Report On

"Application of CAMEL rating strategy to make a comparison of IPDC Finance Ltd.'s performance to one of its key competitors"

By

Ayesha Aktar Piya

Student ID: 18304147

An internship report submitted to the BRAC University in partial fulfillment of the requirements for the degree of Bachelor of Business Administration

BRAC Business School

BRAC University

May 22, 2022

Declaration

Declaratory statements include the following:

I. As part of our graduation from BRAC University, I/we submitted an internship report that documented our original work.

II. Unless explicitly and correctly stated, the report must not include material that has previously been published or developed by a third party.

III. The project contains no material that has been recommended or granted for a degree or master's degree by another university or institution.

IV. I/We have identified all significant sources of data.

Student's Full Name & Signature:

Ayesha Aktar Piya

18304147

Supervisor's Full Name & Signature:

Samina Haque, PhD

Senior Lecturer and Area Director of Accounting and Finance, BRAC Business School

BRAC University

Co- Supervisor's Full Name & Signature:

Mr. Shamim Ehsanul Haque

Assistant Professor, BRAC Business School

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Letter of Transmittal

Samina Haque, PhD

Senior Lecturer and Area Director of Accounting and Finance

BRAC Business School

BRAC University

66, Mohakhali, Dhaka-1212.

Subject: Submission of internship report on '**Application of CAMEL rating strategy to make a comparison of IPDC Finance Ltd.'s performance to one of its key competitors'**

Dear Ma'am,

It is my immense pleasure to introduce you with this report on "Application of the CAMEL rating approach to compare IPDC Finance Ltd.'s performance to one of its key competitors**,**" which is a requirement for completing my internship. I really worked hard to prepare the report with the relevant data for analysis and to prepare IPDC Finance Limited's CAMEL rating and to compare its performance to that of one of its key competitors, IDLC Finance Ltd. My inspiration for this topic came from my observations while working in the workplace, which enabled me to write the report based on firsthand experience.

I am optimistic that this report will meet all of the standards and it will satisfy the requirements.

Sincerely yours,

Ayesha Aktar Piya

Student ID: 18304147

BRAC Business School

BRAC University

Date: 22-05-2022

Non-Disclosure Agreement

This agreement is between "IPDC Finance Limited" and me, a BRAC University student, to use and obtain all organizational information needed to complete my internship project, "Application of the CAMEL rating technique to compare IPDC Finance Ltd.'s performance to one of its main rivals."

The data and information regarding the non-bank organization of this report were permitted by my organizational line manager and generated under his supervision. I would like to express my sincere appreciation for allowing me to utilize the data in the preparation of my report.

A comprehensive presentation and report must be delivered to the firm as part of the internship and as part of working as a treasury intern at IPDC Finance Limited. I was strongly urged not to use sensitive information by the organizational supervisor. Without a formal instrument signed by both parties, this agreement may not be revised or modified.

Name of Company: IPDC Finance Limited

Supervisor Name: Subrata Basak, First Assistant General Manager, Treasury Dept, IPDC Finance

Signature:

Name of Student: Ayesha Aktar Piya

Signature:

Address: BRAC University, Mohakhali, Dhaka-1212

Description of the report: **"'Application of CAMEL rating strategy to make a comparison of IPDC Finance Ltd.'s performance to one of its key competitors'**

Acknowledgement

Allah Almighty merits all praise and gratitude for allowing me the ability and willingness to conclude my report on time. The completion of my Internship Project is due to the efforts of a number of persons, without whose professional guidance and suggestions it would have been practically impossible to write the report. This report would not have been possible without the help of everyone who aided me throughout my internship and provided me with all the essential knowledge on IPDC Finance Limited's major activities and operations.

Dr. Samina Haque, Senior Lecturer and Area Director of Accounting and Finance at BRAC University, has provided me with ongoing support, feedback, and advice during this internship program, in addition to sharing her knowledge and skills. I'm also thankful to my co-supervisor, Mr. Shamim Ehsanul Haque, Assistant Professor at BRAC University, for examining my report and making all the recommended corrections.

Second, I'd want to take this opportunity to thank Subrata Basak, First Assistant General Manager, Treasury Department, IPDC Finance Ltd, who has provided me with very helpful insights, passion, and guidance during my time at IPDC. Special thanks to Mushfique Uddin Mahfud Rafid, Assistant Manager, Treasury Desk, IPDC Finance Limited, for allowing me to complete different tasks that have enabled me to get a thorough understanding of IPDC Finance Limited's varied operations.

I am also quite appreciative to Md. Sayeed Iqbal, Assistant General Manager, HR Department, IPDC Finance Limited, for sharing his significant knowledge and skills on their management structure. I'd like to thank the whole Human Resources and Corporate Communications department at IPDC Finance for giving me with all of the pertinent information on the company's structure, numerous initiatives, marketing tactics, and strategic advancements.

Last but not least, I owe a debt of gratitude to my honorable parents and contributors from BRAC University for their steadfast assistance and belief in me, which has kept me motivated and buoyed my spirits.

Executive Summary

As part of the BBA curriculum at BRAC University, the internship report has been created. The purpose of this research is to compare IPDC Finance Limited's performance against that of a close rival using the CAMEL rating. In addition, the fundamental objective of this research is to inform the reader about the financial performance of this Bangladeshi non-banking financial institution by comparing it to that of one of its rivals.

IPDC occupies a unique position in Bangladesh's financial landscape as one of the country's most reputable and well-known non-banking financial institutions (NBFI). They started their adventure in 1981 and ultimately established the first financial institution in Bangladesh. Over the past couple of years, IPDC has seen substantial development. This whole research will explain how their financial performance changed from 2016 to 2020, before and throughout the COVID-19 crisis, utilizing CAMEL rating and performance comparisons with IDLC Finance Ltd.

Moreover, the first chapter provides a comprehensive summary of the internship program. The introductory chapter provides the names and contact information for the individual internship supervisors, as well as a description of the internship's activities, outcomes, and conclusions obtained from the IPDC Finance Limited Treasury Department.

The organizational overview is presented in the following section of this report, which contains a thorough business description. It comprises the most essential practices and strategies of IPDC Finance Ltd. as well as an industry analysis and SWOT analysis.

The evaluation and comprehension of the information are described in the third component. A graph outlines and illustrates the investigation and analysis of information. In this section, I attempted to make sense of IPDC Finance Limited's annual report's Financial Performance Analysis using CAMEL Rating, as well as the review's Findings, Contribution and Recommendation, Study Limitation, Conclusion, and References.

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IPDC

Chapter 01: (Overview of the internship)

1.1. Student Information:

I am Ayesha Aktar Piya and my ID no. is 18304147. I am studying in BRAC Business School in Bachelor of Business Administration (BBA) and did double major in Finance and HRM.

1.2. Internship Information:

1.2.1. Period, Company, Department and Address:

I was assigned to a three-month internship with an organization after completing my 12th semester of the BBA degree. In January 17th, I began working at IPDC Finance Limited's Corporate Head Office on Gulshan Avenue. Throughout my internship, I was largely assigned to the Treasury Department. My internship period ended at 13th April, 2022.

1.2.2. Internship Company Supervisor's Information: Name and Position:

My supervisor's name is Subrata Basak. At the moment, he is assigned as the First Assistant General Manager at the Treasury Department of IPDC Finance Limited's corporate head office, which is located at Gulshan Avenue, Dhaka-1212.

1.2.3. Job Scope – Job Description/Duties/Responsibilities:

Calculating the interest rates of the entire year of 2021 and 2022 (Jan-Apr): As the only intern in the Treasury Department, my roles and responsibilities allowed me to gain knowledge. In my first week, I was told to develop an Excel spreadsheet to calculate 2021 interest rates. A short-term loan is one that lasts between seven and fourteen days and is classed as such by the Federal Reserve. My boss expected me to calculate the monthly weighted average rate (WAR). Excel's daily interest rate calculation took time and effort. January through April 2022 were also anticipated. I calculated interest rates for all transactions from January-Dec of 2021 and Jan-Apr of 2022.

Updating the treasury line through communicating with the dealers: When my leader and team members saw how well I did this work, the department head asked for further responsibility. I had to contact dealers regularly to update the overall treasury line, call money, and SND balances, then inform the department head of our fund's daily state, including if assets and liabilities were maintained.

Calculating the call rates from BB and making graphs using dashboard: My daily tasks also included creating an Excel file utilizing Bangladesh Bank data to establish minimum, maximum, and average call money rates. I made a dashboard for IPDC's weighted average rate and industry research. All department employees needed the graphs to understand the market situation. It was my responsibility to keep this Excel file updated and present it to six department members by day's end.

Updating the treasury snapshot excel sheets regularly: After 1.5 months of meeting my responsibilities, they gave me the 'Treasury Snapshot' excel file with all transactions and crucial data. On a daily basis, I updated the FDR Borrowing and Lending rates, Call money, SND Balance, Treasury line maturity dates, and vice versa. I couldn't edit this file till 7 p.m. since everyone was so busy.

Communicating with other banks in order to get necessary info: I had to speak with personnel from other banks, non-banks, and government banks, such as BRAC Bank, Eastern Bank Limited, Padma Bank, IDLC, Agrani Bank, and know their individual and institutional deposit rates. Based on this information, our department chose to keep a higher SND rate. Due to their higher interest rates, I advised clients maintain most of their SND money with PRIME Bank and NRB Bank. My research showed that these two banks provide credit card accounts with unlimited withdrawals.

Wrote amounts, transaction dates and bank names on checks and sealed them: This was another usual duty. On each check sheet, I had to put the Bank's name, the date, and the amount. The Bangladesh Bank gathers and examines some checkbooks, therefore proof was necessary. It must be perfect.

Writing mails/inputting data in word file/ preparing PPT documents: After learning I had finished courses from BYLC and Unilever Future Fit Bootcamp, they gave me assignments like making PowerPoint presentations for my department boss. I was told to write to banks and other companies. Professionally, too. I've helped procurement employees compose vendor emails.

1.3. Internship Outcomes:

1.3.1. Student's contribution to the company:

As a limited-duty intern, I wanted to help the firm succeed. My main goal was to finish all assignments. My boss took my Excel knowledge into account when assigning me tasks. I also mentioned my Finance major coursework so they could grasp what I had learnt. I could use what I had learned in primary school. They requested me to calculate the weighted average rate and the interest rate. I also helped other department staff with their everyday tasks. And I learned about their jobs by observing, questioning, and performing them. Working at IPDC Finance Limited's Corporate Head Office has been a delight since everyone is kind. The workplace was fun. IPDC Finance Limited delivers exceptional customer service and builds strong relationships with prospects.

1.3.2. Benefits to the Student:

I completed my undergraduate studies with four credits thanks to the BRAC Business School internship. As a banking, insurance, and finance student, I had the unusual chance to observe people's daily activities. During the internship, I also improved my Excel and PowerPoint skills. My on-site line manager helped me focus on my strengths and improve my deficiencies. The three-month internship helped me prepare for a business career by exposing me to corporate culture. My seasoned personnel taught me the value of precision and punctuality. I learnt to keep my cool under pressure and manage my career and personal life. IPDC Finance Limited helped me advance my profession by connecting me with other specialists.

1.3.3. Problems/Difficulties:

- First and hardest was transportation. I lived in Dhanmondi and worked at Gulshan's main office, so I had to commute often between the two, and no one would pick me up at home. IPDC doesn't provide intern transportation, therefore I had a problem.
- Secondly, the lack of available chairs for the intern was a major hindrance. More employees than seats are available. Even though I had a desk to start my day, MME personnel continued to battle for my seat. My department and MME regularly fought about this.
- Thirdly, another issue stirred which is: by the end of January, COVID-19 had deteriorated. So, the rotation system was kept and I took a week off. And it hampered my one week of research for collecting information and work.
- During my internship, I heard new concepts. I doubt I understood the department's full operation. As a result, my internship assignment asked me to conduct a more extensive research and report my results.
- Privacy was another challenge. IPDC Finance Limited maintained strict secrecy. Some of my coworkers filled in the spaces. I was exposed to sensitive, secret documents and materials while interning at the Treasury Department.
- Despite eight personnel in the Treasury office, including me, there wasn't enough room for the group's guest plan. Due to the department's high interaction expectations, everyone was stationed in different offices, causing a communication gap.
- Due to the pandemic, the lunch area was crowded, increasing virus transmission risk. We couldn't cook our own lunches and snacks on the fourth floor of the office building since there was no cafeteria.my coworkers and me had to plan our own lunches and snacks which was a bit hectic.

