



Annual Report 2025



Empowering People
Sustainable Progress



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 2025.

Dear Sirs:

Please find enclosed a copy of the Annual Report along with the Audited Financial Statements including Balance Sheet as at 31 December 2025 and Income Statements, Cash Flow Statement and Statement of Changes in Equity for the year ended 31 December 2025 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 44TH ANNUAL GENERAL MEETING OF IPDC FINANCE PLC.

Notice is hereby given for the 44th 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 Thursday, 25 June 2026 at 9:00 a.m. to transact the following proceedings:

AGENDA

01. To receive and adopt the Directors' Report, Auditors' Report and Audited Financial Statements of the Company for the year ended 31 December 2025;
02. To declare dividend for the year ended 31 December 2025;
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) Dr. A.K.M Atiquel Haque as nominee Director of GoB, (b) Mr. Sabbir Ahmed as nominee Director of BRAC;
07. To transact any others business (if any) with the permission of the chairman.

By order of the Board



Samiul Hashim
Company Secretary
Dated: 19 May 2026

Notes:

1. Shareholders appeared in the Members/Depository Register as on "Record Date" i.e. 02 June 2026 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 2025, Proxy Form and Notice of 44th 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 2025 and Proxy Form will also be available on the Investor Relations section of the Company's website at: <https://www.ipdc.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 44th AGM of IPDC at Head Office, IPDC Finance PLC., Hosna Centre (4th Floor), 106, Gulshan Avenue, Dhaka-1212.
3. The login process to participate in the virtual meeting along with link are also available in Company's website <https://www.ipdc.com>. Details of the login process have also been sent through email/SMS to respective shareholders' 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 9:00 a.m. on 25 June 2026. The webcast will start at 8:45 a.m. on 25 June 2026. For any guidance in this regard Members may contact cell number +8801755582278 (IT related issue) and +8801713076765 (share related issue).



IPDC has been recognized as the Top Sustainable Financial Institution for the 4th time

IPDC honored with FinTech Innovation of the Year in NBFI Category at 3rd Bangladesh FinTech Award



ACCOLADES



Managing Director of IPDC, Mr. Rizwan Dawood Shams, honored with the 'Chief Executive Officer/ Managing Director of the Year 2025'

IPDC honored with Most Sustainable Financial Institution of the Year-NBFI & SDG Brand Champion in Equity, Diversity and Inclusion in SDG Brand Champion Awards 2025



IPDC received Bronze Award for Best Use of Digital Media & Bronze Award for Efficacy at Commward 2025



CREATING STORIES TRANSFORMING LIVES



LOAN, LEASE
& ADVANCE

74,622M

YoY 7.31%
10Y CAGR 27.81%



CUSTOMER DEPOSIT

60,918M

YoY 17.69%
10Y CAGR 29.64%



IN 2025

17 BRANCHES

Initiatives taken to open
3 NEW BRANCHES



Revenue

3,484M

Operating Profit

1,853M

Net Profit After Tax

455M

Return On Equity

6.74%

Return On Asset

0.49%

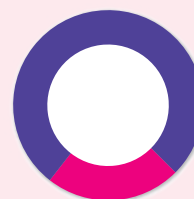
Classified Loan Ratio

5.97%



TOTAL EMPLOYEES

847



Male
(77%)

Female
(23%)

AAA
CREDIT RATING



Recognized by Bangladesh Bank
**TOP SUSTAINABLE
FINANCE COMPANY**

FOSTERING SUSTAINABLE FINANCE WITH

- Sustainable Agriculture
- Sustainable MSME
- Socially Responsible Financing
- Sustainable Linked Finance Products

83% YoY Growth
Green Finance Portfolio



ENSURING FINANCIAL INCLUSION OF

WOMEN, YOUTH & UNDERSERVED



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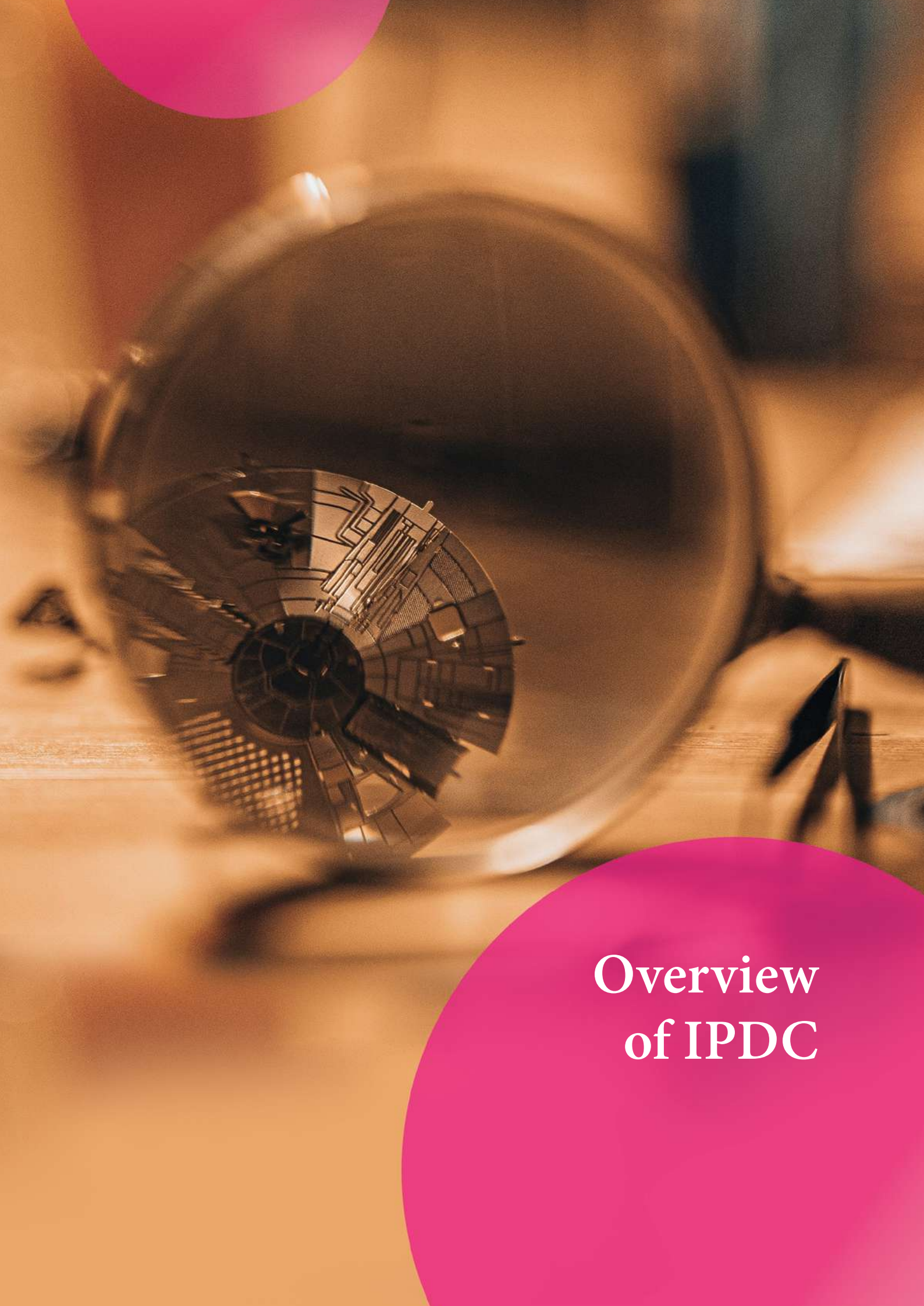
OTHERS

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45 YEARS OF UNINTERRUPTED PROGRESS

Since 1981, from the very beginning, IPDC has been working with the vision of long-term development and a sustainable economy. Through continuity, long-term planning, and sustainable services, IPDC has continued moving forward with excellence and confidence, overcoming various challenges and obstacles in 45 years of journey and achieving this proud milestone. Throughout this long journey, the values we have gained, trust, transparency, and ethical standards, have inspired us to move even further and aim even higher. With new innovations, new perspectives, and more sustainable solutions, we continue progressing toward the goal of building the Bangladesh of the future.



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

Stepping into the 45th year, IPDC has created meaningful stories in different walks of its treasured clientele's life. Since, Industrial Promotion and Development Company of Bangladesh Limited (IPDC of Bangladesh Limited) was formed, it has been a game changer in developing the country's industrial sector and now 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 seventeen branches, encompassing its headquarters and sixteen 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 named as Industrial Promotion and Development Company of Bangladesh Limited) has played a pivotal role in fulfilling its core objective of ushering in the wave of industrialization in Bangladesh. With such an illustrious purpose and intent, the Company introduced innovative financial products and services that together enabled us in building the foundations of leading corporates of Bangladesh.



Ariful Islam
Chairman

Rizwan Dawood Shams
Managing Director

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: DFIM (L)/48
dated 24 September 2024 and BCD (Non-Banking)/
Dhaka/3/95 dated 07 February 1995

Listing Date: 03 December 2006 (DSE & CSE)

Taxpayer Identification No: 111505336736

Vat Registration No: 001103993-0101



The company
steps into

45th
Year

28 November 1981
Date of Incorporation



BDT 8,000 MN
Authorized Share
Capital



BDT 4,091 MN
Paid up Capital.



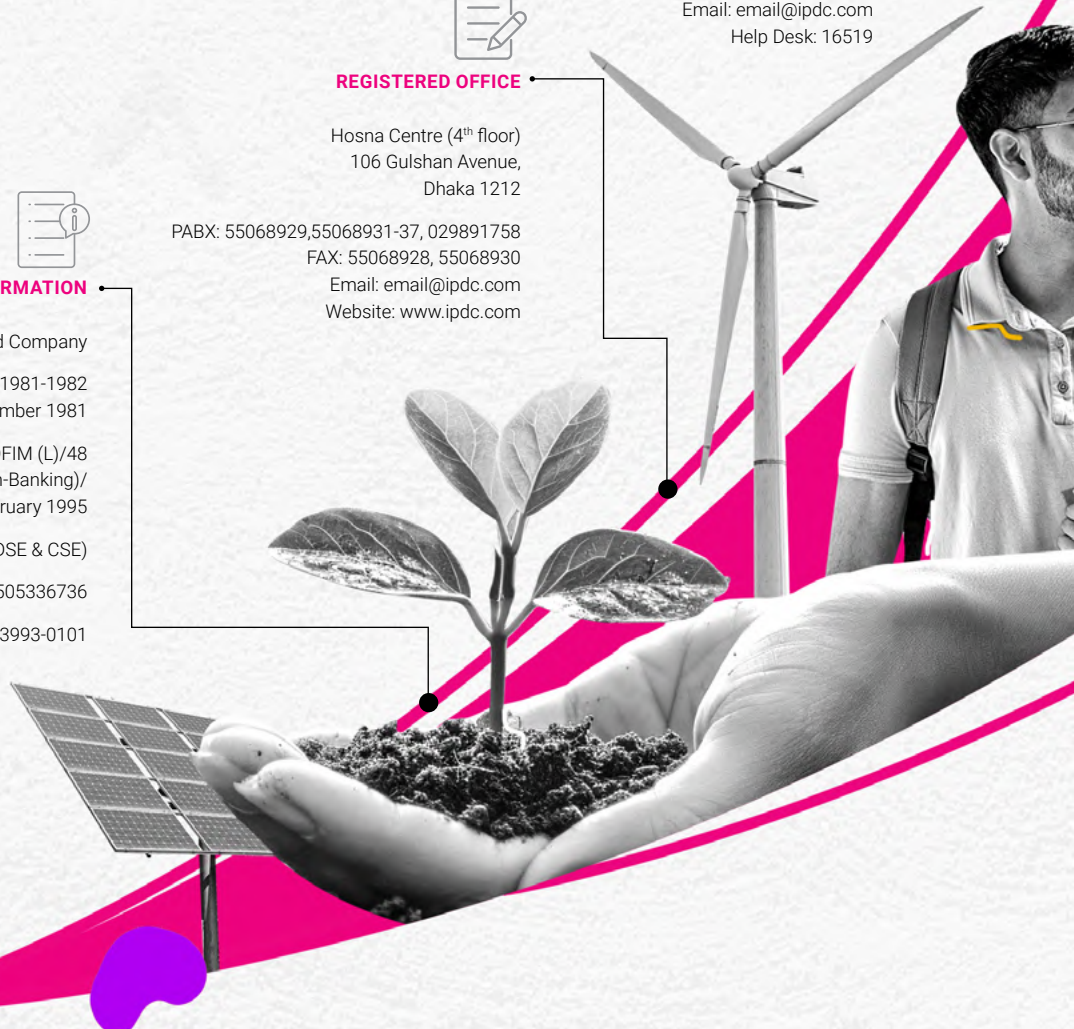
INVESTORS' ENQUIRY

Investors Relation Department
Phone: +(88) 09612885533
+(88-02) 55068931-6
Fax: +(88-02) 5506893128
Email: email@ipdc.com
Help Desk: 16519

REGISTERED OFFICE

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

PABX: 55068929, 55068931-37, 029891758
FAX: 55068928, 55068930
Email: email@ipdc.com
Website: www.ipdc.com





AUDITORS

Auditor:

Nurul Faruk Hasan & Co., Chartered Accountants

Corporate Governance Auditors:

S. F. Ahmed & Co., Chartered Accountants

Provident & 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
Sarder Jinnat Ali

Credit Rating Agency:

Emerging Credit Rating Limited (ECRL)



CONSULTANTS

Principal Bankers



LEGAL ADVISORS

The Learned Counsels
Law & Remedy
Jony Chowdhury & Associates
Voyance Legal
Emadullah Shahidul Islam (Sylhet)
A & Z Consultants
The Law Fort



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)
Bangladesh Employers' Federation (BEF)

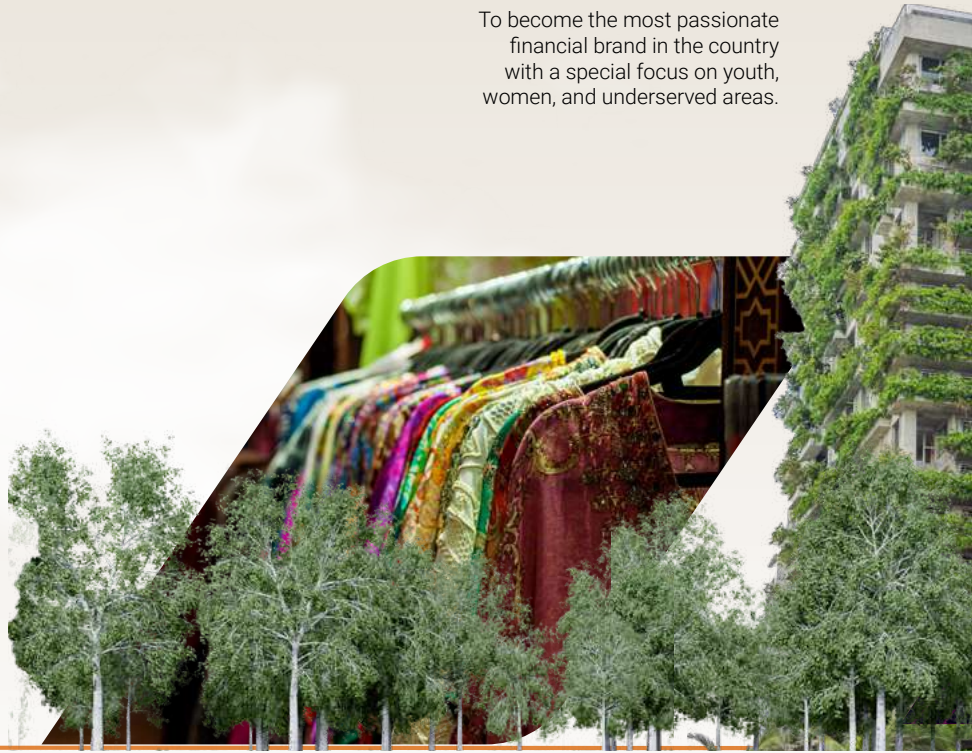
Standard Chartered Bank
Dhaka Bank PLC.
Prime Bank PLC.
Mercantile Bank PLC.
Eastern Bank PLC.
Mutual Trust Bank PLC.
NCC Bank PLC.
Woori Bank
Bank Alfalah
Dutch Bangla Bank PLC.
United Commercial Bank PLC.
BRAC Bank PLC.
NRBC Bank PLC.
Meghna Bank PLC.
Commercial Bank of Ceylon PLC.
Modhumoti Bank PLC.

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 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 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 GUIDING PRINCIPLES

- Displaying the highest level of Integrity in the way we conduct our business
- Demonstrating a strong will to win in the marketplace
- Promoting diversity in the workplace and community
- Always encouraging teamwork
- Harnessing the power of technology to deliver the best customer experience
- Setting the standard for the best corporate citizenship in the communities we work



IPDC'S EVOLUTION

1981

1st private sector Financial Institution (DFI) in Bangladesh

1983

Commenced commercial operations

1985

Co-founded IDLC

1995

Received license for operating as a financial institution from Bangladesh Bank

1997

Commenced lease financing

1999

Launched short-term working capital and bridge loan finance

2015

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

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

2017

Inaugurated branches in Jashore, Mymensingh and Cumilla

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

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

2000

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

2004

- Introduced zero-coupon bond 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

2008

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

2006

- Got Public Listing

2012

- Introduced factoring finance and mortgage finance

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.

2023

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

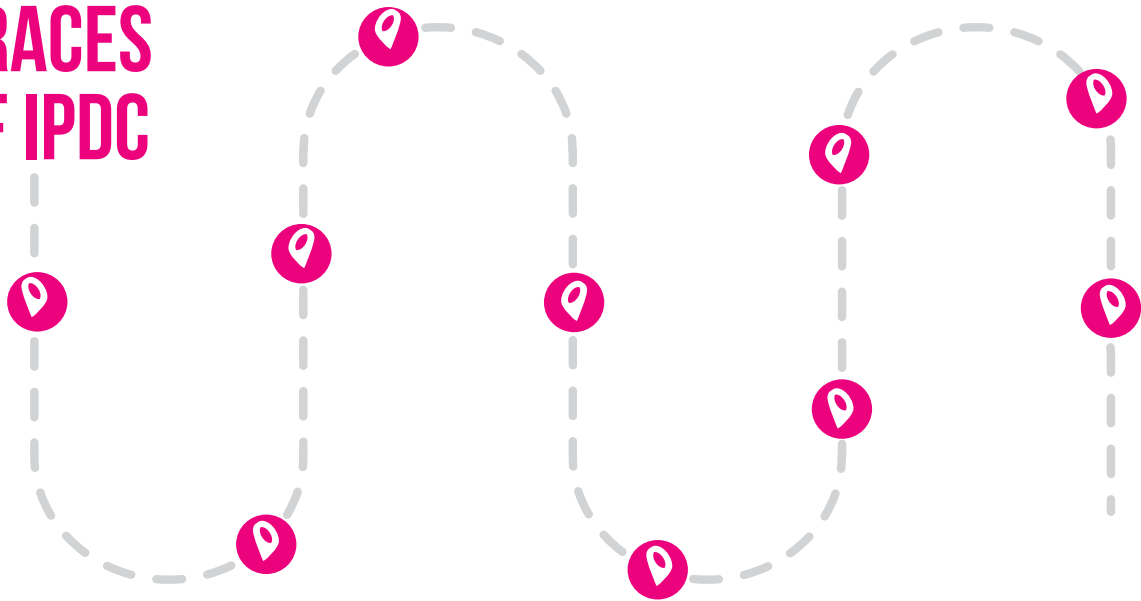
2024

- 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 3rd consecutive time in sustainability rating by Bangladesh Bank

2025

- Top Position for the 4th Time in Sustainability Rating by Bangladesh Bank
- Most Sustainable Financial Institution of the Year-NBFI, SDG Brand Champion Awards 2025
- SDG Brand Champion In Equity, Diversity and Inclusion, SDG Brand Champion Awards 2025

TRACES OF IPDC



Head Office

Hosna Centre (4th 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 (4th 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 (11th 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 Pourashova, Jashore
Tel: +(88-0421) 64171-72
Fax: +(88-0421) 64173
Email: email.jsr@ipdcibd.com

Cumilla Branch

Alahi Tower (2nd Floor)
Holding no -139, Kaporiea Potti
Cumilla
Tel: +(88-081) 74196-97
Fax: +(88-081) 74214
Email: email.comilla@ipdcibd.com

Mymensingh Branch

Momen Tower (3rd Floor)
65, Muktiuddha Sharani Sharak
(Chuto Bazar), Mymensingh
Tel: +(88-091) 51438-39
Fax: +(88-091) 51440
Email: email.myn@ipdcibd.com

Khulna Branch

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

Faridpur Branch

Nowab Ali Tower (1st 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

House - 5 (3rd Floor) , Road-2
Senpara, Rangpur Sadar,
Rangpur
Tel: +(88-02) 589964600-02
Email: email.rangpur@ipdcibd.com

Sylhet Branch

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

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S.M. Maleh Road,
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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 sadar, Bogura
Tel: +88-05161477-8
Fax: +88-05161479
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 (2nd floor),
Plot no. 30, Sector no. 11,
Sonargaon Janapath,
Uttara Model Town, Dhaka-1230
Fax: +(88-02) 8932630
Tel: +(88-02) 8932152, 8932154
Email: email.uttara@ipdcibd.com

Mirpur Sub-Branch

Dynasty Tower (5th 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

Barishal Branch

Dr. Syed Iman Ali Tower (3rd 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 (5th 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

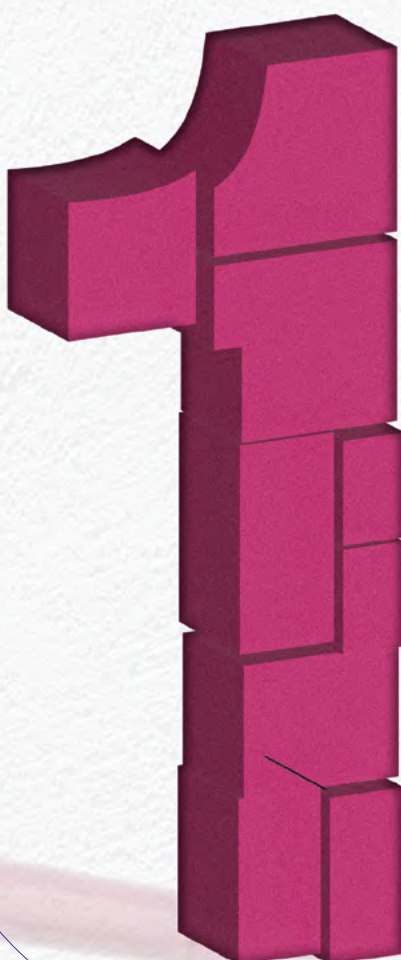
1st to introduce a comprehensive customer loyalty program in the industry, which offers a package of priority service to its high-value customers.

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

1st to introduce Asset Securitization product in Bangladesh

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

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



IPDC took the risk of financing 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

CORPORATE SOCIAL RESPONSIBILITIES (CSR)

EDUCATION



UCCHASH SCHOOL PROJECT

Ucchash School is an educational initiative established by the Amal Foundation in 2017 in Char Shonpocha, Bogura, a remote riverine area where many children previously had little access to formal schooling. The school provides free primary education to about 50 underprivileged children aged 6–8 each year. In June 2025, IPDC partnered with Amal Foundation in a one-year collaboration to finance the operational costs of Ucchash School, helping ensure the continuation of education and basic services for these disadvantaged children.



STIPEND FOR UNDERPRIVILEGED CHILDREN

IPDC Finance PLC. partnered with JAAGO Foundation to sponsor the education of 50 underprivileged children as part of a corporate social responsibility initiative celebrating the 50th anniversary of Bangladesh's independence. Through this collaboration, IPDC aims to support disadvantaged communities by ensuring access to quality education and creating better opportunities for children living below the poverty line, reinforcing the company's commitment to social development and youth empowerment in Bangladesh.



PRIYO SHIKKHOK SHOMMANONA

Ten teachers from across Bangladesh were honored at the Priyo Shikkhok Shommanona 2025, an award jointly organized by Prothom Alo and IPDC Finance to recognize outstanding educators ahead of World Teachers' Day. Among the awardees were three teachers from Milestone School who died in a tragic plane crash earlier that year, and their families accepted the awards on their behalf. Each recipient received a crest, certificate, sash, and Tk 1 lakh, while the families of the posthumous awardees received Tk 1.5 lakh. The initiative, launched in 2019, aims to recognize teachers who go beyond classroom instruction to instill values, ethics, and humanity in students.



FINANCIAL ASSISTANCE

IPDC Finance provides a monthly stipend to support the education and career development of Sadia Mou, the top-ranked female table tennis player in Bangladesh. She earned three gold medals in the singles, doubles, and team events at the 9th Bangabandhu Bangladesh Games. In addition, she secured bronze medals at the South Asian Games in both 2016 and 2019.



ICT LAB AT OBHIZATRIK FOUNDATION

With support from IPDC Finance, the Obhizatrik Foundation established a modern, fully functional ICT lab at its flagship Mirpur campus in 2025, helping bridge the digital divide for underprivileged students in Dhaka. The initiative has enabled over 350 students to participate in hands-on digital learning, including MS Office applications, internet browsing, responsible AI use, and safe digital practices through weekly classes led by trained teachers aligned with the national curriculum. Beyond classroom learning, the foundation is developing a low-cost ICT training programme for community youth outside the school system, with proceeds supporting the school's Education Fund to sustain scholarships, teacher salaries, and lab maintenance. IPDC's contribution is prominently recognised within the lab and across Obhizatrik's communications, reflecting its commitment to inclusive, technology-driven education and demonstrating how targeted CSR investment can create lasting opportunities for the next generation.

SOCIAL WELFARE



WELFARE PROJECT AT NALIAN VILLAGE

IPDC Finance PLC, in partnership with Hashimukh Somaj Kallayan Songstha, implemented a year-long CSR initiative in Nalian Village, Dacope, Khulna—a climate-vulnerable coastal area near the Sundarbans affected by saline water intrusion—focused on sustainable menstrual hygiene and women's economic empowerment. The project trains and employs 20 women to produce eco-friendly reusable sanitary pads while conducting menstrual health awareness campaigns. Around 300 adolescent girls and their mothers receive free pads and health education each month, with surplus products sold locally to sustain the programme. Through skill development, hygiene training, and community engagement, the initiative improves reproductive health awareness while providing livelihoods and empowering marginalized women as agents of change for their families and communities.



ADOPT A ROAD PROJECT

The Gulshan Society "Adopt-A-Road" program is a CSR initiative that allows individuals or organizations to adopt a road for a specified period, during which designated community workers are assigned to maintain and support the area. These workers ensure the road remains clean and tidy at all times, assist in controlling and easing traffic flow, and monitor the area by reporting any suspicious or illegal activities to help maintain safety and order within the community.



DISABLED REHABILITATION & RESEARCH ASSOCIATION PROJECT

Implemented by the Disabled Rehabilitation & Research Association with support from IPDC Finance PLC, Neela Centre aimed to improve the quality of life, education access, and social inclusion of children with disabilities in the Vatara slum of Dhaka through a holistic support system. The program served over 140 children by providing special education, early intervention therapies, healthcare services, nutrition support, and home-based care, while also assisting 120 ultra-poor families with monthly food baskets and daily meals for students. In addition, vocational training was provided to 20 youths with disabilities, enabling some to secure paid internships, and caregivers received training and counseling to improve disability care and family support. The initiative helped many children achieve developmental milestones such as improved mobility, communication, and social participation, while also strengthening family capacity and community inclusion, despite challenges such as high demand for services, poverty among beneficiary families, and limited specialized medical resources.



FINANCIAL ASSISTANCE

IPDC Finance PLC. proudly supports Ferdousi Akter Mariya—Bangladesh's first female Ironman athlete—who made history at just 19 years of age. A trailblazer, Mariya has represented Bangladesh in numerous national and international competitions and has qualified for the Ironman World Championship, a demanding multi-discipline event combining competitive swimming, cycling, and marathon running that requires exceptional endurance, rigorous training, and unwavering commitment. As a purpose-driven financial institution, IPDC Finance honors her journey through monthly CSR financial assistance to support her training, medical needs, and international competition exposure, reinforcing its commitment to standing beside Bangladesh's brightest talents and empowering those who carry the nation's flag with courage and pride.

ENVIRONMENT & CLIMATE CHANGE



CLIMATE RESILIENT SUSTAINABLE AGRICULTURAL SOLUTIONS PROJECT

IPDC Finance PLC. funded the Climate Resilient Sustainable Agricultural Solutions (CRSA) project in Lalmonirhat Sadar, Rangpur, implemented by ActionAid Bangladesh and Udayankur Seba Sangstha from October 2024 to September 2025. The initiative empowered 100 vulnerable women farmers across eight climate-exposed communities by providing training in organic farming, vermicomposting, bio-pesticide preparation, mulching, seed preservation, and household financial decision-making. Participants received materials to establish home-based vermicompost units, enabling many to reduce chemical fertilizer use, nourish their crops naturally, and generate income through compost sales; 80 women produced about 2,825 kg of compost while also benefiting from the women-managed "Shopno Chhoa Market Corner," which helped increase household income by 25–30%. Additionally, 72 women improved family nutrition while earning surplus income, and women's participation in household financial decisions rose by over 50 percentage points.



AFFORDABLE & SUSTAINABLE HOUSING DESIGN PROJECT

IPDC Finance PLC. has partnered with the School of Architecture and Design, BRAC University to launch the "Affordable & Sustainable Housing Design Project" as part of its CSR and sustainability initiatives. The project aims to develop affordable, resilient, and environmentally friendly housing solutions for low- and middle-income communities in Bangladesh. Under this collaboration, the architecture school will design sustainable housing models suited to local socio-economic conditions, while IPDC will support access to these homes through its Bhalobasha Home Loan program. Leaders from both institutions, including Rizwan Dawood Shams and Fuad Hassan Mallick, emphasized that the partnership combines academic innovation with financial solutions to improve living standards and promote.



BUILDING CLIMATE-CONSCIOUS SKILLS THROUGH ECO-CRAFT

IPDC Finance PLC. supported the "Building Climate-Conscious Skills Through Eco-Craft" CSR initiative implemented by Hashimukh Somaj Kallayan Songstha in Dhaka, targeting 50 marginalized adolescent girls and female parents from the Hashimukh community who have limited access to environmental education and skill development. Over one week, participants took part in hands-on eco-craft workshops using waste plastic, carton boxes, and tetra packs/paper rolls, each creating eight functional upcycled products such as planters, organizers, diary covers, and coin pouches while developing creativity, recycling skills, environmental awareness, climate-conscious habits, and sustainable consumption practices. The total project budget of BDT 33,635 was fully utilized for raw materials and participant refreshments to ensure smooth delivery, demonstrating IPDC Finance's commitment to grassroots community empowerment through environmental education and practical skill-building alongside financial inclusion.



TARUNNER UTSHOB 2025

IPDC Finance PLC. organized a nationwide tree plantation drive on 6 August 2025 in response to Bangladesh Bank directive (ref: DFIM(P)1052/27/2025-2487) as part of the "July Renaissance" and "Tarunner Utshob-2025" celebrations. The initiative was conducted simultaneously across IPDC branches in Barisal, Bogura, Chattogram, Cumilla, Dhanmondi, Faridpur, Gazipur, Gulshan, Jessore, Khulna, Mirpur, Motijheel, Mymensingh, Narayanganj, Rangpur, Savar, Sylhet, and Uttara, demonstrating the organization's commitment to environmental responsibility and youth-driven national development. Funded through IPDC's CSR budget and coordinated with local schools, colleges, and community spaces to ensure community engagement, the activity report was formally submitted to the Additional Director of the Financial Institutions and Markets Department (Policy & Regulation Wing) at Bangladesh Bank's Head Office in Dhaka, signed by the Managing Director of IPDC Finance.

INITIATIVES OF 2025



BRAC KUMON PARTNERING WITH IPDC

IPDC Finance PLC. established its presence by setting up a dedicated stall at Brac Kumon Event celebrations ground, where it showcased a range of financial solutions to prospective clients. The presence of IPDC's Managing Director, along with other senior officials, further enhanced the significance of the event and made it even more impactful. BRAC Kumon is a structured learning programme that enables students to develop strong foundational skills in mathematics and reading through self-paced study and consistent practice.



FINANCIAL FAIR FOR THE EMPLOYEES OF BERGER PAINTS

IPDC Finance PLC. organized a financial fair for the employees of Berger Paints Bangladesh, offering a comprehensive range of financial products. The event fostered active engagement between investment seekers and financial solution providers, making it a mutually beneficial and impactful initiative.



FINANCIAL FAIR, BRAC CENTER

Showcasing our financial solutions at the Financial Fair held at BRAC Center on May 2025. The event proved highly beneficial for both participants and IPDC, offering an excellent platform to promote our diverse range of products and customer-centric solutions.



BANGLALINK INVESTMENT WEEK

IPDC Finance PLC. participated in Banglalink Investment Week at the corporate headquarters of Banglalink, where it facilitated tailored investment solutions for employees. The event proved to be highly productive, offering valuable financial guidance and addressing the needs of investment enthusiasts effectively.

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 185-244



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 13
"Operational Efficiency"- Page 145
"Service orientation"- Page 149



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 152



INVESTORS

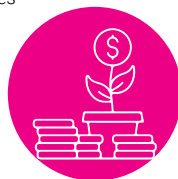
IPDC Finance emphasizes financial stability, business sustainability, effective communication of strategy, and robust corporate governance to instill confidence in investors.

"Sustainability Report" - Page 93-128
"Corporate Governance and Risk Management"- Page 185-244

COMMUNITIES & SOCIETY

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

"Corporate Social Responsibilities"- Page 22



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 163-170

AUTO LOAN **IPDC FINANCE**



শৈশবের
স্বপ্নটা
এবার সত্যি হোক

আইপিডিসি অটো লোন
১০০% কভারেজ*

16519

AUTO LOAN **উদ্বোধন ৪০ IPDC FINANCE**

Cover up to
100%



Privileged Interest Rate
Loan Tenure Upto 6 Years

16519

AUTO LOAN **উদ্বোধন ৪০ IPDC FINANCE**

100% Covered
From Dream to Drive



Privileged Interest Rate
Loan Tenure Upto 6 Years

16519

AUTO LOAN **উদ্বোধন ৪০ IPDC FINANCE**

IPDC Auto Loan
Bringing Pre-owned Cars
within Reach



Privileged interest rate
Loan tenure upto 6 years
Fast & easy processing

16519

PERFORMANCE THAT REFLECTS COMMITMENT

We evaluate our financial strength through portfolio growth, profitability, market capitalization, and long-term value creation.



BDT 7,610 MN

Market Capitalization
as on 31st December
2025



BDT 74,662 MN

Credit Portfolio
7.31% YoY Growth



BDT 62,249 MN

Deposit Portfolio
14.60% YoY Growth



BDT 3,484 MN

Operating Revenue
7.43% YoY Growth



BDT 1,853 MN

Operating Profit
5.01% YoY Growth



BDT 455 MN

Net Profit
25.39% YoY Growth



6.74%

Return on Equity
Up 130 bps YoY



0.49%

Return on Asset
Up 7 bps YoY



5.97%

NPL Ratio
Up 14 bps YoY



Our operational performance reflects the scale and reach of our offerings, as well as how effectively we serve our investors.



45

Years of Legacy



17

Branches



58,946

Customers served



BDT 53,085 MN

Loan disbursed in 2025



50+

Presence in
Non-Metro Districts

OPERATIONAL

We remain committed to embedding ESG practices across our operations, aligning our actions with long term sustainability and responsible growth.



BDT 14,527 MN

Green Finance
Portfolio



BDT 49,332 MN

Sustainable Finance
Portfolio



BDT 7.9 MN

CSR Spending
in 2025



77% TO 23%

Male to Female
Ratio



3

Independent
Directors

ESG

PRODUCTS AND SERVICES





DEPOSIT PRODUCTS

Flexible product options to ensure customized offering along with safety.

Saving Schemes, Deposit Schemes



Deposit Schemes



Deposit Premium Scheme

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

Ultiflex Deposit Scheme

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

Cumulative Profit Scheme

A fixed amount of no less than BDT 50,000 must be deposited in which 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.

Quarterly Profit Schemes

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

Millionaire Deposit Scheme

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

Annual Profit Scheme

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

Fixed Deposit General

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

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.

Icche

A fixed amount no less than BDT 1000 must be deposited in which the minimum tenure is 2 years. At the end of maturity the full interest will be paid.

SIGNATURE PLATFORMS



IPDC AMADER GAAN

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



UNSUNG WOMEN NATION BUILDERS AWARDS

The indomitable women who have contributed significantly to the development of Bangladesh surviving all odds of disparity and discrimination are largely ignored. IPDC Finance 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 JOYEE: A HOLISTIC 360° ENABLER OF WOMEN ENTREPRENEURS IN BANGLADESH

IPDC Finance PLC., Bangladesh's first private sector non-banking financial institution, launched IPDC Joyee in 2018 to empower women entrepreneurs through a holistic 360-degree business enabler model.

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.



IPDC BHALO BASHA HOME LOAN

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





IPDC JOYEE

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



IPDC Icche

IPDC Icche is a deposit savings scheme from IPDC Finance, mainly designed for young savers. It lets you deposit a small amount regularly and receive the principal plus profit/interest at maturity. Minimum deposit amount for Icche is BDT 1,000 with tenure options of 1, 3 or 5 years.



IPDC Progga

IPDC Progga is a personal loan targeted towards teachers. The minimum tenure is 6 months, and it is targeted towards full time teachers from government, non-government and MPO listed schools and colleges. Retired teachers can also apply if they have an active income source.



IPDC Durjoy

IPDC Durjoy is an exclusive premium financial proposition tailored for Bangladeshi mariners—officers, engineers, cadets, and crew—sailing across international waters. With specialized financial solutions, priority banking support, lifestyle benefits, and health privileges, Durjoy ensures a seamless, secure, and elevated financial experience for mariners and their families.

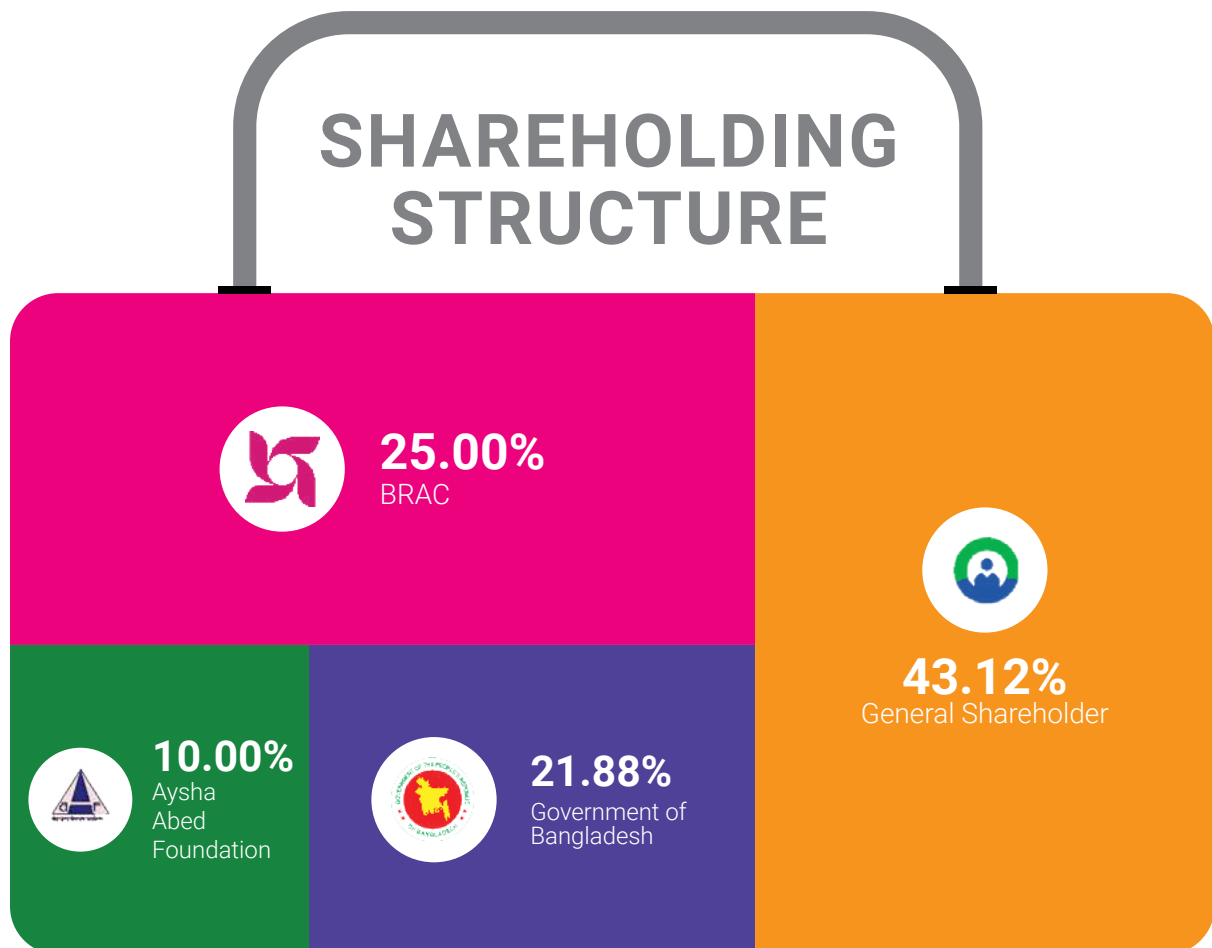


PROFILE OF SHAREHOLDERS

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 2025, IPDC has an authorized capital of BDT 8,000,000,000; issued, subscribed and paid-up capital of BDT 4,091,284,300.



প্রজন্মের
সম্প্রদায়

IPDC
ডিপিএস | এফডিআর

আশ্বস্ত ভবিষ্যতের জন্য
আজকের নিরাপদ মঞ্চের মিত্র



ভরসা

IPDC
ডিপোজিট

উচ্ছ্বাসে কাটবে অবসর
IPDC FDR-এ
সঞ্চয় বাড়বে নিশ্চিত



সঞ্চয় শেয়ারহোল্ডার
brac

সর্বোচ্চ রেটিং
AAA

16519

উন্মাদ
80 IPDC
ডিপোজিট

আগামীর প্রতিটি সকাল হোক
নিশ্চিত



16519

সঞ্চয় শেয়ারহোল্ডার
brac

সর্বোচ্চ রেটিং
AAA

উন্মাদ
80 IPDC
ডিপোজিট

আইপিডিসি FDR-এ
মাসুলি প্রফিট স্কিম (MPS)



16519

সঞ্চয় শেয়ারহোল্ডার
brac

সর্বোচ্চ রেটিং
AAA

PROFILE OF BOARD OF DIRECTORS

ARIFUL ISLAM

Chairman, Board of Directors

**Chairman, Board Executive
Committee**

**Chairman, Risk Management
Committee**

**Director, nominated by Ayesha
Abed Foundation**



Director:

Since 24 November 2022

Other Interests:

Treasurer, 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 Board Executive Committee (EC) and Risk Management Committee (RMC) of IPDC. Mr. Islam is a Corporate Leader with 28 years of experience across Asia Pacific. He joined BRAC University as CFO in December 2020 and currently holding the Treasurer position and leading as 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.

DR. A. K. M. ATIQUUL HAQUE

**Director,
Nominated by GoB**



Director:

Since 17 June 2025

Other Interests:

Syndicate Member of Sylhet Medical University

Qualifications:

PhD, Faculty of Business and Economics, Department Business Law and Taxation, Monash University, PhD Topic: The Taxation of Small Business in Developing Countries, PhD Supervisor: Professor Rick Krever in the year 2009 - 2013.

Master of Arts in Business and Commerce (Master's in Taxation Policy and Management) from Keio University, Tokyo, Japan, Joint Japan-World Bank Graduate Scholarship Program, in the year 2006 – 2008

Master of Business Administration from Institute of Business Administration, University of Dhaka, Bangladesh, in the year 1997 – 2000

Bachelor of Science (Honors) in Mathematics from University of Dhaka [DU], in the year 1991 – 1996

Dr. A. K. M. Atiquul Haque is a nominated Director by the Government on the Board of IPDC Finance PLC. He is presently serving as Joint Secretary in the Finance Division, Ministry of Finance. Mr. Haque has played a pivotal role in a wide range of government positions in his long career for more than 26 years. Mr. Haque has worked in different positions on the National Board of Revenue (NBR) as Deputy Commissioner of Taxes to Joint Commissioner of Taxes from 1999 to 2016. Later, he has been serving in various positions in the different Ministries i.e. Ministry of Commerce and Ministry of Finance of Government of Bangladesh. Mr. Haque has served Bangladesh Civil Service since 1999 and contributed through his dynamic capacities within the NBR, Ministry of Commerce and Finance Division of the Ministry of Finance. Within the ministry of commerce, he has been playing a significant role as Commercial Councillor at Bangladesh High Commission in New Delhi, India. He participated in many trade negotiations as a member of the Bangladesh delegation.

SABBIR AHMED FCMA

**Director,
Nominated by BRAC**



Director:

Since 25 September 2025

Other Interests:

Trustee, Climate Bridge Fund (CBF)

Managing Director:

BRAC Industries Limited
BRAC Netting Factory

Director:

BRAC Probashbandhu Limited
BRAC Kaiyacherra Tea Company Limited

Chief Financial Officer, BRAC

Qualifications:

M.Com. in Finance from University of Dhaka.

FCMA, Institute of Cost and Management Accountants of Bangladesh (ICMAB).

Mr. Ahmed is nominated Director by BRAC on the Board of IPDC and member of Board Executive Committee of IPDC. Mr. Ahmed has experience as Senior level executive with extensive hands-on experience in management, business leadership and working with Board of Directors, Banks, Non-Banking Financial Institutions and Regulators. He is a highly accomplished, result driven leader having more than 26 years of progressive experience in finance and operations management within start-ups, local conglomerates, business groups and global organizations. Mr. Ahmed has demonstrated his ability to streamline business operations and implement financial controls and processes in addition to productivity improvements, turn around business performance and change management. He possesses solid leadership, communication and interpersonal skills to establish rapport with all levels of staff and management. He joined BRAC as CFO in May 2025 with current responsibilities for leading, coordinating, managing and directing the staffs to operate and ensure that the organization is disclosing accurate, relevant and timely financial information and optimizing fund management to enable BRAC to finance its operation in the most effective way also collaborates with Micro Finance, Development Programmes and Social Enterprises to optimize the efficiency and quality of Programme/Enterprise performance and forecasting. Previously, Mr. Ahmed has held various dynamic managerial roles with Ha-Meem Group, Babylon Group, Rahimafrooz Storage Power Business, Rahimafrooz (Bangladesh) Limited, ACI Logistics Limited, Robi Axiata Ltd. & Novartis (Bangladesh) Ltd.

SARWAR AZAM KHAN

**Chairman,
Board Audit Committee
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 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 18 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 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 25 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 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 27 years of professional experience, his key research areas include banking operation, SME financing, trade financing, inclusive finance, green banking, and financial crime and malpractices. He has teaching experience with Institute of Business Administration [IBA] and Department of International Business of the University of Dhaka; East West University; BRAC University and University of Professionals.

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



Managing Director:

Since 15 April 2024

Other Interests:

Nil

Qualifications:

BBA in Finance & Marketing from North South University, Dhaka.

MBA in Marketing from Victoria University, Australia.

Mr. Rizwan Dawood Shams is the Managing Director of IPDC Finance PLC, a position he has held since 2024. He previously became the first-ever Additional Managing Director (AMD) of the institution in 2021.

Mr. Shams began his career in the financial sector more than two decades ago, serving in key positions at Standard Chartered Bank and several other financial institutions before joining IPDC in 2007 as Senior Manager under Corporate Investment. Over the years, he assumed leadership roles overseeing Corporate Business, SME, Supply Chain Finance, Treasury, and Special Asset Management.

Under his leadership, IPDC achieved strong and sustained growth across its core business segments, marked by significant expansion in its lending portfolio, customer

deposits, profitability, and overall operational performance, alongside the successful transformation of its Treasury function into a strong profit-generating unit. Under his guidance, IPDC maintained its position as one of the fastest-growing and most customer-centric financial institutions in the country, while maintaining one of the lowest non-performing loan (NPL) ratios in the industry.

He played a pivotal role in reshaping IPDC's SME business with a focus on nationwide CMSMEs and underserved entrepreneurs. He introduced Supply Chain Financing (SCF) at IPDC in 2012, through which the institution now holds over 50% of Bangladesh's SCF market share. He also led major digital transformation initiatives, including the retailer financing platform, DANA.

Under his stewardship, IPDC has continued to advance inclusive and sustainable finance, with a strategic focus on youth, women, and underserved communities. Beyond organizational leadership, Mr. Shams actively contributes to industry discussions on financial sector development including sustainability, ethical governance, and inclusive economic growth. In recognition of his leadership and institutional transformation efforts, he received the "Managing Director of the Year 2025" award at the Bangladesh C-Suite Awards.

He holds a Bachelor of Business Administration (BBA) degree from North South University and an MBA from Victoria University. (Australia). He has also participated in professional training programs across Germany, Singapore, Thailand, Malaysia, India, and the Philippines.

Working period of Board of Directors in IPDC Finance PLC. and Education details:

Name of the Director	Working Period in IPDC Finance PLC.	Education Details
Mr. Ariful Islam	24 Nov 2022 to till	• 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. Sarwar Azam Khan	21 May 2024 to till	• Bachelor of Commerce (Hons in Accounting) University of Dhaka • Master of Commerce (Accounting) University of Dhaka. • FCA, Institute of Chartered Accountants of Bangladesh (ICAB).
Dr. A. K. M. Atiqul Haque*	17 Jun 2025 to till	• PhD, Faculty of Business and Economics, Department Business Law and Taxation, Monash University. • Master of Arts in Business and Commerce (Master's in Taxation Policy and Management) from Keio University, Tokyo, Japan. • Master of Business Administration from Institute of Business Administration, University of Dhaka. • Bachelor of Science (Honors) in Mathematics from University of Dhaka.
Ms. Maqsurah Noor NDC**	05 Mar 2025 to 15 Feb 2026	• M.Sc. in Development Management from University of Birmingham, UK in the year 2014. • M.S.S. in Economics from University of Dhaka, in the year 1987. • B.S.S. (Honours) in Economics from University of Dhaka, in the year 1986.
Mr. Sabbir Ahmed FCMA	25 Sep 2025 to till	• M.Com. in Accounting from University of Dhaka. • FCMA, Institute of Cost and Management Accountants of Bangladesh (ICMAB).
Dr. Shah Md. Ahsan Habib	09 Feb 2021 to till	• 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.
Mr. Mohammad Iqbal Chowdhury	13 May 2024 to till	• BBA, Finance, University of Chittagong • MBA, Finance, University of Chittagong

*The nomination of Mr. Munshi Abdul Ahad has withdrawn by GOB on 10 Feb 2025 and Dr. A. K. M. Atiqul Haque replaced him on 17 Jun 2025 as per approval from Bangladesh Bank.

**The nomination of Ms. Maqsurah Noor NDC has withdrawn by GOB on 15 Feb 2026 and Mr. Md. Zakir Hossain will replace her upon having approval from Bangladesh Bank.

PROFILE OF THE MANAGEMENT COMMITTEE



RIZWAN DAWOOD SHAMS

Managing Director

Expertise:

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

Educational Background:

Master of Business Administration, Victoria University of Melbourne

Bachelor of Business Administration, North South University

Years of Experience:

22



ASHIQUE HOSSAIN

Deputy Managing Director & Chief Operating Officer

Expertise:

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

Educational Background:

Master of Business Administration, North South University

Bachelor of Science in Civil Engineering, BUET

Years of Experience:

22



FAHMIDA KHAN, FCA

Chief Financial Officer

Expertise:

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

Educational Background:

Bachelor of Business Administration, University of Dhaka

Professional Qualification:

Fellow Member of Institute of Chartered Accounts of Bangladesh (ICAB)

Years of Experience:

15



MD. AFZALUR RASHID

Chief Technology Officer

Expertise:

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

Educational Background:

Bachelor & Master of Computer Science and Engineering, Bangalore University

Sun Certified Java Professional Since 2003 from Sun Microsystems, USA

Certified Appraisal Team Member for CMMI from

Software Engineering Institute, USA

Certified PCI DSS Implementation & Certification Expert from QRC, Mumbai, India

Years of Experience:

27



MD. SAYEED IQBAL

Chief Human Resources Officer

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

Educational Background:

MBA

PGD in Human Resources Management

PGD in Supply Chain Management

Years of Experience:

27



SAMIUL HASHIM

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

Expertise:

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

Brand Strategy, Corporate communications, Public relations, Digital media, Content and campaign management, Stakeholder engagement, Reputation management, and strategic communication aligned with business objectives.

Educational Background:

Bar Professional Training Course (BPTC), Northumbria University

LL.M in International Commercial Law, Northumbria University

LL.B(Hons), University of London

Professional Qualifications:

Barrister at Law (Lincoln's Inn)

Advocate, Supreme Court of Bangladesh ACI Arb, UK

Accredited Commercial Mediator, UK

Years of Experience:

18



MOHAMMAD MONIRUL ISLAM

Head of Retail Business

Expertise:

Retail Banking Expert with Local & International Banking Experience on Lending & Deposit Products, High-Net-Worth Client Management, Financial Management, Strategic Planning, Market Analysis & Trends, Stakeholder Management, Team Leadership & Development, Innovation-Driven Growth, Customer-Centric Approach and Operational Excellence.

Educational Background:

Master of Business Administration (MBA), Eastern University

Bachelor of Business Administration (BBA), International University of Business Agriculture and Technology (IUBAT)

Years of Experience:

21



ABDULLAH AL MAHMUD MD. KAYES FCCA, CISA

Head of Internal Control and Compliance

Expertise:

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

12



IMRAN KHAN

Head of Credit Risk Management

Expertise:

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

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:

19

CAMPAIGNS OF 2025

IPDC Finance PLC. has consistently shown a strong commitment to building effective communication with its stakeholders, including customers, shareholders, and the broader community. Through a range of impactful initiatives, the organization has implemented notable campaigns that connect with its audience while strengthening transparency and meaningful engagement. These efforts highlight IPDC's dedication to maintaining open dialogue and contribute to raising the benchmark for corporate communication practices. By developing compelling narratives and placing strong emphasis on stakeholder relationships, the company has further enhanced its reputation as a dependable and progressive organization. This proactive communication strategy reflects a clear commitment to building trust, encouraging collaboration, and supporting long-term sustainable growth.



AUTO LOAN CAMPAIGN

For 2025, IPDC had a distinct strategy to promote their car loans. This was catering towards new married couples, micro family and essentially extended family.



IPDC PERSONAL LOAN - DOCTORS CENTRIC

To address needs of doctors, IPDC finance launched a digital communication centered around doctors, catering towards one of the biggest and most important service providers.



FINANCIAL LITERACY

In 2025 according to IPDC's long term mission of financial literacy to the masses, they launched a digital communication that mainly centers around women, but anyone can learn.



JIBON JUDDHE EGIYE CAMPAIGN

To adhere to the growing needs of young individuals, IPDC launched this Deposit scheme to provide them with solutions for their unique wants. This includes destination weddings, touring, studying abroad, gaming PCs, etc.



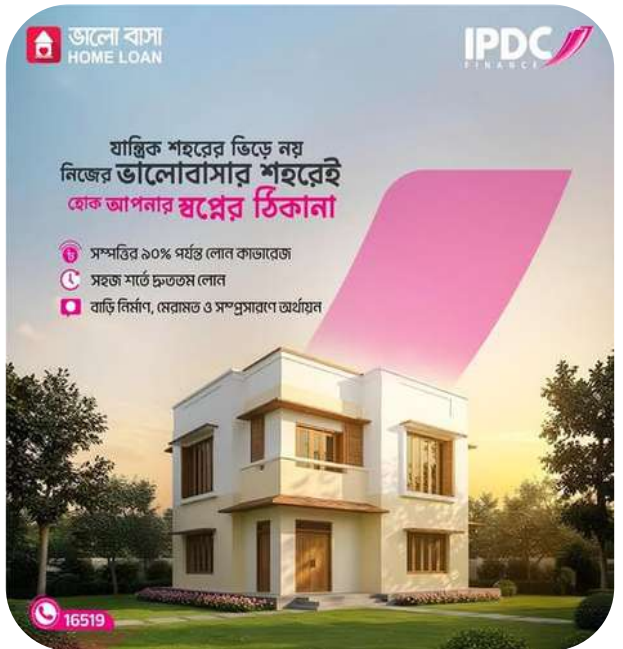
JOYEE CAMPAIGN – 2025

IPDC “জয়ী” (Joyee), is the women-focused financial inclusion and entrepreneurship empowerment. This year women from all walks of life have been targeted with the central strategy being women being economic drivers and IPDC removing the structural and financial barrier that exists in the economy.



SME CAMPAIGN - 2025

The 2025 SME campaign by IPDC Finance PLC. presents a clear and aspirational narrative by showcasing diverse entrepreneurs—from small shop owners to nursery operators and corporate SME professionals—highlighting the breadth of businesses it serves, while using localized Bangla messaging and relatable visuals to connect with its audience; each creative emphasizes key benefits such as easy loan access, minimal documentation, quick processing, and long-term financing, all reinforced through consistent branding and a strong empowerment theme that positions IPDC as a reliable partner helping SMEs grow and turn their ambitions into reality.



HOME LOAN CAMPAIGN - 2025

Each of the communications of this campaign gives audience a feel of growth, belonging, stability and emotional fulfillment. The main message being clear that IPDC Home Loan is not just financing properties, but it finances life moments, emotional security and helps people with their dreams.

আর্থিক সাক্ষরতা সপ্তাহ ২০২৬

সঠিক সময়ে গড়ন ভবিষ্যৎ
উচ্চশিক্ষার লক্ষ্যে নিন স্টুডেন্ট লোন



SMART MONEY TALKS

আর্থিক সাক্ষরতা সপ্তাহ ২০২৬ ডিজিটাল লেনদেনে নিরাপত্তা নিশ্চিতকরণ

- ✗ স্ক্যাম লিংকে ক্লিক নয়
- ✗ OTP, পিন ও পাসওয়ার্ড শেয়ার নয়



SMART MONEY TALKS

দেখে নাও QR কোডের কি, কেন ও কিভাবে!



আর্থিক সাক্ষরতায় সূচিত হোক
নিরাপদ ক্যাশলেস লেনদেন

নগদ টাকার দুশ্চিন্তা শেষ লেনদেন হবে ক্যাশলেস



আর্থিক সাক্ষরতায় সূচিত হোক
নিরাপদ ক্যাশলেস লেনদেন



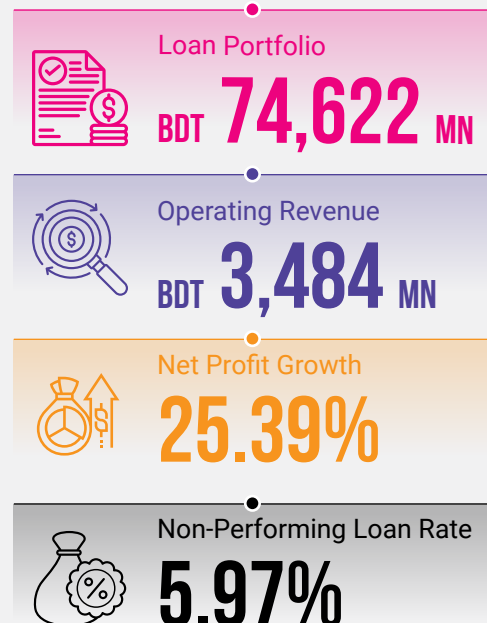
Directors Report

STATEMENT FROM THE CHAIRMAN



As a leading financial institution, we are shaping the future of Bangladesh's economic transformation through adaptability, innovation, and purposeful strategy. Our ambition is clear: to create lasting value for shareholders, deepen inclusion across underserved communities, and build a resilient financial system that supports sustainable national progress.

Ariful Islam
Chairman



Dear Shareholders,

On behalf of the Board of Directors of IPDC Finance PLC., I am pleased to present our annual report and audited financial statements for the fiscal year ended on 31st December 2025, highlighting our strong financial performance, strategic progress, and commitment to sustainable growth.

We would like to express our sincere gratitude to our shareholders for their confidence & support and our appreciation to our esteemed clients for their continued trust & commitment. We are grateful to Bangladesh Bank for its guidance, which has been crucial in navigating through difficult macro-economic circumstances. We are also grateful to our regulatory stakeholders, the Bangladesh Securities and Exchange Commission, the Dhaka Stock Exchange, the Chittagong Stock Exchange, and others for their continued support and collaboration.

We would like to take this opportunity to thank each member of the IPDC family for their unwavering dedication and professionalism in shaping our sustainable future.

A WORLD IN TRANSITION & BANGLADESH'S PLACE IN IT

The global economy in 2025 continued to face significant uncertainty, shaped by geopolitical tensions, inflationary pressures, supply chain disruptions, and climate-related challenges. In this environment, resilience, adaptability, and prudent leadership became increasingly important for financial institutions worldwide.

Amid these global challenges, Bangladesh demonstrated resilience and steady economic momentum. Despite ongoing macroeconomic pressures, the country maintained positive growth, supported by strong remittance inflows, export resilience, and ongoing policy

reforms. GDP growth for FY2025 is estimated at around 3.5%–4.0%, while inflation remained elevated at approximately 8.5%–10% during the year. Foreign exchange reserves improved gradually, supported by remittance inflows exceeding USD 30 billion and continued export performance led by the ready-made garments sector.

During the year, Bangladesh also advanced several important reforms aimed at strengthening financial sector stability and improving investor confidence. These included the transition toward market-based interest rates, exchange rate stabilization measures, banking sector governance reforms, and initiatives to enhance capital market transparency and efficiency.

While challenges such as elevated borrowing costs, subdued private sector credit growth, and pressure on asset quality persisted, the broader economic outlook remains cautiously optimistic. These developments reinforce the importance of disciplined execution, strong governance, and sustainable business practices in creating long-term value and supporting Bangladesh's continued economic progress.

IPDC'S ACHIEVEMENTS AND DEVELOPMENTS IN 2025

In this context, IPDC remained anchored to its core principles—integrity, resilience, and sustainability. These are not merely aspirational statements but the foundation of our decision-making. We consistently prioritized quality over scale, resilience over excessive risk-taking, and long-term value creation over short-term outcomes. In 2025, this approach translated into BDT 3,484 million in operating income, BDT 455 million in net profit after tax, and a Capital Adequacy Ratio of 17.14%, comfortably exceeding regulatory requirements.

Our sustainability performance continues to set industry benchmarks. For the fourth time, IPDC was recognized among the **Top Sustainable Financial Institutions of the Year** by Bangladesh Bank. Additionally, IPDC received the **Most Sustainable Financial Institution and SDG Brand Champion Award in Equity, Diversity and Inclusion** at the SDG Brand Champion Awards 2025, presented by AkijBashir Group. These recognitions reflect our disciplined lending standards, strong focus on green MSMEs and socially responsible finance, and platforms such as IPDC Joyee, which continue to advance women's economic empowerment.

PRIORITIZING INCLUSIVITY & CUSTOMER CENTRICITY

At IPDC Finance PLC, inclusive growth and superior customer experience are central to our business strategy. We focus on delivering customizable, user-centric financial solutions, continuously refining our products to reflect evolving customer needs and preferences. Our product development framework is guided by inclusivity and customer insights, ensuring strong product–market alignment and value creation. This approach has driven the launch of several innovative propositions, including IPDC Joyee and Bhalobasha Home Loan.

Recognizing gender inclusion as a cornerstone of sustainable development, IPDC introduced Joyee 360, a dedicated sub-branch in Mirpur, Dhaka, exclusively serving women entrepreneurs. Beyond financing, Joyee 360 provides integrated support services such as business advisory, market access facilitation, capacity-building initiatives, and tailored financial solutions.

This commitment is further reinforced through IPDC Priti, a comprehensive women-centric platform that integrates IPDC's retail offerings. Priti provides enhanced privileges designed to promote women's economic empowerment, financial security, lifestyle advancement, healthcare access, and overall well-being—contributing meaningfully to improved quality of life.

OUTLOOK 2026 & BEYOND

Looking ahead, IPDC will continue to execute a strategy anchored in resilience, disciplined growth, and sustainable value creation. As macroeconomic conditions stabilize, our focus will remain on further strengthening asset quality, selectively expanding high-impact MSME and retail portfolios, and deepening our leadership in sustainable and inclusive finance. We will continue to invest in governance, risk management, digital enablement, and customer-centric innovation to enhance operational efficiency and sustainable growth. Guided by prudence and purpose, IPDC is well positioned to convert macroeconomic stabilization into durable, inclusive growth for shareholders and the wider economy.

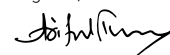
CONCLUDING REMARKS

Moving ahead, IPDC remains unwavering in its commitment to creating enduring value for shareholders, advancing financial inclusion, and strengthening the resilience of Bangladesh's financial system. While global and local uncertainties will continue to test institutions, IPDC's foundation, rooted in integrity, sustainability, and disciplined execution, is what positions us to perform consistently across economic cycles.

We will continue to channel capital into sustainable economic growth through transformative & impact financing is transformative, prioritizing asset quality over headline growth and maintaining strong capital buffers to invest prudently through periods of volatility. In doing so, we reaffirm our role not merely as a financial institution, but as a catalyst for sustainable progress and inclusive prosperity.

We look forward to the future with renewed resolve and optimism.

Regards,



Ariful Islam
Chairman

STATEMENT FROM THE MANAGING DIRECTOR



The resilience and trust of our stakeholders guided IPDC through a year of significant economic and institutional adjustment. By maintaining financial discipline and a strong commitment to sustainability and inclusion, we continued to create long-term value. As we move forward, our focus remains on responsible growth, sound governance, and supporting the real economy with integrity and care.

Rizwan Dawood Shams
Managing Director



Net Profit Growth

25.39%



Customer Deposit Growth

17.69%



Capital Adequacy Ratio

17.14%

GLOBAL ECONOMIC DYNAMICS

The global economy in 2025 continues to face a complex and uncertain environment. Although fears of a deep global recession have eased, economic growth remains below historical averages and uneven across regions. According to the International Monetary Fund, global GDP growth was 3.3% in 2024 and is projected to stay around 3.3% in 2025 and 2026.

Ongoing geopolitical tensions, particularly instability in the Middle East and the Russia–Ukraine conflict, have continued to disrupt global supply chains and energy markets. These developments have kept fuel and food prices elevated, which contributed to persistent inflationary pressures in both advanced and emerging economies.

Global output and trade volumes remained relatively resilient during the year. However, underlying vulnerabilities have increased. Rising tariffs, trade restrictions, subsidy-driven industrial policies, and growing geopolitical fragmentation are expected to weigh on global trade and cross-border investment flows in the medium term.

Taken together, these global developments have increased financing costs and slowed external demand for export-oriented economies such as Bangladesh.

BANGLADESH IN TRANSITION: STABILIZATION AMID STRUCTURAL STRESS

Bangladesh experienced a challenging but transitional year in 2025. Following the political changes of 2024, the interim government placed strong emphasis on restoring macroeconomic stability, strengthening governance, and rebuilding confidence in public institutions. Engagement with development partners such as the International Monetary Fund, World Bank, Asian Development Bank, and European Investment Bank intensified, focusing on fiscal discipline, exchange rate flexibility, and financial sector reforms.

According to the UN's *World Economic Situation and Prospects 2026*, real GDP growth for FY25 is estimated at 4.1%, reflecting the impact of political disruption, weak private investment, and tight monetary conditions. Growth is projected to recover to around 4.6% and 5.4% in FY26 and FY27, subject to continued reform implementation and easing inflationary pressures.

Despite these efforts, several structural challenges persisted. Average inflation remained around 8.5% during 2025, eroding real household income and consumer spending. In addition, the resolution of long-standing irregularities in the financial sector resulted in a high level of classified loans, reaching 30.60% in the banking sector as of December 2025.

Nevertheless, both political and economic conditions showed encouraging signs of improvement toward the end of the year. Although export growth has yet to fully regain momentum, the downward trend in inflation, stabilization of foreign exchange reserves, ongoing fiscal reforms, transition toward a stable political government, and investor-oriented regulatory measures collectively signaled Bangladesh's steady progress toward macroeconomic stabilization as the country entered 2026.

FINANCIAL SECTOR DEVELOPMENTS

The financial sector in Bangladesh underwent a period of adjustment in 2025. Bangladesh Bank maintained its market-oriented monetary and interest rate policies, aiming to contain inflation and improve resource allocation. While higher interest rates helped improve interest margins, they also reduced credit demand and increased repayment stress for borrowers, particularly in interest-sensitive sectors. A notable challenge during the year was the rise in non-performing loans. This increase reflected both the difficult operating environment and the recognition of legacy problem loans that had accumulated over several years. However, the ongoing reform agenda, including tighter supervision, enhanced disclosure requirements, and greater regulatory oversight, represents a necessary step toward long-term financial stability.

IPDC'S PERFORMANCE IN 2025: NAVIGATING COMPLEXITY WITH DISCIPLINE & PURPOSE

Against this demanding backdrop, IPDC delivered a stable and disciplined performance in 2025. The Company adopted a cautious growth strategy, prioritizing balance sheet resilience, asset quality, and capital strength over rapid expansion.

Using prudent credit assessment standards and active portfolio monitoring, IPDC achieved moderate and selective growth. The total asset portfolio increased 7.31% YoY to BDT 74,622mn. In addition, loan quality remained under control as NPL ratio marginally increased to 5.97% in 2025 (2024: 5.83%). Meanwhile, customer deposits grew by around 17.69%, reflecting continued depositor confidence, while reliance on institutional funding declined further by 47.97%. The Capital Adequacy Ratio reached 17.14%, remaining well above the regulatory requirement of 10.00%.

Operating income increased 7.43% to BDT 3,484mn, supported by improved investment income. Net interest income slowed due to elevated funding costs. The cost-to-income ratio marginally increased to 46.81% in 2025 (2024: 45.58%), thanks to better cost controls, process efficiencies, and increased use of technology.

COMMITMENT TO SUSTAINABILITY & RESPONSIBLE FINANCE

Sustainability remains a core element of IPDC's long-term strategy. During 2025, the Company continued to expand its green financing portfolio and strengthen support for women-led enterprises through the *IPDC Joyee* initiative. These efforts were aligned with Bangladesh Bank's sustainability guidelines and supported broader national goals related to financial inclusion and climate resilience.

In recognition of these initiatives, IPDC was rated as a sustainable financial institution by Bangladesh Bank in its Sustainability Rating 2024 for the fourth time. In addition, at the SDG Brand Champion Awards 2025, organized by the Bangladesh Brand Forum, IPDC was recognized as the Most Sustainable Financial Institution - NBFI and SDG Brand Champion in Equity, Diversity, and Inclusion. IPDC also became a signatory of the Partnership for Carbon Accounting Financials (PCAF), a global initiative of financial institutions committed to measuring and disclosing greenhouse gas (GHG) emissions associated with financial activities.

IPDC also continued to strengthen its corporate governance framework through enhanced risk oversight, improved internal controls, and greater transparency. The maintenance of the Company's AAA credit rating for seven consecutive years during a challenging period for the financial sector reflects the strength of these foundations.

OUTLOOK: 2026 & BEYOND

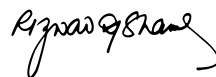
Looking ahead, the outlook for 2026 appears cautiously optimistic, subject to continued macroeconomic stabilization, reform momentum and improved investment environment. While risks related to global volatility, inflation, and financial sector stress remain, a more predictable operating environment is expected to emerge.

IPDC's strategic priorities for the coming year include strengthening asset quality, managing non-performing loans proactively, optimizing resource allocation, and selectively expanding in priority segments such as CMSMEs, green finance, and women-led enterprises. The Company remains committed to sustainable growth, sound governance, and long-term value creation for all stakeholders.

ACKNOWLEDGEMENT

I would like to express my sincere appreciation to our shareholders, regulators, employees, customers, development partners, and other stakeholders for their continued trust and support. Their confidence and collaboration have been instrumental in navigating a challenging period. As we move forward, IPDC Finance PLC. remains committed to contributing to Bangladesh's economic development through responsible and resilient financial intermediation.

Thanking you,



Rizwan Dawood Shams
Managing Director

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of IPDC Finance PLC. is pleased to present the Directors' Report, together with the audited financial statements of the Company for the year ending 31st December 2025, at the 44th Annual General Meeting. This report provides a comprehensive overview of the operating environment, business performance, financial results, risk management framework, and governance practices of the Company for the consideration and approval of shareholders. The report has been prepared in full compliance with the requirements of Section 184 of the Companies Act 1994, the Finance Company Act 2023, and the applicable rules, regulations, and guidelines issued by Bangladesh Bank, the Bangladesh Securities and Exchange Commission, and other relevant regulatory authorities.

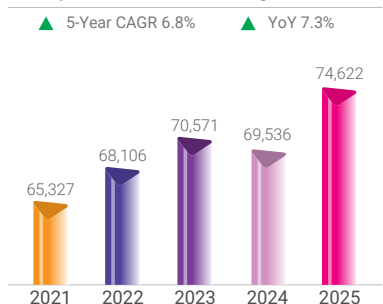
The global economy in 2025 continued its gradual normalization following several years of disruption caused by the pandemic, geopolitical conflicts, and aggressive monetary tightening. According to the IMF World Economic Outlook (January 2026), global GDP growth is estimated at 3.3%, supported by easing inflationary pressures, early stabilization of energy prices, and improvements in global supply chains. Major central banks, including the US Federal Reserve and the European Central Bank, initiated cautious policy rate normalization during the second half of 2025 as inflation moderated, contributing to improved global liquidity conditions. Nevertheless, downside risks persisted, stemming from prolonged geopolitical tensions in Eastern Europe and the Middle East, increasing fragmentation in global trade and financial systems, and elevated public debt levels across emerging and frontier economies.

Bangladesh's economy in 2025 remained in a phase of recovery and stabilization following structural corrections initiated in late 2024. The Interim Government prioritized wide-ranging reforms aimed at restoring institutional integrity, strengthening governance, and laying the foundation for a free and fair national election. Economic reforms focused on stabilizing the financial sector and containing inflation

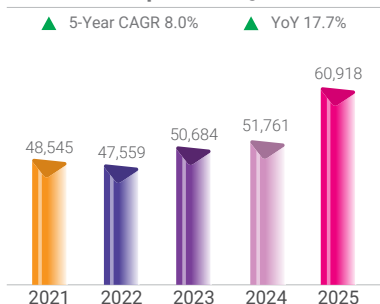
through measures such as strategic mergers and liquidations of distressed banks and finance companies, the adoption of a market-based exchange rate regime, and the continuation of a contractionary monetary stance. In parallel, structural initiatives targeting revenue mobilization and long-term economic stability, including steps toward judicial independence and modernization of the tax system, were undertaken. As a result, key macroeconomic indicators showed encouraging improvement by the end of 2025. Twelve-month average inflation moderated from double-digit levels to approximately 8.5% in December 2025. A further expected decline by mid-2026 is expected to trigger a pivot in monetary policy, with potential interest rate cuts marking the end of a prolonged high-cost cycle that has weighed on business activity. Supported by stable foreign exchange reserves of USD 28 billion, equivalent to around five months of import coverage, and strong remittance inflows, which grew by 22% YoY in 2025, the economy is gradually regaining its footing toward a sustainable recovery.

Against this challenging and volatile backdrop, IPDC demonstrated resilience and disciplined execution. Despite adverse market conditions, the company remained steadfast in preserving a strong and resilient balance sheet. While the industry-wide NPL ratio reached a concerning 37.11% as of September 2025, IPDC maintained a significantly lower NPL ratio of 5.97% in 2025, marking its prudent credit risk management and strong asset quality. Amid subdued credit demand, driven by macroeconomic stress and elevated interest rates, the company consciously prioritized sustainability and portfolio quality over aggressive expansion. Consequently, IPDC's total loan portfolio recorded a moderate growth of 7.31% in 2025, while the customer deposit portfolio grew robustly by 17.69%. Overall, the Company's balance sheet expanded by 10.78% in 2025. As the economic outlook improves, IPDC remains firmly committed to delivering further high-quality financial solutions and superior service to its customers. Guided by a strong commitment to excellence and long-term value creation, the company continues to stand as a pillar of strength and stability within Bangladesh's financial sector.

