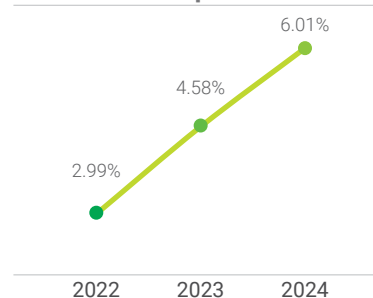
#### Loans & Advances (Bn BDT)



#### Deposits (Bn BDT)



#### Interest Rate Spread



Values as of December  
Source: Scheduled Bank Statistics

A significant deterioration in asset quality has been observed, with the NPL ratio surging to 20.20% in December 2024, up from 9.00% at the end of December 2023. Furthermore, with the implementation of stricter loan classification criteria from April 2025, NPLs are expected to approach

30.00%, as indicated by the Governor of BB. Amid these challenges, banks are experiencing profitability pressures. As of September 2024, the Return on Assets (ROA) and Return on Equity (ROE) stood at 0.38% and 7.42%, respectively, compared to 0.59% and 10.54% in December 2023.

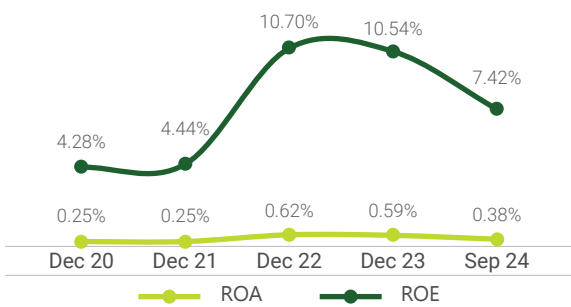
### Other Highlights

| Category                        | 2019  | 2020  | 2021   | 2022   | 2023   | 2024   |
|---------------------------------|-------|-------|--------|--------|--------|--------|
| Call Money Borrowing Rate       | 4.50% | 1.79% | 2.66%  | 5.80%  | 8.84%  | 10.07% |
| Non-Performing Loan (NPL) ratio | 9.32% | 8.06% | 7.90%  | 8.16%  | 9.00%  | 20.20% |
| Private Sector Lending Growth   | 9.83% | 8.37% | 10.68% | 12.89% | 10.13% | 7.28%  |

Values as of December  
Source: BB Quarterly, BB Monthly Economic Trend



## ROA vs ROE



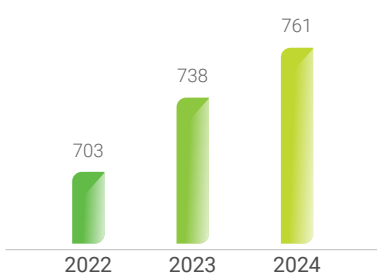
Source: BB Financial Stability Assessment Report

## 2. Non-Bank Financial Companies (NBFCs) Sector Overview

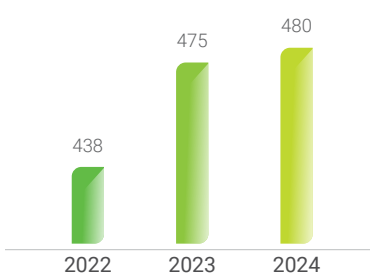
The NBFC sector faced significant challenges throughout 2024, primarily due to persistently low-interest rate spreads. Despite the introduction of a market-driven interest rate framework, the sector's spread increased by only 33 basis points YoY, significantly lagging behind the banking sector's improvement. As a result, the NBFC industry experienced a notable decline across key financial metrics, including net interest income, net profit, return on equity, return on assets etc.

In December 2024, the total deposits of the NBFCs reached BDT 480bn, reflecting a 1.05% YoY growth, compared to 8.45% YoY in 2023. Concurrently, NBFCs' total loans and advances reached BDT 761bn, marking a 3.12% YoY increase, down from 4.98% YoY in the previous year.

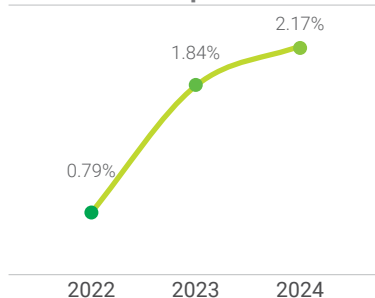
### Loans & Advances (Bn BDT)



### Deposits (Bn BDT)



### Interest Rate Spread



Values as of December End  
Source: NBFI Statistics

The persistently low-interest rate spread presents a significant obstacle to the profitability and long-term sustainability of NBFCs in Bangladesh. This trend underscores the difficult margin environment in which NBFCs operate, limiting their ability to generate sufficient income from lending activities. Furthermore, the narrowing interest rate spread emphasizes the intensified competition within the NBFC sector, as companies vie to attract deposits while preserving profitability amid stringent regulations and economic uncertainties.

Notably, the deterioration in asset quality within the NBFC sector has been more pronounced than in the banking sector. In December 2023, the sector's total classified loans amounted to BDT 232bn, which increased to BDT 262bn by September 2024, as reported by Bangladesh Bank.

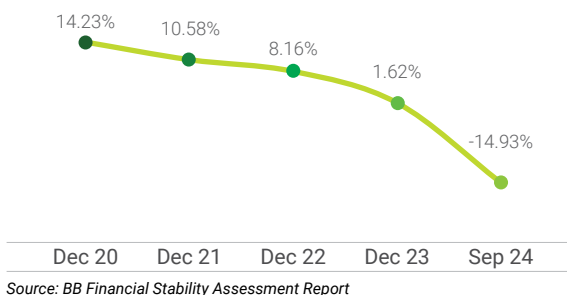
### Other Highlights

| Category                        | 2019   | 2020   | 2021   | 2022   | 2023   | 2024    |
|---------------------------------|--------|--------|--------|--------|--------|---------|
| Call Money Borrowing Rate       | 4.50%  | 1.79%  | 2.66%  | 5.80%  | 8.84%  | 10.07%  |
| Non-Performing Loan (NPL) ratio | 11.00% | 15.03% | 19.33% | 23.88% | 31.55% | 35.52%* |
| Private Sector Lending Growth   | 9.83%  | 8.37%  | 10.68% | 12.89% | 10.13% | 7.28%   |

\*2024 NPL Value as of September, All Other Values as of December  
Source: BB Quarterly, BB Monthly Economic Trend

Profitability further declined, with the return on assets reaching -3.02% in September 2024, compared to -1.81% in December 2023. The capital adequacy ratio fell to 6.86% by September 2024, down from 11.64% in December 2023, raising concerns about the sector's financial stability. Additionally, the Tier-1 capital ratio stood at 4.13% in September 2024, underscoring the need for capital reinforcement. These developments highlight the urgent need for effective risk management and financial restructuring to ensure sustained growth and stability within the NBFC sector.

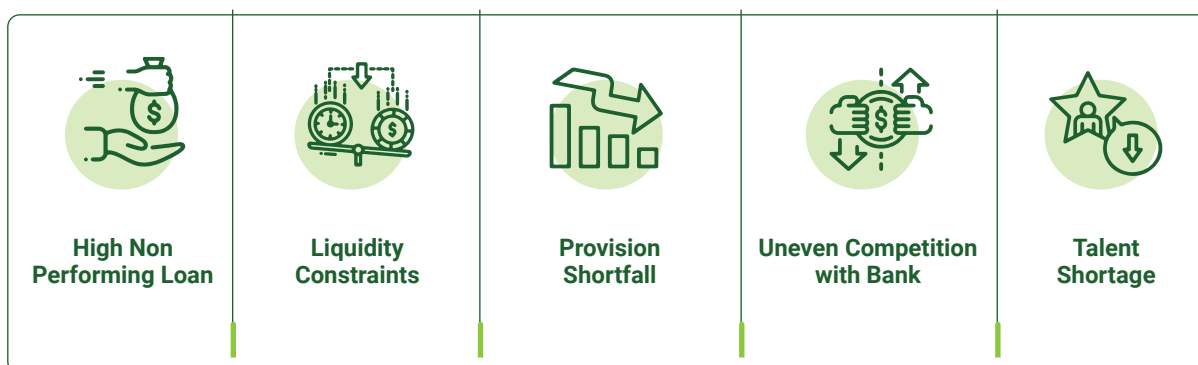
### Capital Adequacy Ratio



Source: BB Financial Stability Assessment Report

## Challenges in 2024

2024 ended significant economic and financial crises, presenting new challenges for Bangladesh's economy to rebound. These crises impacted the sector's growth, setting the stage for complex challenges in the upcoming years. Here are some top challenges faced by the industry in 2024:



Non-Bank Financial Companies (NBFCs) in Bangladesh faced mounting pressure in 2024, with non-performing loans (NPLs) surging to 35.52% by the end of September. Alarming, seven companies reported NPL ratios between 90% and 99%. By June 2024, sixteen NBFCs experienced a combined provision shortfall of BDT 1,954 crore, highlighting weakened financial health and inadequate provisioning against rising bad loans — a sign of poor financial management practices.

The Finance Company Act 2023 introduced stringent deposit limitations, restricting individual and joint deposits, which exacerbated liquidity challenges and hindered growth. The sector also struggled with governance issues, including inadequate oversight and systemic corruption, which eroded public trust. Contradictions between new legislation and existing regulations, such as those set by the Bangladesh Securities and Exchange Commission (BSEC), added regulatory complexity and disrupted institutional operations.

To restore stability and resilience, financial companies were urged to adopt robust corporate governance practices emphasizing transparency, accountability, and independence to mitigate conflicts of interest and strengthen risk assessment. Developing comprehensive risk management frameworks became imperative for effectively managing credit, market, and operational risks. Additionally, establishing specialized agencies or dedicated courts for loan recovery and reinforcing NPL recovery mechanisms were considered essential steps toward improving asset quality.

By addressing these challenges head-on and implementing strategic reforms, Bangladesh's financial sector aimed to rebuild public confidence, regain financial stability, and position itself as a cornerstone of sustainable economic growth and long-term prosperity.

## IPDC'S FINANCIAL PERFORMANCE ANALYSIS

Non-Banking Financial Companies (NBFCs) in Bangladesh faced another challenging year in 2024, navigating a post-pandemic business environment marked by multiple external shocks and governance issues in certain financial companies. Key challenges included a high volume of non-performing loans, a severe liquidity crisis, and a significant contraction in net interest margins in recent quarters.

### 1. 2024 Financials Performance

Despite those challenges, IPDC managed its portfolio efficiently closing the year 2024 with an NPL of 5.83% (4.93% in 2023) which is far lower than that of industry (35.52% as of September 2024). Our primary focus in 2024 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 etc., mobilization of stable deposits, and rationalizing costs. A brief review of the financial performance of the year is as follows:

At the end of 2024, IPDC's loans, leases and advances stood at BDT 69,536mn; -1.5% (BDT 1,036mn by volume) lower than last year. Customer deposits amounted to BDT 51,761mn in 2024, reflecting a 2.1% increase from last year.

Although we have achieved 18.5% growth in gross interest income from loans and leases, our net interest income decreased this year due to increasing interest expenses (by 28.1%) for the higher cost of deposit as well as unfavorable suspense movements from increasing non-performing loans. Operating Revenue amounted to BDT 3,243mn in 2024, higher by 11.7% against 2023. Total operating expense amounted to BDT 1,478mn decreased by 7.8% against 2023 mainly because of better cost management & control initiatives to keep track of the growth of the expenses, increased use of technology, optimization of workforces, introducing energy efficiency & sustainability measures.

Operating profit in 2024 stood at BDT 1,765mn, increasing by 35.8% over 2023. Operating profit increased in 2024 mainly due to higher spread, higher investment income & lower operating expenses.

In 2024, total provision expenses for loans, leases, and investments reached BDT 892mn, reflecting a 39.6% increase compared to 2023. This significant rise was driven by deteriorating asset quality, exacerbated by macroeconomic stress, rising inflation, and disruptions in the global supply chain caused by international geopolitical tensions.

Net Profit After Tax (PAT) for the year stands at BDT 363mn, higher by 5.9% against 2023. Though operating profit has experienced significant growth due to higher net funded revenue from increasing spread, lower operating expenses, significant growth in non-performing loans requiring more provision expenses and negative movement in suspense during this period leads to a moderate growth in PAT. However, IPDC has made an additional build up of BDT 149mn to withstand further aggravation in the asset quality in the upcoming days.

In 2024 IPDC maintained its CAR efficiently at 18.09%, above the 10% requirement under Basel II 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                         | 2020   | 2021   | 2022    | 2023   | 2024   | CAGR 5 |
|------------------------------------|--------|--------|---------|--------|--------|--------|
| <b>Financial Position</b>          |        |        |         |        |        |        |
| Total Asset                        | 75,969 | 84,973 | 86,732  | 91,934 | 89,124 | 6.71%  |
| Total Liabilities                  | 69,906 | 78,620 | 79,929  | 85,182 | 82,215 | 6.92%  |
| Loan, Lease and Advance            | 53,610 | 65,327 | 68,106  | 70,571 | 69,536 | 6.51%  |
| Customer Deposit                   | 41,381 | 48,545 | 47,559  | 50,684 | 51,761 | 7.82%  |
| Equity                             | 6,063  | 6,353  | 6,803   | 6,752  | 6,909  | 4.38%  |
| Loans to Fund Ratio                | 77.2%  | 84.6%  | 86.7%   | 84.9%  | 90.2%  |        |
| Customer deposit to Fund Mix       | 54.5%  | 57.1%  | 54.8%   | 55.1%  | 58.1%  |        |
| <b>Stakeholder Ratio</b>           |        |        |         |        |        |        |
| *Earnings Per Share (EPS)          | 1.81   | 2.26   | 2.31    | 0.88   | 0.93   |        |
| *NAV Per Share                     | 15.6   | 16.3   | 17.5    | 17.3   | 17.7   |        |
| Dividend Payout                    | 63.1%  | 50.5%  | 41.2%   | 54.1%  | 53.6%  |        |
| *Net Operating Cash Flow Per Share | 19.60  | (6.19) | (10.64) | 0.57   | (6.40) |        |

\*Restated due to issuance of bonus share

Over the past five years, IPDC's loan portfolio has consistently experienced growth, representing 6.5% Cumulative Average Growth Rate (CAGR). IPDC's continuous efforts to bring a more stable funding mix by growing customer deposit is continuing which reflects its 7.8% CAGR in customer deposit at the end of 2024. IPDC is also committed to maximizing its shareholders' value by ensuring a 4.4% CAGR of shareholders' equity over the last five years. It also maintained its loans-to fund ratio below the 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 (58.1%).

## 3. Profitability at a Glance

BDT MN

| PARTICULAR                   | 2020  | 2021  | 2022  | 2023  | 2024  | CAGR 5 |
|------------------------------|-------|-------|-------|-------|-------|--------|
| <b>Financial Performance</b> |       |       |       |       |       |        |
| Revenue                      | 2,830 | 3,445 | 3,247 | 2,902 | 3,243 | 8.41%  |
| Operating Expense            | 1,150 | 1,241 | 1,487 | 1,603 | 1,478 | 8.55%  |
| Operating Profit             | 1,680 | 2,203 | 1,760 | 1,300 | 1,765 | 8.31%  |
| Profit Before Tax            | 1,201 | 1,503 | 1,264 | 660   | 872   | -2.58% |
| Profit After Tax             | 706   | 881   | 901   | 343   | 363   | -8.36% |
| Cost to Income Ratio         | 40.6% | 36.0% | 45.8% | 55.2% | 45.6% |        |
| <b>Financial Ratio</b>       |       |       |       |       |       |        |
| Net Interest Margin*         | 3.2%  | 3.8%  | 3.5%  | 3.0%  | 2.8%  |        |
| Operating Profit margin**    | 59.4% | 64.0% | 54.2% | 44.8% | 54.4% |        |
| Net Profit Margin***         | 24.9% | 25.6% | 27.8% | 11.8% | 11.2% |        |
| ROE                          | 12.1% | 14.2% | 13.7% | 5.1%  | 5.4%  |        |
| ROA                          | 1.0%  | 1.1%  | 1.0%  | 0.4%  | 0.4%  |        |

\*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 3,243mn in 2024, which is 11.7% higher than last year since overall macroeconomic condition is thriving after the regime change in the country, adjusting the interest to make in market competitive, increase in investment income from government securities. IPDC experienced a steady growth in revenue, growing at 8.4% CAGR over the last five years due to its diversified portfolio in Corporate, SME and Retail.

Operating profit in 2024 stood at BDT 1,765mn, higher by 35.8% over 2023, Operating profit increased in 2024 mainly due to higher spread,

higher investment income & lower operating expenses, there was moderate growth of 8.3% over the last 5 years.

PAT also increased in 2024 to BDT 363mn, higher by 5.9% against 2023 due to higher net funded revenue from increasing spread, lowering operating expenses. 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 remain at the same level from last year with slight growth in the PAT (5.9%) and similar equity and total assets base to last year.

The cost-to-income ratio has decreased to 45.6% because of growth (11.7%) in revenue and decreasing operating costs by 7.8%, which is also reflected in the increasing operating profit margin from last year. IPDC has maintained above average ROE and ROA over the years.

#### 4. Quarterly Performance Trends

IPDC's financial and non-financial performances are monitored and guided by The Board and Board's Audit Committee (BAC) quarterly. During 2024, BAC reviewed the quarterly financial statements, and

the Board of Directors approved the same before disclosing it to shareholders and stakeholders. There is no significant variance in loans and advances or customer deposits in quarterly financials. But profit after tax was not evenly spread each quarter due to deterioration of asset quality and suspension of interest income. 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 Q4'24. Quarterly financial performances for 2024 are presented below.

BDT MN

| PARTICULAR               | Q1     | Q2     | Q3     | Q4     |
|--------------------------|--------|--------|--------|--------|
| <b>Profit &amp; Loss</b> |        |        |        |        |
| Revenue                  | 659    | 879    | 598    | 1,107  |
| Operating Expense        | 364    | 380    | 370    | 364    |
| Operating Profit         | 295    | 499    | 228    | 743    |
| Profit Before Tax        | 113    | 206    | 99     | 454    |
| Profit After Tax         | 18     | 85     | 47     | 213    |
| Cost to Income Ratio     | 55.25% | 43.20% | 61.88% | 32.92% |

| PARTICULAR              | Mar'24 | Jun'24 | Sep'24 | Dec'24 |
|-------------------------|--------|--------|--------|--------|
| <b>Balance Sheet</b>    |        |        |        |        |
| Loan, Lease and Advance | 69,169 | 68,932 | 67,557 | 69,536 |
| Customer Deposit        | 50,183 | 50,813 | 51,278 | 51,761 |
| Total Liabilities       | 78,912 | 79,052 | 78,767 | 82,215 |

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

Despite rebound in the overall macroeconomic scenario during the year 2024, the non-bank financial companies (NBFC) sector in Bangladesh continues to grapple with significant challenges. These challenges include a consequential volume of non-performing loans, lower interest spread, a severe liquidity crisis, and poor corporate governance.

Although gross interest income observed a growth of 18.5%, interest expense grew by 28.1% resulting in a drop in net interest income by 1.2%. Other operating incomes increased significantly in 2024 due to increase in the investment income riding on the new investment in government treasury securities and preference shares along with capital gain booking from those securities and listed shares. Operating expenses for the year have reduced by 7.8% on YoY basis, due to better cost control initiatives, monitoring and efficient workforce management.

Provision for loan loss expenses has increased by 39.6% (892mn vs 639mn) in 2024 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. Also, IPDC has made additional provision buildup of

BDT 149.3mn this year considering future deterioration of some specific clients. As a result, the PAT stands at BDT 363mn, registering a growth of 5.9% over last year.

#### 6. Analyzing Variances Between Quarterly and Annual Financial Statements

In 2024, the focus was on maintaining asset quality, rationalizing costs, optimizing resource utilization, and achieving sustainable growth. IPDC saw notable fluctuations in financial performance between Q4'24 and Q3'24. In Q4'24, revenue rose by 510mn due to higher net funded revenue and increased investment income. The company focused on cost rationalization, even postponing some capital investment projects, which helped keep costs under control throughout the year. As a result, operating profit in Q4'24 saw a significant boost, driven by higher revenue and stable or reduced costs.

In response to persistent economic difficulties, IPDC diligently followed Bangladesh Bank's provisioning directives for loans, leases, and investments. This adherence, coupled with consistent asset quality assessments, impacted on the company's monthly and quarterly profit figures. Looking forward, IPDC prioritizes continued bottom-line growth, implementing strategic initiatives to ensure sustainable profitability in 2025 and subsequent years.



## SEGMENT WISE PERFORMANCE

For the year ended December 31, 2024

BDT MN

| Particulars                  | Corporate    | SME & Emerging Corporate | Retail     | Treasury   | Total        |
|------------------------------|--------------|--------------------------|------------|------------|--------------|
| Net Interest Income          | 970          | 748                      | 707        | 517        | 2,942        |
| Fees and Other Income        | 37           | 98                       | 86         | 80         | 301          |
| <b>Net Operating Revenue</b> | <b>1,008</b> | <b>845</b>               | <b>792</b> | <b>597</b> | <b>3,243</b> |
| Operating Expenses           | 295          | 423                      | 655        | 105        | 1,478        |
| <b>Operating Profit</b>      | <b>713</b>   | <b>422</b>               | <b>137</b> | <b>492</b> | <b>1,765</b> |

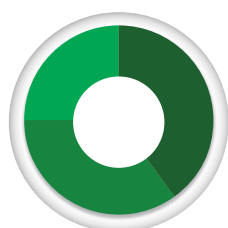
For the year ended December 31, 2023

BDT MN

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

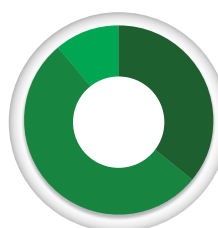
### Share in Business

#### Loan Lease and Advance



- Corporate **40%**
- SME **35%**
- Retail **25%**

#### Customer Deposit



- Corporate **36%**
- Retail **53%**
- SME **11%**

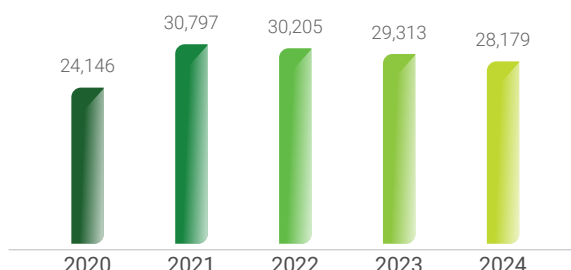
## 1. Corporate Business

### Financial Performance



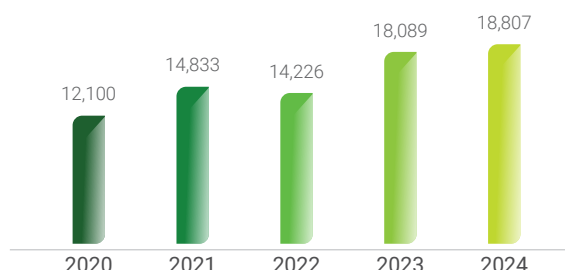
### Loan Portfolio

Share in total portfolio **40%**  
Total portfolio 2024 BDT **28,179** million



### Deposit Portfolio

Share in total portfolio **36%**  
Total portfolio 2024 BDT **18,807** million



Total corporate assets as of 31 December 2024 stood at BDT 28,179mn, contributing 40% in total IPDC's loans leases and advances. This year corporate portfolio observed degrowth (-3.9%) from last year due to cautious call as economy was facing multiple external and internal shocks arising from macroeconomic stress and political tensions. Total corporate liability has increased growth by 4.0% to BDT 18,807mn from 18,089mn in 2023. Amidst the uncertain business environment corporate business has disbursed BDT 14,600mn loans to 216 customers and brought 5,594mn new deposits in 2024 from

2,100+ customers.

The operating revenue from corporate business is BDT 1,008mn increased by 25.0% because of keeping costs of deposit stable and focusing on maintaining proper interest spread. Operating expenses reduced by 10.67% though enhancement of productivity and efficiency from last year resulting operating profit soared to BDT 713mn, grown by 49.8% from last year with highest contribution to (40.4%) operating margin to IPDC in 2024.

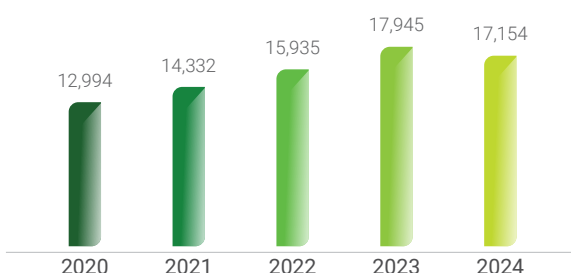
## 2. Retail

### Financial Performance



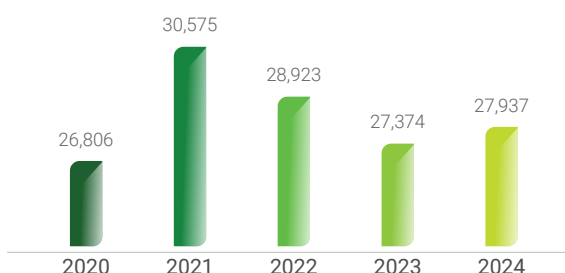
### Credit Portfolio

Share in total portfolio **25%**  
Total portfolio 2024 BDT **17,154** million



### Customer Deposit

Share in total portfolio **53%**  
Total portfolio 2024 BDT **27,937** million



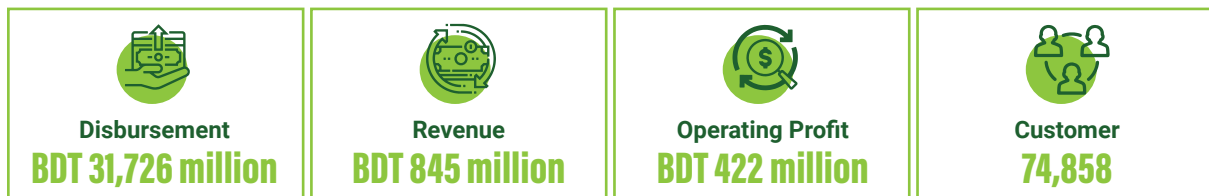


Total retail assets as of 31 December 2024 stood at BDT 17,154mn, contributing 25% in total IPDC's loans leases and advances. In 2024, retail portfolio experienced slight degrowth by 4.4% from last year due to cautious focus on expansion of retail market space. Total retail liability has increased by 2.1% to BDT 27,934mn from 22,374mn in 2024. Retail business has disbursed 4,626mn loans to 2,500+ customers and brought 11,817mn new deposits in 2024 from 8,300+ customers.

The operating revenue from retail business is BDT 792mn, increased by 11.9% because of keeping costs of deposit stable and focusing on maintaining proper interest spread in the retail segment. Operating expenses were controlled & reduced by 3.5% through cost optimization initiatives throughout the year, as a result operating profit soared to 137 mn, increased 4.5 times in 2024.

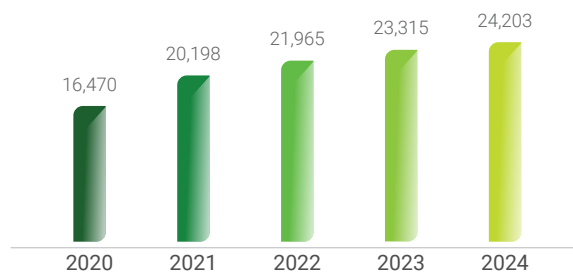
### 3. SME

#### Financial Performance



#### Credit Portfolio

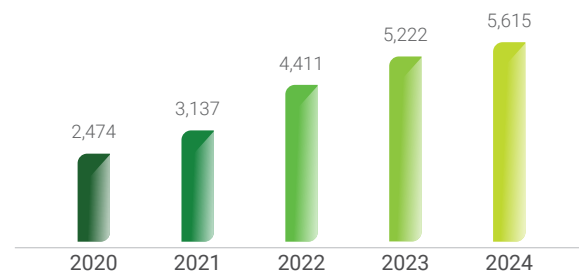
Share in total portfolio **35%**  
Total portfolio 2024 BDT **24,203** million



Total SME assets as of 31 December 2024 stood at BDT 24,203mn, contributing 35% in total IPDC's loans leases and advances. In 2024 SME portfolio grown by 3.8% (BDT 888mn) from last year due to strategic focus on expansion of medium market enterprises 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 2024's growth momentum. Total SME liability has increased by 13.7% to BDT 12,978mn from 11,410mn in 2023. The significant deposit comes from refinance scheme from Bangladesh Bank which has grown by more than 22%

#### Customer Deposit

Share in total portfolio **11%**  
Total portfolio 2024 BDT **5,615** million



in 2024. SME business has disbursed 31,726mn loans to 1400+ customers and brought 2,516mn new deposits in 2024 from 1,500+ customers.

The operating revenue from SME and emerging corporate is BDT 845mn decreased by 5.8% 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 optimized by 12.8% in the year and as a result operating profit increased to BDT 422mn, increased by 2.4% from last year.

## STRATEGIC PRODUCT PERFORMANCE

### 1. BHALOBASHA HOMELOAN



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 Chattogram. 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**



Maximum Loan Amount  
**BDT 5.0 million**



Minimum Land Area  
**1.5 Katha**



Maximum Loan Tenure  
**25 years**



Loan for  
**Pucca & Semi Pucca**



Available  
**Across Bangladesh**

#### Performance in 2024



Portfolio  
**BDT 3,467 million**



Avg. Ticket Size  
**BDT 1.8 million**



District Covered  
**55**



Customer  
**4,000+**

### 2. IPDC DANA



With the vision to support the growth aspirations of the CMSMEs, IPDC Finance PLC (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 MMs to increase their revenue and improve standard of living. Thus, DANA is promoting financial inclusion and participating in achieving Sustainable Development Goals (SDGs).

#### Performance in 2024



Disbursement  
**BDT 4,070 million**



Number of Loan Disbursed  
**802,500+**



Areas Covered  
**40+**



Customer  
**71,800+**



## OTHER DISCLOSURE

### Management discussion and analysis

A comprehensive portrait of IPDC Finance PLC's overall performance in 2024, presented in a dedicated section titled 'Management Discussion & Analysis'. This section highlights IPDC's performance relative to the broader NBFC industry, traces the company's financial growth over the years, outlines the strategic outlook for all three business centers, and showcases the initiatives undertaken beyond financial metrics to foster stakeholder development and well-being throughout the year.

### Future Development

The next chapter of IPDC's journey will build upon the strong foundation we've established in recent years, propelling us forward with renewed passion. In the short term, our focus will be on refining distribution points, optimizing resource allocation, and enhancing the efficiency and productivity of existing resources. We aim to expand our investment in the Capital, with a medium-to-long-term strategy focused on scaling technological platforms and growing our investments in the SME and Retail segments in a cost-effective way. On the funding side, we plan to increase our share of customer deposits by encouraging long-term, small-ticket deposits. This approach sets us apart from other financial companies, as smaller deposits tend to be more stable during periods of tight liquidity.

### Equitable treatment to Shareholders

IPDC Finance PLC is committed to upholding the principles of fairness and equity for all shareholders, regardless of their size or status – whether major or minor, individual or institutional. We ensure that every shareholder enjoys equal rights and remain dedicated to delivering long-term value. The consistent growth in the company's asset base, continuous improvements in asset quality, and steady profitability reflect the tangible value shareholders gain by investing in IPDC.

### 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.

### Insider Trading

The members of the IPDC Board, its subcommittees, senior management, and their family members were not involved in any insider trading and remained fully compliant with all provisions related to insider trading.

### Dividend

While taking dividends, 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 10% dividend (5% cash and 5% stock) for the year ended 31 December 2024 subject to approval of the shareholders in 43<sup>rd</sup> 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 Management" 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, cashflows 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 (IASS)/International Financial Reporting Standards (IFRSs) 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 an internal sound 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 extends its heartfelt gratitude to our valued shareholders, clients, business partners, and all stakeholders for their unwavering support and trust in IPDC. We offer special thanks to Bangladesh Bank, the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, the 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 that drive progress in both the financial industry and the nation.

A sincere appreciation goes to my fellow Board Members for their ongoing guidance and dedication to advancing the company's vision. Lastly, the Board extends a special note of thanks to the management and employees of IPDC for their relentless efforts and remarkable achievements.

For and on behalf of the Board of Directors



**Ariful Islam**  
Chairman  
IPDC Finance PLC

# KEY OPERATING AND FINANCIAL DATA OF PRECEDING 5 YEARS

| PARTICULARS              | 2020  | 2021  | 2022  | 2023  | 2024  | Growth (YoY) | CAGR 5 |
|--------------------------|-------|-------|-------|-------|-------|--------------|--------|
| <b>Operating Results</b> |       |       |       |       |       |              |        |
| Net Interest Income      | 2,017 | 2,783 | 2,770 | 2,423 | 2,393 | -1.2%        | 4.3%   |
| Operating Income         | 2,830 | 3,445 | 3,247 | 2,902 | 3,243 | 11.7%        | 8.4%   |
| Operational Expenses     | 1,150 | 1,241 | 1,487 | 1,603 | 1,478 | -7.8%        | 8.5%   |
| Operating Profit         | 1,680 | 2,203 | 1,760 | 1,300 | 1,765 | 35.8%        | 8.3%   |
| Profit Before Tax        | 1,201 | 1,503 | 1,264 | 660   | 872   | 32.1%        | -2.6%  |
| Net Profit After Tax     | 706   | 881   | 901   | 343   | 363   | 5.9%         | -8.4%  |

## Financial Performance

|                                           |        |        |        |        |        |       |       |
|-------------------------------------------|--------|--------|--------|--------|--------|-------|-------|
| Disbursement - Loans, Leases and Advances | 27,597 | 49,931 | 49,468 | 55,995 | 50,952 | -9.0% | 3.0%  |
| Outstanding Loans, Leases and Advances    | 53,610 | 65,327 | 68,106 | 70,571 | 69,536 | -1.5% | 6.5%  |
| Fixed Assets                              | 777    | 765    | 876    | 808    | 741    | -8.2% | -1.2% |
| Total Assets                              | 75,969 | 84,973 | 86,732 | 91,934 | 89,124 | -3.1% | 6.7%  |
| Term Deposits                             | 52,456 | 60,405 | 59,139 | 60,177 | 54,319 | -9.7% | 3.2%  |
| Borrowings                                | 10,946 | 10,496 | 12,097 | 16,099 | 17,433 | 8.3%  | 19.9% |
| Total Liabilities and Equity              | 75,969 | 84,973 | 86,732 | 91,934 | 89,124 | -3.1% | 6.7%  |

## Equity Information

|                                            |             |             |             |             |             |        |       |
|--------------------------------------------|-------------|-------------|-------------|-------------|-------------|--------|-------|
| Shareholders' Equity                       | 6,063       | 6,353       | 6,803       | 6,752       | 6,909       | 2.3%   | 4.4%  |
| Paid up Capital                            | 3,711       | 3,711       | 3,711       | 3,711       | 3,896       | 5.0%   | 2.0%  |
| Number of Ordinary Shares                  | 371,091,547 | 371,091,547 | 371,091,547 | 371,091,547 | 389,646,124 | 5.0%   | 2.0%  |
| Net Asset Value Per Share (NAV) - Restated | 15.6        | 16.3        | 17.5        | 17.3        | 17.7        | 2.3%   | 4.4%  |
| Earnings Per Share (EPS) - Restated        | 1.81        | 2.26        | 2.31        | 0.88        | 0.93        | 5.9%   | -8.4% |
| Year end Market Price Per Share            | 27.6        | 38.6        | 57.6        | 57.6        | 18.3        | -68.2% | -6.5% |
| Market Capitalization                      | 10,242      | 14,324      | 21,375      | 21,375      | 7,131       | -66.6% | -4.7% |

## FINANCIAL RATIOS

|                                      |        |        |        |        |        |  |  |
|--------------------------------------|--------|--------|--------|--------|--------|--|--|
| Solvency                             |        |        |        |        |        |  |  |
| Current Ratio                        | 1.0    | 1.0    | 1.0    | 1.0    | 1.0    |  |  |
| Credit Deposit Ratio                 | 1.02:1 | 1.08:1 | 1.15:1 | 1.17:1 | 1.28:1 |  |  |
| CAR (%)                              | 18.51% | 15.65% | 15.92% | 18.12% | 18.09% |  |  |
| Debt Equity Ratio                    | 1.8    | 1.7    | 1.8    | 2.4    | 2.5    |  |  |
| Loan to Fund Ratio                   | 77.2%  | 84.6%  | 86.7%  | 84.9%  | 90.2%  |  |  |
| Leverage Ratio                       | 7.4%   | 7.1%   | 7.5%   | 7.0%   | 7.4%   |  |  |
| Liquid Asset to Total Deposit        | 28.0%  | 23.5%  | 21.4%  | 23.5%  | 13.0%  |  |  |
| Liquid Asset to Short Term Liability | 37.5%  | 35.2%  | 28.4%  | 26.9%  | 18.0%  |  |  |
| Total Advance to Total Asset         | 70.6%  | 76.9%  | 78.5%  | 76.8%  | 78.0%  |  |  |
| Govt. Securities to Total Investment | 67.5%  | 8.5%   | 0.0%   | 35.7%  | 54.7%  |  |  |



| PARTICULARS                   | 2020    | 2021    | 2022    | 2023    | 2024    |
|-------------------------------|---------|---------|---------|---------|---------|
| <b>Asset Quality</b>          |         |         |         |         |         |
| Rate of NPL                   | 1.38%   | 3.15%   | 4.14%   | 4.93%   | 5.83%   |
| Rate of Net NPL               | -1.92%  | -0.83%  | -0.45%  | -0.40%  | -0.68%  |
| Large Loan Concentration      | 3.5%    | 4.7%    | 4.5%    | 1.6%    | 4.7%    |
| Provision Required            | 750.2   | 1,601.5 | 2,285.6 | 2,940.6 | 3,292.7 |
| Provision Kept                | 1,278.5 | 1,951.6 | 2,352.4 | 2,940.6 | 3,442.0 |
| Provision Surplus / (Deficit) | 528.2   | 350.1   | 14.3    | -       | 149.3   |

### Investors Ratio

|                                        |       |       |       |       |      |
|----------------------------------------|-------|-------|-------|-------|------|
| Price Earning Ratio (Times) (Restated) | 14.5  | 16.3  | 23.9  | 63.24 | 19.6 |
| Cash Dividend                          | 12.0% | 12.0% | 10.0% | 5.0%  | 5.0% |
| Stock Dividend                         | -     | -     | -     | 5.0%  | 5.0% |
| Dividend Per Share (DPS)               | 1.2   | 1.2   | 1.0   | 0.5   | 0.5  |
| Dividend Yield (%)                     | 4.3%  | 3.1%  | 1.7%  | 1.7%  | 2.7% |
| Dividend Cover (EPS/DPS)****           | 1.6   | 2.0   | 2.4   | 1.8   | 1.9  |
| Return on Equity (ROE)                 | 12.1% | 14.2% | 13.7% | 5.1%  | 5.4% |
| NAV Per Share (BDT) - Restated         | 15.6  | 16.3  | 17.5  | 17.3  | 17.7 |

### Profitability

|                                        |       |       |       |       |       |
|----------------------------------------|-------|-------|-------|-------|-------|
| Net Interest Margin*                   | 3.2%  | 3.8%  | 3.5%  | 3.0%  | 2.8%  |
| Operating Profit Margin**              | 59.4% | 64.0% | 54.2% | 44.8% | 54.4% |
| Net Profit Margin***                   | 24.9% | 25.6% | 27.7% | 11.8% | 11.2% |
| Cost of Fund (CoF)                     | 8.8%  | 6.0%  | 6.2%  | 6.9%  | 9.0%  |
| Return on Asset (ROA)                  | 1.0%  | 1.1%  | 1.0%  | 0.4%  | 0.4%  |
| Return on Average Risk Weighted Asstes | 1.9%  | 2.0%  | 1.9%  | 0.7%  | 0.7%  |
| Write-off to Total Loan and Advances   | 0.6%  | 0.4%  | 0.3%  | 0.4%  | 1.3%  |
| Cost to Income Ratio                   | 40.6% | 36.0% | 45.8% | 55.2% | 45.6% |
| Earning Asset (% of total assets)      | 95.8% | 96.0% | 95.2% | 96.2% | 95.6% |
| Revenue per Employee                   | 3.3   | 4.1   | 3.7   | 3.3   | 3.8   |
| Operating Profit per Employee          | 2.0   | 2.6   | 2.0   | 1.5   | 2.1   |
| Average Revenue per Branch             | 235.8 | 229.6 | 216.5 | 193.5 | 190.8 |
| Average Operating Profit per Branch    | 140.0 | 146.9 | 117.4 | 86.7  | 103.8 |

\*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 \*\*\*\*Based on non-restated EPS

# PATTERN OF SHAREHOLDING AS ON 31 DECEMBER 2024

| Names                                                      | Position                                       | Number of shares |
|------------------------------------------------------------|------------------------------------------------|------------------|
| <b>Parent/Subsidiary/Directors</b>                         |                                                |                  |
| Parent/subsidiary/associates and other related parties     | Not Applicable                                 | Nil              |
| Mr. Ariful Islam, his spouse and minor child               | Chairman                                       | 1050             |
| Mr. Munshi Abdul Ahad, his spouse and minor child          | Director                                       | Nil              |
| Ms. Maqsura Noor ndc, his spouse and minor child *         | Director                                       | Nil              |
| Mr. Tushar Bhowmik, his spouse and minor child             | Director                                       | Nil              |
| Dr. Shah Md. Ahsan Habib, his spouse and minor child       | Independent Director                           | Nil              |
| Mr. Sarwar Azam Khan, his spouse and minor child           | Independent Director                           | Nil              |
| Ms. Mohammad Iqbal Chowdhury, her spouse and minor child   | Independent Director                           | Nil              |
| <b>Top Executives</b>                                      |                                                |                  |
| Mr. Rizwan Dawood Shams                                    | Managing Director                              | Nil              |
| Ms. Fahmida Khan                                           | Chief Financial Officer (CFO)                  | Nil              |
| Mr. Samiul Hashim                                          | Company Secretary (CS)                         | Nil              |
| Mr. Abdullah Al Mahmud Md. Kayes                           | Head of Internal Control and Compliance (HICC) | Nil              |
| <b>Top Five Executives other than CEO, CFO CS and HICC</b> |                                                |                  |
| Mr. Ashique Hossain                                        | Deputy Managing Director                       | Nil              |
| Ms. Jumaratul Banna                                        | General Manager                                | Nil              |
| Mr. Md. Afzalur Rashid                                     | General Manager                                | Nil              |
| Mr. Mohammad Mahmudur Rahman Shawon                        | Deputy General Manager                         | Nil              |
| Mr. Sayeed Iqbal                                           | Deputy General Manager                         | Nil              |

\* The nomination of Ms. Nilufer Nazneen has withdrawn by GOB effective from 11 February 2025 and Ms. Maqsura Noor ndc replaced her on 05 March 2025 as per approval from Bangladesh Bank.

\*\* Ms. Sonia Bashir Kabir has resigned from the Board of IPDC effective from 03 March 2025.

## Shareholders holding 10% or more voting right:

| Name of shareholders                                    | Number of shares | %       |
|---------------------------------------------------------|------------------|---------|
| Government of the People's Republic of Bangladesh (GOB) | 85,252,870       | 21.8796 |
| BRAC                                                    | 97,411,527       | 25.0000 |
| Ayesha Abed Foundation                                  | 38,964,609       | 10.0000 |



# MEETING ATTENDED BY THE DIRECTORS UNTIL 31 DECEMBER 2024

| Name of Director                   | Board of Directors Meeting                  |                  |                                             | Executive Committee Meeting                    |                  |                                             | Risk Management Committee                       |                  |                                             | Audit Committee Meeting                        |                  |                                             | Remarks                                  |
|------------------------------------|---------------------------------------------|------------------|---------------------------------------------|------------------------------------------------|------------------|---------------------------------------------|-------------------------------------------------|------------------|---------------------------------------------|------------------------------------------------|------------------|---------------------------------------------|------------------------------------------|
|                                    | Total Meeting held during Director's Tenure | Meeting Attended | Remuneration paid for attending the meeting | Total EC Meeting held during Director's tenure | Meeting Attended | Remuneration paid for attending the meeting | Total RMC 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 |                                          |
|                                    |                                             |                  | BDT                                         |                                                |                  | BDT                                         |                                                 |                  |                                             |                                                |                  | BDT                                         |                                          |
| Mr. Ariful Islam                   | 10                                          | 10               | 99,000                                      |                                                |                  |                                             | 2                                               | 2                | 22,000                                      |                                                |                  |                                             | Nominated by Ayesha Abed Foundation      |
| Mr. Md. Anwarul Alam**             | 2                                           | 2                | 17,600                                      |                                                |                  |                                             |                                                 |                  |                                             | 1                                              | 1                | 8,800                                       | Nominated by GOB                         |
| Ms. Nilufer Nazneen                | 7                                           | 7                | 72,600                                      |                                                |                  |                                             |                                                 |                  |                                             | 3                                              | 3                | 30,800                                      | Nominated by GOB                         |
| Mr. Mohammad Manzarul Mannan ***   | 7                                           | 7                | 66,000                                      | 6                                              | 6                | 57,200                                      | 1                                               | 1                | 11,000                                      |                                                |                  |                                             | Nominated by GOB                         |
| Mr. Munshi Abdul Ahad              | 1                                           | 1                | 11,000                                      | 2                                              | 2                | 22,000                                      | 1                                               | 1                | 11,000                                      |                                                |                  |                                             | Nominated by GOB                         |
| Ms. Sonia Bashir Kabir             | 10                                          | 3                | 28,600                                      | 3                                              | 3                | 33,000                                      |                                                 |                  |                                             | 2                                              | 2                | 17,600                                      | Independent Director                     |
| Dr. Shah Md. Ahsan Habib           | 10                                          | 9                | 90,200                                      |                                                |                  |                                             | 2                                               | 2                | 22,000                                      | 5                                              | 5                | 48,400                                      | Independent Director                     |
| Mr. Sameer Ahmad *****             | 4                                           | 4                | 35,200                                      | 3                                              | 2                | 17,600                                      |                                                 |                  |                                             |                                                |                  |                                             | Nominated by RSA Capital Ltd.            |
| Mr. Tushar Bhowmik                 | 10                                          | 10               | 99,000                                      | 10                                             | 9                | 90,200                                      |                                                 |                  |                                             |                                                |                  |                                             | Nominated by BRAC                        |
| Ms. Nahreen Rahman*                | 4                                           | 4                | 35,200                                      | 4                                              | 4                | 35,200                                      |                                                 |                  |                                             | 3                                              | 3                | 26,400                                      | Nominated by Bluechip Securities Limited |
| Mr. Sarwar Azam Khan ****          | 6                                           | 6                | 63,800                                      |                                                |                  |                                             | 2                                               | 2                | 22,000                                      | 2                                              | 2                | 22,000                                      | Independent Director                     |
| Mr. Mohammad Iqbal Chowdhury ***** | 6                                           | 4                | 41,800                                      | 5                                              | 4                | 44,000                                      |                                                 |                  |                                             |                                                |                  |                                             | Independent Director                     |
| Total Remuneration paid            | 77                                          | 67               | 660,000                                     |                                                | 30               | 299,200                                     |                                                 | 8                | 88,000                                      |                                                | 16               | 154,000                                     |                                          |
|                                    |                                             |                  |                                             |                                                |                  |                                             |                                                 |                  |                                             |                                                |                  |                                             | 1,201,200                                |

Note: Leave of absence was granted in all cases of non attendance

\* Ms. Nahreen Rahman was a Nominee Director of Bluechip Securities Ltd. as Ms. Rahman Retired and re-elected in the 42<sup>nd</sup> AGM on 16.05.2024 but Bangladesh Banks approval was not received.

\*\* Mr. Md. Anwarul Alam was a Nominee Director of Government of Bangladesh (GoB), he was replaced by Ms. Nilufer Nazneen on 16.04.2024.

\*\*\* Mr. Mohammad Manzarul Mannan was a Nominee Director of Government of Bangladesh (GoB), he was replaced by Mr. Munshi Abdul Ahad on 30.10.2024.

\*\*\*\* Mr. Sarwar Azam Khan was appointed as Independent Director of IPDC on 21.05.2024.

\*\*\*\*\* Mr. Mohammad Iqbal Chowdhury was appointed as Independent Director on 13.05.2024

\*\*\*\*\* Mr. Sameer Ahmad has resigned as Nominee Director of RSA Capital Ltd. on 21.05.2024



# Management Discussion & Analysis





# MANAGEMENT DISCUSSION & ANALYSIS

## NAVIGATING CHALLENGES AMID COMPLEXITIES

The year 2024 was an unprecedented roller-coaster ride for Bangladesh, marked by a major political shift following mass protests in July-August. This transition was significant, as it ended an era of autocratic rule, creating opportunities for greater socio-political development and addressing long-standing economic mismanagement. In the aftermath of the regime change, deep economic vulnerabilities—particularly in the financial sector—came to light. However, optimism remains high with the newly formed interim government, led by prominent economists. The proactive measures taken by the administration signal a strong commitment to economic revitalization and financial sector reforms, paving the way for a more accountable government and a business environment free from political influence.

However, significant challenges lie ahead. Sustaining economic growth, reforming financial sector, restoring political stability, and rebuilding trust in democratic processes remain key priorities. Additionally, climate change poses a serious threat to the nation's agricultural sector and critical infrastructure. To mitigate these risks and ensure long-term resilience, the government must invest strategically in infrastructure and diversify the economic landscape. Addressing regulatory hurdles and combating corruption will further enhance Bangladesh's appeal as a business destination. By navigating these challenges with foresight and determination, Bangladesh can sustain its impressive economic trajectory.

Furthermore, Bangladesh's growing population presents promising opportunities for businesses in sectors such as healthcare, education, and retail. While these industries hold immense potential, strategic initiatives are required to unlock growth and drive national prosperity. Strengthening the exchange rate environment, fostering a flexible interest rate environment, and expanding social safety nets are crucial measures for sustainable economic progress. Additionally, optimizing tax collection will provide essential resources for continued government investment in key sectors.

Despite recent headwinds from the global economic slowdown and country's political upheaval, Bangladesh's economy has demonstrated remarkable resilience. Growth projections remain positive in the medium term, supported by the government's proactive policies, particularly its focus on economic and financial sector reform. Moreover, efforts to diversify the economy beyond traditional sectors open new avenues for sustainable growth, reinforcing Bangladesh's position as an emerging economic powerhouse.

## ECONOMIC OUTLOOK

The year 2024 was marked by significant economic turbulence worldwide, impacting nations across continents. Bangladesh, like many others, faced the consequences of these challenges, navigating a landscape fraught with uncertainty and complexity. This chapter provides a detailed analysis of the global economic trends of 2024, with a particular focus on Bangladesh. Amid these uncertainties, it explores the resilience, challenges, and opportunities that defined the economic landscape, offering a comprehensive perspective on the forces shaping both global and domestic economies.

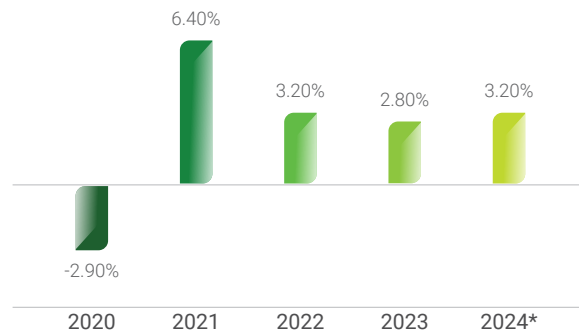
### 1. Global Outlook

#### 1.1. GDP Growth World

The global economy remains steady, though the extent of this stability varies significantly across countries. While momentum in the United

States has remained robust, growth in large economies such as China, India, and the Euro area experienced subdued growth, leading to a moderate overall growth outlook. Global GDP is projected to grow at 3.20% in 2024 and 3.30% in 2025, both below the historical average of 3.70% from 2000 to 2019.

#### World GDP Growth



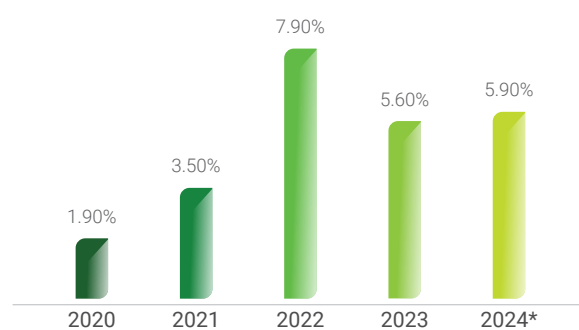
\*Projected Value

Source: World Bank, IMF

#### 1.2. Inflation

Global headline inflation is expected to reach 5.9% in 2024 and to 4.2% in 2025, converging back to target earlier in advanced economies than in emerging market and developing economies. Global disinflation continues, but there are signs that progress is stalling in some countries, and that elevated inflation is persistent in a few cases. The global median of sequential core inflation has been just slightly above 2.0% for the past few months. Nominal wage growth is showing signs of moderation, alongside indications of continuing normalization in labor markets.

#### World Inflation (Consumer Prices)



\*Projected Value

Source: World Bank, IMF

#### 1.3. Energy Outlook

Escalating conflict in the Middle East and Russia's continued war in Ukraine have global attention sharply focused on some of the world's most important energy-producing regions. While some of the acute impacts of the global energy crisis have receded, geopolitical uncertainty is exposing the underlying fragilities of the global energy system, regardless of technology or geography. Compounding these challenges, energy infrastructure is increasingly at risk from extreme weather events, which have become a frequent reality for populations worldwide.

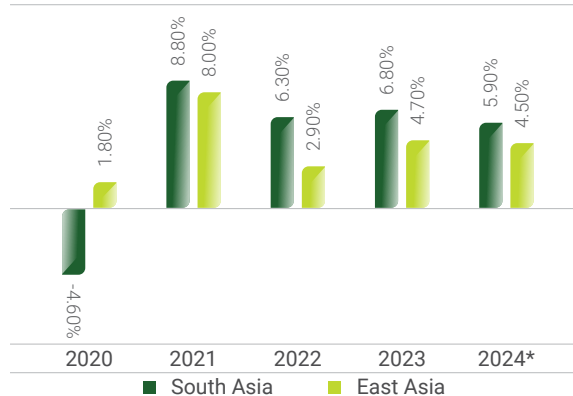
According to the International Energy Agency (IEA), the likelihood of near-term disruptions to oil and gas supplies remains high due to conflicts in the Middle East. Notably, around 20% of the world's oil and liquefied natural gas (LNG) supplies pass through the Strait of Hormuz, a crucial maritime chokepoint in the region. Additionally, clean energy investment in emerging market and developing economies (excluding China) remains disproportionately low, accounting for just 15% of total global investment despite these regions representing two-thirds of the world's population and one-third of global GDP. This imbalance underscores the urgent need for targeted financial and policy interventions to support the energy transition in these economies.

## 2. South and East Asia Regional Outlook

South Asia's growth prospects are revised downward to 5.9% for 2024 and 6.3% for 2025. The lower forecast for 2024 is mainly due to India's lower-than-expected Q2 growth, driven by dampened manufacturing sector performance and lagging government spending. While growth forecasts for Pakistan and Sri Lanka have been upgraded due to their recovery from the macroeconomic challenges of 2022-2023, downward revisions for Bangladesh and the Maldives have further weighed on the 2024 outlook.

Meanwhile, the forecast for East Asia's growth in 2024 is revised downwards marginally to 4.5% from 4.6% and remains unchanged at 4.2% for 2025. The PRC is on track to meet the growth forecast in the Asian Development Outlook September 2024, supported by exports and supportive policies, which are offsetting weak domestic demand. However, weaker-than-expected growth in Q3 in the Republic of Korea and modest prospects for domestic demand and exports has led to a downward revision in the growth projection for 2024. In Hong Kong, China, slower-than-expected growth in private consumption, driven by weaker sales of non-durable goods and food products, along with a deceleration in fixed investment, particularly in construction, has lowered the growth forecast for 2024.

### South and East Asia GDP Growth



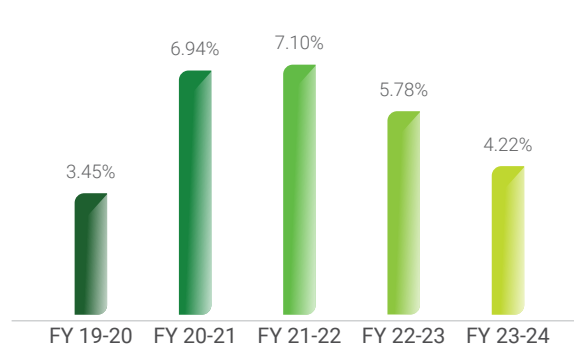
\*Projected Value  
Source: World Bank, ADB

## 3. Bangladesh Economy

### 3.1. GDP Growth

The World Bank has projected Bangladesh's GDP growth for FY25 at 4.1%, marking the lowest since 2020. This subdued outlook is primarily attributed to nationwide instability during July–August, deteriorating law and order conditions in August–September, disruptions caused by flash floods and a prolonged monsoon, as well as a slowdown in credit growth due to high interest rates and banking system upheavals. Despite these challenges, Bangladesh's projected GDP growth for FY25 is expected to outpace that of Emerging Markets & Developing Economies (4.2%) and the global average (3.2%).

### GDP Growth

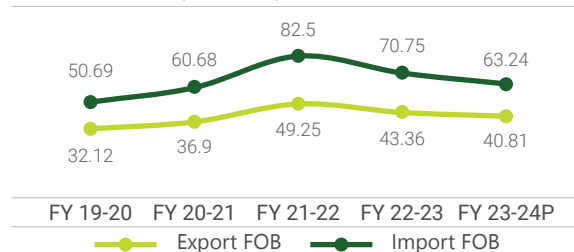


Source: BBS, BB Quarterly

### 3.2. Trade Deficit

In the FY24, Bangladesh experienced a notable 18.11% reduction in its trade deficit, reaching USD 22.43bn, primarily due to reduced imports. In FY24 imports declined by 10.61% to USD 63.24bn, while exports declined by 5.88% to USD 40.81bn, contributing to the reduction in the trade gap. As of latest data, Jul-Jan'FY25 trade deficit reached USD 11.75bn, 9.02% decline YoY, thanks to improved export growth post regime change.

### Trade Deficit (Bn USD)



\*Projected Value  
Source: BB Quarterly

### 3.3. FX Reserve

Since 2021, Bangladesh has experienced a significant decline in foreign exchange (FX) reserves and currency value. In 2024, the currency was depreciated by a further 8.33% YoY. However, BB successfully mitigated any substantial decline in FX reserves, which stood at USD 26.2bn in December 2024, compared to USD 27.1bn in December 2023. The proactive policies implemented by the BB governor—including strategic interventions in the FX market, easing restrictions on letters of credit issuance, and facilitating trade credits—helped to improve remittance inflows and export earnings, thereby stabilizing FX reserves. Additionally, commitments from development financial institutions (DFIs) are expected to further strengthen the country's FX position.

### FX Reserve (Bn USD)



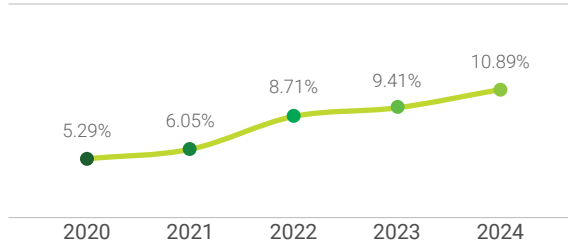
Source: BBS



### 3.4. Inflation Rate

Inflation in Bangladesh surged to an alarming 13-year high of 11.66% in July 2024, marking the first instance of double-digit inflation since 2011. Despite global price declines, domestic markets remained largely unaffected, highlighting vulnerabilities stemming from the dominance of a few concentrated business groups. Following the regime change, BB maintained a tight monetary policy, exercising caution over money supply. As of February 2025, inflation eased to 9.32%, primarily driven by lower food prices during the winter season. In addition, BB aims to further reduce inflation to a target range of 7.00%–8.00% by FY25.

#### Inflation

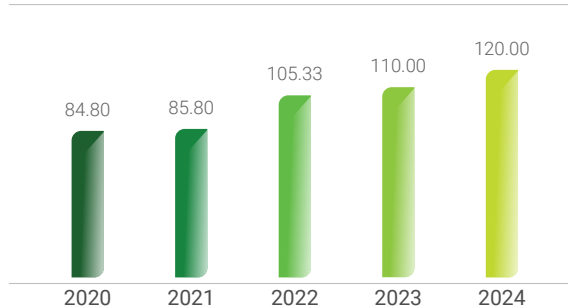


Source: BB Selected Indicators

### 3.5. Dollar Price

The exchange rate of the BDT against USD depreciated by 8.33% YoY in 2024, reaching BDT 120.0 per USD, the highest level in recent years. In May 2024, Bangladesh Bank (BB) introduced a crawling peg system, allowing the BDT to fluctuate within a predetermined range to enhance stability and flexibility. To further enhance exchange rate adaptability, BB adjusted the central rate in August 2024 and widened the trading band from 1.0% to 2.5%, granting the BDT greater flexibility against the USD. This measure reduced the gap between official and unofficial foreign exchange rates. Subsequently, on January 12, 2025, BB implemented a daily reference exchange rate based on real market transactions. This strategic shift toward a more flexible exchange rate regime marks a crucial step in strengthening the economy, ensuring that the BDT more accurately reflects market conditions.

#### Dollar Price



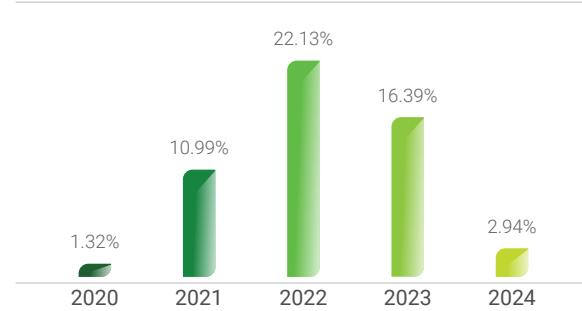
Source: BB Selected Indicators

### 3.6. Public Sector and Private Sector Credit Growth

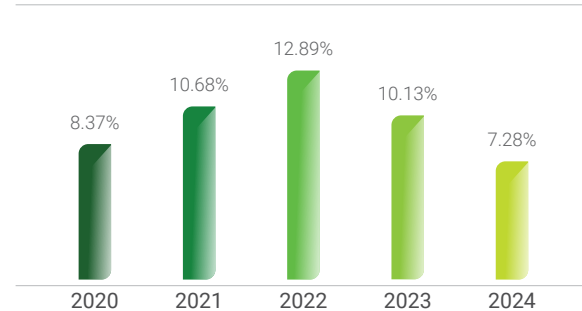
Public sector credit growth decelerated sharply to 2.94% YoY as of December 2024, a stark contrast to the 16.39% YoY growth recorded in December 2023. This decline likely reflects the government's strategic shift toward reducing reliance on public borrowing to facilitate greater liquidity for the private sector, aiming to foster economic stability. Meanwhile, private sector credit growth stood at 7.28% YoY in

December 2024, down from 10.13% in the previous year. The subdued demand for credit in the private sector can primarily be attributed to the prevailing high-interest rate environment and political uncertainties, which have dampened business expansion and investment activities.

#### Public Sector Credit Growth



#### Private Sector Credit Growth



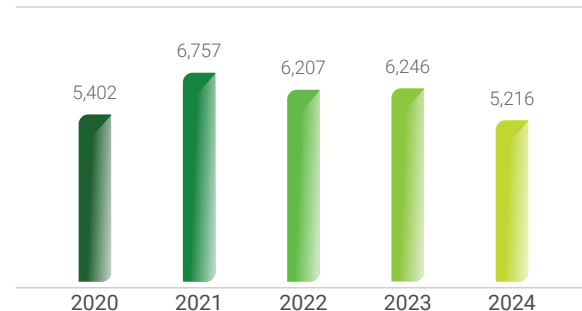
Values as of December

Source: BB Monthly Economic Trend

### 3.7. DSE Broad Index

Bangladesh's equity market experienced moderated trading activity in 2024. Following a lackluster first half, the regime changes in August initially fueled a surge in turnover, driven by renewed investor optimism. Subsequent structural changes, including regulatory reforms, further influenced market sentiment. However, persistent macroeconomic concerns dampened initial enthusiasm, leading to subdued trading activity in the latter half of the year. The DSEX, the benchmark free-float weighted market index, declined by 16.5% YoY to close at 5,216, while total equity market capitalization contracted by 20.3% YoY. Meanwhile, Average Daily Turnover (ADTV) showed moderate improvement, supported by the removal of the floor price mechanism, optimism following the regime change, and the initiation of key market reforms.

#### DSE Broad Index



Source: DSE

# MANAGEMENT REVIEW OF THE PERFORMANCE OF THE COMPANY

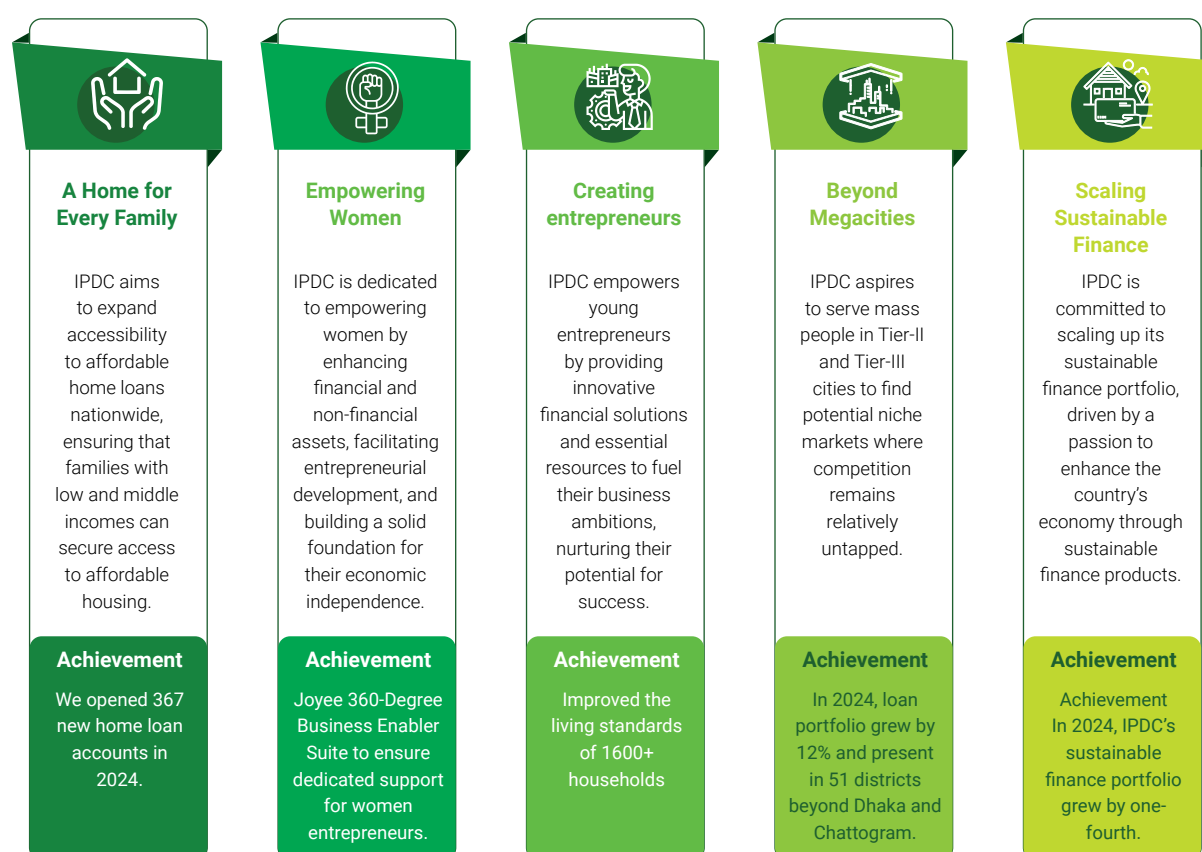
## Strategies for Stability, resilience and Growth in 2024

The economic disruptions of 2020-2023 temporarily paused our growth ambitions. However, in 2024, we dedicated ourselves to a strong recovery. IPDC possesses the inherent strength to navigate future uncertainties and contribute to an environmentally harmonious society. Our robust core pillars, including industry-leading portfolio quality, and strategic operational planning have empowered us to demonstrate resilience and effectively address the challenges of 2024.

## STRATEGY AND RESOURCE ALLOCATION 2024

### 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 2024 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.



### 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 2024 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.

**2020 vs 2024**  
5 years CAGR%



|                   |       |
|-------------------|-------|
| Loan Portfolio    | 3.0%  |
| Deposit Portfolio | 14.3% |



### 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.

**2020 vs 2024**  
5 years CAGR%



|                   |      |
|-------------------|------|
| Loan Portfolio    | 7.5% |
| Deposit Portfolio | 2.8% |



### Growth Strategy

- Expanding market reach by targeting the growing middle and affluent class.
- Establishing a sustainable digital platform to enhance convenience & accessibility for customers.
- Accelerating growth through innovative strategies.



### Short Term Strategy

- Market development, capacity building and geographical coverage
- Implementing green channeling strategies to promote sustainable financing.
- Enhancing customer engagement through personalized financial education and advisory services.



### Long Term Strategy

- Scaling up Bhalo Basha Home Loan nationwide for low and middle-income families.

## 2.3 SME Business

IPDC SME and our dedicated Women Entrepreneur Development Program-Joyee have been partnering with key stakeholders including government bodies and international development organizations, local and multinational corporates and other key entities to align with national and international strategies for CMSME empowerment. We have organized market linkage fairs and programs to enable our CMSMEs connecting them to new and larger markets, subsequently paving their way to expansion and growth. Recognition by Global SME Finance Forum has further boosted our value in the industry being a leader for SME empowerment.

**2020 vs 2024**  
5 years CAGR%



Loan Portfolio **10.9%**

Deposit Portfolio **29.2%**



### Growth Strategy

- Expanding into customer segments like rice and food processing, auto spare parts, and small-scale textiles.
- Targeting growth within existing customer base, emphasizing partnership and collaboration



### Short Term Strategy

- Implement robust risk assessment and mitigation measures to ensure prudent lending practices and minimize credit risks.
- Introduce product diversification for the unique requirements of SMEs.



### Long Term Strategy

- Foster SME support through collaboration with government bodies, industry associations, and stakeholders.
- Integrate ESG criteria into lending and products for sustainable practices.

## 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. 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.

## 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).



### Strong Recovery towards NPL Management

IPDC has exercised precautionary measures amidst rising NPLs and has reported an NPL of 5.83% in 2024, one of the lowest in the industry.



### Quality Credit Portfolio Growth

Evident from continued credit rating of AAA and ST-1 rating, IPDC has demonstrated its resolve towards ensuring sustainable portfolio growth.



### Sustainable Finance

To expand our commitment to sustainable finance, we aim to advocate for funding the development of eco-friendly and sustainable businesses.



### Retailer Financing

IPDC, with an aim to catalyze the value chain financing for the micro-merchants, has introduced financing in collaboration with other ecosystem partners.



### Reduction in Asset Liability Mismatch

In view of the prevalent liquidity shortage, we intend to focus long-term financing by long-term sources of funds like issuance of bonds and equity.



### Sustainable Deposit Growth

With the view of reducing funding risk from outflow of larger funds, we plan to grow our micro and small deposit portfolio.



#### 4. Taking a cautious approach in 2024

Amidst economic downturn and significant macroeconomic challenges in 2024, the NBFi industry in Bangladesh faced turbulence. During this period, it was imperative to take decisive actions to ensure operational continuity. IPDC Finance PLC 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 2024                                                                                                                                         |
|-------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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. |

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 trends in the upcoming years.

| Area           | Strategy                                                                                                    | Actions in 2024                                                                                                                                                                                                                                         |
|----------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Brand          | Building vibrant brand across the country                                                                   | Signature programs such as Amader Gaan, Priya Shikkhok Shommanona, Unsung Women Nation Builders Awards 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 Retailer Finance. Efforts are underway to scale up other IT Platforms.                                                                                                                                               |
| Distribution   | Increasing our geographic coverage through branch expansion and strategic tie-ups with various stakeholders | Initiatives to open two new branches were taken in 2025 to extend our customer reach. The company also utilized digital channels to increase reach in the current year.                                                                                 |

# FINANCIAL PERFORMANCE

IPDC continues to deliver superior and balanced financial performance to establish itself as the most valuable non-banking finance company in Bangladesh. At the end of 2024, IPDC market capitalization was BDT 7.1bn, with asset size of BDT 89.1bn and shareholders' equity of BDT 6.9bn.

## 1. Loan Portfolio Management

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

& 2023. In 2024, IPDC experienced a 1.5% decline in its asset portfolio on a year-over-year basis, which now stands at BDT 69,536mn, compared to BDT 70,571mn at the end of 2023. IPDC portfolio mix in 2024 comprised 44% corporate portfolio, 23% 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 6.5%.



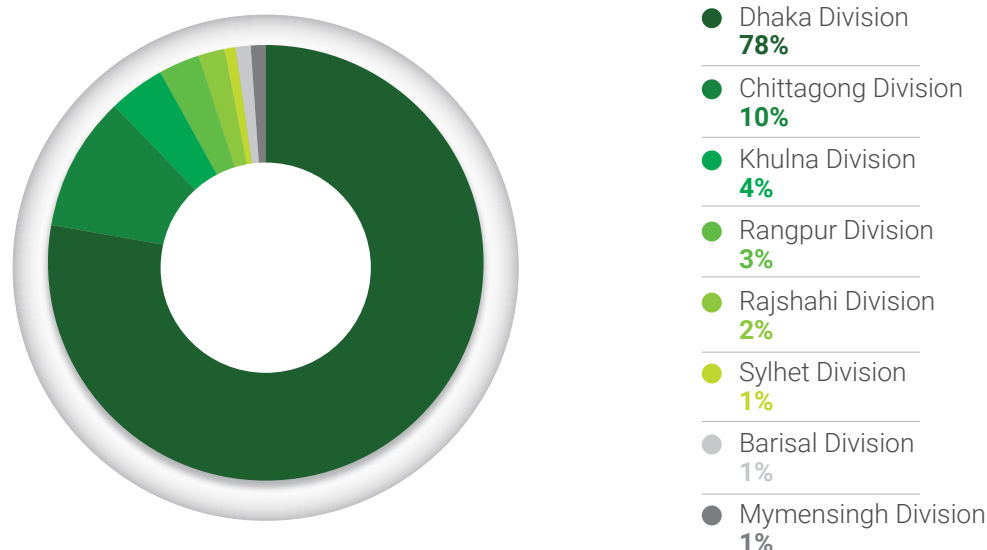
### 1.1. Geographic Distribution of Loan Portfolio:

The significant concentration of the portfolio is skewed in Dhaka Division. With 78% (BDT 54,359mn) of the total portfolio value (BDT 69,536mn), Dhaka holds a dominant position. Dhaka being the capital and most populous city in Bangladesh, it is a significant center for business and economic activity. This plausibly explains a larger concentration of clients or investments in that region. Chattogram Division comes in second with a portfolio share of 10% (BDT 6,832mn). This suggests Chattogram 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 12% of the portfolio. This suggests a limited presence in these regions.

Dhaka has better developed infrastructure and regulatory environments compared to other regions, making it easier for the company to operate. The company's historical focus has 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 Chattogram through expanded distribution channels and specialized products for low-income households.

## Geographic Locationwise 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 (12%) and agro-based industries (7%). Sectors like Information and communication technologies (2%) and Banks and non-banking financial companies (1%) have a relatively smaller share of the loan portfolio.



## 1.3. Non-Performing Loan (NPL) Status

Our classified loan ratio stood at 5.83% at the end of year 2024 (2023: 4.93%), one of the lowest in industry. Maintaining asset quality and keeping classified loans at par in 2025 will be challenging due to the unfavorable business environment amid current macroeconomic and political stress, coupled with stringent loan classification standards. However, we remain committed to keeping classified loans at a minimum level during the year 2025 as well.