1.3.4. Recommendations and suggestions to the company on future internships:

- First, the Treasury Department rarely recruits interns. I think the company should provide young college graduates greater possibilities to gain experience in a reputable corporation. While most division workers worked from home during COVID 19, the department should consider expanding. Everyone's productivity will increase.

- Secondly, a larger lounge, café, and transportation office are needed. Because of the outbreak, the procurement department should provide hand sanitizers and coverings for all staff, including interns.
- Thirdly, I had trouble entering data since Excel was very backdated and the computer kept shutting down. Access to shared files was also restricted, which hindered my work.
- IT personnel should constantly check for server software updates. Organize worker care facilities. A new, more modern financial system must replace the existing one.
- Complete help with a time frame is faster. Undergraduate interns require more workstations and student IDs.

Chapter 02: (Organization Part)

2.1. Introduction:

The organizational section and overview portion of a private non-banking organization will emphasize the organization's primary characteristics. It must provide information that enables external candidates and readers to assess their compatibility with the organization and comprehend its goals and values.

2.1.1 Broad Objective:

This organizational component's primary objective is to gather data and statistics on IPDC, their actions, and the critical roles they explore. The primary objective was to collect information and statistics on IPDC, their operations, and the principal functions they examine when in operation. The following section provides a summary of IPDC's operations, including management and financial responsibility. In addition, the objective is to combine a comprehensive understanding of each department's operations and procedures. To evaluate a company's overall performance, however, a SWOT analysis and an industry analysis are necessary.

2.1.2 Specific Objective:

This section of the project describes the activities and responsibilities of IPDC, including management procedures, marketing strategies, financial practices, and accounting methods. In addition, IPDC Finance Limited's Industry and Competition will be evaluated, as well as their Operations Management and Information Systems practices. This page aims to provide an overview of how various departments operate. Evaluation of a company's overall performance requires both a SWOT analysis and an industry study of competitors.

2.1.3 Methodology:

As part of the qualitative research for this phase of the study, interviews were conducted with human resource executives and partners. After these in-depth considerations, this article digs deeply into policy and practice. Aside from that, I got the opportunity to properly evaluate their work while I was at work. This is based on what I have personally observed and heard, as well as what I have learnt from professional experience. Previous company reports, corporate websites, and information are evaluated and researched for quantitative research. This study included both primary and secondary data sources. To collect data, I consult with my supervisor and other Treasury team members. I asked them several questions to obtain accurate responses, and they were courteous.

Discussions with management, human resources, and finance staff are essential knowledge sources. One example of secondary data is surveys. The company's website and online support are further secondary sources of information for me.

2.1.4 Scope:

Many firms, like IPDC, provide interns and apprentices with the option to work full-time, part-time, or on a contract basis following the conclusion of their work placement or internship period. If a post becomes available, they may opt to fill it with interns. In this section of the report, the reader will discover more about the organization's principles and procedures.

2.1.5 Limitation:

During the three-month internship, there was inadequate time to collect significant knowledge about their management and marketing operations. The first month of the program was pushed back a week because of an increase in COVID cases at my workplace. This happened because of a one-week break in my internship in late January, when COVID-19 appeared out of nowhere. I was unable to keep a close eye on the workplace when I was working from home for the entire week. In addition, I found it difficult to keep track of what was going on in other areas since I was so focused on my own. Nonetheless, I gave it my all and was able to collect data for this area of my report.

2.1.6 Significance:

My internship research will help students interested in interning at IPDC and learning about the company's culture. Students researching internships may find the material beneficial. My work includes SWOT analysis, marketing, and management. This survey will help IPDC learn how its workers see its HR and accounting systems and future development prospects. The experience has also helped me adjust to a business environment, something I hope to do in the future.

2.2. Overview of the Company:

2.2.1 Historical Background of IPDC Finance Ltd.:

Industrial Promotion and Development Company of Bangladesh Limited was Bangladesh's first private DFI/NBFI on November 28, 1981. (NBFI). The Aga Khan Fund for Economic Development (AKFED) and the International Finance Corporation (IFC) helped fund its establishment (GOB). The Bangladesh Bank granted IPDC a financial institution license under the Financial Institutions Act of 1995. IPDC Finance Limited helped construct Bangladesh's industrial climate while many of its top firms were young.

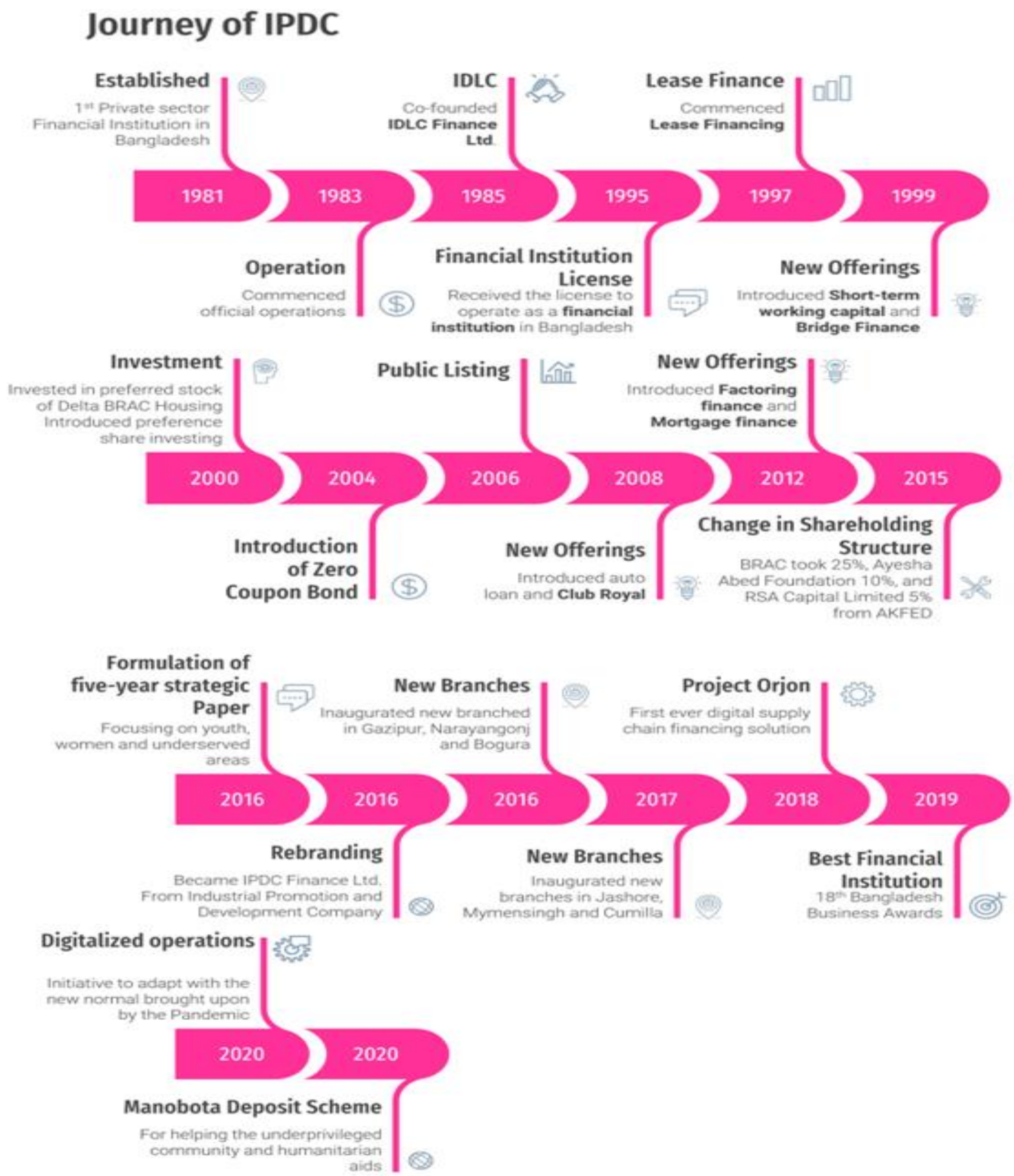

***Figure 1**: Historical Glimpse of IPDC Finance*

Since its creation, the IPDC has helped growing nations' industries. During Bangladesh's ascent, they worked with several global corporations. One of the nation's few banks has helped private enterprises grow. IPDC has participated in innovative activities in Bangladesh. We'll spotlight a few people from various fields to offer the reader a taste of this list.

2.2.2 Key Acquisitions:

Holcim : *First Preference Share Investment*

Apollo Hospitals Dhaka : *First International Standard Private Hospital*

Scholastica : *First Institutional Investment in Private Sector Education*

DBH : *First Housing Finance Company*

Summit : *First Independent Power Producer*

Fantasy Kingdom Theme Park : *First Theme Park*

National Housing Equal Housing Lender : *Second Housing Finance Company*

: *First Leasing Company*

: *First Private Sector 5 Star Hotel*

: *First Private Sector TV Channel*

BRAC, Ayesha Abed Foundation, and RSA Capital Limited bought 40% of AFFED's shares, leaving AKFED with 11.5% and providing local institutions a stake in IPDC Finance Limited. Industrial Promotion and Development Company of Bangladesh Limited (IPDC Finance Limited) was renamed and launched in 2016, ushering in an era of growth, empowerment, independence, and innovation.

2.2.3 Shareholding Structure of IPDC Finance Limited:

Founding Shareholders:

The Government of the Peoples Republic of Bangladesh (GOB)	

The Aga Khan Fund for Economic Development (AKFED), Switzerland	
International Finance Corporation (IFC) and affiliate of World Bank	
German Investment and Development Company (DEG), Germany	
Commonwealth Development Corporation (CDC), United Kingdom	

Figure 2: *Shareholding Structure of IPDC Finance*

2.2.4 Current Shareholding Structure of IPDC:

SHAREHOLDING STRUCTURE AS ON MARCH 31, 2022

Authorized Capital (Tk.)	: 8,000,000,000
Total paid-up capital (Tk.)	: 3,710,915,470
Total Number of shares	: 371,091,547

SL No.	Name of Sponsor	No. of Shares	% of paid-up capital
1	The Government of the Peoples' Republic of Bangladesh (GOB)	81,193,210	21.8796%
2	BRAC	92,772,883	25.0000%
3	Ayesha Abed Foundation	37,109,152	10.0000%
4	RSA Capital Limited	18,554,574	5.0000%
5	Bluechip Securities Limited	29,831,193	8.0388%
6	Institutions	62,102,192	16.7350%
7	Foreign	265,966	0.0717%
8	General Public	49,262,377	13.2750%
	Total Shares	**371,091,547**	**100.000%**

Figure 3*: Share Numbers and Paid-up Capital*

2.2.5 IPDC synopsis:

Figure 4: *IPDC Logo*

IPDC Finance Limited was Bangladesh's first private non-banking financial institution. The United States, Germany, the International Finance Corporation (IFC), the Aga Khan Fund for Economic Growth (AKFED), and the German Investment and Growth Company are founding partners (DEG). In 1981, IPDC Finance Limited applied for long-term loans in Dhaka, Bangladesh. IPDC is a bank or other financial entity under the 1993 Act (FIA). The public limited business trades in Dhaka and Chittagong.

Moreover, IPDC's unique financial products and services had a considerable influence on the private sector when it initially opened for business. In addition to corporate finance and consultancy, the company's portfolio includes retail wealth management and retail finance. IPDC fulfills clients' financial needs. A lot of golden projects have been completed as a consequence.

