

Loan Portfolio Management of IPDC Finance PLC

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This report is submitted to the school of Business and Economics, United International University as a partial requirement for the degree fulfillment of Bachelor of Business Administration

Internship Report
On
Loan Portfolio Management of IPDC Finance PLC

Submitted To

Muhammad Enamul Haque

Assistant Professor,

School of Business & Economics (SOBE)

United International University

Submitted By

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Major in Finance

Registration Trimester: Fall 2023



**School of Business and Economics
United International University**

Date of Submission: July 29, 2025

Loan Portfolio Management of IPDC Finance PLC



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Letter of Transmittal

July 29, 2025

Muhammad Enamul Haque

Assistant Professor

School of Business & Economics

United International University

Subject: Submission of Internship Report on “Loan Portfolio Management of IPDC Finance PLC”

Dear Sir,

I hope this letter finds you in good health and spirit. It is with great delight, I would like to inform you that I have successfully completed my internship report titled “Loan Portfolio Management of IPDC Finance Ltd,” which has been a requirement for the fulfillment of my BBA degree and completion of my internship at IPDC Finance Limited.

The internship, which lasted from February 13th, 2024, to May 13th, 2024, has been a rewarding experience. It provided me with valuable insights into the organization's Finance department and the organization itself. Hence, I aim to ensure that the report reflects what I learned during my tenure and can provide an overview of the organization's management of loan distribution across different industries in Bangladesh.

Nonetheless, I would like to express my sincere gratitude to you for your supervision and to the entire team at IPDC Finance Limited for providing me with such an enriching learning experience. The guidance, support, and mentorship I received would greatly contribute to my professional growth. Thank you for your time and consideration.

Sincerely,

Zemima Zemi

111 193 035

Department of BBA

United International University

Certification of Similarity Index

Declaration

I, Zemima Zemi, a BBA (major in Finance) program student at United International University, hereby declare that this Internship report titled “Loan Portfolio Management of IPDC Finance Limited” is an original report solely created and written by me.

The report is prepared based on my three-month internship at IPDC Finance Limited, which lasted from February 13th to May 13th, 2024. I have also used secondary sources such as IPDC’s publicly disclosed annual report. I completed this report according to my academic supervisor, Mr. Enamul Haque Sir’s guidelines and instructions, and have not used any direct help from already existing or previously submitted reports.

Therefore, I hope this report will be unique and insightful. Thank you for your time in evaluating the report.

Sincerely,

Zemima Zemi

111 193 035

Department of BBA

United International University

Corporate Evidence



May 29, 2024

To Whom It May Concern

This is to certify that **Zemima Zemi** was engaged for a three-month internship program at IPDC Finance Limited starting from February 13, 2024 to May 13, 2024.

During this time, she was assigned to work in the Finance & Accounts department of the Company. Ms. Zemi diligently performed her assigned duties and successfully completed her internship period.

The Management wishes her success in future endeavors.

Sincerely,

Najam Hossain
In-Charge: Compensation & HR Operations
IPDC Finance Limited



IPDC Finance Limited
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106 Gulshan Avenue, Dhaka 1212

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February 13, 2024

Zemima Zemi
Tongi Station Road, Gazipur.
Dhaka, Bangladesh.

Dear Ms. Zemima,

Subject: Offer Letter for Internship Program

We are pleased to inform you that you have been selected for enrollment in the internship program at IPDC Finance Limited subject to the following terms and conditions:

- Your internship will be for a period of three (3) months starting from February 13, 2024, to May 13, 2024.
- You will work in the Finance & Accounts at Head Office during the course of your internship.
- You will be eligible to an all-inclusive allowance of **TK. 5,000 (Taka five thousand)** only per month.
- You are required to demonstrate utmost care and sincerity in performing the duties and responsibilities assigned to you by the management from time to time as per the Company policy.
- You must maintain confidentiality regarding IPDC's business affairs and agree not to disclose/discuss with anyone outside IPDC both during and subsequent to your internship with IPDC.
- You must complete the internship assignment on time and any request for early release from your internship will not be entertained.

If the above terms and conditions are acceptable to you, please sign and return the duplicate copy of this letter to the Department of Human Resources.

Sincerely,

Nahida Sultana
In-Charge: Talent Acquisition and OD

Acknowledgment

I want to express my utmost gratitude to Almighty Allah for giving me the strength to work on the report with the utmost precision. Nonetheless, I am grateful to everyone who contributed to my internship experience and the completion of my internship report.

The report is the requirement to complete my undergrad at United International University, a BBA (major in Finance) program assigned to me in Spring 2023. I am overwhelmed and blessed to have the opportunity to complete the required internship at IPDC Finance Limited in the Department of Finance, where my internship supervisor was Mrs. Zareen Rodosee Brotee. I want to thank her and all my colleagues in the finance department and throughout other departments whose kind gestures made the internship a learning and enjoyable experience. Their support and expertise were instrumental in helping me nurture my skills and gain insights into the corporate environment.

Finally, I express my heartfelt respect to my academic supervising faculty, Mr. Enamul Haque, Sir, for his guidance from the initial step of choosing a suitable report topic until the very end of the report submission. His clear instructions, enormous support, patience, and motivation throughout the whole time were of great value in completing it. This is not only during the internship report but also in my academic journey, where I had the opportunity to complete a few courses under him that provided me with the foundational knowledge needed during this internship.

Thank you so much. I hope you will find this report satisfactory and resourceful.

Sincerely,

Zemima Zemi

111 193 035

Department of BBA

United International University

Executive Summary

The report starts with a company overview that includes a detailed description of the products and services it offers, the company's mission and vision, its management, the strategic decisions IPDC has taken over the years since its establishment in 1981. It also provides a brief outline of the milestones it achieved and the evolution it has gone through in terms of customer count, profitability, branch and employee expansion. IPDC's mission and core values express its eagerness to serve three broad segments, namely, the youth, women empowerment, and enhanced financial inclusion in underserved areas.

In the main analysis under chapter three the report presents a comprehensive analysis of IPDC's loan portfolio management over the past five years, from 2019 to 2023. Its loan disbursement has been evaluated based on five main categories, namely loan maturity, geographic region, industry segmentation, types of domestic loans disbursed, and the broader economy. The first type, loans classified according to the "Types of domestic lending," showed ten different segments into which IPDC has disbursed its loans throughout the years. Among these, it is observed that IPDC has disbursed the highest on its long-term loans with an average of 39.08% and the second highest into its short-term loans of 23.02%. According to loan maturity, the "More than one year but less than five years" category had the highest loan disbursed compared to other categories, with a five-year average of 42.39% in this category. Loans disbursement classified by industry basis shows fourteen different significant industries, among which the "Ready-made garments and knitwear" industry has the highest investment, at an average of 10.45%, and the second-highest investment is in the Agro-based sectors, at an average of 7.49%. However, 45.27% of its investments are allocated to several other industries, industries that are not specified. According to the geographic region, IPDC has disbursed loans from eight different divisions, among which Dhaka has had the highest disbursement, with an average of 77.97% over the past five years. Nonetheless, the distribution according to the broader economy shows that the private sector has 98.75% of IPDC's total loans. Whereas other banks and NBFIs hold only 1.25% of IPDC's total loans over the years. Under chapter three, each category provides a

detailed analysis of these loan disbursements to comprehend trends, along with a visual representation of each type. Overall, the analysis offers valuable insights into IPDC's loan portfolio management and suggests financial strategies to optimize opportunities and encounter challenges.

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1. $(\text{Long- term loan for each year} / \text{Total domestic loan per year}) \times 100\%$
2. $(\text{Lease finance} / \text{Total domestic loan per year}) \times 100\%$
3. $(\text{Short term loan} / \text{Total domestic loan per year}) \times 100\%$
4. $(\text{Channel finance per year} / \text{Total domestic loan per year}) \times 100\%$
5. $(\text{Mortgage finance per year} / \text{Total domestic loan per year}) \times 100\%$
6. $(\text{Auto loan per year} / \text{Total domestic loan per year}) \times 100\%$
7. $(\text{Secured retail loan per year} / \text{Total domestic loan per year}) \times 100\%$
8. $(\text{Personal loan per year} / \text{Total domestic loan per year}) \times 100\%$
9. $(\text{Staff loan per year} / \text{Total domestic loan per year}) \times 100\%$
10. $(\text{Consumer White Goods Finance per year} / \text{Total domestic loan per year}) \times 100\%$
11. $(\text{Up to one month} / \text{Total loan per year}) \times 100\%$
12. $(\text{More than one month but less than three months} / \text{Total loan per year}) \times 100\%$
13. $(\text{More than three months but less than one year} / \text{Total loan per year}) \times 100\%$
14. $(\text{More than one year but less than five years} / \text{Total loan per year}) \times 100\%$
15. $(\text{More than five years} / \text{Total loan per year}) \times 100\%$
16. $(\text{Loans in Agro-based industries} / \text{Total Industry-wise loans and advances per year}) \times 100\%$
17. $(\text{Loans in Banks and non-banking financial institutions} / \text{Total Industry-wise loans and advances per year}) \times 100\%$
18. $(\text{Loans in Chemicals, pharmaceuticals and allied products} / \text{Total Industry-wise loans and advances per year}) \times 100\%$
19. $(\text{Loans in Engineering and building materials} / \text{Total Industry-wise loans and advances per year}) \times 100\%$

20. (Loans in Food and allied products/ Total Industry-wise loans and advances per year) x 100%
21. (Loans in Glass, ceramic and other non-metallic products/ Total Industry-wise loans and advances per year) x 100%
22. (Loans in Hotel, tourism and leisure/ Total Industry-wise loans and advances per year) x 100%
23. (Loans in Information and communication technologies/ Total Industry-wise loans and advances per year) x 100%
24. (Loans in Paper converting and packaging, printing and publishing/ Total Industry-wise loans and advances per year) x 100%
25. (Loans in Ready made garments and knitwear/ Total Industry-wise loans and advances per year) x 100%
26. (Loans in Social sector/ Total Industry-wise loans and advances per year) x 100%
27. (Loans in Tannery, leather and rubber products/ Total Industry-wise loans and advances per year) x 100%
28. (Loans in Textile/ Total Industry-wise loans and advances per year) x 100%
29. (Loans in Transport and aviation/ Total Industry-wise loans and advances per year) x 100%
30. (Loans in Others/ Total Industry-wise loans and advances per year) x 100%
31. (Loan disbursed from Dhaka Division/ Total geographic location-wise loans and advances) x 100%
32. (Loan disbursed from Chittagong Division/ Total geographic location-wise loans and advances) x 100%
33. (Loan disbursed from Dhaka Division/ Total geographic location-wise loans and advances) x 100%

34. (Loan disbursed from Rangpur Division/ Total geographic location-wise loans and advances) x 100%
35. (Loan disbursed from Rajshahi Division/ Total geographic location-wise loans and advances) x 100%
36. (Loan disbursed from Sylhet Division/ Total geographic location-wise loans and advances) x 100%
37. (Loan disbursed from Barisal Division/ Total geographic location-wise loans and advances) x 100%
38. (Loan disbursed from Mymensingh Division/ Total geographic location-wise loans and advances) x 100%
39. (Loan disbursed to Banks and other NBFIs/ Total broader economy wise loan) x 100%
40. (Loan disbursed to the Private sector/ Total broader economic sector-wise disbursement) x 100%

List of Acronyms & Abbreviations

1. NBFIs - Non-Banking Financial Institutions
2. NPL - Non-Performing Loan
3. IPO - Initial Public Offering
4. DSE - Dhaka Stock Exchange
5. CSE - Chittagong Stock Exchange
6. BSEC - Bangladesh Securities and Exchange Commission
7. SME - Small and Medium Enterprise

Chapter One: Introduction

1.1 Background of the Report

This report has been prepared as a requirement for considering the completion of the internship under the Bachelor of Business Administration (BBA) program at United International University. Students are required to complete a three-month internship in their relevant fields, working practically in a real-life working environment, to earn three credits at the end of their BBA program. Based on my three-month internship at IPDC Finance Limited, which lasted **from February 13th to May 13th, 2024**, I have created this report to be submitted built on my experience during this tenure. I have worked in the head office at the Gulshan branch of Dhaka, located at Gulshan 1, 106 Gulshan Avenue, Dhaka- 1212. The topic of my internship report titled, "Loan Portfolio Management of IPDC Finance PLC," has been selected under the supervision and guidance of my academic supervisor, Mr. Muhammad Enamul Haque, Assistant Professor, BBA Department, SOBE of UIU.

1.2 Objective of the Report

The main objective of this report is to have an in-depth analysis of IPDC Finance's loan portfolio management compared to other competitive banks of Bangladesh. The data compiled for the analysis and preparation of the report have been collected from the company's publicly disclosed annual reports, internal information from direct communication of the current employees, the bank's official website and various articles and newspapers. There are also supplementary objectives of this report which are as follows.

1. To understand the overall management, various operations and activities of the organization.
2. To merge theoretical knowledge with the practical internship experience in analyzing the loan portfolio management of the company.
3. To evaluate and establish a comparison at the same time provide a suggestion for improvement.

1.3 Rationale of the Report

The rationale of this internship report is to provide an overview of my experience gained during the 3 months of internship that I have done in the department of Finance and Accounting of the IPDC Finance from Feb 13th to May 13th, 2024. It has also been a requirement to fulfil my academic credits a part of my BBA program from the United International University. Apart from theoretical knowledge, the internship has given me the scope to gain an industrial exposure that helped me integrate my academic knowledge into practical working environment. This report outlines a formal documentation of my overall experience and learning outcome that would contribute to my overall academic evaluation process.

1.4 Scope and limitations of the Report

The report covers an overview of IPDC's products and services and its loan portfolio management. It is outlined based on my knowledge gained while working on the company's annual report of 2023 and through learning about the organization's internal workflow while working in the Finance department with its team directly supervised by the CFO, FK Fahmida Khan. There had also been several limitations to consider while drafting the report such as the lack of availability of secondary data, the company had been reluctant of sharing internal information from time to time, lack of my prior research experience. Also, having three months of internship duration is not sufficient to have a full understand of the various types of operations across different departments.

1.5 Methodology

To begin with, the report is mainly built upon secondary data that are publicly available, and a few pieces of information have been added from the knowledge I gathered during my internship from my colleagues and supervisor, which I have included as primary data. As the main secondary source, I have downloaded the annual reports of IPDC Finance for 5 years from 2019 to 2023. As the name implies, the loan portfolio analysis required the extraction of statistical data that showed the amount of loans disbursed by IPDC according to different classifications that include loans disbursed according to the types of domestic loans, for example, short-term loans, long-term loans, lease finance, auto loans, mortgage loans, etc. Nonetheless, it is also classified according to maturity,

different industries, geographic regions, and the broader economy. These data have been provided within the footnote of each year's annual report under the financial statements section. I have collected this data and input it into Excel for further analysis. I have also covered the company's overview and its evolution, which I have also found in the annual reports. I have also used published news articles to gather information about its history, existing directors, and strategic initiatives undertaken over the years. Nevertheless, I have also used IPDC's official website to collect further secondary information.

Chapter Two: Company and Industry Profile

2.1 Company Analysis

2.1.1 Overview and History

IPDC Finance PLC, previously known as “Industrial Promotion and Development Company” was established in the year 1981 in Dhaka, Bangladesh is one of the leading and pioneering private non-bank financial institutes (NBFIs) that played a significant role in developing the country’s industrial landscape. Its founding shareholders included the government of Bangladesh along with a group of distinguished groups of investment agencies such as the Aga Khan Fund of Economic Development (AKFED), the International Finance Corporation (IFC), the German Investment Corporation (DEG) and the Commonwealth Development Corporation (CDC). In 2006, it was issued for initial public offering (IPO) and was enlisted as a public company both in Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

Over the years since its establishment, IPDC has achieved several milestones. It has helped finance some of the major and pioneering landmark projects of Bangladesh contributing to its industrial development. Some of the projects to be noted are the country’s first private five-star hotel Sheraton, first international standard private hospital, the first leasing company of Bangladesh, first amusement park, etc. Later on, in 2016, it has directed a major strategic shift leading its focus to serve small and medium enterprises (SMEs) and retail clients from large industrial clients which has substantially increased its loan portfolio.

By the end of 2023, IPDC’s customer deposit amounted to 50,684 million and loan, lease and advances of around 70,571 million. In terms of financial performances, the company has reported a revenue of 2,902 million with a net profit of 343 million. As of 2024 the company has 17 branches all over the country with a workforce of 867 employees serving 112,260 customers. Nonetheless, IPDC has been recognized as the top-performing finance company in Bangladesh Bank’s sustainability rating for three recent consecutive years, highlighting its commitment to sustainable financial practices.

2.1.2 Trend and Growth

During its early years IPDC had been led by its board comprised of its initial shareholders such as the government of Bangladesh, AKFED, IFC, DEG, etc. Mominul Islam who joined IPDC in 2006 as the head of operation and technology became the managing director and CEO in 2012. The company had gone through great transformation under his leadership turning it into one of the most innovative NBFIs. He had been known for digitizing and introducing innovative financial solutions such as “Orjon” South- East Asia’s first blockchain-based supply- chain finance platform, “Dhana” country’s first digital retailing platform, IPDC EZ, card less, zero-interest app for consumer financing. Nonetheless, they have launched affordable home-loan product called “Bhalo Basha Loan” along many others. Mominul Islam serving IPDC for eighteen years resigned in January 2024.

As of December 2024, the management team of IPDC Finance PLC include, Ariful Islam, the Chairman of IPDC, also the Chairman of the risk management committee of IPDC, Rizwan Dawood Shams involved with IPDC through various roles since 2007 and is the currently acting as the Managing director, leading the company’s strategic innovations and operations. His leadership has been instrumental in driving customer centric approaches, ensuring that IPDC remains as one of the leaders in innovative financial solutions. As the deputy managing director, we have Ashique Hossain who plays an important role in implementing the company’s long-term visions and strategic initiatives. Then, we have Fahmida Khan, the Chief Financial Officer. Her expertise and leadership in developing effective financial strategies ensuring effective resource allocation, cost management, and profitability has strengthened IPDC’s financial resilience. Then, we have Md Sayeed Iqbal, Chief Human Resource Officer, who is responsible for managing IPDC’s human capital that focuses on talent acquisition, organizational development and assurance of diverse culture. Nonetheless, Afzalur Rashid, the Chief Technology Officer who drives IPDC’s technological strategies and implements digital initiatives. He has been a pivotal in launching IPDC’s significant digital platforms such as “Orjon, Dana and IPDC EZ” positioning the company as a leader in fintech innovation in South- East Asia.

The collaborative effort and commitment of the company's management team had been crucial in its digital transformation, product innovation and sustainability.

2.1.3 Company's Mission and Vision

Vision: IPDC aims to passionately lead the financial industry and to become the most passionate financial brand of the country with a special focus on the segment of youth, energetic passionate women and the under-served areas.

Mission: Their mission is to enable customers to live limitless to their fullest potential through extending their innovative financial solutions to them in a friendly, transparent and cost-effective manner.

Core Values: They aim to create extraordinary customer experience through serving their customers with passion and honesty, going beyond their duties and ensuring innovation. Nonetheless, IPDC is also committed to establishing a strong internal work environment. Their goal is to ensure diversity in workplace with an inclusive working environment where different perspectives are appreciated. They encourage teamwork, collaboration at the same time harnesses the power of technology to set a bench mark for excellence maintaining the highest standard and to make a positive impact.

2.1.4 Products and Services

IPDC Finance PLC offers a range of services from retail, SMEs to large corporate loans with the aim to foster the advancement of youth, women entrepreneurship and financial inclusion to aid under-served areas.



Figure 1: IPDC's Products and Services

Under the retail finance, IPDC consists of home loans, auto loans, personal loans, bhalo basha home loan and IPDC EZ. Bhalo basha home loan aims to help finance housing for the middle-income population outside metropolitan areas that focus on reaching underserved or rural population who have less accessibility to banking and financial services. It aims to encourage housing development in rural and sub-urban areas offering loan amounts tailored according to the income levels with lower interest rates. The general home loan is designed to offer loans to a broader range of customers to purchase, renovate or construct homes. The common uses of personal loans include covering educational expenses, medical emergencies, traveling or vacation costs, large purchases, etc. Nonetheless, IPDC EZ, one of the innovative ideas leading the company towards fintech. It allows customers to purchase from renowned shops and online platforms with affordable monthly installments eliminating the use of credit cards and large initial payments.

IPDC provides a range of loans for the Small and Medium Enterprises (SMES). This includes term loans, loan to support short term financing for the working capital for daily operations, work order finance to support overcome liquid cash shortage, factorizing that is providing quick case on receivables. Nevertheless, one of IPDC's unique product Joyee facilitate loans to female entrepreneurs at low interest rates. Lastly, it's SME loans include lease financing to purchase large industrial machineries and equipment among others.

The corporate finance offers lease financing for various industrial and commercial equipment similar to the SME offerings. It also focusses on term loans to meet long-term large-scale project investments and business expansions as well as corporate's short-term financing ensuring to fulfil urgent day to day operations. The corporate financing also supports investments in preferred and common shares in meeting fund requirements.

Moving forward, IPDC's deposit products comprises of a diverse range of products designed to meet the need to various customer segments. Firstly, the **deposit premium scheme** where customers save monthly fixed deposits for the total deposited amount to get capitalized annually according to given interest rate. Secondly, the **millionaire deposit scheme**, a fixed monthly savings to be compounded annually is designed to accumulate BDT 1 million at maturity, while the **Ultiflex deposit scheme** allows the customers to deposit any amount at any time with a fixed interest rate, a flexible savings approach for individuals with different income levels. The **annual profit scheme** offers an annual interest rate payment on the fixed deposit requiring a minimum amount of deposits to be BDT 10,000. On the other hand, the **cumulative profit scheme** accumulates deposits over time and payments the total interest amount only at maturity. Next, the **Fixed deposit general** is a minimum of three months tenure that pays the interest amount at maturity with a minimum deposit of less than 10,000. For the customers who aims to receive a fixed interest income may choose the **monthly profit scheme** on deposits starting from fifty thousand and for quarterly, the **Quarterly profit scheme** that offers quarterly interest payments with a similar minimum deposit amount. Lastly, the **double money deposit** is an attractive long-term scheme where the initial

amount gets doubled after a predefined period of time with a minimum of 50,000 fixed deposit. IPDC also holds an exclusive program **Priti** for female clients offering special discounts through partner organizations empowering women with tailored financial solutions.

Nonetheless, IPDC poses an elite's club known as the "**Ucchash Club**" designed for their high-value customers to provide priority services, personal financial advice and exclusive access to special offers to ensure premium experience.

2.1.5 Branches

As of January 2025, IPDC Finance PLC has a total of 17 branches all over Bangladesh. It includes four branches in Dhaka with its head office in Gulshan along with three other branches in Dhanmondi, Uttara and Motijheel. Other branches are spread across various districts throughout the nation such as Rangpur, Sylhet, Narayanganj, Jashore, Chittagong, Khulna and eight others.

2.1.6 Porter's Five Forces Analysis on IPDC

The financial sector has been highly competitive in recent years. Hence, we aim to apply the following framework and examine the five forces to provide an overview of the industry's competitive environment and IPDC finance, a prominent NBFi in Bangladesh, where it stands, and what challenges and opportunities it faces.