### NPL Trend



## 2. Deposit Mobilization Strategies and Growth Patterns

Total deposit portfolio decreased by 9.7% during 2024 and stood at BDT 54,319mn. 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

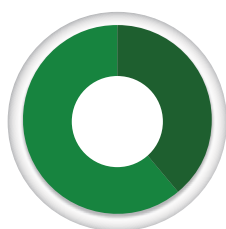
growth as its loan portfolio. Public deposits (deposits excluding FDR from Banks & NBFIs) increased by 2.1% and maintained 95.2% of the total share of deposits, amounting to BDT 51,761mn, whereas deposits from Banks and NBFIs accounted for 4.8% of the pie and amounted to BDT 2,558mn at the end of 2024. With cautious and rigorous treasury 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

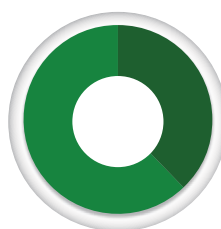
Deposits from individuals accounted for 39.0% of the total deposits and amounted to BDT 19,945mn in 2024 (2023: BDT 19,261mn) representing a growth of 3.6%. Deposits from institutions accounted for the remaining 62.0% and stood at BDT 31,816mn at the end of 2024 against BDT 31,424mn in 2023.

2024



- Individual **39%**
- Institutional **61%**

2023



- Individual **38%**
- Institutional **62%**

### 2.2. Account Portfolio Metrics and Ticket Size Analysis

With 11% of accounts holding less than 10 Lac taka, IPDC caters to a large customer base with relatively smaller deposits. This suggests that the company 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.

2024



- Less than 10 lac **11%**
- 10 Lac-20 Lac **5%**
- 20 Lac-50 Lac **14%**
- 50 Lac-1 Crore **18%**
- 1 Crore-5 Crore **20%**
- 5+ Crore **32%**

2023



- Less than 10 lac **9%**
- 10 Lac-20 Lac **5%**
- 20 Lac-50 Lac **13%**
- 50 Lac-1 Crore **20%**
- 1 Crore-5 Crore **23%**
- 5+ Crore **30%**

### 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 363mn (2023: 343mn), delivering a return on assets of 0.42% (2023: 0.38%) and return on equity of 5.43% (2023: 5.06%).

| Dupont              | Description             | 2020  | 2021  | 2022  | 2023  | 2024  |
|---------------------|-------------------------|-------|-------|-------|-------|-------|
| Net Interest Income | % of Avg Assets         | 2.9%  | 3.5%  | 3.2%  | 2.7%  | 2.6%  |
| Non-Interest Income | % of Avg Assets         | 1.2%  | 0.8%  | 0.6%  | 0.5%  | 0.9%  |
| Operating Income    | % of Avg Assets         | 4.0%  | 4.3%  | 3.8%  | 3.2%  | 3.6%  |
| Operating Expenses  | % of Avg Assets         | 1.6%  | 1.5%  | 1.7%  | 1.8%  | 1.6%  |
| Cost/Income         | % of Operating Income   | 40.6% | 36.0% | 45.8% | 55.2% | 45.6% |
| Operating Profit    | % of Avg Assets         | 2.4%  | 2.7%  | 2.1%  | 1.5%  | 1.9%  |
| Provisions          | % of Avg Assets         | 0.7%  | 0.9%  | 0.6%  | 0.7%  | 1.0%  |
| Profit before Tax   | % of Avg Assets         | 1.7%  | 1.9%  | 1.5%  | 0.7%  | 1.0%  |
| Tax Rate            | % of PBT                | 41.3% | 41.4% | 28.7% | 48.2% | 57.9% |
| RoA                 | Return on Avg. Assets   | 1.0%  | 1.1%  | 1.0%  | 0.4%  | 0.4%  |
| RoE                 | Return on Avg. Equity   | 12.1% | 14.2% | 13.7% | 5.0%  | 5.4%  |
| Assets/Equity       | Avg. Assets/Avg. Equity | 12.1  | 13.0  | 13.1  | 13.2  | 13.2  |

### 4. Profitability Performance

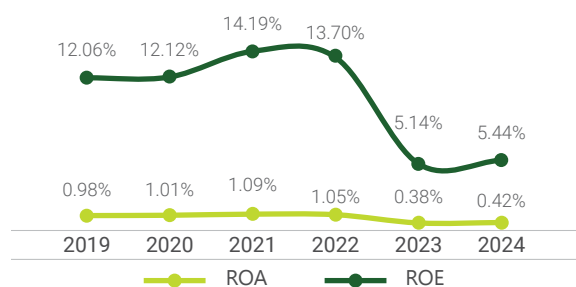
The industry has encountered various challenges, including inflation, intensified competition, and a liquidity crisis. Despite these difficulties, IPDC has managed to increase its asset portfolio and optimize operating expenses. Despite these circumstances, net profit after tax moderately increased by 5.9%, reaching BDT 363mn.

| Particulars          | 2020  | 2021  | 2022  | 2023  | 2024  |
|----------------------|-------|-------|-------|-------|-------|
| Revenue              | 2,830 | 3,445 | 3,247 | 2,902 | 3,243 |
| Operating Profit     | 1,680 | 2,203 | 1,760 | 1,300 | 1,765 |
| Net Profit After Tax | 706   | 881   | 901   | 343   | 363   |

#### 4.1. Measuring and Enhancing Return on Equity and Assets

Return on Assets (RoA) stood at 0.42% in 2024, up from 0.38% in 2023. This marginal increase was driven by moderate profitability growth and a slight decline in total assets. Similarly, Return on Equity (RoE) improved to 5.44% in 2024 (2023: 5.14%), supported by profit growth and a relatively stable equity base.

#### ROA vs ROE



#### 4.2. Comparative Analysis of Net Profit and Net Interest Margin

Operating income has exhibited a fluctuating trend over the past few years. It grew from BDT 2,830mn in 2020 to BDT 3,445mn in 2021, marking a significant increase of 21.7%. However, it declined in both 2022 (BDT 3,247mn) and 2023 (BDT 2,902mn). In 2024, operating

income rebounded, increasing by 11.7% YoY to BDT 3,243mn. This growth was primarily driven by the introduction of a free interest rate system by regulators and strategic investments in government securities. Operating profit largely mirrored the trend in operating income. It increased from BDT 1,680mn in 2020 to BDT 2,203mn in 2021, before declining in 2022 (BDT 1,760mn) and 2023 (BDT 1,300mn). However, in 2024, operating profit rebounded to BDT 1,765mn, reflecting a notable 35.8% YoY rise, supported by cost rationalization initiatives. Net profit after tax followed a similar trajectory, reaching BDT 363mn in 2024, reflecting a moderate 5.9% increase compared to the previous year. Despite higher operating profit growth, net profit growth remained moderate due to IPDC's cautious approach of maintaining excess provisioning.

### 5. Gross Revenue Breakdown for Comprehensive Understanding

In BDT mn

| Particulars               | 2020  | 2021  | 2022  | 2023  | 2024  |
|---------------------------|-------|-------|-------|-------|-------|
| Interest Income           | 6,902 | 6,545 | 7,080 | 7,434 | 8,811 |
| Interest Expense          | 4,885 | 3,761 | 4,310 | 5,011 | 6,418 |
| Investment Income         | 639   | 471   | 202   | 232   | 684   |
| Other non-interest income | 174   | 190   | 275   | 247   | 165   |

#### 5.1. Interest income

The company's core source of revenue shows a gradual increase throughout the period, reaching its peak in 2024 (BDT 8,811mn). This suggests that IPDC is effectively managing its loan portfolio with competitive interest rates. Introduction of the market-based interest rate system by central bank helped to improve the return from loans and advances.

#### 5.2. Interest Expenses

Interest expense has a fluctuating trend. It initially decreased continually from 2020 (BDT 4,885mn) to 2022 (BDT 3,310mn) then started rising in 2023 (BDT 5,011mn). In 2024, the interest expense stands at BDT 6,418mn. This volatility is attributed to changes in borrowing needs, interest rate fluctuations, and refinancing activities.

#### 5.3. Investment Income Opportunities

Investment income exhibited significant variation, peaking at BDT 684mn in 2024. This represents a remarkable 195% growth compared



to 2023, primarily driven by a substantial increase in income from government treasury bonds. This surge reflects IPDC's strategic approach to capitalizing on the high-interest rate environment amid subdued credit demand in the private sector. Meanwhile, trading activity in the capital market improved compared to the previous year, following the withdrawal of the floor price. Consequently, IPDC realized a capital gain of BDT 27mn from listed securities.

#### 5.4. Non-interest Revenue Growth

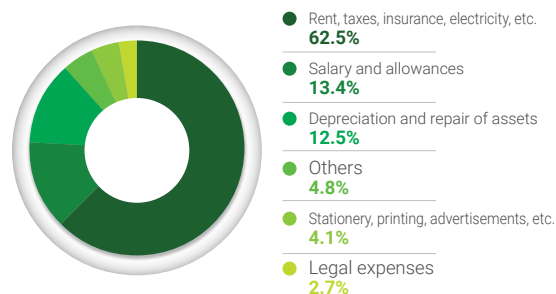
Despite the company's efforts to diversify its revenue streams beyond traditional lending activities, non-interest revenue has registered a decline in 2023 by 33.2% which can be attributed to decline in recovery of written off loss by 91.1% and withdrawal of applicability of supervision charges by Bangladesh Bank in 2024.

### 6. Efficient Operating Expense Management

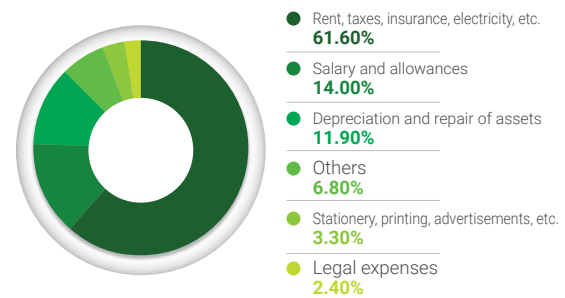
Detailed Operating Expense Breakdown

| In BDT mn               |       |       |       |       |       |
|-------------------------|-------|-------|-------|-------|-------|
| Particulars             | 2020  | 2021  | 2022  | 2023  | 2024  |
| Salary & Benefits       | 693   | 741   | 848   | 988   | 923   |
| Rent & Utilities        | 26    | 26    | 32    | 38    | 40    |
| Depreciation            | 116   | 117   | 215   | 225   | 198   |
| Other Operating Expense | 316   | 357   | 177   | 158   | 151   |
| Operating Expense       | 1,150 | 1,241 | 1,487 | 1,603 | 1,478 |

#### 2024



#### 2023



In fiscal year 2024, operating expenses amounted to BDT 1,478mn, reflecting a decrease from BDT 1,603mn in the previous year, resulting in a decline of 7.8%.

#### 6.1. Compensation Strategies Aligned with Organizational Goals

The primary driver was the salary and benefit expenses, which amounted to BDT 923mn by the end of 2024 demonstrating a decrease of 6.5% and accounting for 62.5% of the total operating expenses for the year. Despite salary increments and adjustments for the cost of living (COLA), this decrease is stemmed from better workforce management and looking for avenues to increase the efficiency of the resources. This shows 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 13.4% of the total expenses and experiencing an 11.8% decline from the previous year. Expenses on stationery, printing, and advertisements amounted to BDT 70mn in 2024, registering a decline of 34.7% from the previous year, while contributing 4.8% to the total operating expenses.

Other segments such as legal expenses, rent, and utilities maintained relatively similar proportion to the preceding year. Meanwhile, elements within the category of other operating expenses decreased in 2024 by 4.3% compared to the prior year.

### 7. Prudent Provisioning for Loans and Investment risks

| BDT mn                                                      |         |        |        |         |         |            |
|-------------------------------------------------------------|---------|--------|--------|---------|---------|------------|
| Particulars                                                 | 2020    | 2021   | 2022   | 2023    | 2024    | Growth YoY |
| Provision for classified loans and advances                 | (13.38) | 646.66 | 355.45 | 691.73  | 862.29  | 24.7%      |
| Provision for unclassified loans and advances               | 491.52  | 26.47  | 94.42  | (52.95) | (50.49) | NA         |
| Provision/(reversal) for diminution in value of investments | 0.02    | 13.99  | 35.42  | 0.01    | 53.4    | 553,603.9% |
| Other Provisions                                            | -       | 12.92  | 10.63  | 0.49    | 27.2    | 5,467.0%   |

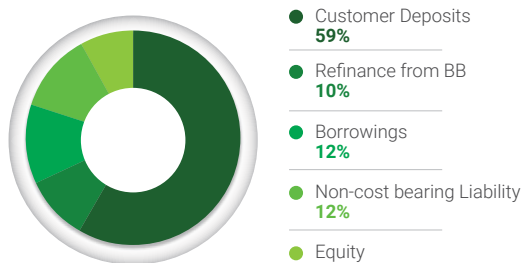
In the year 2024, the provision for classified loans and advances experienced a notable increase of 24.7% compared to the previous year. This incremental amount is driven by many factors like an increase in non-performing loans leading to a rise in provision to cover potential losses. In addition, the economy is facing a downturn due to political turmoil, energy crisis and dollar shortages coupled with other global issues. As a result, borrowers are struggling 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.

## 8. Analyzing Fund Size and Mix for Optimal Portfolio Management

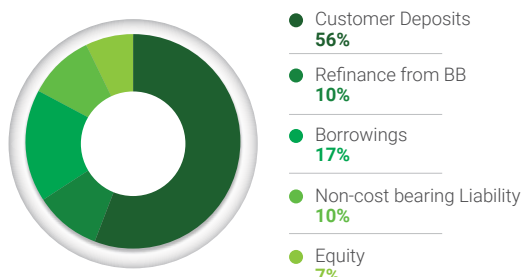
Since 2022 the economic landscape of the country is at stress as the post-COVID scenario was marred by inflation, war, and a forex crisis, ultimately leading to a liquidity crisis in the economy. Due to the cost-push inflationary pressure, people's disposable income started to limit, which further culminated 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 liquidity management and lending operations. The total bank borrowings increased by 19.6% from BDT 16,099mn in 2023 to BDT 17,433mn in 2024.

The category that experienced significant increases in borrowing include banks overdrafts and repo borrowings, which rose by 219.3% to BDT 1,795mn and 366.2% to BDT 2,162mn respectively. In addition, IPDC's Subordinated Bond of BDT 1,660mn has further helped maintaining more liquidity. Meanwhile, both long term and short-term borrowing declined 8.2% and 23.3% respectively, marking IPDC's effective repayment ability. These adjustments in borrowing strategies were made to address the liquidity crisis effectively and enable uninterrupted lending operations.

### 2024



### 2023



## 9. Ensuring Liquidity Adequacy

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

Disruptions in supply chains, economic volatility fueling inflation concerns, energy shortages have impacted businesses' profitability and access to credit globally. Consequently, the financial sector in Bangladesh felt the strain as companies struggled to continue production in full capacity, 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 18.09% stands well above regulatory requirements, demonstrating our strong financial foundation for navigating difficult economic environments. As of 2024, our Tier 1 Core Capital stood at BDT 6,618.6mn, with total eligible capital of BDT 8,972.5mn. A healthy surplus capital of BDT 4,014.2mn for 2024 reflects our ability to manage risk-weighted assets effectively (totaling BDT 49,593.1mn).

## 10. In depth Cash Flow Statement Analysis for Liquidity Position

In BDT mn

| Particulars                                                   | 2024    | 2023    |
|---------------------------------------------------------------|---------|---------|
| A) Net cashflows from/(used in) operating activities          | (2493)  | 221     |
| B) Net cashflows from/(used in) investing activities          | (5,036) | (2,048) |
| C) Net cashflows from/(used in) financing activities          | 473     | 3,289   |
| D) Net increase/(Decrease) in cash (A+B+C)                    | (7,056) | 1,462   |
| E) Cash and cash equivalents at beginning of the period       | 14,137  | 12,675  |
| F) Cash and cash equivalents at the end of the period (D+E+F) | 7,081   | 14,137  |

### 10.1. Cashflow from Operating Activity

Cash generated from operating activities before changes in operating assets and liabilities stood at BDT 1,817.2mn, registering a 115.3% growth stemming from an increase in the interest receipt while other payments remained steady as last year. As IPDC has maintained a cautious approach in loan disbursement, it has experienced a net cash inflow from its borrowers. But it has more focused in maintaining strategic liquidity position by paying off its liability with banks and FCs while not going aggressively for deposit collections resulting Net cash outflow in operating activities in 2024 of BDT 2491.6mn.

Net operating cashflow per share (NOCFPS) of IPDC at the end of 2024 stood at BDT (6.39) against BDT 0.57 in 2023. 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 (5,036.2)mn from BDT (2,047.8)mn, predominantly due to new investment in government securities to further strengthen the Balance Sheet.

### 10.3. Cashflow from Financing Activity

IPDC paid a dividend of 185.7mn for the period ended on 31 December 2023 in 2024, compared to the amount paid in the previous year of BDT 370.9mn. Also, IPDC has shortened its long-term loan exposure, reflecting its loan repayment strength. Net cashflow from financing activities moved to BDT 472.9mn in 2024 from BDT 3,288.6mn in 2023.

## 11. Building & Managing Reserves for Future Stability

In BDT mn

| Particulars                | 2024  | 2023  |
|----------------------------|-------|-------|
| Statutory reserve          | 1,302 | 1,229 |
| Assets revaluation reserve | 290   | 292   |

To safeguard its financial health and protect depositors, IPDC maintains statutory reserves. These mandatory reserves are set by law (Finance Company Act, 2023, Section 8). 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. Presenting inflation adjusted financial performance for real insights

Over the past few years, loans, advances, and leases have grown at a healthy compound annual growth rate (CAGR) of 10.1% (adjusted for inflation, base year 2016). This strong growth is accompanied by a CAGR of 7.8% in total deposits. Our Capital Adequacy Ratio (CAR) of 18.09% remains well above regulatory requirements, demonstrating our strong capital base.

The company achieved impressive revenue growth of 11.2% CAGR over the past eight years. However, net profit after tax growth (-3.2%) lagged

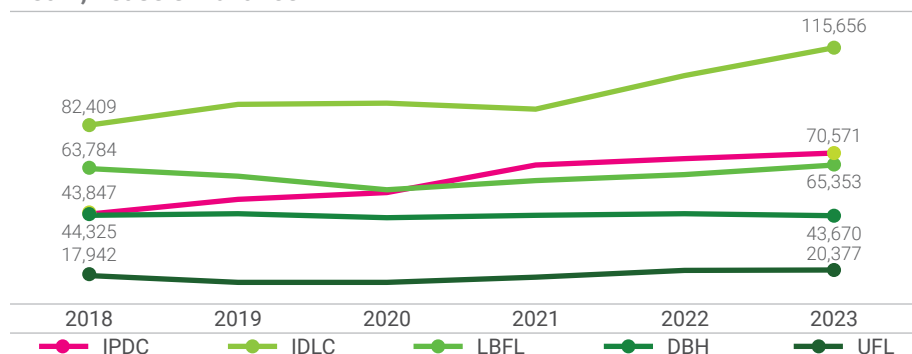
behind operating profit growth (+9.9%) due to increased provisioning amid macroeconomic stress (adjusted for inflation).

Our net cash flow from operating activities has been stressed in recent years. This is primarily due to maintaining a cautious growth in loan and deposit portfolio and strategic liquidity position. Meanwhile, cash inflow from financing activities was subdued in 2024 as we opted for repayment of long-term loans. A large portion of funds were invested in government treasury bonds in last years, resulting in an inflation-adjusted net cash outflow from investing activities.

| Particulars                                   | 2016 Base    | 2020         | 2021         | 2022         | 2023         | 2024          | CAGR 8 Year | Times Growth |
|-----------------------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|-------------|--------------|
| <b>Financial Performance</b>                  |              |              |              |              |              |               |             |              |
| Revenue                                       | 794          | 2,149        | 2,479        | 2,670        | 2,901        | 1,857         | 11.20%      | 2.3          |
| Operating Profit                              | 474          | 1,276        | 1,585        | 1,707        | 815          | 1,010         | 9.92%       | 2.1          |
| Net Profit                                    | 286          | 536          | 634          | 683          | 215          | 208           | -3.90%      | 0.7          |
| <b>Financial Position</b>                     |              |              |              |              |              |               |             |              |
| Loans, Advances and Leases                    | 18,392       | 40,721       | 47,008       | 50,628       | 44,071       | 39,812        | 10.13%      | 2.2          |
| Total Deposits                                | 16,219       | 39,845       | 43,466       | 46,813       | 7,579        | 29,635        | 7.83%       | 1.8          |
| Paid-up Capital                               | 1,430        | 2,819        | 2,670        | 2,876        | 2,317        | 2,231         | 5.72%       | 1.6          |
| Shareholders' Equity                          | 2,620        | 4,606        | 4,571        | 4,923        | 4,219        | 3,956         | 5.28%       | 1.5          |
| Total Assets                                  | 21,315       | 57,705       | 61,144       | 65,852       | 57,412       | 51,026        | 11.53%      | 2.4          |
| Total Liabilities                             | 18,695       | 53,099       | 56,572       | 60,928       | 53,193       | 47,071        | 12.23%      | 2.5          |
| <b>Cash Flows</b>                             |              |              |              |              |              |               |             |              |
| Net cash from operating activities            | 1,070        | 5,800        | (1,736)      | (2,485)      | 138          | (1,427)       |             |              |
| Net cash (used in)/ from investing activities | (396)        | (2,650)      | 1,576        | 70           | (1,279)      | (2,883)       |             |              |
| Net cash (used in)/ from financing activities | 0            | 568          | (164)        | 1,494        | 2,054        | 271           |             |              |
| <b>Inflation Rate</b>                         | <b>5.92%</b> | <b>5.65%</b> | <b>5.56%</b> | <b>7.70%</b> | <b>9.48%</b> | <b>10.34%</b> |             |              |

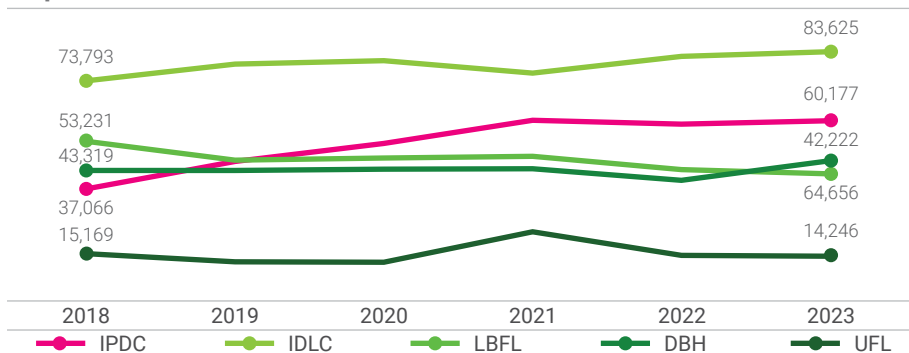
## 13. Comprehensive Peer Comparison Analysis

### Loan , Lease & Advance



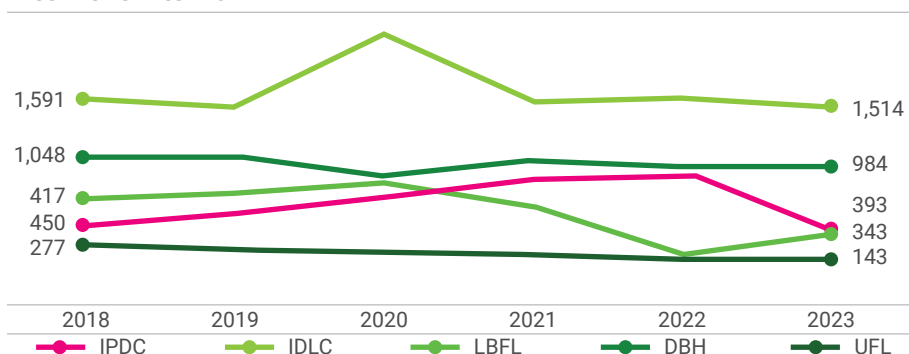


## Deposit



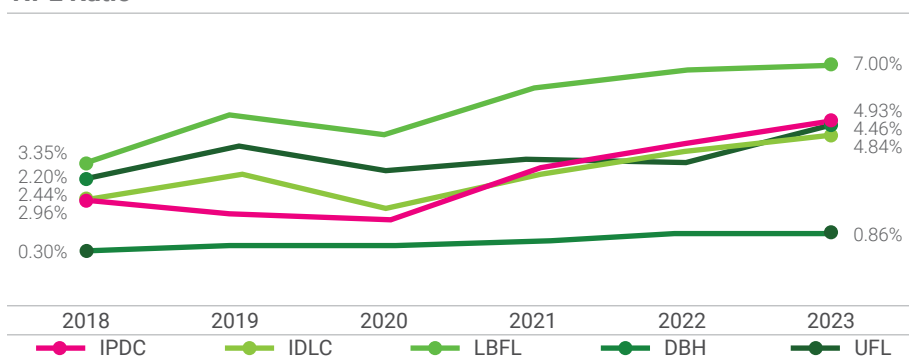
2<sup>nd</sup>

## Net Profit After Tax



4<sup>th</sup>

## NPL Ratio



4<sup>th</sup>

In the dynamic landscape of Bangladesh's Non-Bank Financial Companies (NBFCs), notable market leaders include IDLC Finance PLC, IPDC Finance PLC, LankaBangla Finance PLC, DBH Finance PLC, and United Finance Limited. These companies have demonstrated consistent growth trajectories, which have enhanced public confidence in this sector. Among them, IPDC Finance emerges as a distinguished entity, showcasing robust performance and an unwavering commitment to excellence. Analyzing the financial data as of 31 December 2024, of these five NBFCs, as published on their official platforms, IPDC secures the second position in both loan portfolios and deposits holdings within the cohort of five leading NBFCs. 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 2024, IPDC retained its AAA Credit Rating status symbolizing its resilience. Beyond the financial figures, IPDC remained steadfast in implementing strategic projects and laying the groundwork for future expansion in 2024. 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 our initiatives in 2024 were aimed at creating a revolution by development of an eco-system 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 PLC won various awards in 2024.

|                                |                                                                                                                                                                                                        |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ICAB                           | Win Gold in NBFC category                                                                                                                                                                              |
| ICMAB                          | Winner                                                                                                                                                                                                 |
| SME Finance Awards 2024        | IPDC Joyee wins prestigious Platinum Award for Best Financier for Women Entrepreneurs under Global Category at the 2024 Global SME Finance Awards, organized by the SME Finance Forum (managed by IFC) |
| Sustainable Finance Department | Best Climate Focus Financial Institute                                                                                                                                                                 |

## 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.

### Creating Stories

**BEING NUMBER 1 FINANCIAL BRAND IN THE COUNTRY**

### Enabling

#### CUSTOMER CENTRICITY

IPDC will place the utmost importance on delivering unparalleled customer experiences. Through continuous training and development initiatives, we will empower our employees to prioritize customer needs and preferences. Our unwavering dedication to creating unique and delightful interactions will not only enhance our reputation but also guide our vision for the future.



#### TECHNOLOGICAL INNOVATION

IPDC will place a strong emphasis on technological innovation. We will continually invest in research and development to leverage the latest advancements in fintech, artificial intelligence, and data analytics. By harnessing technology, we aim to enhance operational efficiency, improve customer experiences, and introduce innovative digital needs of our clients in the digital age.

### Our Strategic Objectives in 2024

#### OPERATIONAL EFFICIENCY

The core objective for 2024 was to prioritize operational efficiency. 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, in 2025 our focus areas will be streamlining processes, optimizing resource utilization. We are also investing more on technology to increase the operational efficiency in coming years.



#### POSITIVE IMPACT

While aiming for leadership in profitability and market size, we will remain steadfast in our commitment to driving positive socio-economic change.

Every action and product at IPDC will be designed to make a meaningful contribution to the fabric of Bangladesh's society. From financing groundbreaking projects to fostering partnerships that drive sustainable growth, IPDC will continue to be a catalyst for transformative change in the private sector landscape.



## Other Disclosure

### 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 schoolgirls, 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 2023. 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 possesses 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):

Newly 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 employees concerned 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 2024, there were no significant changes in accounting policies and estimates which impacted on 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 Control 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 risks 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 IFRSs/IASs, 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



# Sustainability Report





# IPDC SUSTAINABILITY HIGHLIGHTS

Recognized as a top Finance Company in the Sustainability Rating 2023 by Bangladesh Bank



Received the **Best Climate Focus Financial Institute Award** by the Institute of Energy-University of Dhaka and Greentech Foundation Bangladesh supported by USAID and others



Recognized as **Global Champion** in the category of Best Financier for Women Entrepreneurs at **Global SME Finance Awards 2024** by IFC and SME Finance Forum



Collaborated with **Truvalu** for launching **green finance** solutions for **SMEs**





Awarded grant by Bangladesh Bank (with support from AFD, EU, KfW).



Facilitated the establishment of a **biological effluent treatment plant (ETP)** by a leading RMG company



Initiated its **first-ever carbon footprint assessment** for both financial and non-financial operations, in collaboration with leading international and national partners



Grew **Green Finance Portfolio** by **1.97** times in 2024 compared to 2023  
Grew **Sustainable Finance Portfolio** by **25%** in 2024 compared to 2023

Spent BDT 8.2mn in 2024 for **CSR**



# OUR ESG FRAMEWORK

## ESG VISION & COMMITMENTS

At IPDC, our commitment to environmental, social, and governance (ESG) principles is deeply rooted in our identity as a purpose-driven financial institution. As one of the leading finance companies in Bangladesh, we recognize that sustainable business success is no longer measured by profit alone—it is defined by our ability to create long-term value for all stakeholders while preserving the planet and uplifting the society.

### Our Sustainability Purpose and Long-Term Ambition

The ESG vision of IPDC stems from a simple yet powerful belief: finance can be a force for good. Our purpose is to empower lives and communities by enabling responsible growth, fostering inclusive development, and safeguarding environmental resources. We aim to create an ecosystem where finance not only generates economic returns but also accelerates positive environmental and social transformation.

Our long-term ambition is to lead the way in shaping a resilient, equitable, and low-carbon future for Bangladesh. We aspire to become the most trusted and forward-looking financial partner for individuals, enterprises, and institutions that are committed to sustainable development. By 2050, we aim to be a net-zero emissions institution, while aligning with national and global targets.

### Strategic Alignment with Core Business Objectives

ESG is not a standalone initiative at IPDC—it is embedded within our core business strategy and is integral to how we operate, lend, invest, govern, and innovate. Our corporate vision, “to become the most passionate financial brand in the country with special focus on youth, women and underserved areas,” inherently ties into ESG principles, emphasizing inclusivity, gender equality, youth empowerment, and financial accessibility.

### Environmental Integration

On the environmental front, IPDC is proactively aligning its operations and financing activities with national and international climate goals. Our Net Zero Strategy 2050, approved by the Board, guides us in decarbonizing both our operations and our financed emissions portfolio. We prioritize sectors such as renewable energy, energy-efficient manufacturing, climate-resilient agriculture, and sustainable infrastructure. By embedding environmental due diligence through our Environmental and Social Risk Management (ESRM) framework and adopting carbon accounting tools like the Joint Impact Model (JIM), we ensure that our growth does not come at the expense of environmental degradation.

Moreover, our internal operations reflect our environmental stewardship. From devising rainwater harvesting and energy-efficient

systems in our branches to promoting a paperless culture and digital transformation, IPDC is leading by example in reducing operational footprint. These initiatives are not add-ons but strategic decisions that support cost-efficiency, regulatory compliance, and long-term resilience.

### Social Commitment

IPDC’s social responsibility is centered on inclusion and empowerment. Our product portfolio is tailored to address the financial needs of underserved communities, women entrepreneurs, rural MSMEs, and first-time depositors and borrowers. Programs like Joyee (for women) and green CMSME financing reflect our belief that access to finance is a fundamental enabler of social mobility.

Additionally, our CSR programs, entrepreneur development workshops, and financial literacy campaigns build capacity and expand economic opportunities. These efforts are designed not only to uplift individuals but to foster stronger, more resilient communities. Internally, we promote an inclusive workplace through our Diversity, Equity, Inclusion (DEI) strategy, recognizing that diversity is a source of strength and innovation.

### Governance Excellence

Strong governance is the backbone of our ESG strategy. IPDC operates with integrity, transparency, and accountability, ensuring that ESG oversight starts at the highest level. The Sustainable Finance Committee, comprised of senior leadership, ensures governance of all sustainability policies, practices, and disclosures. Our Code of Conduct, sustainable finance policies, and integrated risk management framework guide decision-making, align with stakeholder expectations, and mitigate ESG-related risks.

To drive performance, we are also working toward linking executive remuneration with sustainability targets, ensuring that leadership is incentivized to deliver long-term ESG outcomes alongside financial results. Furthermore, our adoption of international reporting standards—such as TCFD, GRI, and IFRS S1, IFRS S2—reinforces our commitment to transparent and high-quality disclosure.

### Commitment to Continuous Improvement

We recognize that ESG expectations are rapidly evolving, and so are our responsibilities. That’s why we continue to invest in ESG capacity building across our teams, integrate ESG considerations into our credit evaluation processes, and engage with stakeholders to stay attuned to emerging priorities.

At IPDC, ESG is not just a compliance requirement, it is a commitment to future generations. It is our pledge to operate with purpose, lead with integrity, and grow with responsibility. As we move forward, we will continue to deepen our ESG integration, scale our positive impact, and remain a catalyst for sustainable finance in Bangladesh.

## PILLARS OF SUSTAINABILITY

IPDC has adopted a strong commitment to sustainability, focusing on the integration of economic, environmental, and social responsibilities into every aspect of its operations. The company has built its sustainability framework around key pillars that guide its strategic decisions and actions.

These pillars—Economic Contribution, Environmental Contribution, Social Contribution, and Governance—ensure that IPDC creates long-term value while balancing the needs of stakeholders, society, and the planet.

### Economic Contribution

IPDC stimulates economic growth by facilitating capital allocation, providing loans, investments, and other financial services to businesses and people, assuring financial stability, and fostering innovation. Additionally, we support the implementation of efficient payments, generate employment opportunities, and improve financial inclusion, thereby promoting long-term economic stability and development.



### Environmental Contribution

IPDC supports sustainable eco-friendly business practices and finances green initiatives, including renewable energy and eco-friendly infrastructure, to promote environmental sustainability. Our investment decisions also include environmental, social, and governance (ESG) concerns, helping drive a low-carbon, resource-efficient economy.



### Social Contribution

IPDC promotes financial inclusion by facilitating access to credit, and deposits for underprivileged populations, thereby making a social contribution. We invest in social entrepreneurs, provide affordable housing loans, and prioritize responsible financing to foster economic development, equality, and social well-being.



### Governance

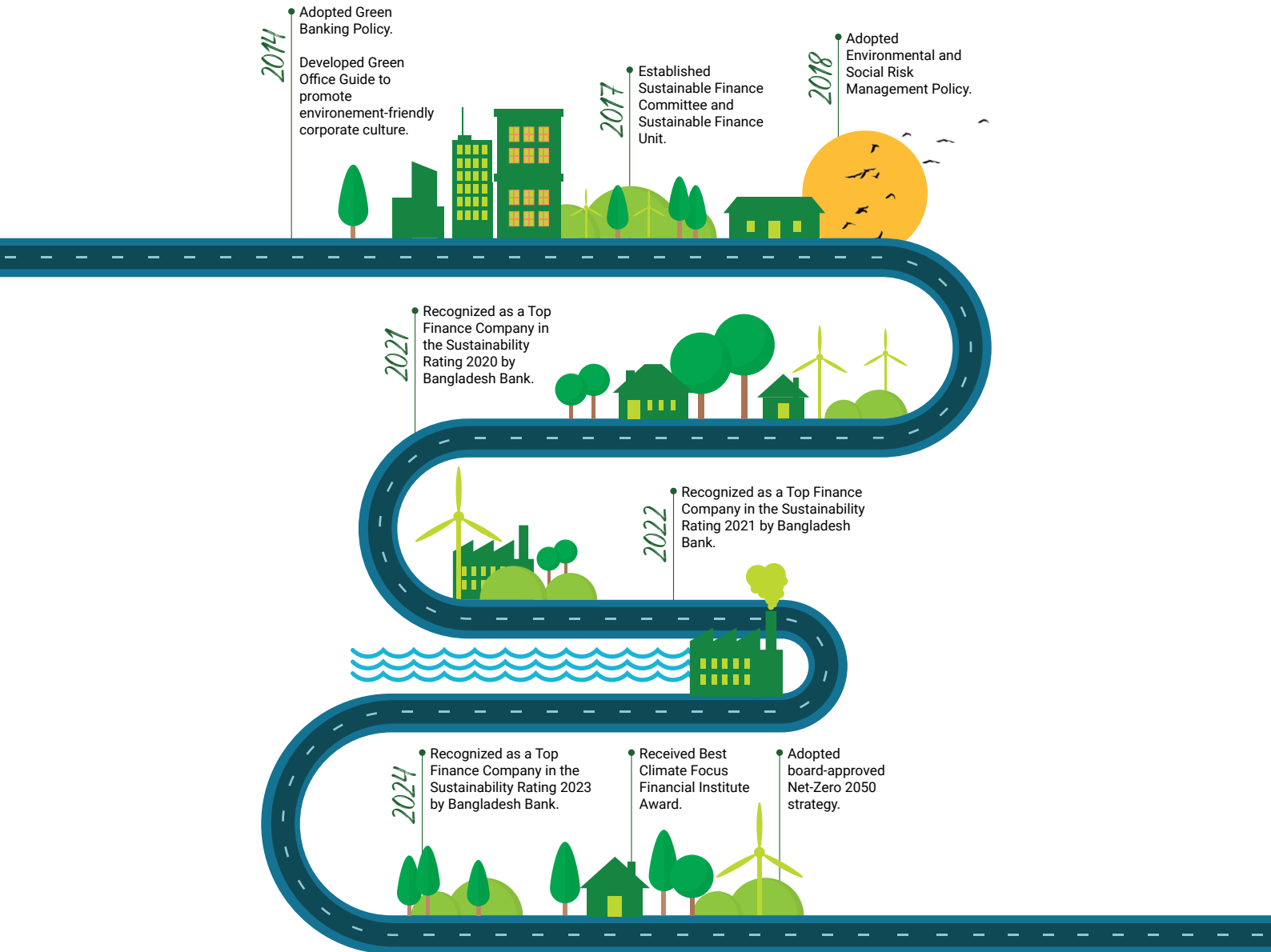
IPDC upholds ethical standards, transparency, regulatory compliance, and accountability to foster effective governance. To sustain trust and stability, we prioritize stakeholder interests, ensure equitable practices, and implement robust risk management.



## OUR APPROACH TO SUSTAINABILITY

At IPDC, sustainability is embedded in the very foundation of our identity. Guided by more than four decades of values-driven operations, we recognize that sustainable business practices are not simply an obligation but a core business imperative. Our long-standing commitment to ethics and purpose has shaped how we engage with the environment, the economy, and the communities we serve.

Sustainability for IPDC is more than a principle—it is a compass that guides our journey toward positive impact. Our efforts go beyond financial performance to support the creation of long-term value for society and the planet, ensuring a brighter and more resilient future.



### Strategic Objectives

As a values-driven organization, IPDC prioritizes transparency at every level of its operations. Since our inception in 1981, we have worked persistently to align our business practices with sustainability principles. This report offers a comprehensive and candid overview of our sustainability performance, covering our economic, environmental, and social initiatives throughout the 2024 financial year.

Our objective is to inform stakeholders of our progress toward sustainable development, highlight key actions taken, and outline

our strategic direction moving forward. Through robust performance indicators and transparent disclosure, we aim to build trust and drive accountability across our sustainability agenda.

### Forging Ahead with Principles

We believe that sustainability must be rooted in integrity. IPDC's strategic decisions are guided by the 3 Ps—People, Planet, and Profit—ensuring that our economic growth does not come at the cost of social equity or environmental health. By integrating these principles into all aspects of our operations, we strive to create a business that is not only profitable but purpose-driven and future-focused.



# RESPONDING TO THE CLIMATE CHANGE

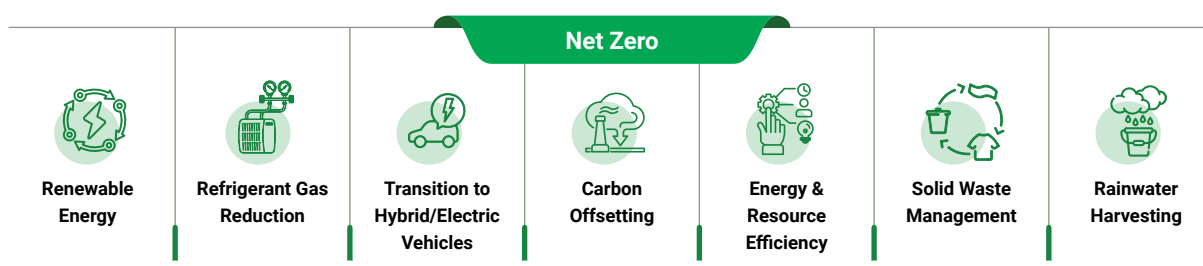
## NET ZERO CARBON EMISSIONS

IPDC Finance has developed a Board-approved Net Zero Strategy 2050. This demonstrates IPDC's strong commitment to sustainability and its leadership role in Bangladesh's financial sector. Recognizing the growing global awareness of climate change, it acknowledges that the transition to net zero is not just a responsibility, but a necessity for financial organizations striving to remain relevant and responsible in the face of environmental challenges.

The strategy includes a range of initiatives aimed at reducing IPDC's carbon footprint and promoting sustainable practices. Key actions include investing in renewable energy, reducing refrigerant gas

usage, transitioning the company fleet to hybrid/electric vehicles, implementing carbon offsetting measures, and enhancing energy and resource efficiency across operations. Additionally, IPDC is focusing on solid waste management, rainwater harvesting, and optimizing financed emissions to further minimize environmental impact.

Through these efforts, IPDC aims to achieve net zero emissions by 2050 and set a benchmark for sustainable business practices within Bangladesh's financial sector. By aligning its strategy with both national and global climate goals, IPDC is helping shape a greener, more sustainable future for the country, reinforcing its position as a financial leader dedicated to environmental stewardship and corporate responsibility. IPDC has taken a myriad of initiatives to achieve net-zero emissions by 2050.



### Renewable Energy

IPDC plans to transition to 100% renewable energy by 2050, installing solar panels and exploring net metering systems. Feasibility assessments will be conducted, and partnerships with renewable energy providers will be forged. This will help reduce operational costs, lower Scope 2 emissions, and mitigate risks associated with conventional energy sources, paving the way for a more sustainable future.

### Reduction in Refrigerant Gas Usage

To reduce emissions from refrigerant leaks, IPDC will transition to sustainable refrigerants with lower Global Warming Potential (GWP). Regular HVAC (Heating, Ventilation, and Air Conditioning) audits will be performed, and advanced, zero-emission cooling technologies will be introduced. These actions aim to improve HVAC efficiency, reduce harmful emissions, and foster sustainable practices in IPDC's operations, significantly lowering the environmental impact.

### Fleet Transition to Hybrid/Electric Vehicles

IPDC's fleet will gradually shift to hybrid and electric vehicles to reduce fuel consumption and lower emissions. By promoting carpooling, eco-driving, and telecommuting, the company will enhance its sustainability. Additionally, incentives for using public transport and green vehicles will be provided, helping reduce the carbon footprint and aligning the fleet with net-zero goals while encouraging a greener commuting culture.

### Carbon Offsetting

IPDC will implement tree plantation programs both within its premises and local communities as part of its carbon offset strategy. These initiatives aim to sequester carbon emissions, enhance biodiversity, and improve air quality. The programs also promote employee and community well-being, while contributing positively to the environment, helping IPDC offset its carbon footprint and make a tangible environmental impact.

### Energy and Resource Efficiency

To improve energy efficiency, IPDC will upgrade to energy-efficient systems, including lighting, HVAC, and office equipment. The company will also reduce paper usage through digital transformation. These actions will not only lower energy consumption but also reduce the overall carbon footprint. By streamlining operations and cutting waste, IPDC will drive sustainability and foster a more efficient, eco-friendly working environment.

### Enhanced Solid Waste Management

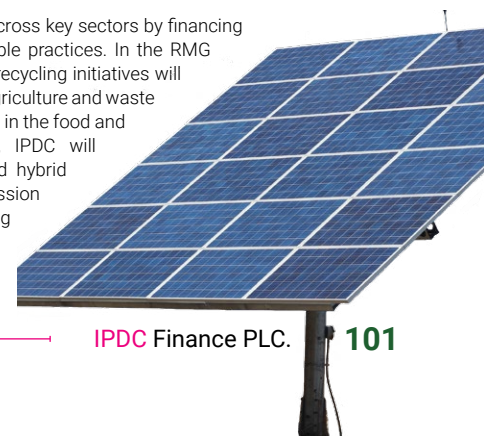
IPDC will implement waste segregation systems to separate biodegradable, recyclable, and non-recyclable materials. Employees will be educated about proper waste disposal and provided with labeled bins to ensure effective waste management. By reducing landfill contributions and recovering valuable resources through recycling, IPDC aims to enhance its corporate reputation while promoting sustainability and reducing environmental harm.

### Rainwater Harvesting

IPDC will install rainwater harvesting systems for non-potable purposes, such as irrigation and cleaning. This initiative will reduce the company's dependence on external water sources, promoting responsible water usage. By educating employees on the benefits of harvesting rainwater, IPDC will demonstrate its commitment to environmental stewardship, conserving water, and reducing waste in line with its sustainability goals.

### Optimizing Financed Emissions

IPDC aims to reduce emissions across key sectors by financing green technologies and sustainable practices. In the RMG industry, green technologies and recycling initiatives will be supported, while sustainable agriculture and waste reduction projects will be financed in the food and agriculture sectors. Additionally, IPDC will expand financing for electric and hybrid vehicles, contributing to low-emission transport solutions and aligning with environmental goals.



## CLIMATE-RELATED & SUSTAINABILITY-RELATED DISCLOSURES

### Governance

IPDC Finance PLC has placed sustainability at the core of its governance and strategic framework, reflecting a deep institutional commitment to managing climate and other environmental, social, and sustainability-related risks and opportunities. The responsibilities of IPDC's Board of Directors and its board-level committees are well defined across related policies.

### Board Responsibilities for Climate and Sustainability Governance

IPDC's governance framework is anchored by a Board-approved Sustainable Finance Policy, which is aligned with Bangladesh Bank's Sustainable Finance Policy and Green Taxonomy guidelines. This policy integrates climate and sustainability considerations into all aspects of the institution's decision-making. It ensures that the Board and its committees are directly responsible for incorporating climate-related and broader sustainability risks into IPDC's strategic decisions, including capital allocation, product development, and credit risk management. The Board exercises oversight over the implementation of the policy, while also setting the institution's risk appetite in relation to environmental and social (E&S) exposures.

Furthermore, the Board monitors compliance with regulatory guidelines and ensures the continued evolution of IPDC's sustainability practices. This includes improving the quality and transparency of the institution's sustainability disclosures and ensuring proper governance structures are in place to drive continuous improvement. The Board is also accountable for IPDC's commitment to broader E&S objectives and long-term impact goals, ensuring that the company's operations and lending activities contribute meaningfully to national and global sustainability targets.

One of the most important milestones underscoring the Board's proactive role is the approval of IPDC's Net Zero Strategy 2050. This strategy commits the company to achieving net-zero emissions across Scope 1, Scope 2, and Scope 3 categories. It outlines a comprehensive roadmap that includes internal sustainability measures (e.g., energy efficiency), engagement with clients to reduce financed emissions, and the use of credible carbon offsetting instruments. This commitment reinforces the Board's intention to support a low-carbon transition in Bangladesh's financial sector and the broader economy.

### Ensuring Board Competency in Sustainability Oversight

Recognizing the rapidly evolving nature of climate and sustainability-related risks, IPDC's Board has taken proactive steps to ensure that its members possess, or are developing, the requisite knowledge and expertise to fulfill their oversight responsibilities. Key board-level committees, including the Sustainable Finance Committee and the Risk Management Committee, are composed of members who either have prior experience in sustainability or are committed to building those competencies. This is facilitated through participation in structured training programs, peer learning initiatives, and ongoing collaboration with external stakeholders such as regulators, development partners, and sustainability experts.

These capacity-building efforts are institutionalized to ensure the Board remains adequately informed and equipped to assess the implications of sustainability risks, evaluate trade-offs, and make informed decisions in a dynamic risk landscape.

## SUSTAINABLE FINANCE COMMITTEE (SFC)

The Sustainable Finance Committee provides strategic direction and oversight on sustainable and green finance, CSR, climate finance, refinancing, governance, and marketing of sustainability-linked initiatives. The committee ensures policy formulation, progress monitoring, and regulatory compliance.

Members of the Committee:

| Name                             | Designation                                                 |
|----------------------------------|-------------------------------------------------------------|
| Mr. Md. Ashique Hossain          | Deputy Managing Director (Chairman)                         |
| Mr. Nasim Reza                   | Head of Credit Administration                               |
| Mr. Amdadur Rashid               | Head of SAM                                                 |
| Ms. Jumaratul Banna              | Head of Corporate Business and Head of Sustainable Business |
| Mr. Md. Sayeed Iqbal             | Chief Human Resources Officer                               |
| Ms. Fahmida Khan                 | Chief Financial Officer                                     |
| Mr. Abdullah Al Mahmud Md. Kayes | Head of Internal Control & Compliance                       |
| Mr. Md. Barkat Ullah             | Head of General Services & Security                         |
| Mr. Mohammad Shahidul Islam      | Head of Distribution                                        |
| Mr. Samiul Hashim                | Acting Head of Brand & Corporate Communication              |
| Mr. Md Afzalur Rashid            | Chief Technology Officer                                    |
| Mr. Imran Khan                   | Acting Head of CRM (Member Secretary)                       |

## SUSTAINABLE FINANCE UNIT (SFU)

The SFU is responsible for integrating ESG principles across IPDC's credit lifecycle. It drives sustainability performance, ensures regulatory alignment, execute internal targets, and promotes long-term value through responsible finance. Key members include:

| Name                           | Designation                                                          |
|--------------------------------|----------------------------------------------------------------------|
| Mr. Imran Khan                 | Acting Head of CRM (Head of SFU)                                     |
| Ms. Jumaratul Banna            | Head of Corporate Business and Head of Sustainable Business          |
| Mr. Md. Mahmudur Rahman Shawon | Head of SME                                                          |
| Md. Abdul Mabud                | Head of Supply Chain Finance                                         |
| Mr. Akif Chowdhury             | Unit Manager - Corporate Business & Sustainable Business Coordinator |
| Mr. Mohammad Shahidul Islam    | Acting Head of Home Loan                                             |

| Name                       | Designation                                                       |
|----------------------------|-------------------------------------------------------------------|
| Mr. Mohammad Junaid Shawon | Acting Head of Non-Metro Asset, Retail Business                   |
| Mr. HM Pervez Khan         | Head of Auto Loan                                                 |
| Mr. Humayun Reza Murtaza   | Head of Personal Loan                                             |
| Mr. Muhit Shahnewaz        | In-Charge: Women Entrepreneur and Business Planning & Development |
| Mr. Nidal Mohammed Alam    | Senior Manager, Brand & Corporate Communication                   |
| Mr. Md. Barkat Ullah       | Head of General Services & Security                               |
| Ms. Nahida Sultana         | In-Charge: Talent Acquisition & OD, HR                            |
| Mr. Khaled Mahamud Sujon   | Financial Controller                                              |
| Mr. S. M. Mahamudul Farid  | Manager - Refinancing Unit, MME                                   |

*Other than the ones mentioned above, the members of the SFU also include all regional business managers of SME, unit managers of Corporate Business, relevant representatives from CRM and employees of the Sustainable Finance help desks.*

## Information Flows and Meeting Frequency

The Board and its committees receive regular updates on climate and sustainability-related issues through periodic meetings, which include both standard Board meetings and dedicated committee sessions. These meetings provide a platform for discussing developments in sustainability regulations, reviewing progress toward targets, and assessing risks and opportunities arising from environmental and social considerations. The agenda is informed by detailed reports and insights prepared by the management-level Sustainable Finance Committee, which acts as the key liaison between implementation teams and governance bodies.

This reporting structure ensures timely and accurate information sharing, enabling the Board to make data-driven decisions and adjust its strategy in response to emerging trends or challenges.

## Integration of Sustainability into Strategy and Risk Management

The integration of sustainability into IPDC's core strategy is both deliberate and systemic. The Board, through its committees, ensures that climate and sustainability-related risks are embedded in the organization's credit policies, investment strategies, and broader business operations. This includes aligning IPDC's lending and investment decisions with the Sustainable Finance Policy, Environmental and Social Risk Management (ESRM) Policy, and Net Zero Strategy 2050.

For every major transaction, particularly those involving high-impact sectors, the Board requires an assessment of potential environmental and social risks, climate resilience, and sustainability benefits. This evaluation is conducted as part of the credit approval and risk management process. The committees review these assessments to balance short-term financial returns against long-term sustainability outcomes, ensuring that IPDC avoids unintended negative impacts while contributing to the sustainable development of Bangladesh.

Trade-offs, such as choosing between a high-yield project with adverse environmental impacts versus a lower-return but greener initiative, are evaluated systematically. The Board encourages sustainable innovation while adhering to IPDC's fiduciary and regulatory responsibilities.

## Target-Setting and Performance Monitoring

One of the central responsibilities of the Board and its relevant committees is to oversee the setting of climate and sustainability-related targets. This includes targets for green and sustainable finance disbursements, emission reductions, and the implementation of capacity-building programs for clients and employees.

Progress toward these targets is monitored through a well-defined Key Performance Indicator (KPI) framework, which links sustainability

outcomes with employee performance and incentives. Relevant personnel have specific sustainability-related KPIs embedded in their scorecards, and progress is reviewed periodically by the committees. This integration helps institutionalize sustainability into the organizational culture, reinforcing accountability and performance.

## Delegation to Management-Level Committees

While the Board provides strategic direction, much of the day-to-day implementation and monitoring of sustainability-related risks is delegated to the Sustainable Finance Committee, a management-level body. This committee is responsible for translating the Board's strategic vision into operational policies and practices. It is directly overseen by the Executive Committee, which comprises senior executives and Board members, ensuring alignment between governance and execution.

The Sustainable Finance Committee coordinates with various departments, such as corporate business, credit risk management, internal control and compliance, to integrate sustainability into their workflows and decision-making processes.

## Internal Controls and Organizational Impact

IPDC's management has adopted a series of internal controls and standard operating procedures to strengthen its oversight of climate and sustainability risks. These controls are embedded in the ESRM Policy, credit risk models, client due diligence processes, and project appraisal frameworks. They help identify, assess, and mitigate sustainability-related risks at both portfolio and transaction levels.

The adoption of these updated procedures has significantly enhanced IPDC's overall internal control environment. The organization now possesses a more comprehensive risk management framework that accounts for both traditional financial risks and emerging environmental and social risks. This integrated approach enables better anticipation of systemic shocks, improves regulatory compliance, and promotes resilient growth.

IPDC Finance PLC's approach to board-level governance of sustainability is a model of alignment, accountability, and ambition. The Board's oversight responsibilities are clearly defined, regularly updated, and fully integrated into the organization's strategic and operational frameworks. Through a combination of well-structured committees, continuous learning, delegated authority, and robust internal controls, IPDC ensures that climate and sustainability considerations are not peripheral but central to its business model. With a forward-looking Net Zero Strategy, measurable targets, and a governance framework that fosters both accountability and innovation, IPDC is well-positioned to lead the financial sector in building a sustainable and climate-resilient future for Bangladesh.



## STRATEGIC RESPONSE TO SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES

### The Current and Anticipated Effects of Sustainability and Climate-Related Risks and Opportunities on the IPDC's Business Model and Value Chain

Sustainability and climate-related risks have emerged as critical considerations influencing financial institutions globally. At IPDC, these risks and opportunities are reshaping both the current operational landscape and the organization's long-term strategic trajectory. Presently, climate-related risks manifest primarily through two vectors: physical risks such as extreme weather events, and transition risks stemming from the shift toward a low-carbon economy. These disruptions affect borrowers' operational stability and creditworthiness, consequently influencing loan performance and asset quality.

In response, IPDC is proactively optimizing its operations and resource deployment to assess, manage, and report climate-related impacts effectively. Efforts include embedding Environmental and Social (E&S) considerations into loan assessments, enhancing the capabilities of the sustainable finance team, and investing in technology to improve environmental risk monitoring.

Anticipating the future, IPDC foresees increased opportunities in green financing and sustainability-linked financial solutions. The company aims to expand its product offerings to cater to sectors transitioning to sustainable operations, such as renewable energy, low-emission mobility, and sustainable agriculture. By fostering resilience and innovation in its lending practices, IPDC intends to align its business model with global sustainability objectives while opening new revenue channels.

### Concentration of Sustainability and Climate-Related Risks and Opportunities in IPDC's Business Model and Value Chain

Sustainability and climate-related risks and opportunities are most concentrated within IPDC's loan portfolio. This is the core of the financial value chain, where decisions regarding credit appraisal, disbursement, and monitoring are made. Lending to sectors vulnerable to climate change, such as agriculture and textiles, exposes the company to environmental risks, while simultaneously offering pathways to contribute to low-carbon transitions.

The organization categorizes its strategic outlook into three planning horizons:

- Short-term (Less than 1 year): Focused on compliance, capacity building, and awareness.
- Medium-term (1 to less than 5 years): Involves building sustainable product lines, establishing strategic partnerships, and integrating enhanced ESG criteria into credit decisions.
- Long-term (5 years and beyond): Envisions a robust sustainable finance ecosystem, with significant contributions from green assets and reduced financed emissions.

### Strategic Decision-Making and Planning Horizons

IPDC's planning horizons are aligned with the definitions of short, medium, and long-term used for strategic decision-making. This congruence ensures seamless integration of sustainability considerations into enterprise-wide strategies. Short-term planning focuses on immediate regulatory compliance and operational improvements. Medium-term planning incorporates product innovation, talent acquisition, and digital transformation. Long-term planning envisions transformational changes including reaching net-zero emissions, mainstreaming climate considerations into all decision-making levels, and ensuring IPDC's leadership in sustainable finance.

## Response to Sustainability and Climate-Related Risks and Opportunities in Strategy and Decision-Making

### a. Changes to Business Model and Resource Allocation

The shift to sustainability has prompted IPDC to adapt its business model, especially by integrating Environmental and Social Risk Management (ESRM) into credit risk assessments. Resource allocation has been recalibrated to support climate-sensitive sectors and operational enhancements such as better energy usage and infrastructure resilience.

### b. Direct Mitigation and Adaptation Efforts

Direct efforts include installing energy-efficient lighting systems, transitioning to fuel-efficient vehicles, encouraging staff to use public transportation, and improving infrastructure to withstand climate-related shocks such as flooding. These initiatives aim to reduce the organization's Scope 1 and Scope 2 emissions.

### c. Indirect Mitigation and Adaptation Efforts

Indirect strategies involve enforcing the Sustainable Finance Policy to facilitate green project financing, and conducting awareness programs for clients and employees to promote climate literacy. These measures also contribute to Scope 3 emission reductions.

### d. Climate Transition Plan

IPDC's Net Zero Strategy 2050 serves as its blueprint for climate transition. Key assumptions include advances in renewable energy technologies, increased green finance availability, and enhanced stakeholder engagement. Critical dependencies include supportive regulations, market readiness, and collaboration across the value chain. The strategy targets reduction across all emission scopes through efficiency, renewable energy, and climate-aligned lending.

### e. Achieving Climate-Related Targets

The path to achieving climate-related targets involves a multipronged approach:

- Financed emissions optimization in high-impact sectors (e.g., RMG and agriculture).
- Investment in sustainable infrastructure like rainwater harvesting and solid waste management.
- Transitioning fleets to electric or hybrid vehicles.
- Financing for sustainable transportation and eco-efficient housing.
- Continuous progress tracking and portfolio realignment as necessary.

### Resourcing Strategy

IPDC is investing across three dimensions: financial, human, and technological. Financially, it leverages green bonds, sustainability-linked loans, and concessional funding. Human resource investments include training programs and strategic recruitment to build climate expertise. On the technological front, upgraded MIS for ESG reporting, analytics for emissions tracking, and digital credit tools for ESG integration form the core of IPDC's sustainability infrastructure.

### Trade-Offs Considered

In implementing sustainability initiatives, IPDC has evaluated trade-offs including:

- Reputational Risk vs. Consumer Demand: Investing in sustainability safeguards brand equity.
- Short-term Profitability vs. Long-term Sustainability: Immediate returns are compromised for future resilience.

- **Compliance Costs vs. Regulatory Advantage:** While initial compliance costs are significant, they yield long-term regulatory goodwill and market access.

## Financial Position, Performance, and Cash Flows

### Current Financial Impact

Integrating E&S risk filters into the credit appraisal process has reduced potential defaults and improved asset quality. Financing green projects has also enabled IPDC to access refinancing from Bangladesh Bank, thus improving margins.

### Future Financial Outlook

In the short term, implementation of sustainability measures will likely increase operational costs. However, in the medium term, these costs will be offset by increased revenues from new green financial products and central bank incentives. Over the long term, a diversified, sustainable lending portfolio will enhance financial stability and investor confidence.

### Material Adjustments to Assets and Liabilities

No significant risk of material adjustments to asset and liability valuations within the next reporting period has been identified.

### Changes in Financial Position, Performance, and Cash Flow

The financial trajectory of IPDC is expected to improve over the medium and long term due to sustainable investments. Additionally, ESG-focused funds and concessional finance instruments are expected to increase liquidity and funding diversity, reducing cost of capital.

## Resilience

### a. Capacity to Adjust

IPDC's risk management framework now incorporates E&S and climate risk assessment tools. Staff are being trained to manage such risks across all tiers, while cross-departmental working groups monitor adaptation strategies.

### b. Strategy and Business Model Resilience

The company uses climate scenario analysis to evaluate business vulnerabilities and re-calibrate strategy accordingly. Opportunities such as green financing, low-carbon lending products, and technology-driven credit scoring enhance resilience.

### c. Climate Resilience Assessment

As of the reporting date, IPDC has:

- Identified key uncertainties (e.g., regulatory volatility, technological disruptions).
- Established adequate liquidity reserves.
- Built flexibility into operations for asset redeployment.
- Ensured the adaptability of strategic objectives over different time horizons.

### d. Scenario Analysis Approach

IPDC employed a scenario analysis approach in 2024 using both physical and transition risk scenarios. Scenarios included IPCC SSP1-2.6 (aligned with the Paris Agreement) and SSP3-7.0 (a higher-risk scenario). Time horizons included 2030, 2040, and 2050. Data inputs were sourced from IPCC reports, Bangladesh Bank guidelines, and regional climate risk forecasts. The analysis revealed vulnerabilities in flood-prone lending regions and highlighted opportunities in renewable energy financing. The insights informed internal climate stress tests and adaptation planning.

## RISK MANAGEMENT REGARDING SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES

IPDC adopts a structured and policy-driven approach to identify, assess, prioritize, and monitor sustainability and climate-related risks and opportunities. These processes are grounded in key guiding documents, including the Environmental and Social Risk Management (ESRM) Policy, Sustainable Finance Policy, and the institution's long-term Net Zero Strategy 2050. These policies ensure that sustainability considerations are not only acknowledged but are deeply embedded into the organization's risk management and decision-making frameworks.

To identify sustainability and climate-related risks, IPDC conducts a comprehensive credit appraisal process for all financed projects, which integrates a holistic Environmental and Social Risk Due Diligence (ESDD). This includes assessments of potential environmental degradation, social conflict, climate exposure, and regulatory non-compliance risks. These inputs enable IPDC to evaluate risks at both the project and portfolio levels, ensuring consistency and alignment with Bangladesh Bank's Sustainable Finance Policy and global best practices.

The nature, likelihood, and magnitude of sustainability risks are assessed through a risk rating matrix that categorizes projects into low, medium, or high-risk levels based on identified environmental and social impacts. Projects deemed high-risk are subject to enhanced due diligence and must include appropriate mitigation and monitoring plans. This structured approach ensures that sustainability risks are not treated as ancillary, but rather as core risk dimensions influencing financing decisions.

IPDC prioritizes climate-related and broader sustainability risks by aligning them with its overall credit risk evaluation. This alignment ensures that environmental and social concerns are considered on par with traditional financial risks such as borrower capacity, sectoral exposure, or market volatility. By integrating these risks into the broader risk appetite framework, IPDC ensures a comprehensive and balanced assessment of each transaction.

Monitoring of climate and sustainability-related risks is carried out through regular supervision and follow-up with clients, especially for medium- and high-risk exposures. This includes field visits, compliance tracking, and progress updates on environmental and social mitigation actions. Internal teams work in coordination to flag emerging issues and ensure that sustainability commitments are upheld throughout the loan lifecycle.

IPDC continues to strengthen internal capacity and deepen its understanding of climate-related risks through participation in industry workshops, regulatory dialogues, and knowledge-sharing platforms.

Similarly, IPDC evaluates climate and sustainability-related opportunities using the same ESRM and Sustainable Finance frameworks. These include opportunities in renewable energy, green buildings, sustainable agriculture, and women-led climate-smart enterprises. While climate scenario analysis is not yet systematically applied to identify opportunities, ongoing efforts are underway to gradually integrate such tools, especially in collaboration with development partners and regulators.

Importantly, the processes for identifying, assessing, and managing these risks and opportunities are fully integrated into IPDC's enterprise risk management system. This ensures that sustainability is not a siloed concern but a cross-functional priority that informs strategic decisions, credit choices, and risk appetite definition across the organization.

# CATALYZING SUSTAINABLE FINANCE

## Sustainable Finance Products

IPDC is deeply committed to investing in green and sustainable products, integrating these practices as a core component of its broader strategy to promote environmental responsibility and contribute to a more sustainable future. Recognizing the urgent need for environmental stewardship, IPDC aims to play an active role in fostering a green economy by supporting initiatives that not only reduce environmental impact but also contribute to the conservation of natural resources and the promotion of clean technologies.

This includes investing in renewable energy, energy & resource efficiency, alternative energy, liquid waste management, solid waste management, circular economy & eco-projects financing, environment friendly brick production, green/ environment friendly establishments, green agriculture, green CMSME, green SRF, blue economy financing, information & communication technology, sustainable agriculture, socially responsible financing and many other sustainable linked finances.

Through these responsible investments, IPDC not only complies with the regulatory guidelines of Bangladesh Bank but also

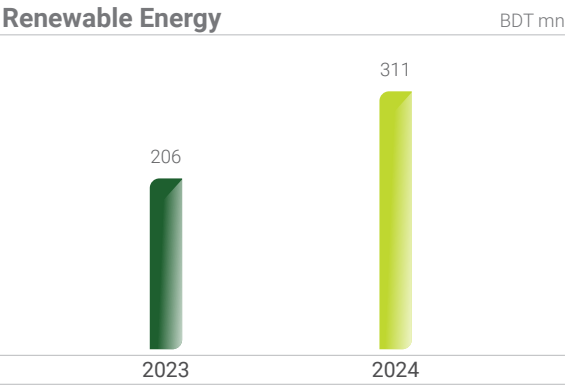
aligns with global sustainability goals, particularly in reducing carbon emissions and promoting responsible consumption. More importantly, IPDC seeks to create long-term value for its stakeholders by fostering a greener, more resilient economy. This strategic approach goes beyond fulfilling regulatory obligations, as IPDC strives to ensure a positive environmental footprint while driving economic growth and social progress. By making these strategic green investments, IPDC is committed to being a catalyst for change, contributing to the sustainable development of Bangladesh and the global community.

## Green Finance Sectors

Every year, IPDC allocates investments across various green sectors, ensuring a balanced and thoughtful distribution that aligns with its long-term strategic vision. The company continues to prioritize sustainable growth by supporting initiatives in renewable energy, eco-friendly technologies, and resource efficiency, among other sectors. By maintaining a fair proportion of its investments in green initiatives, IPDC aims to drive environmental sustainability while achieving financial growth.

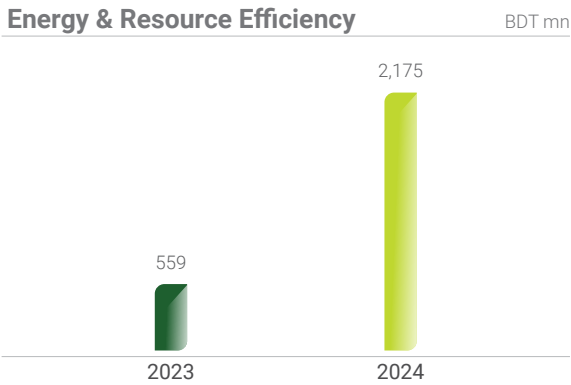
### Renewable Energy

IPDC has developed a strong portfolio in renewable energy, totaling BDT 310.50mn as of 31 December 2024, reflecting an impressive 50.9% growth from the previous year. This sector includes a diverse range of investments, from solar-based manufacturing and services to large-scale solar grids. Additionally, the portfolio encompasses wind power, hydro power, biogas, and integrated cow rearing and biogas plants.



### Energy and Resource Efficiency

As of 31 December 2024, IPDC's portfolio in energy and resource efficiency has reached BDT 2175.42mn, marking a significant 289.4% increase from the previous year. This sector covers a broad spectrum of initiatives, including the installation of energy-efficient machinery certified by energy auditors, improvements in heat and temperature management, air ventilation, business process automation, and waste management. IPDC's investments also extend to energy-efficient manufacturing plants, such as those producing auto sensor power switches, energy-efficient cook stoves, LED bulbs, lime kilns, and improved rice parboiling systems, all contributing to enhanced efficiency across industries.



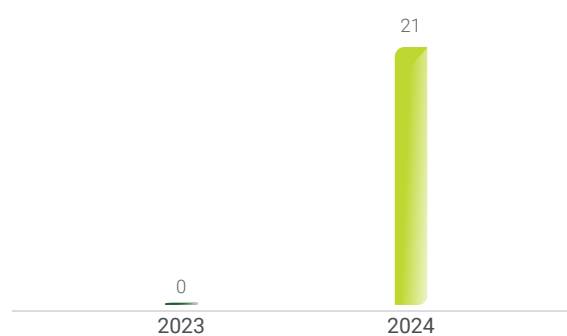


### Alternative Energy

In line with its commitment to green and sustainable energy, IPDC is diversifying its portfolio by investing in the alternative energy sector. This includes manufacturing companies focused on the production of pyrolysis-processed oil, bio-crude oil, biofuels, and lithium batteries, all of which are crucial in reducing reliance on traditional fossil fuels. As of 31 December 2024, IPDC's portfolio in alternative energy stands at BDT 20.58mn, aligning with global trends toward cleaner, more sustainable energy solutions.

### Alternative Energy

BDT mn

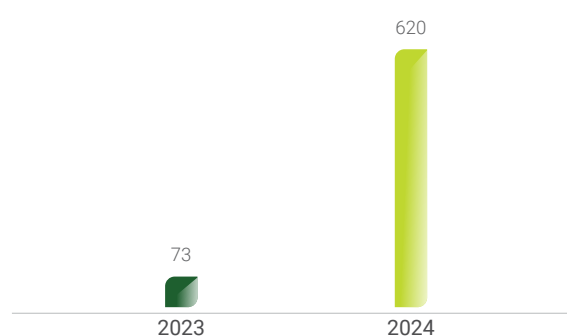


### Liquid Waste Management

Bangladesh has made significant progress in reducing wastewater discharge in the RMG sector. More than 450 textile and garment factories have reduced freshwater consumption by 35 billion liters and cut wastewater discharge by 29 billion liters annually. In this ongoing journey to treat wastewater and prevent contamination, IPDC has proudly supported leading industry companies. As of 31 December 2024, IPDC's portfolio in liquid waste management totals BDT 619.51mn, representing a outstanding 746.2% increase from the previous year. This sector includes various types of ETP plants, such as biological, combination, and central ETPs, as well as wastewater and sewage treatment plants.

### Liquid Waste Management

BDT mn

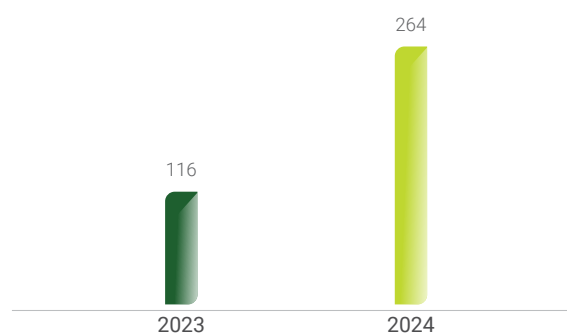


### Circular Economy & Eco-Projects Financing

IPDC is committed to supporting sustainability initiatives by financing projects that promote a circular economy. This includes investments in PET bottle recycling, plastic waste recycling, paper recycling, biodegradable items manufacturing, solar-powered item production, and jute product manufacturing plants. As of 31 December 2024, the portfolio in this sector has reached BDT 264.379mn, a remarkable 128.9% increase from the previous year.

### Circular Economy & Eco-Projects

BDT mn

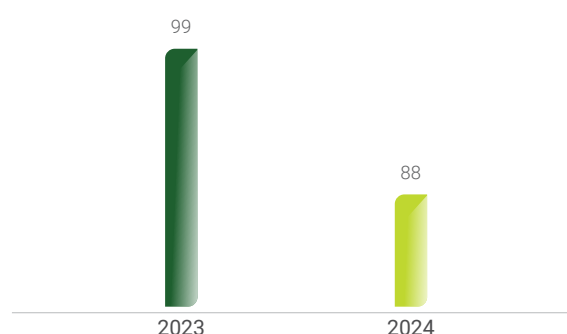


### Environment-Friendly Brick Production

The Department of Environment has highlighted the environmental impact of brick production, which uses significant amounts of topsoil and emits hazardous pollutants. In response, IPDC is focused on promoting eco-friendly alternatives, including compressed block-bricks, foam concrete bricks, and efficiency improvements in brick kiln operations. As of 31 December 2024, IPDC's portfolio in environment-friendly brick production stands at BDT 88.22mn.

### Environment-Friendly Brick

BDT mn



### Green/Environment-Friendly Establishments

The rise of green establishments, particularly in the RMG and textile sectors, reflects the growing demand for sustainable and ethically produced garments. IPDC is dedicated to supporting these initiatives by financing projects focused on green building establishments, factory working environments, and safety improvements. As of 31 December 2024, the portfolio in this sector amounts to BDT 1,269.04 mn.

### Green Agriculture

In 2024, IPDC's portfolio in the green agriculture sector reached BDT 88.03 million, marking a significant step forward. While the previous fiscal year saw no notable portfolio, IPDC's investment now supports sustainable farming practices, encourages eco-friendly innovations, and contributes to climate-resilient agricultural development for a greener future.

### Green CMSME

In 2024, IPDC's portfolio contribution to green CMSME stood at 18.19 million BDT. Through tailored financing solutions, IPDC has empowered cottage industries to adopt sustainable practices, expand their operations, and integrate environmentally friendly innovations. This investment reflects IPDC's commitment to fostering green growth within the CMSME sector.

### Green Socially Responsible Financing (SRF)

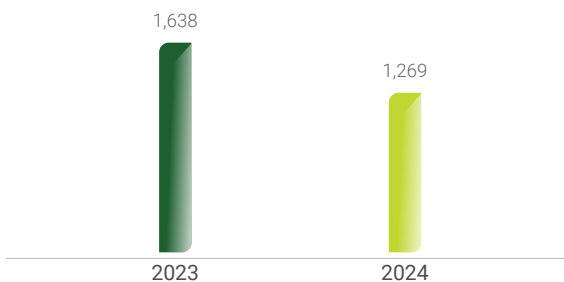
IPDC is committed to socially responsible financing that includes investments in climate resilience, disaster management, green transportation projects, and initiatives promoting gender equality and access to quality education. As of 31 December 2024, the portfolio in this sector amounts to BDT 2,668.14mn, a staggering 132.1% increase from the previous reporting year.

### Blue Economy Financing

IPDC has made significant investments in the blue economy, focusing on marine initiatives such as sustainable fisheries, coastal ecotourism, and marine plastic pollution management. As of 31 December 2024, IPDC's portfolio in the blue economy sector is valued at BDT 26.04mn, reflecting a 129.1% increase from the previous year.