Furthermore, this has generated one of the most proficient NBFI corporate teams. IPDC has long-term client relationships. The companies were Holcim (first preference share investment), Apollo (first international standard private hospital), Scholastica (first institutional investment in private sector education), DBH (first housing finance company), Summit (first independent power producer), Fantasy Park (first theme park), National Housing (second housing finance company), IDLC Finance Limited (first leasing company), Westin (first private sector 5 star hotel) and Ekushe TV (First Private Sector TV Channel). IPDC's objective is to become a market leader through empowering women and youth. This decision changed the organization's activity. IPDC is making progress thanks to upcoming developments. When redesigning the non-banking corporation, the organization thinks it must reflect who it is and become who it wants to be. IPDC hopes to boost the economy through enhancing decision-making and assessment.

2.2.6 IPDC Finance Limited Vision Statement:

To develop itself as the country's most passionate financial brand, with a particular emphasis on youth, women, and underprivileged groups.

2.2.7 IPDC Finance Limited Mission Statement:

Their mission lies in providing innovative financial solutions in a considerate, up-to-date, verifiable, and budget friendly manner to their clients and communities in order to enable them to reach their greatest potential.

2.2.8 Goals of IPDC Finance:

- To dominate the Bangladeshi lending industry in the areas of home construction, automobile purchases, and the establishment of small and midsize enterprises.
- To create a top-performing service company that can expand its customer base while also increasing its income.
- To foster a favorable and friendly work environment, that may encourage positive motivation for growth of organization.

2.2.9 Strategic Objective/Initiatives of IPDC Finance Ltd:

IPDC Finance Limited prioritizes doing business with honesty. They value a diverse community and workforce. They use cutting-edge technologies to provide excellent customer service. On their unwavering desire to succeed in the financial world. Strategic initiatives include:

- **Extending Retail Credit Outside of Megacities:** IPDC wants to expand retail credit outside of metropolitan areas where competition has not yet intensified.
- **Home Loan Service:** For IPDC to expand its home loan portfolio, it must enter new markets specially people in the middle- and lower-income brackets, with a fresh set of products to meet the growing demand.
- **Opportunities for women empowerment:** Through the utilization of financial resources, they attempt to establish and promote women-owned small and medium enterprises.
- **Bringing reliability at doorstep:** The IPDC aims to establish a significant presence in the consumer finance sector over the next few years, taking advantage of rising per capita income, increased purchasing power of the demography, a growth in the proportion of

small homes, and an increase in expenditure on consumer durables and lifestyle items.

- **Development of Entrepreneurship and Small Business:** IPDC caters to the needs of the next generation of entrepreneurs by providing them with the appropriate product offerings and channels of distribution.

2.2.10 Primary focus of the Business:

Their core business is investment and finance. The bank offers debt collection, commercial credit, factoring, project finance, and leasing. Advising is available. IPDC refocused its 2020 strategy plan on small-ticket retail deposits to maintain the previous year's massive surge in long-term retail lending.

2.2.11 Fundamental Core Values of IPDC Finance Ltd:

***Figure** 5: IPDC Core Value Structure*

[**Retrieved from:** IPDC Annual Report 2020]

IPDC Finance Limited follows certain guidelines. The company's basic principles are its foundation. They evaluate the client's experience, fame-seeking confidence, and uniqueness tolerance.

2.2.12 Corporate social responsibility (CSR) Activities:

***Figure 6**: Corporate Social Responsibility Logo*

In 1981, the country's first private financial institution/non-bank was backed by a global alliance and the World Bank Group's International Finance Corporation. (IFC). IPDC Finance Limited kept banking this way. It's a major financial institution that has advanced our nation's economy. IPDC joined in CSR to exhibit social responsiveness and benefit society. This includes:

- For the first time, seven women were acknowledged for their achievements in various fields and efforts to improve women's empowerment. (2019)
- IPDC Finance presented Nagar Krishi's LITTLE FARMER on the British Council campus. They learned about tree planting, rooftop farming, indoor plants, aquaculture, rooftop fish farming, an insect museum, and quizzes. They wanted to inspire a generation that cares about the planet's future.
- Helping the UCEP Institute of Science and Technology educate and develop impoverished children.
- Aid to BRAC's "We Stand for Korail" fund-raising campaign to help those who lost everything after Dhaka's largest slum caught fire in December 2016. You've helped BRAC.
- Giving the poor blankets, food, and face masks.
- A silver jubilee presented to the Uttara Ladies Club for promoting women's inspiration and encouraging them to overcome poverty. • Their aim is to aid in defending the essential yet crucial rights of underprivileged children in our society (DCI).
- "Lady Unbound" will support female entrepreneurs.
- Public restrooms are being constructed to avoid moderate-to-severe illnesses.

- IPDC planted trees at Kurigram and Barguna, Bangladesh.
- IPDC Finance Limited distributes toys through Toys-R-Yours.
- Women from Mirpur-12's Mollah Slum got a free three-month sewing training course as part of the 'Shokhom Project'

2.2.13 Products and Services offered by IPDC:

IPDC Finance had 285 full-time employees and 10 offices in 2020. The group also plans to build operations in Mymensingh and Comilla, Bangladesh, by 2022. The company's expansion plan involves building booths and tiny offices in rural regions. People and organizations from many areas can now use IPDC's products and services.

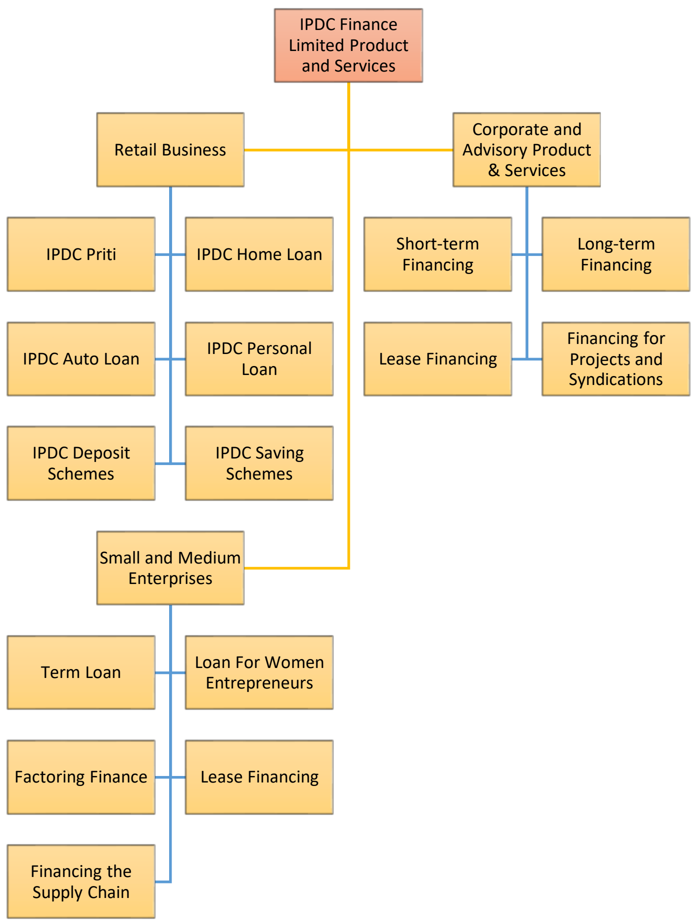

***Figure 7**: Organogram of Products and Services of IPDC Finance*

Source: Constructed by the Author (Adapted from IPDC Annual Report 2020)

1. Retail: Their significant experience with clients has given them a great grasp of their needs. The company was founded on customer service to deliver quick and easy financial solutions to clients. Individual Financial Services offers personal financial products and services. This unit delivers superior services while ensuring maximum security. There is competition for depositors' money and depositor-backed lending opportunities. Items and services associated to retail include:

Figure 8*: IPDC Home Loan Advertising*

i. **IPDC PRITI:** PRITI descends from Pritilata Waddar. PRITI offers a wide range of services. This has two uses. Deposit and lending products. Fixed Deposit (FDR), Deposit Pension Scheme (DPS), Millionaire Scheme, Double Money Scheme, and Ultiflex are deposit sub-categories. Home Loan, Bhalobasha Home Loan, Auto Loan, and Personal Loan are loan sub-categories.

ii. **IPDC Home Loan:** The housing and mortgage division offers a number of options to help customers build their own homes. Each consumer receives a customized home loan proposal. The Home & Mortgage Unit offers home loan packages to meet client demands.

iii. **IPDC Auto Loan:** IPDC provides auto loans for car purchases. IPDC may lend to car-buying consumers. By taking out this loan, consumers will benefit from our department's emphasis on vehicle finance.

iv. **IPDC Personal Loan:** IPDC lends money according on consumers' needs. This area focuses on client demands and offers choices. The Personal Loan Unit provides short-term loans to the needy.

v. **IPDC Deposit Schemes:** IPDC offers many deposit options. General, monthly, cumulative, and quarterly fixed deposits are available. Double Money Deposit twice investors' money. Annual, Cumulative, General, Monthly, Double, and Quarterly Profit Schemes are provided. Annual Profit Schemes, Fixed Deposit Genera, Cumulative Profit, Monthly Profit, Quarterly Profit Schemes, Double Money Deposit Scheme (DMDS).

vi. **IPDC Saving Schemes:** Deposit Premium, Millionaire Deposit, and Ultiflex Deposit fall here. Their Operating Income Scheme pays at least BDT 10,000 in interest annually. In a Cumulative Profits Scheme, $10,000 earns interest. Three to six-month deposits of BDT 10,000 or more earn income under Fixed Deposit Scheme General. Monthly Profit Scheme gives monthly interest on BDT 50,000 for three to five years.

2. Corporate and Advisory Product & Services: The Corporate Financial Services Division of IPDC provides a wide variety of financial services to large public and private organizations worldwide. Among the corporate financial conglomerate's products are:

i. **Short-term Financing:** Short-term financing for regular business operations. Working capital finance provides short-term liquidity to businesses to help them run their operations. This part also helps the organization achieve its goals. The preferred stock and common equity purchases are complete.

ii. **Long-term Financing:** Long-term finance helps customers achieve corporate goals and cover capital and operating costs. Some cash have been set aside for the organization's long-term activities. Term loans finance customers' capital and operating costs, process innovation, and line balance.

iii. **Lease Financing:** Lease finance can acquire commercial and industrial gear or a new building. Leased industrial equipment and machinery. Leasing options include industrial gear, office equipment, generators, cars, yachts, and engines.

iv. **Financing for Projects and Syndications:** A coalition of financial institutions was formed to support large-scale investments. The financial consultant is IPDC. IPDC syndicates major investment projects for financial institutions.

3. Small and Medium Enterprise: SME's contribute significantly due to their minimal environmental impact, low energy consumption, and infrastructure. SME development has affected income distribution, women's empowerment, employment rates, and industrial expansion. It's utilized to buy cars and machinery. SMBs can lease. Schemes in this area include:

i. **Term Loan**: A term loan might be for a long or short period. A corporation uses long-term finance to pay recurrent capital and fixed-asset expenditures. Short-term finance provides firms with short-term loans to assist them bridge a cash flow shortfall.

ii. **Loan for Women Entrepreneurs:** "Joyee" is the lending plan's 8% APR. The Joyee funding package is designed to help women advance their professions. This method boosts women's business success possibilities.

iii. **Factoring Finance:** IPDC's clients can acquire immediate cash against their receivables through factoring, relieving the first party of a debt for a fraction of the original amount and providing working capital.

iv. **Lease financing:** IPDC can lease a company's needed vehicle or equipment. Small and medium-sized firms can utilize leasing to finance fixed assets including commercial and industrial equipment, machinery, generators, cars, boats, and other vehicles.

v. **Financing the Supply Chain:** Small business owners can get customized funding from IPDC. Pran-RFL and IPDC Finance Limited collaborate in the supply chain but are independent companies.