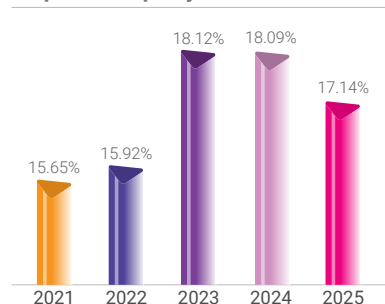
Loan, Lease & Advance figures in Mn BDT



Customer Deposit figures in Mn BDT



Capital Adequacy Ratio



Revenue

BDT 3,484 MILLION
2024: 3,243 Million

Operating Profit

BDT 1,853 MILLION
2024: BDT 1,765 Million

Net Profit

BDT 455 MILLION
2024: BDT 363 Million

CIR
46.81%
2024: 45.58%

ROA
0.49%
2024: 0.42%

ROE
6.74%
2024: 5.44%

NPL
5.97%
2024: 5.83%

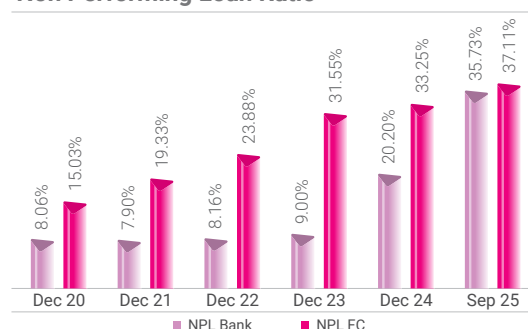
INDUSTRY DYNAMICS 2025

In mid-2024 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 at large enabled financial companies to benefit from improved interest spreads since then. In addition, since the regime shift in Aug'2024, BB remained firm in its contractionary stance to abate inflation. Multiple policy rate hikes and BB's continuous borrowing through treasury securities at ~ 11.0% - 12.5% up to H1'25 pushed the overall interest rate environment up.

Meanwhile, the financial sector witnessed a sharp rise in default loans since regime shift. As of Sep'25, NPLs in the banking sector soared to BDT 6.44tn, representing 35.73% of total loans. Meanwhile, In the finance company sector, Sep'25 NPLs reached BDT 294bn, accounting for 37.11% of total loans. As of Dec'25 bank sector NPL reduced to 30.60%, riding on special policy support by BB. This surge was primarily driven by defaults from politically connected borrowers, compounded by subdued business activities amid macroeconomic distress caused by inflationary

pressures. Focusing on the structural stress, BB prioritized restoring sector-wide institutional integrity and strengthening governance. As part of that, BB has initiated several corrective measures, restructure of boards of troubled banks and FCs, merger of five troubled Islamic banks and liquidation of nine finance companies.

Non Performing Loan Ratio



Source: Financial Stability Assessment Report (BB)

BANKING SECTOR OVERVIEW

Amid a persistently stressed business environment, private sector credit growth remained subdued at 6.1% in 2025. The slowdown was primarily driven by macroeconomic stress arising from inflationary pressures, volatile law and order conditions, and low policy predictability. Consequently, overall deposit and lending YTD growth across the banking industry remained subdued. By 2025, the total loans and advances portfolio of the industry stood at BDT 17.8tn (+5.6% YoY), while total deposits reached BDT 21.0tn (+11.51% YoY).

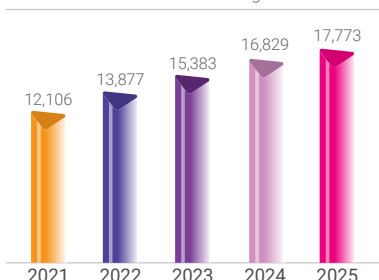
Meanwhile, the non-performing loan volume of the banking sector rose to BDT 6.42tn by September 2025, representing 35.73% of the total loan portfolio, highest in 25 years. Notably, ten banks accounted for approximately 71% of the sector's total NPLs. In response to the deteriorating condition of these institutions, Bangladesh Bank has

initiated several corrective measures, including the merger of five troubled Islamic banks by November 2025.

While the distressed banks reported losses during the January–September 2025 period due to increased provisioning requirements, most stable banks recorded year-on-year profit growth over the same period. However, this earnings growth was largely driven by returns on treasury securities, while net interest income either declined or showed only marginal improvement. As treasury yields began to ease in the second half of 2025, investment income growth is expected to normalize in the coming year. Nevertheless, with improved policy predictability following the 2026 elections and the government's renewed focus on facilitating private credit expansion, banks are likely to see an opportunity to enhance their net interest income in the years ahead.

Loans & Advances

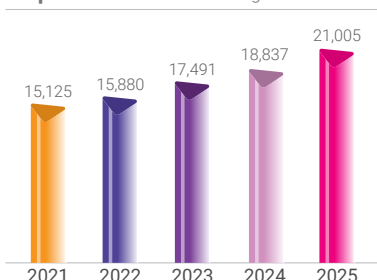
figures in Bn BDT



Source: Scheduled Bank Statistics

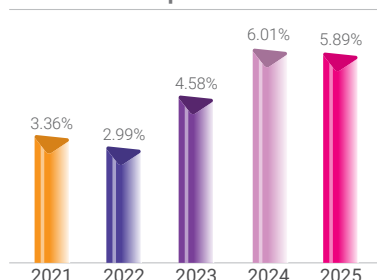
Deposits

figures in Bn BDT



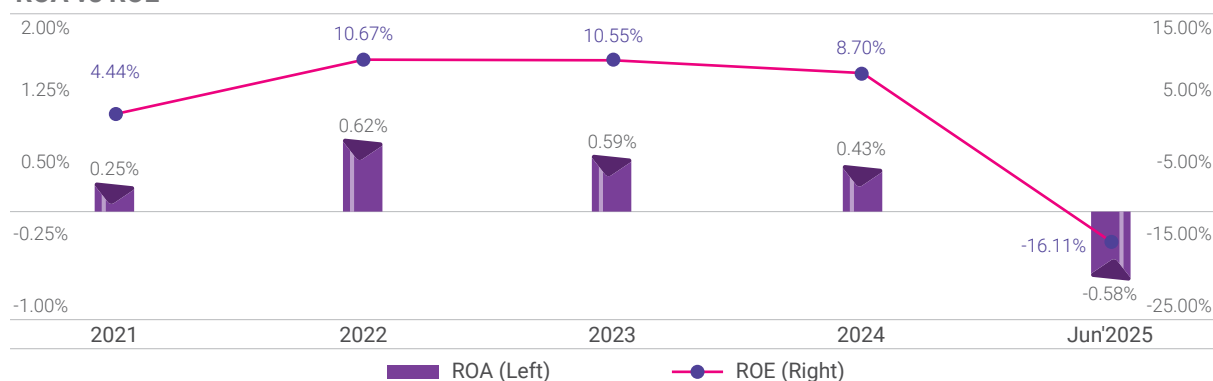
Source: Scheduled Bank Statistics

Interest Rate Spread



Source: Scheduled Bank Statistics

ROA vs ROE



Source: Bangladesh Bank Quarterly

Other Highlights

Category	2021	2022	2023	2024	2025
Call Money Borrowing Rate	2.66%	5.80%	8.84%	10.07%	9.99%
Non-Performing Loan (NPL) ratio	7.90%	8.16%	9.00%	20.20%	30.60%
Private Sector Lending Growth	10.68%	12.89%	10.13%	7.28%	6.10%

Source: BB Quarterly, BB Monthly Major Economic Indicators

FINANCE COMPANY SECTOR OVERVIEW

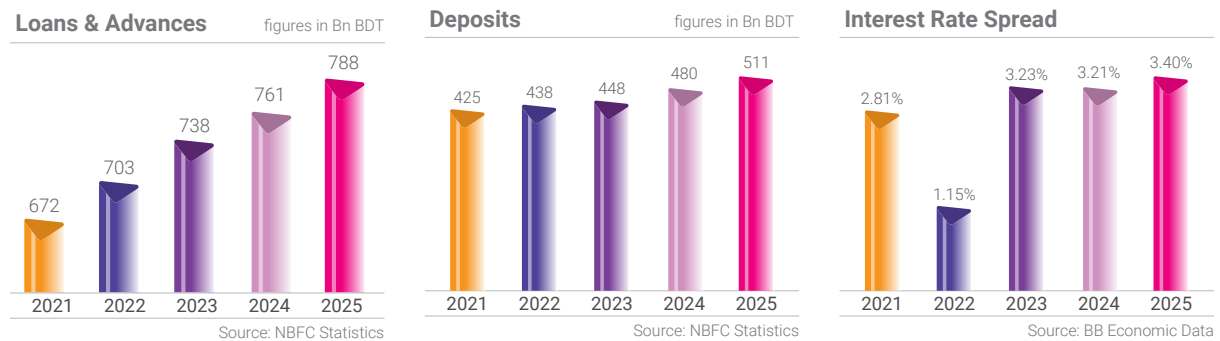
The finance company sector continued to face persistent challenges throughout 2025, marked by liquidity constraints, rising NPLs, and narrow interest rate spreads. Like the banking industry, both deposit and lending growth in the finance company sector remained anemic. As of December 2025, the total loans and advances portfolio of the sector stood at BDT 788bn (+3.62% YoY), while total deposits amounted to BDT 511bn (+6.46% YoY).

The sector's NPLs reached BDT 294bn, representing a significant 37.11% of the total lending portfolio. In light of the sector's deteriorating financial health, Bangladesh Bank has set a liquidation target for several distressed institutions after identifying 20 finance companies in critical condition. Later on, November 2025, Bangladesh Bank has decided to wind up nine ailing finance companies as its board has approved their liquidation. The nine selected finance companies are FAS Finance, Bangladesh Industrial Finance Company, Premier Leasing, Fareast Finance, GSP Finance, Prime Finance, Aviva Finance,

People's Leasing, and International Leasing. Together, they accounted for 52% of total defaulted loans in the finance company industry.

While most finance companies remained loss-making during January–September 2025, a few leading institutions—such as IDLC Finance, IPDC Finance, LankaBangla Finance, and Delta Brac Housing—posted YoY earnings growth over the same period. Like banks, this performance was primarily supported by strong investment income from treasury securities rather than core lending operations.

Despite sector-wide stress, a handful of well-managed institutions have remained resilient, contributing to overall industry stability. However, the sharp rise in classified loans and escalated funding costs highlights the urgent need for structural reforms. The sector must prioritize strengthened credit risk management frameworks to contain the surge in NPLs and adopt more diversified funding strategies to mitigate liquidity pressures. Continued regulatory oversight and proactive intervention by Bangladesh Bank will be essential to support the sector's stabilization and restore market confidence.



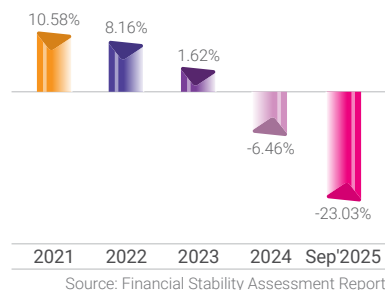
Other Highlights

Category	2021	2022	2023	2024	2025
Call Money Borrowing Rate	2.66%	5.80%	8.84%	10.07%	9.99%
Non-Performing Loan (NPL) ratio	19.33%	23.88%	31.55%	33.25%	37.11%*
Private Sector Lending Growth	10.68%	12.89%	10.13%	7.28%	6.10%

*Value as of September

Source: BB Quarterly, BB Monthly Major Economic Indicators

Capital Adequacy Ratio



CHALLENGES WE FACED IN 2025

The year 2025 can be characterized as a period of transformation for the financial sector. During the year, the government and regulatory authorities placed strong emphasis on implementing critical reforms

aimed at laying the foundation for long-term macroeconomic and financial stability. However, despite these reform efforts, the pace of economic recovery remained constrained as several structural and cyclical challenges continued to weigh on the industry and impeded a swift rebound in economic activity during 2025. The most significant challenges were as follows:

Subdued Private Sector Credit Demand



Deteriorating Asset Quality

Capital Shortfall



Political Uncertainty

Spillover Effect of Distress Banks/FCs

Private sector credit demand remained subdued throughout 2025, reflecting weak business confidence, high borrowing costs, and cautious lending behavior by financial institutions. Private sector credit growth declined to 6.10% by December 2025, significantly below historical averages and policy targets, underscoring a prolonged investment slowdown that constrained economic recovery and limited balance sheet expansion for banks and non-bank financial institutions.

Both Banks and finance companies in Bangladesh faced mounting pressure in 2025, with NPLs surging to 35.73% and 37.11% for Banks and finance companies respectively by the end of September. In response to the deteriorating financial health of the sector, driven largely by weak governance and compromised control mechanisms, Bangladesh Bank merged five distressed Islami banks and initially identified nine non-bank financial institutions for liquidation, of which liquidation targets for six were subsequently finalized.

The rapid escalation of non-performing loans, coupled with higher provisioning requirements and sustained operating losses, significantly eroded the capital base of many financial institutions during 2025. As of Jun'2025, the capital adequacy ratio of banking sector was 4.47% and finance company sector was -23.03%, both well below the minimum regulatory requirement. The persistently negative and below-minimum levels of aggregate capital ratios highlight severe capital shortfalls and potential risks to financial stability within the sector.

The political environment remained volatile throughout 2025. Uncertainty surrounding a smooth political transition and delays in the implementation of key reforms led to a cautious stance across the industry, limiting business expansion and investment decisions. In

addition, foreign investment remained subdued amid persistent policy uncertainty, which further constrained economic activity. Collectively, these factors weighed on overall economic growth and sector performance during the year.

The distress and failure of weak banks and finance companies in 2025 generated significant spillover effects across the financial system. These developments adversely affected market confidence, tightened inter-institutional liquidity, and heightened depositor anxiety, with spillover risks extending to otherwise solvent institutions. The episode underscored the interconnected nature of the financial system and highlighted the urgent need for stronger resolution frameworks, enhanced supervision, and effective depositor protection mechanisms to contain contagion risks.

While both Banks and finance companies follow same suite of industrywide challenges, finance companies have to follow additional challenges due to uneven competition with banks. Finance companies in Bangladesh face tighter asset classification pressure because their portfolios are more concentrated in term loans and leases, with limited short-term rollover flexibility compared to banks. As a result, any delay in repayment quickly pushes exposures into SMA, Substandard, or Doubtful categories, leading to earlier and higher provisioning hits relative to banks with diversified retail and CASA relationship-based portfolios. In addition, As per regulatory direction finance companies are not allowed to recognize deferred tax based on provision against loans, leases, or investments, which banks are allowed to do, impacting profitability negatively.

IPDC'S FINANCIAL PERFORMANCE ANALYSIS

Amid a challenging and volatile backdrop in this transformative year, characterized by heightened regulatory scrutiny, sector-wide governance reforms, and a subdued business environment driven by instability and elevated interest rates, IPDC demonstrated resilience and disciplined execution. Despite adverse market conditions, IPDC remained steadfast in preserving a strong and stable balance sheet, which will allow IPDC to ensure sustainable profitability in long run.

2025 FINANCIAL PERFORMANCE

In 2025, IPDC managed its portfolio efficiently and focused on maintaining asset quality, closing the year with an NPL of 5.97% (5.83% in 2024) which is far lower than that of industry (37.11% as of September 2025). Our primary focus in 2025 was on cautious growth, balance sheet resilience, asset quality, and capital strength. We worked towards building 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 by offering effective housing finance, market development in some strategic products like Affordable Home Loan (AHL), mobilization of stable deposits, and rationalizing costs. A brief review of the financial performance of the year is as follows:

At the end of 2025, IPDC's loans, leases and advances stood at BDT 74,622mn; BDT 5,086mn or 7.31% higher than last year. Customer deposits amounted to BDT 60,918mn in 2025, reflecting a BDT 9,157mn or 17.69% increase from last year, reflecting the continued depositors' confidence in IPDC.

Gross interest income increased by 8.50% YoY to BDT 9,560mn, driven by asset portfolio growth and prudent lending strategies. However, interest expenses outpaced the gross interest income growth and rose by 17.69% YoY to BDT 7,554mn, driven by higher deposit costs amid high policy rate and increasing interest rate environment. As a result, net interest income declined by 16.17% YoY to BDT 2,006mn.

Operating revenue amounted to BDT 3,484mn in 2025, representing a 7.43% increase compared to 2024. Total operating expenses rose to BDT 1,631mn, reflecting a 10.33% YoY increase. This growth was primarily driven by a 14.74% rise in salaries and allowances, which reached BDT 1,076mn during the year. Consequently, operating profit recorded a modest growth of 5.01%, reaching BDT 1,853mn in 2025. Although higher interest expenses on deposits and borrowings exerted pressure on profitability, a substantial 93.29% YoY increase in investment income enabled IPDC to sustain positive operating profit growth.

In 2025, total provision expenses for loans, leases, and investments reached BDT 934mn, reflecting a 4.63% marginal increase compared to 2024. The marginal increase in provision expense reflects proper

asset quality management and improved recovery activities coupled with Bangladesh Bank's policy support availed by selected clients. In addition, total tax expense declined 8.89%, thanks to incomes sources with reduced tax rate. As a result, Net Profit After Tax for the year stands at BDT 455mn, increasing 25.39% against 2024. Though operating profit has experienced moderate growth due to higher interest expenses and operating expenses, marginal growth in provisioning expenses and decline in tax expense allowed IPDC to maintain a notable PAT growth.

Notably, IPDC has made an additional buildup of BDT 387mn to withstand further aggravation in the asset quality in the upcoming days.

In 2025 IPDC maintained its CAR efficiently at 17.14%, above the 10% requirement under Basel III accord. Over the next year, IPDC is determined to further reduce its classified loan ratio and continue to maintain an outstanding portfolio quality. IPDC is committed to ensure constant value creation for its esteemed shareholders.

FIVE YEARS PERFORMANCE TRAJECTORY

BDT MN

PARTICULAR	2021	2022	2023	2024	2025	CAGR 5
Financial Position						
Total Asset	84,973	86,732	91,934	89,124	98,729	5.38%
Total Liabilities	78,620	79,929	85,182	82,215	91,426	5.51%
Loan, Lease and Advance	65,327	68,106	70,571	69,536	74,622	6.84%
Customer Deposit	48,545	47,559	50,684	51,761	60,918	8.04%
Equity	6,353	6,803	6,752	6,909	7,303	3.79%
Loans to Fund Ratio	84.60%	86.70%	84.90%	90.20%	87.03%	
Customer deposit to Fund Mix	57.10%	54.80%	55.88%	58.75%	62.03%	
Stakeholder Ratio						
Earnings Per Share (EPS) – Restated	2.15	2.20	0.84	0.89	1.11	
Nav Per Share – Restated	15.53	16.63	16.50	16.89	17.85	
Dividend Payout	50.54%	41.19%	54.10%	53.63%	44.91%	
Net Operating Cash Flow Per Share - Restated	(5.90)	(10.13)	0.54	(6.09)	9.94	

Over the past five years, IPDC's loan portfolio has consistently experienced growth, representing 6.84% 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 8.04% CAGR in customer deposit at the end of 2025. IPDC is also committed to maximizing its shareholders' value by ensuring a 3.79% 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 funds (62.03%).

PROFITABILITY AT A GLANCE

BDT MN

PARTICULAR	2021	2022	2023	2024	2025	CAGR 5
Financial Performance						
Revenue	3,445	3,247	2,902	3,243	3,484	4.25%
Operating Expense	1,241	1,487	1,603	1,478	1,631	7.23%
Operating Profit	2,203	1,760	1,300	1,765	1,853	1.99%
Profit Before Tax	1,503	1,264	660	872	919	-5.21%
Profit After Tax	881	901	343	363	455	-8.38%
Cost to Income Ratio	36.02%	45.80%	55.24%	45.58%	46.81%	
Financial Ratio						
Net Interest Margin*	3.80%	3.49%	2.96%	3.00%	2.52%	
Operating Profit margin**	63.95%	54.20%	44.80%	54.43%	53.19%	
Net Profit Margin***	25.57%	27.75%	11.82%	11.19%	13.07%	
ROE	14.19%	13.70%	5.06%	5.44%	6.74%	
ROA	1.09%	1.05%	0.38%	0.42%	0.49%	

*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 amounted to BDT 3,484mn in 2025, representing a 7.43% increase compared to the previous year, supported by the continuation of a market-based interest rate mechanism and higher investment income from government securities. Over the past five years, IPDC recorded steady revenue growth, achieving a compound annual growth rate of 4.25%, backed by its diversified portfolio across Corporate, SME, and Retail segments.

Operating profit stood at BDT 1,853mn in 2025, reflecting a 5.01% increase over 2024. The growth in operating profit remained moderate,

primarily due to higher interest expenses on deposits and increased operating costs during the year. Over the last five years, operating profit increased at an average annual rate of 1.99%, indicating consistent performance.

Profit after tax increased to BDT 455mn in 2025, registering a 25.39% YoY growth, driven by higher interest income, strong investment returns, and improved asset quality management. The Company continued to create sustainable value for its shareholders by maintaining a stable net profit margin over the years.

Return on equity and return on assets both demonstrated an improving trend compared to the previous year, reflecting stronger growth in profit after tax relative to the expansion of the equity and total asset base. The cost-to-income ratio rose slightly to 46.81% due to a relatively higher increase in operating expenses compared to operating revenue, which was also reflected in a marginal decline in operating profit margin. Notably, IPDC has consistently maintained above-industry-average returns on equity and assets over the years, underscoring its operational efficiency and disciplined financial management.

QUARTERLY PERFORMANCE TRENDS

IPDC's financial and non-financial performance is monitored and guided on a quarterly basis by the Board of Directors and the Board

Audit Committee. During 2025, the Board Audit Committee reviewed the quarterly financial statements, which were subsequently approved by the Board prior to disclosure to shareholders and other stakeholders.

Throughout 2025, loans and advances as well as customer deposits demonstrated a steady upward trend. Both operating profit and net profit followed a similar trajectory, marking consistent business momentum. Notably, improved collection and recovery efforts contributed to a stronger bottom line in the fourth quarter of 2025. The quarterly financial performance for 2024 is presented below.

BDT MN				
PARTICULAR	Q1	Q2	Q3	Q4
Profit & Loss				
Revenue	757	844	939	944
Operating Expense	384	397	398	452
Operating Profit	374	446	541	493
Profit Before Tax	162	264	249	244
Profit After Tax	37	114	112	193
Cost to Income Ratio	50.67%	47.10%	42.42%	47.83%
PARTICULAR	Mar'25	Jun'25	Sep'25	Dec'25
Balance Sheet				
Loan, Lease and Advance	70,312	71,414	73,131	74,622
Customer Deposit	55,786	56,646	58,869	60,918
Equity	6,946	6,871	6,983	7,303

EXPLANATIONS OF THE DEVIATIONS FROM LAST YEAR'S OPERATING RESULTS

In 2025, Bangladesh Bank continued its contractionary stance. As a result, interest rate environment remained high and private sector credit growth remained low. In addition, sector wide turbulence stemming from soaring non-performing loans and capital shortfall further affected the depositors' confidence. Amid these challenges, although gross interest income observed a growth of 8.50%, interest expense grew by 17.69% resulting in a drop in net interest income by 16.17%. Investment income increased significantly in 2025 primarily riding on the return from government treasury securities and capital gain booking from those securities and listed shares. Operating expenses for the year have increased 10.33%, driven by higher salary and allowances. Total provision expenses for loans, leases, and investments reached BDT 934mn, reflecting a 4.63% marginal growth compared to 2024. The marginal increase in provision expense reflects proper asset quality management and improved recovery activities amid macroeconomic stress. As a result, Net Profit After Tax (PAT) for the year stands at BDT 455mn, increased 25.39% against 2024.

ANALYZING VARIANCES BETWEEN QUARTERLY & ANNUAL FINANCIAL STATEMENTS

In 2025, IPDC concentrated on strengthening asset quality and ensuring sustainable growth. The Company maintained steady business momentum, which translated into continued improvement in both operating profit and net profit during the year. Although operating profit recorded a slight decline in Q4'25, enhanced recovery and collection initiatives along with policy support from Bangladesh Bank availed by selected clients, contributed to a significant improvement in the bottom line, with net profit in Q4'25 increasing by BDT 82mn compared to the previous quarter.

In response to ongoing economic challenges, IPDC strictly complied with Bangladesh Bank's provisioning guidelines for loans, leases, and investments. This prudent approach, combined with rigorous and continuous asset quality assessments, had a direct impact on the Company's monthly and quarterly profitability. Looking ahead, IPDC remains committed to strengthening its bottom line by pursuing disciplined growth, enhancing operational efficiency, and implementing strategic initiatives aimed at ensuring sustainable profitability in 2026 and the years to follow.

SEGMENT WISE PERFORMANCE

FOR THE YEAR ENDED DECEMBER 31, 2025

BDT MN					
Particulars	Corporate	SME & Emerging Corporate	Retail	Treasury	Total
Net Interest Income	1,054	754	797	526	3,130
Fees and Other Income	45	94	101	113	354
Net Operating Revenue	1,099	847	898	639	3,484
Operating Expenses	291	461	765	114	1,631
Operating Profit	809	386	132	525	1,853

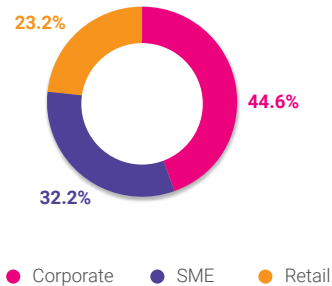
FOR THE YEAR ENDED DECEMBER 31, 2024

BDT MN

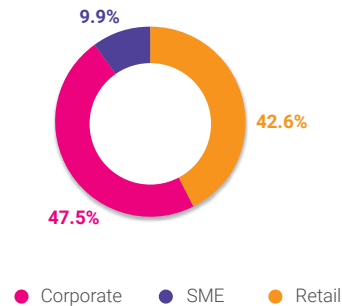
Particulars	Corporate	SME & Emerging Corporate	Retail	Treasury	Total
Net Interest Income	970	748	707	517	2,942
Fees and Other Income	37	98	86	80	301
Net Operating Revenue	1,007	846	793	597	3,243
Operating Expenses	295	423	655	105	1,478
Operating Profit	712	423	138	492	1,765

SHARE IN BUSINESS

Loan, Lease and Advances

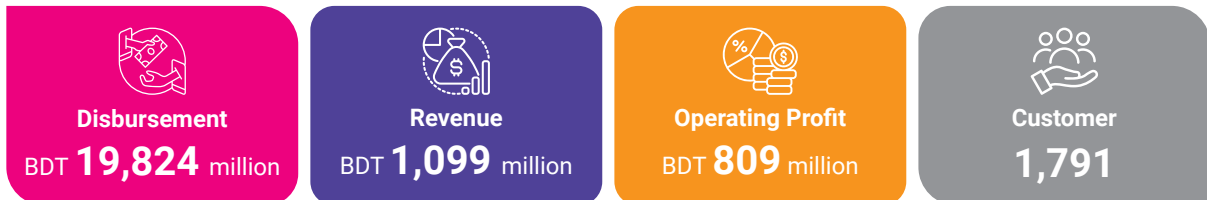


Customer Deposit



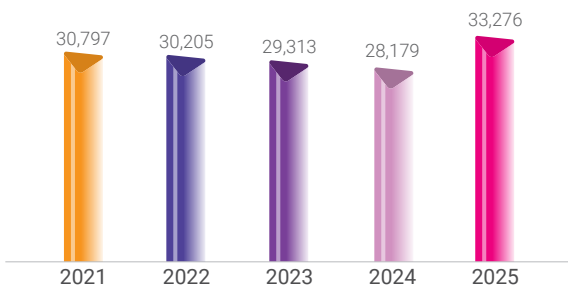
CORPORATE BUSINESS

Financial Performance



Loans Portfolio

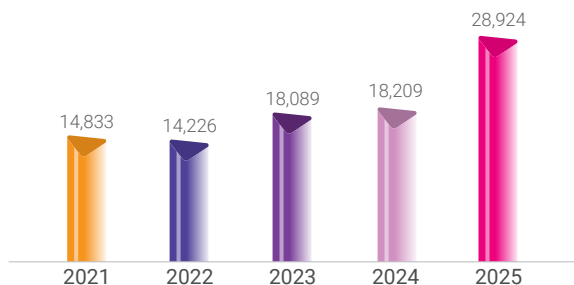
Share in total portfolio 44.59% | Total portfolio in 2025 BDT 33,276 million



Total corporate assets as of 31 December 2025 stood at BDT 33,276mn, contributing 44.59% in total IPDC's loan portfolio. This year corporate portfolio observed 18.09% growth from last year. While achieving this growth IPDC prioritized balance sheet resilience and asset quality. Total corporate liability has increased 58.84% YoY to BDT 28,924mn from 18,209mn in 2024, thanks to industrywide depositor's flight to quality. Amidst the uncertain business environment, corporate business

Deposit Portfolio

Share in total portfolio 47.48% | Total portfolio in 2025 BDT 28,924 million



has disbursed BDT 19,824mn loans to 100+ customers and brought 13,576mn new deposits in 2025 from 1100+ customers.

The operating revenue from corporate business is BDT 1,099mn increased 9.18% against 2024. Operating expenses marginally declined 1.51% YoY and resulting operating profit to increase 13.60% to BDT 809mn. Operating profit from corporate business remained highest contributor (43.66%) to overall operating profit pool of IPDC in 2025.

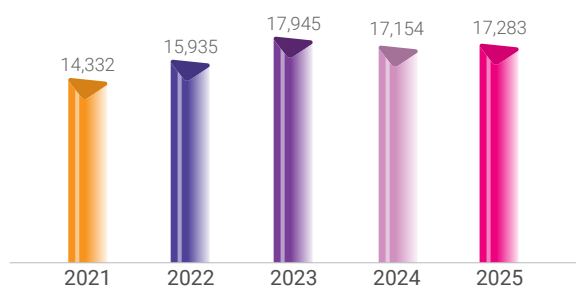
RETAIL

Financial Performance



Loans Portfolio

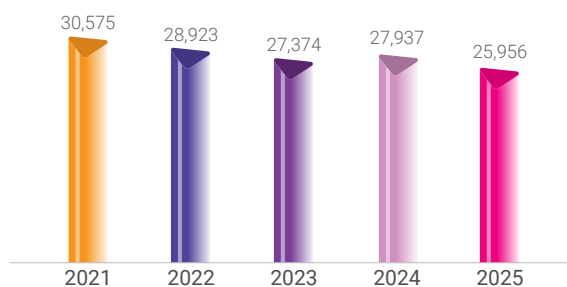
Share in total portfolio **23.16%** | Total portfolio in 2025 BDT **17,283 million**



Total retail assets as of 31 December 2025 stood at BDT 17,283mn, contributing 23.16% in total IPDC's loans portfolio. In 2024, retail portfolio experienced marginal growth of 0.75% from last year due to cautious focus on expansion of retail market space. Total retail liability has also declined by 7.09% to BDT 25,956mn from 27,937mn in 2024. Retail business has disbursed 5,529mn loans to

Deposit Portfolio

Share in total portfolio **42.61%** | Total portfolio in 2025 BDT **25,956 million**

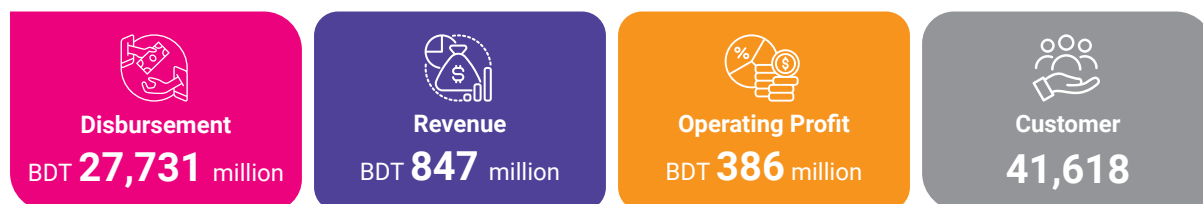


1700+ customers and brought 8,298mn new deposits in 2025 from 3300+ customers.

The operating revenue from retail business stood BDT 898mn, increased 13.20% against 2024. With operating expenses rising 16.86% YoY, retail segment reported an operating profit of 132mn, marking a 4.20% YoY degrowth.

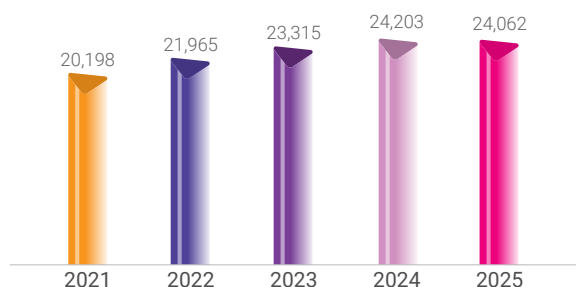
SME

Financial Performance



Loans Portfolio

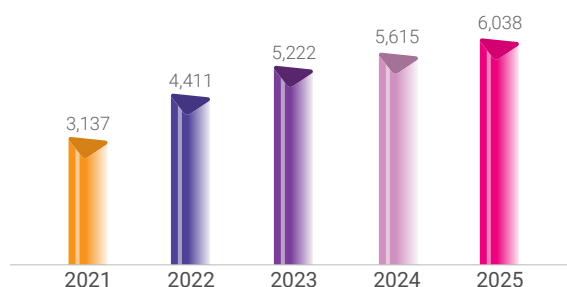
Share in total portfolio **32.25%** | Total portfolio in 2025 BDT **24,062 million**



Total SME assets as of 31 December 2025 stood at BDT 24,062mn, contributing 32.25% in total IPDC's loans leases and advances. In 2025 SME portfolio has marginally declined 0.58% from last year due to strategic focus on preserving asset quality 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 maintain 2025 stable portfolio base. Total SME liability has increased by 7.54% to BDT

Deposit Portfolio

Share in total portfolio **9.91%** | Total portfolio in 2025 BDT **6,038 million**



6,038mn from 5,615mn in 2024. SME business has disbursed 27,731mn loans to 1,100+ customers and brought 8,298mn new deposits in 2025 from 1,100+ customers.

The operating revenue from SME and emerging corporate is BDT 847mn marginally increased by 0.16% amid increasing costs of deposit. Operating expenses increased 8.99% in 2025 and as a result operating profit declined to BDT 386mn, reduced by 8.67% from last year.

STRATEGIC PRODUCT PERFORMANCE



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

Minimum Loan Amount
BDT 0.5 million

Minimum Land Area
1.5 Katha

Loan for
Pucca & Semi Pucca

Maximum Loan Amount
BDT 5.0 million

Maximum Loan Tenure
25 years

Available
Across Bangladesh

Performance in 2025



Portfolio
BDT 3,799 million



Average Ticket Size
BDT 2.2 million



District Covered
50+



Customer
4,500+

SUSTAINABILITY & ENVIRONMENTAL STEWARDSHIP

IPDC Finance PLC. remains steadfast in its commitment to building a low-carbon, inclusive economy. Our sustainability framework rests on three core pillars: prudent natural resource management, inclusive growth, and responsible business conduct. This vision is now formalized through our Board-approved Net Zero Strategy, which sets a definitive horizon to achieve net-zero emissions by 2050.

EXCEPTIONAL PERFORMANCE IN SUSTAINABLE FINANCE

In 2025, IPDC demonstrated leadership by significantly exceeding the regulatory benchmarks set by Bangladesh Bank. Our strategic focus on green products and sustainable linked finance products resulted in:

- **Sustainable Finance:** The sustainable finance portfolio increased from BDT 46,506 million in 2024 to BDT 49,332 million in 2025, reflecting a year on year growth of 6.08%.
- **Green Finance:** The green finance portfolio expanded significantly from BDT 7,954 million in 2024 to BDT 14,527 million in 2025, representing a robust growth of 82.63% year-on-year.
- **Market Recognition:** Our efforts were hallmarked by achieving the top position in the Sustainability Rating by Bangladesh Bank, declared in 2025.

Our portfolio expansion reflects a deliberate shift toward high-impact sectors, including renewable energy, waste management, and energy efficient buildings. Financial inclusion remains equally central to our strategy, advanced through women-focused initiatives such as **Joyee**, supported by our dedicated **Joyee 360** branch and other products/

projects e.g., **Bhalobasha Home Loan**, **Icche** etc. focusing on underserved and youth.

In addition, IPDC has partnered with the School of Architecture and Design, BRAC University to launch the "**Affordable & Sustainable Housing Design Project**" as part of its CSR and sustainability initiatives. The project aims to develop affordable, resilient, and environmentally friendly housing solutions for low- and middle-income communities in Bangladesh. Under this collaboration, the architecture school will design sustainable housing models suited to local socio-economic conditions, while IPDC will support access to these homes through its Bhalobasha Home Loan program.

OPERATIONALIZING NET ZERO

To meet our 2050 targets, IPDC is implementing comprehensive internal measures to reduce our environmental footprint, including:

- Transitioning the corporate fleet to hybrid and electric vehicles.
- Integrating renewable energy and rainwater harvesting across operations.
- Optimizing financed emissions to align our lending with global climate objectives.

By embedding these practices into our core operations, IPDC is not only mitigating climate risk but also reinforcing its position as a resilient, forward-looking leader in Bangladesh's financial sector. Detailed disclosures on these initiatives can be found in the Sustainability Report section of this Annual Report.

OTHER DISCLOSURES

MANAGEMENT DISCUSSION & ANALYSIS

A comprehensive portrait of IPDC Finance PLC's overall performance in 2025, presented in a dedicated section titled 'Management Discussion & Analysis'. This section highlights IPDC's performance relative to the broader finance company 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.

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.

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.

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.

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 2025 subject to approval of the shareholders in 44th Annual General Meeting.

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.

FUTURE DEVELOPMENT

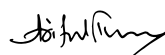
The next chapter of IPDC's journey will build upon the strong foundation we've established in recent years, propelling us forward with renewed passion. In the short term, our focus will be on refining distribution points, optimizing resource allocation, and enhancing the efficiency and productivity of 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.

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

KEY OPERATING & FINANCIAL DATA OF PRECEDING 5 YEARS

BDT mn

PARTICULARS	2021	2022	2023	2024	2025	Growth (YoY)	CAGR 5-Year
Operating Results							
Net Interest Income	2,783	2,770	2,423	2,393	2,006	-16.17%	-0.11%
Operating Income	3,445	3,247	2,902	3,243	3,484	7.43%	4.25%
Operational Expenses	1,241	1,487	1,603	1,478	1,631	10.33%	7.23%
Operating Profit	2,203	1,760	1,300	1,765	1,853	5.01%	1.99%
Profit Before Tax	1,503	1,264	660	872	919	5.38%	-5.21%
Net Profit After Tax	881	901	343	363	455	25.39%	-8.38%

Financial Performance

Disbursement - Loans, Leases and Advances	49,931	49,468	55,995	50,952	53,085	4.19%	13.98%
Outstanding Loans, Leases and Advances	65,327	68,106	70,571	69,536	74,622	7.31%	6.84%
Fixed Assets	765	876	808	741	797	7.48%	0.52%
Total Assets	84,973	86,732	91,934	89,124	98,729	10.78%	5.38%
Term Deposits	60,405	59,139	60,177	54,319	62,249	14.60%	3.48%
Borrowings	10,496	12,097	16,099	17,433	16,741	-3.97%	8.87%
Total Liabilities and Equity	84,973	86,732	91,934	89,124	98,729	10.78%	5.38%

Equity Information

Shareholders' Equity	6,353	6,803	6,752	6,909	7,303	5.70%	3.79%
Paid up Capital	3,711	3,711	3,711	3,896	4,091	5.00%	1.97%
Number of Ordinary Shares	371,091,547	371,091,547	371,091,547	389,646,124	409,128,430	5.00%	1.97%
Net Asset Value Per Share (NAV) - Restated	15.5	16.6	16.5	16.9	17.9	5.70%	2.78%
Earnings Per Share (EPS) - Restated	2.15	2.20	0.84	0.89	1.11	25.39%	-9.27%
Year end Market Price Per Share	38.6	57.6	57.6	18.3	18.6	1.64%	-7.59%
Market Capitalization	14,324	21,375	21,375	7,131	7,610	6.72%	-5.77%

FINANCIAL RATIOS

Solvency

Current Ratio	1.04	1.04	1.04	1.04	1.04
Credit Deposit Ratio	1.08:1	1.15:1	1.17:1	1.28:1	1.20:1
CAR (%)	15.65%	15.92%	18.12%	18.09%	17.14%
Debt Equity Ratio	1.7	1.8	2.4	2.5	2.3
Loan to Fund Ratio	84.56%	86.73%	84.91%	90.20%	86.64%
Leverage Ratio	7.12%	7.49%	7.03%	7.43%	6.96%
Liquid Asset to Total Deposit	23.55%	21.43%	23.49%	13.00%	15.93%
Liquid Asset to Short Term Liability	35.22%	28.44%	26.90%	18.01%	26.45%
Total Advance to Total Asset	76.88%	78.52%	76.76%	78.02%	75.58%
Govt. Securities to Total Investment	8.46%	0.00%	35.69%	54.70%	57.91%

PARTICULARS	2021	2022	2023	2024	2025
Asset Quality					
Rate of NPL	3.15%	4.14%	4.93%	5.83%	5.97%
Rate of Net NPL	-0.83%	-0.45%	-0.40%	-0.69%	-1.20%
Large Loan Concentration	4.66%	4.52%	1.59%	4.70%	9.99%
Provision Required	1,601	2,286	2,941	3,293	3,309
Provision Kept	1,952	2,352	2,941	3,442	3,696
Provision Surplus / (Deficit)	350	14	-	149	387
Investors Ratio					
Price Earning Ratio (Times) (Restated)	16.3	23.7	62.3	19.6	16.7
Cash Dividend	12.00%	10.00%	5.00%	5.00%	5.00%
Stock Dividend	0.00%	0.00%	5.00%	5.00%	5.00%
Dividend Per Share (DPS)	1.2	1.0	0.5	0.5	0.5
Dividend Yield (%)	3.11%	1.74%	1.74%	2.73%	2.69%
Dividend Cover (EPS/DPS)****	2.0	2.4	1.8	1.9	2.2
Return on Equity (ROE)	14.19%	13.70%	5.06%	5.44%	6.74%
NAV Per Share (BDT) - Restated	15.5	16.6	16.5	16.89	17.85
Profitability					
Net Interest Margin*	3.80%	3.49%	2.96%	3.00%	2.52%
Operating Profit Margin**	63.96%	54.21%	44.78%	54.42%	53.19%
Net Profit Margin***	25.58%	27.75%	11.82%	11.20%	13.07%
Cost of Fund (CoF)	6.00%	6.23%	6.94%	8.95%	10.01%
Return on Asset (ROA)	1.09%	1.05%	0.38%	0.42%	0.49%
Return on Average Risk Weighted Asstes	2.02%	1.86%	0.70%	0.73%	0.90%
Write-off to Total Loan and Advances	0.41%	0.31%	0.36%	1.25%	2.57%
Cost to Income Ratio	36.04%	45.79%	55.22%	45.58%	46.81%
Earning Asset (% of total assets)	96.00%	95.17%	96.20%	95.73%	95.44%
Revenue per Employee	4.1	3.7	3.3	3.8	4.1
Operating Profit per Employee	2.6	2.0	1.5	2.1	2.2
Average Revenue per Branch	229.6	216.5	193.5	190.8	204.9
Average Operating Profit per Branch	146.9	117.4	86.7	103.8	109.0

*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 OF 31ST DECEMBER 2025

Names	Position	Number of shares
Parent/Subsidiary/Directors		
Parent/subsidiary/associates and other related parties	Not Applicable	Nil
Mr. Ariful Islam, his spouse and minor child	Chairman	10302
Dr. A.K.M. Atiqul Haque, his spouse and minor child	Director	Nil
Ms. Maqsurā Noor ndc, his spouse and minor child *	Director	Nil
Mr. Sabbir Ahmed, 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
Top Executives		
Mr. Rizwan Dawood Shams	Managing Director	Nil
Ms. Fahmida Khan	Chief Financial Officer	Nil
Mr. Samiul Hashim	Company Secretary	Nil
Mr. Abdullah Al Mahmud Md. Kayes	Head of Internal Control & Compliance	Nil
Top Five Executives other than CEO, CFO CS and HICC		
Mr. Ashique Hossain	Deputy Managing Director	Nil
Ms. Jumaratul Banna	Senior General Manager	Nil
Mr. Mohammad Monirul Islam	Senior General Manager	Nil
Mr. Sayeed Iqbal	General Manager	Nil
Mr. Md. Afzalur Rashid	General Manager	Nil

*The nomination of Ms. Maqsurā Noor NDC has withdrawn by GOB on 15 February 2026 and Mr. Md. Zakir Hossain will replace her upon having approval from Bangladesh Bank.

Shareholders holding 10% or more voting right:

Name of shareholders	Number of shares	%
Government of the People's Republic of Bangladesh (GOB)	89,515,513	21.8796
BRAC	102,282,103	25.0000
Ayesha Abed Foundation	40,912,839	10.0000

MEETING ATTENDED BY THE DIRECTORS DURING 2025

Name of Director	Board of Directors Meeting			Executive Committee Meeting			Risk Management Committee			Audit Committee Meeting			Remarks	
	Total BOD 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		Total Remuneration paid in 2025
BDT														
Mr. Ariful Islam	5	5	57,500	5	5	57,500	4	4	46,000			-	161,000	Nominated by Ayesha Abed Foundation
Ms. Maqsurat Noor, NDC*	5	5	57,500	4	4	46,000				2	2	23,000	126,500	Nominated by GOB
Mr. Munshi Abdul Ahad**	2	2	23,000	5	5	57,500	1	1	11,500			-	92,000	Nominated by GOB
Dr. A.K.M Atiqul Haque	3	3	34,500				-	-		2	2	23,000	57,500	Nominated by GOB
Ms. Sonia Bashir Kabir ***	-	-		2	2	23,000				-	-	-	23,000	Independent Director
Dr. Shah Md. Ahsan Habib	5	5	57,500	-			4	4	46,000	4	4	46,000	149,500	Independent Director
Mr. Tushar Bhowmik ****	1	1	11,500	4	4	46,000	-					-	57,500	Nominated by BRAC
Mr. Sabbir Ahmed *****	2	2	23,000	2	2	23,000						-	46,000	Nominated by BRAC
Mr. Sarwar Azam Khan	5	5	57,500	-	-		4	4	46,000	4	4	46,000	149,500	Independent Director
Mr. Mohammad Iqbal Chowdhury	5	5	57,500	9	8	92,000				-	-	-	149,500	Independent Director
Total Remuneration paid													1,012,000	

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

* Ms. Nilufer Nazreen was a Nominee Director of Government of Bangladesh (GoB), she was replaced by Ms. Maqsurat Noor, NDC on 05 March 2025.

** Mr. Munshi Abdul Ahad was a Nominee Director of Government of Bangladesh (GoB), he was replaced by Dr. A.K.M. Atiqul Haque on 17 June 2025.

*** Ms. Sonia Bashir Kabir has resigned as Independent Director on 03 March 2025

**** Mr. Tushar Bhowmik a Nominee Director of BRAC, has completed his 3rd consecutive term and retired from his post on 17 April 2025 as per Finance Company Act 2023.

***** Mr. Sabbir Ahmed a Nominee Director of BRAC, appointed on 25 September 2025.

HOME LOAN

৪০ IPDC FINANCE



Give Your Children
The *Ground* to Grow

16519

HOME LOAN

৪০ IPDC FINANCE



Build the life you've always imagined
With **IPDC Home Loan**

16519

HOME LOAN

৪০ IPDC FINANCE

আপনার ঠিকানার শুরু এখানেই



সহজ শর্ত
দ্রুত প্রসেসিং

16519

HOME LOAN

৪০ IPDC FINANCE

A HOME OF YOUR OWN
YOUR ULTIMATE SANCTUARY
WITH **IPDC HOME LOAN**



16519



Management Discussion & Analysis

MANAGEMENT DISCUSSION & ANALYSIS

A PIVOTAL YEAR: ECONOMIC REALIGNMENT & SIGNS OF RENEWED MOMENTUM

Following the political transition in mid-2024 and the subsequent structural reforms initiated by the interim government, the economy endured a necessary phase of stabilization in 2025. Difficult but essential corrective measures were implemented to restore macroeconomic balance and institutional discipline. With market-based mechanisms now largely in place and a peaceful political transition after national election, the foundation for renewed growth has been established. If the reform momentum is sustained alongside continued political stability, 2026 could mark the year Bangladesh moves decisively beyond stabilization and resumes its growth trajectory with renewed confidence.

Nevertheless, significant challenges remain. Sustaining economic growth, reforming the financial sector, and preserving political stability will be critical priorities. Domestically, the policy focus must shift from crisis management to structural repair and revitalization. In 2026, key challenges will include managing the transparency drive in the banking sector, navigating the aftereffects of bank mergers, and, importantly, reviving private sector credit appetite. On the external front, exchange rate stability has emerged as a cornerstone of macroeconomic resilience, supported primarily by a historic surge in remittance inflows. Monthly average remittances rose to nearly USD 2.5bn in 2025, providing vital support to the balance of payments. Although export growth has remained moderate with periodic fluctuations, restrained import payments, particularly lower capital machinery imports, have helped maintain equilibrium. As a result, the exchange rate has stabilized and foreign exchange reserves have gradually recovered from previous lows, remaining comfortably above USD 25 bn on a net basis. This external buffer provides essential support for the country's renewed growth phase.

At the same time, climate change continues to pose substantial risks to agriculture and critical infrastructure. Addressing these vulnerabilities requires strategic public investment in resilient infrastructure and greater economic diversification. Strengthening regulatory efficiency and combating corruption will further enhance investor confidence and improve the overall business climate. By addressing these structural weaknesses with consistency and foresight, Bangladesh can reinforce the foundations of sustainable growth.

Bangladesh's growing and youthful population also presents considerable opportunities, particularly in healthcare, education, and retail. Unlocking this demographic dividend will require targeted policy initiatives, a flexible and market-oriented interest rate environment, and expanded social safety mechanisms to protect vulnerable groups. Improved tax administration and enhanced revenue mobilization will be equally important to finance public investment in priority sectors.

Despite recent headwinds arising from global economic uncertainty and domestic political adjustments, Bangladesh's economy has demonstrated notable resilience. Medium-term growth prospects remain positive, supported by ongoing economic and financial sector reforms and a gradual diversification beyond traditional industries. With disciplined policy implementation and sustained reform efforts, Bangladesh is well positioned to strengthen its standing as an emerging and dynamic economy in the years ahead.

ECONOMIC OUTLOOK

The year 2025 has been marked by an uneven and fragile global expansion. The world economy is gradually emerging from the

prolonged aftereffects of post-pandemic disruptions, geopolitical tensions, and aggressive monetary tightening. As major central banks shift from contractionary policies toward cautious monetary easing, external pressures on developing economies have begun to moderate. For Bangladesh, however, 2025 remained a challenging year. The country undertook a series of structural and institutional reforms aimed at revitalizing the economy and restoring macroeconomic stability. Early signs of improvement have already begun to emerge, reflecting the initial impact of these corrective measures.

This chapter presents a detailed analysis of global economic developments in 2025, with particular emphasis on Bangladesh. It examines the resilience demonstrated amid prevailing uncertainties, while also assessing the key challenges and emerging opportunities that have shaped the economic landscape. In doing so, it provides a comprehensive perspective on the forces influencing both the global environment and the domestic economy.

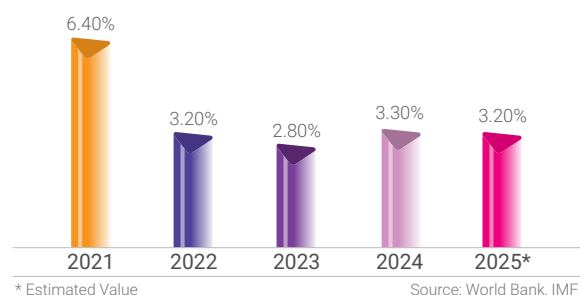
GLOBAL OUTLOOK

Growth Momentum

The year 2025 has been characterized by fluidity and volatility, with much of the global economic dynamics shaped by a reordering of policy priorities in the United States and the subsequent policy adjustments undertaken by other economies in response to evolving realities.

Economic momentum in advanced economies has moderated, declining by 0.2 percentage points compared to 2024. In emerging markets and developing economies, growth is projected to decline slightly from 4.3% in 2024 to 4.2% in 2025. Overall, global GDP growth is forecast to slow to 3.10% in both 2025 and 2026, remaining below the historical average of 3.50% recorded between 2000 and 2024.

World GDP Growth



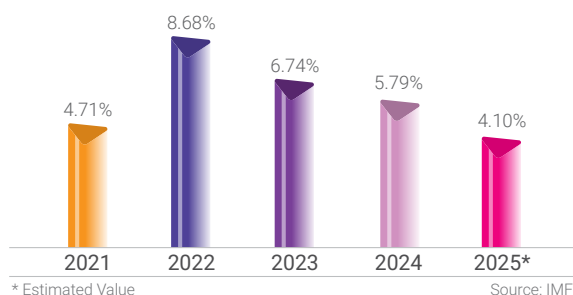
Inflation

Global inflation is projected to continue its downward trajectory, with headline inflation expected to decline to 4.1% in 2025 and further to 3.8% in 2026. However, inflation trends continue to diverge between the United States and most other advanced economies. In the United States, inflation has shown renewed upward pressure since the second half of 2025, as the effects of tariffs are no longer being absorbed within supply chains and are increasingly passed on to consumers. Notably, latest developments in Middle East at early 2026 may worsen the inflation outlook.

In contrast, inflation across other advanced economies has largely stabilized around 2.0%. In much of emerging and developing Asia,

inflation is projected to ease further, driven primarily by lower-than-expected price outturns. Movements in food, energy, and administered prices have played a significant role in this trend, particularly in economies such as China, India, and Thailand.

World Inflation (Consumer Prices)



Global Trade

Global trade is estimated to have expanded by 3.8% in 2025, compared to 3.5% in 2024. This stronger-than-expected performance reflects the resilience of merchandise trade, which continued to grow despite significant headwinds and persistent uncertainties, including higher tariffs imposed by the United States and ongoing pressures on the multilateral trading system.

Trade in services maintained solid momentum throughout 2025, supported by robust performance in travel and digital services, as well as spillover effects from earlier import front-loading. According to the United Nations, global trade growth is projected to moderate to 2.2% in 2026 as the effects of front-loading diminish and higher tariffs begin to weigh more heavily on global economic activity.

Energy Outlook

The global energy landscape is currently shaped by geopolitical tensions, energy security concerns, climate-related risks, and rapid technological transformation. According to the International Energy Agency, global energy demand continues to expand, driven by population growth, rising income levels, increasing electrification,

greater cooling requirements, the adoption of electric mobility, and the rapid expansion of data centers linked to artificial intelligence.

A defining feature of the current outlook is the emergence of the "Age of Electricity." Electricity demand is projected to rise by approximately 40% by 2035 under existing and stated policy frameworks, making investment in grid expansion, energy storage, and system flexibility critical priorities. However, investment in transmission and distribution networks continues to lag behind generation capacity, contributing to grid congestion and upward pressure on prices.

Renewable energy, particularly solar photovoltaic technology, is expanding rapidly, supported by substantial manufacturing capacity and declining technology costs. China continues to play a central role in global clean energy manufacturing and deployment. Nuclear energy is also experiencing renewed momentum, with increasing investment in both large-scale facilities and small modular reactors.

At the same time, energy security risks are evolving in nature. In addition to traditional concerns surrounding oil and gas supply, critical mineral supply chains present growing vulnerabilities due to their high geographic concentration. Furthermore, climate-related disruptions, cybersecurity threats, Escalating tensions in Middle East and infrastructure resilience challenges are emerging as significant risks to the stability of global energy systems.

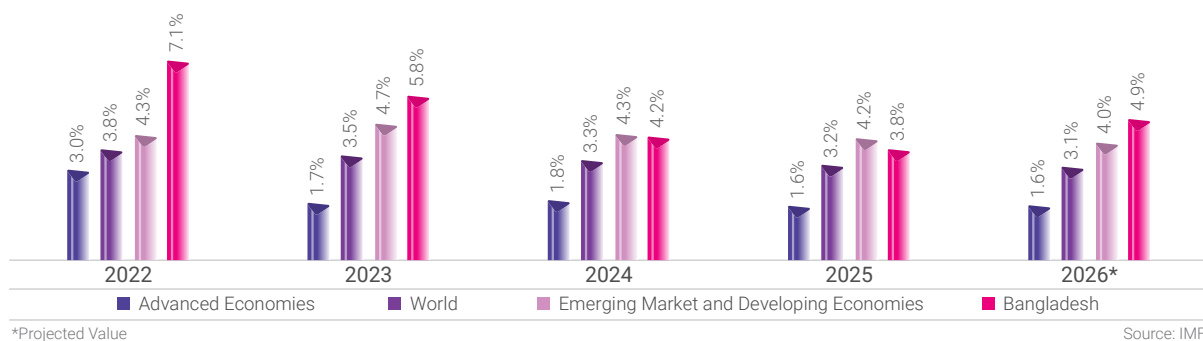
BANGLADESH ECONOMY

GDP Growth

The International Monetary Fund has projected Bangladesh's GDP growth for FY25 at 3.76%, marking the lowest level since 2020. Growth momentum remained subdued as the country navigated significant political transitions, structural reforms, and a prolonged contractionary monetary stance aimed at containing inflation. Despite the slowdown, Bangladesh's growth performance in FY25 exceeded the projected global average of 3.2% and the growth rate of advanced economies at 1.6%, although it remained below the 4.2% growth recorded by emerging market and developing economies.

Looking ahead, the outlook for FY26 appears more promising. The economy is projected to expand by 4.9%, supported by an anticipated acceleration in economic activity and a recovery in private investment following the national election and improving policy certainty.

Comparative Real GDP Growth of Bangladesh

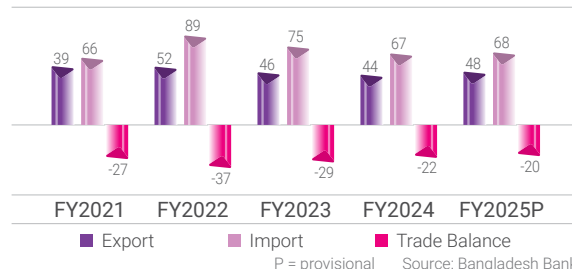


Trade Balance

In the FY25, Bangladesh experienced a notable 9.87% reduction in its trade deficit, reaching USD 20.05bn, primarily due to higher export growth. In FY25 imports increased by 2.44% to USD 68.35bn, while exports increased 8.60% to USD 48.30bn, contributing to the reduction in the trade gap. As of latest data, Jul-Dec'FY26 trade deficit reached USD -11.55bn, 18.36% increase YoY, as export momentum subdued during this period.

Trade Balance

figures in Bn USD

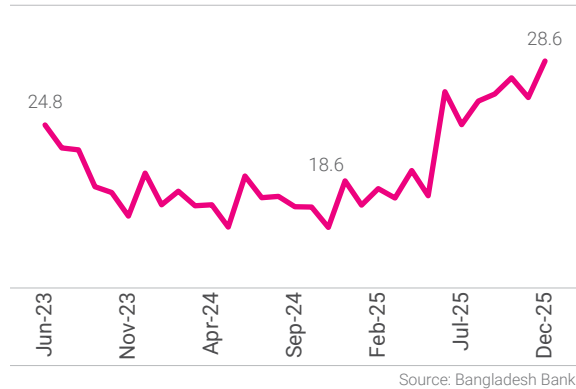


FX Reserve

In May 2025, Bangladesh Bank transitioned to a market-based exchange rate regime in line with the conditions attached to the IMF loan programme. During the year, demand for the US dollar remained subdued, reflecting lower external payment obligations, weak growth in investment and business activity, and reduced imports of capital goods.

To ensure stability in the foreign exchange market, Bangladesh Bank intervened by purchasing US dollars from commercial banks. Improved external balances, combined with these foreign currency purchases, contributed to a recovery in gross foreign exchange reserves, which reached USD 28.52 bn under the BPM6 methodology by the end of 2025. This represented an 8.8% increase YoY and strengthened import coverage to approximately 4.6 months.

Foreign Exchange Reserve (BPM6) figures in Bn USD

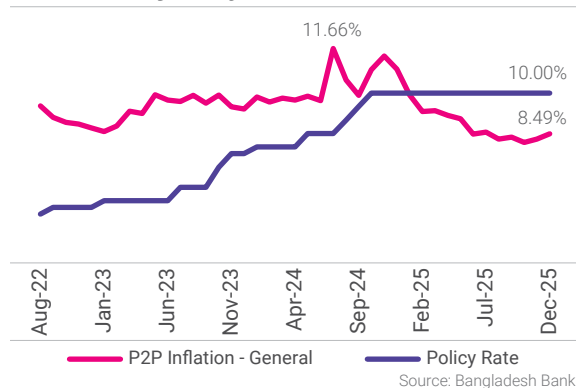


Inflation Rate

As the contractionary monetary stance remained in place throughout 2025, with the policy rate maintained at 10%, point-to-point inflation followed a gradual downward trajectory. Inflation declined to 8.49% in December 2025, reflecting a 240 bps reduction from 10.89% in January 2025 and a 317 bps decrease from the recent peak of 11.66% recorded in July 2024.

With the continued implementation of tight monetary policy measures, inflation is expected to moderate further in 2026. A sustained decline in price pressures may create room for a policy rate cut by the central bank, which could, in turn, stimulate private sector credit growth and support broader economic recovery.

Inflation Trajectory



Dollar Price

The exchange rate of the BDT against the USD depreciated marginally by 1.91% YoY in 2025, reaching BDT 122.3 per USD. Although this level remains among the highest observed in recent years, the exchange

rate exhibited relative stability throughout 2025 compared to the volatility experienced in earlier periods.

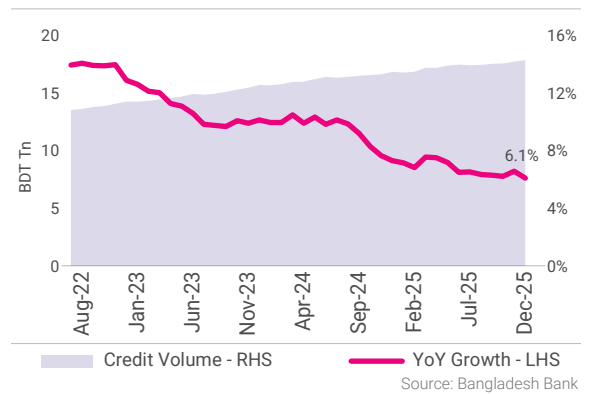
To preserve stability, Bangladesh Bank transitioned to a market-driven exchange rate system in May 2025 and continued purchasing US dollars from commercial banks during the year. This strategic shift toward a market-based exchange rate regime represents an important milestone in strengthening macroeconomic management, allowing BDT to more accurately reflect underlying market conditions while supporting external sector resilience.

Domestic Credit

As of 2025, total domestic credit stood at BDT 23.9tn, reflecting a 10.87% YoY increase. Net credit to the government and other public sector entities grew significantly by 28.13%, reaching BDT 6.0tn. In contrast, private sector credit growth remained anemic at 6.10% YoY, with outstanding credit amounting to BDT 17.9 tn.

The weak demand for private sector credit can largely be attributed to the prevailing high-interest rate environment and lingering political uncertainties, both of which constrained business expansion and discouraged new investment initiatives.

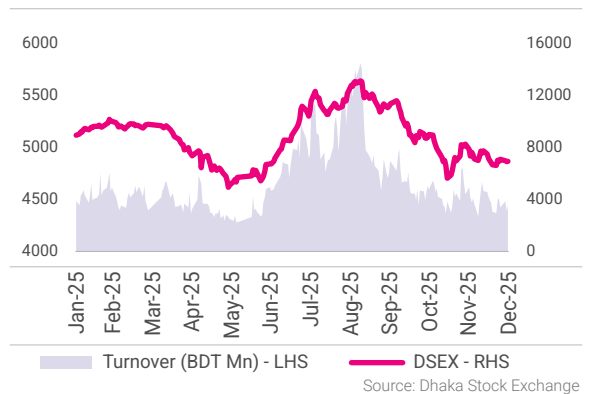
Private Sector Credit



DSE Broad Index

Bangladesh Market saw an overall anemic trading activity during 2025. Market turnover during 2025 echoed dynamic sentiment from several developments, notably - US Tariff imposition on BD, international conflicts, bank sector, and local political developments. While certain macro variables are showing signs of improvement (interest rate, inflation, FX market), bank sector reforms and galloping NPL have raised investor concern. DSEX, the benchmark free float weighted market index, declined 6.7% in 2025, while equity market cap declined 9.9%.

DSE Broad Index Movement



MANAGEMENT REVIEW OF THE PERFORMANCE OF THE COMPANY

STRATEGIES FOR STABILITY, RESILIENCE & GROWTH IN 2025

The economic and political disruptions experienced between 2020 and 2024 temporarily slowed our growth ambitions. However, in 2025, we renewed our focus on rebuilding momentum and laying the foundation for a stronger and more sustainable recovery. IPDC possesses the inherent strength and institutional capacity to navigate future uncertainties while contributing to an environmentally responsible and socially inclusive society. Our robust core pillars, including industry-leading portfolio quality and disciplined strategic planning, have enabled us to demonstrate resilience and respond effectively to the challenges of 2025 and beyond.

STRATEGY & RESOURCE ALLOCATION 2025



Corporate Strategy

Our corporate strategy addresses the country's macroeconomic development, recognizing the risks and opportunities to drive a growth-led strategic plan for 2025 to not only foster sustainability and profitable growth for IPDC but also make a significant impact on society.



Strategic Business Unit (SBU) Strategy

The strategic business unit (SBU) strategy for IPDC entails a detailed roadmap delineating the objectives, goals, and actionable steps for each of its three main SBUs.



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.

CORPORATE STRATEGY

Our corporate strategy addresses the country's macroeconomic development, recognizing the risks and opportunities to drive a growth-led strategic plan for 2025 to not only foster sustainability growth for IPDC. Hence, our broader strategic objectives are built around five key pillars that guide our efforts as we strive to achieve our goals.



A HOME FOR EVERY FAMILY

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

Achievement

We disbursed 738 home loans in 2025.



EMPOWERING WOMEN

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

Achievement

Joyee 360-Degree Business Enabler Suite to ensure dedicated support for women entrepreneurs.



CREATING ENTREPRENEURS

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

Achievement

Improved the living standards of 1700+ households.



BEYOND MEGACITIES

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

Achievement

In 2025, affordable home loan portfolio grew by ~10% and present in 50+ districts beyond Dhaka and Chittagong.



SCALING SUSTAINABLE FINANCE

IPDC is committed to scaling up its sustainable finance portfolio, driven by a passion to enhance the country's economy through sustainable finance products.

Achievement

In 2025, IPDC's green finance portfolio grew 83% YoY.

STRATEGIC BUSINESS UNIT (SBU) STRATEGY

SBUs 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 2025 encompass enhancing market presence, ensuring asset quality, optimizing operational efficiency, fostering innovation, and ensuring sustainable growth across all SBUs.

Corporate Business

The Corporate Business 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, corporate business 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.



GROWTH STRATEGY

- Pursuing calibrated portfolio expansion in resilient sectors, prioritizing asset quality over volume-driven growth.
- Strengthening structured and syndicated financing capabilities to diversify risk exposure and enhance fee-based income streams.
- Deepening existing corporate relationships through cross-selling of tailored financial solutions and sector-focused engagement.



SHORT TERM STRATEGY

- Tighten credit underwriting and portfolio monitoring to safeguard asset quality amid evolving macroeconomic conditions.
- Accelerate recovery and collection efficiency through proactive early warning mechanisms and dedicated account management.
- Improve operational efficiency by streamlining credit processes and enhancing Relationship Manager capability.



LONG TERM STRATEGY

- Develop sector-specialized corporate verticals to build domain expertise and strengthen competitive positioning.
- Integrate sustainable and green financing frameworks in alignment with regulatory guidelines of Bangladesh Bank.
- Leverage digital tools and advanced risk analytics to enhance credit decision-making and long-term portfolio resilience.

2021 vs 2025

5-YEAR CAGR%

Loan Portfolio

6.53%

Deposit Portfolio

19.04%

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.



GROWTH STRATEGY

- Expanding presence within emerging middle and affluent segments through targeted propositions.
- Strengthening digital acquisition and service platforms to improve customer onboarding, loan processing speed, and overall client experience.
- Driving product innovation and cross-selling to increase wallet share across existing retail customers.



SHORT TERM STRATEGY

- Enhancing branch productivity and distribution efficiency through focused market development and sales capability building.
- Promoting sustainable retail financing by increasing green home loans and energy-efficient product financing in line with regulatory direction.
- Improving customer engagement and retention through structured advisory support, financial literacy initiatives, and lifecycle-based relationship management.



LONG TERM STRATEGY

- Scale up "Bhalo Basha Home Loan" nationwide to strengthen IPDC's position in affordable housing finance for low- and middle-income families.
- Developing diversified retail portfolio architecture to ensure balanced growth across housing, auto, and emerging consumer segments.

2021 vs 2025

5-YEAR CAGR%

Loan Portfolio

5.95%

Deposit Portfolio

-0.64%

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.



GROWTH STRATEGY

- Expanding into customer segments like rice and food processing, auto spare parts, and small-scale textiles.
- Deepening relationships within the existing SME portfolio through repeat financing, working capital enhancement, and supply chain linkage solutions.
- Strengthening women-led and emerging entrepreneur financing to broaden inclusion.



SHORT TERM STRATEGY

- Implementing robust risk assessment and mitigation measures to ensure prudent lending practices and minimize credit risks.
- Introducing need-based product variants tailored to the unique requirements of SMEs.
- Enhancing collection efficiency and portfolio health through early warning triggers and structured recovery mechanisms.



LONG TERM STRATEGY

- Developing cluster-focused SME ecosystems through partnerships with local chambers, industry bodies, and government-backed initiatives.
- Integrating ESG considerations into SME lending practices to promote environmentally and socially responsible enterprises.

2021 vs 2025

5-YEAR CAGR%

Loan Portfolio

7.96%

Deposit Portfolio

19.54%

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.

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).



Asset Quality Management

Amid a challenging operating environment, IPDC maintained strong asset quality discipline and maintained NPL ratio of 5.97% in 2025, positioning the Company among the best performers in the industry.



Maintaining Stability

IPDC's long-term credit rating of AAA and short-term rating of ST-1 for seven consecutive years reflect its financial strength, stability, and strong capacity to meet its financial obligations in a timely manner.



Sustainable Finance

As part of our commitment to sustainable development, IPDC continues to promote and expand financing for environmentally responsible and sustainable business initiatives, contributing to long-term economic and environmental resilience.



Retailer Financing

With the objective of strengthening value chain financing for micro-merchants, IPDC has introduced targeted financing solutions in collaboration with ecosystem partners, thereby supporting inclusive growth and grassroots entrepreneurship.



Reduction in Asset Liability Mismatch

In light of avoiding liquidity constraints, IPDC is prioritizing long-term financing supported by stable, long-term funding sources to reduce asset-liability mismatches and enhance balance sheet stability.



Sustainable Deposit Growth

To mitigate funding concentration risk and reduce dependence on large-ticket deposits, IPDC is focused on expanding its micro and small deposit portfolio, thereby strengthening funding diversification and improving overall liquidity resilience.

TAKING A DISCIPLINED APPROACH IN 2025

Bangladesh's economy in 2025 remained in a phase of recovery and stabilization following structural adjustments initiated in late 2024. Regulators placed strong emphasis on comprehensive reforms aimed at restoring institutional integrity and strengthening governance across the financial sector. Amid these transformations, the FC industry in Bangladesh encountered significant regulatory changes and operational challenges. In such an environment, decisive and well-calibrated actions were essential to ensure business continuity and financial stability. IPDC adopted a disciplined and prudent approach, which proved instrumental in sustaining its operations throughout the year. Despite prevailing economic uncertainties, IPDC's risk-aware strategies and structured execution enabled it to navigate the challenges effectively and maintain its resilience.

Challenges	Strategy	Cautious Actions in 2025
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
Sector-wide Deteriorating Asset Quality	Efficient credit risk management and rigorous loan collection process	IPDC focused on quality loan disbursement and strengthened its collection activities through the employment of periodic monitoring tools and management supervision.
Spillover effect of distress Banks/FCs	Focus enhanced service quality by offering customer-centric financial services to protect customer confidence.	IPDC invested in technology and digital infrastructure to streamline processes and improve service delivery efficiency

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

Area	Strategy	Actions in 2025
Brand	Building vibrant brand presence across the country	Signature programs such as Amader Gaan, Priya Shikhhok 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	Implementing 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

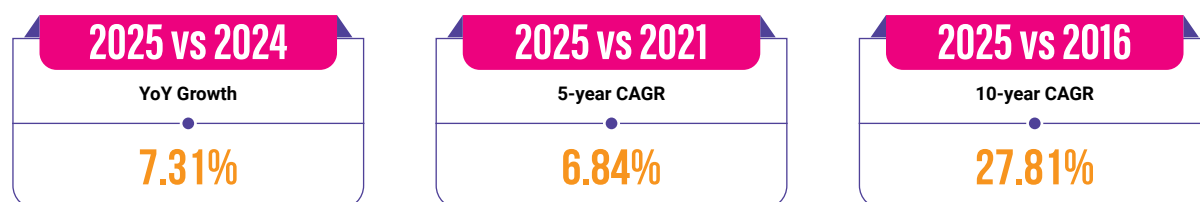
IPDC continues to deliver superior and balanced financial performance to establish itself as the most valuable non-banking finance company in Bangladesh. At the end of 2025, IPDC market capitalization was BDT 7.6bn, with asset size of BDT 98.7bn and shareholders' equity of BDT 7.3bn.

LOAN PORTFOLIO MANAGEMENT

Despite the slowdown in private sector credit since 2020, initially triggered by the pandemic and later compounded by economic and political disruptions, IPDC recorded consistent portfolio growth between 2021 to 2023. Although IPDC experienced a marginal contraction of 1.47% YoY in its loan

portfolio in 2024, it successfully returned to a growth trajectory in 2025. During the year, the loan portfolio expanded by 7.31% YoY, reaching BDT 74,622mn compared to BDT 69,536mn at the end of 2024.

In 2025, the portfolio composition comprised 44.59% Corporate, 23.16% Retail, and 32.25% SME segments, reflecting a well-diversified asset base. Over a ten-year horizon, the loan portfolio has demonstrated strong expansion, recording an outstanding CAGR of 27.81% during the period. Over the more recent five-year timeframe, the portfolio achieved a CAGR of 6.84%, reflecting steady and sustainable growth despite macroeconomic headwinds.



GEOGRAPHIC DISTRIBUTION OF LOAN PORTFOLIO

The significant concentration of the portfolio is skewed in Dhaka Division. With 77.1% (BDT 57,532mn) of the total portfolio value (BDT 74,622mn), 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 10.8% (BDT 8,047mn). 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 12.1% 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 Chittagong through expanded distribution channels and specialized products for low-income households.

Figures in BDT mn

Particulars	2025	in %
Dhaka	57,532	77.1%
Chattogram	8,047	10.8%
Khulna	2,842	3.8%
Rangpur	2,145	2.9%
Rajshahi	1,292	1.7%
Sylhet	865	1.2%
Barisal	739	1.0%
Mymensingh	1,160	1.6%
Total	74,622	100.0%

SECTOR WISE LOAN PORTFOLIO

The three main sectors that have significant loan portfolio concentrations of IPDC are Ready made garments and knitwear (14.8%), Chemicals, pharmaceuticals and allied products (6.8%) and Food and allied products (6.8%). Sectors like Tannery, leather and rubber products (0.4%) and Hotel, tourism and leisure (0.1%) have a relatively smaller share of the loan portfolio.