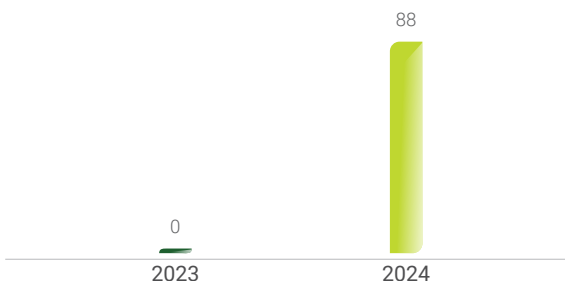
### Green Establishments

BDT mn



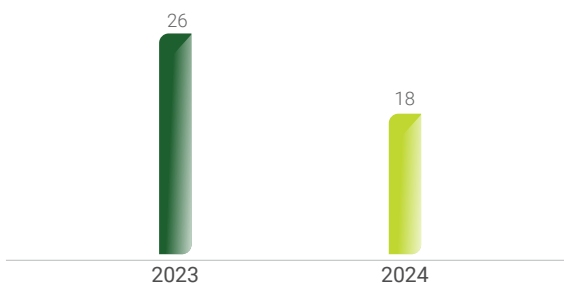
### Green Agriculture

BDT mn



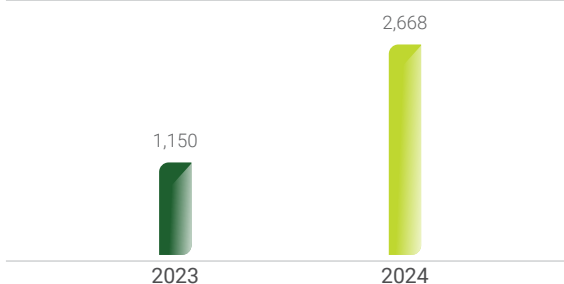
### Green CMSME

BDT mn



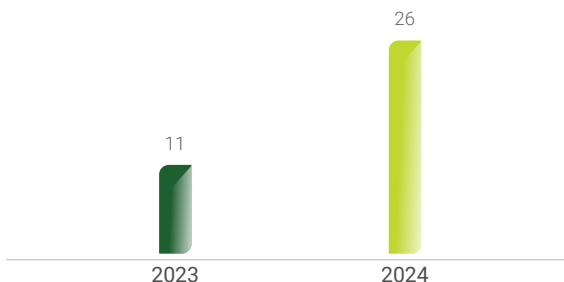
### Green SRF

BDT mn



### Blue Economy

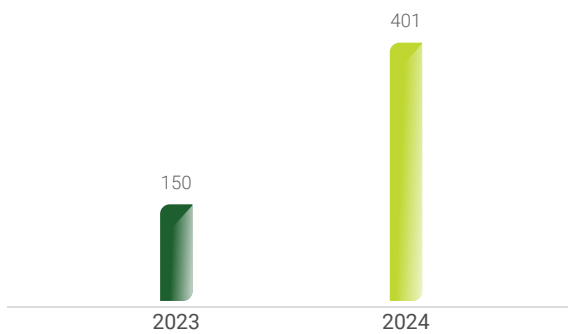
BDT mn



## Information and Communication Technology

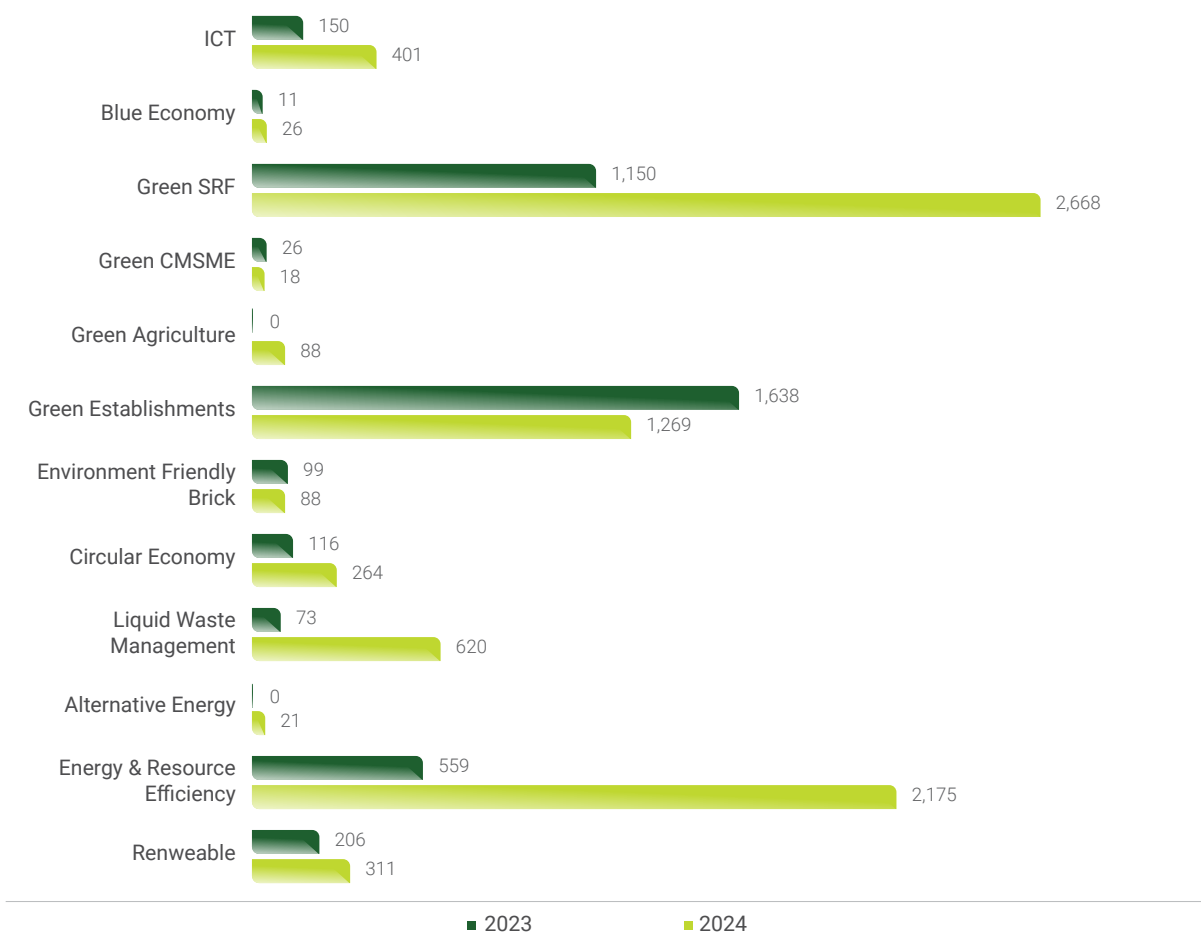
IPDC recognizes the pivotal role of the Information and Communication Technology (ICT) sector in transforming Bangladesh into a 'Smart Bangladesh' by 2041. As of 31 December 2024, IPDC's portfolio in the ICT sector amounts to BDT 400.89mn, marking a 166.9% increase from the previous year. The portfolio includes investments in hi-tech parks, broadband providers, IoT, artificial intelligence, and robotics.

## Information Communication Technology BDT mn



## Portfolio of Green Products for Y23 & Y24

BDT mn



## Sustainable Linked Finance

IPDC Finance's unwavering commitment to sustainability goes beyond environmentally responsible financing; it encompasses both the social and governance aspects of all investments. The company takes all three elements of ESG—environment, social, and governance—into account when making investment decisions. In the sustainable finance sector, the three key areas are sustainable agriculture, sustainable MSMEs, and socially responsible financing. Every year, IPDC allocates

a significant portion of its investments to these sustainable-linked finance sectors. As of December 31, 2024, IPDC's total portfolio in this sector stands at BDT 38,552.11mn.

Due to our persistent focus on sustainability, we were recognized as the top sustainable financing company for the fiscal year 2023. This recognition reflects that IPDC is on the right track in integrating sustainable practices into everything we do—not just eco-friendly initiatives. We are driven by a relentless passion to make a lasting impact.



### • Sustainable Agriculture

Promoting sustainable agricultural initiatives and projects through climate change adaptation measures is one of the key objectives of our sustainable-linked finance activities. IPDC focuses on integrated farming, soil health management, resource conservation, and business initiatives related to crops, pisciculture, livestock, irrigation tools, poverty alleviation, and agricultural tools as key target areas for investment under the sustainable agriculture. As of December 31, 2024, IPDC has an outstanding investment of BDT 956.70mn.

### • Sustainable MSME

Under sustainable MSME, micro, small and medium size business who are also considered as low risk rated enterprises according to the check list of Environmental and Social Risk Management guideline are given priority, as enterprises under this definition are inherently involved in low carbon emitting activities. Promoting such entities is one of the strategic focus of IPDC. Initiatives and projects that are considered to be sustainable MSME are women entrepreneur-based projects, rural based business enterprises, new entrepreneurship, cluster-based projects, agricultural product processing industry, helpless/distressed/ underprivileged/ marginal group/area-based projects, projects empowering third gender and physically/mentally challenged person, tribal people etc. This sector also includes industries like herbal cosmetic manufacturing industries, rice processing industry, agro equipment manufacturing industry, jute made products manufacturing industry, and so on. Currently, IPDC has a portfolio of BDT 9,347.54mn under this specific sector.

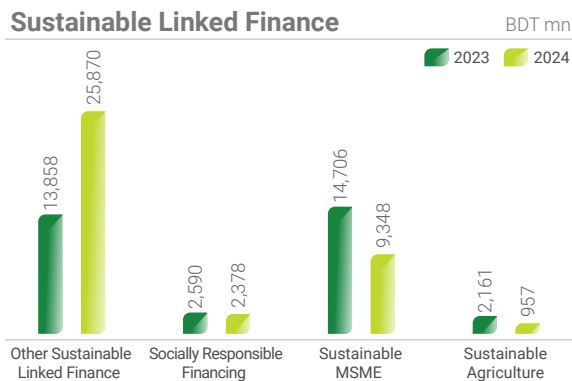
### • Socially Responsible Financing

As IPDC places overall sustainability at the core of its business strategy, we are firmly committed to incorporating social issues to achieve positive social outcomes, particularly for target populations. Our range of socially responsible financing includes initiatives such as affordable basic infrastructure, affordable housing, access to healthcare services, and more. This sector also covers investments through MFIs for capacity building, education, employment generation (including self-employment), and the trading of green and agro products through ICT/online/e-business platforms, among others. IPDC's current portfolio in this sector is BDT 2,378.16mn.

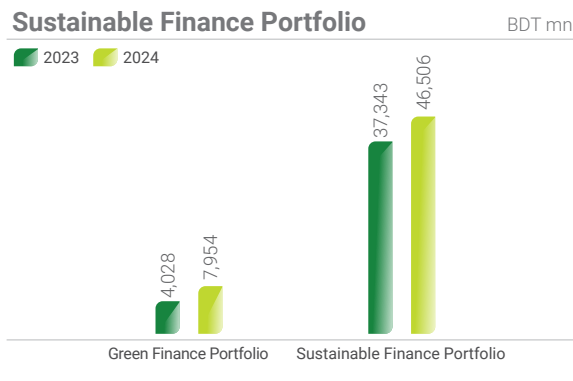
### • Other Sustainable Linked Finance

For low-risk-rated projects or initiatives that do not fall under the categories of Green Finance, Sustainable Agriculture, Sustainable MSMEs, SRF, or working capital and demand loans for Green Products, but still involve businesses with a nature and purpose aligned with green products; this kind of projects and initiatives are categorized under the "Other Sustainable Linked Finance" label. This includes green business ventures that have a tenure of investment of less than one year. As of December 31, 2024, IPDC has a BDT 25,869.71 mn in this category, representing 86.7% of its overall portfolio. This allocation reflects the company's commitment to integrating sustainability into its broader financial strategy, even in projects with shorter-term horizons. This approach allows IPDC to support a diverse range of green initiatives while maintaining flexibility in financing options.

#### Sustainable Linked Finance



#### Sustainable Finance Portfolio



## IPDC'S ACHIEVEMENT AGAINST BANGLADESH BANK TARGET

|                     | Bangladesh Bank's Target                 | IPDC's Achievement 2022 | IPDC's Achievement 2023 | IPDC's Achievement 2024 |
|---------------------|------------------------------------------|-------------------------|-------------------------|-------------------------|
| Sustainable Finance | 20% (Total Annual Disbursement)          | 8.18%                   | 22.73%                  | 77.75%                  |
| Green Finance       | 5% (Total Annual Term Loan Disbursement) | 1.41%                   | 11.97%                  | 42.06%                  |

Bangladesh, being one of the lowest-lying and most climate-vulnerable countries, is ranked as the seventh most disaster-prone country in the world, according to the Global Climate Risk Index. Bangladesh Bank has been proactive in addressing this issue and has taken numerous initiatives to ensure that the banking and financial sector plays its due role.

To support the country's transition toward a more sustainable and environmentally responsible economy, one of the initiatives was the

introduction of minimum portfolio and disbursement targets for both green and sustainable finance. These targets were first set in January 2016 for all banks and financial institutions, replacing the previous Green Banking and CSR Department, with the aim of broadening the use of sustainable finance. Over the past few years, the minimum targets have been revised several times.

Most recently, in December 2022, the minimum target for sustainable finance was set at 20% of total annual disbursements, with 5% allocated

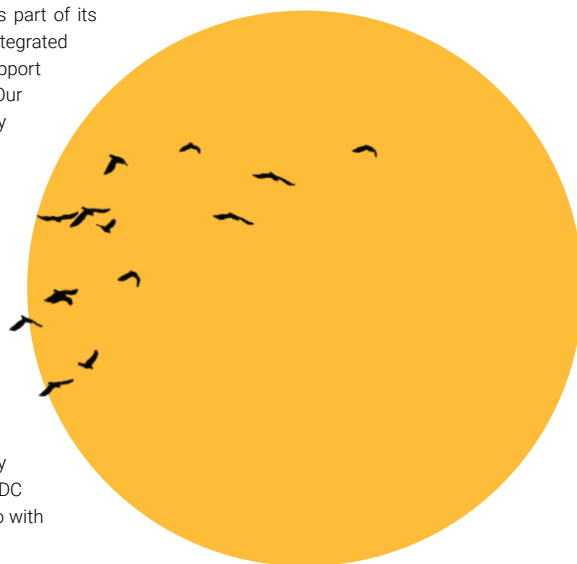
for green finance from total annual term loan disbursements. In 2023, IPDC reported a remarkable 22.73% disbursement for sustainable finance and an impressive 11.97% for green finance. As our management places sustainability at the core of all its decisions, our investments have naturally been directed toward green and sustainable initiatives. For successfully achieving the ambitious disbursement target for both green and sustainable finance and fulfilling other stringent regulatory requirements set by the central bank, IPDC became the top sustainable financial company for the year 2023.

Over the past three years, IPDC's sustainable and green finance portfolio has experienced remarkable growth. In 2022, the sustainable finance portfolio reached 8.18% of total annual disbursements and green finance rose to 1.41% of total annual term loan disbursements. By 2024, within just two years, IPDC's sustainable finance disbursements increased to 77.75% of total annual disbursements, while green finance surged to 42.06% of total annual term loan disbursements. This significant expansion highlights IPDC's strong ongoing commitment to driving sustainable and green initiatives in the financial sector.

This growth demonstrates IPDC's firm commitment to sustainable and green initiatives as part of its broader corporate responsibility and long-term growth strategy. The company has actively integrated environmental, social, and governance (ESG) factors into its business model, aiming to support projects and investments that contribute to a greener and more sustainable future. Our dedication to financing green and sustainable projects, particularly in renewable energy, energy efficiency, waste management, and sustainable agriculture, reflects this commitment. By promoting green financing, IPDC not only helps mitigate climate change but also ensures that its operations and investments align with international sustainability standards, contributing to Bangladesh's environmental goals. This commitment enhances IPDC's role in propelling responsible economic growth while protecting natural resources and improving the quality of life for future generations.

## Sectoral Exclusions

As part of its commitment to responsible and sustainable financing, IPDC conducts a rigorous screening of all prospective projects against a predefined Exclusion List. This list comprises activities that are deemed environmentally harmful, socially detrimental, ethically controversial, or non-compliant with national and international regulations and standards. By ensuring that no financing is extended to projects falling under these prohibited categories, IPDC aims to mitigate reputational, legal, and sustainability-related risks, while aligning its portfolio with the principles of sustainable development and stakeholder accountability.



The exclusion list is as follows:

| Serial No. | Sector / Activities                                                                                                                                                                                                                                                                                                                                                              |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1          | Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under the Convention on International Trade in Endangered Species (CITES). |
| 2          | Ship breaking/ trading activities which include: <ol style="list-style-type: none"> <li>Ships with prevalent asbestos use (for e.g. passenger cruise);</li> <li>Ships not certified 'gas free' for hot work</li> </ol>                                                                                                                                                           |
| 3          | Drift net fishing, deep sea bottom trawling, or fishing with the use of explosives or cyanide                                                                                                                                                                                                                                                                                    |
| 4          | Hydraulic horn and >75 decibel horns, polypropylene and polythene bags, two stroke engines.                                                                                                                                                                                                                                                                                      |
| 5          | Operations impacting UNESCO World Heritage Site and/or Ramsar site                                                                                                                                                                                                                                                                                                               |
| 6          | Illegal logging, and logging operations or conversion of land for plantation use in primary tropical moist forests                                                                                                                                                                                                                                                               |
| 7          | Production or activities involving forced labour/ child labour                                                                                                                                                                                                                                                                                                                   |
| 8          | Production or trade in: <ol style="list-style-type: none"> <li>Weapons and munitions</li> <li>Tobacco in any form</li> <li>Gambling, casinos</li> <li>Pornography (goods/stores/web-based)</li> <li>Brick production through Fixed Chimney Kiln (FCK)</li> </ol>                                                                                                                 |
| 9          | Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples                                                                                                                                                                                                                  |

# SUSTAINABILITY IN OUR OPERATIONS

## Our Commitment to the UN Sustainable Development Goals (SDGs)

Supporting and promoting the United Nations Sustainable Development Goals (SDGs) are essential for fostering a sustainable future. That is why IPDC is committed to supporting sustainable goals through its financial activities. We believe by aligning our operations and investments with the SDGs, we can mitigate business and environmental risks, tap into new market opportunities, and enhance our reputation as responsible corporate citizens



## FULFILLMENT OF THE SDGs

### 1 NO POVERTY



#### Our Participation

- Promoted innovation and entrepreneurship
- Empowered SMEs to flourish and generate economic value, hence easing impoverishment
- Assisted local NGOs in community growth by financing their activities

### 2 ZERO HUNGER



#### Our Participation

- Financed in Sustainable Agriculture, which enhances food production and resilience, fostering long-term food security and eradicating hunger

### 3 GOOD HEALTH AND WELL-BEING



#### Our Participation

- Invested in healthcare service organizations
- Stimulated workplace health trainings and initiatives to improve the well-being of employees
- Arranged sporting and team building events to enhance employee motivation

### 5 GENDER EQUALITY



#### Our Participation

- Advanced women empowerment through IPDC's products, Priti and Joyee, which gave special focus to females
- Supported gender equality by providing balanced leadership chances at all levels of the organization

### 6 CLEAN WATER AND SANITATION



#### Our Participation

- Partnered with Sajida Foundation to improve the Water Access and WASH habits of climate-vulnerable villages in Mongla
- Installed rainwater harvesting systems that supplied clean water to 55 people with 5,000 liters of storage for domestic use.

### 7 AFFORDABLE AND CLEAN ENERGY



#### Our Participation

- Financed in Renewable Energy and Energy & Resource Efficiency to drive clean power solutions, boosting energy access and efficiency, thus aiding environmental sustainability



## 8 DECENT WORK AND ECONOMIC GROWTH



### Our Participation

- Applied digital innovation to promote financial inclusion by providing financial products and services to the unbanked
- Financed infrastructure initiatives, including renewable energy, clean transportation, and affordable housing, which spurred economic growth

## 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



### Our Participation

- Financed in Green/ Environmentally Friendly Establishments to promote sustainable industries, driving innovation and infrastructure, and reducing carbon footprints

## 10 REDUCED INEQUALITIES



### Our Participation

- Supplied mobile and online banking services to increase the accessibility of financial services, minimizing geographic inequalities
- Raised financial literacy through workshops to help marginalized people and women entrepreneurs build businesses sustainably

## 11 SUSTAINABLE CITIES AND COMMUNITIES



### Our Participation

- Invested in agricultural initiatives to enhance food security, reduce food waste, and encourage the development of sustainable food systems
- Empowered small businesses that prioritize sustainable technologies, such as solar panels or energy-efficient appliances

## 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



### Our Participation

- Implemented environmentally friendly office procedures
- Financed practices that are eco-friendly and responsible such as gifting plants to every employee for New Year 2024
- Placed designated "recycled paper" container near printers and workstations

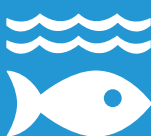
## 13 CLIMATE ACTION



### Our Participation

- Provided aid to the affected communities during the mass flood in southern Bangladesh
- Engaged in climate-resilient initiatives that contribute to the reduction of greenhouse gas emissions into the atmosphere

## 14 LIFE BELOW WATER



### Our Participation

- Offers Blue Economy Financing by supporting sustainable fisheries, mariculture, coastal ecotourism, renewable energy, eco ports, and green shipyards, while promoting responsible maritime transport

## 17 PARTNERSHIPS FOR THE GOALS



### Our Participation

- Financed in Women-led businesses and NGOs to collaborate on national development goals, strengthening multi-stakeholder cooperation, fostering shared knowledge, and promoting sustainable development

## INTEGRATING THE SDGs INTO FINANCIAL SOLUTIONS



## ENVIRONMENTAL FOOTPRINT

### GHG Emissions

IPDC Finance being one of the most environmentally responsible financial institutions, always integrated climate considerations into its decision-making processes, ensuring that sustainability and environmental impact are central to its operations. This proactive approach made it seamless for the company to adopt the Bangladesh Bank's climate and sustainability-related guidelines.

As the company has its own sets of strategies defining its assessment and mitigation of carbon footprints, aiming towards firm commitment of its management for achieving a Net Zero 2050, it became far easier to promptly disclose its carbon footprint generated by the organization's direct and indirect activities as well as its exposure

to the climate risk and opportunity following Bangladesh Bank's recommendation. This alignment not only strengthens IPDC's role as an environmentally responsible financial institution but also reflects its commitment to both long-term financial stability and transition to net zero economy.

Climate-related financial disclosures provide transparent, consistent, and reliable information on how IPDC is managing climate-related risks and opportunities. By making this information available, IPDC enables primary stakeholders—such as investors, regulators, customers, and policymakers—to make informed decisions regarding the company's financial and environmental sustainability. In addition to meeting the needs of these primary users, these disclosures help IPDC develop a clear and actionable roadmap to achieve its net-zero goals, aligning its operations with global sustainability targets. Furthermore, such disclosures offer the government valuable insights

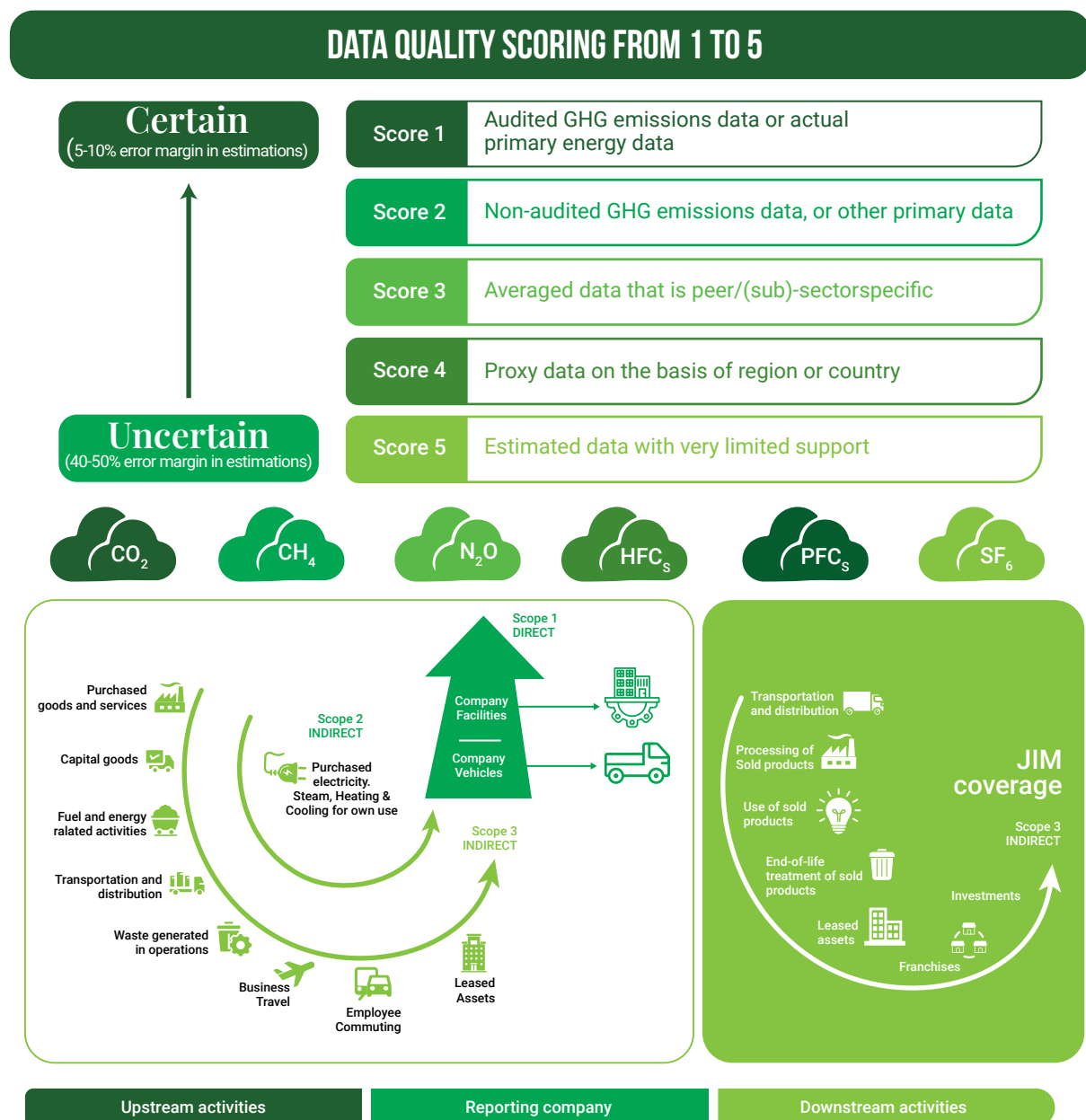
into the greenhouse gas (GHG) emissions across the entire financial sector, allowing for the creation of more effective, data-driven policies aimed at reducing national emissions. This transparency not only contributes to the global push for climate action but also helps shape a well-informed, strategic approach for the country to achieve its long-term net-zero targets. Through these efforts, IPDC plays a vital role in fostering both corporate responsibility and national progress toward a more sustainable future.

## Calculation Methodology

For the first time IPDC has disclosed greenhouse gas (GHG) emission at portfolio level through Carbon Accounting calculation in collaboration with the Joint Impact Model (JIM) Foundation. The JIM Carbon Accounting model follows the standards established by PCAF's (Partnership for Carbon Accounting Financials) Global GHG Accounting & Reporting framework. Developed by two PCAF signatories—FMO from the Netherlands and CDC from the UK—JIM enables the measurement of financed GHG emissions associated with corporate lending portfolios allowing financial institutions in developing countries to report their financed emissions in accordance with the PCAF Standard.

The JIM allows users to track financial flows within the economy and assess their broader impacts across economic (value added), social (employment), and environmental (greenhouse gas emissions) aspects. By utilizing input data, such as revenue and outstanding amount, JIM enables estimations that offer insight into the complex effects of economic activities.

Using their methodology aligned with the PCAF Global GHG Accounting and Reporting Standard for the financial sector, JIM has calculated IPDC's greenhouse gas (GHG) emissions at the portfolio level. This falls under Category 15 of Scope 3 emissions, which pertains to emissions associated with the financed activities within the portfolio. Since JIM follows the PCAF Standards, the data quality is expected to be robust and reliable, meeting or exceeding industry standards. The use of such a well-established methodology ensures a comprehensive and accurate calculation of IPDC's financed emissions, reflecting the company's growing commitment to transparent and credible carbon accounting practices. Consequently, it underscores our commitment to addressing climate challenges and aligning with the SDGs.





## SCOPE 1

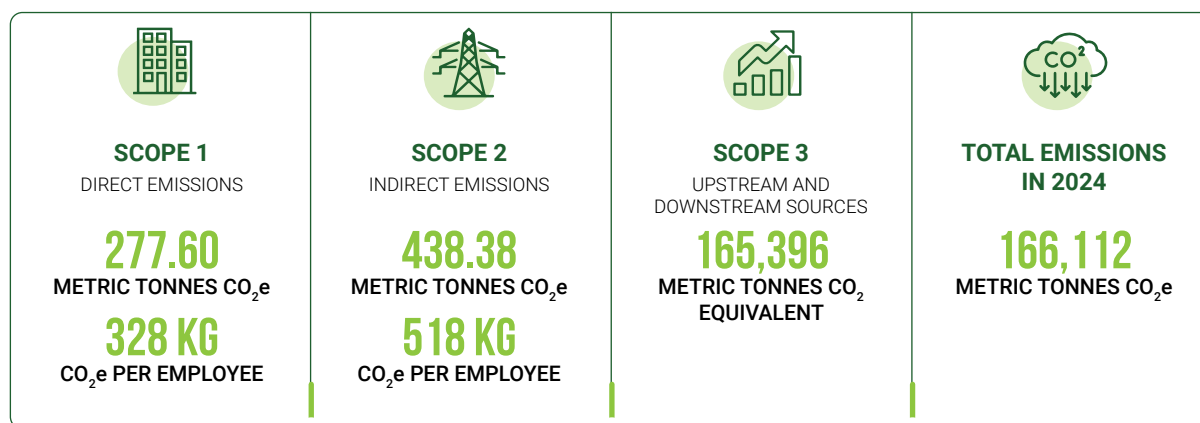
- IPDC's own vehicles, refrigerant emissions from air conditioners, and refrigerators.
- Total 277.60 metric tonnes of CO<sub>2</sub> equivalent.

## SCOPE 2

- Purchased electricity across all 18 branches.
- Total 438.38 metric tonnes of CO<sub>2</sub> equivalent.

## SCOPE 3

- Considered category 15 for the base of financed emission.
- Total 165,396 metric tonnes of CO<sub>2</sub> equivalent.



\* Provisional figures

### Scope 1

Scope 1 emissions refer to the direct greenhouse gas (GHG) emissions generated from activities owned or controlled by the company. For IPDC's 2024 inventory, we've included all fuel combustion in company vehicles, fugitive refrigerant losses from air-conditioning systems, and emissions from on-site appliances. The total Scope 1 footprint stands at 277.60 metric tonnes of CO<sub>2</sub> equivalent for the year 2024.

Combustion of fuels in stationary sources, transportation of materials, products, waste, and employees, plus fugitive emissions during the use of refrigeration and air-conditioning equipment, were the principal contributors to our Scope 1 total. Having a precise, updated figure allows us to pinpoint the most effective and cost-efficient reduction opportunities as we work toward our operational net-zero target. These efforts will not only curb our direct emissions but also reinforce IPDC's commitment to combating climate change and solidify our reputation as a responsible financial institution in the country.

### Scope 2

Scope 2 emissions cover the indirect GHG emissions from the electricity, steam, heat, or cooling that IPDC purchases. In 2024, our combined electricity use across all offices totaled 839,596 kWh. Applying the appropriate grid-average emission factors yields a Scope 2 footprint of 438.38 metric tonnes CO<sub>2</sub> equivalent.

IPDC is committed to reducing its Scope 2 emissions by improving energy efficiency across its offices and branches. This may involve implementing energy-saving initiatives such as upgrading lighting systems, enhancing the efficiency of cooling systems, installing heat-reflective materials, and promoting awareness for the efficient use of energy. Additionally, IPDC is exploring the transition to renewable

energy sources, such as solar power, to further reduce its reliance on conventional electricity. Through these efforts, we aim to significantly reduce its environmental impact and achieve our 2050 operational net zero goal.

### Scope 3

Scope 3 emission is usually a result of activities that are not monitored by the reporting organization, rather than having indirect effects in its value chain. The value chain of an organization comprises of both upstream and downstream activities. Upstream activities usually refer to the production of the reporting organizations product or service whereas downstream activities mean the usage of those product or services.

According to the Global GHG Accounting & Reporting by PCAF there are 15 different categories that symbolize a comprehensive and standardized framework for measuring and managing these emissions across different business activities and sectors. Upstream activities comprise of all categories from category 1 to category 8 whereas downstream activities comprise of categories 9 to categories 15. Scope 3 emission accounts for both direct and internal emissions as well as financed emissions.

During calculation of scope 3 emission, we only took category 15 which is basically the financed emissions into consideration. The total financed emissions amounted to 165,396 metric tonnes of CO<sub>2</sub> equivalent. For this calculation, we considered emissions from four asset classes: loans and advances (excluding project finance), project finance, bonds and debentures, and equity investments. We defined different industries under which all the investments were incorporated.

### Upstream scope 3 emissions

- Category 1:** Purchased goods
- Category 2:** Capital goods
- Category 3:** Fuel- and energy-related activities
- Category 4:** Upstream transportation and distribution
- Category 5:** Waste generated in operations
- Category 6:** Business travel
- Category 7:** Employee commuting
- Category 8:** Upstream leased assets

### Downstream scope 3 emissions

- Category 9:** Downstream transportation and distribution
- Category 10:** Processing of sold products
- Category 11:** Use of sold products
- Category 12:** End-of-life treatment of sold products
- Category 13:** Downstream leased assets
- Category 14:** Franchises
- Category 15:** Investments

## ENVIRONMENTAL INITIATIVES

As a responsible financial institution, IPDC recognizes the environmental footprint of its operations. Therefore, the company is actively transitioning from traditional manual business practices to more sustainable methods to minimize its environmental effects.

Notably, IPDC has implemented policies, goals, and practices to guide its internal and external activities, thereby committing to combating climate change by reducing both its direct impact through resource use in operations and its indirect impact through financial activities.

These efforts include participation in conservation initiatives and adherence to recognized domestic and international standards. Through this, IPDC believes it can create a substantial positive change in the environment.

- **Sustainable Finance Helpdesks:** To mainstream green financing across its operations, IPDC has established Sustainable Finance Helpdesks in all of its branches. These helpdesks serve as dedicated points of support for clients seeking environmentally friendly and climate-aligned financial solutions. By offering tailored guidance and access to green loan products, the helpdesks enhance customer understanding and promote adoption of sustainable practices, ensuring that IPDC's financial services contribute meaningfully to a low-carbon future.
- **Training & Awareness:** Recognizing that the journey to sustainability begins from within, IPDC conducts regular workshops and training sessions on sustainable as well as green finance. These capacity-building initiatives aim to equip employees at all levels with the knowledge and tools necessary to integrate sustainability into their day-to-day operations. As a result, staff members are empowered to champion green finance and drive meaningful environmental and social impact through their roles. The capacity and awareness raising sessions were also extended to external stakeholders such as customers, particularly to CMSMEs.
- **Net-Zero Emission Strategy:** IPDC has adopted a comprehensive Net-Zero Emission Strategy that charts a clear path toward carbon neutrality by 2050. This company-wide initiative includes specific, measurable goals and interim milestones to ensure consistent progress. The strategy encompasses operational efficiency, green investments, and stakeholder engagement, reflecting IPDC's firm commitment to align its business model with global climate goals and build long-term environmental resilience.
- **Transition Finance:** IPDC plays a catalytic role in supporting businesses that are transitioning from high-carbon to low-carbon operations. By offering financial products specifically tailored for transition sectors, IPDC enables companies to adopt cleaner technologies, improve energy efficiency, and reduce their environmental footprint. This initiative contributes to the broader decarbonization of the economy while maintaining economic

competitiveness and innovation.

- **Indoor Plantation Initiative:** To foster a culture of sustainability and improve workplace well-being, IPDC has implemented an Indoor Plantation Initiative across its offices. The introduction of indoor plants enhances air quality and brings a touch of nature into the work environment, creating a healthier and more aesthetically pleasing atmosphere. This green initiative underscores IPDC's commitment to environmental consciousness in both its operations and organizational culture.
- **Digitalization & Paper Reduction:** As part of its environmental sustainability agenda, IPDC has significantly expanded the use of digital platforms such as Shiri, e-nothi, and e-Doc systems. These tools have streamlined internal processes while reducing the reliance on physical documentation. The initiative has led to a marked decrease in paper consumption, aligning with IPDC's goals of operational efficiency and eco-friendly resource use. Additionally, IPDC has implemented several measures to further reduce paper consumption:
  - Defaulting to double-sided printing and maximizing paper usage.
  - Previewing documents before printing to minimize errors and reprints.
  - Using smaller fonts to reduce the number of printed pages when possible.
  - Sharing materials electronically to eliminate the need for printed copies.
  - Providing designated paper shredder near printers to encourage recycling.



- Using electronic notepads for personal notetaking on laptops.
- **Energy Conservation:** IPDC promotes energy conservation through practical measures. These interventions help reduce overall energy consumption and operational costs while lowering the organization's carbon footprint. By embedding energy-saving practices into daily routines, IPDC demonstrates responsible resource stewardship. IPDC encourages energy-efficient practices at the individual level to ensure maximum power conservation, including:
  - Particular office attire to reduce reliance on air conditioning.
  - Setting thermostats on 24°C.
  - Optimizing building insulation for energy conservation.
  - Replacing outdated equipment with energy-efficient alternatives.
  - Turning off power sources when not in use.
  - Implementing water conservation measures.
- **Water Management:** IPDC has taken proactive steps toward sustainable water use by installing water-saving devices in

its facilities and promoting rainwater harvesting awareness among employees. These initiatives aim to conserve freshwater resources and reduce dependency on municipal supplies. Through responsible water management, IPDC contributes to broader efforts in addressing water scarcity and climate adaptation.

- **Waste Segregation:** To foster a circular economy mindset, IPDC has introduced waste segregation practices across its offices. The initiative includes clearly marked recycling bins, awareness campaigns, and staff engagement programs that promote responsible disposal habits. By ensuring proper segregation of waste at source, IPDC enhances recycling efficiency and minimizes environmental harm.
- **Fuel Conservation:** With a focus on reducing its carbon footprint, IPDC has adopted virtual meeting solutions to replace non-essential travel. The increased use of video conferencing and other digital collaboration tools has not only cut down on travel-related emissions but also improved efficiency and cost-effectiveness. This shift reflects IPDC's commitment to sustainable business practices in a digital era.

ECO-FRIENDLY  
TRANSITIONS



ENERGY  
CONSERVATIONS



SUSTAINABLE  
ENVIRONMENTAL  
INITIATIVES

## 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 Activities  
Page- 26



Sustainable Business Practices  
Page -95



# FOSTERING PEOPLE-FIRST CULTURE

## Human Capital Development

At IPDC, we recognize that our people are our most valuable asset. Human capital development is a strategic priority, and we are committed to nurturing talent, promoting diversity and inclusion, supporting employee well-being, and ensuring a culture of performance, meritocracy, and mutual respect.

IPDC fosters an inclusive workplace where diverse perspectives are valued and respected. We are building a meritocratic culture where opportunities are open to all, regardless of gender, background, ethnicity, or ability.

### Key Initiatives:

- Inclusive recruitment practices and bias-free hiring
- Employee resource groups and inclusive leadership programs
- Awareness and training sessions on unconscious bias and inclusive behavior
- Regular workforce demographic assessments and reporting to senior leadership

We are exploring participation in global pledges such as the Equal Pay Pledge and other diversity indices.

## Employee Development, Engagement & Well-being

To attract, retain, and empower high-performing individuals, IPDC invests in comprehensive development programs:

- **Training & Upskilling:** Leadership development, ESG capacity building, technical skills training
- **Performance & Career Progression:** Transparent appraisal systems and mentorship opportunities
- **Employee Engagement:** Regular surveys, open forums, and recognition programs
- **Well-being Initiatives:** Mental health awareness, flexible working hours, maternity leave, and a dedicated remote work policy for working mothers

Our goal is to create a purpose-driven and fulfilling work environment where employees are supported to thrive personally and professionally.

# BUILDING TRUST THROUGH ENGAGEMENT

## Stakeholder Engagement & Transparency

IPDC maintains open, ongoing engagement with all stakeholder groups to ensure that our sustainability efforts are responsive, impactful, and aligned with stakeholder expectations.

### Stakeholder Engagement Mechanisms

| Stakeholder Group | Engagement Channels                                                                                      |
|-------------------|----------------------------------------------------------------------------------------------------------|
| Customers         | Feedback collection, grievance redress, sustainable product advisory, financial literacy, training, etc. |
| Employees         | Townhalls, engagement surveys, training needs assessments, training, etc.                                |
| Investors         | Relevant financial and non-financial disclosures, shareholder meetings, etc.                             |
| Regulators        | Policy dialogues, compliance reporting, industry roundtables, etc.                                       |
| Others            | Joint programs, capacity-building initiatives, collaborations, etc.                                      |

We are active members of various sustainability-focused activities in the industry, reinforcing our commitment to collective progress.

## Transparency in Reporting

IPDC upholds rigorous ESG reporting standards to ensure transparency and accountability:

- Disclosures aligned with Bangladesh Bank and IFRS S1 & S2 guidelines
- Dedicated sustainability section on our corporate website
- Regular updates to stakeholders on progress and challenges

By fostering two-way communication and disclosing with integrity, IPDC reinforces stakeholder trust and strengthens long-term relationships.

## SUSTAINABILITY SCORE CARD

| Performance Indicators                            | 2022   | 2023    | 2024   |
|---------------------------------------------------|--------|---------|--------|
| <b>Customers</b>                                  |        |         |        |
| Number of customers                               | 74,256 | 107,265 | 90,689 |
| Number of branches                                | 15     | 15      | 17     |
| Loans to Corporate Business (BDT mn)              | 30,205 | 29,313  | 28,179 |
| Loans to SME Business (BDT mn)                    | 21,965 | 23,313  | 24,203 |
| Loans to Retail Business (BDT mn)                 | 15,935 | 17,945  | 17,154 |
| <b>Employees</b>                                  |        |         |        |
| Permanent                                         | 679    | 681     | 642    |
| Contractual                                       | 217    | 203     | 205    |
| New Recruitments                                  | 407    | 292     | 238    |
| Female (%)                                        | 23%    | 23%     | 23%    |
| Average training hours per headcount              | 13     | 11      | 22     |
| Training expenditure per headcount                | 6,473  | 3,825   | 2,904  |
| Employee salary and benefits (BDT mn)             | 865    | 1,003   | 938    |
| <b>Investors</b>                                  |        |         |        |
| Revenue (BDT mn)                                  | 3,247  | 2,902   | 3,243  |
| Operating Profit (BDT mn)                         | 1,760  | 1,300   | 1,765  |
| Profit after Tax (BDT mn)                         | 901    | 343     | 363    |
| Economic value added (BDT mn)                     | 526    | -70     | -202   |
| Market value added (BDT mn)                       | 14,572 | 14,623  | 226    |
| Dividends distributed (BDT mn)                    | 445    | 371     | 186    |
| Dividends (%)                                     | 10%    | 10%     | 10%    |
| <b>Suppliers</b>                                  |        |         |        |
| Total purchase of goods and services (BDT mn)     | 484    | 462     | 389    |
| Payment to Suppliers* (BDT mn)                    | 522    | 517     | 448    |
| <b>Communities and Society</b>                    |        |         |        |
| CSR Contribution (BDT mn)                         | 17     | 12      | 8      |
| Utility expense per square feet (BDT)             | 238    | 162     | 209    |
| Printing & stationery expenses per employee (BDT) | 12,854 | 10,162  | 10,227 |
| Travelling expenses per employee (BDT)            | 23,857 | 19,963  | 21,714 |
| <b>Regulators</b>                                 |        |         |        |
| Penalty for Violations of Laws and Regulations    | -      | -       | -      |
| Total tax to government (BDT mn)                  | 1,466  | 1,542   | 1,463  |

\*Including interest and principal portion of lease payments

## CONCLUSION & FORWARD-LOOKING STATEMENTS

As we reflect on our sustainability journey in 2024, we are proud of the progress made in embedding ESG principles across our operations, products, and partnerships. From leading in sustainable finance disbursement to adopting transparent climate-related disclosures and advancing inclusive workplace practices, IPDC continues to strengthen its position as a responsible financial institution.

However, we also acknowledge that sustainability is a dynamic, evolving pursuit. The challenges of climate change, inequality, and economic resilience demand continuous innovation, accountability, and collaboration.

### Looking Ahead

In 2025 and beyond, IPDC remains steadfast in its commitment to:

- Scale up green and sustainable finance across key sectors.
- Expand our climate risk management framework and implement sectoral transition strategies.
- Strengthening our data and reporting systems in line with evolving global standards such as that of ISSB.
- Deepen partnerships with communities, civil society, and regulators to achieve shared sustainability goals.
- Invest in internal capacity building, particularly in ESG literacy, digital transformation, and leadership for sustainable development.
- Maintain a robust feedback mechanism to engage all stakeholders in shaping our sustainability priorities.

We envision IPDC as a future-ready, climate-resilient financial institution that delivers long-term value by enabling inclusive, green growth. Our sustainability strategy is not a standalone effort; it is deeply interwoven with our business model, corporate governance, and social purpose.





# Our Integrated Report



# A COMPREHENSIVE OVERVIEW OF THE REPORT

## Integrated Reporting

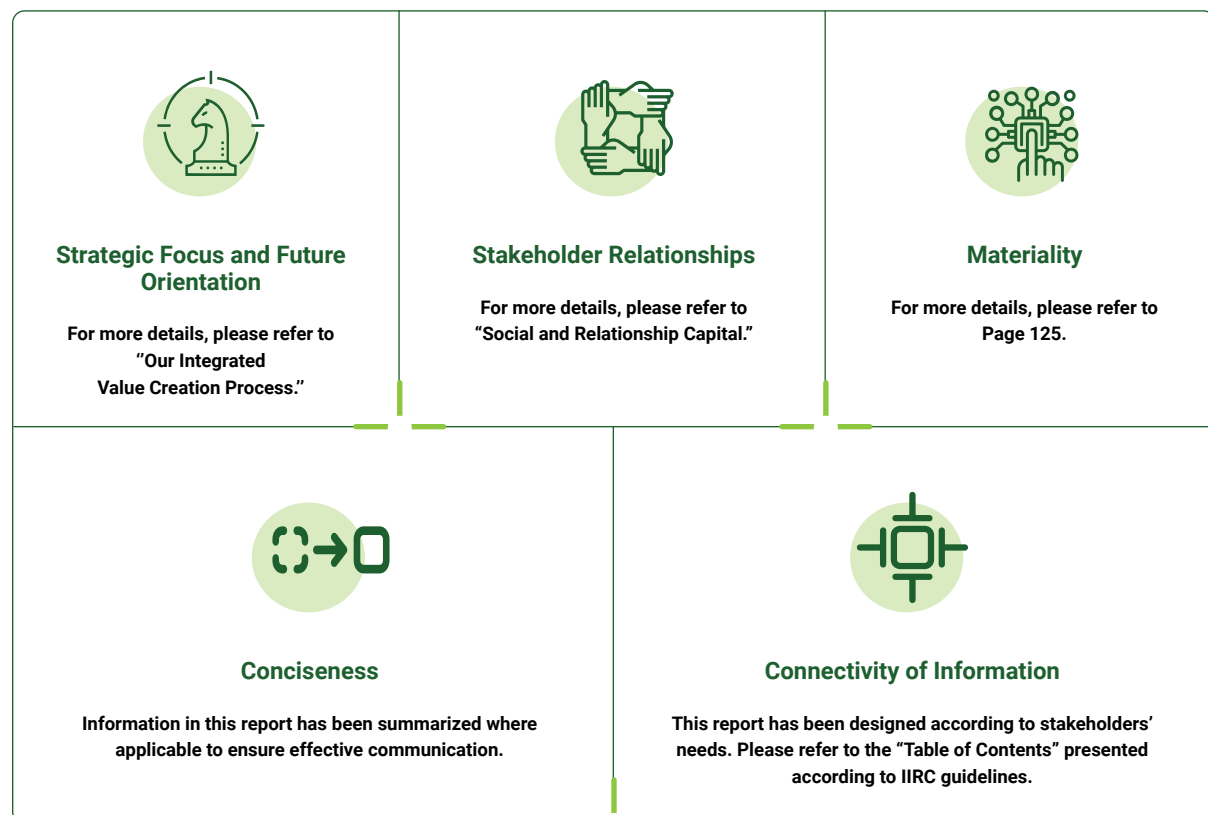
Today's stakeholders value both forward-looking sustainability insights and historical financial data equally. With this perspective, we present the 2024 Annual Report of IPDC Finance PLC, offering a holistic view that integrates financial and non-financial information. This approach provides a comprehensive understanding of our performance, strategy, governance, future outlook, and the environment in which we operate. As a responsible business, we are committed to ethical operations that create long-term value for society. While our report primarily serves capital providers, it also appeals to a broad spectrum of stakeholders.

Integrated Reporting (IR) brings together essential aspects of an organization's strategy, governance, performance, and prospects, reflecting the commercial, social, and environmental landscape in which it operates. Our Integrated Reporting presents historical and forward-looking information that is precise, relevant, consistent, and

comparable. This approach fosters a more cohesive and transparent corporate reporting framework, drawing on multiple reporting standards to highlight the internal and external factors that influence value creation in the short, medium, and long term. In alignment with best practices, IPDC has adopted the International Integrated Reporting Council (IIRC) framework for its Integrated Reporting.

## 1. Reporting Framework

This report affirms our adoption of the 'capital model' for value creation, as recommended by the International Integrated Reporting Council (IIRC) within its International <IR> framework. Rooted in a deep understanding of IIRC standards, it outlines our dependence on and impact across key forms of capital essential for long-term value generation. The report's structure is built around these capitals, integrating them throughout each section to illustrate their interconnections and the strategic trade-offs required within our broader corporate and business unit strategies.



## 2. Scope and Boundary

The integrated report of 2024 applies and surfaces only the period from 1 January 2024 to 31 December 2024, 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 for the year ended in 2024, along with appropriate comparative data. The financial reports are in strict adherence to the accounting standards and protocols:

|                                                     |                                                        |
|-----------------------------------------------------|--------------------------------------------------------|
| International Financial Reporting Standards (IFRSs) | Securities and Exchange Rules 1987                     |
| Financial Reporting Act, 2015                       | Finance Company Act 2005                               |
| Relevant rules and regulations of Bangladesh Bank   | And other applicable laws and regulations of the land. |
| Companies Act 1994                                  |                                                        |

### 3. Reporting Principles

In preparing the 2024 Annual Report, we followed the standards IFRS S1 and S2 outlined in the "Integrated Reporting Checklist" issued by International Sustainability Standards Board (ISSB). This checklist aligns with the International <IR> framework set by the International Integrated Reporting Council (IIRC). The report's formulation adheres to these guiding principles, which have been meticulously observed throughout the process.

### 4. Comparability

This report remains consistent with its 2024 prototype, maintaining the same entities, measurement methodologies, and reporting period. It covers all key issues relevant to our business strategy, risk management, and the priorities of our stakeholders. In line with our commitment to enhancing stakeholder communication, the report's structure has been carefully refined. This effort underscores our dedication to transparency, relevance, and continuous improvement in our reporting practices.

### 5. Materiality Assessment

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

### 6. Forward-looking statements

The 2024 Annual Integrated Report of IPDC includes various forward-looking statements throughout its sections. These projections are based on anticipated events and outcomes that may or may not materialize, potentially impacting the company's financial and operational performance. They are derived from historical trends, industry experience, expectations, and analytical assessments. Forward-looking statements are often introduced with terms such as "expect," "hope," "may," "will," and "believe." These statements primarily address forecasts related to revenue, expenditures, business growth and expansion, cost structures, and capital frameworks. Several key factors could significantly influence the broader financial sector landscape, including:

|                                             |                                      |
|---------------------------------------------|--------------------------------------|
| 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.

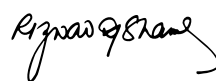
### 7. Availability of the Annual

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,
- this report has been prepared in accordance with the IIRC's International <IR> framework, and it addresses the material matter relating to the long-term sustainability of the company,
- this report fairly presents the integrated performance of IPDC Finance PLC and the impacts thereof.

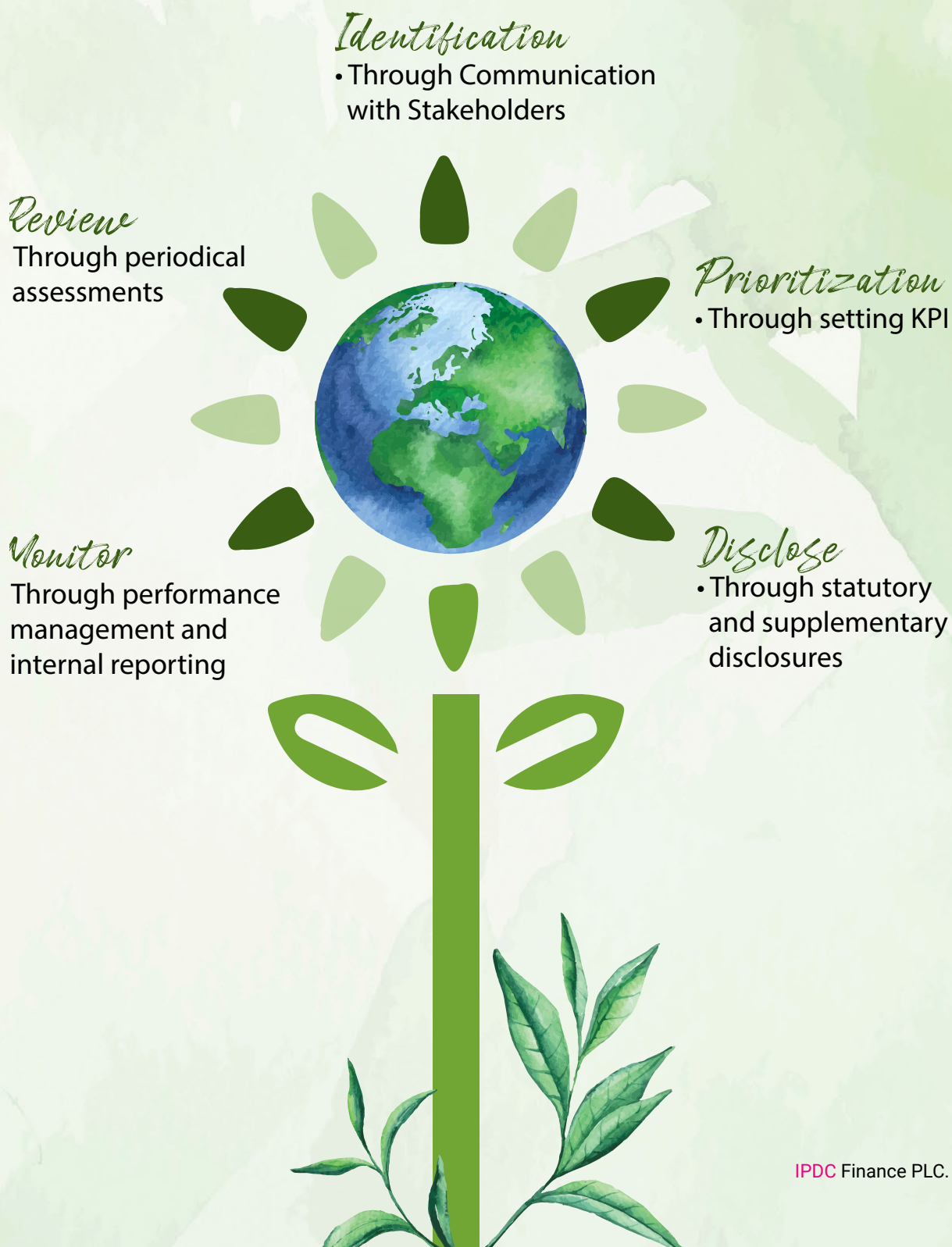


**Rizwan Dawood Shams**  
Managing Director



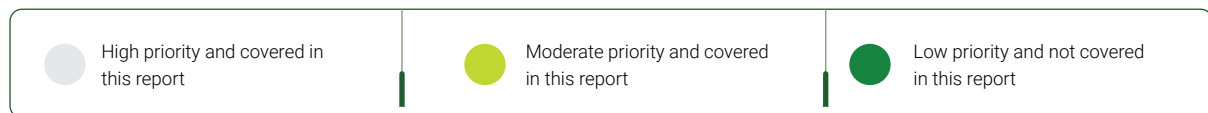
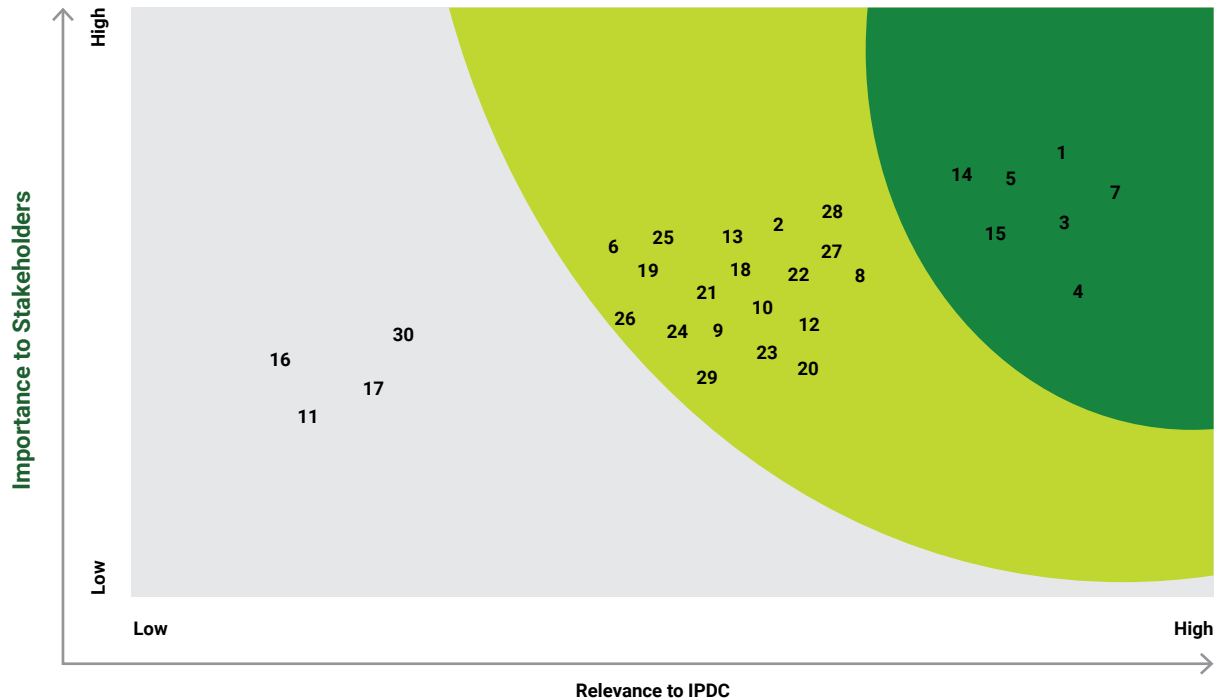
# MATERIALITY DETERMINATION

Engaging with stakeholders to refining strategy is a key aspect of responsible and sustainable business practices. At the heart of this process is the materiality assessment, which identifies the issues that influence an organization's decisions, actions, and performance. This assessment involves continuous trend analysis, media monitoring, and stakeholder feedback, focusing on environmental, social, social, and governance (ESG) topics that have the greatest impact on the business and are of highest concern to stakeholders. By prioritizing these topics, businesses can address them effectively in their policies and programs, ensuring alignment with stakeholder expectations and driving long-term value creation. This thorough evaluation shapes strategies to manage risks and seize opportunities, enhancing resilience and competitiveness in the business landscape.



# MATERIALITY MATRIX

To define the content of 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 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

### Customer Relationships:

- Personalized Service
- Long-term and Recurring
- Communities

### Revenue Streams:

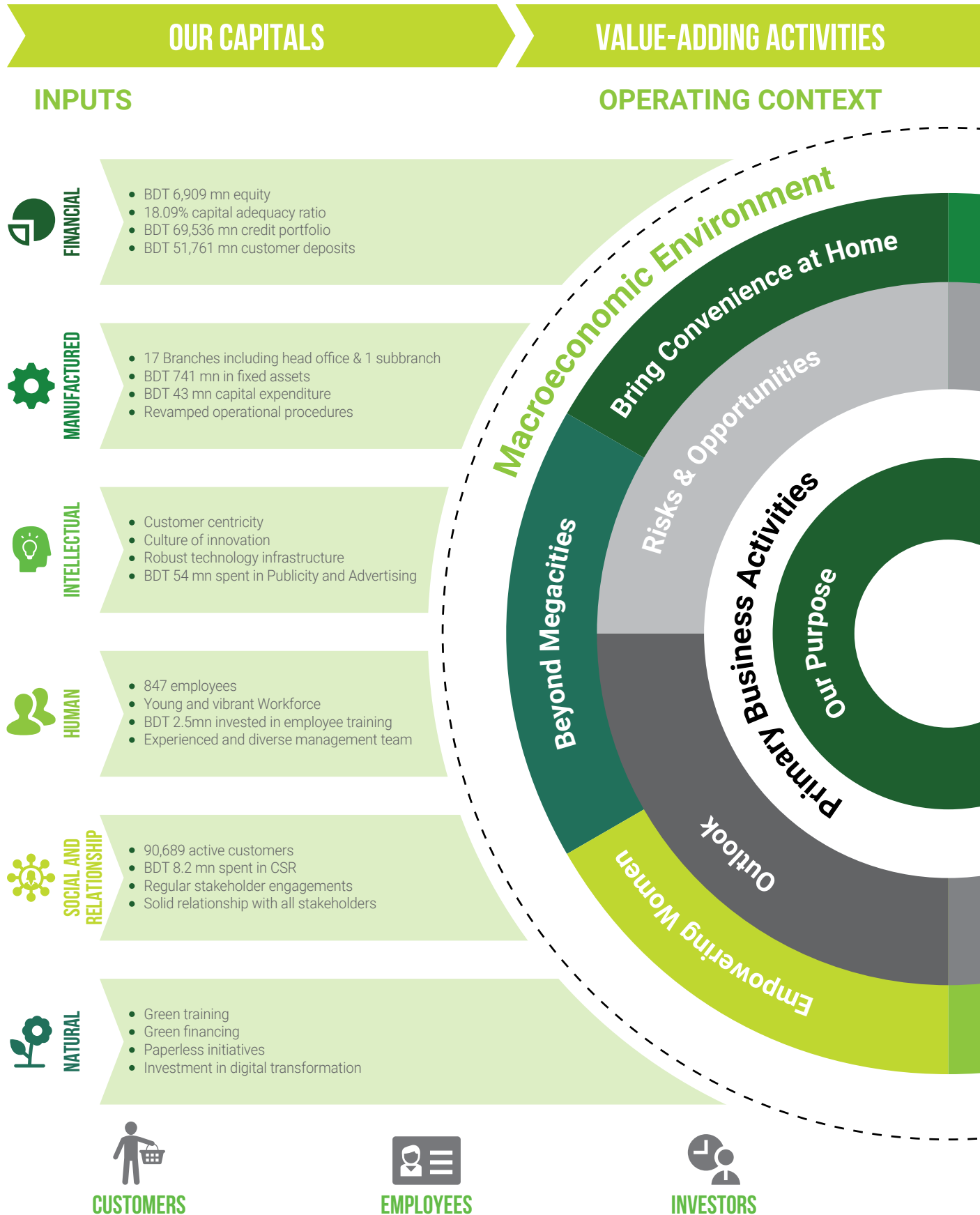
- Interest Income
- Commission and Fees
- Investment Income

### Channels:

- Branch
- Outreach Operations
- Direct Sales
- Social Networks

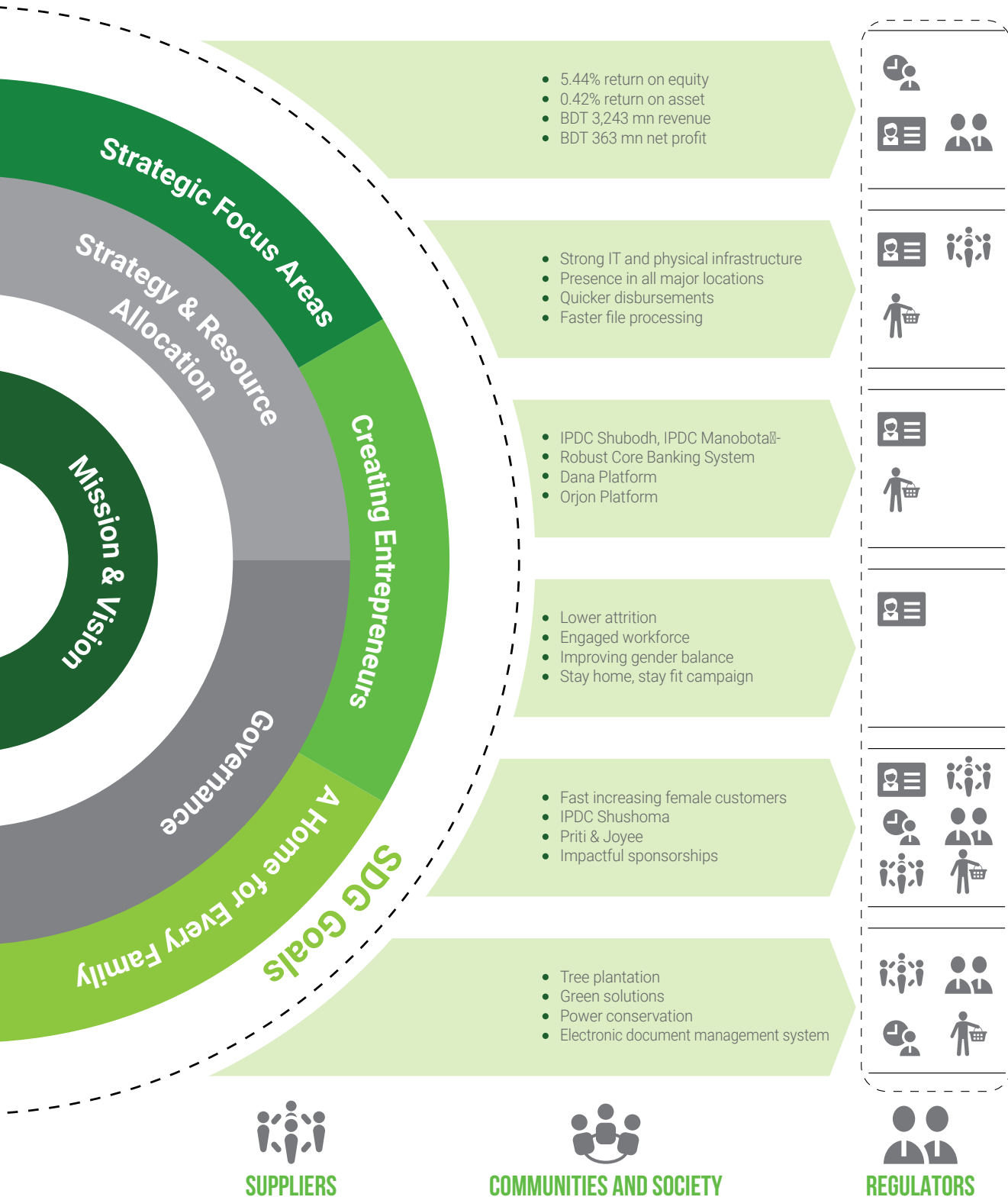


# VALUE CREATION PROCESS FLOW



## VALUE FOR STAKEHOLDERS

### OUTCOMES



### INVOLVED STAKEHOLDERS

# 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

| 2024 Highlights                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Sustainable business</b></p> <p>Generated value for all stakeholders through effective and robust governance, even in the face of macroeconomic stress.</p>                                                                                                                                                                                                                                                                                                                                                              |  <p><b>Access to fund</b></p> <p>Significantly reduced bank dependency in 2024, deposit from Banks and NBFIs is 4.71%.</p> |  <p><b>Portfolio quality</b></p> <p>Plan to diversify our loan portfolio by placing a greater focus on retail and SME loans, thereby reducing our exposure to large loan risks.</p> |
| Long-term Strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                        |
| <p>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.</p> |                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                        |

| Value Creation                                                                                                                                                                                                                                                                                  | Tradeoffs                                                                                                                                                                                                                                                                                                                 | Outlook                                                                                                                                                                                                                                                                                                                                                                   | Performance Review                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Fund operations and invest for future growth, ensuring long-term sustainability.</li> <li>Repay investors with dividends, enhancing business credibility.</li> <li>Core aspect for financial institutions, impacting bottom-line performance.</li> </ul> | <ul style="list-style-type: none"> <li>Financial Capital Application: Sustains and grows business, positively influencing various capital types.</li> <li>Potential Impacts: Positively affects manufactured, human, intellectual, and social capital, while potentially negatively impacting natural capital.</li> </ul> | <ul style="list-style-type: none"> <li>Increased customer deposit base in 2024 to reduce reliance on bank borrowings and diversify risk.</li> <li>Plan to strengthen funding base through increased focus on customer deposits and refinancing.</li> <li>Focus for the next year on improving efficiency and productivity to manage operating expenses growth.</li> </ul> | <ul style="list-style-type: none"> <li>IPDC managed to end the year with a strong bottom-line growth along with reasonable balance sheet growth.</li> <li>in-depth analysis of our financial performance can be found in Performance Analysis by Management.</li> </ul> |



| Approaches to Optimizing Financial Capital                                                                                                    |                                                                                                                                     |                                                                                                                                                                |                                                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Diversifying revenue sources to manage risk</b></p> |  <p><b>Maintaining credit ratings of AAA</b></p> |  <p><b>Optimizing fund structure through reduction of cost of fund.</b></p> |  <p><b>Attracting funding from varied sources</b></p> |



# VERTICAL ANALYSIS

## Balance Sheet

| Particulars                                                    | 2020          | %             | 2021          | %             | 2022          | %             | 2023          | %             | 2024          | %             |
|----------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Cash                                                           | 616           | 0.8%          | 716           | 0.8%          | 735           | 0.8%          | 787           | 0.9%          | 811           | 0.9%          |
| Balance with other banks and financial institutions            | 14,058        | 18.5%         | 13,508        | 15.9%         | 11,940        | 13.8%         | 13,350        | 14.5%         | 6,271         | 7.0%          |
| Money at call and short notice                                 | -             | 0.0%          | -             | 0.0%          | -             | 0.0%          | -             | 0.0%          | -             | 0.0%          |
| Investments                                                    | 5,144         | 6.8%          | 2,740         | 3.2%          | 2,500         | 2.9%          | 4,519         | 4.9%          | 9,512         | 10.7%         |
| Loans, advances and leases                                     | 53,610        | 70.6%         | 65,327        | 76.9%         | 68,106        | 78.5%         | 70,571        | 76.8%         | 69,536        | 78.0%         |
| Fixed assets including land, building, furniture and fixture   | 777           | 1.0%          | 765           | 0.9%          | 876           | 1.0%          | 808           | 0.9%          | 741           | 0.8%          |
| Other assets                                                   | 1,762         | 2.3%          | 1,913         | 2.3%          | 2,573         | 3.0%          | 1,896         | 2.1%          | 2,249         | 2.5%          |
| Non-financial institutional assets                             | 4             | 0.0%          | 4             | 0.0%          | 4             | 0.0%          | 4             | 0.0%          | 4             | 0.0%          |
| <b>Total assets</b>                                            | <b>75,969</b> | <b>100.0%</b> | <b>84,973</b> | <b>100.0%</b> | <b>86,732</b> | <b>100.0%</b> | <b>91,934</b> | <b>100.0%</b> | <b>89,124</b> | <b>100.0%</b> |
| Borrowings from other banks, financial institutions and agents | 10,947        | 14.4%         | 10,496        | 12.4%         | 12,097        | 13.9%         | 16,099        | 17.5%         | 17,433        | 19.6%         |
| Deposits and other accounts                                    | 52,456        | 69.0%         | 60,405        | 71.1%         | 59,140        | 68.2%         | 60,177        | 65.5%         | 54,319        | 60.9%         |
| Other liabilities                                              | 6,503         | 8.6%          | 7,719         | 9.1%          | 8,693         | 10.0%         | 8,906         | 9.7%          | 10,463        | 11.7%         |
| Total liabilities                                              | 69,906        | 92.0%         | 78,620        | 92.5%         | 79,929        | 92.2%         | 85,182        | 92.7%         | 82,215        | 92.2%         |
| Shareholders' equity                                           | 6,063         | 8.0%          | 6,353         | 7.5%          | 6,803         | 7.8%          | 6,752         | 7.3%          | 6,909         | 7.8%          |
| <b>Total liabilities and shareholders' equity</b>              | <b>75,969</b> | <b>100.0%</b> | <b>84,973</b> | <b>100.0%</b> | <b>86,732</b> | <b>100.0%</b> | <b>91,934</b> | <b>100.0%</b> | <b>89,124</b> | <b>100.0%</b> |

\* 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                                                 | 2020         | %             | 2021         | %             | 2022         | %             | 2023         | %             | 2024         | %             |
|-------------------------------------------------------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|
| Interest income                                             | 6,902        | 243.9%        | 6,545        | 190.1%        | 7,080        | 218.1%        | 7,434        | 256.1%        | 8,811        | 271.7%        |
| Interest expenses                                           | 4,885        | 172.6%        | 3,761        | 109.2%        | 4,310        | 132.7%        | 5,011        | 172.7%        | 6,418        | 197.9%        |
| <b>Net interest income</b>                                  | <b>2,017</b> | <b>71.3%</b>  | <b>2,783</b> | <b>80.8%</b>  | <b>2,770</b> | <b>85.3%</b>  | <b>2,423</b> | <b>83.5%</b>  | <b>2,393</b> | <b>73.8%</b>  |
| Investment income                                           | 639          | 22.6%         | 471          | 13.7%         | 202          | 6.2%          | 233          | 8.0%          | 685          | 21.1%         |
| Commission, exchange and brokerage                          | 108          | 3.8%          | 180          | 5.2%          | 151          | 4.7%          | 207          | 7.1%          | 142          | 4.4%          |
| Other operating income                                      | 66           | 2.3%          | 10           | 0.3%          | 124          | 3.8%          | 40           | 1.4%          | 23           | 0.7%          |
| <b>Operating income</b>                                     | <b>2,830</b> | <b>100.0%</b> | <b>3,445</b> | <b>100.0%</b> | <b>3,247</b> | <b>100.0%</b> | <b>2,903</b> | <b>100.0%</b> | <b>3,243</b> | <b>100.0%</b> |
| Operating expenses                                          | 1,150        | 40.6%         | 1,241        | 36.0%         | 1,487        | 45.8%         | 1,603        | 55.2%         | 1,478        | 45.6%         |
| <b>Operating profit</b>                                     | <b>1,680</b> | <b>59.4%</b>  | <b>2,203</b> | <b>64.0%</b>  | <b>1,760</b> | <b>54.2%</b>  | <b>1,300</b> | <b>44.8%</b>  | <b>1,765</b> | <b>54.4%</b>  |
| Provision for loans and advances                            | 478          | 16.9%         | 673          | 19.5%         | 450          | 13.9%         | 639          | 22.0%         | 812          | 25.0%         |
| Provision/(reversal) for diminution in value of investments | 0            | 0.0%          | 14           | 0.4%          | 35           | 1.1%          | 0            | 0.0%          | 53           | 1.6%          |
| Other provision                                             | -            | 0.0%          | 13           | 0.4%          | 11           | 0.3%          | 0            | 0.0%          | 27           | 0.8%          |
| Total provisions                                            | 478          | 16.9%         | 700          | 20.3%         | 496          | 15.3%         | 639          | 22.0%         | 892          | 27.5%         |
| <b>Profit before tax</b>                                    | <b>1,201</b> | <b>42.5%</b>  | <b>1,503</b> | <b>43.6%</b>  | <b>1,264</b> | <b>38.9%</b>  | <b>661</b>   | <b>22.8%</b>  | <b>872</b>   | <b>26.9%</b>  |
| Provision for taxation                                      | 496          | 17.5%         | 622          | 18.1%         | 363          | 11.2%         | 318          | 10.9%         | 509          | 15.7%         |
| <b>Net Profit after tax</b>                                 | <b>706</b>   | <b>24.9%</b>  | <b>881</b>   | <b>25.6%</b>  | <b>901</b>   | <b>27.7%</b>  | <b>343</b>   | <b>11.8%</b>  | <b>363</b>   | <b>11.2%</b>  |

\* 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                                                    | 2020          | %            | 2021          | %            | 2022          | %           | 2023          | %           | 2024          | %            |
|----------------------------------------------------------------|---------------|--------------|---------------|--------------|---------------|-------------|---------------|-------------|---------------|--------------|
| Cash                                                           | 616           | -31.8%       | 716           | 16.3%        | 735           | 2.7%        | 787           | 7.1%        | 811           | 3.0%         |
| Balance with other banks and financial institutions            | 14,058        | 58.4%        | 13,508        | -3.9%        | 11,940        | -11.6%      | 13,350        | 11.8%       | 6,271         | -53.0%       |
| Money at call and short notice                                 | -             | 0.0%         | -             | 0.0%         | -             | 0.0%        | -             | 0.0%        | -             | 0.0%         |
| Investments                                                    | 5,144         | 227.4%       | 2,740         | -46.7%       | 2,500         | -8.8%       | 4,519         | 80.8%       | 9,512         | 110.5%       |
| Loans, advances and leases                                     | 53,610        | 5.7%         | 65,327        | 21.9%        | 68,106        | 4.3%        | 70,571        | 3.6%        | 69,536        | -1.5%        |
| Fixed assets including land, building, furniture and fixture   | 777           | -1.4%        | 765           | -1.5%        | 876           | 14.5%       | 808           | -7.8%       | 741           | -8.2%        |
| Other assets                                                   | 1,762         | 14.7%        | 1,913         | 8.5%         | 2,573         | 34.5%       | 1,896         | -26.3%      | 2,249         | 18.6%        |
| Non-financial institutional assets                             | 4             | 0.0%         | 4             | 0.0%         | 4             | 0.0%        | 4             | 0.0%        | 4             | -1.3%        |
| <b>Total assets</b>                                            | <b>75,969</b> | <b>18.0%</b> | <b>84,973</b> | <b>11.9%</b> | <b>86,732</b> | <b>2.1%</b> | <b>91,934</b> | <b>6.0%</b> | <b>89,124</b> | <b>-3.1%</b> |
| Borrowings from other banks, financial institutions and agents | 10,947        | 55.5%        | 10,496        | -4.1%        | 12,097        | 15.3%       | 16,099        | 33.1%       | 17,433        | 8.3%         |
| Deposits and other accounts                                    | 52,456        | 13.1%        | 60,405        | 15.2%        | 59,140        | -2.1%       | 60,177        | 1.8%        | 54,319        | -9.7%        |
| Other liabilities                                              | 6,503         | 19.8%        | 7,719         | 18.7%        | 8,693         | 12.6%       | 8,906         | 2.5%        | 10,463        | 17.5%        |
| Total liabilities                                              | 69,906        | 18.8%        | 78,620        | 12.5%        | 79,929        | 1.7%        | 85,183        | 6.6%        | 82,215        | -3.5%        |
| Shareholders' equity                                           | 6,063         | 8.7%         | 6,353         | 4.8%         | 6,803         | 7.1%        | 6,752         | -0.8%       | 6,909         | 2.3%         |
| <b>Total liabilities and shareholders' equity</b>              | <b>75,969</b> | <b>18.0%</b> | <b>84,973</b> | <b>11.9%</b> | <b>86,732</b> | <b>2.1%</b> | <b>91,934</b> | <b>6.0%</b> | <b>89,124</b> | <b>-3.1%</b> |

| Particulars               | 2020          | %            | 2021          | %            | 2022          | %           | 2023          | %            | 2024          | %             |
|---------------------------|---------------|--------------|---------------|--------------|---------------|-------------|---------------|--------------|---------------|---------------|
| Long Term Assets          | 35,563        | 13.8%        | 43,210        | 21.5%        | 44,162        | 2.2%        | 45,590        | 3.2%         | 48,267        | 5.9%          |
| Current Assets            | 40,403        | 21.9%        | 41,763        | 3.4%         | 42,570        | 1.9%        | 46,345        | 8.9%         | 40,857        | -11.8%        |
| <b>Total Assets</b>       | <b>75,966</b> | <b>18.0%</b> | <b>84,973</b> | <b>11.9%</b> | <b>86,732</b> | <b>2.1%</b> | <b>91,934</b> | <b>6.0%</b>  | <b>89,125</b> | <b>-3.1%</b>  |
| Long Term Liabilities     | 30,802        | 15.0%        | 38,238        | 24.1%        | 38,866        | 1.6%        | 40,616        | 4.5%         | 42,880        | 5.6%          |
| Current Liabilities       | 39,103        | 22.0%        | 40,382        | 3.3%         | 41,063        | 1.7%        | 44,566        | 8.5%         | 39,315        | -11.8%        |
| <b>Total Liabilities</b>  | <b>69,905</b> | <b>18.8%</b> | <b>78,620</b> | <b>12.5%</b> | <b>79,929</b> | <b>1.7%</b> | <b>85,183</b> | <b>6.6%</b>  | <b>82,195</b> | <b>-3.5%</b>  |
| <b>Net Current Assets</b> | <b>1,301</b>  | <b>18.4%</b> | <b>1,381</b>  | <b>6.2%</b>  | <b>1,507</b>  | <b>9.1%</b> | <b>1,778</b>  | <b>18.0%</b> | <b>1,542</b>  | <b>-13.3%</b> |

## Profit and Loss Account

| Particulars                                                 | 2020         | %            | 2021         | %            | 2022         | %             | 2023         | %             | 2024         | %            |
|-------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|--------------|--------------|
| Interest income                                             | 6,902        | 2.8%         | 6,545        | -5.2%        | 7,080        | 8.2%          | 7,434        | 5.0%          | 8,811        | 18.5%        |
| Interest expenses                                           | 4,885        | 2.3%         | 3,761        | -23.0%       | 4,310        | 14.6%         | 5,011        | 16.3%         | 6,418        | 28.1%        |
| <b>Net interest income</b>                                  | <b>2,017</b> | <b>3.8%</b>  | <b>2,783</b> | <b>38.0%</b> | <b>2,770</b> | <b>-0.5%</b>  | <b>2,423</b> | <b>-12.5%</b> | <b>2,393</b> | <b>-1.2%</b> |
| Investment income                                           | 639          | 454.6%       | 471          | -26.2%       | 202          | -57.1%        | 233          | 15.0%         | 685          | 194.6%       |
| Commission, exchange and brokerage                          | 108          | 38.5%        | 180          | 66.4%        | 151          | -16.2%        | 207          | 37.1%         | 142          | -31.5%       |
| Other operating income                                      | 66           | 122.3%       | 10           | -84.8%       | 124          | 1133.6%       | 40           | -67.6%        | 23           | -41.9%       |
| <b>Operating income</b>                                     | <b>2,830</b> | <b>30.7%</b> | <b>3,445</b> | <b>21.7%</b> | <b>3,247</b> | <b>-5.7%</b>  | <b>2,903</b> | <b>-10.6%</b> | <b>3,243</b> | <b>11.7%</b> |
| Operating expenses                                          | 1,150        | 17.2%        | 1,241        | 7.9%         | 1,487        | 19.8%         | 1,603        | 7.8%          | 1,478        | -7.8%        |
| <b>Operating profit</b>                                     | <b>1,680</b> | <b>41.8%</b> | <b>2,203</b> | <b>31.2%</b> | <b>1,760</b> | <b>-20.1%</b> | <b>1,300</b> | <b>-26.2%</b> | <b>1,765</b> | <b>35.8%</b> |
| Provision for loans and advances                            | 478          | 214.3%       | 673          | 40.8%        | 450          | -33.2%        | 639          | 42.0%         | 812          | 27.1%        |
| Provision/(reversal) for diminution in value of investments | 0            | -99.8%       | 14           | 59696.2%     | 35           | 153.2%        | 0            | -100.0%       | 53           | 534002.8%    |
| Other provision                                             | -            | -100.0%      | 13           | -            | 11           | -17.7%        | 0            | -95.4%        | 27           | 5459.9%      |
| Total provisions                                            | 478          | 150.7%       | 700          | 46.4%        | 496          | -29.2%        | 639          | 28.9%         | 892          | 39.6%        |
| <b>Profit before tax</b>                                    | <b>1,201</b> | <b>20.9%</b> | <b>1,503</b> | <b>25.1%</b> | <b>1,264</b> | <b>-15.9%</b> | <b>661</b>   | <b>-47.8%</b> | <b>872</b>   | <b>32.1%</b> |
| Provision for taxation                                      | 496          | 15.0%        | 622          | 25.5%        | 363          | -41.6%        | 318          | -12.6%        | 509          | 60.3%        |
| <b>Net Profit after tax</b>                                 | <b>706</b>   | <b>25.4%</b> | <b>881</b>   | <b>24.9%</b> | <b>901</b>   | <b>2.3%</b>   | <b>343</b>   | <b>-61.9%</b> | <b>363</b>   | <b>5.9%</b>  |
| <b>EPS</b>                                                  | <b>1.81</b>  | <b>25.4%</b> | <b>2.26</b>  | <b>24.9%</b> | <b>2.31</b>  | <b>2.3%</b>   | <b>0.88</b>  | <b>-61.9%</b> | <b>0.93</b>  | <b>5.9%</b>  |

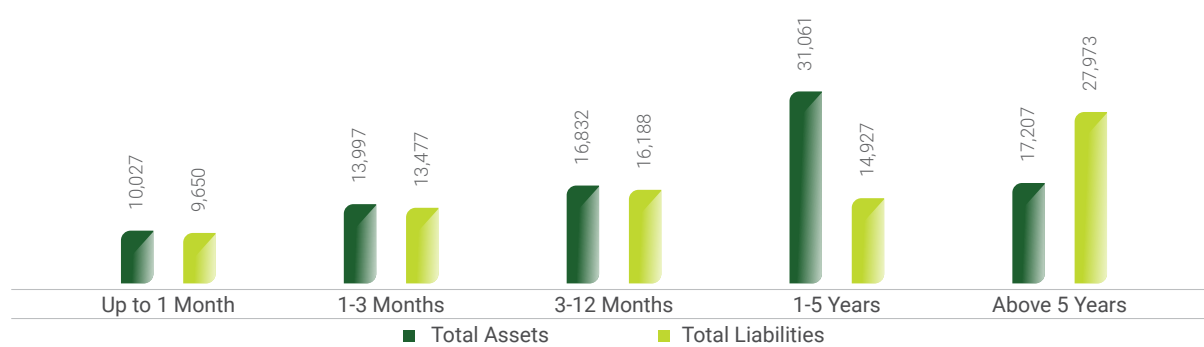
\* Horizontal Analysis of Profit & Loss Account refers to the analysis of growth of each component of Profit & Loss Account from the previous period

# MATURITY ANALYSIS OF ASSETS AND LIABILITIES

In financial institutions, asset and liability management involves handling liquidity and interest rate risks resulting from mismatches in the maturity of assets and liabilities. Ideally, a company should align its assets and liabilities based on their tenors to ensure sufficient cash inflows to meet its outflows. Since interest rate structures vary across different maturity periods, maintaining this alignment also enables the company to adjust its spread in response to market interest rate fluctuations. Effectively managing the maturity schedules of deposits and credit lines alongside loan demand while ensuring adequate liquidity is a critical function of the company. IPDC has established asset and liability management guidelines in accordance with the central bank's policies. Interest rate sensitivity is assessed monthly during regular ALCO meetings.