- **Buyer's Bargain Power:** The buyer's bargaining power of the financial sector of Bangladesh is high due to the increased financial literacy and accessibility to information among customers. There is also a low switching cost with everything being online.
- **Supplier's Bargaining Power:** The suppliers of the banking sectors mainly include the depositors and investors providing capitals to institutions like IPDC. The bargaining power of these suppliers are influenced by the market conditions. At a stable economic condition with favorable interest rates the bargaining power tends to be high with many options to choose from.

- Competitive rivalry: The financial industry has been highly saturated with numerous banks and NBFIs with continuous innovative services and offerings leading to a highly competitive market.
- Threat of substitute: The emergence of fintech solutions and mobile financial banking has offered alternatives to traditional bankings posing substitution threats. However, IPDC being one of the pioneers of the innovative financial solution providers to customers with unique products and services has a lower threat of substitutes.
- Threats to New Entrants: Entry to the financial sector of Bangladesh requires to follow strict regulations such as licensing procedures along with adequate capital. Nonetheless, IPDC having an established brand loyalty among customers over the years also creates an increased threat for new entrants that may be difficult to replicate.

2.1.7 SWOT Analysis

The following analysis aims to provide an understanding of the company's strengths and limitations through a thorough evaluation of its possible challenges and opportunities.

Strengths

- IPDC, established in 1981 as the country's first private sector financial institute.
- Has a strong brand value and reputation built over four decades of existence.
- It has a diverse range of innovative financial products and services categorized for various customer segments.
- The company is committed to sustainable business practices through the emphasis on green financing and the integration environmental, social principles onto its operations.
- It has partnerships with major shareholders like BRAC, the world's largest NGO and Bangladesh Bank itself leading to having strong support from its extensive networks.
- IPDC is one of the pioneers of the block-chain based supply chain finance.

Weaknesses

- IPDC has the scope to better enhance its brand recognition into retail and SME sectors.
- Has a limited distribution network with the scope to increase more.
- Ensuring the maintenance of sustainable business practices can be resource intensive and requires continuous investment into innovations and technology.

Opportunities

- Growing demand for diversifying products and services leads to competitive advantages for IPDC.
- Rapidly growing innovative technology based financial solutions streamlines operations, enhances customer experience leading to increasing revenue and profitability.
- Scope to attract market through utilizing the demand for green finance and sustainability.
- Scope to expand more and access more market segments through contributions and reaching the under-served areas.

Threats

- The financial sectors of Bangladesh are intensely competitive due to the presence of large number of financial institutes.
- NBFIs such as IPDC which is innovative with modernized digital platforms is susceptible to the increasing trends of cyber crimes.
- Frequent regulatory changes in the financial industry lets companies like IPDC to adopt its strategies accordingly leading to an increase in the compliance costs.
- Economic stability or fluctuations can lead to lending risks from customers unable to pay back loans which can affect the company's profitability.

2.2 Industry Analysis

2.2.1 Specification of the Industry

Looking into the broader financial sector of Bangladesh, it is comprised of three broad segments. Namely the formal sector, semi-formal industry, and the informal sector. However, we would be looking into the non-bank financial institutes, a sectors of the formal financial segment. The banks and non-banks have been a significant part of Bangladesh's economic landscape over a few decades. Like IPDC Finance, every almost every NBFIs in Bangladesh offers products and services that are mainly loans and deposits such as leasing, microfinancing, corporate loans, etc. Some of the leading NBFIs include Industrial Promotional and Development Company (IPDC), Industrial Development Leasing Corporation (IDLC), LankaBangla Finance Limited (LBFL), Delta Brac Housing Limited (DBH), United Finance (UF), etc. The NBFIs in Bangladesh are regulated by the Bangladesh Securities and Exchange Commission (BSEC) and the Bangladesh Bank, and they also follow the legal framework of NBFIs according to the Financial Institution Act of 1993.

2.2.2 Size, Trend, and Maturity of the Industry

The NBFIs sector of Bangladesh have been growing rapidly in recent years due to surge in demand for non-traditional financing services. NBFIs sector have been adapting well to this trend and diversifying their products and services offering digital financing platforms and fintech. The first NBFIs was approved in 1981, marking the beginning of a new era, and now, as of December 2023, there have been a total of 308 branches of 35 non-bank financial institutes. Most of these branches are located in Dhaka and Chattogram. According to the latest data from Bangladesh Bank, the total amount of NBFIs deposits consists of 4,483,018 lakh taka among 431,221 accounts, with an average deposit of 10.40 lakh per account. For loans and advances, it holds a total amount of 7,375,919 lakh within 219,705 accounts, which amounts to an average of 33.57 lakh taka loans and advances per account in December 2023. The NBFIs have established itself as a significant player in the financial industry.

2.2.3 Industry SWOT Analysis

Strength

- Offers diverse financial products and services. This allows them to have a wide range of customer base from individual to large corporate clients.
- NBFIs offer financial inclusion providing access to financial services to undeserved areas.
- Flexibility in operations due to digitization and the integration of block-chain.
- Has a strong regulatory framework set by the BSEC and Bangladesh bank that ensures a stable environment to operate financial activities.

Weaknesses

- NBFIs have limitations on having regular deposits such as savings, current account earnings unlike banks. Hence, they rely on capital markets and borrowings to manage liquidity.
- There has been a rise in non-performing loans NPL that has become a major issue impacting the stability and profitability of many NBFIs.
- Despite the growing trend, NBFIs and their products and services are not well known like banks.

Opportunities

- The digital transformation has served opportunities for NBFIs to expand their products and services through online platforms and block-chain reducing operational efficiency and at the same time reducing cost.
- The growing demand for SME financing has created more scopes of investments for NBFIs.
- Increase in financial literacy and having many NBFIs available in rural areas offers more scopes of investments and opportunities towards untapped market providing services towards new customers.

- The growing demand of green finance and sustainability offers more opportunities to fund renewable and sustainable projects.

Threats

- Risks from banks entering non-traditional areas such as leasing and financing SMEs creating more competition for SMEs.
- Economic instability such as higher inflation rate and global financial crisis impacts the rise in NPLs or the capacity of clients to repay.
- Often sudden regulatory changes may cause disruption in operational efficiency for NBFIs.

Chapter Three: Analysis and Findings

3.1. Classification of loans on the basis of domestic lending (In Bangladesh)

This section will represent and analyze the categorization of the various types of loan that IPDC Finance provide on the basis of their domestic lending. Domestic lending refers to the disbursement of loan on credit to the market segments within the country's geographic boundary. Examples of domestic lending include long term loans, short term loans, auto loans, personal loans and a few others that are to be discussed as follows.

3.1.1. Long Term Loan

Long term loan refers to the loan disbursements for an extended repayment period typically exceeding over one year. These loans are often utilized by businesses and individuals who aims to finance large investments, large scale projects and developments. By analyzing the long-term lending of IPDC we aim to assess the organization's lending priorities and their commitment to fostering economic growth through promoting large-scale sustainable projects. The average long term loan disbursed by IPDC in the past 5 years span has been found to be 39.08%. To determine the percentage disbursement for each domestic loan type over the years the following formula has been used.

- $(\text{Long- term loan for each year} / \text{Total domestic loan per year}) \times 100\%$

Table 1: Long- term loan to total domestic loan ratio

Year	2019	2020	2021	2022	2023	Average
Long Term Loan	35.72%	34.73%	39.18%	42.57%	43.20%	39.08%

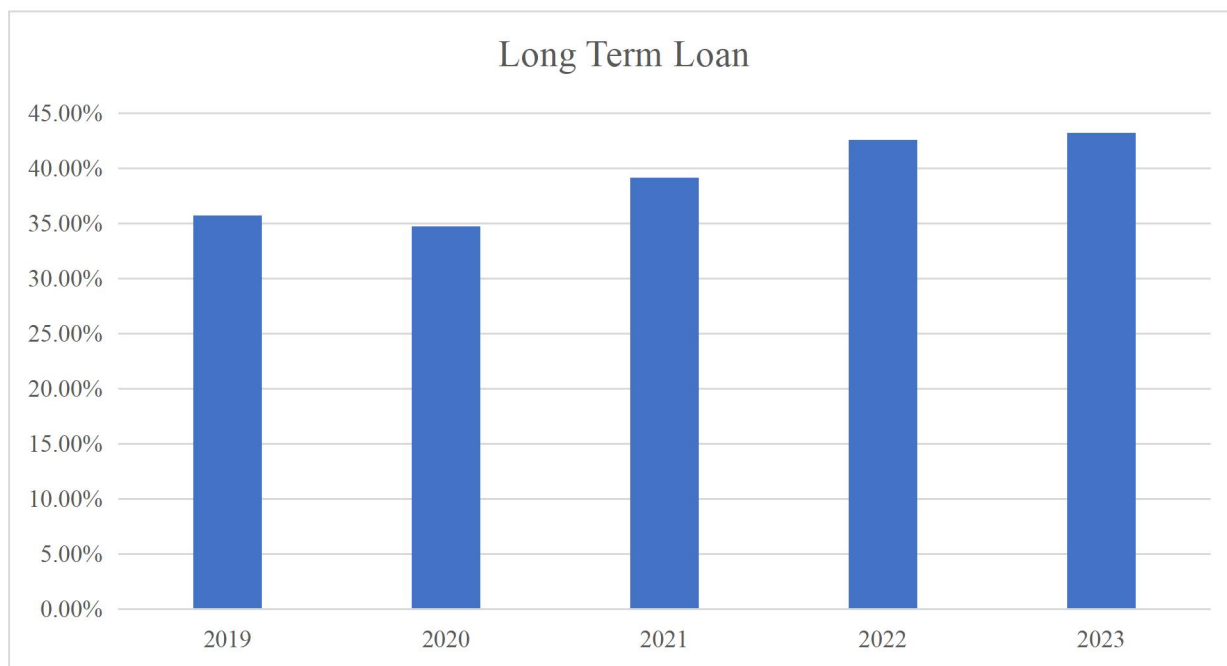


Figure 2: Long Term Loan to Total Domestic Loan

There has been a consistent rise in long-term loan disbursements of IPDC, starting with 35.72% in 2019 and the highest at 43.20% in 2023. However, the impact of economic downfall due to COVID-19 has slightly decreased its long-term loan disbursements from 35.72% to 34.73% (-0.99 percent points) in 2020 compared to the previous year. Nonetheless, the recovery in 2021 has been excellent, with a rise to 39.18%, 42.57% in 2022, and 43.20% in 2023. The upward trend showcases the strong motive of IPDC to support long-term projects and large investments in economic development.

3.1.2. Lease Finance

Lease financing allows businesses and individuals to acquire essential assets in cost-effective ways without making significant investments. The difference between long-term loan and lease financing minimizes the gap between small and medium enterprises (SME) and large businesses in running operations smoothly, ensuring the mitigation of financial constraints and the need for capital-intensive machinery and equipment for these small-scale businesses. We will now look into the trend of IPDC

lease financing over the five years, as follows. On average the it as been 9.32%. The following formula has been used to determine the percentage disbursed for each year.

- $(\text{Lease finance} / \text{Total domestic loan per year}) \times 100\%$

Table 2: Lease finance to total domestic loan ratio

Year	2019	2020	2021	2022	2023	Average
Lease Finance	11.72%	11.00%	8.97%	8.42%	6.51%	9.32%

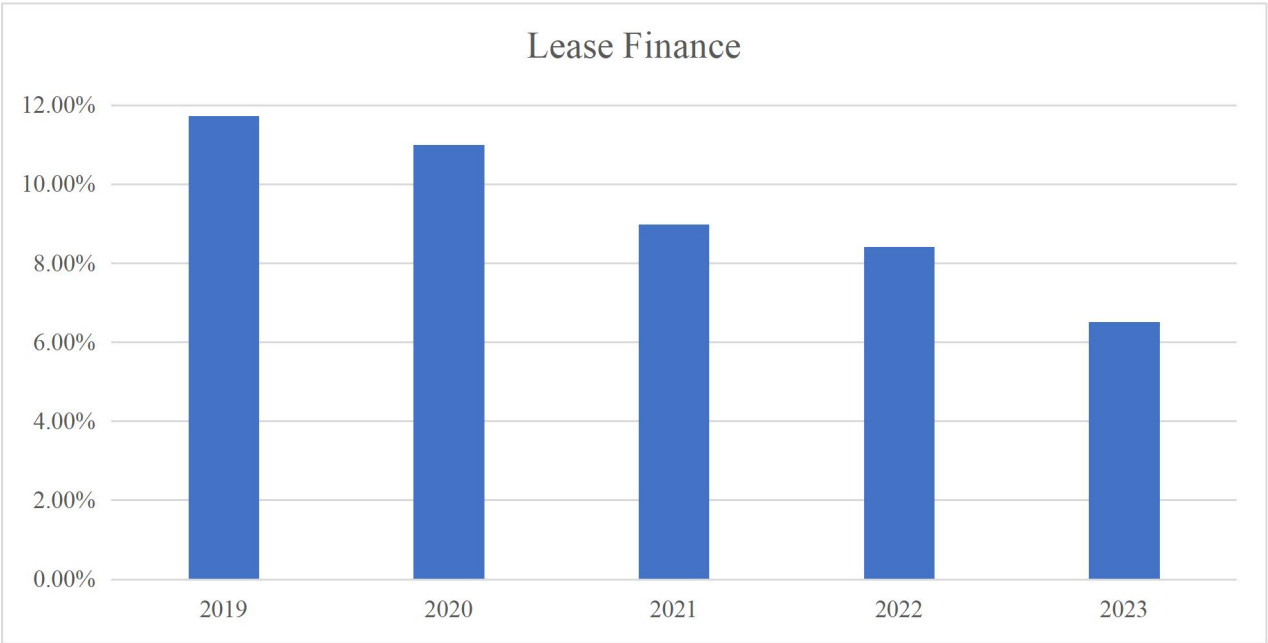


Figure 3: Lease Finance to Total Domestic Loan

According to the statistics above, we see a steady decline in their lease financing over the years, starting with 11.72% in 2019 and dropping to 6.51% in 2023. The steady deterioration indicates a shift of IPDC’s focus away from its leasing as a financial option and indicates the shift toward other options, such as long-term loans, which show consistent growth over the same period of time. Nonetheless, it may also suggest that the other competitors are providing better leasing options, attracting and drawing away potential customers from IPDC. To provide a solution, IPDC may introduce more tailored products, identifying the gap in the current leasing options that they offer.

3.1.3. Short Term Loan

Short-term financing refers to the financial instruments designed to offer funding for immediate needs and for a repayment method of a period under one year. Short-term loans are often utilized to facilitate a business's day-to-day needs, temporary cashflow gaps, or to fund specific short-term projects. They tend to have a quicker approval rate and less loan amount compared to long-term loans with a higher interest rate, as short-term loans hold higher risks of default. Below is the analysis of IPDC's short-term loan disbursements over the five-year period which as been calculated by the following formula.

- $(\text{Short term loan disbursed each year} / \text{Total domestic loan per year}) \times 100\%$

Table 3: Short term loan to total domestic loan ratio

Year	2019	2020	2021	2022	2023	Average
Short Term Loan	24.85%	25.95%	24.82%	20.63%	18.86%	23.02%



Figure 4: Short Term Loan to Total Domestic Loan

The provided data shows a declining trend of IPDC’s short-term loan disbursement over the years, with the highest peak in 2020 at 25.95%, following a steady decline. The slight increase in 2020 indicates the urgent need for liquid cash in many businesses during the initial year of economic downfall caused by the Covid-19 pandemic. In 2021, the slight decline indicates the stabilization of the economy from the pandemic challenges. A greater decline by 2022 may indicate IPDC’s strategic change to focus on long-term loans or a decrease in the demand for short-term loans. Nonetheless, this may also represent a strategic approach from IPDC towards risk management associated with short-term repayments.

3.1.4. Channel Finance

Channel financing is an arrangement that involves three parties with the motive of optimizing the supply chain of an Anchor company, mainly a large corporation. This is done by providing working capital to the partners of the anchor company, such as its suppliers and distributors, to ensure a smooth business operation with uninterrupted supplies and timely payments. Channel financing is often done for companies with extensive distribution networks, often where liquid cash is required to operate smoothly. Financial institutions such as IPDC act as the suppliers of these funds in collaboration with the anchor company after analyzing its creditworthiness. The anchor company provides support to its distribution partners, where they repay their loans to the bank and NBFIs after selling their goods and services to the appropriate buyers. Hence, we will now look into the involvement of IPDC in loan disbursements over the years.

- $(\text{Channel finance per year} / \text{Total domestic loan per year}) \times 100\%$

Table 4: Channel finance to total domestic loan ratio

Year	2019	2020	2021	2022	2023	Average
Channel Finance	5.32%	5.41%	6.34%	6.16%	7.35%	6.12%

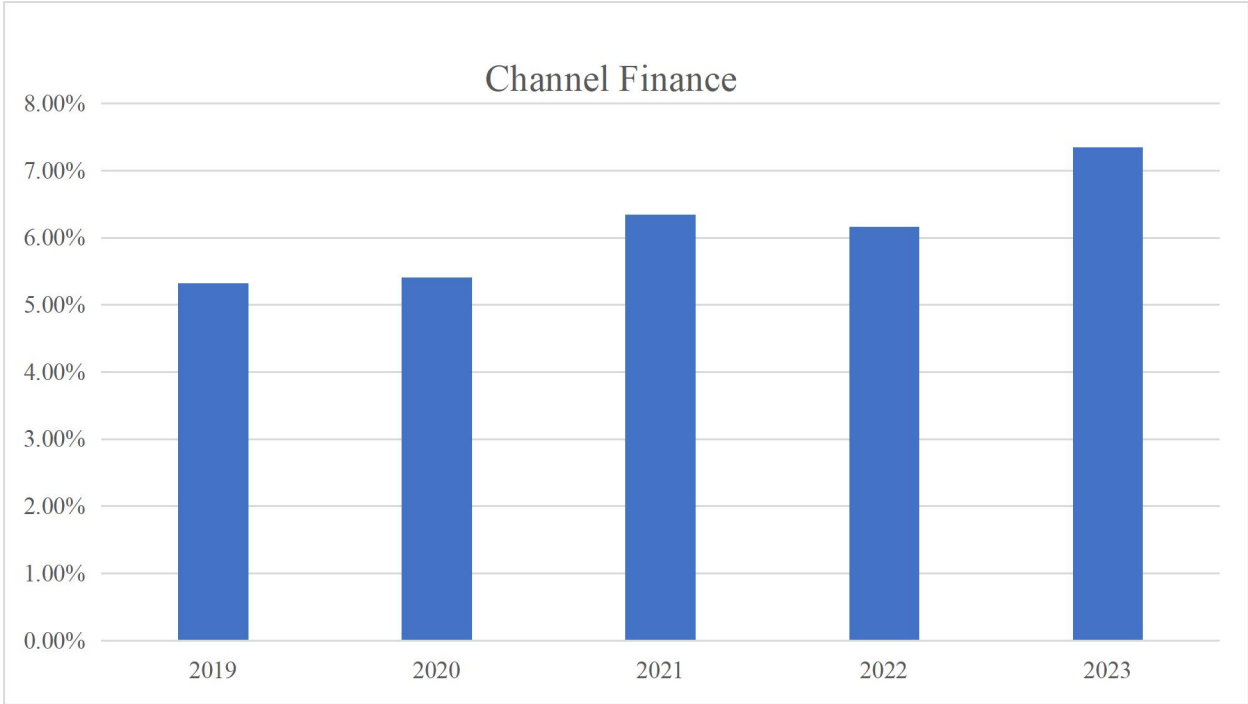


Figure 5: Channel Finance to Total Domestic Loan

Over the years there has been a gradual increase in IPDC’s channel financing disbursements increasing from 5.32% in 2019 to 7.45% in 2023. However, there has been a small decline in this trend in 2023 with 6.16% from 6.34% in 2022. A notable increase, in fact the highest increase within the five years period was seen in 2023 with 7.35%. This steady increase in IPDC’s channel financing indicates IPDC’s increasing focus on supporting the supply chain network in collaborating with more anchor companies.

3.1.5. Mortgage Finance

Mortgage financing refers to one of the secured types of loan disbursement process where borrowers pledge their assets as collateral in exchange for receiving funding. Mortgage financing is one of the popular financing processes that enables borrowers to acquire valuable real estate or valuable assets without requiring the full purchasing price initially. The lending banks provide the fund that is repaid through monthly installments with interest on the principal amount over time. Doing defaults on the

repayment processes provides the lenders the right to seize their properties to recover the loan amount.

- $(\text{Mortgage finance per year} / \text{Total domestic loan per year}) \times 100\%$

Table 5: Mortgage finance to total domestic loan ratio

Year	2019	2020	2021	2022	2023	Average
Mortgage Finance	15.36%	15.85%	13.62%	13.93%	14.84%	14.72%

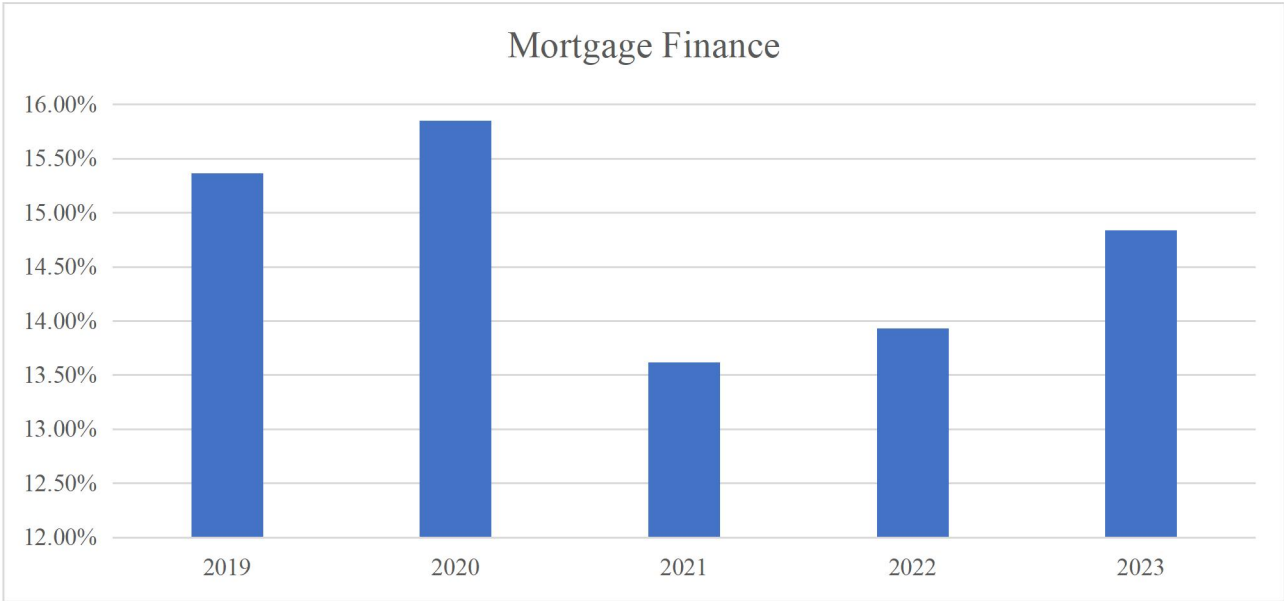


Figure 6: Mortgage Finance to Total Domestic Loan

Over the years, the mortgage finance disbursement of IPDC has fluctuated with no linear changes reflecting variation in the market demand. The highest demand was in 2020, with 15.85%, most likely due to the increasing demand for home financing, and the lowest recorded in 2021, with 13.62%, with a possible decrease due to the adjustments the economy had to go through during the post-pandemic. However, there have been slight recoveries shown in 2022 and 2023. Despite the fluctuation, mortgage financing remained one of the major financing products in its loan portfolio, indicating a stable demand for this product.

