

“Financial Performance Analysis of IDLC Finance Ltd”

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Internship Report
On
“Financial Performance Analysis of IDLC Finance Ltd”

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Subject: Request to accept the report on “Financial Performance Analysis of IDLC Finance Ltd”.

Dear Sir,

I am delighted to submit my ²report on **“Financial Performance Analysis of IDLC Finance Ltd”** as a part of my Bachelor of Business Administration (BBA) program. The report contains five chapters. Each chapter contains about IDLC’s information and their financial carrier and performance

²⁵I feel that this knowledge will be helpful in future work terms, and in my career. I’ve tried my best to make the report better but there may be some sort of mistakes. I would be grateful to you if you consider those mistakes as excusable points. Therefore, I would like to thank to you for assigning me this report and help me to make this. This report has been learning bender for me.

I sincerely hope that it will come up to your expectations.

Sincerely Yours,

Mahfuza Fariha

ID: 111 131 446

ACKNOWLEDGEMENT

At first, I convey my gratitude to the Almighty for giving me the ability to work hard for preparing this report. This work is a synopsis of my recent study on “Financial Performance Analysis of IDLC Finance Ltd” as a part of my BBA program. This report would not have been possible without the dedications and contribution of a number of individuals as it involved diverse field of knowledge and experience. But it will be unfair to ignore acknowledging some of them as they contributed so much to my effort of writing a worthy report. I am conveying my sincere gratitude to my honorable course instructor Mohammad A. Ashraf, Associate Professor (Dept. of Economics), for giving me the inspiration and continuous assistance in all possible ways enabling me to complete this report.

In addition I must acknowledge the debt that I greatly owe to IDLC, for giving me the chance to complete my internship and provide the required information to make this report more resourceful. I would like to thank my parents and my friends for their continuous support, which gave me the energy to finish this project.

Executive Summary

² Financial sector of any country plays a critical role in transmitting monetary policy impulses to the entire economic system. Financing is a business built on risk. Yet, it is essential to manage and minimize that risk. The paper will discuss some critical issues involved in managing those risks and maintaining the financial performance of IDLC Finance Limited. In this report, overall performance of IDLC Finance Ltd during the period 2012 to 2016 ² has been analyzed and evaluated. By analyzing its overall performance, ² various positive and negative sides of the firm have come into light. Besides IDLC's financial performance has also been compared with other two companies of the industry which are Lanka Bangla ⁵¹ Finance Limited and Delta Brac Housing Finance Corporation Limited.

The analysis shows some strength and weakness of IDLC Finance Ltd. in those years. Some problems have been identified and suggestions have been given to the management of the institute to improve their performance in the future.

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CHAPTER: 1

Introduction

INTRODUCTION

One of the renowned names in Bangladesh financial market is Industrial Development Leasing Company (IDLC) Limited. From last 30 years the IDLC Group has become the largest multi-product multi-segment Non-Banking Financial Institution in Bangladesh and one of the blue-chip companies on local stock markets. The single product leasing business which started in 1986 with five staff members has today evolved into a multi-product \$750 million business which has diversified into the Corporate, SME, Retail and Capital Market segments. IDLC is today represented out of 31 branches & booths in 15 cities with over 1,200 staff

The Company is committed to sustainable practices and strong financial performance. IDLC has been consistently recognized by independent bodies for the values underpinning its business and is proud to be a standard bearer for the Bangladesh financial sector. The IDLC committed to upholding the highest standards of ethics and compliance by its employees. Each employee follows the Company's code of conduct. IDLC is involved with lots of CSR activities.

Since 2011, the IDLC Group has embarked on a journey to grow its capabilities and become larger and better – launching new technology, new products, new branches, new sales teams, new sales channels, etc.

BACKGROUND OF THE STUDY

Risk is present in any walk of life. It is more so in the business sectors, particularly in Small and Medium Enterprises (SMEs). Risk is the element of uncertainty or possibility of loss that prevail in any business transaction in any place, in any mode and at any time. In the financial arena, enterprise risks can be broadly categorized as Credit Risk, Operational Risk, Market Risk and Other Risk. Credit risk is the possibility that a borrower or counter party will fail to meet agreed obligations. Globally, more than 50% of total risk elements in banks and Financial Institutions are Credit Risk alone. Thus managing credit risk for efficient management of a Financial Institutions has gradually become the most crucial task. Credit risk management in SME encompasses identification, measurement, matching mitigations, monitoring and control of the credit risks.

OBJECTIVES OF THE REPORT

IDLC Finance Ltd. has a wide range of product under SME financing, covering most of the needs of the customers that belong to SME (Small and Medium Enterprise) segments described by Bangladesh Bank. The objective is also to determine the strengths and weaknesses of IDLC at credit risk management. The basic objective of this project is as mentioned above to find ways so that IDLC Finance Ltd. can mitigate its credit risk reduce its NPL (Non Performing Loan) to a minimum and can compete with other players in the market. However, this broader objective can be split into more specific objectives:

Objective of the report:

The secondary objectives of this study are:

- To present an overview of IDLC Finance Ltd.
- To present the major activities of IDLC Finance Ltd.
- To apprise the financial performance of IDLC Finance Ltd.
- To identify the problems of IDLC Finance Ltd.
- To suggests remedial measures of IDLC Finance Ltd.

SCOPE OF THE REPORT

The report will attempt to present IDLC of Bangladesh Ltd. since its inception with a brief introduction of its sponsors. Apart from the internal practice and company philosophy, a brief introduction will be provided on the industry as a whole and the macro and micro economic variables shaping the industry. I will try to identify corporate philosophy as well as customer opinion on what constitutes a better service. Lastly, an attempt will be made to find out various problems hindering the growth of the NBFIs. I will attempt to present an overview of different operations. After analyzing analogous situation in other areas a step will be suggested to overcome the barriers to progress.

METHODOLOGY

I have followed two kinds of methodology for the arrangement of the report. The two ways in which I have collected information:

Primary Data:

I have collected this data with the help of a company supervisor, talk directly with the consumers also discuss with national sales team and consumer division, technical team and SME.

Secondary Data:

My secondary method of data collected from different sources. Those are:

- Go through the websites.
- Annual reports of IDLC finance limited.
- Different books, journals and newspapers.

Data analysis:

1 Operating in the financial services industry, IDLC is exposed to several risks both internally as well as externally, some of which are beyond its control. However, with over three decades of rich experience, the company has witnessed several industry cycles and hence has developed and fine-tuned a risk identification and mitigation framework that protects the company from adverse risks, enhances operating viability and ensures the sustenance of its business.

In the following pages, a detailed analysis of the competitive intensity is provided while operating in Bangladesh's dynamic financial services industry and IDLC's responses to minimize the impact of these analysis structure as well risks on their business model, to the extent possible. I have done so through depicting their risk framework through Michael Porter's risk as the SWOT analysis.

³ **LIMITATIONS**

To make a report different viewpoints and encounters are required. In any case, I have confronted a few obstructions for making a complete and immaculate report. These boundaries or restrictions, which postpone my work, are as per the following:

- ² The time span was not sufficient enough to learn all the activities of the organization properly. Therefore, it was very difficult to carry out the whole analysis.
- Some information required to prepare this report are highly confidential and IDLC Finance
- Ltd. did not permit full disclosure of those data. I was There Placed For Three month But In Working days I had to spend all days for organizing there customer undertaking so I couldn't get enough time for collecting data for my internship report.
- The organization is very conservative about their information; collecting primary data was very hard for me. So I have to prepare most of the part of my report based on secondary report.
- Though, there are available resources to know about the products of IDLC Finance Ltd. but no or very few written documents are available for the operating procedures.

CHAPTER: 2

Company Overview

Overview of IDLC Finance Limited

IDLC Finance limited the first leasing company of Bangladesh, was established in 1985. Its birth was actually a collaborative effort between several local and multinational financial institutions like International Finance Corporation (IFC), German Investment and development company (DEG), Kookmin Bank, Korea Development Financing Corporation, The Aga Khan fund for economic development, The City Bank Limited, IPDC of Bangladesh Limited, Shadharan Bima Corporation. With the evolution of this company the initial foreign shareholding of 49% has gradually been withdrawn.

Although, the company has started its journey as a leasing company, with passage of time it has successfully diversified its products and services by penetrating into different untapped clients segments. At present IDLC Finance, is offering a wide range of loan deposits and capital market products and services to the institutional and individual clients to meet their diverse and unique requirements.

In the course of the past 30 years the IDLC group has become the biggest multi-product multi segment Non-banking financial institution in Bangladesh and one of the blue chip companies on local stock markets. The single product leasing which started in 1985 with five staff members has today evolved into a multi-product \$750 million business which has diversified into the corporate, SME, Consumer and Capital market segments. IDLC is today represented by 35 branches and booths in 19 cities with over 1,300 staff, serving over 45,000 clients. They are paving their way to an endless success quoting as- “To this extent, what really drives us is not only the number of people we employ, or the number of customers we serve, but the number of lives we have touched. While profits are important to us, we also take immense pride in being the reason for countless smiles”. (Annual Report: IDLC Finance Limited, 2016)

Product & Service Offered

Consumer Product and Services:

Deposits: IDLC's depository sector have emerged with a tagline "Save today. For a better tomorrow". They are providing Flexible deposits and regular Earners Package at competitive interest rates/profits, flexible tenors, Auto renewal facility, effective customer service. Minimum amount of deposit is TK 50,000 only for a minimum period of 3months.

Home loan: IDLC render home loan services to the people who are struggling for their own home or about to start their own family. They quote as "Live in the freedom of your own home". IDLC is providing apartment purchase loan, home equity loan, home loan shield, construction loan, registration loan, land purchase loan. The eligibility of a client to ask for loan depends on few factors like repayment capability, monthly net disposable income, age, qualifications, value of the immovable property, number of family members and dependents, monthly expense, other fixed obligations, nature of job/business, savings habits etc. For Residential purpose its 70% of purchase price and for commercial purpose its 50% of purchase price including registration cost.

Car loan: IDLC believes in turning their clients dream into reality. They states "Fuel your Dreams" for the people who are looking for a car to lead a comfortable life at less expense. They are offering new car loan, reconditioned car loan and pre-owned car loan. The loan amount is up to 80% of total cost with the loan term is up to 6years.