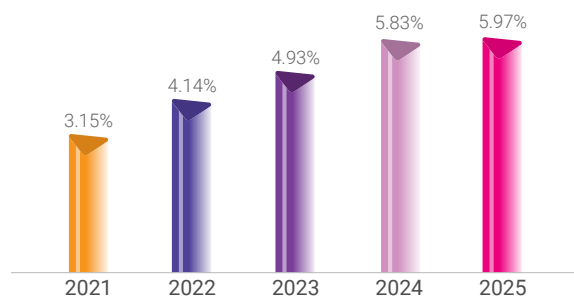
Figures in BDT mn

Particulars	2025	in %
Agro-based industries	4,217	5.7%
Banks and non-banking financial institutions	428	0.6%
Chemicals, pharmaceuticals and allied products	5,107	6.8%
Engineering and building materials	2,449	3.3%
Food and allied products	5,078	6.8%
Glass, ceramic and other non-metallic products	1,339	1.8%
Hotel, tourism and leisure	39	0.1%
Information and communication technologies	1,407	1.9%
Paper converting and packaging, printing and publishing	2,257	3.0%
Ready-made garments and knitwear	11,023	14.8%
Social sector	3,933	5.3%
Tannery, leather and rubber products	290	0.4%
Textile	1,390	1.9%
Transport and aviation	2,644	3.5%
Others	33,020	44.3%
Total	74,622	100.0%

NON-PERFORMING LOAN STATUS

Our classified loan ratio remains at per at 5.97% at the end of 2025, compared to 5.83% in 2024, positioning IPDC among the best performers in the industry in terms of asset quality. Maintaining this level of asset quality and containing classified loans at current level in 2026 will remain challenging, given the prevailing macroeconomic pressures, political uncertainties, and increasingly stringent loan classification standards. Nevertheless, we remain firmly committed to preserving portfolio quality through prudent underwriting, proactive monitoring, and strengthened recovery initiatives, with the objective of keeping classified loans at a minimum level in 2026 as well.

NPL Trend

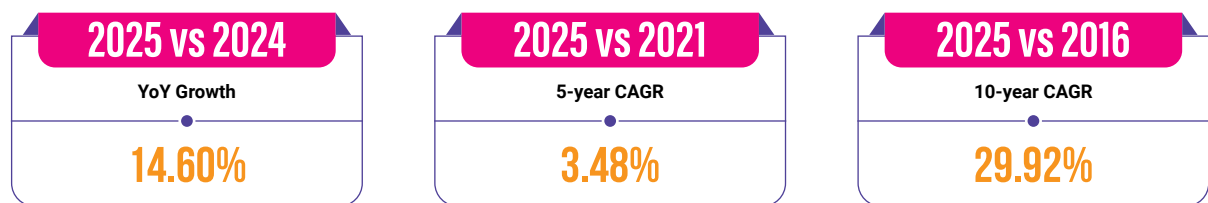


DEPOSIT MOBILIZATION STRATEGIES AND GROWTH PATTERNS

The total deposit portfolio increased by 14.60% YoY in 2025, reaching BDT 62,249mn. IPDC offers a diversified range of investment products with competitive deposit interest rates, enabling IPDC to attract savers seeking relatively higher returns on their investments. Over a ten-year period, the deposit portfolio demonstrated strong expansion, recording a compound annual growth rate of 29.92%, closely aligning with the growth trajectory of the loan portfolio.

Customer deposits, excluding deposits from banks and non-bank financial institutions, grew by 17.69% YoY and accounted for 97.86% of the total deposit portfolio, amounting to BDT 60,918mn. Deposits sourced from banks and non-bank financial institutions represented 2.14% of total deposits, equivalent to BDT 1,331mn at the end of 2025.

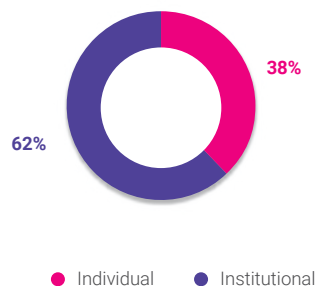
Through prudent treasury management and a stable liquidity outlook, supported by IPDC's highest credit rating from leading domestic rating agencies, IPDC has consistently ensured attractive returns for its depositors and timely settlement of obligations. These practices have strengthened customer trust and reinforced the Company's reputation for financial reliability and stability.



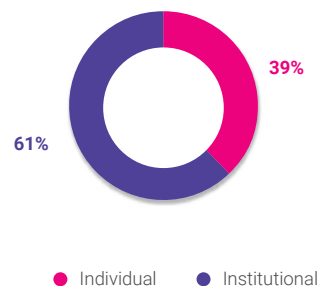
BALANCING INDIVIDUAL & INSTITUTIONAL ACCOUNT DYNAMICS

Deposits from individuals accounted for 38.15% of the total deposits and amounted to BDT 23,239mn in 2025 (2024: BDT 19,945mn) representing a growth of 16.51%. Deposits from institutions accounted for the remaining 61.85% and stood at BDT 37,679mn at the end of 2025 against BDT 31,816mn in 2024.

2025



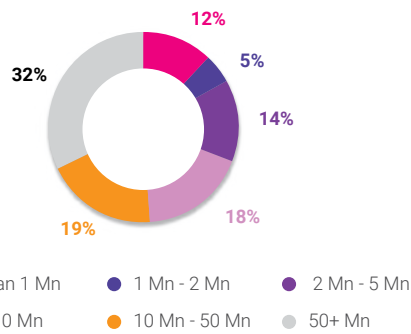
2024



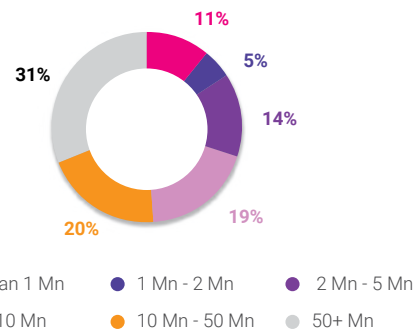
ACCOUNT PORTFOLIO METRICS & TICKET SIZE ANALYSIS

With 12% of accounts holding less than BDT 1 Mn, 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 "50 Mn" indicates IPDC caters to a smaller segment of customers with significantly larger deposits.

2025



2024



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 455mn (2024: 363mn), delivering a return on assets of 0.49% (2024: 0.32%) and return on equity of 6.74% (2024: 5.44%).

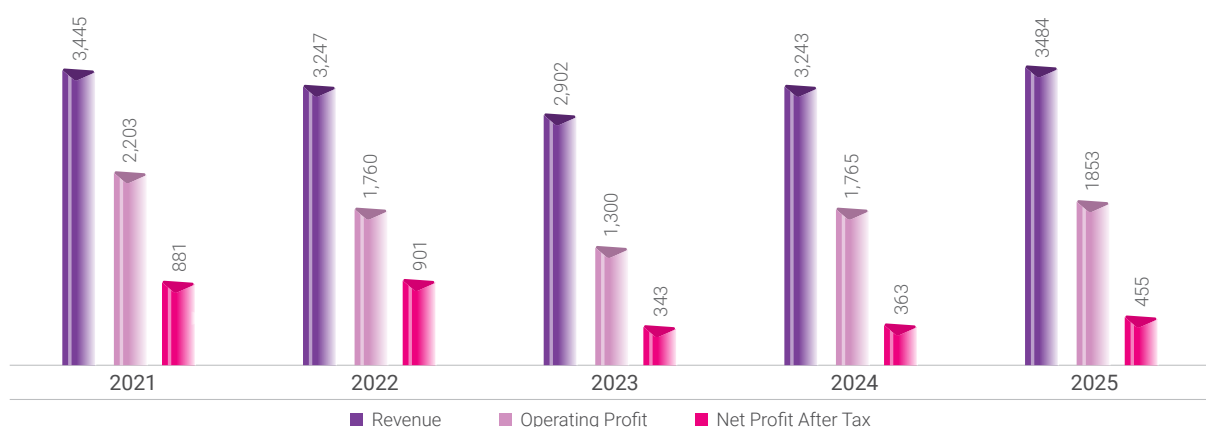
Particulars	Description	2021	2022	2023	2024	2025
Net Interest Income	% of Avg Assets	3.5%	3.2%	2.7%	2.6%	2.1%
Non-Interest Income	% of Avg Assets	0.8%	0.6%	0.5%	0.9%	1.6%
Operating Income	% of Avg Assets	4.3%	3.8%	3.2%	3.6%	3.7%
Operating Expenses	% of Avg Assets	1.5%	1.7%	1.8%	1.6%	1.7%
Cost/Income	% of Operating Income	36.0%	45.8%	55.2%	45.6%	46.8%
Operating Profit	% of Avg Assets	2.7%	2.1%	1.5%	1.9%	2.0%
Provisions	% of Avg Assets	0.9%	0.6%	0.7%	1.0%	1.0%
Profit before Tax	% of Avg Assets	1.9%	1.5%	0.7%	1.0%	1.0%
Tax Rate	% of PBT	41.4%	28.7%	48.1%	58.4%	50.5%
RoA	Return on Avg. Assets	1.1%	1.0%	0.4%	0.4%	0.5%
RoE	Return on Avg. Equity	14.2%	13.7%	5.1%	5.4%	6.7%
Assets/Equity	Avg. Assets/Avg. Equity	13.0	13.1	13.2	13.3	13.2

PROFITABILITY PERFORMANCE

The industry has encountered various challenges, including inflation, sector wide NPL surge, intensified competition, and capital shortfall. Despite these difficulties, IPDC has managed to increase its asset portfolio and optimize operating expenses. Net profit after tax notably increased by 25.39%, reaching BDT 455mn.

Profitability Trend

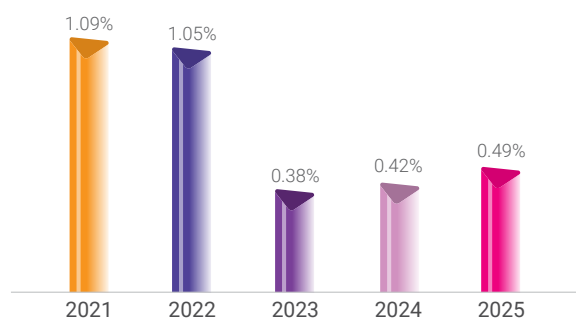
figures in Mn BDT



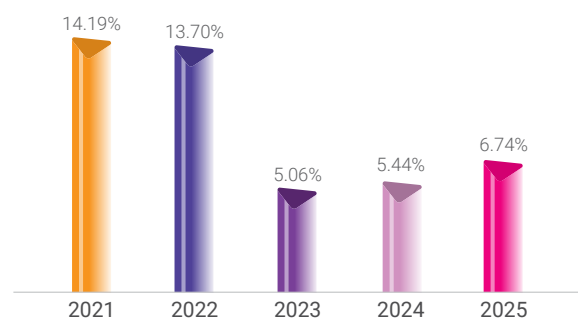
RETURN ON EQUITY & RETURN ON ASSETS

Return on Assets (RoA) stood at 0.49% in 2025, up from 0.42% in 2024. This marginal increase was driven by growth in profitability. Similarly, Return on Equity (RoE) improved to 6.74% in 2025 (2024: 5.44%), supported by profit growth and a relatively stable equity base.

Return on Asset



Return on Equity



ANALYSIS OF PROFITABILITY

Operating income has exhibited a fluctuating trend over the past few years. It declined from BDT 3,445mn in 2021 to BDT 3,247mn in 2022, and BDT 2,902mn in 2023, due to slow business activity followed by COVID pandemic. However, it rebounded in 2024 and reached BDT 3,243mn and continued the same momentum in 2025 as well. In 2025, operating income increased 7.43% YoY to BDT 3,484mn. This

growth was primarily driven by the return from strategic investments in government securities. Operating profit largely mirrored the trend in operating income. It declined from BDT 2,203mn in 2021 to BDT 1,760mn in 2022 and BDT 1,300mn in 2023, before rebounding in 2024 to BDT 1,765mn. In 2025, operating profit reached BDT 1,853mn, reflecting a 5.01% YoY rise. Net profit after tax followed a similar trajectory, reaching BDT 455mn in 2025, reflecting a notable 25.39% increase YoY.

GROSS REVENUE BREAKDOWN FOR COMPREHENSIVE UNDERSTANDING

Figures in BDT mn

PARTICULAR	2021	2022	2023	2024	2025
Interest Income	6,545	7,080	7,434	8,811	9,560
Interest Expense	3,761	4,310	5,011	6,418	7,554
Investment Income	471	202	232	684	1,324
Other non-interest income	190	275	247	165	154

INTEREST INCOME

IPDC's core source of revenue shows a gradual increase throughout the period, reaching its peak in 2025 (BDT 9,560mn). 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 in 2024 helped to improve the return from loans and advances.

INTEREST EXPENSES

Interest expense continued to follow an upward trend during the year. In 2025, interest expense stood at BDT 7,554mn, representing a 17.69% YoY increase. Notably, the growth in interest expense exceeded the increase in interest income, exerting pressure on overall margins. One of the key drivers of this trend was the higher growth in deposits relative to loan expansion during 2025, which increased the funding base and, consequently, the associated cost. Furthermore, amid the sector-wide crisis and weakened depositor confidence, a pronounced flight-to-quality trend emerged within the financial system. In order to remain competitive among leading institutions and sustain deposit inflows, IPDC offered relatively competitive rates, which further contributed to the rise in interest expense. In addition, the additional deposits were invested in safe earnings instruments like govt. securities which is reflected in significant higher investment income.

INVESTMENT INCOME OPPORTUNITIES

Investment income recorded a substantial increase in 2025, rising to BDT 1,324mn and registering a remarkable 93.29% growth compared to 2024. This sharp expansion was primarily driven by higher income from government treasury bonds, supported by the prevailing high-interest rate environment, as well as improved performance in the capital market. The surge in investment income reflects IPDC's strategic positioning to optimize returns amid subdued private sector credit demand. With limited opportunities for aggressive loan expansion, IPDC effectively allocated funds to government securities and other investment avenues to enhance yield. In parallel, capital market activity improved compared to the previous year, enabling IPDC to realize a capital gain of BDT 62mn from listed securities and BDT 112mn from government securities.

NON-INTEREST REVENUE GROWTH

Despite the company's efforts to diversify its revenue streams beyond traditional lending activities, non-interest revenue has registered a moderate decline of 6.64% in 2025.

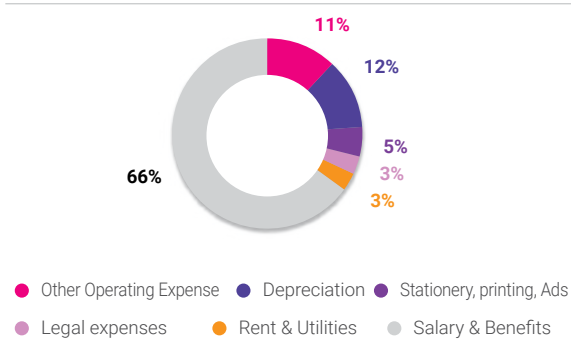
EFFICIENT OPERATING EXPENSE MANAGEMENT

DETAILED OPERATING EXPENSE BREAKDOWN

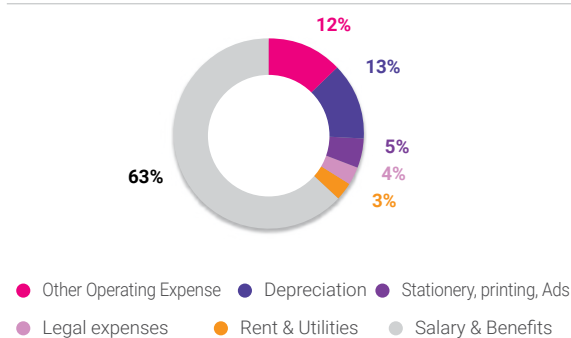
Figures in BDT mn

Particulars	2021	2022	2023	2024	2025
Salary & Benefits	741	848	988	938	1,076
Rent & Utilities	26	32	38	40	45
Depreciation	117	215	225	198	196
Stationery, printing, advertisements, etc.	123	112	109	71	81
Legal expenses	53	66	52	51	49
Other Operating Expense	181	214	191	180	184
Operating Expense	1,241	1,487	1,603	1,478	1,631

2025



2024



In fiscal year 2025, operating expenses amounted to BDT 1,631mn, reflecting an increase from BDT 1,478mn in the previous year, resulting in a growth of 10.35%.

Compensation Strategies Aligned with Organizational Goals

The primary component of operating expenses was salary and benefit costs, which amounted to BDT 1,076mn by the end of 2025, representing a 14.74% increase compared to the previous year and accounting for 65.96% of total operating expenses. This increase was largely driven by annual salary increments and cost-of-living adjustments, reflecting IPDC's commitment to maintaining competitive compensation amid inflationary pressures. The upward revision also aligns with IPDC's strategic focus on strengthening workforce management and enhancing operational efficiency through investment in human capital. Overall, the growth in employee-related expenses reflects IPDC's continued emphasis on employee welfare, talent retention, and professional development, recognizing

that a skilled and motivated workforce remains central to long-term organizational success.

Proactive Management of Other Costs

Depreciation and asset repair costs represented a notable component of operating expenses, accounting for 12.02% of the total, and recorded a marginal decline of 1.03% compared to the previous year. Expenditure on stationery, printing, and advertising amounted to BDT 81mn in 2025, reflecting a 14.05% increase YoY and contributing 4.95% to total operating expenses. The increase was primarily aligned with business development initiatives and brand visibility efforts undertaken during the year.

Other cost components, including legal expenses, rent, and utilities, maintained proportions broadly consistent with those of the preceding year. Meanwhile, items categorized under other operating expenses registered a slight increase of 1.65% in 2025 compared to the prior year, indicating overall cost stability despite prevailing inflationary pressures.

PRUDENT PROVISIONING FOR LOANS AND INVESTMENT RISKS

Figures in BDT mn

Particulars	2021	2022	2023	2024	2025	Growth YoY
Provision for classified loans and advances	647	355	692	862	1,132	31.31%
Provision for unclassified loans and advances	26	94	-53	-50	-257	N/A
Provision/(reversal) for diminution in value of investments	14	35	0.01	53	52	-2.69%
Other Provisions	13	11	0.49	27	7	-75.69%

In the year 2025, the provision for classified loans and advances experienced a notable increase of 31.31% compared to the previous year. This incremental amount is driven by many factors like deterioration of loan classification leading to a rise in provision to cover potential losses. In addition, the economy is facing a downturn

due to macroeconomic and political upheavals 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.

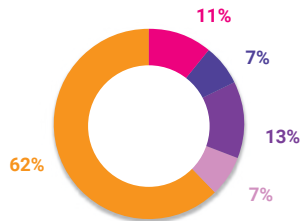
ANALYZING FUND SIZE & MIX FOR OPTIMAL PORTFOLIO MANAGEMENT

Amid the sector-wide crisis and weakened depositor confidence, a pronounced flight-to-quality trend emerged within the financial system. Riding on which IPDC's customer deposit experienced notable growth of 17.69% in 2025 and contributed 61.70% of the fund mix as compared to 58.08% in 2024. In addition, refinance from

BB also experienced notable growth of 27.76% in 2025. With growth in both customer deposit and refinance from BB, IPDC limited its borrowings to avoid excess liquidity. As a result, borrowings declined 37.76% in 2025 and represented 7.20% of the fund mix compared to 12.81% in 2024.

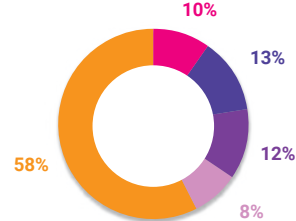
Meanwhile, both long term and short-term borrowing declined 8.2% and 23.3% respectively, marking IPDC's effective repayment ability. These adjustments in borrowing strategies were made to address the liquidity crisis effectively and enable uninterrupted lending operations.

2025



● Refinance from BB ● Borrowings ● Non-cost bearing Liability
● Equity ● Customer Deposits

2024



● Refinance from BB ● Borrowings ● Non-cost bearing Liability
● Equity ● Customer Deposits

MAINTAINING OPTIMAL CAPITAL ADEQUACY RATIO (CAR)

Sticky inflation, persisting contractionary policy, economic stress, supply chain disruptions, tariff hike etc. have impacted businesses' profitability and access to credit locally. 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 stress in profitability.

Despite these challenging market conditions, IPDC maintained a robust capital base. Our Capital Adequacy Ratio (CAR) of 17.14% stands well above regulatory requirements, demonstrating our strong financial foundation for navigating difficult economic environments and absorbing shocks. As of 2025, our Tier 1 Core Capital stood at BDT 6,875mn, with total eligible capital of BDT 8,865mn. A healthy surplus of BDT 3,694mn for 2025 reflects our ability to manage risk-weighted assets effectively (totaling BDT 51,707mn).

IN DEPTH CASH FLOW STATEMENT ANALYSIS FOR LIQUIDITY POSITION

Figures in BDT mn

Particulars	2025	2024
A) Net cashflows from/ (used in) operating activities	4,068	(2,492)
B) Net cashflows from/ (used in) investing activities	(1,177)	(5,036)
C) Net cashflows from/ (used in) financing activities	(55)	473
D) Net increase/ (Decrease) in cash (A+B+C)	2,837	(7,056)
E) Cash and cash equivalents at beginning of the period	7,081	14,137
F) Cash and cash equivalents at the end of the period (D+E)	9,918	7,081

CASHFLOW FROM OPERATING ACTIVITY

Cash generated from operating activities before changes in operating assets and liabilities stood at BDT 2,037mn, reflecting a 12.14% increase, primarily driven by higher interest and dividend income, while other payments recorded comparatively lower growth. During 2025, IPDC focused on maintaining a strong liquidity position by reducing liabilities to banks and financial institutions and prioritizing deposits from customers as a more stable funding source. Supported by continued depositor confidence, IPDC expanded its deposit portfolio, resulting in a cash inflow of BDT 9,157mn from depositors during the

year. At the same time, with a cautious and strategic expansion of the loan portfolio, net cash outflow from lending activities amounted to BDT 5,273mn in 2025. Consequently, after accounting for changes in operating assets and liabilities, IPDC recorded a net cash inflow from operating activities of BDT 4,068mn in 2025, compared to a net cash outflow of BDT 2,492mn in 2024.

Net operating cash flow per share (NOCFPS) stood at BDT 9.94 at the end of 2025, compared to BDT (6.09) in 2024. IPDC continues to adhere to the core principle of managing liquidity through effective maturity matching of assets and liabilities, ensuring a strong capacity to meet its financial obligations in a timely manner.

CASHFLOW FROM INVESTING ACTIVITY

The cash outflow from investing activities moved to BDT 1,177mn from BDT 5,036mn, predominantly due to new investment in government securities to further strengthen the Balance Sheet.

CASHFLOW FROM FINANCING ACTIVITY

IPDC paid dividends amounting to BDT 195mn in 2025 for the period ended 31 December 2024, compared to BDT 186mn paid in the previous year. During the year, IPDC reduced its loan exposure under the repo facility and redeemed a portion of its outstanding debt securities. At the same time, IPDC increased its exposure to term loans obtained from refinancing schemes. As a result of these financing activities, net cash flow from financing activities recorded an outflow of BDT 55mn in 2025, compared to an inflow of BDT 473mn in 2024.

BUILDING & MANAGING RESERVES FOR FUTURE STABILITY

Figures in BDT mn

Particulars	2025	2024
Statutory reserve	1,393	1,302
Assets revaluation reserve	428	290

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. In addition, asset revaluation reserve has increased 47.47% YoY due to revaluation made in 2025.

PRESENTING INFLATION ADJUSTED FINANCIAL PERFORMANCE FOR REAL INSIGHTS

Over the past 10 years, loans, advances, and leases have grown at a healthy compound annual growth rate (CAGR) of 23.25% (adjusted for inflation, base year 2015). This strong growth is accompanied by a CAGR of 24.75% in total deposits. Our Capital Adequacy Ratio (CAR) of 17.14% remains well above regulatory requirements, demonstrating our strong capital base.

The company achieved impressive revenue growth of 10.91% CAGR over the past ten years. However, net profit after tax growth (+2.81%) lagged behind operating profit growth (+11.20%) 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 and 2025 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	2015 Base	2021	2022	2023	2024	2025	CAGR 10 Year	Times Growth
Financial Performance								
Revenue	860	3,779	2,572	1,868	1,913	2,423	10.91%	2.8
Operating Profit	446	2,417	1,395	836	1,041	1,289	11.20%	2.9
Net Profit	240	967	714	221	214	317	2.81%	1.3
Financial Position								
Loans, Advances and Leases	6,416	71,672	53,954	45,410	41,022	51,904	23.25%	8.1
Total Deposits	4,745	66,272	46,851	38,722	32,045	43,297	24.75%	9.1
Paid-up Capital	1,263	4,071	2,940	2,388	2,299	2,846	8.47%	2.3
Shareholders' Equity	2,475	6,970	5,389	4,344	4,076	5,080	7.26%	2.0
Total Assets	8,202	93,225	68,710	59,156	52,578	68,671	23.63%	8.3
Total Liabilities	5,728	86,255	63,321	54,812	48,502	63,592	27.18%	11.1
Cash Flows								
Net cash from operating activities	322	-2,647	4,454	-401	-1,470	2,830		
Net cash (used in)/ from investing activities	91	2,403	93	-1,318	-2,971	-818		
Net cash (used in)/ from financing activities	-89	-250	1,963	2,116	279	-38		
Inflation Rate	6.10%	5.56%	7.70%	9.48%	10.34%	8.77%		

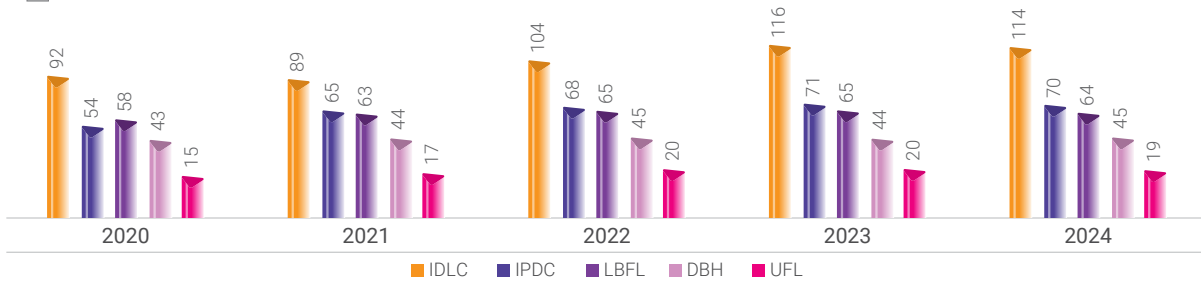
COMPREHENSIVE PEER COMPARISON ANALYSIS

Loans, Advances & Leases

BDT in BN



2nd

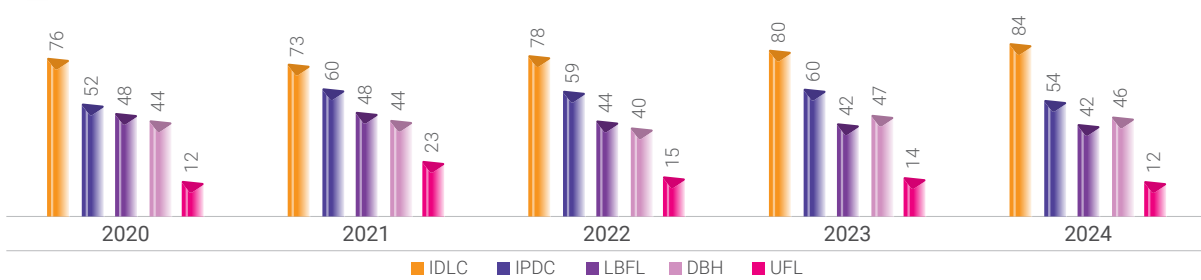


Deposit

BDT in BN



2nd

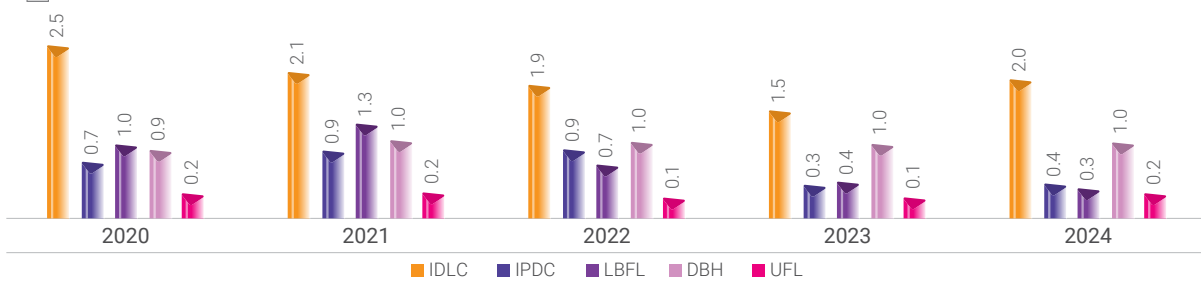


Net Profit After Tax

BDT in BN



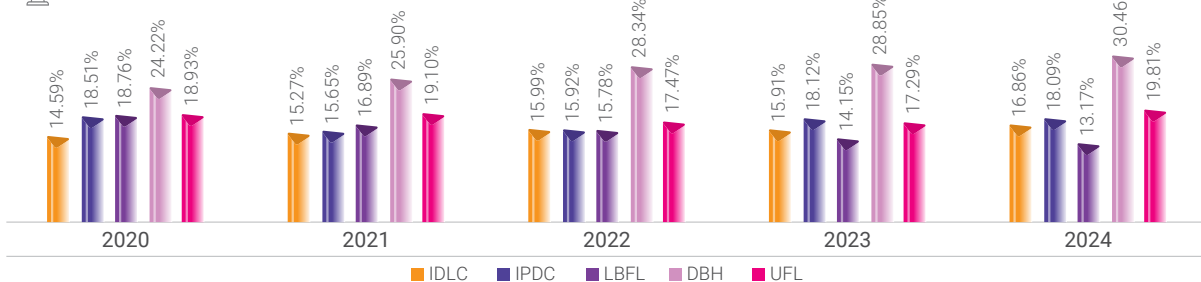
3rd



Capital Adequacy Ratio



3rd



In the dynamic landscape of Bangladesh's Financial Companies (FCs), 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 finance companies, as published on their official platforms, IPDC secures the second position in both loan portfolios and deposit holdings within the cohort of five leading finance companies. 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 2025, 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. The focus of the year was to strengthen the core and ensure stability in business. All our initiatives in 2025 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 2025.



Bangladesh Bank's Sustainability Rating 2024

Top Sustainable Financial Institution



Global SME Finance Forum Awards 2024

Global Platinum Award Winner for Best Financier for Women Entrepreneurs



SDG Brand Champion Awards 2025

Most Sustainable Financial Institution of the Year-NBFI



SDG Brand Champion Awards 2025

SDG Brand Champion In Equity, Diversity and Inclusion



3rd Bangladesh FinTech Award

FinTech Innovation of the Year – NBFI



24th ICAB National Awards

Gold Award in the Financial Services Category



15th ICMA Corporate Award

Bronze Award in NBFI Category



12th ICSB National Award

Bronze Award for Corporate Governance Excellence in NBFI Category



Commward 2025

Bronze Award for Best Use of Digital Media & Bronze Award for Efficacy

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

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



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 solutions that meet the evolving needs of our clients in the digital age

Operational Efficiency

The core objective for 2025 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.



OTHER DISCLOSURES

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".

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 2024. The credit rating was performed by Emerging Credit Rating Limited on 30 June 2025. 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.

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".

ADOPTION OF NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS):

Newly issued International Financial Reporting Standards (IFRS) as adopted by 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.

CHANGES IN ACCOUNTING POLICIES AND ESTIMATION

During the year ended 31 December 2025, there were no significant changes in accounting policies and estimates which impacted on the financial performance, results, or position of the company.

RISK AND CONCERN ISSUES RELATED TO THE FINANCIAL STATEMENTS

To ensure that financial statements are free from material misstatement and have been prepared in accordance with applicable accounting standards and regulatory requirements, the financial statements are reviewed by the Chief Financial Officer (CFO) after which it is reviewed by Internal Audit and Compliance Department before being placed to the Audit Committee for review, finally after which the financial statement is placed to the Board of Directors for Approval. Some of the 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	2.5

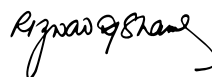
INADEQUATE DISCLOSURE

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.

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

প্রজন্মের
সম্প্রদায়

IPDC ডিপোজিট | **ইচ্ছে** প্রকল্পের
সিপিএস

**সঞ্চয় শুরু হোক
FIRST INCOME
(থেকেই!)**

সম্ভাবনা

সাধারণ ডিপোজিট

প্রতিমাসে জমা
নির্দিষ্ট অ্যামাউন্ট

ইচ্ছে ডিপোজিট

প্রতিমাসে জমা
ইচ্ছেমতো অ্যামাউন্ট

**ইচ্ছে'তে
টাকা জমান
ইচ্ছেমতো**

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সাধারণ ডিপোজিট

মেয়াদের আগে উত্তোলন
মুলাফা নিয়ে টেনশন!

ইচ্ছে ডিপোজিট

মেয়াদের আগে উত্তোলন
মুলাফা নিয়ে **ZERO** টেনশন!

**ইচ্ছে'তে
টাকা জমান
ইচ্ছেমতো**

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সাধারণ ডিপোজিট

মাসের নির্দিষ্ট তারিখেই
কিস্তি দেওয়ার টেনশন

ইচ্ছে ডিপোজিট

মাসের যেকোনো দিন
টাকা জমান ইচ্ছেমতো!

**ইচ্ছে'তে
টাকা জমান
ইচ্ছেমতো**

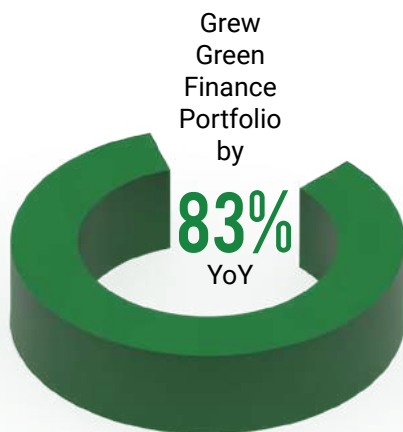
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Sustainability Report



SUSTAINABILITY HIGHLIGHTS



SDG Brand
Champion Award in
Equity, Diversity and
Inclusion at SDG
Brand Champion
Awards 2025



Recognized as a top
Finance Company in
the Sustainability
Rating 2024 by the
Bangladesh Bank
for the 4th time



Finalist in
the Global
SME Finance
Awards
2025 (South
Africa)





Most Sustainable Financial Institution of the year -NBFI at SDG Brand Champion Awards 2025

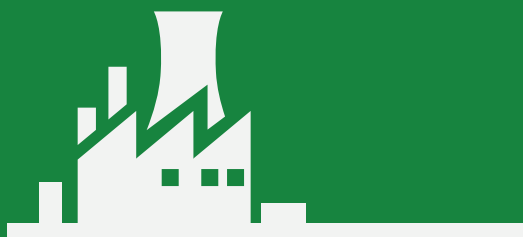


Became a signatory of the Partnership for Carbon Accounting Professionals (PCAF)



Grew Sustainable Finance Portfolio by BDT

2,826
million



OUR ESG APPROACH

Our ambition is to become a leading financial institution that promotes long-term economic, environmental, and social progress through responsible banking and investment practices. Central to this ambition is our strong focus on expanding green and sustainable finance in alignment with both global and national sustainability objectives.

We work closely with our stakeholders to embed Environmental, Social, and Governance (ESG) considerations into our decision-making processes. As part of this effort, we have established Sustainable Finance Help Desks in all our branches, enabling clients to easily access guidance regarding sustainability and support for environmentally responsible projects. We also provide technical assistance to evaluate the feasibility and impact of these initiatives, ensuring our clients receive informed and reliable support.

Managing environmental and social risks remains a key priority. We strictly adhere to the Environmental and Social Risk Management (ESRM) guidelines set by the central bank, ensuring responsible and compliant operations. At the same time, we are committed to advancing the Sustainable Development Goals (SDGs), with particular emphasis on financing SMEs that generate employment while adopting eco-friendly practices. By integrating ESG principles into our lending and investment decisions, we align our financial activities with broader sustainability goals.

Within our organization, we actively promote sustainable practices by reducing our carbon footprint and fostering a diverse and inclusive workplace. Through these ongoing efforts, we aim to lead by example and contribute meaningfully to a more sustainable future.



UNDERSTANDING IPDC'S APPROACH TO IMPLEMENTING IFRS S1 & S2 REQUIREMENTS

IPDC is firmly committed to adopting the IFRS S1 and IFRS S2 standards issued by the International Sustainability Standards Board (ISSB) in June 2023. These standards mark the first globally accepted framework for disclosing sustainability-related financial information, aimed at strengthening transparency and accountability around sustainability risks and opportunities.

Although adoption is still underway globally, including in Bangladesh, IPDC acknowledges the significance of these standards and is proactively aligning its reporting practices to be in line with their requirements

IFRS S1

IFRS S1 sets out a comprehensive framework for sustainability-related financial disclosures, requiring organizations to provide key information on sustainability risks and opportunities, including aspects such as governance, strategy, and risk management. These disclosures enable stakeholders - such as investors, lenders, and analysts - to better evaluate an organization's long-term sustainability and financial performance.

For IPDC, adopting IFRS S1 strengthens transparency around its sustainability practices and reinforces accountability in meeting its environmental, social, and governance (ESG) commitments.

IFRS S2

IFRS S2, which focuses specifically on climate-related disclosures, complements IFRS S1 by requiring organizations to report how climate-related risks and opportunities may materially impact their financial position and performance. This includes evaluating potential effects on cash flows, access to financing, and the cost of capital over both the short and long term.

For IPDC, adopting IFRS S2 enhances its ability to transparently disclose climate-related risks and outlines how these challenges are being addressed through its strategy, operations, and overall risk management approach.

In line with its commitment to global best practices, IPDC is progressing toward the full integration of IFRS S1 and IFRS S2 into its strategy, governance, and risk management frameworks by the end of the 2025 financial year.

Looking ahead, the 2025 Sustainability Report will present a more detailed and comprehensive disclosure aligned with the requirements of IFRS S1 and S2. Through the adoption of these standards, IPDC aims to further strengthen its sustainability management practices, ensuring a more structured and forward-looking approach to identifying and addressing sustainability-related risks and opportunities. Ultimately, this will enhance IPDC's capacity to navigate climate and sustainability challenges while creating long-term value through improved transparency and alignment with global standards.



MESSAGE FROM THE DMD & CHAIRMAN OF THE SUSTAINABLE FINANCE COMMITTEE

Md. Ashique Hossain



Sustainability has become a central driver of decision-making in financial institutions, shaping how capital is allocated, risks are managed, and long-term value is created. At IPDC, the Sustainable Finance Committee plays a critical role in embedding environmental, social, and governance (ESG) considerations into the organization's strategy, ensuring that sustainability is integrated across business operations and governance processes.

Over the past year, the Committee has strengthened frameworks for identifying and managing environmental and social risks across the portfolio. These enhancements ensure that financing decisions align not only with financial performance expectations but also with responsible business practices and sustainable development objectives. A strong emphasis has been placed on climate-related risks, including monitoring emissions linked to lending activities and managing exposure to carbon-intensive sectors. This enables IPDC to support clients in transitioning toward low-carbon, energy-efficient, and climate-resilient business models through targeted green finance solutions.

The Committee also continues to advance social and governance standards by working closely with risk, compliance, and business teams. ESG integration across internal processes reinforces ethical conduct, respect for human rights and labor standards, and accountability throughout the organization. Data-driven impact assessment tools support more informed decision-making, enhance

risk evaluation, and improve engagement with clients, while ongoing refinements ensure these tools remain relevant and effective.

Stakeholder engagement remains fundamental to IPDC's sustainability approach. Regular dialogue with clients, investors, regulators, and civil society informs policy development, priority-setting, and the establishment of measurable sustainability targets. Looking ahead, the Committee remains focused on expanding responsible and inclusive finance, fostering innovation, and strengthening IPDC's role in advancing sustainable finance in Bangladesh.

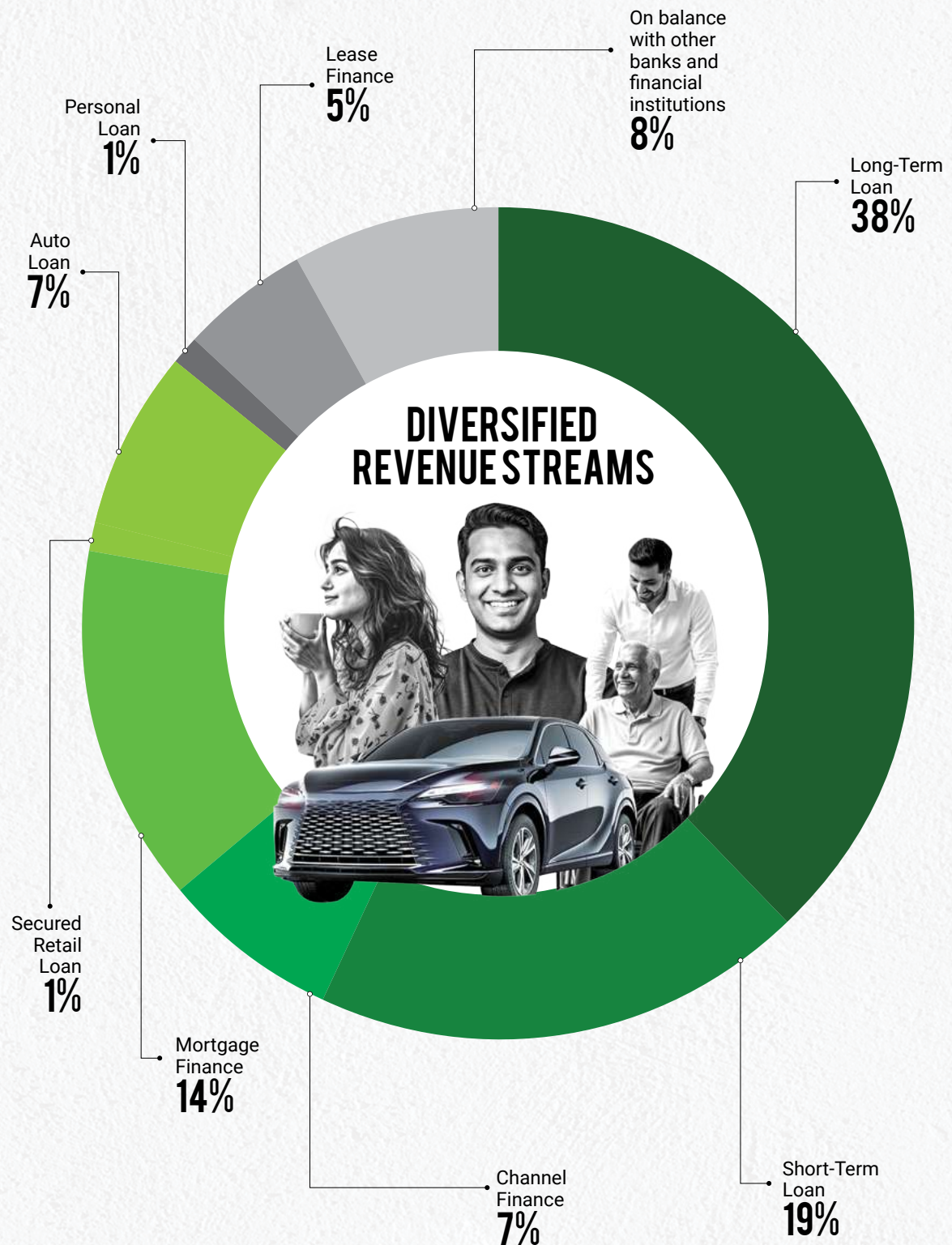
I would like to thank all our esteemed stakeholders for their commitment to embedding sustainability within the organization. Their collaboration, alongside continued stakeholder support, ensures that IPDC remains financially strong while building a responsible, resilient, and future-ready institution.

Sincerely,



Md. Ashique Hossain
Deputy Managing Director
& Chairman of Sustainable Finance Committee

DIVERSIFIED REVENUE STREAMS

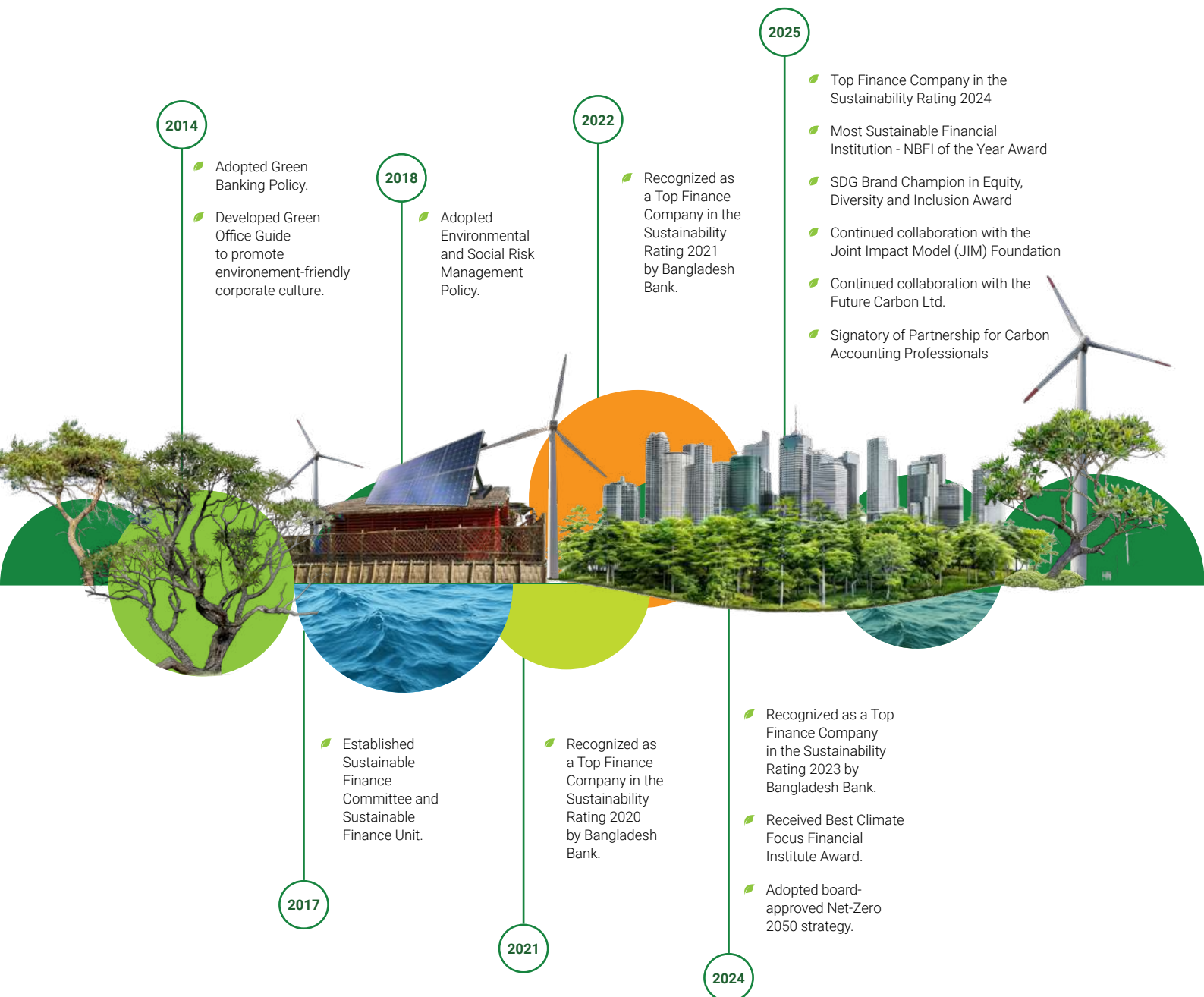


IPDC'S SUSTAINABILITY JOURNEY

At IPDC, sustainability is embedded in the very foundation of our identity. Guided by more than four decades of value-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 the way we engage with the environment, the economy, and the communities we serve.

For IPDC, sustainability is more than a principle; it is a compass that guides our journey toward meaningful and lasting impact. Our efforts extend beyond financial performance to support the creation of long-term value for society and the planet, ensuring a brighter and more resilient future.

IPDC's sustainability journey can be summarized as follows:



STRATEGIC OBJECTIVES

As an organization guided by strong values, IPDC places transparency at the core of all its operations. Since its establishment in 1981, the company has consistently worked to integrate sustainability into its business practices. This report presents a clear and comprehensive account of sustainability performance for the 2025 financial year, encompassing economic, environmental, and social dimensions. It aims to keep stakeholders informed about progress toward sustainable development, highlight key initiatives undertaken, and set out the strategic path ahead. By emphasizing measurable performance indicators and open disclosure, IPDC seeks to foster trust and strengthen accountability across its sustainability efforts.

FORGING AHEAD WITH PRINCIPLES

We are committed to building sustainability on a foundation of integrity. At IPDC, our strategic direction is shaped by the three pillars, People, Planet, and Profit, so that financial success is balanced with social responsibility and environmental stewardship. By embedding these principles across our operations, we aim to foster a business that delivers value not just economically, but also with a clear sense of purpose and long-term vision.

RECOGNITIONS

The year 2025 marked a significant milestone for IPDC Finance PLC, highlighted by a series of distinguished awards and recognitions that reinforce its position as a leader in sustainability, gender empowerment, and corporate excellence. These achievements stand as a testament to IPDC's steadfast focus on innovation, responsible financial practices, and its dedication to fostering inclusive and sustainable growth.



SUSTAINABILITY RATING 2024 BY BANGLADESH BANK FOR THE 4TH TIME

- **Awarded by:** Bangladesh Bank.
- **Significance:** IPDC retained its leadership in sustainability performance among financial institutions in Bangladesh. This recognition validates IPDC's strategic focus on green and sustainable finance, climate risk management, and ESG integration across operations.



MOST SUSTAINABLE FINANCIAL INSTITUTION OF THE YEAR AWARD

- **Awarded by:** SDG Brand Champion Awards 2025, organized by the Bangladesh Brand Forum
- **Significance:** IPDC was named Most Sustainable Financial Institution of the Year – NBF for its SDG-aligned strategy titled Finance for the Planet and People: IPDC's Holistic SDG Driven Strategy. This initiative incorporates green lending, climate risk management, and inclusive finance into the company's operations. In 2024, the institution disbursed BDT 38,552 million in sustainable and SDG-linked loans, accounting for 77.75% of total disbursements and 42.06% of all term loans—exceeding the regulatory minimum set by Bangladesh Bank.

The institution's sustainable portfolio includes investments in renewable energy, energy efficiency, waste management, ICT infrastructure, women-led enterprises, and green buildings. Products such as Joyee and Priti for women entrepreneurs, and the dedicated Joyee 360 branches, are part of IPDC's efforts to strengthen gender equity and financial inclusion



SDG BRAND CHAMPION IN EQUITY, DIVERSITY & INCLUSION AWARD

- **Awarded by:** SDG Brand Champion Awards 2025, organized by the Bangladesh Brand Forum.
- **Significance:** IPDC received the SDG Brand Champion Award in the category of Equity, Diversity and Inclusion for its project Women-focused Climate Resilient Sustainable Agriculture for the Vulnerable Communities. Launched in October 2024 in partnership with ActionAid International Bangladesh, the project supports 100 marginalised women farmers in the Mogholhat and Kulaghat unions of Lalmonirhat Sadar Upazila. The initiative provides access to land, climate-resilient agricultural inputs, eco-friendly farming tools, training in organic farming and vermicomposting, as well as support in establishing a women-led market corner and seed bank. The project addresses multiple SDGs, including SDG 5 (Gender Equality), SDG 10 (Reduced Inequalities), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action), integrating climate resilience with women's economic empowerment and local development. IPDC's initiatives underscore the potential for private sector leadership in advancing national progress on the SDGs. With these recognitions, the company reaffirms its position as a key contributor to sustainable finance in Bangladesh.



FINALIST, GLOBAL SME FINANCE AWARDS 2025 (SOUTH AFRICA)

- The Global SME Finance Awards 2025, organized by the SME Finance Forum, were held in Johannesburg, South Africa, during a year when the country held the G20 presidency. The awards were closely aligned with G20 priorities, particularly in advancing financial inclusion, sustainable finance, and improved access to credit for small and medium enterprises (SMEs). Convening global financial institutions, policymakers, and development partners, the event served as a platform to recognize innovation and leadership in SME financing while reinforcing the broader international agenda of inclusive and sustainable economic growth championed under the G20 framework.
- **Significance:** IPDC Finance PLC. was the finalist among all the finance companies from Bangladesh.

SHAREHOLDERS OF IPDC

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 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 2025, IPDC has an authorized capital of BDT 8,000,000,000; issued, subscribed and paid-up capital of BDT 4,091,284,300. None of the shares of the company entitles their holders to an increased dividend or double voting rights or limit the exercise of voting rights.

CHANGES IN SHAREHOLDING STRUCTURE

Shareholders	As on 31-Dec-2025			As on 31-Dec-2024		
	No. of Shares	% of Share Capital	% of Voting Rights	No. of Shares	% of Share Capital	% of Voting Rights
Government of Bangladesh	89,515,513	21.88%	21.88%	85,252,870	21.88%	21.88%
BRAC	102,282,103	25.00%	25.00%	97,411,527	25.00%	25.00%
Ayesha Abed Foundation	40,912,839	10.00%	10.00%	38,964,609	10.00%	10.00%
Employees	-	-	-	-	-	-
Treasury Shares	-	-	-	-	-	-
Individual shareholders	-	-	-	-	-	-
General Shareholders	176,417,975	43.12%	43.12%	168,017,118	43.12%	43.12%
Total	409,128,430	100.00%	100.00%	389,646,124	100.00%	100.00%

The shareholder structure represents strong institutional backing. To the best of the knowledge of the company, as of December 31, 2025, no single shareholder other than Government of the People's Republic of Bangladesh (GoB), BRAC, and Ayesha Abed Foundation held, directly or indirectly, more than 10% of IPDC's share capital or voting rights.

LISTING INFORMATION

IPDC has been listed on both the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 3 December 2006, under the trading code IPDC and scrip code 111372.

SUSTAINABILITY DISCLOSURES

This chapter outlines the sustainability reporting of IPDC, prepared in compliance with IFRS S1 and S2. The objectives of IFRS S1 and S2 are to require an entity to disclose information about its sustainability-related (including climate-related) risks and opportunities that are useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity. These standards require an entity to disclose information about all sustainability-related (including climate-related) risks and opportunities that could reasonably be expected to affect the entity's cash flow, its access to finance or cost of capital over the short, medium or long term.

These climate and sustainability-related disclosures encompass the entire value chain of IPDC, including its direct operational scope as well as its upstream and downstream value chain. A detailed overview of the value chain of the company is provided later in this report.

APPLICATION OF ASSUMPTIONS IN SUSTAINABILITY DISCLOSURES

In preparing these disclosures in accordance with IFRS S1 and S2, IPDC Finance PLC. has applied reasonable assumptions and estimates where necessary, particularly in areas where data availability across the value chain remains limited or continues to evolve. These judgments have been made in good faith to ensure that the information presented remains relevant, reliable, and decision-making useful for stakeholders.

Where material measurement uncertainties exist, IPDC has ensured transparency by clearly outlining the underlying methodologies, data sources, and estimation techniques applied. The organization remains committed to continuously enhancing data quality and coverage over time.

In all instances, priority has been given to the use of verifiable data, supported by internationally recognized frameworks, standards, and definitions to maintain consistency, credibility, and comparability across disclosures.

FUTURE-ORIENTED INFORMATION

These climate and sustainability-related disclosures, prepared in alignment with IFRS S1 and S2, include certain forward-looking statements reflecting current views, projections, and assumptions regarding future events. Such statements inherently involve risks and uncertainties, many beyond the control of IPDC, relating to the operations of the company, market dynamics, industry developments, prospective investments and acquisitions, shifts in economic, social, environmental, and regulatory conditions. As this forward-looking information is subject to change, they should not be interpreted as assurances or guarantees by the company or any other party that specific objectives, targets, or indicators will be achieved within stated timelines, or achieved at all. The forward-looking statements contained herein represent the perspective of IPDC as of the date of publication. Except where required by law, the company assumes no obligation to revise or update such statements to reflect subsequent events or changes in circumstances.

Underlying uncertainty regarding information on climate

The data, methodologies, and indicators used in assessing climate-related impacts continue to evolve alongside developments in climate

science, policy, and technology. Climate metrics can be inherently complex, relying on numerous assumptions and projections regarding future policy frameworks, technological advancements, and other uncertain or unknown factors. Any material shift in these variables could affect the validity of these assumptions and, consequently, the accuracy of related indicators and data.

Accordingly, the climate-related information presented in these sustainability disclosures, whether historical or forward-looking, carries inherent uncertainty and may not hold the same level of relevance for decision-making as historical financial data. In particular, the estimation and calculation of greenhouse gas (GHG) emissions remain challenged by the absence of fully standardized, comparable methodologies across frameworks. While this report outlines the methodological choices applied in preparing these disclosures, differences in frameworks may result in potential over-estimation or under-estimation of reported figures. Scope 3 emissions, notably those tied to the activities of clients financed by IPDC, are subject to high measurement uncertainty. By nature, these emissions originate from the operations of third parties and, unlike the direct emissions of IPDC, are influenced by external variables beyond the control of IPDC.

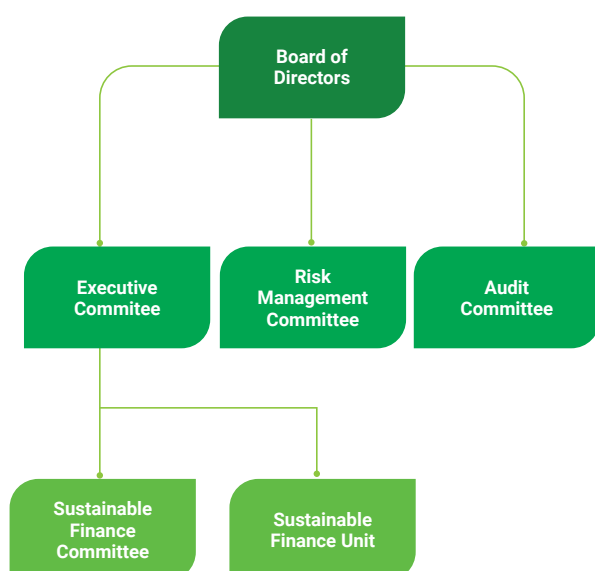
EXTERNALLY SOURCED INFORMATION

Certain statistical data and other information presented in this report have been sourced from third-party providers, such as the JIM toolkit, Department of Environment-Ministry of Environment, Forest and Climate Change, GHG Protocol Tools, etc. While such information is included for completeness, IPDC does not assume responsibility for its accuracy, reliability, or completeness and makes no representation or warranty in this regard.

GOVERNANCE

Sustainability is embedded at the highest levels of the governance framework of IPDC. The relevant governance bodies are entrusted with overseeing the environmental, social, and governance (ESG) impacts, risks, and opportunities across all business activities, in alignment with their respective mandates.

GOVERNANCE FRAMEWORK ON SUSTAINABILITY STRATEGY



SUSTAINABLE FINANCE COMMITTEE

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.

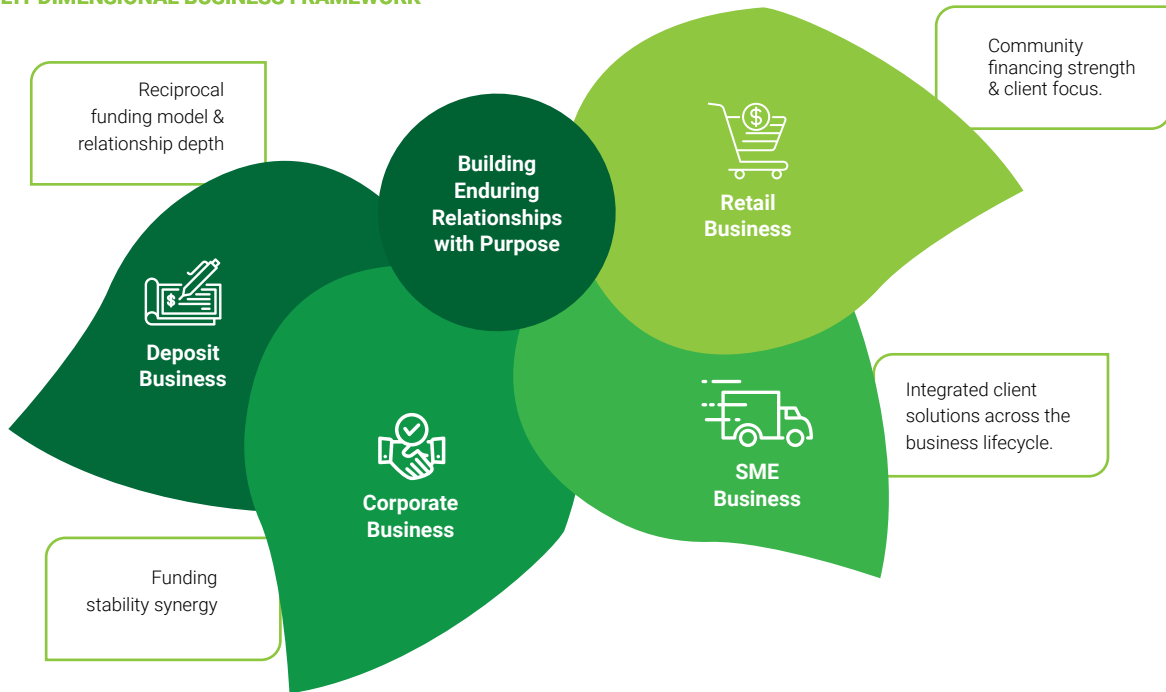
Name	Designation
Mr. Md. Ashique Hossain	Deputy Managing Director (Chairman) & Chief Operating Officer & Acting Head of SME
Ms. Jumaratul Banna	Head of Corporate Business, Head of Sustainable Business & Head of Treasury
Mr. Imran Khan	Head of CRM & Head of Sustainable Finance Unit (Member Secretary)
Mr. Samiul Hashim	Head of Legal & Company Secretary & Acting Head of Brand & Corporate Communication
Ms. Fahmida Khan	Chief Financial Officer
Mr. Md. Sayeed Iqbal	Chief Human Resources Officer
Mr. Nasim Reza	Head of Credit Administration
Mr. Amdadur Rashid	Head of SAM
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. Md Afzalur Rashid	Chief Technology Officer
Mr. Mohammad Monirul Islam	Head of Retail Business

SUSTAINABLE FINANCE UNIT

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

Name	Designation
Mr. Imran Khan	Head of CRM & Head of SFU
Ms. Jumaratul Banna	Head of Corporate Business, Head of Sustainable Business & Head of Treasury
Mr. Md. Ashique Hossain	Chief Operating Officer & Acting Head of SME
Md. Abdul Mabud	Head of Supply Chain Finance
Mr. Akif Chowdhury	Unit Manager - Corporate Business & Sustainable Business Coordinator
Mr. Fuad Khan	Acting Head of AHL Sales, Retail Business
Mr. Md. Mamunur Rahman	Acting Head of Auto Loan
Mr. Humayun Reza Murtaza	Head of Personal Loan
Ms. Mahjabina Anjum Pritu	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	Senior Manager - Refinancing Unit, MME

MULTI-DIMENSIONAL BUSINESS FRAMEWORK



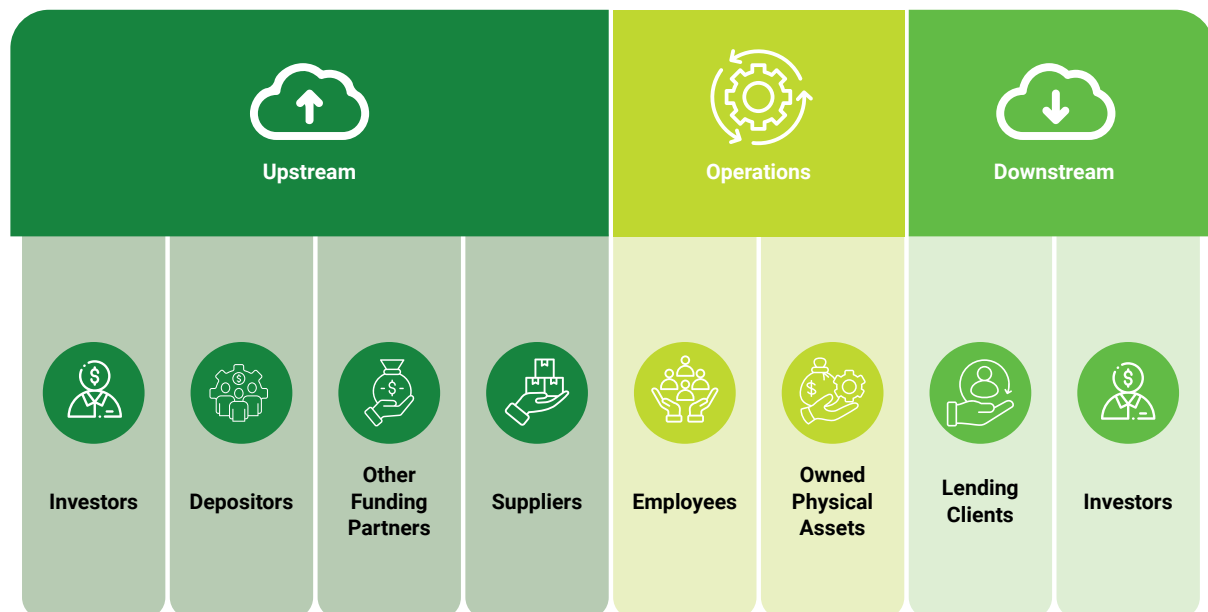
The unified strategy of IPDC fosters seamless collaboration across its business units, enhancing adaptability and securing a distinct market edge. This resilient, client-centric approach prioritizes long-term relationships while delivering consistent results. By diversifying across customer segments, regions, and services, the company ensures stability, sustained growth, and value creation.

Amid a complex and often unpredictable environment, this robust and distinctive model enables the company to consistently support its clients in achieving their dreams and objectives, including facilitating their transition toward a more sustainable economy, through customized services and dedicated transition-focused solutions.

IPDC conducts its operations within a wide-ranging economic and financial landscape, encompassing diverse financial activities and an extensive geographical presence, with 18 branches in all divisions in Bangladesh.

IPDC delivers its services through the downstream segment of its value chain, which forms the core of the commercial operations of the company within its integrated model. The upstream segment, encompassing the internal operations of IPDC, represents the operational scope that underpins these activities. IPDC has conducted a double materiality assessment of its value chain, encompassing both its operational scope and core business activities, where the company maintains direct business relationships, notably with its customers.

VALUE CHAIN OF IPDC



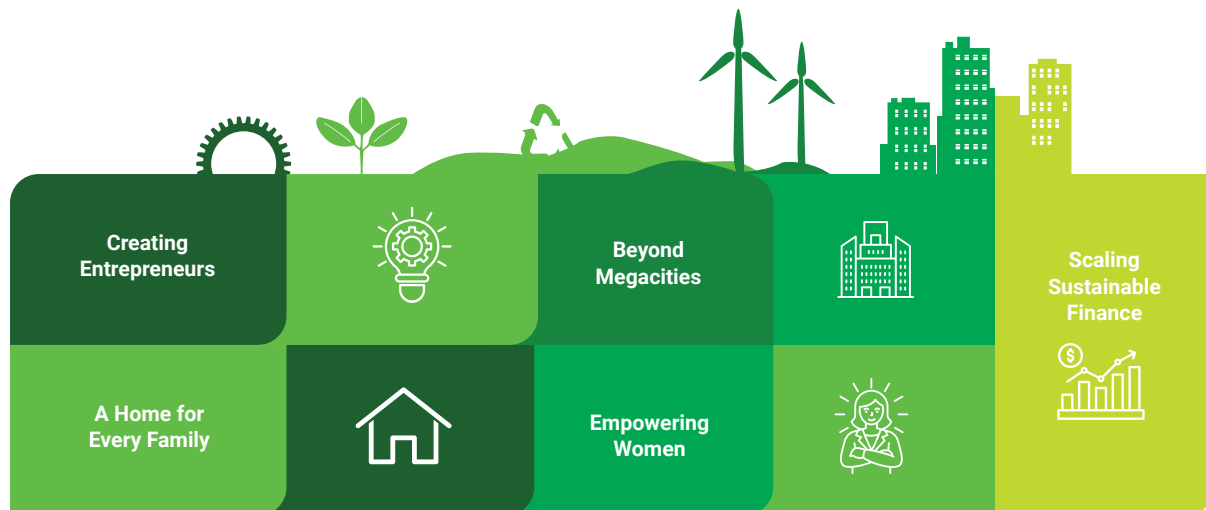
This depiction illustrates the value chain of IPDC as a whole, without differentiation by activity or business line, highlighting both the breadth of services delivered to clients across its business segments and the overarching scope of the Group's sustainability policies.

OVERVIEW OF THE SUSTAINABILITY STRATEGY OF IPDC

The sustainability strategy is centered on supporting all client segments, both individuals and institutions, in their transition toward a carbon-neutral economy that responsibly manages natural resources, fosters inclusion, and upholds the highest standards of responsible business conduct. This commitment is driven by the collective engagement of all employees.

Structured around five key pillars, the strategy of IPDC addresses some of the most pressing socioeconomic challenges of Bangladesh while driving

responsible growth. It embraces continuous improvement and aims to build a more equitable, entrepreneurial, and climate-resilient future - all while safeguarding the stability and performance of the company. This vision is embedded in the core strategic pillars (A Home for Every Family; Empowering Women; Creating Entrepreneurs; Beyond Megacities; Scaling Sustainable Finance), positioning sustainability as a catalyst for both social impact and business resilience. The implementation of this strategy spans all business lines, functions, and geographies, under the oversight of the established governance frameworks of the company.



GOALS

IPDC measures its progress in sustainability through a set of quantified objectives embedded in its strategy and consolidated within a comprehensive sustainability dashboard. These goals span critical areas such as advancing decarbonization, fostering social inclusion, and so on. By tracking these metrics, the company ensures accountability and evaluates the real impact of its actions on long-term sustainability goals.

The sustainability goals are anchored in four interconnected dimensions:



- Economic Impact** – Through sustainable lending solutions, IPDC mobilizes funds to finance a responsible economy. This dimension also reflects a commitment to stringent ethical standards and the integration of ESG factors into the risk management framework of the company.
- Environmental Action** – One of the most powerful tools for change of IPDC lies in directing funds and expertise toward the decarbonization transition of economic players. Beyond financing, IPDC works to reduce its own operational footprint, guided by its Net Zero Strategy and driven by a culture of continuous improvement and employee participation.
- Social Commitment** – IPDC prioritizes supporting clients in adopting sustainable practices while investing in its people to address today's challenges, which include but is not limited to societal and technological ones. Employee development, inclusion, and engagement form the foundation of this commitment, guided by the organizational culture and implemented across all business and functional areas. IPDC actively promotes financial inclusion by designing programs and services tailored to individuals traditionally uncovered by the traditional banking system, reinforcing its role as a responsible social actor.
- Governance Integrity** – IPDC upholds governance as the cornerstone of sustainable growth, ensuring transparency, accountability, and ethical leadership across all operations. This dimension reflects a commitment to robust corporate governance practices that align with global standards and regulatory requirements. Through strong oversight mechanisms, IPDC integrates ESG principles into strategic decision-making, fostering trust among stakeholders and reinforcing resilience. Governance integrity also emphasizes risk management, compliance, and responsible reporting, enabling IPDC to deliver on its sustainability objectives while safeguarding long-term value creation.

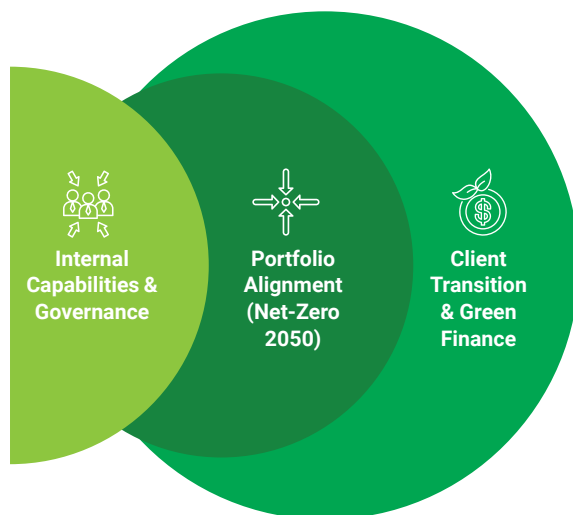
OPERATIONAL EXECUTION OF STRATEGIC PRIORITIES

IPDC embeds sustainability at the core of its strategic plan, integrating impacts, risks, and opportunities related to climate and other sustainability aspects. This framework is designed to accelerate delivery on its sustainability objectives.

First, the company is progressively aligning its credit portfolio with pathways compatible with achieving collective carbon neutrality by 2050.

Second, IPDC is mobilizing all business lines to facilitate the transition of its clients toward a sustainable, low-carbon economy. This includes the development of an extensive suite of green and sustainable finance solutions and scaling up of these among not just large corporates but also CMSMEs to accelerate client transitions.

Third, the company is enhancing internal capabilities by expanding training programs, reinforcing governance structures, and leveraging dedicated tools such as ESDD to strengthen decision-making, processes, and systems.



As IPDC advances this strategy, two critical challenges continue to shape its sustainability agenda. The first is the need for deeper insight into clients' ESG risk profiles, as their self-assessments remain fragmented and require ongoing refinement to improve the accuracy of the impact and risk evaluations of IPDC itself. The second is the persistent issue of limited availability and inconsistency of ESG data, as methodologies, particularly those applied by clients (if any at all), vary significantly. While estimates are often necessary, they raise questions around data characteristics, necessitating continuous methodological improvements.

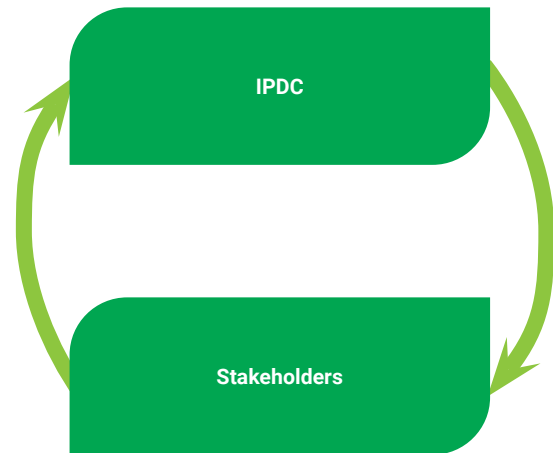
STAKEHOLDER PERSPECTIVES & INTERESTS

IPDC'S COMMITMENT TO ITS STAKEHOLDERS

Engaging in open dialogue with stakeholders is a fundamental aspect of IPDC's commitment to social and environmental responsibility. The company strives to maintain constructive and ongoing communication to better understand the perspectives, interests, and expectations of its stakeholders, as well as the broader impacts of its operations.

Through this engagement, IPDC seeks to incorporate stakeholder insights into the design, development, and delivery of its products and services to ensure alignment with customer needs, market developments, and strategic priorities.

This two-way interaction also enables IPDC to communicate its decisions and initiatives transparently, fostering mutual understanding and trust with all stakeholders.



KEY STAKEHOLDERS

IPDC engages with a wide and diverse range of stakeholders who are affected by or have an interest in its activities. These include customers such as individuals and institutions; employees; shareholders including both individual and institutional investors; suppliers; financial and non-financial rating bodies; regulatory authorities and public institutions; as well as members of civil society and their organizations.



IPDC maintains direct and ongoing dialogue with certain stakeholders, whose perspectives have been incorporated into the double materiality assessment presented above. This approach ensures that the company remains responsive, transparent, and aligned with the interests of its key stakeholders.

STAKEHOLDER ENGAGEMENT FRAMEWORK

IPDC maintains a systematized approach to engage and communicate with its diverse stakeholders. This framework ensures that all interactions are guided by principles of transparency, accountability, and mutual respect, as reflected across a range of internal policies and practices.