3.1.6. Auto Loan

Auto loan is one of IPDC’s domestic loan products that offers loans to businesses and individuals to purchase vehicles which then can be repaid with fixed installments over time. The form of auto financing is widely popular is a secured loan where the vehicle itself is kept as the collateral.

- (Auto loan per year/ Total domestic loan per year) x 100%

Table 6: Auto loan to total domestic loan ratio

Year	2019	2020	2021	2022	2023	Average
Auto Loan	5.53%	5.49%	5.45%	6.61%	7.06%	6.03%

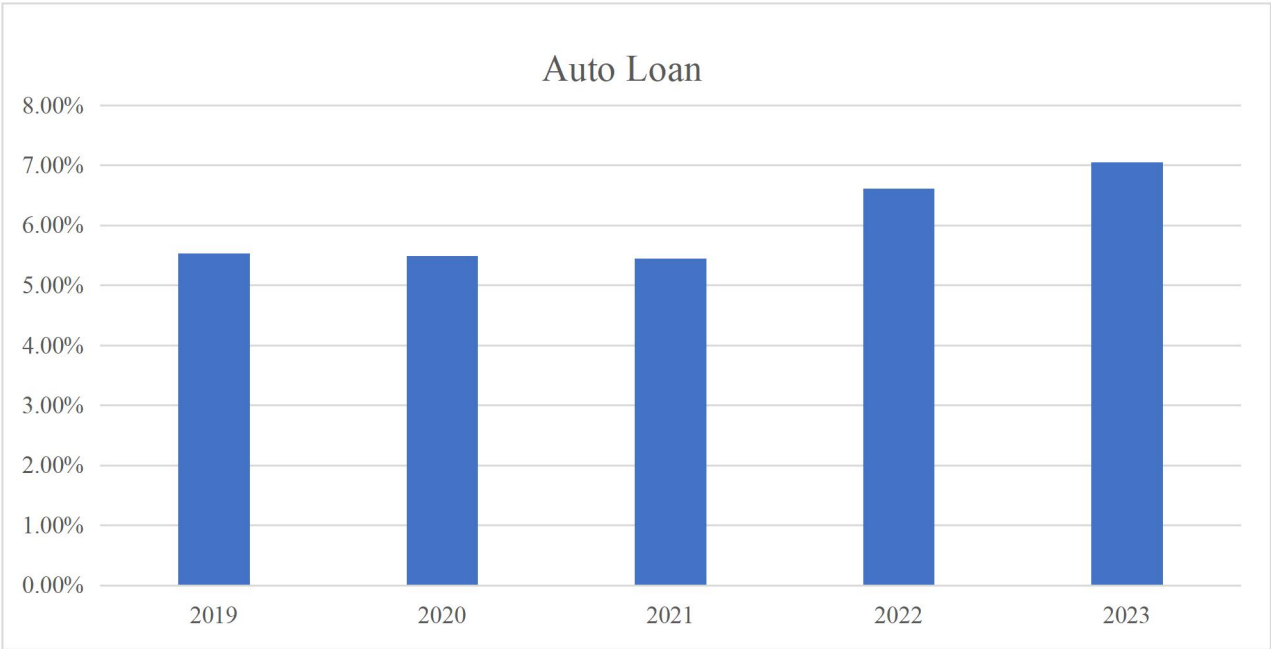


Figure 7: Auto Loan to Total Domestic Loan

There has been a steady decline in auto loan disbursement from 2019, with 5.53% to 5.45% in 2021. This slight decline may be due to factors such as reduced consumer demand for auto loans, a shift in other alternative financing methods, or economic uncertainties. Moving forward, there has been a noticeable rise from 5.45% to 6.61% in 2022 compared to 2021, which followed a growth of 7.06% in 2023. The reason for this

can be the recovery from COVID-19 that resumed consumer vehicle purchases. Nonetheless, it may be due to a rise in vehicle pricing, causing consumers to rely more on financing means. The rising demand for auto loans may improve the profitability of IPDC.

3.1.7. Secured Retail Loan

A secured retail is a type of individual loans that is backed by a collateral to reduce lender’s risk. The interest rate tends to be low that comes with flexible repayment rate.

- $(\text{Secured retail loan per year} / \text{Total domestic loan per year}) \times 100\%$

Table 7: Secured retail loan to total domestic loan ratio

Year	2019	2020	2021	2022	2023	Average
Secured Retail Loan	0.71%	0.80%	0.73%	0.76%	1.24%	0.85%



Figure 8: Secured Retail Loan to Total Domestic Loan

Over the years, there has been a cumulative increase of 0.53% from 2019 to 2023. The market has been volatile with minor fluctuations since 2019 with 0.71% that increased to

0.80% in 2020 which reduced again in 2021 to 0.73% and increased slightly the next year. The significant growth that took place between 2022 to 2023 has reached to 1.24% indicating an increased market demand for secured retail loans.

3.1.8. Personal Loan

Personal loan refers to a versatile financing option that allows individuals to receive find for a wide range to personal needs without the need for it to be backed by a collateral. There loans are often provided analyzing borrower’s credentials such as their income, capability to repay the loan amount and their accessibility for immediate financial requirements. With low interest rates and immediate accessibility, personal loans serve as a great solution for many.

- $(\text{Personal loan per year} / \text{Total domestic loan per year}) \times 100\%$

Table 8: Personal loan to total domestic loan ratio

Year	2019	2020	2021	2022	2023	Average
Personal Loan	0.43%	0.47%	0.53%	0.55%	0.52%	0.50%

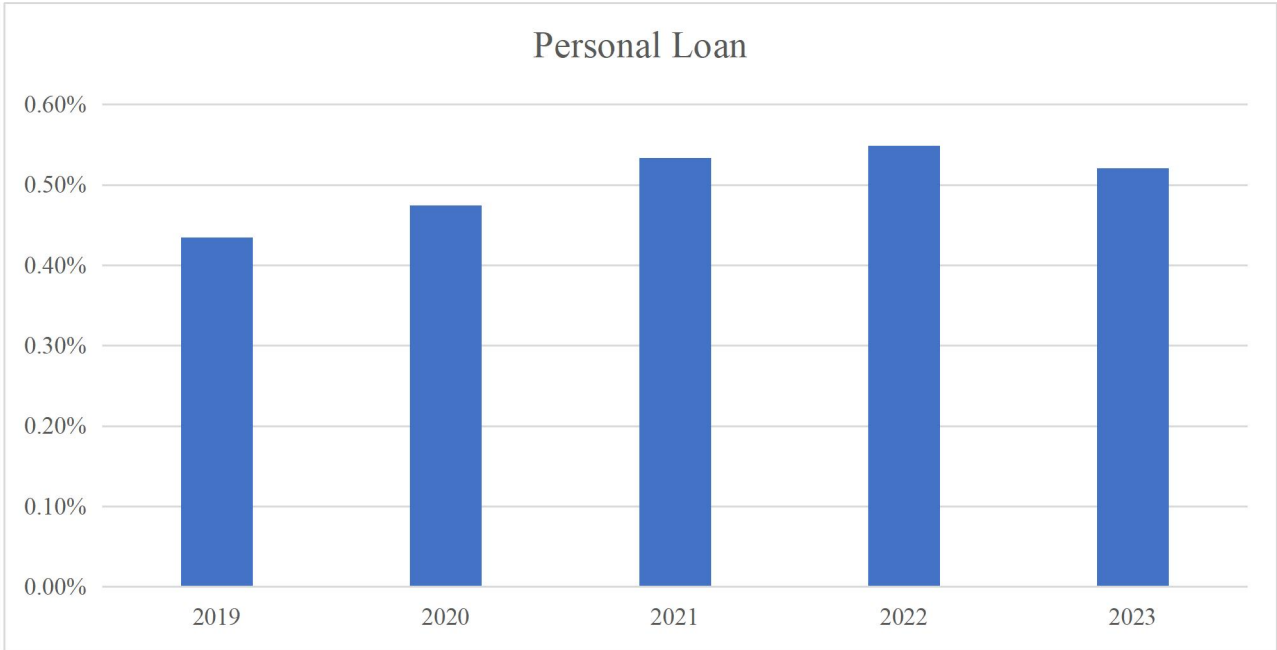


Figure 9: Personal Loan to Total Domestic Loan

From 2019 to 2023, there has been a slight overall increase in IPDC’s personal loan disbursement with 0.43% in 2019 to 0.52% in 2023. From 2019 to 2020, the percentage increase was 0.04% with loan disbursement of 0.47% in 2020. Consistently, it increased to 0.53% in 2021 with an increase of 0.02% compared to previous year. The highest peaked in 2022 at 0.55% followed by a decline in 2023.

3.1.9. Staff Loan

IPDC provides tailored financial products to ease its employee’s professional and personal needs recognizing the vital role they play in organization’s success. IPDC offers lucrative interest rates, flexible repayment policy and streamlined processing. IPDC aims to ease the need of their employees whether it is for home renovation, education, travel, or personal emergencies ensuring trust along the employees.

- (Staff loan per year/ Total domestic loan per year) x 100%

Table 9: Staff loan to total domestic loan ratio

Year	2019	2020	2021	2022	2023	Average
Staff Loan	0.26%	0.23%	0.30%	0.31%	0.36%	0.29%

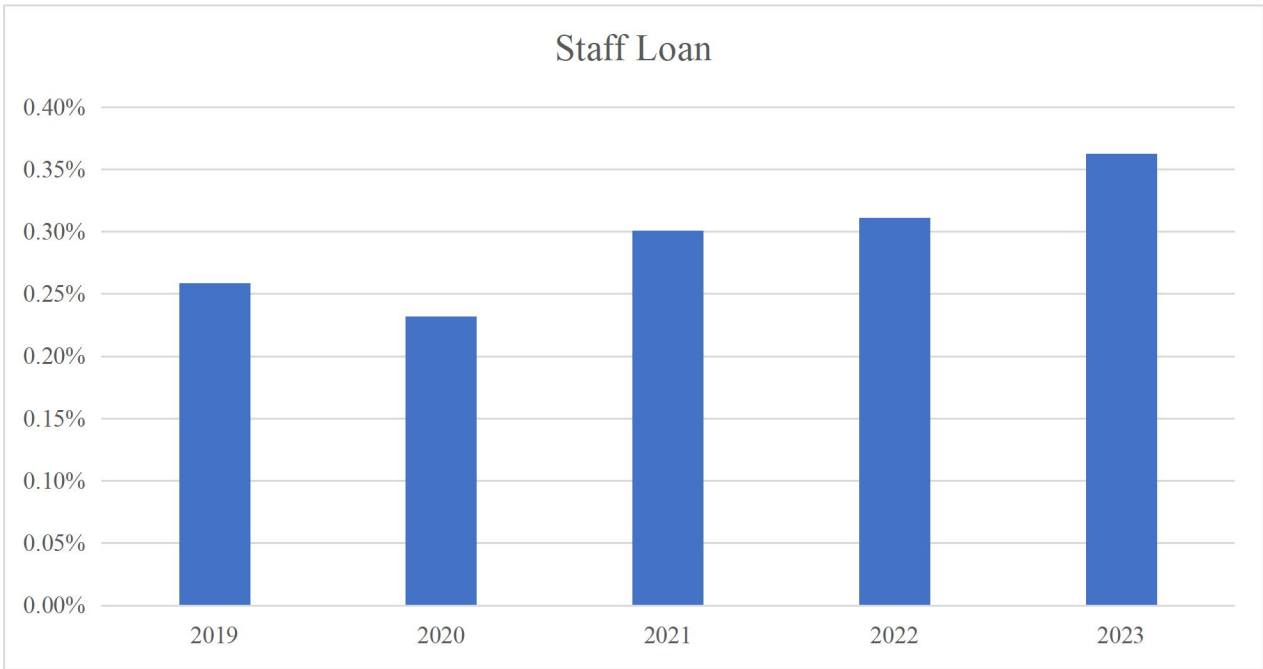


Figure 10: Staff Loan to Total Domestic

As we can see from the above analysis, the disbursement of staff loan decreased in 2020 to 0.23% from 0.26% in the previous year. The disbursement grew in the following years with a significant growth of 0.36% in 2023 suggesting a rising reliance of the employees on staff loans. The initial decrease 2020 could suggest a contribution of the uncertainties caused by covid-19 decreasing the demand of loan in general.

3.1.10. Consumer White Goods Finance

Consumer white goods refer to the essential household appliance such as washing machine, television, refrigerators, AC, micro-oven and other household goods that enhances the quality of customer’s lives at home. Hence, the consumer white goods financing aims to help individuals to purchase products as such allowing customers without bearing the full cost at one go. This is done through the offering of installments, competitive interest rates and flexible repayment policies ensuring the mitigation of affordability gaps.

- $(\text{Consumer White Goods Finance per year} / \text{Total domestic loan per year}) \times 100\%$

Table 10: Consumer white goods to total domestic loan ratio

Year	2019	2020	2021	2022	2023	Average
Consumer White Goods Finance	0.09%	0.07%	0.05%	0.04%	0.06%	0.06%

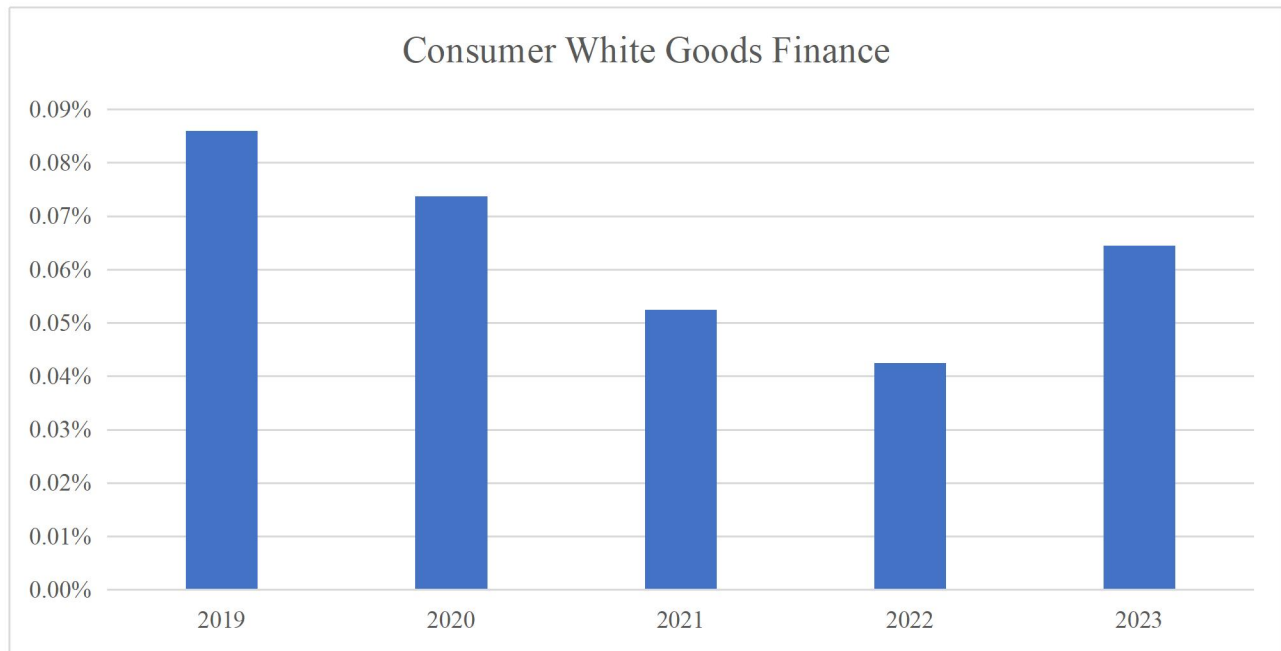


Figure 11: Consumer Write Goods Finance to Total Domestic Loan

Over the years, consumer white goods financing has decreased consistently, from 0.09% in 2019 to 0.04% in 2022, with an increase in 2023 to 0.06%. The decline throughout the years from 2019 to 2022 may suggest challenges in IPDC's promoting strategies, with the modest growth in 2023 indicating retrieving consumer demand through ensuring product refinement tailored to attract targeted consumers with engaging strategies.

3.2. Classification of loan on the basis of maturity

In this section, we will analyze the distribution of loans based on their maturity. This has been categorized into five segments, starting from the duration of "Up to one month" to "More than five years." Analyzing loan disbursement based on maturity will provide insights into lenders' lending strategies, risk management, and market demands.

3.2.1. Up to one month

This category represents the shortest maturity period to cater the need to short term or urgent financing needs. This is categorized by the quickest disbursement and

repayment often to cater the need of working capital in businesses or emergency needs within the shortest period of time.

- $(\text{Loan with a maturity of 1 month} / \text{Total loan per year}) \times 100\%$

Table 11: Loan with a maturity of 1 month to total loan ratio

Year	2019	2020	2021	2022	2023	Average
Up to one month	3.64%	5.91%	5.96%	6.68%	6.72%	5.78%

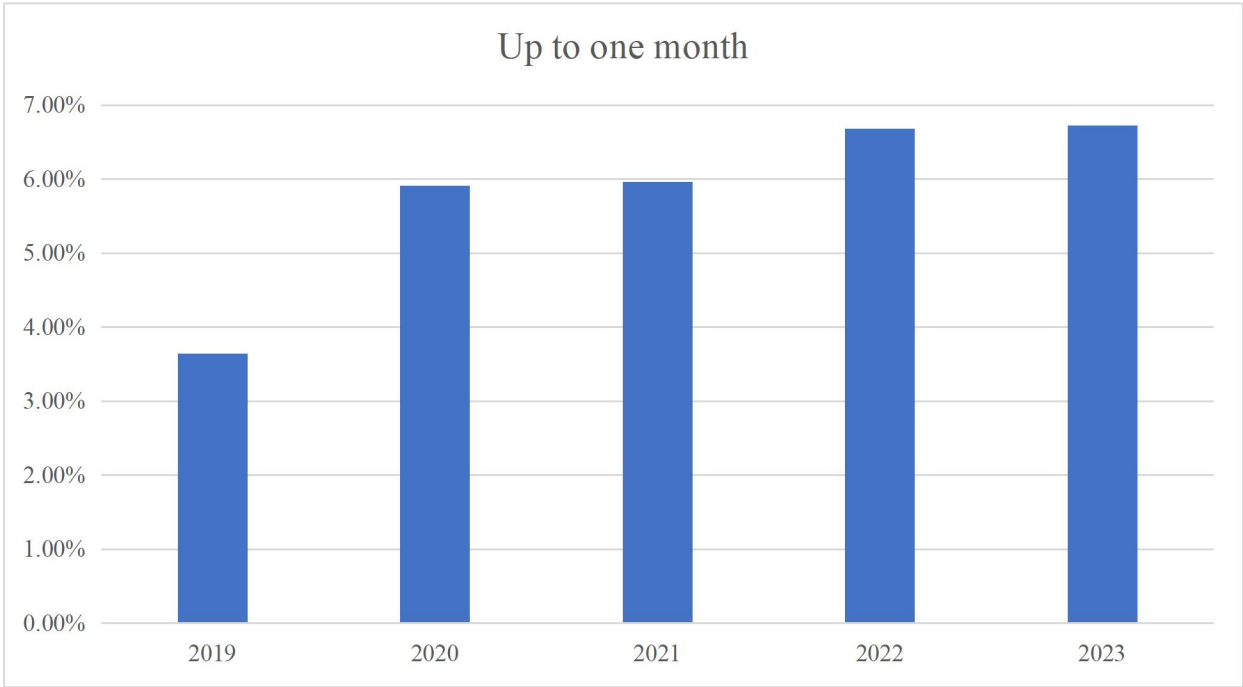


Figure 12: Loan with a Maturity of 1 month to Total Loan

Over the years the overall loan disbursement has increased from 3.64% in 2019 to 6.72% in 2023 which represented the increase in demand for the very short-term loan.

The sharp increase in 2020 of 5.91% may be due to the external economic factor such as the Covid-19 pandemic which may have increases the demand for very short-term loan during the time. From 2021 onwards there has been a consistent growth a stabilized disbursement of the loan as such, being 6.68% in 2022 and 6.72% in 2023.

The increasing demand for short term loan shows the increasing need of immediate financial needs which may indicate broader economic uncertainties.

3.2.2. More than one month but less than three months

This loan category of more than a month but less than three months also fall under the short-term category designed to repay quick loan with a slightly extended flexibility to payback. This category mostly comes into play for seasonal loans, short term operational needs and to cover the immediate temporary financial gap in businesses.

- (Loan with a maturity of more than a month but less than 3 months / Total loan per year) x 100%

Table 12: Loan with a maturity of more than 1 month but less than three months to total loan ratio

Year	2019	2020	2021	2022	2023	Average
More than one month but less than three months	15.61%	18.44%	14.80%	16.11%	14.88%	15.97%

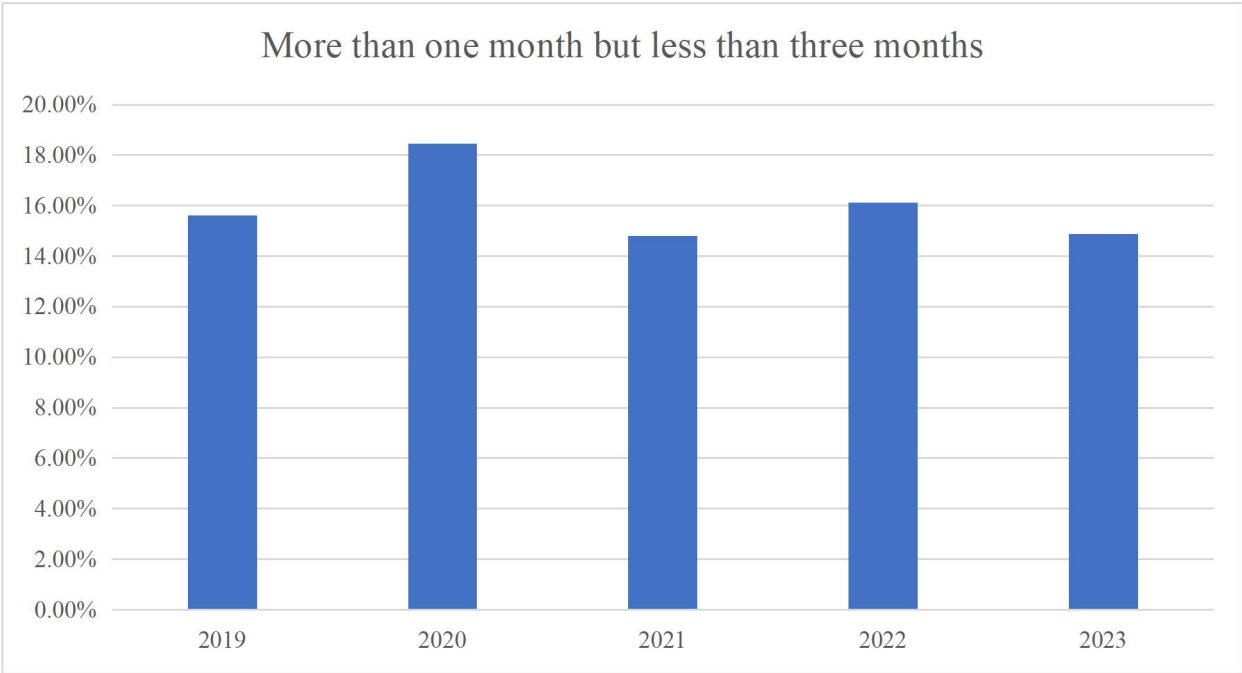


Figure 13: More than One Month but Less than Three Months to Total Loan

The category of more than a month but less than three months show a great fluctuation through the five years from 2019 to 2023. While the loan disbursement increased from the previous year to 18.44% in 2020. It decreased afterwards with a variation over the years. The consistent upwards and downward line may indicate a change in the market demand or may be due to institutional factors.