Personal loan: Beside all other kinds of loan IDLC also offer their clients with personal loan for meeting financial liabilities, marriage, education, foreign travel & medical treatment. IDLC proceeds with a slogan of "Leave no desire unfulfilled" to grab the customer's attention. They are providing minimum of TK 50,000 to 10 lac of personal loan with a loan term of minimum 1year to maximum 5years.

IDLC is providing loan in almost every sector of our lives. Beside consumer loan they are providing Small medium SME loan and corporate loan.

SME:

- Small business loan
- PURNOTA (Women Entrepreneur Loan)
- IDLC startup loan
- Abashan
- Commercial vehicle loan

Corporate Finance:

- Project Financing
- Lease Financing
- Bridge Loan
- Commercial Space loan
- Working Capital loan
- Foreign Currency loan
- Mergers & Acquisitions
- Alternative Financial Solution

Besides all these, IDLC also initiates different sustainable activities Like Green Financing and Corporate Social Responsibility. (Web: IDLC Finance Limited)

IDLC's Philosophy

Vision

"We will be the best financial brand in the country."

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Mission

"We will focus on quality growth, superior customer experience and sustainable business practices."

Values

- Integrity
- Customer Focus
- Equal Opportunity
- Trust and Respect
- Passion
- Simplicity
- Eco-Friendly

Strategic Objectives

- Grow and develop our talent pool;
- Fully leverage the new core banking platform;
- Optimize distribution points;
- Grow and diversify funding sources;
- Grow sales and service capabilities in the Consumer Division;
- Aggressively grow the SME portfolio;
- Focus on top-tier clients in the Corporate segment;
- Consolidate capital market operations and enhance capabilities;
- Embrace internationally-accepted corporate governance and sustainable business practices.

Shareholding Composition

SL.No.	Name of shareholder	Number of Shares	% of total shares
1	Sponsors / Directors:		
	The City Bank Limited	60,854,056	24.21
	Transcom Group:	33,515,443	13.33
	Eskayef Bangladesh Limited	20,109,375	8.00
	Transcraft Limited	10,088,022	4.01
	Bangladesh Lamps Limited	3,318,046	1.32
	SadharanBima Corporation	19,151,663	7.62
	Mercantile Bank Limited	18,852,538	7.50
	Reliance Insurance Co. Limited	17,595,702	7.00
	Sub-total	149,969,402	59.66
2	General		
	Institutions other than Sponsors/ Directors		
	Bangladesh Fund		
	Other Institutions	29,088,718	11.57
		27,094,284	10.78
	Sub-total	56,183,002	22.35
	Individuals:		
	General Public (Individuals)	45,214,783	17.99
	Sub-total	45,214,783	17.99
	Total Holdings	251,367,187	100.00

Table 2.1: Shareholding Composition



Graph 2.1: Finance of IDLC

*Source: Website of IDLC Finance LTD.

IDLC's Culture & Norms

2

IDLC Finance limited is a very satisfying place to work. Everyone is helpful and very keen to support whenever needed. The environment of the workplace is very flexible. Women are given special priority in terms of continuing their Higher education beside work. Most of the women employees can leave 1-2 hours early concerning to their personal or academic issues. They treat the interns just as their employees. I haven't observed any discriminate between intern and their regular employee. We intern were provided a different room assigned for warehouse project. IDLC's norms are also reflected through their CSR activities towards the society. These activities helps them to gain their clients trust. Their activities are for underprivileged and women who are the most important and inseparable portion of our country population.

CHAPTER: 3

Financial Performance Analysis

Profitability Ratio

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Return on Assets (ROA)

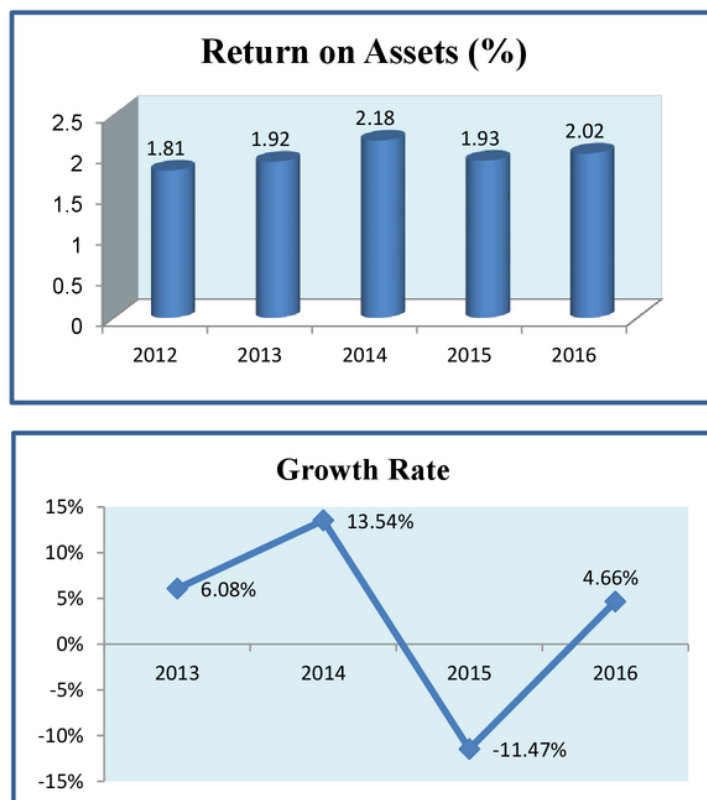
An indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings. ROA is displayed as a percentage and calculated as:

$$\text{ROA} = \frac{\text{Profit after tax}}{\text{Total Assets}}$$

	2012	2013	2014	2015	2016
ROA (%)	1.81	1.92	2.18	1.93	2.02
Growth Rate		6.08%	13.54%	-11.47%	4.66%

Table: 4.1: Return on Asset & Growth Rate

The ROA of IDLC Finance Ltd. during the period 2012 to 2016 is as follow:



Graph: 4.12: ROA & Growth Rate

From the table & graphs, it is found that the ROA of IDLC Finance Ltd. was 1.81% in the year 2012 which means company generated Tk. 0.0181 net profit from each Tk. 1 investment in total assets. In the year 2013 ROA increased to 1.92% and the growth rate was 6.08%. In the year 2014 the ROA of the company increased by a big margin to 2.18% which leads to a growth rate of 13.54%. In the year 2015, their ROA decreased to 1.93% which leads to a negative growth rate of 11.47%. In the year 2016, their ROA slightly increased to 2.02% which has a growth of 4.66%.

The higher is the value of ROA the better for company. IDLC's ROA seems to be increasing from 2012 to 2014. But after that it is not increasing at an expected level which indicates the managements' inefficiency in using assets to generate profit. It is a bad signal for the company. As a result, investors may be discouraged to invest in that company.

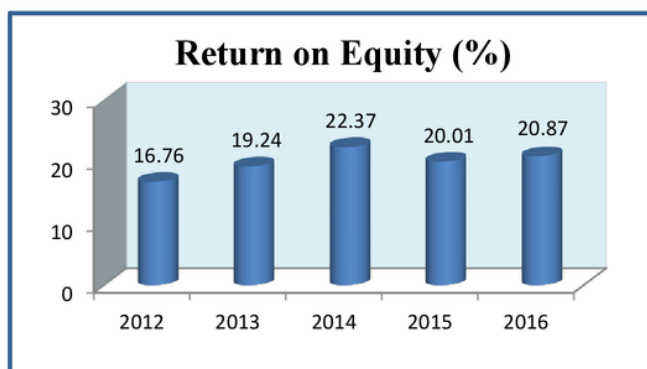
14 **Return on Equity (ROE)**

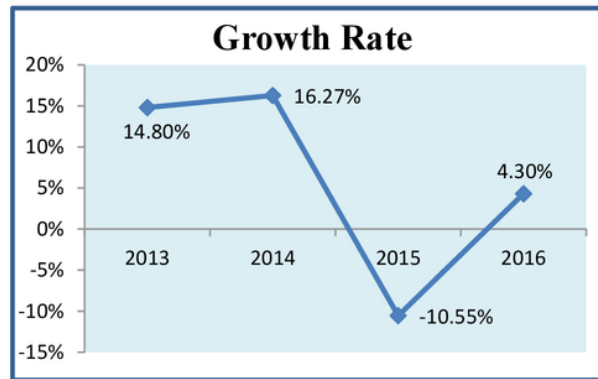
It is the amount of net income returned as a percentage of shareholders equity. Return on Equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

	2012	2013	2014	2015	2016
ROE (%)	16.76	19.24	22.37	20.01	20.87
Growth Rate		14.80%	16.27%	-10.55%	4.30%

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Table: 4.2: **Return on Equity & Growth Rate**

The Return on Equity of IDLC Finance Ltd. during the period 2012 to 2016 is as follow:





Graph: 4.13: ROE & Growth Rate

From the graphs, it is found that the ROE of IDLC Finance Ltd. was 16.76% in the year 2012 which means company generated Tk. 0.1676 net profit for each Tk. 1 common stockholders' equity. In the year 2013 ROE increased to 19.24%, which results a positive growth rate of 14.80%. In the year 2014 ROE again increased by 22.37%. In that year the growth rate was 16.27% which was highest ROE growth. In the year 2015 ROE decreased by 20.01% resulting a negative growth rate of 10.55%. In the year 2016 ROE slightly increased to 20.87% which results a positive growth rate of 4.30%.

The higher is the value of ROE the better for company. IDLC's ROE seems to be increasing from 2012 to 2014. But after that it is in a decreasing trend which means that profitability of the company is deteriorating. It will adversely affect investors' decisions.