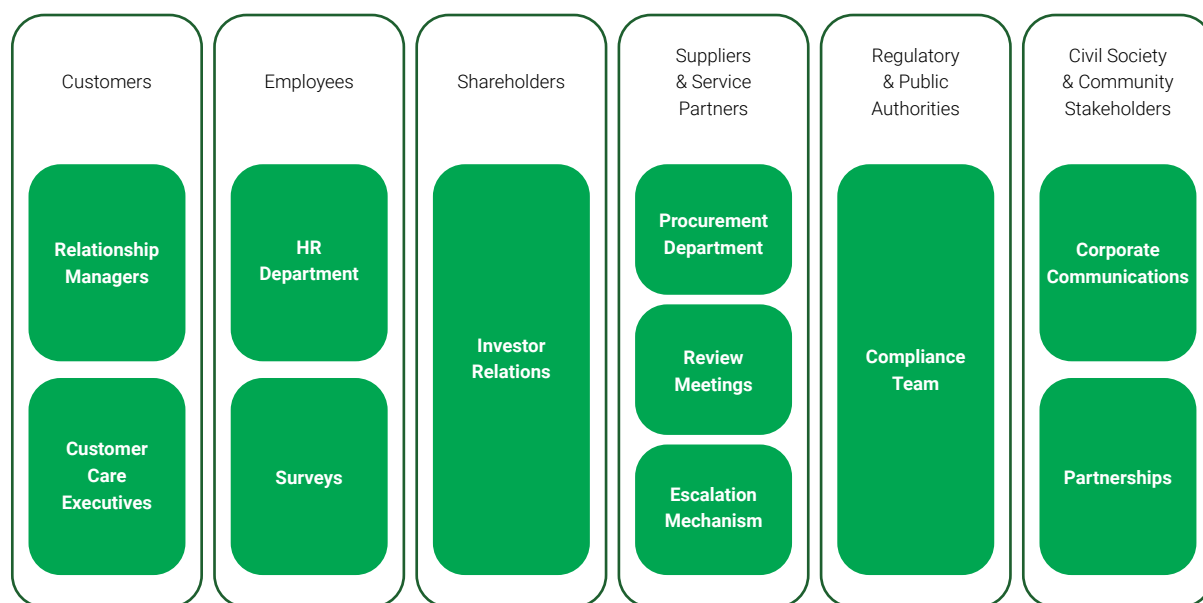
Each stakeholder group is connected to clearly identified contact points within IPDC, through specific departments. This structure enables the company to maintain open, continuous, and meaningful dialogue using various tailored channels; examples include the following:

- Customers interact with relationship managers and customer care executives according to their requirements. Additionally, concerns and grievances are addressed through formal complaint management systems.
- Employees engage primarily through the Human Resources department, which facilitates communication, collects feedback through organizational surveys, and ensures that employee voices inform workplace policies and practices.
- Shareholders communicate through designated contact points such as Investor Relations.
- Suppliers and service partners maintain close and ongoing communication with IPDC's Procurement department. Regular review meetings are conducted to evaluate performance, gather

feedback, and identify opportunities for improvement. In addition, IPDC provides an independent escalation mechanism through which suppliers may raise concerns or seek resolution in case of disputes.

- Regulatory and Public Authorities: Multiple teams such as Sustainable Finance, Business, Credit Risk Management, and Branding maintain communication channels with corresponding, relevant regulators and government bodies. All interactions are conducted in alignment with the company's principles of integrity, compliance, and responsible representation, ensuring adherence to applicable laws and regulatory expectations.
- Civil society groups, advocacy organizations, and community stakeholders engage with IPDC through its Corporate Communication department. Dedicated personnel within these teams oversee partnerships, facilitate consultations, and respond to stakeholder concerns on relevant topics. In addition, the company encourages internal dialogue and ethical conduct through employee networks, focused surveys, and whistleblowing channels like "Talk to Me Box"- a dedicated channel where employees can share concerns, suggestions, or experiences that may require attention, which ensures transparency and accountability across all levels of operation.

Through these structured and differentiated channels, IPDC fosters ongoing engagement with its stakeholders, ensuring that their insights and expectations contribute meaningfully to the company's strategic direction and sustainable growth.



SHUSHOMA PLATFORM FOR WOMEN EMPOWERMENT

At IPDC, Shushoma continues to serve as a dedicated platform for addressing women's grievances, mental health, empowerment, rights, emotional challenges, and societal advocacy. This female-only platform consists of members from various departments of various seniorities, including from senior leadership committed to fostering inclusivity and support. The platform reflects IPDC's unwavering commitment to creating a safe, empowering environment for women and promoting holistic well-being across the organization.

WHISTLEBLOWING

The whistleblowing framework at IPDC reflects our strong commitment to ethical conduct and responsible business practices. Every employee

is expected to act as a guardian of our values and to report any activity that does not align with our Code of Conduct, internal policies, or regulatory expectations. This shared responsibility ensures that ethical awareness and accountability remain central to our culture.

IPDC places the highest importance on protecting individuals who raise concerns. The identity of anyone who reports an issue is kept strictly confidential, and the organization takes full responsibility for ensuring their safety and well-being. Any form of retaliation is prohibited and monitored through our compliance procedures.

Employees can report concerns through several channels that allow for confidential or anonymous communication. These may include direct contact with supervisors, the Human Resources function, or Shushoma (a dedicated female-only platform that addresses women's

grievances, mental health, empowerment, rights, emotional challenges, and societal advocacy). All reports submitted through any channel are handled carefully, respectfully, and with full objectivity.

Concerns may include violations of the Code of Conduct, ethical breaches, conflicts of interest, fraud, corruption, financial irregularities, legal or regulatory violations, discrimination, harassment, abuse of authority, or actions that may harm customers, communities, or the environment. Encouraging timely reporting of these matters helps IPDC address issues early and maintain a responsible and transparent approach to operations.

Once a concern is received, a structured review process begins. A preliminary assessment determines the nature and urgency of the issue, after which a formal investigation may be initiated. This process involves qualified personnel and is designed to maintain fairness, confidentiality, and independence. Findings and recommended actions are escalated to the appropriate governance body. Responses may include improvements to internal processes, corrective measures, or disciplinary actions, depending on the situation.

The whistleblowing framework forms an important part of our overall approach to sustainability and responsible governance. It supports compliance, strengthens internal controls, and reinforces trust among employees, customers, shareholders, regulators, and other stakeholders. By empowering people to speak up, IPDC promotes a work environment rooted in integrity and long-term organizational resilience.

Ongoing communication and training help employees stay informed about how to report concerns and the protections available to them. IPDC periodically reviews and enhances the whistleblowing system to ensure alignment with evolving regulatory expectations and international good practices.

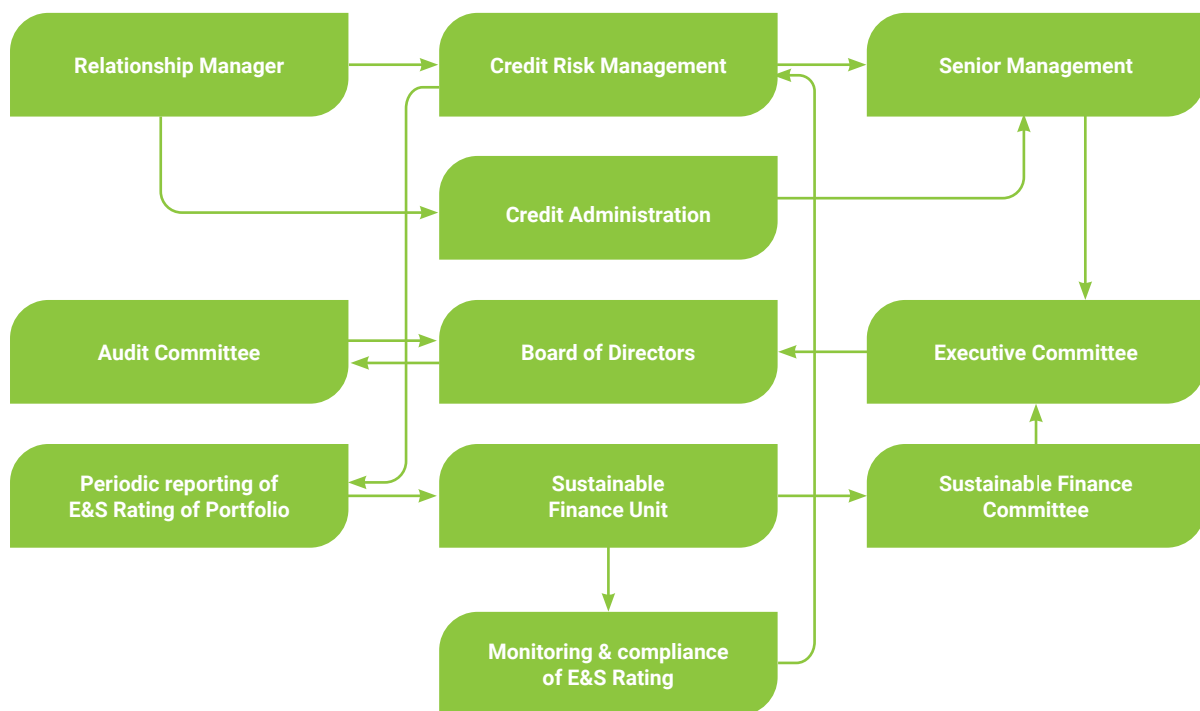
MATERIAL RISKS & OPPORTUNITIES

Recognizing that certain business activities of its corporate clients may pose environmental, social, and governance (ESG) risks, IPDC has established a robust framework to identify, monitor, and manage such risks across all areas of operation. This framework enables the organization to not only assess potential negative impacts but also to support clients in their sustainability transition through informed engagement and performance evaluation.

The approach integrates ESG considerations into multiple stages of client interaction and portfolio management. This includes the incorporation of ESG factors into client onboarding processes, comprehensive ESG assessments to evaluate client performance, and systematic identification of material risks, impacts, and opportunities across IPDC's consolidated portfolios through an internal risk inventory mechanism.

By embedding ESG evaluation within its overall risk management structure, IPDC ensures that sustainability considerations are reflected in its decision-making, thereby strengthening both risk resilience and long-term value creation for the organization and its stakeholders.

STRUCTURE OF ENVIRONMENTAL & SOCIAL GOVERNANCE



IPDC Finance has applied a structured assessment framework to evaluate its material impacts, risks, and opportunities (IRO) across both its operational activities and client-facing business lines. This framework, built on established criteria and thresholds, enables the organization to understand how sustainability matters affect IPDC, as well as how IPDC's activities may influence the broader environment and society.

IPDC's double materiality assessment was conducted through a four-stage process covering all relevant ESG themes:

- Defining Scope and ESG Topics:** IPDC first mapped its value chain, distinguishing between its internal operations and its commercial activities. This allowed the company to identify the ESG topics most relevant to its business model, including additional areas

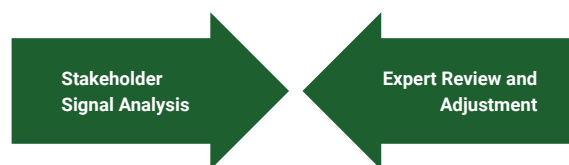
specific to the financial sector such as cybersecurity and market integrity.

2. **Identifying Stakeholders and ESG Impacts:** The company then determined the specific stakeholder groups and the corresponding ESG impacts, risks, and opportunities associated with each topic.
3. **Assessing Materiality:** Each ESG topic was evaluated across both parts of the value chain using a five-point scale, from 1 (minimal) to 5 (critical), to determine the significance of related impacts, risks, and opportunities.
4. **Setting Materiality Thresholds:** Any topic receiving a score of 3 (important) or above in at least one dimension was classified as material.
5. **Applying Across all ESG topics:** This methodology is consistently applied across all ESG topics.

IPDC's approach to identifying and evaluating impacts draws upon data from key stakeholder interactions. Requests, concerns, and feedback collected and consolidated by the organization are categorized according to ESG topic and serve as the basis for impact evaluation.

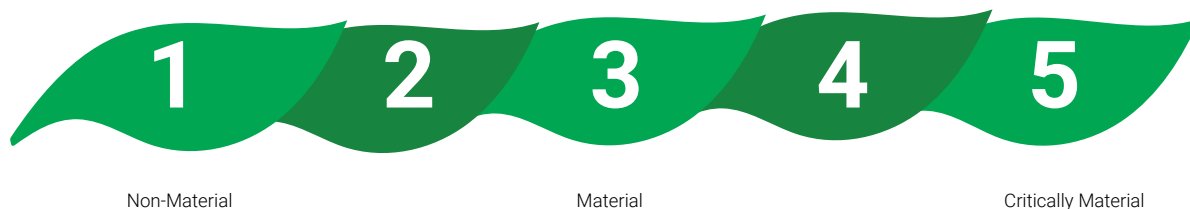
The process includes two steps:

- **Stakeholder Signal Analysis:** Inquiries, expectations, and concerns raised by clients, investors, regulators, civil society groups, employees, and other stakeholders over recent years are quantified to determine the baseline materiality level for each ESG sub-topic.
- **Expert Review and Adjustment:** The company then refine these scores by reviewing internal documentation, reputational considerations, and the potential severity, scale, and permanence of the impacts identified.



IPDC applies a 1-to-5 scoring scale and designates any topic scoring 3 (material) or higher as materially significant. Positive impacts that relate to business opportunities are handled within the opportunity dimension to avoid double counting.

IPDC applies a 1-to-5 scoring scale and designates any topic scoring 3 (material) or higher as materially significant. Positive impacts that relate to business opportunities are handled within the opportunity dimension to avoid double counting



Financial materiality is evaluated using the company's internal risk inventory process, which emphasizes forward-looking analysis and scenario-based planning. Contributors review local and global risk trends, sector-specific ESG insights, and macroeconomic studies before:



For climate-related risks (both physical and transition-related), IPDC uses climate scenarios, stress-test outputs, sector risk heatmaps, ESG ratings, and portfolio alignment data to refine risk judgments.



Opportunities are identified through alignment with IPDC's strategic commitments and existing business development plans. Materiality is assessed based on:

1. The presence of strategic objectives is tied to measurable ESG performance indicators.
2. Expected benefits, including operational cost efficiencies or growth in priority sustainable finance areas.

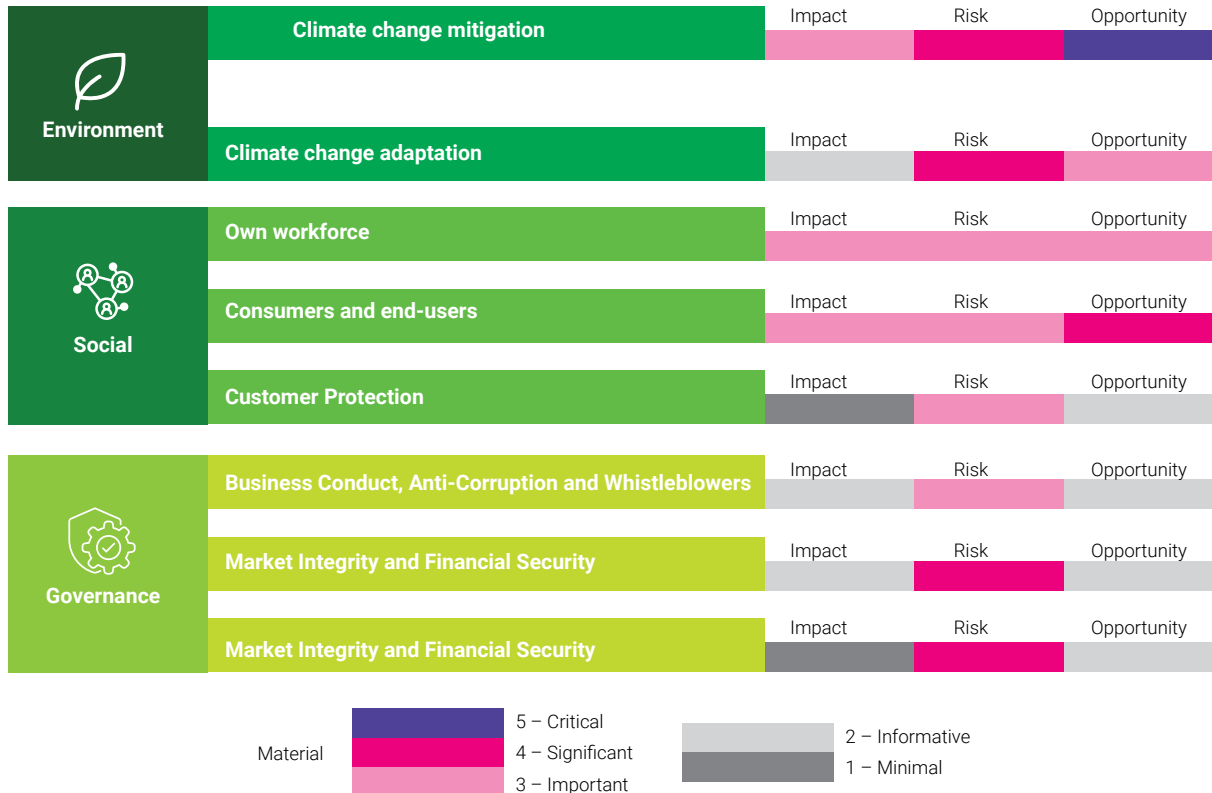
Only opportunities scoring 3 (important) or higher are classified as material.

The assessment of impacts, risks, and opportunities is undertaken jointly by IPDC's Sustainability, Business, Risk Management, and Finance functions. Results are then reviewed and harmonized prior to validation by the company's senior governance bodies.

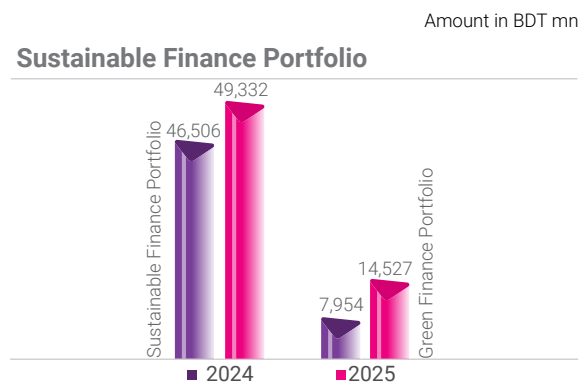
The process leverages existing internal controls, including multiple levels of review and second-line oversight, ensuring consistency with IPDC's broader risk management and governance frameworks.

DOUBLE MATERIALITY MATRIX BY SUSTAINABILITY

Material impacts, risks or opportunities



CATALYZING SUSTAINABLE FINANCE



GREEN FINANCE

IPDC embeds green and sustainable finance at the core of its strategy, advancing environmental stewardship and supporting a resilient, low carbon economy. We finance projects that reduce environmental impact, conserve natural resources, and scale clean technologies, positioning the institution as a long term partner in Bangladesh's transition to sustainable growth.

Our portfolio covers a diversified set of sectors, including renewable and alternative energy; energy and resource efficiency; liquid and solid waste management; circular economy projects; eco friendly initiatives; environment friendly brick production; green and environmentally responsible establishments; green and sustainable agriculture; green CMSME (including SRF); blue economy financing; information and communication technology; socially responsible financing; and other sustainability linked financing solutions.

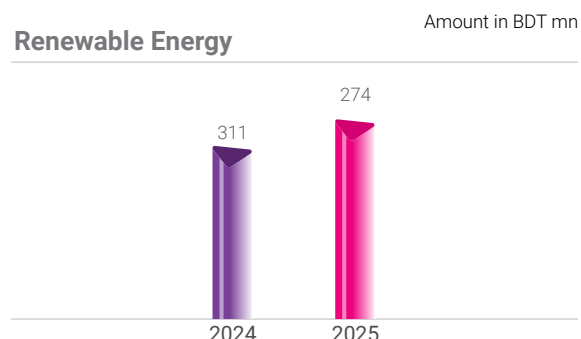
This commitment is underpinned by clear governance and rigorous risk management. IPDC aligns its approach with Bangladesh Bank's sustainable finance guidelines and relevant global sustainability objectives, while integrating ESG risk assessment and environmental and social due diligence into credit decisions. We aim to ensure environmental integrity through sector specific eligibility criteria, do no significant harm screening where applicable, and ongoing portfolio monitoring.

Each year, IPDC allocates capital across priority green sectors through a balanced and disciplined portfolio mix, maintaining a meaningful share in green assets. Our origination strategy combines strong client engagement, partnerships, and policy linked facilities (e.g., SRF) to grow a robust pipeline in renewables, efficiency, circularity, and inclusive green MSME segments. Where appropriate, we explore sustainability linked instruments, blended finance structures, and advisory support to scale impact while preserving risk adjusted returns.

IPDC tracks progress through clear sustainability indicators such as financed emissions avoided, energy saved, water conserved, waste diverted from landfills, and green jobs supported, with periodic review and assurance as applicable. By maintaining this disciplined approach, focused on both environmental outcomes and financial performance, IPDC continues to act as a catalyst for meaningful change, contributing to the sustainable development of Bangladesh and the broader global community.

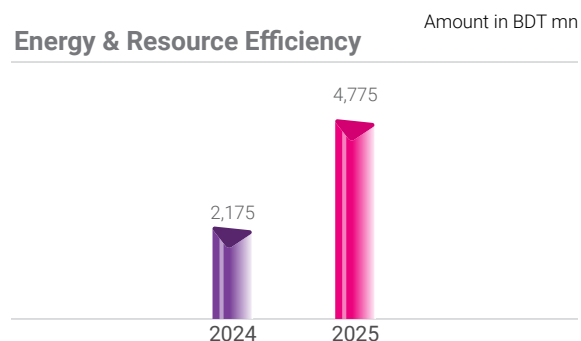
RENEWABLE ENERGY

As of 31 December 2025, IPDC's renewable energy portfolio stood at BDT 273.66 million, reflecting a 12.08% decline year on year. The portfolio spans solar based manufacturing and services as well as solar grids.



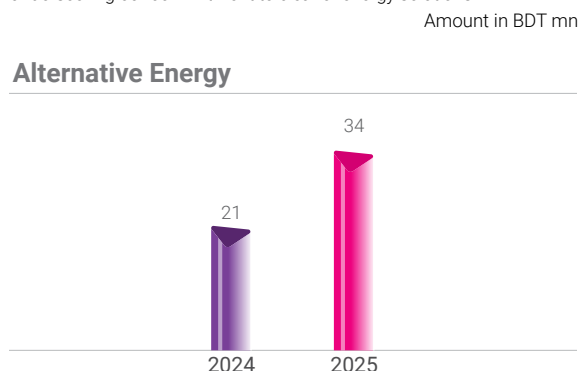
ENERGY & RESOURCE EFFICIENCY

By 31 December 2025, IPDC had expanded its energy and resource efficiency portfolio to BDT 4,774.98 million, up 119.54% year-on-year. Investments range from industrial machinery retrofits and resource-efficiency interventions to automation and end-use solutions (e.g., improved cookstoves, LED lighting), improving productivity and reducing energy intensity across the value chain.



ALTERNATIVE ENERGY

IPDC is diversifying into alternative energy, financing pyrolysis-processed oil, bio-crude/biofuels, and lithium-battery projects. The portfolio reached BDT 33.74 million as of 31 December 2025, a 60.65% YoY increase, underscoring our commitment to cleaner energy solutions.



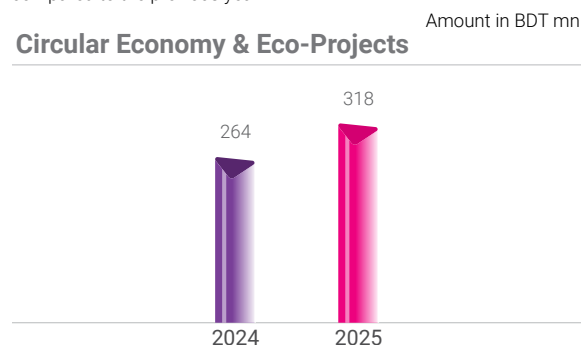
LIQUID WASTE MANAGEMENT

Bangladesh's RMG sector is beginning to curb water use and effluent loads: 338+ factories now save 25 million m³ of freshwater and avoid 21.08 million m³ of wastewater annually through technology upgrades and reuse initiatives. Sector initiatives include a BGMEA-World Bank water reuse strategy targeting a 50% cut in the blue water footprint by 2030, and the A4R alliance in Greater Dhaka aiming to recycle 350 million m³/year and reduce wastewater generation by 20%. As of 31 December 2025, IPDC's liquid waste management portfolio stood at BDT 405.92 million covering ETPs and wastewater/sewage treatment facilities across diverse industries.



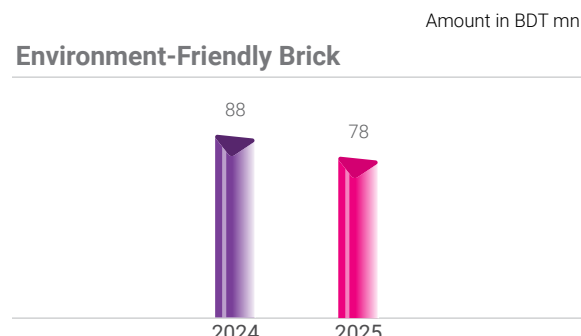
CIRCULAR ECONOMY & ECO-PROJECTS FINANCING

IPDC remains dedicated to advancing sustainability by financing projects that foster a circular economy. Our portfolio supports a range of initiatives, including plastic waste recycling, paper recycling, biodegradable product manufacturing, and jute-based product manufacturing. As of 31 December 2025, financing in this segment reached BDT 318.35 million, reflecting a robust 20.59 percent growth compared to the previous year



ENVIRONMENT-FRIENDLY BRICK PRODUCTION

The Department of Environment (DoE) has raised concerns over the environmental impact of traditional brick production due to excessive topsoil consumption and harmful emissions. In response, IPDC is promoting eco friendly alternatives such as compressed block bricks, foam concrete bricks, and efficiency enhancements in brick kiln operations. As of 31 December 2025, IPDC's portfolio in eco friendly brick production stands at BDT 78.42 million, and continuing to invest more on this sector in the future.

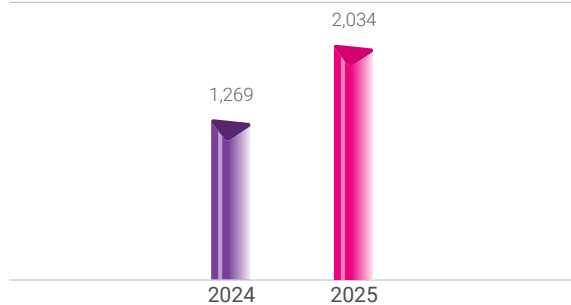


GREEN/ENVIRONMENT-FRIENDLY ESTABLISHMENTS

The growing emergence of green establishments in the RMG and textile sectors reflects increasing demand for sustainable and ethically produced products. IPDC supports this shift by financing green building projects, improving workplace environments, and enhancing safety measures. As of 31 December 2025, the portfolio in this segment stands at BDT 2,033.74 million, marking a 60.26% year-on-year increase.

Amount in BDT mn

Green Establishments

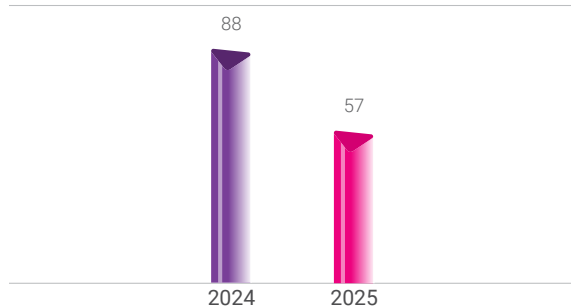


GREEN AGRICULTURE

In 2025, IPDC's green agriculture portfolio reached BDT 56.74 million, representing a meaningful advancement in this sector. This investment supports sustainable farming practices, promotes eco-friendly innovations, and contributes to climate-resilient agricultural development.

Amount in BDT mn

Green Agriculture

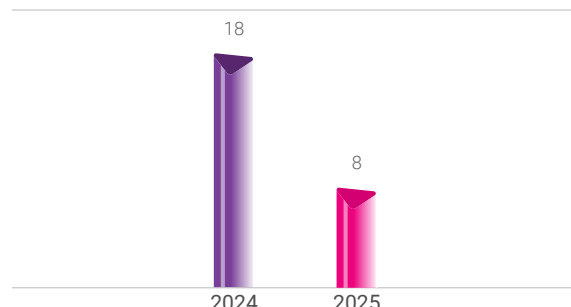


GREEN CMSME

In 2025, IPDC's green CMSME portfolio stood at BDT 7.69 million. Through tailored financing solutions, IPDC supports cottage industries in adopting sustainable practices, expanding their operations, and integrating environmentally friendly innovations—reflecting the institution's continued commitment to green growth within the CMSME sector.

Amount in BDT mn

Green CMSME

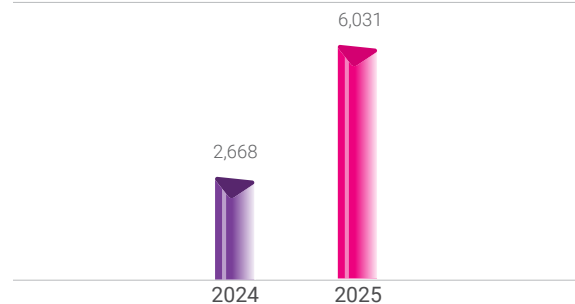


GREEN SOCIALLY RESPONSIBLE FINANCING

IPDC remains committed to socially responsible financing, supporting portfolios in climate resilience, disaster management, green transportation, and initiatives advancing gender equality and access to quality education. As of 31 December 2025, the portfolio in this segment stands at BDT 6,030.51 million, reflecting a 126.03% increase from the previous year.

Amount in BDT mn

Green Socially Responsible Financing

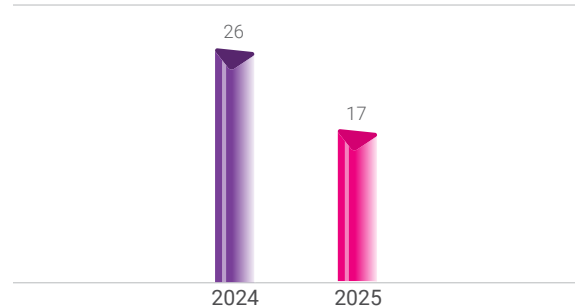


BLUE ECONOMY FINANCING

IPDC continues to contribute to the development of the blue economy through financing in key areas such as maritime transport, sustainable marine fisheries, and marine plastic pollution management. As of 31 December 2025, the blue economy portfolio stands at BDT 16.93 million, reflecting a strategic consolidation as IPDC focuses on higher impact and sustainability driven projects within the sector.

Amount in BDT mn

Blue Economy

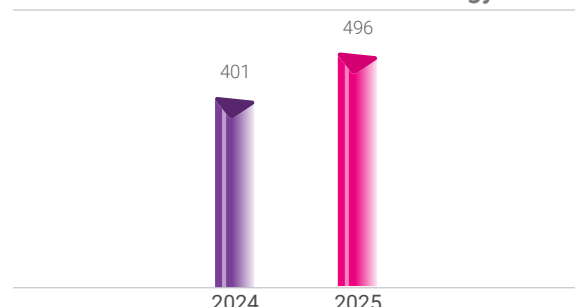


INFORMATION & COMMUNICATION TECHNOLOGY

IPDC recognizes the pivotal role of the Information and Communication Technology (ICT) sector in transforming Bangladesh into a tech-savvy nation. As of 31 December 2025, IPDC's portfolio in the ICT sector amounts to BDT 495.88 million, representing a 23.66% percent increase from the previous year. The sector includes broadband networks and IT solutions, Internet of Things, artificial intelligence, and robotics.

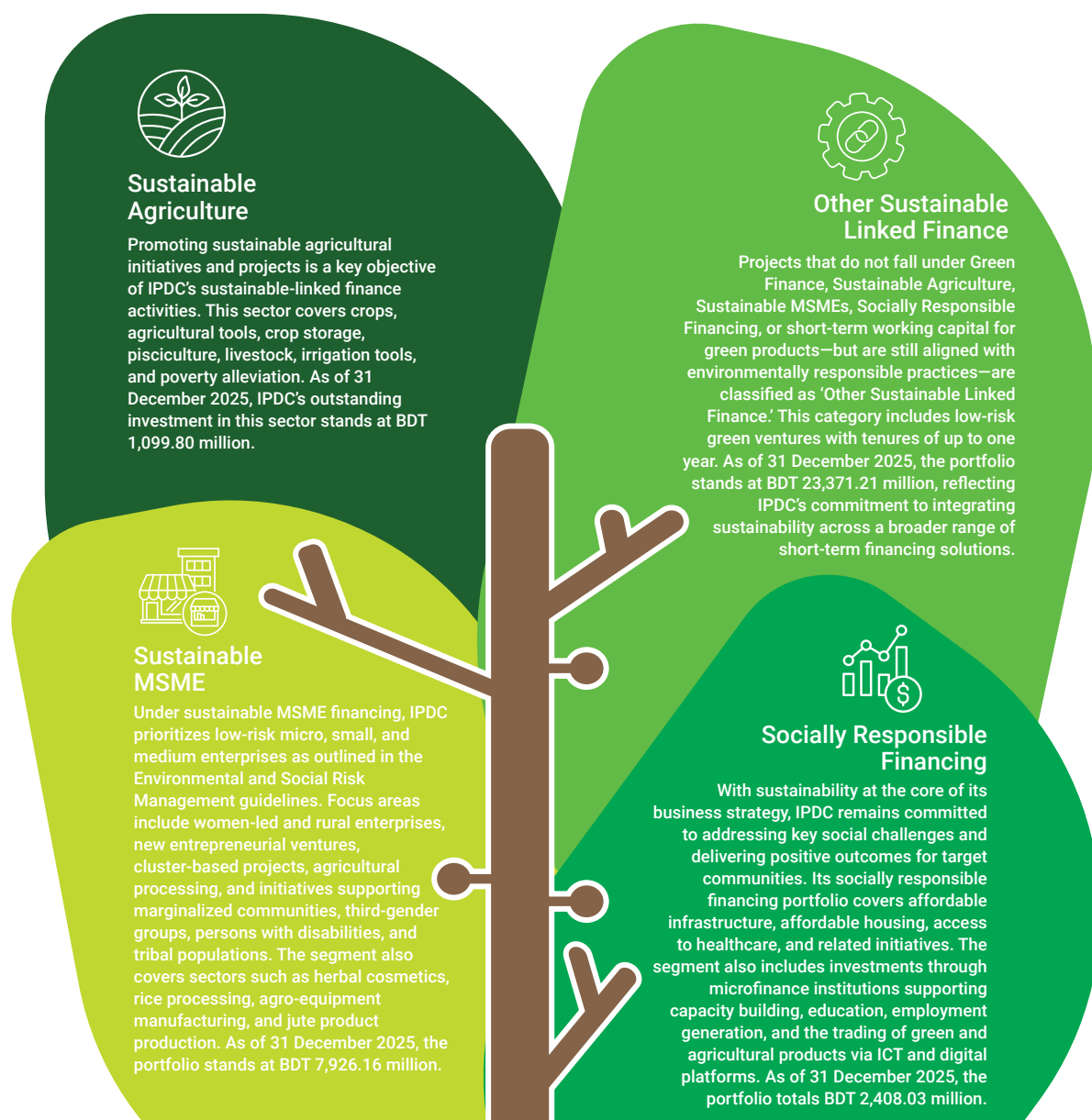
Amount in BDT mn

Information Communication Technology



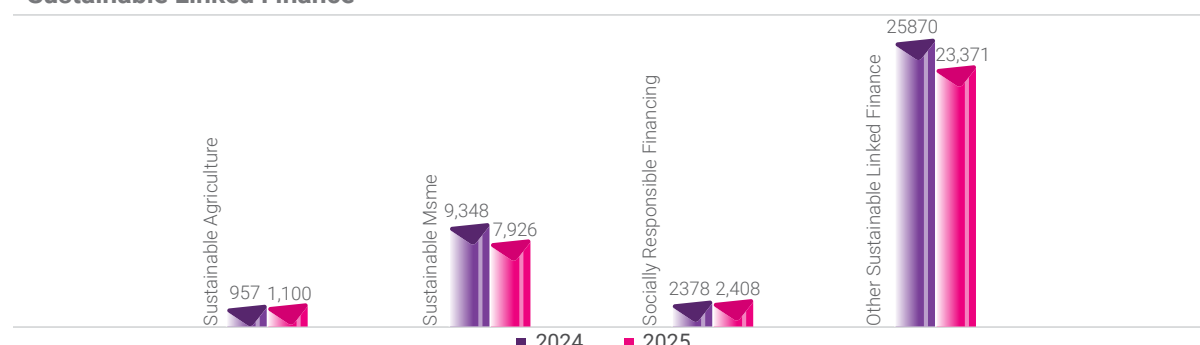
SUSTAINABLE-LINKED FINANCE

IPDC's commitment to sustainability is reflected in its comprehensive approach to environmental, social, and governance (ESG) considerations across all financing decisions. Within the sustainable finance framework, IPDC places emphasis on three priority areas: sustainable agriculture, sustainable MSMEs, and socially responsible financing. Each year, a substantial portion of IPDC's disbursements is directed toward these sustainability linked segments. As of 31 December 2025, the total portfolio under sustainability-linked finance stands at BDT 34,805.21 million.

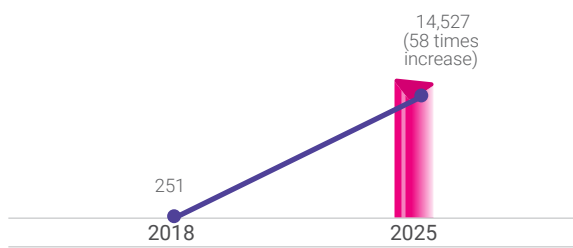


Amount in BDT mn

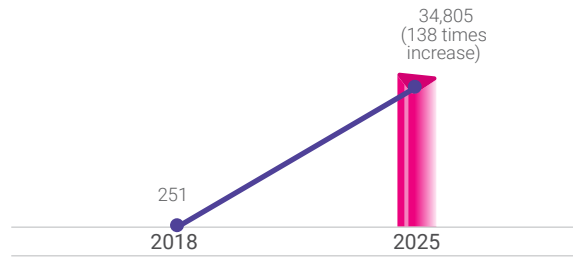
Sustainable Linked Finance



Green Finance



Sustainable Finance



IPDC'S ACHIEVEMENT AGAINST BANGLADESH BANK TARGET

Category	Bangladesh Bank's Target	IPDC's Achievement 2022	IPDC's Achievement 2023	IPDC's Achievement 2024	IPDC's Achievement 2025
Sustainable Finance	20% (till 2024) 40% (2025 onwards)	8.18%	22.73%	77.75%	66.72%
Green Finance	5%	1.41%	11.97%	42.06%	13.96%

*Note: Bangladesh Bank revised its target setting methodology for 2025 onwards.

Bangladesh, one of the world's most climate vulnerable low lying countries, ranks seventh globally in disaster risk according to the Global Climate Risk Index. In response, Bangladesh Bank has introduced a series of policy measures to ensure the financial sector contributes meaningfully to climate resilience. Among these initiatives were the establishment of minimum portfolio and disbursement targets for green and sustainable finance, first introduced in January 2016 to broaden the adoption of sustainability aligned financing across banks and financial institutions. These targets have since been revised several times.

In December 2022, the central bank set a minimum requirement of 20% of total annual disbursements for sustainable finance and 5% of annual term loan disbursements for green finance. The latest update in November 2024 established a new target: 40% of net outstanding loans allocated to sustainable finance, including 5% for green finance.

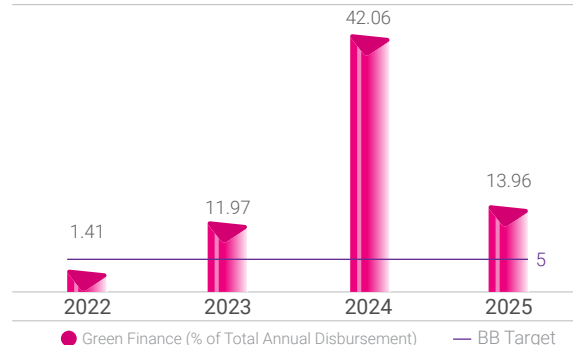
Over the past three years, IPDC's sustainable and green finance portfolios have expanded significantly. Sustainable finance disbursements increased from 8.18% in 2022 to 66.72% in 2025, while green finance rose from 1.41% to 13.96% of total annual term loan disbursements over the same period. This strong growth reflects IPDC's strategic emphasis on sustainability across its operations.

Today, IPDC integrates environmental, social, and governance (ESG) considerations across its business model, channeling investments toward renewable energy, energy efficiency, waste management, sustainable agriculture, and other green sectors. Through these efforts, IPDC supports national climate priorities, aligns with global sustainability standards, and advances responsible economic development while safeguarding environmental well being for future generations.

Sustainable Finance (% of Total Annual Disbursement)



Green Finance (% of Total Annual Disbursement)



INVESTMENT IN GOVERNMENT SECURITIES

Amount in BDT

	2024	2025	Change Vol.	Change %
Treasury Bill	2,976,276,246	3,088,791,523	112,515,277	3.78%
Treasury Bond	2,229,887,840	3,082,574,331	852,686,491	38.24%
Total	5,206,164,086	6,171,365,854	965,201,768	18.54%

In 2025, 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.

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: 1. Ships with prevalent asbestos use (for e.g. passenger cruise); 2. Ships not certified 'gas free' for hot work.
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: 1. Weapons and munitions 2. Tobacco in any form 3. Gambling, casinos 4. Pornography (goods/stores/web-based) 5. Brick production through Fixed Chimney Kiln (FCK).
9	Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples.

FAIR DEALING, TRANSPARENCY & TRUST

OUR COMMITMENT

IPDC's approach to business is grounded in strong ethical principles as a foundation for sustainable value creation. Integrity, transparency, and accountability guide our engagement with customers, governance structures, and financing activities across the organization. This commitment is formalized through Board-approved policies, comprehensive public disclosures, independently audited financial results, and consistently upheld day-to-day practices.

GOVERNANCE THAT SAFEGUARDS INTEGRITY

Board oversight and governance structure: IPDC's Board provides strong leadership on ethical standards and transparent business conduct, supported by clearly defined roles across Board-level and

management committees. These include the Audit Committee, Risk Management Committee, Executive Committee, and the Sustainable Finance Committee (SFC). The SFC, together with the Sustainable Finance Unit, ensures that ESG and climate-related factors are systematically integrated into the credit process, disclosure practices, and stakeholder engagement activities.

Policies and regulatory adherence: IPDC operates within a robust policy framework approved by the Board, including a Sustainable Finance Policy aligned with Bangladesh Bank guidelines and a formal Environmental and Social Risk Management (ESRM) Policy in place since 2018. The organization also confirms compliance with IFRS/ IAS, the Finance Company Act, the Companies Act, and applicable regulatory directives through its Corporate and Financial Reporting Framework disclosures.

Independent assurance and accountability: In 2025, IPDC retained a AAA (long-term) and ST-1 (short-term) credit rating, underscoring the strength of its governance, transparency, and financial resilience.

Independent Auditors are appointed, and the Audit Committee's activities and oversight are disclosed publicly within the Annual Report.

FAIR DEALING WITH CUSTOMERS & COUNTERPARTIES

Customer-focused service delivery: IPDC places strong emphasis on streamlined documentation, prompt loan disbursement, and secure deposit management, areas identified by stakeholders as key priorities. Service quality and operational efficiency are strengthened across all branches through process improvements, quicker file handling, and the use of technology-driven platforms such as Core Banking and Dana to minimize turnaround times and information gaps.

Transparent pricing and responsible financing: Following the transition to market-based interest rates in 2025, IPDC reinforced disciplined credit assessment, portfolio risk management, and conservative provisioning practices. As a result, the classified loan ratio stood at _____ significantly lower than the FC industry average, ensuring balanced and fair outcomes for both borrowers and depositors.

Grievance management and inclusive access: Structured mechanisms for stakeholder engagement, including feedback systems, grievance resolution, customer education, and financial literacy initiatives, are firmly in place. Dedicated sustainable finance helpdesks operate across all branches, supporting customers in accessing affordable, climate-aligned financial solutions.

TRANSPARENCY IN REPORTING & DISCLOSURES

Robust sustainability reporting: IPDC's Annual Report combines financial and non-financial disclosures. Dedicated sections address sustainability governance, climate strategy, financed emissions, portfolio composition, and alignment with the Sustainable Development Goals, with material matters and forward-looking statements clearly articulated.

Climate and financed emissions disclosure: In 2025, IPDC continued its portfolio-level greenhouse gas emissions assessment in partnership with the Joint Impact Model (JIM), using methodologies consistent with PCAF standards to enhance transparency and climate accountability.

No penalties and insider trading compliance: The report confirms that no regulatory penalties for violations occurred in 2025 and affirms that Board members, senior management, and their immediate families remained fully compliant with insider trading regulations throughout the year.

BUILDING TRUST WITH STAKEHOLDERS

Materiality and stakeholder engagement: IPDC's material topics across environmental, social, and governance areas are identified through continuous engagement with key stakeholders, including customers, employees, investors, regulators, suppliers, and local communities. Priority issues highlighted through this process include effective corporate governance, robust risk management, depositor protection, transparent procurement practices, and timely regulatory disclosures.

Responsible supply chain and payments: IPDC promotes ethical and transparent procurement practices, ensures timely settlement of supplier obligations, and maintains adherence to contractual terms. Supplier payment volumes and procurement data are disclosed through the Sustainability Scorecard, while complementary initiatives focus on environmentally responsible office operations such as waste separation, energy efficiency, reduced paper use, and broader resource conservation.

Sectoral exclusions: To safeguard institutional integrity and uphold public interest, IPDC enforces a comprehensive Exclusion List that restricts financing for activities such as illegal trade, child or forced labor, weapons production, pornography, fixed-chimney brick kilns,

and projects that adversely affect UNESCO or Ramsar-designated sites. This policy ensures alignment with ethical standards, social responsibility, and reputational risk management.

LOOKING AHEAD

Advancing transparency: Expand ISSB-aligned data infrastructure and develop sector-specific transition pathways to strengthen the quality, consistency, and comparability of sustainability disclosures.

Reinforcing fair treatment: Enhance fair-dealing standards across retail and CMSME segments through digital verification processes, streamlined documentation, and ongoing customer awareness and education initiatives.

Building stakeholder confidence: Strengthen trust through regular updates to climate scenario analyses, integration of ESG-linked performance indicators into management scorecards, and transparent disclosure of customer grievances and their resolution outcomes.

STANDARDS & COMPLIANCE

Regulatory compliance: ICT frameworks, policies, and control mechanisms are implemented in full alignment with Bangladesh Bank directives, as well as applicable laws and regulatory requirements.

Policy governance and oversight: Information security policies are regularly updated through a structured governance process, involving policy development by designated owners, review by the Policy Review Task Force, validation by the relevant sub-committee, and final approval by the Board to ensure continued relevance amid evolving risks and industry best practices.

This governance ensures confidentiality, integrity, and availability remain anchored in IPDC's Integrated Risk Management Framework and Internal Control System, with continuous monitoring and audit oversight.

PROACTIVE CYBER DEFENSE

IPDC's posture has shifted from reactive to proactive, combining continuous monitoring, preventive controls, and periodic assurance:

Security operations framework: 24x7 log monitoring, alerting, and incident handling to detect anomalies early and minimize operational disruption.

Email security gateway: Phishing filtration, content controls, and data handling policies guard against leakage and social-engineering attacks.

Vulnerability Assessment & Penetration Testing (VAPT): Regular internal/external exercises to identify and remediate weaknesses; findings feed risk registers and patch cycles.

COMPLAINT MANAGEMENT PROCESS

OUR COMMITMENT TO OPEN COMMUNICATION

IPDC ensures that grievance redressal is accessible, confidential, and inclusive. The complaint management framework is designed to uphold fairness, transparency, and trust across all levels of the organization.

KEY MECHANISMS FOR REPORTING COMPLAINTS

1. Talk-to-Me Box

- Physical boxes are placed in all IPDC offices to allow employees to report unusual matters or concerns anonymously.

- This initiative supports an open-door communication policy, encouraging staff to raise issues without fear of retaliation.

2. HRIS-Based Anonymous Reporting

- Employees can now lodge complaints through the Human Resource Information System (HRIS) with the option to hide their identity.
- This digital channel ensures confidentiality and faster escalation of issues.

3. Shushoma Platform

- A dedicated platform exclusively for female employees to raise concerns related to workplace safety, harassment, or any issue impacting their well-being.
- Shushoma reflects IPDC's commitment to gender-sensitive grievance handling and empowerment.

COMPLIANCE & MONITORING

- Adherence to the Code of Conduct and Ethics is mandatory for all employees, embedded in employment terms.

- Annual training on the Code of Conduct ensures awareness and accountability.

- IPDC enforces zero tolerance for non-compliance, with disciplinary actions taken immediately based on merit.

- Internal and external audits are conducted yearly to verify compliance and implement corrective measures.

RECOGNITION & CULTURE OF INTEGRITY

Employees demonstrating exemplary ethical behavior and performance are rewarded annually under categories such as Excellence Awards, reinforcing a culture of sincerity and accountability.

FUTURE ENHANCEMENTS

Expand digital grievance dashboards for real-time tracking and analytics.

Strengthen gender-focused support systems under Shushoma with counseling and legal aid partnerships.

Integrate customer complaint channels with sustainability helpdesks for unified service experience.

SUSTAINABILITY IN OUR OPERATIONS

OUR COMMITMENT TO THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Advancing the United Nations Sustainable Development Goals (SDGs) is fundamental to building a resilient and inclusive future. At IPDC, the SDGs are embedded within our business strategy and financial decision making processes. By aligning our operations, investments, and financing activities with global development priorities, we seek to manage sustainability related risks, capture emerging growth opportunities, and strengthen our role as a responsible corporate institution. This commitment reflects our focus on delivering long term value for stakeholders while actively supporting Bangladesh's sustainable development objectives.

FULFILLMENT OF THE 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.



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



Our Participation

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



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



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



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, 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 net 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

Our Offerings



1. Sustainable Agriculture



2. Sustainable MSME



3. Socially Responsible Finance

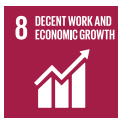
SDGs Impacted



Our Offerings

1. Low Risk Rated Projects/Initiatives using ESDD checklist (other than Green Finance, Sustainable Agriculture, Sustainable MSME, SRF and Working capital and demand loan of Green Products)		2. Working capital and demand loan of Green Products/ projects/ initiatives
3. Renewable Energy	4. Energy & Resource Efficiency	5. Alternative Energy
6. Liquid Waste Management	7. Solid Waste Management	8. Circular Economy & Eco-Projects Financing
9. Environment Friendly Brick Production	10. Green/Environment Friendly Establishments	11. Green Agriculture
12. Green CMSME	13. Green SRF	14. Blue Economy Financing
15. Information and Communication Technology	16. Miscellaneous	17. Green Bond
18. Impact Fund (linked to Sustainability)		

SDGs Impacted



ADDRESSING CLIMATE CHANGE

IPDC outlines below its approach, commitments and performance regarding climate change and related financial and operational considerations. The discussion focuses on the following key areas:

- Strategic alignment:** IPDC directs its credit portfolio toward pathways that support emissions reduction and the transition to a low carbon economy, ensuring alignment between financing activities and long term decarbonization goals.
- Climate risk assessment and stress testing:** The institution routinely assesses how climate related physical and transition risks may affect its business model. This includes structured scenario analysis and stress testing exercises to evaluate resilience under different climate futures.
- Climate mitigation and adaptation policies:** IPDC has established frameworks to identify, manage, and respond to material climate related risks and opportunities. These policies guide decisions across business units and support effective management of climate exposures.
- Decarbonization initiatives:** IPDC undertakes targeted actions to reduce climate risk by strengthening understanding of clients' climate risk profiles, monitoring exposure in carbon intensive sectors, lowering its own operational emissions, and enabling client transitions through green and sustainable financial products.
- Metrics and targets:** The company discloses climate related performance indicators and measurable targets, including financed emissions and decarbonization metrics for high emission sectors within its credit portfolio. These disclosures provide transparency on progress toward stated climate objectives.

STRATEGY

Mapping Key Impacts, Risks, and Opportunities to Policies and Targets

Category	Title	Policies	Actions	Metrics and Targets
Impacts	GHG emissions by IPDC's clients	Net Zero Strategy	Finance green technologies and recycling initiatives	Reduce emissions in key sectors
			Food and Agriculture: Support sustainable agriculture and waste reduction projects	Promote sustainability and operational efficiency
			Vehicle Financing: Expand financing for electric/hybrid vehicles and low-emission transport solutions	Align with green finance and environmental goals
Risks	Credit risks from physical climate hazards	Environmental and Social Risk Management Policy	ESDD of clients before onboarding; Continuous monitoring of portfolio risks	Increase share of proposals with low-risk rating as per ESDD
	Credit risks from transition to low-carbon economy	Sustainable Finance Policy	ESG assessment integration in credit approval; Monitoring transition-related risks in client portfolios	Increase green finance portfolio
	Reputational risks		Continuous monitoring of client activities; Exclusion of projects that may negatively affect IPDC's public image and sustainability commitments	Daily monitoring of news and regular communication with clients
Opportunities	Financing the low-carbon transition		Supporting clients in adopting low-carbon technologies and practices; Developing sustainable financial products to enable green transition	Targeted disbursements for green financing
	Reduction of IPDC's internal GHG emissions	Net Zero Strategy	Initiatives to reduce energy consumption in operational facilities; Awareness campaigns and employee engagement programs	Optimize internal GHG emissions per employee

TRANSITION PLAN FOR CLIMATE CHANGE

SCOPE & LIMITATIONS

IPDC's climate transition plan is primarily focused on the financial assets recorded on its balance sheet. While the overarching strategy, risk management framework, and policies apply across the organization, selected objectives, actions, and performance measures are specific to financing activities. In particular, intermediary alignment targets relate to lending provided to non-financial corporates and align with the scope of assets covered in IPDC's financed emissions inventory, with emphasis on sectors that contribute the highest greenhouse gas emissions.

In the absence of financial-sector-specific transition standards and within a regulatory landscape that is still developing with diverse expectations for transition planning, IPDC applies the relevant transitional provisions of the ERS standards. Consequently, the institution does not currently disclose absolute greenhouse gas reduction targets.

The use of client-reported and third-party data for emissions measurement further constrains the ability to establish absolute targets at this stage. Two key challenges influence target-setting efforts. First, the availability and reliability of client data, particularly indirect Scope 3 emissions, remain insufficient to establish a robust baseline for long-term projections. Second, developing credible decarbonization pathways and estimating future financing needs is complicated by the absence of standardized long-term macroeconomic assumptions.

To address these limitations, IPDC continues to enhance data quality and deepen its assessment of clients' transition requirements. The current approach emphasizes medium-term, sector-based objectives to guide the gradual decarbonization of the credit portfolio. This approach is consistent with prior commitments and represents a balanced and practical response to the complexities of transition planning.

The company has set intermediary targets aimed at reducing the emissions intensity of its lending portfolio in the most carbon-intensive

sectors by 2025 and 2030. Further details, including methodologies, scope, and underlying data sources, are disclosed in the section on climate-related metrics and targets.

In parallel, IPDC has established goals to lower emissions from its own operations. These efforts include improving building energy efficiency and promoting sustainable transportation practices. Any remaining operational emissions are offset annually through the purchase of voluntary carbon credits equivalent to residual emissions.

IPDC'S NET ZERO STRATEGY

IPDC Finance has adopted a Board-approved Net Zero Strategy with a 2050 horizon, underscoring its long-term commitment to sustainability and its leadership within Bangladesh's financial sector. The strategy reflects the understanding that achieving net zero is no longer optional but essential for financial institutions seeking to remain resilient, relevant, and responsible amid escalating climate risks and global environmental expectations.

The strategy outlines a comprehensive set of measures to lower IPDC's environmental footprint and embed sustainable practices across its operations. Priority initiatives include increased use of renewable energy, reduced reliance on refrigerant gases, gradual conversion of the corporate vehicle fleet to hybrid and electric options, implementation of carbon offset mechanisms, and continuous improvements in energy and resource efficiency. Additional focus areas encompass responsible solid waste management, rainwater harvesting, and active optimization of financed emissions to limit broader environmental impacts.

Through these combined efforts, IPDC aims to achieve net zero emissions by 2050 while establishing a strong benchmark for sustainable business conduct in the country's financial industry. By aligning its ambition with national commitments and global climate objectives, IPDC is contributing to a greener development pathway for Bangladesh and reinforcing its role as a forward-looking institution committed to environmental stewardship and corporate responsibility.

Net Zero



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 their 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.

As part of its Net Zero Strategy 2050, IPDC has disclosed its greenhouse gas (GHG) emissions for the first time in 2024, using the Joint Impact Model (JIM) for financed emissions. This disclosure demonstrates IPDC's commitment to transparency and climate accountability.

MANAGEMENT OF IMPACTS, RISKS, & OPPORTUNITIES REGARDING CLIMATE CHANGE

RELATED POLICIES

IPDC has developed a structured set of policies that guide its operations and engagement with stakeholders. These policies ensure that financing decisions are consistent with the organization's sustainability objectives and responsible business practices.

These policies are regularly reviewed and enhanced through ongoing dialogue with key stakeholders, along with alignment to leading international guidelines and evolving sector standards. This continuous improvement process helps ensure that the institution's approach remains relevant, forward looking, and reflective of global best practices.

Summary of Group Policies Related to Climate Change

Policies	Policy Owner
Sustainable Finance Policy	Sustainable Finance Committee
Green Bond Policy	Sustainable Finance Committee
Environmental & Social Risk Management Policy	Head of Sustainable Finance Unit
Corporate Social Responsibility Policy	Brand & Corporate Communication

GREENHOUSE GAS 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.

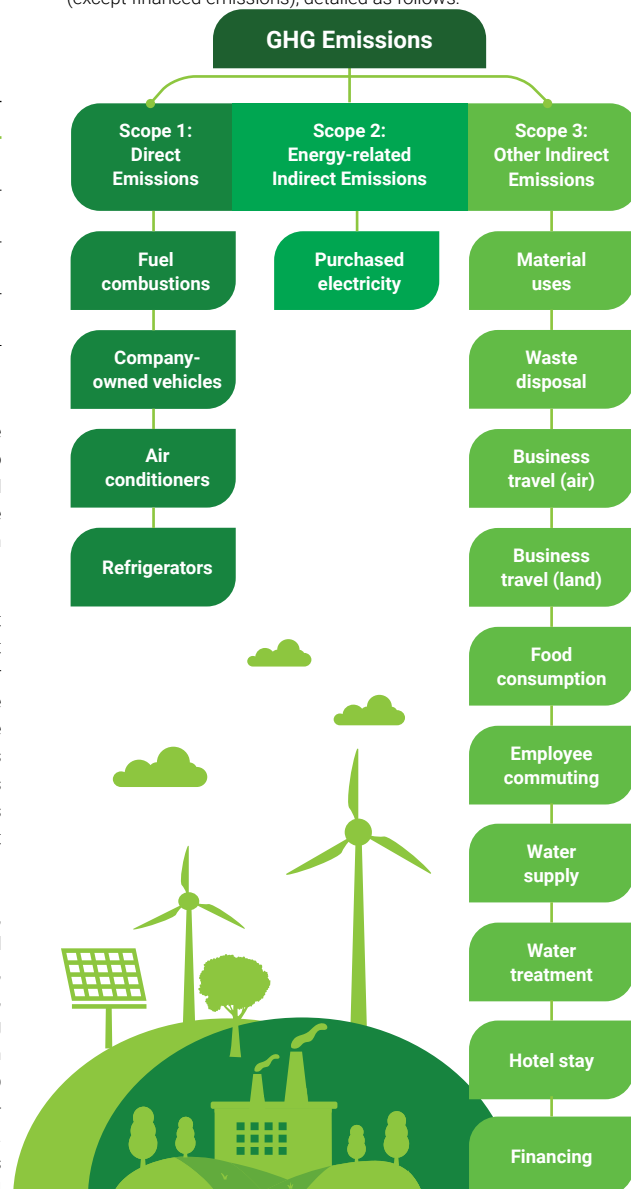
As the company has its own sets of strategies defining its assessment and mitigation of carbon footprints, aiming towards firm commitment of its management for achieving a Net Zero 2050, it became far easier to promptly disclose its carbon footprint generated by the organization's direct and indirect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

SCOPE OF GHG EMISSIONS

The company employed the Greenhouse Gas (GHG) Protocol Corporate Standard for computing its Scopes 1, 2, and 3 emissions (except financed emissions), detailed as follows:



EMISSION CALCULATION METHODOLOGY

IPDC has employed the 'GHG Protocol Corporate Standard' to assess the internal carbon footprint. The Greenhouse Gas Protocol (GHG Protocol) is an accounting tool used by businesses and governments. It was created in 2001, when the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) identified a need for consistency in how organizations accounted and reported emissions, and together introduced the new standard. Since then, it has been used by more than 1,000 businesses and organizations worldwide, including many Fortune 500 companies.

The calculating equation is:

$$\text{GHG emissions} = \text{Activity} \times \text{Emission Factors}$$

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

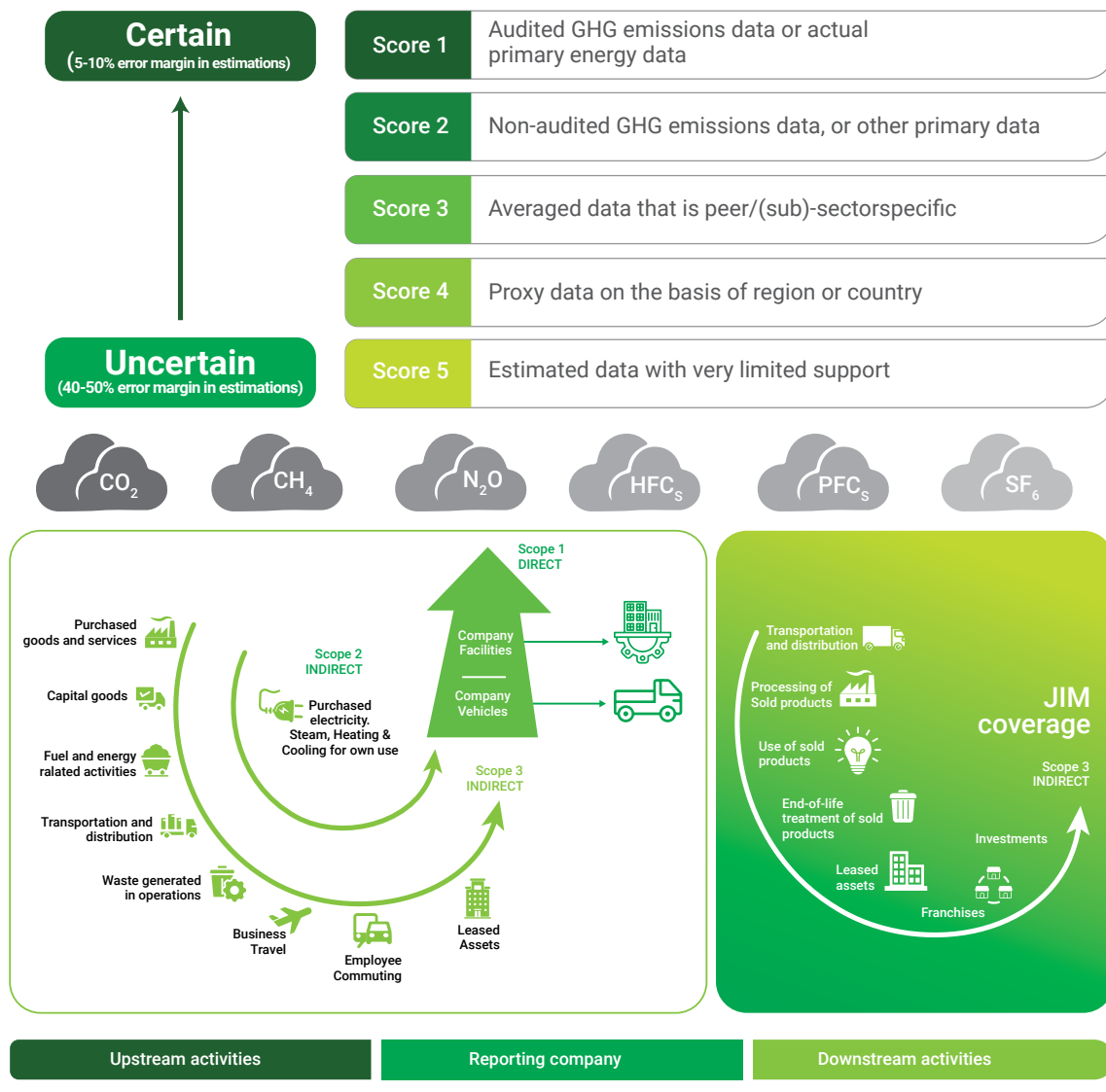
with corporate lending portfolios allowing financial institutions in developing countries to report their financed emissions in accordance with the PCAF Standard.

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.

Data quality scoring from 1 to 5



OPERATIONAL EMISSIONS OVERVIEW:

SCOPE 1, SCOPE 2, AND SCOPE 3 (EXCEPT FINANCED EMISSIONS)

In 2025, total emissions from IPDC's operational activities across scopes 1, 2, and 3 (except financed emissions) reached 1029.09 tCO₂e under the location-based method. On a per full-time employee basis, emissions stood at 1.21 tCO₂e. Scope 1 emissions accounted for 103.42 tCO₂e, while scope 2 emissions totaled 612.52 tCO₂e. Operational scope 3 emissions, which excludes financed emissions, amounted to 313.15 tCO₂e.

Scope 3 reporting is currently being refined, with ongoing efforts to improve data quality for more accurate assessments.

FINANCED EMISSIONS OVERVIEW: SCOPE 3, CATEGORY 15

As of December 31, 2025, IPDC's financed greenhouse gas emissions amounted to 70,052.90 tCO₂e for scope one & scope two, and 110,968.46 tCO₂e for scope three, resulting in a total of 183,021.37 tCO₂e across all three scopes.

IPDC employed the Joint Impact Model (JIM), developed by the Netherlands-based JIM Foundation to compute its emissions under Scope 3, Category 15 (financed emissions). The JIM provides a framework for analyzing economic activities and evaluating their resulting effects across economic, social, and environmental dimensions, including value added, employment, and greenhouse gas emissions. By utilizing input data such as revenues from investment portfolios, the model enables informed estimations that help understand the broad and interconnected impacts of economic activities. The JIM methodology uses *The Global GHG Accounting and Reporting Standard for the Financial Industry* by Partnership for Carbon Accounting Financials (PCAF).

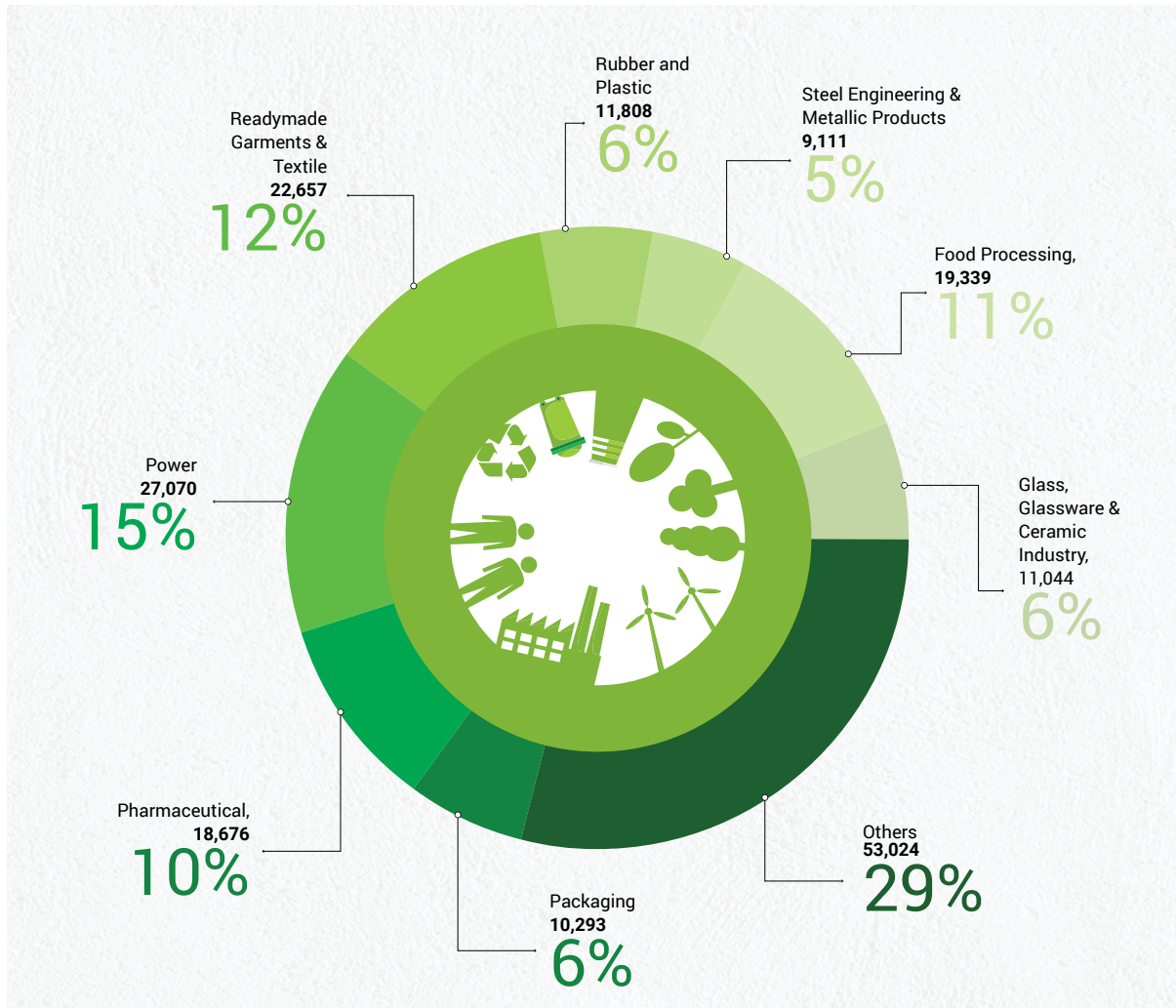
The scope of financed emissions focuses on emissions generated from the lending portfolio of the company, including debt, quasi equity, and project financing. Off balance sheet items, including assets under management, are not included in this calculation.

SUMMARY OF GREENHOUSE GAS EMISSIONS BY SCOPE

Description	Emission in 2024 (tCO ₂ e)	Emission in 2025 (tCO ₂ e)	Change (tCO ₂ e)	Change %
Scope 1 GHG emissions	118.63	103.42	(15.21)	-13%
Scope 2 GHG emissions	520.55	612.52	91.97	18%
Significant Scope 3 GHG Emissions	166,207.04	183,334.52	17,127.48	10%
1 Goods and Services Purchased	87.03	16.77	(70.27)	-81%
2 Capital goods	-	-	-	-
3 Activities in the fuel and energy sectors (not included in scopes 1 and 2)	-	-	-	-
4 Upstream transmission and distribution	-	-	-	-
5 Waste generated during operation	0.27	0.27	0.00	1%
6 Business trips	19.74	25.62	5.87	30%
7 Employee commuting	408.09	270.43	(137.66)	-34%
8 Upstream leased assets	-	-	-	-
9 Downstream Routing	-	-	-	-
10 Processing of products sold	-	-	-	-
11 Use of Sold Products	-	-	-	-
12 End-of-life treatment of products sold	0.10	0.06	(0.04)	-37%
13 Downstream leased assets	-	-	-	-
14 Franchises	-	-	-	-
15 Investments	165,691.80	183,021.37	17,329.57	10%
Total GHG emissions	166,846.22	184,050.46	17,204.25	10%

FINANCED EMISSION BY SECTOR

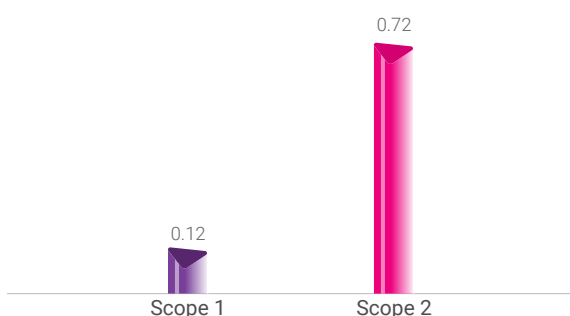
Absolute values in tCO₂e



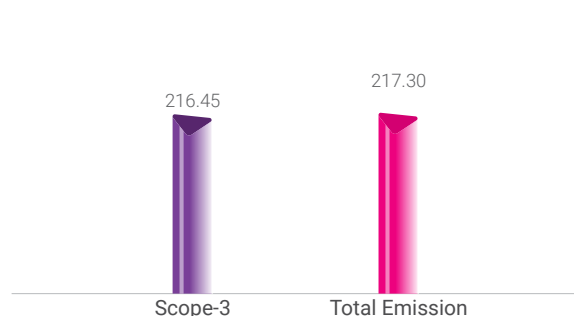
GREENHOUSE GAS EMISSION INTENSITY

To enhance understanding and optimization of its environmental performance, IPDC calculates GHG emission intensity metrics. These metrics relate total emissions to key operational indicators, specifically on a per employee basis. The emission intensity has been determined using a total workforce of 847 full-time employees. Scope 1 emissions correspond to 0.12 tons of carbon dioxide equivalent per employee, Scope 2 emissions are 0.72 tons per employee, and Scope 3 emissions amount to 216.45 tons per employee. This results in an overall emission intensity of 217.30 tons of carbon dioxide equivalent per employee. These metrics provide a reference for understanding the average environmental impact associated with each colleague and help guide focused initiatives to engage employees and reduce emissions.

Scope 1 & 2 per employee intensity (tCO₂e)



Scope 3 & Total Emission per employee intensity (tCO₂e)



ENVIRONMENTAL INITIATIVES

As a responsible financial institution, IPDC acknowledges the environmental impact associated with its operations and financing activities. In response, the company is progressively moving away from manual, resource-intensive processes toward more sustainable and efficient practices to reduce its environmental footprint.



Sustainable Finance Helpdesks

To embed green financing across its operations, IPDC has established Sustainable Finance Helpdesks in all branches. These dedicated service points provide clients with guidance on climate-aligned and environmentally responsible financial solutions, facilitate access to green loan products, and promote the adoption of sustainable business practices that support a low-carbon transition.



Training and Awareness

IPDC places strong emphasis on internal capacity building through regular training programs and workshops focused on sustainable and green finance. These initiatives equip employees with the knowledge and skills required to integrate sustainability into daily operations. Awareness sessions are also extended to external stakeholders, particularly CMSMEs, to encourage broader adoption of responsible and climate-aligned financial practices.



Net-Zero Emissions Strategy

IPDC has adopted a comprehensive Net-Zero Emissions Strategy with a clear pathway toward carbon neutrality by 2050. The strategy includes defined targets and interim milestones covering operational efficiency, green investments, and stakeholder engagement, reinforcing alignment with global climate objectives and strengthening long-term environmental resilience.



Transition Finance

IPDC supports businesses transitioning from carbon-intensive operations to lower-emission models by offering tailored financial products for transition sectors. These solutions enable investments in cleaner technologies, energy efficiency improvements, and emissions reduction, contributing to economy-wide decarbonization while supporting innovation and competitiveness.



Indoor Plantation Initiative

To enhance workplace well-being and foster environmental awareness, IPDC has implemented an Indoor Plantation Initiative across its offices. Indoor greenery improves air quality and workplace aesthetics, reinforcing sustainability consciousness within daily operations and organizational culture.



Digitalization and Paper Reduction

IPDC has expanded the use of digital platforms such as Shiri, e-Nothi, and e-Doc to streamline workflows and reduce dependence on paper-based documentation. This shift has significantly lowered paper consumption while improving operational efficiency. Additional measures include double-sided printing, document previews prior to printing, electronic document sharing, and use of digital notepads.