3.2.3. More than three months but less than one year

This category falls under the moderate term financial needs offering a modern time to repay the loan. The common use of these loans includes the use for inventory financing, equipment purchases or household expenses. Analyzing this segment will provide an understanding of how IPDC supports the medium-term liquidity requirements.

- (Loan with a maturity more than three months but less than one year / Total loan per year) x 100%

Table 13: Loan with a maturity of more than three months but less than one year to total loan ratio

Year	2019	2020	2021	2022	2023	Average
More than three months but less than one year	26.82%	23.64%	21.39%	21.10%	20.51%	22.69%

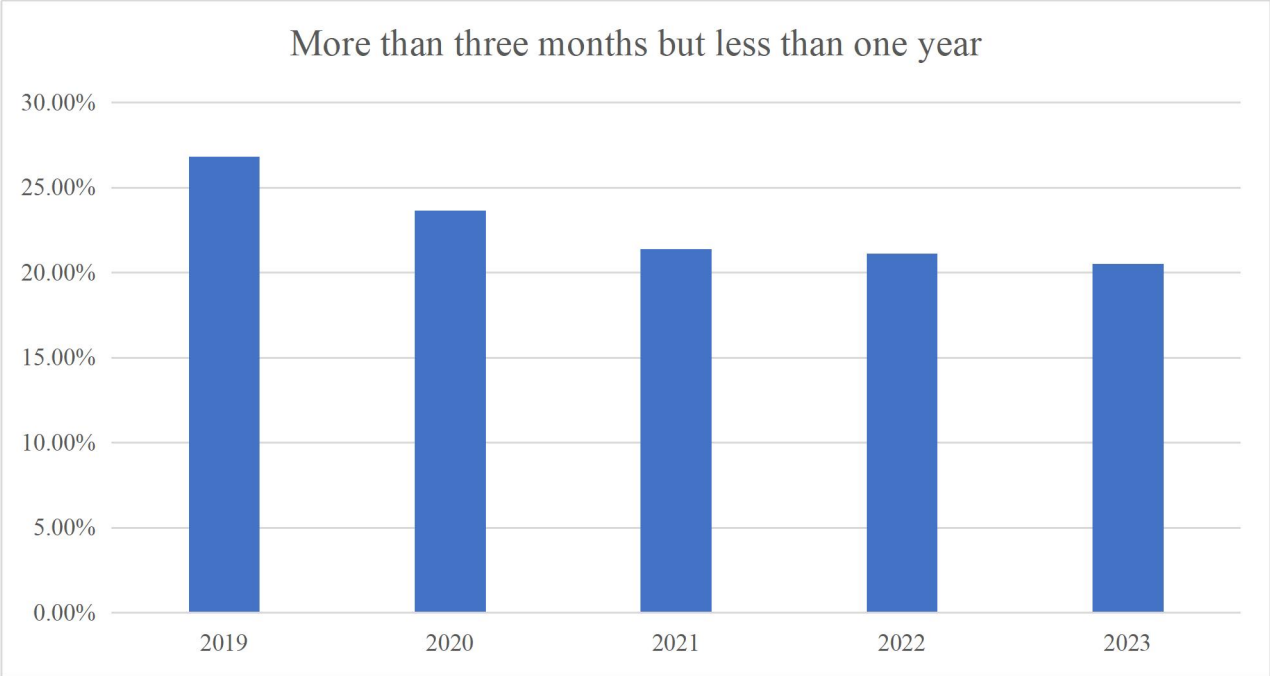


Figure 14: More than Three Months but Less than One Year to Total Loan

This category of loan maturity shows a consistent decline over the five years indicating to a potential strategic change from the company itself or a changing market demand for medium term loans. The most significant drop occurred between from 2019 to 2020 from 26.82% to 23.64% possibly reflecting the change in the borrowers’ demand due to the impact of Covid-19. While the decline continues, the decrease has stabilized during 2023.

3.2.4. More than one year but less than five years

This category covers the loan disbursement for a duration of an extended period of time to finance the need of larger needs such as SME investments, auto loans or personal loans. These loans within the repayment time of more than one year and less than five years often requires a balance between capability of borrowers and the creditworthiness of borrowers analyzed by the lenders ensuring risk mitigation.

- (Loan with a maturity of more than one year but less than five years / Total loan per year) x 100%

Table 14: Loan with a maturity of more than one year but less than five years to total loan ratio

Year	2019	2020	2021	2022	2023	Average
More than one year but less than five years	40.39%	40.05%	42.81%	44.18%	44.52%	42.39%

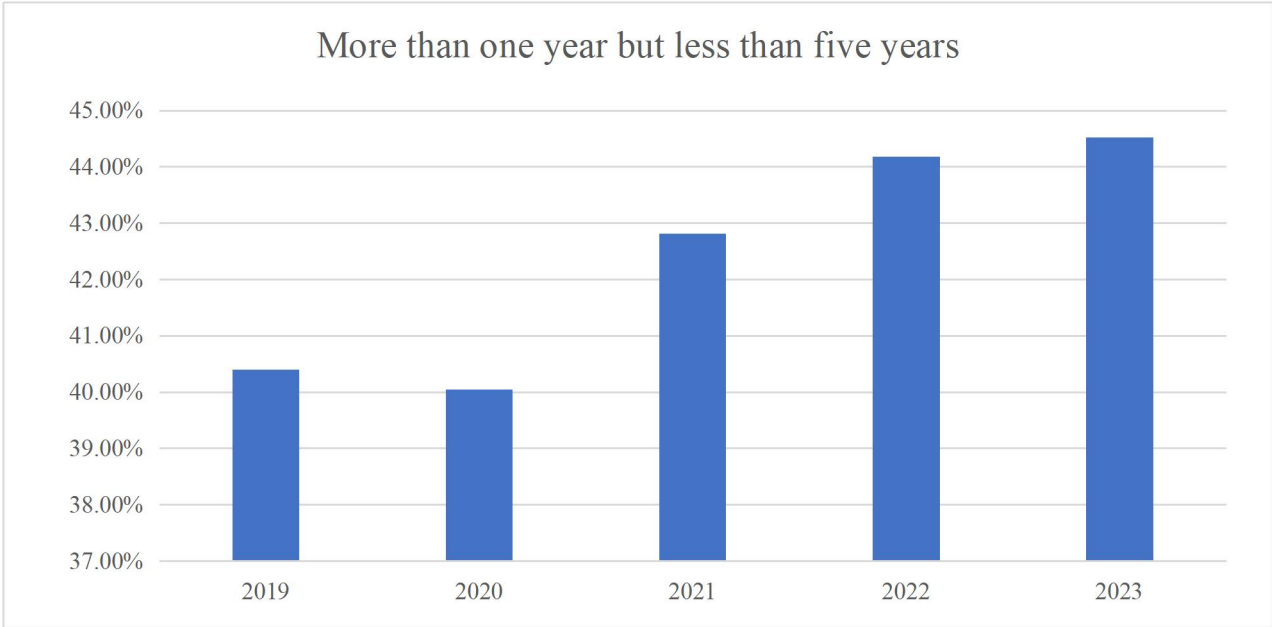


Figure 15: More than a Year but Less than Five Years to Total Loan

According to the statistics above, we can see that this category has the highest percentage of loan disbursements over the years compared to the other categories of loan disbursement according to loan maturity. In 2019, IPDC disbursed 40.39% of its loan with a maturity period of more than 1 year but less than five years. Even though it has decreased slightly by 0.34% in 2020, there has been a consistent increase afterward throughout 2021, 2022, and 2023, with 44.52% in 2023. This category represents the largest share indicating that borrowers have a strong preference for moderate repayment period.

3.2.5. More than five years

Loans with maturities exceeding five years falls under the long-term loans often related to high value purposed such as business project investment, expansions, infrastructure

developments, home loans, etc. These loans contribute to the development of the economy itself facilitating the nation as a whole.

- $(\text{Loan with a maturity of more than five years} / \text{Total loan per year}) \times 100\%$

Table 15: Loan with a maturity of more than five years to total loan ratio

Year	2019	2020	2021	2022	2023	Average
More than five years	13.54%	11.95%	15.03%	11.93%	13.36%	13.16%

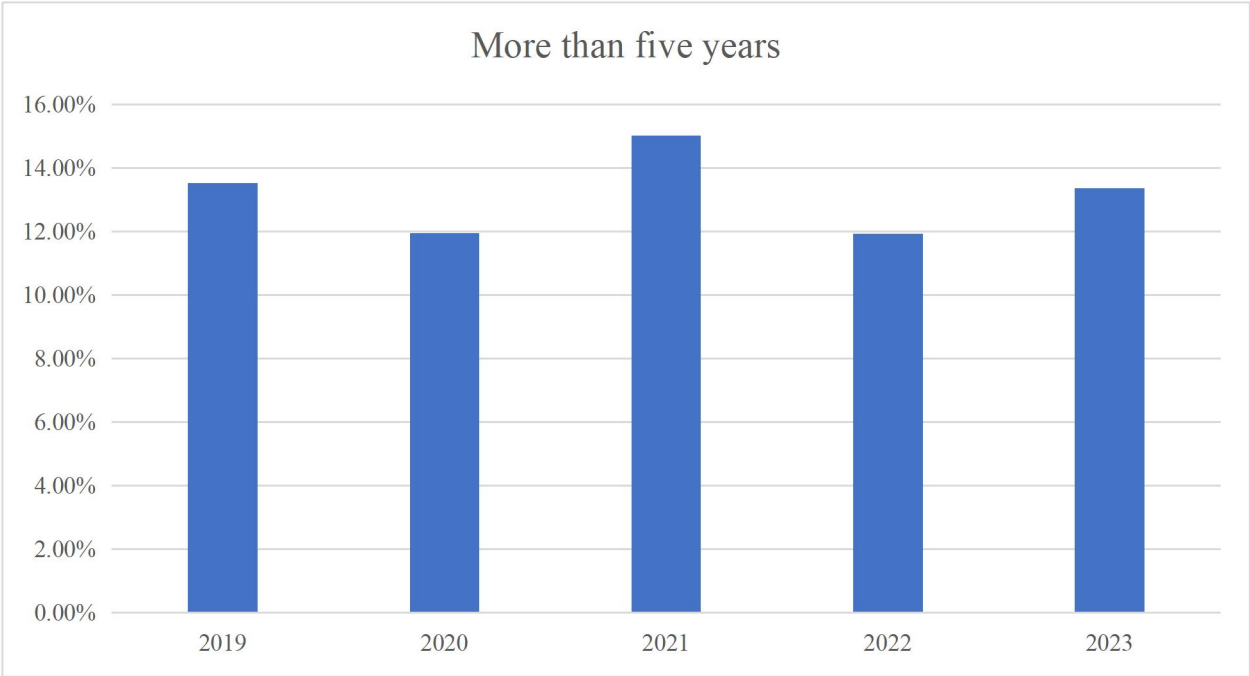


Figure 16: More than Five Years to Total Loan

The above category represents a fluctuating trend over the years indicating an irregular borrowing pattern for long-term loans. The relatively high percentage in 2019 represents a stable economic condition during the pre-pandemic period. A notable decline was observed in 2020 with 11.95% from 13.54% last year reasonably due to the onset of Covid-19 pandemic as borrowers became more reluctant of taking long term loans due to unstable economic condition. A significant recover took place in 2021 with an increase to 15.03% with the highest percentage over the five years trend presented.

Nonetheless, the loan share dropped again to 11.93% in 2022 and increased to 13.36% in 2023 showing a notable fluctuation over the years.

3.3. Classification of loans and advances on the basis of Industry

The classification of loans and advances that IPDC provides based on industry is a critical point of discussion based on which IPDC could make strategic decisions. It would offer a wide variety of insights, such as which industry is facing emerging growth and the ones with a declining growth over the years.

3.3.1. Agro-based industries

The agro-based industries refer to the businesses or entities that produces, manufactures or distributes agricultural raw materials and products. These industries play a crucial role in establishing food security and economic development.

- $(\text{Loans in Agro-based industries} / \text{Total Industry-wise loans and advances per year}) \times 100\%$

Table 16: Loans in Agro-based industries to total industry-wise loans ratio

Year	2019	2020	2021	2022	2023	Average
Agro-based industries	7.77%	8.64%	7.84%	6.66%	6.56%	7.49%

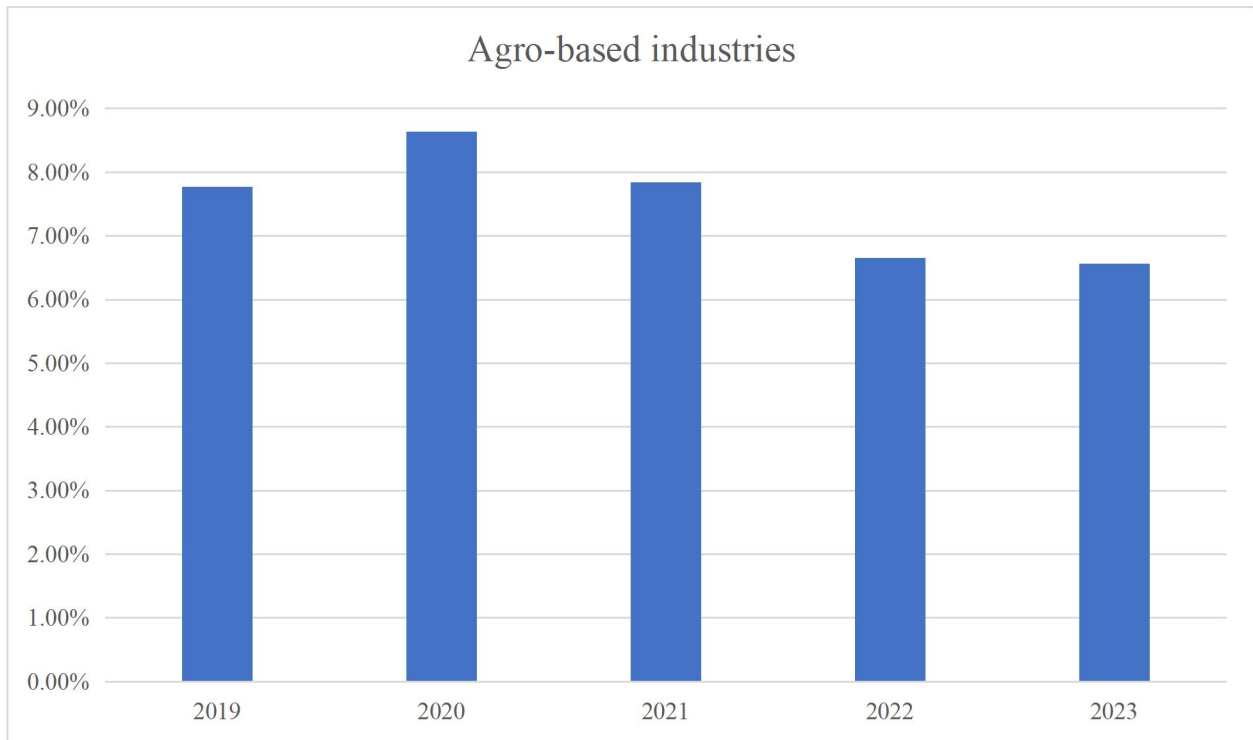


Figure 17: Loans in Agro-based Industries to Total Industry-wise Loan

We can see an initial growth from 2019 to 2020 from 7.77% to 8.64% reflecting an increased support to the agro-based industries during the early period of Covid-19 supporting food security and the rural economic. The percentage dropped to 7.84% in 2021 followed by a consistent decline throughout the years of 2022 and 2023. Hence, the overall observation shows an effort in supporting the industry during the pandemic, however, indicating a shift in priorities to other industries forward. This may be due to a reduced profitability from the specific industry or higher profit from other sectors.

3.3.2. Banks and Non-Banking Financial Institutions

IPDC Finance PDC being one of Bangladesh's leading non-banking financial institutes provides loan to both banks and NBFIs. It offers financial solutions to such entities to meet the need of lending and operational activities. The collaboration of IPDC with other banks and NBFIs facilitates the overall efficiency and reach of financial services throughout the country supporting the accessibilities to various sectors including underserved areas.

- $(\text{Loans in Banks and non-banking financial institutions} / \text{Total Industry-wise loans and advances per year}) \times 100\%$

Table 17: Loans in Banks and NBFIs to total Industry-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Banks and non-banking financial institutions	1.31%	1.27%	1.61%	1.10%	1.00%	1.26%

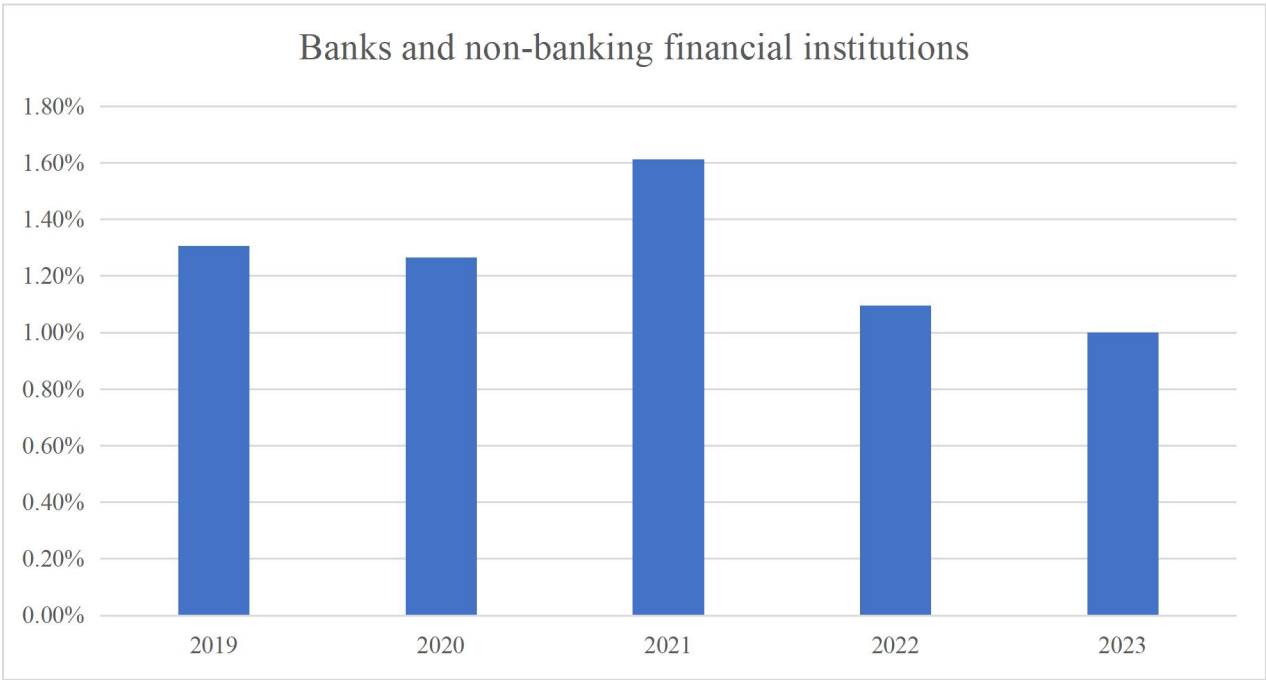


Figure 18: Loans in Banks and NBFIs to Total Industry-wise Loan

The data shows an overall decline over the period of five years, from 1.31% in 2019 to 1% in 2023. In between, there is a fluctuating trend, with the highest percentage of loan distribution in 2021 at 1.61%. This may be influenced by external factors such as regulatory changes, economic conditions, or the overall banking industry dynamics. Nonetheless, these institutes, such as banks and NBFIs, showed a consistently lower portion of the total loan portfolio, indicating that these institutes may rely on other alternative funding sources or run self-sustained operations.

3.3.3. Chemicals, Pharmaceuticals and Allied Products

This section consists of a diverse range of industries such as chemical production, pharmaceutical formulation and allied products supporting various sectors as healthcare, agriculture and manufacturing. These sectors play a crucial role in driving industrial growth through research and development.

- $(\text{Loans in Chemicals, pharmaceuticals and allied products} / \text{Total Industry-wise loans and advances per year}) \times 100\%$

Table 18: Loans in chemicals, pharmaceuticals and allied products to total Industry-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Chemicals, pharmaceuticals and allied products	5.28%	4.74%	6.00%	5.47%	5.72%	5.44%

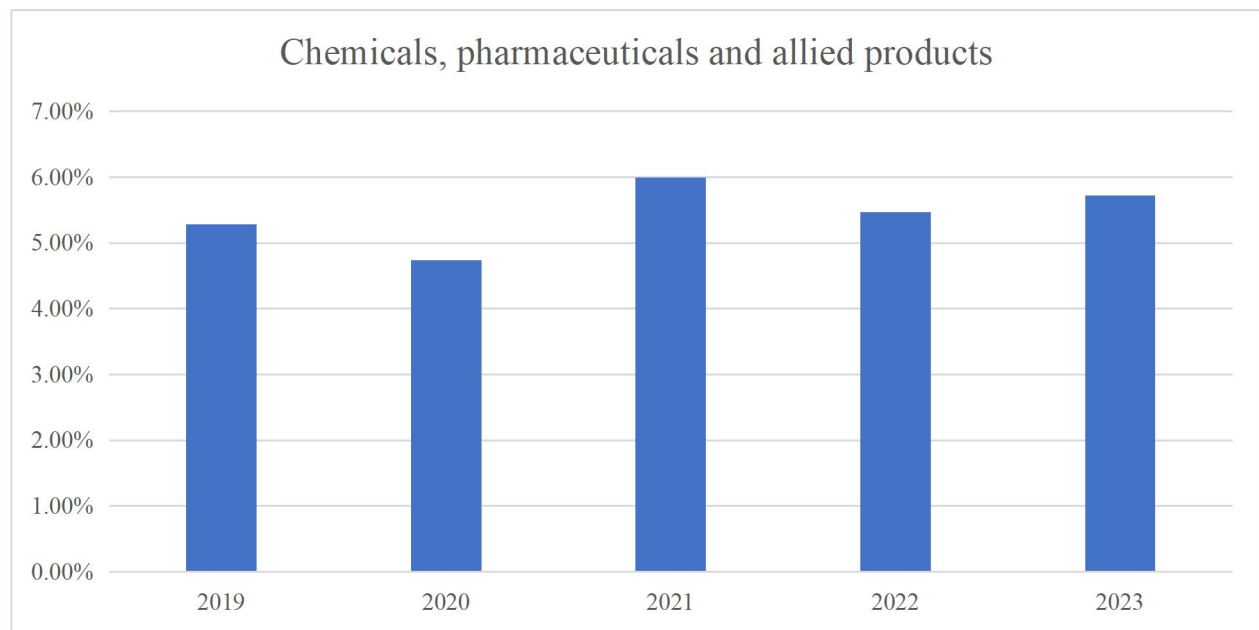


Figure 19: Loans in Chemicals, Pharmaceuticals and Allied Products to Total Industry-wise Loan

The overall percentage of loan disbursed for this sector has been between 4.74% and 6.00% during the period. The rate was the lowest in 2020 with 4.74% likely due to the disruption in the supply chain and production during the pandemic. Moving to the next year, the sector had the highest rate of loan disbursement in the five-year period with 6.00% reflecting an increased demand for the pharmaceutical products during the post pandemic situation.