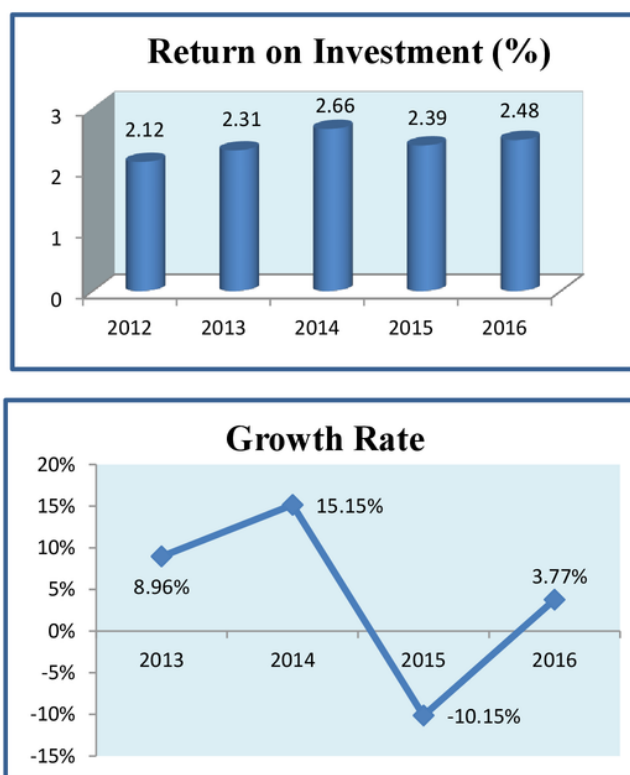
7 **Return on Investment (ROI)**

A performance measure used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments. To calculate ROI, the benefit (return) of an investment is divided by the cost of the investment;

	2012	2013	2014	2015	2016
ROI (%)	2.12	2.31	2.66	2.39	2.48
Growth Rate		8.96%	15.15%	-10.15%	3.77%

Table: 4.3: Return on Investment

The ROI of IDLC Finance Ltd. during the period 2012 to 2016 is as follow:



Graph: 4.14: ROI & Growth Rate

From the graphs it is found that the Return on Investment (ROI) of IDLC Finance Ltd. was 2.12% in the year 2012 which means from each Tk. 1 investment company generated Tk. 0.0212 net profit. In the year 2013 ROI increased to 2.31% causing a positive growth rate of 8.96%. In the next year 2014 the firm made the highest Return on Investment which was 2.66% causing the highest growth of 15.15%.

In the year 2015 the company decreased slightly to 2.39% which caused a negative ROI growth 10.15%. But again the next year 2016, it increased to 2.48% which caused a positive growth of 3.77%.

47 Higher value of the ratio is better for the company. ROI of IDLC seems to be increasing except year 2015. but again in 2016 it is increasing which is a good sign for the company. 18

Earnings per Share

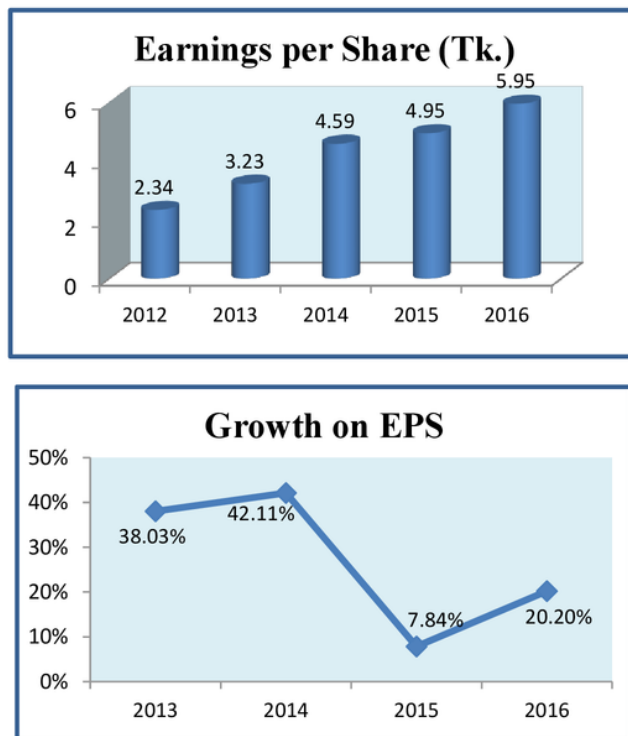
The portion of a company's profit allocated to each outstanding share of common stock.

Earnings per share serve as an indicator of a company's profitability. EPS is calculated as:

	2012	2013	2014	2015	2016
Earnings per Share (Tk.)	2.34	3.23	4.59	4.95	5.95
Growth Rate		38.03%	42.11%	7.84%	20.20%

Table: 4.4: Earnings per Share

The Earnings per Share of IDLC Finance Ltd. during the period 2012 to 2016 is as follow:



Graph: 4.15: EPS & Growth Rate

From the graphs, it is found that the EPS of IDLC Finance Ltd. was Tk. 2.34 in the year 2012 indicating that the shareholders of IDLC Finance Ltd. have earned a return of Tk. 2.34 on each outstanding shares of common stock.

In the year 2013 EPS increased to Tk. 3.23, causing a positive growth rate of 38.03%. In the year 2014 EPS increased by a big margin to Tk. 4.59 causing a highest growth rate of 42.11%.

In the year 2015 EPS again increased to Tk. 4.95 which means EPS was increasing at a decreasing rate of 7.84%. In the year 2016 EPS further increased by 20.20%.

The higher EPS indicates that the company has higher profit to distribute to its stockholders. As a result, Investors would be encouraged to invest in IDLC's stock which is a good sign for IDLC.

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Dividend Payout Ratio

The percentage of earnings paid to shareholders in dividends. It is calculated as:

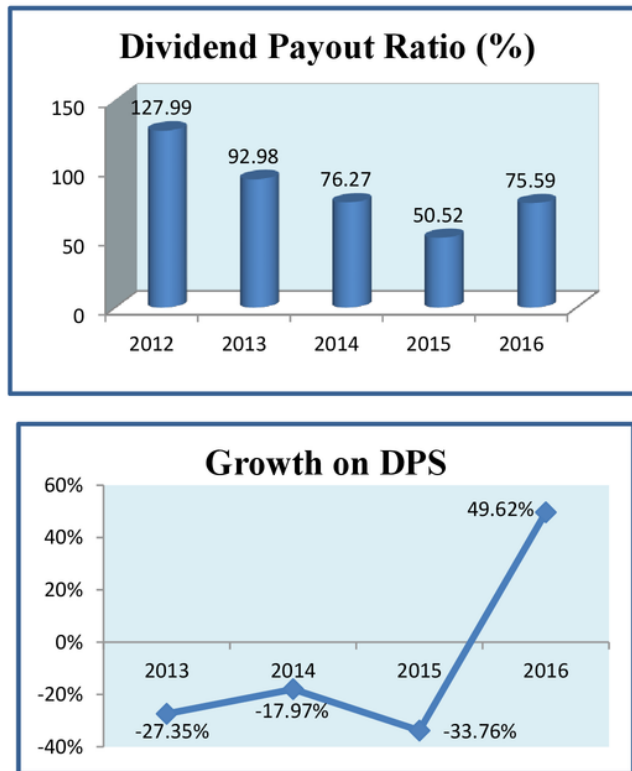
$$\text{D/P Ratio} = \frac{\text{Yearly Dividend per Share}}{\text{Earnings per Share}} \quad \text{Or equivalently:} \quad \text{D/P Ratio} = \frac{\text{Dividends}}{\text{Net Income}}$$

	2012	2013	2014	2015	2016
1 Dividend Payout Ratio (%)	127.99	92.98	76.27	50.52	75.59
Growth Rate		-27.35%	-17.97%	-33.76%	49.62%

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Table: 4.5: Dividend Payout Ratio

The Dividend Payout Ratio of IDLC Finance Ltd. during the period 2012 to 2016 is as follow:



Graph: 4.16: Dividend Payout Ratio & Growth Rate

From the graphs, we can see that the dividend payout ratio was 127.99% in the year 2012 indicating that IDLC Finance Ltd. has paid 127.99% of its earnings as cash dividends to its shareholders. In the year 2013 the dividend payout ratio slightly decreased to 92.98% having a negative growth rate of 27.35%. In the year 2014 the dividend payout ratio again decreased by 76.27% causing a negative growth rate of 17.97%. In 2015 dividend payout ratio again decreased by a big margin to 50.52% and growth rate dropped to 33.76%. Finally, in 2016 the dividend payout ratio increased to 75.59%.

From the trend of the dividend payout ratio, we can see that it was in a decreasing trend year after year except year 2016. The decreasing trend of dividend payout ratio indicates that earnings are not enough to support dividend payments. It may discourage investors to invest in the firm.

Net Interest Margin

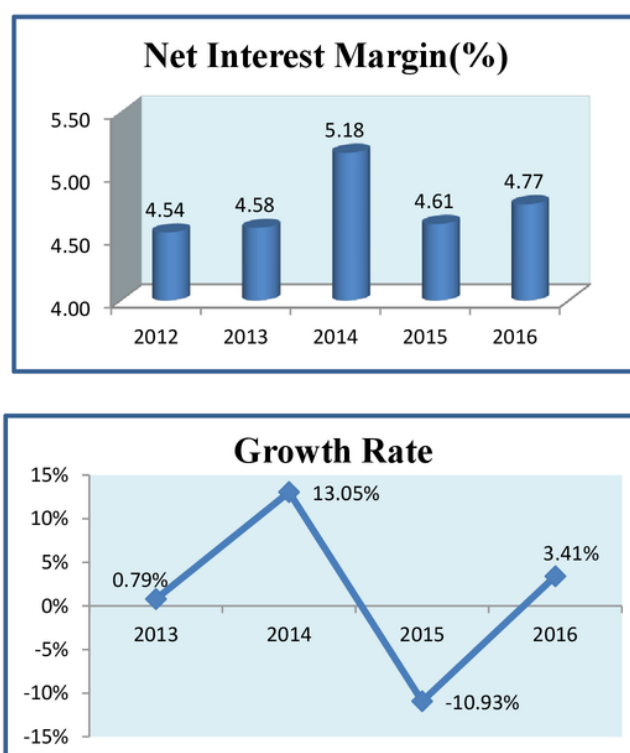
13

Net Interest Margin is a measure of the difference between the interest income and the amount interest paid out to their lenders, relative to the amount of their interest earning assets. It is usually expressed as a percentage.

	2012	2013	2014	2015	2016
Net Interest Margin (%)	4.54	4.58	5.18	4.61	4.77
Growth Rate		0.79%	13.05%	-10.93%	3.41%

Table: 4.6: Net Interest Margin

Net Interest Margin of IDLC Finance Ltd. with its growth rate during the period of 2012 to 2016 is as follow:



Graph: 4.17: Net Interest Margin & Growth Rate

From the graphs, it is found that the Net Interest Margin of IDLC Finance Ltd. was 4.54% in the year 2012 indicating that IDLC's interest income is more than its interest expense. In the year 2013 Net Interest Margin increased slightly to 4.58%, causing a positive growth rate of

0.79%. In the year 2014 it was increased by a big margin to 5.18% causing a highest growth rate of 13.05%.