2.2.14 Organogram of Organizational Structure of IPDC Finance Limited:

Figure 9: *Horizontal Multi-Level Hierarchy Organizational Structure of IPDC*

Source: Constructed by the Author (Adapted From IPDC Annual Report 2020)

2.2.15 IPDC Finance Limited's Management Structure:

By expanding its venture capital operations, the organization has been able to maintain a strong its position. The following figure summarizes the current administration systems used nowadays:

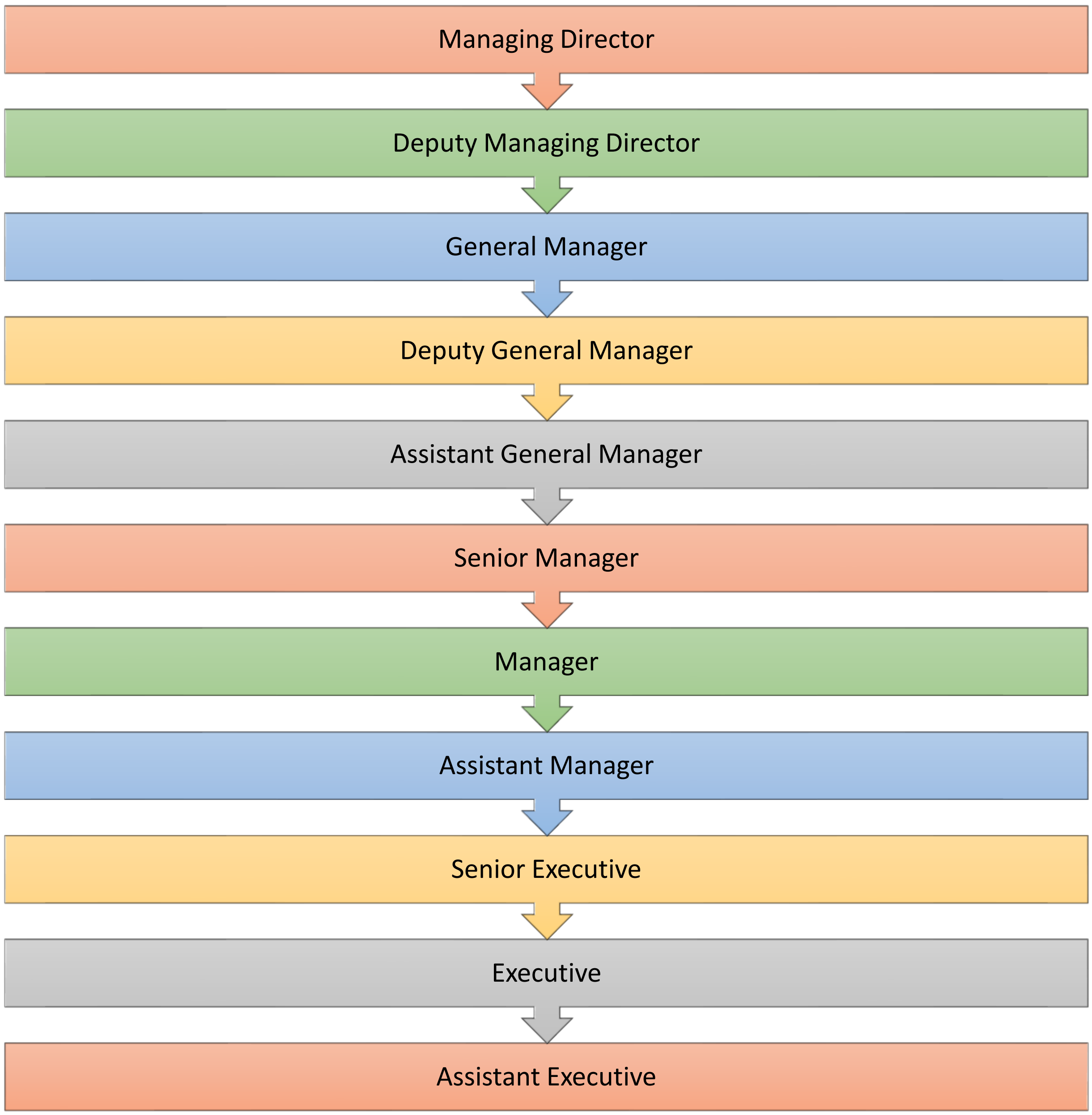

***Figure 10**: Management Structure of IPDC Finance*

Source: Constructed by the Author (Adapted from IPDC Annual Report 2020)

2.3. Management Practices:

2.3.1 Leadership Style:

Organizational objectives are achieved through setting goals, developing processes, and applying laws. Leadership is needed to manage corporate initiatives. IPDC uses Participative Leadership, one of four described styles. As contrast to traditional management, participatory leadership involves the entire team in most decision-making. All team members are informed of the company's alternatives and given the chance to comment. Even though Participative Leadership takes more time than other leadership styles, research shows that it increases employee engagement, retention, and workplace collaboration.

Participative Leadership helps IPDC accomplish its aims. Chapter 2 outlines goals and techniques. IPDC wanted a cheerful workplace, more clients, and more revenue. When a corporation adopts participatory leadership, leader and workers communicate and exchange ideas, increasing connection and idea flow. They plan, decide, and act. This guarantees success. This strategy boosts morale and boosts organizational success. Honesty was their purpose while discussing thoughts and remarks. By utilizing this leadership approach, IPDC is developing a varied community. Leaders will feel welcome if they consider member comments. Self-confidence influences success. Interactive leadership helps IPDC achieve its goals.

2.3.2. Human Resource Planning Process of IPDC:

IPDC invests in human capital as part of its overall strategy. The firm refines and implements new human resource management practices to keep employees engaged and happy. As a result, they are devoted to attracting the finest and brightest applicants. Human resources handles employee benefits, labor law compliance, and fair remuneration. They make sure the company meets labor standards and pays workers fairly. The tasks demand these skills. Human resource management also includes performance assessments, salary plans, and other employee perks.

2.3.3. Recruitment and Selection Process:

All department heads must receive approval from the Management Committee when budgeting annually. Monthly budgets must be established and sent to human resources. HR and business executives meet once a month to update a three-month rolling manpower strategy. They give HR a list of job criteria and an estimated salary range. The Managing Director must approve a new position that wasn't in the company's budget. The company's budget provides for hiring. Board approval is necessary for direct reporting to the MD. Sign a Requisition Memo before hiring. Both US and international applicants are accepted. The role's merit will determine where to find applicants. IPDC recruits in these places:

- Coworker recommendations
- IPDC website
- Sometimes, "job search engine" is utilized.
- Professional networking networks like LinkedIn
- Internships available
- Recruiters & HR pros

IPDC HR promotes IPDC as a wonderful place to work and interacts with candidates. IPDC receives several applications when a vacancy is announced, showing that HR is attempting to hire competent people. IPDC's rebranding to "Unbounders" emphasizes infinite learning possibilities for future leaders. Since 2017, IPDC has hired two student batches. 14 leading Bangladeshi universities were visited by IPDC management trainees.

A panel interview or assessment center may be employed. We'll contact those chosen for a second or third interview. HR will collect pay and benefits if allowed. False answers disqualify a candidate. Each candidate receives a Recruitment Memo.

2.3.4. The Compensation System:

Each worker is classified and paid based on their tasks. IPDC must offer competitive perks to attract outstanding professionals. IPDC's incentive scheme encourages new hiring, current employees, and top performers to stay.

i. **Pay and benefits:** Employees are paid on the 23rd or 24th of every month. During the festival month, the Management may pay earlier.
ii. **Annual Survey:** Management may change salary and allowances depending on performance and supervisor/department head recommendations. The annual review process modifications begin April 1.
iii. **Festival bonus:** Workers on the Company's payroll at the time of payment distribution get a one-month basic salary bonus.

iv. **Tax:** Taxes are deducted according to the Income Tax Act. Employees obtain a withholding certificate after the taxable year.
v. **Complimentary**: Permanent employees receive a one-month bonus for each year of service. Gratuities are based on 12-month service. After ten years, employees get 1.5 months' basic salary.

Other benefits include a welfare fund, business club membership, professional membership, group life insurance, medical insurance, and hospitalization insurance.

2.3.5 Training and development initiatives:

Self-development and training boost employee productivity and company success. IPDC's training and development strategy involves three phases: "know," "should know," and "good to know." These three processes are hierarchical. Advanced training is "good to know." Methodical and rational staff selection should use these. HR will offer in-house training sessions in partnership with department leaders. External technical or professional training must be funded by the employer (including travel expenses and other fees). However, However, the following method applies:

i. Before deployment, supervisors/department heads and the CEO must approve.
ii. Job relevance and required training
iii. As a job (whether full-time and permanent basis) Contribution

After the training, as the firm's value increases.

2.3.6 Performance Appraisal System:

At IPDC, Performance management is a three-step procedure that emphasizes continuous growth. Each level has distinct aims and ambitions. Performance management is the major tool for setting individual career objectives and choosing successors.

i. **Performance Planning:** The year's action plan on the basis of creating realistic and quantifiable performance goals, outputs, and objectives.
ii. **Periodic progress evaluations/ constructivefeedbacks:** Regular progress updates and feedback maintain open communication lines. IPDC encourages free communication between employees and managers to improve overall performance. As part of

performance management, supervisors should assess progress and offer constructive feedback.

iii. **Yearly Performance Review:** All staff are told about the yearly performance review. They make a list of key conversations, triumphs, and opportunities for growth.

2.4. Marketing Practices:

2.4.1 Marketing strategy:

IPDC Finance Limited's integrated marketing communication team has worked relentlessly to ensure the success of promotional campaigns. Their sole choice for swift commercial supremacy. Before launching a marketing campaign, the corporate communications staff provides ideas and selects the best ones. Anyone in the corporation may sabotage the agenda. IPDC's plan launch is unique. IPDC's marketing strategy is as follows:

i. The best concept is picked to start.
ii. Second, formal management suggestions are provided. The management community chooses to meet for two days to discuss particular strategy plans and their implementation.
iii. After debate and strategic planning, implementation concepts are adopted and executed using proper processes.

After planning, a session with connected agencies is held to discuss campaign ideas. Multiple firms produce alternate presentations and choose the best one. The agency made a final presentation for the Management Committee and Marketing Director. The CMO examines the whole presentation and adds to the final version utilized by the Management Community.

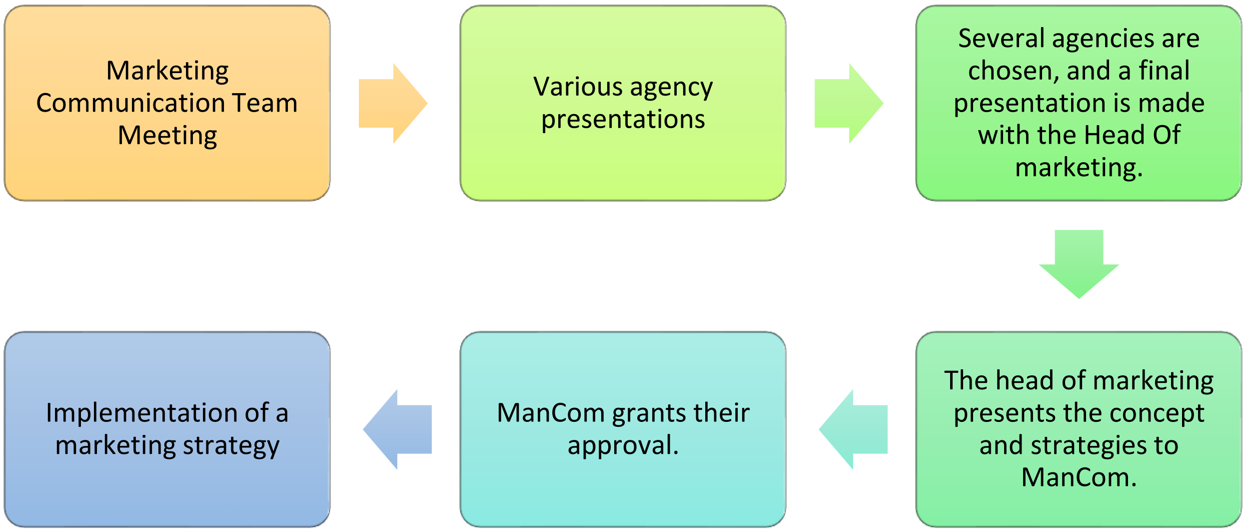

***Figure 11**: Marketing Strategies to make the campaign plan into action*

Source: Constructed by the Author

The campaign's timeframe and message integration are crucial. "Connectedness" refers to how successfully Facebook, radio, newspapers, and TV advertising link messages. A message must be written so it may be published on Facebook, radio, newspaper, or TV. All target audiences need consistent messaging.