3.3.4. Engineering and building materials

The engineering and building materials sector consist of a wide range of natural and manufactured products used to contribute to strong infrastructure projects such as steel, cement, concrete, heavy machinery and others. The sector plays a crucial role in the economy to in drive urbanization, large infrastructure developments and sustainable constructions.

- (Loans in Engineering and building materials/ Total Industry-wise loans and advances per year) x 100%

Table 19: Loans in engineering and building materials to total industry-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Engineering and building materials	7.90%	6.99%	8.14%	4.85%	5.34%	6.64%

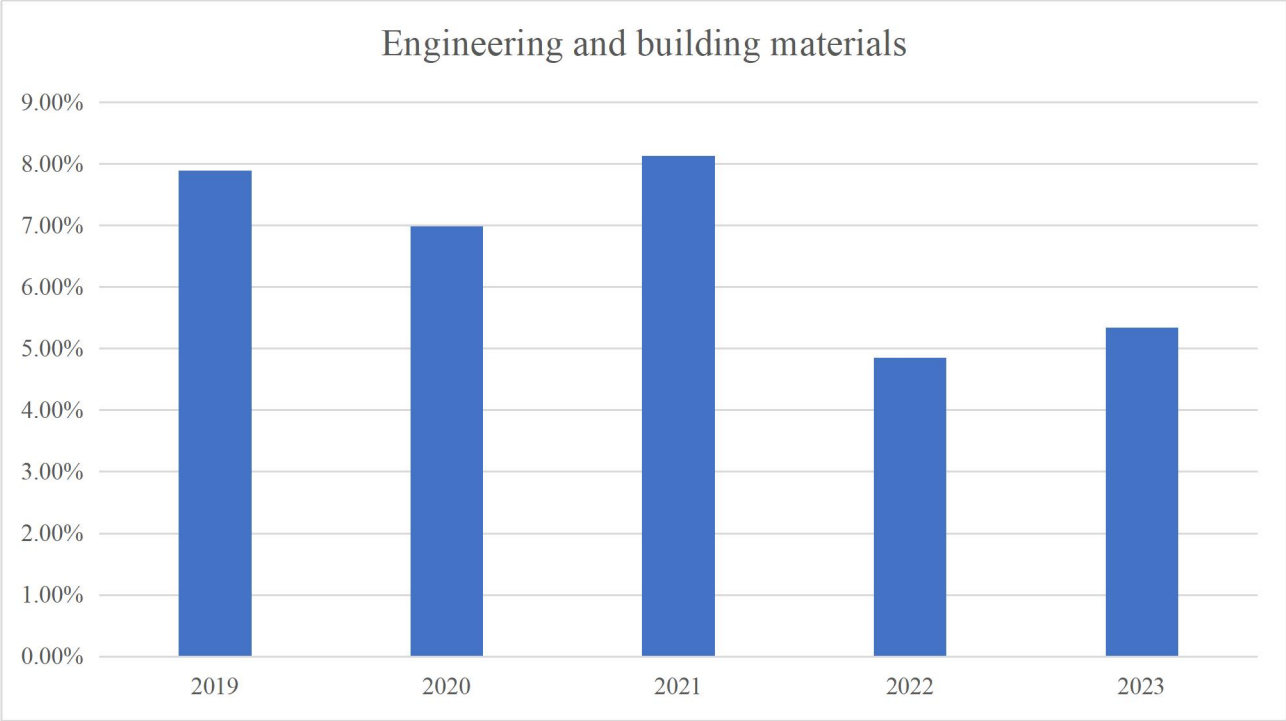


Figure 20: Loans in Engineering and Building Materials to Total Industry-wise Loan

Over the years, loan provided to engineering and building materials has shown fluctuation within the five years’ timeline with a moderate disbursement of 7.90% in 2019. There was a slight downfall in loan disbursement to 6.99% in 2020 likely due to the covid-19 pandemic which impacted the construction industry and the demand for construction materials. 2021 showed a great recovery with the highest loan investment of 8.14% following a notable decrease to 4.85% which is the lowest in the five-year span. Hence, we can say that IPDC’s loan disbursement into the engineering and building material sector is highly irregular with a fluctuating trend.

3.3.5. Food and allied products

The food and allied products sector include food manufacturing, processing, distributing as well as related industries such as agriculture, beverages, packaging and logistics industry, etc.

- (Loans in Food and allied products/ Total Industry-wise loans and advances per year) x 100%

Table 20: Loans in food and allied products to total industry-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Food and allied products	5.92%	5.88%	5.87%	5.35%	4.33%	5.47%

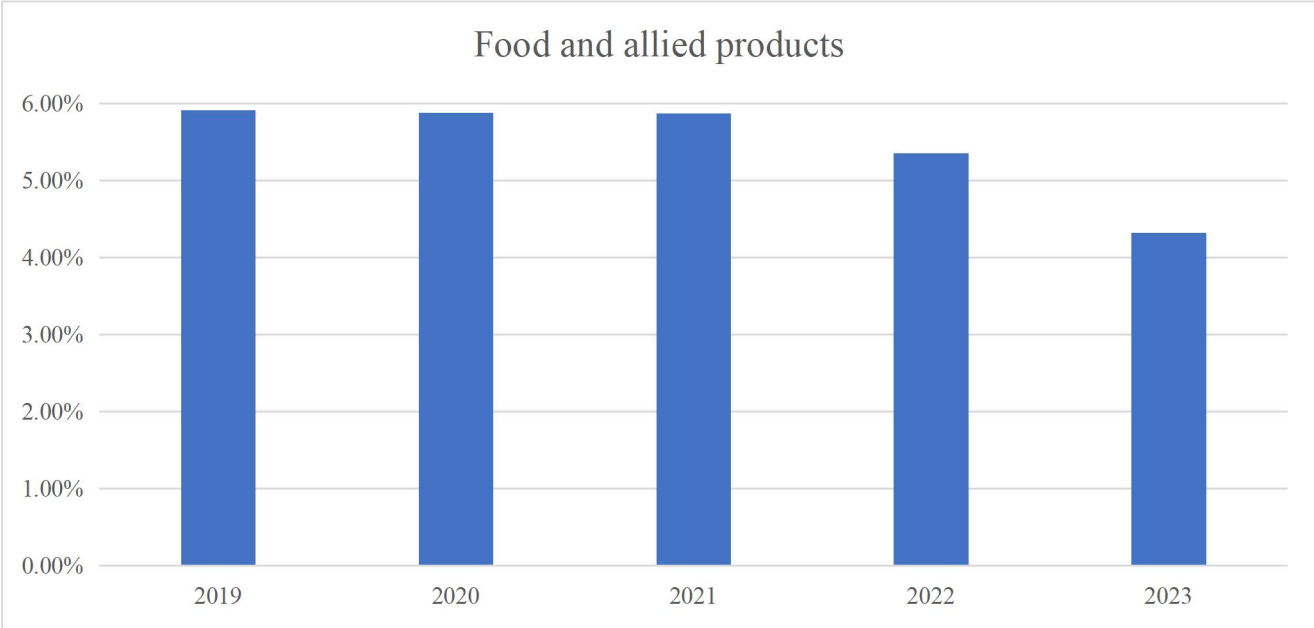


Figure 21: Loans in Food and Allied Products to Total Industry-wise Loan

The loan disbursement to the food and allied sector declined gradually over the five-year timeline. In 2019, the industry received 5.92% of the total industry-based loans, indicating a stable share. The percentage slightly decreased to 5.88% and 5.87% in 2020 and 2021 and declined even more to 5.35% in 2022 and a significant decline to 4.33% in 2023. Despite being an important sector, the loan demand for food and allied products may be slowed due to other economic factors such as higher inflation, higher cost, or supply chain difficulties in distribution channels over the period.

3.3.6. Glass, ceramic and other non-metallic products

Glass, ceramic and other-metallic products play important role in various range of industries such as construction, textile, automobile, electronics and many others. Hence, it is noteworthy to analyze the loan disbursement of IPDC Finance to the Glass, ceramic and other non-metallic products which is as follows.

- $(\text{Loans in Glass, ceramic and other non-metallic products} / \text{Total Industry-wise loans and advances per year}) \times 100\%$

Table 21: Loans in glass, ceramic and other non-metallic products to total industry-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Glass, ceramic and other non-metallic products	0.36%	1.27%	1.70%	0.92%	0.86%	1.02%

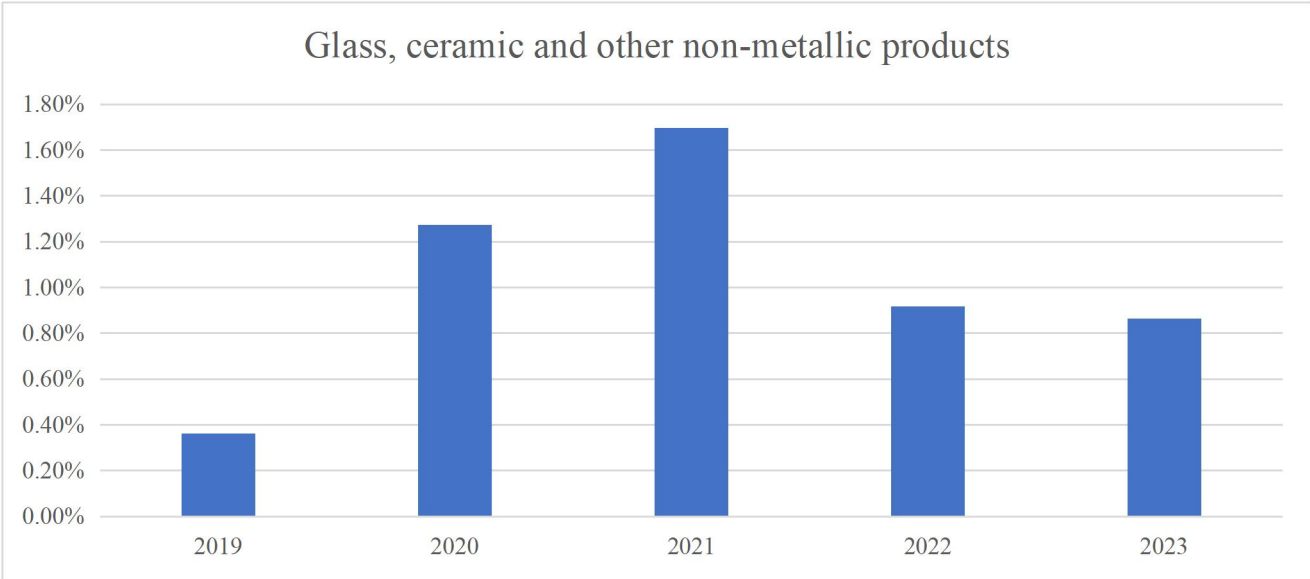


Figure 22: Loans in Glass, Ceramic and other Non- Metal Products to Total Industry-wise Loan

The data shows the loan disbursement of IPDC Finance to the glass, ceramic and non-metallic industry to be 0.36% in 2019 indicating a minimal focus on this industry compared to the other industries. Later, the next year showed a significant increase to 1.27% (still low compared to other industries) most likely indicating to a rise in demand within the market. The ceramics industry has been growing at a 20% rate annually which may be contributing to the loan disbursement of IPDC Finance to the specific industry.

3.3.7. Hotel, tourism and leisure

The hotel, tourism, and leisure industry has experienced significant fluctuation between 2019 and 2023. In 2019, during the pre-pandemic period, the global tourism industry, along with the national trends, was at its peak, welcoming 323,000 international tourists, a notable increase from the previous years. Nonetheless, the tourism industry served about 3.02% of the country's GDP in 2019. Hence, the industry was significant to the nation in 2019, showing a remarkable decline in the following year due to COVID-19.

- (Loans in Hotel, tourism and leisure/ Total Industry-wise loans and advances per year) x 100%

Table 22: Loans in hotel, tourism and leisure to total industry-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Hotel, tourism and leisure	0.16%	0.13%	0.17%	0.10%	0.10%	0.13%

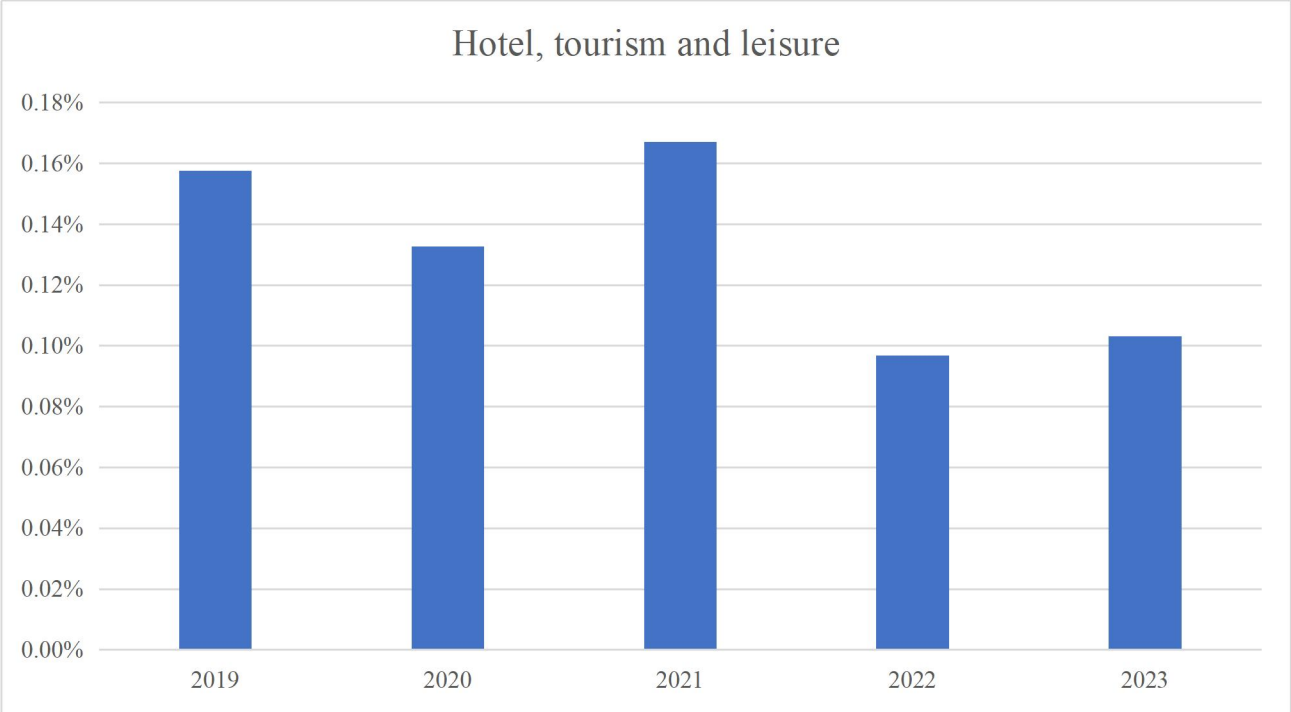


Figure 23: Loans in Hotel, Tourism and Leisure to Total Industry-wise Loan

As for IPDC's Loan disbursement to the hotel, tourism, and leisure industry, the disbursement was relatively stable, with 0.16% in 2019 to this specific industry from its total loan portfolio. During 2020, the pandemic's peak, the loan disbursement fell to 0.13% due to global travel restrictions and a decline in business activities. In 2021, a recovery phase was observed, with the loan distribution reaching 0.17% and the domestic industry regaining momentum. The following year, a significant drop was observed to 0.10%, which remained unchanged in 2023, likely due to inflation, high interest rates, and other economic uncertainties.

3.3.8. Information and communication technologies (ICT)

In the information era, the information and communication technologies (ICT) industry has experienced extensive growth over the years. It encompasses telecommunication, software development, cloud computing, cybersecurity, and emerging technologies such as Artificial Intelligence (AI) and blockchain. It plays an essential role in digital transformation, streamlining operations and communication across several industries. Nonetheless, it also faces challenges such as cybersecurity threats and the need for organizations to continuously adapt to evolving innovation. Despite the challenges,

business and government investments in digital transformations have been a key driver of economic growth.

- $(\text{Loans in Information and communication technologies} / \text{Total Industry-wise loans and advances per year}) \times 100\%$

Table 23: Loans in information and communication technologies to total industry-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Information and communication technologies	2.04%	2.18%	1.71%	2.61%	1.81%	2.07%

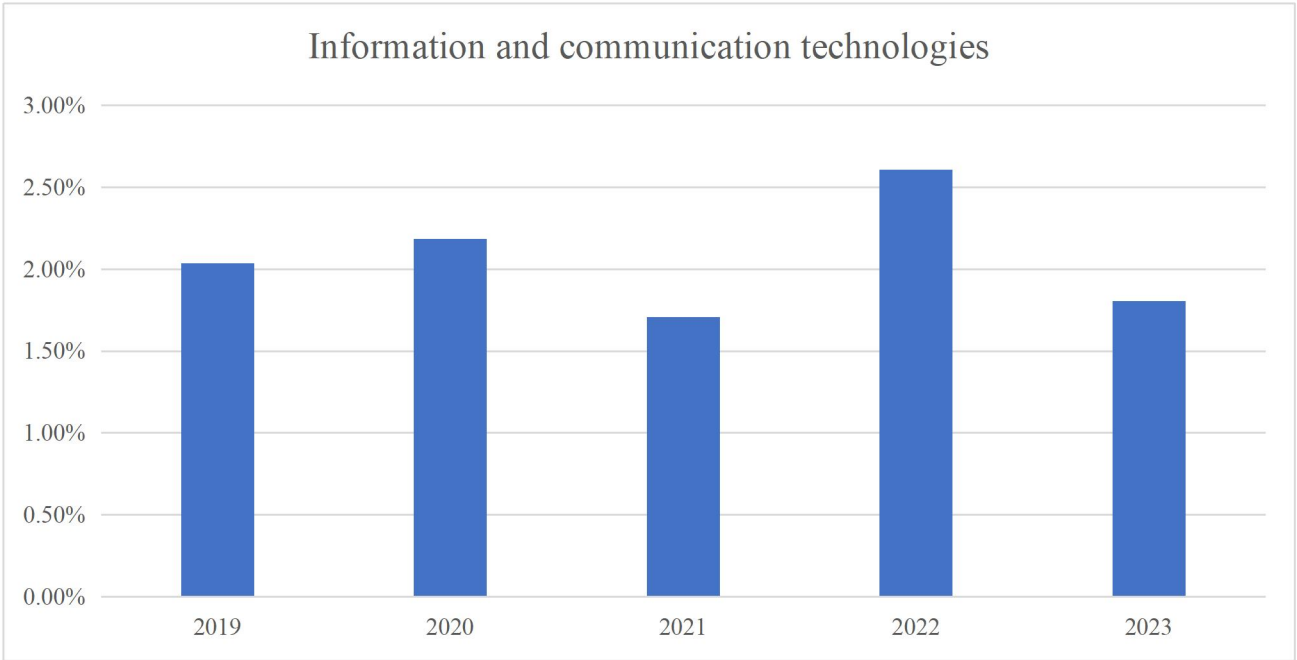


Figure 24: Loans in Information and Communication Technologies to Total Industry-wise Loan

The overall loan disbursement to the ICT industry fluctuates over the years between 2019 and 2023, with the highest of 2.61% of allocation in 2022 and the lowest of 1.71% in 2023. The data does not show a clear trend, indicating the distribution is influenced

by external market conditions or IPDC's internal strategic decisions. The possible economic factors that may have influenced the curve may be inflation or the change in interest rate, which can cause IPDC to change its loan disbursement priorities.

3.3.9. Paper converting and packaging, printing and publishing

The paper converting and packaging, printing, and publishing industry of Bangladesh plays an important role in various sectors, including education, FMCG, and ready-made garments. The packaging sector has experienced steady growth with an increasing demand for high-quality packaging, while the printing and publishing sectors have evolved to adapt to digital transformation and customer preferences. Given its significance and contribution to economic growth, IPDC has allocated a portion of its loan portfolio to the industry over the years.

- $(\text{Loans in Paper converting and packaging, printing and publishing} / \text{Total Industry-wise loans and advances per year}) \times 100\%$

Table 24: Loans in paper converting and packaging, printing and publishing to total industry-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Paper converting and packaging, printing and publishing	4.03%	3.69%	3.36%	3.55%	3.25%	3.58%

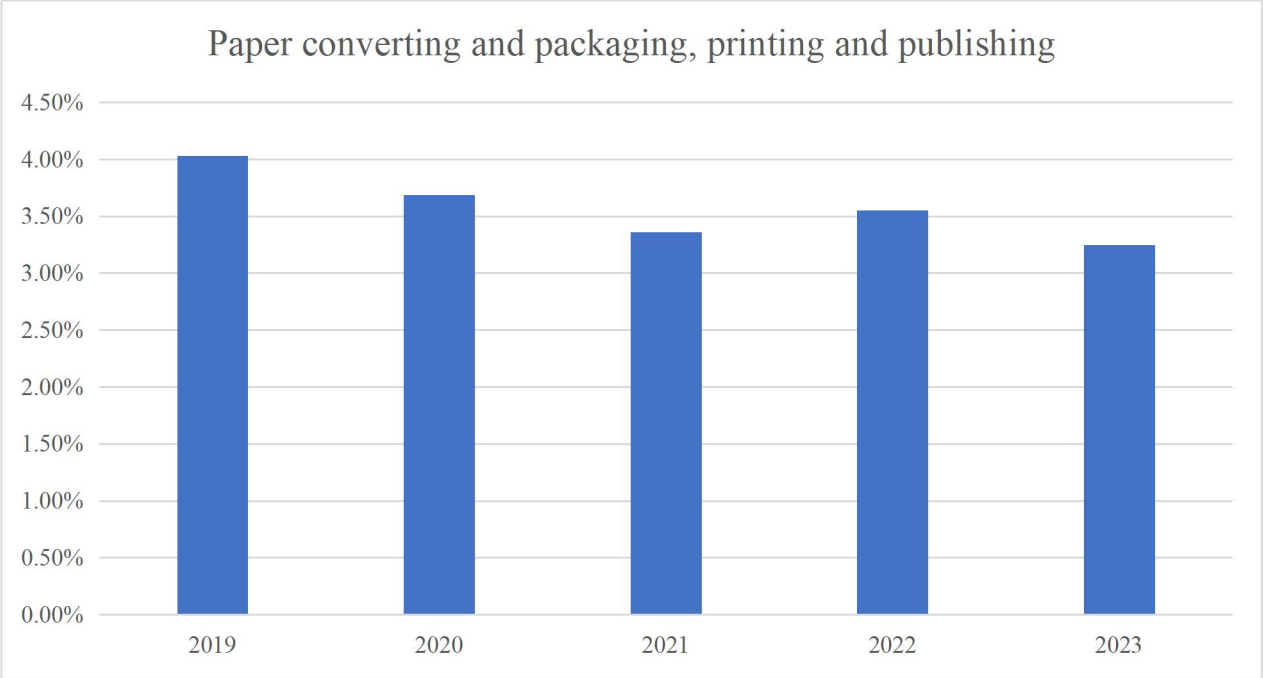


Figure 25: Loans in Paper Converting and Packaging, Printing and Publishing to Total Industry-wise Loan

The loan disbursement for this sector shows a gradual decline over the years, with the highest disbursement recorded in 2019 at 4.03% and the lowest in 2023 at 3.25%. A drop from 4.09% to 3.69% in 2020 may indicate a shift in investment priorities and early economic uncertainties. The following decline in 2021 to 3.36% likely reflected the pandemic impact, which slowed down business activities, including printing and packaging. The minor increase in 2022 possibly showed a recovery from the pandemic, leading to the temporary increase, later on declining in 2023, indicating the company's reallocation of funds to other industries.