In the year 2015 NIM decreased to 4.61% which causes a negative growth rate of 10.93%. In the year 2016 NIM further increased by 3.41%.

The higher NIM indicates that the company has higher interest income than its interest expense. All the five year IDLC has a positive NIM and also it has a increasing growth rate all the year except 2015. So it can be said that IDLC has a good signal in terms of Net Interest Margin.

Solvency Ratio

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Debt to Equity Ratio

It is a measure of a company's solvency calculated by dividing its total liabilities by stockholders' equity. It indicates what proportion of equity and debt the company is using to finance its assets. Formula of D/E ratio:

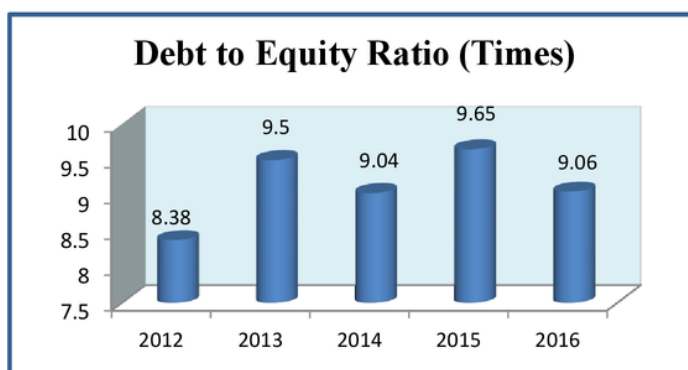
$$\text{D/E Ratio} = \frac{\text{Total Liabilities}}{\text{Shareholders' Equity}}$$

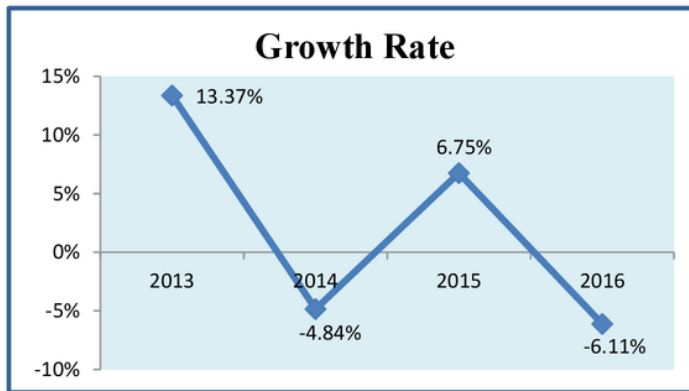
	2012	2013	2014	2015	2016
Debt to Equity Ratio (Times)	8.38	9.50	9.04	9.65	9.06
Growth Rate		13.37%	-4.84%	6.75%	-6.11%

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Table: 4.7: Debt to Equity Ratio

The Debt to Equity of IDLC Finance Ltd. during the period 2012 to 2016 is as follow:





Graph: 4.18: Debt to Equity Ratio & Growth Rate

From the graphs, we can see that the debt to equity ratio was 8.38 times in 2012 which means IDLC's total debt was 8.38 times of its total shareholders' equity. In 2013 it increased to 9.50 times and it was 13.37% more than the previous year. In 2014, it decreased to 9.04 times having a negative growth rate of 4.84%. In 2015 the ratio again increased to 9.65 times having a positive growth rate of 6.75%. Finally in 2016 debt to equity ratio again decreased to 9.06 times having a negative growth rate of 6.11%.

It is found that the debt to equity ratio is fluctuating and most of the time it is in an increasing trend except for year 2014 & 2016. Higher debt-to-equity ratio is unfavorable because it means that the business relies more on external lenders thus it is at higher risk.

Financial Expenses Coverage Ratio

Financial Expenses Coverage Ratio indicates the firm's ability to meet its interest expenses by its EBIT (Earnings before Tax and Interest). It is calculated as:

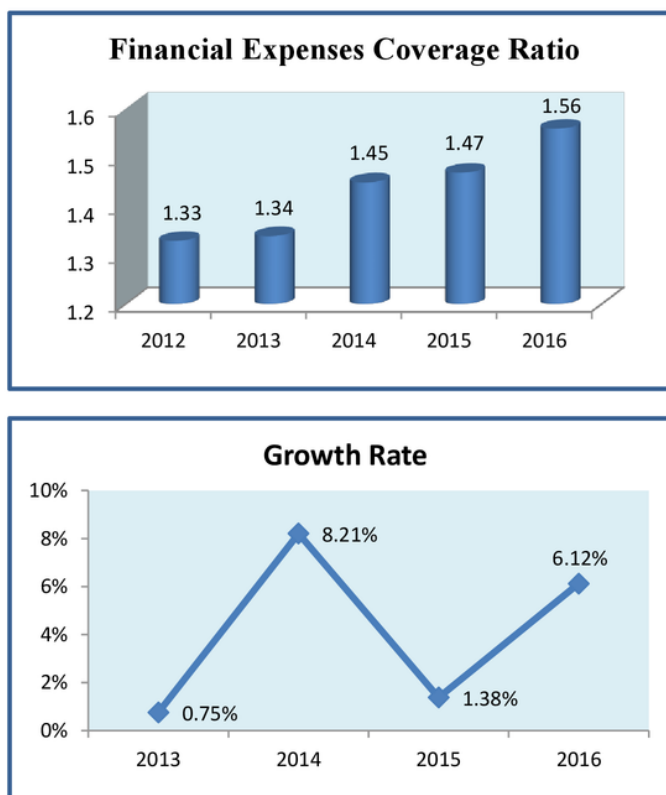
$$\text{Financial Expenses Coverage Ratio} = \frac{\text{EBIT}}{\text{Interest Expenses}}$$

	2012	2013	2014	2015	2016

Financial Expenses Coverage Ratio (Times)	1.33	1.34	1.45	1.47	1.56
Growth Rate		0.75%	8.21%	1.38%	6.12%

Table: 4.8: Financial Expenses Coverage Ratio

The Financial Expenses Coverage Ratio of IDLC Finance Ltd. with its growth rate during the period 2012 to 2016 is as follow:



Graph: 4.19: Financial Expenses Coverage Ratio & Growth Rate

From the graphs, it is found that the Financial Expenses Coverage Ratio of IDLC Finance Ltd. was 1.33 times in the year 2012 indicating that this company's income is 1.33 times higher than its interest expense or for each Tk. 1 interest expenses IDLC has Tk. 1.33 of EBIT. The financial expenses coverage ratio increased slightly to 1.34 times in the year 2013,

having a small positive growth of 0.75%. In the year 2014, the ratio again increased to 1.45 times, having the highest growth rate of 8.21%.

In the year 2015, the ratio increased to 1.47 times causing again a positive growth rate of 1.38%. Finally in the year 2016, their financial expenses coverage ratio further increased to 1.56 times which was 6.12% more than the previous year.

The trend of IDLC's financial expenses coverage ratio was upward. Higher the ratio indicates more favorable position of the company because their earnings are increasing at a higher proportion to cover the financial expenses which is a good signal for IDLC.

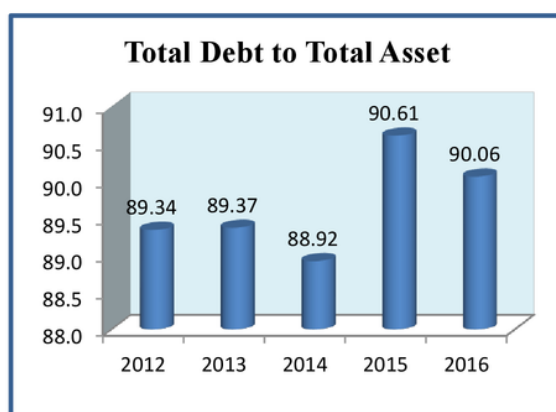
¹⁷ **Total Debt to Total Asset**

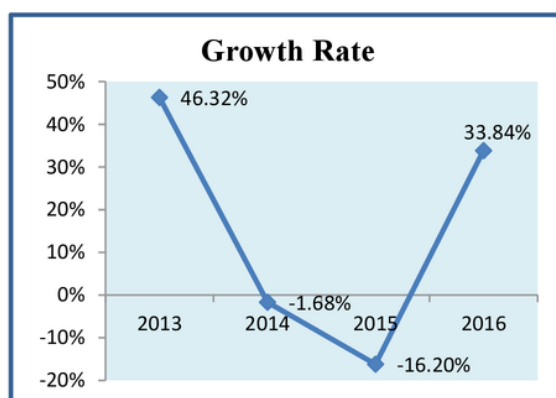
The debt to total asset ratio is an indicator of financial leverage. It tells the percentage of total assets that were financed by creditors. The ¹² ratio is calculated by dividing total liabilities by its total asset.

	2012	2013	2014	2015	2016
Total Debt to Total Asset (%)	89.34	89.37	88.92	90.61	90.06
Growth Rate		0.03%	-0.50%	1.90%	-0.61%

⁴¹
Table: 4.9: Total Debt to Total Asset

The Debt to Asset ratio of IDLC Finance Ltd. during the period 2012 to 2016 is as follow:





Graph: 4.20: Total Debt to Total Asset Ratio & Growth Rate

From the graphs, we can see that the debt to total asset ratio was 89.34% in 2012 which means 89.34% of IDLC's asset was financed by debt. In 2013 it was increased to 89.37% and it was 0.03% more than the previous year. In 2014, it decreased slightly by 88.92 having a negative growth rate of 0.50%. In 2015 the ratio was increased to 90.61% having a positive growth rate of 1.90%. Finally in 2016 debt to total asset ratio again decreased to 90.06% having a negative growth rate of 0.61%.

It is found that the debt to asset ratio is more or less same in all the five years which is around 90%. That means IDLC's asset is mostly financed by liability and they are using only a little percentage of equity to finance their asset which is not a good sign for the company.