2.4.2 Target customers, targeting and positioning strategy:

IPDC Finance Limited services families, big and small enterprises. IPDC is focusing on housing to widen its client base, according to the Daily Star. IPDC's retail chief Savrina Afrin says the company has excelled by establishing sustainable business models at a time when other financial institutions have suffered from defaulted loans and lack of corporate control. It collaborates with well-known builders and gives generous financial aid to help people acquire dream houses. Real estate relies on steel, cement, fixtures and fittings, labor, and interior design, to mention a few. IPDC's brand positioning tactics include:

i. **Reference point:** IPDC Financing Limited is a service-oriented non-bank financing institution.
ii. **Parity point:** Non-bank financial institutions provide checking and savings accounts, online transactions, and competitive interest rates on deposits and loans. Finance clients demand timely, high-quality service for these aspects of banking.

iii. **Distinctive Point:** IPDC has the industry's lowest nonperforming loan ratio, giving it a AAA credit rating. This year's finest financial institution award. IPDC provides attractive deposit rates, low-interest loans for women, and no closing costs for home and auto loans.

2.4.3 Marketing channels:

Figure 12*: Marketing Channels of IPDC*

First, choose a communication channel and sketch out their relationships. IPDC aims to maintain different communication channels and media linkages to be well-received and recognized in both non-bank and bank sectors.

Marketing communications rely on the media. IPDC integrates media. Not anymore. IPDC Finance has 378,321 Facebook followers. Facebook is used by 80% of Bangladesh's internet users. It's crucial for advertising and communication. They started pre-campaigns on Facebook, promoting customer success stories. Facebook success stories might attract clients. Bangladeshis are dreamers who love success tales.

IPDC builds relationships with consumers and cares about their communities. They raise awareness. Diverse media must be integrated. IPDC's marketing department works hard. Both the newspaper and Facebook target distinct audiences. The newspaper publishes the identical item on Facebook (Business, Sports and Entertainment etc.).

2.4.4 Product/New product development and competitive practices:

Every marketing effort has a purpose, unlike wish lists. IPDC launched Bijoye Jadughor last July

4th. It celebrated average people's achievements and free-life liberties. Eid Ucchash provides a free return ticket.

***Figure 13**: The Unsung Women Nation builders awards*

The Unsung Women Nation Builders Awards honor grassroots women changemakers. Bangladesh Supply Chain Excellence Awards 2018 launched Bangladesh's first supply chain financing eco-system (BSCEA). Tourists can pick IPDC and other choices at the domestic airport.

2.4.5 Branding activities:

"Jaago Ucchashe" stood out amid the blue, green, and yellow primary depositories seeking national appeal, but the IPDC stood out in magenta. It describes a unique manner of existence. The country was surprised by one of the most dramatic corporate rebrandings in history towards the end of 2016. IPDC's marketing plan includes GDN, GNR, YouTube, and other digital media.

2.4.6 Advertising and promotion strategies (with specific commentary on social media and digital marketing)

Figure 15: *Promotional Strategy Glimpse*

Figure 145: *Unique promotional Strategy 'Amader Gaan'*

Tamim Iqbal represents the IPDC. (2021 Business Standard) Tamim Iqbal commended IPDC's business acumen and service. He says he's responsible for all brand promotions. Financial decisions add stress. IPDC is one of the country's fastest-growing, strongest, and most customer-focused firms. Moreover, amader gaan is a modern rendition of a Bangladeshi folk song composed for the country's 50th anniversary. Its studio recordings are influenced by a wide range of musical influences. Facebook profile of IPDC amader gaan CREATO manages IPDC Finance's musical platform with Partho Barua's songs.

2.4.7 Critical Marketing issues and gaps (If any):

IPDC's advertising strategy should emphasize traditional media including TV, radio, print, and outdoor. Due to the shutdown, they've been focusing on social media and event sponsorship entirely for the past few months. With prominent social media platforms like Instagram, individuals may learn about our nation's financial status and ask questions during a live chat show with well-known firms and influencers (The Business Standard, 2021). After the round, the IPDC may host a quiz show and honor the winning team. Brand value may be created.

2.5 Financial Performance and Accounting Practices:

2.5.1 Financial Performance (DuPoint Analysis):

When analyzing a range of diverse sources of equity returns (ROE), the DuPont method can be applied. Moreover, investors may choose to focus their attention on specific crucial financial performance measures, such as return on equity (ROE), in order to analyze a company's strengths and vulnerabilities. Operating efficiency, asset utilization efficiency, and financial leverage are the three most important financial variables that influence return on equity (ROE). To determine the profitability of a firm, profit margins, which are defined as earnings divided by total sales or revenue, can be employed. It is possible to estimate the efficiency of an asset by calculating its asset turnover ratio (ATR). The equity multiplier factor, which is equal to the sum of average assets divided by the sum of average equity, is used to determine leverage.

Particulars	2020	2019	2018	2017	2016
Return on Equity (ROE)	12.1%	12.1%	13.1%	11.4%	11.5%
Net Profit Margin	3.35%	7.06%	4.5%	3.03%	9.75%
Contribution on Net Profit Margin:					
a) Operating Profit Margin	16.8%	11.84%	11.23%	6.73%	5.02%
b) Non-operating Items	11.50%	9.81%	7.52%	5.73%	3.40%
c) Tax Effect	4.13%	4.34%	4.77%	3.47%	3.52%
Asset Turnover (times)	0.04	0.03	0.04	0.04	0.05
Financial Leverage (times)	11.55	10.55	12.46	11.63	7.14

Figure 16: *Financial DuPoint Analysis of IPDC*

The smaller the combined value of all DuPont analysis components, the lower the negative impact on Return on Equity. As a result of these three reasons, the Net Profit Margin declined from 7.06 percent in 2019 to 3.35 percent in 2020. Due to the rise in net interest income over the previous year results in an improvement in the Operating Profit Margin from 11.84 percent in 2019. The Operating Profit Margin increases from 11.84 percent to 16.8 percent in 2020, from 11.84 percent in 2019. As a result of this increase, the loan loss and other provision increased from 15.21 percent to 47.81 percent, representing a 28.74 percent increase in provision.

Compared to 2019, the Tax Effect has reduced from 4.34 percent to 4.13 percent for 2020. Efficiencies in asset use on an average basis Loans and advances were paid back, resulting in a higher turnover than in the previous year. As a result of the strong asset expansion, the Financial Leverage grew from 10.50 to 11.55 in the year of 2020

2.5.2 Accounting Practices:

There is a comparison of major financial performance and position for the current year and the previous four years under Shareholder's Information, along with explanations. Managing Director and CEO's Statement provides an overview of the company's current and future performance and position in the market.

- **Total Assets:**

The Bank's consolidated assets climbed from BDT 64.40 billion in 2019 to BDT 75.97 billion in 2020, representing a 12% rise. As a result, IPDC's total assets increased by 11.5 percent in 2020, from 64.40 billion BDT in 2019. IPDC's total assets increased by 11.5 percent in 2019. By introducing new and creative products to the market, IPDC has been able to provide a significant number of loans and advances to its customers.

- **Investments:**

IPDC's consolidated investments increased by BDT 1.57 billion during the fiscal year under review, bringing the total to BDT 5.14 billion. A government bill and bond purchase program were implemented by the non-Bank to meet the enhanced statutory liquidity requirement. Bangladesh Bank, as a principal dealer bank, orders IPDC to purchase government securities and participate in government securities auctions.

- **Liabilities:**

From BDT 58.83 billion in 2019 to BDT 69.91 billion in 2020, the Bank's consolidated total liabilities climbed by over a third. IPDC's overall liabilities increased by 20.67 percent in 2019 compared to BDT 46.76 billion in the previous year. In the form of deposits, other obligations, and borrowings, the amount of liabilities increased.

- **Risk Assets:**

During the year 2020, IPDC's loans and advances reached 53.60 billion Bangladeshi takas. From 2019 to 2020, offshore banking activities would have BDT 15.60 billion in outstanding loans and advances, an increase of BDT 11.42 billion. Lending and advance returns will be 8.13% in 2020, down from 10.50% last year. One of the notes to your accounts provides financial information. Much lower than the industry average, IPDC has a nonperforming loan rate of 4.60 percent in 2020.

- **Depreciation:**

Specific to depreciation, the decreasing balance technique is employed in line with IAS-16, "Property, Plant and Equipment," to determine the amount of depreciation to be recorded. The following depreciation rates were used to compute the depreciation:

Category of Fixed Assets	Method of Depreciation	Rate of Depreciation
Land	N/A	N/A
Immovable Property	Reducing Balance Method	2.50%
Furniture & Fixtures	Reducing Balance Method	10%
Office Equipment	Reducing Balance Method	20%
Motor Vehicles	Straight Line Method	20%

Figure 17: *Accounting Practices 'Depreciation Methods'*

2.6 Operations Management and Information System Practices:

2.6.1 IT steering committee's function:

The IT steering committee has the following roles and responsibilities:

- Monitor IT department management practices to identify and achieve IT department strategic objectives.

- Offer guidance on the dangers and precautions of using information and communication technologies.
- Help with the funding and acquisition of IT software and hardware.
- Evaluate and approve the project priorities and the viability of the ICT idea
- Ensure that all big projects have appropriate risk management and mitigation strategies in place.
- According to IPDC criteria, provide guidance on technology selection.
- Direct Bangladesh Bank required regulatory and legal requirements

2.6.2 New advances in IPDC's ICT Policy:

- IPDC has sought technological progress in recent years. Their latest upgrade is ORJON. IBM and IPDC created ORJON digital supply chain platform. SME's can incorporate to receive collateral-free, low-cost finance through the organization's program.
- A supply chain management eco-system is then built with the help of firms using this data. The United Kingdom's Department for International Development (DFID) contributed to the creation of the For the Poor in Bangladesh Program (BFP-B) platform (DFID).
- Using this data, organizations build a supply chain management eco-system. With UK assistance, the For the Poor in Bangladesh Program (BFP-B) platform was built (DFID).
- The new platform aims to build a safe, transparent ecosystem as a new norm for financial inclusion, security, and transparency. Linking value chains promotes economic efficiency, sustainability, and optimization. First Southeast Asian Blockchain-Based Digital Supply Chain Finance Platform

2.7 Industry and Competitive Analysis:

2.7.1 Porter's Five Forces Analysis:

Long-term growth requires industry and external influences. Michael Porter's Five Forces Model evaluates five factors that affect sector competitiveness. Business and industry success is determined by competition, supplier bargaining power, customer bargaining power, new entrants, and alternative goods. Porter's Five Forces:

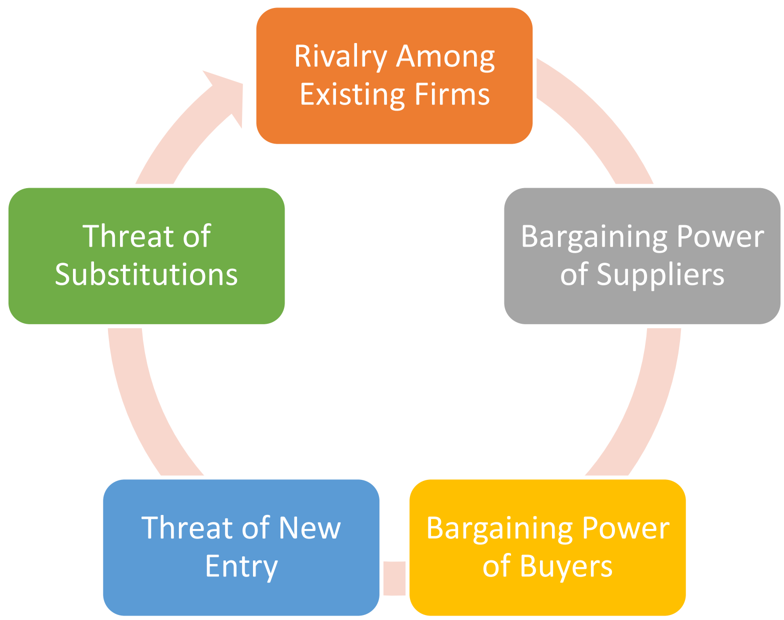

***Figure 18**: Porter's Five Forces Analysis of IPDC Finance*

i. **Rivalry Among Existing Firms:** The financial industry in the nation is more competitive than ever, as evidenced by the presence of 35 nonbank financial firms and 50 banks. This never-ending rivalry is fueled by the following factors:

- Costs of switching: Because of the high degree of competition, switching service providers is quite reasonable.
- Quality of Service: Despite operating in a highly competitive market, IPDC has developed a reputation for offering outstanding services to its clients.
- Loyalty of Customers: Because to IPDC's new marketing strategy, the company's customer loyalty is increasing hence retention has also increased.

ii. **Bargaining Power of the Suppliers:** The buyer's competitive environment and profit potential may be affected by this negotiating leverage in the industry.