Energy Conservation

IPDC promotes responsible energy use through practical interventions: energy-efficient equipment upgrades, optimized insulation, thermostat controls, reduced air-conditioning reliance through appropriate office attire, power shutdown protocols when equipment is idle, and water-saving practices integrated into daily routines.



Water Management

The company has introduced water-efficient fixtures across its facilities and promotes rainwater harvesting awareness among employees. These efforts support freshwater conservation, reduce reliance on municipal supplies, and contribute to climate adaptation and resource sustainability.



Waste Segregation

To encourage circular economy practices, IPDC has implemented waste segregation systems throughout its offices. The initiative includes clearly labeled recycling bins, employee engagement programs, and awareness campaigns aimed at improving recycling efficiency and minimizing environmental impact.



Fuel Conservation

IPDC has reduced travel-related emissions by increasing reliance on virtual meeting platforms and digital collaboration tools. This shift has helped lower fuel consumption, improve operational efficiency, and support environmentally responsible business practices in an increasingly digital work environment.

CONCLUSION & FORWARD-LOOKING STATEMENTS

As we review our sustainability progress in 2024, IPDC takes pride in the meaningful strides made toward embedding environmental, social, and governance (ESG) considerations throughout our operations, offerings, and strategic collaborations. From expanding sustainable finance initiatives to strengthening climate related transparency and promoting inclusive workplace practices, IPDC continues to reinforce its standing as a responsible and forward looking financial institution.

At the same time, we recognize that sustainability is a continuous and evolving journey. Addressing complex challenges such as climate change, social inequality, and long term economic resilience requires ongoing innovation, strong governance, and collective action with stakeholders.

LOOKING AHEAD: OUR PRIORITIES



Expanding Green and Sustainable Finance

Across priority sectors to support inclusive and low-carbon growth, with targeted disbursements in renewable energy, efficiency, circular economy, and women-led enterprises.



Enhancing Climate Risk Management Frameworks

Implementing sector-specific transition strategies and strengthening scenario analysis and stress-testing capabilities to evaluate resilience under different climate futures.



Strengthening Data Systems and Disclosures

In alignment with emerging global sustainability standards, including those issued by the ISSB (IFRS S1 and S2), to improve quality, consistency, and comparability of sustainability disclosures.



Deepening Engagement with Stakeholders

With communities, civil society, and regulators to advance shared sustainability objectives, including policy development and priority-setting based on continuous dialogue.



Investing in Internal Capability Development

With a focus on ESG awareness, digital transformation, and leadership for sustainable development across all business units and geographies.



Maintaining Strong Stakeholder Feedback Mechanisms

To ensure transparency, responsiveness, and inclusive priority-setting, with formal grievance resolution and regular updates on climate scenario analyses.

We envision IPDC as a resilient, future ready financial institution that creates long term value by enabling equitable and environmentally responsible growth. Sustainability is not treated as a standalone initiative, but as an integral component of our business model, governance framework, and commitment to societal progress.



Our Integrated Report

A COMPREHENSIVE OVERVIEW OF THE REPORT

INTEGRATED REPORTING

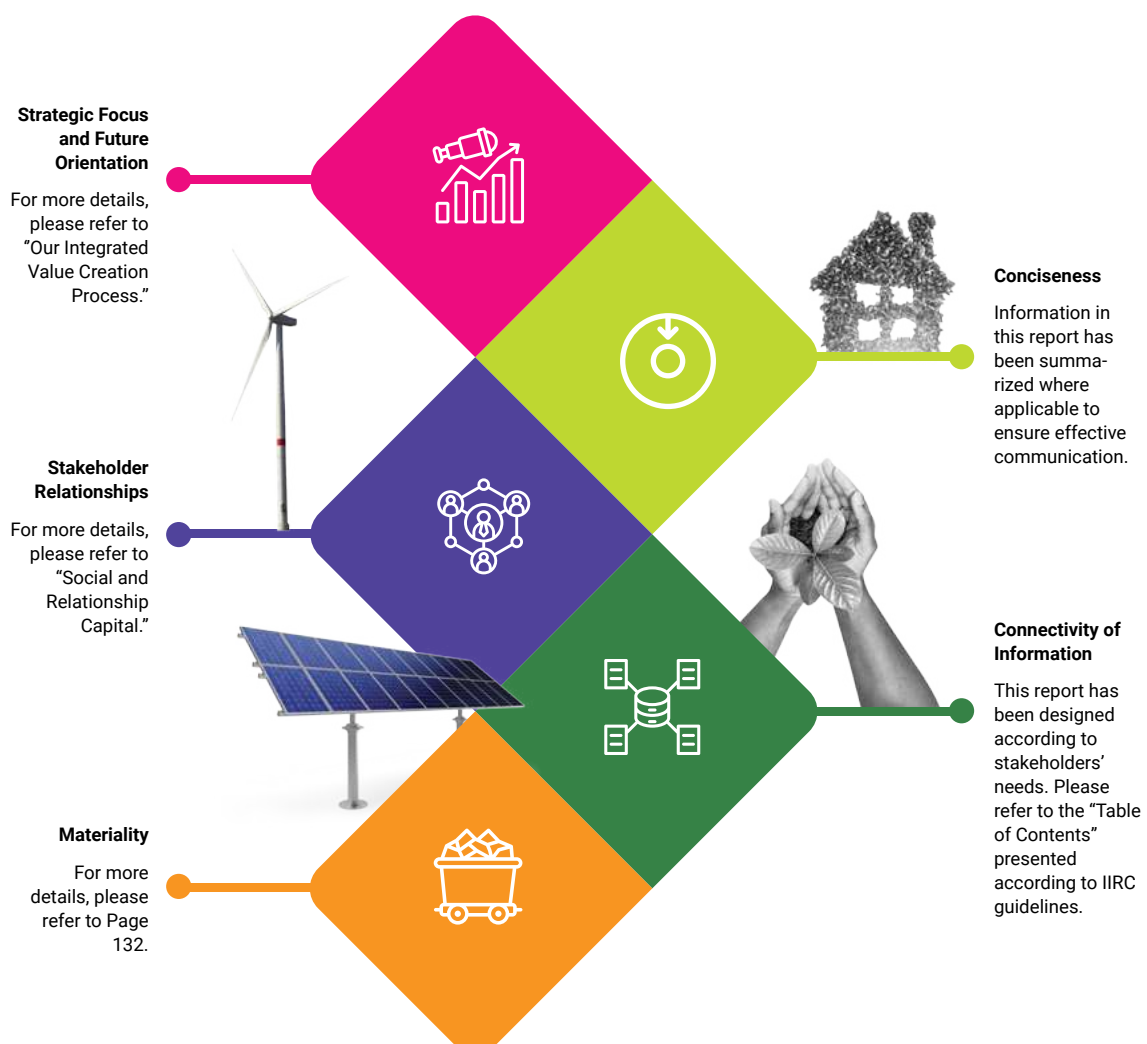
Today's stakeholders value both forward-looking sustainability insights and historical financial data equally. With this perspective, we present the 2025 Annual Report of IPDC Finance PLC, offering a holistic view that integrates financial and non-financial information. This approach provides a comprehensive 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.

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.



SCOPE & BOUNDARY

The integrated report of 2025 applies and surfaces only the period from 1 January 2025 to 31 December 2025, 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 2025, along with appropriate comparative data. The financial reports are in strict adherence to the accounting standards and protocols:

International Accounting Standards (IAS)	Companies Act 1994
International Financial Reporting Standards (IFRS)	Securities and Exchange Rules 1987
Financial Reporting Act, 2015	Finance Company Act 2023
Relevant rules and regulations of Bangladesh Bank	And other applicable laws and regulations of the land.

REPORTING PRINCIPLES

In preparing the 2025 Annual Report, we followed the standards outlined in the "Integrated Reporting Checklist" issued by the Institute of Chartered Accountants of Bangladesh (ICAB). 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.

COMPARABILITY

This report remains consistent with its 2025 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.

MATERIALITY ASSESSMENT

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

FORWARD-LOOKING STATEMENTS

The 2025 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	

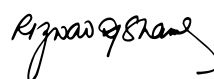
AVAILABILITY OF THE ANNUAL

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 ipdc.com/investor-relations

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.

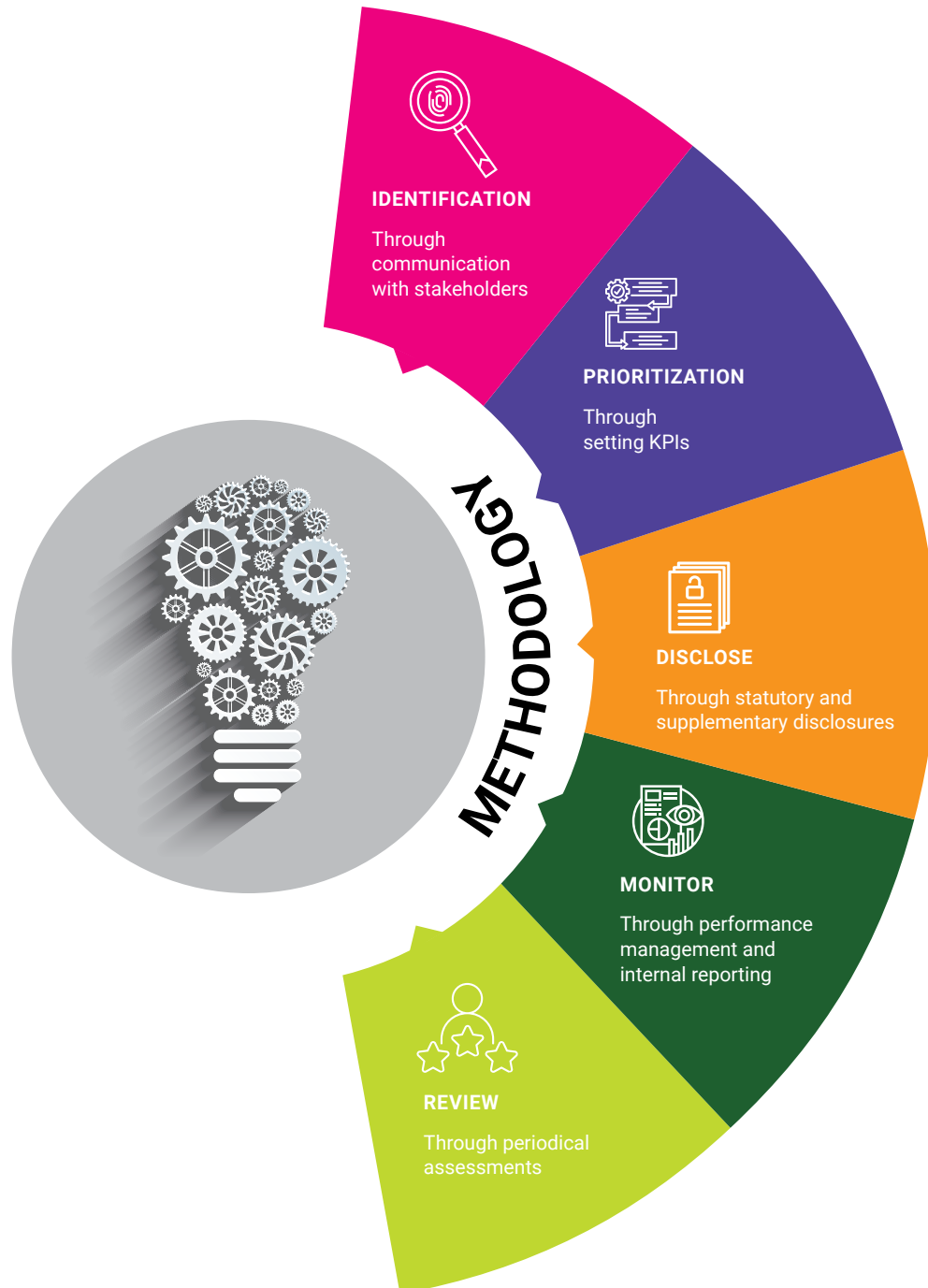


Rizwan Dawood Shams
Managing Director

MATERIALITY DETERMINATION

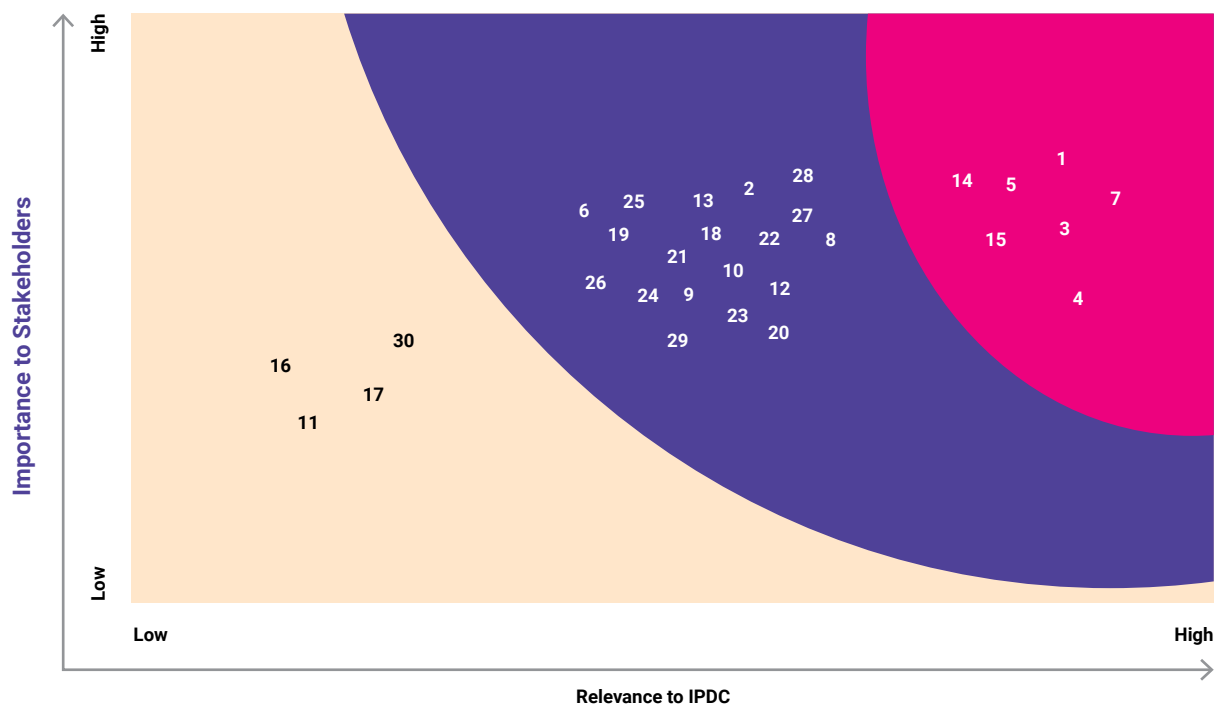
Engaging with stakeholders to refining strategy is a key aspect of responsible and sustainable business practices. At the heart of this process is the materiality assessment, which identifies the issues that influence an organization's decisions, actions, and performance. This assessment involves continuous 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:



High priority and covered in this report



Moderate priority and covered in this report



Low priority and not covered in this report

1. Compliance with Rules and Regulations
2. Career Progression for Employees
3. Financial Position
4. Recruiting and Retaining Talents
5. Knowledge and Skill Enhancement
6. Corporate Social Responsibility
7. Sustainability of Business
8. Service Quality
9. Work-Life Balance
10. Employee Diversity and Inclusion

11. Carbon Emission
12. Timely Loan Disbursement
13. Effective Communication of Business Strategy
14. Strong Corporate Governance
15. Efficient Risk Management
16. Employee Charity
17. Waste Management
18. Energy Efficiency
19. On time Payment Processing
20. Transparent Procurement Process

21. Environmental Resource Protection
22. On-time Regulatory Reporting
23. Safe and Conducive Workplace
24. Simple Documentation Process
25. Compliance with supplier contractual terms
26. Environmental Stewardship
27. Societal Impact
28. Safety of Deposits
29. Community Engagement
30. Local Hiring



IPDC জয়ী
সহজ উদ্যোগ লোan

জয়ীতে এলেই বুঝবেন
ব্যবসা পরিচালনা
কতটা সহজ হতে পারে

অ্যাকসেস টু বিজনেস
সহজ প্রসেসিং



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IPDC জয়ী
সহজ উদ্যোগ লোan

একদিন যেটা হবি ছিল
আজ সেটা ফুল-টাইম বিজনেস

সহজ প্রসেসিং
সহজ শর্তে লোন



বিজনেস: নিউবর্ন ফটোগ্রাফি

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উদ্ভাৱে IPDC জয়ী
সহজ উদ্যোগ লোan

কাস্টমাইজড গিফট বক্সে
শুরু হোক আপনার উদ্যোগ

অ্যাকসেস টু বিজনেস
সহজ শর্তে লোন



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পিত্তাবে IPDC জয়ী
সহজ উদ্যোগ লোan

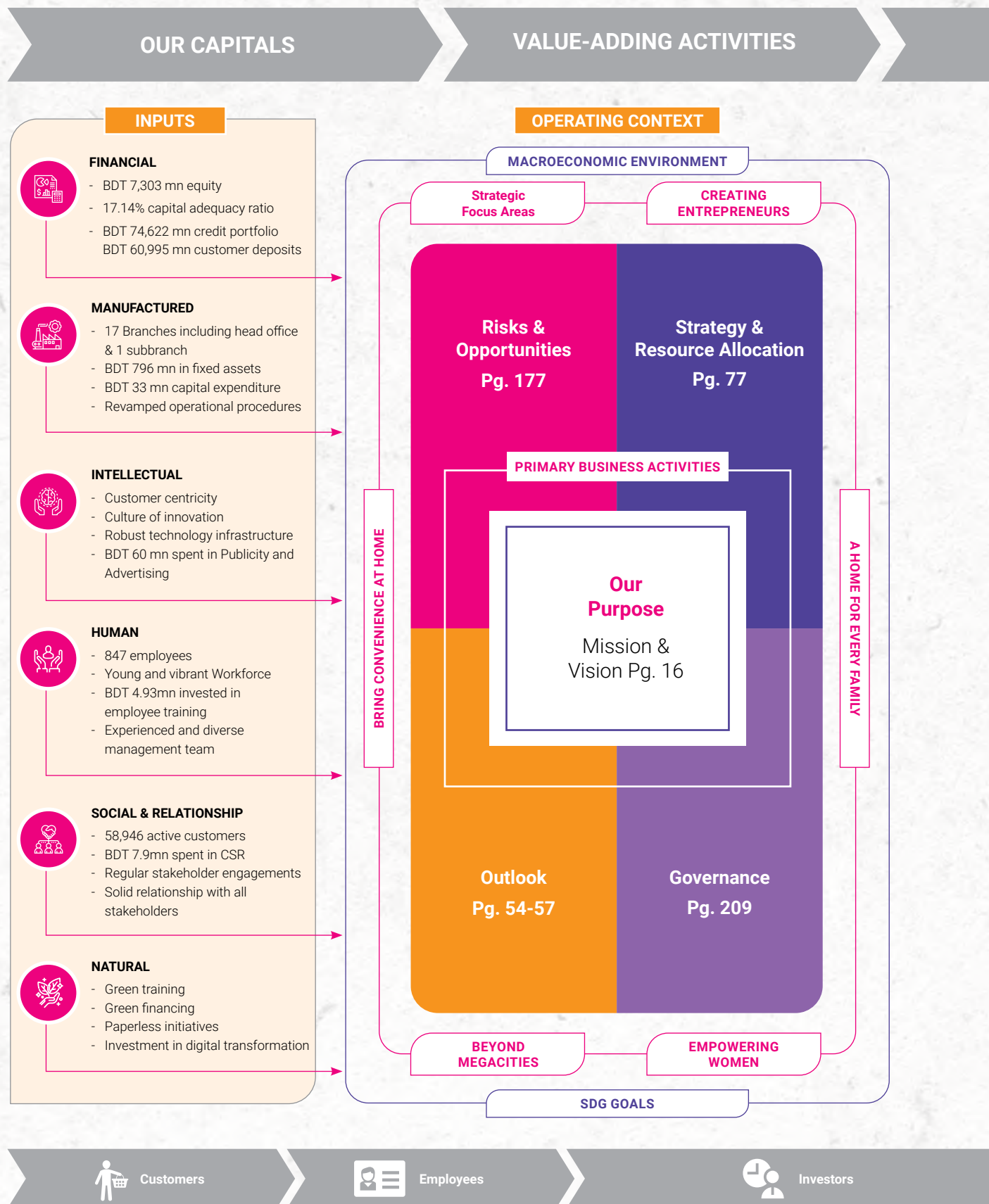
আইপিডিসি জয়ী লোনে
বড় হোক আপনার শখের রেস্তোরাঁ

অ্যাকসেস টু বিজনেস
সহজ শর্তে লোন



16519

VALUE CREATION PROCESS FLOW



VALUE FOR STAKEHOLDERS

OUTPUT

STAKEHOLDERS IMPACTED

SDG IMPACTED

FINANCIAL

- 6.74% return on equity
- 0.49% return on asset
- BDT 3,484 mn revenue
- BDT 455 mn net profit



MANUFACTURED

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



INTELLECTUAL

- Robust Core Banking System
- Shiri – Loan Origination Platform



HUMAN

- Lower attrition
- Engaged workforce
- Improving gender balance



SOCIAL & RELATIONSHIP

- Fast increasing female customers
- Impactful sponsorships
- Impactful value creations for all stakeholders



NATURAL

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



Suppliers



Communities
and Society



Regulators

FINANCIAL CAPITAL

SDG IMPACTED



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.

STRATEGY & RESOURCE ALLOCATION 2025



Sustainable Business

Generated value for all stakeholders through effective and robust governance, even in the face of macroeconomic stress.



Access to Fund

Customer deposits, defined as deposits excluding fixed deposits received from banks and FCs, grew by 17.69% YoY and accounted for 97.86% of the total deposit portfolio.



Portfolio Quality

Remained steadfast in preserving asset quality. NPL Ratio reached 5.97% in 2025 vs industry-wide NPL ratio 37.11% in Sep'25.

Long-term Strategy

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



Value Creation

- Fund operations and invest for future growth, ensuring long-term sustainability.
- Repay investors with dividends, enhancing business credibility.
- Core aspect for financial institutions, impacting bottom-line performance.



Tradeoffs

- Financial Capital Application: Sustains and grows business, positively influencing various capital types.
- Potential Impacts: Positively affects manufactured, human, intellectual, and social capital, while potentially negatively impacting natural capital.



Outlook

- Increased customer deposit base in 2025 to reduce reliance on bank borrowings and diversify risk.
- Plan to strengthen funding base through increased focus on customer deposits and refinancing.
- Focus for the next year on improving efficiency and productivity to manage operating expenses growth.



Performance Review

- IPDC managed to end the year with a strong bottom-line growth along with reasonable balance sheet growth.
- In-depth analysis of our financial performance can be found in Performance Analysis by Management.

Approaches to Optimizing Financial Capital

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

BALANCE SHEET

Particulars	2021	%	2022	%	2023	%	2024	%	2025	%
Cash	716	0.80%	735	0.80%	787	0.90%	811	0.9%	967	1.0%
Balance with other banks and financial institutions	13,508	15.90%	11,940	13.80%	13,350	14.50%	6,271	7.0%	8,951	9.1%
Money at call and short notice	-	0.00%	-	0.00%	-	0.00%	0	0.0%	0	0.0%
Investments	2,740	3.20%	2,500	2.90%	4,519	4.90%	9,512	10.7%	10,656	10.8%
Loans, advances and leases	65,327	76.90%	68,106	78.50%	70,571	76.80%	69,536	78.0%	74,622	75.6%
Fixed assets including land, building, furniture and fixture	765	0.90%	876	1.00%	808	0.90%	741	0.8%	797	0.8%
Other assets	1,913	2.30%	2,573	3.00%	1,896	2.10%	2,249	2.5%	2,732	2.8%
Non-financial institutional assets	4	0.00%	4	0.00%	4	0.00%	4	0.0%	4	0.0%
Total assets	84,973	100.00%	86,732	100.00%	91,934	100.00%	89,124	100.0%	98,729	100.0%
Borrowings from other banks, financial institutions and agents	10,496	12.40%	12,097	13.90%	16,099	17.50%	17,433	19.6%	16,741	17.0%
Deposits and other accounts	60,405	71.10%	59,140	68.20%	60,177	65.50%	54,319	60.9%	62,249	63.1%
Other liabilities	7,719	9.10%	8,693	10.00%	8,906	9.70%	10,463	11.7%	12,436	12.6%
Total liabilities	78,620	92.50%	79,929	92.20%	85,182	92.70%	82,215	92.2%	91,426	92.6%
Shareholders' equity	6,353	7.50%	6,803	7.80%	6,752	7.30%	6,909	7.8%	7,303	7.4%
Total liabilities and shareholders' equity	84,973	100.00%	86,732	100.00%	91,934	100.00%	89,124	100.0%	98,729	100.0%

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

PROFIT & LOSS ACCOUNT

Particulars	2021	%	2022	%	2023	%	2024	%	2025	%
Interest income	6,545	190.1%	7,080	218.1%	7,434	256.1%	8,811	271.7%	9,560	274.4%
Interest expenses	3,761	109.2%	4,310	132.7%	5,011	172.7%	6,418	197.9%	7,554	216.8%
Net interest income	2,783	80.8%	2,770	85.3%	2,423	83.5%	2,393	73.8%	2,006	57.6%
Investment income	471	13.7%	202	6.2%	233	8.0%	685	21.1%	1,324	38.0%
Commission, exchange and brokerage	180	5.2%	151	4.7%	207	7.1%	142	4.4%	141	4.0%
Other operating income	10	0.3%	124	3.8%	40	1.4%	23	0.7%	13	0.4%
Operating income	3,445	100.0%	3,247	100.0%	2,903	100.0%	3,243	100.0%	3,484	100.0%
Operating expenses	1,241	36.0%	1,487	45.8%	1,603	55.2%	1,478	45.6%	1,631	46.8%
Operating profit	2,203	64.0%	1,760	54.2%	1,300	44.8%	1,765	54.4%	1,853	53.2%
Provision for loans and advances	673	19.5%	450	13.9%	639	22.0%	812	26.7%	875	25.1%
Provision/(reversal) for diminution in value of investments	14	0.4%	35	1.1%	0	0.0%	53	0.9%	52	1.5%
Other provision	13	0.4%	11	0.3%	0	0.0%	27	-0.1%	7	0.2%
Total provisions	700	20.3%	496	15.3%	639	22.0%	892	27.5%	934	26.8%
Profit before tax	1,503	43.6%	1,264	38.9%	661	22.8%	872	26.9%	919	26.4%
Provision for taxation	622	18.1%	363	11.2%	318	10.9%	509	15.7%	464	13.3%
Net Profit after tax	881	25.6%	901	27.7%	343	11.8%	363	11.2%	455	13.1%

* 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	2021	%	2022	%	2023	%	2024	%	2025	%
Cash	716	16.3%	735	2.7%	787	7.1%	811	3.0%	967	19.2%
Balance with other banks and financial institutions	13,508	-3.9%	11,940	-11.6%	13,350	11.8%	6,271	-53.0%	8,951	42.8%
Money at call and short notice	-	-	-	-	-	-	0	-	0	-
Investments	2,740	-46.7%	2,500	-8.8%	4,519	80.8%	9,512	110.5%	10,656	12.0%
Loans, advances and leases	65,327	21.9%	68,106	4.3%	70,571	3.6%	69,536	-1.5%	74,622	7.3%
Fixed assets including land, building, furniture and fixture	765	-1.5%	876	14.5%	808	-7.8%	741	-8.2%	797	7.5%
Other assets	1,913	8.5%	2,573	34.5%	1,896	-26.3%	2,249	18.6%	2,732	21.5%
Non-financial institutional assets	4	0.0%	4	0.0%	4	0.0%	4	-1.3%	4	0%
Total assets	84,973	11.9%	86,732	2.1%	91,934	6.0%	89,124	-3.1%	98,729	10.8%
Borrowings from other banks, financial institutions and agents	10,496	-4.1%	12,097	15.3%	16,099	33.1%	17,433	8.3%	16,741	-4.0%
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Shareholders' equity	6,353	4.8%	6,803	7.1%	6,752	-0.8%	6,909	2.3%	7,303	5.7%
Total liabilities and shareholders' equity	84,973	11.9%	86,732	2.1%	91,934	6.0%	89,124	-3.1%	98,729	10.8%

Particulars	2021	%	2022	%	2023	%	2024	%	2025	%
Long Term Assets	43,210	21.5%	44,162	2.2%	45,590	3.2%	48,268	5.9%	56,070	16.2%
Current Assets	41,763	3.4%	42,570	1.9%	46,345	8.9%	40,856	-11.8%	42,660	4.4%
Total Assets	84,973	11.9%	86,732	2.1%	91,934	6.0%	89,124	-3.1%	98,729	10.8%
Long Term Liabilities	38,238	24.1%	38,866	1.6%	40,616	4.5%	42,900	5.6%	50,642	18.0%
Current Liabilities	40,382	3.3%	41,063	1.7%	44,566	8.5%	39,315	-11.8%	40,784	3.7%
Total Liabilities	78,620	12.5%	79,929	1.7%	85,183	6.6%	82,215	-3.5%	91,426	11.2%
Net Current Assets	1,381	6.2%	1,507	9.1%	1,778	18.0%	1,541	-13.3%	1,876	21.7%

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

PROFIT & LOSS ACCOUNT

Particulars	2021	%	2022	%	2023	%	2024	%	2025	%
Interest income	6,545	-5.2%	7,080	8.2%	7,434	5.0%	8,811	18.5%	9,560	8.5%
Interest expenses	3,761	-23.0%	4,310	14.6%	5,011	16.3%	6,418	28.1%	7,554	17.7%
Net interest income	2,783	38.0%	2,770	-0.5%	2,423	-12.5%	2,393	-1.2%	2,006	-16.2%
Investment income	471	-26.2%	202	-57.1%	233	15.0%	685	194.6%	1,324	93.3%
Commission, exchange and brokerage	180	66.4%	151	-16.2%	207	37.1%	142	-31.5%	141	-0.9%
Other operating income	10	-84.8%	124	1133.6%	40	-67.6%	23	-41.9%	13	-42.1%
Operating income	3,445	21.7%	3,247	-5.7%	2,903	-10.6%	3,243	11.7%	3,484	7.4%
Operating expenses	1,241	7.9%	1,487	19.8%	1,603	7.8%	1,478	-7.8%	1,631	10.3%
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Provision for loans and advances	673	40.8%	450	-33.2%	639	42.0%	812	35.7%	875	7.8%
Provision/(reversal) for diminution in value of investments	14	59696.2%	35	153.2%	0	-100.0%	53	278558.0%	52	-2.7%
Other provision	13	-	11	-17.7%	0	-95.4%	27	-559.5%	7	-75.7%
Total provisions	700	46.4%	496	-29.2%	639	28.9%	892	39.6%	934	4.6%
Profit before tax	1,503	25.1%	1,264	-15.9%	661	-47.8%	872	32.1%	919	5.4%
Provision for taxation	622	25.5%	363	-41.6%	318	-12.6%	509	60.3%	464	-8.9%
Net Profit after tax	881	24.9%	901	2.3%	343	-61.9%	363	5.9%	455	25.4%
EPS	2.15	24.9%	2.20	2.3%	0.84	-61.9%	0.89	5.9%	1.11	25.4%

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

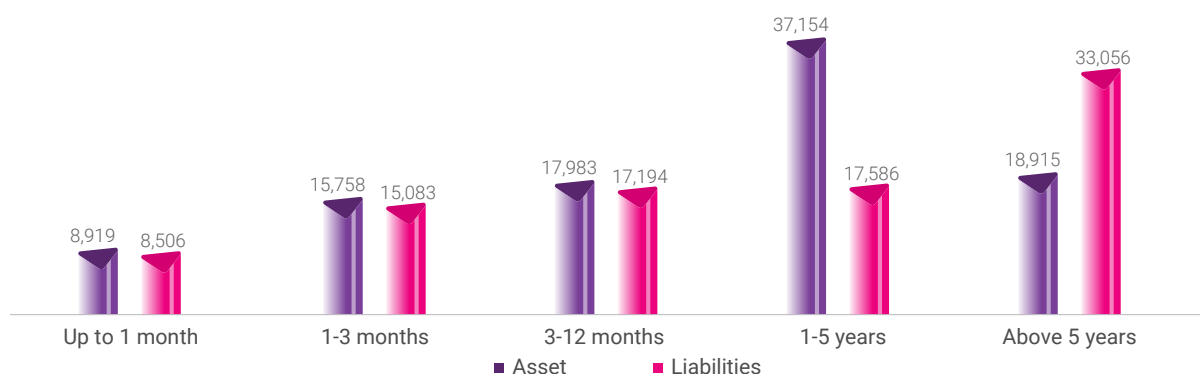
MATURITY ANALYSIS OF ASSETS & LIABILITIES

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.

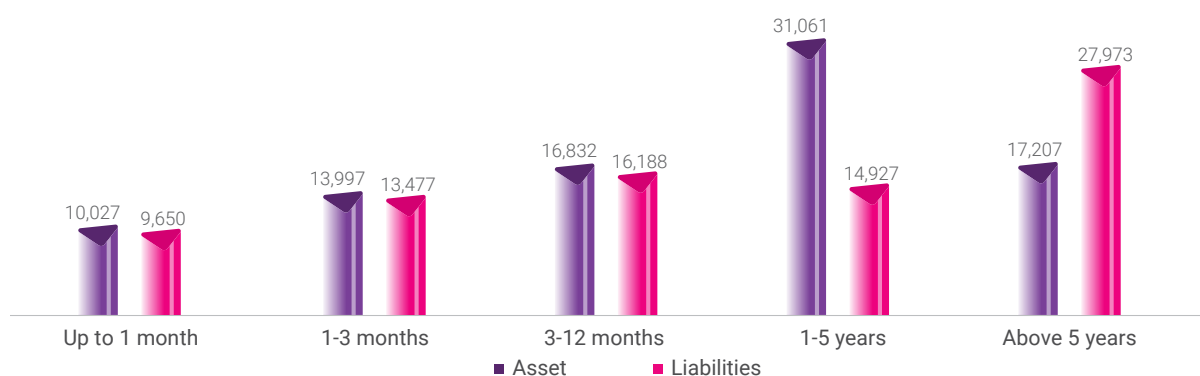
2025

Figures in BDT Mn



2024

Figures in 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 (Pronounced as "Triple A") long term credit rating and ST-1 short term credit rating to IPDC Finance PLC. based on audited financial statements up to December 31, 2024 and other available quantitative and qualitative information up to the date of rating. The outlook on the rating is Stable.

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
30-Jun-2025	AAA	ST-1	Stable	29-Jun-2026	ECRL
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'S 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 institution's 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

It indicates that the rating is likely to remain unchanged.

MANUFACTURED CAPITAL

SDG IMPACTED



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.

2025 Highlights



Branch Expansion Initiative

Successfully identified and secured locations for enhancing our distribution network.



IPDC Joyee 360 Sub-Branch

First ever women entrepreneur enabling branch in Bangladesh, featuring specialized services for Women Led Business.



Asset Management

Implemented robust asset management practices.

Long-term Strategy

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



Value Creation

- Manufactured capital will support our growth ambition as we scale up our business.
- Efficient management of these assets will enable expansion beyond megacities.
- Utilization of resources will be enhanced, leading to improved operational efficiency.



Tradeoffs

- Manufactured capital investment entails significant financial capital in the long term, covering depreciation, maintenance, and other ad-hoc charges.
- The goal is to minimize tradeoffs between physical and electronic presence to the greatest extent possible.



Outlook

- Strategic footprint expansion
- Establishing zonal hubs to empower branches, aiming to reduce Turn Around Time (TAT) further
- Enhance reach at a micro level and provide services at more affordable rates.



Performance Review

- Continued investment in capacity development.
- Focus on enhancing IT infrastructure for upcoming strategic products.
- Pursuing opportunities for geographic expansion where financially viable.

Maximizing Outcomes

Strengthening presence in strategic areas nationwide

Optimizing processes with robust IT infrastructure

Allocating resources to projects aligned with strategic objectives

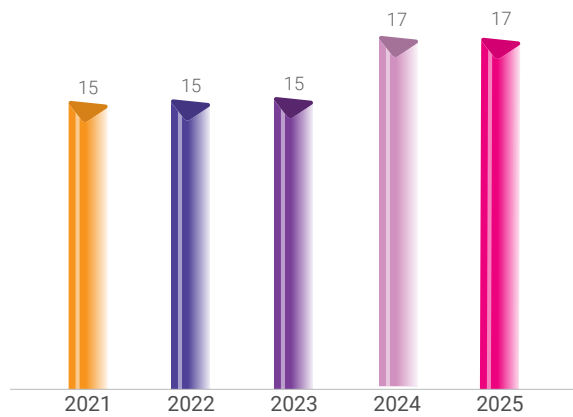
Implementing decentralized processing to reduce turn-around-time

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 2026 subject to obtaining approval from Bangladesh Bank.

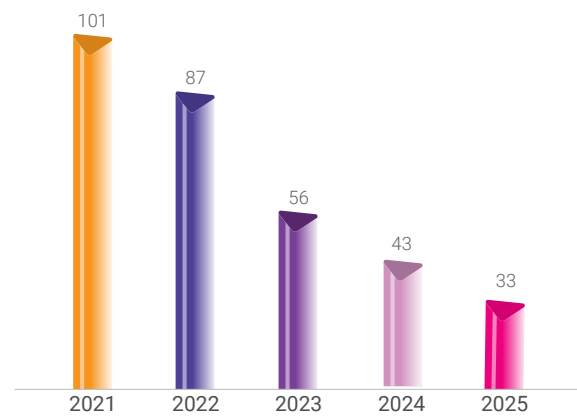
Number of Branches including Head Office



CAPITAL EXPENDITURE

In 2025, a moderate reduction in total capital expenditure was observed, amounting to BDT 33mn, compared to BDT 43mn in 2024. The capital expenditures in 2025 were primarily driven by fixed asset acquisitions, namely motor vehicles, furniture and fixture, equipment and appliances etc.

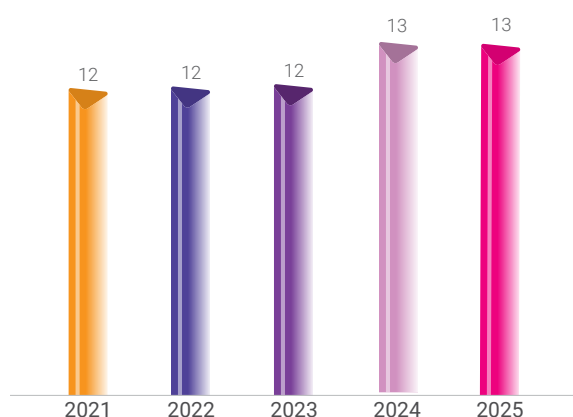
Capital Expenditure



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.

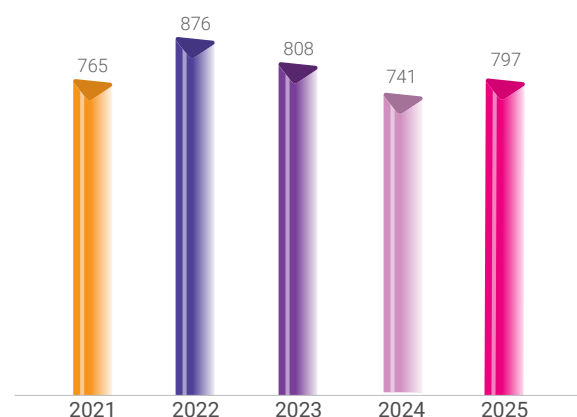
Districts Covered through Branch



FIXED ASSETS

In 2025, the Written Down Value (WDV) of fixed assets experienced an increase, from BDT 741mn in 2024 to BDT 797mn due to revaluation of its land and building with no other significant addition in fixed assets.

Fixed Assets



OPERATIONAL EFFICIENCY

The year 2025 presented significant challenges due to overall subdued economic activity along with global supply chain disruptions caused unrest in the Middle East and continuation of Russia-Ukraine war situation. Despite these obstacles, we are optimistic that 2026 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 Employees
Head Office	92,994	36,403	46,393	516
Dhanmondi	7,291	1,874	1,281	24
Chattogram	7,305	4,312	1,414	41
Motijheel	5,660	971	890	20
Sylhet	724	197	508	10
Uttara	6,844	1,580	1,314	34
Narayangonj	1,558	504	709	14
Bogura	2,078	1,483	730	28
Gazipur	2,075	760	851	21
Jashore	1,831	910	792	29
Mymensingh	1,868	843	1,215	21
Cumilla	1,523	763	534	19
Rangpur	984	437	613	17
Khulna	1,808	979	567	16
Faridpur	772	391	347	14
Barishal	870	415	429	13
Savar	686	262	359	10

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.

2025 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

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.



Tradeoffs

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.



Outlook

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.



Performance Review

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 Financial Companies (FCs) 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 2025, 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.

In 2025 one of the most prestigious awards won by IPDC was the "Most Sustainable Financial Institution of the Year" in SDG Brand Champion Awards 2025 organized by Bangladesh Brand Forum. The core of the submission is that IPDC has embedded sustainability into its financing model by channeling funds into renewable energy, energy efficiency, waste management, circular economy, green buildings, ICT infrastructure, and women-led businesses. It says this is supported by governance tools such as ESRM, PCAF-aligned carbon accounting, digital process automation, and Sustainable Finance Helpdesks in all branches. The submission strongly emphasizes women's empowerment and inclusive finance. IPDC presents products such as Joyee, and especially the Joyee 360 sub-branch in Mirpur dedicated to women entrepreneurs.

In SDG Brands Champion Awards 2025 IPDC Finance PLC. Submitted another entry. This was the nomination for "Women-focused Climate Resilient Sustainable Agriculture for the Vulnerable Communities" under the category SDG Brand Champion in Equity, Diversity and Inclusion. The submission presents the initiative as a women-centered, climate-resilient agriculture project created in partnership with ActionAid International Bangladesh. Its main goal is to support 100 marginalized women by giving them training, farming tools, seeds, fencing support, access to land, and opportunities to earn through organic farming, vermicompost, bio-pesticides, and women-led market systems.

In 2025, IPDC also won the Bangladesh C-Suite Awards 2025 in the category Chief Executive Officer/Managing Director of the Year (Financial Institution). The nominee was Rizwan Dawood Shams, Managing Director of IPDC Finance PLC, who has more than 20 years of professional experience. The submission positions Mr. Shams as a leader defined by professionalism, ethical conduct, and consistent delivery against challenging objectives. It says he repeatedly received top internal performance ratings, maintained strong governance standards, and helped IPDC achieve sustained growth while keeping one of the lowest non-performing loan ratios in the sector. It also

highlights his recognition through internal awards such as the Integrity & Honesty Award (2021) and the Chairman's Award (2023). His leadership style is described as combining high performance expectations with empathy, and he serves as a benchmark for values-driven leadership in Bangladesh's financial sector.

It is also important to note that, IPDC Finance PLC. won the 3rd Bangladesh FinTech Award in the FC category for its innovation e-Nothi, a digital document management and electronic filing platform. The award recognized IPDC's successful effort to modernize internal administration, reduce paper dependency, support remote approvals, and create a more transparent, efficient, and secure office environment. At its core, e-Nothi transformed traditional paper-based administrative processes into a centralized digital workflow system. Through this platform, IPDC improved file movement, accelerated approvals, minimized delays, and strengthened service delivery. The platform introduced a sequential approval workflow, allowing memo creators to define the order of approvers, along with tagging for archiving, real-time tracking and sharing, and access through both a mobile app and web platform.

In 2025, IPDC won two bronze awards at Commward 2025. This was for "Jibon Juddho" a Gen Z-focused deposit product that is not being marketed like a traditional banking product. Instead, the scheme is positioned through digital-first, youth-oriented branding, immersive visuals, and messaging built around the way Gen Z interacts with money, media, and lifestyle choices. The article explicitly says the offering is aimed at young professionals and students who value convenience, flexibility, and rewards. A major point in the feature is the user experience and interface design. The right-hand page says the UI "speaks Gen Z," emphasizing that from the moment a user lands on the webpage, the experience is designed to feel bold, familiar, visual, and intuitive.

Moreover, Bangladesh Bank recognized IPDC Finance PLC. as the top sustainable finance company in its 2024 Sustainability Rating. It highlights IPDC's strong performance in areas like green and sustainable financing, ESG integration, CSR activities, and inclusive banking services. It also explains that IPDC has supported sustainability through green finance products, including financing for renewable energy, energy efficiency, and environmentally responsible industrial practices. The article adds that IPDC has also focused on financial inclusion, especially for women entrepreneurs and CMSMEs, to improve access to finance for underserved groups.

In addition, IPDC Finance PLC. has been honored with the Bronze Award at the 15th ICMAB Best Corporate Award in the Non-Bank Financial Institutions category. The ICMAB Best Corporate Award recognizes organizations that demonstrate outstanding corporate practices in Bangladesh, assessing firms across 17 sectors based on both financial and non-financial performance indicators. Key evaluation criteria include excellence in corporate governance, transparency, accountability, and the quality of annual reporting. The assessment process, covering both listed and non-listed entities, is conducted in accordance with the guidelines of SAFA, CAPA, and IFAC.

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 Uchhashe" (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.

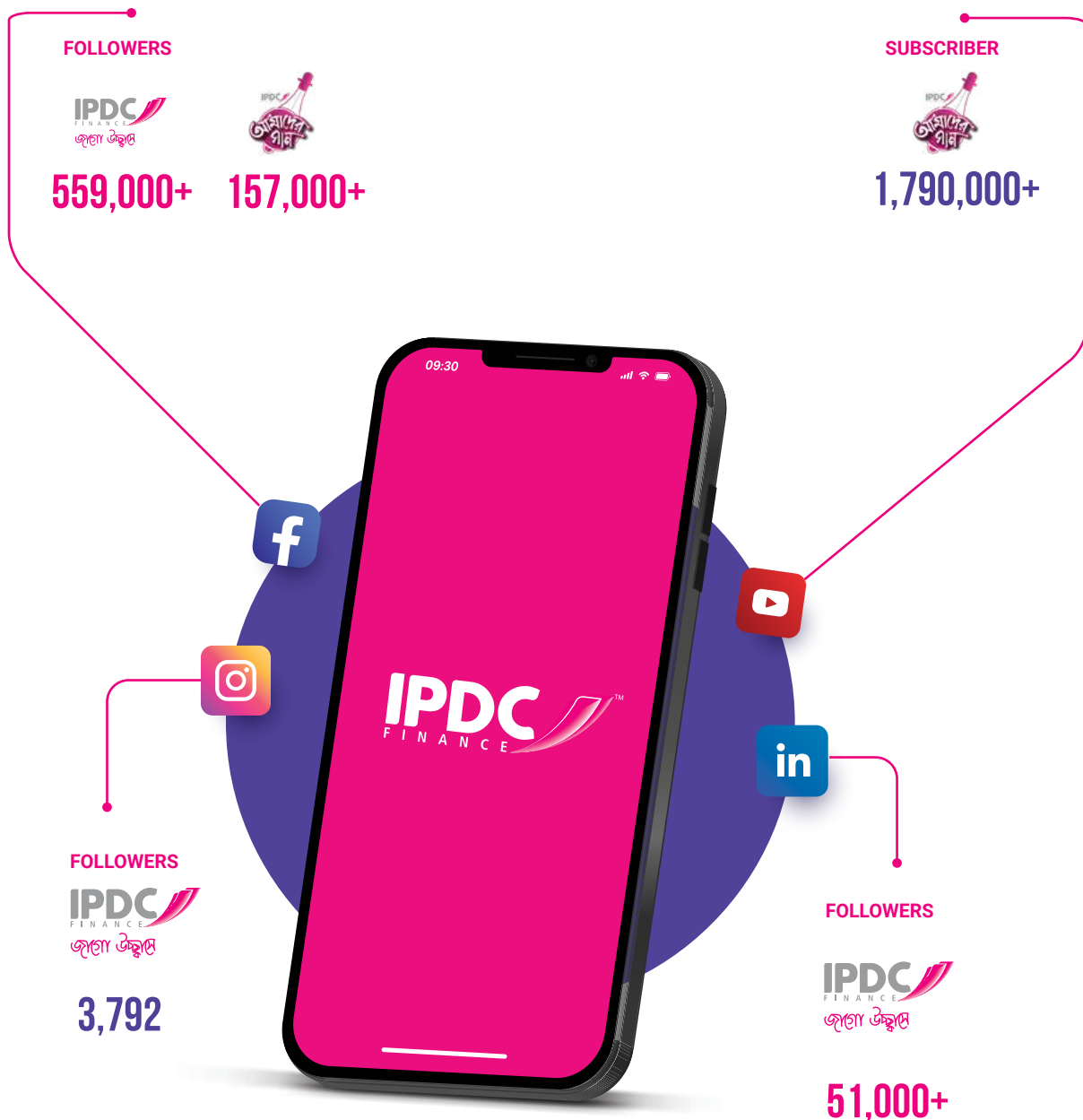
IPDC's strategic focus on digital communication particularly targeting millennials—who are self-expressive, open to new ideas, and eager for change—has been key to its success. A robust digital marketing mix, including Google Display Networks (GDN), Meta Ads, and YouTube Ads, complements other traditional 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 fulfilment.

DIGITAL PRESENCE IN 2025



PRODUCT FORMULATION & INNOVATION

PRODUCT FORMULATION

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.

LONG-TERM STRATEGIC INITIATIVES FOR INNOVATION



Establishing Research and Development Teams:

Created specialized teams to identify and analyze emerging financial trends and needs.



Investing in Technological Infrastructure:

Allocated resources to enhance technological capabilities and strengthen infrastructure.



Implementing Agile Product Development Processes:

Adopted agile methodologies to streamline product development and improve market responsiveness.



Fostering a Culture of Innovation:

Encouraged innovation and entrepreneurship across the organization to drive continuous improvement.

SERVICE EXCELLENCE

At IPDC 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 develop 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 & 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 STRATEGIC INITIATIVES FOR INNOVATION

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

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 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 & DIGITAL TRANSFORMATION

BUSINESS TRANSFORMATION INITIATIVE

In 2025, IPDC's journey towards digital excellence continued to gain momentum, building upon the substantial advancements. 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.



SHIRI – LOAN ORIGATION 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 and continuously we are improving the process with various new requirement from relevant stakeholders. Besides, an automated customer visit record management is currently in development for our collection team, and an automated CIB download feature is under development for Retail and CRM teams. We also have plans to revamp Shiri with latest technologies this year.

Other Business Transformation Initiatives



RTGS:

Significant upgrades have been made to our RTGS system, enhancing its functionality, architecture, network, and hardware aspects.



Eshtition 106:

The implementation of a new Human Resource Management System aligns with the growing workforce of IPDC, optimizing our HR processes.



e-KYC:

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.



IPDC Mobile App:

The implementation of an IPDC Mobile App will ensure that the clients will be able to get their deposit and loan 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. Customers also will be able to apply for new deposits themselves with or without any support from any RM of IPDC and they will be able to provide service requests through IPDC app.



Card Management System:

This system will be used to manage customer cards which will be provided by IPDC, and they will be using those cards to get discounts from our partners shops, hotels, and restaurants and hopefully it will help to increase customer satisfaction.

INFRASTRUCTURE INITIATIVES

In 2025, 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:

- **Firewall Migration and High Availability Enhancement:** The organization successfully completed the migration of its firewall infrastructure to a Next-Generation Firewall (NGFW) platform with high availability configuration. This initiative significantly strengthened perimeter security, improved threat detection and prevention capabilities, and ensured uninterrupted network services through redundancy and failover mechanisms.
- **Storage Migration for Enhanced Capacity and Reliability:** A strategic storage migration was carried out to modernize the existing infrastructure, ensuring higher capacity, improved performance, and data reliability. The upgraded storage solution supports scalability, faster data access, and robust data protection mechanisms, aligning with the organization's growing data demands.
- **Migration to Office 365:** The organization transitioned its email platform to Microsoft Office 365, enhancing system reliability, security, and user experience. This migration enabled advanced collaboration features, improved uptime, built-in security controls, and increased user satisfaction through seamless access and productivity tools.
- **Email Security and Control Enhancements:** Advanced email security solutions and policies were implemented to safeguard against phishing, spam, and malware threats. Enhanced

monitoring, filtering, and access control mechanisms were introduced to ensure secure communication, data protection, and regulatory compliance.

- **Strengthening Wi-Fi Security:** Comprehensive measures were implemented to enhance Wi-Fi security across the organization. This included the deployment of secure authentication mechanisms, network segmentation, and continuous monitoring to prevent unauthorized access and ensure a safe and stable wireless environment.
- **10G Network Migration:** The organization upgraded its network backbone to 10 Gigabit (10G) infrastructure to support high-speed data transmission and increased bandwidth requirements. This migration significantly improved network performance, reduced latency, and enabled seamless handling of high-volume business applications.
- **Disaster Recovery (DR) Drill and Annual General Meeting (AGM) :** A comprehensive DR drill was conducted to validate the organization's business continuity and disaster recovery preparedness. Additionally, IT support was successfully provided during the Annual General Meeting (AGM), ensuring uninterrupted system availability and smooth execution of critical operations.
- **Data Center Renovation:** The data center underwent significant renovation to enhance operational efficiency, reliability, and safety. Improvements included optimized rack layout, power and cooling systems, cable management, and environmental controls, ensuring a resilient and future-ready infrastructure.

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

HUMAN CAPITAL

SDG IMPACTED



As the most passionate financial institution, IPDC places Human Capital at the core of its organizational growth strategy. In 2025, we continued to strengthen a diverse, equitable, and inclusive workforce, enabling our people to advance their technological and service capabilities. This sustained focus ensures our employees remain industry relevant and empowered to deliver exceptional value to our customers. Our focus areas and priorities for human capital management in the year 2025 were as follows

2025 Highlights

				
PROMOTING DIVERSITY, EQUITY & INCLUSION (DEI)	PROMOTING WOMEN IN LEADERSHIP POSITION	DEVELOPMENT THROUGH CONTINUOUS LEARNING	ENGAGED AND INCLUSIVE WORK ENVIRONMENT	HR ALIGNMENT WITH BUSINESS STRATEGY
We continued strengthening a diverse and inclusive workforce by ensuring fair hiring practices across gender, race, religion, ethnicity, and background, reinforcing our commitment to equal opportunity for all. We ensured a minimum of 25% female recruitment in every quarter of 2025. Our efforts to recruit employees from other religion and with disability remained at our forefront.	In 2025, we deepened our focus on building women leaders at IPDC by providing industry ready training, structured development programs, and equal avenues to grow, contribute, and create meaningful impact. Out of 10 MANCOM members 2 of the leaders are female (20%).	We emphasized targeted learning interventions designed for specific employee groups, ensuring they remain technologically skilled and aligned with evolving industry needs, with an average of 22.67 training hours per employee in 2025.	We continuously thrive to improve our work culture where everyone feels valued and respected. We conducted culture assessment survey in 2025 to make our work culture better and more productive.	Our all-time focus remained on aligning HR strategy with business. HRBPs were tagged with Business units, monitored their performance every month, assisted them in performing better through effective collaboration and aligning HR with Business.

LONG-TERM HR STRATEGY

1. Creating extraordinary Employee Experience that directly impacts performance and retention
2. Embracing AI for operational efficiency.
3. Nurturing an agile workforce who are innovative, passionate and tech-savvy.
4. Continuous development for sustainable growth.

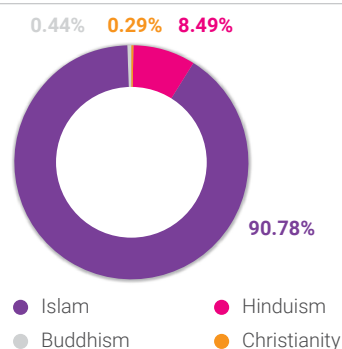
STATEMENT OF HUMAN CAPITAL

In the light of the global economic downturn and our country's current financial challenges, we planned on sustainable business growth with proper resource allocation in 2025. Along with this, we focused on fostering employee development and ensuring a work environment where employees can unleash their full potential.

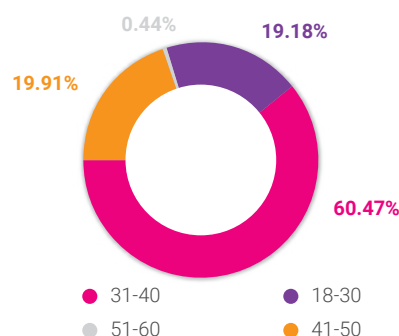
OUR TALENT STRENGTH



Religion Matrix



Age Slab



We have one of the highest female employments (22%) in the industry. Employees irrespective of all religion, race, gender, and varied background work together to achieve common goals. We're a youth-centric organization, with an average age of 35 years (approx.), that contributes to a vibrant workforce.

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 on different social media platforms like Facebook, LinkedIn etc. through displaying our initiatives, conveying our EVPs and advertising all job openings.



Career Fair at BRAC University



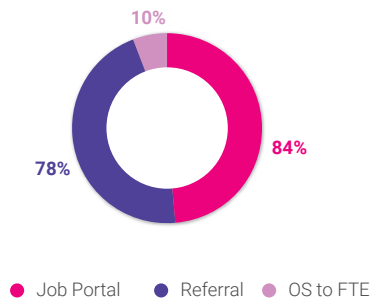
Career Fair at East West University

TALENT ACQUISITION

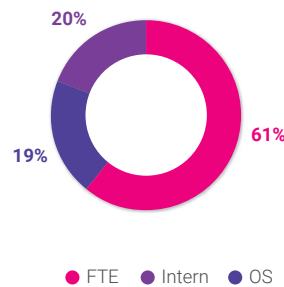
At IPDC, we place strong emphasis on hiring talents who are passionate, innovative and tech-savvy. We believe in equal employment opportunities and actively advertise job openings across various job platforms to reach out to a wide pool of talent.

The following graph outlines a summarized overview of our recruitment in 2025, offering transparency and insight into our impartial hiring practices

Recruitment Sources in 2025



Total Recruitment in 2025



MANAGEMENT TRAINEE PROGRAM (THE UNBOUNDERS)

In 2025, we successfully launched our flagship Management Trainee Program (The Unbounders), designed to provide fast-track career progression opportunities. The program received an overwhelming response from aspiring professionals. Following a rigorous multi-stage screening process, we onboarded 12 Management Trainees who will contribute to building our future leadership pipeline.



CAPACITY DEVELOPMENT OF EMPLOYEES

The learning and development of our employees continue to remain at the forefront of our priorities. In 2025, we placed strong emphasis on strengthening leadership capabilities while further embedding a culture of continuous learning across the organization. Building on the progress of previous years, we successfully surpassed the prior year's average training hours per employee through targeted, high-impact learning interventions.

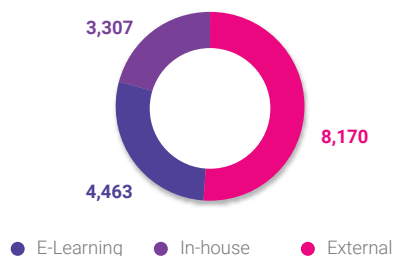
Key initiatives undertaken in 2025 to enhance employee capacity development included:

- We ensured an average training of **22.67 hours** and with a total of **15,939 hours** for all permanent employees. Apart from permanent employees, we also ensured training for all third-party employees who work for us in different areas.
- We ensured training for leadership team, all CXOs and second-line senior management. This initiative is aimed at strengthening leadership capabilities across the organization while building a robust and future-ready leadership pipeline with **1,007.5 hours** of focused leadership development programs.
- In 2025, we extensively leveraged external training resources in addition to our in-house programs to accelerate employee development and broaden learning exposure.
- Considering the present perspective of the financial sector, we conducted **4,463 hours** of training on **AML & CFT** for all to combat anti-money laundering.
- As part of our commitment to employee well-being, we delivered a series of awareness sessions amounting to **510 total hours**.
- Arranged comprehensive orientation sessions of **1,488 hours** for our new joiners for smooth transition to our culture.
- To further strengthen our internal learning capabilities, we organized a comprehensive **"Training of Trainers"** program in collaboration with a reputed trainer from Bangladesh. This initiative was designed to enhance the effectiveness, delivery standards, and facilitation skills of our in-house trainer pool, enabling them to conduct training programs with greater impact, consistency, and professionalism across the organization.

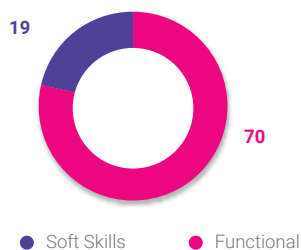
THE SNAPSHOTS OF CAPACITY DEVELOPMENT IN THE YEAR 2025 WERE

Particulars	Hours
Average training per employee	22.67 hours
Average training per female employee	21.63 hours
Total training hours	15,939 hours
Training expenses	BDT 4.93 Mn

Type wise Training Hours



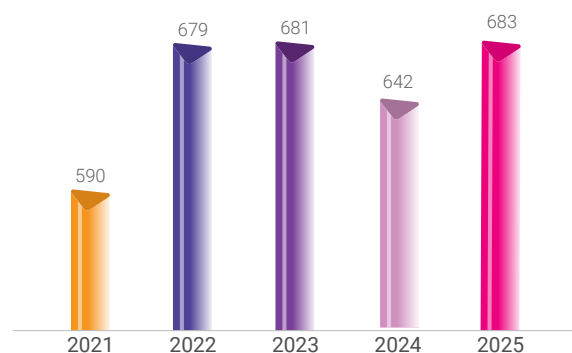
Category wise Training Sessions



GROWTH & DISTRIBUTION OF HUMAN RESOURCES

Alongside our continued focus on employee development and sustainable business growth, we remained mindful of the organization's strategic business needs for 2025. Despite the global economic slowdown, ongoing political uncertainty, and prevailing financial challenges within Bangladesh, the Company recorded a slight increase for full time employees its human resources compared to the previous year. Throughout this period, we remained committed to maintaining a gender-balanced workforce, reflecting our ongoing dedication to diversity, equity, and inclusion.

Permanent Employees over last 5 years



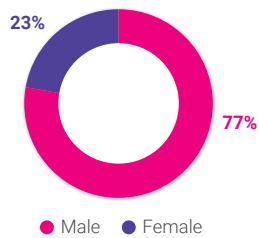
Graphical representation of our human resources in the year 2025 in comparison with 2024 is given below.

Employment Type	Number of Employees			% Composition	
	2025	2024	Growth	2025	2024
Permanent Employee					
Male	530	497	6.64%	77.60%	77.41%
Female	153	145	5.52%	22.40%	22.59%
Total Permanent Employees	683	642	6.39%		
Third-party Employees					
Male	123	158	-22.15%	75.00%	77.07%
Female	41	47	-12.77%	25.00%	22.93%
Total Third-party Employees	164	205	-20.00%		
Permanent & Third-party					
Male	653	655	-0.31%	77.10%	77.33%
Female	194	192	1.04%	22.90%	22.67%
Grand Total	847	847	0.00%		

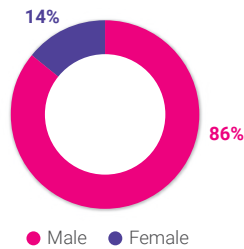
GENDER RATIO

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 10 mancom members are female.

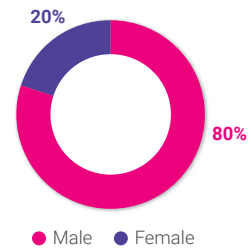
Total Talents



Board Members



Management Committee

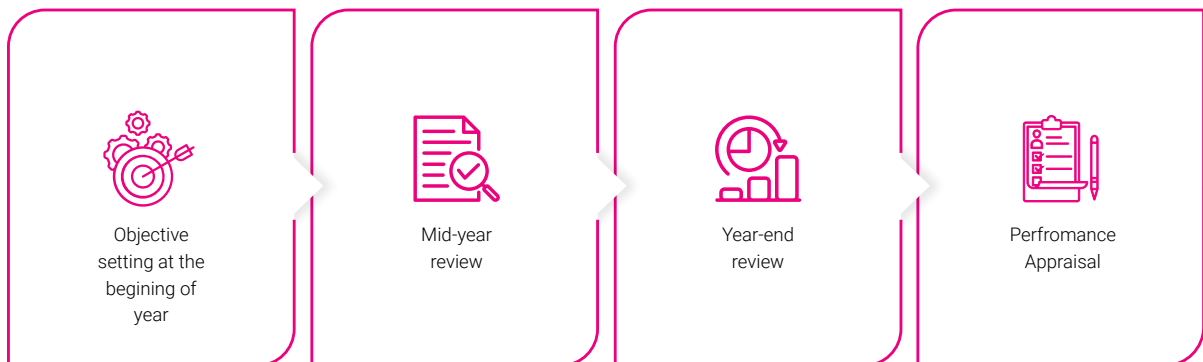


ATTRITION RATE

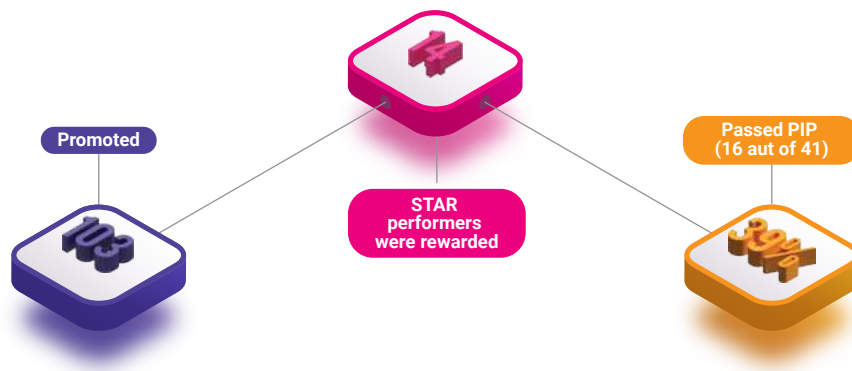
We aim to keep our employees engaged and motivated. However, a certain level of employee separation is inevitable in any organization. IPDC's attrition level remains in line with the industry average, reflecting a stable workforce. Reducing attrition further remains a key priority for the years ahead. Our attrition rate remains 13% in the year 2025.

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 2025, we conducted PIP for 41 employees and 16 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 2025, 5 critical roles were filled in by internal employees.

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 2025 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. Employees are covered by hospitalization and life insurance.
4. Pool cars provided late office work.
5. 510 hours of awareness sessions were organized for the improvement of employee health.

CURATING WORK CULTURE

At IPDC, we are dedicated to fostering a vibrant, inclusive, and supportive workplace where employees feel confident, valued, and respected. Throughout 2025, we implemented focused initiatives to strengthen employee engagement, promote collaboration, and

continuously enhance our organizational culture, enabling our people to grow, perform, and thrive:

1. We organized Wellness Week comprising of awareness sessions and health check-ups including free eye-check up for all employees and providing specs and glasses to support staff free of cost.
2. Under our initiative to curate a strong and aligned work culture, we conducted cultural assessment survey to define the desired culture aligned to our business strategy. The findings helped us identify key gaps and prioritize focused improvement initiatives
3. We celebrated Women's Day, Men's Day, Pohela Boishakh, Pohela Falgun, and Valentine's Day to bring our people together, strengthen team spirit, and nurture a more connected and engaged workplace.
4. We proudly organized a memorable Children's Art Competition, where the children of our employees brought their creativity to life in celebration of International Mother Language Day, making the event both fun and meaningful for our workplace community.
5. We organized games such as mini golf, table tennis, and carom competitions to energize our people, foster friendly competition, and boost employee motivation and engagement.
6. We conducted team-building events through our ERC (Employee Recreation Club). All the departments were grouped into 5 different groups and 2 day long outing with competitive games and sports were arranged to create synergy among all team members.



Pohela Falgun & Valentines Day Celebration



Pohela Boishakh Celebration



Breast Cancer Awareness Session



Mental Health Awareness Session



Physiotherapy Session



Free Eye Check up



International Women's Day Celebration



International Men's Day Celebration



Children's Art Competition

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	2021	2022	2023	2024	2025
Number of Employees	849	896	884	847	847
Average Number of Employees	847	873	890	866	847
Loan Portfolio per Employee	77.1	78.1	79.3	80.3	88.1
Customer Deposit per Employee	57.3	54.5	56.9	59.8	72.0
Revenue per Employee	4.1	3.7	3.3	3.7	4.1
Operating Cost per Employee	1.5	1.7	1.8	1.7	1.9
Operating Profit per Employee	2.6	2.0	1.5	2.0	2.2
Net Profit per Employee	1.0	1.0	0.4	0.4	0.5
Staff Benefit Cost per Employee	0.9	1.0	1.1	1.1	1.3
Staff Cost as a % of Operating Expense	59.66%	58.17%	62.59%	62.49%	65.10%

IMPLICATIONS FOR IPDC

In 2025, IPDC strengthened its people-first approach, recognizing employees as our most valuable assets. We celebrated their skills, experience, creativity, and leadership, and acknowledged the important role they play in driving our success. While employee-related costs are recorded using conventional accounting methods, we actively tracked performance and contributions, using these insights to make informed management decisions and foster a more productive, motivated, and engaged workforce throughout the year.

OUR FUTURE PRIORITIES

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

1. Strengthening organizational culture by reinforcing shared values, open communication, collaboration, and employee engagement.
2. Develop structured leadership and succession programs with a strong focus on nurturing female leaders and increasing women's representation across leadership roles.
3. Engage Management Trainees as emerging leaders, leveraging their fresh perspectives, innovation, and digital mindset to drive future growth.
4. Implement AI-driven upskilling and automation initiatives, strengthening HRIS and simplifying process-oriented tasks to enhance efficiency.
5. Position HR as a strategic business partner by aligning people strategies with business goals to strengthen IPDC's market position.

PERSONAL LOAN IPDC FINANCE

হঠাৎ করেই বিয়ের আয়োজন!
সহজেই হলো স্বপ্নপূরণ

২৫ লাখ টাকা পর্যন্ত
পার্সোনাল লোন

সহজ শর্ত
দ্রুত প্রসেসিং

16519

PERSONAL LOAN IPDC FINANCE

শিক্ষকতায় আছেন এবং ভাবছেন
আরও উচ্চ ডিগ্রী কমপ্লিট করবেন?

২৫ লাখ টাকা পর্যন্ত
পার্সোনাল লোন

সহজ শর্ত
দ্রুত প্রসেসিং

16519

PERSONAL LOAN IPDC FINANCE

চোখ মেলে দেখুন জগতটাকে

২৫ লাখ টাকা পর্যন্ত
ট্রাভেল লোন

সহজ শর্ত
দ্রুত প্রসেসিং

16519

PERSONAL LOAN IPDC FINANCE

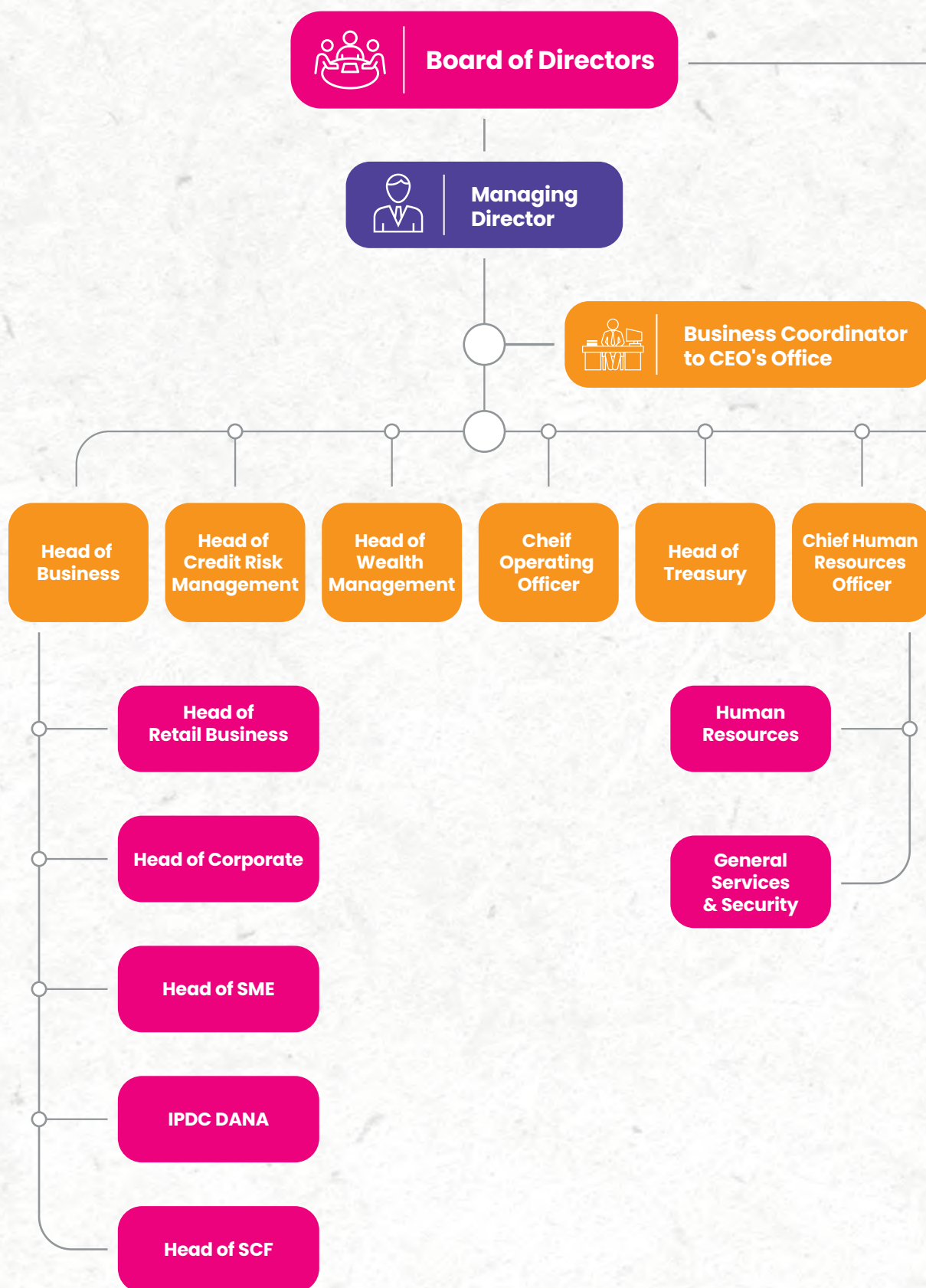
ক্লায়েন্ট আপনার
কন্ট্রোলও আপনার

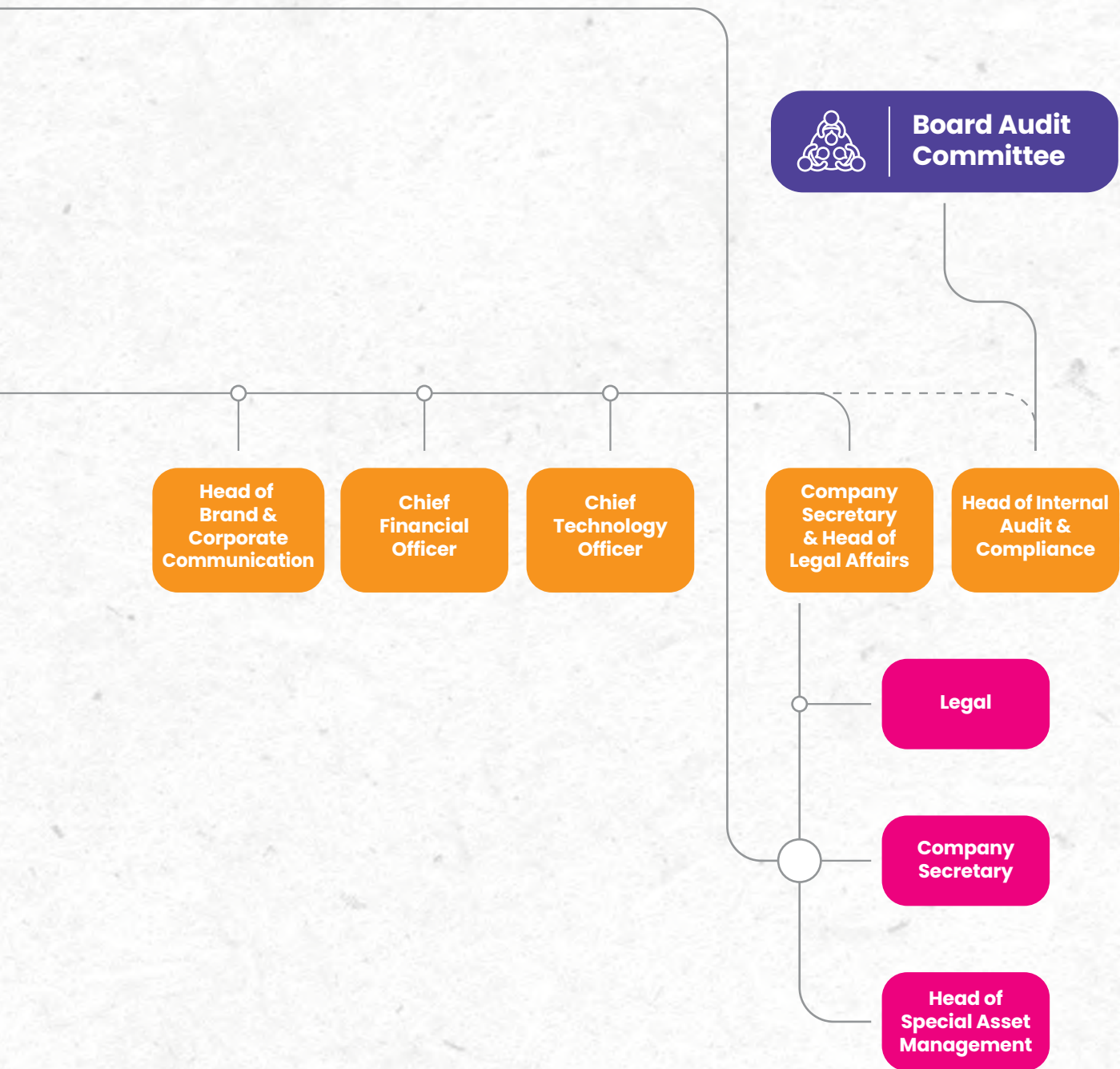
সাজান নিজের ফ্রিল্যান্সিং ক্যারিয়ার
আইপিডিসি পার্সোনাল লোনে

সহজ শর্ত
দ্রুত প্রসেসিং

16519

IPDC ORGANOGRAM





SOCIAL & RELATIONSHIP CAPITAL

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

2025 Highlights



Stakeholder Management

Introduced revamped format of Investors Meet to better reach stakeholders



Employee Volunteerism

Provided support for platforms to utilize the employee skills towards solving social issues.