Market Ratio

²⁷ Price Earnings Ratio

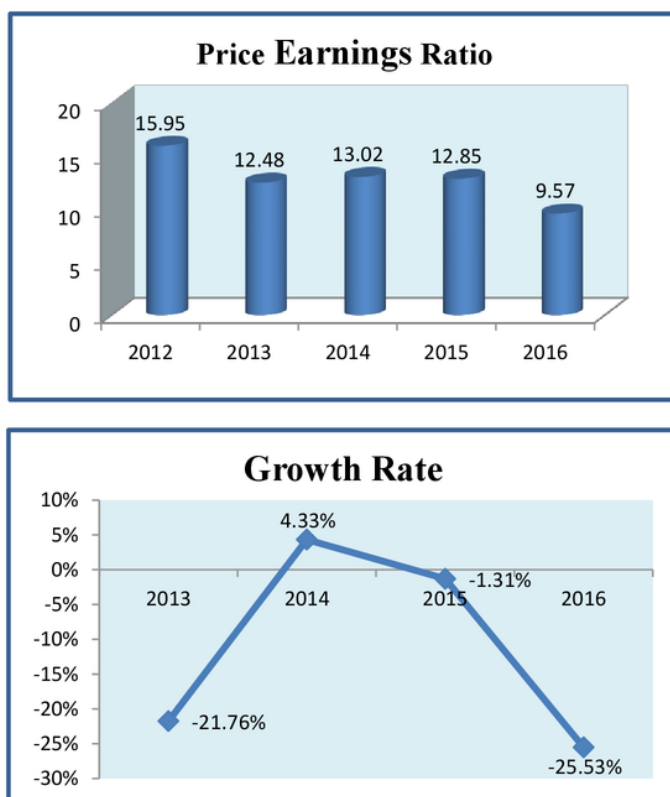
The Price/Earnings Ratio tells us the amounts that ²⁹ investors are willing to pay per Taka of earnings. Calculated as:

$$\text{P/E Ratio} = \frac{\text{Market Value per Share (MPS)}}{\text{Earnings per Share (EPS)}}$$

	2012	2013	2014	2015	2016
Price Earnings Ratio (Times)	15.95	12.48	13.02	12.85	9.57
Growth Rate		-21.76%	4.33%	-1.31%	-25.53%

Table: 4.10: Price Earnings Ratio

The Price Earnings Ratio of IDLC Finance Ltd. during the period 2012 to 2016 is as follow:



Graph: 4.21: Price Earnings Ratio & Growth Rate

From the graphs, it is found that the P/E Ratio of IDLC Finance Ltd. was 15.95 times in the year 2012 which means that investors were willing to pay Tk.15.95 for every Tk. 1 of earnings. In the year 2013 it decreased by a big margin to 12.48 times that was 21.76% less than that of 2012. In the year 2014, the P/E Ratio of the bank increased to 13.02 times with a positive growth rate of 4.33%. In the year following years (2015 and 2016), it further decreased to 12.85 times and 9.57 times respectively with having a negative growth rate of 1.31% and 25.53% respectively.

The trend of P/E Ratio of IDLC Finance Limited is decreasing year by year except year 2014. The higher P/E Ratio is better. But the lower trend of P/E Ratio indicates that investors are expecting lower earnings growth in the future and they are willing to pay less for this company's shares.

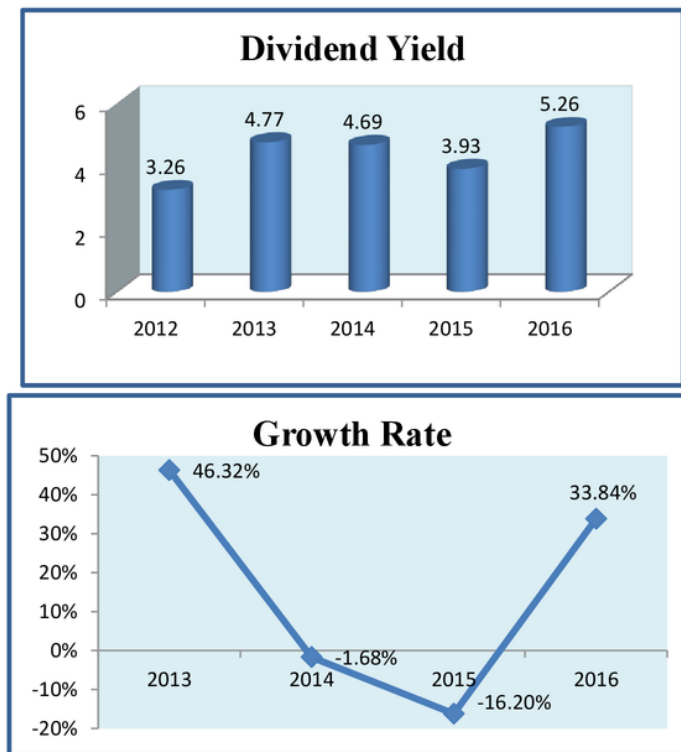
Dividend Yield

Dividend Yield is a financial ratio that indicates how much a company pays out in dividends each year relative to its share price. It is represented as a percentage and calculated by dividing the dollar value of dividends paid in a given year per share of stock held by the dollar value of one share of stock.

	2012	2013	2014	2015	2016
Dividend Yield (%)	3.26	4.77	4.69	3.93	5.26
Growth Rate		46.32%	-1.68%	-16.20%	33.84%

Table: 4.11: Dividend Yield

The Dividend Yield of IDLC Finance Ltd. with its growth rate during the period 2012 to 2016 is as follow:



Graph: 4.22: Dividend Yield & Growth Rate

From the graphs, it is found that the dividend yield of IDLC Finance Ltd. was 3.26% in the year 2012 which means that IDLC pays out 3.26% dividends in year 2012 relative to its share price. In the year 2013 it increased by 4.77% that was 46.32% more than that of 2012. In the year 2014, the dividend yield of the bank decreased to 4.69% with a negative growth rate of 1.68%. In the year following years 2015, it again decreased to 3.93% but in year 2016, it increased by a big margin to 5.23% having a positive growth rate of 33.84%.

The trend of dividend yield of IDLC Finance Limited is decreasing volatile which means there is no trend at all. Higher dividends mean investors will be attracted to invest in this company. In year 2016 IDLC has the highest dividends which mean investors will be more attracted now.

Liquidity Ratio

Current Ratio

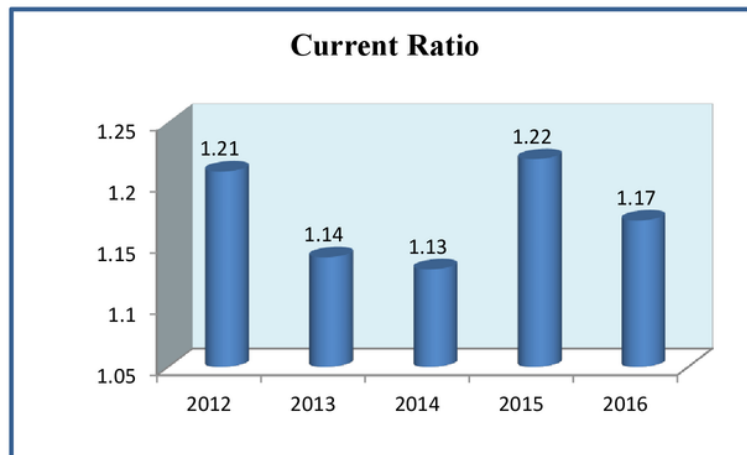
A liquidity ratio is a measure of a company's ability to pay short-term obligations with its current assets. It is calculated as dividing current assets by current liabilities.

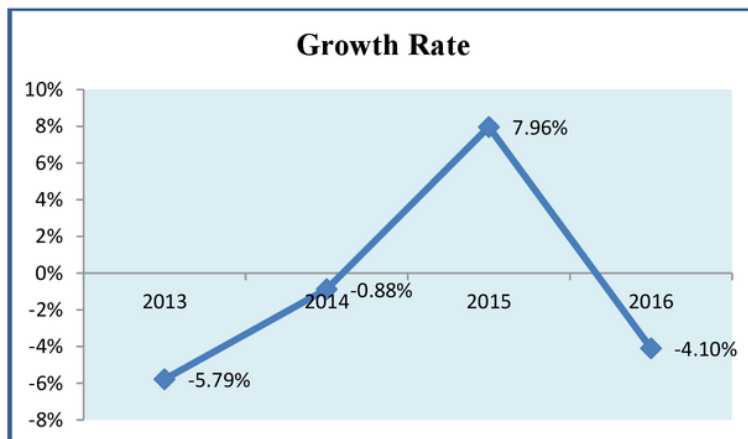
$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

	2012	2013	2014	2015	2016
1 Current Ratio (Times)	1.21	1.14	1.13	1.22	1.17
Growth Rate		-5.79%	-0.88%	7.96%	-4.10%

Table: 4.12: Current Ratio

The Current Ratio of IDLC Finance Ltd. with its growth rate during the period 2012 to 2016 is as follow:





Graph: 4.23: Current Ratio & Growth Rate

From the graphs, it is found that current ratio of IDLC Finance Ltd. was 1.21 times in the year 2012 which means for every Tk. 1.00 of current liabilities IDLC has current assets of Tk. 1.31. In the year 2013 it decreased to 1.14 times that was 5.79% less than that of 2012.

In the year 2014, the current ratio of IDLC again decreased to 1.13 times having a negative growth rate of 0.88%. In the year 2015, it increased to 1.22 times having a positive growth rate of 7.96%. In the year 2016, it decreased to 1.17 times which was 4.10% less than the previous year.

Current Ratio of IDLC finance Ltd. has a decreasing trend except year 2015. If current liabilities exceed current assets (the current ratio is below 1), then the company may have problems in meeting its short-term obligations. If the current ratio is too high, then the company may not be efficiently using its current assets. Here decreasing trend of current ratio of IDLC Finance Ltd. indicates that liquidity condition of IDLC is becoming poor.