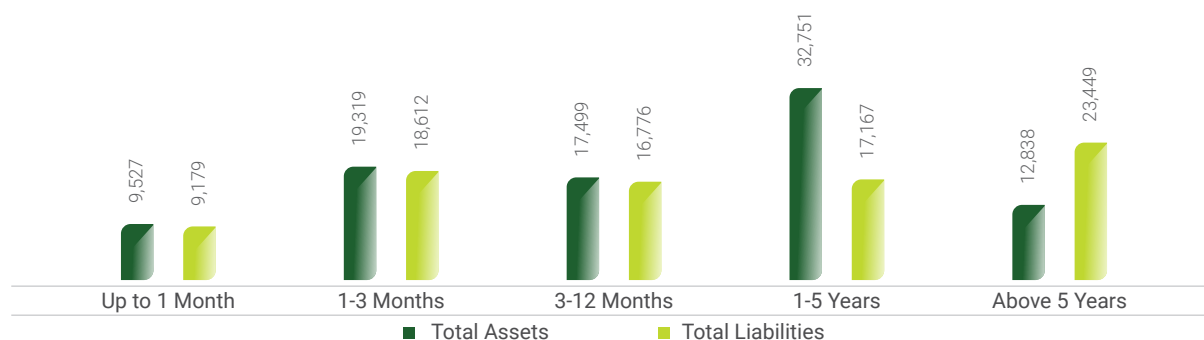
2024

BDT mn



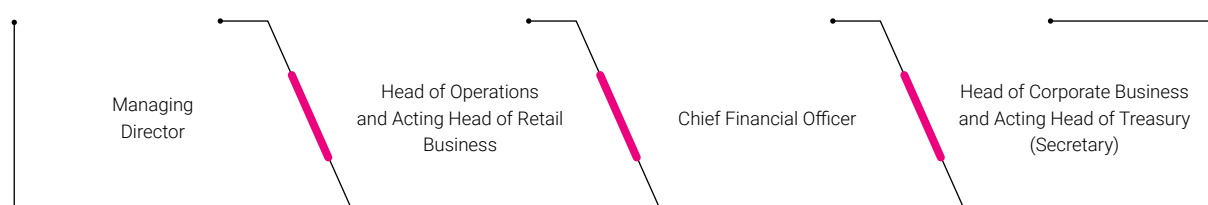
2023

BDT mn



## 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:





# 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 PLC. based on audited financial statements up to December 31, 2023, half yearly unaudited financial statements (Jan to June) of FY2024 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 companies consider 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 |
|---------------|------------------|-------------------|---------|------------------|----------------------|
| 25-Sep-2024   | AAA              | ST-1              | Stable  | 25-Sep-2025      | ECRL                 |
| 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

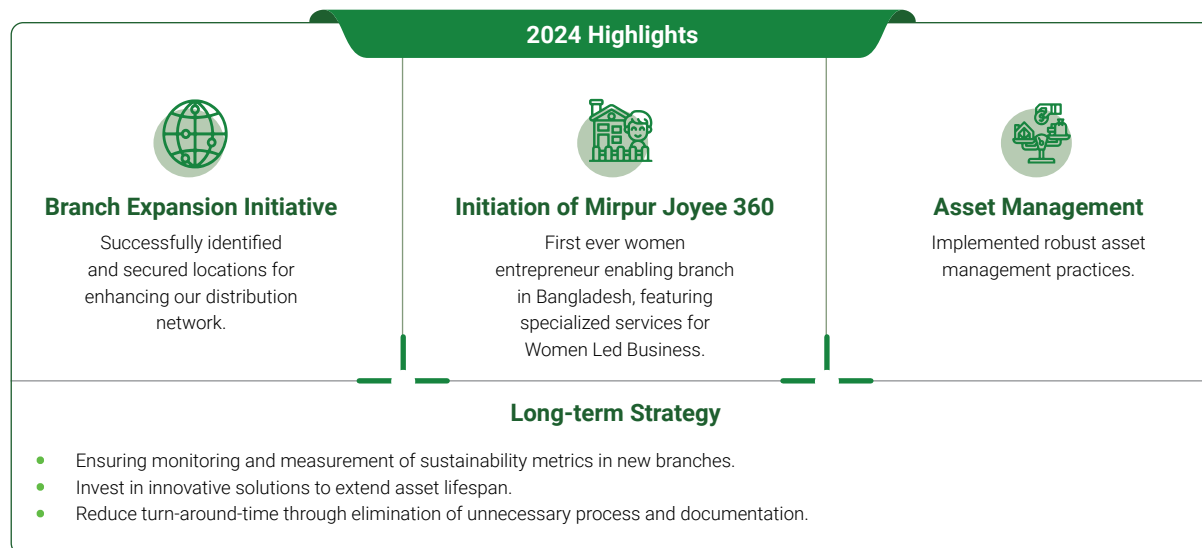
Short term rating reflects the institutions capacity to meet its financial commitments due within one year. An institution rated as ST-1 has a superior capacity to meet its financial commitments in a timely manner. Adverse development in the economy and in business and other external conditions are likely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

### Outlook Stable

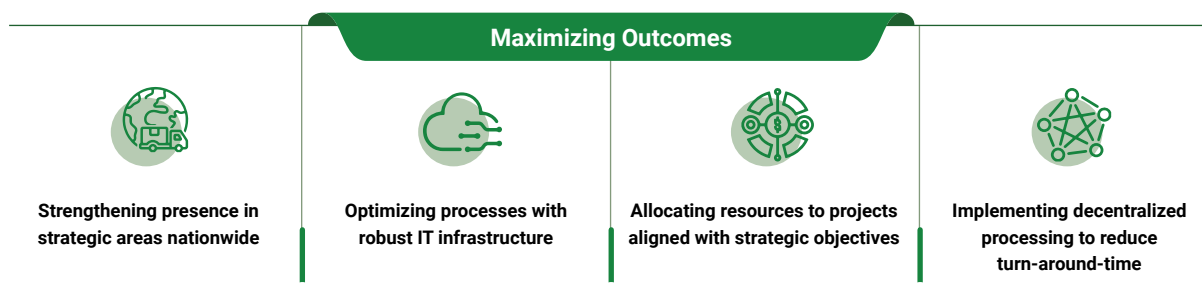
Indicates that a rating is likely to remain unchanged.

# 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 disbursement turnaround times) on the other.



| Value Creation                                                                                                                                                                                                                                                                                                              | Tradeoffs                                                                                                                                                                                                                                                                                                                    | Outlook                                                                                                                                                                                                                                                                      | Performance Review                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Manufactured capital will support our growth ambition as we scale up our business.</li> <li>Efficient management of these assets will enable expansion beyond megacities.</li> <li>Utilization of resources will be enhanced, leading to improved operational efficiency.</li> </ul> | <ul style="list-style-type: none"> <li>Manufactured capital investment entails significant financial capital in the long term, covering depreciation, maintenance, and other ad-hoc charges.</li> <li>The goal is to minimize tradeoffs between physical and electronic presence to the greatest extent possible.</li> </ul> | <ul style="list-style-type: none"> <li>Strategic footprint expansion</li> <li>Establishing zonal hubs to empower branches, aiming to reduce Turn Around Time (TAT) further</li> <li>Enhance reach at a micro level and provide services at more affordable rates.</li> </ul> | <ul style="list-style-type: none"> <li>Continued investment in capacity development.</li> <li>Focus on enhancing IT infrastructure for upcoming strategic products.</li> <li>Pursuing opportunities for geographic expansion where financially viable.</li> </ul> |

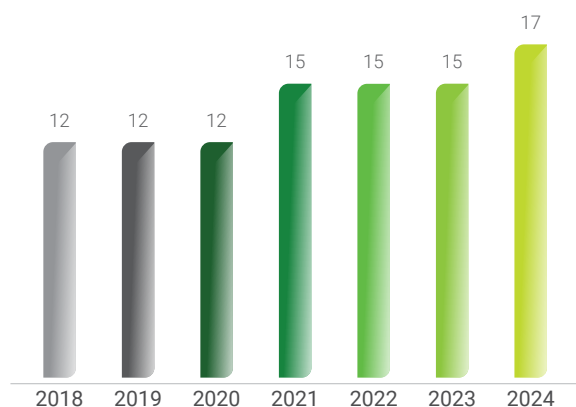


# INFRASTRUCTURE

## Distribution Network

IPDC currently operates through seventeen branches including a head office branch and one subbranch in Mirpur. The seventeen branches and head office cover thirteen districts in Bangladesh. IPDC plans to open additional branches in 2024 subject to obtaining approval from Bangladesh Bank.

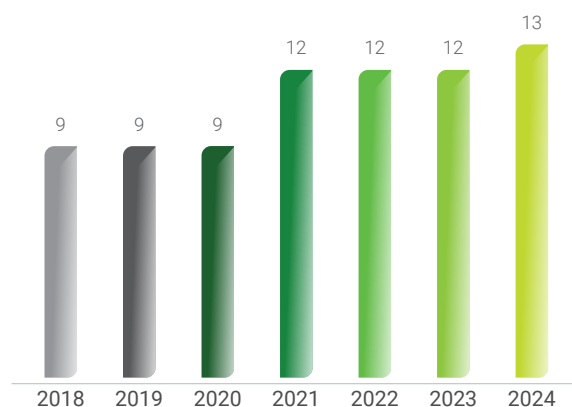
### Number of Branches including Head Office



## Capital Expenditure

In 2024, a moderate reduction in total capital expenditure was observed, amounting to BDT 43mn, compared to BDT 56mn in 2023. The capital expenditures in 2024 were primarily driven by the establishment of three new branches, including one subbranch.

### Districts covered through Branch



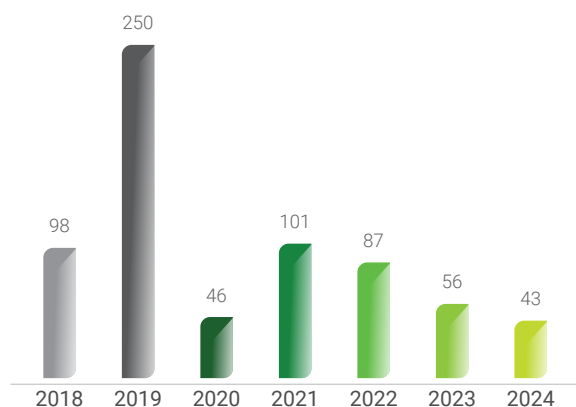
## Districts Covered

Currently IPDC has its presence in thirteen 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.

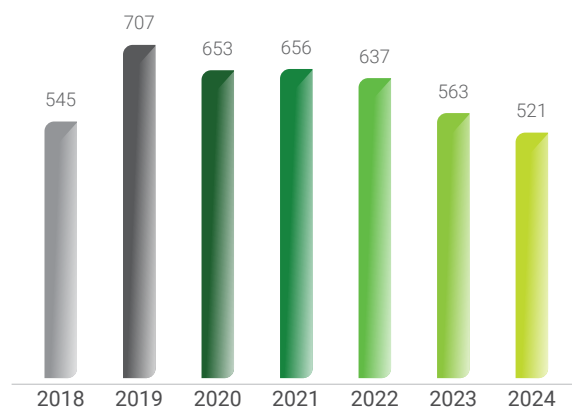
## Fixed Assets

In 2024, the Written Down Value (WDV) of fixed assets excluding CWIP and ROU assets experienced a decrease, declining from BDT 563mn in 2023 to BDT 521mn with no significant addition in fixed assets.

### Capital Expenditure



### Fixed Assets





# OPERATIONAL EFFICIENCY

The year 2024 presented significant challenges due to national wide political upheaval coupled with global supply chain disruptions caused by the Russia-Ukraine war and unrest in the Middle East. Despite these obstacles, we are optimistic that 2025 will be a year of recovery, with renewed momentum for economic growth. At IPDC, we remain committed to delivering exceptional customer service while continuously enhancing operational efficiency.

By staying true to our principles and processes, we believe we can emerge stronger, set exemplary standards for others to follow, and create lasting positive impacts. In this context, aligning sustainability with business growth, nurturing a dynamic and talented workforce grounded in core values, and reinforcing risk management controls will be key strengths as we boldly step into the future.

Our diverse and vibrant product portfolio, with a well-balanced focus across the corporate, retail, and SME sectors, has positioned IPDC as a benchmark in the country's financial services industry. As one of the most trusted financial brands, our operational excellence is rooted in customer-centricity, and we deeply value the trust our customers place in us — a trust we strive to uphold every day.

Looking ahead, our strategy revolves around empowering clients to successfully navigate their business journeys while making IPDC their

preferred financial partner for both business and personal needs. To fulfill this commitment, we leverage an extensive range of financial products and resources to craft innovative solutions that maximize operational efficiency. We continuously invest in upgrading our interfaces and functionalities through the latest technology, systems, and tools.

A cornerstone of IPDC's strength lies in our centralized operations, where product processing is consolidated at dedicated hubs overseen by independent entities. This centralized framework retains decision-making, risk management, and control functions, enabling the consistent implementation of policies, best practices, and procedures to ensure seamless daily operations.

Furthermore, we are investing heavily in cutting-edge technologies to boost operational capacity and efficiency. IPDC stands out as one of the industry's pioneers, embracing transformative technologies like blockchain to enhance our capabilities and set new standards of excellence.

With unwavering dedication, a forward-looking approach, and a relentless drive for innovation, IPDC is well-positioned to lead the way into a promising future, creating sustainable value for all stakeholders.

## BRANCH HIGHLIGHTS

| Branch      | Fund Under Management (BDT Mn) | Disbursement (BDT Mn) | Number of Customers | Number of Full Time Employees |
|-------------|--------------------------------|-----------------------|---------------------|-------------------------------|
| Head Office | 81,059                         | 39,335                | 78,900              | 407                           |
| Dhanmondi   | 5,914                          | 729                   | 1,233               | 13                            |
| Chattogram  | 6,622                          | 3,300                 | 1,382               | 33                            |
| Motijheel   | 7,087                          | 1,417                 | 896                 | 14                            |
| Sylhet      | 690                            | 111                   | 483                 | 7                             |
| Uttara      | 5,770                          | 1,170                 | 1,097               | 20                            |
| Narayangonj | 1,486                          | 399                   | 675                 | 11                            |
| Bogura      | 1,759                          | 791                   | 779                 | 22                            |
| Gazipur     | 2,149                          | 480                   | 1,068               | 16                            |
| Jashore     | 1,739                          | 832                   | 819                 | 22                            |
| Mymensingh  | 1,762                          | 607                   | 1,100               | 14                            |
| Cumilla     | 1,223                          | 422                   | 473                 | 14                            |
| Rangpur     | 879                            | 294                   | 605                 | 15                            |
| Khulna      | 1,523                          | 261                   | 515                 | 12                            |
| Faridpur    | 664                            | 348                   | 240                 | 8                             |
| Barisal     | 757                            | 237                   | 384                 | 7                             |
| Savar       | 217                            | 217                   | 40                  | 7                             |

# INTELLECTUAL CAPITAL

Intellectual capital comprises the knowledge and expertise of our human resources, along with our intellectual property, technological edge, brand strength, reputation, and goodwill. At IPDC, it specifically includes intangible assets that are beyond traditional financial metrics, such as brand value, reputation, and customer loyalty, among others.

2024 Highlights



### Brand Perception

IPDC's brand perception continues to grow stronger, fueled by a relentless commitment to delivering exceptional customer experiences and driving innovative market communication strategies.



### Technology Infrastructure

Our strategic investments in technology infrastructure have positioned the company to embrace emerging trends and improve operational efficiency.



### Innovation in Products and Services

IPDC is committed to innovation across its products and services, consistently introducing new offerings and refining existing ones to better meet the evolving needs of its customers.

Long-term Strategy

- Conduct market research to analyze emerging trends in customer preferences.
- Leverage the growing reliance on cloud services by implementing a comprehensive backup strategy for both IT infrastructure and data.
- Capitalize on the opportunity to be a first mover by introducing innovative digital products.

| Value Creation                                                                                                                                                                                                                                                                                               | Tradeoffs                                                                                                                                                                                                                                                                                                                                                                                                           | Outlook                                                                                                                                                                                                                                                                                                                                                           | Performance Review                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Intellectual capital is essential for navigating growth prospects in a competitive industry environment. It facilitates the increased market penetration and expansion of market share for our products, empowering the customization of customer service offerings to better meet the needs of our clients. | While investing in intellectual capital may reduce financial capital in the short term, the long-term benefits are substantial. These benefits extend across multiple forms of capital, including financial, manufactured, natural, human, social, and relationship capital. A commitment to intellectual capital is key to enhancing these various forms of capital over time, contributing to sustainable growth. | The key focus moving forward is ensuring an extraordinary customer experience that enhances customer loyalty and brand perception. We are committed to retaining our reputation and achieving long-term success in the financial industry, while actively exploring alternative communication channels to reach a broader audience and foster deeper connections. | IPDC aims for unprecedented growth, investment, and modernization through product innovation and delivering exceptional customer experiences. Significant investments in technology are being made to align with shifting consumer behavior patterns, ensuring that we stay ahead of the curve. A detailed performance review will provide further insights into the status and progress of intellectual capital initiatives. |



Strategies for Maximizing Intellectual Capital Impact



Leveraging cost-effective, high-impact marketing channels for maximum reach and engagement.



Curating flagship events to showcase products like AHL, IPDC Joyee, and more.



Attracting and retaining top talent who drive value through innovation and creativity.



Strengthening customer relationship management and utilizing business intelligence for enhanced insights.

# BRAND PERCEPTION

## The Market

IPDC Finance has significantly contributed to the industrial growth of Bangladesh, and its evolution extends beyond being a financial service provider. Today, IPDC is recognized as a trusted financial partner, committed to reshaping the perceptions of its clients. The institution strives to move beyond merely offering financial services, positioning itself as an influencer capable of making meaningful, positive changes in the lives of individuals. In a competitive landscape, where more than 61 banks and 35 Non-Banking Financial Companies (NBFCs) operate, IPDC stands out by championing the spirit of financial inclusion. This distinctive approach has enabled the company to carve a special place in the hearts of its clients, inspiring individuals from all walks of life to pursue their dreams with confidence.

## Achievements

In 2024, the accolades received by IPDC Finance served as a testament to its steadfast commitment to maintaining a leadership role in the financial sector, marked by rapid growth and continuous advancement. Despite being recognized as one of the strongest and fastest-growing institutions in the country, IPDC Finance remained resolutely focused on operational excellence, ensuring that all aspects of its business adhered to the highest standards. These prestigious awards not only validated the strength of IPDC Finance's brand but also reinforced its standing as a symbol of trust, innovation, and quality in the financial industry. By relentlessly pursuing excellence, IPDC Finance further strengthened its reputation as a reliable partner for individuals and businesses in search of premium financial solutions.

The gold awards bestowed upon IPDC Finance PLC. by ICAB for the annual report 2023, which underscore its unwavering commitment to transparency and excellence in financial reporting. This recognition reflects our steadfast commitment to the highest standards of transparency and accountability in financial reporting. At IPDC, we are dedicated to fostering sustainable growth through responsible practices, and this award is a testament to that commitment.

IPDC Finance PLC. has been honored with the prestigious Platinum Award for Best Financier for Women Entrepreneurs under Global Category at the 2024 Global SME Finance Awards. The award, presented by the International Finance Corporation (IFC) and the SME Finance Forum, celebrates IPDC Finance's groundbreaking initiative, "IPDC Joyee" which serves as a comprehensive enabler for the development of women entrepreneurs in Bangladesh. The accolade underscores IPDC Finance's unbound dedication to fostering an inclusive ecosystem that empowers women entrepreneurs across the country.

We have been recognised as top performing finance company in Bangladesh Bank's Sustainability Rating 2023. The sustainability rating evaluates banks and financial institutions based on several components: sustainable finance, green finance, green refinance, core banking sustainability, corporate social responsibility (CSR) activities and banking services coverage. IPDC Finance's outstanding performance in these areas has earned it a prominent position for the third time.

Lastly, IPDC has been honoured with Best Climate Focus Financial Institute in Bangladesh. This accolade is a testament to IPDC's significant contributions towards mitigating climate change and promoting green initiatives as well as good governance and social development. The recognition by the Institute of Energy- University of Dhaka and Greentech Foundation Bangladesh supported by USAID and others highlights IPDC's commitment to integrating environmental sustainability into its business operations and investment strategies.

The authorizing committees responsible for these awards generally comprise industry experts, professionals, and distinguished individuals who evaluate nominations according to established criteria. Their expertise and objective judgment uphold the integrity and credibility of the selection process, thereby enhancing the prestige of the accolades conferred upon IPDC Finance PLC.

## Promotion

While many competitors in the financial industry have adopted traditional brand colours, IPDC distinguished itself by choosing a bold magenta hue, coupled with the dynamic tagline, "Jaago Ucchashe" (living unbound). This branding reflects a fresh and unconventional approach to financial services, signalling a commitment to help individuals live unbound by life's constraints. Following a major rebranding effort at the end of 2016, IPDC launched a groundbreaking campaign that captured the nation's attention and set a new precedent for innovation within the industry.

IPDC's strategic focus on digital communication particularly targeting millennials—who are self-expressive, open to new ideas, and eager for change—has been key to its success. A robust digital marketing mix, including Google Display Networks (GDN), Meta Ads, and YouTube Ads, complements other traditional channels. In addition to digital outreach, IPDC places high value on collaboration, partnering with leading educational institutions, media houses, and independent organizations to amplify its message. This collaborative approach extends to impactful initiatives, such as the Unsung Women Nation Builders Awards, in partnership with The Daily Star, which honours grassroots female changemakers and Priyo Shikhhok Shommanona in collaboration with Prothom Alo where we pay tribute to school level teachers across Bangladesh.

## Brand Values

At IPDC Finance, we are driven by the belief that the greatest achievement in life is the ability to cherish and enjoy each day. Our mission is to address the challenges that individuals face by providing them with the financial support necessary to live fulfilling, unrestricted lives. As a brand, IPDC aims to shape narratives and enhance the life experiences of our clients at every stage—from childhood to retirement.

Whether helping someone purchase their first car, buy a home, fund higher education, start a business, or retire in peace, IPDC strives to be a steadfast partner in achieving personal milestones. Our commitment is to empower individuals to realize their aspirations and experience a life of joy, freedom, and fulfillment.



# DIGITAL PRESENCE IN 2024

## facebook

|                                                                                   |                                                                                   |                                                                                     |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|  |  |  |
| FOLLOWERS                                                                         |                                                                                   |                                                                                     |
| 433,528                                                                           | 141,587                                                                           | 52,034                                                                              |
| LIKES                                                                             |                                                                                   |                                                                                     |
| 423,215                                                                           | 94,718                                                                            | 51,078                                                                              |

## YouTube

|                                                                                     |                                                                                      |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| SUBSCRIBER                                                                          |                                                                                      |
|  |  |
| 3,317                                                                               | 1,484,629                                                                            |

## LinkedIn

|                                                                                     |
|-------------------------------------------------------------------------------------|
| FOLLOWERS                                                                           |
|  |
| 43,205                                                                              |

## Instagram

|                                                                                      |
|--------------------------------------------------------------------------------------|
| FOLLOWERS                                                                            |
|  |
| 3,712                                                                                |

# PRODUCT FORMULATION AND INNOVATION

## Product Formulation

In 2024, amidst an evolving financial landscape, IPDC continued its legacy of innovation, leveraging decades of expertise to drive economic progress and financial inclusion. Since its inception, IPDC has remained at the forefront of transformative financial solutions, adapting to the dynamic needs of businesses and individuals through a comprehensive suite of offerings tailored to diverse sectors.

Guided by a strategic vision for product innovation, IPDC remained committed to harnessing emerging technologies and market insights to deliver meaningful value to its customers. Through continuous research and development, the company proactively anticipated and addressed the evolving financial needs of its clientele, ensuring accessibility, efficiency, and long-term impact.

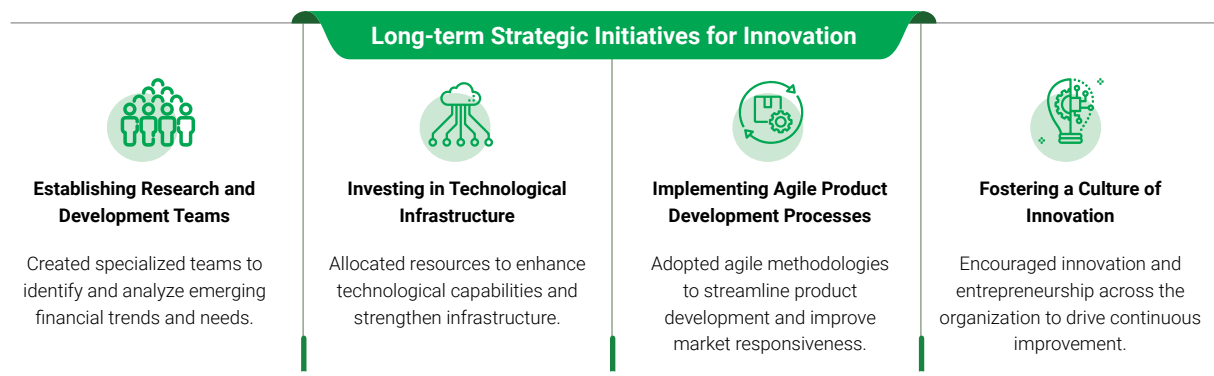
Building on past successes, IPDC expanded its product portfolio with innovative solutions designed to empower entrepreneurs, support small and medium enterprises (SMEs), and accelerate nationwide economic growth. These new financial products and services aimed to enhance access to capital, facilitate business expansion, and promote financial well-being for individuals and enterprises alike.

IPDC's approach to product development emphasized precision, efficiency, and customer-centricity, ensuring that financial solutions were not only innovative but also practical and impactful. By integrating advanced technology with strategic insights, IPDC reaffirmed its dedication to driving positive change, fostering sustainable growth, and shaping the future of financial services.

## Product innovation

IPDC has long been a trailblazer in the financial sector, continuously redefining industry standards through innovation and customer-centric solutions. With a legacy of pioneering initiatives and an unwavering commitment to progress, IPDC remains at the forefront of fostering sustainable economic development and expanding financial accessibility.

Committed to excellence, IPDC has implemented strategic initiatives designed to drive innovation across all aspects of its operations. These efforts leverage cutting-edge technologies while fostering a culture of creativity and collaboration, ensuring sustained growth and transformative impact.



# SERVICE EXCELLENCE

At IPDC Finance PLC., we recognize that customers enter their relationship with us with specific expectations regarding the service they anticipate. The true measure of service excellence lies in our ability to meet or surpass these expectations. Since its foundation, IPDC has firmly rooted itself in the values of exceptional service quality, robust governance, and commitment to excellence. These principles have been key to establishing us as one of the leading and most respected financial institutions in the country.

## Key Initiatives

- **Focus on Service Quality:** Service quality is a fundamental pillar of our business model. IPDC prioritizes high standards in every aspect of customer interaction, understanding that delivering superior service is crucial for fostering customer loyalty and driving satisfaction.
- **Anticipatory Customer Engagement:** We have taken several strategic steps to engage with customers proactively. Among the most significant of these is the creation of a specialized complaints resolution unit. This initiative is part of our broader commitment to ensuring prompt and efficient handling of any customer grievances.
- **Integrating Customer Feedback:** At IPDC, customer input is seen as a vital component of our ongoing improvement process. We systematically collect and incorporate feedback to refine and evolve our services, ensuring that we continually enhance customer experience.
- **Customer Loyalty Initiatives:** As a testament to our customer-centric ethos, we have launched exclusive loyalty programs aimed

at rewarding our most valued customers. These programs offer preferential services and benefits, reinforcing our dedication to cultivating long-term relationships with our clientele.

As part of our customer-first strategy, we have introduced numerous initiatives that focus on enhancing the overall experience. This includes utilizing cutting-edge technology to streamline interactions and ensuring that customer satisfaction remains our highest priority.

Looking toward the future, IPDC is set up to introduce innovative digital supply chain financing solutions, marking another milestone in our dedication to evolving alongside our customers' needs. Additionally, we are working to expand our offerings in retailer financing through strategic partnerships with key manufacturers, broadening access to financial products for a diverse customer base.

## Driving Innovation and Customer Satisfaction

Innovation plays a central role in IPDC's ability to meet the shifting expectations of our customers. We continually conduct extensive market research to understand the evolving needs of our client base, which drives the development of new products and services that resonate with our customers.

Equally important is the role of our employees in delivering exceptional service. Our team members are the face of IPDC and play a crucial role in shaping our reputation. To support them in this mission, we have implemented several initiatives to boost employee engagement and maintain a culture of excellence and service focus across the organization.

## Long term vision for Service excellence

|                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Omni-Channel Integration</b></p> <p>We understand the importance of providing seamless and consistent experiences across all channels of interaction.</p> |  <p><b>Community Engagement</b></p> <p>Beyond transactional relationships, IPDC aims to foster deeper connections with customers by actively engaging with communities.</p> |  <p><b>Continuous Improvement</b></p> <p>We recognize that the journey towards service excellence is an ongoing endeavor.</p> |  <p><b>Culture of Service Excellence</b></p> <p>IPDC aims to instill a culture of service excellence among its employees, prioritizing customer needs</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Redefining Exceptional Customer Journeys

At IPDC, we understand that simply competing on price is not enough to achieve long-term success. Customer satisfaction is a key differentiator, and it is the cornerstone of our efforts to establish ourselves as a leader in the financial services sector. To stay ahead of the competition, we focus on creating remarkable customer experiences that keep our clients loyal.

Our commitment to improving customer service is integral to our business strategy. We continue to explore new avenues of innovation to better serve our customers, ensuring that each interaction adds value to the customer journey.

## Strategic Focus Areas for Customer Service Improvement

- **Empowering Our Employees:** Our customer service professionals are at the forefront of our operations, and we are dedicated to ensuring they have the tools and resources they need to deliver

outstanding service. Empowering employees with fast access to information and simplified processes is fundamental to enhancing both employee productivity and satisfaction.

- **Ensuring Consistency Across All Channels:** Consistency in communication and service delivery is crucial in maintaining customer trust. At IPDC, we are committed to providing uniform and accurate information across all touchpoints, recognizing that reliability is vital in delivering excellent customer service.
- **Embracing Financial Technology:** The financial industry is constantly evolving, and IPDC is committed to staying ahead of the curve by adopting new technologies. We are exploring mobile payment solutions, enhancing security, integrating new systems, and modernizing legacy data systems to provide customers with seamless, on-demand services while ensuring compliance with all regulatory requirements.

By focusing on these critical areas, IPDC Finance PLC. is poised to continue leading the industry in terms of service excellence, ensuring long-term success for both our customers and the organization.



# IT CAPABILITIES AND DIGITAL TRANSFORMATION

## 1. Business Transformation Initiative

In 2024, 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.



### 1.1 Shiri – Loan Origination Platform

Shiri, our bespoke Loan Origination Platform, has seen substantial improvements to cater to the evolving business needs. A key development is the introduction of a mobile application, significantly enhancing the flexibility and efficiency of the loan origination process, thus reinforcing our commitment to customer-centric innovation. Loan process automation both for Retail products and Business Finance have been implemented



### 1.2 Dana – Retailer Financing Platform

DANA, our unique Retailer Financing Platform, is now fully operational. This platform symbolizes IPDC's innovative approach to empowering retailers with accessible and low-cost financing option contributing to the growth of the retail sector and employment generation in Bangladesh.



### 1.3 ORJON – Digital Supply Chain Platform

ORJON, our pioneering digital platform for Supply Chain Financing, is set to undergo significant updates to meet the expanding business needs and market demands. The comprehensive business requirements for this upgrade have been meticulously finalized, aiming to enhance the platform's efficiency and utility for our partners and clients.

## 1.4 Other Business Transformation Initiatives

| RTGS                                                                                                                              | Eshtition 106                                                                                                                        | e-KYC                                                                                                                                                                                           | IPDC Mobile App                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Significant upgrades have been made to our RTGS system, enhancing its functionality, architecture, network, and hardware aspects. | The implementation of a new Human Resource Management System aligns with the growing workforce of IPDC, optimizing our HR processes. | The e-KYC system has been updated to ensure heightened security and improved usability, reflecting our commitment to maintaining high standards in customer service and operational efficiency. | The implementation of an IPDC Mobile App will ensure that the clients would be able to get their deposit and loan accounts statements, Tax certificates, Balance certificates, NOC, etc. using the app instantly without any human interventions. It will increase customer satisfaction and will increase operation efficiencies of the organization. |

## 2. Infrastructure Initiatives

In 2024, the IPDC IT operations team focused on strengthening the organization's infrastructure while maintaining cost efficiency. The following key initiatives were undertaken to enhance performance, security, and resilience:

- **Network and Data Center Assessment:** A comprehensive assessment of the network and data center was conducted to identify potential bottlenecks, improve performance, and optimize resource utilization. This initiative is aimed at ensuring seamless connectivity and operational efficiency.

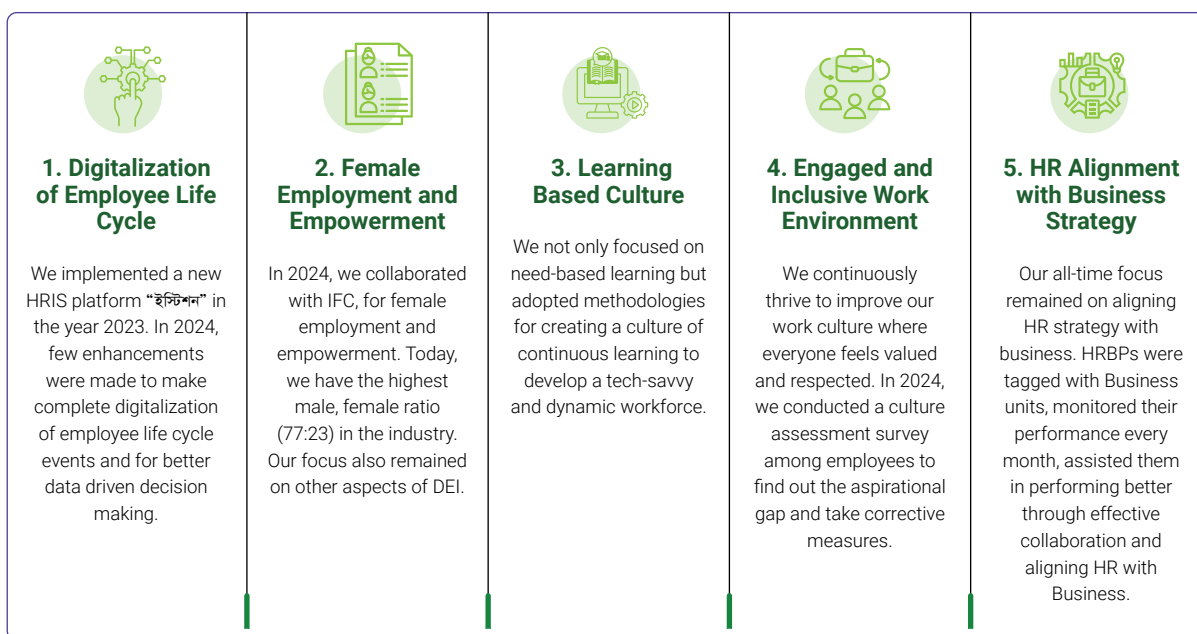
- **Inhouse Capacity Building:** The team worked on upskilling internal IT personnel to reduce dependency on external vendors. This included training sessions, knowledge-sharing programs, and hands-on experience with advanced IT tools and systems and bringing outside hosted applications in-house to maintain continuous improvement and continuous deployment/development.
- **Strengthening IT Security:** Advanced security measures were implemented to safeguard IT assets against cyber threats. Enhancements included the deployment of different appliances, solutions, and robust access control mechanisms.
- **Completion of a Disaster Recovery (DR) Drill:** A successful DR drill was conducted to test the organization's readiness for potential data loss scenarios. This drill ensured minimal downtime and reinforced data protection strategies to maintain business continuity.
- **Training and Development in Technology:** Employees received specialized training in emerging technologies, cybersecurity best practices to enhance their technical competencies and align industry trends.
- **Vulnerability Assessment and Penetration Testing (VAPT):** Regular VAPT exercises were performed to identify and mitigate security vulnerabilities. This proactive approach helped in strengthening the IT infrastructure against potential cyberattacks and ensuring compliance with security standards.
- **Integration with Bangladesh Bank New RTGS System:** The IT team successfully integrated the organization's financial systems with the new Real-Time Gross Settlement (RTGS) system of Bangladesh Bank. This initiative improved transaction processing speed, enhanced financial security, and ensured compliance with regulatory requirements.

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

# HUMAN CAPITAL

Due to technological advancement in recent years, our human capital management strategy shifted to making a complete digitalization of employee life cycle events, data driven decision making and developing a tech-savvy workforce. We also emphasized equally on effective implementation of Diversity, Equity and Inclusion (DEI), appreciating innovation at work and curating our work culture towards an engaged and agile organization.

Our focus areas and priorities for human capital management in the year 2024 were as follows:



## Long-term Strategy

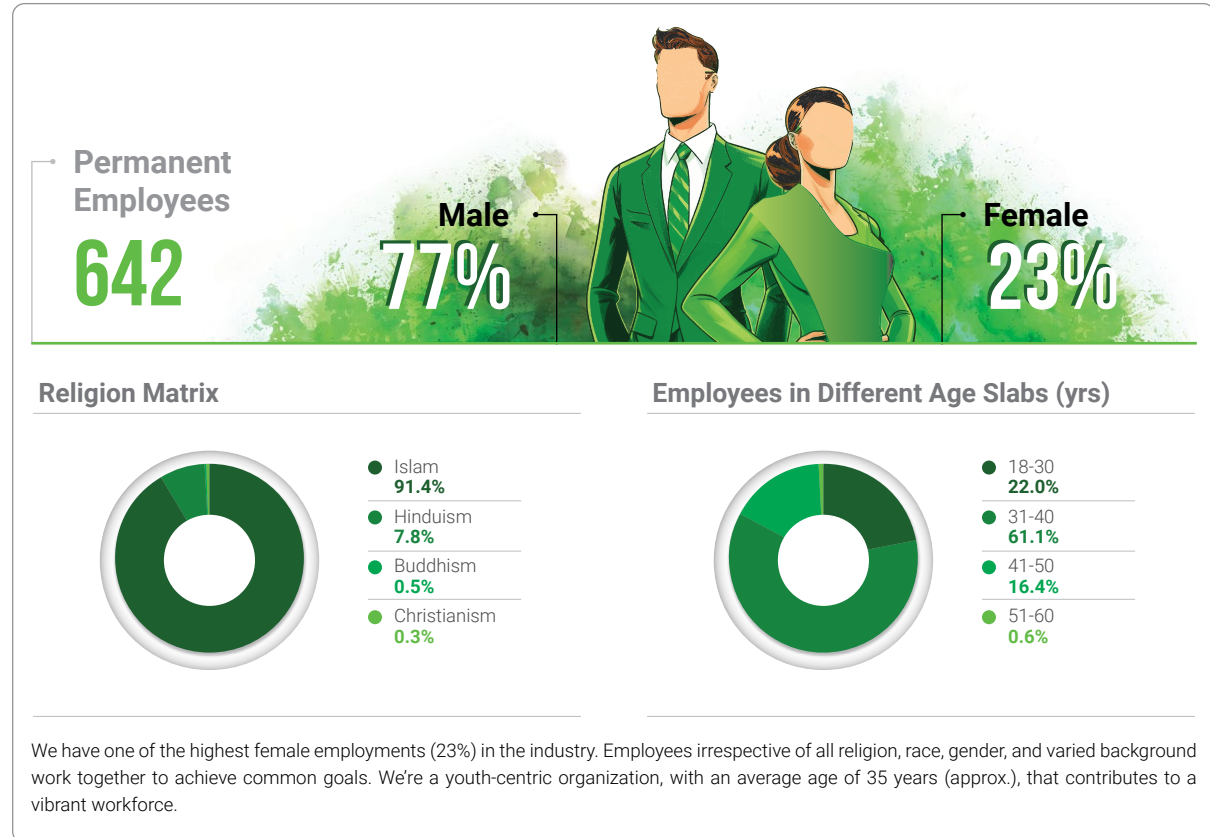
1. Embracing AI for operational efficiency.
2. Nurturing an agile workforce who are innovative, passionate and tech-savvy.
3. Continuous development for sustainable growth.



# 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 2024. 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

We took part in multiple career fairs and actively engaged with talented individuals. These events allowed us to connect directly with potential candidates. We ensured active presence in different social media platforms like Facebook, LinkedIn etc. through displaying our initiatives, conveying our EVPs and advertising all job openings. Our average TAT for hiring in the year 2024 was 32 days.



Career Fair at BRAC University



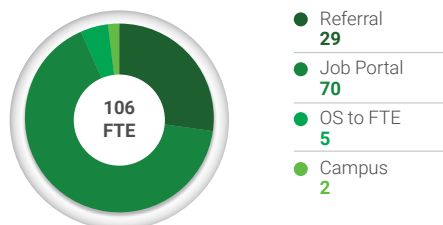
Career Fair at East West University

## Talent Acquisition

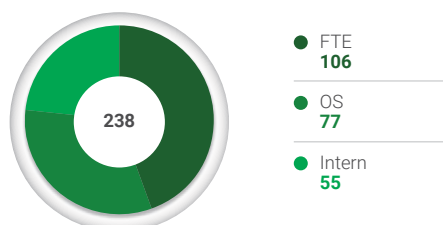
At IPDC, we place strong emphasis on hiring talents who are passionate, innovative and tech-savvy. We believe in equal employment opportunities and actively advertise job openings across various job platforms to reach out to a wide pool of talent.

We ensured hiring of minimum 25% female in every quarter to ensure a balanced workforce. The following graph outlines a summarized overview of our recruitment in 2024, offering transparency and insight into our impartial hiring practices.

### Recruitment sources in 2024



### Total recruitment in 2024

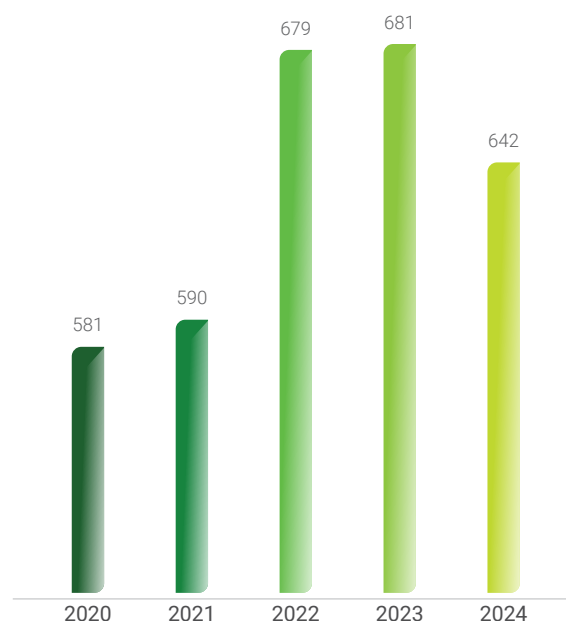


## Growth & Distribution of Human Resources

We focused more on employee development and sustainable business growth in the year 2024 due to worldwide economic downturn, political unrest and financial challenges within Bangladesh. Therefore, there was an insignificant decrease in Human Resources last year. However, our efforts remained to ensure a gender balanced workforce.

Graphical representation of our human resources in the year 2024 in comparison with 2023 is given below.

### Permanent Employees over the last 5 Years

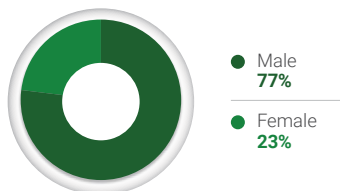


| Employment Type                    | Number of Employees |      |        | % Composition |        |
|------------------------------------|---------------------|------|--------|---------------|--------|
|                                    | 2024                | 2023 | Growth | 2024          | 2023   |
| <b>Permanent Employee</b>          |                     |      |        |               |        |
| Male                               | 497                 | 522  | -4.79% | 77.41%        | 78.98% |
| Female                             | 145                 | 159  | -8.81% | 22.59%        | 21.02% |
| Total Permanent Employees          | 642                 | 681  | -5.73% |               |        |
| <b>Third-party Employees</b>       |                     |      |        |               |        |
| Male                               | 158                 | 158  | 0.00%  | 77.07%        | 83.01% |
| Female                             | 47                  | 45   | 4.44%  | 22.93%        | 16.99% |
| Total Third-party Employees        | 205                 | 203  | 0.99%  |               |        |
| <b>Permanent &amp; Third-party</b> |                     |      |        |               |        |
| Male                               | 655                 | 680  | -3.68% | 77.33%        | 80.21% |
| Female                             | 192                 | 204  | -5.88% | 22.67%        | 19.79% |
| Grand Total                        | 847                 | 884  | -4.19% |               |        |

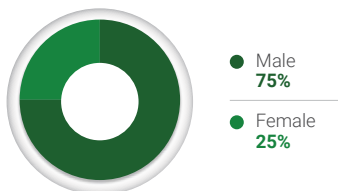
## Gender Ratio

We are one of the most gender-balanced organizations in the industry. We not only focus on women employment but equally focus on women empowerment. We continuously thrive to foster on a gender- balanced organization by recruiting more female employees. 2 out of 4 business units are female and 2 out of 9 mancom members are female.

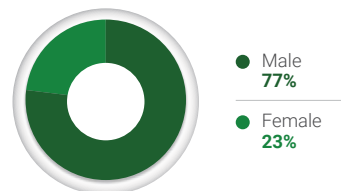
### Total Talents



### Board Members



### Managment Committee



## 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 gets separated from IPDC. Our attrition rate in 2024 is 14%. Although it is below the industry standard (20%) but reducing it to a minimum is a top priority for us in the years to come.

## Capacity Development of Employees

The learning and development of our employees always remain at the forefront of our thoughts. 2024 had been a year of process improvement and ensuring a culture of continuous learning for employees. Key initiatives for employees' capacity development in 2024 included:

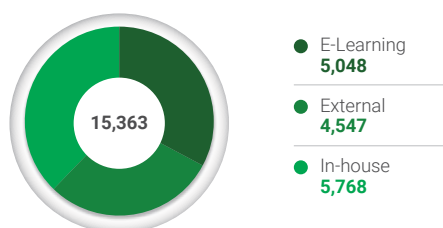
- We ensured an average training of 22.17 hours and with a total of 15,363 hours for all permanent employees. Apart from permanent employees, we also ensured 2,216 hours of training for all third-party employees who work for us in different areas.
- We integrated both internal and external training programs to ensure a diverse learning experience.
- We focused more on the development of sales force of all products and conducted 3,686 hours of training.

- Considering the present perspective of the financial sector, we conducted 5,624 hours of training on AML & CFT for all to combat anti-money laundering.
- We focused on green and sustainable financing and conducted 1,051 hours of training.
- We prioritized the mental wellbeing of our employees and conducted 1,059 hours of training.
- Arranged comprehensive orientation sessions of 1,990 hours for our new joiners for smooth transition to our culture.

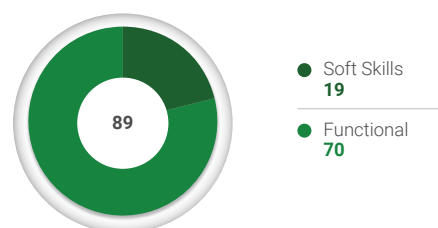
### The snapshots of capacity development in the year 2024 were:

| Particulars                          | Manhours     |
|--------------------------------------|--------------|
| Average training per employee        | 22.17 hours  |
| Average training per female employee | 21.42 hours  |
| Total training hours                 | 15,363 hours |
| Training expenses                    | BDT 2.46 MN  |

## Category of Training



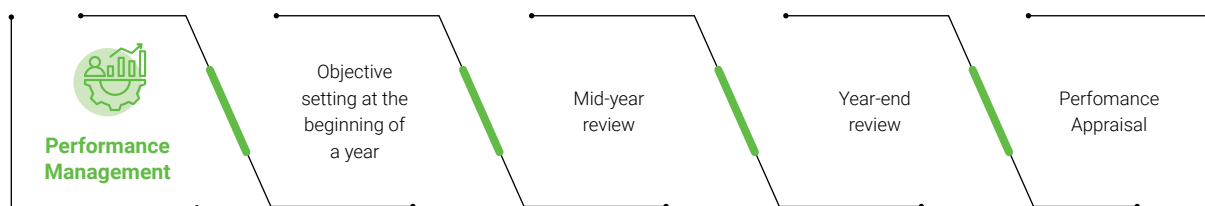
## Type of training





## Performance Management

We maintain a performance driven culture. Yearly performance appraisal of an employee is a result of 3 stages of one-one-one discussion sessions between an employee and his supervisor i.e. objective setting at the beginning of a year, mid-year and year-end review.



Based on year-end reviews, promotion, yearly increment, and performance bonus are finalized. Poor performers went through a specialized three-month development program known as the "Performance Improvement Plan" (PIP). In 2024, we conducted PIP for 69 employees and 40 successfully improved their performance. Summary of last year is depicted here.

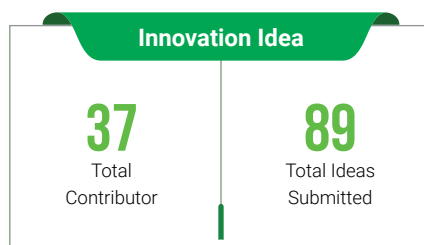


In addition, being a strategic partner,

- HRBP reviewed business performance of asset and deposit sales force every month.
- Initiated required development measures in discussion with unit heads.

## 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 2024, 5 critical roles were filled in by internal employees.



## Promoting Innovation at Work

We encourage innovation in our work culture. We organized "Innovation Week" in the year 2024, where employees were asked to submit innovative ideas which would improve our business practices. During the innovation week, 37 employees submitted a total of 89 innovative ideas.

## 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, the following are some of the highlights of the year 2024 for a safer and secure workplace:

1. Firefighting and emergency response procedures were practiced in every office.
2. First-aid boxes are placed in every office.
3. Agreements were made with renowned hospitals for emergency services and discount facilities.
4. Employees are covered by hospitalization and life insurance.
5. Pool cars provided late office work.
6. 1,059 hours of awareness sessions were organized for the improvement of employee health.

## Curating Work Culture

Our goal is to cultivate a workplace where employees feel confident, appreciated, and respected. In 2024, our initiatives were aimed at strengthening engagement and enhancing the overall work culture:

1. We organized Mental Well-being and Breast Cancer Awareness sessions to support employees in maintaining both their mental and physical health.
2. We celebrated key events such as Women's Day, Men's Day, Pohela Boishakh, Pohela Falgun, and Valentine's Day to promote team agility and foster engagement.
3. We arranged various games, including, kite festival, mini golf, indoor cricket, dart throw, table tennis, and carom competitions to keep employees energized and motivated.
4. Rewards were also provided for excellence, achievement, and the chairman's award.



Pohela Falgun & Valentine's Day



Pohela Boishakh



Mental Wellbeing Session



Townhall



International Women's Day

# HUMAN RESOURCE ACCOUNTING

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

in BDT mn, % unless otherwise stated

| Particulars                            | 2020   | 2021   | 2022   | 2023   | 2024   |
|----------------------------------------|--------|--------|--------|--------|--------|
| Number of Employees                    | 845    | 849    | 896    | 884    | 847    |
| Average Number of Employees            | 850    | 847    | 873    | 890    | 866    |
| Loan Portfolio per Employee            | 63.1   | 77.1   | 78.1   | 79.3   | 80.3   |
| Customer Deposit per Employee          | 48.7   | 57.3   | 54.5   | 56.9   | 59.8   |
| Revenue per Employee                   | 3.3    | 4.1    | 3.7    | 3.3    | 3.7    |
| Operating Cost per Employee            | 1.4    | 1.5    | 1.7    | 1.8    | 1.7    |
| Operating Profit per Employee          | 2.0    | 2.6    | 2.0    | 1.5    | 2.0    |
| Net Profit per Employee                | 0.8    | 1.0    | 1.0    | 0.4    | 0.4    |
| Staff Benefit Cost per Employee        | 0.8    | 0.9    | 1.0    | 1.1    | 1.1    |
| Staff Cost as a % of Operating Expense | 60.23% | 59.66% | 58.17% | 62.59% | 62.49% |

## Implications for IPDC

Rather than looking at employees as costs, our 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 exist, IPDC does not capitalize any human resource related costs 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 2024

The employee base of IPDC dropped from 884 to 847 in 2024 which is also reflected by the decrease of average number of employees from 890 to 866. Loan portfolio per employee increased to BDT 80.3mn in 2024 from BDT 79.3mn in 2023. Staff cost as a percentage of operating expense marginally decreased to 62.49% in 2024 from 62.59% in 2023. Operating profit per employee increased to BDT 2.0mn as the overall operating profit for IPDC increased and stood at 1,765mn in 2024.

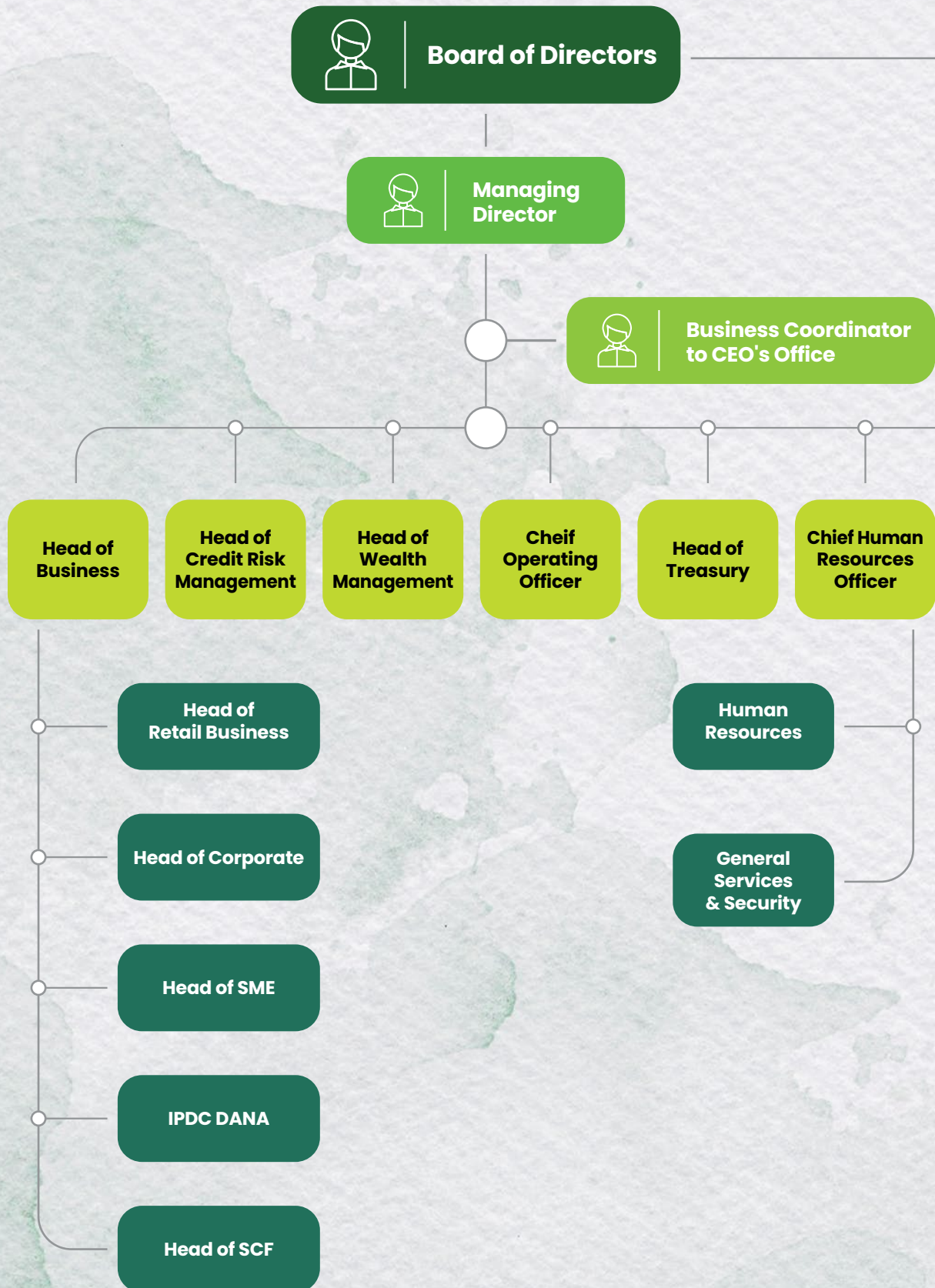
## Our Future Priorities

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

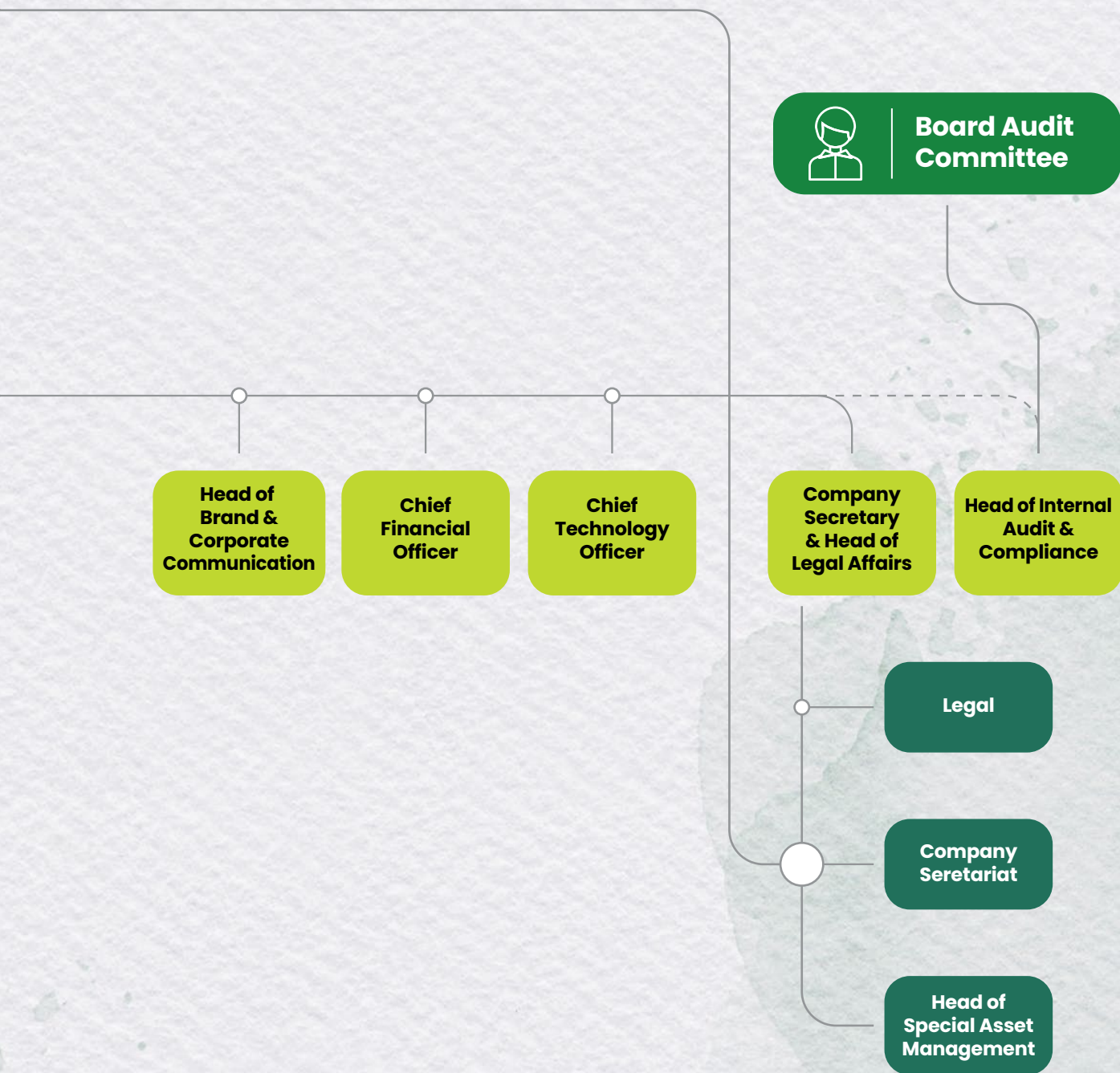
1. Implement AI-driven capacity-building programs to upskill employees and enhance their competencies.
2. Strengthening organizational culture by reinforcing IPDC values and implementing actionable changes based on employee feedback from the culture assessment survey.
3. HR will play a strategic role as a Business Partner to achieve business goals to strengthen IPDC's market position through continuous improvement and innovation.
4. Foster a diverse, equitable, and inclusive workplace by embedding inclusive hiring, leadership representation, and equal growth opportunities.
5. Establish structured leadership programs to nurture future leaders with the right skills, vision, and strategic mindset to drive business success.



# ORGANOGRAM







# SOCIAL AND RELATIONSHIP CAPITAL

Intellectual capital comprises the knowledge and expertise of our human resources, along with our intellectual property, technological edge, brand strength, reputation, and goodwill. At IPDC, it specifically includes intangible assets that are beyond traditional financial metrics, such as brand value, reputation, and customer loyalty, among others.

| 2024 Highlights                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                           |                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Stakeholder Management</b></p> <p>Introduced revamped format of Investors Meet to better reach stakeholders</p>                                                                                                                          |  <p><b>Employee Volunteerism</b></p> <p>Provided support for platforms to utilize the employee skills towards solving social issues.</p> |  <p><b>Social Investments</b></p> <p>Invested in education, sports, culture, and arts</p> |
| Long-term Strategy                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                           |                                                                                                                                                                              |
| <ul style="list-style-type: none"> <li>Deploy additional resources to monitor shift in stakeholder sentiment and address stakeholder issues promptly</li> <li>Developing a platform, preferably web-based, to spread financial knowledge</li> <li>Collaborating with international bodies to finance such initiatives</li> </ul> |                                                                                                                                                                                                                           |                                                                                                                                                                              |

| Value Creation                                                                                                                                                                                                                                                                                                                               | Tradeoffs                                                                                                                                                                                                                                                                                                                                                                | Outlook                                                                                                                                                                                                                                                                                                                                                          | Performance Review                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Social and relationship capital facilitates the creation of new business opportunities and contributes to the development of other forms of capital.</li> <li>Collaborative work practices and customer-centricity strengthen trust with customers, employees, suppliers, and communities.</li> </ul> | <ul style="list-style-type: none"> <li>Investment in community through social programs reduces financial capital initially but enhances growth in the long term.</li> <li>CSR campaigns contribute to improvement in both natural &amp; social capital.</li> <li>Long-term benefits include strengthened community relationships and enhanced social capital.</li> </ul> | <ul style="list-style-type: none"> <li>Primary focus on Small &amp; Medium Enterprises (SMEs) in business expansion efforts.</li> <li>Collaboration with market players to serve as a catalyst for young entrepreneurship development.</li> <li>Reinvestment of savings from lower tax rates back into the economy to boost overall tax contribution.</li> </ul> | <ul style="list-style-type: none"> <li>IPDC, as a value-driven company, remains committed to creating societal value.</li> <li>Continued offerings such as IPDC Manobota and Shubodh prioritize societal impact over profitability.</li> <li>Detailed discussion available in subsequent sections of Social and Relationship Capital.</li> </ul> |



| Approaches to Optimizing Social and Relationship Capital Outcomes                                                                                                                           |                                                                                                                                                                           |                                                                                                                                                              |                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>Focus our CSR efforts on health, socioeconomic infrastructure and education in rural communities</p> |  <p>Effective and frequent engagement with stakeholders to address material issues</p> |  <p>Continuing to forge and strengthen partnerships with our supplier</p> |  <p>Build reputational value and market visibility to attract vital competencies</p> |



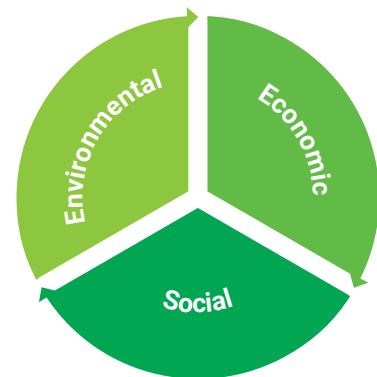
# OUR APPROACH TO STAKEHOLDER ENGAGEMENT

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.