Social Investments

Invested in education, sports, culture, and arts

Long-term Strategy

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



Value Creation

- Social and relationship capital facilitates the creation of new business opportunities and contributes to the development of other forms of capital.
- Collaborative work practices and customer-centricity strengthen trust with customers, employees, suppliers, and communities.



Tradeoffs

- Investment in community through social programs reduces financial capital initially but enhances growth in the long term.
- CSR campaigns contribute to improvement in both natural & social capital.
- Long-term benefits include strengthened community relationships and enhanced social capital.



Outlook

- Primary focus on Small & Medium Enterprises (SMEs) in business expansion efforts.
- Collaboration with market players to serve as a catalyst for young entrepreneurship development.
- Reinvestment of savings from lower tax rates back into the economy to boost overall tax contribution.



Performance Review

- IPDC, as a value-driven company, remains committed to creating societal value.
- Continued offerings such as IPDC Manobota and Shubodh prioritize societal impact over profitability.
- Detailed discussion available in subsequent sections of Social and Relationship Capital.

Approaches to Optimizing Social and Relationship Capital Outcomes

Focus our CSR efforts on health, socioeconomic infrastructure and education in rural communities

Effective and frequent engagement with stakeholders to address material issues

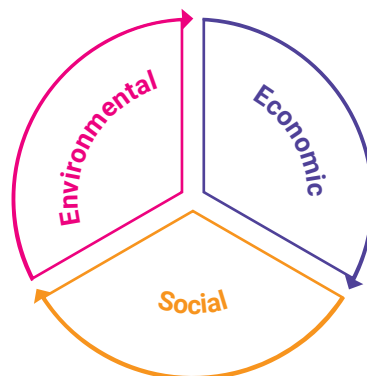
Continuing to forge and strengthen partnerships with our supplier

Build reputational value and market visibility to attract vital competencies

OUR APPROACH TO STAKEHOLDER ENGAGEMENT

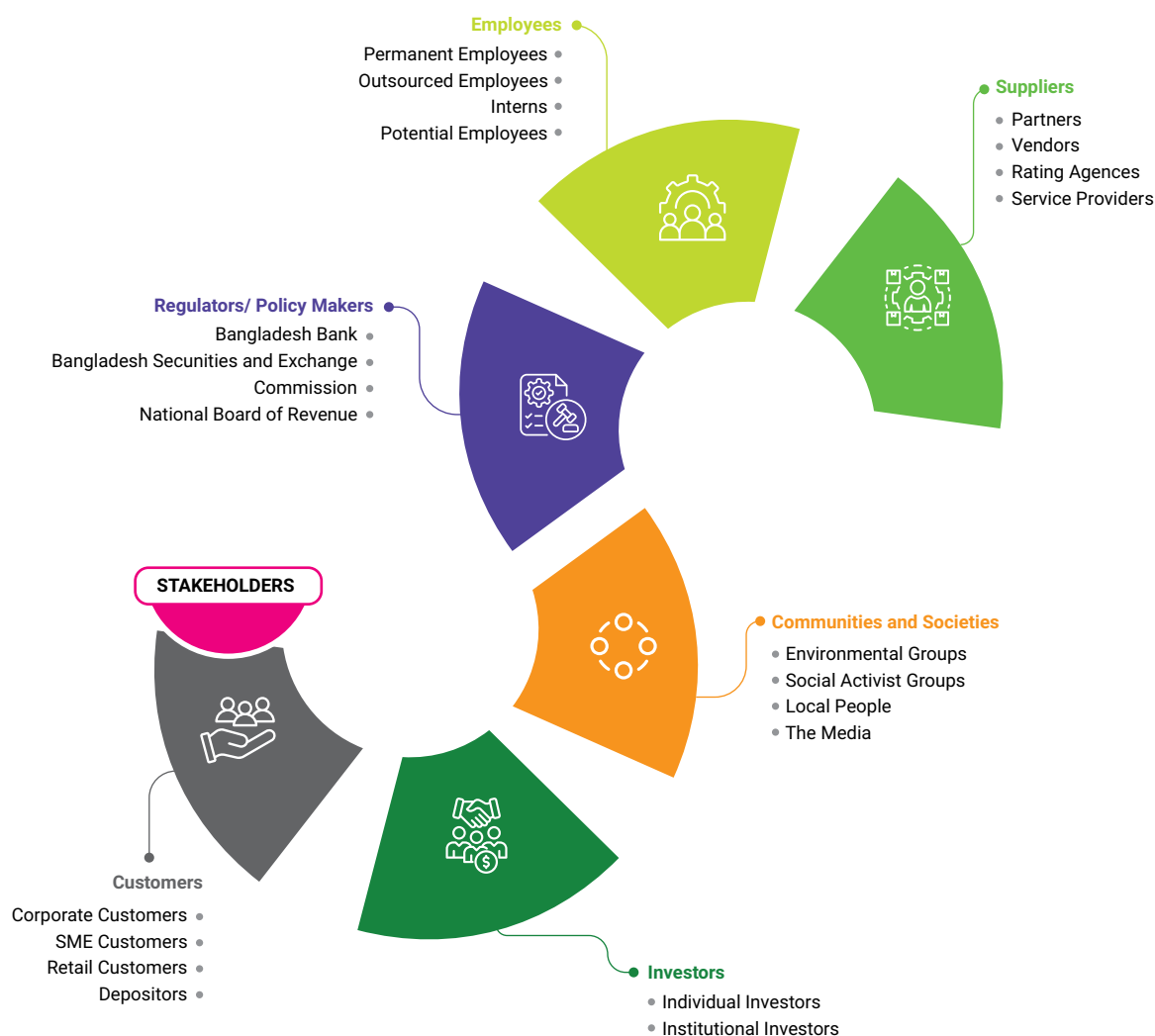
The sustainability of our company depends on the sustainability of our stakeholder relationships. As such, we consider and engage not only shareholders, employees and clients, but also suppliers, public authorities, the local community and civil society in general, financial partners etc. The sustainability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

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



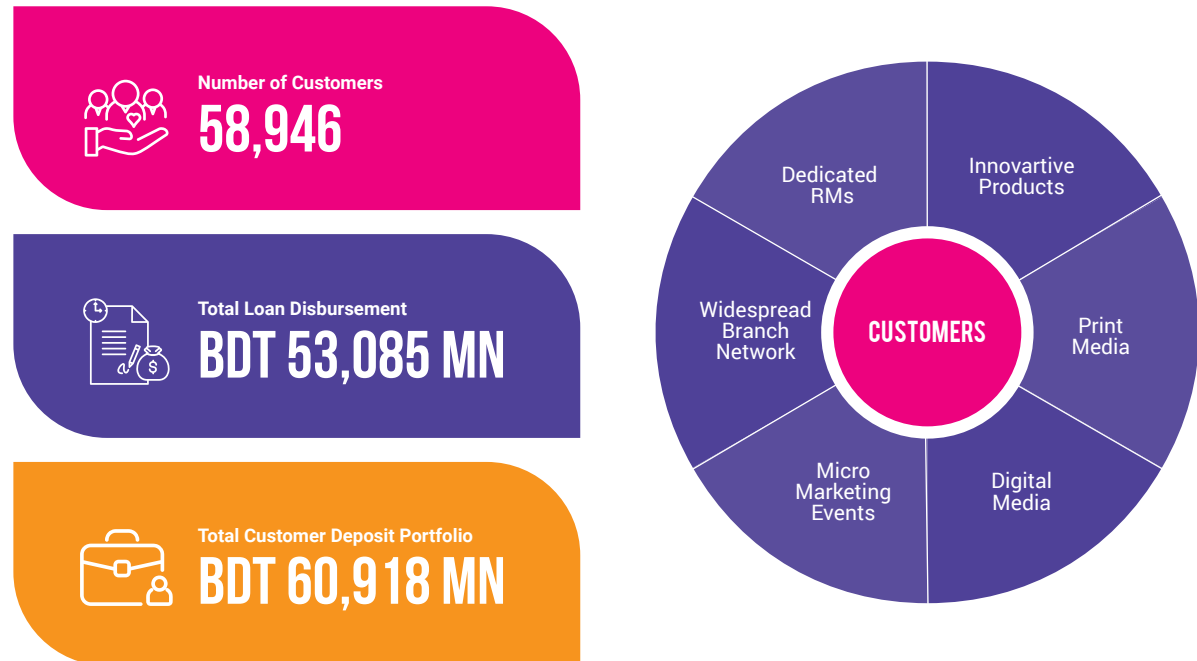
IDENTIFYING OUR STAKEHOLDERS

IPDC 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

		
Safety of Deposits	Timely Loan Disbursement	Innovative & Affordable Services
Status as of 2025 With a credit rating of AAA, IPDC stands as a trusted financial institution backed by a strong management team and board, ensuring stable financial health. Long-term Initiatives/Commitments We aim to diversify its portfolio with greater focus on Retail (Bhalo Basha Home Loan) and SME (Joyee) segments, reducing concentration risk and improving asset-liability maturity alignment for better liquidity management.	Status as of 2025 IPDC is reengineering its loan operation process to significantly reduce disbursement time. Decentralizing credit risk management at branch level and forming dedicated teams for strategic products like affordable home loans have accelerated the loan disbursement process. Long-term Initiatives/Commitments We aim to reduce Turn-Around-Time (TAT) by 50%, with special focus on improving processing efficiency for customers at branches outside Dhaka.	Status as of 2025 IPDC continues to focus on product innovation and diversification with offerings like Priti, Joyee, and Bhalo Basha Home Loan, aiming to deliver superior customer experience. Long-term Initiatives/Commitments IPDC's strategy prioritizes serving customers beyond megacities. We are exploring cost-effective distribution models and expanding digital channels to reduce distribution costs and offering more affordable products to consumers.

EMPLOYEES

IPDC's employees are the key to its success and the company's steady growth requires an evolving approach to fulfil the potential of the people who work in the organization. We foster a spirit of innovation, shared engagement, and personal responsibility. We employed 847 people as of 31 December 2025 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



Number of Employees

847



Employee Attrition

13%

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

 Career Progression Opportunities & Talent Retention	 Knowledge and skill Enhancement	 Diversity and inclusion	 Work-life Balance with Safe & Conducive Workplace
Status as of 2025 IPDC ensured equal and unbiased career growth opportunities for top performers. Despite slight workforce reduction amid macroeconomic stress, IPDC remained committed to employee development while maintaining a gender-balanced workforce. Long-term Initiatives/Commitments We remain committed to fostering a culture of growth by promoting effective career development practices for motivated and skilled talent.	Status as of 2025 IPDC invested BDT 2.46mn in training, providing an average training of 22.17 hours per employee, totaling 15,363 hours for all permanent employees. A blend of internal and external programs ensured a diverse learning experience. Long-term Initiatives/Commitments IPDC aims to enhance management development and sales skills while strengthening training evaluation to ensure effectiveness.	Status as of 2025 IPDC fosters an inclusive office culture, promoting equal opportunities and a collaborative work environment. As an equal opportunity employer, we seek individuals who are passionate about innovation and relentlessly pursue creative solutions. Long-term Initiatives/Commitments We are committed to maintaining a safe and harmonious office ecosystem. We aim to increase the participation of women and minority groups in our workforce, believing that diversity fosters innovation and brings new ideas that drive company growth.	Status as of 2025 IPDC recognizes that employees have responsibilities outside of work and offers programs like flexible working hours to help achieve a healthy work-life balance. These initiatives are designed to allow individuals to better manage both personal and professional demands. Long-term Initiatives/Commitments IPDC is committed to enhancing work-life balance to improve employee morale and overall job satisfaction. Regular feedback is collected through engagement activities like HR Hour, and we plan to address these insights through targeted programs aimed at further supporting our employees' needs.

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



Return on Equity

6.74%



Dividend

**5% CASH
5% STOCK**

WAYS WE CREATE VALUE FOR OUR INVESTORS



Financial Position & Performance



Sustainability of Business



Effective Communication of Business Strategy



Effective Corporate Governance with Efficient Risk Management

Status as of 2025	Status as of 2025	Status as of 2025	Status as of 2025
IPDC delivered strong performance in 2025, with net profit growth exceeding the industry average and maintaining low levels of non-performing loans, as highlighted in the Message from the Top section.	IPDC Finance achieved business growth despite macroeconomic challenges, while also making strides towards sustainability through impactful social initiatives. For further details, please refer to the Our Approach to Sustainability section of this report	IPDC's communication efforts include disclosing all mandatory and supplementary information through our website. Additionally, we have organized Investors Meet online on quarterly basis to communicate strategy updates to our investors.	IPDC understands the governance expectations of its shareholders and remains committed to meeting these standards through transparency and accountability.
Long-term Initiatives/ Commitments	Long-term Initiatives/ Commitments	Long-term Initiatives/ Commitments	Long-term Initiatives/ Commitments
Our commitment is to sustain portfolio growth while controlling non-performing loans, leading to increased return on asset and equity as the portfolio matures.	We aim to focus on sector-specific activities and innovate technology-driven solutions that leverage disruptive market developments, fostering greater market acceptance and enhancing long-term growth.	We are committed to exploring additional ways to enhance governance and financial disclosures, ensuring that investors and stakeholders remain well-informed about any shifts in the company's strategy.	Risk management processes will feature real-time integration and enterprise-wide sharing of internal data. Employees will have ready access to information on existing and emerging risks. Governance model will be upgraded as an ongoing process.

SUPPLIERS

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



Payment to Suppliers

BDT 398 MN



Litigation with Suppliers

NONE

WAYS WE CREATE VALUE FOR OUR SUPPLIERS



Compliance with Contractual Terms

Status as of 2025

IPDC maintains mutually beneficial and sustainable relationships with its suppliers, built on equity, mutual respect, and honesty. There have been no incidents in 2025 where IPDC failed to meet the contractual terms agreed with any supplier.

Long-term Initiatives/Commitments

We remain committed to ensuring that our payment processes comply with industry best practices. To achieve this, we will continuously review and update our policies to ensure they remain aligned with evolving standards.



On-time Payment Processing

Status as of 2025

IPDC maintains mutually beneficial and sustainable relationships with its suppliers, built on equity, mutual respect, and honesty. There have been no incidents in 2025 where IPDC failed to meet the contractual terms agreed with any supplier.

Long-term Initiatives/Commitments

We remain committed to ensuring that our payment processes comply with industry best practices. To achieve this, we will continuously review and update our policies to ensure they remain aligned with evolving standards.



Transparent Procurement Process

Status as of 2025

IPDC's policies mandate competitive procurement activities and bidding processes that promote equal opportunity, ensuring qualified suppliers can offer products and services that meet our requirements.

Long-term Initiatives/Commitments

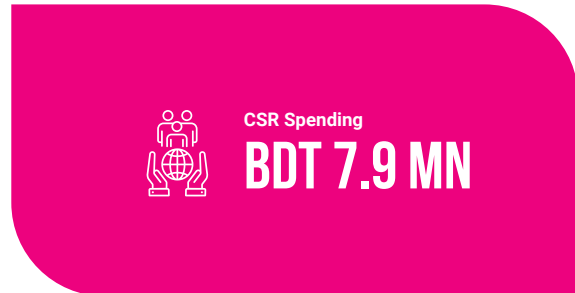
We are committed to continually updating our policies and practices to uphold high compliance standards in procurement, ensuring a transparent and efficient procurement process.

COMMUNITIES & 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 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



WAYS WE CREATE VALUE FOR OUR COMMUNITIES AND SOCIETIES



Social Responsibility & Impact to Society



Environmental Stewardship



Resource Protection & Energy Efficiency



Community Engagement

Status as of 2025	Status as of 2025	Status as of 2025	Status as of 2025
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.	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.	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.	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	Long-term Initiatives/Commitments	Long-term Initiatives/Commitments	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.	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.	We are committed to further reducing energy demands by optimizing work hours and minimizing overtime, ensuring a more sustainable approach to energy use.	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



CRR Surplus

BDT 49.9 MN



SLR Surplus

BDT 5,068.9 MN

WHY IT IS IMPORTANT TO ENGAGE REGULATORS/POLICY MAKERS

Changes in policy and regulatory environment may provide opportunities or pose risk to our operations. Working closely with the regulators/policy makers ensures that our company evolves through a compliant and effective way.

WAYS WE CREATE VALUE FOR OUR SUPPLIERS



Compliance with rules and Regulations

Status as of 2025

IPDC continues to maintain a high level of compliance, consistently meeting and exceeding all regulatory requirements

Long-term Initiatives/Commitments

We are committed to proactively identifying potential loopholes and opportunities for exploitation, ensuring that robust safeguards are in place to maintain our position as one of the most compliant companies in the country.



On-time regulatory reporting

Status as of 2025

There were no issues related to failure in meeting reporting deadlines during the year.

Long-term Initiatives/Commitments

As reporting requirements increase, we will ensure that sufficient and capable resources are allocated to maintain timely and accurate reporting.



Effective corporate Governance

Status as of 2025

IPDC has met all regulatory requirements to ensure effective corporate governance. Further details can be found in the Governance and Risk Management section of the Annual Report.

Long-term Initiatives/Commitments

We will continue to identify opportunities to further strengthen our governance framework while maintaining the agility of our operations.

STATEMENT ON CONTRIBUTION TO GOVERNMENT EXCHEQUER

For the year ended 31 December

Particulars	2021	2022	2023	2024	2025
Withholding Tax					
Salary	32,164,871	44,198,218	48,189,625	46,379,399	57,064,254
Interest on savings deposit	311,350,282	474,471,609	569,225,560	735,887,464	874,345,312
Payment of Supplier	4,660,801	4,091,390	2,641,047	2,418,882	3,083,337
House Rent	1,058,749	1,439,694	1,900,163	2,011,924	3,338,268
Dividend Payment	45,020,223	46,101,727	38,514,945	25,990,081	25,000,000
Payment for Professional & Technical Services	2,314,463	3,283,467	2,124,579	2,531,877	4,821,138
Others	27,235,207	86,799,094	90,871,222	75,532,358	66,340,244
Total Withholding Tax	423,804,596	660,385,198	753,467,141	890,751,985	1,033,992,553
VAT					
House Rent	5,706,564	6,984,205	8,453,902	8,829,911	9,704,590
Processing, Documentation Fee etc.	21,462,148	19,592,023	21,282,724	27,260,620	20,204,451
Procurement of goods and services	7,333,892	9,553,907	6,499,135	6,109,694	7,506,823
Legal, Professional & Technical Fees	6,230,295	7,815,827	5,374,401	5,944,965	4,645,294
Director Fees	86,400	84,000	121,600	109,200	259,500
Promotion	2,896,853	2,260,307	1,864,178	2,300,358	2,288,461
Others	6,996,912	13,520,946	14,400,352	10,823,032	12,837,405
Total VAT	50,713,064	59,811,214	57,996,291	61,377,779	57,446,524
Corporate Tax	373,194,584	666,739,322	628,737,138	397,348,844	479,078,669
Excise Duty	76,084,550	79,471,618	102,194,400	113,886,200	115,182,450
Total Paid to Government Exchequer	923,796,794	1,466,407,352	1,542,394,971	1,463,364,808	1,685,700,196

NATURAL CAPITAL

SDG IMPACTED



Operating within a climate-vulnerable landscape, IPDC Finance PLC. acknowledges that safeguarding natural capital, encompassing vital resources such as air, water, land, and biodiversity, is fundamental to resilient and responsible growth. The continuity of our operations and the enduring value we create for stakeholders are intrinsically linked to how effectively these finite resources are preserved, utilized, and restored.

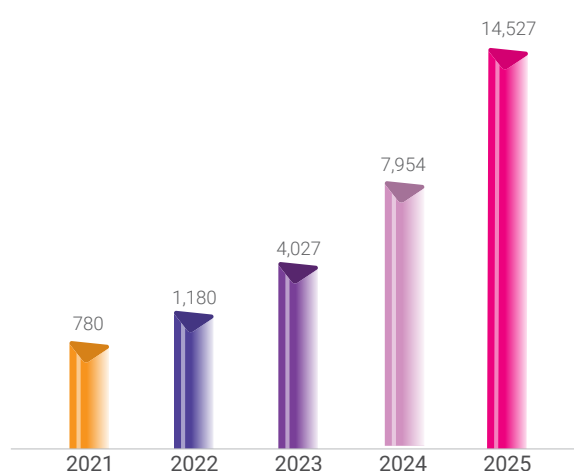
Recognizing that institutional activities - ranging from energy consumption and business travel to paper use and day-to-day office operations - contribute to environmental pressures and carbon emissions, IPDC is committed to minimizing its environmental footprint. This underscores the urgency of adopting more efficient resource management practices and embedding environmental considerations into core decision-making processes.

Accordingly, IPDC actively promotes responsible financing and operational strategies that support the conservation and regeneration of natural capital. Through targeted investments, sustainable finance initiatives, and internal efficiency measures, the organization strives not only to reduce resource depletion but also to foster long-term environmental resilience. By integrating sustainability into its financial ecosystem, IPDC aims to contribute meaningfully to a low-carbon, resource-efficient future while aligning business performance with broader environmental stewardship.

KEY ISSUES ADDRESSED

- Establishing clear net-zero emissions targets to align with global climate goals
- Promoting a culture of plantation and afforestation to enhance natural carbon sinks
- Improving energy efficiency across operations to minimize environmental impact
- Reducing paper consumption through digitalization and responsible resource use
- Expanding sustainable and green financing within the overall portfolio
- Encouraging recycling practices to support circular economy principles
- Supporting and empowering key communities, particularly women and youth

Green Portfolio (BDT Mn)



2025 Highlights



Sustainable Business Practices

Across all IPDC branches nationwide, dedicated sustainable finance helpdesks and formal complaint registers have been instituted to ensure robust oversight and the effective implementation of sustainable business practices.



Employee Awareness & Training

Through regular training and capacity-building sessions -across multiple functions - IPDC has actively promoted awareness and understanding of sustainable, green, and climate finance mechanisms, fostering an organizational culture aligned with its transition toward a low-carbon future.



Combating Climate Change

Implemented a comprehensive net-zero strategy that prioritizes climate action, drives sustainable practices, curtails emissions, and fosters a culture of environmental stewardship.

Long-term Strategy

Acknowledging our reliance on the planet's finite resources, we strive to harmonize sustainability with efficiency, embedding optimized practices that progressively minimize energy use and resource consumption.



Approaches to Optimizing Natural Capital



Fostering environmentally responsible practices across all branches



Enhancing IT infrastructure to minimize travel dependency



Raising employee awareness to reduce waste generation.



Fortifying our commitment to sustainable and environmentally responsible financing.

Value Creation

- Bangladesh's limited natural resources demand careful stewardship to stabilize supply fluctuations and reduce their influence on inflation and interest rates.
- By safeguarding and optimizing our natural capital, we lay the foundation for long-term business sustainability in the face of environmental pressures..

Tradeoffs

- Our reliance on non-renewable resources produces emissions and waste that place pressure on natural capital, and we are committed to minimizing these impacts.
- At the same time, our activities can affect human and social relationship capital, highlighting the interconnected responsibility of our operations.

Outlook

- In pursuit of environmentally sustainable and socially responsible operations, IPDC has developed comprehensive organizational policies. Our initiatives include promoting eco-friendly practices, investing in environmental protection, supporting tree planting and biodiversity conservation, and achieving a significant milestone in 2025 by committing to net-zero carbon emissions, aligning with Bangladesh's 2050 target.

Performance Review

- IPDC recognizes that preserving ecosystems is essential for ensuring sustainable economic development.
- The company prioritizes minimizing its adverse environmental footprint by utilizing renewable energy and recyclable materials whenever feasible.



SUSTAINABLE BUSINESS AND STAKEHOLDER MATRIX

Stakeholder	Sustainability Interest	Business Action	Impact
Customers	Growing interest in environmentally friendly solutions and responsible business practices	Offer sustainable products and services; address concerns through formal complaint management systems	Increased loyalty, trust, and enhanced brand reputation
Employees	Striving for a workplace that embraces environmental responsibility and ethical conduct	Promote energy efficiency, reduce waste, gather feedback through surveys, maintain whistleblowing channels like "Talk to Me Box"	Higher engagement, retention, and a culture of transparency
Investors	Sustainable practices as a pathway to long-term returns	Invest in green initiatives; maintain transparent communication via Investor Relations	Improved growth, profitability, and investor confidence
Suppliers and service partners	Preference for ethically sourced products and responsible business relationships	Partner with sustainable suppliers; conduct regular review meetings; provide independent escalation channels	Strengthened and responsible supply chain
Government	Adherence to environmental regulations and standards	Maintain communication through Sustainable Finance, Credit Risk, and other teams; ensure compliance with laws and regulations	Strong reputation, legal compliance, and trusted public engagement
Shareholders	Transparency, long-term value creation, and responsible governance	Engage through Investor Relations; integrate sustainability performance in reporting	Enhanced trust, informed decision-making, and shareholder confidence
Regulators and Public Authorities	Compliance with evolving sustainability standards and regulatory expectations	Maintain open channels with relevant authorities; demonstrate integrity and responsible representation	Regulatory compliance, reduced risk, and credibility with public authorities
Civil society groups, advocacy organizations	Environmental and social responsibility, community well-being	Engage through Corporate Communication; facilitate consultations and partnerships; respond to stakeholder concerns	Strengthened stakeholder relationships, social license to operate
Local Communities	Social and environmental impact	Support local projects; foster employee-driven initiatives	Enhanced community relations, positive social impact

PLANET FOR PEOPLE

"GREEN GROWTH: ADVOCATING SUSTAINABILITY"

Sustainable Finance Outstanding: BDT 49,332 MN	YoY growth in sustainable finance: 6.08%	Transition to Hybrid Vehicles 40%	Sustainable Finance Target Achievement 66.72%
Green Finance Outstanding: BDT 14,527 MN	YoY growth in green finance: 83%	Employees receiving training in green and sustainable finance: 219	Trees Planted: 3,000+

APPROACH TO MINIMIZE ECOLOGICAL FOOTPRINT

We are dedicated to minimizing our ecological footprint through a comprehensive approach that includes:

- Reducing greenhouse gas (GHG) emissions from our operations
- Cutting resource consumption and waste generation
- Advancing sustainable finance that protects natural ecosystems
- Strengthening biodiversity through proactive environmental stewardship

These commitments are integrated across our strategy, influencing everything from internal operations to the projects we finance.

INDUSTRY ANALYSIS

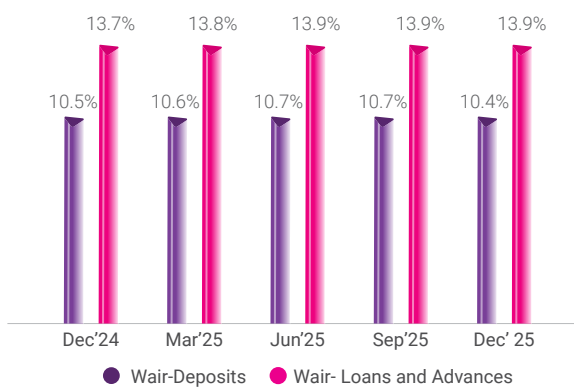


35 NBFCs
starting with IPDC in 1981

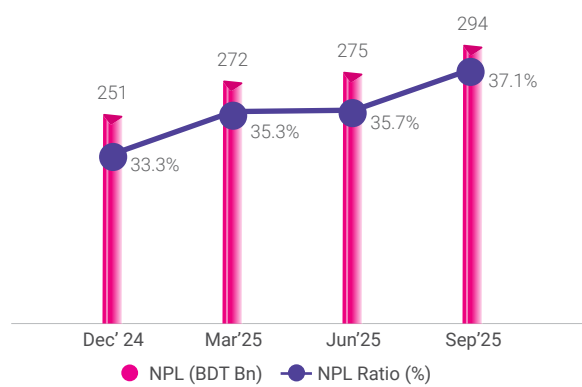
307
branches across Bangladesh

BDT 1,052 bn
worth of Balance Sheet size
as of September 2025

INTEREST SPREAD REMAINED STABLE



NPL INCREASED FURTHER IN 2025



PRIMARY DRIVERS BEHIND RISING NPL

Weak Business Environment amid macroeconomic challenges.

Defaulting politically connected borrowers post regime change.

KEY CHALLENGES IN 2025

Uneven competition vis-à-vis Banks'

Spillover effect of distress Banks/FCs

Subdued loan demand amid contractionary monetary policy.

Industrywide deterioration in asset quality.

+6.5%
DEPOSIT

The total deposits at the end of Dec'25 increased to BDT 511 bn from BDT 480 bn in Dec'24.



+3.6%
LOAN

The total loan at the end of Dec'25 increased to BDT 788 bn from BDT 761 bn in Dec'24.



3.4%
SPREAD

The interest rate spread at the end of Dec'25 was 3.4%, meanwhile in Dec'24, it was 3.2%.



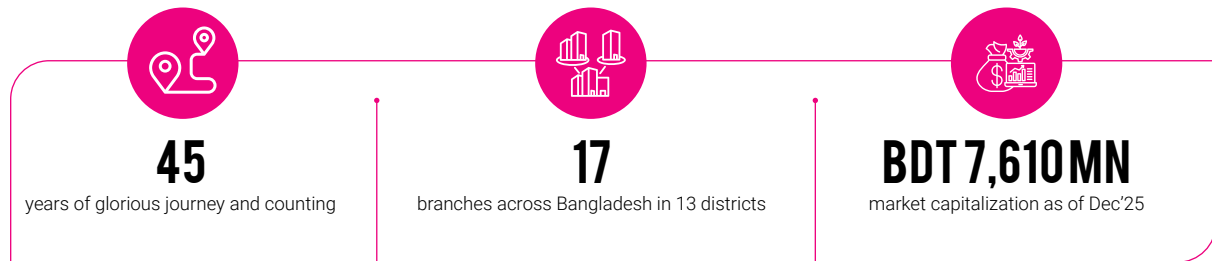
PORTER'S FIVE FORCES MODEL

The financial sector is highly fragmented with 61 scheduled banks and 35 financial companies (FCs) 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 an increasing NPL ratio.

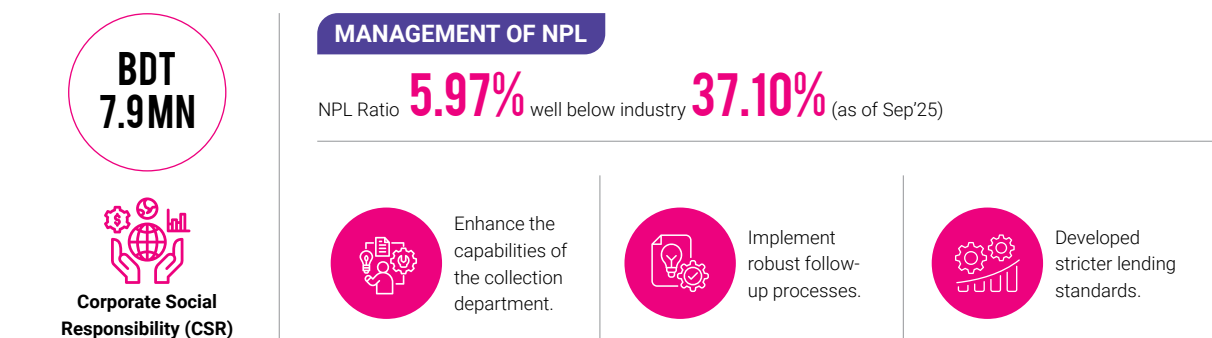
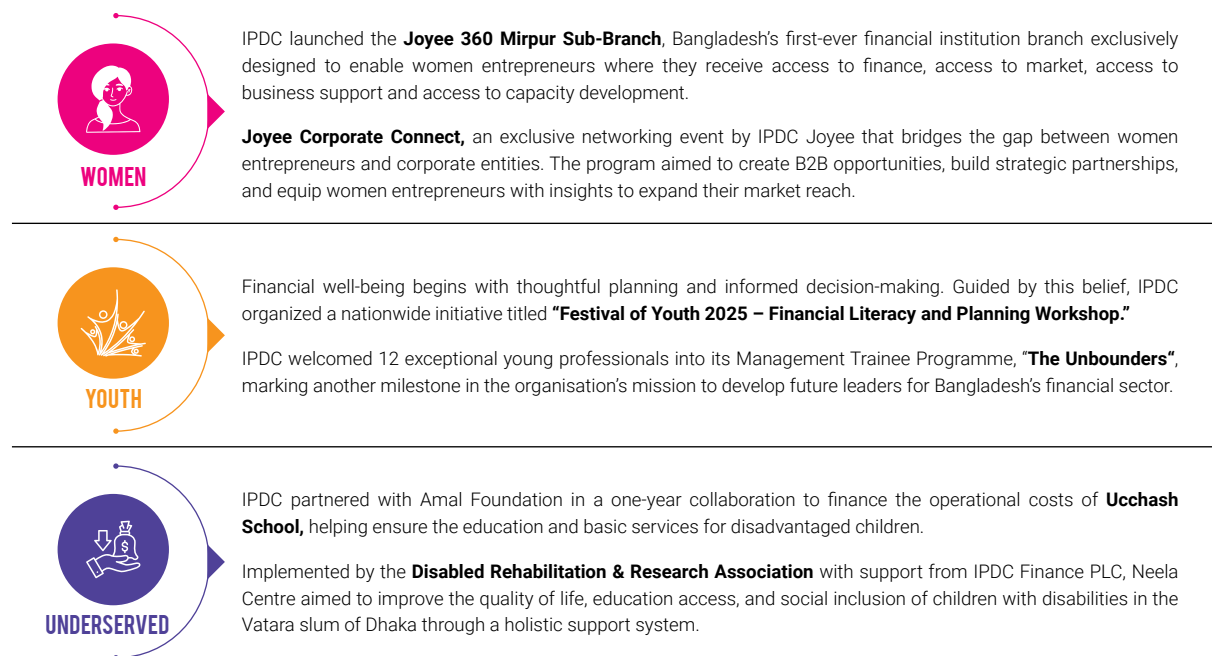


The financial sector is highly competitive, with banks dominating the market, particularly in the metropolitan areas of Dhaka and Chattogram. Although banks benefit from larger operations, greater access to finance, and stronger client perceptions, financial companies (FCs) hold distinct advantages. They can leverage lean business models to deliver faster, more customized, and personalized services. FCs 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



FULFILLING VISION BY EMPOWERING YOUTH WOMEN & UNDERSERVED



SWOT ANALYSIS

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



Strategic Response

- Enhancing Brand Recognition: Launch targeted marketing campaigns, collaborate with influencers, sponsor events for brand awareness.
- Strengthening Internal Capacities: Provide specialized training, recruit experienced professionals, implement advanced analytics tools.
- Leveraging Market Growth: Develop tailored financial solutions, conduct market research, expand product lines.
- Addressing Cybersecurity Risks: Invest in robust cybersecurity measures, update systems regularly, educate employees and customers.

MACROECONOMIC & INDUSTRY ANALYSIS

PESTEL 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 Transitions

2

Policy Turnarounds

3

Geopolitical Influence



Impact on Industry

- The NPL scenario worsened after the regime change in 2024, with politically connected borrowers starting to default.
- Escalating conflicts in the Middle East, affected global oil and commodity prices, contributing to an economic slowdown.
- While extensive reform initiatives laid a sustainable foundation for long-term stability, they temporarily dampened short-term momentum.



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 businesses, leading to a slight increase in the NPL ratio.



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

Credit Demand

3

Economic growth



Impact on Industry

- Inflation eased in 2025 compared to 2024, but remained sticky at ~8%, adversely impacting borrowers' repayment capacity and influencing investment strategies.
- Contractionary monetary policy and reforms remained at priority of BB, resulting in slow economic activity which restrained industry-wide balance sheet growth.
- Amid political transitions, contractionary stance of BB and weak business environment, investors remained cautious and thereby resulting in low credit demand.



Impact on IPDC

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



Strategic Response

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

Social

The Sociocultural dimension 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

Economic growth



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 60+ green financing products and has taken environmental initiatives.

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

- 2025 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 FCs 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 FCs 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 10+ 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 Financial Company (FC) 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 FC 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 FC 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 added has been distributed.

VALUE ADDED BY THE COMPANY

Value Added	2021	%	2022	%	2023	%	2024	%	2025	%
Net Interest Income	2,783	117.90%	2,770	122.20%	2,423	134.50%	2,393	124.10%	2,006	95.33%
Commission, Exchange & Brokerage	180	7.60%	151	6.70%	207	11.50%	142	7.40%	141	6.69%
Investment Income	471	20.00%	202	8.90%	233	12.90%	685	35.50%	1,324	62.92%
Other Income	10	0.40%	124	5.40%	40	2.20%	23	1.20%	13	0.64%
Management expenses excluding salaries & allowances, depreciation	-384	-16.20%	-484	-21.30%	-462	-25.70%	-420	-21.90%	-446	-21.20%
Provision for doubtful losses	-700	-29.60%	-496	-21.90%	-639	-35.50%	-892	-46.30%	-934	-44.38%
Total Value Added by The Company	2,361	100.00%	2,267	100.00%	1,801	100.00%	1,931	100.00%	2,104	100.00%

DISTRIBUTION OF VALUE

Value Added	2021	%	2022	%	2023	%	2024	%	2025	%
Employees										
As salaries & allowance	741	31.40%	865	38.10%	1,003	55.70%	940	48.60%	1,076	51.17%
Provider of Capital										
Dividends to shareholders	445	18.90%	445	19.60%	371	20.60%	186	9.60%	195	9.27%
Government										
As taxes	622	26.40%	363	16.00%	318	17.60%	509	26.40%	464	22.04%
Expansion & Growth										
Retained as capital and reserve	436	18.50%	456	20.10%	-28	-1.60%	178	9.20%	261	12.39%
Depreciation	117	5.00%	138	6.10%	137	7.60%	119	6.20%	108	5.13%
	553	23.40%	594	26.20%	109	6.10%	296	15.40%	369	17.52%
Total Distribution of Value Addition	2,361	100.00%	2,267	100.00%	1,801	100.00%	1,931	100.00%	2,104	100.00%

MARKET VALUE ADDED STATEMENT

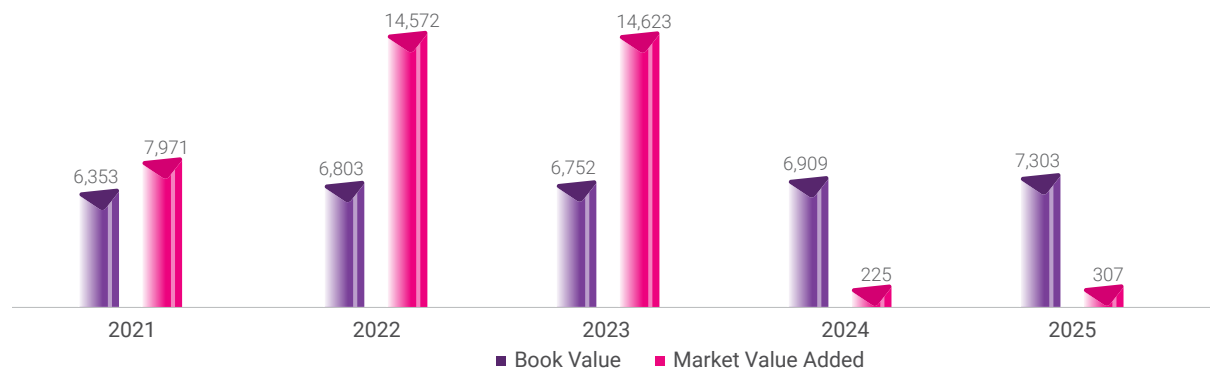
MVA statement for the year ended 31 December

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	2021	2022	2023	2024	2025
Market Value per Share (BDT)	38.6	57.6	57.6	18.3	18.6
Number of Outstanding Share	371	371	371	390	409
Total Market Capitalization	14,324	21,375	21,375	7,135	7,610
Book Value of Outstanding Shares	6,353	6,803	6,752	6,909	7,303
Market Value Added	7,971	14,572	14,623	226	307

Market Capitalization of IPDC



ECONOMIC VALUE ADDED STATEMENT

EVA statement for the year ended 31 December

Economic Value Added (EVA) measures the company's economic success (or failure) over a period. 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	2021	2022	2023	2024	2025
Operating Profit	2,203	1,760	1,300	1,765	1,853
Tax	-622	-363	-318	-509	-464
One-off Adjustments	0	0	0	0	0
Net Operating Profit after Tax (NOPAT)	1,581	1,397	982	1,256	1,389

Average Equity

in BDT mn

Particulars	2021	2022	2023	2024	2025
Shareholders' equity at year end	6,353	6,803	6,752	6,909	7,303
Accumulated provision for doubtful losses	1,992	2,428	3,017	3,571	3,877
Equity	8,345	9,231	9,768	10,480	11,180
Average Equity	7,857	8,788	9,500	10,124	10,830

Cost of Equity (%)

in BDT mn

Particulars	2021	2022	2023	2024	2025
Interest rate on 5 Years Government Treasury Bond as on 31 December	6.55%	7.91%	9.07%	12.38%	10.84%
Standard Risk premium	2.00%	2.00%	2.00%	2.00%	2.00%
Cost of equity (%)	8.55%	9.91%	11.07%	14.38%	12.84%

Economic Value Added

in BDT mn

Particulars	2021	2022	2023	2024	2025
NOPAT	1581	1397	982	1256	1389
Cost of equity (Average Equity x Cost of Equity %)	672	176	1052	1456	1391
Economic Value Added	909	1221	-70	-200	-1

আপনার সাহসে গতি দিতেই
IPDC দিচ্ছে
স্বল্পমেয়াদি SME লোন

📄 সহজশর্ত
🕒 দ্রুত প্রসেসিং



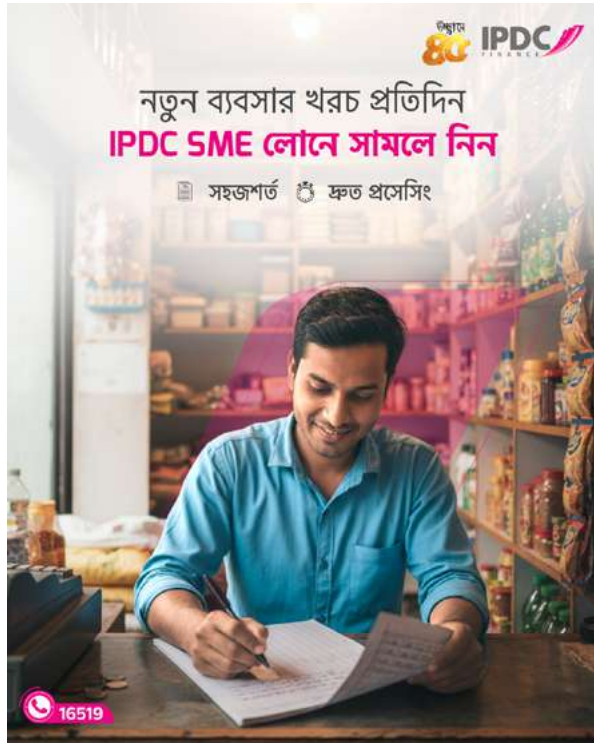
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আইপিডিসি
এসএমই লোন

📄 সহজশর্ত
🕒 দ্রুত প্রসেসিং



নতুন ব্যবসার খরচ প্রতিদিন
IPDC SME লোনে সামলে নিন

📄 সহজশর্ত 🕒 দ্রুত প্রসেসিং



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আপনার
ব্রডব্যান্ড বিজনেস
এবার ছড়িয়ে পড়ুক সবখানে
IPDC SME লোন

📄 দ্রুত ও সহজ লোন প্রসেসিং



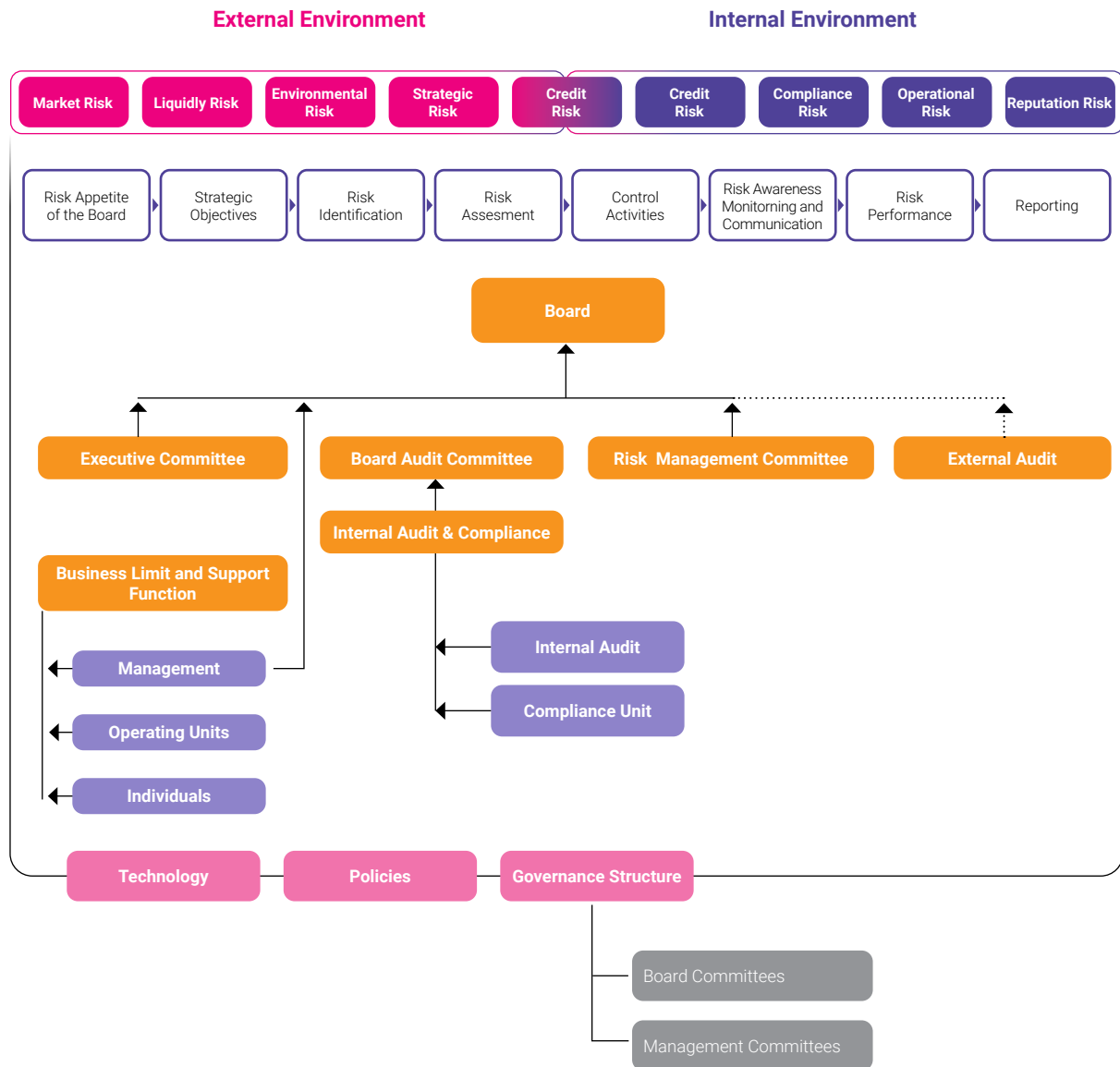
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Risk Management



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 & 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/Risk Management Committee) for review. Subject to

the recommendations of the sub-committee, the Board approves the policies.

MONITORING & 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

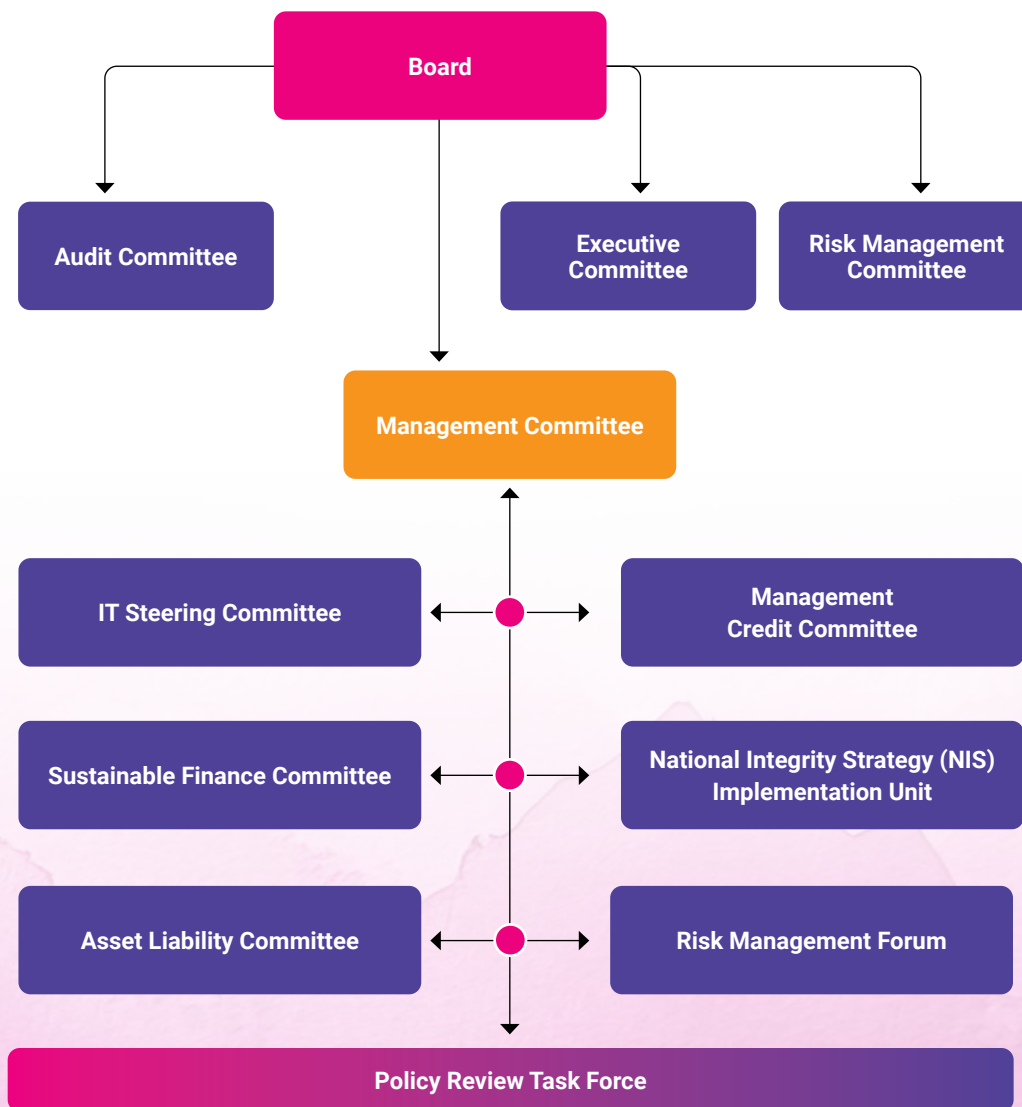
RISK REPORTING

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

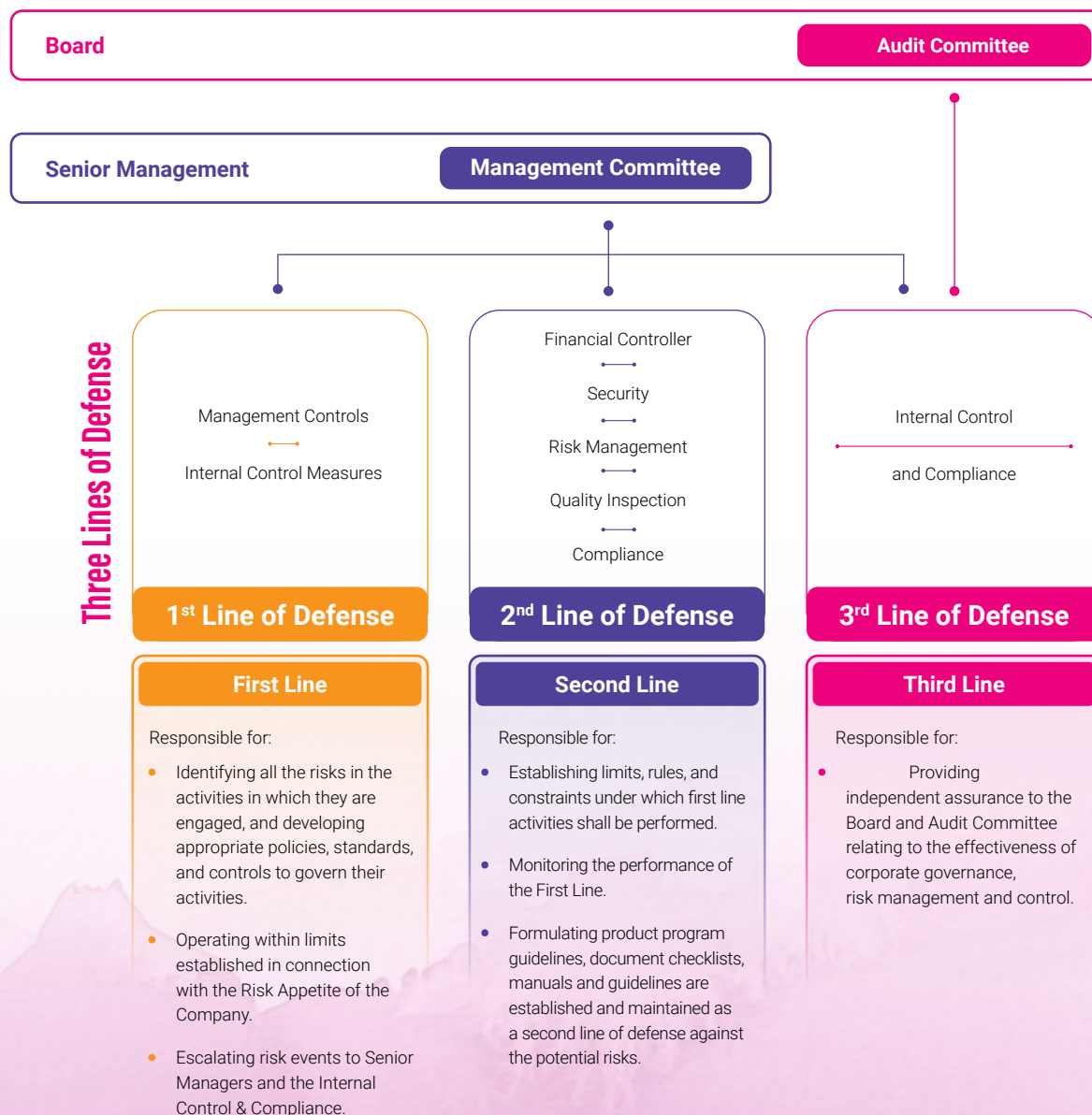
IPDC has identified relevant risks associated with the financial institution and has come up with a governance framework comprising different committees which have different sets of risk management responsibilities. A summary of the committees and the relationships are given below.



THREE LINES OF DEFENSE

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	MD & CEO	Number of Meetings Held
Executive Committee	5	1	3	1	9
Board Audit Committee	3	2	1	-	4
Risk Management Committee	4	2	1	1	4

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

Name	Status in the Committee	Status in the Board
Mr. Ariful Islam	Chairman	Director
Ms. Maqsurah Noor NDC*	Member	Director
Mr. Sabbir Ahmed FCMA	Member	Director
Mr. Mohammad Iqbal Chowdhury	Member	Independent Director
Mr. Rizwan Dawood Shams	Member (Ex-officio)	Managing Director

*The nomination of Ms. Maqsurah Noor NDC has withdrawn by GOB on 15 February 2026 and Mr. Md. Zakir Hossain will replace her upon having approval from Bangladesh Bank.

MAJOR ACTIVITIES OF THE EXECUTIVE COMMITTEE

- The Committee met 9 times during the year 2025 to carry out the following major activities:

- The 185th Executive Committee (EC) meeting of IPDC was held on 30 January 2025. A total number of 14 credit proposals with an aggregate value of BDT 2,820.00 million (including renewals of BDT 1,400.00 million) were considered for approval in the mentioned EC meeting of which 02 proposals aggregating BDT 400.00 million were recommended to Board for approval.
- The 186th Executive Committee (EC) meeting of IPDC was held on 24 February 2025. A total number of 06 credit proposals with an aggregate value of BDT 1,250.00 million (including renewals of BDT 500.00 million) were considered for approval in the mentioned EC meeting.
- The 187th Executive Committee (EC) meeting of IPDC was held on 17 March 2025. A total number of 11 credit proposals with an aggregate value of BDT 2,335.00 million (including renewals of BDT 650.00 million) were considered for approval in the mentioned EC meeting of which 01 proposal of BDT 80.00 million was recommended to Board for approval.
- The 188th Executive Committee (EC) meeting of IPDC was held on 13 April 2025. A total number of 09 credit proposals with an aggregate value of BDT 3,000.00 million (including renewals of BDT 1,000.00 million) were considered for approval in the mentioned EC meeting of which 01 proposal aggregating BDT 500.00 million were recommended to the Board for approval.
- The 189th Executive Committee (EC) meeting of IPDC was held on 14 May 2025. A total number of 16 credit proposals with an aggregate value of BDT 3,740.00 million (including renewals of BDT 2,170.00 million) were considered for approval in the mentioned EC meeting of which 02 proposals aggregating BDT 1,100.00 million were recommended to the Board for approval.
- The 190th Executive Committee (EC) meeting of IPDC was held on 21 July 2025. A total number of 13 credit proposals with an aggregate value of BDT 3,508.68 million (including renewals of BDT 985.00 million) were considered for approval in the mentioned EC meeting of which 01 proposal of BDT 1,000.00 million was recommended to Board for approval.
- The 191st Executive Committee (EC) meeting of IPDC was held on 11 September 2025. A total number of 16 credit proposals with an aggregate value of BDT 3,879.00 million (including renewals of BDT 1,270.00 million) were considered for approval in the mentioned EC meeting of which 02 proposals aggregating BDT 750.00 million were recommended to the Board for approval.
- The 192nd Executive Committee (EC) meeting of IPDC was held on 26 October 2025. A total number of 13 credit proposals with an aggregate value of BDT 3,680.00 million (including renewals of BDT 1,385.00 million) were considered for approval in the mentioned EC meeting of which 05 proposals aggregating BDT 1,585.00 million were recommended to Board for approval.
- The 193rd Executive Committee (EC) meeting of IPDC was held on 23 November 2025. A total number of 07 credit proposals with an aggregate value of BDT 1,890.00 million (including renewals of BDT 440.00 million) were considered for approval in the mentioned EC meeting of which 02 proposals aggregating BDT 440.00 million were recommended to the Board for approval.

ROLE OF THE RISK MANAGEMENT COMMITTEE

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. Sarwar Azam Khan	Member	Independent Director
Mr. 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 4 times during the year 2025 to carry out the following major activities:

Key agendas considered by the RMC during 2025		
3 rd RMC	1	Risk Management Paper (Performance Monitoring KPIS related with core risk management of IPDC over the last three quarters)
	2	Recent Regulatory Updates
	3	Risk Appetite Statement
	4	Review of necessary Policies and Guidelines
4 th RMC	1	Risk Management Paper (Performance Monitoring KPIS related to core risk management of IPDC over the last three quarters)
	2	Recent Regulatory Updates
	3	Review of necessary policies and guidelines
5 th RMC	1	Risk Management Paper (Performance Monitoring KPIS related to core risk management of IPDC over the last three quarters)
	2	Recent Regulatory Updates
	3	Review of necessary policies and guidelines
6 th RMC	1	Recent Regulatory Updates
	2	Review of necessary policies and guidelines

ROLE OF 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 2025 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
Dr. A. K. M. Atiqul Haque	Member	Director

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 page 38-45 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 4 (Four) meetings in 2025. The quorum of the meeting of the Audit Committee in compliance with the Corporate Governance Code.

ROLE OF AUDIT COMMITTEE

The Audit Committee on behalf of the Board of Directors attempts to ensure effective implementation of the processes set out in the

business plan and policies. The major role of the Committee is to monitor and review the effectiveness of the internal control system. The Committee is also responsible for overseeing the financial reporting process and ensuring the integrity of the Financial Statements so that it provides a true and fair view of the states of affairs of the Company. In addition, the Committee reviews and when appropriate, makes recommendations to the Board on 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 2025.

- 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 2025.

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 2025		
99 th Audit Committee Meeting	1	Adoption of the Minutes of the 98 th Audit Committee Meeting held on October 28, 2024;
	2	Adoption of Circular Resolutions circulated after the 98 th meeting of the Board Audit Committee;
	3	Follow up of the action items;
	4	Follow up of the earlier audit and compliance observations;
	5	(a) Internal Control and Compliance Reports for the period from October 01, 2024, to December 31, 2024; (b) Review and recommendation to the Board for approval of the updated Heat Map 2025. (c) Review and approval of the Risk Register and Risk Based Internal Control & Compliance (ICC) Plan for the year 2025,
	6	Review of the External Auditor's Report and Audited Financial Statements for the year ended December 31, 2024, and recommendations to the Board for approval;
	7	Review of the Auditor's Certification on the Corporate Governance Code for the year 2024;
		(a) Report of the Chairman of the Board Audit Committee for the Annual Report of 2024; (b) Review of Management's Discussion and Analysis in Annual Report of 2024;
	8	Appointment of the External Auditor for the year ending December 31, 2025, and recommendation to the Board for approval; Appointment of the Corporate Governance Auditor for the year ending December 31, 2025, and recommendation to the Board for approval; Appointment of Independent Scrutinizer for the 43 rd Annual General Meeting of IPDC and recommendation to the Board for approval;
	9	Review of the amended Terms of References (ToR) of the Board Audit Committee and recommendation to the Board for approval;

Key agendas considered by the Board Audit Committee during 2025

	10	Review of the following policies and recommendation to the Board for approval: (a) Procurement Policy; (b) Finance and Accounting Policy;
	11	Discussion on drafting the Nomination and Remuneration Policy in accordance with the Corporate Governance Code;
	12	Discussion on the Quarterly Report on Willful Defaulter;
100 th Audit Committee Meeting	1	Adoption of Minutes of the 99 th Audit Committee Meeting held on April 16, 2025;
	2	Adoption of Circular Resolutions circulated after the 99 th meeting of the Board Audit Committee;
	3	Follow up of the action items;
	4	Follow up of the earlier audit and compliance observations;
	5	Internal Control and Compliance Reports for the period from January 01, 2025, to March 31, 2025;
	6	Review of the Un-audited Financial Statements for the first quarter ended March 31, 2025, and recommendations to the Board for approval;
	7	Follow-up on the IT-related issues in the Management Report issued by the External Auditor for the year ended December 31, 2024.
	8	Review of the Procurement policy and recommendation to the Board for approval;
	9	Discussion on the Quarterly Report on Willful Defaulter;
101 st Audit Committee Meeting	1	Adoption of Minutes of the 100 th Audit Committee Meeting held on May 13, 2025;
	2	Follow up of the action items;
	3	Follow up of the earlier audit and compliance observations;
	4	Internal Control and Compliance Reports for the period from April 01, 2025 to June 30, 2025;
	5	Review of the Un-audited Financial Statements for the half-year ended June 30, 2025, and recommendation to the Board for approval;
	6	Follow-up on the Management Report issued by the External Auditor for the year ended December 31, 2024;
	7	Discussion on the Quarterly Report on Willful Defaulter;
	8	Review of the Employee Car Benefit Policy and recommendation to the Board for approval;
102 nd Audit Committee Meeting	1	Adoption of Minutes of the 101 st Audit Committee Meeting held on July 28, 2025;
	2	Follow up of the action items;
	3	Follow up of the earlier audit and compliance observations;
	4	Internal Control and Compliance Reports for the period from July 01, 2025 to September 30, 2025;
	5	Review of the Un-audited Financial Statements for the third quarter ended September 30, 2025, and recommendations to the Board for approval;
	6	Follow-up on the Management Report issued by the External Auditor for the year ended December 31, 2024;
	7	Discussion on the Quarterly Report on Willful Defaulter;
	8	Review of following policies and recommendation to the Board for approval: a. Branch Operation Manual & Business Conduct Guideline b. Code of Conduct for Employees of IPDC Finance PLC. c. Human Resources Manual d. Employee Performance Bonus Policy.
	9	Review of the Code of Conduct for the Chairman, Board Members, and Managing Director, and recommendation to the Board for approval;
	10	Any other issues with the permission of the chair; if any. Review of the amended Terms of References (ToR) of the Board Audit Committee and recommendation to the Board for approval;

ROLE OF NOMINATION & REMUNERATION COMMITTEE

As per the Corporate Governance Code issued by BSEC, a company needs to form a Nomination and Remuneration Committee (NRC). However, as per the Central Bank's regulation, no FC 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.

The Board Audit Committee also assists the Board as Nomination and Remuneration Committee (NRC) by overseeing matters related to governance, board nomination, remuneration, and human capital management. The major activities of the Committee are as follows:

- Reviewing and recommending the Nomination and Remuneration Policy;
- Identifying and recommending competent and qualified candidates for appointments or re-appointment to the Board and Top-Level Executive positions;
- Assessing the composition, balance, and diversity of the Board and its Committees;
- Reviewing compensation and benefit structures to ensure alignment with the Company's business strategy, market competitiveness, and applicable regulatory requirements; and overseeing and recommending human resource policies, including training and succession planning.

In the year of 2025, Board Audit Committee Meeting occurred for 4 times to perform above Nomination and Remuneration related activities.

COMMITTEES AT MANAGEMENT LEVEL & THEIR RESPONSIBILITIES

Title of the Committee	Members	Responsibilities
Management Committee (MANCOM)	• Mr. Rizwan Dawood Shams, Managing Director • Mr. Ashique Hossain, Deputy Managing Director & Chief Operating Officer • Ms. Fahmida Khan, Chief Financial Officer • Mr. Md. Afzalur Rashid, Chief Technology Officer • Mr. Samiul Hashim, Company Secretary & Head of Legal Affairs & Acting Head of Brand & Corporate Communication • Mr. Md. Sayeed Iqbal, Chief Human Resources Officer • Mr. Abdullah Al Mahmud Md. Kayes, Head of Internal Control & Compliance • Mr. Mohammad Monirul Islam, Head of Retail Business • Mr. Imran Khan, Head of Credit Risk Management	• Reviewing of the business plan • Ensuring compliance with regulatory bodies and other statutory guidelines • Discussing operational activities and resolving inter-departmental issues • Recommending and seeking approval to the Board
Risk Management Forum	• Mr. Rizwan Dawood Shams, Managing Director • Mr. Ashique Hossain, Member • Ms. Fahmida Khan, Member • Mr. Samiul Hashim, Member • Ms. Jumaratul Banna, Member • Mr. Abdullah Al Mahmud Md. Kayes, Member • Mr. Mohammad Shahidul Islam, Member • Mr. Mohammad Mahmudur Rahman Shawon, Member • Mr. Nasim Reza, Member • Mr. Tanoy Kumer Saha, Member • Head of Brand & Corporate Communication, Member • Mr. Imran Khan, Secretary & Head of Credit Risk Management	• Designing overall risk management strategy • Communicating views of the Board and Senior Management regarding the Risk Management Culture and Risk Appetite all over the Company • Preparing risk management policies and procedures • Reviewing the market conditions, identifying the external threats and providing recommendations for precautionary measures accordingly • Monitoring the prescribed/threshold limits of Risk Appetite set by the regulator and/or by the FI itself
IT Steering Committee	• Mr. Rizwan Dawood Shams, Managing Director • Mr. Ashique Hossain, Deputy Managing Director & Chief Operating Officer • Ms. Fahmida Khan, Chief Financial Officer • Mr. Md. Afzalur Rashid, Chief Technology Officer • Mr. Samiul Hashim, Company Secretary & Head of Legal Affairs & Acting Head of Brand & Corporate Communication • Mr. Md. Sayeed Iqbal, Chief Human Resources Officer • Ms. Jumaratul Banna, Head of Corporate Business & Head of Treasury • Mr. Abdullah Al Mahmud Md. Kayes, Head of Internal Control & Compliance	• Formulating IT strategy and reviewing/ approving SOD in IT activities • Reviewing Project Charter, BRD and approving IT projects • IT project prioritization and monitoring progression of application development • Ensuring information security and related controls

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

RISK MANAGEMENT STRATEGY

Credit Risk

Key Risk	Mitigation Techniques	Monitoring Mechanisms
Default Risk: The likelihood that a borrower will fail to repay their debt obligations as agreed, leading to financial losses for the lender or investor	• Checking debt servicing capacity • Assessing financial strength • Tracking payment behavior • Purpose Assessment and Need based • Credit Structuring • Market review • Seasonal Impact Consideration • Risk Grading • Risk Transfer • Loan Restructuring • Negotiation	• Regular visit and market feedback • Review of financial cash flow in regular interval • Review of industry report • Early Alert Reporting Process • Periodic Review of marginal clients • Portfolio Analysis: PAR & NPL monitoring
Recovery Risk: The potential loss faced by lenders or investors in the event of a borrower default, particularly in recovering the outstanding debt or assets collateralized against the loan.	• Enforcing Property insurance • Collateral visit by IPDC employee • Checking possession status • Mortgaged property owner's guarantee • Signboard on mortgaged property • Involving Recovery Agency, if suited • Negotiation/ Litigation • Loan Rescheduling • Collection from Write-off account	• Collection of Updated net-worth statements • Conducting Fresh valuation when the previous one was done more than 3 years ago • Collateral visit and documentation rechecking at the time of refinancing • Analysis of NPL%, PAR & Provision coverage
Concentration Risk: The potential vulnerability of an investment or portfolio due to overreliance on a single asset, borrower, sector, or geographic region.	• Maintaining Product cap as per Credit Policy • Maintaining Sectorial cap as per Credit Policy • Maintaining exposure cap to a single borrower exposure limit	• Monthly Sanction, Disbursement and Portfolio Review • Monthly Business Review • Periodic Review of Large Borrowers • Periodic Review of Top Sectorial exposure • Quarterly Stress testing • Continuous monitoring of macroeconomic indicators and regulatory guidelines
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

Key Risk	Mitigation Techniques	Monitoring Mechanisms
Funding Liquidity Risk: Possibility of an organization facing difficulty in obtaining necessary funds to meet short-term financial obligations.	• Maintaining CRR & SLR • Limits on negative gap % in various time buckets • Composition & concentration of assets and liabilities • Funding mix (ratio of stable fund to total fund) • Reviewing liquidity and funding profile • Using contingency funding plan as an integral part of liquidity management	• Conducting periodical stress Test • Tracking balance sheet movement and key ALM ratios • Tracking major changes in key economic indicators • Loan to fund ratio • Medium term funding ratio • Ratio of stable fund to total fund • Short term liquidity ratio

Key Risk	Mitigation Techniques	Monitoring Mechanisms
Market Liquidity Risk: Limited access to funds due to changes in external factors. The risk can arise from, concentrated funding mix, dependency on wholesale borrowing, investment in highly illiquid assets, etc.	• Diversification of funding basket • Maintaining easily accessible secured credit lines • Maintaining reserve more than CRR & SLR requirement • Adherence to policy with sufficient cushion to deal with liquidity disruptions • Activating contingency funding plan for handling liquidity crisis	• Tracking balance sheet movement and key ALM ratios • Tracking major changes in key economic indicators and acting accordingly • Tracking regulatory interventions impact fundings
Short term Strategy	Operational efficiency within the institutions needs to be increased, about payroll, collecting customer payments, paying expenses and debts.	
Long term Strategy	Prepare contingency plan.	

Market Risk

Key Risk	Mitigation Techniques	Monitoring Mechanisms
Interest Rate Risk: The potential for changes in interest rates to negatively affect the value of investments or financial instruments.	• Policy settings with respect to risk appetite • Explicit and prudent interest rate risk limit • Operating within the interest rate risk limit • Aligning with the interest rate movement of the market	• Gap analysis • Changes in net interest income • Simulation method • Sensitivity ratio • Monitoring deviation from approved limit • Monitoring market interest rate movement
Equity Price Risk: The potential for changes in the value of equities or stocks to impact investment returns.	• Investment in Fundamentally sound and well governed companies considering broader economic cycle • Prudence in terms of market volatility • Portfolio re-allocation according to observed feedback • Exposure management in different market scenario	• Observing Macroeconomic cycle • Staying updated about company performance • Continuous monitoring of political development • Portfolio beta in comparison to the market
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 organization structures that links commodity/ energy pricing policy overall corporate objectives to support ongoing management of market risk.	