3.3.10. Ready-made garments and knitwear

The ready-made garments and knitwear sector play a significant role in the country's economy contributing to employment, export and the total GDP of the country. The growth rate has also been rising over the decades. Bangladesh being one of the world's largest apparel exporters has created its reputation for producing high-quality, cost-effective garments for global brands.

- $(\text{Loans in Ready made garments and knitwear} / \text{Total Industry-wise loans and advances per year}) \times 100\%$

Table 25: Loans in ready made garments and knitwear to total industry-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Ready made garments and knitwear	9.77%	9.17%	9.69%	12.04%	11.60%	10.45%

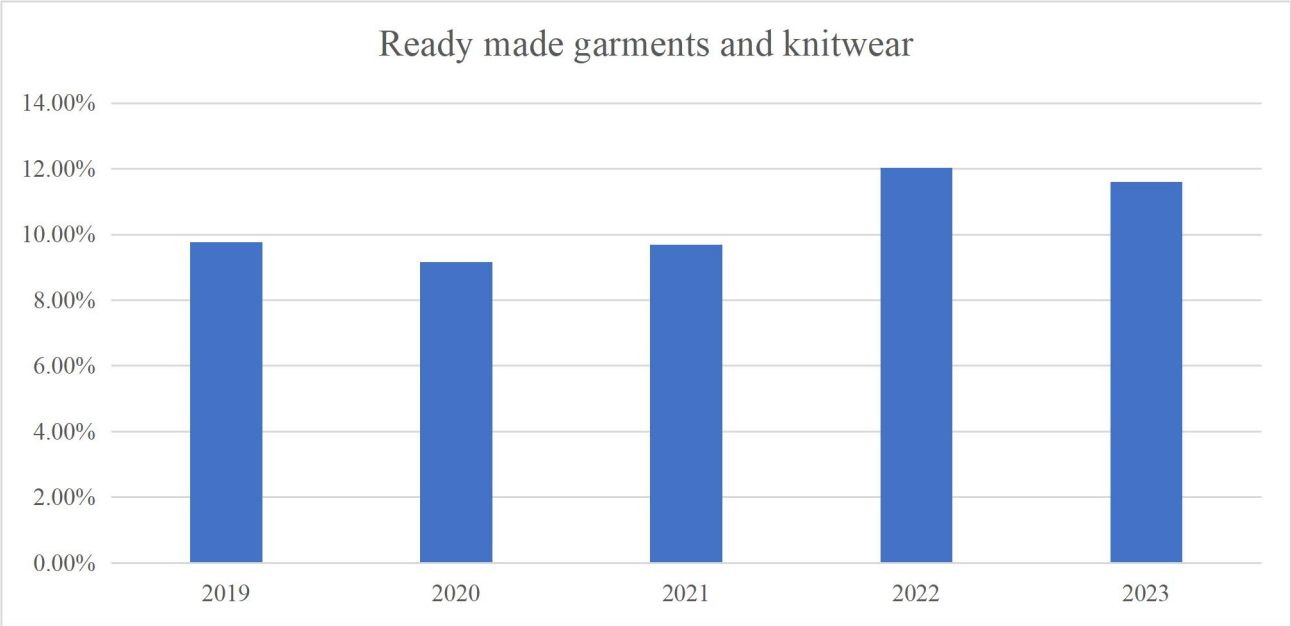


Figure 26: Loans in Ready made Garments and Knitwear to Total Industry-wise Loan

In 2019, IPDC has allocated 9.77% of its total loan portfolio to the ready-made garments and knitwear industry that has slightly decreased to 9.17% in 2020 due to the impact of Covid-19 in the industry. The cause may have been a combination of supply chain disruptions, factory shutdowns, etc. Nonetheless, major markets for RMG such as United States and Europe has experienced prolonged lockdown impacting Bangladesh’s export markets. In the following year the percentage recovered with an increase of 9.69%. A significant growth was observed in 2022 to 12.04% with a

marginal decline in 2023 to 11.60% still higher than the previous year's suggesting a stabilized disbursement.

3.3.11. Social sectors

Corporate social responsibilities have always been an important part of IPDC's financial operations. It has been engaging in various activities to develop the country's social sectors, which also includes disbursing a portion of its loan portfolio to social sectors such as education, health, Environment, sports, and other social welfare.

- $(\text{Loans in Social sectors} / \text{Total Industry-wise loans and advances per year}) \times 100\%$

Table 26: Loans in social sectors to total industry wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Social sector	2.37%	2.63%	0.64%	3.81%	3.67%	2.62%

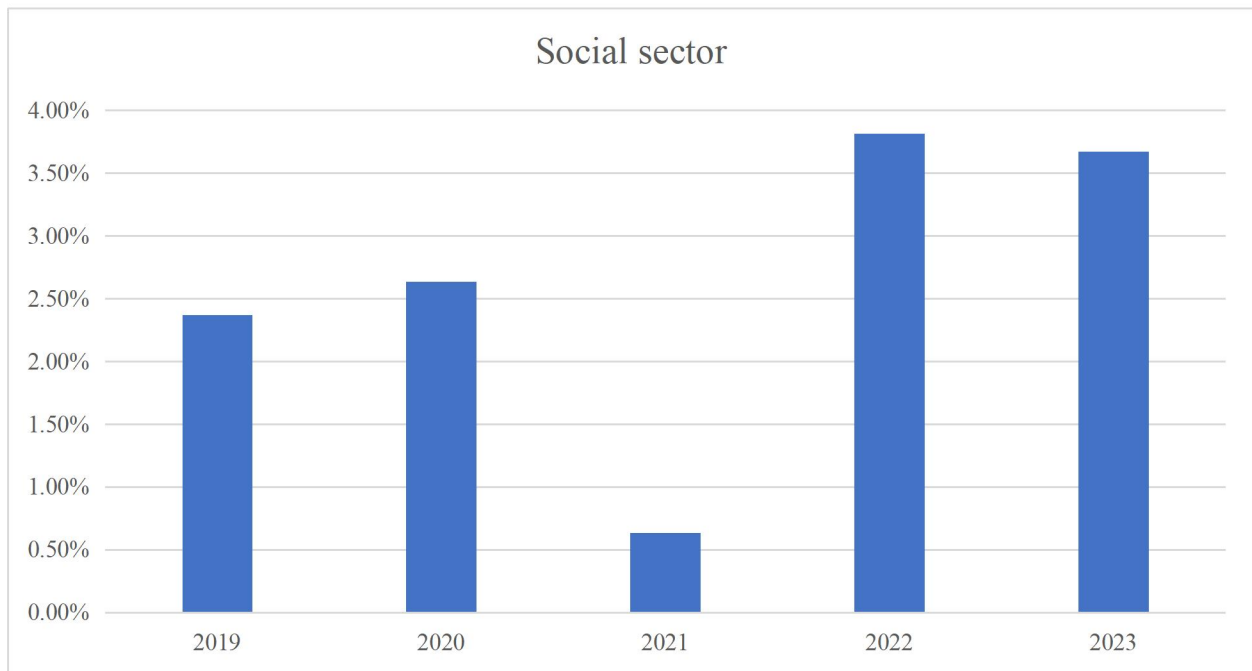


Figure 27: Loans in Social sectors to Total Industry-wise Loan

As observed from the table above, IPDC has served 2.37% of its loan portfolio to the social sectors in 2019. This has slightly increased to 2.63% in 2020. In contrast, the contribution has drastically dropped to 0.64% in the following year. The COVID-19 pandemic had an ongoing impact during 2020 and early 2021, which increased credit risks for lending institutes like IPDC. Hence, this may have led to an internal strategy of IPDC to keep investment to a minimum in this sector during the year. The strong rebound in 2022, with the highest disbursement in the social sector, suggests an economic recovery with the possibility of social institutes such as schools, healthcare organizations, and NGOs resuming their operations and expansion plans, serving more scope for investment for IPDC.

3.3.12. Tannery, leather and rubber products

The tannery, leather, and rubber industry has been a significant sector for the country contributing to the global trade, employment and manufacturing. This section may be divided into 2 segments. The tannery and the leather industry and separately the rubber industry. The tanneries process raw animal skin into leathers through chemical treatments and the leather manufacturing industry transforms these processed leathers into leather products as such shoes, bags, automobile interiors and other accessories. Where else, the rubber industry processes natural and synthetic elements to similar accessories such as footwear, car tires, automobile parts, medical products among others.

- (Loans in Tannery, leather and rubber products/ Total Industry-wise loans and advances per year) x 100%

Table 27: Loans in tannery, leather and rubber products to total industry-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Tannery, leather and rubber products	0.95%	0.82%	0.58%	0.65%	0.61%	0.72%

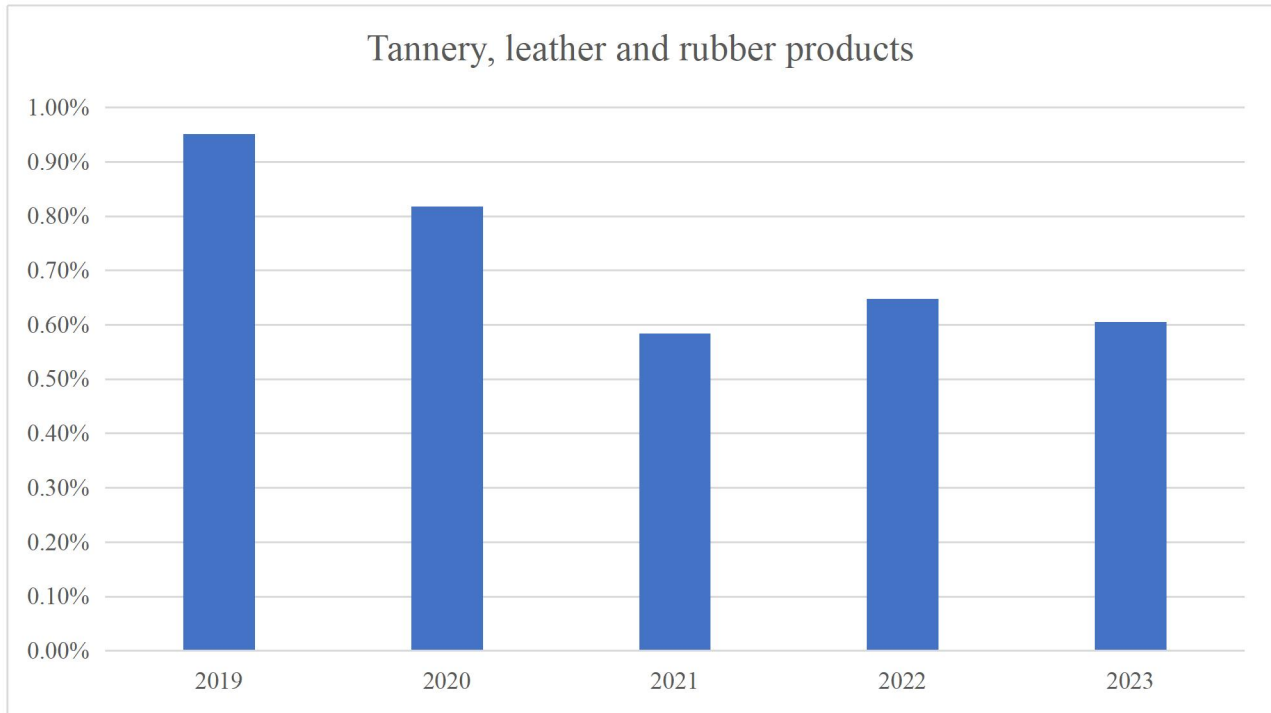


Figure 28: Loans in Tannery, Leather and Rubber Products to Total Industry-wise Loan

The percentage disbursement of IPDC to the tannery, leather and rubber product has been 0.95% of its total industry wise loan disbursement in 2019. This has gradually declined over the years which may indicate a cautious approach of IPDC towards lending in this sector. Over the years the global demand for leader products has experienced fluctuations due to changing consumer preferences towards synthetic alternatives. This shift may have impacted the growth prospects of traditional leathers in Bangladesh making it less attractive sector for investments and financing. COVID-19 has also impacted the demand for these industries leading to a lower disbursement during 2020 and 2021 with 0.82 and 0.58%.

3.3.13. Textile

The textile industry is one of the largest and versatile sectors world-wide that includes production, processing and distribution of fibers, fabrics and finished textile products. It plays an important role in contributing to the country's economy. Hence, IPDC has invested a specific percentage of its total loan portfolio to the textile industry of the country.

- $(\text{Loans in Textile} / \text{Total Industry-wise loans and advances per year}) \times 100\%$

Table 28: Loans in textile to total industry-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Textile	4.84%	5.26%	5.48%	3.15%	2.91%	4.33%

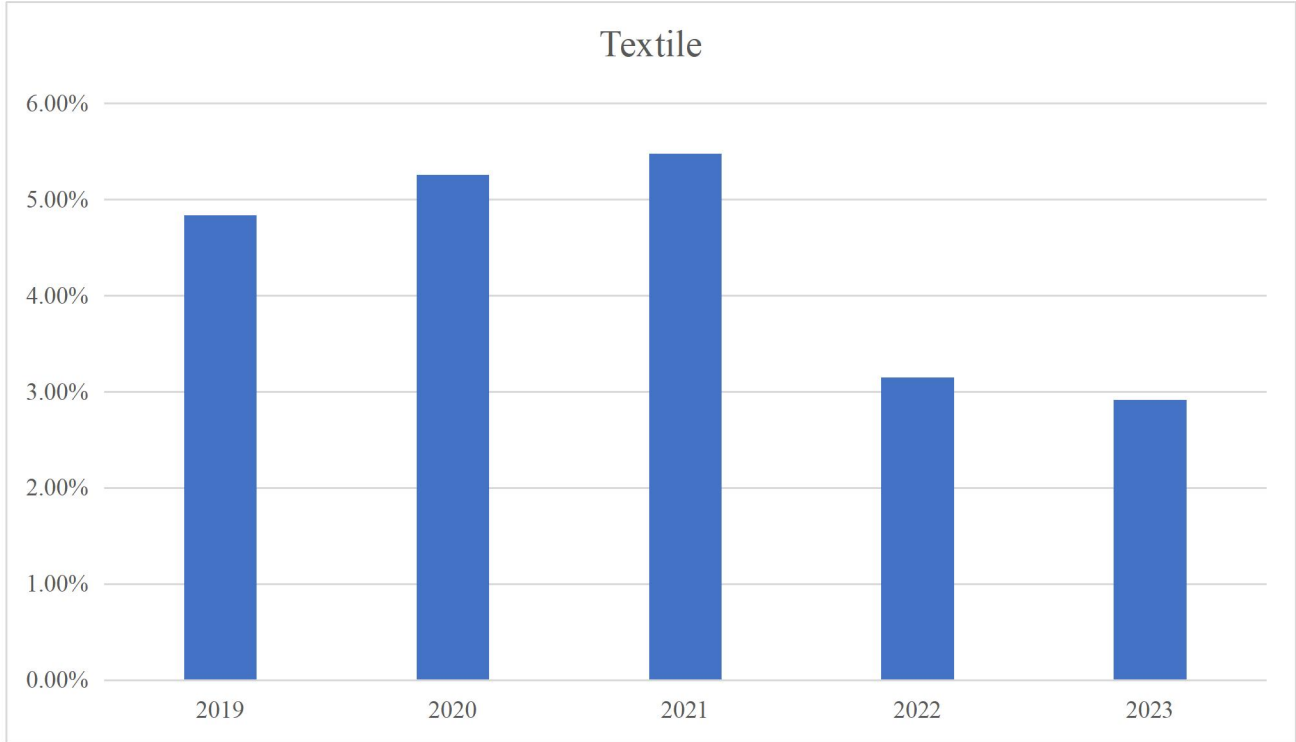


Figure 29: Loans in Textile to Total Industry-wise Loan

The above data shows that IPDC has invested 4.84% of its total loan disbursement to the textile industry in 2019 which has shown a steady growth in the following years of 2020 and 2021 with a disbursement of 5.26% and 5.48% in 2022. A greater decline was observed in the following year of 2022 with a disbursement deducing to 2.91%. The increased decline during the 2022 and 2023 may have caused due to the long-term impact of the disruption of in production and import.

3.3.14. Transport and aviation

Bangladesh's transportation system includes railways, highways, waterways, and air travel. Over the years, the aviation industry has grown significantly with new airports, including three international and five domestic airports. Nonetheless, the construction of Dhaka's elevated expressway and metro rail has been one of the greatest shifts in Bangladesh's transportation infrastructure.

- $(\text{Loans in Transport and aviation} / \text{Total Industry-wise loans and advances per year}) \times 100\%$

Table 29: Loans in transport and aviation to total industry-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Transport and aviation	3.57%	3.45%	3.17%	2.85%	4.42%	3.49%

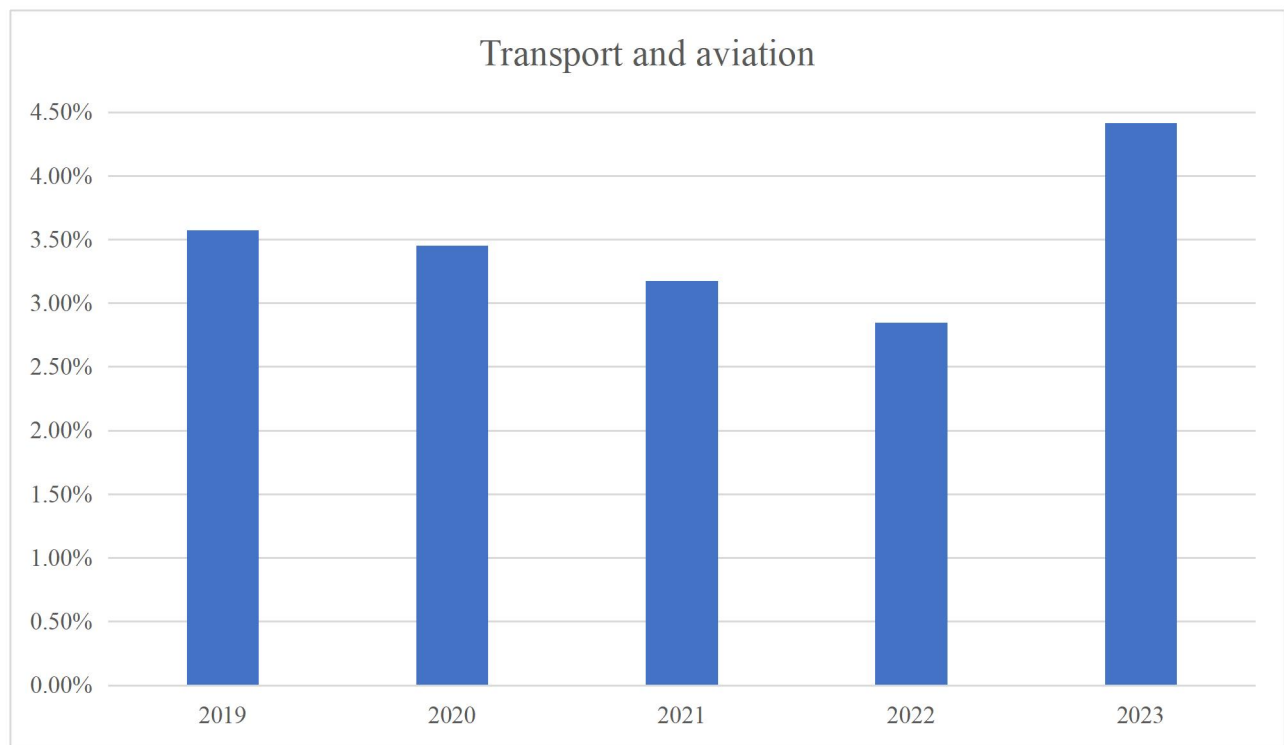


Figure 30: Loans in Transport and Aviation to Total Industry-wise Loan

Over the years, IPDC has greatly facilitated the development and modernization of roads, bridges, and terminals. Analyzing the data above, there has been a gradual decline in IPDC’s loan disbursement to the transportation and aviation industry, with a percentage of 3.57% in 2019 to 2.85% in 2022. The decrease may be caused by several factors, such as the pandemic that affected the sectors globally, leading to a reduced demand for loans for these industries. This indicates that IPDC has shifted its loan portfolio towards other sectors that are more resilient to the impact of the pandemic. However, the year 2023 has shown a significant increase in the share of loan disbursement to transport and aviation, with an increase of 4.42%.

3.3.15. Others

As per the data below, the “Others” category consists of the largest of IPDC’s loan portfolio, amounting to 43.73% in 2019. Although the precise breakdown is not given, it may involve various manufacturing sectors across different industries. Construction and real estate project activities and investment in other financial institutions and insurance companies may also be within the “Other” industry category.