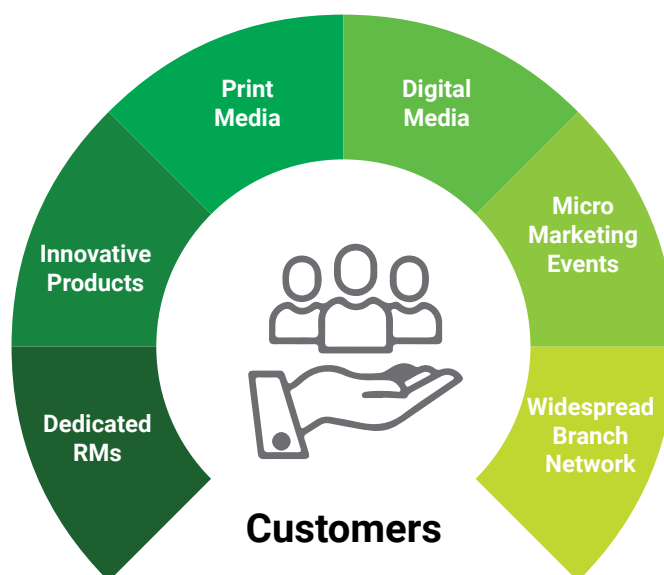
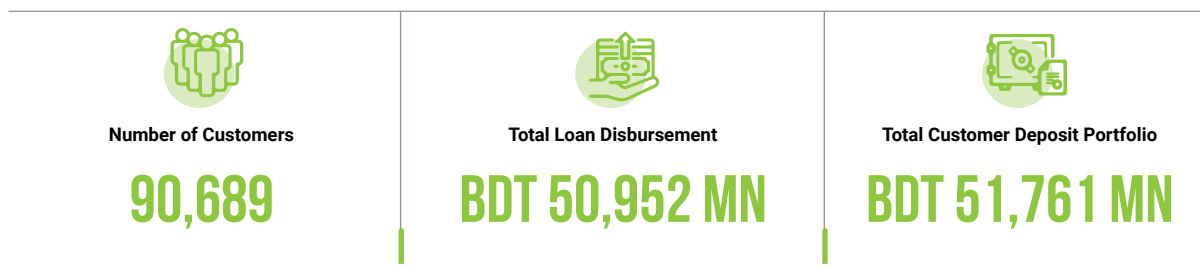
## Identifying Our Stakeholders

IPDC is fully aware that sustainable business can only be achieved by interacting with its stakeholders and understanding the impact the business has on its environment. We identify and analyze our stakeholders based on the following dimensions:



## Customers

IPDC puts its customers at the heart of its strategy and the company is becoming increasingly customer centric. We go beyond knowing only names, ages and incomes and try to understand the customer specific needs and wants. This approach allows us to identify opportunities for growth and develop innovative solutions precisely tailored to the present and future demands of our customers.



### Ways We Create Value for Our Customers



# 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 847 people as of 31 December 2024 and we invested significant resources in ensuring our status as an employer of choice.

## Forms of Engagement

| Engagement Method              | Frequency of Engagement |
|--------------------------------|-------------------------|
| Training Programs              | Regular                 |
| Events                         | As Necessary            |
| Townhall                       | Quarterly               |
| Employee Recreation Club (ERC) | Annually                |
| Orientation                    | Quarterly               |
| Celebrations                   | As Necessary            |

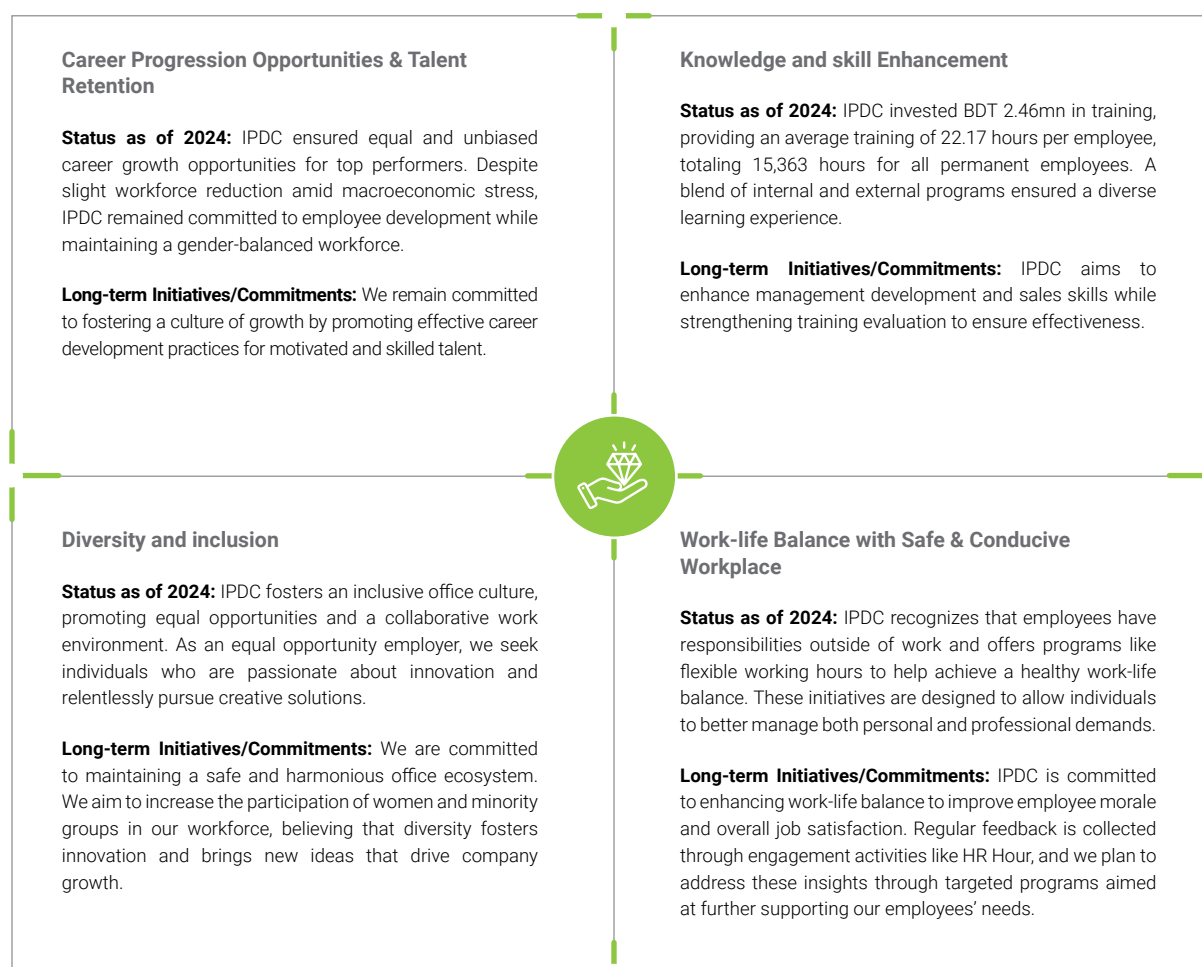
BDT mn



## 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 Employees



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



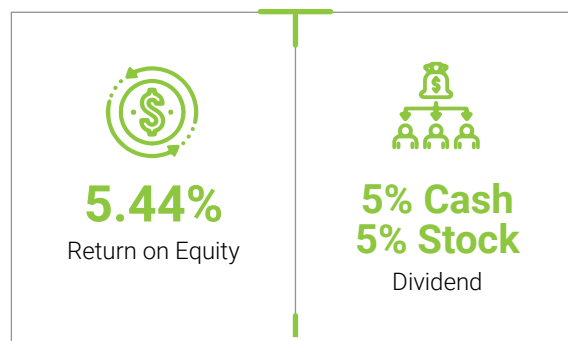
## Investors

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.

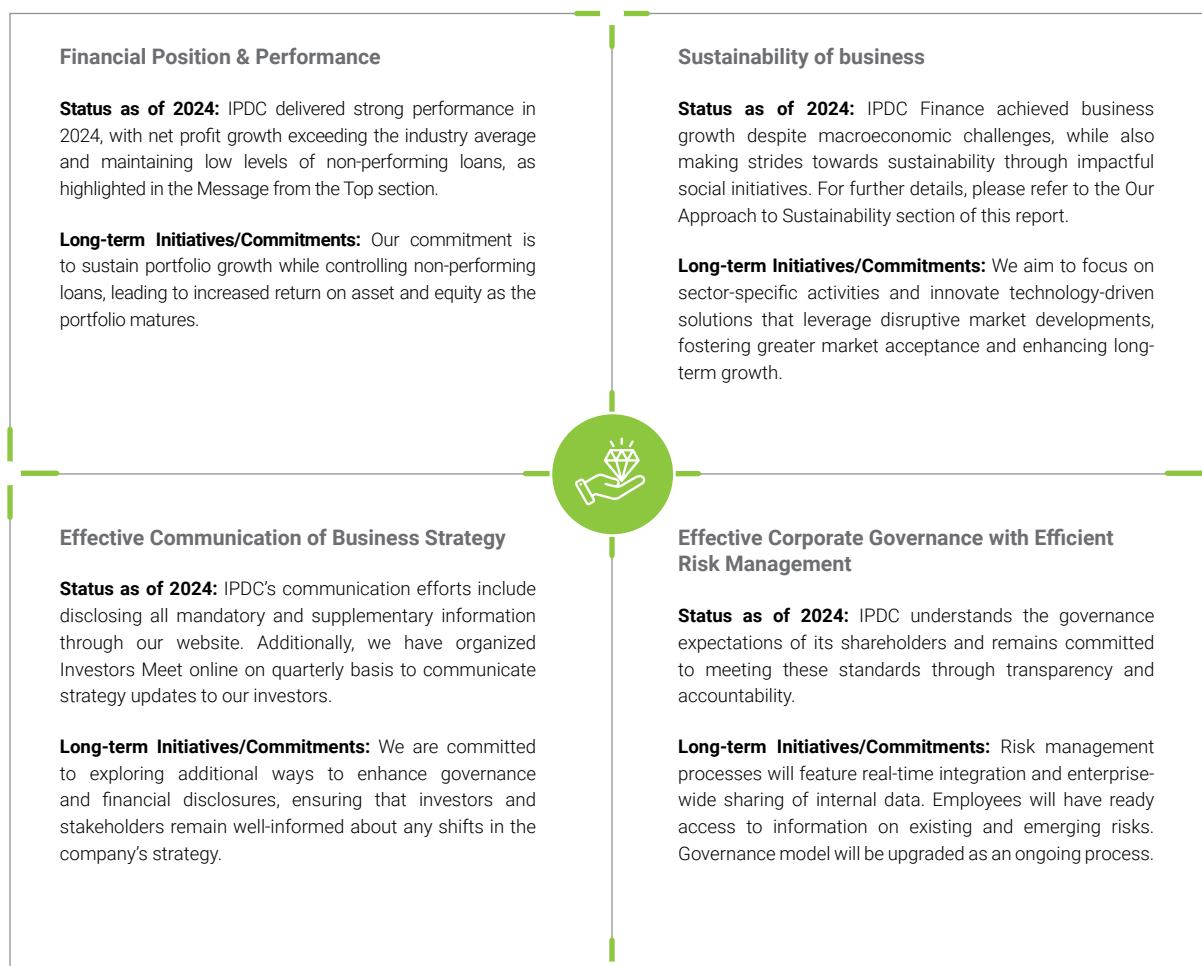
### Forms of Engagement

| 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                  |

BDT mn



### Ways We Create Value for Our Investors



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

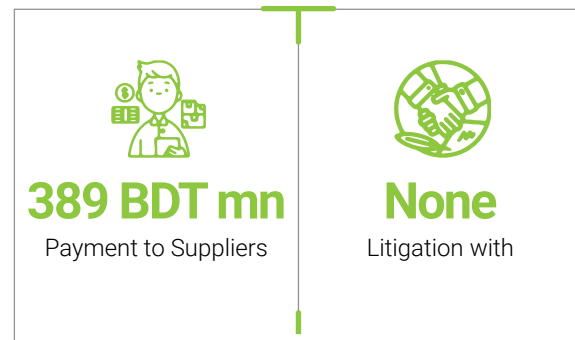
## Suppliers

With increasing footprints, suppliers of goods and services to the institution are 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.

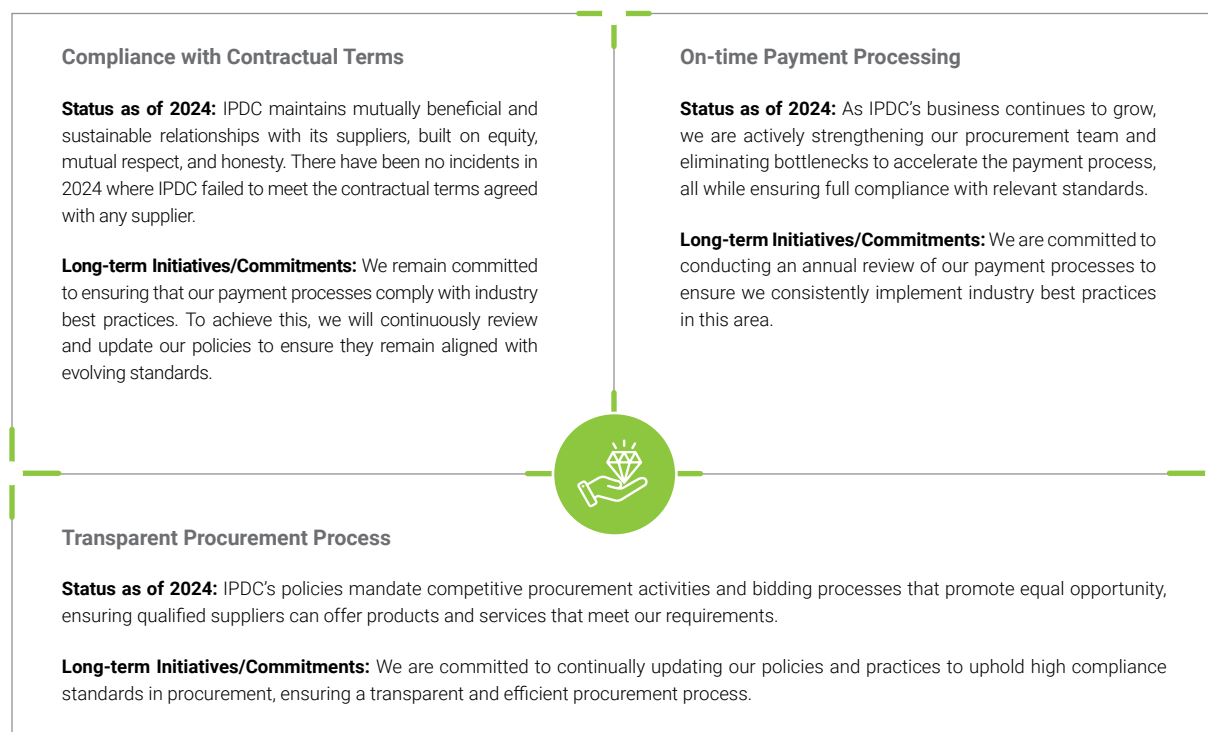
### Forms of Engagement

| 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                  |

BDT mn



### Ways We Create Value for Our Investors



## 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 include local residents, community development groups, environmental and development organizations, citizen associations, and non-governmental organizations (NGOs).

### Forms of Engagement

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



**BDT 8.2 mn**

CSR Spending

### Ways We Create Value for Our Communities and Societies

#### Social responsibility & Impact to Society

**Status as of 2024:** IPDC has undertaken several initiatives to fulfill its social responsibilities in alignment with the company's mission, vision, and values. More details can be found in the Corporate Social Responsibility and Value-Added Statement section.

**Long-term Initiatives/Commitments:** Moving forward, we will adopt a "Shared Value" approach, focusing on socially beneficial programs that contribute to the welfare and sustainable development of the broader community.

#### Environmental Stewardship

**Status as of 2024:** IPDC has planted trees around its branch offices and extensively utilizes an E-Documentation system to support its paperless initiative. Further details can be found in the Environmental Initiatives section.

**Long-term Initiatives/Commitments:** We are committed to advancing our paperless initiative at the branch level by fully utilizing the E-Documentation platform to reduce environmental impact and enhance operational efficiency.



#### Resource Protection & Energy Efficiency

**Status as of 2024:** IPDC has replaced outdated and inefficient motor vehicles and equipment to improve energy efficiency. Additionally, we have implemented fuel conservation measures, such as using video conferencing, to minimize travel between offices.

**Long-term Initiatives/Commitments:** We are committed to further reducing energy demands by optimizing work hours and minimizing overtime, ensuring a more sustainable approach to energy use.

#### Community Engagement

**Status as of 2024:** IPDC has sponsored several social events, providing us with the opportunity to engage directly with local communities. Further details can be found in the Events and Sponsorship section as well as the Signature Events section.

**Long-term Initiatives/Commitments:** We are committed to continuing our sponsorship of value-adding and sustainable community engagement initiatives that foster positive and lasting impact.

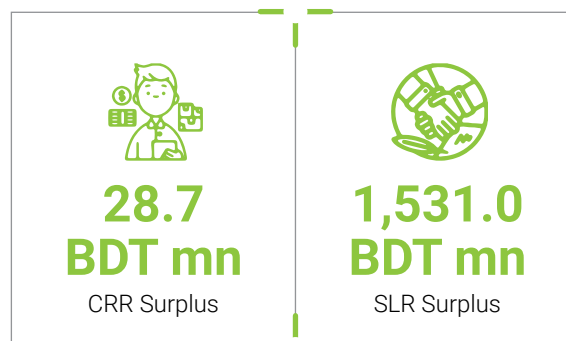


## Regulators/Policy Makers

Regulators/Policy Makers is a 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                  |



### Ways We Create Value for Our Investors



# STATEMENT ON CONTRIBUTION TO GOVERNMENT EXCHEQUER

For the year ended 31 December

| Particulars                                   | 2020               | 2021               | 2022                 | 2023                 | 2024                 |
|-----------------------------------------------|--------------------|--------------------|----------------------|----------------------|----------------------|
| <b>Withholding Tax</b>                        |                    |                    |                      |                      |                      |
| Salary                                        | 24,623,687         | 32,164,871         | 44,198,218           | 48,189,625           | 46,379,399           |
| Interest on savings deposit                   | 422,820,132        | 311,350,282        | 474,471,609          | 569,225,560          | 735,887,464          |
| Payment of Supplier                           | 1,892,688          | 4,660,801          | 4,091,390            | 2,641,047            | 2,418,882            |
| House Rent                                    | 1,072,143          | 1,058,749          | 1,439,694            | 1,900,163            | 2,011,924            |
| Dividend Payment                              | 36,947,074         | 45,020,223         | 46,101,727           | 38,514,945           | 25,990,081           |
| Payment for Professional & Technical Services | 1,587,483          | 2,314,463          | 3,283,467            | 2,124,579            | 2,531,877            |
| Others                                        | 7,334,202          | 27,235,207         | 86,799,094           | 90,871,222           | 75,532,358           |
| <b>Total Withholding Tax</b>                  | <b>496,277,409</b> | <b>423,804,596</b> | <b>660,385,198</b>   | <b>753,467,141</b>   | <b>890,751,985</b>   |
| <b>VAT</b>                                    |                    |                    |                      |                      |                      |
| House Rent                                    | 5,087,170          | 5,706,564          | 6,984,205            | 8,453,902            | 8,829,911            |
| Processing, Documentation Fee etc.            | 11,731,558         | 21,462,148         | 19,592,023           | 21,282,724           | 27,260,620           |
| Procurement of goods and services             | 4,983,283          | 7,333,892          | 9,553,907            | 6,499,135            | 6,109,694            |
| Legal, Professional & Technical Fees          | 2,305,302          | 6,230,295          | 7,815,827            | 5,374,401            | 5,944,965            |
| Director Fees                                 | 93,600             | 86,400             | 84,000               | 121,600              | 109,200              |
| Promotion                                     | 1,967,511          | 2,896,853          | 2,260,307            | 1,864,178            | 2,300,358            |
| Others                                        | 7,355,198          | 6,996,912          | 13,520,946           | 14,400,352           | 10,823,032           |
| <b>Total VAT</b>                              | <b>33,523,622</b>  | <b>50,713,064</b>  | <b>59,811,214</b>    | <b>57,996,291</b>    | <b>61,377,779</b>    |
| <b>Corporate Tax</b>                          | <b>307,549,101</b> | <b>373,194,584</b> | <b>666,739,322</b>   | <b>628,737,138</b>   | <b>397,348,844</b>   |
| <b>Excise Duty</b>                            | <b>54,432,150</b>  | <b>76,084,550</b>  | <b>79,471,618</b>    | <b>102,194,400</b>   | <b>113,886,200</b>   |
| <b>Total Paid to Government Exchequer</b>     | <b>891,782,282</b> | <b>923,796,794</b> | <b>1,466,407,352</b> | <b>1,542,394,971</b> | <b>1,463,364,808</b> |

# NATURAL CAPITAL

As a financial institution operating in a climate-vulnerable region, IPDC recognizes the critical importance of protecting natural capital—our planet's finite resources such as air, water, land, and biodiversity. The sustainability of our business and the long-term prosperity of our stakeholders depend on the careful management and regeneration of these resources. As organizations contribute to environmental harm through resource consumption, carbon emissions from travel, office activities, and paper usage, the need for ensuring the best use of natural capital becomes imperative. Therefore, IPDC prioritizes investing in initiatives that protect natural resources and promote sustainability, aiming to reduce their depletion in our financial operations.

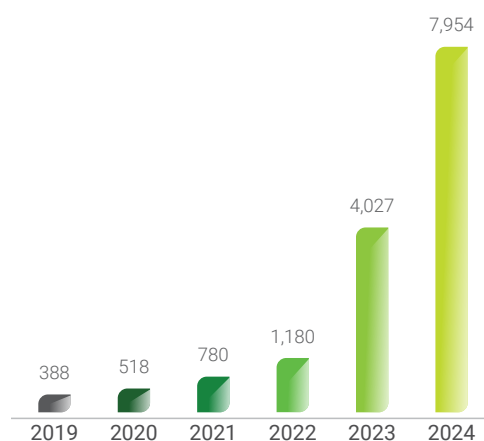
## SDGs Impacted:



## Key Issues Tackled:

- Setting net-zero emissions targets
- Fostering plantation culture
- Enhancing energy efficiency
- Reducing paper consumption
- Increasing sustainable and green products in the financed portfolio
- Promoting recycling
- Aiding key communities, such as women and youth

## Green Portfolio (BDT Mn)



## 2024 Highlights



### Sustainable Business Practices

Established dedicated sustainable finance helpdesks and sustainable finance complaint registers in all IPDC branches throughout the country to ensure proper implementation of sustainable business practice



### Employee Awareness & Training

Fostered a culture of establishing awareness on the mechanisms of sustainable, green, and climate finance through consistent trainings and sessions to ensure IPDC's aim of achieving the transition to a low carbon organization



### Combating Climate Change

Put a net-zero plan in motion, with a dedicated focus on addressing climate change through sustainable practices, reducing emissions, and promoting environmental responsibility

## Long-term Strategy

We recognize our dependence on natural resources and aim to balance sustainable practices with resource efficiency, implementing an optimized system to continually reduce energy and resource consumption.



## 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



## VALUE CREATION

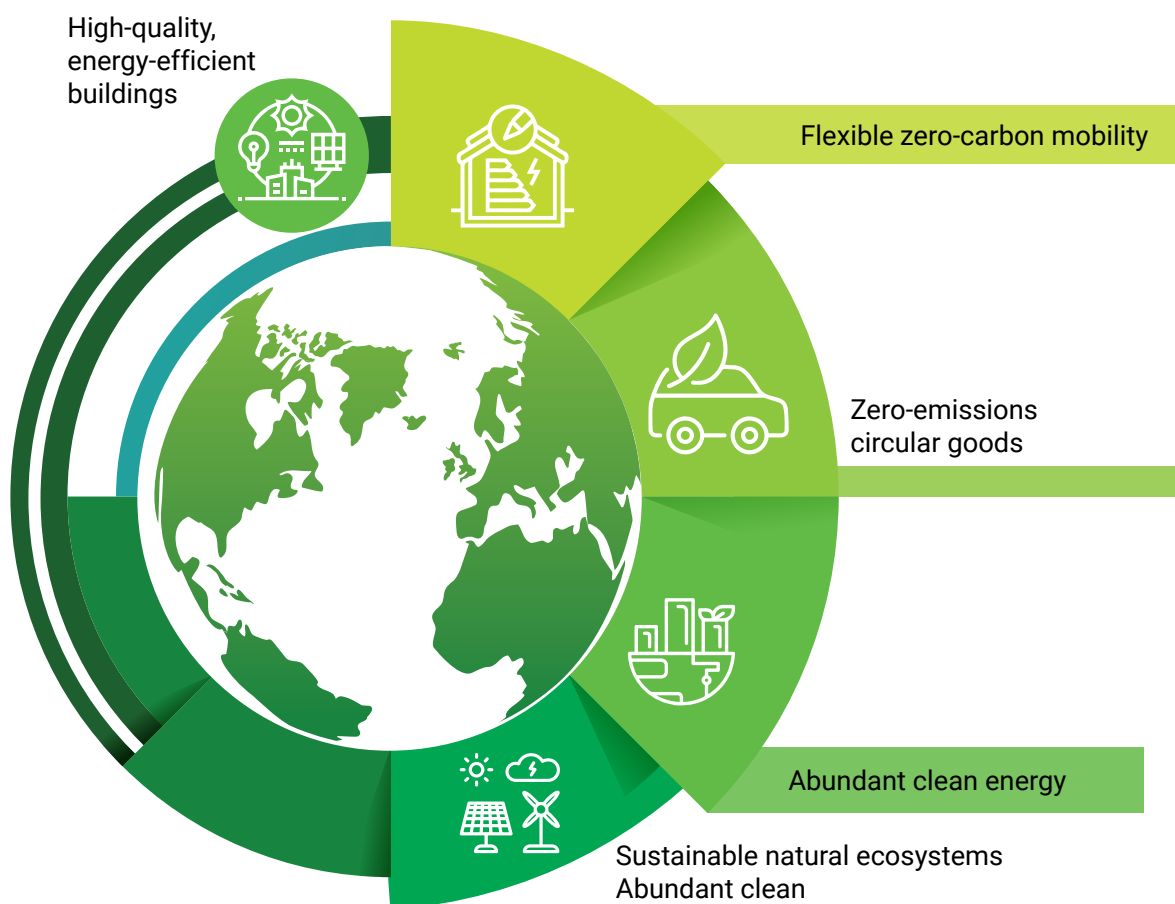
Given Bangladesh's finite resources, effective management of natural forces is crucial to stabilize resource supply fluctuations and minimize their effects on inflation and interest rates.

Safeguarding and optimizing natural capital is essential for maintaining long-term business sustainability in the face of environmental challenges.

## CAPITAL TRADEOFFS

The consumption of non-renewable resources, along with the resulting emissions and waste, directly affects natural capital, and we are dedicated to reducing these harmful effects. Additionally, there are situations where our actions influence human and social relationship capital as well.

IPDC has established comprehensive policies within the organization to ensure its operations are both environmentally sustainable and socially responsible. We encourage eco-friendly practices, invest in environmental protection, tree planting, and biodiversity conservation, and made notable strides in 2024 by committing to net-zero carbon emissions, in line with Bangladesh's 2050 target.

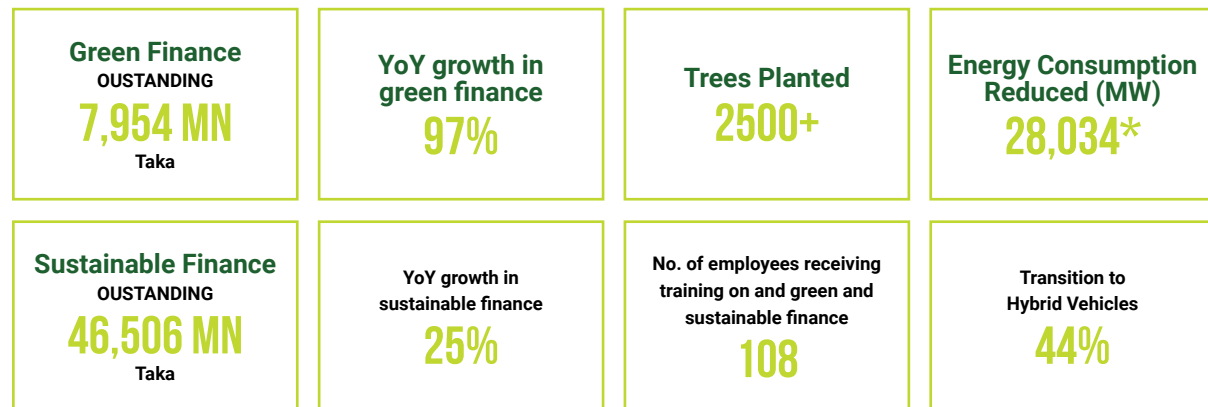


## Sustainable Business and Stakeholder Matrix

| Stakeholder       | Sustainability Interest                  | Business Action                         | Impact                              |
|-------------------|------------------------------------------|-----------------------------------------|-------------------------------------|
| Customers         | Demand for eco-friendly services         | Offer sustainable products and services | Increased loyalty and reputation    |
| Employees         | Desire for a green workplace             | Promote energy efficiency, reduce waste | Higher engagement and retention     |
| Investors         | Long-term returns through sustainability | Invest in green initiatives             | Improved growth and profitability   |
| Suppliers         | Interest in ethical sourcing             | Partner with sustainable suppliers      | Strengthened supply chain           |
| Government        | Compliance with environmental laws       | Meet regulations                        | Strong reputation, legal compliance |
| Local Communities | Focus on social and environmental impact | Support local projects                  | Enhanced community relations        |

## Planet for People

### "GREEN GROWTH: ADVOCATING SUSTAINABILITY"



### SDGs Impacted:



We are committed to reducing our ecological footprint by:

- Minimizing greenhouse gas (GHG) emissions from our operations
- Reducing resource consumption and waste generation
- Promoting sustainable finance that conserves natural ecosystems
- Enhancing biodiversity through environmental stewardship

These efforts are embedded across our strategy, from internal resource use to our financed projects.

### Capital Trade-offs & Long-term Value

We manage trade-offs between financial and natural capital by investing in:

- Energy-efficient infrastructure
- Climate-smart agriculture
- Renewable energy
- Low-emission mobility solutions

### Stakeholder Sustainability Matrix

| Stakeholder | Sustainability Interest              | IPDC's Action                                | Impact                                        |
|-------------|--------------------------------------|----------------------------------------------|-----------------------------------------------|
| Customers   | Eco-friendly financial products      | Sustainable product innovation               | Increased loyalty and brand equity            |
| Employees   | Purpose-driven, green workplace      | Awareness, paperless practices               | Higher morale and retention                   |
| Investors   | ESG-driven returns                   | ESG-integrated credit decisions              | Improved portfolio resilience                 |
| Suppliers   | Ethical sourcing and compliance      | Procurement aligned with ESG                 | Stronger value chains                         |
| Government  | Regulatory alignment                 | Climate-related disclosures (TCFD/BB/IFRS)   | Enhanced compliance and national contribution |
| Communities | Social and environmental development | Inclusive finance, CSR, and green investment | Improved livelihoods and local sustainability |

# INDUSTRY ANALYSIS

## NBFCs Sector in Bangladesh

A Brief Synopsis



**35** NBFCs

starting with IPDC in 1981

**309**

branches across Bangladesh

BDT **995** bn

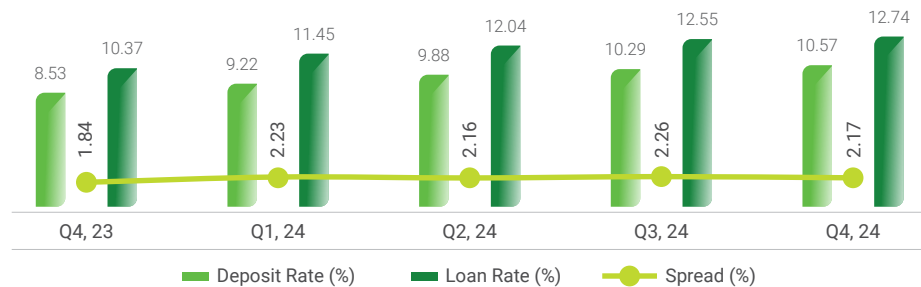
worth of Asset composition of NBFCs

as of September 2024

### Market Based Interest Rate Introduced in May 2024

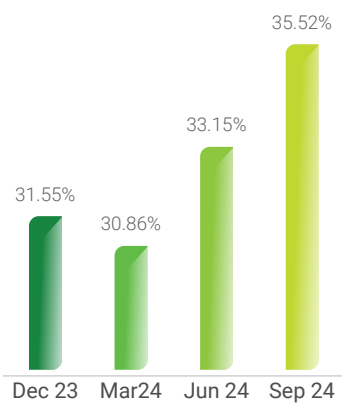


INTEREST SPREAD  
IMPROVED



### NPL Ratio

Hiked in 2024



#### Primary Drivers:

- Weak Business Environment amid macroeconomic challenges.
- Defaulting politically connected borrowers post regime change.

### Key Challenges Faced in 2024



Stringent Regulation vis-à-vis Banks'



Loan demand subdued due to rising rates.



Deposit withdrawal amid liquidity crunches.



Industrywide deterioration in asset quality.

**+1.1%**

DEPOSIT



The total deposits at the end of Dec'24 increased to BDT 480 bn from BDT 475 bn in Dec'23.

**+3.1%**

LOAN



The total loan at the end of Dec'24 increased to BDT 761 bn from BDT 738 bn in Dec'23.

**2.2%**

SPREAD

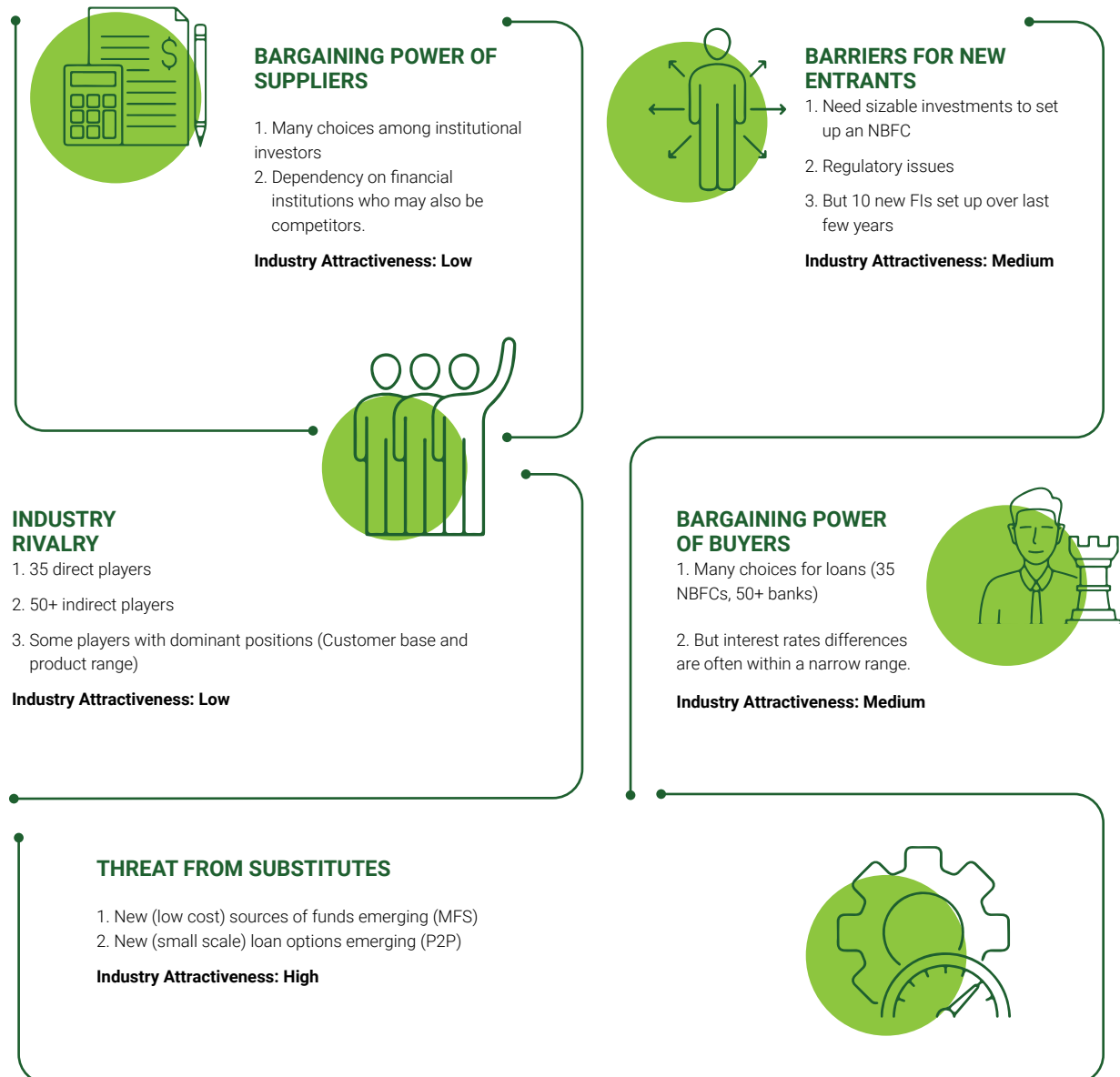


The interest rate spread at the end of Dec'24 was 2.17%, meanwhile in Dec'23, it was 1.84%.



## 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 sector is highly competitive, with banks dominating the market, particularly in the metropolitan areas of Dhaka and Chattogram. Although banks benefit from larger operations, greater access to finance, and stronger client perceptions, non-bank financial Companies (NBFCs) hold distinct advantages. They can leverage lean business models to deliver faster, more customized, and personalized services. NBFCs play a crucial role in bridging credit gaps in sectors underserved by traditional banks, offering niche financial solutions with agility and organizational flexibility. Moreover, promising market opportunities exist beyond major cities, especially among youth, women, and middle to low-income customer segments.

# COMPANY ANALYSIS



## Strategies for Resilience



**43** years  
of glorious journey of IPDC

**17** branches  
across Bangladesh in 13 Districts

BDT **7,131** mn  
market capitalization as of Dec'24

### INNCLUSION INNOVATION in Financial Products



A retailer financing solution to cater to the needs of the largely unbanked segment of the CMSMEs.

### EMPOWERING WOMEN through innovative products



A distinctive offering exclusively designed for women entrepreneurs. It provides access to financing at a concessional rate.



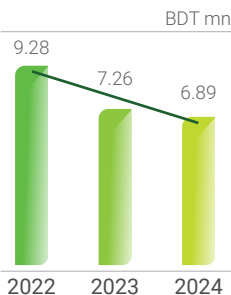
A package affluent with services including economic prosperity, financial security, lifestyle, medical care aimed to improve the quality of life of the victorious women.

BDT  
**8.2**  
mn



**Corporate Social Responsibility (CSR)**

**PRINTING  
EXPENSE**  
**5.03%**  
Reduction in  
Printing Expense  
in 2024 than  
2023



**SUSTAINABILITY  
Initiatives**



First-ever carbon footprint assessment for both financial and non-financial operations



Collaborated with Truvalu for launching green finance solutions for SMEs



1.97x growth in Green Finance Portfolio



25% growth in Sustainable Finance Portfolio

### Focus on Women Empowerment



IPDC coined the idea of Joyee 360 Business Enabler Suite and launched Mirpur Joyee 360 Branch, which provides a holistic support system for women entrepreneurs.



Joyee Shokhi Desk for loan assistance and financial services consultation



Joyee Pathshala for free of cost skill-building sessions



Joyee Alapon for holding free of cost Women Led Business networking and meetings.

### Management of NPL

NPL Ratio **5.83%**

well below industry **35.52%** as of Sep'24



Enhance the capabilities of the collection department.



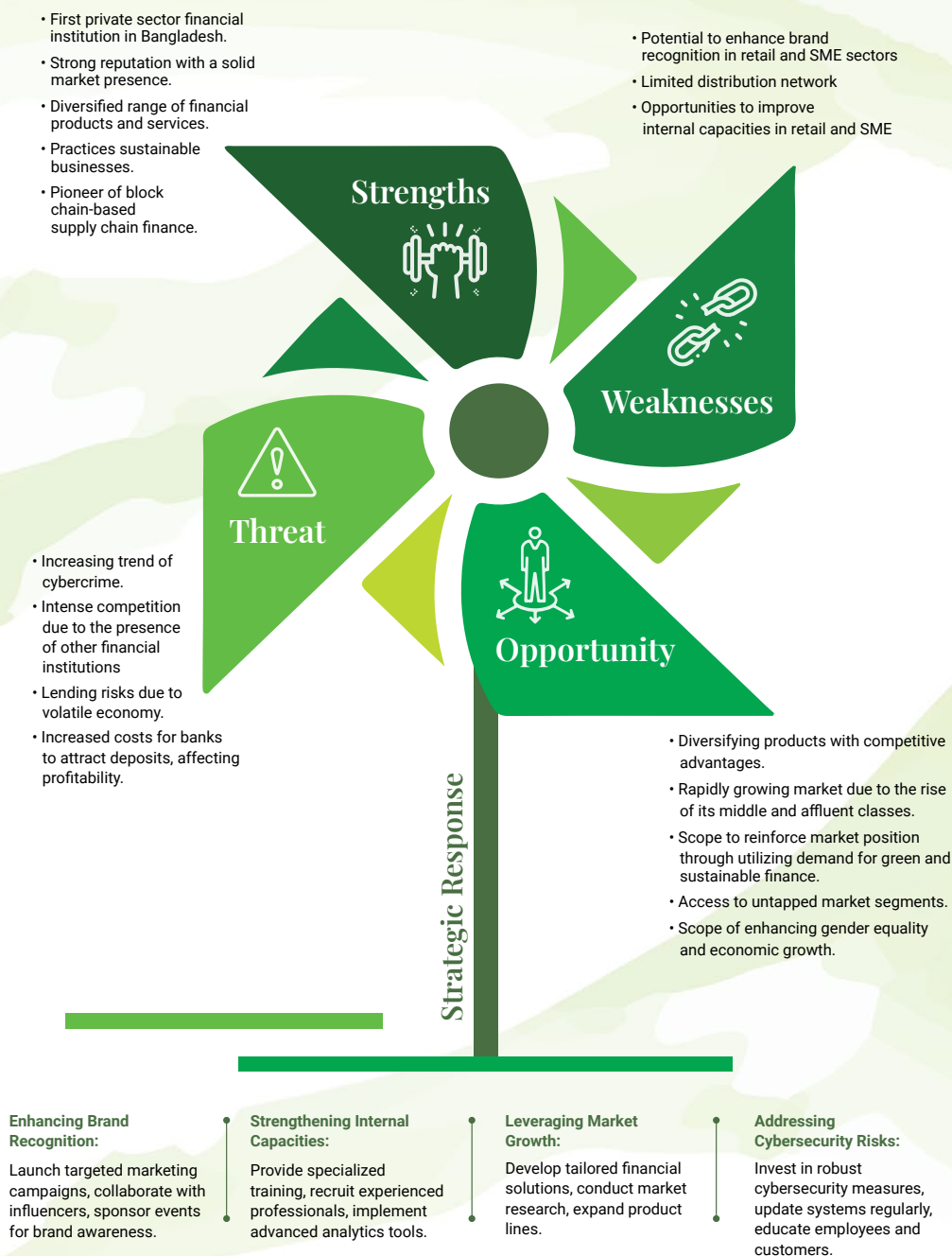
Implement robust follow-up processes.



Developed stricter lending standards.

# SWOT

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.





# MACROECONOMIC ANALYSIS

## Political

The political aspect involves analyzing the impact of government policies, political stability, and legal and regulatory frameworks on IPDC and the financial industry. It also encompasses factors like trade restrictions, tariffs, and international diplomatic relations. Understanding the political landscape is vital to mitigating risks associated with political instability.

1

### Political Upheavals

2

### Policy Shifts

3

### Geopolitical Influence



#### Impact on Industry

- The mass uprising in Q3 2024 led to sluggish industry activity overall.
- The NPL scenario worsened after the regime change, with politically connected borrowers starting to default.
- The Russian-Ukraine war, along with escalating conflicts in the Middle East, affected global commodity prices, contributing to an economic slowdown.



#### Impact on IPDC

- IPDC's financial solvency remained unaffected despite industry-wide solvency issues following the regime change.
- A weak business environment and rising interest rates impacted financial condition of business, leading to a slight increase in the NPL.



#### Strategic Response

- Implemented rigorous strategies and enhanced monitoring to minimize NPLs through efficient installment collections.
- Prioritized promoting short-term loan products to address concerns arising from long-term uncertainties.

## Economic

The economic aspect examines how economic conditions and trends impact industry, including factors like inflation rates, interest rates, economic growth, unemployment levels, and exchange rates. This analysis helps identify how these variables affect consumer purchasing power, business costs, demand for products and services, and overall economic stability.

1

### Inflation Rates

2

### Interest Spread

3

### Economic growth



#### Impact on Industry

- Inflation surged to 10.34% in 2024, adversely impacting borrowers' repayment capacity and influencing investment strategies.
- Introduction of market-driven interest rates in May 2024 enabled industry players to set lending and deposit rates based on market dynamics.
- Sluggish private sector credit demand, driven by contractionary monetary policy and slow economic activity, restrained industry-wide balance sheet growth.



#### 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

- Implemented rigorous strategies and enhanced monitoring to minimize NPLs through efficient installment collections.
- Prioritized promoting short-term loan products to address concerns arising from long-term uncertainties.

## Social

The Sociocultural dimension explores how evolving societal trends and cultural values shape IPDC's operational environment. By analyzing demographic changes, lifestyle patterns, consumer behavior, and societal norms, IPDC can innovate its offerings, adapt communication strategies, and design inclusive business models. This enables the company to stay relevant, meet diverse customer preferences, and foster loyalty in a rapidly changing social 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 2 new branches promoting inclusion.

## Technological

Technological factors refer to the influence of emerging technologies and innovations on the industry and market landscape. This includes advancements in digital platforms, automation, research and development, and the pace of technological change. It also covers the adoption of new materials, systems, and processes that can reshape operations, enhance product offerings, and unlock new market opportunities.

1

### Digital Payment Infrastructure

2

### Block Chain Technology

3

### Data Analytics and Artificial Intelligence



#### Impact on Industry

- 2024 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 supply



#### 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. The Bangladesh Country Environmental Analysis (CEA) finds air pollution, unsafe water, poor sanitation and hygiene, and lead exposure cause over 272,000 premature deaths and 5.2 bn days of illness annually. 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 venture

## Legal

Legal components play a vital role in shaping Bangladesh's Non-Bank Financial Companies (NBFC) sector by defining regulations around lending practices, investment activities, consumer protection, and compliance requirements. These legal frameworks ensure financial stability, safeguard consumer interests, and uphold transparency within the sector. Regulatory changes directly impact NBFC operations, influencing risk management strategies and business practices. Additionally, legal factors are critical in addressing issues like non-performing assets, fraud prevention, and governance, which are essential for maintaining the long-term sustainability and resilience of the NBFC industry 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)s



### 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.



# 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                                                       | 2020           | %             | 2021           | %             | 2022           | %             | 2023           | %             | 2024           | %             |
|-------------------------------------------------------------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
| Net Interest Income                                               | 2,017.0        | 100.3%        | 2,783.1        | 117.9%        | 2,770.2        | 122.2%        | 2,422.6        | 134.5%        | 2,392.7        | 124.1%        |
| Commission, Exchange & Brokerage                                  | 108.4          | 5.4%          | 180.3          | 7.6%          | 151.2          | 6.7%          | 207.3          | 11.5%         | 142.1          | 7.4%          |
| Investment Income                                                 | 638.7          | 31.8%         | 471.3          | 20.0%         | 202.1          | 8.9%          | 232.5          | 12.9%         | 684.9          | 35.5%         |
| Other Income                                                      | 65.7           | 3.3%          | 10.0           | 0.4%          | 123.5          | 5.4%          | 40.0           | 2.2%          | 23.2           | 1.2%          |
| Management expenses excluding salaries & allowances, depreciation | (341.1)        | -17.0%        | (383.5)        | -16.2%        | (483.7)        | -21.3%        | (462.3)        | -25.7%        | (422.0)        | -21.9%        |
| Provision for doubtful losses                                     | (478.2)        | -23.8%        | (700.0)        | -29.6%        | (495.9)        | -21.9%        | (639.3)        | -35.5%        | (892.5)        | -46.3%        |
| <b>Total Value Added by The Company</b>                           | <b>2,010.5</b> | <b>100.0%</b> | <b>2,361.2</b> | <b>100.0%</b> | <b>2,267.3</b> | <b>100.0%</b> | <b>1,800.8</b> | <b>100.0%</b> | <b>1,928.4</b> | <b>100.0%</b> |

## Distribution of Value

| Value Added                                 | 2020          | %             | 2021          | %             | 2022          | %             | 2023          | %             | 2024          | %             |
|---------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Employees</b>                            |               |               |               |               |               |               |               |               |               |               |
| As salaries & allowance                     | 692.8         | 34.5%         | 740.6         | 31.4%         | 864.8         | 38.1%         | 1003.1        | 55.7%         | 937.5         | 48.6%         |
| <b>Provider of Capital</b>                  |               |               |               |               |               |               |               |               |               |               |
| Dividends to shareholders                   | 530.1         | 26.4%         | 445.3         | 18.9%         | 445.3         | 19.6%         | 371.0         | 20.6%         | 185.7         | 9.6%          |
| <b>Government</b>                           |               |               |               |               |               |               |               |               |               |               |
| As taxes                                    | 495.9         | 24.7%         | 622.3         | 26.4%         | 363.4         | 16.0%         | 317.5         | 17.6%         | 509.0         | 26.4%         |
| <b>Expansion &amp; Growth</b>               |               |               |               |               |               |               |               |               |               |               |
| Retained as capital and reserve             | 175.4         | 8.7%          | 435.7         | 18.5%         | 455.7         | 20.1%         | -28.0         | -1.6%         | 177.6         | 9.2%          |
| Depreciation                                | 116.3         | 5.8%          | 117.2         | 5.0%          | 138.1         | 6.1%          | 137.2         | 7.6%          | 118.7         | 6.2%          |
|                                             | 291.7         | 14.5%         | 553.0         | 23.4%         | 593.8         | 26.2%         | 109.2         | 6.1%          | 296.2         | 15.4%         |
| <b>Total Distribution of Value Addition</b> | <b>2010.5</b> | <b>100.0%</b> | <b>2361.2</b> | <b>100.0%</b> | <b>2267.3</b> | <b>100.0%</b> | <b>1800.8</b> | <b>100.0%</b> | <b>1928.4</b> | <b>100.0%</b> |

# ECONOMIC VALUE ADDED STATEMENT

## EVA statement for the year ended 31 December 2024

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                                   | 2020           | 2021           | 2022           | 2023         | 2024           |
|-----------------------------------------------|----------------|----------------|----------------|--------------|----------------|
| Operating Profit                              | 1,679.6        | 2,203.4        | 1,760.3        | 1,299.8      | 1,764.7        |
| Tax                                           | (495.9)        | (622.3)        | (363.4)        | (317.5)      | (509.0)        |
| One-off Adjustments                           | (2.4)          | (0.0)          | (0.0)          | (0.4)        | 0.0            |
| <b>Net Operating Profit after Tax (NOPAT)</b> | <b>1,186.1</b> | <b>1,581.1</b> | <b>1,396.9</b> | <b>981.9</b> | <b>1,255.7</b> |

### Average Equity

in BDT mn

| Particulars                               | 2020           | 2021           | 2022            | 2023           | 2024            |
|-------------------------------------------|----------------|----------------|-----------------|----------------|-----------------|
| Shareholders' equity at year end          | 6,063.4        | 6,353.0        | 6,802.94        | 6,751.5        | 6,909.0         |
| Accumulated provision for doubtful losses | 1,305.1        | 1,992.1        | 2,428.40        | 3,016.6        | 3,571.4         |
| <b>Equity</b>                             | <b>7,368.5</b> | <b>8,345.2</b> | <b>9,231.34</b> | <b>9,768.1</b> | <b>10,480.4</b> |
| <b>Average Equity</b>                     | <b>6,885.7</b> | <b>7,856.8</b> | <b>8,788.28</b> | <b>9,499.7</b> | <b>10,124.3</b> |

### Cost of Equity (%)

in BDT mn

| Particulars                                                         | 2020         | 2021         | 2022         | 2023          | 2024          |
|---------------------------------------------------------------------|--------------|--------------|--------------|---------------|---------------|
| Interest rate on 5 Years Government Treasury Bond as on 31 December | 4.48%        | 6.55%        | 7.91%        | 9.07%         | 12.38%        |
| Standard Risk premium                                               | 2.00%        | 2.00%        | 2.00%        | 2.00%         | 2.00%         |
| <b>Cost of equity (%)</b>                                           | <b>6.48%</b> | <b>8.55%</b> | <b>9.91%</b> | <b>11.07%</b> | <b>14.38%</b> |

### Economic Value Added

in BDT mn

| Particulars                                        | 2020         | 2021         | 2022           | 2023          | 2024           |
|----------------------------------------------------|--------------|--------------|----------------|---------------|----------------|
| NOPAT                                              | 1,186.1      | 1,581.1      | 1,396.9        | 981.9         | 1,255.7        |
| Cost of equity (Average Equity x Cost of Equity %) | 446.2        | 671.8        | 175.8          | 1,051.6       | 1,455.9        |
| <b>Economic Value Added</b>                        | <b>739.9</b> | <b>909.3</b> | <b>1,221.2</b> | <b>(69.7)</b> | <b>(200.2)</b> |

# MARKET VALUE ADDED STATEMENT

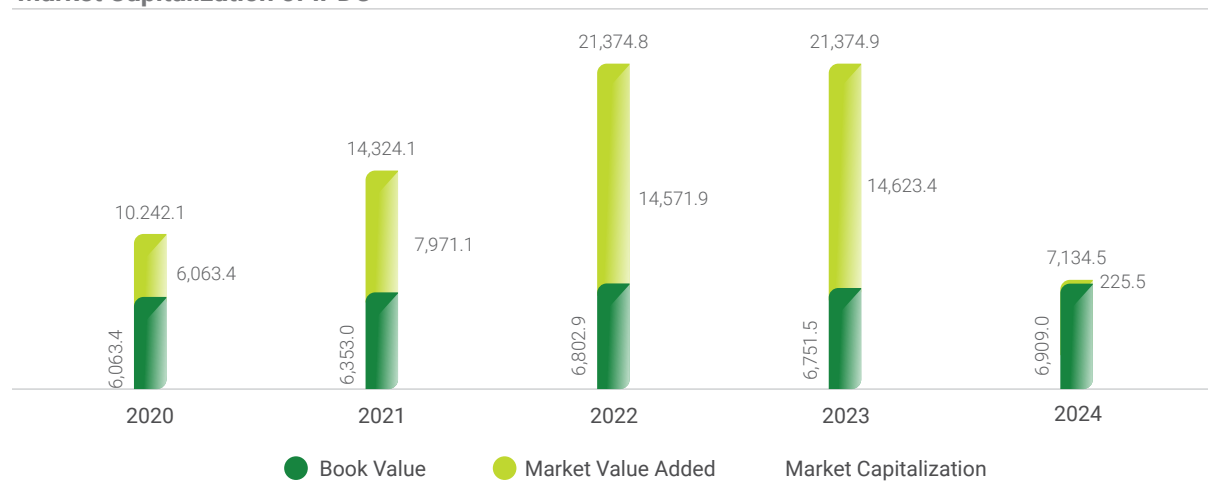
## MVA statement for the year ended 31 December

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 mn unless otherwise stated

| Particulars                      | 2020           | 2021           | 2022            | 2023            | 2024         |
|----------------------------------|----------------|----------------|-----------------|-----------------|--------------|
| Market Value per Share (BDT)     | 27.6           | 38.6           | 57.6            | 57.6            | 18.3         |
| Number of Outstanding Share      | 371.1          | 371.1          | 371.1           | 371.1           | 389.6        |
| Total Market Capitalization      | 10,242.1       | 14,324.1       | 21,374.9        | 21,374.9        | 7,134.5      |
| Book Value of Outstanding Shares | 6,063.4        | 6,353.0        | 6,802.9         | 6,751.5         | 6,909.0      |
| <b>Market Value Added</b>        | <b>4,178.7</b> | <b>7,971.1</b> | <b>14,571.9</b> | <b>14,623.4</b> | <b>225.5</b> |

## Market Capitalization of IPDC

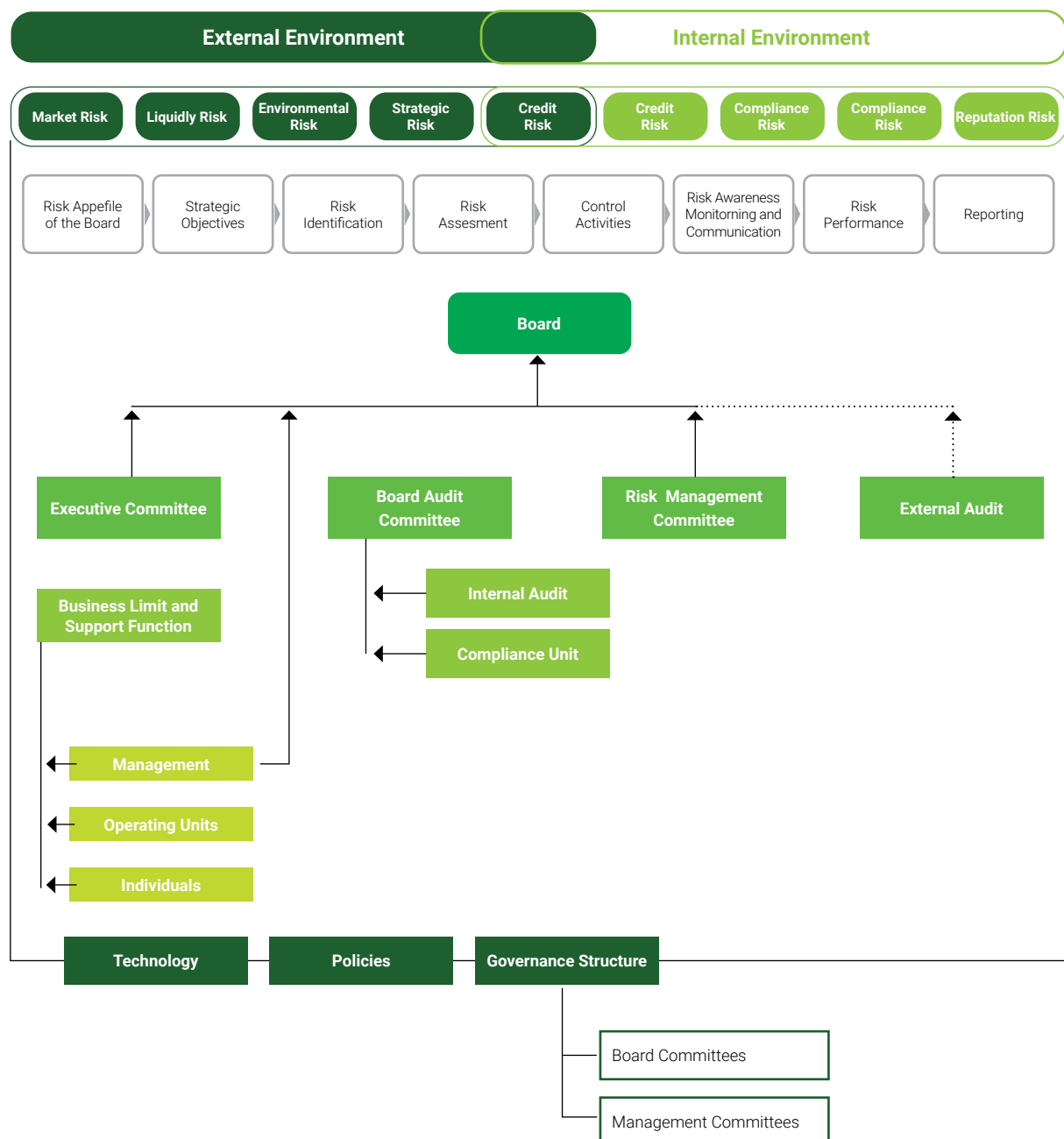




# Risk Management

# 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:



The Integrated Risk Management Framework (IRMF) of IPDC Finance PLC. is an organization-wide approach to addressing risk that involves input from all teams and risk centers as a fundamental part of business strategy. It is a comprehensive and unified approach that IPDC has adopted to identify, assess, prioritize, and manage all potential risks they face. The IRMF of IPDC Finance PLC. defines the key risks the company faces, the governance structures, involved units and their respective responsibilities, risk identification, assessment, treatment, measurement, monitoring and reporting techniques.

To manage the various risks, IPDC Finance PLC. follows an Integrated Risk Management Approach (IRMA) which is a comprehensive, enterprise-wide strategy that organizations use to unify and manage their various risk management efforts. The IRMA of IPDC Finance is as follows:

| Priority                                      | Risk Control Principle                                                                                                            | Most Involved Function        |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Safeguarding financial health of IPDC         | Controlling risk exposures and reducing risk concentrations                                                                       | Business Units                |
|                                               |                                                                                                                                   | Credit Risk Management        |
|                                               |                                                                                                                                   | Treasury                      |
| Ensuring Accountability                       | All teams should own respective risks and be responsible for continuous and active management                                     | Operations                    |
|                                               |                                                                                                                                   | Collection                    |
| Establishing Independent Control functions    | Monitoring effectiveness of IPDC's risk management capacity                                                                       | Internal Control & Compliance |
|                                               |                                                                                                                                   | Legal                         |
| Ensure comprehensive & transparent disclosure | Disclosures to all stakeholders, including senior management, the Board of Directors, shareholders, regulators & rating agencies. | Finance & Accounts            |
|                                               |                                                                                                                                   | Credit Risk Management        |
| Protecting company reputation                 | Through practicing solid risk control culture ensuring compliance with regulations and practices                                  | All functional areas          |

### 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 at 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 feedback from the members of the PRTF, the 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 a 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 the 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

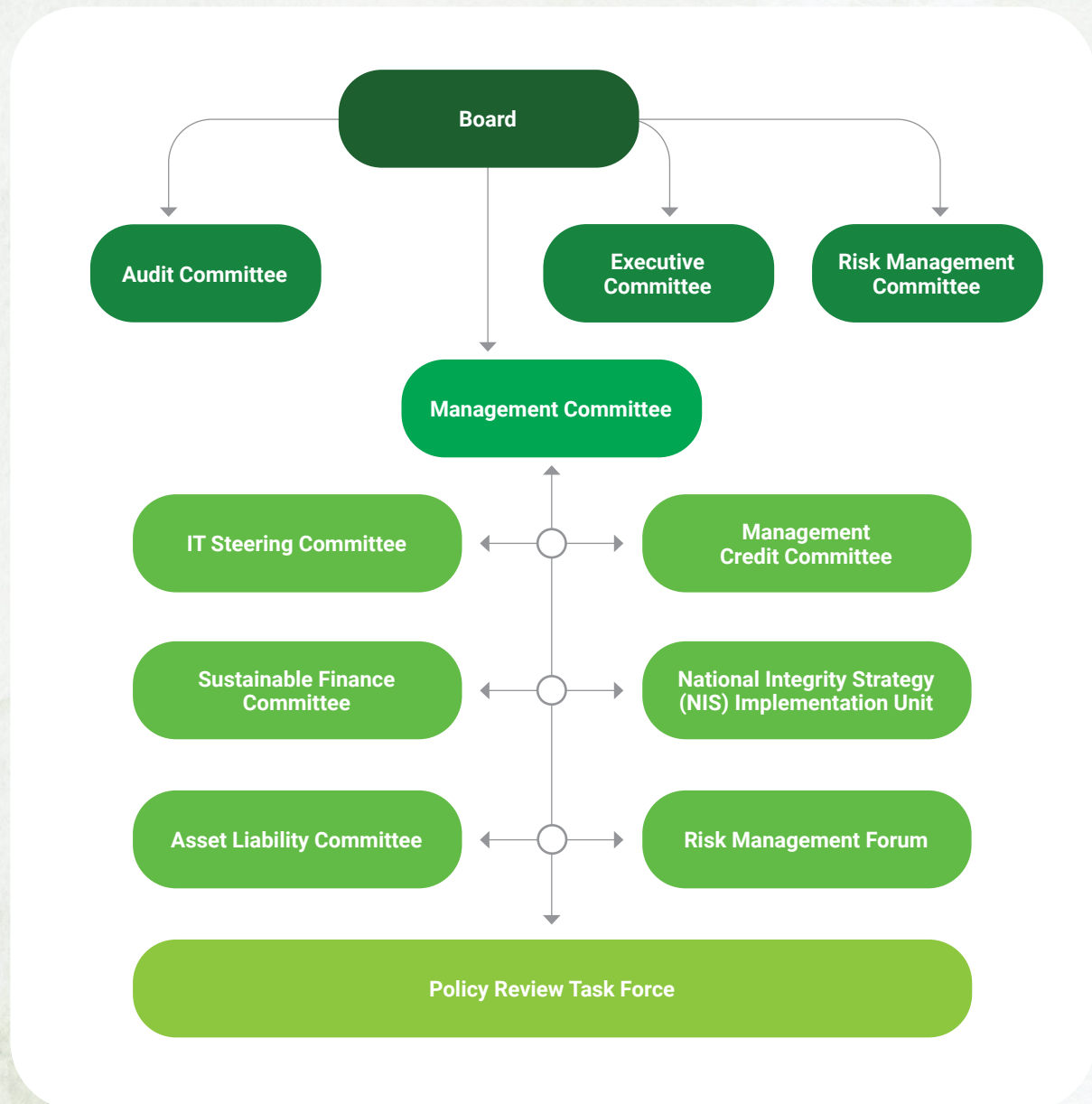
IPDC identifies many metrics within its risk measurement systems which support regulatory reporting and external disclosures, as well as internal management reporting across risks and for material risk types. These risk metrics are given in the subsequent sections of Risk Management.



# RISK MANAGEMENT GOVERNANCE STRUCTURE

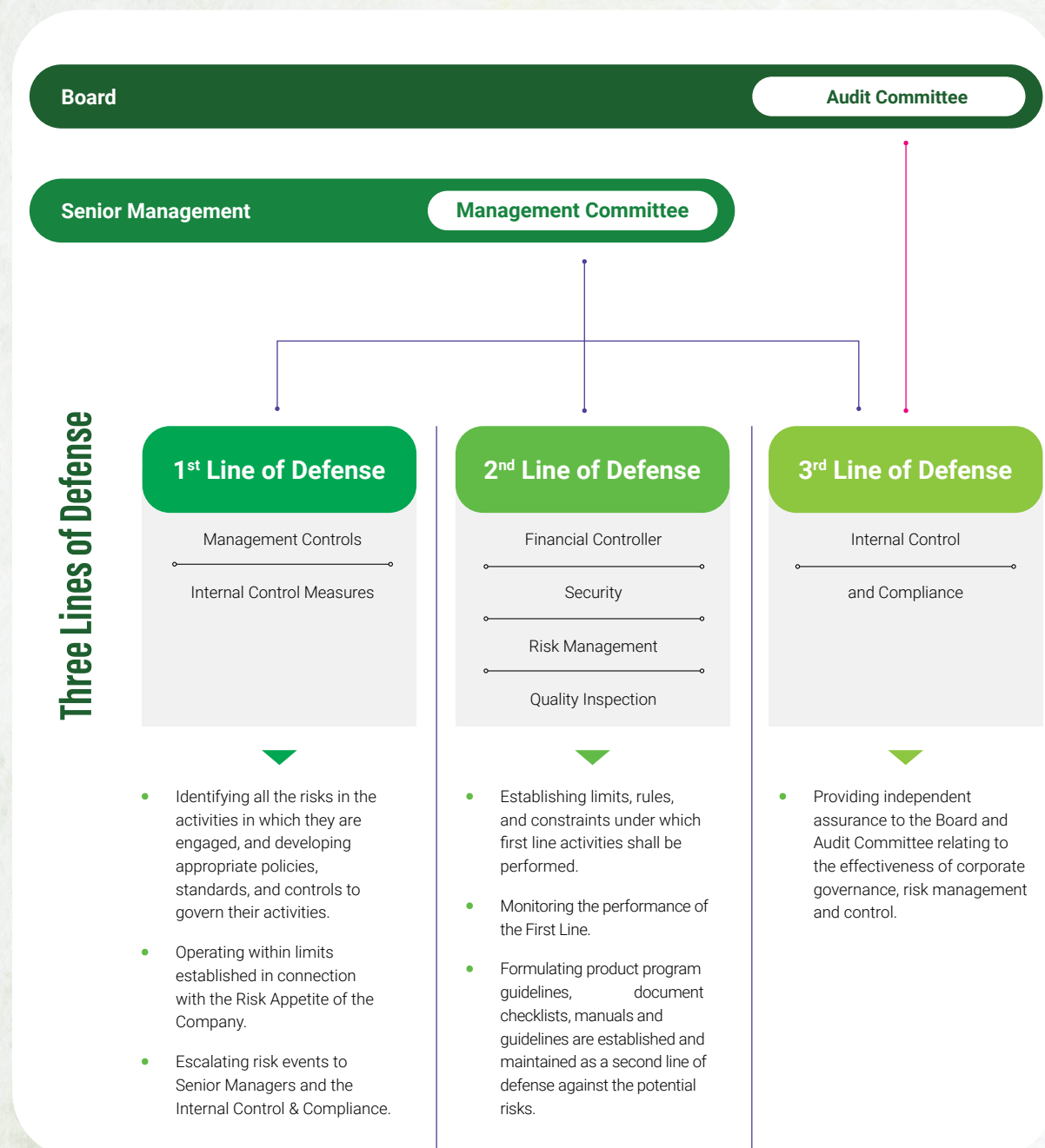
## Risk Management Organogram

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.



# BOARD SUB-COMMITTEES

## Member Composition

| Name of the Committee     | Number of Members | Independent Directors | Nominated Directors | Managing Director | Number of Meetings Held |
|---------------------------|-------------------|-----------------------|---------------------|-------------------|-------------------------|
| Executive Committee       | 4                 | 2                     | 2                   | 1                 | 9                       |
| Board Audit Committee     | 3                 | 2                     | 1                   | -                 | 5                       |
| Risk Management Committee | 4                 | 2                     | 2                   | 1                 | 2                       |

## Key Responsibilities of Executive Committee

|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Credit   | <ul style="list-style-type: none"> <li>Take credit decisions within its authority.</li> <li>Review status of loans/ facilities approved by the Management.</li> <li>Review status of achievement of targets under the Annual Business Plan.</li> <li>To review the adequacy and provisioning of to ensure that IPDC is meeting the laid down requirements.</li> <li>To review and monitor the recovery process on a continuous basis of good and classified portfolio.</li> </ul> |
| Treasury | <ul style="list-style-type: none"> <li>Approve Bank and FI borrowings within its authority.</li> <li>Review fund position and liquidity statements.</li> <li>Review Cost of Fund and Return on Funds.</li> </ul>                                                                                                                                                                                                                                                                  |
| Other    | <ul style="list-style-type: none"> <li>Review monthly financials of the Company.</li> <li>Review the loan accounts listed under Early Alert Report to guide the Management for implementing necessary action plan.</li> <li>Approve expenses within its authority.</li> <li>Initiation of Artha Rin process against default customers.</li> <li>Review Credit Policy and Product Program Guidelines (PPG).</li> </ul>                                                             |

## Key Responsibilities of Board Audit Committee

|        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Review | <ul style="list-style-type: none"> <li>Assessing the capacity and effectiveness of the Internal Control &amp; Compliance function.</li> <li>Evaluating reports on products, support functions, branch compliance, FSs review along with implementation of suggestions contained in the reports.</li> <li>Assessing inspection reports issued by Bangladesh Bank and External Auditors; review rectification of irregularities or compliance of recommendations suggested by such external bodies.</li> <li>Review internal Policies of the Company and recommend to BoD for approval.</li> <li>Assessing the risk management system of the Company.</li> </ul> |
| Others | <ul style="list-style-type: none"> <li>Submit meeting minutes to the immediate next meeting of the BoD and to the Bangladesh Bank.</li> <li>Review budget and recommend to the Board for approval.</li> <li>Request both internal and external auditors for submission of assessment reports on any credit, risk and control related issue under review by Audit Committee.</li> </ul>                                                                                                                                                                                                                                                                         |



# 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. Tushar Bhowmik           | Chairman                | Director             |
| Mr. Munshi Abdul Ahad        | Member                  | Director             |
| Mr. Mohammad Iqbal Chowdhury | Member                  | Independent Director |
| Ms. Sonia Bashir Kabir*      | Member                  | Independent Director |
| Mr. Rizwan Dawood Shams      | Member (Ex-officio)     | Managing Director    |

\*Ms. Sonia Bashir Kabir has resigned from the Board of IPDC effective from 03 March 2025.

## Major Activities of the Executive Committee

The Committee met 9 times during the year 2024 to carry out the following major activities:

- A total number of 09 credit proposals with aggregate value of BDT 1,860.00 million (including renewals of BDT 550.00 million) were considered for approval in the EC meeting dated January 15, 2024, of which 1 credit proposal aggregating 10 million was recommended to the Board for approval.
- A total number of 12 credit proposals with aggregate value of BDT 3,490.00 million (including renewals of BDT 2,250.00 million) were considered for approval in the EC meeting dated February 20, 2024.
- A total number of 18 credit proposals with aggregate value of BDT 4,775.00 million (including renewals of BDT 3,375.00 million) were considered for approval in the EC meeting dated April 22, 2024, of which 01 proposal aggregating BDT 80.00 million was recommended to Board for approval.
- A total number of 12 credit proposals with aggregate value of BDT 2,980.00 million (including renewals of BDT 1,800.00 million) were considered for approval in the EC meeting dated May 20, 2024, of which 02 proposals aggregating BDT 1,100.00 million were recommended to Board for approval.
- A total number of 14 credit proposals with aggregate value of BDT 3,120.00 million (including renewals of BDT 1,920.00 million) were considered for approval in the EC meeting dated July 25, 2024.
- A total number of 12 credit proposals with aggregate value of BDT 2,132.00 million (including renewals of BDT 1,325.00 million) were considered for approval in the EC meeting dated 22 September 2024.
- A total number of 09 credit proposals with an aggregate value of BDT 2,610.00 million (including renewals of BDT 1,310.00 million) were considered for approval in the EC meeting dated 24 October 2024.
- A total number of 20 credit proposals with an aggregate value of BDT 6,370.00 million (including renewals of BDT 4,390.00 million) were considered for approval in the EC meeting dated, 24 November 2024 of which 06 proposals aggregating BDT 3,300.00 million were recommended to Board for approval.
- A total number of 9 credit proposals with an aggregate value of BDT 2,280.00 million (including renewal of BDT 100.00 million) were considered for approval in the EC meeting dated, 17 December 2024.



# ROLE OF THE RISK MANAGEMENT COMMITTEE (RMC)

The Risk Management Committee (RMC) plays a crucial role in overseeing and managing risks in accordance with the guidelines provided by Bangladesh Bank. The purpose and functions of the RMC, as outlined by Bangladesh Bank circulars, focus on ensuring sound risk management practices within financial institutions to maintain stability, protect stakeholders, and ensure compliance with regulatory requirements.

## Purpose of the Risk Management Committee (RMC)

A summary of the key purposes and responsibilities of the Risk Management Committee (RMC) of IPDC as per Bangladesh Bank guidelines:

- **Overseeing Risk Management Framework:** The RMC is responsible for ensuring that IPDC has a comprehensive risk management framework in place. This includes ensuring policies and strategies for managing various types of risks (credit risk, market risk, operational risk, liquidity risk, etc.) are in line with regulatory requirements.
- **Risk Assessment and Evaluation:** The committee is tasked with regularly assessing and evaluating the company's exposure to different types of risks. The RMC must ensure that the company identifies, measures, and monitors risks effectively, considering both internal and external factors that could affect the organization.
- **Approval of Risk Management Policies:** One of the key roles of the RMC is to approve and review risk management policies, procedures, and strategies within IPDC. This ensures that risk management practices are well-documented, standardized, and aligned with industry best practices.
- **Developing and Reviewing Risk Mitigation Strategies:** The committee develops and monitors risk mitigation plans to minimize the impact of various risks on IPDC's operations and financial stability. The RMC ensures that effective controls are in place and that these strategies are continuously updated in response to evolving risks.
- **Compliance with Regulatory Standards:** The RMC ensures that IPDC complies with all the relevant regulations, guidelines, and directives issued by Bangladesh Bank. This includes adherence to capital adequacy requirements, asset quality, liquidity ratios, and other financial regulations aimed at mitigating systemic risks.
- **Monitoring Risk Exposure:** The committee must ensure that risk exposures are within acceptable limits. Regular monitoring of risk exposures across various areas of IPDC, such as credit, market, liquidity, and operational risks, is crucial to preventing undue financial distress.
- **Reporting and Communication:** The RMC is responsible for ensuring that there is proper communication and reporting to the board of directors regarding the overall risk management strategy and the effectiveness of the company's risk mitigation efforts. The committee provides regular updates to the board on the risk profile of the company and any significant risks that need attention.
- **Crisis Management and Contingency Planning:** In the event of a crisis or unforeseen risk event, the RMC plays a key role in guiding IPDC's response, ensuring that there are adequate contingency plans in place to manage the crisis and limit the financial impact on the company.