- The Cost of Supplier Switching: Changing suppliers may be costly, and finding a specialist source is a huge job in and of itself.
- Level of Concentration*:* Providers in this field have a great deal of knowledge and expertise, which offers them a privilege in bargaining.

- Concentration of Investment portfolios: Providers in this field have a great deal of knowledge and expertise, which offers them a privilege in bargaining.

iii. **Bargaining Power of Buyers:** Buyers' bargaining power is one of Porter's Five Forces. It is the pressure that customers/consumers put on businesses to get better products.

- Differentiation of Product and services: Customers may benefit from the fact that all NBFIs provide almost comparable product ranges.
- The Cost of Production: Due to their cheap cost of production, buyers have the option of negotiating with NBFIs when obtaining financial services.

iv. **Threat of New Entry:** New entrant hazard refers to the threat posed by new competitors to existing firms. This happens when a new company offers a similar product or service as an old company.

- Economic on a wider scale: If new entrants arrive, they will be unable to supply the service on a larger scale, hence mitigating risk.
- Legal Obstacles: Regulations governing NBFI activities are rather rigorous, which decreases the danger of new entrants.
- The Edge of Being First: As the nation's first private sector non-bank financial institution, IPDC has a particular advantage when it comes to doing business in the country. It would be difficult for any new NBFI to sustain the level of quality that IPDC has done throughout the years.

v. **Threat of Substitutions:** Businesses fear losing market share to competitors' products or services. When rivals or non-industry groups produce more appealing and/or cost-effective options, the risk of replacement increases.

- Deposit Programs: A number of co-operative organizations provide members with profitable deposit programs in exchange for their investment in the organization.
- Uncontrollable Credit: A range of unregulated lending schemes represent a danger to NBFIs in general.
- E-banking Service: The proliferation of MFS throughout the nation has made it

possible for users to easily deposit excess funds.

2.7.2 SWOT Analysis:

First, IPDC's structure, framework, microenvironment analysis, and industry position are studied. SWOT analysis guides later planning phases. First, SWOT must determine target feasibility. This SWOT analysis will assist investors and readers understand how we may use strengths, convert weaknesses into strengths, seize opportunities, and decrease risks.

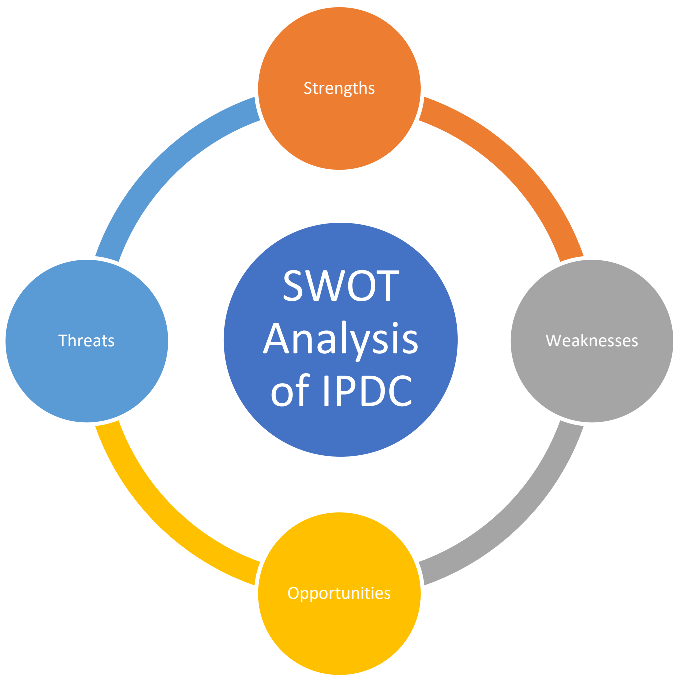

***Figure 19**: SWOT Analysis of IPDC Finance*

A. Strengths:

- **The company's brand and position in the market:** An established company, IPDC has carved itself a distinct niche in the market. As a company, it has a proven track record of shareholder trustworthiness and financial strength. In the financial sector, IPDC is well-known. When it began, the company was a pioneer in its field, constantly focusing on the demands of its customers. It's a win-win situation for the company because of their excellent brand image.
- **IPDC's productivity has seen a boost**: IPDC's aim is to provide precise and complete solutions that are tailored to the specific requirements of each customer. Lending/loan

application processing is one of their core activities, and they are known for doing so in a timely and effective manner. Applicants' applications are examined and responses are sent as soon as possible.

B. Weaknesses:

- **A greater range of options:** By expanding its product and service offerings, the corporation may end up losing its key emphasis on core services.
- **Funding costs have increased**: Nonbank financial institutions (NBFIs) have a higher cost of capital than traditional financial institutions as a result of the large share of income earned by commercial banks in their operations. Clients may also provide IPDC with shorter-term deposits, which necessitates a more transparent foundation for IPDC's deposit in order to reduce the firm's overall average cost as much as possible.

C. Opportunities:

- **Insufficient commercial banks have led to a rise in loan restrictions**: NBFIs don't need a 70:30 debt-to-equity ratio like commercial banks. IPDC and other NBFIs provide bigger lending limits than commercial banks. Thus, IPDC's client-recruiting potential increases. IPDC Finance Limited is mentioned.
- **Investing opportunities from other countries:** An increase in investment is currently being seen in the country's financial market. As a result, IPDC has a tremendous chance to grow in this expanding new industry.

D. Threats:

- **New non-bank financial institutions (NBFIs) pose a threat**: NBFIs offer comparable products and services. IPDC is threatened. IDLC, Lanka Bangla, Meridian, and Midas are competitors. Already mentioned: IDLC Finance Limited.
- **Commercial bank rivalry:** NBFIs play a key role in leasing, despite the fact that only a few commercial banks are interested in the sector. As a result, IPDC must deal with an expanding number of rivals.

2.8. Summary and Conclusions:

IPDC Finance Limited, the country's top corporate financial institution, wanted to deliver clients an exceptional experience while maintaining its integrity and social responsibilities. The group is revamping to attract more young people and help poor neighborhoods. This amount of product variety has proven sufficient, but if market conditions change, firms may need to differentiate their products more to suit customer expectations. Recent legislative changes have allowed businesses to enter new markets. IPDC Finance Limited has set criteria for non-bank financial institutions (NBFIs) to follow in empowering youth, women, and the poor.

I received great skills and expertise throughout my three-month internship at IPDC Finance Limited. Working with some of the country's sharpest financial brains has improved my sector-specific abilities and market responsiveness. My journey taught me life lessons that will help my career. My Treasury Department internship helped me grasp the middle market. This gave me insight into large companies' hiring needs.

My internship was best since I never did the same thing twice. Companies assign interns boring, time-consuming work. During my time at IPDC, I was able to directly contribute and communicate with decision-makers, which helped me understand their rationale. Several important issues were brought to my attention while working with them; I've listed some solutions below.

2.9. Recommendations/Implications:

IPDC Finance has one of the best corporate cultures in the industry, and its business procedures remove functional inconsistencies. There's more than meets the eye. After three months at that organization, I understand the overall picture and am confident in my abilities to make insightful observations and give sound solutions.

- I noticed how departmental miscommunication delayed loan application answers. Despite the potential of a counterargument, the observation is recognized as valid. In a fast-paced corporate atmosphere, a communication failure might be devastating. To boost productivity, remove this communication.
- Spending less on paper and using less can save money. It's also eco-friendly. Even if the organization's paper use has reduced due to its partial move to the internet in response to

the epidemic, they may be able to plan their paper use moving forward.

- Because it involves approval from several decision-makers, loan application approval might be lengthy. I think the procedure can be shortened if authorization is requested concurrently with the operation.
- Even though the responsible parties tried to enhance team spirit, it's heartbreaking to see how much stress each employee endured at work. Flexible targets would have reduced employee stress.
- The epidemic requires more work-life balance. The employer may provide flexible hours, child care, and other amenities. Workers should work when and where they wish. Plan the home office's furniture and equipment.
- Customize each employee's training curriculum. Senior and midlevel employees require foreign training to enhance motivation. Each level's requirements must rise to advance. Continued education ensures applicants' best efforts.

Chapter 3: Project Part:

'Application of CAMEL rating strategy to make a comparison of IPDC Finance Ltd.'s performance to one of its key competitors'

3.1 Introduction:

The most important findings and conclusions drawn from the study are discussed in this section. The name of this project also gives the impression that we will gain knowledge on how to use the CAMEL rating system in order to evaluate and contrast the performance of IPDC Finance Ltd. with that of IDLC Finance Ltd., which is one of IPDC Finance Ltd.'s primary competitors.

3.1.1 Background:

Recently, Bangladesh's financial industry has struggled. Most financial institutions are in danger due to defaulted advances, non-performing loans, and other issues. The epidemic also hurt the economy. The COVID19 virus has devastated the banking industry, a vital aspect of any nation's economy. The 2020 Coronavirus interrupted our strategy to increase our finances. Even though debts were significant before the epidemic, they soared. If the second corona breakout occurs this year, the financial industry may be affected. NPL may contribute to bad performance, but it's not the main cause. Inadequate mechanisms, loose governance, and money laundering can lead to poor control.

Bangladesh's banks tremendously boost the economy. Bank types and sizes vary widely. Non-bank financial institutions (NBFIs) have covered bank financial service gaps. NBFIs can now provide more services and goods to consumers. Non-bank financial firms are vital to capital markets and real estate (NBFIs). Most NBFIs have commercial banking subsidiaries, like banks. Bangladesh Bank risk-monitors NBFIs (Bangla). In FY18, NBFIs had strong asset and deposit growth.

Under the 1993 Financial Institutions Act, the Bangladesh Bank can give and monitor NBFI licenses. According to Bangladesh Bank's Financial Institutions Regulation, 1994, a financial institution needs BDT 1 billion in paid-up capital. NBFIs are commercially smaller than banks. Non-bank financial institutions do not take money market funds, cheque or draft deposits, or expressly requested deposits (NBFIs). Savings and checking deposits, cash credits, overdrafts, and other services are unavailable. NBFIs get money through public deposits, commercial papers, bonds, and banks. Term deposits have a 3-month minimum maturity. They're not covered by Bangladesh Bank's deposit insurance. They can't exchange gold or foreign currencies. If the Bangladesh Bank approves, they may get a foreign loan. The Bangladesh Bank imposes many restrictions on non-bank financial institutions (NBFIs), including rules on income recognition, asset categorization, provisioning, capital adequacy, single and group borrower exposure limitations, and prudential controls on capital market exposure. 34 non-bank financial entities exist in Bangladesh (NBFIs). Three are government-owned, 12 are joint enterprises, and 19 are private. As of 30 June 2018, there were 262 NBFI branches. Dhaka has 92 branches, while the other 34 have 170.

CAMEL assesses a bank's financial presentation. Banks are graded 1-5. One indicates an excellent scenario, five severe difficulties. Not all 2-point ratings are remarkable, but ratings below 3 are insignificant. This survey uses CAMEL. In a performance evaluation, financial indicators assess a company's financial health. Current and future organization responsibilities are evaluated. Execution is measured by liquidity, productivity, action, and obligation. CAMEL establishes capital sufficiency in terms of loan affiliation designs and hidden assumptions. Asset

Quality displays risk adaptability, strategies, and procedures. Non-operations are protected. Long-term bank viability influences earnings. Turning assets into cash decreases upfront spending. Market risk affectability. Financial institution directors love CAMEL.

3.1.2 Objective(s):

Broad Objective:

The broad objective is the core reason for the specified research. It describes the reasoning why the research is being undertaken.