- $(\text{Loans in Others} / \text{Total Industry-wise loans and advances per year}) \times 100\%$

Table 30: Loans in others to total industry-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Others	43.73%	43.89%	44.05%	46.90%	47.81%	45.27%

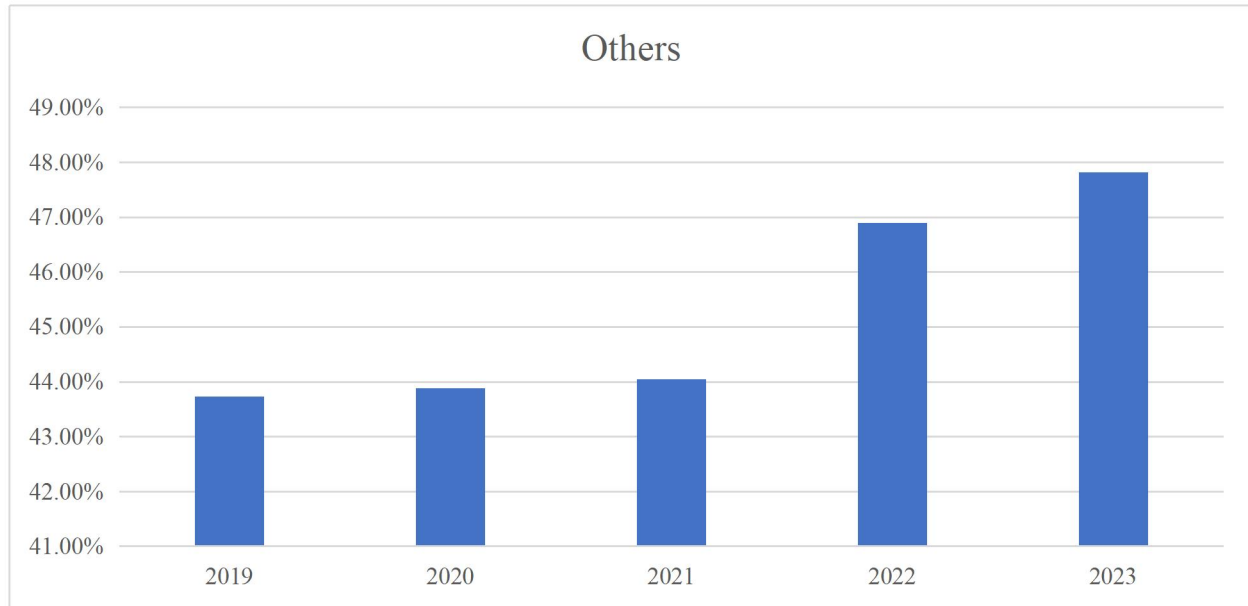


Figure 31: Loans in Other sector to Total Industry-wise Loan

This category shows the largest portion of IPDC’s loan portfolio from 2019 to 2023. The fact that this category remains the dominant portion indicates that IPDC has a diverse strategy involving a variety of industries. The category has gradually increased over the years, from 43.73% in 2019 to 47.81% in 2023. This suggests a growing strategy of IPDC for diversification and also indicates a strategic plan to spread risks across multiple sectors.

3.4. Classification of loans and advances on the basis of geographical location

The following is IPDC’s loan disbursement analysis on the basis of location across the various divisions of Bangladesh.

3.4.1. Dhaka Division

Dhaka has always been the dominant geographic area and responsible for the highest amount of loan disbursement.

- (Loan disbursed from Dhaka Division/ Total geographic location-wise loans and advances) x 100%

Table 31: Loan disbursed from Dhaka division to total geographic location-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Dhaka Division	78.87%	77.11%	77.21%	78.26%	78.39%	77.97%

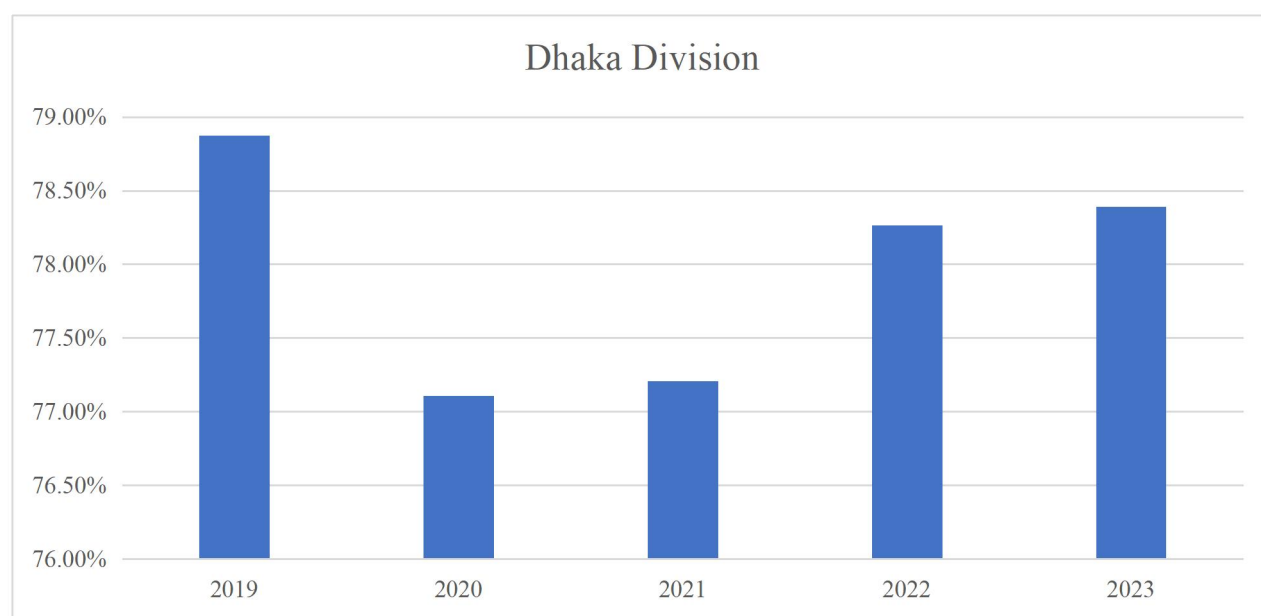


Figure 32: Loans Disbursed from Dhaka Division to Total Geographic Location-wise Loan

In 2019, 78.87% of loan was disbursed from the branches of Dhaka. Over the years the percentage remained relatively stable with a slightest fluctuation with the loan disbursement of 78.39% in 2023. This indicates that Dhaka remains the primary hub for financing activities for the primary investment activities and financing requirements for Bangladesh. Hence, Dhaka being the capital and one of the largest cities of Bangladesh, attracts the most investments.

3.4.2. Chittagong

- (Loan disbursed from Chittagong Division/ Total geographic location-wise loans and advances) x 100%

Table 32: Loan disbursed from Chittagong division to total geographic location-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Chittagong	13.51%	14.10%	13.43%	11.54%	11.14%	12.74%

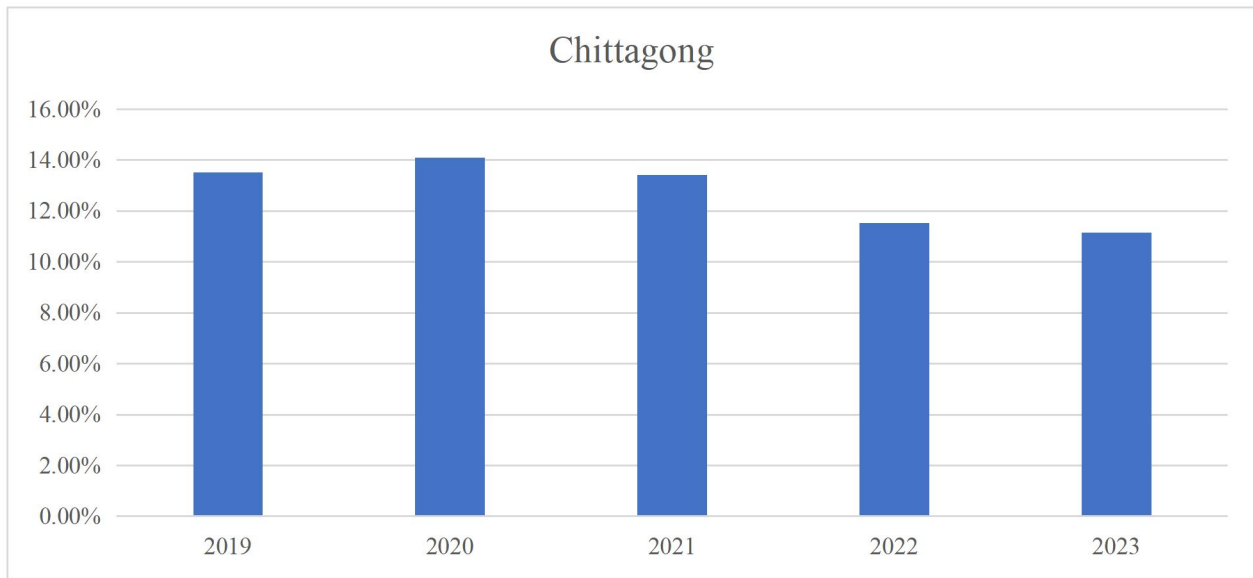


Figure 33: Loans Disbursed from Chittagong to Total Geographic Location-wise Loan

Chittagong shows a declining trend with over the years with 13.51% in 2019 to 11.14% in 2023. Chittagong remains a critical region for international trade and industrial activities due to the water bodies around the city. However, the declining trend shows that IPDC has less opportunities in this area and more lending to the other regions.

3.4.3. Khulna Division

- (Loan disbursed from Dhaka Division/ Total geographic location-wise loans and advances) x 100%

Table 33: Loan disbursed from Khulna division to total geographic location-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Khulna Division	1.95%	2.33%	2.50%	3.09%	3.18%	2.61%

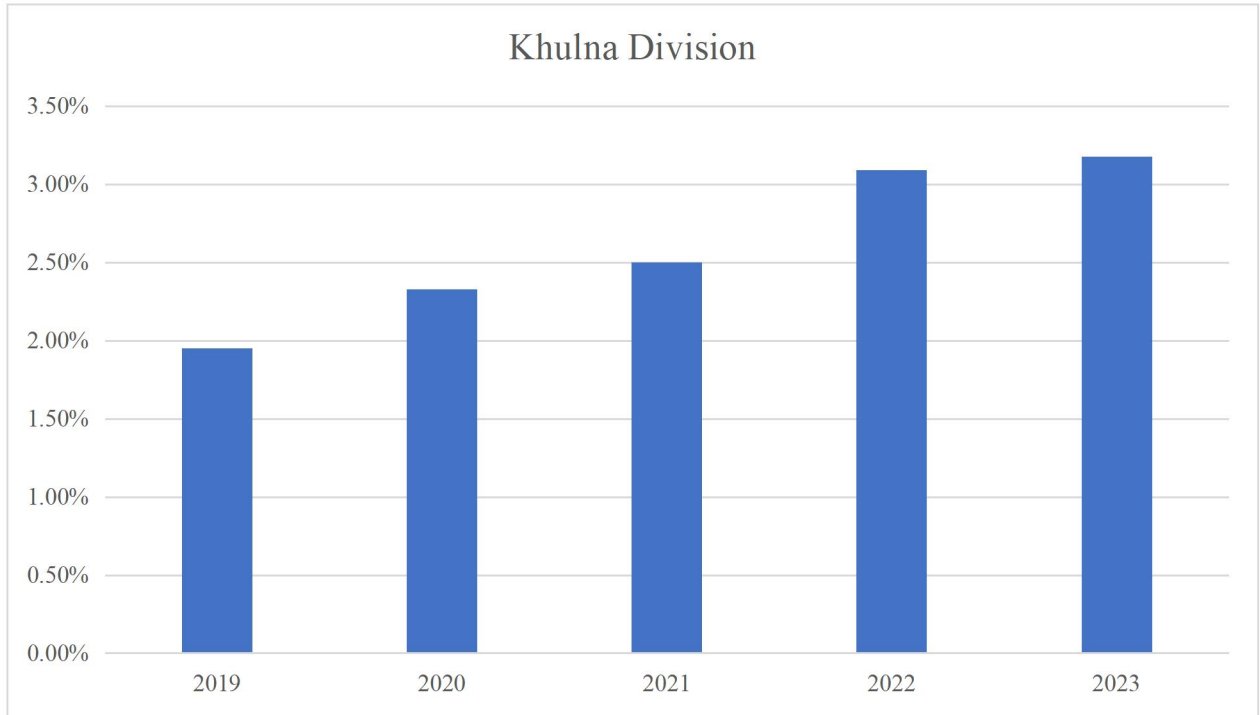


Figure 34: Loans Disbursed from Khulna Division to Total Geographic Location-wise Loan

The Khulna division has seen a steady increase in loan disbursement, from 1.95% in 2019 to 3.18% in 2023. Khulna's growing industries, such as shrimp farming, textiles, and shipbuilding, may be contributing to more loan disbursement from the Khulna branch.

3.4.4. Rangpur Division

- $(\text{Loan disbursed from Rangpur Division} / \text{Total geographic location-wise loans and advances}) \times 100\%$

Table 34: Loan disbursed from Rangpur division to total geographic location-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Rangpur Division	2.38%	1.99%	2.11%	2.23%	2.50%	2.24%

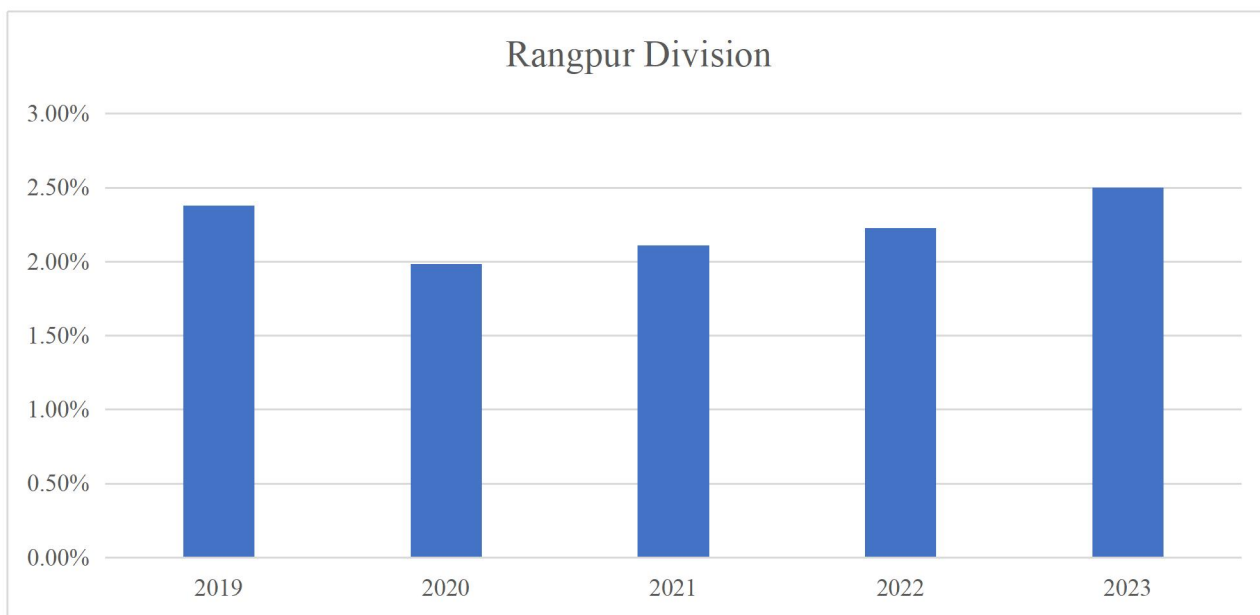


Figure 35: Loans Disbursed from Rangpur Division to Total Geographic Location-wise Loan

Rangpur shows a fluctuating trend over the years of 2019 to 2023. Starting with 2.38% in 2019, it decreased to 1.99% in 2020. Moving forward, it showed an increasing trend from 2021 to 2023, with 2.11%, 2.23%, and 2.50%, respectively. Rangpur is known for its agricultural production, specifically rice. Hence, the disbursement may be linked to the growing inmate into its agriculture, rural development, and related sectors.

3.4.5. Rajshahi Division

- (Loan disbursed from Rajshahi Division/ Total geographic location-wise loans and advances) x 100%

Table 35: Loan disbursed from Rajshahi to total geographic location-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Rajshahi Division	1.71%	2.27%	2.22%	1.80%	1.81%	1.96%

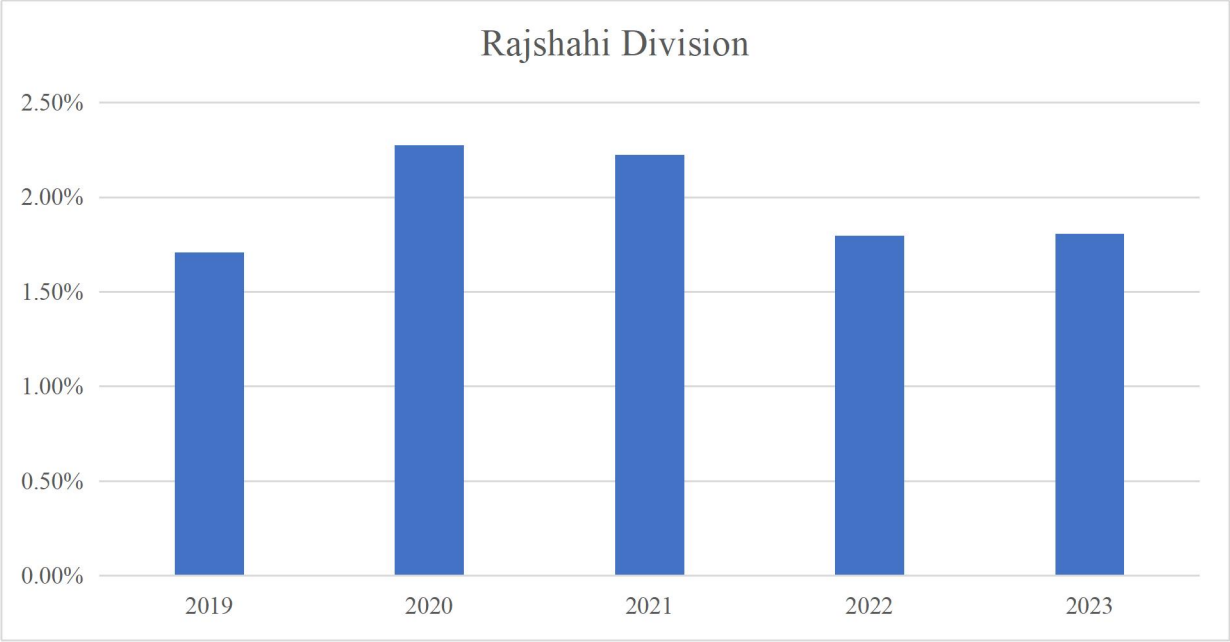


Figure 36: Loans Disbursed from Rajshahi Division to Total Geographic Location-wise Loan

The loan disbursement from the Rajshahi division shows a fluctuating trend over the five years, with 1.71% in 2019, rising in 2020 to 2.27%, which again decreases to 2.22% and further to 1.80% in 2022 and 1.81% in 2023. During the years 2022 and 2023, the region may have experienced a certain economic downturn that caused a decrease in loan disbursement from the Rajshahi branch.

3.4.6. Sylhet

- (Loan disbursed from Sylhet Division/ Total geographic location-wise loans and advances) x 100%

Table 36: Loan disbursed from Sylhet division to total geographic location-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Sylhet	0.74%	0.89%	0.90%	0.83%	0.77%	0.82%

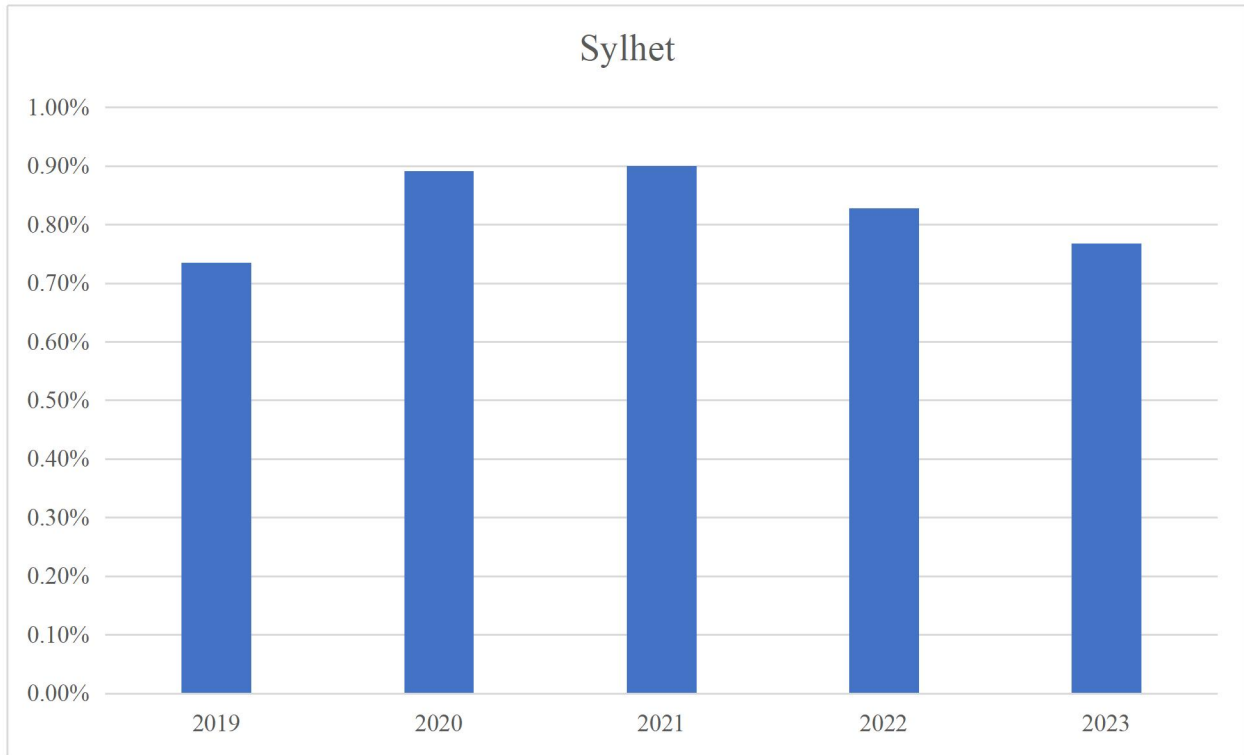


Figure 37: Loans Disbursed from Sylhet Division to Total Geographic Location-wise Loan

The percentage of loan disbursement decreased slightly from 0.74% in 2019 to 0.77% in 2023. The peak disbursement is observed to be in 2021 with the percentage of 0.90%. Although Sylhet division has a relatively low percentage disbursement compared to other divisions, it showed a steady contribution to IPDC's overall loan portfolio. The peak in 2021 may indicate a boost in loan demand or an initiative of specific projects.