Management Ratio

Cost of Fund Ratio

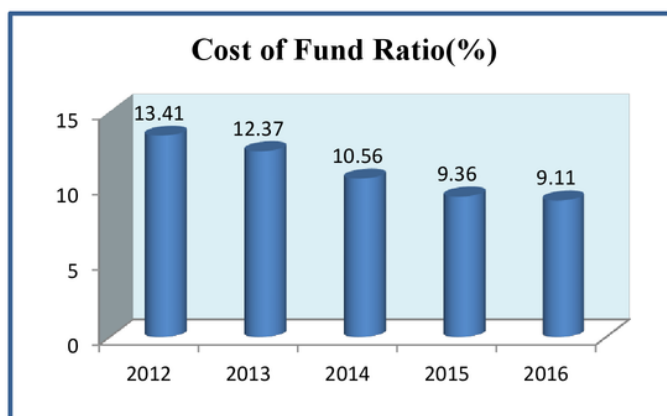
It is the ³²percentage of the interest-bearing deposits that the bank must pay out in interest. It is expressed as percentage and calculated as:

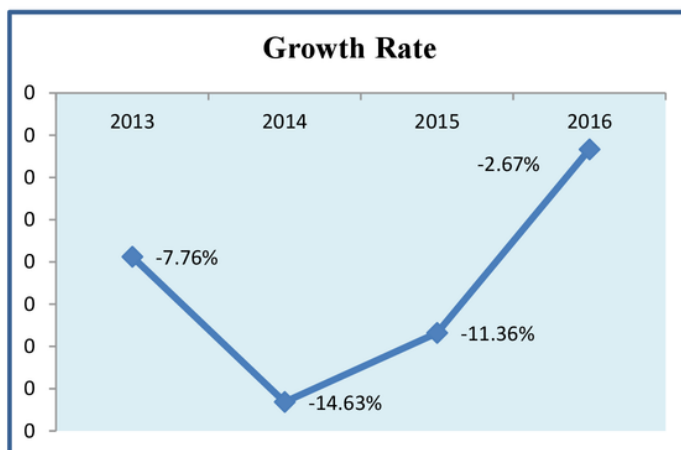
$$\text{Cost of Fund Ratio} = \frac{\text{Interest Expense}}{\text{Interest-bearing Deposits}}$$

	2012	2013	2014	2015	2016
Cost of Fund Ratio (%)	13.41	12.37	10.56	9.36	9.11
Growth Rate		-7.76%	-14.63%	-11.36%	-2.67%

Table: 4.13: Cost of Fund Ratio

The Cost of Fund of IDLC Finance Ltd. with its growth rate during the period 2012 to 2016 is as follow:





Graph: 4.24: Cost of Fund Ratio & Growth Rate

From the graphs, it is found that the Cost of Funds of IDLC Finance Ltd. was 13.41% in the year 2012. In the year 2013 it decreased to 12.37% that was 7.76% less than that of 2011. In the year 2014, the cost of funds of IDLC decreased to 10.56% causing highest negative growth rate of 14.63%. In the year 2015, it again decreased to 9.36% having a growth rate of -11.36%. In the year 2016, their cost of funds further decreased to 9.11% which was 2.67% less than the previous year.

The trend of cost of funds of IDLC Finance Limited is almost consistent; it is fluctuating within in 9% to 14%. The lower value of the ratio is favorable for the business. The lower value indicates the management's efficiency to collect fund at lower costs that they deploy in their business. The higher value indicates management's inefficiency, which is unfavorable for business. As cost of fund is decreasing year by year, it is a good sign for the company.

Risk Ratio

Loan to Deposit Ratio

Loans to deposits ratio is used to determine the amount of loan that a bank has out versus the amount of deposit on hand at the same time. It is calculated as:

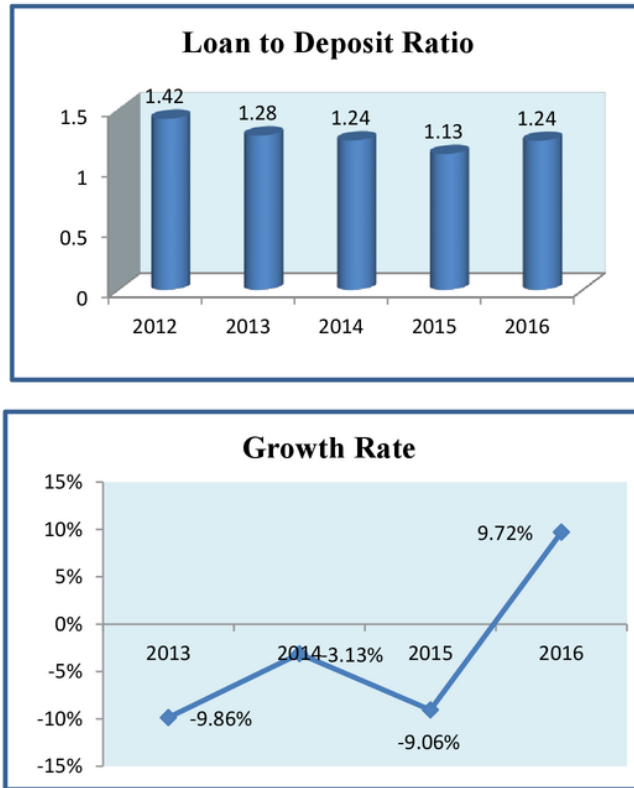
$$\text{LTD Ratio} = \frac{\text{Total Loans}}{\text{Total Deposits}}$$

	2012	2013	2014	2015	2016
--	------	------	------	------	------

Loans to deposit ratio (%)	1.42	1.28	1.24	1.13	1.24
Growth Rate		-9.86%	-3.13%	-9.06%	9.72%

38
Table: 4.14: Loan to Deposit Ratio

The Loan to Deposit Ratio of IDLC Finance Ltd. with its growth rate during the period 2012 to 2016 is as follow:



Graph: 4.25: Loan to Deposit Ratio & Growth Rate

From the graphs, it is found that the loan to deposit ratio of IDLC Finance Ltd. was 1.42% in the year 2012. In the year 2013 it decreased by a big margin to 1.28% that was 9.86% less than that of 2012. In the year 2014, the loan to deposit ratio of IDLC decreased to 1.24% causing a negative growth rate of 3.13%. In the year 2015, it again decreased to 1.13% with a growth rate of -9.06%. In the year 2016, their loan to deposit ratio increased to 1.24% which was 9.72% more than the previous year.

The loan to deposit ratio of IDLC is decreasing year by year except year 2016. If the ratio is too high, it means that company might not have enough funds to cover unforeseen fund requirements; if the ratio is too low, company may not be earning as much as they could be. Here IDLC's loans to deposits ratio is favorable and level of risk is also satisfactory.

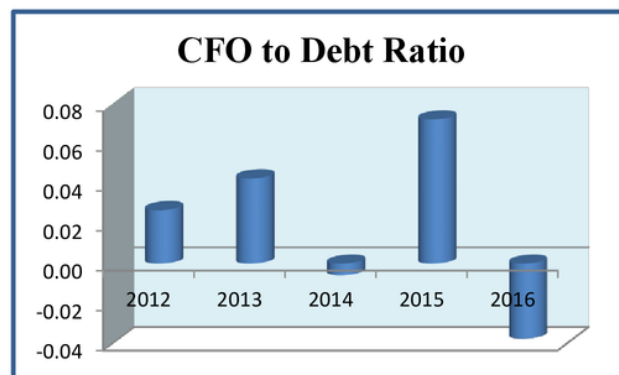
CFO to Total Debt Ratio

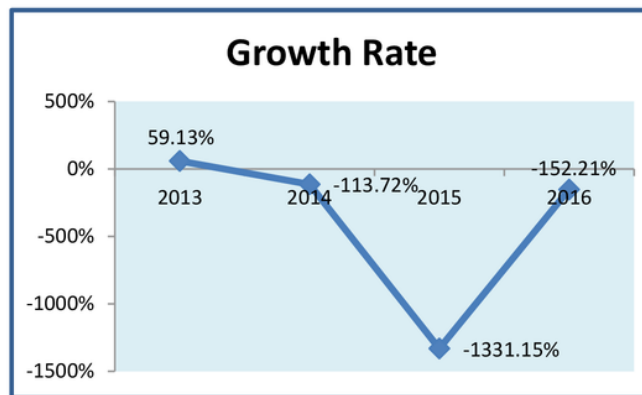
CFO to Total Debt Ratio is a ratio of a company's cash flow from operations to its total debt. It provides a better insight into a company's ability to pay its obligations. It is calculated by dividing a company's cash flow from operations by its total debt.

	2012	2013	2014	2015	2016
CFO to Total Debt Ratio (Times)	0.03	0.04	-0.01	0.07	-0.04
Growth Rate		59.13%	-113%	-1331%	-152%

Table: 4.15: CFO to Total Debt Ratio

The CFO to Total Debt Ratio of IDLC Finance Ltd. with its growth rate during the period 2012 to 2016 is as follow:





Graph: 4.26: CFO to Total Debt Ratio & Growth Rate

From the table & graphs, it is found that the CFO to Total Debt Ratio of IDLC Finance Ltd. was 0.03 times in the year 2012 which means cash flow from operation is 0.03 times greater than total debt of IDLC. In the year 2013 it increased to 0.04 times that was 59.13% higher than that of 2012. In the year 2014, it decreased to -0.01 times because cash outflows are greater than cash inflows. In the year 2015, IDLC again managed to have greater cash inflows than outflows which causes a positive ratio of 0.07 times. In the year 2016, the ratio again decreased to -0.04 times causing a negative growth rate of 152.21%

The CFO to Total Debt Ratio of IDLC is not stable. The higher value of CFO to Total Debt Ratio is better for the company because it indicates that company has higher cash flows from operations to meet its debt. In 2014 & 2016 it has negative cash flows which is not a good signal for the company.

Liquidity Risk Ratios

Liquidity Asset to Total Asset

Liquidity Asset to Total Asset measures a company's liquid asset against its total asset. In case of Financial Institutions, Cash, Investment in Government Securities, Money at call on short notice are considered as liquid assets.

	2012	2013	2014	2015	2016

Liquidity Asset to Total Asset (%)	1.60	1.53	1.80	1.66	1.28
Growth Rate		-4.31%	17.35%	-7.74%	-23.17%

40

Table: 4.16: Liquidity Asset to Total Asset

The Liquidity Asset to Total Asset of IDLC Finance Ltd. with its growth rate during the period 2012 to 2016 is as follow:



Graph: 4.27: Liquidity Asset to Total Asset & Growth Rate

From the graphs, it is found that the Liquidity Asset to Total Asset of IDLC Finance Ltd. was 1.60% in the year 2012 which means IDLC has only 1.60% liquid asset against its total asset. In the year 2013 it decreased to 1.53% that was 4.31% less than that of 2012. In the year 2014, the ratio increased to 1.80% causing a positive growth rate of 17.35%. In the year 2015, it decreased to 1.66% with a growth rate of -7.74%. In the year 2016, their liquidity

asset to total asset ratio further decreased to 1.28% which was 23.17% less than the previous year.