The broad objectives of this research are mentioned below:

- To accomplish the graduation of Bachelor of Business Administration (BBA) degree granted at BRAC University which is the general regulation according to the university policy
- To comprehend the and analyze the camel rating of IPDC Finance Limited and compare its performance with one of its key competitors (IDLC Finance Ltd.).

Specific Objectives:

The main purpose of the specific objectives should be split into specific objectives for making up a proper direction into the project.

In case for this certain report, the specific objectives for this study are:

- To estimate IPDC Finance Ltd.'s CAMEL Rating and that of its main competitor.
- Ratio analysis and CAMEL Rating Analysis of IPDC Finance Limited and IDLC Finance Ltd.
- To estimate CAMEL rating, there will be Ranking Analysis and Time series Analysis of each bank.
- To estimate the analysis of benchmark, there will be an application of composite rating.
- Recommending how IPDC Finance Ltd. can improve their CAMEL rating.

3.1.3 Significance:

As a student's first real-world experience in the non-banking profession, this chapter's major goal is to serve as a reference point for future endeavors. Non-banking industry in Bangladesh will be assessed by comparing financial results of IPDC Finance Ltd. and IDLC Finance Ltd. IPDC Finance Ltd. may benefit from the suggestions in the report. Chapters one and two of my report focused on my personal experience and the lessons I've taken away from my internship thus far. In addition, this area of the report has the second vital attribute in that it may teach the readers a lot. It's another benefit of this report because the author will be eager to share his thoughts with the reader and solicit comments. The report also offers the reader with a thorough insight of IPDC Finance Ltd. and the author's internship experience. When the user first encounters the problem, he may have a thorough comprehension of it from beginning to end. It is claimed by the author that this study would give a thorough examination of the non-banking sector.

Furthermore, the non-banking sector's performance, regulation, and oversight are assessed nationally. A full ratio analysis, ranking analysis, camel rating, and overall composite rating will follow. The C-Capital Adequacy Ratio considers the CAR Ratio. A-Asset Quality measures nonperforming loans. M-Management Efficiency includes cost-to-income ratio. ROA and ROE are in E-Earning Capacity. Credit Deposit Ratio is essential to L-Liquidity Management. The probe will also help the non-bank financial organization enhance its credit rating.

3.2 Methodology:

This study employs a systematic approach beginning with the gathering of unprocessed data and continuing through the writing of the concluding report. The requirements of the Non-Banking Act governed the research's source selection and data collecting processes. After categorization, analysis, and systematized organization, the following is the general approach taken by the methodological approach:

Acquisition and selection of data: The selected topic named “Application of CAMEL rating system to make a comparison of IPDC Finance Ltd.’s performance to one of its key competitors’’ was selected after discussing with my on-site supervisor of the organization and with my assigned supervisor from BRAC University. Basically, there are two methods of collecting the data. They are:

i) **Information Obtained from Primary Sources:** The following is a list of information obtained from primary sources:

- Working in a variety of fields has provided me with real-world knowledge and skills.
- Bank employees, administrators, and executives were involved in the conversation while collecting information.
- Bringing together the knowledge and expertise of a variety of fields.

ii) **Information obtained from Secondary Sources**: In order to construct this study, we consulted the following secondary sources. Following are the secondary sources from which the following data were compiled:

- IPDC Finance Ltd. Financial statements and notes over the previous five years.
- IPDC Finance Ltd.'s website was used to acquire the information.
- Annual Report of IPDC Finance Limited and IDLC finance Ltd from the year 2016-2020.
- The Bangladesh Central Bank's official website provided me all the information I needed.
- To gather information, a variety of textbooks and academic journals were used.
- Document official distinct from IPDC Finance ltd.'s official website.
- Several research and papers used that have been published on the subject.
- The report is also based on readings from the other relevant courses of finance.

3.3 Findings and Analysis Part:

3.3.1 Introduction of CAMEL Rating:

In the financial sector, a common kind of statistical analysis is known as the CAMELS rating. As is the case in every other nation, people utilize it in Bangladesh as well. Since the early 1990s, the complete financial status of a bank, as well as its compliance with banking rules and regulations, and its general operational soundness, are all examined using the five CAMEL components in Bangladesh. This evaluation process has been ongoing.

The CAMELS Rating is a method that is used by financial organizations to evaluate the overall financial health of a bank and to identify the bank's strong points and weak areas. In order to prevent the failure of a bank, regulators maintain a close check on the institutions and search for significant flaws that need improvement. If financial institutions are able to steer clear of crises like these, public faith in the financial system will increase. The Federal Deposit Insurance Corporation (FDIC), the Federal Reserve System (FRS), and the Comptroller of the Currency all use the strategy that will be described in the following paragraphs. One of the most typical reasons for the failure of a bank is poor management. However, there is no proof that can be considered credible of inadequate management. As a result of this, financial institutions are graded using a scale with five points that is known as CAMEL which is stated below:

a. Capital Adequacy (C)
b. Asset Quality (A)
c. Management Efficiency (M)
d. Earnings Capacity (E)
e. Liquidity Management (L)

3.3.2 Composite Rating Description:

The following five aspects which are capital adequacy, asset quality, management effectiveness, earnings potential, and liquidity management will each be given a score between one and five on a scale from one to five. The following is a list of some of the world's most well-known beginnings:

Rating 1: A rating of 1 indicates that an institution has performed very well. Receiving a rating of 1 denotes doing something of the highest caliber.

Rating 2: This rating denotes performance that is above average and ensures that the operations of the financial institution are safe and sound. With a score of 2, the financial institution has shown that its duties are sufficiently safeguarded, and its performance is superior to what was anticipated

Rating 3: An attempt that earns a grade of three is considered satisfactory, although there was room for improvement. Basically, a score of three suggests that the presentation could need some improvement.

Rating 4: A performance that receives a score of four is considered to be subpar or extremely inadequate. On a scale of one to four points, a performance that is unimpressive and without significance.

Rating 5: A score of five indicates that the performance of the bank is so poor that drastic measures are required to turn things around as soon as possible. A score of five denotes unsatisfactory performance, which has to be improved expeditiously in order to guarantee the financial institution's continued viability over the long term.

3.3.3 Ratio and CAMEL Rating Analysis:

RATINGS:	1	2	3	4	5
Capital Adequacy	>15%	12-14.99%	8-11.99%	7-7.99%	<6.99%
Asset Quality (NPLs/TL)	<1.25%	<2.5-1.26%	<3.5-2.6%	<5.5-3.6%	>5.6%
Management Efficiency(cost/income)	<25%	30-26%	38-31%	45-39%	>46%
Earning Capacity ROA	>1.5%	1.25-1.5%	1.01-1.25%	0.75-1.00%	<0.75%
ROE	>22%	17-21.99%	10-16.99%	7-9.99%	<6.99%
Liquidity (TL/TD)	<55%	62-56%	68-63%	80-69%	>81%

***Figure 20**: Ratio Analysis Rating Chart*

3.3.4 Capital Adequacy:

Regulators establish the capital ratio because a bank with enough capital reduces risk (typically defined as capital divided by assets). Because some banks lacked capital, capital requirements were raised. Capitalized banks can tolerate losses and survive a financial crisis better. Higher capital ratios earn higher capital adequacy grades. Even a bank with enough capital might fail if its balance sheet isn't maintained. In dealing with banks, regulators must go beyond capital sufficiency.

The capital adequacy ratio evaluates a bank's ability to withstand withdrawals and still meet client commitments. This issue can only be solved by a bank's capacity to acquire enough capital. The risk-weighted assets-to-capital ratio defines a bank's capital adequacy. The CAMELS rating system uses a bank's capital adequacy to evaluate if it has adequate money to cover losses. Capital adequacy ratio measures a bank's capital. Central banks manage CAR ratios. It's a protection against a bank collapsing.

Capital Adequacy Ratio (CAR):

As a safety net, this ratio ensures that banks can tolerate large losses. Higher CAR ratios indicate better bank strength and, hence, more protection for shareholders. The Basel Accord mandates that NBFIs maintain a capital adequacy ratio (CAR) of at least 10%, including a minimum of 5% in core capital.

Formula: CAR= (Tier-1 capital + Tier-2 capital) / risk weighted assets

Capital Adequacy(CAR Ratio)

	2016		2017		2018		2019		2020		
NBFI's	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Average Ratings**
IPDC Finance Ltd.	22.09%	1.00	15.14%	1.00	14.01%	2.00	19.30%	1.00	18.51%	1.00	1.2
IDLC Finance Ltd.	13.25%	2.00	15.30%	1.00	15.47%	1.00	14.82%	2.00	14.59%	2.00	1.6

Figure 21: *Capital Adequacy Ratios and Rating of IPDC and IDLC*

Ranking Analysis:

The greater a bank's CAR, the more likely it is to survive a financial crisis or other unanticipated losses. Here, it is noticeable that in 2016 IPDC had the highest CAR Ratio, but then it decreased and in 2019 it increased again but in 2020 it went down slightly. Now, it is known that NBFI's may increase their regulatory capital ratios by growing regulatory capital (the ratio's numerator) or decreasing risk-weighted assets (the denominator of the capital ratio). From the annual report notes, it was visible that even though Tier-1 increased and Tier-2 capital increased significantly from year 2019 to 2020 but their risk-weighted assets increased from 35.43 billion to 39.16 billion which caused their CAR ratio to decrease.

This ranking reveal that IPDC Finance Ltd. was ranked 1 in 2016 and 2017, 2 in 2018, and 1 again in 2019 and 2020. They've had five years of consistent performance. IPDC Finance limited has better capital and solvency ratios than statutory standards, but larger issue assets. They did everything they could to ensure depositors and investors got their money back.

IDLC Finance Ltd. scores 2.00 in 2016, 1.00 in 2017 and 2018, and 2.00 in 2019 and 2020. All capital levels will meet regulatory requirements. Future funding is possible. In 2017 and 2018, they enhanced regulatory compliance and expanded with new funding. In 2019, they violated regulations. Regulatory supervision ensures that management and shareholders solve concerns. They must monitor the criteria carefully, lest problem assets grow.

Time-series Analysis:

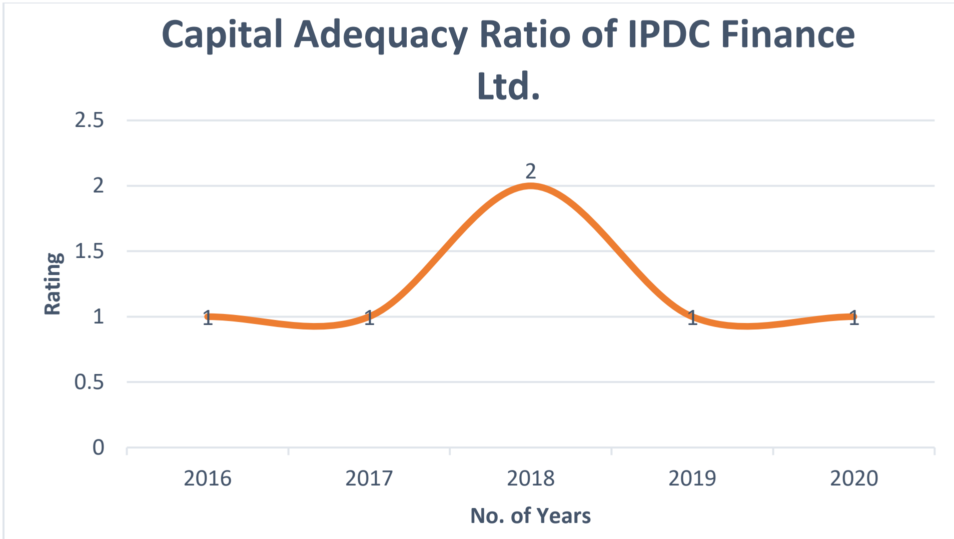

Figure 22: *CAR Ratio Time-Series Ranking Analysis of IPDC*

IPDC Finance Limited.: In 2016 and 2017, the capital adequacy ratio score remained unchanged for the subsequent two years; however, it increased in 2018, and in 2019 it regained its previous score. This suggests that their performance is reasonably stable when the financial institution's regulatory framework is entirely secure and safe. Their capital and solvency ratios surpass regulatory minimums, although their problem assets were rather large.