3.4.7 Barisal Division

- (Loan disbursed from Barisal Division/ Total geographic location-wise loans and advances) x 100%

Table 37: Loan disbursed from Barisal division to total geographic location-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Barisal Division	0.04%	0.19%	0.36%	0.47%	0.72%	0.36%

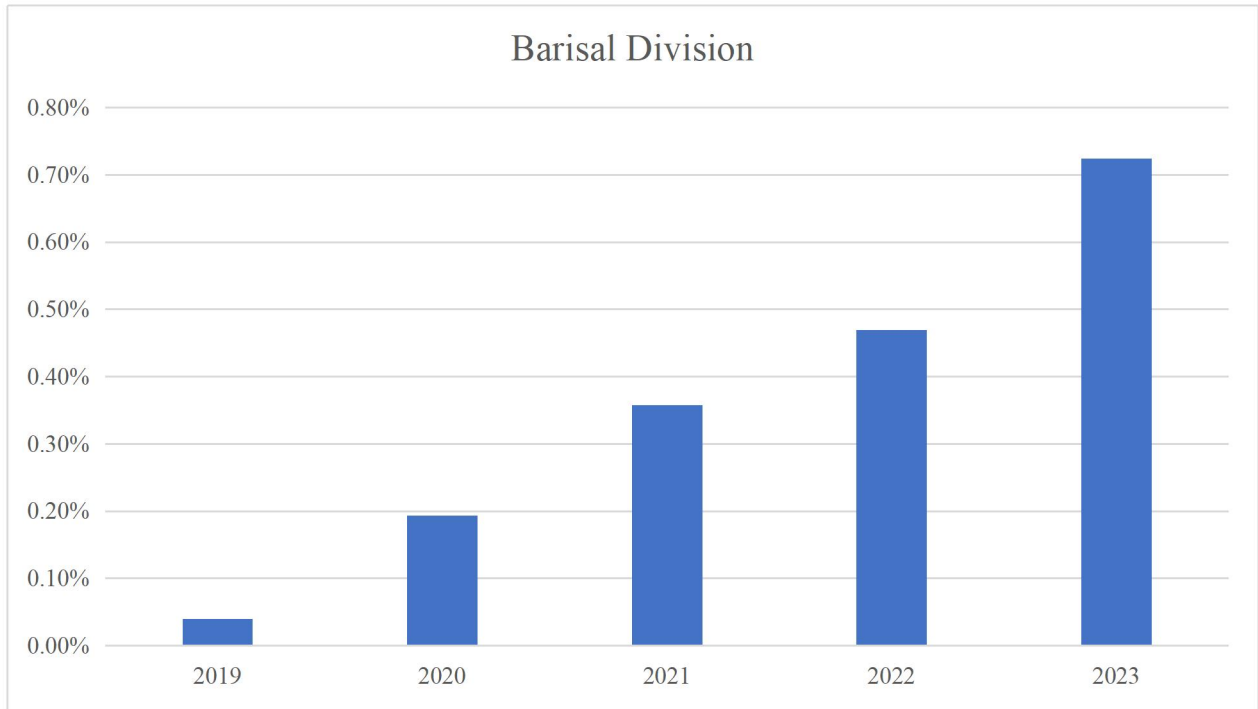


Figure 38: Loans Disbursed from Barisal Division to Total Geographic Location-wise Loan

Barisal has shown a consistent increase of its loan disbursement over the years with 0.04% in 2019 to 0.72% in 2023. The sharp growth indicates that the region might be undergoing regional development with a rise of business activities allowing IPDC to capture a larger market share.

3.4.8. Mymensingh Division

- $(\text{Loan disbursed from Mymensingh Division} / \text{Total geographic location-wise loans and advances}) \times 100\%$

Table 38: Loan disbursed from Mymensingh division to total geographic location-wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Mymensingh Division	0.81%	1.11%	1.27%	1.78%	1.49%	1.29%

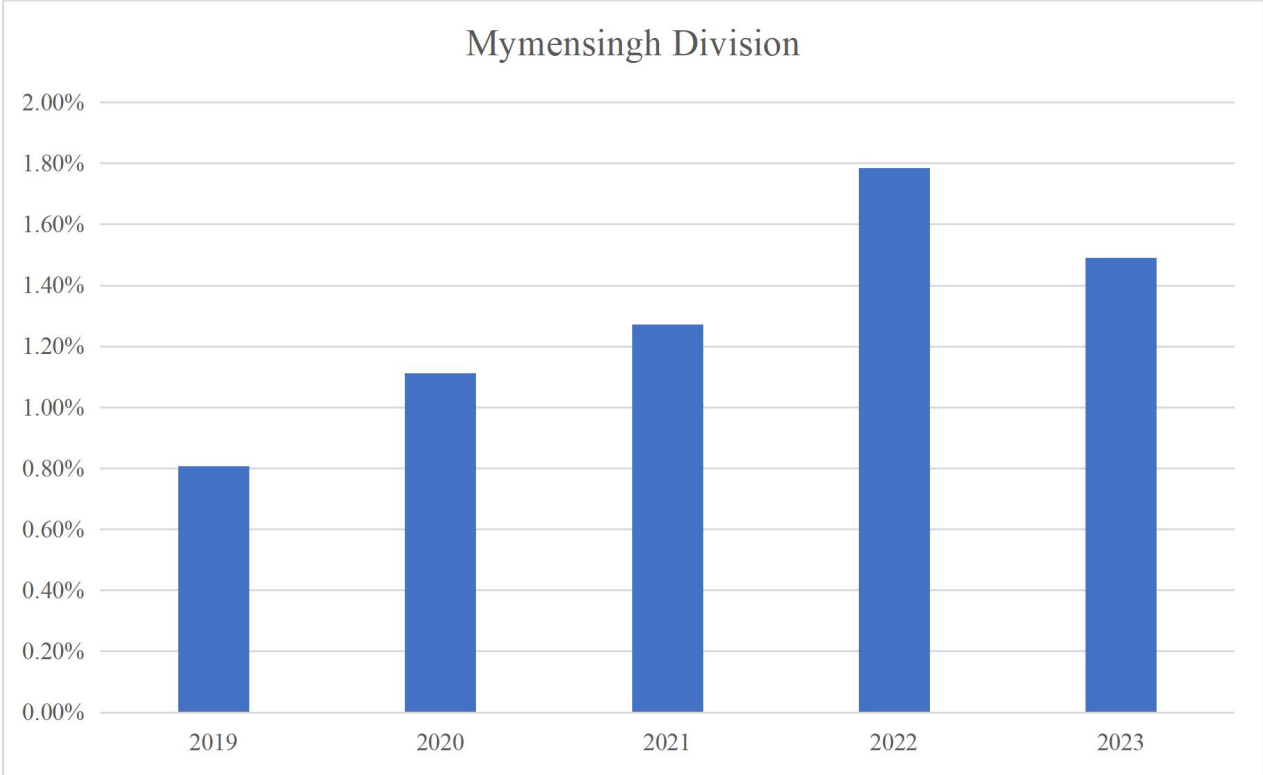


Figure 39: Loans Disbursed from Mymensingh Division to Total Geographic Location-wise Loan

Mymensingh division has shown a steady increase over the years, indicating business growth and economic development in the area similar to Barishal. The fluctuation in 2022 with a sudden peak might reflect a specific project or initiative in that particular year. Although it experienced a peak in 2022 with 1.78%, the steady increase represented 0.81% in 2019, increasing it to 1.49% by the end of 2023.

Overall, the key observations are that Dhaka remains the primary economic hub for IPDC, with the highest percentage of disbursements over the years compared to other regions. Hulna, Rangpur, Barishal, and Mymensingh have shown growth, especially Khulna, which showed a significant rise in loan disbursements. Chittagong and Rajshahi have seen a declining trend of disbursements with regional economic slowdowns and reduced investment. Lastly, Sylhet's investment remains relatively steady with a relatively small percentage of disbursements.

3.5. Classification of loans on the basis of broad economic sectors

The below data shows the loan disbursement of IPDC based on the broader economic sector from the year 2019 to 2023. It compares the loan they have invested to the bank and non-bank financial institutes and the private sectors. It shows a noticeable and consistent gap between the two sectors with the private sector receiving nearly the whole portion of the loans disbursed by IPDC.

3.5.1 Bank and non-banking financial institutions

As we can see, a very small portion of the portfolio is shared with banks and NBFIs. This is not unexpected, as IPDC, being a non-bank financial institute (NBFi) itself, is more inclined towards developing private sectors than other banks and NBFIs. Although the percentage disbursed to the bank and NBFIs is very small, it is still important for IPDC to ensure a collaborative relationship with them, as these are important and prominent banks of Bangladesh that play crucial roles in Bangladesh's economy. Such banks include Brac Bank, City Bank, Dutch-Bangla Bank, and other important banks in Bangladesh. Typically, these banks rely on their own capital rather than those of other banks like IPDC. However, other specific purposes may lead to more efficient cost management, ensuring the highest profitability and return on investments and avoiding standby liquid cash in the company.

- $(\text{Loan disbursed to Banks and other NBFIs} / \text{Total broader economy wise loan}) \times 100\%$

Table 39: Loan disbursed to banks and NBFIs to total broader economy wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Bank and non-banking financial institutions	1.25%	1.27%	1.61%	1.10%	1.00%	1.25%

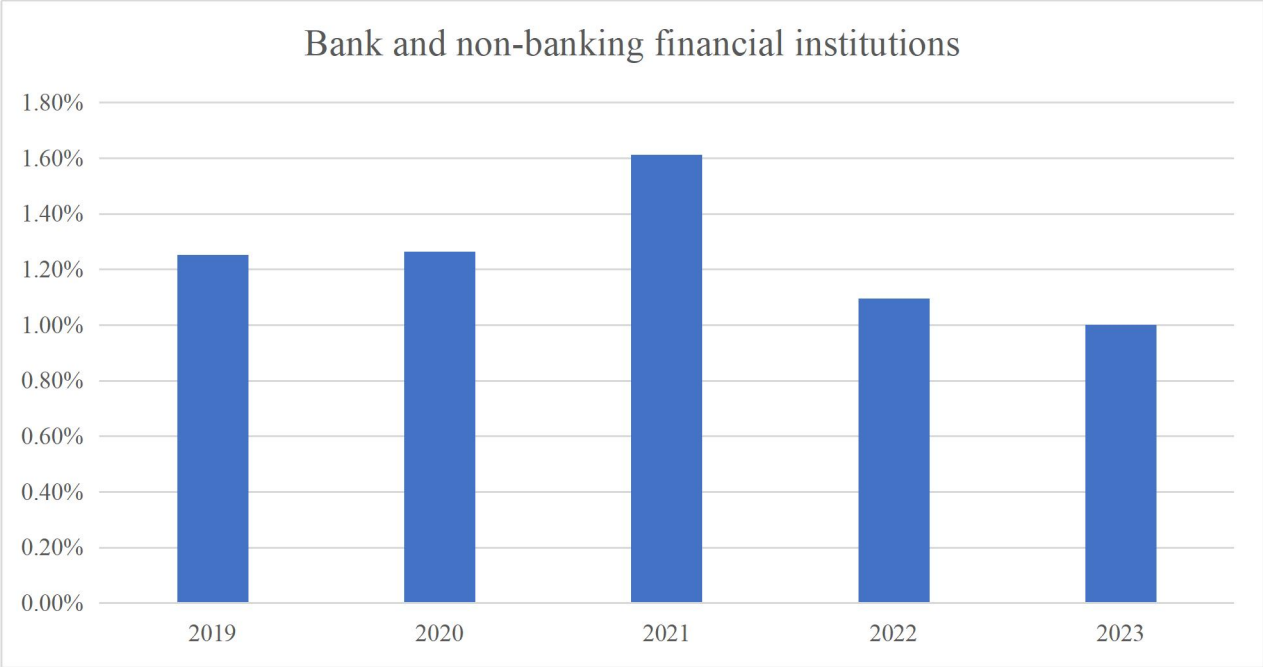


Figure 40: Loans Disbursed in Banks and NBFIs to Total Geographic Location-wise Loan

The data above shows a very small portion allocated for the banks and NBFIs, as we can see, it remained consistent between 1% and 1.6%. The loan disbursed to the bank and NBFIs shows 1.25% disbursement in 2019 and experienced a steady increase in 2021 peaking at 1.61%. However, 2021 onwards, there has been a noticeable decline reaching 1% in 2023.

3.5.2 Private sector

The private sector is the backbone of Bangladesh's economy. It is responsible for significant drivers such as the country's GDP growth, employment rate, and considerable industrial infrastructure developments. Among various private sectors such as manufacturing, real estate, SMEs, IT, healthcare, education, and transportation often, manufacturing and infrastructure receive the highest portion of IPDC's loan disbursement, being the most capital-intensive sectors, leading to opportunities with the highest return on investment and profitability for IPDC. Nonetheless, lending to the private sector tends to be more aligned with its objectives of supporting the youth through funding to SMEs and playing a crucial role in bridging the gap between accessibility to underserved areas and business expansions.

- $(\text{Loan disbursed to private sectors} / \text{Total broader economy wise loan}) \times 100\%$

Table 40: Loan disbursed in private sector to total broader economy wise loan ratio

Year	2019	2020	2021	2022	2023	Average
Private sector	98.75%	98.73%	98.39%	98.90%	99.00%	98.75%

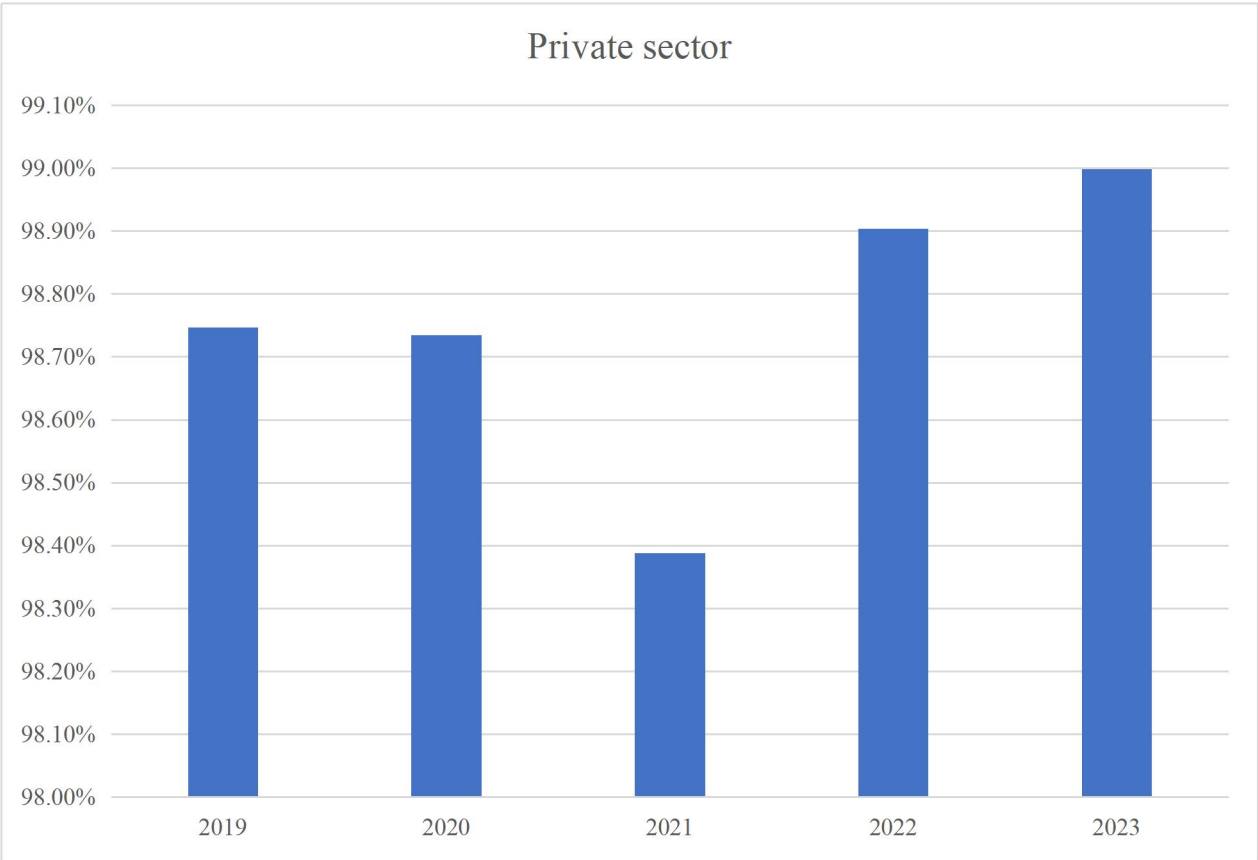


Figure 41: Loans Disbursed in Private Sectors to Total Geographic Location-wise Loan

The private sector being the significant contributor of the country remained consistently high over the years with a slightest dip in 2021 to 98.39%. However, it quickly rebound in the following year with 98.90% in 2022 and 90% in 2023. Hence, we can observe and assume that from the data that the private sector would be the priority for the IPDC in the unforeseen years as well.

Chapter Four: Internship Experience

4.1 Position, Duties, and Responsibilities

I am a student of BBA with a major in Finance, and IPDC, being one of the prominent NBFIs of Bangladesh, had been an ideal place for me to do my internship. I got the opportunity and was appointed to work in the head office of IPDC Finance at Gulshan 2, Dhaka. Although I did not have an official designation, I was known to be the one and only intern in the Finance and Accounts department during my tenure, which lasted from 13th February to 13th May 2024. As a BBA student with a major in Finance, I have been fortunate to work in the Finance and Accounts department directly under the Chief Financial Officer (CFO) of IPDC, Fahmida Khan. My main responsibilities as a Finance department intern were to work on the research and findings for the annual report that had been published for the year 2023. I have contributed to drafting several sections of IPDC 2023's published annual report, such as the industry analysis, Porter's five forces, PESTEL analysis for the organization and industry, SWOT analysis, comparison of IPDC's and its close competitor's statistics, and others. We had a team of three that consisted of me, my supervisor, Brotee apu, and Elma apu, an assistant manager at IPDC. We have been engaged and responsible for submitting the complete content of the annual report within the month of April and were successful in completing it. During the time simultaneously and after the completion of the annual report, I have also worked in facilitating other team members of the Finance department with their regular workflows. Being a member of the Finance and accounts department, I had the opportunity to see the day-to-day workflow of the finance department firsthand. My responsibilities in the finance department included helping my colleague with asset management and internal audit and ensuring the updated regulatory changes from Bangladesh Bank were maintained and established into the company's regulations diligently. The internship aligned perfectly with my academic program and career aspirations. Hence, I have seen, learned, and experienced firsthand the management of the operational activities of the department and the organization itself.

4.2 Training and Development

On the first day of my internship, February 13, 2024, I was welcomed by my supervisor, Zareen Rodosee Brotee, Assistant Manager of Finance and Accounts, and other members of the Finance and Accounts department at IPDC. My supervisor had been my mentor throughout the three months and beyond, helping me understand not only the operations and responsibilities of my own department but also those of other departments. As my main responsibility was to work on the annual report, particularly drafting and writing the contents of the annual report, I have been neatly groomed by my supervisor. Being a last semester undergrad, I was not very familiar with the operations of NBFIs and also not aware of the profitability, liquidity and its stability in general for the year 2023 to draft the annual report. Hence, I used to have hours of discussions and conversations with my supervisor regarding the global and national economic condition that has impacted the financial industry of Bangladesh and how it impacted IPDC specifically, such as the corona-virus Pandemic and the Russian-Ukrainian war. I used to have notes on our discussion, and I used them while writing the annual report. I have also been introduced to many terms that I was previously unfamiliar with, such as non-performing loans (NPLs) and loan loss provision (LLP), among others, which has increased my knowledge of the corporate and financial industry. My training also included having sessions on the operational activities of each department. We had a corporate department that handled the disbursement of large corporate loans, as well as sustainable departments that regulated investments in sustainable projects. Additionally, there were wings for auto loans, house loans, credit loans, a treasury department, and others with different operations. I have gained a holistic knowledge of how the IPDC worked within the short 3 months tenure and am grateful for the opportunity.

4.3 Contribution to Organization / Operations

I have been an important helping hand in completing IPDC's annual report 2023. In a sub-group of 3 within the Finance and Accounts department, I have contributed in drafting different sections of the annual report. From the first day of my internship, I

have been engaged to the annual report team working over time until the month of April in completing the annual report. I have been mostly involved in research and drafting the analysis section of the report such as the PESTEL analysis, Porter's 5 forces, SWOT analysis, and profitability comparison of IPDC compared to its competitors. I have also contributed in streamlining other activities within the finance and accounts department helping my colleague in doing calculations for asset management, auditing sorting documents among others.

4.4 Evaluation

As an evaluation please find the letter provided by the HR of IPDC.

May 29, 2024

To Whom It May Concern

This is to certify that Zemima Zemi was engaged for a three-month internship program at IPDC Finance Limited starting from February 13, 2024 to May 13, 2024.

During this time, she was assigned to work in the Finance & Accounts department of the Company. Ms. Zemima has diligently performed her assigned duties and successfully completed her internship period. The Management wishes her success in future endeavors.

Sincerely,

Najam Hossain

In-Charge: Compensation & HR Operations

IPDC Finance Limited

4.5 Skill Applied

The skills I applied during this tenure were my writing skills and my knowledge of the Bangladeshi financial industry. As a finance student, I believe I have demonstrated value in applying my basic financial skills relevant to the industry, complemented by my writing and research skills. These I utilized in creating the annual report for IPDC

Finance in 2023. Before my internship at IPDC, I worked as a technical writer for six months at an immigration law firm. Hence, this has helped me develop my writing skills, significantly contributing to my internship as I have been involved in drafting the annual report for IPDC. Nonetheless, the financial knowledge and research skills I developed during my undergraduate program have helped me greatly.

Chapter Five: Conclusion and Key Facts

5.1 Conclusion

After ensuring a comprehensive calculation and analysis of the company's loan portfolio management and the overall company, it is evident that it is committed to its economic development, as 99% of IPDC's loan portfolio is dedicated to the private sector of Bangladesh. Nonetheless, its loan portfolio management indicates that IPDC has a strong focus on its loan term loan disbursement, which has consistently increased from 35.72% in 2019 to 43.20% in 2023. This shows that the company is more inclined towards sustainable and large-scale businesses in accordance with the domestic loan portfolio. In contrast, short-term loan disbursements have decreased from 24.85% in 2019 to 18.86% in 2023.

From the industry-wise classification, IPDC has a diverse loan distribution across multiple sectors, with ready-made garments and knitwear receiving one of the highest loan allocations, peaking at 12.04% in 2022. However, other industries, such as agro-based, food and allied products, and textiles, have faced fluctuating or declining investment. As the analysis indicates, the agro-based sector has been 7.84% in 2021, reduced to 6.56% in 2023; food and allied products are also observed to be 5.92% in 2019 reduced to 4.33% in 2023, and textiles to be reduced from 3.15% in 2022 to be 2.91% in 2023 indicating a shift in market demands or a change in IPDC's strategic decisions.

According to the geographic disparities, Dhaka remains the largest contributor of IPDC's loan disbursement, with over 77% of the total loan portfolio. Other divisions, such as Khulna, Rangpur, Barishal, and Mymensingh, have shown growth in loan disbursements, indicating regional expansion and financial inclusion beyond the capital region. In contrast, Chittagong, with 13.51% in 2019 to 11.14% in 2023, and Rajshahi, 1.71% in 2019 to 1.81% in 2023, have witnessed a decline in loan disbursements, possibly due to economic slowdowns or shifting corporate priorities.

To conclude, IPDC Finance PLC has been effectively maintaining its loan portfolio management strategies aligning with the evolving needs of Bangladesh's economy. It has provided a range of loans for SMEs, large corporate loans, and retail, introducing unique products like "Bhalo Basha Loan" for underserved populations and IPDC EZ,

which provided flexible financing options. Its core values have been to become a financial brand focusing on youth, women entrepreneurs, and financial inclusion. Despite challenges such as the COVID-19 pandemic, IPDC has remained resilient, focusing on loan term loans, expanding geographic reach, and supporting key sectors that drive economic growth. It has also been adaptive to sustainability, innovation, and digital transformation, which has been evident through its emphasis on green financing and being a pioneer of blockchain-based solutions introducing fintech in Bangladesh.

5.2 Reference

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