The lower the liquid asset to total asset ratio, the higher the liquidity risk of the bank because the bank can't fulfill the demand of its liability holders at any time. The liquid asset of IDLC is very low regarding to its total assets which means they are in high liquid risk.

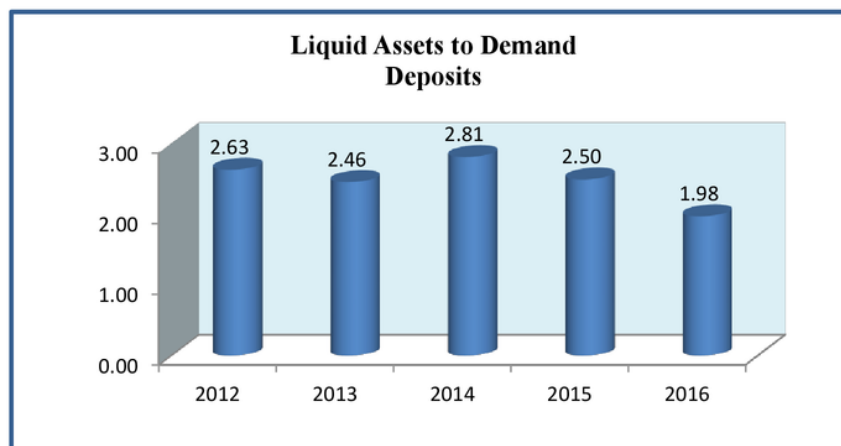
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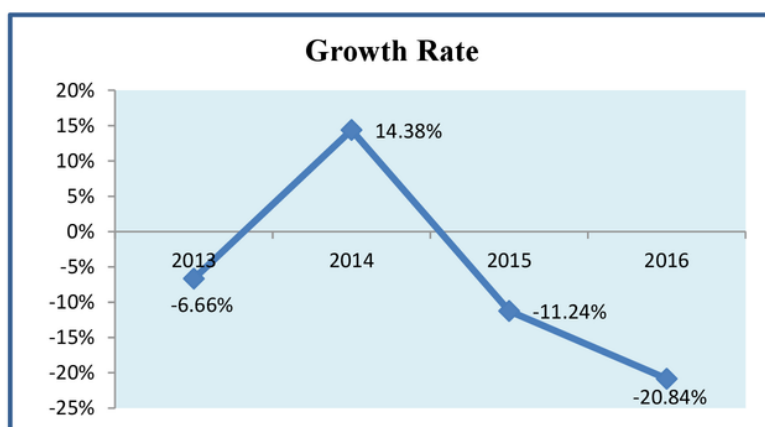
Liquid Assets to Demand Deposits

Liquid assets to demand deposits measure a company's liquid asset against its demand deposits. In case of Financial Institutions, Cash, Investment in Government Securities, Money at call on short notice are considered as liquid assets.

44

The Liquid assets to demand deposits of IDLC Finance Ltd. during the period 2012 to 2016 are as follow:





Graph: 4.28: Liquidity Asset to Total Asset & Growth Rate

From the graphs, it is found that the Liquid assets to demand deposits of IDLC Finance Ltd. was 2.63% in the year 2012 which means IDLC has only 2.63% liquid asset against its demand deposits. In the year 2013 it decreased to 2.46% that was 6.66% less than that of 2012. In the year 2014, the ratio increased to 2.81% causing a positive growth rate of 14.38%. In the year 2015, it decreased to 2.50% with a growth rate of -11.24%. In the year 2016, their Liquid assets to demand deposits further decreased to 1.98% which was 20.84% less than the previous year.

The lower the Liquid assets to demand deposits ratio, the higher the liquidity risk of the bank. The liquid asset of IDLC is very low regarding to its demand deposits which means they are in high liquid risk.

Credit Risk Ratio

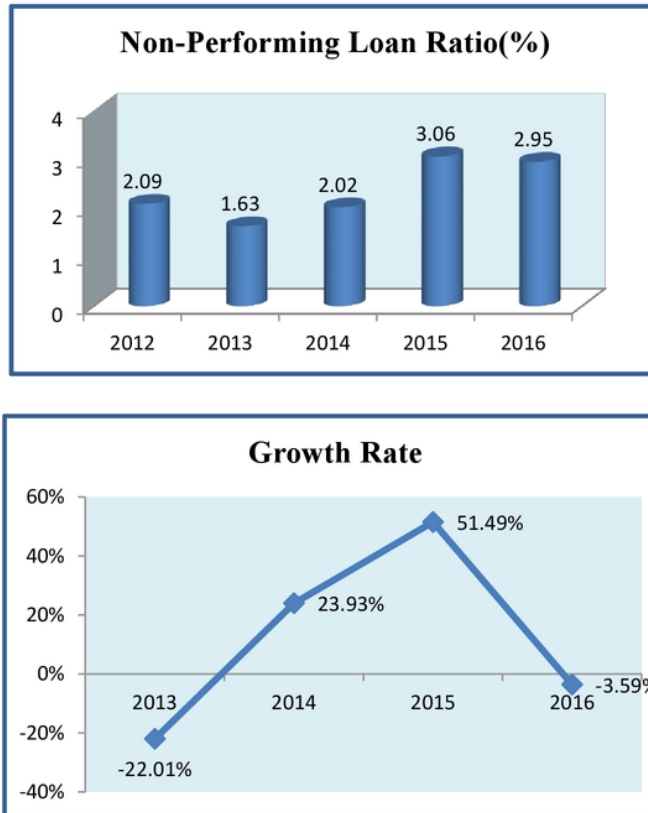
Non-Performing Loan Ratio

Non-performing loan is a loan on which the borrower is not making any interest payments neither repaying the principal amount for a period of 90days. The non-performing loan ratio means the percentage of non-performing loans against total loan.

	2012	2013	2014	2015	2016
Non-performing loan ratio (%)	2.09	1.63	2.02	3.06	2.95
Growth Rate		-22.01%	23.93%	51.49%	-3.59%

39
Table: 4.18: Non-performing loan ratio

The Non-Performing Loan Ratio of IDLC Finance Ltd. during the period 2012 to 2016 is as follow:



Graph: 4.29: Non Performing Loan Ratio & Growth Rate

From the graphs, it is found that the non performing loan ratio of IDLC Finance Ltd. was 2.09% in the year 2012. In the year 2013 it decreased to 1.63% that was 22.01% less than that of 2012. In the year 2014, the non performing loan ratio of IDLC increased to 2.02% causing a positive growth rate of 23.93%. In the year 2015, it increased to 3.06% with a growth rate of 51.49%. In the year 2016, their non performing loan ratio further decreased to 2.95% which was 3.59% less than the previous year.

The non-performing loan of IDLC is not stable. The higher value of non-performing loan ratio of IDLC Finance Ltd. indicates the higher credit risk of the company. The lower value of non-performing loan ratio of IDLC Finance Ltd. indicates the lower credit risk of the company. IDLC Finance Ltd. is not able to handle their credit risk in a stable way.

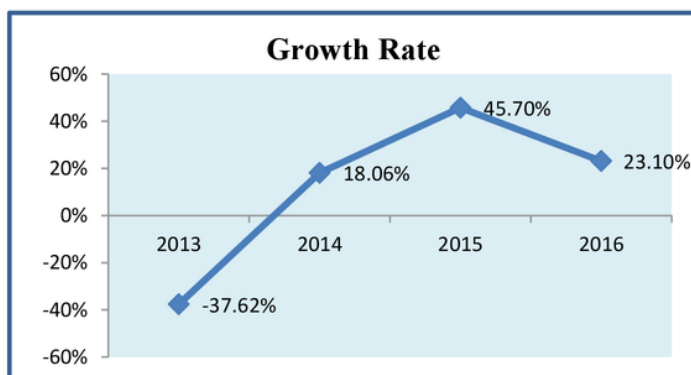
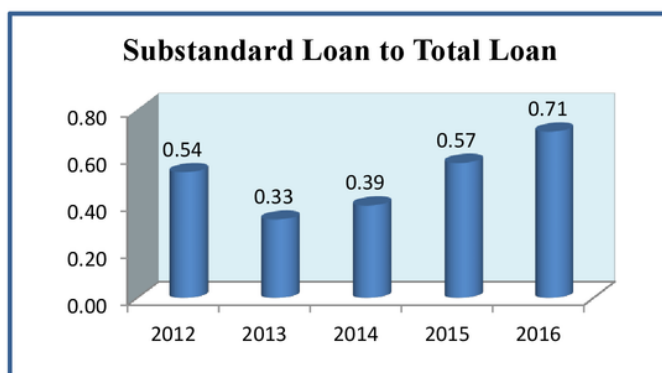
Substandard Loan to Total Loan

Substandard loan is a classification of loan that is expected to result in a loss of interest for the lender. It is calculated as dividing standard loan by total loan.

	2012	2013	2014	2015	2016
Substandard Loan to Total Loan (%)	0.54	0.33	0.39	0.57	0.71
Growth Rate		-37.62%	18.06%	45.70%	23.10%

Table: 4.19: Substandard ⁵Loan to Total Loan

The Substandard Loan to Total Loan of IDLC Finance Ltd. during the period 2012 to 2016 is as follow:



Graph: 4.30: Substandard Loan to Total Loan Ratio & Growth Rate

From the graphs, it is found that Substandard Loan to Total Loan ratio of IDLC Finance Ltd. was 0.54% in the year 2012 which means they have only 0.54% substandard loan regarding to their total loan. In the year 2013 it decreased to 0.33% that was 37.62% less than that of 2012. In the year 2014, the ratio increased to 0.39% causing a positive growth rate of 18.06%. In the year 2015, it increased to 0.57% with a growth rate of 45.70%. In the year 2016, the ratio again increased to 0.71% which was 23.10% more than the previous year.

The higher value of substandard loan to total loan ratio of IDLC Finance Ltd. indicates the higher credit risk of the company. The lower value of non-performing loan ratio of IDLC Finance Ltd. indicates the lower credit risk of the company. IDLC Finance Ltd. has a low rate of substandard loan although it has an increasing trend.