Operational Risk:

Key Risk	Mitigation Techniques	Monitoring Mechanisms
People Risk: The risk of loss intentionally or unintentionally caused by employees.	• Setting of an appropriate "tone at the top" • Effective employee engagement • Ensuring appropriate segregation of duties • Use of physical and logical access controls • Whistleblower reporting Insurance • Legal recovery measures	• Top management reviews • Reconciliations of key accounts and balances • Verification procedures • Incident Analysis Report (IAR) • Process Risk Analysis and SOP Gap Analysis • Branch Process Risk Analysis • ORM Toolkits (Risk Register & Risk Control & Self- Assessment) • Internal & External audits
Process Risk: Related to the execution and maintenance of transactions and the various aspects of running a business. The risk arises from incomplete/ inadequate documentation, collateral management failures, data entry failures, etc.	• Vetting of relevant documentation by appropriately qualified legal personnel • Centralized operations for better oversight over collateral management processes • Employing independent third-party valuation specialists • Data validation routines • Insurance • Legal recovery measures • Remediation activities • Data backup and recovery processes	• Process Risk Analysis and SOP Gap Analysis • Branch Process Risk Analysis • Incident Analysis Report (IAR) • ORM Toolkits (Risk Register & Risk Control & Self- Assessment) • Pending document reporting & action planning • Credit collection review meeting
System Risk: The risk of loss caused by piracy, theft, failure, breakdown or disruption in technology, data or information.	• Use of Disaster Recovery site • Multiple telecommunication channels	• Branch Process Risk Analysis • Incident Analysis Report (IAR) • ORM Toolkits (Risk Register & Risk Control & Self- Assessment) • IT Dashboard & IT service desk • IT risk monitoring
External Risk: The risk of loss on account of damage to physical property or assets from natural or unnatural causes. Sources of the risk is natural Disasters, political unrest, regulatory change and external fraud.	• Business continuity plan (BCP) • Disaster recovery plan (DRP) • Immediate response to regulatory changes • Use of physical and logical access controls, where appropriate • Whistleblower reporting • Insurance • Legal recovery measures	• Context analysis (environmental scanning) as part of strategic planning • process • BCP testing • DRP testing • Verification procedures • ORM Toolkits (Risk Register & Risk Control & Self- Assessment)

Key Risk	Mitigation Techniques	Monitoring Mechanisms
System Failure Risk: Unavailability of business-critical systems. The sources are Infrastructure, Platform, Software, Technical Glitches, Malicious Intrusion, Human Error and Cyber Attack.	- Capacity planning, Disaster Recovery Site, High Availability, Redundancy, Hardware - Review and Upgrade, Periodic Backup, Near Data Center (NDC), Real-time data replication to DRS - Regular software and security updates, Multi-layer Perimeter Security (Firewall), Intrusion Detection & Prevention System, End Point Security, System & Network - Security Controls, Encryption, Multi- factor Authentication, Vulnerability Assessment & Penetration Testing, - Third-party vendor risk management - Awareness & Tr	- System Alerts - Log and event management - Performance monitoring - Global Threat Intelligence - Exception Report
Information Security Risk: Leak/disclosure of business-critical sensitive Information. The sources are Malware, Viruses, Phishing Attacks, Insider Threats, Weak or Compromised passwords, Third-Party Risks, Unpatched Software and Systems, Social Engineering	- Logical Access Control, Physical Access Control, Control on Privileged Account Usage, Periodic Review of System Access, Awareness & Training for users and IT Personnel, Deterrent Initiatives such limiting External Email and Web Access - Compliance of Policy & Standard Operating Procedure (SOP), Periodic Review of Policy & Procedure - Termination of Contract with non- performing Vendors, Multiple Vendors for Single Service - Regular software and security updates - Firewall, Secure Email Gateway (SEG), Intrusion Detection & Prevention System, End Point Security, System & Network Security Controls, Encryption, SSL Certificate - Secure IT Asset Disposal	- System Log Monitoring - Network Traffic Monitoring - Audit Trail - Global Threat Intelligence - Exception Report
Business Continuity Risk: Interruption / unavailability of business-critical systems which can occur from Natural disasters (e.g. earthquakes), Hazards (e.g. Fire), Vendor, Technology obsolesces, Malicious intrusion, Technical glitches, Power outages, Human error, and Cyber attack	- Near Data Center (NDC), Disaster Recovery Site - Annual Maintenance Contract (AMC), Service Level Agreement (SLA), Due Diligence, Periodic review of Contracts, Maintain Relationship - Research & Development, Technology Adoption, Skill Development - Firewall, Secure Email Gateway (SEG), Intrusion Detection & Prevention System, End Point Security, System & Network Security Controls, Encryption, SSL Certificate - Work For Home (WFH) Infrastructure - Periodic Business Continuity Plan	- Service & Performance monitoring - Business Operation Monitoring - Market Intelligence - Awareness of Technology Trend & Change - System Log Monitoring - Network Traffic Monitoring - Audit Trail - Global Threat Intelligence - Exception Report
Short term Strategy	Transfer, avoid, accept, and mitigate the identified risks based on likelihood and impact.	
Long term Strategy	Design process to prevent the operational risks.	

Compliance Risk

Specific Risk	Mitigation Technique	Monitoring Mechanism
Risk of legal sanction and material financial loss suffered. The risk arises from violations or non-compliance, lack of or inadequate compliance with contractual obligations and other legal documentation and pending litigations compliance with contractual obligations and other legal documentation and pending litigations	- Aligning in-house policies and procedures with national laws and regulations - Integrating laws and regulations into our regular decision making processes - Regular scanning of regulator websites to stay up-to-date with latest changes and timely communication of relevant updates to relevant stakeholder departments - Ensuring that any changes to product features, processes, policies, procedures and documentation necessitated by legal or regulatory changes are made in a timely manner - Legal vetting of documentation - Employee training - Seeking, and acting in accordance with, the appropriate legal advice - Insurance - Legal recovery measures - Remediation activities	- Top level management reviews - Incorporation of compliance requirements in branch and departmental Key Control Standards - Regularization status of issues raised through monthly independent review of control activities - Litigation register and recovery progress - Internal audits - External audits

Environmental risks

Specific Risk	Mitigation Technique	Monitoring Mechanism
The probability that operational activities of a particular client/ industry would negatively affect the environment and the community of the operational zone as well as neighboring area. We might face loss if client has to stop operation due to regulatory intervention	• Checking/Screening Bangladesh Bank Exclusion list against financing any Agri/Small/Medium Enterprise Finance, Large Enterprise Finance, Infrastructure Project Finance (ESIA required) • Completion of ESDD Checklist to farming (using pesticides, agro- chemicals), E&S Sensitive retail & trading enterprises, financing in Small Enterprises (Manufacturing & Services), Financing in all Medium Enterprises (Manufacturing and Services) as per the loan applicability guideline of BB and • Checking regulatory clearance documentation • Using BB ESMS toolkit, a semiautomated toolkit, to determine three separate risks • General, Environmental & Social risks and 10 sector specific checklists • Mandatory ESIA (Environmental & Social Impact Assessment) by external experts for large projects like power plants. • Not accepting	• Checking DoE specified Project Categories and Considering "E&S" Risk Grading • For High and Medium Risk transaction, taking a time bound • action plan and relevant covenants and review of the proposed actions (if any) to mitigate potential environmental and social issues • associated with the project. • Depending upon the risk rating, the transaction is escalated to the relevant authority. • Quarterly Report on Sustainable Finance Unit Activities to Executive Committee (EC) • Quarterly reporting of Environmental and social risk status of portfolio • Maintaining MIS on the ESRM Grading

Strategic Risks

Specific Risk	Mitigation Technique	Monitoring Mechanism
Strategic Positioning Risk: Risk of losing business volumes and margins due to improper positioning. The risk may arise from changing organization structure, customer demographics, customer profile and preference, economic factors, technological Changes and changes in regulation	• Regular market survey and cost of fund projection • Participatory interaction with regulators on policy discussion • Customer centricity • Integrated planning across the company • Discussion and engagement with all relevant parties at the planning stage of all essential projects • Setting KPIs at the branch, divisional and organizational levels • Align and update strategies based on changes of factors • Timely withdrawal of resources from under-performing projects	• Monthly financial analysis and discussion on variances from budget • Benchmarking KPIs within the company and across the industry • Monthly preparation of forecasts and reviewing reasons for variances • Evaluation of studies prepared for competitor intelligence • Evaluate service quality and customer feedback
Strategy Implementation Risk: Risk of losing business volumes and margins due to improper implementation of the strategies considered. The risk can arise from work processes, procedures and lack of proper / adequate human resources and	• Ensure person-role fit through robust recruitment, retention, training and development process. • Work process improvement and innovation • Setting KPIs • Benchmarking with best practices from both local and international approaches. • Pay attention to the voice of customer • Timely allocation of resources for critical projects	• Structured and systematic methods of gaining colleagues' views and feedback • Analysis and monitoring of standard unit times for benchmark setting and improving process efficiencies • Regular financial analysis to monitor returns of each business vertical • Regular monitoring of project progress • Regular monitoring of service standard and quality

Reputation Risk

Specific Risk	Mitigation Technique	Monitoring Mechanism
Risk of possible damage to our brand and reputation, and the associated risk to earnings, capital or liquidity, arising from any association, action or inaction which could be perceived by stakeholders to be inappropriate, unethical or inconsistent with IPDC's values and beliefs.	• Reputation risk management starts at the top. Strong Board oversight on matters of strategy, policy, execution, and transparent reporting kept in place to ensure effective corporate governance, a powerful contributor to sustaining reputation. • Effective communication is essential for brand building, as it helps to establish a strong and consistent brand identity, build trust with customers, and differentiate a brand from its competitors. We are investing to build our brand recognition which is vital to our market success. • Customer feedbacks are constructively taken to improve customer experience and complaints are handled in a way to prevent any further negative consequences. • Maintaining internal control over financial reporting and in deploying effective disclosure controls and procedures to ensure reliable public reports.	• Monitor customer service request recording to mitigation process. • Monitor customers complain escalation and resolution process. • Review and consider customer feedback on social media and other way of communication.

CAPITAL ADEQUACY & 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:

Pillar I	This prescribes the minimum capital requirements for Credit Risk, Market Risk and Operational Risk.
Pillar II	This prescribes the Supervisory Review Process which is based on the principle that the Company assesses the overall adequacy of its capital and set targets for capital that commensurate with the Company's specific risk profile and control environment.
Pillar III	This depicts Market Discipline and comprises as set of disclosures on the capital adequacy and risk management framework on the Company to ensure that market participants can better understand the Company's risk profile and the adequacy of its capital.

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

QUANTITATIVE 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
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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.

Particulars	Amount in BDT mn				
Capital requirement for Credit Risk	46,074				
Capital requirement for Market Risk	937				
Capital requirement for Operational Risk	4,696				
Total and Tier I capital ratio - For stand alone	%				
CAR on Total Capital basis	17.14				
CAR on Tier - I Capital basis	13.30				
Five years CAR comparison	2021	2022	2023	2024	2025
Total Eligible Capital	7,508	7,756	9,017	8,974	8,865
Total Risk Weighted Assets	47,970	48,708	49,765	49,493	51,707
CAR %	15.65%	15.92%	18.12%	18.09%	17.14%

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	4,091
Share premium account	403
Statutory Reserve	1,393
General Reserve	-
Retained Earnings	988
Total Tier - I Capital	6,875
Total amount of Tier - II Capital	1,990
Other deductions from capital	-
Total eligible capital	8,865

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:

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%
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.

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

QUANTITATIVE DISCLOSURES

PRODUCT-WISE CREDIT EXPOSURE

Particulars	Amount in BDT mn
Long term loan	38,236
Lease finance	4,050
Short term loan	12,192
Channel finance	3,392
Mortgage finance	10,116
Auto loan	4,456
Secured retail loan	794
Personal loan	998
Staff loan	298
Cash secured personal loan	79
Consumer White Goods Finance	12
Total	74,622

GEOGRAPHICAL DISTRIBUTION OF EXPOSURES

Particulars	Amount in BDT Mn
Dhaka Division	57,532
Chittagong Division	8,047
Khulna Division	2,842
Rangpur Division	2,145
Rajshahi Division	1,292
Sylhet Division	865
Barisal Division	739
Mymensingh Division	1,160
Total	74,622

INDUSTRY OR COUNTERPARTY-WISE CREDIT EXPOSURES

Particulars	Amount in BDT Mn
Agro-based industries	4,217
Banks and non-banking financial institutions	428
Chemicals, pharmaceuticals and allied products	5,107
Engineering and building materials	2,449
Food and allied products	5,078
Glass, ceramic and other non-metallic products	1,339
Hotel, tourism and leisure	39
Information and communication technologies	1,407
Paper converting and packaging, printing and publishing	2,257
Ready made garments and knitwear	11,023
Social sector	3,933
Tannery, leather and rubber products	290
Textile	1,390
Transport and aviation	2,644
Others	33,020
Total	74,622

RESIDUAL CONTRACTUAL MATURITY-WISE CREDIT EXPOSURES

Particulars	Amount in BDT Mn
On demand	-
Upto one month	5,508
More than one month but less than three months	9,278
More than three months but less one year	14,279
More than one year but less than five years	32,463
More than five years	13,094
Total	74,622

AMOUNT OF IMPAIRED LOANS AND IF AVAILABLE, PAST DUE LOANS, PROVIDED SEPARATELY

Particulars	Amount in BDT Mn
Gross non-performing loans (NPLs)	4,453
NPLs to gross loans and advances (in %)	5.97%

SPECIFIC AND GENERAL PROVISIONS

Particulars	Amount in BDT Mn
Provision for unclassified loans and advances	653
Provision for classified loans and advances	2,483
Total	3,136

CHARGES FOR SPECIFIC ALLOWANCES AND CHARGE-OFFS DURING THE PERIOD

None

MOVEMENT OF NON-PERFORMING LOAN (NPL)

Particulars	Amount in BDT Mn
Opening Balance	4,057
Additions	3,270
Reductions	2,874
Closing Balance	4,453

EQUITIES: BANKING BOOK POSITION

QUALITATIVE DISCLOSURES

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

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

QUANTITATIVE DISCLOSURES

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

in BDT mn

Particulars	Cost Value	Market Value
Quoted Shares	547	464
Unquoted Shares	4.5	4.5

Particulars	Amount in BDT Mn
Revaluation reserve on fixed assets	428
Revaluation reserve on government securities	-
Amounts of the above included in Tier II capital.*	214

* 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 464 million against which capital requirement @ 10% is BDT 46.4 million.
General Market Risk	Market value of the investment in equity is BDT 464 million against which capital requirement @ 10% is BDT 46.4 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*	5,750	5,390	7,404	6,465	8,899	5,750
RSA*	8,906	7,659	7,460	7,862	9,037	8,906
Mismatch	3,156	2,269	56	1,397	138	3,156
Cumulative Mismatch	3,156	5,425	5,481	6,878	7,016	3,156
Mismatch	54.89%	42.10%	0.76%	21.61%	1.55%	54.89%

* 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	-	-	-
Net Interest Income	140	281	421
Revised Regulatory Capital	9,005	9,146	9,286
Risk Weighted Assets	51,707	51,707	51,707
Revised CAR (in %)	17.42%	17.69%	17.96%

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	937
Foreign Exchange Position and Commodity risk	-

OPERATION RISK

QUALITATIVE DISCLOSURES

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

QUANTITATIVE DISCLOSURES

CAPITAL REQUIREMENTS FOR OPERATIONAL RISK

Particulars	Amount in BDT Mn
Capital requirements for operational risk	470

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 2025, the FI's total written off loans was BDT 1,917 million which is 120.3% higher than that of previous year. In Year 2025 total recovery from written off loans was BDT 10 million. After considering classification status for a long time a total number of total BDT 1,057 million of loans have been written off in year 2025.

MOVEMENT IN WRITTEN-OFF PORTFOLIO

Particulars	Amount (BDT Mn)
Opening Balance as on January 1, 2025	870
Add: Amount written off during the year	1,057
Less: Adjustment/recovered during the year	10
Closing Balance as on December 31, 2025	1,917

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, 2025	4,057
Add: Addition during the year	3,270
Less: Recovery & Rescheduled*	1,817
Less: Write offs	1,057
Closing Balance as on December 31, 2025	4,453

* Recovery / Reschedule from clients which were classified as on 1 January 2025.

SECTOR-WISE CLASSIFIED LOAN RATIO

SECTOR-WISE CLASSIFIED LOAN RATIO





অর্থ সংকটে থামবেনা আপনার ব্যবসার গতি

আইপিডিসি দিচ্ছে
সাপ্লাই চেইন ফাইন্যান্স

ফাস্ট প্রসেসিং
৮৫% পর্যন্ত ফার্ডিং

TEAMWORK
ADVERTISING
INNOVATIVE
CREATIVE



ব্যবসায় প্রোডাকশন চালু থাকা জরুরি
তাই, ওয়ার্ক অর্ডার থাকলেই
আইপিডিসি দিচ্ছে ফাইন্যান্স
দ্রুত প্রসেস

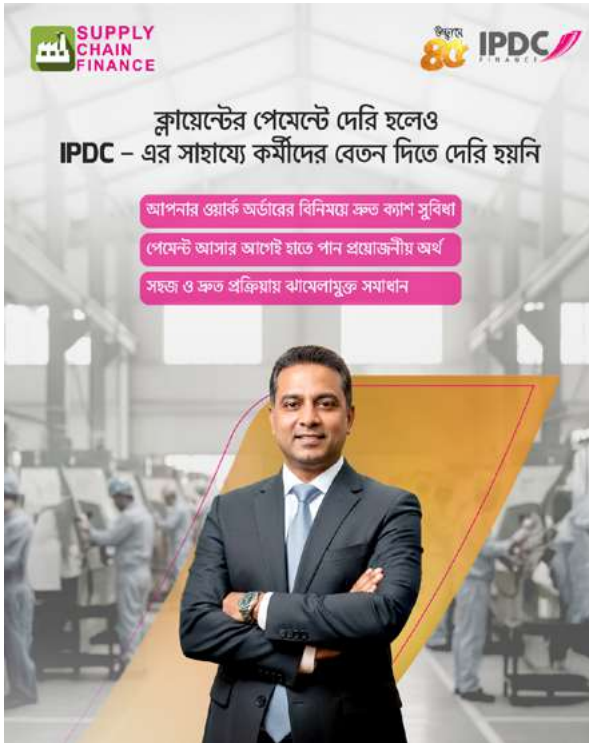


ক্লায়েন্টের পেমেন্টে দেরি হলেও
IPDC - এর সাহায্যে কর্মীদের বেতন দিতে দেরি হয়নি

আপনার ওয়ার্ক অর্ডারের বিনিময়ে দ্রুত বকাশ সুবিধা

পেমেন্ট আসার আগেই হাতে পান প্রয়োজনীয় অর্থ

সহজ ও দ্রুত প্রক্রিয়ায় ঝামেলামুক্ত সমাধান



আপনার পণ্য ছাড়াতে
আইপিডিসি'র
Import Duty Finance





Corporate Governance

CORPORATE GOVERNANCE STATEMENT

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

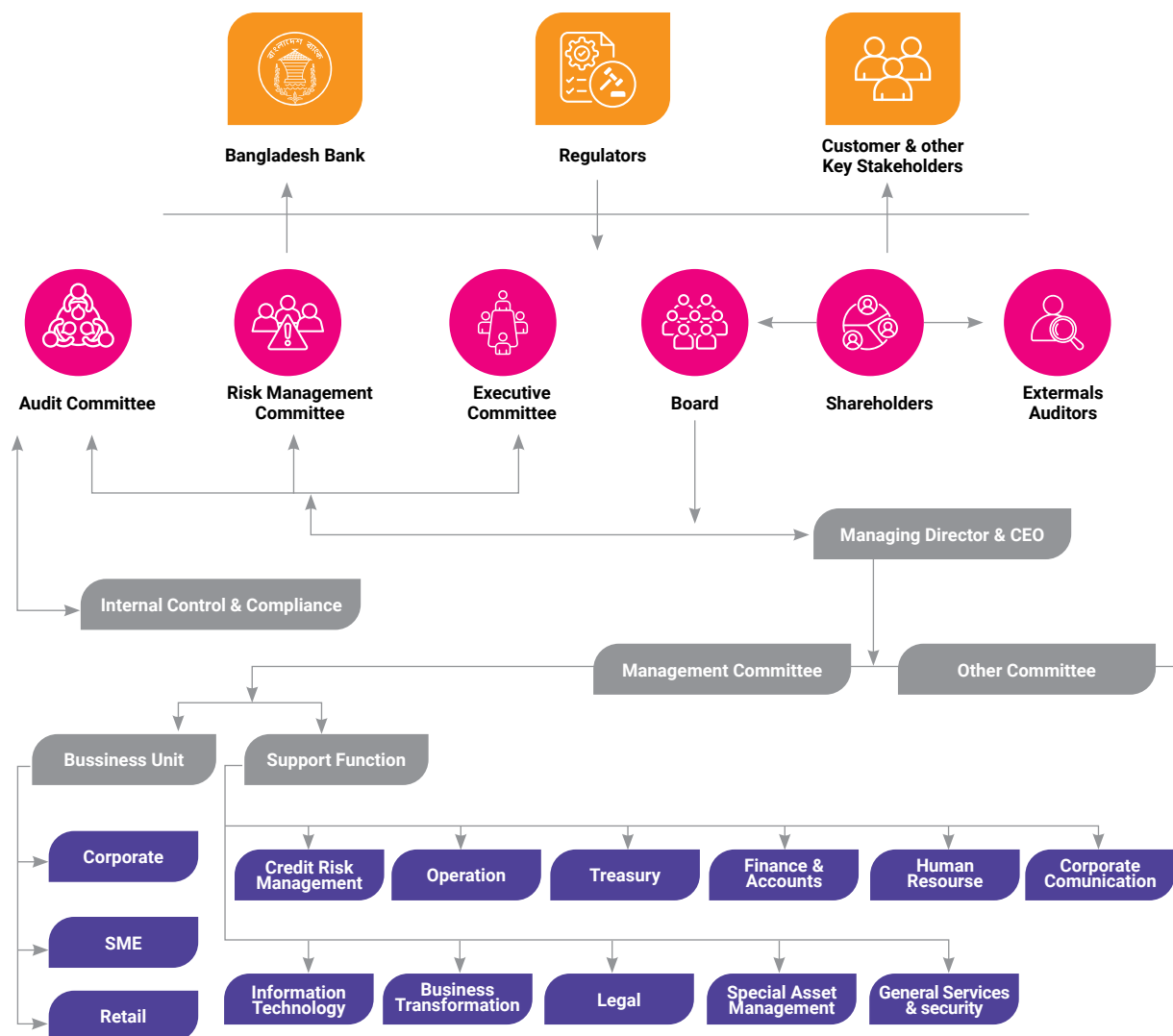
Bank, Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and other regulatory authorities. Our compliance with the corporate governance code has been certified by an external auditor.

The purpose of the Corporate Governance Report is to provide an overview of the various activities relating to corporate governance.

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.

GOVERNANCE STRUCTURE



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.

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.

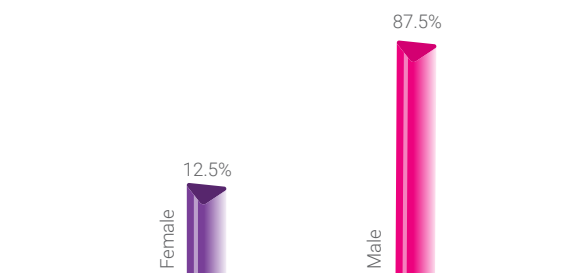
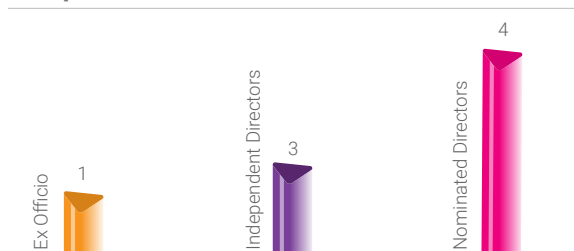
Name of Director	Board of Directors	Executive Committee	Audit Committee	Risk Management Committee
Mr. Ariful Islam	Chairman, Nominated by Ayesha Abed Foundation	Chairman	-	Chairman
Dr. A. K. M. Atiqul Haque*	Director, Nominated by GOB	-	Member	-
Ms. Maqsurā Noor NDC**	Director, Nominated by GOB	Member	-	-
Mr. Sabbir Ahmed FCMA	Director, Nominated by BRAC	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)	-	-	-

* Dr. A. K. M. Atiqul Haque replaced Mr. Munshi Abdul Ahad on 17 June 2025 as per approval from Bangladesh Bank.

**The nomination of Ms. Maqsurā Noor NDC has withdrawn by GOB on 15 February 2026 and Mr. Md. Zakir Hossain will replace her subject to approval from Bangladesh Bank.

BOARD BALANCE

Independent vs Nominated Directors



KNOWLEDGE & EXPERTISE OF DIRECTORS

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
Dr. A. K. M. Atiqul Haque*	Business Law, Taxation and Mathematics
Ms. Maqsurā Noor NDC**	Economics and Development Management
Mr. Sabbir Ahmed FCMA	Cost Management Accounting
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

* Dr. A. K. M. Atiqul Haque replaced Mr. Munshi Abdul Ahad on 17 June 2025 as per approval from Bangladesh Bank.

**The nomination of Ms. Maqsurā Noor NDC has withdrawn by GOB on 15 February 2026 and Mr. Md. Zakir Hossain will replace her subject to approval from Bangladesh Bank.

FINANCIAL & 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.

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.

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.

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.

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

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.

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 235th Board Meeting. Brief resumes of the directors are furnished in the 'About IPDC' section of this Annual Report.

Mr. Ariful Islam	Nominated by Ayesha Abed Foundation
Dr. A. K. M. Atiqul Haque	Nominated by GOB

INDEPENDENCE OF DIRECTORS

There are Three (03) Independent Directors in the Board of IPDC Finance PLC. Dr. Shah Ahsan Habib is continuing his 2nd term as Independent Director, Mr. Sarwar Azam Khan and Mr. Mohammad Iqbal Chowdhury was appointed as Independent Director of IPDC. 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

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, accepts employment or a position of responsibility with any other organization for remuneration or otherwise that are prejudicial to the interests of IPDC and shall not allow personal interest to conflict with the interest of IPDC.
- Shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment.
- Shall ensure that they use IPDC's assets, properties, information and intellectual rights for official purpose only or as per the terms of their appointment

d) Gift/Favor/Payments:

- Shall not seek, accept or receive, directly or indirectly, any gift, payments or favour in whatsoever form from IPDC's business associates, which can be perceived as being given to gain favour or

dealing with IPDC and shall ensure that IPDC's interests are never compromised.

- 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.

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

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.

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.

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.

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.

INDEPENDENCE & 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 has prepared a panel of qualified Independent Directors for Finance Companies for easy appointment of independent directors and updating periodically.

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.

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.

Appointment of Chairman

Chairman of IPDC Finance PLC. is selected by the members of the Board for two years.

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.

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.

MANAGING DIRECTOR/CEO

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.

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

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.

- 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.

- 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.

COMPANY SECRETARY

The Company Secretary of the Company, who is also the Head of Legal Affairs and Acting Head of Corporate Communication & Brand, 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.

- **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.

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.

- **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

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.

- **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

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.

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.

NUMBER OF BOARD MEETINGS HELD IN 2025

In the year 2025, the Board has conducted total 5 meetings throughout the year.

KEY ACTIVITIES OF THE BOARD IN 2025

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 2025		
Q1 2025	1	Adoption of Directors' Report, Auditors' Reports and Audited Financial Statements for the year ended 31 December 2024 and recommendation for appropriation of the profit for the year 2024 and dividend declaration.
	2	Auditor's Report on Corporate Governance Certificate by Auditor.
	3	Appointment of Statutory and Corporate Governance Auditors for the year 2025 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, 2024.
	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.
	10	Appointment of Independent Scrutinizer for 43 rd Annual General Meeting of IPDC
	11	Approval of Amendment of Terms of References (TOR) of Board Audit Committee
	12	Approval for re-structuring of the organizational hierarchy of IPDC
	13	Approval for Performance monitoring of Key Performance Indicators (KPIs) of IPDC for Q4'2024.
	14	Proposal for re-constitution for Board Executive Committee
Q2 2025	1	Approval of un-audited financial statements for the 1 st Quarter 2025 ending 31 March 2025
	2	Approval for Performance monitoring of Key Performance Indicators (KPIs) of IPDC for Q1'2025.
	3	Report on decisions of Risk Management Committee
	4	Approval of credit proposals recommended by Board Executive Committee
Q3 2025	1	Approval of Un-audited Half Yearly Financial Statements as on 30 June 2025
	2	Review of Product Program Guideline
	3	Approval for Performance monitoring of Key Performance Indicators (KPIs) of IPDC for Q2'2025.
	4	Approval of credit proposals recommended by Board Executive Committee
Q4 2025	1	Approval of Un-audited financial statements for the 3 rd Quarter ending 30 September 2025
	2	Approval of Budget for 2026 along with Year 2025 estimates
	3	Detail Roadmap to Accelerate Growth for Personal Loan Product and Home Loan Product
	4	Consideration of the Quorum number of sub-committees

BOARD'S COMMITTEES AND THEIR RESPONSIBILITIES

The board's sub-committees include Risk Management Committee, Audit Committee and Executive Committee. Board Committees and their responsibilities are also outlined in detail in the Integrated Risk Management Framework section.

NAVIGATING STAKEHOLDER & SHAREHOLDER RIGHTS: A COMPREHENSIVE OVERVIEW

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.

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.

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.

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.

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

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.

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.

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 BO ID and able to vote electronically. An independent scrutinizer, along with representation from DSE and CSE ensures transparency of the shareholders representation and voting process.

AGM ATTENDANCE OF DIRECTORS

Directors representing respective shareholders are communicated to attend the AGM through notice and agenda sent to them at least 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.

PROCESS OF COMMUNICATING THE SCHEDULE

All notices of the Annual General Meeting (AGM)/ Extraordinary General Meeting (EGM) are sent to the Exchanges 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.

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

COMMUNICATION THROUGH WEBSITE

The Company's website (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.

ENVIRONMENTAL & 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



Step: 01 Exclusion List

Screening of the project against a list of activities under exclusion list, the loan to be rejected if the project involves in the list.



Step: 02 DoE Categorization

Reviewing of industry sector and environmental and social issues that are typically associated with this type of operation.



Step: 03 ESDD

Reviewing project compliance with national regulations & international standards, assessing track record, & documenting.



Step: 04 Generate Risk Rating

Upon completion of the relevant checklist a risk rating (High, Medium, or Low) will be generated automatically.



Step: 05 ESAP

For High and Medium Risk transaction, a time bound action plan and relevant covenants must be included in the loan documentation.



Step: 06 Escalation

Depending upon the risk rating, the transaction has to be escalated to the relevant authority according to escalation matrix.



Step: 07 Monitoring

Review of the proposed actions to mitigate potential environmental & social issues throughout all phases of the project life cycle.



Step: 08 Reporting

IPDC reports both internally to senior management & externally to Bangladesh Bank, shareholders on their sustainability performance.

SUSTAIN OFFICE PRACTICES FOR ENVIRONMENTAL RESPONSIBILITY

IPDC diligently sustains its commitment to environmental stewardship by steadfastly implementing a wide array of practices within its office environment. These practices are meticulously designed to be environmentally responsible and eco-friendly, reflecting IPDC's dedication to minimizing its ecological footprint and promoting sustainability.



Our endeavors aligned with environmentally friendly practices include.



CSR Activities dedicated
for Environment

Page No 24



Integration of Sustainable
Business Practices

Page No 94



Green Finance Initiatives
through lending products

Page No 110

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.

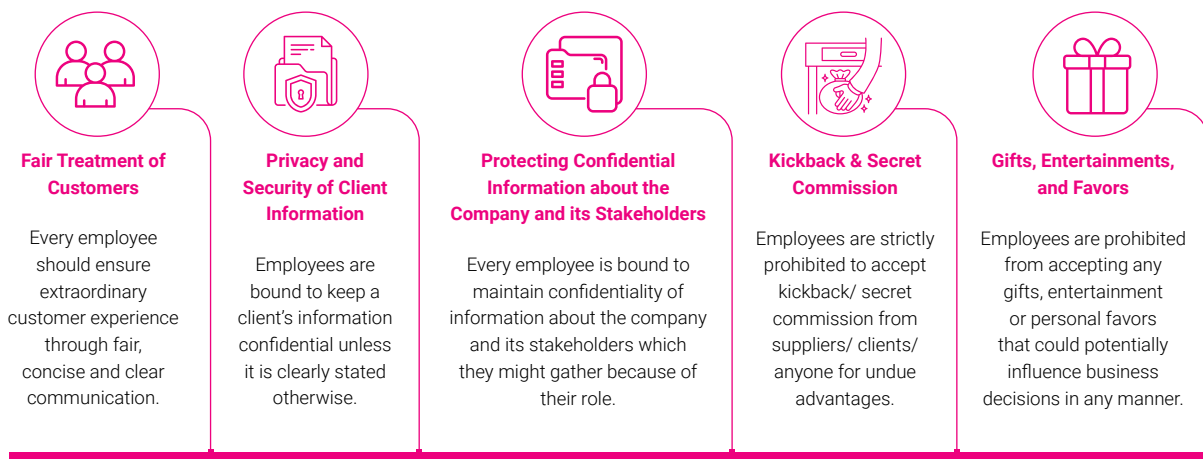
FUNDAMENTALS OF CODE OF CONDUCT

"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:

DISPLAYING ETHICAL BEHAVIORS

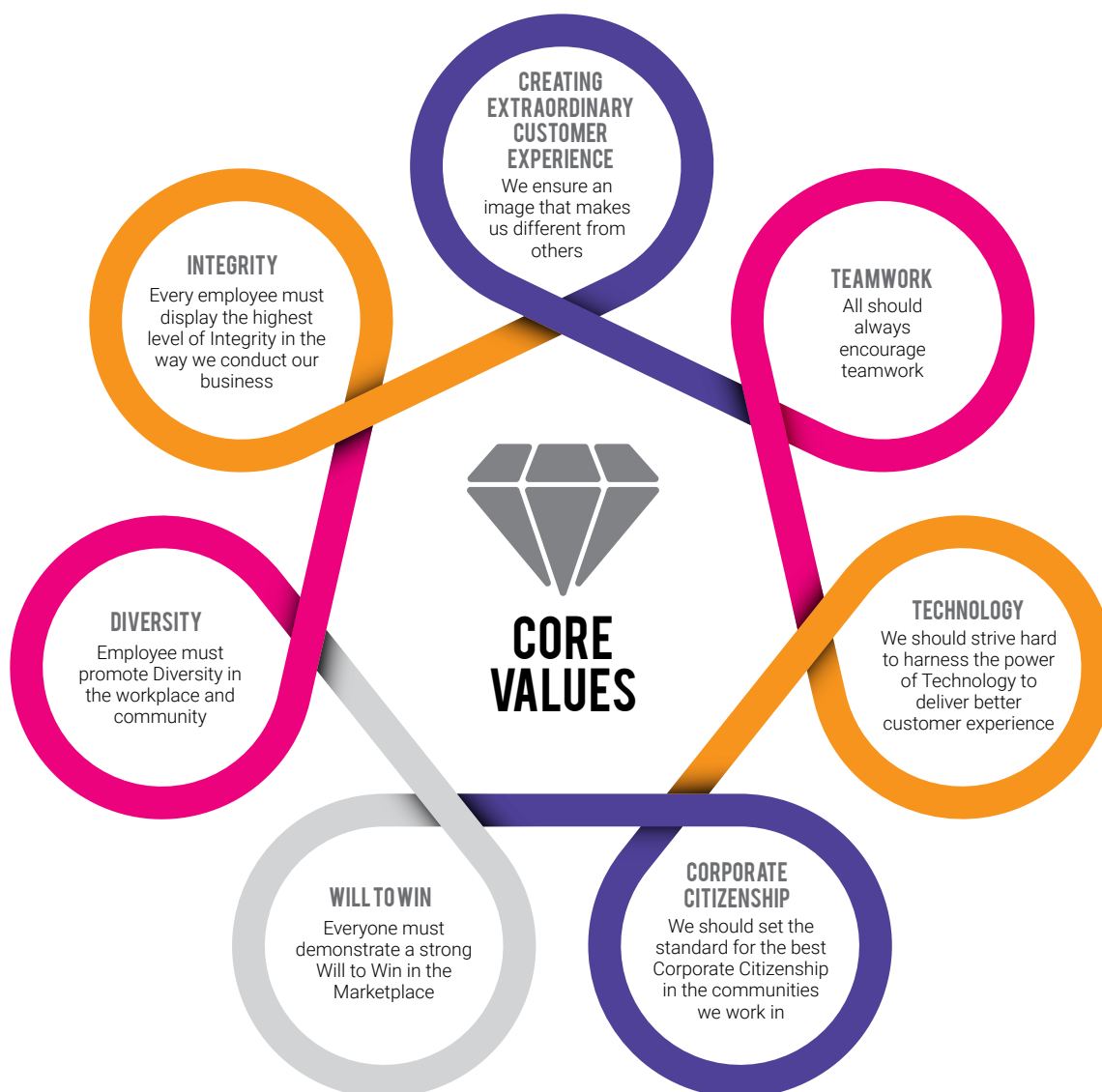


ETHICAL BUSINESS PRACTICES



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.



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 Acknowledgement

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.

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.



Growth & Employee Wellbeing

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.



Policy and Process Development

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.



Organizational Structure and Control Mechanism

Established a clearly defined organizational structure that assigns responsibility and authority for the conduct of organizational functions. Installed a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis.



Personal Investments and Insider Trading

The Board members shall not engage in insider trading with respect to the purchase and sale of the Company's securities. The Board members shall not buy or sell securities while in possession of material non-public information about the issuer of that security, whether the issuer is IPDC or any another company.



Anti-Fraud Programs

All must remain vigilant about any kinds of 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.



Application of Whistleblowing Policy

All personnel working for IPDC act as whistleblowers and report any activity that is not in accordance with our code of conduct. Identity of whistleblowers always remain confidential and IPDC remains responsible for their protection.



Reporting Mechanisms

Number of reporting mechanisms are in place at IPDC for reporting any irregularities. We practice open door communication policy for reporting. We have placed "Talk-to-Me" box in all offices to report unusual matters. Recently, we have incorporated 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.

COMPLIANCE & 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.

REWARD & 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 25 employees	Achievement Award 9 employees	Chairman's Award 2 employees	Long Service Award 29 employees
Champion of the Innovation Award 3 employees	STAR performer Award (sales) 15 employees	Integrity & Honesty Award 3 employees	JAIBB/ AIBB Award 28 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, International Financial Reporting Standards (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:

Operations Objective	Reporting Objective	Compliance Objective
Efficiency and effectiveness of activities.	Reliability, completeness and timelines of financial and management information.	Compliance with applicable laws and regulations.

COMPONENTS OF INTERNAL CONTROL

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:

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.

Key Components:

- Organizational structure
- Policies and values
- Ethical standards
- Management tone and leadership

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.

Key Components:

- Risk identification (both internal and external)
- Risk analysis and evaluation
- Risk mitigation strategies
- Ongoing risk monitoring and response

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.

Key Components:

- Approvals and authorizations
- Reconciliations
- Segregation of duties
- Physical controls and asset safeguarding
- Operational procedures and checks

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

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 2025

SCOPE OF WORK OF AUDIT COMMITTEE

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 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 Chief Financial Officer (CFO), Head of Internal Control and Compliance (HoICC) 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 internal control processes. Among them, one member has an accounting or related financial management background with 42 years of experience.

DUTIES & 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 audits, assumptions regarding going concern, and compliance with relevant financial reporting standards, as well as applicable legal and regulatory requirements.

Assessment of Internal Control and Compliance Activities

The Committee reviewed and approved 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 report from the Internal Control and Compliance Department and ensured that appropriate actions were taken to implement its recommendations;
- Recommended a more comprehensive review, if necessary, based on any issues identified; and

- Informed the Board about the key issues and management actions arising 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 (DTTL), were appointed as statutory external auditors of the Company at the 43rd Annual General Meeting held on 02 June 2025. To maintain the highest standards of corporate governance, the Committee prohibits external auditors from undertaking any work that they may later be required 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 2025 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 4 (four) meetings during the year 2025 to carry out the following salient activities:

- Reviewed periodic inspection and audit reports covering credit assessment, operational processes, financial procedures, and branch operations conducted by the ICC, and provided necessary directives to Management for timely and appropriate resolution of the identified irregularities and observations;
- Reviewed and approved the Risk-Based Internal Control & Compliance Plan for the year 2025;
- Reviewed the Audited Financial Statements for the year ended 31 December 2024, held discussions with the External Auditors, and recommended the same to the Board of Directors for approval;
- Reviewed the Management Letter issued by the External Auditors for the year ended 31 December 2024 along with Management's responses thereto;
- Reviewed the first quarter, half-yearly, and third quarter financial statements for the year 2025 and recommended these to the Board of Directors for approval;
- Reviewed the status of actions taken by Management against the observations and recommendations discussed in previous Audit Committee meetings;
- Recommended the appointment of External Auditors for the Statutory Audit and Corporate Governance Audit of the Company for the year 2025;
- Reviewed the Auditor's Certificate on Compliance with the Corporate Governance Code for the year 2024;
- Reviewed the Management's Discussion and Analysis prior to its inclusion in the Annual Report 2024;
- Reviewed statements of significant related party transactions submitted by Management and disclosed in the Financial Statements for the year 2024;
- Reviewed various internal policies of the Company and recommended them to the Board for approval;
- Reviewed and recommended to the Board the IPDC Heat Map for the year 2025 for approval; and
- Reviewed the Terms of Reference (ToR) of the Board Audit Committee and recommended the same to the Board for approval.

MEETINGS & ATTENDANCE

In 2025, the Committee held four meetings. The details of each member's attendance at these meetings are as follows:

Name	Representation in Board	Representation in Committee	Date of Joining in the Committee	Held	Attended
Mr. Sarwar Azam Khan FCA, FCS, MBA	Independent Non-Executive Director	Chairman	21 May 2024	4	4
Dr. Shah Md. Ahsan Habib	Independent Non-Executive Director	Member	9 February 2021	4	4
Ms. Maqsurah Noor, NDC	Nominated Non-Executive Director	Member Till 02 July 2025	05 March 2025	2	2
Dr. A. K. M. Atiqul Haque	Nominated Non-Executive Director	Member	02 July 2025	2	2

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: April 28, 2026

CORPORATE GOVERNANCE CERTIFICATE

S. F. AHMED & CO.
Chartered Accountants | since 1958

Report to the Shareholders of IPDC Finance PLC. on Compliance on the Corporate Governance Code

(Issued under Condition No. 9.00 of Corporate Governance Guidelines of "BSEC" vide notification on SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018)

We have examined the compliance status to the Corporate Governance Code by IPDC Finance PLC. for the year ended on 31 December 2025. 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:

- 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;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company is satisfactory.



Md. Enamul H. Choudhury, FCA

Senior Partner

S. F. Ahmed & Co.,

Chartered Accountants

Enrollment No. 471

Dated: Dhaka
28 April 2026

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:

(Report under condition no. 9.00)

Condition No.	Title	Status		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors			
1(1)	Size of the Board of Directors:			
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)	Independent Directors (IDs)			
1(2)(a)	1. At least 2 (two) directors or one fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√		
1(2)(b)	Without contravention of any provision of any other law, for the purpose of this clause, an "independent director" means a director			
1(2)(b)(i)	1. who either does not hold any 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 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)	1. Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		Do
1(2)(b)(vi)	2. 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

Condition No.	Title	Status		Remarks (if any)
		Complied	Not Complied	
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)	1. Who has not been convicted for a criminal offence involving moral turpitude;	√		Do
1(2)(c)	1. The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM); Provided that the board shall appoint the independent director, subject to prior consent of the commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	√		The appointment of IDs is approved by AGM
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		
1(2)(e)	2. The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only;	√		
1(3)	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the 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	Not Applicable		
1(3)(b)(ii)	Corporate Leader who is or was a top-level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	√		
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5 th Grade of the national pay scale, who has at least educational background of bachelor's degree in economics or commerce or business or Law; Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or	Not Applicable		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	1. In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	√		
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	1. 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

Condition No.	Title	Status		Remarks (if any)
		Complied	Not Complied	
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)	2. 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;	√		
1(4)(e)	3. In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1(5)	The Directors' Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	1. 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)	1. A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	2. A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		
1(5)(vi)	3. A detailed discussion on related party transactions along with a statement showing the 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 Share Offer, Direct Listing, etc.;	Not Applicable		No such event occurred in the year
1(5)(ix)	1. An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		
1(5)(x)	2. A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	3. 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;	√		

Condition No.	Title	Status		Remarks (if any)
		Complied	Not Complied	
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 thereof 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)	1. Parent or Subsidiary or Associated Companies and other related parties (name wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name wise details);	√		
1(5)(xxiii)(c)	Executives;	√		
1(5)(xxiii)(d)	2. Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	√		
1(5)(xxiv)	3. In case of the appointment/ re-appointment of a director the company shall disclose the following information to the shareholders: -			
1(5)(xxiv)(a)	1. A brief resume of the director;	√		
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	2. 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, among others, focusing on:			
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, 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;	√		

Condition No.	Title	Status		Remarks (if any)
		Complied	Not Complied	
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(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	1. 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;	√		Complied as per DFIM Circular Letter No. 18 dated 21 May 2024 by Bangladesh Bank
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company	√		A Code of Conduct is uploaded as per Corporate Governance Guideline of BSEC.
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	Not Applicable		IPDC has no subsidiary
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	Not Applicable		Do
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	Not Applicable		Do
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	Not Applicable		Do
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Not Applicable		Do
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (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

Condition No.	Title	Status		Remarks (if any)
		Complied	Not Complied	
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)	The MD or CEO and CFO shall certify to the Board that 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 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 DFIM Circular Letter No. 18 dated 21 May 2024 by Bangladesh Bank
5	Audit Committee:			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board of Directors.	√		
5(1)(b)	Future plan and projection or forecast for company's operation performance and financial position, with justification thereof, actual position shall be explained to the shareholders in the next AGM.	√		
5(1)(c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent Director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (Sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		No such event occurred in the year

Condition No.	Title	Status		Remarks (if any)
		Complied	Not Complied	
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 at least 1 (one) independent director.	√		
5(3)	Chairman of the Audit Committee			
5(3)(a)	The Board 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):	√		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Control Risk Management Process;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold the meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval or adoption;	√		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	√		
5(6)	Reporting of the Audit Committee:			
5(6)(a)	Reporting to the Board of Directors:			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		

Condition No.	Title	Status		Remarks (if any)
		Complied	Not Complied	
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board 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 defect identified in the internal audit and compliance process or in the financial statements; control system	Not Applicable		No such event occurred in the year
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances 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 the Audit Committee deems necessary shall be disclosed to the Board immediately;	√		
5(6)(b)	Reporting to the Authorities			
	If the Audit Committee has reported to the Board about anything which has 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 the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) 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 of 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)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	Not Applicable		Complied as per DFIM Circular Letter No. 18 dated 21 May 2024 by 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)	The Terms of Reference (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 nonvoting 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

Condition No.	Title	Status		Remarks (if any)
		Complied	Not Complied	
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	Not Applicable		Do
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	Not Applicable		Do
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	Not Applicable		Do
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	Not Applicable		Do
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	Not Applicable		Do
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	Not Applicable		Do
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	Not Applicable		Do
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	Not Applicable		Do
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	Not Applicable		Do
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	Not Applicable		Complied as per DFIM Circular Letter No. 18 dated 21 May 2024 by Bangladesh Bank
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	Not Applicable		Board Audit Committee is playing the role of NRC as per DFIM Circular Letter No. 18 dated 21 May 2024 by Bangladesh Bank
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

Condition No.	Title	Status		Remarks (if any)
		Complied	Not Complied	
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	Not Applicable		Do
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	Not Applicable		Do
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	Not Applicable		Do
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	Not Applicable		Do
7	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely: -	✓		
7(1)(i)	Appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	Financial information systems design and implementation;	✓		
7(1)(iii)	Bookkeeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-dealer services;	✓		
7(1)(v)	Actuarial services;	✓		
7(1)(vi)	Internal audit services or special audit services;	✓		
7(1)(vii)	Any service that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders;	✓		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange;	✓		
8(2)	The company shall keep the website functional from the date of listing;	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s);	✓		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on a yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		IPDC has obtained the certificate from S. F. Ahmed & 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

In terms of DFIM Circular No. 07, dated September 25, 2007 of Bangladesh Bank, Financial Institutions are required to comply with the policy on role and responsibility of the Board of Director and Chief Executive Officer. The Company has implemented those guidelines as per the directives of Bangladesh Bank. Status report on compliance with those guidelines is given below:

Sl No.	Particulars	Compliance Status
01.	Responsibilities and authorities of Board of Directors	
A.	Work Planning and Strategic Management	
i	The Board shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goal and in the issues relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor at quarterly rests the development of implementation of the work-plans	Complied
ii	The Board shall have its analytical review incorporated in the Annual report as regards 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 Managing Director/CEO and other senior executives and will evaluate half yearly / yearly basis.	Complied
B	Formation of sub-committee	
	To expedite the process of decision making, (e.g., approval of loan/lease, write off, rescheduling etc.) Board may form Executive Committee with the Director (excluding any alternate director)	Complied
C	Financial Management	
i	Annual budget and statutory financial statements shall be adopted finally with the approval of the Board.	Complied
ii	Board shall review and examine in quarterly basis various statutory financial statements such as statement of income-expenses, statement of loan/lease, statement of liquidity, adequacy of capital, maintenance of provision, legal affairs including actions taken to recovery of overdue loan/lease.	Complied
iii	Board shall approve the procurement policy and shall accordingly the delegation of power for making such expenditure. The maximum delegation of power shall rest on the Managing Director/CEO and to management. However, decision relating to purchase of land, building and vehicles shall remain with the Board.	Complied
iv	The Board shall adopt the operation of bank accounts. Groups maybe formed among the management to operate bank accounts under joint signatures.	Complied
D	Management of loan/lease/investments	
i	Policy on evaluation of loan/lease/investment proposal, sanction and disbursement and its regular collection and monitoring shall be adopted and reviewed by the Board regularly based on prevailing laws and regulations. Board shall delegate the authority of loan/lease/investment specifically to management preferably on Managing Director/CEO and other top executives.	Complied
ii	No director shall interfere on the approval of loan proposal associated with him. The director concerned shall not give any opinion on that loan proposal.	Complied
iii	Any syndicated loan/lease/investment proposal must be approved by the Board.	Complied
E	Risk Management	
	Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly.	Complied
F	Internal Control and Compliance	
	A regular Audit Committee as approved by the Board shall be formed. Board shall evaluate the reports presented by the Audit Committee on compliance with the recommendation of internal auditor, external auditors and Bangladesh Bank Inspection team.	Complied
G	Human Resource Management	
i	Board shall approve the policy on Human Resources Management and Service Rule. Chairman and director of the Board shall not interfere on the administrative job in line with the approved Service Rule.	Complied

SI No.	Particulars	Compliance Status
li	Only the authority for the appointment and promotion of the Managing Director/Additional Managing Director/ Deputy Managing Director/ Senior General Manager/General Manager and other equivalent position shall lie with the Board in compliance with the policy and Service Rule. No director shall be included in any Executive Committee formed for the purpose of appointment and promotion of others.	Complied
H	Appointment of Managing Director/CEO	
	The Board shall appoint a competent Managing Director/CEO for the Company with the approval of the Bangladesh Bank and shall approve any increment of his salary and allowances.	Complied
I	Benefit to the Chairman	
	Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle in the business-interest of the Company subject to the approval of the Board.	Complied
J	Responsibilities and Duties of the Chairman	
I	Chairman shall not participate in or interfere into the administrative or operational and routine affairs of the Company as he has no jurisdiction to apply executive power;	Complied
li	The minutes of the Board meetings shall be signed by the Chairman;	Complied
lii	Chairman shall sign-off the proposal for appointment of Managing Director and increment of his salaries & allowances;	Complied
K	Responsibilities of Managing Director/CEO	
I	Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management;	Complied
li	Managing Director shall ensure compliance of Financial Institutions Act 1993 and other relevant circulars of Bangladesh Bank and other regulatory authorities;	Complied
lii	All recruitment/promotion/training, except recruitment/promotion/training of AMD, DMD, Senior General Manager 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, Senior General Manager and General Manager;	Complied
Vi	Managing Director shall sign all the letters/statements relating to compliance of policies and guidelines. However, Departmental/Unit Heads may sign daily letters/statements as set out in DFIM circular no. 2 dated 06 January 2009 if so, authorized by the Managing Director.	Complied

GOING CONCERN

Annexure 4

The company displays no symptoms (as indicated below) of possible problems of going concern, thus the financial statements have been on a going concern basis:

Particulars	Indication of Going Concern
Deteriorating liquidity position of the company not backed by sufficient financing Arrangements	No
High financial risk arising from increased gearing level rendering the company vulnerable to delays in payment of interest and loan principal	No
Inability 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 2025 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 with the following factors that the preparation of financial statement for the year ended 31 December 2025, 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 2025, interest coverage ratio stood at 1.5 times, which means the company has strong debt servicing capacity.
Less Dependency on Bank Borrowings	As of 31 December 2025, total bank borrowing of the Company was 16,741 million which is 18.3% 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 of 31 December 2025, total deposits stood at BDT 62,249 million. The depositors continued to keep strong confidence in IPDC 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 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 25.4% and stood at BDT 455 million in 2025. This growth is largely attributed to better interest and investment income coupled with marginal provision expense increase and reduced tax expenses.
Solid Growth in Quality Lending Portfolio	In the year 2025 the loans, leases and advances increased by 7.3% compared to last year, whereas classified loan ratio stands at 5.97% 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 of 31 December 2025, 17.14% vis-à-vis requirement of 10.00% i.e., Company maintains 7.14% 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 7,303 million including paid up capital of BDT 4,091 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 2025 based on "going concern assumption" is appropriate.

IPDC DIVIDEND DISTRIBUTION POLICY

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, BSEC/CMRRCD/2009-193(part-07)/91 dated 13 July 2025 and Rule 9 & 10 of Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021, this Dividend Distribution Policy is formulated and shall be disclosed in the annual report and official websites.

B. Approval Time

The annual or final Dividend shall be paid off to the entitled shareholder within **30 (Thirty) days** of approval. Provided that interim dividend shall be paid off to the entitled shareholder, within **30 (Thirty) days** of record date.

C. Cash Dividend distribution process

Cash Dividend shall be distributed in the following manner and procedures, namely:-

- i. (a) In the event of declaration of annual or final cash dividend in a financial year, the Board of Directors (BOD) of IPDC shall ensure that the total amount declared as cash dividend (declared amount) is transferred and kept in a separate bank account (dividend account). maintained solely for the purpose of payment/disbursement of dividend. This transfer must be completed at least 01 (one) day prior to the date of the Annual General Meeting (AGM):

Provided that if the dividend amount subsequently approved (approved amount) at the AGM is less than the declared amount, IPDC may withdraw the difference between the declared amount and the approved amount from the dividend account and transfer the amount so withdrawn to other accounts of the issuer maintained in accordance with applicable laws and internal financial controls:

(b) In the event of declaration of interim cash dividend, the BOD of IPDC shall ensure that the amount declared as interim cash dividend is transferred and kept in the dividend account. Such transfer shall be made within 15 (fifteen) days from the record date of the interim cash dividend as declared by the BOD of IPDC.

(c) IPDC shall not maintain the dividend account with any bank wherein a common director exists between IPDC and the said bank.

- ii. Provided further that IPDC shall obtain a certificate confirming the transfer of the declared amount to the dividend account from the concern bank. The said certificate shall be attested by the Managing Director, Chief Financial Officer and Company Secretary of IPDC, presented at the AGM and submitted to the relevant stock exchange(s).

- iii. IPDC 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 IPDC 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**;

- iv. IPDC, 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 of 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 IPDC for such claim.

- v. IPDC, 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;

- vi. IPDC 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;

- vii. IPDC 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;

- viii. IPDC 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 IPDC 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 IPDC 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

IPDC, 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

IPDC, the CDBL and the Exchange(s) shall follow the provisions of প্রবিধান 46 of the ডিপজিটরি (ব্যবহারিক) প্রবিধানকমালা, 2003 for issuance of bonus Shares;

Provided that IPDC 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) IPDC 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 IPDC;

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) IPDC 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

IPDC 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 IPDC shall publish the compliance report in its website.

G. Forfeiture of unclaimed cash dividend or stock dividend

IPDC 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 IPDC to the fund as directed or prescribed by the commission;

Provided that IPDC 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, IPDC 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 IPDC 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, IPDC 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

IPDC, 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 IPDC or its agent or the CDBL or its DP shall keep confidentiality of information.

Provided further that IPDC 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, IPDC 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, IPDC 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: 23 April 2026

The Board of Directors
IPDC Finance PLC.
Hosna Centre (4th Floor)
106 Gulshan Avenue, Dhaka 1212

Subject: Declaration on Financial Statements for the year ended on 31 December 2025

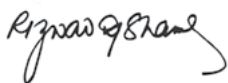
Dear Sirs,

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 2025 have been prepared in compliance with International Financial Reporting Standards (IFRSs), as applicable in Bangladesh and any departure therefrom 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 the 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.
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 2025 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 a 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 our 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.



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 2025, 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 statement, including material accounting policy information.

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 2025, 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
Measurement of provision for loans and advances	
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. At year-end 31 December 2025, the Company reported total gross leases, loans, and advances of BDT 74,621,954,415 (2024: BDT 69,535,703,126) and provision for leases, loans, and advances of BDT 3,695,679,437 (2024: BDT 3,441,955,078). 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. Provision for loans and advances is a key audit matter due to the level of regulatory and other stakeholders' focus as well as the judgments and estimates involved in determining the amount of provision. Significant judgments and estimates, related to the provision for 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: - The provision for identified non-performing leases, loans, and advances is impacted by classification of non-performing leases, loans, and advances, value of eligible collateral securities etc. - The company is also required to apply its subjective judgment to determine the identification and provision required against non-performing leases, loans, and advances considering various quantitative as well as qualitative factors.	Our procedures, in relation to the key audit matter described, included: - Reviewed the Company's policy with respect to the measurement and provision for loans and advances for compliance with the relevant prudential norms issued by the Bangladesh Bank. - Also, tested the design, implementation, and operating effectiveness of key controls related to the following: - Control over quarterly Classification of Loans (CL); - Identification of classification, including early warning and default warning indicators; and - Credit monitoring and provisioning process. - Assessed the methodologies on which the basis for provision amount is worked out and tested the completeness and accuracy of the underlying information/inputs; - Assessed on a sample of performing leases, loans, and advances whether there was a need to classify such performing leases, loans, and advances as non-performing leases, loans, and advances based on subjective judgment considering various quantitative as well as qualitative factors; - Evaluated the reasonableness of the judgments and key assumptions made by Management in measuring additional provisions beyond the minimum regulatory prescribed; - 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.

Key Audit Matters	How the matters were addressed in our audit
- Measurement for additional provision beyond the minimum regulatory prescribed is primarily dependent upon judgments and key assumptions relating to the probable financial position of default borrowers on a forward-looking basis reflecting a range of future economic conditions. - Adequacy of provision and timing of recognition of loss events in accordance with criteria set out in DFIM Circular No 04 dated 26 July 2021 and DFIM Circular No 37 dated 04 December 2024.	
02. Classification and Measurement of Treasury Bills and Treasury Bonds	
The classification and measurement of Treasury Bill and Treasury Bonds require judgment and complex calculations. Management has classified these instruments at amortized cost based on the assessment that the financial assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and that the contractual terms give rise to cash flows that are solely payments of principal and interest (SPPI). This assessment required judgment, particularly in evaluating the business model and determining whether the contractual cash flows meet the SPPI criteria. At year-end 31 December 2025, the Company reported investment in Treasury Bills and Treasury Bonds amounting to BDT 6,171,365,855 (2024: BDT 5,206,164,086), which are measured at amortized cost. See note 7.1 to the financial statements for the accounting policy regarding these investments. Treasury Bills and Treasury Bonds that have a high degree of judgment with a potential risk of material misstatement are: - The classification of Treasury Bills and Treasury Bonds at amortized cost requires management to assess the business model under which these instruments are held, specifically whether the objective is to hold the assets to collect contractual cash flows. - The Company is required to apply judgment in assessing whether the contractual cash flows of these instruments meet the solely payments of principal and interest (SPPI) criterion. The measurement of these instruments at amortized cost involves the application of the effective interest method, which requires estimates in determining the appropriate effective interest rate and accurate allocation of interest income over the tenure of the instruments.	Our procedures, in relation to the key audit matter described, included: - Reviewed the Company's accounting policy for classification and measurement of Treasury Bills and Treasury Bonds for compliance with the requirements of IFRS 9; - Obtained an understanding and evaluated the design and implementation of key controls over the classification of financial assets, including: - Assessment of the business model for holding financial assets; - Review and approval of investment decisions; and - Monitoring of investments to ensure consistency with the hold-to-collect objective; - Assessed whether the contractual cash flow characteristics of the Treasury Bills and Treasury Bonds meet the solely payments of principal and interest (SPPI) criterion; - Verified the initial recognition of new investments at fair value, including transaction costs, by agreeing purchase prices with supporting documentation; - Tested Treasury Bills and Treasury Bonds redeemed by: - Agreeing maturity proceeds with bank statements and/or settlement records; and - Verifying that principal and interest were received in accordance with contractual terms; - Evaluated the application of the effective interest method and recalculated interest income on a sample basis to assess whether the amortized cost has been computed accurately; - Checked whether there were any indicators that could contradict the hold-to-collect business model; and - Assessed the completeness, accuracy, and presentation of disclosures in the financial statements in accordance with IFRS 9.
03. IT Systems and Controls	
The IT infrastructure is critical for the smooth functioning of the Companies' business operations as well as for timely and accurate financial accounting and reporting. Our audit procedures have a focus on IT systems and controls (with specific focus on primarily included user access management and changes to the IT environment) due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations and the reliance on automated and IT-dependent manual controls. These are key to ensuring IT-dependent and application-based controls are operating effectively. Core Banking Solution (CBS) [called Temenos T24] is primarily relevant for financial reporting. Due to the pervasive nature and complexity of the IT environment, we have ascertained Key Information technology ("IT") systems and controls used for CBS as a key audit matter.	We involved our internal IT specialists to obtain an understanding of the Company's IT-related control environment and key changes during the audit period that may be relevant to the audit. For the key IT systems pertaining to CBS used to prepare accounting and financial information, our areas of audit focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular, the internal IT specialists: - Tested the design, implementation, and operating effectiveness of the company's General IT controls over CBS. This included the evaluation of the company's controls including segregation of duties and access rights being provisioned/modified based on duly approved requests, access for exit cases being revoked in a timely manner during the year; and - Tested key automated and manual business cycle controls and logics for system-generated reports relevant to the audit including testing of compensating controls or alternate procedures to assess whether any unaddressed IT risks can materially impact the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the director's reports, management discussion and analysis, statement of corporate governance, financial highlights and certification on corporate governance but doesn't include the financial statements and our auditor's report. The directors' reports, management discussion and analysis, statement of corporate governance, financial highlights and certification on corporate governance are expected to be made available to us after the date of this auditor's report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance of the Company.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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:

- 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;
- 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;
- 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;
- the expenditures incurred, and payments made were for the purposes of the Company's business.
- 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;
- 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: 28 April 2026

For Nurul Faruk Hasan & Co
Chartered Accountants
FRC Enlistment Number: CAF-001-139



Md. Faruk Uddin Ahammed
Partner
Enrollment No. 720
DVC: 2604280720AS712578

IPDC Finance PLC.

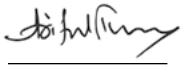
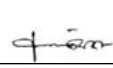
BALANCE SHEET

As at 31 December 2025

Particulars	Note	2025 Taka	2024 Taka
Property and assets			
Cash	5		
In hand (including foreign currencies)		555,000	555,000
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		966,129,229	810,238,006
		966,684,229	810,793,006
Balance with other banks and financial institutions	6		
Inside Bangladesh		8,951,305,202	6,270,561,635
Outside Bangladesh		-	-
		8,951,305,202	6,270,561,635
Money at call and short notice		-	-
Investments	7		
Government securities		6,171,365,855	5,206,164,086
Other investments		4,484,942,246	4,306,163,758
		10,656,308,101	9,512,327,844
Loans, advances and leases	8		
Loans, cash credits, overdrafts etc.		74,621,954,415	69,535,703,126
Bills purchased and discounted		-	-
		74,621,954,415	69,535,703,126
Fixed assets including land, building, furniture and fixture	9	796,954,962	741,498,930
Other assets	10	2,732,165,190	2,249,266,684
Non banking assets	11	3,752,405	3,752,405
Total assets		98,729,124,504	89,123,903,630
Liabilities and capital			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	16,740,918,453	17,433,014,873
Deposits and other accounts	13		
Current accounts and other accounts		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		62,248,848,183	54,319,330,270
Bearer certificate of deposits		-	-
Other deposits		-	-
		62,248,848,183	54,319,330,270
Other liabilities	14	12,436,193,484	10,462,520,292
Total liabilities		91,425,960,120	82,214,865,435
Shareholders' equity			
Paid up capital	15	4,091,284,300	3,896,461,240
Share premium	16	402,627,680	402,627,680
Statutory reserve	17	1,392,817,100	1,301,722,665
Assets revaluation reserve	18	428,284,884	290,414,727
Retained earnings	19	988,150,420	1,017,811,883
Total shareholders' equity		7,303,164,384	6,909,038,195
Total liabilities and shareholders' equity		98,729,124,504	89,123,903,630

Particulars	Note	2025 Taka	2024 Taka
Off-balance sheet items			
Contingent liabilities			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total contingent liabilities		-	-
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total off-balance sheet items including contingent liabilities		-	-
Net Asset Value (NAV) per Share	42	17.85	16.89

The annexed notes from 1 to 47 and Annexure A, B & 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: 28 April 2026

For Nurul Faruk Hasan & Co
Chartered Accountants
FRC Enlistment Number: CAF-001-139


Md. Faruk Uddin Ahammed
Partner
Enrollment No. 720
DVC: 2604280720AS712578

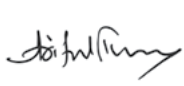
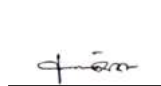
IPDC Finance PLC.

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2025

Particulars	Note	2025 Taka	2024 Taka
Interest income	21	9,559,771,728	8,811,163,320
Less: Interest paid on deposits and borrowings, etc.	22	7,553,929,927	6,418,459,030
Net interest income		2,005,841,801	2,392,704,290
Investment income	23	1,323,814,457	684,870,678
Commission, exchange and brokerage	24	140,862,570	142,075,996
Other operating income	25	13,460,709	23,230,441
Total operating income		3,483,979,537	3,242,881,405
Salary and allowances	27	1,061,684,461	923,637,690
Rent, taxes, insurance, electricity, etc.	28	45,283,273	40,074,050
Legal expenses	29	49,327,119	51,493,468
Postage, stamp, telecommunications, etc.	30	14,999,326	15,999,635
Stationery, printing, advertisements, etc.	31	80,774,501	70,821,142
Managing Director's salary and allowances	32	14,050,000	13,870,192
Directors' fees	33	2,104,500	1,891,200
Auditors' fees	34	1,035,000	954,500
Charges on loan loss		-	-
Depreciation and repair of assets	35	195,959,161	198,291,565
Other expenses	36	165,712,088	161,134,134
Total operating expenses		1,630,929,429	1,478,167,576
Profit before provision		1,853,050,108	1,764,713,829
Provision for loans and advances	37	875,220,659	811,801,326
Provision/(reversal) for diminution in value of investments	38	51,973,086	53,410,281
Other Provisions		6,623,667	27,243,310
Total provision		933,817,412	892,454,917
Profit before tax		919,232,696	872,258,912
Provision for taxation			
Current tax expense	14.4	483,269,290	504,335,000
Deferred tax expense/ (income)	39	(19,508,768)	4,688,979
		463,760,522	509,023,979
Net profit after tax		455,472,174	363,234,933
Appropriations			
Statutory reserve		91,094,435	72,646,987
General reserve		-	-
Proposed dividend		-	-
		91,094,435	72,646,987
Retained surplus		364,377,739	290,587,946
Earnings per share (EPS)	40	1.11	0.89

The annexed notes from 1 to 47 and Annexure A, B & 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: 28 April 2026

For Nurul Faruk Hasan & Co
Chartered Accountants
FRC Enlistment Number: CAF-001-139


Md. Faruk Uddin Ahammed
Partner
Enrollment No. 720
DVC: 2604280720AS712578

IPDC Finance PLC.

CASH FLOW STATEMENT

For the year ended 31 December 2025

Particulars	Note	2025 Taka	2024 Taka
A) Cash flows from operating activities			
Interest received		10,287,028,547	9,174,038,828
Interest paid		(6,994,634,145)	(6,058,149,145)
Dividend received		397,951,854	201,706,209
Fee and commission received		140,862,570	142,075,996
Recoveries of loan previously written off		9,540,980	1,932,000
Payment to employees		(1,090,985,450)	(970,320,060)
Payment to suppliers		(397,737,984)	(388,722,722)
Income taxes paid		(479,078,668)	(397,348,844)
Payments for interest portion of lease payments		(14,384,520)	(17,234,009)
Receipt from other operating activities		178,375,910	128,427,870
Payment for other operating activities		-	-
Cash generated from/(used in) operating activities before changes in operating assets and liabilities		2,036,939,094	1,816,406,122
Changes in operating assets and liabilities			
Statutory deposits		-	-
Sale of trading securities		-	-
Loans and advances to other banks		144,217,338	134,316,360
Loans and advances to customers		(5,273,372,192)	855,837,513
Other assets		6,014,402	47,795,586
Deposits from other banks and financial institutions		(1,227,000,000)	(6,934,700,000)
Deposits from customers		9,156,517,913	1,076,987,436
Other liability accounts of customers		-	-
Trading liabilities		(879,470,301)	632,887,198
Other liabilities		104,543,182	(121,878,746)
Cash received/(paid) from operating assets and liabilities		2,031,450,342	(4,308,754,653)
Net cash from operating activities		4,068,389,436	(2,492,348,531)
B) Cash flows from investing activities			
Net payments for investment in securities		(1,143,980,257)	(4,993,649,878)
Purchase of property, plant and equipment		(32,997,819)	(42,698,513)
Sale proceeds of property, plant and equipment		435,277	131,222
Net cash (used in)/ from investing activities		(1,176,542,799)	(5,036,217,169)
C) Cash flows from financing activities			
Receipts from issue of loan and debt securities		(1,338,986,770)	1,698,246,660
Payments for redemption of loan and debt securities		(460,000,000)	(200,000,000)
Payments for principal portion of lease payments		(47,575,786)	(42,357,122)
Receipts from issue of ordinary share		-	-
Receipts/(payments) of long term loan		1,986,360,651	(797,287,239)
Dividends returned/(paid) in cash		(195,009,942)	(185,667,399)
Net cash (used in)/ from financing activities		(55,211,847)	472,934,900
D) Net increase in cash (A+B+C)		2,836,634,790	(7,055,630,800)
E) Effect of changes in exchange rate over cash and cash equivalents		-	-
F) Cash and cash equivalents at beginning of the period		7,081,354,641	14,136,985,441
G) Cash and cash equivalents at the end of the period (D+E+F)		9,917,989,431	7,081,354,641
Break down of cash and cash equivalents:			
Cash in hand		555,000	555,000
Balance with Bangladesh Bank and its agent bank(s)		966,129,229	810,238,006
Balance with other banks and financial institutions		8,951,305,202	6,270,561,635
		9,917,989,431	7,081,354,641
Net Operating Cashflow per Share (NOCFPS)	43	9.94	(6.09)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2025

Particulars	Paid up capital Taka	Share premium Taka	Statutory reserve Taka	Assets revaluation reserve Taka	Retained earnings Taka	Total Taka
Balance as at 1 January 2025	3,896,461,240	402,627,680	1,301,722,665	290,414,727	1,017,811,883	6,909,038,195
Surplus/(deficit) on account of revaluation of assets	-	-	-	130,946,565	-	130,946,565
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)	-	-	-	-	(6,741,397)	(6,741,397)
Deferred tax liability	-	-	-	9,271,909	-	9,271,909
Currency translation differences	-	-	-	-	-	-
Net gain/(loss) not recognised in the profit and loss account	-	-	-	-	-	-
Net profit for the period ended 31 December 2025	-	-	-	-	455,472,174	455,472,174
Dividend	-	-	-	-	(194,823,062)	(194,823,062)
Issuance of bonus share	194,823,060	-	-	-	(194,823,060)	-
Issuance of share capital	-	-	-	-	-	-
Appropriation during the period	-	-	91,094,435	-	(91,094,435)	-
Balance as at 31 December 2025	4,091,284,300	402,627,680	1,392,817,100	428,284,884	988,150,420	7,303,164,384
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)	-
Balance as at 31 December 2024	3,896,461,240	402,627,680	1,301,722,665	290,414,727	1,017,811,883	6,909,038,195

IPDC Finance PLC.
LIQUIDITY STATEMENT
(ASSETS AND LIABILITIES MATURITY ANALYSIS)

As at 31 December 2025

Particulars	Up to 1 month Taka	1-3 months Taka	3-12 months Taka	1-5 years Taka	Above 5 years Taka	Total Taka
Assets						
Cash in hand (including balance with Bangladesh Bank)	555,000	-	-	-	966,129,229	966,684,229
Balance with other banks and financial institutions	3,501,469,103	4,557,776,485	892,059,614	-	-	8,951,305,202
Money at call and short notice	-	-	-	-	-	-
Investments	198,537,971	1,912,212,055	2,443,324,573	4,779,658,830	1,322,574,672	10,656,308,101
Loans and advances	5,218,192,311	9,287,817,163	14,647,598,928	32,374,423,165	13,093,922,849	74,621,954,415
Fixed assets including land, building, furniture and fixture	-	-	-	-	796,954,963	796,954,963
Other assets	-	-	-	-	2,732,165,189	2,732,165,189
Non banking assets	-	-	-	-	3,752,405	3,752,405
Total assets	8,918,754,384	15,757,805,703	17,982,983,115	37,154,081,995	18,915,499,307	98,729,124,504
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	2,255,423,973	1,811,871,547	3,208,912,902	7,455,967,735	2,008,742,295	16,740,918,452
Deposits	5,437,707,322	12,482,330,409	12,555,307,719	9,209,526,471	22,563,976,262	62,248,848,183
Other accounts	-	-	-	-	-	-
Provision and other liabilities	813,355,849	789,195,295	1,429,667,363	920,704,801	8,483,270,176	12,436,193,485
Total liabilities	8,506,487,144	15,083,397,251	17,193,887,984	17,586,199,007	33,055,988,733	91,425,960,120
Net liquidity surplus/ (gap)	412,267,240	674,408,452	789,095,131	19,567,882,988	(14,140,489,426)	7,303,164,384

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

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 (4th 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, Barishal 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 (2nd) upto 2020, the Securities and Exchange Rules 2020, Income Tax Act, 2023, The Value Added Tax and Supplementary Duty Act, 2012, The Value Added Tax and Supplementary Duty Rules, 2016. If any requirement of the Finance Company Act, 2023, and circulars issued by Bangladesh Bank, contradicts with that of IFRSs, the requirements of the Finance Company Act, 2023, and circulars issued by Bangladesh Bank shall prevail. The financial statements have been prepared on historical cost basis except for land and building which are presented/stated at revalued amount.

2.2 Date of Authorization

The Board of Directors of the Company has authorised these financial statements on 28 April 2026.

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.

S.L	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
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.
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 3,962.67 mn as on 31 December 2025 and deferred tax assets thereon BDT 1,486.00 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. 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 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 2025 of BDT 875.22 mn as per Bangladesh Bank guidelines. On the other hand, accumulated provision for loan, leases and advances stand at BDT 3,695.68 mn as at 31 December 2025.
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 1,645.78 mn from BDT 1,090.12 mn resulting increase of BDT 555.66 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 2025 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 2025. 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.

2.10 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 (2nd) 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 2025 as in financial statements for 2024.

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 investment. 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	27*
Motor vehicles	8
Furniture and fixture	8
Equipment and appliances	5
Software	5**

*The remaining 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. There is no such non-current assets or discontinued operations at the end of the year 2025.

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
- a) 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 2025 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 2025, the company set aside BDT 51.97 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. 18 dated 17 August 2025, as per following bases:

- Balance with other banks and financial institutions, money at call and short notice etc. are on the basis of their term.
- Investments are on the basis of their residual maturity term.
- Loans and advances are on the basis of their repayment/maturity schedule.
- Fixed assets are on the basis of Bangladesh Bank regulation
- Other assets are on the basis of Bangladesh Bank regulation
- Borrowings from other banks and financial institutions as per their maturity/repayment term.
- Deposits and other accounts are on the basis of their residual maturity period
- Other long term liability on the basis of their maturity term.
- 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 2024 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current 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:

- Balance sheet as at 31 December 2025
- Profit and loss account for the year ended 31 December 2025
- Cash flow statement for the year ended 31 December 2025
- Statement of changes in equity for the year ended 31 December 2025
- Notes to the financial statements as at and for the year ended 31 December 2025

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

- The Company publishes its quarterly accounts as per IAS 34 "Interim Financial Reporting" and the Bangladesh Securities and Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2008-183/Admin/03-34 dated 27 September 2009.
- Figures in these notes and the accompanying financial statements have been rounded off to the nearest Taka.
- Previous year's figures have been rearranged, where necessary, to conform to current year's presentation.
- Company Balances shown in the accounts are duly reconciled.