- **Promoting a Risk-Aware Culture:** The committee fosters a culture of risk awareness across the organization, ensuring that employees at all levels understand the importance of managing risks. This helps in the early identification and mitigation of risks before they escalate.
- **Review of Risk Management Practices:** The RMC is responsible for conducting periodic reviews of the risk management system and its effectiveness, ensuring that any weaknesses or gaps in the risk management approach are identified and rectified.
- **Ensuring Adequate Risk Resources:** The committee must ensure that the company has sufficient resources, including qualified personnel, technology, and systems, to manage risks effectively.
- **Board-level Oversight:** The RMC reports directly to the Board of Directors, ensuring that top management is kept informed about the company's risk profile and that appropriate actions are taken when necessary.

In short, the Risk Management Committee (RMC) is tasked with ensuring that the company effectively manages risks in accordance with the guidelines set forth by Bangladesh Bank. Its role involves establishing a robust risk management framework, assessing and mitigating risks, ensuring compliance with regulations, and promoting a culture of risk awareness within the organization. The RMC plays a vital role in maintaining the financial stability and integrity of IPDC while protecting the interests of stakeholders.

## Structure of Risk Management Committee

The Risk Management Committee of the company comprises of the following members:

| Name                     | Status in the Committee | Status in the Board  |
|--------------------------|-------------------------|----------------------|
| Mr. Ariful Islam         | Chairman                | Director             |
| Mr. Munshi Abdul Ahad    | Member                  | Director             |
| Mr. Sarwar Azam Khan     | Member                  | Independent Director |
| Dr. Shah Md. Ahsan Habib | Member                  | Independent Director |
| Mr. Rizwan Dawood Shams  | Member (Ex-officio)     | Managing Director    |

## Major Activities of the Risk Management Committee

The Committee met 2 times during the year 2024 to carry out the following major activities:

| Key agendas considered by the RMC during 2024 |   |                                                                                                         |
|-----------------------------------------------|---|---------------------------------------------------------------------------------------------------------|
| 1 <sup>st</sup> RMC                           | 1 | Approval of updated risk management guideline                                                           |
|                                               | 2 | Performance monitoring KPIs related with core risk management of IPDC over the last 03 (three) quarters |
|                                               | 3 | Review of delegation of Authority                                                                       |
|                                               | 4 | Review of policies and PPGs                                                                             |
|                                               | 5 | Recent regulatory updates                                                                               |
| 2 <sup>nd</sup> RMC                           | 1 | Performance monitoring KPIs related with core risk management of IPDC over the last 03 (three) quarters |
|                                               | 2 | Risk Appetite Statement                                                                                 |
|                                               | 3 | Review of necessary policies and guidelines                                                             |
|                                               | 4 | Recent Regulator updates                                                                                |

# ROLE OF THE 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.

## 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 2024 comprises of the following members:

| Name                     | Status with the Committee | Status with the Board |
|--------------------------|---------------------------|-----------------------|
| Mr. Sarwar Azam Khan     | Chairman                  | Independent Director  |
| Dr. Shah Md. Ahsan Habib | Member                    | Independent Director  |
| Ms. Maqsurat Noor ndc*   | Member                    | Director              |

*\*\*The nomination of Ms. Nilufer Nazneen has withdrawn by GOB effective from 11 February 2025 and Ms. Maqsurat Noor ndc replaced her on 05 March 2025 as per approval from Bangladesh Bank.*

The Company Secretary acts as the secretary of the Committee.

## 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 39-51 of this Annual Report.

## Chairman of the Audit Committee:

The Chairman of the Audit Committee, Mr. Sarwar Azam Khan, 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.

## Meeting of the Audit Committee:

The Audit Committee conducted 5 (five) meetings in 2024. The quorum of the meeting of the Audit Committee in compliance with the Corporate Governance Code.

## Function of the 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 nomination and remuneration of appointment of director and remuneration of top level executives, 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.

## 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.
- Assess the Nomination criteria and recommend the qualified candidates to the board for appointment as Director as per Nomination and Remuneration Policy
- Assess the remuneration of the top-level executives as per Nomination and Remuneration Policy

## 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 control 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 2024.
- Review and Approve the Board Succession Plan
- Establish Policies on Nomination and Remuneration
- Promote diversity in the Board and management, including gender, ethnicity, professional expertise, and experience.
- Ensure that the diversity goals are being met as part of the recruitment and appointment processes
- Review and approve the employment contracts and terms for senior executives and other key personnel.
- Approve key aspects such as salary, benefits, termination clauses, and incentives
- Design and review long-term incentive plans such as stock options, retirement benefits, and other forms of executive compensation.
- Ensure that these incentives align with the company's long-term goals and shareholder interests
- Recommend appointments to Board committees, ensuring that the members of each committee are appropriately qualified and diverse.
- Regularly assess the performance and effectiveness of each Board committee
- Communicate with shareholders regarding matters related to nominations, remuneration, and executive performance through annual report.
- Respond to shareholders' questions or concerns regarding governance and remuneration policies.
- Monitor the performance of senior management against agreed metrics (KPIs).
- Ensure that executive contracts are in line with the company's goals and are compliant with regulatory frameworks.
- Ensure ongoing training and development for the Board members and key management personnel, particularly on governance practices and legal requirements.
- Review the need for external training or board evaluations.
- Review the company's corporate governance report, which includes the nomination and remuneration policies, and make recommendations to the Board for approval.
- Ensure transparency in the reporting of the NRC's activities.
- Prepare for discussions at the Annual General Meeting (AGM) on matters related to the election or re-election of directors and approval of their remuneration.
- Recommend to the Board the remuneration for directors and executives for shareholder approval at the AGM.
- Monitor feedback from shareholders regarding nominations and remuneration practices.
- Ensure that any concerns or suggestions raised by shareholders are addressed appropriately.

#### • 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 2024.

#### • 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.

### Key Activities of the Audit Committee:

The Board Audit Committee of IPDC Finance PLC. discussed matters related to company internal control, compliance, financial reporting process, ensuring the integrity of the Financial Statements and risk management. A summary of the key agendas is given below:

#### Key agendas considered by the Board Audit Committee during 2024

|                                          |   |                                                                                                                                                           |
|------------------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 94 <sup>th</sup> Audit Committee Meeting | 1 | Review of Risk Management Framework o IPDC for half year ended on 31 December 2023                                                                        |
|                                          | 2 | Review and approval of the risk register and risk based Internal Control & compliance plan for the year 2024                                              |
|                                          | 3 | Review of policies and recommendation to the board for approval                                                                                           |
|                                          | 4 | Review of the re-estimate of useful life of t24 core banking software R22 for five years and recommendation to the board for approval                     |
|                                          | 5 | Review of the Principles on disclosure on material information and price sensitive information as BSEC and recommendation to the board for approval       |
| 95 <sup>th</sup> Audit Committee Meeting | 1 | Review of the External Auditor's Report and Audited Financial Statements for the year ended 31 December 2023 and recommendation to the board for approval |
|                                          | 2 | Review of the Management Report issued by External Auditor for the year ended 31 December 2023                                                            |
|                                          | 3 | Review of the Auditor's Certification under Corporate Governance Code 2018 for the year 2023                                                              |
|                                          | 4 | Appointment of External Auditor for the year ending 31 December 2024 and recommendation to the board for approval                                         |
|                                          | 5 | Appointment of the Corporate Governance Auditor for the year ending 31 December 2024 and recommendation to the board for approval                         |
|                                          | 6 | Report of the Chairman of the Board Audit Committee for the Annual Report 2023                                                                            |

#### Key agendas considered by the Board Audit Committee during 2024

|                                          |    |                                                                                                                                                                                   |
|------------------------------------------|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                          | 7  | Review of Management Discussion and Analysis in Annual Report 2023                                                                                                                |
|                                          | 8  | Follow-up of Bangladesh Bank Comprehensive Inspection Report for the year ended on 31 December 2022                                                                               |
|                                          | 9  | Follow-up of the External Auditor's Report on Information System & security Audit.                                                                                                |
|                                          | 10 | Review of policies and recommendation to the board for approval                                                                                                                   |
|                                          | 11 | Internal Control and Compliance Reports for the period from 01 October 2023 to 29 February 2024                                                                                   |
| 96 <sup>th</sup> Audit Committee Meeting | 1  | Review of the un-Audited Financial Statements for the 1 <sup>st</sup> Quarter (Q1) ended on 31 March 2024 and recommendation to the board for approval                            |
|                                          | 2  | Review of the Management Report issued by External Auditor for the year ended 31 December 2023                                                                                    |
|                                          | 3  | Follow-up of Bangladesh Bank Comprehensive Inspection Report for the year ended on 31 December 2022                                                                               |
|                                          | 4  | Follow-up of the External Auditor's Report on Information System & security Audit.                                                                                                |
|                                          | 5  | Internal Control and Compliance Reports for the period from 01 October 2023 to 30 April 2024                                                                                      |
|                                          | 6  | Review of policies and recommendation to the board for approval                                                                                                                   |
|                                          | 7  | Review of KPIs to monitor portfolio performance at board level and portfolio analysis of IPDC and recommendation to the board for approval                                        |
| 97 <sup>th</sup> Audit Committee Meeting | 1  | Review of the un-Audited Financial Statements for the half year ended on 30 June 2024 and recommendation to the board for approval                                                |
|                                          | 2  | Review of the Terms of Reference (TOR) of Board Audit Committee regarding Nomination & Remuneration policy drafting & implementation and recommendation to the board for approval |
|                                          | 3  | Internal Control and Compliance Reports for the period from 01 May 2024 to 30 June 2024                                                                                           |
|                                          | 4  | Review of the Crisis Management Program and recommendation to the board for approval                                                                                              |
|                                          | 5  | Review of the standard Operating Procedure (SOP) for Custody Management and recommendation to the board for approval                                                              |
| 98 <sup>th</sup> Audit Committee Meeting | 1  | Review of the un-Audited Financial Statements for the Q3 ended on 30 September 2024 and recommendation to the board for approval                                                  |
|                                          | 2  | Internal Control and Compliance Reports for the period from 01 July 2024 to 30 September 2024                                                                                     |
|                                          | 3  | Review of policies and recommendation to the board for approval                                                                                                                   |
|                                          | 4  | Recruitment of Head of Internal Control                                                                                                                                           |

## ROLE OF NOMINATION AND REMUNERATION COMMITTEE (NRC)

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 Risk Management Committee, Executive Committee and Audit Committee. On the other hand, Bangladesh Bank has directed through DFIM Circular Letter No. 18 dated 21 May 2024 that Audit Committee will perform all the activities of NRC. Additionally, IPDC incorporated all the ToR of NRC in the Audit Committee's ToR. However, IPDC has a Risk management Committee. Detail regarding the member composition of the risk management Committee as well as key responsibilities are provided in the Integrated Risk Management Framework section.



# COMMITTEES AT MANAGEMENT LEVEL AND THEIR RESPONSIBILITIES

| Title of the Committee        | Members                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Management Committee (MANCOM) | <ul style="list-style-type: none"> <li>Mr. Rizwan Dawood Shams, Managing Director</li> <li>Mr. Ashique Hossain, Head of Operations &amp; Acting Head of Retail Business</li> <li>Ms. Fahmida Khan, Chief Financial Officer</li> <li>Mr. Md. Afzalur Rashid, Chief Technology Officer</li> <li>Mr. Samiul Hashim, Company Secretary &amp; Head of Legal Affairs &amp; Acting Head of Brand &amp; Corporate Communication</li> <li>Mr. Md. Sayeed Iqbal, Chief Human Resources Officer</li> <li>Mr. Abdullah Al Mahmud Md. Kayes, Head of Internal Control &amp; Compliance</li> <li>Mr. Imran Khan, Head of Credit Risk Management.</li> </ul>                                                                                                              | <ul style="list-style-type: none"> <li>Reviewing of the business plan</li> <li>Ensuring compliance with regulatory bodies and other statutory guidelines</li> <li>Discussing operational activities and resolving inter-departmental issues</li> <li>Recommending and seeking approval to the Board</li> </ul>                                                                                                                                                                                                                                                         |
| Risk Management Forum         | <ul style="list-style-type: none"> <li>Mr. Rizwan Dawood Shams, Chief Risk Officer</li> <li>Mr. Ashique Hossain, Member</li> <li>Ms. Fahmida Khan, Member</li> <li>Mr. Samiul Hashim, Member</li> <li>Ms. Jumaratul Banna, Member</li> <li>Mr. Abdullah Al Mahmud Md. Kayes, Member</li> <li>Mr. Mohammad Shahidul Islam, Member</li> <li>Mr. Mohammad Mahmudur Rahman Shawon, Member</li> <li>Mr. Nasim Reza, Member</li> <li>Mr. Tanoy Kumer Saha, Member</li> <li>Head of Brand &amp; Corporate Communication, Member</li> <li>Mr. Imran Khan, Secretary</li> </ul>                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>Designing overall risk management strategy</li> <li>Communicating views of the Board and Senior Management regarding the Risk Management Culture and Risk Appetite all over the Company</li> <li>Preparing risk management policies and procedures</li> <li>Reviewing the market conditions, identifying the external threats and providing recommendations for precautionary measures accordingly</li> <li>Monitoring the prescribed/threshold limits of Risk Appetite set by the regulator and/or by the FI itself</li> </ul> |
| IT Steering Committee         | <ul style="list-style-type: none"> <li>Mr. Rizwan Dawood Shams, Managing Director</li> <li>Mr. Ashique Hossain, Head of Operations &amp; Acting Head of Retail Business</li> <li>Ms. Fahmida Khan, Chief Financial Officer</li> <li>Mr. Md. Afzalur Rashid, Chief Technology Officer</li> <li>Mr. Samiul Hashim, Company Secretary &amp; Head of Legal Affairs &amp; Acting Head of Brand &amp; Corporate Communication</li> <li>Mr. Md. Sayeed Iqbal, Chief Human Resources Officer</li> <li>Mr. Abdullah Al Mahmud Md. Kayes, Head of Internal Control &amp; Compliance</li> </ul>                                                                                                                                                                       | <ul style="list-style-type: none"> <li>Formulating IT strategy and reviewing/approving SOD in IT activities</li> <li>Reviewing Project Charter, BRD and approving IT projects</li> <li>IT project prioritization and monitoring progression of application development</li> <li>Ensuring information security and related controls</li> </ul>                                                                                                                                                                                                                          |
| Sustainable Finance Committee | <ul style="list-style-type: none"> <li>Mr. Rizwan Dawood Shams, Managing Director</li> <li>Mr. Ashique Hossain, Head of Operations &amp; Acting Head of Retail Business</li> <li>Ms. Fahmida Khan, Chief Financial Officer</li> <li>Mr. Md. Sayeed Iqbal, Chief Human Resources Officer</li> <li>Mr. Abdullah Al Mahmud Md. Kayes, Head of Internal Control &amp; Compliance</li> <li>Mr. Samiul Hashim, Acting Head of Brand &amp; Corporate Communication</li> <li>Ms. Jumaratul Banna, Head of Corporate Business &amp; Head of Treasury</li> <li>Mr. Md. Shahidul Islam, Head of Distribution</li> <li>Mr. Md. Barkat Ullah, Head of General Service &amp; Security</li> <li>Mr. Imran Khan, Member of Sustainable Finance Unit (Secretary)</li> </ul> | <ul style="list-style-type: none"> <li>Providing necessary approval, supervision and evaluation of the responsibilities of the Sustainable Finance Unit</li> <li>Ensuring coordination and assistance among all the departments associated with the activities of the Sustainable Finance Unit</li> </ul>                                                                                                                                                                                                                                                              |

| Title of the Committee                                | Members                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Asset-Liability Committee (ALCO)                      | <ul style="list-style-type: none"> <li>Mr. Rizwan Dawood Shams, Managing Director</li> <li>Mr. Ashique Hossain, Head of Operations &amp; Acting Head of Retail Business</li> <li>Ms. Fahmida Khan, Chief Financial Officer</li> <li>Ms. Jumaratul Banna, Head of Corporate Business &amp; Head of Treasury (Secretary)</li> </ul>                                                                                                                                                            | <ul style="list-style-type: none"> <li>Assessing the macro-economic situation</li> <li>Assessing and managing the Balance Sheet related risks</li> <li>Predict the market rate and significant changes in the market</li> <li>Taking necessary strategies to mitigate the overall risk</li> <li>Determining the financial health of the company through ratio analysis</li> <li>Assessing competitors and pricing in line with the market conditions</li> </ul>                                                                                |
| National Integrity Strategy (NIS) Implementation Unit | <ul style="list-style-type: none"> <li>Mr. Md. Sayeed Iqbal, Focal Point and Chief Human Resources Officer</li> <li>Mr. Amith Saha, Focal Point (Alternative Officer) and Senior Manager, Internal Control &amp; Compliance</li> <li>Mr. Mohammad Shahidul Islam, Member and Head of Distribution, Retail Business</li> <li>Mr. Najam Hossain, Member and Senior Manager, Human Resources</li> <li>Ms. Tasneem Tazakka Amin, Member &amp; Secretary and Manager, Business Finance</li> </ul> | <ul style="list-style-type: none"> <li>Promoting awareness regarding integrity, transparency and accessibility to information</li> <li>Identifying the hurdles regarding the implementation of integrity strategy and providing direction to mitigate the hurdles</li> <li>Implementing NIS plan along with reporting to Bangladesh Bank regarding activities undertaken by NIS unit</li> </ul>                                                                                                                                                |
| Management Credit Committee (MCC)                     | <ul style="list-style-type: none"> <li>Mr. Rizwan Dawood Shams, Managing Director</li> <li>Mr. Ashique Hossain, Head of Operations &amp; Acting Head of Retail Business</li> <li>Ms. Fahmida Khan, Chief Financial Officer</li> <li>Ms. Jumaratul Banna, Head of Corporate Business &amp; Head of Treasury</li> </ul>                                                                                                                                                                        | <ul style="list-style-type: none"> <li>Provide credit approval within management limit</li> <li>Analyzes the merit of every credit proposal and assesses all the relevant risks that can affect Credit Portfolio of the Company</li> <li>Review and approve customer category, vendor/developer category, organization category etc. on periodic basis as per guidelines of PPG</li> <li>Approve credit engine rules for system-oriented applications intended to automatic credit assessment and subsequent approval of such loans</li> </ul> |
| Policy Review Task Force (PRTF)                       | <ul style="list-style-type: none"> <li>Mr. Rizwan Dawood Shams, Managing Director</li> <li>Ms. Fahmida Khan, Chief Financial Officer</li> <li>Mr. Samiul Hashim, Company Secretary &amp; Head of Legal Affairs &amp; Acting Head of Brand &amp; Corporate Communication</li> <li>Mr. Abdullah Al Mahmud Md. Kayes, Head of Internal Control &amp; Compliance</li> <li>Policy owner</li> </ul>                                                                                                | <ul style="list-style-type: none"> <li>Review Policies in partnership with Policy Owner and provide feedback</li> <li>Review the Policy based on risk perspective, assess risk, provide risk grade (High, Medium and Low) and determine frequency of policy review</li> <li>Circulate approved Policy to the respective stakeholders for implementation</li> </ul>                                                                                                                                                                             |

# RISK MANAGEMENT STRATEGY

| CREDIT RISK                                                                                                                                                                                                |                                                                                                                                                                                                                                                 |                                                                |                                                      |                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------|---------------------------------------------------|
| IDENTIFY                                                                                                                                                                                                   | ANALYZE                                                                                                                                                                                                                                         | RESPOND                                                        | MONITOR                                              | REVIEW & UPDATE                                   |
| <b>1. DEFAULT RISK</b><br>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                        |
| <b>2. RECOVERY RISK</b><br>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. | 3,904.2 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     |
| <b>3. CONCENTRATION RISK</b><br>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                                            |
| <b>FUNDING LIQUIDITY RISK</b><br>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.                                                                                                                            |                                                                                    |                                            |                                                            |

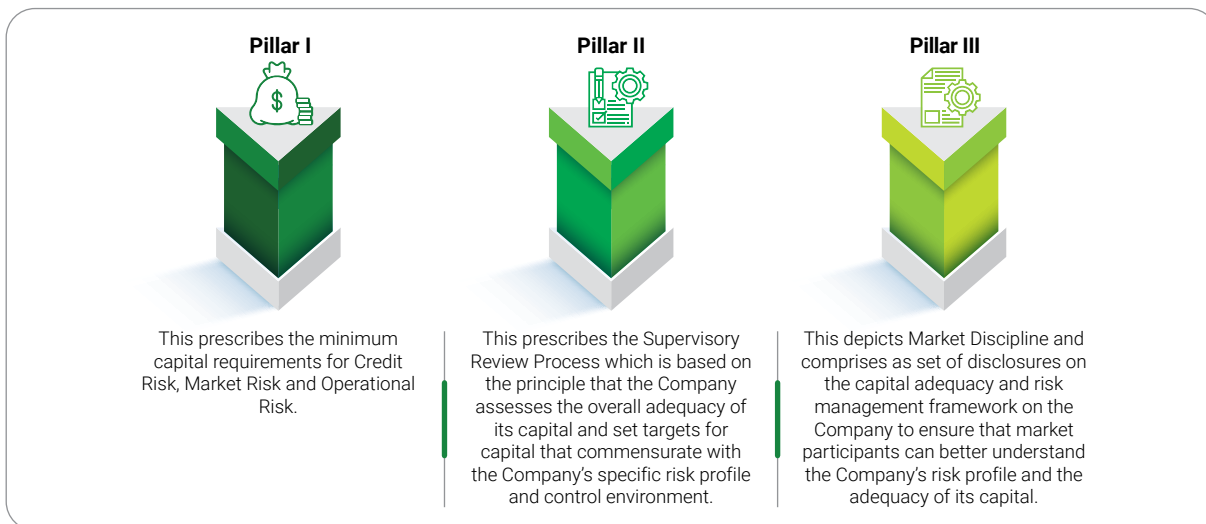
| MARKET RISK                                                                                                                                          |                                                                                                                                                                                                               |                                                                                                                  |                                                           |                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------------|
| IDENTIFY                                                                                                                                             | ANALYZE                                                                                                                                                                                                       | RESPOND                                                                                                          | MONITOR                                                   | REVIEW & UPDATE                                                      |
| <b>INTEREST RATE RISK</b><br><br>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                      |
| <b>EQUITY PRICE RISK</b><br><br>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. |                                                                                                                  |                                                           |                                                                      |

| COMPLIANCE RISK                                                                                                                                                                                   |                                                                                                                                                      |                                                                                    |                                            |                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------|------------------------------------------------------------|
| IDENTIFY                                                                                                                                                                                          | ANALYZE                                                                                                                                              | RESPOND                                                                            | MONITOR                                    | REVIEW & UPDATE                                            |
| <b>FUNDING LIQUIDITY RISK</b><br><br>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.                                                                                                                            |                                                                                    |                                            |                                                            |



# 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 PLC.                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| 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                   | 3,896.5        |
| Share premium account             | 402.6          |
| Statutory Reserve                 | 1,301.7        |
| General Reserve                   |                |
| Retained Earnings                 | 1,017.8        |
| <b>Total Tier - I Capital</b>     | <b>6,618.6</b> |
| Total amount of Tier - II Capital | 2,354.8        |
| Other deductions from capital     | -              |
| Total eligible capital            | 8,973.5        |

## CAPITAL ADEQUACY

### 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                     | 43,973.9         |
| Capital requirement for Market Risk                     | 822.2            |
| Capital requirement for Operational Risk                | 4,797.0          |
| <b>Total and Tier I capital ratio - For stand alone</b> | <b>%</b>         |
| CAR on Total Capital basis                              | 18.09            |
| CAR on Tier - I Capital basis                           | 13.35            |

| Five years CAR comparison  | 2020   | 2021   | 2022   | 2023   | 2024   |
|----------------------------|--------|--------|--------|--------|--------|
| Total Eligible Capital     | 7,249  | 7,508  | 7,756  | 9,017  | 8,974  |
| Total Risk Weighted Assets | 39,162 | 47,970 | 48,708 | 49,765 | 49,493 |
| CAR %                      | 18.51% | 15.65% | 15.92% | 18.12% | 18.09% |

## 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 DFIM circular letter no. 4 dated July 26, 2021 and DFIM circular letter No. 37 dated December 04, 2024 as follows:

#### 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 CMSME loan, leases                                                                                         | 0.25% |
| General provision on unclassified loan, leases to the Subsidiaries and/or Sister Concerns, Brokerage House, Merchant Banks and Stock Dealers | 2.00% |
| General provision on unclassified Non-SME loan, leases                                                                                       | 1.00% |

| Particulars                                                            | Rate    |
|------------------------------------------------------------------------|---------|
| General provision on special mention account CMSME loan, leases        | 0.25%   |
| General provision on special mention account Non-SME loan, leases      | 5.00%   |
| Specific provision on substandard CMSME loan, leases                   | 5.00%   |
| Specific provision on substandard Non-SME loan, leases                 | 20.00%  |
| Specific provision on doubtful CMSME loan, leases                      | 20.00%  |
| Specific provision on doubtful Non-SME loan, leases                    | 50.00%  |
| Specific provision on bad/loss loan, leases for Both CMSME and Non-SME | 100.00% |

### 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.



## QUANTITATIVE DISCLOSURES

### Product-wise Credit Exposure

| Particulars             | Amount in BDT mn |
|-------------------------|------------------|
| Lease finance           | 3,972.6          |
| Term loans and advances | 43,658.2         |
| Mortgage finance        | 10,245.6         |
| Channel finance         | 5,245.9          |
| Retail loan             | 6,035.0          |
| Personal Loan           | 378.5            |
| Total                   | 69,535.7         |

### Geographical Distribution of Exposures

| Particulars         | Amount in BDT Mn |
|---------------------|------------------|
| Dhaka Division      | 54,369.7         |
| Chattogram Division | 6,832.5          |
| Khulna Division     | 2,507.4          |
| Rangpur Division    | 2,163.4          |
| Rajshahi Division   | 1,101.4          |
| Sylhet Division     | 873.8            |
| Barisal Division    | 651.6            |
| Mymensingh Division | 1,035.9          |
| Total               | 69,535.7         |

### Industry or Counterparty-wise Credit Exposures

| Particulars                                             | Amount in BDT Mn |
|---------------------------------------------------------|------------------|
| Agro-based industries                                   | 5,193.89         |
| Banks and non-banking financial institutions            | 572.16           |
| Chemicals, pharmaceuticals, and allied products         | 4,425.71         |
| Engineering and building materials                      | 2,976.81         |
| Food and allied products                                | 2,988.42         |
| Glass, ceramic and other non-metallic products          | 440.38           |
| Hotel, tourism and leisure                              | 56.74            |
| Information and communication technologies              | 1,403.48         |
| Paper converting and packaging, printing and publishing | 2,419.57         |
| Ready-made garments and knitwear                        | 8,554.48         |

| Particulars                          | Amount in BDT Mn |
|--------------------------------------|------------------|
| Social sector                        | 2,670.75         |
| Tannery, leather and rubber products | 256.86           |
| Textile                              | 1,769.52         |
| Transport and aviation               | 2,223.03         |
| Others                               | 33,583.92        |
| Total                                | 69,535.70        |

### Residual Contractual Maturity-wise Credit Exposures

| Particulars                                    | Amount in BDT Mn |
|------------------------------------------------|------------------|
| On demand                                      | -                |
| Upto one month                                 | 7,489.3          |
| More than one month but less than three months | 8,690.0          |
| More than three months but less one year       | 13,416.7         |
| More than one year but less than five years    | 27,413.9         |
| More than five years                           | 12,525.8         |
| Total                                          | 69,535.7         |

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

| Particulars                             | Amount in BDT Mn |
|-----------------------------------------|------------------|
| Gross non-performing assets (NPAs)      | 4,056.7          |
| NPAs to gross loans and advances (in %) | 5.83%            |

### Specific and General Provisions

| Particulars                                   | Amount in BDT Mn |
|-----------------------------------------------|------------------|
| Provision for unclassified loans and advances | 1,081.3          |
| Provision for classified loans and advances   | 2,360.7          |
| Total                                         | 3,442.0          |

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

### Movement of Non-Performing Loan (NPL)

| Particulars     | Amount in BDT Mn |
|-----------------|------------------|
| Opening Balance | 3,478            |
| Additions       | 1,884            |
| Reductions      | 1,305            |
| Closing Balance | 4,057            |

## EQUITIES: BANKING BOOK POSITION

### QUALITATIVE DISCLOSURES

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

- Differentiation between holding on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons.
- 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.

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.

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.

in BDT mn

| Particulars     | Cost Value | Market Value |
|-----------------|------------|--------------|
| Quoted Shares   | 441.7      | 410.9        |
| Unquoted Shares | 4.5        | 4.5          |

| Particulars                                        | Amount in BDT Mn |
|----------------------------------------------------|------------------|
| Revaluation reserve on fixed assets                | 290.4            |
| Revaluation reserve on government securities       | -                |
| Amounts of the above included in Tier II capital.* | 145.2            |

\* 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 410.9 million against which capital requirement @ 10% is BDT 41.09 million. |
| General Market Risk  | Market value of the investment in equity is BDT 410.9 million against which capital requirement @ 10% is BDT 41.09 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

in BDT mn

| Particulars         | Within 1 Month | 1-2 Months | 2-3 Months | 3-6 Months | 6 Months - 1 Year | Above 1 Year |
|---------------------|----------------|------------|------------|------------|-------------------|--------------|
| RSL*                | 542.43         | 709.66     | 574.81     | 537.77     | 796.52            | 3,512.84     |
| RSA*                | 919.63         | 778.52     | 614.29     | 707.70     | 830.92            | 3,925.55     |
| Mismatch            | 377.21         | 68.86      | 39.48      | 169.93     | 34.40             | 412.71       |
| Cumulative Mismatch | 377.21         | 446.07     | 485.54     | 655.47     | 689.87            | 1,102.58     |
| Mismatch            | 69.54%         | 9.70%      | 6.87%      | 31.60%     | 4.32%             | 11.75%       |

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

Interest Rate Risk - Increase in Interest Rate

in BDT mn

| Particulars                 | Minor 2% | Moderate 4% | Major 6% |
|-----------------------------|----------|-------------|----------|
| Change in the Value of Bond | 0.00     | 0.00        | 0.00     |
| Net Interest Income         | 13.80    | 27.59       | 41.39    |
| Revised Regulatory Capital  | 911.15   | 924.95      | 938.74   |
| Risk Weighted Assets        | 4959.32  | 4959.32     | 4959.32  |
| Revised CAR (in %)          | 18.37%   | 18.65%      | 18.93%   |

## 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                         | 822.2            |
| Foreign Exchange Position and Commodity risk | -                |

## OPERATION RISK

### QUALITATIVE DISCLOSURES

Capital requirements for Market Risk

|                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 | 4,797.0          |

# 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 PLC 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 2024, the FI's total written off loans was BDT 870 million which is 238.6% higher than that of previous year. In Year 2023 total recovery from written off loans was BDT 1.9 million. After considering classification status for a long time a total number of 68 loan accounts have been written off in Year 2024.

### Movement in Written-off Portfolio

| Particulars                                | Amount (BDT Mn) |
|--------------------------------------------|-----------------|
| Opening Balance as on January 1, 2024      | 257             |
| Add.: Amount written off during the year   | 615             |
| Less: Adjustment/recovered during the year | 2               |
| Closing Balance as on December 31, 2024    | 870             |

## Classified Loan

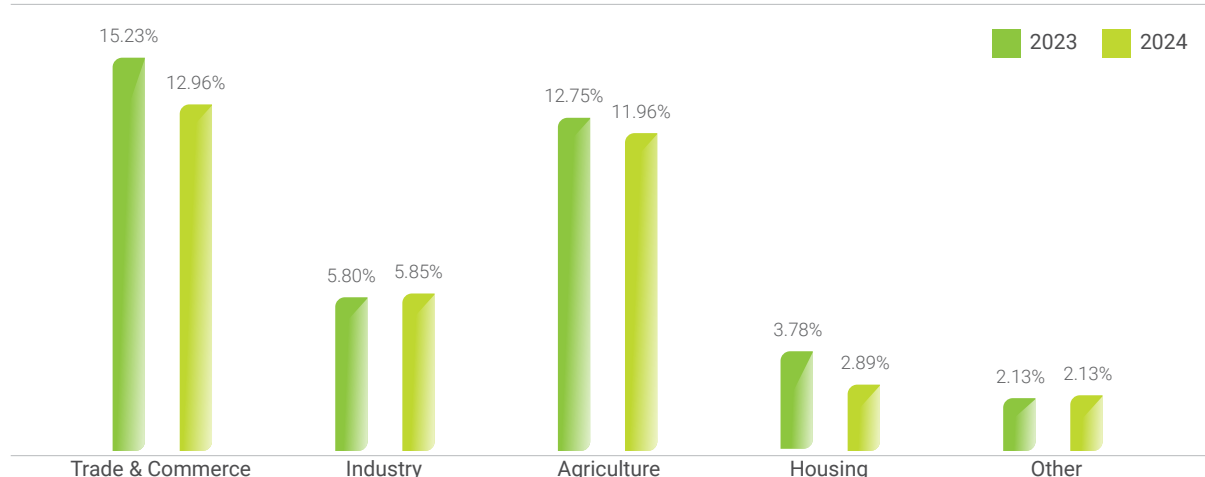
To ensure sustainable growth our core business priority is curb non-performing loans by maintaining quality assets. Due to global economic challenges, IPDC saw an increase in classified loan ratio to 5.83% in 2024 from 4.93% in 2023. Compared to previous year our loan portfolio also increased which caused a proportional increase in classified loan ratio.

### Movement in Classified Loan

| Particulars                             | Amount |
|-----------------------------------------|--------|
| Opening Balance as on January 1, 2024   | 3,478  |
| Add.: Addition during the year          | 1,884  |
| Less: Recovery & Rescheduled*           | 690    |
| Less: Write offs                        | 615    |
| Closing Balance as on December 31, 2024 | 4,057  |

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

### Sector-wise classified Loan Ratio





# Corporate 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

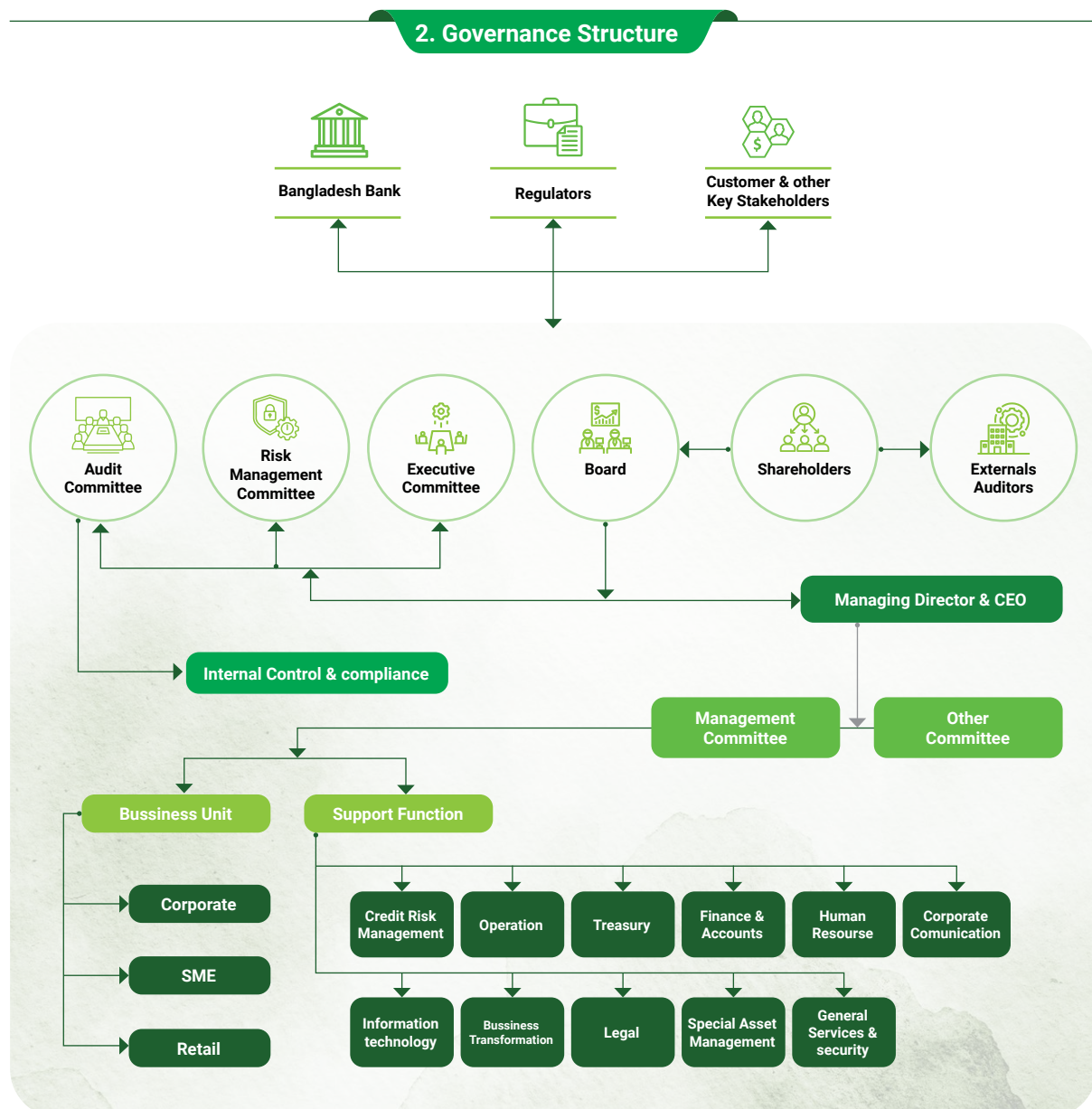
Bank, Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and other regulatory authorities. Our compliance with the corporate governance code has been certified by an external auditor.

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

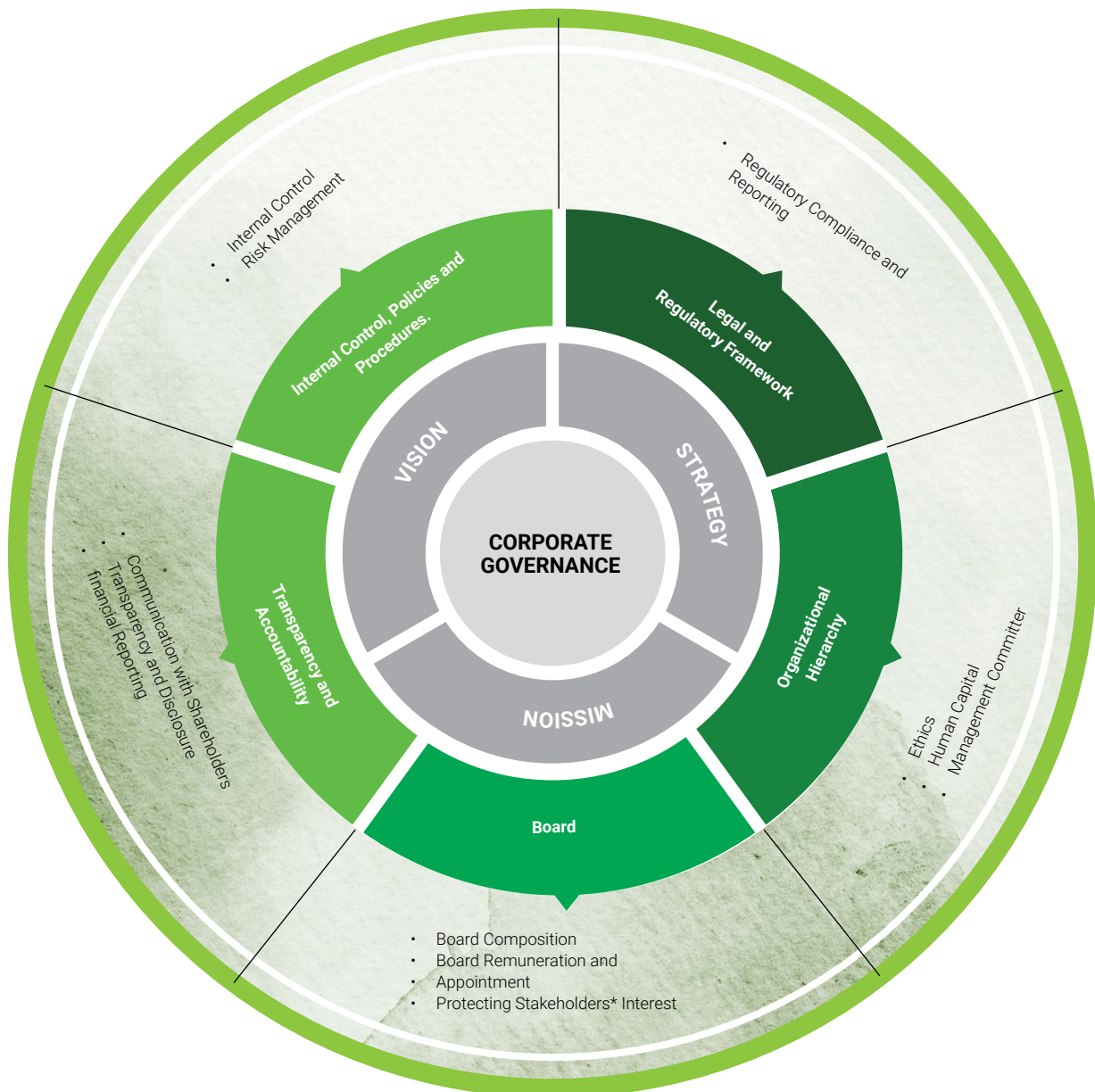
IPDC being a compliance focused organization, every year presents Corporate Governance Report to its shareholders, customers, regulators and other key stakeholders. All reports are available on the official website of IPDC Finance PLC.

## 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.

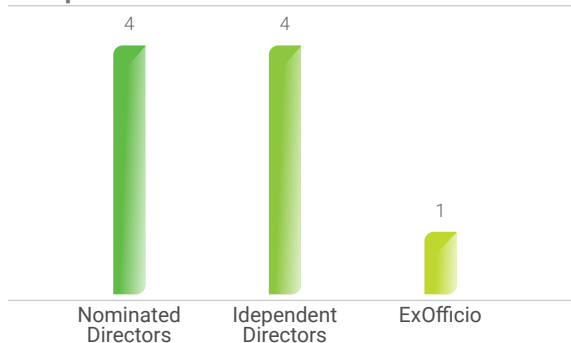
| Name of Director             | Board of Directors                            | Executive Committee | Audit Committee | Risk Management Committee |
|------------------------------|-----------------------------------------------|---------------------|-----------------|---------------------------|
| Mr. Ariful Islam             | Chairman, Nominated by Ayesha Abed Foundation | -                   | -               | Chairman                  |
| Mr. Munshi Abdul Ahad        | Director, Nominated by GOB                    | Member              | -               | Member                    |
| Ms. Maqsurā Noor ndc*        | Director, Nominated by GOB                    | -                   | Member          | -                         |
| Mr. Tushar Bhowmik           | Director, Nominated by BRAC                   | Chairman            | -               | -                         |
| Ms. Sonia Bashir Kabir**     | Independent Director                          | Member              | -               | -                         |
| Mr. Sarwar Azam Khan         | Independent Director                          | -                   | Chairman        | Member                    |
| Dr. Shah Md. Ahsan Habib     | Independent Director                          | -                   | Member          | Member                    |
| Mr. Mohammad Iqbal Chowdhury | Independent Director                          | Member              | -               | -                         |
| Mr. Rizwan Dawood Shams      | Managing Director (ex-officio)                | -                   | -               | -                         |

\*The nomination of Ms. Nilufer Nazneen has withdrawn by GOB effective from 11 February 2025 and Ms. Maqsurā Noor ndc replaced her on 05 March 2025 as per approval from Bangladesh Bank.

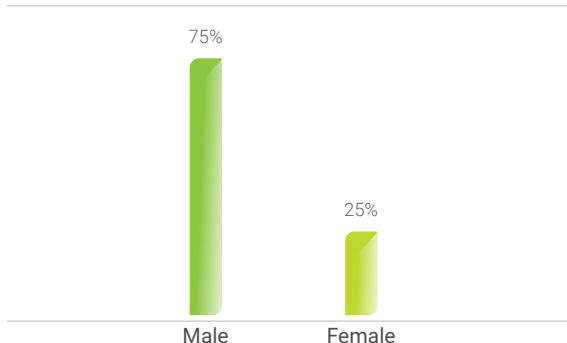
\*\*Ms. Sonia Bashir Kabir has resigned from the Board of IPDC effective from 03 March 2025.

## 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 member 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                                 |
| Mr. Munshi Abdul Ahad        | Finance, Banking and International Economic Relations |
| Ms. Maqsurā Noor ndc*        | Economics and Development Management                  |
| Mr. Tushar Bhowmik           | Finance and Accounting                                |
| Ms. Sonia Bashir Kabir**     | IT and Business Administration                        |
| Dr. Shah Md. Ahsan Habib     | Finance and Accounting                                |
| Mr. Sarwar Azam Khan         | Accounting                                            |
| Mr. Mohammad Iqbal Chowdhury | Finance                                               |
| Mr. Rizwan Dawood Shams      | Finance and Marketing                                 |

\*The nomination of Ms. Nilufer Nazneen has withdrawn by GOB effective from 11 February 2025 and Ms. Maqsurā Noor ndc replaced her on 05 March 2025 as per approval from Bangladesh Bank.

\*\*Ms. Sonia Bashir Kabir has resigned from the Board of IPDC effective from 03 March 2025.

## 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. 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.

## 7. 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.

## 8. 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 PLC. 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 PLC.". 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 regarding appointment of Directors. There are two categories of Directors in the Board of IPDC Finance PLC., one is Nominated Directors, and another is Independent

Directors. After having nomination and recommendation of the competent committee and also 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 PLC.

### 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 227<sup>th</sup> Board Meeting. Brief resumes of the directors are furnished in the 'About IPDC' section of this Annual Report.

|                        |                  |
|------------------------|------------------|
| Ms. Maqsurah Noor ndc* | Nominated by GOB |
| Mr. Munshi Abdul Ahad  | Nominated by GOB |

*\*Ms. Maqsurah Noor ndc replaced Ms. Nilufer Nazneen as per nomination letter of Ministry of Industries of Peoples Republic of Bangladesh on 10 February 2025 and the appointment approval of Ms. Maqsurah Noor ndc of Bangladesh Bank on 05 March 2025. She will retire and re-elect as Director in the up-coming Annual General Meeting (AGM) of IPDC as successor of Ms. Nilufer Nazneen.*

### 3. Independence of Directors

There are Three (03) Independent Directors in the Board of IPDC Finance PLC. Dr. Shah Ahsan Habib is continuing his 2<sup>nd</sup> term as Independent Director, Mr. Sarwar Azam Khan and Mr. Mohammad Iqbal Chowdhury was appointed as Independent Director of IPDC. Ms. Sonia Bashir Kabir has resigned from the post of Independent Director during her 2<sup>nd</sup> term with effect from 03 March 2025. All 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 | Risk Management Committee |
|------------------------------|----------------------|---------------------|-----------------|---------------------------|
| Mr. Sarwar Azam Khan         | Independent Director | -                   | Chairman        | Member                    |
| Mr. Mohammad Iqbal Chowdhury | Independent Director | Member              | -               | -                         |
| Dr. Shah Md. Ahsan Habib     | Independent Director | -                   | Member          | Member                    |

### 4. Duties and Responsibilities of Existing Board of Directors

The Chairperson of the Board, other board members and Managing Director 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, accept 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.



- v. Shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment.
- vi. 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:**

- i. 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.
- ii. 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 approved 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:**

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. 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:**

Shall not commit any offences involving morale turpitude or any act contrary to law or opposed to the public policy

**h) Communicating with Media:**

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. 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 be 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: 4

IPDC's Board comprises Four (4) Non-Executive Directors (NEDs) excluding three (3) 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: 3

Bangladesh Securities and Exchange Commission (BSEC), Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018, at least two or one-fifth of the total directors, whichever is higher, of the Board shall be Independent Directors. The composition of the Board of Directors of IPDC consists of Seven (7) Directors including three (3) 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 Finance Company Act 2023, Corporate Governance Code 2018 of Bangladesh Securities & Exchange Commission (BSEC) and DFIM Circular No. 02 of 2024 along with subsequent circular letters by Bangladesh Bank 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 rules of DFIM Circular No. 02 of 2024 of Bangladesh Bank relating to appointment of Independent Directors and relevant conditions of Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission 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 three (03) independent directors out of seven (07) directors (excluding Ex-officio member). Currently, Bangladesh Bank is preparing a panel of qualified Independent Directors for Finance Companies for easy appointment of independent directors. Once the task completed, IPDC may appoint Independent Directors from the panel as well.

## **SEPARATION OF DUTIES BETWEEN MANAGING DIRECTOR/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/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 PLC. 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/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/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/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 year 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 Control and Compliance (HICC) 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 Control and Compliance (HICC) 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 Managing Director/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 Control and Compliance (HICC)

Head of Internal Control 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 Control and Compliance is set out in the Profile of the Management Committee section of this annual report.

#### 3.1 Role of HICC

The Head of Internal Control and Compliance (HICC) is responsible for IPDC's strategic risk-based internal control 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 2024

In the year 2024, the Board has conducted total 10 meetings throughout the year.

### 4 Key Activities of the Board in 2024

The Board of Directors of IPDC Finance PLC. 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 2024 |   |                                                                                                                                                                                                                      |
|--------------------------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Q1 2024                                                      | 1 | Adoption of Directors' Report, Auditors' Reports and Audited Financial Statements for the year ended 31 December 2023 and recommendation for appropriation of the profit for the year 2023 and dividend declaration. |
|                                                              | 2 | Auditor's Report on Corporate Governance Certificate by Auditor.                                                                                                                                                     |
|                                                              | 3 | Appointment of Statutory and Corporate Governance Auditors for the year 2024 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, 2023.                                                                                                                                   |
|                                                              | 6 | Approval of credit proposals recommended by Board Executive Committee                                                                                                                                                |
|                                                              | 7 | Approval of policies and guidelines                                                                                                                                                                                  |
|                                                              | 8 | Approval for Employee benefits and others.                                                                                                                                                                           |
|                                                              | 9 | Report on vehicle maintenance expenses as per Bangladesh Bank Circular No. FID 04 dated 27 August 2003.                                                                                                              |
| Q2 2024                                                      | 1 | Approval of un-audited financial statements for the 1 <sup>st</sup> Quarter 2024 ending 31 March 2024                                                                                                                |
|                                                              | 2 | Approval for Investment Roadmap                                                                                                                                                                                      |
|                                                              | 3 | Formation of Risk Management Committee                                                                                                                                                                               |
|                                                              | 4 | Re-structure of sub-committees of the Board                                                                                                                                                                          |
|                                                              | 5 | Approval of a guideline for promotional activities and CSR programs                                                                                                                                                  |
| Q3 2024                                                      | 1 | Approval of Un-audited Half Yearly Financial Statements as on 30 June 2024                                                                                                                                           |
|                                                              | 2 | Approval for Performance monitoring of Key Performance Indicators (KPIs) of IPDC                                                                                                                                     |
|                                                              | 3 | Review of Product Program Guideline                                                                                                                                                                                  |
|                                                              | 4 | Roadmap to accelerate growth for personal loan                                                                                                                                                                       |
| Q4 2024                                                      | 1 | Approval of Un-audited financial statements for the 3 <sup>rd</sup> Quarter ending 30 September 2024                                                                                                                 |
|                                                              | 2 | Approval of Budget for 2025 along with Year 2024 estimates                                                                                                                                                           |
|                                                              | 3 | Approval of proposals Chairman's Award                                                                                                                                                                               |
|                                                              | 4 | Approval of proposals for Honesty and Integrity Award                                                                                                                                                                |
|                                                              | 5 | Approval on revised organogram                                                                                                                                                                                       |

## Board's committees and their responsibilities

The board's sub-committees include Executive Committee, Risk Management Committee, Audit Committee and Nomination and Remuneration Committee. Board Committees and their responsibilities are also outlined in detailed in the **Integrated Risk Management Framework** section.

# 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.

### 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/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.ipdc.com](http://www.ipdc.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 (DSE) and the Chittagong Stock Exchange (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 Exclusion List 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.



**Other endeavors aligned with environmentally friendly practices include.**





# ETHICS & COMPLIANCE

At IPDC, we uphold the highest standards of ethics, integrity, and compliance in all aspects of our business. Our Code of Conduct, approved by the Board of Directors and reviewed every three years, serves as the foundation for responsible decision-making and ethical behavior across the organization.

Beyond compliance, we are committed to fostering a culture of transparency and accountability, ensuring that ethical practices are embedded in our operations, stakeholder interactions, and community

initiatives. By staying true to our values, we continue to build trust, strengthen governance, and drive sustainable growth.

## 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                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Integrity</b></p> <p>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.</p> |  <p><b>Conflict of Interest</b></p> <p>Employees must avoid conflicts of interest and refrain from seeking unauthorized or illegal advantages while in their roles. Any potential conflicts should be disclosed.</p> |  <p><b>Harassment and Discrimination</b></p> <p>We show zero tolerance to any form of discrimination and harassment. Employees are encouraged to speak up and report any harassment.</p> |  <p><b>Engagement in other Employment</b></p> <p>Employees are not allowed to engage in any commercial activity without prior permission from the appropriate authority.</p> |  <p><b>Obligation after Separation</b></p> <p>Employees will be held responsible even after separation for wrongdoings conducted during their stay at IPDC.</p> |

| 1.2. Ethical Business Practices                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Fair Treatment of Customers</b></p> <p>Every employee should ensure extraordinary customer experience through fair, concise and clear communication.</p> |  <p><b>Privacy and Security of Client Information</b></p> <p>Employees are bound to keep a client's information confidential unless it is clearly stated otherwise.</p> |  <p><b>Protecting Confidential Information about the Company and its Stakeholders</b></p> <p>Every employee is bound to maintain confidentiality of information about the company and its stakeholders which they might gather because of their role.</p> |  <p><b>Kickback &amp; Secret Commission</b></p> <p>Employees are strictly prohibited to accept kickback/ secret commission from suppliers/ clients/ anyone for undue advantages.</p> |  <p><b>Gifts, Entertainments, and Favors</b></p> <p>Employees are prohibited from accepting any gifts, entertainment or personal favors that could potentially influence business decisions in any manner.</p> |

## 2. Value Driven Organization

IPDC is a value driven organization. We have a set of 7 values that drive the behavior of our employees in the workplace and beyond. All the employees must display the required behavior in each value. Employees are rewarded with those who set examples and are held responsible for wrongdoings.

### Core Value



#### Integrity

Every employee must display the highest level of Integrity in the way we conduct our business



#### Will to Win

Everyone must demonstrate a strong Will to Win in the marketplace.



#### Diversity

Employee must promote Diversity in the workplace and community.



#### Teamwork

All should always encourage Teamwork.



#### Technology

We should strive hard to harness the power of Technology to deliver better customer experience.



#### Corporate Citizenship

We should set the standard for the best Corporate Citizenship in the communities we work in



#### Creating Extraordinary Customer Experiences

we ensure an image that makes us different from others.

## 3. Application of Ethics and Compliance in Workplace



#### New Joiners Declaration

Every new joiner needs to read and acknowledge that they will abide by the code of conduct on their very first day at IPDC.



#### Yearly Awareness Session and Acknowledgment

Awareness session is conducted every year for every employee by rotation on Code of Conduct and acknowledgement is taken.



#### Accessibility of "Code of Conduct"

The Code of Conduct remains available in HRIS and in a shared folder for easy access to employees to read when needed and abide by.



#### Training on Values

Employees are trained and rewarded every year for each of the values.

#### 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.

|                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Growth &amp; Employee Wellbeing</b>                | At IPDC, we recognize that a strong organizational culture is fundamental to sustainable growth and employee well-being. As part of our ongoing commitment to fostering a positive and inclusive workplace, we have initiated a Cultural Survey to gain deeper insights into employee experiences, engagement levels, and workplace satisfaction.                                                                                                                                       |
| <b>Policy and Process Development</b>                 | Board of Directors set standards of expected ethical behavior through the formulation and communication of Code of Conduct. Ethical foundations are integrated in day-to-day decision-making, activities and processes.                                                                                                                                                                                                                                                                 |
| <b>Organizational Structure and Control Mechanism</b> | 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.                                                                                                                                                                                                                                    |
| <b>Personal Investments and Insider Trading</b>       | 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.                                                                                                                                                                |
| <b>Anti-Fraud Programs</b>                            | All must remain vigilant about any kinds of fraud, 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.                                                                                                                                                                                                          |
| <b>Application of Whistleblowing Policy</b>           | All personnel working for IPDC act as whistleblowers and report any activity that is not in accordance with our code of conduct. Identity of whistleblowers always remain confidential and IPDC remains responsible for their protection.                                                                                                                                                                                                                                               |
| <b>Reporting Mechanisms</b>                           | 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 a 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. The following awards were given last year:

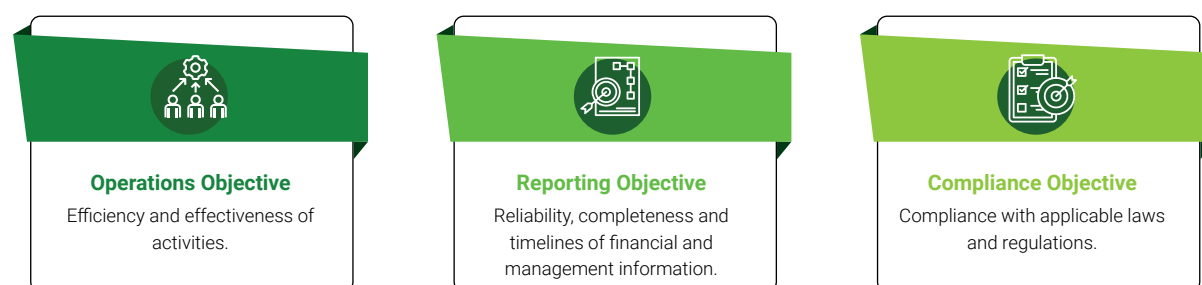
- Excellence Award- 28 employees
- Achievement Award- 8 employees
- Chairman's Award- 5 employees
- Long Service Award- 65 employees
- Champion of the Innovation Award- 3 employees
- STAR performer Award (sales)- 46 employees
- Integrity & Honesty Award- 4 employees

# INTERNAL CONTROL SYSTEM

IPDC has established a comprehensive and robust internal control system designed to ensure the integrity, accuracy, and reliability of financial reporting, as well as the preparation of financial statements in accordance with all applicable laws, regulations, IFRS, and the requirements for listed companies. Internal control system is built on the foundation of a strong control environment, which is continuously monitored and refined to adapt to the evolving business landscape. The system is an ongoing process that involves the Board of Directors, senior management, and all employees working together to achieve the company's operational, financial reporting, and compliance objectives.

## Objective of Internal Control

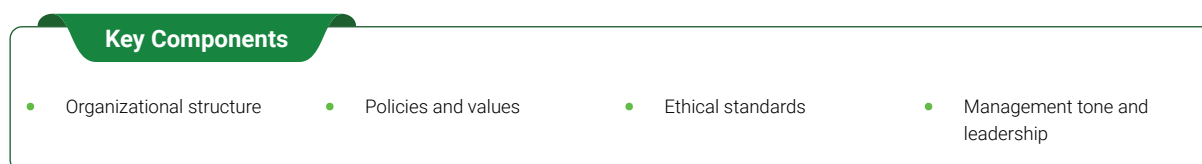
IPDC's internal control system is designed to support the organization in achieving its goals and improving performance. It helps identify areas of weakness and enables corrective actions to be taken. The key objectives of internal control are:



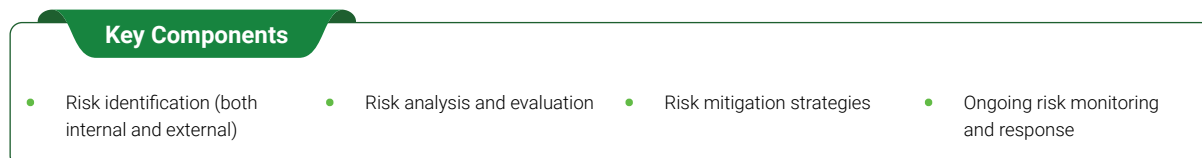
## Components of Internal Control

IPDC's internal control system is built upon five key components, each essential to ensuring effective risk management, operational efficiency, and compliance with applicable laws. These components work together to create a robust internal control environment that supports the company's objectives. The five components are:

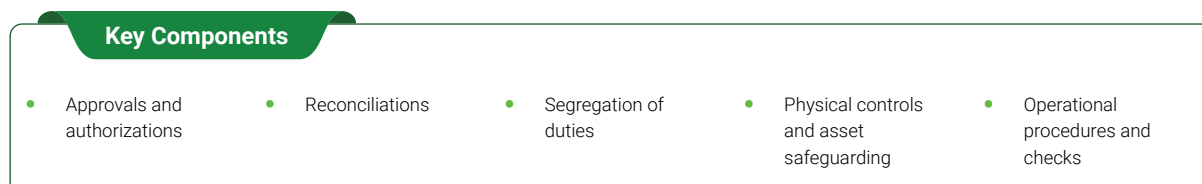
**1. Control Environment:** The foundation of the internal control system, established through the organizational structure, policies, and values. It defines the ethical standards, and the tone set by management regarding the importance of internal control.



**2. Risk Assessment:** The process of identifying, analyzing, and addressing potential risks that could impact the achievement of organizational objectives. This includes both internal and external risks that require ongoing attention and response.



**3. Control Activities:** The specific policies, procedures, and practices put in place to mitigate identified risks. These activities can include approvals, authorizations, reconciliations, and segregation of duties designed to ensure that operations run efficiently and that assets are safeguarded.





**4. Information and Communication:** The systems in place to ensure that accurate, timely, and relevant information is collected and communicated across the organization. This ensures that all personnel understand their responsibilities and that information flows effectively throughout the company.

Key Components

- Accurate and timely information flow
- Effective communication channels
- Documentation and reporting standards
- Feedback mechanisms
- Clear understanding of responsibilities

**5. Monitoring:** Ongoing evaluations of the internal control system to ensure its effectiveness. This involves periodic reviews and assessments of the control environment, policies, and procedures to identify any areas of improvement or gaps that need addressing.

Key Components

- Regular evaluations and assessments
- Periodic internal audits
- Performance reviews and gap analysis
- Corrective actions and adjustments
- External audit feedback

The Internal Control system is an essential part of IPDC’s commitment to good governance, transparency, and accountability, enabling us to create long-term value for our stakeholders while minimizing risks.

# CHAIRMAN'S REPORT ON THE AUDIT COMMITTEE FOR THE ANNUAL REPORT OF 2024

## Scope of work of Audit Committee

The scope of the Audit Committee of IPDC Finance PLC. (hereinafter referred to as 'the Committee') is authorized to monitor and review the effectiveness of the Company's Internal Control and Compliance function in the context of the Company's overall risk management system. The Committee performed its activities in accordance with its Terms of Reference (ToR) determined by the Board of Directors (Board) and responsible to the Board. The Committee presented a summary of these activities to Board, shareholders and other interested parties through this report.

## Composition of the Committee

The Committee comprises three members, two of whom are independent directors, and one is a nominated director. The Chairman of the Committee is appointed by the Board and is a non-executive independent director. The Company Secretary functions as the Secretary of the Committee. Meetings of the Committee are attended by the CFO, Head of ICC and the External Auditors on invitation. All members of the Committee are financially literate and able to interpret financial statements and assess the adequacy of the internal control processes out of whom one member has the accounting or related financial management background with 41 years of experience.

## Changes in the Committee

Ms. Sonia Bashir Kabir was the former Chairman of the Committee and was appointed for the period from 29 December 2020 to 29 June 2024. Currently, the Board has appointed Mr. Sarwar Azam Khan, FCA, FCS, MBA as an Independent Director effective from 21 May 2024, as well as the Chairman of the Committee.

## Duties and responsibilities

The duties and responsibilities of the Committee are:

### Review of Financial Statements

The Committee has reviewed the Company's quarterly, half-yearly, and annual financial statements, with particular attention to significant changes in accounting policies and principles, notable adjustments resulting from the audits, assumptions regarding going concern, and compliance with relevant financial reporting standards, as well as other legal and regulatory requirements.

### Assessment of Internal Control and Compliance Activities

The Committee reviewed and approved of the Risk-Based Internal Control and Compliance Plans to ensure they aligned with the Company's risk management framework.

The Committee reviewed the following activities:

- Ensured that the Internal Control and Compliance Department has the necessary competency and qualifications to fulfill its responsibilities;
- Reviewed the status report from the Internal Control and Compliance Department and ensured that appropriate actions have been taken to implement its recommendations;
- Recommended a more comprehensive review, if necessary, based on any issues identified; and
- The Audit Committee informed the Board about the key issues and the management actions from the ICC report.

### 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 42<sup>nd</sup> Annual General Meeting held on May 16, 2024. To maintain the highest standards of corporate governance, the Committee prohibits external auditors from undertaking any work that they may later need to audit, or that could create a potential conflict of interest.

The Committee has confirmed that the Company's external auditors have not been engaged in any 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 or special services;
- Any service that the Audit Committee determines.
- Audit or certification services on compliance of corporate governance
- Any other service that creates conflict of interest

The Committee has also ascertained the following:

- No Partner and employees responsible to carry out the statutory audit of the Company for the year ended 31 December 2024 had any shareholdings or other interests in the Company during the said period.
- The external audit firm does not receive any fees contingent upon factors such as achieving a targeted non-performing loan ratio, meeting loan disbursement targets, or similar performance-based metrics.

The Committee assessed the expertise, resources, independence, and objectivity of the external auditors, and reviewed their effectiveness before recommending their appointment to the Board.

The Committee also evaluated the performance of the external auditors and their audit reports, reviewed their findings and recommendations for addressing identified irregularities, and provided recommendations to Management for resolving these issues.

### Major activities of the Committee:

The Audit Committee of the Board conducted 5 (Five) meetings during the year 2024 to carry out the following salient activities:

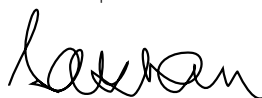
- Reviewed and recommended to the Board on approval of the Annual Financial Statements for the year ended December 31, 2023;
- Reviewed the Management Letter from external auditors for the year 2023 together with the Management's responses to the findings;
- The Committee held meeting with the statutory auditors for review of the annual financial statements of 2023 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, 2023;
- Reviewed the Risk Based Internal Control & Compliance Plan for the year 2024;
- Reviewed periodical inspection reports on credit assessment, operational, financial procedure and branch operations of the Company which were submitted by the Internal Auditors and also provided necessary instructions to the Management for prompt resolution of the irregularities/objections stated therein;
- Reviewed internal policies of the Company and recommended to the Board for approval;
- Reviewed the quarterly and half-yearly financial statements for the year 2024 and recommended to the Board;
- Reviewed and ascertained that the internal control system including financial and operational controls, accounting system, and reporting structure are adequate and effective;
- Reviewed the actions taken by the Management for implementation of Audit Committee observations on issues deliberated in Audit Committee reports;
- The Committee regularly submitted its reports to the Board for review and monitoring of activities, including recommendations on the internal control system and compliance with the rules and regulations of regulatory bodies.
- Reviewed statement of significant related party transactions submitted by the Management and as presented in the Financial Statements of the year 2023;
- Reviewed the Management's Report, discussed and analyzed it before disclosure in the Annual Report of 2023;
- Reviewed the KPIs to monitor portfolio performance at the Board level and the portfolio analysis of IPDC and recommended to the Board;
- Reviewed the Terms of Reference (ToR) of the Board Audit Committee and recommended to the Board;
- The Committee reviewed the Risk Management Framework of IPDC on half-yearly basis;

### Meetings and Attendance

In 2024, the Committee held five meetings. The details of attendance of each member of the Committee meetings in 2024 are as follows:

| Name                                  | Representation in Board            | Representation in Committee     | Date of Joining | Held | Attended |
|---------------------------------------|------------------------------------|---------------------------------|-----------------|------|----------|
| Mr. Sarwar Azam Khan<br>FCA, FCS, MBA | Independent Non-Executive Director | Chairman                        | 21 May 2024     | 2    | 2        |
| Ms. Sonia Bashir Kabir                | Independent Non-Executive Director | Chair<br>Till 29 June 2024      | 31 March 2019   | 3    | 2        |
| Dr. Shah Md. Ahsan Habib              | Independent Non-Executive Director | Member                          | 9 February 2021 | 5    | 5        |
| Mr. Md. Anwarul Alam                  | Nominated Non-Executive Director   | Member<br>Till 11 February 2024 | 23 August 2023  | 1    | 1        |
| Ms. Nahreen Rahman                    | Nominated Non-Executive Director   | Member<br>Till 16 May 2024      | 9 January 2020  | 3    | 3        |
| Ms. Nilufer Nazneen                   | Nominated Non-Executive Director   | Member                          | 16 April 2024   | 3    | 3        |

Based on its review and discussions, the Committee believes that the internal control and compliance procedures are adequate and provide an accurate representation of the Company's activities and financial status.



**Sarwar Azam Khan FCA, FCS, MBA**  
Chairman, Audit Committee

Date: March 24, 2025

# CORPORATE GOVERNANCE CERTIFICATE

Annexure - 01

## S. F. AHMED & CO. Chartered Accountants | since 1958

### Report to the Shareholders of IPDC Finance PLC.

on

### compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by IPDC Finance Limited for the year ended on 31 December 2024. This Code relates to the Notification No. BSEC/ CMRRCD/2006-158/207/Admin/80, dated 03 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 conditions 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:

- (a) 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 except those mentioned in the Statement of Compliance Status;
- (b) 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;
- (c) 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
- (d) The Governance of the company is satisfactory.

Dhaka, 16 April 2025



**Md. Enamul Haque Choudhury, FCA**  
Senior Partner  
S. F. Ahmed & Co.  
Chartered Accountants  
Enrollment No. 471



# STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE GUIDELINE

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 |                                                      |
| <b>1</b>       | <b>Board of Directors</b>                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |              |                                                      |
| <b>1(1)</b>    | <b>Size of the Board of Directors:</b><br>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);                                                                                                                                                                                                                                                                     | ✓        |              |                                                      |
| <b>1(2)</b>    | <b>Independent Directors (IDs)</b>                                                                                                                                                                                                                                                                                                                                                                                                                               |          |              |                                                      |
| 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);                                                                                                                                                                              | ✓        |              |                                                      |
| <b>1(2)(b)</b> | <b>Without contravention of any provision of any other law, for the purpose of this clause, an "independent director" means a director</b>                                                                                                                                                                                                                                                                                                                       |          |              |                                                      |
| 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):<br><br>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.                                                                                                                                                                                                                                                                                                           | √              |              |                                                     |
| <b>1(3)</b>   | <b>Qualification of Independent Director</b>                                                                                                                                                                                                                                                                                                                                                                                                       |                |              |                                                     |
| 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 Control 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 5 <sup>th</sup> Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law:<br><br>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.                                                                                                                                                                                                                                                                                                                              | √              |              |                                                     |
| <b>1(4)</b>   | <b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>                                                                                                                                                                                                                                                                                                                                           |                |              |                                                     |
| 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.                                                                                                                                                                         | √              |              |                                                     |
| <b>1(5)</b>   | <b>The Directors Report to shareholders</b>                                                                                                                                                                                                                                                                                                                                                                                                        |                |              |                                                     |
| 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;                                                                                                                                                                                                                                                                                                                                                   | √              |              |                                                     |

| Condition No.     | Title                                                                                                                                                                                                                                                                   | Status         |              | Remarks                            |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------|------------------------------------|
|                   |                                                                                                                                                                                                                                                                         | Complied       | Not Complied |                                    |
| 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;                                                                 | ✓              |              |                                    |
| 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).                                                                                                                                                                      | ✓              |              |                                    |
| <b>1(5)(xxiv)</b> | <b>In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders: -</b>                                                                                                                              |                |              |                                    |

| Condition No.  | Title                                                                                                                                                                                                                                                                                                                                                                | Status         |              | Remarks                                                           |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------|-------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                                                                                                                      | Complied       | Not Complied |                                                                   |
| 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;                                                                                                                                                           | ✓              |              |                                                                   |
| 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,<br><br>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.                                                                                                                                                                         | ✓              |              |                                                                   |
| <b>1(6)</b>    | <b>Meetings of the Board of Directors</b>                                                                                                                                                                                                                                                                                                                            |                |              |                                                                   |
|                | 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. | ✓              |              |                                                                   |
| <b>1(7)</b>    | <b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>                                                                                                                                                                                                                                                                          |                |              |                                                                   |
| 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                                                                |
| <b>2</b>       | <b>Governance of Board of Directors of Subsidiary Company</b>                                                                                                                                                                                                                                                                                                        |                |              |                                                                   |
| 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                                                                |



| Condition No. | Title                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Status         |              | Remarks                                                            |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------|--------------------------------------------------------------------|
|               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Complied       | Not Complied |                                                                    |
| 3             | Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Control 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;                                                                                                                                                                                                                                                                                                                                                                                                        | ✓              |              |                                                                    |
| 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;                                                                                                                                                                                                                                                                                                                                                                | ✓              |              |                                                                    |

| Condition No. | Title                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Status   |              | Remarks                            |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|------------------------------------|
|               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Complied | Not Complied |                                    |
| 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                    | √        |              |                                    |
| <b>5(3)</b>   | <b>Chairman of the Audit Committee</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |          |              |                                    |
| 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).                                                                                                                                                                                                                                                                                                                                                                                                                                                       | √        |              |                                    |
| <b>5(4)</b>   | <b>Meeting of the Audit Committee</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          |              |                                    |
| 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.                                                                                                                                                                                                                                                                                                           | √        |              |                                    |
| <b>5(5)</b>   | <b>Role of Audit Committee:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |          |              |                                    |
| 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:                                                                                                                                                                                                                                                                                              | √        |              |                                    |
| <b>5(6)</b>   | <b>Reporting of the Audit Committee:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |              |                                    |
| 5(5)(a)(i)    | The Audit Committee shall report on its activities to the Board of Directors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | √        |              |                                    |

| Condition No.  | Title                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Status         |              | Remarks                                                                |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------|------------------------------------------------------------------------|
|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Complied       | Not Complied |                                                                        |
| 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.                                                                                                                                                                                                                                                                                       | √              |              |                                                                        |
| 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                                                                     |

| Condition No. | Title                                                                                                                                                                                                                                                     | Status         |              | Remarks |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------|---------|
|               |                                                                                                                                                                                                                                                           | Complied       | Not Complied |         |
| 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      |
| <b>6(3)</b>   | <b>Chairperson of the NRC</b>                                                                                                                                                                                                                             |                |              |         |
| 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      |
| <b>6(4)</b>   | <b>Meeting of the NRC</b>                                                                                                                                                                                                                                 |                |              |         |
| 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      |
| <b>6(5)</b>   | <b>Role of the NRC</b>                                                                                                                                                                                                                                    |                |              |         |
| 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      |
| 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      |
| <b>7</b>      | <b>External or Statutory Auditors</b>                                                                                                                                                                                                                     |                |              |         |
| 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;                                                                                                                                                                 | ✓              |              |         |



| Condition No. | Title                                                                                                                                                                                                                                                                                                                                                                                                 | Status   |              | Remarks                                                                            |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|------------------------------------------------------------------------------------|
|               |                                                                                                                                                                                                                                                                                                                                                                                                       | Complied | Not Complied |                                                                                    |
| 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.                                                                                                                                                                                               | ✓        |              |                                                                                    |
| <b>8</b>      | <b>Maintaining a website by the Company</b>                                                                                                                                                                                                                                                                                                                                                           |          |              |                                                                                    |
| 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);                                                                                                                                                                                                                                                | ✓        |              |                                                                                    |
| <b>9</b>      | <b>Reporting and Compliance of Corporate Governance</b>                                                                                                                                                                                                                                                                                                                                               |          |              |                                                                                    |
| 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 - 03

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:

| SI No.     | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Compliance Status |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| <b>01.</b> | <b>Responsibilities and authorities of Board of Directors</b>                                                                                                                                                                                                                                                                                                                                                                                                                                           |                   |
| <b>A.</b>  | <b>Work Planning and Strategic Management</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                   |
| 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>B</b>   | <b>Formation of sub-committee</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                   |
|            | 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          |
| <b>C</b>   | <b>Financial Management</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                   |
| 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          |
| <b>D</b>   | <b>Management of loan/lease/investments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                   |
| 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          |
| <b>E</b>   | <b>Risk Management</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                   |
|            | 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          |
| <b>F</b>   | <b>Internal Control and Compliance</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                   |
|            | 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          |
| <b>G</b>   | <b>Human Resource Management</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                   |
| 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 |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| II       | 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          |
| <b>H</b> | <b>Appointment of CEO</b>                                                                                                                                                                                                                                                                                                                                                            |                   |
|          | 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          |
| <b>I</b> | <b>Benefit to the Chairman</b>                                                                                                                                                                                                                                                                                                                                                       |                   |
|          | 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          |
| <b>J</b> | <b>Responsibilities and Duties of the Chairman</b>                                                                                                                                                                                                                                                                                                                                   |                   |
| 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          |
| II       | The minutes of the Board meetings shall be signed by the Chairman;                                                                                                                                                                                                                                                                                                                   | Complied          |
| III      | Chairman shall sign-off the proposal for appointment of Managing Director and increment of his salaries & allowances;                                                                                                                                                                                                                                                                | Complied          |
| <b>K</b> | <b>Responsibilities of Managing Director &amp; CEO</b>                                                                                                                                                                                                                                                                                                                               |                   |
| 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          |
| II       | Managing Director shall ensure compliance of Financial Institutions Act 1993 and other relevant circulars of Bangladesh Bank and other regulatory authorities;                                                                                                                                                                                                                       | Complied          |
| III      | 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 - 04

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 to make 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                          |

## 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 have made an annual assessment for the year ended 31 December 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 31 December 2023, based on 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 2024, interest coverage ratio stood at 1.9 times, which means the company has strong debt servicing capacity.                                                                                                                                                                                                                                                                                      |
| Less Dependency on Bank Borrowings          | As at 31 December 2024, total bank borrowing of the Company was BDT 17,433 million which is 19.6% 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 31 December 2024, total deposits stood at BDT 54,319 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 the 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 PLC. 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 increased by 6.1% and stood at BDT 363mn in Y2024. This growth is largely attributed to higher spread and lower operating expenses despite increase in NPL and provision requirements.                                                                                                                                                                                                                  |



|                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Solid Growth in Quality Lending Portfolio             | In the year 2024 the loans, leases and advances decreased by 1.5% compared to last year, whereas classified loan ratio stands at 5.83% 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 used with full capacity.                                                                                                                                                                                                                              |
| Employee Satisfaction and Working Environment         | IPDC Finance PLC is an employee-friendly organization with a very good corporate environment in the organization. The Company pays a competitive compensation package with fringe benefits like car facilities, provident funds, performance bonus, gratuity, group insurance, hospitalization insurance, reward and recognition program etc.                                                                         |
| Maintenance of Capital Adequacy Ratio (CAR)           | As per DFIM circular no. 14, dated 28 December 2011 of Bangladesh Bank regarding Capital Adequacy and Market Discipline for Financial Institutions, each financial companies are required to maintain Capital Adequacy Ratio (CAR) of at least 10.00% of the total risk weighted assets. As at 31 December 2024, CAR of IPDC is 18.17% vis-à-vis requirement of 10.00% i.e., Company maintains 8.17% surplus capital. |
| Strong Equity Base                                    | IPDC is one of the highest equity-based companies among the Financial Institutions. As of 31 December 2024, total equity of the Company is BDT 6,930 million including paid up capital of BDT 3,896 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 reputation allows the company to negotiate or renew the borrowing facilities at a favorable rate 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 the 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 2024 based on "going concern assumption" is appropriate.