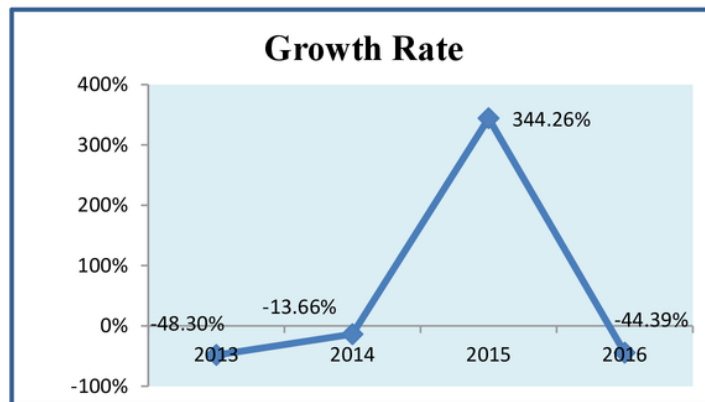
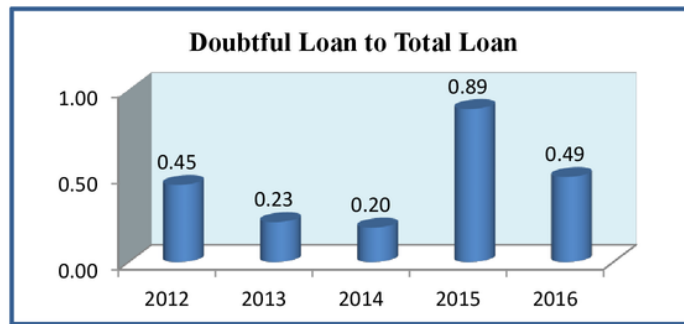
Doubtful Loan to Total Loan

Doubtful loan is another classification of loan where full payment is questionable and uncertain. It is calculated as dividing doubtful loan by total loan.

	2012	2013	2014	2015	2016
Doubtful Loan to Total Loan (%)	0.45	0.23	0.20	0.89	0.49
Growth Rate		-48.30%	-13.66%	344.26%	-44.39%

Table: 4.20: Doubtful ⁵Loan to Total Loan

The Doubtful **Loan to Total Loan** of IDLC Finance Ltd. during the period 2012 to 2016 is as follow:



Graph: 4.31: Doubtful Loan to Total Loan ratio & Growth Rate

From the graphs, it is found that doubtful loan to total loan ratio of IDLC Finance Ltd. was 0.45% in the year 2012 which means they have only 0.45% doubtful loan regarding to their total loan. In the year 2013 it decreased to 0.23% that was 48.30% less than that of 2012. In the year 2014, the ratio increased to 0.20% causing a negative growth rate of 13.66%. In the year 2015, it increased to 0.89% with a growth rate of 344.26%. In the year 2016, the ratio further decreased to 0.49% which was 44.39% less than the previous year.

The higher value of doubtful loan to total loan ratio of IDLC Finance Ltd. indicates the higher credit risk of the company. The lower value of non-performing loan ratio of IDLC Finance Ltd. indicates the lower credit risk of the company. IDLC Finance Ltd. has a low rate of doubtful loan although it increased in 2015.

³ SWOT ANALYSIS

SWOT Analysis is an important tool for evaluating the company's Strengths, Weaknesses, Opportunities and Threats. It helps the organization to identify how to evaluate its performance and scan the macro environment, which in turn would help the organization to navigate in the turbulent ocean of competition. The acronym for SWOT stands for...



Flowchart: 4.1: SWOT Analysis

Strength

¹ The IDLC Brand

1. Three decades of impeccable track record as a responsible, proactive and customer-focused financial service provider

2. High standing among local brands

Customer Centricity

1. Need based products and superior service standards
2. Quick decision-making (lowest loan TAT in the industry)
3. Transparent and ethical
4. Training, counseling and business facilitation services

Infrastructure

1. World-class core banking software
2. Strategically located branches
3. Uninterrupted service delivery infrastructure

Corporate governance and compliance

1. Stringent regulatory adherence
2. Collaborative and proactive approach towards regulatory and industry reform initiatives
3. Respectable institutional shareholding; experienced and professional Board of Directors
4. Visionary management with direct ownership

Human resources

1. Competent and empowered human resources
2. Focused on continuous training and development
3. Highest levels of integrity
4. A winning culture fostered through years of embracing best-in-class practices

Strong financial footing

1. Solid capital base
2. Efficient asset liability management
3. Sound and steady ROA and ROE

Weakness

1. Dependency on interest income as a major revenue source - a limitation of being an NBFIs
2. Dependency on term lending in the absence of transactional accounts - a limitation being an NBFIs
3. Portfolio concentration in Dhaka and adjacent areas as most of the distant branches are established in the last 4-5 years

Opportunity

1. Providing 360-degree financial services to all customer segments - deposit products, loans, brokerage, investment management and advisory
2. Green financing
3. Opportunity for co-branding and business partnerships

Threat

1. Intense competition in corporate lending driving commercial banks to focus more on SME and consumer financing
2. New industry entrants providing stiff competition
3. Excess liquidity and lack of investment opportunities driving sector participants towards unhealthy price wars to grab the best customers

Porter's Five Factor Model



Flowchart: 4.2: Porter's Five Factor Model

1

Competitive rivalry

1. Number of competitors

The Bangladeshi financial services industry is marked by high levels of competition with 56 banks and 33 NBFIs operating in the space.

2. Switching cost

The switching cost is low due to a high concentration of service providers.

3. Quality difference

Though IDLC belongs to the top quartile of service providers, there are few banks comparable in terms of service quality.

4. Customer loyalty

Traditionally, customers are reasonably loyal; however, the recent phenomenon of excess liquidity and intense price war has reduced loyalty to a great deal, especially across big ticket loans for all segments.

1

Threat of new entrants

A number of new banks and NBFIs entered the already crowded financial services industry over the last three years. The possibility of new entrants, intensifying competition further, cannot be ruled out.

1

Supplier power

Moderate to low supplier power as the main input of the business include know-how and skilled resources.

Threat of substitute products

1

1. There is low threat within the NBFI Industry. However, if we consider loan products from banks as substitute products then the threat is high.
2. Additionally, for some segments, there exists a high threat of substitute products for instance for commercial vehicle loans where some of the vehicle suppliers themselves offer the vehicles in installments, removing the need to get a financier involved.

Buyer power

1

1. Buyers/customers have typically a high power in the equation since big corporate tend to be extremely rate sensitive.
2. SMEs have traditionally been fewer rates sensitive; however, they are beginning to enjoy more access to finance and coupled with excess liquidity and frequent price wars, are becoming more price-sensitive.
3. Big ticket consumer loans (mainly home loans) customers' power is at the highest level currently with extreme price competition from industry participants.
4. Recent excess liquidity reduced the power of depositors amid significant rate cut by banks.

CHAPTER: 4

Findings & Recommendation

& Conclusion

FINDINGS

After covering the non banking activities and Performance of IDLC Finance Ltd I have got several findings. These are given below:

- ¹³ IDLC Finance Ltd is the largest & oldest non banking financial institution or leasing company in the country.
- Now it is the multiproduct financial institution.
- It has good profitability, better liquidity, strong corporate governance, ability to increase asset base in a regular basis.
- Astute, prompt and experienced management team is the backbone of the institution.
- Robust asset liability policies have enabled the institution to adequately meet the regularity requirements with surplus in CAR, CRR & SLR.
- Healthy asset quality with low & decreasing NPL.
- Strong risk management policies.
- Well organized product diversification with diversified loan portfolio & a diverse set of clientele- comprising the prominent ¹¹ corporate, retail, SME, capital Markets of Bangladesh.
- It achieved the highest Safety & security credit rating “AAA”.
- A solid deposit base & growing customer deposit base with good retention rate.

RECOMMENDATIONS

- ²⁶ The management of IDLC finance ltd should review their systems, policies, processes and product prices in line with the changing market reality. The institution should explore of ³⁷ high quality products and services to attract its potential market and diversity of products is important.
- ⁵ More training should be conducted for the employee to improve their analytical ability and professional standard regarding the use of tools and techniques in selecting the borrowers and analyzing the loan proposals.

- Authority should be delegated to the lower level with adequate measures for the necessary control and follow-up for making the lending decision and recovery. One proper standard procedure should be developed for all types of clients and no interpersonal relationship should be involved in approving a loan.⁵
- Interest income occupies the major part of the total earnings of a financial institution and the profitability mainly depends on interest earning capacity, so they should establish a research and development cell for the purpose of lending analysis and recovery of loans.
- In reducing magnitude of classified loans, the system of credit appraisal needs to be strengthened through developing comprehensive borrower rating system.
- SME financing can be termed as supervisory credit. So strong monitoring beside the good credit can bring out the optimum result. So IDLC should employ an efficient collection team as early as possible. Financial Institutions should establish a system of independent, ongoing credit review and the results of such reviews should be communicated directly to the board of directors and senior management. Financial Institutions must have a system in place for managing problem credits and various other workout situations.²
- Credit must be operated under sound, well-defined credit granting criteria. These criteria should include a thorough understanding of the borrower or counter party, as well as the purpose and structure of the credit, and its source of re payment. Credit operation of IDLC is currently run by mostly the novice and fresh graduates who do not have enough professional and technical knowledge. Sufficient Training can make the fresher efficient. Financial Institutions should have a clearly-established process in place for approving new credits as well as the extension of existing credits.

CONCLUSION

In conclusion, it can be said that the IDLC Finance Ltd. is one of the most promising financial institution in Bangladesh. In this report, overall performance of IDLC Finance Ltd during the period 2011 to 2015 has been analyzed and evaluated. By analyzing its overall performance, various positive and negative sides of the firm have come into light.

The analysis shows that IDLC Finance Ltd. performed poorly in the year 2013 compared to other years. Some problems have been identified and suggestions have been given to the management of the institute to improve their performance in the future.

If the management of IDLC Finance Ltd can take effective measures to solve these problems, then IDLC Finance Ltd can become most preferable and leading financial institution in Bangladesh and can achieve their vision that is to be the best financial brand in Bangladesh. Besides, their core business they should perform more corporate social responsibilities that will provide them long-term sustainability.

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