4.16 Compliance of International Financial Reporting Standards (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 2025 have been considered. However, these amendments have no material impact on the financial statements of the Company.

Particulars	Note	2025 Taka	2024 Taka
5 Cash			
Cash in hand (including foreign currencies)	5.1	555,000	555,000
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	5.2	966,129,229	810,238,006
		966,684,229	810,793,006
5.1 Cash in hand			
In local currency		555,000	555,000
In foreign currency		-	-
		555,000	555,000
5.2 Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)			
Bangladesh Bank			
In local currency		966,129,229	810,238,006
In foreign currency		-	-
		966,129,229	810,238,006
Sonali Bank PLC. (as an agent of Bangladesh Bank)		-	-
		966,129,229	810,238,006
5.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)			
Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR) have been calculated and maintained in accordance with the section 9 of the Finance Company Act, 2023 and of instructions contained in DFIM circular no. 01 dated 12 January 2017, FID circular no. 02 dated 10 November 2004, FID circular no. 06 dated 06 November 2003 and DFIM Circular No. 03 dated 21 June 2020 issued by Bangladesh Bank.			
Cash Reserve Requirement (CRR) required on the term deposits at the rate of 1.5% has been calculated and maintained with Bangladesh Bank in the form of current account and 5% Statutory Liquidity Reserve (SLR) including Cash Reserve Requirement has been maintained against total liabilities excluding shareholders' equity, borrowings from Bangladesh Bank and other Banks and NBFIs in the form of cash in hand (notes and coin in BDT), balance with Bangladesh Bank and other banks and financial institution, investment at call, unencumbered treasury bills, prize bond, saving certificate and any other assets approved by Bangladesh Bank. Both the reserves as maintained by the Company are shown below:			
Cash Reserve Requirement (CRR)			
The Company requires to maintain cash with Bangladesh Bank current account equivalent to 1.50% of Term Deposits other than deposit taken from banks and financial institutions.			
Required reserve 1.50%		915,600,468	774,995,011
Actual reserve maintained (Dec'25: 1.58%, Dec'24: 1.54%)		965,471,044	796,680,378
Surplus/(deficit)		49,870,576	21,685,367
Statutory Liquidity Reserve (SLR)			
The Company requires to maintain SLR equivalent to 5% of total liability including 1.50% of CRR and excluding loans and deposits taken from banks and financial institutions.			
Required reserve (5%)		3,627,194,427	3,067,724,732
Actual reserve maintained (Dec'25: 11.99%, Dec'24: 7.50%)	5.3.1	8,696,101,967	4,598,702,713
Surplus		5,068,907,540	1,530,977,981
5.3.1 Actual reserve maintained - including CRR			
Cash in hand		555,000	555,000
Prime Bank PLC.		403,444	83,002
BRAC Bank PLC.		2,516,572	22,835,210
Mercantile Bank PLC.		260,146,177	4,848,383
Eastern Bank PLC.		391,246	392,571
Dutch Bangla Bank PLC.		1,828,974	9,478,706
Dhaka Bank PLC.		10,470,467	8,730,758
United Commercial Bank PLC.		580,000,000	3,253,131
EXIM Bank PLC.		-	400,000,000
NRB Bank PLC.		-	98,779
National Credit and Commerce Bank PLC.		34,204	166,749
Citizens Bank PLC		800,000,000	660,000,000
One Bank PLC.		436,712	1,681,628
Social Islami Bank PLC.		148,840,000	445,000,000
Meghna Bank PLC.		253,059,728	1,200,000,000
NRB Commercial Bank PLC.		-	30,000,000
Uttara Finance & Investment PLC.		20,000,000	20,000,000
IFIC Bank PLC.		5,444	213,587
Mutual Trust Bank PLC.		252,081,045	11,127,203
Modhumoti Bank PLC.		150,313,967	-
LankaBangla Finance PLC.		100,000,000	-

Particulars	Note	2025 Taka	2024 Taka
Lankan Alliance Finance PLC.		100,000,000	-
United Finance PLC.		100,000,000	-
Bank Alfalah PLC.		300,000,000	-
Community Bank Bangladesh PLC.		250,000,000	-
Shimanto Bank PLC.		200,000,000	-
Balance with Bangladesh Bank		749,218,987	810,238,006
Unencumbered Bangladesh Treasury Bill/Bond		4,415,800,000	970,000,000
		8,696,101,967	4,598,702,713
6 Balance with other banks and financial institutions			
Inside Bangladesh	6.1	8,951,305,202	6,270,561,635
Outside Bangladesh		-	-
		8,951,305,202	6,270,561,635
6.1 Inside Bangladesh			
In current deposit accounts with			
Bank Alfalah PLC.		82,360	-
Mutual Trust Bank PLC.		9,557,558	-
Prime Bank PLC.		-	61,418,792
Dhaka Bank PLC.		178,327,095	-
Commercial Bank of Ceylon PLC.		-	20,771
IFIC Bank PLC.		4,268	9,105
Exim Bank PLC.		18,010	-
Balance with Brokerage Houses		28,070,323	71,230,085
		216,059,614	132,678,753
Short term deposit accounts with			
Dutch Bangla Bank PLC.		18,078,010	9,796,066
Prime Bank PLC.		41,018,236	83,002
Mercantile Bank PLC.		37,865,286	4,749,075
BRAC Bank PLC.		13,070,067	23,077,489
Dhaka Bank PLC.		308,303,521	11,141,098
United Commercial Bank PLC.		2,704,117	3,253,131
Eastern Bank PLC.		1,000,424,823	343,559
One Bank PLC.		903,256	1,681,628
NRB Bank PLC.		-	101,381
Modhumoti Bank PLC.		149,229,696	-
NCC Bank PLC.		343,377	217,324
IFIC Bank PLC.		7,798	2,544,887
Standard Bank PLC.		-	1,875
Mutual Trust Bank PLC.		10,925,340	11,169,262
Meghna Bank PLC.		215,073,810	-
NRBC Bank PLC.		3,429,377	16,201,355
Standard Chartered Bank		92,389	-
		1,801,469,103	84,361,132
Short term placement			
People's Leasing and Financial Service Limited		28,500,000	28,500,000
Midland Bank Ltd		250,000,000	-
International Leasing and Financial Service Limited		12,000,000	8,838,738
		290,500,000	37,338,738
Fixed deposit accounts with			
Bank Alfalah		300,000,000	200,000,000
BRAC Bank PLC.		-	600,000,000
Citizen Bank PLC.		800,000,000	660,000,000
Community Bank Bangladesh PLC.		450,000,000	-
Commercial Bank of Ceylon Limited		1,106,198,037	400,000,000
Dhaka Bank PLC.		466,073,237	466,073,237
EXIM Bank PLC.		-	400,000,000
IFIC Bank PLC.		-	6,349,056
Meghna Bank PLC.		-	1,200,000,000
Mercantile Bank PLC.		250,000,000	-
Modhumoti Bank PLC.		195,000,000	-
Mutual Trust Bank PLC.		950,000,000	600,000,000
NCC Bank PLC.		600,000,000	67,726,540

Particulars	Note	2025 Taka	2024 Taka
NRBC Bank PLC.		-	30,000,000
Prime Bank PLC.		100,000,000	1,034,179
Social Islami Bank PLC.		152,786,826	445,000,000
Southeast Bank PLC.		-	300,000,000
Standard Bank PLC.		-	400,000,000
United Commercial Bank PLC.		590,000,000	-
Shimanto Bank PLC.		200,000,000	-
IDLC Finance PLC.		7,218,385	-
United Finance PLC.		100,000,000	-
LankaBangla Finance PLC.		100,000,000	-
Lankan Alliance Finance PLC.		100,000,000	-
National Housing Finance PLC.		176,000,000	220,000,000
Uttara Finance & Investments Limited		-	20,000,000
Total		6,643,276,485	6,016,183,012
6.2 Maturity grouping of balance with other banks and financial institutions		8,951,305,202	6,270,561,635
Repayable:			
On demand		-	-
Within one month		3,501,469,103	980,710,189
Within one to three months		4,557,776,485	4,201,099,457
Within three months to one year		892,059,614	1,088,751,988
Within one to five years		-	-
More than five years		-	-
		8,951,305,202	6,270,561,634
7 Investments			
Government securities	7.1	6,171,365,855	5,206,164,086
Other investments	7.2	4,484,942,246	4,306,163,758
		10,656,308,101	9,512,327,844
7.1 Government securities			
Treasury Bill		3,088,791,523	2,976,276,246
Treasury Bond		3,082,574,331	2,229,887,840
		6,171,365,855	5,206,164,086
The company has purchased several treasury bills with positive intention as well as capability to hold the bills until maturity and collect the contractual cashflows which qualify for classification and measurement at amortized cost as per IFRS 9. Accordingly, initially the bills have been recorded at fair value, which is purchase price plus any transaction costs, and subsequently measured at amortized costs using the effective interest method.			
7.2 Other investments			
Ordinary shares:			
Quoted	7.2.1	546,695,576	441,659,589
Unquoted	7.2.2	4,500,000	4,500,000
		551,195,576	446,159,589
Redeemable preference shares	7.2.3	3,143,159,170	3,069,416,669
		3,694,354,746	3,515,576,258
Investment in corporate bonds	7.2.4	790,587,500	790,587,500
		4,484,942,246	4,306,163,758
7.2.1 Ordinary shares - quoted			
Business Segments	2025	2024	
	Cost Taka	Market value Taka	Cost Taka
Pharmaceuticals & Chemicals	206,120,881	194,356,003	92,319,736
Telecommunications	48,900,231	36,106,000	46,510,362
Fuel & Power	78,211,657	46,960,448	46,494,210
Bank	74,646,990	84,203,600	167,129,307
Food & Allied	61,214,516	42,262,000	43,463,215
Cement	31,997,504	23,350,000	31,528,359
Information Technology	12,970,890	8,280,000	7,214,400
Miscellaneous	7,841,047	6,923,000	-
Engineering	24,791,860	21,725,000	7,000,000
	546,695,576	464,166,050	441,659,589
			410,934,055

Particulars	Note	2025 Taka	2024 Taka
7.2.2 Ordinary shares - unquoted			
Quality Feeds Ltd.		1,500,000	1,500,000
Quality Printing Packaging Limited		3,000,000	3,000,000
		4,500,000	4,500,000
7.2.3 Redeemable preference shares			
Premium Seed Limited		4,000,000	4,000,000
Confidence Power Rangpur Limited		-	40,000,000
Confidence Power Bogra Unit-2 Limited		-	15,000,000
Summit LNG Terminal Co. (Pvt.) Ltd.		33,333,336	66,666,669
City Sugar Industries Limited		60,000,000	120,000,000
Impress Newtex Composite Textiles Limited		250,825,834	250,000,000
Confidence Power Bogra Limited		-	23,750,000
Confidence Power Holdings Limited		160,000,000	200,000,000
Epyllion Knitex Limited		150,000,000	225,000,000
Epyllion Style Limited		225,000,000	300,000,000
Epyllion Knitwears Limited		300,000,000	300,000,000
Akij Ceramics Limited		200,000,000	250,000,000
Akij Steel Mills Limited		200,000,000	250,000,000
Renata Limited		400,000,000	500,000,000
United Ashuganj Energy Ltd.		270,000,000	300,000,000
Nitol Motors Limited		225,000,000	-
Samuda Chemical Complex Limited.		500,000,000	-
United Tank Terminal Limited		165,000,000	225,000,000
		3,143,159,170	3,069,416,669
7.2.4 Corporate bonds			
Golden Harvest Agro Industries Ltd.		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
		790,587,500	790,587,500
Unquoted shares are primarily recognised at cost. Adequate provision has been maintained against the unquoted shares whose fair value is lower than the cost.			
7.3 Maturity grouping of investments			
Repayable:			
On demand		-	-
Within one month		198,537,971	746,516,833
Within one to three months		1,912,212,055	1,105,472,594
Within three months to one year		2,443,324,573	2,326,617,241
Within one to five years		4,779,658,830	3,647,134,763
More than five years		1,322,574,672	1,686,586,413
		10,656,308,101	9,512,327,844
8 Loans, advances and leases			
Loans, cash credits, overdrafts, etc.		74,621,954,415	69,535,703,126
Bills purchased and discounted		-	-
		74,621,954,415	69,535,703,126
8.1 Loans, cash credits, overdrafts, etc.			
In Bangladesh:			
Long term loan		38,235,667,374	30,782,938,741
Lease finance		4,049,665,796	3,972,557,773
Short term loan		12,191,966,012	12,875,213,945
Channel finance		3,391,668,716	5,245,899,601
Mortgage finance		10,115,873,659	10,245,602,575
Auto loan		4,456,447,647	4,819,158,874
Secured retail loan		793,667,472	961,672,448
Personal loan		998,217,086	378,466,706
Staff loan		297,963,113	231,280,640
Cash secured personal loan		79,076,981	-
Consumer White Goods Finance		11,740,559	22,911,823
		74,621,954,415	69,535,703,126
Outside Bangladesh		-	-
		74,621,954,415	69,535,703,126

Particulars	Note	2025 Taka	2024 Taka
8.1.1 Gross lease receivables		3,972,557,773	4,592,744,548
Less: Unearned lease interest income		931,009,372	1,002,644,079
Net lease receivables		3,041,548,401	3,590,100,469
Add: Overdue lease rentals		1,008,117,395	382,457,304
		4,049,665,796	3,972,557,773
8.2 a) Net loans and advances including bills purchased and discounted			
Total loans and advances receivables	8	74,621,954,415	69,535,703,126
Less: Provision against loans and advances (specific and general)	8.9(b)	3,695,679,437	3,441,955,078
Less: Cumulative balance of interest suspense	14.2	1,645,783,154	1,090,124,987
		69,280,491,824	65,003,623,061
b) Rate of net classified loans and advances			
Gross loans and advances		74,621,954,415	69,535,703,126
Unclassified loans and advances		70,169,452,319	65,478,955,153
Classified loans and advances		4,452,502,096	4,056,747,973
Total provision		3,695,679,437	3,441,955,078
Interest suspense		1,645,783,154	1,090,124,987
Total provision and interest suspense		5,341,462,591	4,532,080,065
Net classified loans and advances		(888,960,495)	(475,332,092)
Rate of classified loans and advances		5.97%	5.83%
Rate of net classified loans and advances		-1.19%	-0.68%
8.3 Residual maturity grouping of loans and advances including bills purchased and discounted			
Repayable:			
On demand		-	-
Up to one month		5,218,192,311	7,489,347,525
More than one month but less than three months		9,287,817,163	8,689,971,971
More than three months but less than one year		14,647,598,928	13,416,698,664
More than one year but less than five years		32,374,423,165	27,413,899,594
More than five years		13,093,922,849	12,525,785,371
		74,621,954,415	69,535,703,126
8.4 Loans and advances including bills purchased and discounted are classified into the following broad categories			
Loans and advances			
Inside Bangladesh			
Loans and advances		74,621,954,415	69,535,703,126
Cash credit		-	-
Secured overdraft		-	-
		74,621,954,415	69,535,703,126
Outside Bangladesh		-	-
		74,621,954,415	69,535,703,126
Bills purchased and discounted			
Payable in Bangladesh		-	-
Payable outside Bangladesh		-	-
		-	-
		74,621,954,415	69,535,703,126
8.5 Loans and advances including bills purchased and discounted on the basis of significant concentration			
Loans and advances to the allied concerns of the directors			
Advances to Chief Executive and other Senior Executives			
Managing Director		9,082,020	9,730,877
Senior Executives (Senior Manager & above)		174,640,580	132,817,330
Other staffs		114,240,513	88,732,433
		297,963,113	231,280,640
Advances to customers' group			
Agricultural		4,217,046,755	5,193,885,783
Large corporate		43,266,740,361	37,982,985,302
Small and medium enterprise		10,864,718,911	10,268,411,976
Retail		15,975,485,275	15,859,139,424
Others		-	-
		74,323,991,302	69,304,422,486
		74,621,954,415	69,535,703,126

Particulars	Note	2025 Taka	2024 Taka
8.5.1 Disclosure on large loan			
Loan sanctioned to any individual or enterprise or any organisation of a group, amounting to 15% or more of the Company's total capital and classified amount therein and measures taken for recovery of such loan have been furnished below. Total capital of the Company as at 31 December 2025 was Taka 7303.16 million against that of Taka 6,909.03 million as at 31 December 2024.			
Number of client to whom loans and advances sanctioned with more than 15% of the Company's total capital each		6	3
Amount of outstanding loans and advances [to the client as mentioned above]		7,457,925,876	3,278,819,722
Amount of classified loans and advances [out of the amount as mentioned above]		-	-
Measures taken for recovery [for the amount as mentioned above]		-	-
8.6 Industry-wise loans and advances including bills purchased and discounted			
Agro-based industries		4,217,046,755	5,193,885,783
Banks and non-banking financial institutions		427,938,088	572,155,426
Chemicals, pharmaceuticals and allied products		5,107,414,280	4,425,707,439
Engineering and building materials		2,448,800,315	2,976,810,767
Food and allied products		5,078,118,181	2,988,418,592
Glass, ceramic and other non-metallic products		1,339,113,403	440,376,304
Hotel, tourism and leisure		39,232,076	56,739,767
Information and communication technologies		1,406,817,144	1,403,483,986
Paper converting and packaging, printing and publishing		2,256,566,908	2,419,570,743
Ready made garments and knitwear		11,023,248,610	8,554,478,116
Social sector		3,933,004,707	2,670,754,760
Tannery, leather and rubber products		289,983,317	256,855,246
Textile		1,390,145,548	1,769,523,067
Transport and aviation		2,644,132,986	2,223,025,716
Others		33,020,392,096	33,583,917,414
		74,621,954,415	69,535,703,126
8.7 Geographical location-wise loans and advances including bills purchased and discounted			
Dhaka Division		57,531,544,125	54,369,653,901
Chottogram Division		8,046,986,818	6,832,535,066
Khulna Division		2,841,955,293	2,507,420,674
Rangpur Division		2,144,808,226	2,163,428,480
Rajshahi Division		1,292,191,092	1,101,415,303
Sylhet Division		865,336,086	873,749,365
Barisal Division		739,058,091	651,618,722
Mymensingh Division		1,160,074,686	1,035,881,614
		74,621,954,415	69,535,703,126
8.8 Broad economic sector-wise segregation of loans and advances including bills purchased and discounted			
Government and autonomous bodies		-	-
Bank and non-banking financial institutions		427,938,088	572,155,426
Other public sector		-	-
Private sector		74,194,016,328	68,963,547,699
		74,621,954,415	69,535,703,126

Particulars	Note	2025 Taka	2024 Taka
8.9 a) Classification of loans and advances including bills purchased and discounted			
Unclassified loans and advances			
Standard-Non CMSME (including staff loans)		57,015,804,778	52,393,550,644
Standard-CMSME		11,141,542,695	11,019,505,743
Standard-Brokerage House/Merchant Banks/Stock Dealers		410,752,595	570,458,600
Special mention account-Non CMSME		1,444,359,905	1,309,845,661
Special mention account-CMSME		141,127,575	185,594,506
Special mention account-Brokerage House/Merchant Banks/Stock Dealers		15,864,771	-
Total unclassified loans and advances		70,169,452,319	65,478,955,153
Classified loans and advances			
Substandard-Non CMSME		137,151,482	225,811,510
Substandard-CMSME		283,933,276	256,780,115
Doubtful-Non CMSME		190,641,705	136,723,947
Doubtful-CMSME		119,637,555	222,576,084
Bad/loss		3,721,138,077	3,214,856,318
Total classified loans and advances		4,452,502,096	4,056,747,973
Total loans and advances		74,621,954,415	69,535,703,126

b) Classification and provisioning of loans and advances including bills purchased and discounted

Classification / Status of loans and advances	Amount of outstanding loans and advances as at 31 December 2025	Base for provision	Percentage (%) of provision required as per Bangladesh Bank's directives	31 December 2025	31 December 2024
	Taka	Taka	%	Taka	Taka
General provision					
Standard-Non CMSME (including staff loans)	57,015,804,778	55,247,683,101	1.00%	552,476,831	506,237,693
Standard-CMSME	11,141,542,695	11,141,542,695	0.25%	27,853,857	27,548,764
Standard-Brokerage House/Merchant Banks/Stock Dealers	410,752,595	410,752,595	2.00%	8,215,052	11,409,172
Special mentioned account-Non CMSME	1,444,359,905	1,263,663,156	5.00%	63,183,158	55,571,307
Special mentioned account-CMSME	141,127,575	124,605,076	0.25%	311,513	420,448
Special mention account-Brokerage House/Merchant Banks/Stock Dealers	15,864,771	14,066,898	5.00%	703,345	-
	70,169,452,319	68,202,313,520		652,743,756	601,187,384
Specific provision					
Substandard-Non CMSME	137,151,482	61,371,986	20.00%	12,274,397	23,151,642
Substandard-CMSME	283,933,276	146,858,445	5.00%	7,342,922	5,343,497
Doubtful-Non CMSME	190,641,705	67,220,924	50.00%	33,610,462	44,486,807
Doubtful-CMSME	119,637,555	60,980,188	20.00%	12,196,038	25,953,482
Bad/loss	3,721,138,077	2,418,221,419	100.00%	2,418,221,419	2,110,478,585
	4,452,502,096	2,754,652,962		2,483,645,238	2,209,414,013
Provision required				3,136,388,994	2,810,601,397
Special provision*				24,328,854	48,415,632
Additional provision as per regulator requirement **				148,305,818	433,671,853
Total provision required				3,309,023,666	3,292,688,882
Total provision maintained				3,695,679,437	3,441,955,078
Total provision surplus				386,655,771	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 71,619,485.27 closed during the year 2022, 2023, 2024 & 2025 and BDT 24,328,854 is for live accounts (BDT 18,555,854 is in general provision and BDT 5,772,999 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 148,305,818 has been kept as additional provision as per regulator's requirement.

Particulars	Note	2025 Taka	2024 Taka
8.10 Particulars of loans and advances including bills purchased and discounted			
Loans considered good in respect of which the Company is fully secured		28,009,366,588	26,185,719,320
Loans considered good for which the Company holds no other security other than the debtor's personal guarantee		37,049,010,126	33,115,689,987
Loans considered good and secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors		9,563,577,702	10,234,293,819
Loans adversely classified; provision not maintained there against		-	-
		74,621,954,415	69,535,703,126
Loans due by directors or officers of the Company or any of them either separately or jointly with any other persons *		297,963,113	231,280,640
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		50,513,780	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*		15,801,039	59,616,771
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)		427,938,088	572,155,426
Amount of classified loans and advances on which interest has not been charged to profit & loss account		4,452,502,096	4,056,747,973
(Decrease)/increase in specific provision		1,132,295,127	862,293,945
Amount of loan and advances written off during the year		1,056,535,642	615,028,179
Amount realised against loans and advances previously written off		9,540,980	1,932,000
Amount of provision kept against loans and advances classified as bad/loss on the date of preparing the balance sheet		2,418,221,419	2,110,478,585
Interest creditable to the interest suspense account during the year		1,020,169,675	499,807,815
* Amount represents loans to employees of the Company only.			
8.11 a) Cumulative amount of written off loan			
Opening balance		870,033,116	256,936,937
Add: Amount written off during the year		1,056,535,642	615,028,179
		1,926,568,758	871,965,116
Less: Adjustment/recovered during the year		9,540,980	1,932,000
		1,917,027,778	870,033,116
b) Amount of written off loan for which lawsuit has been filed for its recovery		1,917,027,778	870,033,116
8.12	As per DFIM Circular no-08 dated 17 August 2021 and FRC letter (Ref. no-178/FRC/APR/2021/28(17)) dated 21 December 2021, IPDC Finance 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 2025 to 31 December 2025.		
9 Fixed assets including land, building, furniture and fixture			
Land		444,274,875	279,435,033
Building		37,961,784	90,474,767
Motor vehicles		48,403,112	42,602,787
Furniture and fixture		130,707,381	126,424,331
Equipment and appliances		340,937,585	328,741,550
Software		227,366,787	226,736,787
ROU-Assets for lease rent		299,857,327	300,171,995
		1,529,508,851	1,394,587,250
Less: Accumulated depreciation and amortisation		789,968,231	710,072,364
		739,540,620	684,514,886
Capital work in progress		57,414,342	56,984,044
		796,954,962	741,498,930
Details are shown in Annexure - A			

Particulars	Note	2025 Taka	2024 Taka
10 Other assets			
Non-income generating other assets		2,383,116	2,309,072
Stationery, stamps, printing materials in stock		4,609,667	5,066,363
Advance rent and advertisement		209,043,834	185,263,103
Accrued interest, commission, brokerage, and other income receivables		11,552,741	11,238,074
Security deposits		1,628,941	1,319,878
Prepaid expenses	10.1	2,502,946,891	2,044,070,194
Others		2,732,165,190	2,249,266,684
10.1 Others			
Advance tax	10.1.1	2,291,746,742	1,812,668,074
Deferred tax assets	10.1.2	95,822,980	109,769,471
Sundry assets	10.1.3	115,377,169	121,632,649
		2,502,946,891	2,044,070,194
10.1.1 Advance tax			
Opening balance		1,812,668,074	1,415,319,230
Payment made during the year/period		479,078,668	397,348,844
		2,291,746,742	1,812,668,074
Adjustment made during the year/period		-	-
		2,291,746,742	1,812,668,074
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		13,075,602	14,247,747
Tax base		-	-
Net deductible temporary differences		13,075,602	14,247,747
Tax rate		37.50%	37.50%
Deferred tax assets on gratuity provision		4,903,351	5,342,905
ii) Deferred tax asset on liabilities for lease rental			
Carrying amount at balance sheet date		136,063,244	183,639,030
Tax base		-	-
Net deductible temporary differences		136,063,244	183,639,030
Tax rate		37.50%	37.50%
Deferred tax asset on liabilities for lease rental		51,023,717	68,864,636
iii) Deferred tax asset on furniture, fixture, equipment and software			
Tax base		247,898,410	261,546,201
Carrying amount at balance sheet date		141,509,311	166,714,388
Net deductible temporary differences		106,389,099	94,831,813
Tax rate		37.50%	37.50%
Deferred tax asset on furniture, fixture, equipment and software		39,895,912	35,561,930
Total deferred tax assets (i+ii+iii)		95,822,980	109,769,471
Movement of deferred tax assets is as follows:			
Opening balance		109,769,471	114,867,558
Income/(expense) during the period charged to retained earnings		(15,282,452)	11,191,084
Income/(expense) during the period charged to profit and loss		1,335,961	(16,289,171)
Closing balance		95,822,980	109,769,471
10.1.3 Sundry assets			
City corporation tax		425,932	1,069,888
Hosna Centre Owners' Society		677,067	677,067
Advance and other receivables		114,274,170	119,885,694
		115,377,169	121,632,649
11 Non banking assets		3,752,405	3,752,405
This represents the mortgaged property (land) acquired from a default customer by virtue of verdict given by the competent court and ownership has been transferred in favor of the Company. The land is mutated in the name of the Company.			

Particulars	Note	2025 Taka	2024 Taka
12 Borrowings from other banks, financial institutions and agents			
In Bangladesh	12.1	16,740,918,453	17,433,014,873
Outside Bangladesh		-	-
		16,740,918,453	17,433,014,873
12.1 In Bangladesh			
Long term loan			
<u>Unsecured long term loan</u>			
Borrowing under Refinance Project		10,952,342,474	8,572,661,873
		10,952,342,474	8,572,661,873
<u>Secured long term loan</u>			
Mutual Trust Bank PLC.		-	148,041,094
NCC Bank PLC.		-	245,278,856
		-	393,319,950
Total long term loan		10,952,342,474	8,965,981,823
Short term loan			
<u>Unsecured short term loan</u>			
Standard Bank PLC.		-	360,000,000
		-	360,000,000
<u>Secured short term loan</u>			
Community Bank Bangladesh PLC.		200,000,000	-
Meridian Finance and Investment Limited		20,000,000	-
Standard Chartered Bank		400,000,000	-
Shimanto Bank PLC.		-	300,000,000
United Commercial Bank PLC.		400,000,000	-
Eastern Bank PLC		2,000,000,000	1,990,000,000
		3,020,000,000	2,290,000,000
Total short term loan		3,020,000,000	2,650,000,000
Subordinated Bonds			
<u>Unsecured</u>			
IPDC 1 st Subordinated Bond*		-	160,000,000
IPDC 2 nd Subordinated Bond**		1,200,000,000	1,500,000,000
		1,200,000,000	1,660,000,000
Bank overdraft			
<u>Secured</u>			
Dhaka Bank PLC.		258,362,615	668,209,719
Woori Bank Limited		165,258,571	166,586,796
Standard Chartered Bank		27,925,080	61,895,444
Prime Bank PLC.		43,177,361	-
Bank Alfalah PLC.		-	180,125,829
Mutual Trust Bank PLC.		-	150,395,106
Mercantile Bank PLC.		334,733	-
BRAC Bank PLC.		-	567,028,283
Commercial Bank of Ceylon PLC.		250,223,744	-
Eastern Bank PLC.		245,490	839,463
Dutch Bangla Bank PLC.		82,746	-
		745,610,339	1,795,080,640
Money at call and short notice			
<u>Unsecured</u>			
Meghna Bank PLC.		-	200,000,000
		-	200,000,000
Repo borrowing		822,965,640	2,161,952,410
		16,740,918,453	17,433,014,873

* IPDC 1st subordinated Bond is fully redeemed in 2025.

**IPDC Finance PLC. issued its 2nd non-convertible subordinated bond amounting BDT 1,500 million which is fully redeemable within six years from issue date. The bond is approved by Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC). The bond was opened to all types of investors and fully subscribed. The outstanding balance of the bond as at 31 December 2025 is BDT 1,200 million. The coupon rate is the average of last 6 Month FDR Rates of all Private Commercial Banks (PCBs) established before 2012 (excepting Islamic Banks and Foreign Banks) as published by Bangladesh Bank on quotation date which is repriced in every six months.

Particulars	Note	2025 Taka	2024 Taka
12.2 Security against borrowings from other banks and financial institutions			
Secured		4,588,575,979	6,640,353,000
Unsecured		12,152,342,474	10,792,661,873
		16,740,918,453	17,433,014,873
‘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.			
12.3 Residual maturity grouping of borrowings from other banks, financial institutions and agents			
Repayable:			
On demand		-	2,161,952,410
Within one month		2,255,423,973	1,467,528,958
Over one month but within three months		1,811,871,547	138,886,502
Over three months but within one year		3,208,912,902	4,642,274,871
Over one year but within five years		7,455,967,735	7,269,954,070
Over five years		2,008,742,295	1,752,418,062
		16,740,918,452	17,433,014,873
13 Deposits and other accounts			
Term Deposits	13.1	60,236,570,309	51,107,183,747
FDR from Banks & NBFIs		1,331,000,000	2,558,000,000
Other deposits		681,277,874	654,146,523
		62,248,848,183	54,319,330,270
13.1 Term deposits			
Product wise break-up of term deposit			
Annual Profit Scheme		4,147,668,902	5,274,966,148
Half Yearly Profit Scheme		-	-
Quarterly Profit Scheme		1,564,046,386	863,029,484
Monthly Profit Scheme		7,967,504,128	6,094,130,025
Cumulative Profit Scheme		659,601,423	786,417,209
Fixed Deposit Receipt (FDR)		45,897,749,471	38,088,640,881
		60,236,570,309	51,107,183,747
13.2 Residual maturity grouping of deposits and other accounts			
Repayable:			
On demand		-	-
Within one month		5,437,707,322	5,306,759,429
Over one month but within six months		12,482,330,409	12,705,867,472
Over six months but within one year		12,555,307,719	10,200,668,483
Over one year but within five years		9,209,526,471	6,992,422,743
Over five years but within ten years		22,563,976,262	19,113,612,143
		62,248,848,183	54,319,330,270
There was no unclaimed deposits for ten (10) years and more held by the Company at the reporting date.			
14 Other liabilities			
Cumulative provision for loans, advances and investments	14.1	3,877,101,498	3,571,404,053
Cumulative provision for other assets		45,067,133	41,604,728
Other provisions		40,500,000	37,338,738
Cumulative interest and dividend suspense	14.2	1,648,889,688	1,093,231,521
Net defined benefit obligation - employees' gratuity fund	14.3	13,075,602	14,247,747
Provision for corporate tax	14.4	2,707,429,608	2,224,160,318
Deposit against lease	14.5	656,449,453	575,968,261
Payable interest expenses for finance charge	14.6	2,637,684,863	2,063,202,520
Withholding tax and VAT		178,356,000	166,942,936
Liabilities for special accounts	14.7	238,526,450	225,877,524
Payable for expenses	14.8	128,296,305	93,154,170
Deferred tax liabilities	14.9	82,812,774	110,257,490
Account payable for purchase of fixed asset		7,238,637	7,415,586
Accrued interest on subordinated bonds		36,542,222	51,728,783
Liability for lease rental	14.10	136,063,244	183,639,030
Unclaimed dividend account/dividend payable	14.11	2,160,007	2,346,887
		12,436,193,484	10,462,520,292

Particulars	Note	2025 Taka	2024 Taka
14.1 Cumulative provision for loans, advances and investments			
Specific provision for classified loans, advances	14.1.1	2,871,458,959	2,360,660,132
General provision against unclassified loans and advances	14.1.2	824,220,478	1,081,294,946
Provision for investments	14.1.3	181,422,061	129,448,975
		3,877,101,498	3,571,404,053
14.1.1 Specific provision for classified loans and advances			
Opening balance		2,360,660,132	1,808,768,765
Specific provision made/(released) for the period	37	1,132,295,127	862,293,945
Fully provided debt written-off during the period		(621,496,300)	(310,402,578)
Closing balance (i)		2,871,458,959	2,360,660,132
14.1.2 General provision against unclassified loans and advances			
Opening balance		1,081,294,946	1,131,787,565
Provision made /(released) during the period	37	(257,074,468)	(50,492,619)
		824,220,478	1,081,294,946
Adjustment during the period		-	-
Closing balance (ii)		824,220,478	1,081,294,946
Total specific and general provision of loans and advances (i+ii)		3,695,679,437	3,441,955,078
14.1.3 Provision for investments			
Opening balance		129,448,975	76,038,694
Provision made for investments during the period		51,973,086	56,831,114
Provision released from investments during the period		-	(3,420,833)
Total provision made/(released) during the period		51,973,086	53,410,281
Closing balance		181,422,061	129,448,975
Total specific and general provision of loans, advances and investments		3,877,101,498	3,571,404,053
Breakdown of cumulative provision for loans, advances and investment:			
Provision for loans, advances and leases		3,695,679,437	3,441,955,078
Provision for investments in equity		181,422,061	129,448,975
		3,877,101,498	3,571,404,053
14.2 Cumulative interest and dividend suspense			
Opening balance		1,093,231,521	821,098,394
Amount transferred to suspense account during the period		1,020,169,675	499,807,815
		2,113,401,196	1,320,906,209
Amount recovered from suspense account during the period		(321,982,724)	(150,421,350)
		1,791,418,472	1,170,484,859
Amount written-off/waiver during the period		(142,528,784)	(77,253,338)
Closing balance		1,648,889,688	1,093,231,521
Breakdown of cumulative interest and dividend suspense:			
Interest suspense against loans and advances		1,645,783,154	1,090,124,987
Dividend suspense against investment in redeemable preference shares		3,106,534	3,106,534
		1,648,889,688	1,093,231,521
Amount transferred and recovered from suspense account has been calculated considering movement between end of period balance and amount for 2025 has been updated accordingly.			
14.3 Net defined benefit obligation - employees' gratuity fund			
Defined benefit obligation		207,741,498	163,847,435
Less: Fair value of plan assets		194,665,896	149,599,688
		13,075,602	14,247,747
Fair value of plan assets - gratuity fund			
Fair value of plan assets as on 1 January		149,599,688	157,441,131
Interest income on plan assets		11,967,975	12,595,290
Actual employer contributions		37,664,973	34,000,000
Actual net benefits payments		(36,995,735)	(46,620,098)
Remeasurement gain/(losses) on plan assets		32,428,995	(7,816,635)
Fair value of plan assets as on 31 December		194,665,896	149,599,688

Particulars	Note	2025 Taka	2024 Taka
Defined benefit obligation - gratuity fund			
Defined benefit obligation as on 1 January		163,847,435	172,288,908
Current service cost		43,894,063	-
Interest Cost		13,107,795	13,783,113
Actual net benefits payments		(36,995,735)	(46,620,098)
Remeasurement (gain)/loss		23,887,940	24,395,512
Defined benefit obligation as on 31 December		207,741,498	163,847,435
Remeasurement gain/(loss) of defined benefits liability/assets			
Opening balance		-	-
Remeasurement gain/(losses) on plan assets		32,428,995	(7,816,635)
Remeasurement gain/(losses) on defined benefit obligation		(23,887,940)	(24,395,512)
		8,541,055	(32,212,147)
Less: Deferred tax (expense)/income		(3,202,896)	12,079,555
		5,338,159	(20,132,592)
14.3.1 Plan assets			
Cash at bank		5,484,451	1,282,872
Investments		186,022,466	152,502,782
Accrued Interest		4,146,913	5,591,917
Tax Provision		-	(1,401,565)
Payable to outgoing members		(987,934)	(8,376,318)
		194,665,896	149,599,688
14.3.2 Principal actuarial assumptions			
Discount rate and expected rate of return on plan assets		8.00%	8.00%
Expected rate of withdrawal of service		5.00%	0.00%
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			
		2025	
Discount rate (1% movement)		at 9.0%	at 7.0%
Effect in taka		(30,419,441)	35,664,625
14.4 Provision for corporate tax			
Provision for current tax has been made on the basis of the profit for the period as adjusted for taxation purposes in accordance with Income Tax Act, 2023 and amendments thereto. Current tax rate for the Company is 37.5% on its business income.			
Opening balance		2,224,160,318	1,719,825,318
Provision made during the period/year	14.4.1	483,269,290	504,335,000
		2,707,429,608	2,224,160,318
Adjustment made during the period for completed assessments		-	-
Closing balance		2,707,429,608	2,224,160,318
14.4.1 Current tax expense			
Prior years tax adjustments		343,621,927	504,335,000
Provision made during the period		139,647,363	-
		483,269,290	504,335,000
Assessment against income year 2012 (Assessment year 2013-14) & income year 2021 (Assessment year 2022-23) is pending at the honorable High court.			
14.4.2 Reconciliation of effective tax rate			
Profit before income tax as per profit and loss account			919,232,696
Income tax as per applicable tax rate		37.50%	344,712,261
Factors affecting the tax charged in current year			
On non deductible expenses		27.45%	252,358,196
Tax savings from reduced tax rates (Capital gain from govt. securities)		(2.77%)	(25,419,247)
Tax savings from reduced tax rates (on dividend income)		(8.10%)	(74,465,529)
Tax savings from reduced tax rates (capital gain from listed equity)		(1.51%)	(13,916,390)
Prior years tax adjustments		0.00%	-
Total income tax expenses		52.57%	483,269,290
		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
Factors affecting the tax charged in current year			
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%	-
Total income tax expenses		57.82%	504,335,000

Particulars	Note	2025 Taka	2024 Taka
14.5 Deposit against lease			
Opening balance		575,968,261	547,577,752
Receipts during the period		213,429,393	128,852,876
		789,397,654	676,430,628
Adjusted during the period		(132,948,201)	(100,462,367)
Closing balance		656,449,453	575,968,261
Deposit against lease represent lease deposits received from lessees against finance on the stipulation that the amount will be adjusted with the outstanding rentals/instalments. Purpose of taking lease deposits is to secure the finance provided to the clients. No interest is payable on lease deposits.			
14.6 Payable interest expenses for finance charge			
Accrued interest expenses on term deposits		2,562,309,053	2,003,079,070
Accrued interest expenses on long term borrowings		22,242	6,716,849
Accrued interest expenses on short term borrowings		7,492,844	14,310,206
Accrued interest expenses on Repo borrowings		450,940	7,949,501
Accrued interest expenses on call borrowings		-	116,667
Accrued interest expense on refinance project		67,409,784	31,030,227
		2,637,684,863	2,063,202,520
14.7 Liabilities for special accounts			
Account payable special account - IPO		1,118,406	1,118,406
Account payable special account - DEG		14,808,288	13,664,088
Account payable special account - other		222,599,756	211,095,030
		238,526,450	225,877,524
14.8 Payable for expenses			
Legal expenses		44,413,812	29,406,431
Office services		61,384,460	47,616,217
Promotion and publicity		11,224,479	11,157,118
Office rent		208,860	1,233,093
Professional fees		10,029,689	2,441,806
Audit fees		1,035,005	1,299,505
		128,296,305	93,154,170
14.9 Deferred tax liabilities			
i) Deferred tax liability on building			
Carrying amount at balance sheet date		37,961,784	74,515,019
Tax base		6,782,475	7,139,447
Net taxable temporary differences		31,179,309	67,375,572
Tax rate		37.50%	37.50%
Deferred tax liability on building		11,692,241	25,265,840
Revaluation reserve on land		444,274,875	279,435,033
Tax rate		6.00%	8.00%
Deferred tax liability on land revaluation		26,656,493	22,354,803
Total deferred tax liabilities on building and land revaluation		38,348,734	47,620,643
ii) Deferred tax liability on dividend receivables			
Carrying amount at balance sheet date		5,205,228	5,964,652
Tax base		-	-
Net taxable temporary differences		5,205,228	5,964,652
Tax rate		20.00%	20.00%
Deferred tax liability on dividend receivables		1,041,046	1,192,930
iii) Deferred tax liability on rights of use assets (RoU)			
Carrying amount at balance sheet date		115,794,651	163,850,446
Tax base		-	-
Net taxable temporary differences		115,794,651	163,850,446
Tax rate		37.50%	37.50%
Deferred tax liability on rights of use assets (RoU)		43,422,994	61,443,917
Total deferred tax liability (i+ii+iii)		82,812,774	110,257,490
Movement of deferred tax liabilities is as follows:			
Opening balance		110,257,490	122,714,256
Add: Debited to Revaluation reserve on govt. securities		-	-
Less: Credited to asset revaluation reserve		(9,271,909)	(856,574)
Expense/(income) during the period / year		(18,172,807)	(11,600,192)
Closing balance		82,812,774	110,257,490

Particulars	Note	2025 Taka	2024 Taka
14.10 Liability for lease rental			
Not later than one month		4,405,400	3,713,543
Later than one month and not later than three months		8,803,573	7,512,156
Later than three months and not later than one year		32,612,519	36,350,087
Later than one year and not later than five years		89,089,818	133,082,578
More than five years		1,151,934	2,980,667
		136,063,244	183,639,030
14.11 Unclaimed dividend account/dividend payable			
Aging analysis of unclaimed dividend account/dividend payable			
Upto 3 years		2,160,007	2,346,887
Over 3 years but less than 5 years		-	-
5 years and above		-	-
		2,160,007	2,346,887

As a Finance Company, IPDC Finance PLC. prepares and presents its financial statements as per 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 Tk. 10 each

8,000,000,000 **8,000,000,000**

Issued, subscribed and fully paid up

409,128,430 (2024: 389,646,124) ordinary shares of Tk. 10 each

4,091,284,300 **3,896,461,240**

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
2024	5% Stock Dividend	18,554,577	-	389,646,124	185,545,770	3,896,461,240
2025	5% Stock Dividend	19,482,306	-	409,128,430	194,823,060	4,091,284,300

Paid up capital as on 31 December 2025 is made up of 143,508,240 ordinary shares paid up in cash and 265,620,190 ordinary shares through issuance of bonus shares.

15.2 Paid up capital of the company is held as follows:

Government of the People's Republic of Bangladesh (GoB)
BRAC
Ayesha Abed Foundation
RSA Capital Limited
General shareholders

895,155,130
1,022,821,030
409,128,390
204,564,170
1,559,615,580
4,091,284,300
3,896,461,240

15.3 Number of ordinary shares and percentage of holding are as follows:

	2025		2024	
	Number	% of holding	Number	% of holding
Sponsor shareholders				
BRAC	102,282,103	25.00%	97,411,527	25.00%
GoB	89,515,513	21.88%	85,252,870	21.88%
Ayesha Abed Foundation	40,912,839	10.00%	38,964,609	10.00%
RSA Capital Limited	20,456,417	5.00%	19,482,302	5.00%
	253,166,872	61.88%	241,111,308	61.88%
General Shareholders	155,961,558	38.12%	148,534,816	38.12%
	155,961,558	38.12%	148,534,816	38.12%
	409,128,430	100.00%	389,646,124	100.00%
15.4 Composition of shareholding is as follows:				
Institutional shareholding (including GoB)	330,328,566	80.74%	326,211,014	83.72%
Individual shareholding	78,799,864	19.26%	63,435,110	16.28%
	409,128,430	100.00%	389,646,124	100.00%

15.5 Classification of shareholders by holding

Number of shares	No. of shareholders	No. of shares	% of holdings
1 to 500 shares	3,513	557,693	0.14%
501 to 5,000 shares	4,496	9,145,250	2.24%
5,001 to 10,000 shares	977	7,253,301	1.77%
10,001 to 20,000 shares	714	10,303,397	2.52%
20,001 to 30,000 shares	264	6,551,688	1.60%
30,001 to 40,000 shares	117	4,107,103	1.00%
40,001 to 50,000 shares	87	4,053,366	0.99%
50,001 to 1,00,000 shares	146	10,042,375	2.45%
1,00,001 to 1,000,000 shares	112	25,295,163	6.18%
over 1,000,000 shares	20	331,819,094	81.10%
Total	10,446	409,128,430	100.00%

The shares are listed in both Dhaka Stock Exchange PLC. and Chittagong Stock Exchange PLC. since 03 December 2006 and closing price was BDT 18.90 and BDT 18.90 as on 30 December 2025 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 2025, total capital of the Company was BDT 7,303.1 million out of which paid up capital is BDT 4,091.3 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 2025, the CAR of the Company is 17.14% against the required CAR of 10%. Details are as follows:

Particulars	Note	2025 Taka	2024 Taka
Tier -1 capital (A)		6,874,879,499	6,618,630,110
Tier -2 capital (B)		1,990,065,091	2,354,881,221
Eligible capital (C=A+B)		8,864,944,590	8,973,511,331
Total risk weighted assets		51,707,116,265	49,593,151,017
Minimum capital requirement		5,170,711,627	4,959,315,102
Capital surplus		3,694,232,963	4,014,196,229
Capital adequacy ratio		17.14%	18.09%

16 Share premium

402,627,680 **402,627,680**

Share premium against 280,140 no. of ordinary shares issued in 2004 and 1,390,000 no. 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 Tk. 100 to Tk. 10 each in 2011 in compliance with the Bangladesh Securities and Exchange Commission's order no. SEC/CMRRCD/2009-193/109 dated 15 September 2011. Additional share premium of Tk. 235,613,680 received against issue of 117,806,840 no. of ordinary shares at a premium of Tk. 2.00 during the period ended 31 December 2019.

17 Statutory reserve

This comprises of the cumulative balance of statutory reserve as required by section 8 of the Finance Company Act, 2023. Transfer to statutory reserve is executed before declaration of dividend.

Opening balance	1,301,722,665	1,229,075,678
Transferred from profit during the period / year	91,094,435	72,646,987
Closing balance	1,392,817,100	1,301,722,665

Particulars	Note	2025 Taka	2024 Taka
18 Assets revaluation reserve			
Revaluation reserve on land and building	18.1	428,284,884	290,414,727
Revaluation reserve on govt. securities		-	-
		428,284,884	290,414,727
18.1 Revaluation reserve on land and building			
Opening balance		290,414,727	291,906,470
Revaluation during the year			
Land		164,839,842	-
Building		(33,893,277)	-
Adjustment of excess depreciation		(2,348,317)	(2,348,317)
Deferred tax liability on revaluation		9,271,909	856,574
		428,284,884	290,414,727
IPDC Finance PLC. owns commercial space including car parking for its own use as registered office situated at Hosna Center (4th floor), 106 Gulshan Avenue, Dhaka - 1212. 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 revalued in 2005, then in 2014 and subsequently in 2018. Since 2018, real estate market has experienced significant changes in valuation of properties in Gulshan. As a result with the consent of the Board of Directors of IPDC Finance PLC., Hoda Vasi Chowdhury & Co., Chartered Accountants as professionally qualified valuer had conducted valuation to determine the fair value of the property, which has subsequently incorporated in the financial statements of 2025 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.			
19 Retained earnings			
Opening balance		1,017,811,883	1,116,988,231
Net profit after tax for the period		455,472,174	363,234,933
Transfer to statutory reserve		(91,094,435)	(72,646,987)
Dividend		(194,823,062)	(185,545,777)
Remeasurement of defined benefits liabilities (assets)		(6,741,397)	(21,021,064)
Transfer from revaluation reserve		2,348,317	2,348,317
Issuance of bonus shares		(194,823,060)	(185,545,770)
Closing balance		988,150,420	1,017,811,883
20 Particulars of profit and loss account			
Income			
Interest, discount and other similar income			
Dividend income	21	9,559,771,728	8,811,163,320
Fees, commission and brokerage	23	425,517,311	218,804,529
Gains less losses arising from dealing securities	24	140,862,570	142,075,996
Gains less losses arising from investment securities	23	898,297,146	466,066,149
Gains less losses arising from dealing in foreign currencies		-	-
Income from non financial institutional assets		-	-
Other operating income		-	-
Profit less losses on interest rate changes	25	13,460,709	23,230,441
		11,037,909,464	9,661,340,435
Expenses			
Expenses related to deposits, fee, commission etc.			
Charges on loan loss	22	7,553,929,927	6,418,459,030
Administrative expenses		-	-
Other operating expenses	26	1,522,999,100	1,359,501,890
Depreciation and amortisation		-	-
	35.1	107,930,329	118,665,686
Profit before provision		9,184,859,356	7,896,626,606
		1,853,050,108	1,764,713,829
21 Interest income			
Interest income on loans and advances			
Interest on lease finance		496,064,265	454,169,836
Interest on long term loan		3,618,882,894	3,111,097,648
Interest on short term loan		1,851,558,590	1,677,180,228
Interest on channel finance		630,516,658	607,809,023
Interest on mortgage finance		1,339,573,758	1,268,704,615
Interest on secured retail loan		111,323,966	114,234,339
Interest on auto loan		678,647,460	616,324,703
Interest on staff loan		11,543,582	10,130,344
Interest on personal loan		86,014,492	45,552,453
Interest on Cash Secured Personal Loan		853,782	-
Interest on consumer Finance		343,784	8,176,576
		8,825,323,231	7,913,379,765

Particulars	Note	2025 Taka	2024 Taka
Interest income on balance with other banks and financial institutions			
Interest on fixed deposits		633,359,413	813,079,567
Interest on overnight and treasury placements		40,182,428	18,184,182
Interest on savings accounts		60,906,656	66,519,806
		<u>734,448,497</u>	<u>897,783,555</u>
		9,559,771,728	8,811,163,320
22 Interest expense on deposits and borrowings etc.			
Interest expenses on term deposits		6,656,241,923	5,452,772,855
Interest expenses on borrowings	22.1	897,688,004	965,686,175
		<u>7,553,929,927</u>	<u>6,418,459,030</u>
22.1 Interest expenses on borrowings			
Local banks and financial institutions			
Interest expenses on short term loan		308,147,363	368,522,135
Interest expenses on long term loan		409,044,583	384,923,022
Interest expenses on call borrowings		12,512,778	12,331,306
Interest expenses on bank overdrafts		31,634,841	30,790,212
Interest expenses on subordinated bonds		136,348,439	169,119,500
		<u>897,688,004</u>	<u>965,686,175</u>
Foreign banks and financial institutions			
Interest expenses on long term credit		-	-
		<u>897,688,004</u>	<u>965,686,175</u>
23 Investment income			
Dividend income			
Dividend income on cumulative preference shares		401,101,029	195,696,419
Dividend income on listed shares		23,066,282	20,879,777
Dividend income on un-listed shares		1,350,000	2,228,333
		<u>425,517,311</u>	<u>218,804,529</u>
Interest on treasury bills, bonds and debentures			
Interest income on Govt. treasury bonds		653,194,315	288,326,182
Interest income on corporate bonds		70,277,778	70,486,292
		<u>723,472,093</u>	<u>358,812,474</u>
Capital gain on sale of listed shares		61,850,624	27,124,244
Capital gain on Govt. treasury bonds		112,974,429	80,129,431
		<u>898,297,146</u>	<u>466,066,149</u>
		1,323,814,457	684,870,678
24 Commission, exchange and brokerage			
Application fee		202,400	129,723
Documentation fee		-	-
Processing fee		141,963,448	124,895,627
Supervision Charge		(1,303,278)	17,050,646
		<u>140,862,570</u>	<u>142,075,996</u>
25 Other operating income			
Transfer price/sale of leased assets		8,000	29,182
Other earnings		3,542,857	10,418,639
Loan loss recovery		9,540,980	1,932,000
Gain/(loss) sale of fixed assets		368,872	124,246
Income on forfeiture from provident fund	25.1	-	10,726,374
		<u>13,460,709</u>	<u>23,230,441</u>
25.1 Gain/(loss) sale of fixed assets			
Sale proceeds		435,277	131,222
Cost price of the sold/adjusted items		9,481,162	1,737,969
Accumulated depreciation		9,414,757	1,730,993
Written down value		66,405	6,976
Gain/(loss) sale of fixed assets		<u>368,872</u>	<u>124,246</u>

Particulars	Note	2025 Taka	2024 Taka
26 Administrative expenses			
Salary and allowances	27	1,061,684,461	923,637,690
Rent, taxes, insurance, electricity, etc.	28	45,283,273	40,074,050
Legal expenses	29	49,327,119	61,156,549
Postage, stamp, telecommunications, etc.	30	14,999,326	15,999,635
Stationery, printing, advertisements, etc.	31	80,774,501	70,821,142
Managing Director's salary and allowances	32	14,050,000	13,870,192
Directors' fees	33	2,104,500	1,891,200
Auditors' fees	34	1,035,000	954,500
Repair and Maintenance	35.2	88,028,832	79,625,879
Other expenses	36	165,712,088	151,471,053
		1,522,999,100	1,359,501,890
27 Salary and allowances		1,061,684,461	923,637,690
27.1 Number of employees and remuneration thereof			
As per the Schedule XI of the Companies Act, 1994 and Ammended (2 nd) 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 2025 as same as at the end of 31 December 2024.			
28 Rent, taxes, insurance, electricity, etc.			
Office rent*		11,208,444	9,313,192
Rates and taxes		1,495,816	1,153,044
Insurance		13,489,324	13,180,763
Utilities - electricity, gas, water, etc.		19,089,689	16,427,051
		45,283,273	40,074,050
*Actual office rent payment during the period ended 31 December 2025 was BDT 73,168,750. Due to the adoption of IFRS 16, rental expenses is charged as depreciation of Right of Use (ROU) Assets of BDT 47,741,127 and interest expenses of BDT 14,384,520. The reported office rent expenses only include VAT payment on rent.			
29 Legal expenses			
Legal & professional fees		31,950,000	45,516,627
Legal document, court fees, etc.		17,377,119	5,976,841
		49,327,119	51,493,468
30 Postage, stamp, telecommunications, etc.			
Postage, stamps etc.		2,789,738	1,820,145
Telephone		5,999,557	6,355,999
Internet expenses		6,210,031	7,823,491
		14,999,326	15,999,635
31 Stationery, printing, advertisements etc.			
Printing expenses		7,617,196	6,893,065
Stationery Expenses		1,571,181	1,769,545
Publicity and advertisement		59,664,095	54,733,202
Promotional expense		11,922,029	7,425,330
		80,774,501	70,821,142
32 Managing Director's salary and allowances			
Basic salary		9,000,000	9,413,792
House rent allowance		1,200,000	1,248,494
Medical allowance		600,000	612,796
Festival bonus		1,500,000	1,475,000
Performance bonus		1,000,000	-
Leave fare assistance		750,000	900,068
Company's contribution to provident fund		-	220,042
		14,050,000	13,870,192
33 Directors' fees			
Honorarium for attending meeting		2,104,500	1,891,200
Incidental expenses for attending meeting		-	-
		2,104,500	1,891,200

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 3 dated 30 November 2015. From August 2024, this remuneration was revised to BDT 10,000 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.

Particulars	Note	2025 Taka	2024 Taka
34 Auditors' fees			
Auditors' remuneration for annual audit		747,500	690,000
Auditors' remuneration for involvement in annual audit of Information Risk Management		287,500	264,500
		1,035,000	954,500
35 Depreciation and repair of assets			
Depreciation and amortisation	35.1	107,930,329	118,665,686
Repair and maintenance	35.2	88,028,832	79,625,879
		195,959,161	198,291,565
35.1 Depreciation and amortisation			
Building		2,659,958	2,659,958
Motor vehicles		3,421,770	2,609,623
Furniture and fixture		10,193,449	11,636,187
Equipment and appliances		29,206,445	36,024,008
Software		14,707,580	16,105,365
Depreciation on lease rental *		47,741,127	49,630,545
		107,930,329	118,665,686
Details are shown in Annexure - A			
* In accordance with IFRS 16, lease rental are now capitalized and related depreciation is shown above.			
35.2 Repair and maintenance			
Vehicles - fuel		29,444,929	27,043,915
Vehicles - repair and maintenance		14,924,063	14,345,353
Office premises, furniture, fixture and equipment		43,659,840	38,236,611
		88,028,832	79,625,879
36 Other expenses			
Staff training		14,450,559	8,971,176
Membership fees, subscription and donations		11,983,083	11,883,579
News papers, periodicals, learning materials etc.		130,675	70,952
Recruitment expenses		1,401,851	742,342
Traveling, conveyance and hotel expenses		23,251,251	18,391,420
Entertainment and public relation		11,675,146	10,488,632
Annual General Meeting expenses		2,051,830	913,733
Security and cleaning services		21,526,906	19,035,184
Sundry office maintenance		26,019,938	32,498,084
Bank charges		8,820,960	13,419,081
Finance charge on lease rental		14,384,520	17,234,009
Other operational expenses		30,015,369	27,485,942
		165,712,088	161,134,134
37 Provision for loans and advances			
Provision for classified loans and advances		1,132,295,127	862,293,945
Provision for unclassified loans and advances		(257,074,468)	(50,492,619)
		875,220,659	811,801,326
38 Provision/(reversal) for diminution in value of investments			
Provision made for other investment			
Quoted shares		51,973,086	(13,173,843)
Unquoted shares		-	-
Redeemable preference shares		-	74,490,000
Corporate bonds		-	(7,905,875)
		51,973,086	53,410,281
39 Deferred tax expense/ (income)			
Income/(expense) on deductible temporary differences		1,335,961	(16,289,171)
Expense/(income) on taxable temporary differences		(18,172,807)	(11,600,192)
Revaluation adjustment of previous year through deferred tax		-	-
		(19,508,768)	4,688,979
40 Earnings per share (EPS)			
Basic earnings per share has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period ended 31 December 2025 as per IAS 33: Earnings per share.			
Net profit after tax		455,472,174	363,234,933
Weighted average number of outstanding shares		409,128,430	409,128,430
Basic earning per share		1.11	0.89
Diluted Earnings Per Share (DEPS)			
No DEPS is required to be calculated since there was no scope for dilution of share during the period.			

Particulars	Note	2025 Taka	2024 Taka
41 Board meetings			
During the year ended 31 December 2025 a total of 5 (five) Board Meetings were held against 10 (ten) in the year 2024.			
42 Net asset value (NAV) per share			
Net asset		7,303,164,384	6,909,038,195
Number of outstanding shares		409,128,430	409,128,430
Net asset value (NAV) per share		17.85	16.89
43 Net operating cash flows per share (NOCFPS)			
Net operating cash flows		4,068,389,436	(2,492,348,531)
Number of outstanding shares		409,128,430	409,128,430
Net operating cash flows per share (NOCFPS)		9.94	(6.09)

44 Events after the balance sheet date

The Board of Directors of the Company in its 233rd meeting held on 28 April 2026 recommended 5% (five percent) cash dividend and 5% (five percent) stock dividend.

45 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 2025 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) Member of the Institute of Chartered Secretaries of Bangladesh (ICSB) Master of Commerce (M. Com) in Accounting from University of Dhaka. 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 Post-Doctoral Fellowship on Green Banking from Syracuse University, USA under Senior Fulbright Scholarship"
iii)	Dr. A. K. M. Atiqul Haque	Director	Member	PhD, Faculty of Business and Economics, Department Business Law and Taxation, Monash University. Master of Arts in Business and Commerce (master's in taxation policy and Management) from Keio University, Tokyo, Japan. Master of Business Administration from Institute of Business Administration, University of Dhaka, Bangladesh. Bachelor of Science (Honors) in Mathematics from University of Dhaka (DU)."

The Company Secretary acts as Secretary of Audit Committee.

The Audit Committee of the Board held four (4) meetings during the period from 1 January 2025 to 31 December 2025, wherein it reviewed and deliberated on the following key matters:

- Reviewed periodic inspection and audit reports covering credit assessment, operational processes, financial procedures, and branch operations conducted by the Internal Auditors, and provided necessary directives to Management for timely and appropriate resolution of the identified irregularities and observations;
- Reviewed and approved the Risk-Based Internal Control & Compliance Plan for the year 2025;
- Reviewed the Audited Financial Statements for the year ended 31 December 2024, held discussions with the External Auditors, and recommended the same to the Board of Directors for approval;
- Reviewed the Management Letter issued by the External Auditors for the year ended 31 December 2024 along with Management's responses thereto;
- Reviewed the first quarter, half-yearly, and third quarter financial statements for the year 2025 and recommended these to the Board of Directors for approval;
- Reviewed the status of actions taken by Management against the observations and recommendations discussed in previous Audit Committee meetings;
- Recommended the appointment of External Auditors for the Statutory Audit and Corporate Governance Audit of the Company for the year 2025;
- Reviewed the External Auditor's Certificate on Compliance with the Corporate Governance Code for the year 2024;
- Reviewed the Management's Discussion and Analysis prior to its inclusion in the Annual Report 2024;
- Reviewed statements of significant related party transactions submitted by Management and disclosed in the Financial Statements for the year 2024;
- Reviewed various internal policies of the Company and recommended them to the Board for approval;
- Reviewed and recommended to the Board the IPDC Heat Map for the year 2025 for approval; and
- Reviewed the Terms of Reference (ToR) of the Board Audit Committee and recommended the same 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 2024	Inflow/ Repayment	Outflow/ Disbursement/ Encashment	Accrued	31 Dec 2025
BRAC	Sponsor shareholder of IPDC	Term Deposit	4,593,143,037	750,000,000	3,415,661,856	626,352,418	2,553,833,600
JPGSPH, BRAC University	Related concern of BRAC	Term Deposit	245,042,982	10,000,000	17,140,001	29,566,718	267,469,700
BIGD, BRAC University	Related concern of BRAC	Term Deposit	32,060,797	-	416,303	1,956,517	33,601,011
Sufia Khatun Foundation	Related concern of BRAC	Term Deposit	61,650,061	-	1,785,253	6,941,936	66,806,744
BRACNet Limited	Related concern of BRAC	Term Deposit	341,574,003	-	7,101,598	34,557,989	369,030,395
BRACNet Limited Employees Gratuity Fund	Related concern of BRAC	Term Deposit	25,969,912	-	295,684	2,726,841	28,401,069
BRACNet Limited Employees Provident Fund	Related concern of BRAC	Term Deposit	4,009,636	-	50,314	473,137	4,432,460
BRAC IT Services Employees Gratuity Fund	Related concern of BRAC	Term Deposit	26,738,962	-	351,440	3,309,901	29,697,423
BRAC Provident Fund	Related concern of BRAC	Term Deposit	2,760,336,406	4,171,100,000	309,773,265	380,992,090	6,952,655,231
Education Trust Fund	Related concern of BRAC	Term Deposit	68,230,549	-	1,229,912	7,899,412	74,900,049
Guardian Life Insurance Limited	BRAC, Ayesha Abed Foundation and RSA Capital Limited being the sponsor shareholder	Term Deposit	100,000,000	-	8,440,000	11,300,000	102,860,000
BRAC EPL Stock Brokerage Employee Provident Fund	Related concern of BRAC Bank PLC.	Term Deposit	1,145,271	-	1,251,064	105,794	-
BRAC EPL Stock Brokerage Employee Gratuity Fund	Related concern of BRAC Bank PLC.	Term Deposit	814,352	-	891,164	76,813	-
Najmul Hasan Zahed Academy	Related concern of BRAC	Term Deposit	23,399,066	-	796,329	2,587,763	25,190,500
BRAC Kumon Limited	Related concern of BRAC	Term Deposit	129,150,485	20,000,000	3,080,351	14,826,007	160,896,141
BRAC Employees Gratuity Fund	Related concern of BRAC	Subordinated Bond and Term Deposit	1,280,000,000	2,903,700,000	627,200,000	371,200,000	3,927,700,000
BRAC University, IED	Related concern of BRAC University	Term Deposit	10,498,033	1,750,000	163,660	772,549	12,856,922
LafargeHolcim Bangladesh Limited Employees Provident Fund	Independent Director of IPDC Mr. Mohammad Iqbal Chowdhury is the CEO of LafargeHolcim Bangladesh Limited	Term Deposit	76,471,162	10,000,000	1,016,172	9,561,725	95,016,714
Lady Syeda Sarwat Abed	Founder and director of the BRAC Institute of Languages (BIL), BRAC University, Spouse of Sir Fazle Hasan Abed	Term Deposit	19,865,511	7,000,000	251,216	2,342,157	28,956,453
Asif Saleh	Executive Director of BRAC	Term Deposit	2,000,000	3,000,000	243,333	243,333	5,000,000
Sk. Jenefa Khanom Jabbar	Director of BRAC	Term Deposit	48,500,000	12,000,000	3,658,000	3,658,000	60,500,000
RSA Advisory Limited	Related concern of RSA Capital	Term Deposit	101,150,532	-	41,245,343	10,356,249	70,261,437
Delta Brac Housing Finance Corp. Limited	Related concern of BRAC	Term Deposit	-	150,000,000	150,338,333	338,333	-
Safwan Dawood Shams	Sibling of Managing Director	DPS	450,000	90,000	-	-	540,000
Kazi Mahmood Sattar	Director of RSA Advisory Limited	Term Deposit	9,077,135	-	119,354	1,143,540	10,101,320
Mr. Sarwar Azam Khan	Independent Director	Term Deposit	2,193,042	500,000	27,706	269,562	2,934,898
Social Development Programme(SODEP)	Personal Guarantor-Director of BRAC	Term Deposit	2,765,655	-	57,165	255,823	2,964,314
Aminul Alam Trust Fund	Related concern of BRAC	Term Deposit	90,000,000	-	9,581,250	10,575,000	90,993,750
BRAC College of Nursing and Midwifery	Related concern of BRAC	Term Deposit	-	7,000,000	-	-	7,000,000
Rizwana Ajanta Islam	Spouse of Chairman	Term Deposit	-	1,800,000	-	-	1,800,000
Social Development Programme(SODEP)	Personal Guarantor-Director of BRAC	Short Term Loan	50,008,000	-	35,000,000	7,093,451	50,512,824
BRAC Kumon Limited	Related concern of BRAC	SOD Against FDR	-	130,404,632	130,000,000	404,632	-
Rizwan Dawood Shams	Managing Director of IPDC	Employee Loan-Mortgage	9,724,102	1,027,212	-	385,130	9,082,020

47 Directors information

47.1 Name of the Directors and the entities in which they have interest as at 31 December 2025

Details of related party/(ies) transactions are as follows:

Sl. no.	Name	Status with the IPDC		Firms/companies in which they have interest	
		Position	Nominated by	Name	Position
i)	Mr. Arifur Islam	Director	Ayesha Abed Foundation	BRAC University	Treasurer
ii)	Ms. Maqsurat Noor, NDC	Director	GoB	National Institute of Biotechnology	Director
iii)	Dr. A. K. M Atiqul Haque	Director	GoB	Sylhet Medical University	Syndicate Member
iv)	Mr. Sarwar Azam Khan	Independent Director	N/A	National Human Resources Development Fund (NIHRDF)	General manager (Ex-officio)
v)	Mr. Sabbir Ahmed	Director	BRAC	A. Qasem & Co., Chartered Accountants (AQC)	Partner
				Climate Bridge Fund (CBF)	Trustee
				BRAC Foundation	Secretary
				Ayesha Abed Foundation	Secretary
				BRAC Industries Limited	Managing Director
				Bangladesh Netting Factory Limited	Managing Director
				BRAC Kaiyacherra Tea Company Limited	Director
				BRAC Prabashbandhu Limited	Director
vi)	Dr. Shah Md. Ahsan Habib	Independent Director	N/A	Dnet	Chairman
				ICC, Bangladesh Banking Commission	Member
				Asia-Pacific Risk professional Association (ARPA)	Member
				Greentech Foundation	Member
				Valor of Bangladesh	Trustee
vii)	Mr. Mohammad Iqbal Chowdhury	Independent Director	N/A	LafargeHolcim Bangladesh PLC.	Chief Executive Officer
				Foreign Investors' Chamber of Commerce and Industry (FICCI)	Vice President
				EuroCham Bangladesh	Treasurer
				Switzerland-Bangladesh Chamber of Commerce and Industry	Treasurer
Viii)	Mr. Rizwan Dawood Shams	Managing Director	Ex-officio	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 2025
	Balance as at 1 January 2025	Revaluation reserve	Addition during the period	Adjustment during the period	Disposal during the period	Balance as at 31 December 2025	Charged during the period	Adjustment during the period	Disposal during the period
Land	279,435,033	164,839,842	-	-	-	-	-	-	-
Building	90,474,767	(52,512,983)	-	-	-	37,961,784	2,659,958	(18,619,706)	-
Motor vehicles	42,602,787	-	6,756,631	-	956,306	48,403,112	3,421,770	-	26,834,396
Furniture and fixture	126,424,331	-	5,132,306	-	849,256	130,707,381	10,193,449	-	94,190,183
Equipment and appliances	328,741,550	-	19,871,635	-	7,675,600	340,937,585	29,206,445	-	287,724,133
Software	226,736,787	-	630,000	-	-	227,366,787	14,707,580	-	30,209,944
Capital work in progress	56,984,044	-	7,643,840	(7,213,542)	-	57,414,342	-	-	-
ROU-Assets for lease rent	300,171,995	-	-	(314,668)	-	299,857,327	47,741,127	-	184,062,676
Balance as at 31 December 2025	1,451,571,294	112,326,859	40,034,412	(7,528,210)	9,481,162	1,586,923,193	107,930,329	(18,619,706)	9,414,757
									789,968,231
									796,954,962

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
Land	279,435,033	-	-	-	-	279,435,033	-	-	-
Building	90,474,767	-	-	-	-	90,474,767	2,659,958	-	-
Motor vehicles	38,348,893	-	13,539,412	-	9,285,518	42,602,787	2,609,623	-	15,959,748
Furniture and fixture	121,662,723	-	4,812,237	(49)	50,580	126,424,331	11,636,187	-	24,368,925
Equipment and appliances	319,309,280	-	10,794,081	(8)	1,361,803	328,741,550	36,024,008	-	84,834,869
Software	226,736,787	-	-	-	-	226,736,787	16,105,365	1,774,035	266,138,010
Capital work in progress	48,718,752	-	8,200,542	64,750	-	56,984,044	-	-	182,449,263
ROU-Assets for lease rent	284,466,918	-	12,578,931	3,126,146	-	300,171,995	49,630,545	(1,500,184)	-
Balance as at 31 December 2024	1,409,153,153	-	49,925,203	3,190,839	10,697,901	1,451,571,294	118,665,686	273,851	10,458,381
									710,072,364
									741,498,930

RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES

Particulars	2025 Taka	2024 Taka
Net profit after tax	455,472,174	363,234,933
Adjustments for non-cash items:		
Add/(Less): Depreciation expenses	107,930,329	118,665,686
Add/(Less): Adjustment for liability for lease rental	-	-
Add/(Less): Provision for loans, advances and investments	933,817,412	892,454,917
Add/(Less): Measurement of net defined benefit obligation - Employees' Gratuity Fund	8,541,051	(32,212,148)
Add/(Less): (Gain)/ Loss on Disposal of fixed assets	(368,872)	(124,246)
Add/(Less): Adjustment for ROU Lease Rent	(314,668)	8,900,211
Add/(Less): Accrued expenses	559,295,782	360,309,885
Add/(Less): Accrued income	(23,780,731)	(13,035,286)
Add/(Less): Provision for Current Tax	483,269,290	504,335,000
Add/(Less): Deferred Tax	(19,508,768)	4,688,979
	2,504,352,999	2,207,217,931
Changes in operating assets and liabilities		
(Increase)/Decrease in Loans and advances to other banks	144,217,338	134,316,360
(Increase)/Decrease in Loans and advances to customers	(5,829,030,359)	583,704,386
(Increase)/Decrease in Other assets	(17,462,970)	47,795,586
Increase/(Decrease) in Deposits from other banks and financial institutions	(1,227,000,000)	(6,934,700,000)
Increase/(Decrease) in Deposits from customers	9,156,517,913	1,076,987,436
Increase/(Decrease) in Trading liabilities	(879,470,301)	632,887,198
Increase/(Decrease) in Payable and accrued expenses	35,142,135	6,537,034
Increase/(Decrease) in Interest suspense	555,658,167	272,133,128
Increase/(Decrease) in Other liabilities	104,543,182	(121,878,746)
Payment of Corporate tax	(479,078,668)	(397,348,844)
Cash received/(paid) from operating assets and liabilities	1,564,036,437	(4,699,566,462)
Net cash from operating activities	4,068,389,436	(2,492,348,531)

Highlights on the overall activities of the Company as at and for the period ended 31 December 2025 and 31 December 2024

Sl. no.	Particulars	2025	2024
1	Paid up capital (Taka)	4,091,284,300	3,896,461,240
2	Total capital (Taka)	7,303,164,384	6,909,038,195
3	Capital surplus (Taka)	3,694,232,963	4,014,196,229
4	Total assets (Taka)	98,729,124,504	89,123,903,630
5	Total deposits (Taka)	62,248,848,183	54,319,330,270
6	Total loans and advances (Taka)	74,621,954,415	69,535,703,126
7	Total contingent liabilities and commitments (Taka)	-	-
8	Loan to fund ratio	0.87:1	0.90:1
9	Percentage of classified loans against total loans, advances	5.97%	5.83%
10	Net profit after tax and provision (Taka)	455,472,174	363,234,933
11	Amount of classified loans and advances at the end of the period/year (Taka)	4,452,502,096	4,056,747,973
12	Provisions kept against classified loan (Taka)	2,871,458,959	2,360,660,132
13	Provisions surplus against classified loan (Taka)	386,655,771	149,266,196
14	Cost of fund	10.01%	8.95%
15	Interest earning assets (Taka)	94,013,508,104	85,185,913,852
16	Non-interest earning assets (Taka)	4,715,616,400	3,937,989,778
17	Return on equity (ROE)	6.74%	5.44%
18	Return on asset (ROA)	0.49%	0.42%
19	Income from investment (Taka)	1,323,814,457	684,870,678
20	Earning per share (Taka)	1.11	0.89
21	Price earning ratio (Times)	16.71	19.79






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The *Ground* to Grow

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With **IPDC Home Loan**

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To Their Own *Play World*



Your Own Home with
IPDC Home Loan

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More Than a Home
A Hub for Your Well-being

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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 44th Annual General Meeting of the Company to be held virtually by using digital platform on Thursday, 25th June 2026 at 09:00
a.m. or at any adjustment thereof.

Signed this

Signature of Proxy

Day of, 2026

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 44th Annual General Meeting of the Company being to be held virtually by using digital platform on Thursday, 25th June 2026 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

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