# IPDC DIVIDEND DISTRIBUTION POLICY

Annexure - 05

## 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, 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 PLC., dedicated for this purpose only;

- (ii) The IPDC Finance PLC. 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 PLC. 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 PLC., 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 PLC. for such claim.

- (iv) The IPDC Finance PLC., 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 PLC. 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 PLC. 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 PLC. 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 PLC. 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 PLC. 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 PLC., 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 PLC., the CDBL and the Exchange(s) shall follow the provisions of regulation 46 of the Depository (user) Regulations, 2003 for issuance of bonus Shares;

Provided that the IPDC Finance PLC. 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 PLC. 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 PLC.;

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 PLC. 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 PLC. 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 PLC. shall publish the compliance report in its website.

#### **G. Forfeiture of unclaimed cash dividend or stock dividend**

The IPDC Finance PLC. 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 PLC. to the fund as directed or prescribed by the commission;

Provided that the IPDC Finance PLC. 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 PLC. 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 PLC. 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 PLC. 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 PLC., 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 PLC. or its agent or the CDBL or its DP shall keep confidentiality of information.

Provided further that the IPDC Finance PLC. 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 PLC. 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 PLC. shall be bound to follow the decision of the Commission and shall consider the decision of the commission is final on all concerned.



# Financial Statements





IPDC Finance PLC.

## DECLARATION BY MD AND CFO

Date: 6 April 2025  
The Board of Directors  
IPDC Finance PLC.  
Hosna Centre (4<sup>th</sup> Floor),  
106 Gulshan Avenue, Dhaka 1212

Subject: Declaration on Financial Statements for the year ended on 31 December 2024

Dear Sirs,

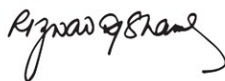
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of IPDC Finance PLC. for the year ended on 31 December 2024 have been prepared in compliance with International Financial Reporting Standards (IFRSs), 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 2024 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



**Fahmida Khan**  
Chief Financial Officer

## Independent Auditor's Report

# TO THE SHAREHOLDERS OF IPDC FINANCE PLC.

## Report on the Audit of the financial statements

### Opinion

We have audited the financial statements of IPDC Finance PLC., (the "Company") which comprise the balance sheet as at 31 December 2024, 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 2024, 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>01. Measurement of provision for loans and advances</b> <p>The process for estimating the provision for leases, 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 and DFIM 37 Master Circular: Loan/Lease Classification and Provision Maintenance dated 04 December 2024 issued by Bangladesh Bank.</p> <p>At year-end 31 December 2024, the Company reported total gross leases, loans, and advances of BDT 69,535,703,126 (2023: BDT 70,571,239,544) and provision for loans and advances of BDT 3,441,955,078 (2023: BDT 2,940,556,330). See Note 3.11 and 14.1 to the financial statements for the accounting policy and for relevant disclosure regarding the provision of leases, loans, and advances respectively.</p> <p>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.</p> <p>Significant judgments and estimates, related to the provision for leases, 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:</p> <ul style="list-style-type: none"> <li>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.</li> </ul> | <p>Our procedures, in relation to the key audit matter described, included among others:</p> <ul style="list-style-type: none"> <li>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.</li> <li>Also, tested the design, implementation, and operating effectiveness of key controls related to the following: <ul style="list-style-type: none"> <li>Control over quarterly Classification of Loans (CL);</li> <li>Identification of classification, including early warning and default warning indicators; and</li> <li>Credit monitoring and provisioning process.</li> </ul> </li> <li>Assessed the methodologies on which the basis for provision amount is worked out and tested the completeness and accuracy of the underlying information/inputs;</li> <li>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;</li> </ul> |

| Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | How the matters were addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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 and DFIM Circular No 37 dated 04 December 2024.</li> </ul>                                                                                                                                                       | <ul style="list-style-type: none"> <li>Evaluated the reasonableness of the judgments and key assumptions made by Management in measuring additional provisions beyond the minimum regulatory prescribed;</li> <li>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.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>02. IT Systems and Controls</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p>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.</p> <p>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.</p> <p>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.</p> | <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>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;</li> <li>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.</li> </ul> |

## 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.

## 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 1850 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: 16 April 2025

**For Nurul Faruk Hasan & Co**  
Chartered Accountants  
FRC Enlistment Number: CAF-001-139

**Md. Faruk Uddin Ahammed**  
Partner  
Enrollment No. 720  
DVC: 2504160720AS194696

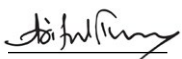
**BALANCE SHEET**

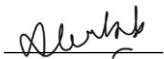
As at 31 December 2024

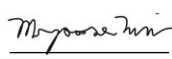
| Particulars                                                                       | Note | 2024<br>Taka          | 2023<br>Taka          |
|-----------------------------------------------------------------------------------|------|-----------------------|-----------------------|
| <b>Property and assets</b>                                                        |      |                       |                       |
| <b>Cash</b>                                                                       | 5    |                       |                       |
| In hand (including foreign currencies)                                            |      | 555,000               | 495,000               |
| Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) |      | 810,238,006           | 786,835,844           |
|                                                                                   |      | <b>810,793,006</b>    | <b>787,330,844</b>    |
| <b>Balance with other banks and financial institutions</b>                        | 6    |                       |                       |
| Inside Bangladesh                                                                 |      | 6,270,561,635         | 13,349,654,597        |
| Outside Bangladesh                                                                |      | -                     | -                     |
|                                                                                   |      | <b>6,270,561,635</b>  | <b>13,349,654,597</b> |
| <b>Money at call and short notice</b>                                             |      | -                     | -                     |
| <b>Investments</b>                                                                | 7    |                       |                       |
| Government securities                                                             |      | 5,206,164,086         | 1,612,792,857         |
| Other investments                                                                 |      | 4,306,163,758         | 2,905,885,109         |
|                                                                                   |      | <b>9,512,327,844</b>  | <b>4,518,677,966</b>  |
| <b>Loans, advances and leases</b>                                                 | 8    |                       |                       |
| Loans, cash credits, overdrafts etc.                                              |      | 69,535,703,126        | 70,571,239,544        |
| Bills purchased and discounted                                                    |      | -                     | -                     |
|                                                                                   |      | <b>69,535,703,126</b> | <b>70,571,239,544</b> |
| <b>Fixed assets including land, building, furniture and fixture</b>               | 9    | 741,498,930           | 807,561,945           |
| <b>Other assets</b>                                                               | 10   | 2,249,266,684         | 1,895,779,638         |
| <b>Non banking assets</b>                                                         | 11   | 3,752,405             | 3,752,405             |
| <b>Total assets</b>                                                               |      | <b>89,123,903,630</b> | <b>91,933,996,939</b> |
| <b>Liabilities and capital</b>                                                    |      |                       |                       |
| <b>Liabilities</b>                                                                |      |                       |                       |
| Borrowings from other banks, financial institutions and agents                    | 12   | 17,433,014,873        | 16,099,168,254        |
| <b>Deposits and other accounts</b>                                                | 13   |                       |                       |
| Current accounts and other accounts                                               |      | -                     | -                     |
| Bills payable                                                                     |      | -                     | -                     |
| Savings deposits                                                                  |      | -                     | -                     |
| Term deposits                                                                     |      | 54,319,330,270        | 60,177,042,834        |
| Bearer certificate of deposits                                                    |      | -                     | -                     |
| Other deposits                                                                    |      | -                     | -                     |
|                                                                                   |      | 54,319,330,270        | 60,177,042,834        |
| Other liabilities                                                                 | 14   | 10,462,520,292        | 8,906,272,322         |
| <b>Total liabilities</b>                                                          |      | <b>82,214,865,435</b> | <b>85,182,483,410</b> |
| <b>Shareholders' equity</b>                                                       |      |                       |                       |
| Paid up capital                                                                   | 15   | 3,896,461,240         | 3,710,915,470         |
| Share premium                                                                     | 16   | 402,627,680           | 402,627,680           |
| Statutory reserve                                                                 | 17   | 1,301,722,665         | 1,229,075,678         |
| Assets revaluation reserve                                                        | 18   | 290,414,727           | 291,906,470           |
| Retained earnings                                                                 | 19   | 1,017,811,883         | 1,116,988,231         |
| <b>Total shareholders' equity</b>                                                 |      | <b>6,909,038,195</b>  | <b>6,751,513,529</b>  |
| <b>Total liabilities and shareholders' equity</b>                                 |      | <b>89,123,903,630</b> | <b>91,933,996,939</b> |

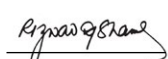
| Particulars                                                           | Note | 2024<br>Taka | 2023<br>Taka |
|-----------------------------------------------------------------------|------|--------------|--------------|
| <b>Off-balance sheet items</b>                                        |      |              |              |
| <b>Contingent liabilities</b>                                         |      |              |              |
| Acceptances and endorsements                                          |      | -            | -            |
| Letters of guarantee                                                  |      | -            | -            |
| Irrevocable letters of credit                                         |      | -            | -            |
| Bills for collection                                                  |      | -            | -            |
| Other contingent liabilities                                          |      | -            | -            |
| <b>Total contingent liabilities</b>                                   |      | -            | -            |
| <b>Other commitments</b>                                              |      |              |              |
| 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 |      | -            | -            |
| <b>Total other commitments</b>                                        |      | -            | -            |
| <b>Total off-balance sheet items including contingent liabilities</b> |      | -            | -            |
| <b>Net Asset Value (NAV) per Share</b>                                | 42   | <b>17.73</b> | <b>17.33</b> |

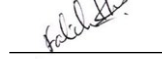
The annexed notes from 1 to 47 and Annexure A, B and C are an integral part of these financial statements.

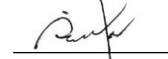
  
Chairman

  
Director

  
Director

  
Managing Director

  
Chief Financial  
Officer

  
Company  
Secretary

As per our annexed report of same date

Dhaka, Bangladesh  
Dated: 16 April 2025

**For Nurul Faruk Hasan & Co**  
Chartered Accountants  
FRC Enlistment Number: CAF-001-139



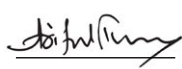
**Md. Faruk Uddin Ahammed**  
Partner  
Enrollment No. 720  
DVC: 2504160720AS194696

**PROFIT AND LOSS ACCOUNT**

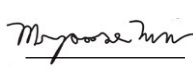
For the year ended 31 December 2024

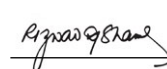
| Particulars                                                 | Note | 2024<br>Taka         | 2023<br>Taka         |
|-------------------------------------------------------------|------|----------------------|----------------------|
| Interest income                                             | 21   | 8,811,163,320        | 7,433,716,178        |
| Less: Interest paid on deposits and borrowings, etc.        | 22   | 6,418,459,030        | 5,011,087,715        |
| <b>Net interest income</b>                                  |      | <b>2,392,704,290</b> | <b>2,422,628,463</b> |
| Investment income                                           | 23   | 684,870,678          | 232,450,624          |
| Commission, exchange and brokerage                          | 24   | 142,075,996          | 207,345,214          |
| Other operating income                                      | 25   | 23,230,441           | 40,027,100           |
| <b>Total operating income</b>                               |      | <b>3,242,881,405</b> | <b>2,902,451,401</b> |
| Salary and allowances                                       | 27   | 923,637,690          | 987,688,639          |
| Rent, taxes, insurance, electricity, etc.                   | 28   | 40,074,050           | 38,181,778           |
| Legal expenses                                              | 29   | 61,156,549           | 52,119,724           |
| Postage, stamp, telecommunications, etc.                    | 30   | 15,999,635           | 15,279,184           |
| Stationery, printing, advertisements, etc.                  | 31   | 70,821,142           | 108,493,198          |
| Managing Director's salary and allowances                   | 32   | 13,870,192           | 15,450,000           |
| Directors' fees                                             | 33   | 1,891,200            | 1,337,600            |
| Auditors' fees                                              | 34   | 954,500              | 954,500              |
| Charges on loan loss                                        |      | -                    | -                    |
| Depreciation and repair of assets                           | 35   | 198,291,565          | 224,852,408          |
| Other expenses                                              | 36   | 151,471,053          | 158,326,588          |
| <b>Total operating expenses</b>                             |      | <b>1,478,167,576</b> | <b>1,602,683,619</b> |
| <b>Profit before provision</b>                              |      | <b>1,764,713,829</b> | <b>1,299,767,782</b> |
| Provision for loans and advances                            | 37   | 811,801,326          | 638,774,929          |
| Provision/(reversal) for diminution in value of investments | 38   | 53,410,281           | 9,646                |
| Other Provisions                                            |      | 27,243,310           | 489,370              |
| <b>Total provision</b>                                      |      | <b>892,454,917</b>   | <b>639,273,945</b>   |
| <b>Profit before tax</b>                                    |      | <b>872,258,912</b>   | <b>660,493,837</b>   |
| Provision for taxation                                      |      |                      |                      |
| Current tax expense                                         | 14.4 | 504,335,000          | 355,266,140          |
| Deferred tax expense/ (income)                              | 39   | 4,688,979            | (37,728,167)         |
|                                                             |      | <b>509,023,979</b>   | <b>317,537,973</b>   |
| <b>Net profit after tax</b>                                 |      | <b>363,234,933</b>   | <b>342,955,864</b>   |
| <b>Appropriations</b>                                       |      |                      |                      |
| Statutory reserve                                           |      | 72,646,987           | 68,591,173           |
| General reserve                                             |      | -                    | -                    |
| Proposed dividend                                           |      | -                    | -                    |
|                                                             |      | 72,646,987           | 68,591,173           |
| <b>Retained surplus</b>                                     |      | <b>290,587,946</b>   | <b>274,364,691</b>   |
| <b>Earnings per share (EPS)</b>                             | 40   | <b>0.93</b>          | <b>0.88</b>          |

The annexed notes from 1 to 47 and Annexure A, B and C are an integral part of these financial statements.

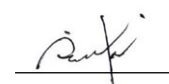
  
 Chairman

  
 Director

  
 Director

  
 Managing Director

  
 Chief Financial  
Officer

  
 Company  
Secretary

As per our annexed report of same date

Dhaka, Bangladesh  
Dated: 16 April 2025For Nurul Faruk Hasan & Co  
Chartered Accountants  
FRC Enlistment Number: CAF-001-139

Md. Faruk Uddin Ahammed  
Partner  
Enrollment No. 720  
DVC: 2504160720AS194696



IPDC Finance PLC.

## CASH FLOW STATEMENT

For the year ended 31 December 2024

| Particulars                                                                                                  | Note      | 2024<br>Taka           | 2023<br>Taka           |
|--------------------------------------------------------------------------------------------------------------|-----------|------------------------|------------------------|
| <b>A) Cash flows from operating activities</b>                                                               |           |                        |                        |
| Interest received                                                                                            |           | 9,174,038,828          | 7,477,260,204          |
| Interest paid                                                                                                |           | (6,058,149,145)        | (4,900,430,241)        |
| Dividend received                                                                                            |           | 201,706,209            | 121,162,832            |
| Fee and commission received                                                                                  |           | 142,075,996            | 207,345,214            |
| Recoveries of loan previously written off                                                                    |           | 1,932,000              | 21,772,009             |
| Payment to employees                                                                                         |           | (970,320,060)          | (992,150,142)          |
| Payment to suppliers                                                                                         |           | (388,722,722)          | (461,774,431)          |
| Income taxes paid                                                                                            |           | (397,348,844)          | (628,737,138)          |
| Payments for interest portion of lease payments                                                              |           | (17,234,009)           | (18,455,900)           |
| Receipt from other operating activities                                                                      |           | 128,427,870            | 17,899,996             |
| Payment for other operating activities                                                                       |           | -                      | -                      |
| <b>Cash generated from/(used in) operating activities before changes in operating assets and liabilities</b> |           | <b>1,816,406,122</b>   | <b>843,892,403</b>     |
| <b>Changes in operating assets and liabilities</b>                                                           |           |                        |                        |
| Statutory deposits                                                                                           |           | -                      | -                      |
| Sale of trading securities                                                                                   |           | -                      | -                      |
| Loans and advances to other banks                                                                            |           | 134,316,360            | 40,298,678             |
| Loans and advances to customers                                                                              |           | 855,837,513            | (2,483,021,787)        |
| Other assets                                                                                                 |           | 47,795,586             | 329,923,907            |
| Deposits from other banks and financial institutions                                                         |           | (6,934,700,000)        | (2,087,300,000)        |
| Deposits from customers                                                                                      |           | 1,076,987,436          | 3,124,859,497          |
| Other liability accounts of customers                                                                        |           | -                      | -                      |
| Trading liabilities                                                                                          |           | 632,887,198            | 306,230,766            |
| Other liabilities                                                                                            |           | (121,878,746)          | 146,516,363            |
| <b>Cash received/(paid) from operating assets and liabilities</b>                                            |           | <b>(4,308,754,653)</b> | <b>(622,492,576)</b>   |
| <b>Net cash from operating activities</b>                                                                    |           | <b>(2,492,348,531)</b> | <b>221,399,827</b>     |
| <b>B) Cash flows from investing activities</b>                                                               |           |                        |                        |
| Net proceeds of investment in securities                                                                     |           | (4,993,649,878)        | (1,995,908,732)        |
| Purchase of property, plant and equipment                                                                    |           | (42,698,513)           | (56,688,959)           |
| Sale proceeds of property, plant and equipment                                                               |           | 131,222                | 4,825,239              |
| <b>Net cash (used in)/ from investing activities</b>                                                         |           | <b>(5,036,217,169)</b> | <b>(2,047,772,452)</b> |
| <b>C) Cash flows from financing activities</b>                                                               |           |                        |                        |
| Receipts from issue of loan and debt securities                                                              |           | 1,698,246,660          | 1,963,705,750          |
| Payments for redemption of loan and debt securities                                                          |           | (200,000,000)          | (253,823,765)          |
| Payments for principal portion of lease payments                                                             |           | (42,357,122)           | (36,394,874)           |
| Receipts from issue of ordinary share                                                                        |           | -                      | -                      |
| Receipts/(payments) of long term loan                                                                        |           | (797,287,239)          | 1,986,005,425          |
| Dividends returned/(paid) in cash                                                                            |           | (185,667,399)          | (370,904,831)          |
| <b>Net cash (used in)/ from financing activities</b>                                                         |           | <b>472,934,900</b>     | <b>3,288,587,705</b>   |
| <b>D) Net increase in cash (A+B+C)</b>                                                                       |           | <b>(7,055,630,800)</b> | <b>1,462,215,080</b>   |
| <b>E) Effect of changes in exchange rate over cash and cash equivalents</b>                                  |           | <b>-</b>               | <b>-</b>               |
| <b>F) Cash and cash equivalents at beginning of the period</b>                                               |           | <b>14,136,985,441</b>  | <b>12,674,770,361</b>  |
| <b>G) Cash and cash equivalents at the end of the period (D+E+F)</b>                                         |           | <b>7,081,354,641</b>   | <b>14,136,985,441</b>  |
| <b>Break down of cash and cash equivalents:</b>                                                              |           |                        |                        |
| Cash in hand                                                                                                 |           | 555,000                | 495,000                |
| Balance with Bangladesh Bank and its agent bank(s)                                                           |           | 810,238,006            | 786,835,844            |
| Balance with other banks and financial institutions                                                          |           | 6,270,561,635          | 13,349,654,597         |
|                                                                                                              |           | <b>7,081,354,641</b>   | <b>14,136,985,441</b>  |
| <b>Net Operating Cashflow per Share (NOCFPS)</b>                                                             | <b>43</b> | <b>(6.40)</b>          | <b>0.57</b>            |

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2024

| Particulars                                                            | Paid up capital<br>Taka | Share<br>premium<br>Taka | Statutory<br>reserve<br>Taka | Assets revaluation<br>reserve<br>Taka | Retained<br>earnings<br>Taka | Total<br>Taka        |
|------------------------------------------------------------------------|-------------------------|--------------------------|------------------------------|---------------------------------------|------------------------------|----------------------|
| Balance as at 1 January 2024                                           | 3,710,915,470           | 402,627,680              | 1,229,075,678                | 291,906,470                           | 1,116,988,231                | 6,751,513,529        |
| 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)                  | -                       | -                        | -                            | -                                     | (21,021,064)                 | (21,021,064)         |
| Deferred tax liability                                                 | -                       | -                        | -                            | 856,574                               | -                            | 856,574              |
| Currency translation differences                                       | -                       | -                        | -                            | -                                     | -                            | -                    |
| Net gain/(loss) not recognised in the profit and loss account          | -                       | -                        | -                            | -                                     | -                            | -                    |
| Net profit for the period ended 31 December 2024                       | -                       | -                        | -                            | -                                     | 363,234,933                  | 363,234,933          |
| Dividend                                                               | -                       | -                        | -                            | -                                     | (185,545,777)                | (185,545,777)        |
| Issuance of bonus share                                                | 185,545,770             | -                        | -                            | -                                     | (185,545,770)                | -                    |
| Issuance of share capital                                              | -                       | -                        | -                            | -                                     | -                            | -                    |
| Appropriation during the period                                        | -                       | -                        | 72,646,987                   | -                                     | (72,646,987)                 | -                    |
| <b>Balance as at 31 December 2024</b>                                  | <b>3,896,461,240</b>    | <b>402,627,680</b>       | <b>1,301,722,665</b>         | <b>290,414,727</b>                    | <b>1,017,811,883</b>         | <b>6,909,038,195</b> |
| 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)                 | -                    |
| <b>Balance as at 31 December 2023</b>                                  | <b>3,710,915,470</b>    | <b>402,627,680</b>       | <b>1,229,075,678</b>         | <b>291,906,470</b>                    | <b>1,116,988,231</b>         | <b>6,751,513,529</b> |

**IPDC Finance PLC.**  
**LIQUIDITY STATEMENT**  
 (ASSETS AND LIABILITIES MATURITY ANALYSIS)  
 As at 31 December 2024

| Particulars                                                                     | Up to 1 month<br>Taka | 1-3 months<br>Taka    | 3-12 months<br>Taka   | 1-5 years<br>Taka     | Above 5 years<br>Taka   | Total<br>Taka         |
|---------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-----------------------|
| <b>Assets</b>                                                                   |                       |                       |                       |                       |                         |                       |
| Cash in hand (including balance with Bangladesh Bank)                           | 810,793,006           | -                     | -                     | -                     | -                       | 810,793,006           |
| Balance with other banks and financial institutions                             | 980,710,189           | 4,201,099,457         | 1,088,751,988         | -                     | -                       | 6,270,561,635         |
| Money at call and short notice                                                  | -                     | -                     | -                     | -                     | -                       | -                     |
| Investments                                                                     | 746,516,832           | 1,105,472,594         | 2,326,617,241         | 3,647,134,763         | 1,686,586,413           | 9,512,327,844         |
| Loans and advances                                                              | 7,489,347,525         | 8,689,971,971         | 13,416,698,664        | 27,413,899,594        | 12,525,785,371          | 69,535,703,126        |
| Fixed assets including land, building, furniture and fixture                    | -                     | -                     | -                     | -                     | 741,498,930             | 741,498,930           |
| Other assets                                                                    | -                     | -                     | -                     | -                     | 2,249,266,684           | 2,249,266,684         |
| Non banking assets                                                              | -                     | -                     | -                     | -                     | 3,752,405               | 3,752,405             |
| <b>Total assets</b>                                                             | <b>10,027,367,553</b> | <b>13,996,544,023</b> | <b>16,832,067,894</b> | <b>31,061,034,356</b> | <b>17,206,889,803</b>   | <b>89,123,903,630</b> |
| <b>Liabilities</b>                                                              |                       |                       |                       |                       |                         |                       |
| Borrowings from Bangladesh Bank, other banks, financial institutions and agents | 3,629,481,368         | 138,886,502           | 4,642,274,871         | 7,269,954,070         | 1,752,418,062           | 17,433,014,873        |
| Deposits                                                                        | 5,306,759,429         | 12,705,867,472        | 10,200,668,483        | 6,992,422,743         | 19,113,612,143          | 54,319,330,270        |
| Other accounts                                                                  | -                     | -                     | -                     | -                     | -                       | -                     |
| Provision and other liabilities                                                 | 713,639,943           | 632,595,191           | 1,345,076,546         | 664,437,583           | 7,106,771,028           | 10,462,520,292        |
| <b>Total liabilities</b>                                                        | <b>9,649,880,740</b>  | <b>13,477,349,165</b> | <b>16,188,019,900</b> | <b>14,926,814,397</b> | <b>27,972,801,232</b>   | <b>82,214,865,435</b> |
| <b>Net liquidity surplus/ (gap)</b>                                             | <b>377,486,813</b>    | <b>519,194,858</b>    | <b>644,047,994</b>    | <b>16,134,219,959</b> | <b>(10,765,911,429)</b> | <b>6,909,038,195</b>  |

# NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2024

## 1 Reporting entity

### 1.1. Company profile

IPDC Finance PLC. (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 (4<sup>th</sup> Floor), 106 Gulshan Avenue, Dhaka, Bangladesh. The Company is listed with both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) in Bangladesh on 3 December 2006. Currently the Company has seventeen branch offices (including head office) located at Gulshan, Dhanmondi, Motijheel, Uttara, Chattogram, Narayanganj, Bogura, Gazipur, Sylhet, Cumilla, Mymensingh, Jashore, Rangpur, Faridpur, Khulna, Barisal and Savar one sub-branch in Mirpur.

### 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, 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 regulations 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 (2<sup>nd</sup>) 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.

### 2.2 Date of Authorization

The Board of Directors of the Company has authorised these financial statements on 16 April 2025.

### 2.3 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 Finance Companies (FCs) 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 FCs. 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 the IAS.                                                                                                                    |
| 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 companies. 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. 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 banking assets items in any IFRS; hence there is no requirement for disclosure of non banking assets items on the face of the balance sheet.                                                                                                                                                                                                                                                                                               | As per DFIM Circular No. 11 dated 23 December 2009, non banking assets must be disclosed separately on the face of the balance sheet.                                                                                                                                                                                             | Presentation of financial statements is not aligned with requirements of the IAS 1. There is no financial impact for this departure in the financial statements.                                                                                         |
| 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 FCs. 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. 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 provision on loan, leases, advances, investments and others.                                                                                                                               | Total cumulative provision for loan, leases, advances, investments and others was BDT 3,650.35 mn as on 31 December 2024 and deferred tax assets thereon BDT 1,368.88 mn not recognised on this temporary difference due to compliance with 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.<br><br>Loan classification status during the year ended 31 December 2024 has been determined as per DFIM Master Circular No. 04 dated 26 July 2021 & DFIM Circular Letter No. 37 dated 4 December 2024.<br><br>Also provision for sub-standard, doubtful and bad losses investments has to be provided at 20%, 50% and 100% respectively for investments (for CMSME, 5%, 20% and 100%) depending on the duration of overdue. " | Total provision for loan, leases and advances has been charged for the year ended 31 December 2024 of BDT 811.8 mn as per Bangladesh Bank guidelines. On the other hand, accumulated provision for loan, leases and advances stand at BDT 3,441.96 mn as at 31 December 2024. |
| 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 assts 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 interest suspense for loan, leases and advances.                                                                                                                                                                                                                                                                                                                                      | At year end, interest suspense for loan, leases and advances has increased to BDT 1,090.12 mn from BDT 817.99 mn resulting increase of BDT 272.13 mn 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 9. As such some disclosure and presentation requirements of IFRS 9 have not been made in the accounts.                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Presentation of financial statements is not fully aligned with all requirements of IFRS.                                                                                                                                                                                      |

## 2.4 Functional and presentation currency

The financial statements are presented in Bangladeshi (BDT/Taka) currency which is the Company's functional currency.

## 2.5 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 2024 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 35.1 Depreciation and amortisation

## 2.6 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.

## 2.7 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.

## 2.8 Branch accounting

The Company has seventeen (17) branches including head office and 1 sub branch in Mirpur, having no overseas branch as at 31 December 2024. Accounts of the branches are maintained at the head office from which these financial statements are drawn up.

## 2.9 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 (2<sup>nd</sup>) upto 2020, and as per the provision of 'The Framework for the Preparation and Presentation of Financial Statements'.

## 2.10 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 (2<sup>nd</sup>) upto 2020, and as per the provision of 'The Framework for the Preparation and Presentation of Financial Statements'.

## 2.11 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 2024 as in financial statements for 2023.

## 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 PLC. 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:

- a) 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;
- b) Temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- c) 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) IFRS 9: Financial instruments 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 & DFIM Circular Letter No. 37 dated 4 December 2024 are the basis for calculating the provision for loans, advances and investments.

Loan classification status during the year ended 31 December 2024 has been determined as per DFIM Master Circular No. 04 dated 26 July 2021 & DFIM Circular Letter No. 37 dated 4 December 2024.

Also provision for sub-standard, doubtful and bad losses investments has to be provided at 20%, 50% and 100% respectively (for CMSME investments, 5%, 20% and 100%) 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 BDT 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 Finance Company Act, 2023, Finance Companies 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 however disclosed in the notes to the financial statements 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 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 is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It 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 2024, the company set aside Tk. 54.32 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. 44 of these financial statements.

#### 4.11 Comparatives and reclassification

Comparative information have been disclosed in respect of 2023 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 2024
- ii) Profit and loss account for the year ended at 31 December 2024
- iii) Cash flow statement for the year ended 31 December 2024
- iv) Statement of changes in equity for the year ended 31 December 2024
- v) Notes to the financial statements as at and for the year ended 31 December 2024

#### 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 finance companies for the purpose of statutory compliance. In line with Bangladesh Bank requirement, the Company has already formed BASEL Implementation Unit (BIU) to ensure timely implementation of BASEL II accord.

#### 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 Financial Reporting Standards (IFRSs) as adopted by the Financial Reporting Council (FRC), 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

- (a) 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.
- (b) Figures in these notes and the accompanying financial statements have been rounded off to the nearest Taka.
- (c) Previous year's figures have been rearranged, where necessary, to conform to current year's presentation.
- (d) 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 2.3) |
| Operating Segments                                                       | IFRS-8  | Not applicable                          |
| Financial Instruments                                                    | IFRS-9  | Applied with some departures (note 2.3) |
| 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 2.3) |
| Inventories                                                              | IAS-2   | Not applicable                          |
| Statement of Cash Flows                                                  | IAS-7   | Applied with some departures (note 2.3) |
| 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  | Not applicable                          |
| 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 2024 have been considered. However, these amendments have no material impact on the financial statements of the Company.

| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Note  | 2024<br>Taka         | 2023<br>Taka         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----------------------|----------------------|
| <b>5 Cash</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |                      |                      |
| Cash in hand (including foreign currencies)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 5.1   | 555,000              | 495,000              |
| Balance with Bangladesh Bank and its agent bank(s)<br>(including foreign currencies)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 5.2   | 810,238,006          | 786,835,844          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       | <b>810,793,006</b>   | <b>787,330,844</b>   |
| <b>5.1 Cash in hand</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |       |                      |                      |
| In local currency                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |       | 555,000              | 495,000              |
| In foreign currency                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |       | -                    | -                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       | <b>555,000</b>       | <b>495,000</b>       |
| <b>5.2 Balance with Bangladesh Bank and its agent bank(s)<br/>(including foreign currencies)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |       |                      |                      |
| Bangladesh Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |                      |                      |
| In local currency                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |       | 810,238,006          | 786,835,844          |
| In foreign currency                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |       | -                    | -                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       | <b>810,238,006</b>   | <b>786,835,844</b>   |
| Sonali Bank PLC. (as an agent of Bangladesh Bank)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |       | -                    | -                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       | <b>810,238,006</b>   | <b>786,835,844</b>   |
| <b>5.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |                      |                      |
| 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: |       |                      |                      |
| <b>Cash Reserve Requirement (CRR)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |       |                      |                      |
| 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%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |       | 774,995,011          | 780,844,850          |
| Actual reserve maintained (Dec'24: 1.54%, Dec'23: 1.55%)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |       | 796,680,378          | 809,124,603          |
| <b>Surplus/(deficit)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |       | <b>21,685,367</b>    | <b>28,279,753</b>    |
| <b>Statutory Liquidity Reserve (SLR)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |       |                      |                      |
| 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%)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |       | 3,067,724,732        | 2,918,037,527        |
| Actual reserve maintained (Dec'24: 7.5%, Dec'23: 13.61%)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 5.3.1 | 4,598,702,713        | 7,944,211,519        |
| <b>Surplus</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |       | <b>1,530,977,981</b> | <b>5,026,173,992</b> |
| <b>5.3.1 Actual reserve maintained - including CRR</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |       |                      |                      |
| Cash in hand                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |       | 555,000              | 495,000              |
| Prime Bank PLC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       | 83,002               | 29,403,233           |
| BRAC Bank PLC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |       | 22,835,210           | 1,626,816            |
| Mercantile Bank PLC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |       | 4,848,383            | 5,734,105            |
| Eastern Bank PLC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |       | 392,571              | 573,878              |
| Dutch Bangla Bank PLC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |       | 9,478,706            | 6,275,150            |
| Dhaka Bank PLC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       | 8,730,758            | 2,400,203,864        |
| United Commercial Bank PLC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |       | 3,253,131            | -                    |
| EXIM Bank PLC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |       | 400,000,000          | 300,000,000          |
| NRB Bank PLC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       | 98,779               | 391,287              |
| National Credit and Commerce Bank PLC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |       | 166,749              | 2,026,217            |
| Citizens Bank PLC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |       | 660,000,000          | 600,000,000          |
| One Bank PLC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       | 1,681,628            | 199,852              |
| Social Islami Bank PLC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |       | 445,000,000          | 300,000,000          |
| Meghna Bank PLC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |       | 1,200,000,000        | 1,390,000,000        |
| NRB Commercial Bank PLC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |       | 30,000,000           | 60,000,000           |
| Uttara Finance & Investment PLC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |       | 20,000,000           | 60,000,000           |
| The City Bank PLC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |       | -                    | 800,000,000          |
| IFIC Bank PLC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |       | 213,587              | 1,698,896            |
| Mutual Trust Bank PLC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |       | 11,127,203           | -                    |
| Balance with Bangladesh Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |       | 810,238,006          | 775,583,221          |
| Unencumbered Bangladesh Treasury Bill/Bond                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |       | 970,000,000          | 1,210,000,000        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       | <b>4,598,702,713</b> | <b>7,944,211,519</b> |

| Particulars                                                   | Note | 2024<br>Taka         | 2023<br>Taka          |
|---------------------------------------------------------------|------|----------------------|-----------------------|
| <b>6 Balance with other banks and financial institutions</b>  |      |                      |                       |
| Inside Bangladesh                                             | 6.1  | 6,270,561,635        | 13,349,654,597        |
| Outside Bangladesh                                            |      | -                    | -                     |
|                                                               |      | <b>6,270,561,635</b> | <b>13,349,654,597</b> |
| <b>6.1 Inside Bangladesh</b>                                  |      |                      |                       |
| <u>In current deposit accounts with</u>                       |      |                      |                       |
| AB Bank PLC.                                                  |      | -                    | 17,250                |
| Standard Chartered Bank                                       |      | -                    | 30                    |
| Prime Bank PLC.                                               |      | 61,418,792           | 72,810,009            |
| Basic Bank Limited                                            |      | -                    | 345                   |
| Dhaka Bank PLC.                                               |      | -                    | 1,371,523             |
| Standard Bank PLC.                                            |      | -                    | 2,305                 |
| Commercial Bank of Ceylon Limited                             |      | 20,771               | -                     |
| IFIC Bank PLC.                                                |      | 9,105                | -                     |
| Balance with Brokerage Houses                                 |      | 71,230,085           | 1,238,193             |
|                                                               |      | <b>132,678,753</b>   | <b>75,439,654</b>     |
| <u>Short term deposit accounts with</u>                       |      |                      |                       |
| Dutch Bangla Bank PLC.                                        |      | 9,796,066            | 16,401,197            |
| Prime Bank PLC.                                               |      | 83,002               | 202,946               |
| Standard Chartered Bank                                       |      | -                    | 27,118                |
| Mercantile Bank PLC.                                          |      | 4,749,075            | 24,484,531            |
| BRAC Bank PLC.                                                |      | 23,077,489           | 15,847,889            |
| Dhaka Bank PLC.                                               |      | 11,141,098           | 263,233,619           |
| United Commercial Bank PLC.                                   |      | 3,253,131            | 4,622,710             |
| Eastern Bank PLC                                              |      | 343,559              | 339,465               |
| One Bank PLC.                                                 |      | 1,681,628            | 15,625,640            |
| NRB Bank PLC.                                                 |      | 101,381              | 526,199               |
| Community Bank Bangladesh PLC.                                |      | -                    | 1,650                 |
| Meghna Bank PLC.                                              |      | -                    | 1,292                 |
| Bank Asia PLC.                                                |      | -                    | 920                   |
| NCC Bank PLC.                                                 |      | 217,324              | 5,789,741             |
| IFIC Bank PLC.                                                |      | 2,544,887            | 6,631,161             |
| Standard Bank PLC.                                            |      | 1,875                | 575                   |
| Mutual Trust Bank PLC.                                        |      | 11,169,262           | -                     |
| NRBC Bank PLC.                                                |      | 16,201,355           | 23,137,339            |
|                                                               |      | <b>84,361,132</b>    | <b>376,873,991</b>    |
| <u>Short term placement</u>                                   |      |                      |                       |
| People's Leasing and Financial Service Limited                |      | 28,500,000           | 28,500,000            |
| Midland Bank Limited                                          |      | -                    | 350,000,000           |
| International Leasing and Financial Service Limited           |      | 8,838,738            | 10,509,240            |
|                                                               |      | <b>37,338,738</b>    | <b>389,009,240</b>    |
| <u>Short term deposit accounts (in foreign currency) with</u> |      |                      |                       |
| AB Bank PLC.                                                  |      | -                    | 1,367                 |
|                                                               |      | -                    | <b>1,367</b>          |
| <u>Fixed deposit accounts with</u>                            |      |                      |                       |
| Prime Bank PLC.                                               |      | 1,034,179            | 1,000,000             |
| The City Bank PLC.                                            |      | -                    | 800,000,000           |
| Dhaka Bank PLC.                                               |      | 466,073,237          | 5,266,073,237         |
| NRBC Bank PLC.                                                |      | 30,000,000           | 60,000,000            |
| EXIM Bank PLC.                                                |      | 400,000,000          | 916,950,000           |
| Social Islami Bank PLC.                                       |      | 445,000,000          | 650,000,000           |
| Standard Bank Ltd.                                            |      | 400,000,000          | 790,000,000           |
| Meghna Bank PLC.                                              |      | 1,200,000,000        | 1,390,000,000         |
| Uttara Finance & Investments Limited                          |      | 20,000,000           | 40,000,000            |
| IFIC Bank PLC.                                                |      | 6,349,056            | 711,605,253           |
| Citizen Bank PLC                                              |      | 660,000,000          | 600,000,000           |
| National Housing Finance PLC.                                 |      | 220,000,000          | 220,000,000           |
| Mutual Trust Bank PLC.                                        |      | 600,000,000          | -                     |

| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                 | Note                 | 2024<br>Taka         | 2023<br>Taka          |             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|----------------------|----------------------|-----------------------|-------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Commercial Bank of Ceylon Limited                                               |                      | 400,000,000          | -                     |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Southeast Bank PLC.                                                             |                      | 300,000,000          | -                     |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | BRAC Bank PLC.                                                                  |                      | 600,000,000          | -                     |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Bank Alfalah                                                                    |                      | 200,000,000          | -                     |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | NCC Bank PLC.                                                                   |                      | 67,726,540           | 1,062,701,854         |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                 |                      | 6,016,183,012        | 12,508,330,345        |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>Total</b>                                                                    |                      | <b>6,270,561,635</b> | <b>13,349,654,597</b> |             |
| <b>6.2</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Maturity grouping of balance with other banks and financial institutions</b> |                      |                      |                       |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <i>Repayable:</i>                                                               |                      |                      |                       |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | On demand                                                                       |                      | -                    | -                     |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Within one month                                                                |                      | 980,710,189          | 3,995,280,612         |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Within one to three months                                                      |                      | 4,201,099,457        | 8,552,861,095         |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Within three months to one year                                                 |                      | 1,088,751,988        | 801,512,891           |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Within one to five years                                                        |                      | -                    | -                     |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | More than five years                                                            |                      | -                    | -                     |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                 |                      | 6,270,561,635        | 13,349,654,597        |             |
| <b>7</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Investments</b>                                                              |                      |                      |                       |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Government securities                                                           | 7.1                  | 5,206,164,086        | 1,612,792,857         |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Other investments                                                               | 7.2                  | 4,306,163,758        | 2,905,885,109         |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                 |                      | 9,512,327,844        | 4,518,677,966         |             |
| <b>7.1</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Government securities</b>                                                    |                      |                      |                       |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Treasury Bill                                                                   |                      | 2,976,276,246        | 1,612,792,857         |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Treasury Bond                                                                   |                      | 2,229,887,840        |                       |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | National investment bond                                                        |                      | -                    | -                     |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Bangladesh bank bill                                                            |                      | -                    | -                     |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Government notes/bond                                                           |                      | -                    | -                     |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                 |                      | 5,206,164,086        | 1,612,792,857         |             |
| In 2024, the company has purchased several treasury bills and Bonds 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 they 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. |                                                                                 |                      |                      |                       |             |
| <b>7.2</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Other investments</b>                                                        |                      |                      |                       |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | In ordinary shares:                                                             |                      |                      |                       |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Quoted                                                                          | 7.2.1                | 441,659,589          | 499,297,607           |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Unquoted                                                                        | 7.2.2                | 4,500,000            | 4,500,000             |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                 |                      | 446,159,589          | 503,797,607           |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Redeemable preference shares                                                    | 7.2.3                | 3,069,416,669        | 1,611,500,002         |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                 |                      | 3,515,576,258        | 2,115,297,609         |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Investment in corporate bonds                                                   | 7.2.4                | 790,587,500          | 790,587,500           |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                 |                      | 4,306,163,758        | 2,905,885,109         |             |
| <b>7.2.1</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>In ordinary shares - quoted</b>                                              |                      |                      |                       |             |
| Business Segments                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2024                                                                            |                      | 2023                 |                       |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Cost<br>Taka                                                                    | Market value<br>Taka | Cost<br>Taka         | Market value<br>Taka  |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Pharmaceuticals & Chemicals                                                     | 92,319,736           | 91,791,550           | 110,747,272           | 106,701,762 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Telecommunications                                                              | 46,510,362           | 42,423,676           | 41,497,856            | 33,332,153  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Fuel & Power                                                                    | 46,494,210           | 21,012,000           | 58,419,723            | 50,156,000  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Bank                                                                            | 167,129,307          | 191,590,000          | 196,732,694           | 184,128,969 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Food & Allied                                                                   | 43,463,215           | 32,590,620           | 61,941,869            | 63,344,355  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Cement                                                                          | 31,528,359           | 22,421,209           | 20,934,673            | 17,108,651  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Information Technology                                                          | 7,214,400            | 4,800,000            | 2,023,520             | 1,850,000   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Engineering                                                                     | 7,000,000            | 4,305,000            | 7,000,000             | 4,305,000   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 441,659,589                                                                     | 410,934,055          | 499,297,607          | 460,926,890           |             |



| Particulars                                                                                                                                                   | Note  | 2024<br>Taka          | 2023<br>Taka          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----------------------|-----------------------|
| <b>7.2.2 In ordinary shares - unquoted</b>                                                                                                                    |       |                       |                       |
| Quality Feeds Ltd.                                                                                                                                            |       | 1,500,000             | 1,500,000             |
| Quality Printing Packaging Limited                                                                                                                            |       | 3,000,000             | 3,000,000             |
|                                                                                                                                                               |       | <b>4,500,000</b>      | <b>4,500,000</b>      |
| <b>7.2.3 In redeemable preference shares</b>                                                                                                                  |       |                       |                       |
| <b>Premium Seed Limited</b>                                                                                                                                   |       | 4,000,000             | 4,000,000             |
| Confidence Power Rangpur Limited                                                                                                                              |       | 40,000,000            | 80,000,000            |
| Confidence Power Bogra Unit-2 Limited                                                                                                                         |       | 15,000,000            | 30,000,000            |
| Summit LNG Terminal Co. (Pvt.) Ltd.                                                                                                                           |       | 66,666,669            | 100,000,002           |
| City Sugar Industries Limited                                                                                                                                 |       | 120,000,000           | 180,000,000           |
| Impress Newtux Composite Textiles Limited                                                                                                                     |       | 250,000,000           | 300,000,000           |
| Confidence Power Bogra Limited                                                                                                                                |       | 23,750,000            | 47,500,000            |
| Confidence Power Holdings Limited                                                                                                                             |       | 200,000,000           | -                     |
| Epyllion Knitex Limited                                                                                                                                       |       | 225,000,000           | 300,000,000           |
| Epyllion Style Limited                                                                                                                                        |       | 300,000,000           | 300,000,000           |
| Epyllion Knitwears Limited                                                                                                                                    |       | 300,000,000           | -                     |
| Akij Ceramics Limited                                                                                                                                         |       | 250,000,000           | -                     |
| Akij Steel Mills Limited                                                                                                                                      |       | 250,000,000           | -                     |
| Renata Limited                                                                                                                                                |       | 500,000,000           | -                     |
| United Ashuganj Energy Ltd.                                                                                                                                   |       | 300,000,000           | -                     |
| United Tank Terminal Limited                                                                                                                                  |       | 225,000,000           | 270,000,000           |
|                                                                                                                                                               |       | <b>3,069,416,669</b>  | <b>1,611,500,002</b>  |
| <b>7.2.4 In corporate bonds</b>                                                                                                                               |       |                       |                       |
| Golden Harvest Agro Industries Limited                                                                                                                        |       | 90,587,500            | 90,587,500            |
| The City Bank PLC.                                                                                                                                            |       | 150,000,000           | 150,000,000           |
| Jamuna Bank PLC.                                                                                                                                              |       | 100,000,000           | 100,000,000           |
| United Commercial Bank PLC.                                                                                                                                   |       | 200,000,000           | 200,000,000           |
| Trust Bank PLC.                                                                                                                                               |       | 250,000,000           | 250,000,000           |
|                                                                                                                                                               |       | <b>790,587,500</b>    | <b>790,587,500</b>    |
| Unquoted shares are primarily recognised at cost. Adequate provision has been maintained against the unquoted shares whose fair value is lower than the cost. |       |                       |                       |
| <b>7.3 Maturity grouping of investments</b>                                                                                                                   |       |                       |                       |
| <i>Repayable:</i>                                                                                                                                             |       |                       |                       |
| On demand                                                                                                                                                     |       | -                     | -                     |
| Within one month                                                                                                                                              |       | 746,516,833           | -                     |
| Within one to three months                                                                                                                                    |       | 1,105,472,594         | 264,905,098           |
| Within three months to one year                                                                                                                               |       | 2,326,617,241         | 2,222,856,199         |
| Within one to five years                                                                                                                                      |       | 3,647,134,763         | 1,330,916,669         |
| More than five years                                                                                                                                          |       | 1,686,586,413         | 700,000,000           |
|                                                                                                                                                               |       | <b>9,512,327,844</b>  | <b>4,518,677,966</b>  |
| <b>8 Loans, advances and leases</b>                                                                                                                           |       |                       |                       |
| Loans, cash credits, overdrafts, etc.                                                                                                                         | 8.1   | 69,535,703,126        | 70,571,239,544        |
| Bills purchased and discounted                                                                                                                                |       | -                     | -                     |
|                                                                                                                                                               |       | <b>69,535,703,126</b> | <b>70,571,239,544</b> |
| <b>8.1 Loans, cash credits, overdrafts, etc.</b>                                                                                                              |       |                       |                       |
| In Bangladesh:                                                                                                                                                |       |                       |                       |
| Long term loan                                                                                                                                                |       | 30,782,938,741        | 30,488,754,247        |
| Lease finance                                                                                                                                                 | 8.1.1 | 3,972,557,773         | 4,592,744,548         |
| Short term loan                                                                                                                                               |       | 12,875,213,945        | 13,308,557,892        |
| Channel finance                                                                                                                                               |       | 5,245,899,601         | 5,189,040,942         |
| Mortgage finance                                                                                                                                              |       | 10,245,602,575        | 10,472,057,992        |
| Auto loan                                                                                                                                                     |       | 4,819,158,874         | 4,978,961,256         |
| Secured retail loan                                                                                                                                           |       | 961,672,448           | 871,909,545           |
| Personal loan                                                                                                                                                 |       | 378,466,706           | 367,720,875           |
| Staff loan                                                                                                                                                    |       | 231,280,640           | 256,005,607           |
| Consumer White Goods Finance                                                                                                                                  |       | 22,911,823            | 45,486,640            |
|                                                                                                                                                               |       | 69,535,703,126        | 70,571,239,544        |
| Outside Bangladesh                                                                                                                                            |       | -                     | -                     |
|                                                                                                                                                               |       | <b>69,535,703,126</b> | <b>70,571,239,544</b> |

| Particulars                                                                                                               | Note   | 2024<br>Taka          | 2023<br>Taka          |
|---------------------------------------------------------------------------------------------------------------------------|--------|-----------------------|-----------------------|
| <b>8.1.1 Gross lease receivables</b>                                                                                      |        | 4,592,744,548         | 4,620,289,408         |
| Less: Unearned lease interest income                                                                                      |        | 1,002,644,079         | 713,949,422           |
| Net lease receivables                                                                                                     |        | 3,590,100,469         | 3,906,339,986         |
| Add: Overdue lease rentals                                                                                                |        | 382,457,304           | 686,404,562           |
|                                                                                                                           |        | <b>3,972,557,773</b>  | <b>4,592,744,548</b>  |
| <b>8.2 a) Net loans and advances including bills purchased and discounted</b>                                             |        |                       |                       |
| Total loans and advances receivables                                                                                      | 8      | 69,535,703,126        | 70,571,239,544        |
| Less: Provision against loans and advances (specific and general)                                                         | 8.9(b) | 3,441,955,078         | 2,940,556,330         |
| Less: Cumulative balance of interest suspense                                                                             | 14.2   | 1,090,124,987         | 817,991,860           |
|                                                                                                                           |        | <b>65,003,623,061</b> | <b>66,812,691,354</b> |
| <b>b) Rate of net classified loans and advances</b>                                                                       |        |                       |                       |
| Gross loans and advances                                                                                                  |        | 69,535,703,126        | 70,571,239,544        |
| Unclassified loans and advances                                                                                           |        | 65,478,955,153        | 67,093,327,775        |
| Classified loans and advances                                                                                             |        | 4,056,747,973         | 3,477,911,769         |
| Total provision                                                                                                           |        | 3,441,955,078         | 2,940,556,330         |
| Interest suspense                                                                                                         |        | 1,090,124,987         | 817,991,860           |
| Total provision and interest suspense                                                                                     |        | 4,532,080,065         | 3,758,548,190         |
| Net classified loans and advances                                                                                         |        | (475,332,092)         | (280,636,421)         |
| Rate of classified loans and advances                                                                                     |        | 5.83%                 | 4.93%                 |
| Rate of net classified loans and advances                                                                                 |        | -0.68%                | -0.40%                |
| <b>8.3 Residual maturity grouping of loans and advances including bills purchased and discounted</b>                      |        |                       |                       |
| Repayable:                                                                                                                |        |                       |                       |
| On demand                                                                                                                 |        | -                     | -                     |
| Up to one month                                                                                                           |        | 7,489,347,525         | 4,744,242,132         |
| More than one month but less than three months                                                                            |        | 8,689,971,971         | 10,501,027,014        |
| More than three months but less than one year                                                                             |        | 13,416,698,664        | 14,474,437,004        |
| More than one year but less than five years                                                                               |        | 27,413,899,594        | 31,420,324,072        |
| More than five years                                                                                                      |        | 12,525,785,371        | 9,431,209,323         |
|                                                                                                                           |        | <b>69,535,703,126</b> | <b>70,571,239,544</b> |
| <b>8.4 Loans and advances including bills purchased and discounted are classified into the following broad categories</b> |        |                       |                       |
| <b>Loans and advances</b>                                                                                                 |        |                       |                       |
| Inside Bangladesh                                                                                                         |        |                       |                       |
| Loans and advances                                                                                                        |        | 69,535,703,126        | 70,571,239,544        |
| Cash credit                                                                                                               |        | -                     | -                     |
| Secured overdraft                                                                                                         |        | -                     | -                     |
|                                                                                                                           |        | <b>69,535,703,126</b> | <b>70,571,239,544</b> |
| Outside Bangladesh                                                                                                        |        | -                     | -                     |
|                                                                                                                           |        | <b>69,535,703,126</b> | <b>70,571,239,544</b> |
| <b>Bills purchased and discounted</b>                                                                                     |        |                       |                       |
| Payable in Bangladesh                                                                                                     |        | -                     | -                     |
| Payable outside Bangladesh                                                                                                |        | -                     | -                     |
|                                                                                                                           |        | <b>69,535,703,126</b> | <b>70,571,239,544</b> |
| <b>8.5 Loans and advances including bills purchased and discounted on the basis of significant concentration</b>          |        |                       |                       |
| Loans and advances to the allied concerns of the directors                                                                |        |                       |                       |
| Advances to Chief Executive and other Senior Executives                                                                   |        |                       |                       |
| Managing Director                                                                                                         |        | 9,730,877             | 2,244,038             |
| Senior Executives (Senior Manager & above)                                                                                |        | 132,817,330           | 167,881,429           |
| Other staffs                                                                                                              |        | 88,732,433            | 85,880,140            |
|                                                                                                                           |        | <b>231,280,640</b>    | <b>256,005,607</b>    |
| Advances to customers' group                                                                                              |        |                       |                       |
| Agricultural                                                                                                              |        | 5,193,885,783         | 4,631,271,813         |
| Large corporate                                                                                                           |        | 37,982,985,302        | 38,871,122,273        |
| Small and medium enterprise                                                                                               |        | 10,268,411,976        | 10,289,105,210        |
| Retail                                                                                                                    |        | 15,859,139,424        | 16,523,734,641        |
| Others                                                                                                                    |        | -                     | -                     |
|                                                                                                                           |        | <b>69,304,422,486</b> | <b>70,315,233,937</b> |
|                                                                                                                           |        | <b>69,535,703,126</b> | <b>70,571,239,544</b> |

| Particulars                                                                                                                                                                                                                                                                                                                                                                               | Note | 2024<br>Taka          | 2023<br>Taka          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------------------|-----------------------|
| <b>8.5.1 Disclosure on large loan</b>                                                                                                                                                                                                                                                                                                                                                     |      |                       |                       |
| 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 2024 was Taka 6,909.04 million against that of Taka 6,751.51 million as at 31 December 2023. |      |                       |                       |
| Number of client to whom loans and advances sanctioned with more than 15% of the Company's total capital each                                                                                                                                                                                                                                                                             |      | 3                     | 1                     |
| Amount of outstanding loans and advances [to the client as mentioned above]                                                                                                                                                                                                                                                                                                               |      | 3,278,819,722         | 1,123,252,548         |
| Amount of classified loans and advances [out of the amount as mentioned above]                                                                                                                                                                                                                                                                                                            |      | -                     | -                     |
| Measures taken for recovery [for the amount as mentioned above]                                                                                                                                                                                                                                                                                                                           |      | -                     | -                     |
| <b>8.6 Industry-wise loans and advances including bills purchased and discounted</b>                                                                                                                                                                                                                                                                                                      |      |                       |                       |
| Agro-based industries                                                                                                                                                                                                                                                                                                                                                                     |      | 5,193,885,783         | 4,631,271,813         |
| Banks and non-banking financial institutions                                                                                                                                                                                                                                                                                                                                              |      | 572,155,426           | 706,471,785           |
| Chemicals, pharmaceuticals and allied products                                                                                                                                                                                                                                                                                                                                            |      | 4,425,707,439         | 4,038,006,492         |
| Engineering and building materials                                                                                                                                                                                                                                                                                                                                                        |      | 2,976,810,767         | 3,769,528,023         |
| Food and allied products                                                                                                                                                                                                                                                                                                                                                                  |      | 2,988,418,592         | 3,053,185,753         |
| Glass, ceramic and other non-metallic products                                                                                                                                                                                                                                                                                                                                            |      | 440,376,304           | 610,394,891           |
| Hotel, tourism and leisure                                                                                                                                                                                                                                                                                                                                                                |      | 56,739,767            | 72,715,921            |
| Information and communication technologies                                                                                                                                                                                                                                                                                                                                                |      | 1,403,483,986         | 1,274,913,260         |
| Paper converting and packaging, printing and publishing                                                                                                                                                                                                                                                                                                                                   |      | 2,419,570,743         | 2,292,523,152         |
| Ready made garments and knitwear                                                                                                                                                                                                                                                                                                                                                          |      | 8,554,478,116         | 8,188,750,376         |
| Social sector                                                                                                                                                                                                                                                                                                                                                                             |      | 2,670,754,760         | 2,589,907,457         |
| Tannery, leather and rubber products                                                                                                                                                                                                                                                                                                                                                      |      | 256,855,246           | 427,363,802           |
| Textile                                                                                                                                                                                                                                                                                                                                                                                   |      | 1,769,523,067         | 2,056,478,377         |
| Transport and aviation                                                                                                                                                                                                                                                                                                                                                                    |      | 2,223,025,716         | 3,116,852,025         |
| Others                                                                                                                                                                                                                                                                                                                                                                                    |      | 33,583,917,414        | 33,742,876,417        |
|                                                                                                                                                                                                                                                                                                                                                                                           |      | <b>69,535,703,126</b> | <b>70,571,239,544</b> |
| <b>8.7 Geographical location-wise loans and advances including bills purchased and discounted</b>                                                                                                                                                                                                                                                                                         |      |                       |                       |
| Dhaka Division                                                                                                                                                                                                                                                                                                                                                                            |      | 54,369,653,901        | 55,321,673,412        |
| Chottogram Division                                                                                                                                                                                                                                                                                                                                                                       |      | 6,832,535,066         | 7,861,963,579         |
| Khulna Division                                                                                                                                                                                                                                                                                                                                                                           |      | 2,507,420,674         | 2,243,039,690         |
| Rangpur Division                                                                                                                                                                                                                                                                                                                                                                          |      | 2,163,428,480         | 1,764,977,604         |
| Rajshahi Division                                                                                                                                                                                                                                                                                                                                                                         |      | 1,101,415,303         | 1,275,132,356         |
| Sylhet Division                                                                                                                                                                                                                                                                                                                                                                           |      | 873,749,365           | 541,782,030           |
| Barisal Division                                                                                                                                                                                                                                                                                                                                                                          |      | 651,618,722           | 511,220,989           |
| Mymensingh Division                                                                                                                                                                                                                                                                                                                                                                       |      | 1,035,881,614         | 1,051,449,884         |
|                                                                                                                                                                                                                                                                                                                                                                                           |      | <b>69,535,703,126</b> | <b>70,571,239,544</b> |
| <b>8.8 Broad economic sector-wise segregation of loans and advances including bills purchased and discounted</b>                                                                                                                                                                                                                                                                          |      |                       |                       |
| Government and autonomous bodies                                                                                                                                                                                                                                                                                                                                                          |      | -                     | -                     |
| Bank and non-banking financial institutions                                                                                                                                                                                                                                                                                                                                               |      | 572,155,426           | 706,471,786           |
| Other public sector                                                                                                                                                                                                                                                                                                                                                                       |      | -                     | -                     |
| Private sector                                                                                                                                                                                                                                                                                                                                                                            |      | 68,963,547,699        | 69,864,767,758        |
|                                                                                                                                                                                                                                                                                                                                                                                           |      | <b>69,535,703,126</b> | <b>70,571,239,544</b> |
| <b>8.9 a) Classification of loans and advances including bills purchased and discounted</b>                                                                                                                                                                                                                                                                                               |      |                       |                       |
| <b>Unclassified loans and advances</b>                                                                                                                                                                                                                                                                                                                                                    |      |                       |                       |
| Standard-Non CMSME (including staff loans)                                                                                                                                                                                                                                                                                                                                                |      | 52,393,550,644        | 54,778,313,236        |
| Standard-CMSME                                                                                                                                                                                                                                                                                                                                                                            |      | 11,019,505,743        | 10,711,326,186        |
| Standard-Brokerage House/Merchant Banks/Stock Dealers                                                                                                                                                                                                                                                                                                                                     |      | 570,458,600           | 703,179,416           |
| Special mention account-Non CMSME                                                                                                                                                                                                                                                                                                                                                         |      | 1,309,845,661         | 747,865,677           |
| Special mention account-CMSME                                                                                                                                                                                                                                                                                                                                                             |      | 185,594,506           | 152,643,259           |
| <b>Total unclassified loans and advances</b>                                                                                                                                                                                                                                                                                                                                              |      | <b>65,478,955,153</b> | <b>67,093,327,775</b> |

| Particulars                                | Note | 2024<br>Taka          | 2023<br>Taka          |
|--------------------------------------------|------|-----------------------|-----------------------|
| <b>Classified loans and advances</b>       |      |                       |                       |
| Substandard-Non CMSME                      |      | 225,811,510           | 161,483,711           |
| Substandard-CMSME                          |      | 256,780,115           | 48,610,063            |
| Doubtful-Non CMSME                         |      | 136,723,947           | 541,515,936           |
| Doubtful-CMSME                             |      | 222,576,084           | 103,779,519           |
| Bad/loss                                   |      | 3,214,856,318         | 2,622,522,540         |
| <b>Total classified loans and advances</b> |      | <b>4,056,747,973</b>  | <b>3,477,911,769</b>  |
| <b>Total loans and advances</b>            |      | <b>69,535,703,126</b> | <b>70,571,239,544</b> |

**b) Classification and provisioning of loans and advances including bills purchased and discounted**

| Classification / status of loans and advances               | Amount of<br>outstanding<br>loans and<br>advances as at<br>31 December<br>2024 | Base for<br>provision | Percentage (%)<br>of provision<br>required as per<br>Bangladesh<br>Bank's<br>directives | 31 December<br>2024 | 31 December<br>2023 |
|-------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                             | Taka                                                                           | Taka                  |                                                                                         | Taka                | Taka                |
| <b>Unclassified loans and advances</b>                      |                                                                                |                       |                                                                                         |                     |                     |
| <b>General provision</b>                                    |                                                                                |                       |                                                                                         |                     |                     |
| Standard-Non CMSME (including staff loans)                  | 52,393,550,644                                                                 | 50,623,769,340        | 1.00%                                                                                   | 506,237,693         | 547,783,132         |
| Standard-CMSME                                              | 11,019,505,743                                                                 | 11,019,505,743        | 0.25%                                                                                   | 27,548,764          | 26,778,315          |
| Standard-Brokerage House/Merchant Banks/Stock Dealers       | 570,458,600                                                                    | 570,458,600           | 2.00%                                                                                   | 11,409,172          | 14,063,588          |
| Special mentioned account-Non CMSME                         | 1,309,845,661                                                                  | 1,111,426,135         | 5.00%                                                                                   | 55,571,307          | 33,656,348          |
| Special mentioned account-CMSME                             | 185,594,506                                                                    | 168,179,395           | 0.25%                                                                                   | 420,448             | 7,257,558           |
|                                                             | 65,478,955,153                                                                 | 63,493,339,213        |                                                                                         | 601,187,384         | 629,538,940         |
| <b>Specific provision</b>                                   |                                                                                |                       |                                                                                         |                     |                     |
| Substandard-Non CMSME                                       | 225,811,510                                                                    | 115,758,212           | 20.00%                                                                                  | 23,151,642          | 17,736,066          |
| Substandard-CMSME                                           | 256,780,115                                                                    | 106,869,935           | 5.00%                                                                                   | 5,343,497           | 6,622,744           |
| Doubtful-Non CMSME                                          | 136,723,947                                                                    | 88,973,615            | 50.00%                                                                                  | 44,486,807          | 165,371,757         |
| Doubtful- CMSME                                             | 222,576,084                                                                    | 129,767,410           | 20.00%                                                                                  | 25,953,482          | 38,874,528          |
| Bad/loss                                                    | 3,214,856,318                                                                  | 2,110,478,584         | 100.00%                                                                                 | 2,110,478,585       | 1,569,899,883       |
|                                                             | 4,056,747,973                                                                  | 2,551,847,755         |                                                                                         | 2,209,414,013       | 1,798,504,978       |
| <b>Provision required</b>                                   |                                                                                |                       |                                                                                         | 2,810,601,397       | 2,428,043,918       |
| <b>Special provision*</b>                                   |                                                                                |                       |                                                                                         | 48,415,632          | 75,357,237          |
| <b>Additional provision as per regulator requirement **</b> |                                                                                |                       |                                                                                         | 433,671,853         | 437,155,175         |
| <b>Total provision required</b>                             |                                                                                |                       |                                                                                         | 3,292,688,882       | 2,940,556,330       |
| <b>Total provision maintained</b>                           |                                                                                |                       |                                                                                         | 3,441,955,078       | 2,940,556,330       |
| <b>Total provision surplus</b>                              |                                                                                |                       |                                                                                         | 149,266,196         | -                   |

\* 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 47,532,707 closed during the year 2022, 2023 & 2024 and BDT 48,415,632 is for live accounts (BDT 37,359,541 is in general provision and BDT 11,056,091 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 433,671,853 has been kept as additional provision as per regulator's requirement.



| Particulars                                                                                                                                                                                                                                                    | Note                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 2024<br>Taka          | 2023<br>Taka          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>8.10 Particulars of loans and advances including bills purchased and discounted</b>                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                       |                       |
| Loans considered good in respect of which the Company is fully secured                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 26,185,719,320        | 26,205,210,335        |
| Loans considered good for which the Company holds no other security other than the debtor's personal guarantee                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 33,115,689,987        | 33,749,430,930        |
| Loans considered good and secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 10,234,293,819        | 10,616,598,278        |
| Loans adversely classified; provision not maintained there against                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | -                     | -                     |
|                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>69,535,703,126</b> | <b>70,571,239,544</b> |
| Loans due by directors or officers of the Company or any of them either separately or jointly with any other persons *                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 231,280,640           | 256,005,607           |
| 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                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 50,353,107            | -                     |
| 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*                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 59,616,771            | 82,939,480            |
| 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)                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 572,155,426           | 706,471,786           |
| Amount of classified loans and advances on which interest has not been charged to profit & loss account                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 4,056,747,973         | 3,477,911,769         |
| (Decrease)/increase in specific provision                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 862,293,945           | 691,729,553           |
| Amount of loan and advances written off during the year                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 615,028,179           | 65,138,036            |
| Amount realised against loans and advances previously written off                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 1,932,000             | 21,772,009            |
| Amount of provision kept against loans and advances classified as bad/loss on the date of preparing the balance sheet                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2,110,478,585         | 1,569,899,883         |
| Interest creditable to the interest suspense account during the year                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 499,807,815           | 218,103,513           |
| * Amount represents loans to employees of the Company only.                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                       |                       |
| <b>8.11 a) Cumulative amount of written off loan</b>                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                       |                       |
| Opening balance                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 256,936,937           | 213,570,910           |
| Add: Amount written off during the year                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 615,028,179           | 65,138,036            |
|                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 871,965,116           | 278,708,946           |
| Less: Adjustment/recovered during the year                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 1,932,000             | 21,772,009            |
|                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 870,033,116           | 256,936,937           |
| b) Amount of written off loan for which lawsuit has been filed for its recovery                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 870,033,116           | 256,936,937           |
| <b>8.12</b>                                                                                                                                                                                                                                                    | 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 PLC. is required to obtain and preserve audited financial statements for loans and advances sanctioned/renewed to public interest entity. IPDC Finance PLC. obtained and preserved audited financial statements in its loan files for 100% loans and advances sanctioned/renewed to public interest entity from 1 January 2024 to 31 December 2024. |                       |                       |
| <b>9 Fixed assets including land, building, furniture and fixture</b>                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                       |                       |
| Land                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 279,435,033           | 279,435,033           |
| Building                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 90,474,767            | 90,474,767            |
| Motor vehicles                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 42,602,787            | 38,348,893            |
| Furniture and fixture                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 126,424,331           | 121,662,723           |
| Equipment and appliances                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 328,741,550           | 319,309,280           |
| Software                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 226,736,787           | 226,736,787           |
| ROU-Assets for lease rent                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 300,171,995           | 284,466,918           |
|                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 1,394,587,250         | 1,360,434,401         |
| Less: Accumulated depreciation and amortisation                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 710,072,364           | 601,591,208           |
|                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 684,514,886           | 758,843,193           |
| Capital work in progress                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 56,984,044            | 48,718,752            |
|                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>741,498,930</b>    | <b>807,561,945</b>    |
| Details are shown in Annexure - A                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                       |                       |

| Particulars                                                           | Note   | 2024<br>Taka         | 2023<br>Taka         |
|-----------------------------------------------------------------------|--------|----------------------|----------------------|
| <b>10 Other assets</b>                                                |        |                      |                      |
| Non-income generating other assets                                    |        |                      |                      |
| Stationery, stamps, printing materials in stock                       |        | 2,309,072            | 2,363,653            |
| Advance rent and advertisement                                        |        | 5,066,363            | 5,528,063            |
| Accrued interest, commission, brokerage, and other income receivables |        | 185,263,103          | 172,227,817          |
| Security deposits                                                     |        | 11,238,074           | 14,654,203           |
| Prepaid expenses                                                      |        | 1,319,878            | 1,084,119            |
| Others                                                                | 10.1   | 2,044,070,194        | 1,699,921,783        |
|                                                                       |        | <b>2,249,266,684</b> | <b>1,895,779,638</b> |
| <b>10.1 Others</b>                                                    |        |                      |                      |
| Advance tax                                                           | 10.1.1 | 1,812,668,074        | 1,415,319,230        |
| Deferred tax assets                                                   | 10.1.2 | 109,769,471          | 114,867,558          |
| Sundry assets                                                         | 10.1.3 | 121,632,649          | 169,734,995          |
|                                                                       |        | <b>2,044,070,194</b> | <b>1,699,921,783</b> |
| <b>10.1.1 Advance tax</b>                                             |        |                      |                      |
| Opening balance                                                       |        | 1,415,319,230        | 1,833,707,609        |
| Payment made during the year/period                                   |        | 397,348,844          | 628,737,138          |
|                                                                       |        | 1,812,668,074        | 2,462,444,747        |
| Adjustment made during the year/period                                |        | -                    | (1,047,125,517)      |
|                                                                       |        | <b>1,812,668,074</b> | <b>1,415,319,230</b> |

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                                   | 14,247,747         | 14,847,777         |  |
| Tax base                                                                | -                  | -                  |  |
| Net deductible temporary differences                                    | 14,247,747         | 14,847,777         |  |
| Tax rate                                                                | 37.50%             | 37.50%             |  |
| <b>Deferred tax assets on gratuity provision</b>                        | <b>5,342,905</b>   | <b>5,567,916</b>   |  |
| ii) Deferred tax asset on liabilities for lease rental                  |                    |                    |  |
| Carrying amount at balance sheet date                                   | 183,639,030        | 213,163,526        |  |
| Tax base                                                                | -                  | -                  |  |
| Net deductible temporary differences                                    | 183,639,030        | 213,163,526        |  |
| Tax rate                                                                | 37.50%             | 37.50%             |  |
| <b>Deferred tax asset on liabilities for lease rental</b>               | <b>68,864,636</b>  | <b>79,936,322</b>  |  |
| iii) Deferred tax asset on furniture, fixture, equipment and software   |                    |                    |  |
| Tax base                                                                | 261,546,201        | 284,259,639        |  |
| Carrying amount at balance sheet date                                   | 166,714,388        | 205,957,453        |  |
| Net deductible temporary differences                                    | 94,831,813         | 78,302,186         |  |
| Tax rate                                                                | 37.50%             | 37.50%             |  |
| <b>Deferred tax asset on furniture, fixture, equipment and software</b> | <b>35,561,930</b>  | <b>29,363,320</b>  |  |
| <b>Total deferred tax assets (i+ii+iii)</b>                             | <b>109,769,471</b> | <b>114,867,558</b> |  |
| Movement of deferred tax assets is as follows:                          |                    |                    |  |
| Opening balance                                                         | 114,867,558        | 87,702,806         |  |
| Income/(expense) during the period charged to retained earnings         | 11,191,084         | (10,596,425)       |  |
| Income/(expense) during the period charged to profit and loss           | (16,289,171)       | 37,761,177         |  |
| <b>Closing balance</b>                                                  | <b>109,769,471</b> | <b>114,867,558</b> |  |

| Particulars                                                                                                                                                                                                                                  | Note | 2024<br>Taka          | 2023<br>Taka          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------------------|-----------------------|
| <b>10.1.3 Sundry assets</b>                                                                                                                                                                                                                  |      |                       |                       |
| City corporation tax                                                                                                                                                                                                                         |      | 1,069,888             | 166,320               |
| Hosna Centre Owners' Society                                                                                                                                                                                                                 |      | 677,067               | 677,067               |
| Advance and other receivables                                                                                                                                                                                                                |      | 119,885,694           | 168,891,608           |
|                                                                                                                                                                                                                                              |      | <b>121,632,649</b>    | <b>169,734,995</b>    |
| <b>11 Non banking assets</b>                                                                                                                                                                                                                 |      | <b>3,752,405</b>      | <b>3,752,405</b>      |
| 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. |      |                       |                       |
| <b>12 Borrowings from other banks, financial institutions and agents</b>                                                                                                                                                                     |      |                       |                       |
| In Bangladesh                                                                                                                                                                                                                                | 12.1 | 17,433,014,873        | 16,099,168,254        |
| Outside Bangladesh                                                                                                                                                                                                                           |      | -                     | -                     |
|                                                                                                                                                                                                                                              |      | <b>17,433,014,873</b> | <b>16,099,168,254</b> |
| <b>12.1 In Bangladesh</b>                                                                                                                                                                                                                    |      |                       |                       |
| <b>Long term loan</b>                                                                                                                                                                                                                        |      |                       |                       |
| <u>Unsecured long term loan</u>                                                                                                                                                                                                              |      |                       |                       |
| Borrowing under Refinance Project                                                                                                                                                                                                            |      | 8,572,661,873         | 9,099,436,420         |
|                                                                                                                                                                                                                                              |      | <b>8,572,661,873</b>  | <b>9,099,436,420</b>  |
| <u>Secured long term loan</u>                                                                                                                                                                                                                |      |                       |                       |
| Mutual Trust Bank PLC.                                                                                                                                                                                                                       |      | 148,041,094           | 216,843,045           |
| NCC Bank PLC.                                                                                                                                                                                                                                |      | 245,278,856           | 446,989,597           |
|                                                                                                                                                                                                                                              |      | 393,319,950           | 663,832,642           |
| <b>Total long term loan</b>                                                                                                                                                                                                                  |      | <b>8,965,981,823</b>  | <b>9,763,269,062</b>  |
| <b>Short term loan</b>                                                                                                                                                                                                                       |      |                       |                       |
| <u>Unsecured short term loan</u>                                                                                                                                                                                                             |      |                       |                       |
| Standard Bank PLC.                                                                                                                                                                                                                           |      | 360,000,000           | -                     |
|                                                                                                                                                                                                                                              |      | <b>360,000,000</b>    | <b>-</b>              |
| <u>Secured short term loan</u>                                                                                                                                                                                                               |      |                       |                       |
| Standard Chartered Bank                                                                                                                                                                                                                      |      | -                     | 850,000,000           |
| Standard Bank PLC.                                                                                                                                                                                                                           |      | -                     | 300,000,000           |
| Shimanto Bank PLC.                                                                                                                                                                                                                           |      | 300,000,000           | -                     |
| Lankan Alliance Finance Limited                                                                                                                                                                                                              |      | -                     | 100,000,000           |
| Eastern Bank PLC                                                                                                                                                                                                                             |      | 1,990,000,000         | 2,200,000,000         |
|                                                                                                                                                                                                                                              |      | 2,290,000,000         | 3,450,000,000         |
| <b>Total short term loan</b>                                                                                                                                                                                                                 |      | <b>2,650,000,000</b>  | <b>3,450,000,000</b>  |
| <b>Subordinated Bonds</b>                                                                                                                                                                                                                    |      |                       |                       |
| <u>Unsecured</u>                                                                                                                                                                                                                             |      |                       |                       |
| Subordinated Bonds                                                                                                                                                                                                                           |      | 1,660,000,000         | 1,860,000,000         |
|                                                                                                                                                                                                                                              |      | <b>1,660,000,000</b>  | <b>1,860,000,000</b>  |

| Particulars                                                                                                                                                                                                                                | Note | 2024<br>Taka          | 2023<br>Taka          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------------------|-----------------------|
| <b>Bank overdraft</b>                                                                                                                                                                                                                      |      |                       |                       |
| Secured                                                                                                                                                                                                                                    |      |                       |                       |
| Dhaka Bank PLC.                                                                                                                                                                                                                            |      | 668,209,719           | 234,328,361           |
| Woori Bank PLC.                                                                                                                                                                                                                            |      | 166,586,796           | 166,824,161           |
| Standard Chartered Bank                                                                                                                                                                                                                    |      | 61,895,444            | 152,193,463           |
| AB Bank PLC.                                                                                                                                                                                                                               |      | -                     | 71,607                |
| Bank Alfalah PLC.                                                                                                                                                                                                                          |      | 180,125,829           | 2,019,774             |
| Mutual Trust Bank PLC.                                                                                                                                                                                                                     |      | 150,395,106           | 1,464,861             |
| United Commercial Bank PLC.                                                                                                                                                                                                                |      | -                     | 1                     |
| IFIC Bank PLC.                                                                                                                                                                                                                             |      | -                     | 69,288                |
| Mercantile Bank PLC.                                                                                                                                                                                                                       |      | -                     | 1,539,168             |
| BRAC Bank PLC.                                                                                                                                                                                                                             |      | 567,028,283           | 9,563                 |
| Commercial Bank of Ceylon Limited                                                                                                                                                                                                          |      | -                     | 100,738               |
| Eastern Bank PLC                                                                                                                                                                                                                           |      | 839,463               | 3,572,455             |
| Uttara Bank PLC.                                                                                                                                                                                                                           |      | -                     | 2                     |
|                                                                                                                                                                                                                                            |      | 1,795,080,640         | 562,193,442           |
| <b>Money at call and short notice</b>                                                                                                                                                                                                      |      |                       |                       |
| Unsecured                                                                                                                                                                                                                                  |      |                       |                       |
| Meghna Bank PLC.                                                                                                                                                                                                                           |      | 200,000,000           | -                     |
|                                                                                                                                                                                                                                            |      | 200,000,000           | -                     |
|                                                                                                                                                                                                                                            |      |                       |                       |
| Repo borrowing                                                                                                                                                                                                                             |      | 2,161,952,410         | 463,705,750           |
|                                                                                                                                                                                                                                            |      | <b>17,433,014,873</b> | <b>16,099,168,254</b> |
| <b>12.2 Security against borrowings from other banks and financial institutions</b>                                                                                                                                                        |      |                       |                       |
| Secured                                                                                                                                                                                                                                    |      | 6,640,353,000         | 5,139,731,834         |
| Unsecured                                                                                                                                                                                                                                  |      | 10,432,661,873        | 10,959,436,420        |
|                                                                                                                                                                                                                                            |      | <b>17,073,014,873</b> | <b>16,099,168,254</b> |
| 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 lien against Fixed Deposit Receipt. |      |                       |                       |
| <b>12.3 Residual maturity grouping of borrowings from other banks, financial institutions and agents</b>                                                                                                                                   |      |                       |                       |
| Repayable:                                                                                                                                                                                                                                 |      |                       |                       |
| On demand                                                                                                                                                                                                                                  |      | 2,161,952,410         | 463,705,750           |
| Within one month                                                                                                                                                                                                                           |      | 1,467,528,958         | 418,907,547           |
| Over one month but within three months                                                                                                                                                                                                     |      | 138,886,502           | 2,720,392,931         |
| Over three months but within one year                                                                                                                                                                                                      |      | 4,642,274,871         | 2,831,159,722         |
| Over one year but within five years                                                                                                                                                                                                        |      | 7,269,954,070         | 7,875,482,888         |
| Over five years                                                                                                                                                                                                                            |      | 1,752,418,062         | 1,789,519,416         |
|                                                                                                                                                                                                                                            |      | <b>17,433,014,873</b> | <b>16,099,168,254</b> |
| <b>13 Deposits and other accounts</b>                                                                                                                                                                                                      |      |                       |                       |
| Term Deposits                                                                                                                                                                                                                              | 13.1 | 51,107,183,747        | 49,807,699,026        |
| FDR from Banks & NBFIs                                                                                                                                                                                                                     |      | 2,558,000,000         | 9,492,700,000         |
| Other deposits                                                                                                                                                                                                                             |      | 654,146,523           | 876,643,808           |
|                                                                                                                                                                                                                                            |      | <b>54,319,330,270</b> | <b>60,177,042,834</b> |
| <b>13.1 Term deposits</b>                                                                                                                                                                                                                  |      |                       |                       |
| <b>Product wise break-up of term deposit</b>                                                                                                                                                                                               |      |                       |                       |
| Annual Profit Scheme                                                                                                                                                                                                                       |      | 5,274,966,148         | 6,502,166,591         |
| Half Yearly Profit Scheme                                                                                                                                                                                                                  |      | -                     | -                     |
| Quarterly Profit Scheme                                                                                                                                                                                                                    |      | 863,029,484           | 817,155,796           |
| Monthly Profit Scheme                                                                                                                                                                                                                      |      | 6,094,130,025         | 5,757,916,794         |
| Cumulative Profit Scheme                                                                                                                                                                                                                   |      | 786,417,209           | 712,603,016           |
| Fixed Deposit Receipt (FDR)                                                                                                                                                                                                                |      | 38,088,640,881        | 36,017,856,829        |
|                                                                                                                                                                                                                                            |      | <b>51,107,183,747</b> | <b>49,807,699,026</b> |



| Particulars                                                                                            | Note   | 2024<br>Taka          | 2023<br>Taka          |
|--------------------------------------------------------------------------------------------------------|--------|-----------------------|-----------------------|
| <b>13.2 Residual maturity grouping of deposits and other accounts</b>                                  |        |                       |                       |
| Repayable:                                                                                             |        |                       |                       |
| On demand                                                                                              |        | -                     | -                     |
| Within one month                                                                                       |        | 5,306,759,429         | 7,532,972,926         |
| Over one month but within six months                                                                   |        | 12,705,867,472        | 15,266,701,671        |
| Over six months but within one year                                                                    |        | 10,200,668,483        | 12,821,589,837        |
| Over one year but within five years                                                                    |        | 6,992,422,743         | 8,671,463,437         |
| Over five years but within ten years                                                                   |        | 19,113,612,143        | 15,884,314,963        |
|                                                                                                        |        | <b>54,319,330,270</b> | <b>60,177,042,834</b> |
| There was no unclaimed deposits for ten (10) years and more held by the Company at the reporting date. |        |                       |                       |
| <b>14 Other liabilities</b>                                                                            |        |                       |                       |
| Cumulative provision for loans, advances and investments                                               | 14.1   | 3,571,404,053         | 3,016,595,024         |
| Cumulative provision for off-balance sheet items                                                       |        | -                     | -                     |
| Cumulative provision for other assets                                                                  |        | 41,604,728            | 13,531,664            |
| Other provisions                                                                                       |        | 37,338,738            | 39,009,240            |
| Cumulative interest and dividend suspense                                                              | 14.2   | 1,093,231,521         | 821,098,394           |
| Net defined benefit obligation - employees' gratuity fund                                              | 14.3   | 14,247,747            | 14,847,777            |
| Provision for corporate tax                                                                            | 14.4   | 2,224,160,318         | 1,719,825,318         |
| Deposit against lease                                                                                  | 14.5   | 575,968,261           | 547,577,752           |
| Payable interest expenses for finance charge                                                           | 14.6   | 2,063,202,520         | 1,705,398,635         |
| Withholding tax and VAT                                                                                |        | 166,942,936           | 165,853,515           |
| Liabilities for special accounts                                                                       | 14.7   | 225,877,524           | 375,462,165           |
| Payable for expenses                                                                                   | 14.8   | 93,154,170            | 86,617,136            |
| Deferred tax liabilities                                                                               | 14.9   | 110,257,490           | 122,714,256           |
| Account payable for purchase of fixed asset                                                            |        | 7,415,586             | 12,703,134            |
| Accrued interest on subordinated bonds                                                                 |        | 51,728,783            | 49,222,783            |
| Liability for lease rental                                                                             | 14.10  | 183,639,030           | 213,347,020           |
| Unclaimed dividend account/dividend payable                                                            | 14.11  | 2,346,887             | 2,468,509             |
|                                                                                                        |        | <b>10,462,520,292</b> | <b>8,906,272,322</b>  |
| <b>14.1 Cumulative provision for loans, advances, investments</b>                                      |        |                       |                       |
| Specific provision for classified loans, advances                                                      | 14.1.1 | 2,360,660,132         | 1,808,768,765         |
| General provision against unclassified loans and advances                                              | 14.1.2 | 1,081,294,946         | 1,131,787,565         |
| Provision for investments                                                                              | 14.1.3 | 129,448,975           | 76,038,694            |
|                                                                                                        |        | <b>3,571,404,053</b>  | <b>3,016,595,024</b>  |
| <b>14.1.1 Specific provision for classified loans, advances</b>                                        |        |                       |                       |
| Opening balance                                                                                        |        | 1,808,768,765         | 1,167,627,690         |
| Specific provision made/(released) for the period                                                      | 37     | 862,293,945           | 691,729,553           |
| Fully provided debt written-off during the period                                                      |        | (310,402,578)         | (50,588,478)          |
| Closing balance (i)                                                                                    |        | <b>2,360,660,132</b>  | <b>1,808,768,765</b>  |
| <b>14.1.2 General provision against unclassified loans and advances</b>                                |        |                       |                       |
| Opening balance                                                                                        |        | 1,131,787,565         | 1,184,742,189         |
| Provision made/(released) during the period                                                            | 37     | (50,492,619)          | (52,954,624)          |
|                                                                                                        |        | 1,081,294,946         | 1,131,787,565         |
| Adjustment during the period                                                                           |        | -                     | -                     |
| Closing balance (ii)                                                                                   |        | <b>1,081,294,946</b>  | <b>1,131,787,565</b>  |
| Total specific and general provision of loans and advances (i+ii)                                      |        | <b>3,441,955,078</b>  | <b>2,940,556,330</b>  |
| <b>14.1.3 Provision for investments</b>                                                                |        |                       |                       |
| Opening balance                                                                                        |        | 76,038,694            | 76,029,048            |
| Provision made for investments during the period / year                                                |        | 56,831,114            | 5,779,167             |
| Provision released from investments during the period / year                                           |        | (3,420,833)           | (5,769,521)           |
| Total provision made/(released) during the period / year                                               | 39     | <b>53,410,281</b>     | <b>9,646</b>          |
| Closing balance                                                                                        |        | <b>129,448,975</b>    | <b>76,038,694</b>     |
| Total specific and general provision of loans, advances and investments                                |        | <b>3,571,404,053</b>  | <b>3,016,595,024</b>  |
| Breakdown of cumulative provision for loans, advances and investment:                                  |        |                       |                       |
| Provision for loans, advances and leases                                                               |        | 3,441,955,078         | 2,940,556,330         |
| Provision for investments in equity                                                                    |        | 129,448,975           | 76,038,694            |
|                                                                                                        |        | <b>3,571,404,053</b>  | <b>3,016,595,024</b>  |

| Particulars                                                                                                                                                                     | Note | 2024<br>Taka         | 2023<br>Taka       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------------------|--------------------|
| <b>14.2 Cumulative interest and dividend suspense</b>                                                                                                                           |      |                      |                    |
| Opening balance                                                                                                                                                                 |      | 821,098,394          | 774,381,908        |
| Amount transferred to suspense account during the year                                                                                                                          |      | 499,807,815          | 218,103,513        |
|                                                                                                                                                                                 |      | 1,320,906,209        | 992,485,421        |
| Amount recovered from suspense account during the year                                                                                                                          |      | (150,421,350)        | (160,356,839)      |
|                                                                                                                                                                                 |      | 1,170,484,859        | 832,128,582        |
| Amount written-off/waiver during the year                                                                                                                                       |      | (77,253,338)         | (11,030,188)       |
| Closing balance                                                                                                                                                                 |      | <b>1,093,231,521</b> | <b>821,098,394</b> |
| Breakdown of cumulative interest and dividend suspense:                                                                                                                         |      |                      |                    |
| Interest suspense against loans and advances                                                                                                                                    |      | 1,090,124,987        | 817,991,860        |
| Dividend suspense against investment in redeemable preference shares                                                                                                            |      | 3,106,534            | 3,106,534          |
|                                                                                                                                                                                 |      | <b>1,093,231,521</b> | <b>821,098,394</b> |
| Amount transferred and recovered from suspense account has been calculated considering movement between end of period balance and amount for 2024 has been updated accordingly. |      |                      |                    |
| <b>14.3 Net defined benefit obligation - employees' gratuity fund</b>                                                                                                           |      |                      |                    |
| <b>Net defined benefit obligation - Employees' Gratuity Fund</b>                                                                                                                |      |                      |                    |
| Defined benefit obligation                                                                                                                                                      |      | 163,847,435          | 172,288,908        |
| Less: Fair value of plan assets                                                                                                                                                 |      | 149,599,688          | 157,441,131        |
|                                                                                                                                                                                 |      | <b>14,247,747</b>    | <b>14,847,777</b>  |
| <b>Fair value of plan assets - gratuity fund</b>                                                                                                                                |      |                      |                    |
| Fair value of plan assets as on 1 January                                                                                                                                       |      | 157,441,131          | 141,077,530        |
| Interest income on plan assets                                                                                                                                                  |      | 12,595,290           | 10,580,815         |
| Actual employer contributions                                                                                                                                                   |      | 34,000,000           | 19,200,000         |
| Actual net benefits payments                                                                                                                                                    |      | (46,620,098)         | (13,591,393)       |
| Remeasurement gain/(losses) on plan assets                                                                                                                                      |      | (7,816,635)          | 174,179            |
| Fair value of plan assets as on 31 December                                                                                                                                     |      | <b>149,599,688</b>   | <b>157,441,131</b> |
| <b>Defined benefit obligation - gratuity fund</b>                                                                                                                               |      |                      |                    |
| Defined benefit obligation as on 1 January                                                                                                                                      |      | 172,288,908          | 147,306,069        |
| Current service cost                                                                                                                                                            |      | -                    | 24,982,839         |
| Interest Cost                                                                                                                                                                   |      | 13,783,113           | 11,047,955         |
| Actual net benefits payments                                                                                                                                                    |      | (46,620,098)         | (13,591,393)       |
| Remeasurement (gain)/loss                                                                                                                                                       |      | 24,395,512           | 2,543,438          |
| Defined benefit obligation as on 31 December                                                                                                                                    |      | <b>163,847,435</b>   | <b>172,288,908</b> |
| <b>Remeasurement gain/(loss) of defined benefits liability/assets</b>                                                                                                           |      |                      |                    |
| Opening balance                                                                                                                                                                 |      | -                    | -                  |
| Remeasurement gain/(losses) on plan assets                                                                                                                                      |      | (7,816,635)          | 174,179            |
| Remeasurement gain/(losses) on defined benefit obligation                                                                                                                       |      | (24,395,512)         | (2,543,438)        |
|                                                                                                                                                                                 |      | <b>(32,212,147)</b>  | <b>(2,369,259)</b> |
| Less: Deferred tax (expense)/income                                                                                                                                             |      | 12,079,555           | 888,472            |
|                                                                                                                                                                                 |      | <b>(20,132,592)</b>  | <b>(1,480,787)</b> |
| <b>14.3.1 Plan assets</b>                                                                                                                                                       |      |                      |                    |
| Cash at bank                                                                                                                                                                    |      | 1,282,872            | 9,360,016          |
| Investments                                                                                                                                                                     |      | 152,502,782          | 145,552,308        |
| Accrued Interest                                                                                                                                                                |      | 5,591,917            | 2,528,806          |
| Tax Provision                                                                                                                                                                   |      | (1,401,565)          | -                  |
| Payable to outgoing members                                                                                                                                                     |      | (8,376,318)          | -                  |
|                                                                                                                                                                                 |      | <b>149,599,688</b>   | <b>157,441,131</b> |
| <b>14.3.2 Principal actuarial assumptions</b>                                                                                                                                   |      |                      |                    |
| Discount rate and expected rate of return on plan assets                                                                                                                        |      | 8.00%                | 7.50%              |
| Expected rate of withdrawal of service                                                                                                                                          |      | 0.00%                | 10.00%             |

#### 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 2024            |                              |
|-----------------------------|------------------------------|
|                             |                              |
| Discount rate (1% movement) | at 9.00%      at 7.00%       |
| Effect in taka              | (23,073,449)      28,890,811 |

#### 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                                             |        | 1,719,825,318        | 2,411,654,908        |
| Provision made during the period/year                       | 14.4.1 | 504,335,000          | 355,266,140          |
|                                                             |        | 2,224,160,318        | 2,766,921,048        |
| Adjustment made during the period for completed assessments |        | -                    | (1,047,095,730)      |
| Closing balance                                             |        | <b>2,224,160,318</b> | <b>1,719,825,318</b> |
| 14.4.1 Current tax expense                                  |        | 504,335,000          | 470,357,992          |
| Prior years tax adjustments                                 |        | -                    | (115,091,852)        |
| Provision made during the period                            |        | <b>504,335,000</b>   | <b>355,266,140</b>   |

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 Taxes Appellate Tribunal.

#### 14.4.2 Reconciliation of effective tax rate

| 2024                                                                    |                                |
|-------------------------------------------------------------------------|--------------------------------|
| Profit before income tax as per profit and loss account                 | 872,258,912                    |
| Income tax as per applicable tax rate                                   | 37.50%      327,097,092        |
| <i>Factors affecting the tax charged in current year</i>                |                                |
| On non deductible expenses                                              | 27.63%      241,016,990        |
| Tax savings from reduced tax rates (Capital gain from govt. securities) | (2.07%)      (18,029,122)      |
| Tax savings from reduced tax rates (on dividend income)                 | (4.39%)      (38,290,793)      |
| Tax savings from reduced tax rates (capital gain from listed equity)    | (0.86%)      (7,459,167)       |
| Prior years tax adjustments                                             | 0.00%      -                   |
| <b>Total income tax expenses</b>                                        | <b>57.82%      504,335,000</b> |
| 2023                                                                    |                                |
| Profit before income tax as per profit and loss account                 | 660,493,837                    |
| Income tax as per applicable tax rate                                   | 37.50%      247,685,189        |
| <i>Factors affecting the tax charged in current year</i>                |                                |
| On non deductible expenses                                              | 37.76%      249,434,424        |
| Tax savings from reduced tax rates (Capital gain from govt. securities) | 0.00%      -                   |
| Tax savings from reduced tax rates (on dividend income)                 | (4.05%)      (26,761,621)      |
| Tax savings from reduced tax rates (capital gain from listed equity)    | 0.00%      -                   |
| Prior years tax adjustments                                             | (17.43%)      (115,091,852)    |
| <b>Total income tax expenses</b>                                        | <b>53.79%      355,266,140</b> |

#### 14.5 Deposit against lease

|                            |                    |                    |
|----------------------------|--------------------|--------------------|
| Opening balance            | 547,577,752        | 483,923,051        |
| Receipts during the period | 128,852,876        | 153,955,330        |
|                            | 676,430,628        | 637,878,381        |
| Adjusted during the period | (100,462,367)      | (90,300,629)       |
| Closing balance            | <b>575,968,261</b> | <b>547,577,752</b> |

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.

Notes

2024  
Taka

2023  
Taka

| Particulars                                                            | Note | 2024<br>Taka         | 2023<br>Taka         |
|------------------------------------------------------------------------|------|----------------------|----------------------|
| <b>14.6 Payable interest expenses for finance charge</b>               |      |                      |                      |
| Accrued interest expenses on term deposits                             |      | 2,003,079,070        | 1,643,238,082        |
| Accrued interest expenses on long term borrowings                      |      | 6,716,849            | 6,604,040            |
| Accrued interest expenses on short term borrowings                     |      | 14,310,206           | 8,836,473            |
| Accrued interest expenses on Repo borrowings                           |      | 7,949,501            | 486,744              |
| Accrued interest expenses on call borrowings                           |      | 116,667              | -                    |
| Accrued interest expense on refinance project                          |      | 31,030,227           | 46,233,296           |
|                                                                        |      | <b>2,063,202,520</b> | <b>1,705,398,635</b> |
| <b>14.7 Liabilities for special accounts</b>                           |      |                      |                      |
| Account payable special account - IPO                                  |      | 1,118,406            | 1,118,406            |
| Account payable special account - DEG                                  |      | 13,664,088           | 12,520,578           |
| Account payable special account - other                                |      | 211,095,030          | 361,823,181          |
|                                                                        |      | <b>225,877,524</b>   | <b>375,462,165</b>   |
| <b>14.8 Payable for expenses</b>                                       |      |                      |                      |
| Legal expenses                                                         |      | 29,406,431           | 22,855,036           |
| Office services                                                        |      | 47,616,217           | 47,087,068           |
| Promotion and publicity                                                |      | 11,157,118           | 12,588,477           |
| Office rent                                                            |      | 1,233,093            | 130,265              |
| Professional fees                                                      |      | 2,441,806            | 2,656,786            |
| Audit fees                                                             |      | 1,299,505            | 1,299,505            |
|                                                                        |      | <b>93,154,170</b>    | <b>86,617,136</b>    |
| <b>14.9 Deferred tax liabilities</b>                                   |      |                      |                      |
| <b>i) Deferred tax liability on building</b>                           |      |                      |                      |
| Carrying amount at balance sheet date                                  |      | 74,515,019           | 77,174,977           |
| Tax base                                                               |      | 7,139,447            | 7,515,207            |
| Net taxable temporary differences                                      |      | 67,375,572           | 69,659,770           |
| Tax rate                                                               |      | 37.50%               | 37.50%               |
| <b>Deferred tax liability on building</b>                              |      | <b>25,265,840</b>    | <b>26,122,414</b>    |
| Revaluation reserve on land                                            |      | 279,435,033          | 279,435,033          |
| Tax rate                                                               |      | 8.00%                | 8.00%                |
| <b>Deferred tax liability on land revaluation</b>                      |      | <b>22,354,803</b>    | <b>22,354,803</b>    |
| <b>Total deferred tax liabilities on building and land revaluation</b> |      | <b>47,620,643</b>    | <b>48,477,217</b>    |
| <b>ii) Deferred tax liability on dividend receivables</b>              |      |                      |                      |
| Carrying amount at balance sheet date                                  |      | 5,964,652            | 3,300,600            |
| Tax base                                                               |      | -                    | -                    |
| Net taxable temporary differences                                      |      | 5,964,652            | 3,300,600            |
| Tax rate                                                               |      | 20.00%               | 20.00%               |
| <b>Deferred tax liability on dividend receivables</b>                  |      | <b>1,192,930</b>     | <b>660,120</b>       |
| <b>iii) Deferred tax liability on rights of use assets (RoU)</b>       |      |                      |                      |
| Carrying amount at balance sheet date                                  |      | 163,850,446          | 196,205,116          |
| Tax base                                                               |      | -                    | -                    |
| Net taxable temporary differences                                      |      | 163,850,446          | 196,205,116          |
| Tax rate                                                               |      | 37.50%               | 37.50%               |
| <b>Deferred tax liability on rights of use assets (RoU)</b>            |      | <b>61,443,917</b>    | <b>73,576,919</b>    |
| <b>Total deferred tax liability (i+ii+iii)</b>                         |      | <b>110,257,490</b>   | <b>122,714,256</b>   |
| Movement of deferred tax liabilities is as follows:                    |      |                      |                      |
| Opening balance                                                        |      | 122,714,256          | 112,353,003          |
| Add: Debited to Revaluation reserve on govt. securities                |      | -                    | -                    |
| Less: Credited to asset revaluation reserve                            |      | 856,574              | (10,328,243)         |
| Expense/(income) during the period / year                              |      | (11,600,192)         | 33,010               |
| Closing balance                                                        |      | <b>110,257,490</b>   | <b>122,714,256</b>   |



**14.10 Liability for lease rental**

Not later than one month  
 Later than one month and not later than three months  
 Later than three months and not later than one year  
 Later than one year and not later than five years  
 More than five years

|                    |                    |
|--------------------|--------------------|
| 3,713,543          | 3,137,246          |
| 7,512,156          | 6,399,765          |
| 36,350,087         | 30,946,362         |
| 133,082,578        | 162,910,356        |
| 2,980,667          | 9,953,291          |
| <b>183,639,030</b> | <b>213,347,020</b> |

**14.11 Unclaimed dividend account/dividend payable**

Aging analysis of unclaimed dividend account/dividend payable  
 Upto 3 years  
 Over 3 years but less than 5 years  
 5 years and above

|                  |                  |
|------------------|------------------|
| 2,346,887        | 2,468,509        |
| -                | -                |
| -                | -                |
| <b>2,346,887</b> | <b>2,468,509</b> |

As a NBFC, IPDC Finance PLC. 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**

389,646,124 (2023: 371,091,547) ordinary shares of Tk 10 each

|               |               |
|---------------|---------------|
| 3,896,461,240 | 3,710,915,470 |
|---------------|---------------|

**15.1 Given below the history of raising of share capital of IPDC Finance PLC.**

| 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                               |
| 2023              | 5% Stock Dividend                                                                               | 18,554,577       | -           | 389,646,124                 | 185,545,770                    | 3,896,461,240                               |

Paid up capital as on 31 December 2024 is made up of 143,508,240 ordinary shares paid up in cash and 246,137,884 ordinary shares through issuance of bonus shares.

**15.2 Paid up capital of the company is held as follows**
**Domestic**

Government of the People's Republic of Bangladesh (GoB)  
 BRAC  
 Ayesha Abed Foundation  
 RSA Capital Limited  
 General shareholders

| Notes | 2024 Taka            | 2023 Taka            |
|-------|----------------------|----------------------|
|       | 852,528,700          | 811,932,100          |
|       | 974,115,270          | 927,728,830          |
|       | 389,646,090          | 371,091,520          |
|       | 194,823,020          | 185,545,740          |
|       | 1,485,348,160        | 1,414,617,280        |
|       | <b>3,896,461,240</b> | <b>3,710,915,470</b> |

### 15.3 Number of ordinary shares and percentage of holding are as follows:

#### Sponsor shareholders

|                        | 2024               |                | 2023               |                |
|------------------------|--------------------|----------------|--------------------|----------------|
|                        | Number             | % of holding   | Number             | % of holding   |
| BRAC                   | 97,411,527         | 25.00%         | 92,772,883         | 25.00%         |
| GoB                    | 85,252,870         | 21.88%         | 81,193,210         | 21.88%         |
| Ayesha Abed Foundation | 38,964,609         | 10.00%         | 37,109,152         | 10.00%         |
| RSA Capital Limited    | 19,482,302         | 5.00%          | 18,554,574         | 5.00%          |
|                        | 241,111,308        | 61.88%         | 229,629,819        | 61.88%         |
| General Shareholders   | 148,534,816        | 38.12%         | 141,461,728        | 38.12%         |
|                        | 148,534,816        | 38.12%         | 141,461,728        | 38.12%         |
|                        | <b>389,646,124</b> | <b>100.00%</b> | <b>371,091,547</b> | <b>100.00%</b> |

### 15.4 Composition of shareholding is as follows:

|                                            | 2024               |                | 2023               |                |
|--------------------------------------------|--------------------|----------------|--------------------|----------------|
|                                            | Number             | % of holding   | Number             | % of holding   |
| Institutional shareholding (including GoB) | 326,211,014        | 83.72%         | 310,881,676        | 83.77%         |
| Individual shareholding                    | 63,435,110         | 16.28%         | 60,209,871         | 16.23%         |
|                                            | <b>389,646,124</b> | <b>100.00%</b> | <b>371,091,547</b> | <b>100.00%</b> |

### 15.5 Classification of shareholders by holding

| Number of shares             | No. of shareholders | No. of shares      | % of holdings  |
|------------------------------|---------------------|--------------------|----------------|
| 1 to 500 shares              | 3,351               | 541,297            | 0.14%          |
| 501 to 5,000 shares          | 4,164               | 8,143,398          | 2.09%          |
| 5,001 to 10,000 shares       | 870                 | 6,345,605          | 1.63%          |
| 10,001 to 20,000 shares      | 505                 | 7,292,300          | 1.87%          |
| 20,001 to 30,000 shares      | 184                 | 4,592,092          | 1.18%          |
| 30,001 to 40,000 shares      | 77                  | 2,554,973          | 0.66%          |
| 40,001 to 50,000 shares      | 62                  | 2,855,685          | 0.73%          |
| 50,001 to 1,00,000 shares    | 115                 | 8,282,881          | 2.13%          |
| 1,00,001 to 1,000,000 shares | 86                  | 21,284,362         | 5.46%          |
| over 1,000,000 shares        | 21                  | 327,643,531        | 84.11%         |
| Total                        | <b>9,435</b>        | <b>389,536,124</b> | <b>100.00%</b> |

The shares are listed in both Dhaka Stock Exchange PLC. and Chittagong Stock Exchange PLC. since 03 December 2006 and traded at BDT 18.30 and BDT 18.60 at the close of 31 December 2024 respectively.

### 15.6 Capital adequacy ratio (CAR)

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 BDT 1,000 million within 30 June 2012. The Company fulfilled this condition within the stipulated time and as at 31 December 2024, total capital of the Company was BDT 6,909.0 million out of which paid up capital is BDT 3,896.5 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 2024, the CAR of the Company is 18.09% against the required CAR of 10%. Details are as follows:

| Particulars                 | Note | 2024<br>Taka       | 2023<br>Taka       |
|-----------------------------|------|--------------------|--------------------|
| Tier -1 capital (A)         |      | 6,618,630,110      | 6,459,607,059      |
| Tier -2 capital (B)         |      | 2,354,881,221      | 2,556,986,573      |
| Eligible capital (C=A+B)    |      | 8,973,511,331      | 9,016,593,632      |
| Total risk weighted assets  |      | 49,593,151,017     | 49,765,228,926     |
| Minimum capital requirement |      | 4,959,315,102      | 4,976,522,893      |
| Capital surplus             |      | 4,014,196,229      | 4,040,070,739      |
| Capital adequacy ratio      |      | 18.09%             | 18.12%             |
|                             |      | <b>402,627,680</b> | <b>402,627,680</b> |

### 16 Share premium

Share premium against 280,140 number of ordinary shares issued in 2004 and 1,390,000 number of ordinary shares issued in 2006 @ BDT 100 per share i.e. at year ended December 31, 2018 total number of shares would be 16,701,400 @ BDT 10 per share as the Company changed the denomination of shares from BDT 100 to BDT 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.

| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Note | 2024<br>Taka         | 2023<br>Taka         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------------------|----------------------|
| <b>17 Statutory reserve</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |      |                      |                      |
| 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |      | 1,229,075,678        | 1,160,484,505        |
| Transferred from profit during the period / year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |      | 72,646,987           | 68,591,173           |
| Closing balance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |      | <b>1,301,722,665</b> | <b>1,229,075,678</b> |
| <b>18 Assets revaluation reserve</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      |                      |                      |
| Revaluation reserve on land and building                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 18.1 | 290,414,727          | 291,906,470          |
| Revaluation reserve on govt. securities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |      | -                    | -                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |      | <b>290,414,727</b>   | <b>291,906,470</b>   |
| <b>18.1 Revaluation reserve on land and building</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      |                      |                      |
| Opening balance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |      | 291,906,470          | 304,583,030          |
| Revaluation during the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |      |                      |                      |
| Land                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      | -                    | -                    |
| Building                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |      | -                    | -                    |
| Adjustment of excess depreciation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |      | (2,348,317)          | (2,348,317)          |
| Deferred tax liability on revaluation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |      | 856,574              | (10,328,243)         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |      | <b>290,414,727</b>   | <b>291,906,470</b>   |
| IPDC Finance PLC. owns real estate property (commercial space including car parking) for its own use as office premises situated at Hosna Center (4 <sup>th</sup> 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 PLC., 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. |      |                      |                      |
| <b>19 Retained earnings</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |      |                      |                      |
| Opening balance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |      | 1,116,988,231        | 1,224,332,454        |
| Net profit after tax for the period / year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      | 363,234,933          | 342,955,864          |
| Transfer to statutory reserve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |      | (72,646,987)         | (68,591,173)         |
| Dividend                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |      | (185,545,777)        | (371,091,547)        |
| Remeasurements of defined benefits liability (assets)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |      | (21,021,064)         | (12,965,684)         |
| Transfer from revaluation reserve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |      | 2,348,317            | 2,348,317            |
| Issuance of bonus shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |      | (185,545,770)        | -                    |
| Closing balance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |      | <b>1,017,811,883</b> | <b>1,116,988,231</b> |
| <b>20 Particulars of profit and loss account</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |      |                      |                      |
| <u>Income</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |      |                      |                      |
| Interest, discount and other similar income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 21   | 8,811,163,320        | 7,433,716,178        |
| Dividend income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 23   | 218,804,529          | 133,808,106          |
| Fees, commission and brokerage                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 24   | 142,075,996          | 207,345,214          |
| Gains less losses arising from dealing securities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 23   | 466,066,149          | 98,642,518           |
| 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 25   | 23,230,441           | 40,027,100           |
| Profit less losses on interest rate changes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |      | -                    | -                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |      | <b>9,661,340,435</b> | <b>7,913,539,116</b> |
| <u>Expenses</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |      |                      |                      |
| Expenses related to deposits, fee, commission etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 22   | 6,418,459,030        | 5,011,087,715        |
| Charges on loan loss                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      | -                    | -                    |
| Administrative expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 26   | 1,359,501,890        | 1,465,485,384        |
| Other operating expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |      | -                    | -                    |
| Depreciation and amortisation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 35.1 | 118,665,686          | 137,198,235          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |      | <b>7,896,626,606</b> | <b>6,613,771,334</b> |
| <b>Profit before provision</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |      | <b>1,764,713,829</b> | <b>1,299,767,782</b> |

| Particulars                                                                   | Note | 2024<br>Taka         | 2023<br>Taka         |
|-------------------------------------------------------------------------------|------|----------------------|----------------------|
| <b>21 Interest income</b>                                                     |      |                      |                      |
| <u>Interest income on loans and advances</u>                                  |      |                      |                      |
| Interest on lease finance                                                     |      | 454,169,836          | 501,807,994          |
| Interest on long term loan                                                    |      | 3,111,097,648        | 2,623,363,910        |
| Interest on short term loan                                                   |      | 1,677,180,228        | 1,385,447,779        |
| Interest on channel finance                                                   |      | 607,809,023          | 533,376,488          |
| Interest on mortgage finance                                                  |      | 1,268,704,615        | 1,017,981,155        |
| Interest on secured retail loan                                               |      | 114,234,339          | 54,214,393           |
| Interest on auto loan                                                         |      | 616,324,703          | 466,695,937          |
| Interest on staff loan                                                        |      | 10,130,344           | 9,211,490            |
| Interest on personal loan                                                     |      | 45,552,453           | 35,921,757           |
| Interest on consumer Finance                                                  |      | 8,176,576            | 6,654,505            |
|                                                                               |      | <b>7,913,379,765</b> | <b>6,634,675,408</b> |
| <u>Interest income on balance with other banks and financial institutions</u> |      |                      |                      |
| Interest on fixed deposits                                                    |      | 813,079,567          | 663,545,446          |
| Interest on overnight and treasury placements                                 |      | 18,184,182           | 44,646,939           |
| Interest on STD accounts                                                      |      | 66,519,806           | 90,848,385           |
|                                                                               |      | <b>897,783,555</b>   | <b>799,040,770</b>   |
|                                                                               |      | <b>8,811,163,320</b> | <b>7,433,716,178</b> |
| <b>22 Interest expense on deposits and borrowings etc.</b>                    |      |                      |                      |
| Interest expenses on term deposits                                            |      | 5,452,772,855        | 4,338,890,284        |
| Interest expenses on borrowings                                               | 22.1 | 965,686,175          | 672,197,431          |
|                                                                               |      | <b>6,418,459,030</b> | <b>5,011,087,715</b> |
| <b>22.1 Interest expenses on borrowings</b>                                   |      |                      |                      |
| <u>Local banks and financial institutions</u>                                 |      |                      |                      |
| Interest expenses on short term loan                                          |      | 368,522,135          | 210,288,287          |
| Interest expenses on long term loan                                           |      | 384,923,022          | 282,039,379          |
| Interest expenses on call borrowings                                          |      | 12,331,306           | 22,185,611           |
| Interest expenses on bank overdrafts                                          |      | 30,790,212           | 24,095,263           |
| Interest expenses on zero coupon bond                                         |      | -                    | 436,541              |
| Interest expenses on Subordinated Bonds                                       |      | 169,119,500          | 133,152,350          |
|                                                                               |      | <b>965,686,175</b>   | <b>672,197,431</b>   |
| <u>Foreign banks and financial institutions</u>                               |      |                      |                      |
| Interest expenses on long term lines of credit                                |      | -                    | -                    |
|                                                                               |      | <b>965,686,175</b>   | <b>672,197,431</b>   |
| <b>23 Investment income</b>                                                   |      |                      |                      |
| <u>Dividend income</u>                                                        |      |                      |                      |
| Dividend income on cumulative preference shares                               |      | 195,696,419          | 119,892,898          |
| Dividend income on listed shares                                              |      | 20,879,777           | 13,255,208           |
| Dividend income on un-listed shares                                           |      | 2,228,333            | 660,000              |
|                                                                               |      | <b>218,804,529</b>   | <b>133,808,106</b>   |
| <u>Interest on treasury bills, bonds and debentures</u>                       |      |                      |                      |
| Interest income on Govt. treasury bonds                                       |      | 288,326,182          | 23,267,757           |
| Interest income on corporate bonds                                            |      | 70,486,292           | 75,374,761           |
|                                                                               |      | <b>358,812,474</b>   | <b>98,642,518</b>    |
| Capital gain on sale of listed shares                                         |      | 27,124,244           | -                    |
| Capital gain on Govt. treasury bonds                                          |      | 80,129,431           | -                    |
|                                                                               |      | <b>466,066,149</b>   | <b>98,642,518</b>    |
|                                                                               |      | <b>684,870,678</b>   | <b>232,450,624</b>   |
| <b>24 Commission, exchange and brokerage</b>                                  |      |                      |                      |
| Application fee                                                               |      | 129,723              | 244,769              |
| Documentation fee                                                             |      | -                    | -                    |
| Processing fee                                                                |      | 124,895,627          | 132,217,806          |
| Supervision Charge                                                            |      | 17,050,646           | 74,882,639           |
|                                                                               |      | <b>142,075,996</b>   | <b>207,345,214</b>   |



| Particulars                              | Note | 2024<br>Taka      | 2023<br>Taka      |
|------------------------------------------|------|-------------------|-------------------|
| <b>25 Other operating income</b>         |      |                   |                   |
| Transfer price/sale of leased assets     |      | 29,182            | 90,000            |
| Other earnings                           |      | 10,418,639        | 13,809,996        |
| Loan loss recovery                       |      | 1,932,000         | 21,772,009        |
| Gain/(loss) sale of fixed assets         | 25.1 | 124,246           | 355,095           |
| Income on forfeiture from provident fund |      | 10,726,374        | 4,000,000         |
|                                          |      | <b>23,230,441</b> | <b>40,027,100</b> |

We have recognized BDT 10,726,374 in 2024 and BDT 4,000,000 in 2023 as income on forfeiture from provident fund and kept tax provision at corporate tax rate amounting to BDT 4,022,390 in 2024 and BDT 1,500,000 in 2023 respectively thereon.

#### 25.1 Gain/(loss) sale of fixed assets

Some items of fixed assets which were sold during the period as under:

|                                       |                |                |
|---------------------------------------|----------------|----------------|
| Sale proceeds                         | 131,222        | 4,825,239      |
| Cost price of the sold/adjusted items | 1,737,969      | 18,618,914     |
| Accumulated depreciation              | 1,730,993      | 14,148,770     |
| Written down value                    | 6,976          | 4,470,144      |
| Gain/(loss) sale of fixed assets      | <b>124,246</b> | <b>355,095</b> |

#### 26 Administrative expenses

|                                            |      |                      |                      |
|--------------------------------------------|------|----------------------|----------------------|
| Salary and allowances                      | 27   | 923,637,690          | 987,688,639          |
| Rent, taxes, insurance, electricity, etc.  | 28   | 40,074,050           | 38,181,778           |
| Legal expenses                             | 29   | 61,156,549           | 52,119,724           |
| Postage, stamp, telecommunications, etc.   | 30   | 15,999,635           | 15,279,184           |
| Stationery, printing, advertisements, etc. | 31   | 70,821,142           | 108,493,198          |
| Managing Director's salary and allowances  | 32   | 13,870,192           | 15,450,000           |
| Directors' fees                            | 33   | 1,891,200            | 1,337,600            |
| Auditors' fees                             | 34   | 954,500              | 954,500              |
| Repair and Maintenance                     | 35.2 | 79,625,879           | 87,654,173           |
| Other expenses                             | 36   | 151,471,053          | 158,326,588          |
|                                            |      | <b>1,359,501,890</b> | <b>1,465,485,384</b> |

#### 27 Salary and allowances

**923,637,690** **987,688,639**

#### 27.1 Number of employees and remuneration thereof

As per the Schedule XI of the Companies Act, 1994 and Amended (2<sup>nd</sup>) 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 847 at the end of 31 December 2024 as against 933 in 2023.

#### 28 Rent, taxes, insurance, electricity, etc.

|                                           |                   |                   |
|-------------------------------------------|-------------------|-------------------|
| Office rent*                              | 9,313,192         | 14,589,638        |
| Rates and taxes                           | 1,153,044         | 207,900           |
| Insurance                                 | 13,180,763        | 11,408,984        |
| Utilities - electricity, gas, water, etc. | 16,427,051        | 11,975,256        |
|                                           | <b>40,074,050</b> | <b>38,181,778</b> |

\*Actual office rent payment during the year ended 31 December 2024 was BDT 68,904,323. Due to the adoption of IFRS 16, rental expenses is charged as depreciation of Right of Use (ROU) Assets of BDT 49,630,540 and interest expenses of BDT 17,234,009. The reported office rent expenses only include VAT payment on rent.

#### 29 Legal expenses

|                                                      |                   |                   |
|------------------------------------------------------|-------------------|-------------------|
| Professional fees                                    | 43,767,720        | 32,806,318        |
| Legal document, notice publication, court fees, etc. | 17,388,829        | 19,313,406        |
|                                                      | <b>61,156,549</b> | <b>52,119,724</b> |

#### 30 Postage, stamp, telecommunications, etc.

|                      |                   |                   |
|----------------------|-------------------|-------------------|
| Postage, stamps etc. | 1,820,145         | 2,425,192         |
| Telephone            | 6,355,999         | 4,886,986         |
| Internet expenses    | 7,823,491         | 7,967,006         |
|                      | <b>15,999,635</b> | <b>15,279,184</b> |

| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Note | 2024<br>Taka       | 2023<br>Taka       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|--------------------|--------------------|
| <b>31 Stationery, printing, advertisements etc.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |      |                    |                    |
| Printing expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      | 6,893,065          | 7,258,446          |
| Stationery Expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |      | 1,769,545          | 1,783,318          |
| Publicity and advertisement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |      | 54,733,202         | 90,376,547         |
| Promotional expense                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |      | 7,425,330          | 9,074,887          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      | <b>70,821,142</b>  | <b>108,493,198</b> |
| <b>32 Managing Director's salary and allowances</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |      |                    |                    |
| Basic salary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |      | 9,413,792          | 9,000,000          |
| House rent allowance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |      | 1,248,494          | 1,200,000          |
| Medical allowance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      | 612,796            | 600,000            |
| Festival bonus                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |      | 1,475,000          | 1,500,000          |
| Leave fare assistance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |      | 900,068            | 1,500,000          |
| Company's contribution to provident fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |      | 220,042            | 900,000            |
| Gratuity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |      | -                  | 750,000            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      | <b>13,870,192</b>  | <b>15,450,000</b>  |
| <b>33 Directors' fees</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      |                    |                    |
| Honorarium for attending meeting                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |      | 1,891,200          | 1,337,600          |
| Incidental expenses for attending meeting                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      | -                  | -                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      | <b>1,891,200</b>   | <b>1,337,600</b>   |
| Directors' fees include fees for attending the meetings of the Board, Executive Committee and Audit Committee. Up to July 2024, each director was remunerated BDT 8,000 per meeting in accordance with DFIM Circular No. 13 and 03 dated 30 November 2015. From August 2024, this remuneration was revised to BDT 11,000 per meeting in accordance with DFIM Circular No. 01 dated 29 February 2024. Apart from this, independent directors are remunerated BDT 25,000 p.m. in accordance with DFIM Circular No. 02 dated 13 March 2024. |      |                    |                    |
| <b>34 Auditors' fees</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |      |                    |                    |
| Auditors' remuneration for annual audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      | 690,000            | 690,000            |
| Auditors' remuneration for involvement in annual audit of Information Risk Management                                                                                                                                                                                                                                                                                                                                                                                                                                                    |      | 264,500            | 264,500            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      | <b>954,500</b>     | <b>954,500</b>     |
| <b>35 Depreciation and repair of assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |      |                    |                    |
| Depreciation and amortisation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 35.1 | 118,665,686        | 137,198,235        |
| Repair and maintenance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 36.2 | 79,625,879         | 87,654,173         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      | <b>198,291,565</b> | <b>224,852,408</b> |
| <b>35.1 Depreciation and amortisation</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      |                    |                    |
| Building                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |      | 2,659,958          | 2,659,958          |
| Motor vehicles                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |      | 2,609,623          | 7,720,180          |
| Furniture and fixture                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |      | 11,636,187         | 10,908,604         |
| Equipment and appliances                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |      | 36,024,008         | 41,564,784         |
| Software                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |      | 16,105,365         | 32,286,172         |
| Depreciation on ROU Assets*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |      | 49,630,545         | 42,058,537         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      | <b>118,665,686</b> | <b>137,198,235</b> |
| Details are shown in Annexure - A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      |                    |                    |
| * In accordance with IFRS 16, lease rental are now capitalized as ROU Assets and related depreciation is shown above.                                                                                                                                                                                                                                                                                                                                                                                                                    |      |                    |                    |
| <b>35.2 Repair and maintenance</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |      |                    |                    |
| Vehicles - fuel                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      | 27,043,915         | 21,164,959         |
| Vehicles - repair and maintenance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      | 14,345,353         | 12,063,538         |
| Office premises, furniture, fixture and equipment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      | 38,236,611         | 54,425,676         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      | <b>79,625,879</b>  | <b>87,654,173</b>  |
| <b>36 Other expenses</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |      |                    |                    |
| Staff training                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |      | 8,971,176          | 7,452,481          |
| Membership fees, subscription and donations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |      | 11,883,579         | 16,155,277         |
| News papers, periodicals, learning materials etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      | 70,952             | 11,687             |
| Recruitment expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |      | 742,342            | 687,999            |
| Traveling, conveyance and hotel expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |      | 18,391,420         | 17,767,204         |
| Entertainment and public relation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      | 10,488,632         | 12,026,443         |
| Annual General Meeting expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      | 913,733            | 3,912,587          |
| Security and cleaning services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |      | 19,035,184         | 15,749,573         |
| Sundry office maintenance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      | 32,498,084         | 40,945,228         |
| Bank charges                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |      | 13,419,081         | 13,576,481         |
| Finance charge on lease rental                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |      | 17,234,009         | 16,872,558         |
| Other operational expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |      | 17,822,861         | 13,169,070         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      | <b>151,471,053</b> | <b>158,326,588</b> |

| Particulars                                                                                                                                                                                                           | Note | 2024<br>Taka       | 2023<br>Taka        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|--------------------|---------------------|
| <b>37 Provision for loans and advances</b>                                                                                                                                                                            |      |                    |                     |
| Provision for classified loans and advances                                                                                                                                                                           |      | 862,293,945        | 691,729,553         |
| Provision for unclassified loans and advances                                                                                                                                                                         |      | (50,492,619)       | (52,954,624)        |
|                                                                                                                                                                                                                       |      | <b>811,801,326</b> | <b>638,774,929</b>  |
| <b>38 Provision/(reversal) for diminution in value of investments</b>                                                                                                                                                 |      |                    |                     |
| Provision made for other investment                                                                                                                                                                                   |      |                    |                     |
| Quoted shares                                                                                                                                                                                                         |      | (13,173,843)       | (5,744,521)         |
| Unquoted shares                                                                                                                                                                                                       |      | -                  | -                   |
| Redeemable preference shares                                                                                                                                                                                          |      | 74,490,000         | 5,779,167           |
| Corporate bonds                                                                                                                                                                                                       |      | (7,905,875)        | (25,000)            |
|                                                                                                                                                                                                                       |      | <b>53,410,281</b>  | <b>9,646</b>        |
| <b>39 Deferred tax expense/ (income)</b>                                                                                                                                                                              |      |                    |                     |
| Expense on deductible temporary differences                                                                                                                                                                           |      | -                  | -                   |
| Expense/(income) on taxable temporary differences                                                                                                                                                                     |      | 4,688,979          | (37,728,167)        |
| Revaluation adjustment of previous year through deferred tax                                                                                                                                                          |      | -                  | -                   |
|                                                                                                                                                                                                                       |      | <b>4,688,979</b>   | <b>(37,728,167)</b> |
| <b>40 Earnings per share (EPS)</b>                                                                                                                                                                                    |      |                    |                     |
| 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 2024 as per IAS 33: Earnings per share. |      |                    |                     |
| Net profit after tax                                                                                                                                                                                                  |      | 363,234,933        | 342,955,864         |
| Weighted average number of outstanding shares                                                                                                                                                                         |      | 389,646,124        | 389,646,124         |
| Basic earning per share                                                                                                                                                                                               |      | <b>0.93</b>        | <b>0.88</b>         |
| <b>Diluted Earnings Per Share (DEPS)</b>                                                                                                                                                                              |      |                    |                     |
| No DEPS is required to be calculated since there was no scope for dilution of share during the period.                                                                                                                |      |                    |                     |
| <b>41 Board meetings</b>                                                                                                                                                                                              |      |                    |                     |
| During the year ended 31 December 2024 a total of 10 (ten) Board Meetings were held against 13 (thirteen) in the year 2023.                                                                                           |      |                    |                     |
| <b>42 Net asset value (NAV) per share</b>                                                                                                                                                                             |      |                    |                     |
| Net asset                                                                                                                                                                                                             |      | 6,909,038,195      | 6,751,513,529       |
| Number of outstanding shares                                                                                                                                                                                          |      | 389,646,124        | 389,646,124         |
| Net asset value (NAV) per share                                                                                                                                                                                       |      | <b>17.73</b>       | <b>17.33</b>        |
| <b>43 Net operating cash flows per share (NOCFPS)</b>                                                                                                                                                                 |      |                    |                     |
| Net operating cash flows                                                                                                                                                                                              |      | (2,492,348,531)    | 221,399,827         |
| Number of outstanding shares                                                                                                                                                                                          |      | 389,646,124        | 389,646,124         |
| Net operating cash flows per share (NOCFPS)                                                                                                                                                                           |      | <b>(6.40)</b>      | <b>0.57</b>         |
| <b>44 Events after the balance sheet date</b>                                                                                                                                                                         |      |                    |                     |
| The Board of Directors of the Company in its 227 <sup>th</sup> meeting held on 16 April 2025 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. 01 dated 29 February 2024 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 2024 consisted of the following members of the Board:

| Sl. no. | Name                                 | Status with the company | Status with the committee | Educational qualification                                                                                                                                                                                                                                                                      |
|---------|--------------------------------------|-------------------------|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i)      | Mr. Sarwar Azam Khan                 | Independent Director    | Chairman                  | Member of the Institute of Chartered Accountants of Bangladesh (ICAB)<br>Member of the Institute of Chartered Secretaries of Bangladesh (ICSB)<br>Master of Commerce (M. Com) in Accounting from University of Dhaka.<br>Bachelor of Commerce (B. Com) in Accounting from University of Dhaka. |
| ii)     | Professor Shah Md. Ahsan Habib, Ph.D | Independent Director    | Member                    | Ph.D. from Banaras Hindu University, India under BHU Research Scholarship<br>Post-Doctoral Fellowship on Green Banking from Syracuse University, USA under Senior Fulbright Scholarship                                                                                                        |
| iii)    | Ms. Nilufer Nazneen                  | Director                | Member                    | Master of Social Science (MSS) in International Relations from University of Dhaka, Bangladesh.<br>Bachelor of Social Science (BSS) Hons. in International Relations from University of Dhaka, Bangladesh.<br>MS in Public Health from North South University.                                 |

The Company Secretary acts as Secretary of Audit Committee.

The Audit Committee of the Board conducted 5 (Five) meetings from 1 January 2024 to 31 December 2024 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 Control & Compliance Plan for the year 2024;
- The Committee reviewed the Audited Financial Statements for the year ended 31 December 2023 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 2023 and management's responses thereto;
- The Committee also reviewed the first quarter, half-yearly and third quarter financial statements for the year 2024 and recommended to the Board of Directors for approval;
- 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 against the observations discussed 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 2024;
- The Committee reviewed External Auditor's Certificate on Compliance of Corporate Governance Code for the year 2023;
- 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 2023;
- The Committee reviewed statement of significant related party transactions submitted by the Management and as presented in the Financial Statements of the year 2023;
- The Committee reviewed internal policies of the Company and recommended to the Board for approval;
- 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, 2022, the Management Letter issued by the External Auditors for the year ended 2023 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 a half-yearly basis.
- The Committee reviewed the Risk Register of the Company for 2024;
- The Committee reviewed the KPIs to monitor portfolio performance at the Board level and the portfolio analysis of IPDC and recommended to the Board for approval.
- The Committee reviewed the Terms of Reference (ToR) of the Board Audit Committee and recommended to the Board for approval;



46.

**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 2023   | Inflow/ Repayment | Outflow/ Disbursement/ Encashment | Accrued     | 31 Dec 2024   |
|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------|---------------|-------------------|-----------------------------------|-------------|---------------|
| BRAC                                                                | Sponsor shareholder of IPDC                                                                                    | Term Deposit                | 1,960,275,511 | 2,831,200,000     | 402,817,271                       | 204,484,797 | 4,593,143,037 |
| BRAC University                                                     | Related concern of BRAC                                                                                        | Term Deposit                | 122,766,594   | -                 | 132,744,171                       | 9,977,577   | -             |
| JPGSPH, BRAC University                                             | Related concern of BRAC                                                                                        | Term Deposit                | 236,650,681   | -                 | 11,710,480                        | 20,102,781  | 245,042,982   |
| BIGD, BRAC University                                               | Related concern of BRAC                                                                                        | Term Deposit                | 29,649,506    | -                 | 625,323                           | 30,366,614  | 32,060,797    |
| Sufia Khatun Foundation                                             | Related concern of BRAC                                                                                        | Term Deposit                | 57,455,480    | -                 | 782,573                           | 4,977,154   | 61,650,061    |
| BRACNet Limited                                                     | Related concern of BRAC                                                                                        | Term Deposit                | 341,574,003   | -                 | 26,527,623                        | 26,527,623  | 341,574,003   |
| BRACNet Limited Employees Gratuity Fund                             | Related concern of BRAC                                                                                        | Term Deposit                | 24,205,763    | -                 | 111,797                           | 1,875,947   | 25,969,912    |
| BRACNet Limited Employees Provident Fund                            | Related concern of BRAC                                                                                        | Term Deposit                | 4,009,636     | -                 | 340,819                           | 340,819     | 4,009,636     |
| BRAC IT Services Employees Gratuity Fund                            | Related concern of BRAC                                                                                        | Term Deposit                | 19,423,550    | 5,000,000         | 211,786                           | 2,527,198   | 26,738,962    |
| BRAC Provident Fund                                                 | Related concern of BRAC                                                                                        | Term Deposit                | 2,310,630,559 | 390,927,094       | 139,343,330                       | 198,122,083 | 2,760,336,406 |
| Education Trust Fund                                                | Related concern of BRAC                                                                                        | Term Deposit                | 531,593,772   | 32,800,000        | 539,402,916                       | 43,239,692  | 68,230,549    |
| Guardian Life Insurance Limited                                     | BRAC, Ayesha Abed Foundation and RSA Capital Limited being the sponsor shareholder                             | Term Deposit                | 91,164,592    | 100,000,000       | 93,458,223                        | 2,293,631   | 100,000,000   |
| BRAC EPL Stock Brokerage Employee Provident Fund                    | Related concern of BRAC Bank PLC.                                                                              | Term Deposit                | 13,537,687    | -                 | 13,482,064                        | 1,089,647   | 1,145,271     |
| BRAC EPL Stock Brokerage Employee Gratuity Fund                     | Related concern of BRAC Bank PLC.                                                                              | Term Deposit                | 9,974,559     | -                 | 9,983,146                         | 822,939     | 814,352       |
| Najmul Hasan Zahed Academy                                          | Related concern of BRAC                                                                                        | Term Deposit                | 22,560,337    | -                 | 1,038,958                         | 1,877,687   | 23,399,066    |
| BRAC Kumon Limited                                                  | Related concern of BRAC                                                                                        | Term Deposit                | 92,491,986    | 30,000,000        | 1,768,562                         | 8,427,061   | 129,150,485   |
| BRAC Employees Gratuity Fund                                        | Related concern of BRAC                                                                                        | SOD                         | -             | 103,644,913       | 102,840,000                       | 804,913     | -             |
| BRAC University Employees Provident Fund                            | Related concern of BRAC                                                                                        | Subordinated Bond           | 1,280,000,000 | -                 | 115,264,000                       | 115,264,000 | 1,280,000,000 |
| BRAC University Employees Provident Fund                            | Related concern of BRAC University                                                                             | Term Deposit                | 57,291,500    | -                 | 61,968,049                        | 4,676,549   | -             |
| BRAC University, IED                                                | Related concern of BRAC University                                                                             | Term Deposit                | 5,132,760     | 5,000,000         | 99,006                            | 464,278     | 10,498,033    |
| LafargeHolcim Bangladesh Limited Workers Profit Participation Funds | Independent Director of IPDC Mr. Mohammad Iqbal Chowdhury is the CEO of LafargeHolcim Bangladesh Limited       | Term Deposit                | 73,566,005    | 28,000,000        | 110,587,059                       | 9,021,053   | -             |
| LafargeHolcim Bangladesh Limited Employees Provident Fund           | Independent Director of IPDC Mr. Mohammad Iqbal Chowdhury is the CEO of LafargeHolcim Bangladesh Limited       | Term Deposit                | 70,000,000    | -                 | 598,879                           | 7,070,041   | 76,471,162    |
| Lady Syeda Sarwat Abed                                              | Founder and director of the BRAC Institute of Languages (BIL), BRAC University, Spouse of Sir Fazle Hasan Abed | Term Deposit                | 20,947,261    | 6,500,000         | 9,298,364                         | 1,716,614   | 19,865,511    |
| Asif Saleh                                                          | Executive Director of BRAC                                                                                     | Term Deposit                | 2,000,000     | -                 | 170,000                           | 170,000     | 2,000,000     |
| Sk. Jenefa Khanom Jabbar                                            | Director of BRAC                                                                                               | Term Deposit                | 45,000,000    | 27,500,000        | 30,319,598                        | 6,319,598   | 48,500,000    |
| RSA Advisory Limited                                                | Related concern of RSA Capital                                                                                 | Term Deposit                | 96,898,707    | -                 | 7,094,206                         | 11,346,031  | 101,150,532   |
| Delta Brac Housing Finance Corp. Limited                            | Related concern of BRAC                                                                                        | Term Deposit                | -             | 200,000,000       | 200,906,111                       | 906,111     | -             |
| Nahreen Rahman                                                      | Directors of Bluechip Securities Ltd.                                                                          | Term Deposit                | 12,847,489    | -                 | 121,422                           | 1,034,223   | 13,760,290    |
| Rizwan Dawood Shams                                                 | Managing Director of IPDC                                                                                      | CWG                         | (88,307)      | 93,835            | -                                 | (5,528)     | -             |
| Rizwan Dawood Shams                                                 | Managing Director of IPDC                                                                                      | Personal Loan               | (1,939,734)   | 2,012,855         | -                                 | (73,121)    | -             |
| Rizwan Dawood Shams                                                 | Managing Director of IPDC                                                                                      | Employee Loan-Auto Mortgage | (1,402,998)   | 1,405,998         | -                                 | (3,000)     | -             |
| Rizwan Dawood Shams                                                 | Managing Director of IPDC                                                                                      | Employee Loan-Mortgage      | (10,341,943)  | 1,027,212         | -                                 | (409,370)   | (9,724,102)   |
| Yasmin Akther                                                       | Spouse of Managing Director                                                                                    | Term Deposit                | 78,536        | -                 | 83,823                            | 5,287       | -             |
| Zakia Shahana                                                       | Mother of Managing Director                                                                                    | Term Deposit                | 4,026,646     | 984,966           | 5,483,613                         | 472,002     | -             |
| Safwan Dawood Shams                                                 | Sibling of Managing Director                                                                                   | DPS                         | 360,000       | 90,000            | -                                 | -           | 450,000       |
| Kazi Mahmood Sattar                                                 | Director of RSA Advisory Limited                                                                               | Term Deposit                | 8,258,948     | -                 | 94,243                            | 912,430     | 9,077,135     |
| Mr. Sarwar Azam Khan                                                | Independent Director                                                                                           | Term Deposit                | 2,000,000     | -                 | 22,283                            | 215,325     | 2,193,042     |
| Social Development Programme(SODEP)                                 | Personal Guarantor-Director of BRAC                                                                            | Short Term Loan             | -             | 1,933,963         | 50,000,000                        | 1,941,963   | 50,008,000    |

## 47 Directors information

### 47.1 Name of the Directors and the entities in which they have interest as at 31 December 2024

| 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   | BRAC University                                          | Chief Financial Officer |
| ii)     | Ms. Nilufer Nazneen*         | Director             | Government of Bangladesh | National Institute of Biotechnology                      | Director                |
| iii)    | Mr. Munshi Abdul Ahad        | Director             | Government of Bangladesh | Bangladesh Overseas Employment and Services Ltd. (BOESL) | Director                |
|         |                              |                      |                          | Nuclear Power Plant Company Bangladesh Ltd.              | Director                |
|         |                              |                      |                          | Startup Bangladesh Ltd.                                  | Director                |
| iv)     | Mr. Sarwar Azam Khan         | Independent Director | N/A                      | A. Qasem & Co., Chartered Accountants (AQC)              | Partner                 |
| 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                |
|         |                              |                      |                          | BRAC Kaiyacherra Tea Company Limited                     | Director                |
|         |                              |                      |                          | BRAC Netting Factory                                     | Managing Director       |
|         |                              |                      |                          | BRAC Kumon                                               | Director                |
|         |                              |                      |                          | BRAC Healthcare Limited                                  | Director                |
|         |                              |                      |                          | BRAC                                                     | Chief Financial Officer |
|         |                              |                      |                          | BRAC Foundation                                          | Company Secretary       |
| 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                  |
|         |                              |                      |                          | Valor of Bangladesh                                      | Trustee                 |
| viii)   | Mr. Mohammad Iqbal Chowdhury | Independent Director | N/A                      | LafargeHolcim Bangladesh PLC.                            | Chief Executive Officer |
| ix)     | Mr. Rizwan Dawood Shams      | Managing Director    | Ex-officio               | None                                                     |                         |

\*The nomination of Ms. Nilufer Nazneen has withdrawn by GOB effective from 11 February 2025 and Ms. Maqsurah Noor ndc replaced her on 05 March 2025 as per approval from Bangladesh Bank.

\*\*Ms. Sonia Bashir Kabir has resigned from the Board of IPDC effective from 03 March 2025.

- 47.2** 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
- 47.3** Shares issued to Directors and Executives without consideration or exercisable at discount None
- 47.4** Nature, type and elements of transactions with the related party Note: 46
- 47.5** Lending policies in respect of related party:
- a) Amount of transactions regarding loans & advances, deposits, guarantees and commitment Note: 46
  - 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
- 47.6** 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 2024 |
|---------------------------------------|------------------------------|---------------------|----------------------------|------------------------------|----------------------------|--------------------------------|---------------------------|------------------------------|----------------------------|--------------------------------|----------------------------------------|
|                                       | Balance as at 1 January 2024 | Revaluation reserve | Addition during the period | Adjustment during the period | Disposal during the period | Balance as at 31 December 2024 | Charged during the period | Adjustment during the period | Disposal during the period | Balance as at 31 December 2024 |                                        |
| Land                                  | 279,435,033                  | -                   | -                          | -                            | -                          | 279,435,033                    | -                         | -                            | -                          | -                              | 279,435,033                            |
| Building                              | 90,474,767                   | -                   | -                          | -                            | -                          | 90,474,767                     | 13,299,790                | 2,659,958                    | -                          | 15,959,748                     | 74,515,019                             |
| Motor vehicles                        | 38,348,893                   | -                   | 13,539,417                 | -                            | 9,285,518                  | 42,602,787                     | 30,848,520                | 2,609,623                    | 9,089,218                  | 24,368,925                     | 18,233,862                             |
| Furniture and fixture                 | 121,662,723                  | -                   | 4,812,237                  | (49)                         | 50,580                     | 126,424,331                    | 73,242,293                | 11,636,187                   | 43,611                     | 84,834,869                     | 41,589,462                             |
| Equipment and appliances              | 319,309,280                  | -                   | 10,794,081                 | (8)                          | 1,361,803                  | 328,741,550                    | 231,439,554               | 36,024,008                   | 1,325,552                  | 266,138,010                    | 62,603,540                             |
| Software                              | 226,736,787                  | -                   | -                          | -                            | -                          | 226,736,787                    | 164,569,863               | 16,105,365                   | 1,774,035                  | 182,449,263                    | 44,287,524                             |
| Capital work in progress - Software   | 48,718,752                   | -                   | 8,200,542                  | 64,750                       | -                          | 56,984,044                     | -                         | -                            | -                          | -                              | 56,984,044                             |
| ROU-Assets for lease rent             | 284,456,918                  | -                   | 12,578,931                 | 3,126,146                    | -                          | 300,171,995                    | 88,191,188                | 49,630,545                   | (1,500,184)                | 136,321,549                    | 163,850,446                            |
| <b>Balance as at 31 December 2024</b> | <b>1,409,153,153</b>         | <b>-</b>            | <b>49,925,023</b>          | <b>3,190,839</b>             | <b>10,697,901</b>          | <b>1,451,571,294</b>           | <b>601,591,208</b>        | <b>118,665,686</b>           | <b>273,851</b>             | <b>710,072,364</b>             | <b>741,498,930</b>                     |

| 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 | Charged 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                     | -                         | 2,659,980                 | -                          | 13,299,790                     | 77,174,977                             |
| Motor vehicles                        | 99,113,115                   | -                   | -                          | -                            | 60,764,222                 | 38,348,893                     | 51,405,171                | 7,720,180                 | 6,718,498                  | 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                | 9,038                      | 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                | 30,238,210                 | 88,191,188                     | 196,275,730                            |
| <b>Balance as at 31 December 2023</b> | <b>1,404,329,535</b>         | <b>-</b>            | <b>124,404,453</b>         | <b>(19,840,489)</b>          | <b>99,740,346</b>          | <b>1,409,153,153</b>           | <b>528,002,132</b>        | <b>137,198,235</b>        | <b>(19,222,174)</b>        | <b>601,591,208</b>             | <b>807,561,945</b>                     |

## RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES

|                                                                                      | 2024<br>Taka           | 2023<br>Taka           |
|--------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Net profit after tax</b>                                                          | <b>363,234,933</b>     | <b>342,955,864</b>     |
| <b>Adjustments for non-cash items:</b>                                               |                        |                        |
| Add/(Less): Depreciation expenses                                                    | 118,665,686            | 137,198,235            |
| Add/(Less): Provision for loans, advances and investments                            | 892,454,917            | 639,273,945            |
| Add/(Less): Measurement of net defined benefit obligation - Employees' Gratuity Fund | (32,212,148)           | -                      |
| Add/(Less): (Gain)/ Loss on Disposal of fixed assets                                 | (124,246)              | (355,095)              |
| Add/(Less): Adjustment for ROU Lease Rent                                            | 8,900,211              | (3,968,920)            |
| Add/(Less): Accrued expenses                                                         | 360,309,885            | 110,657,474            |
| Add/(Less): Accrued income                                                           | (13,035,286)           | (44,476,009)           |
| Add/(Less): Provision for Current Tax                                                | 504,335,000            | 355,266,140            |
| Add/(Less): Deferred Tax                                                             | 4,688,979              | (37,728,167)           |
|                                                                                      | <b>2,207,217,931</b>   | <b>1,498,823,467</b>   |
| <b>Changes in operating assets and liabilities</b>                                   |                        |                        |
| (Increase)/Decrease in Loans and advances to other banks                             | 134,316,360            | 40,298,678             |
| (Increase)/Decrease in Loans and advances to customers                               | 583,704,386            | (2,537,880,788)        |
| (Increase)/Decrease in Other assets                                                  | 47,795,586             | 329,923,907            |
| Increase/(Decrease) in Deposits from other banks and financial institutions          | (6,934,700,000)        | (2,087,300,000)        |
| Increase/(Decrease) in Deposits from customers                                       | 1,076,987,436          | 3,124,859,497          |
| Increase/(Decrease) in Trading liabilities                                           | 632,887,198            | 306,230,766            |
| Increase/(Decrease) in Payable and accrued expenses                                  | 6,537,034              | (26,193,926)           |
| Increase/(Decrease) in Interest suspense                                             | 272,133,127            | 54,859,001             |
| Increase/(Decrease) in Other liabilities                                             | (121,878,746)          | 146,516,363            |
| Payment of Corporate tax                                                             | (397,348,844)          | (628,737,138)          |
| <b>Cash received/(paid) from operating assets and liabilities</b>                    | <b>(4,699,566,463)</b> | <b>(1,277,423,640)</b> |
| <b>Net cash from operating activities</b>                                            | <b>(2,492,348,531)</b> | <b>221,399,827</b>     |



### Highlights on the overall activities of the Company as at and for the period ended 31 December 2024 and 31 December 2023

| Sl. no. | Particulars                                                                  | 2024           | 2023           |
|---------|------------------------------------------------------------------------------|----------------|----------------|
| 1       | Paid up capital (Taka)                                                       | 3,896,461,240  | 3,710,915,470  |
| 2       | Total capital (Taka)                                                         | 6,909,038,195  | 6,751,513,529  |
| 3       | Capital surplus (Taka)                                                       | 4,023,078,331  | 4,040,070,739  |
| 4       | Total assets (Taka)                                                          | 89,123,903,630 | 91,933,996,939 |
| 5       | Total deposits (Taka)                                                        | 54,319,330,270 | 60,177,042,834 |
| 6       | Total loans and advances (Taka)                                              | 69,535,703,126 | 70,571,239,544 |
| 7       | Total contingent liabilities and commitments (Taka)                          | -              | -              |
| 8       | Loan to fund ratio                                                           | 0.90:1         | 0.84:1         |
| 9       | Amount of classified loans and advances at the end of the period/year (Taka) | 4,056,747,973  | 3,477,911,769  |
| 10      | Percentage of classified loans against total loans, advances                 | 5.83%          | 4.93%          |
| 11      | Net profit after tax and provision (Taka)                                    | 363,234,933    | 342,955,864    |
| 12      | Provisions kept against classified loan (Taka)                               | 2,360,660,132  | 1,808,768,765  |
| 13      | Provisions surplus against classified loan (Taka)                            | 149,266,196    | -              |
| 14      | Cost of fund                                                                 | 8.95%          | 6.94%          |
| 15      | Interest earning assets (Taka)                                               | 85,185,913,852 | 88,364,132,453 |
| 16      | Non-interest earning assets (Taka)                                           | 3,937,989,778  | 3,569,864,486  |
| 17      | Return on equity (ROE)                                                       | 5.44%          | 5.05%          |
| 18      | Return on asset (ROA)                                                        | 0.42%          | 0.38%          |
| 19      | Income from investment (Taka)                                                | 684,870,678    | 232,450,624    |
| 20      | Earning per share (Taka)                                                     | 0.93           | 0.88           |
| 21      | Price earning ratio (Times)                                                  | 19.79          | 63.24          |

Others\_!





**IPDC Finance PLC.  
PROXY FORM**

I ..... of ..... being  
member of IPDC Finance PLC, hereby appoint Mr./Ms. .... of .....  
..... as my proxy to attend and vote for me and  
on my behalf at the 43<sup>rd</sup> Annual General Meeting of the Company to be held virtually by using digital platform on Monday, 2<sup>nd</sup> June 2025 at 09:00 a.m.  
or at any adjustment thereof.

Signed this .....

Signature of Proxy .....

Day of ....., 2025

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 PLC.  
ATTENDANCE SLIP**

I hereby record my attendance at the 43<sup>rd</sup> Annual General Meeting of the Company being to be held virtually by using digital platform on  
Monday, 2<sup>nd</sup> Jun 2025 at 09:00 a.m.

Name of Member/Proxy .....

BO ID

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
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|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

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.









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

☎ 16519, 0255068931-36, 0255068930 (Fax)

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