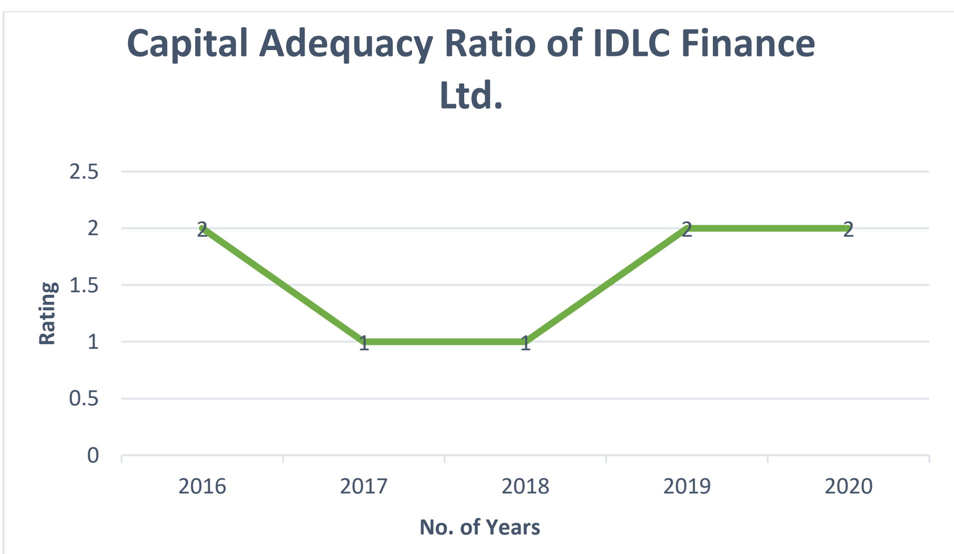

Figure 23: *CAR Ratio Time-Series Ranking Analysis of IDLC*

IDLC Finance Limited: The year 2016 places Bank Asia in position 2, which implies that the bank satisfies regulatory requirements for capital and solvency ratios, although their issue assets are considered to be relatively considerable. The rating changed during the years 2017, 2018, 2019, and 2020, with the bank's rating increasing for the first two years before declining for the last two years. It is a clear indication that a rank of 2 for the bank indicates that it was exceptional and that it was unable to raise new capital.

3.3.5 Asset Quality:

Each bank is responsible for making its own choices about the distribution of the cash that has been deposited, and these choices have an impact on the credit risk that the bank faces. As a consequence of this, the authorities investigate the bank's assets, which consist of loans and securities. A financial institution's liquidity can be measured by an examination of the loans it currently holds. As a direct consequence of this, the quality of the asset, which is mostly comprised of loans and advances, has deteriorated. In addition, it is vital to focus on loans that are not doing well in order to accurately forecast the percentage of the bank's loans and advances that are expected to go into default.

Non-performing loans/total loans:

Nonperforming loan ratio (NPL ratio) is the proportion of a bank's nonperforming loans compared to total loans. NPL ratios measure a bank's ability to collect past-due loans. Lenders assess the performance of their lending selections using non-performing loan percentage. A higher ratio suggests increased credit risk by evaluating the bank's loan portfolio.

Formula: Non-performing loans/total loans = NPL/total loans

Asset Quality (NPL/TL) Ratio											
	2016		2017		2018		2019		2020		
NBFI's	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Average Ratings**
IPDC Finance Ltd.	0.71%	1.00	0.62%	1.00	2.14%	2.00	1.57%	2.00	1.38%	2.00	1.6
IDLC Finance Ltd.	2.98%	3.00	2.77%	3.00	2.20%	2.00	3.07%	3.00	1.79%	2.00	2.6

***Figure 24**: Asset Quality Ratios and Rating of IPDC and IDLC*

Ranking Analysis:

A high ratio indicates that the bank has a larger risk of loss if it does not recover the unpaid loan amounts, whilst a low ratio indicates that the bank faces a minimal risk from the outstanding loans. Prior to 2017, IPDC had a lower NPL/TL ratio, as seen in the table above. However, in 2018, the ratio grew, and although it decreased in 2019 and 2020, it is still not low enough to get a 1 rating. And the cause for this is their approximately 74-billion-dollar NPL. Therefore, IPDC should flourish as NPL declines more.

According to this data, IPDC Finance Limited is ranked first in 2016 and 2017, but second in 2018 and the years that follow. Unmistakably, ratios are low in the early years of a rating and rise afterward, resulting in a higher rating. A higher grade shows that the financial institution in issue had a broad portfolio of overdue loans and did not follow its own rules and processes adequately. The nonprofit probably made unsafe loans to corporate insiders. Non-credit assets are also at danger of loss. Since 2017, the score has dropped, likely due to weak oversight. The authorities must be honest if they wish to increase their evaluations and status.

IDLC Finance Limited's rating changes significantly. They were rated third in 2016, second in 2017, third in 2018, fourth in 2019, and fifth in 2020. Their performance varies over time. Its above-average performance ensures the bank's safety and soundness. The bank's large volume of rescheduled and delinquent loans may explain the high NPL/TL ratio. It includes underwriting criteria. They lack account and reserve funds. IPDC has an edge over one of its rivals.

Time-series Analysis:

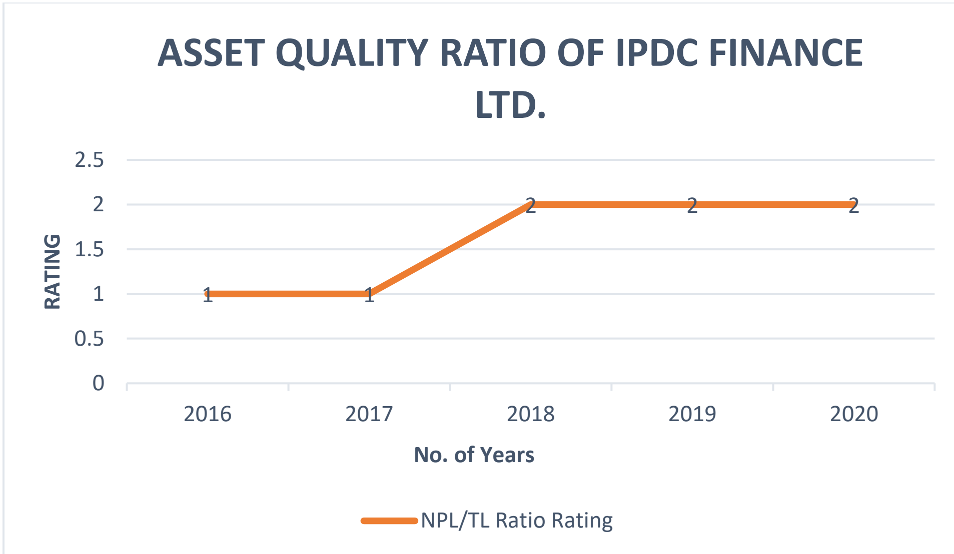

Figure 25: *NPL/TL Ratio Time Series Ranking Analysis of IPDC*

IPDC Finance Limited: They were given a score of '1' for the first two years of the time series, which indicated that their performance was rather consistent during that time period. According to the Asset Quality rating component, a grade of '1' indicates that delinquent and overdue debts are managed by a certain organization in line with the law. In addition, the low risk was given through credit concentrations as well as loans to company insiders.

Starting in 2018, it scored a '2' for three consecutive years. The asset quality grade of "2" is assigned to banks with many of the same characteristics as institutions rated "1," but with minor defects that management may rectify without regulatory oversight. Although issue assets represent less than 10% of total capital, the bank is observing unfavorable trends in delinquent and delayed credit, as well as LLR. The management underwriting criteria and control approaches include flaws. There is tremendous regulatory worry over loans to insiders, but the issue may be easily remedied. Non-credit investments have a poor return and a higher-than-average risk profile, but they do not pose a loss risk.

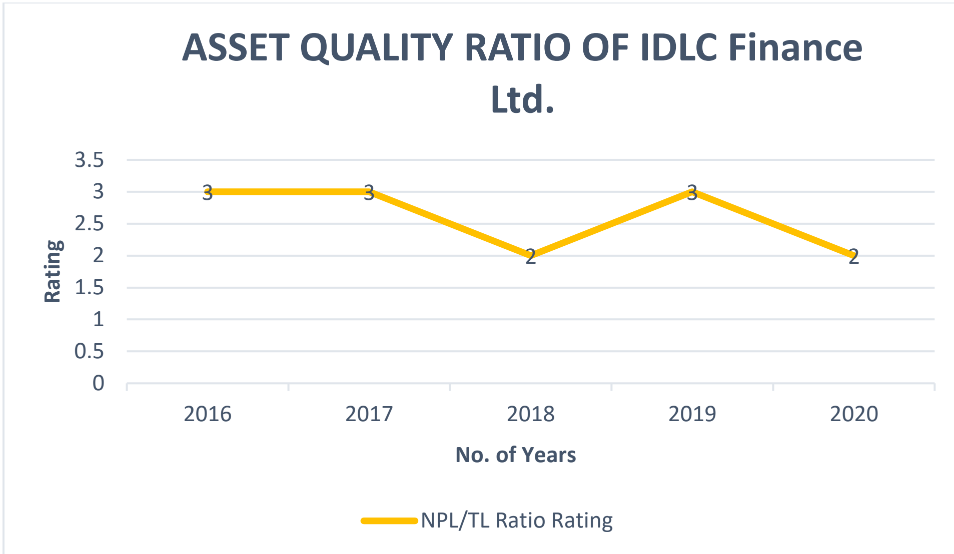

Figure 26: *NPL/TL Ratio Time-series Ranking Analysis of IDLC*

IDLC Finance Limited: Over the course of the last five years, IDLC Finance Limited's performance has been all over the place. Throughout the course of the first two years, they maintained a score of ‘3’. If an NBFI receives a grade of "3" for asset quality, this indicates that it does not meet one or more of the standards listed under "2." It was vital to have regulatory monitoring in order to assure that management could address the problems. This non-bank financial institution (NBFI) has a low loan-to-value ratio (LLR), in addition to a sizeable number of overdue and rescheduled credits. There are not enough underwriting standards in place. In addition to this, there is a lack of proper adherence to policies and processes.

Since 2018, there has been a substantial shift in the scores, however the average has stayed same at ‘2’. This suggests that they were able to deal with the situation and achieved a consistent score of ‘1’, which is equivalent to a rating of 1. Based on this number, it appears that there is cause for regulatory worry over insider loans; nonetheless, the problem may be readily handled. Non-credit investments have a low return and a risk profile that is greater than average, but there is no danger of losing money by investing in them.

3.3.6 Management Efficiency:

One of the most essential aspects affecting a company's success is the effectiveness of its management. It is possible for a company to generate money and profits if its management is capable of handling all of the day-to-day activities of the organization. This indicator determines how successful management is by analyzing how well managers respond to concerns about market competition, assign roles and responsibilities, design pay plans and job instructions, and other similar tasks.

Evaluations include every facet of bank management. The authorities also evaluate the bank's management based on administrative competence, conformity with standards, and adaptability to a dynamic environment In addition, they analyze the bank's internal controls to see if management can spot financial problems. This is subjectivity.

Formula: Cost/ Income= Total Operating Cost/ Total Operating Income

Management Efficiency (Cost to Income) Ratio

	2016		2017		2018		2019		2020		
NBFI's	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Average Ratings**
IPDC Finance Ltd.	40.38%	4.00	45.99%	4.00	40.10%	4.00	45.31%	4.00	40.65%	4.00	4
IDLC Finance Ltd.	37.90%	3.00	40.28%	4.00	40.66%	4.00	41.78%	4.00	38.35%	3.00	3.6

Figure 27*: Management Efficiency Ratios and Rating of IPDC and IDLC*

Ranking Analysis:

Over the past five years, IPDC Finance Limited has obtained a score of ‘4’. A "4" management rating implies several problems. Strong regulation is needed. The Board of Directors may change or reinforce management due to insider wrongdoing. Negative behavior, ignorance of norms, and insufficient processes Bad financial performance can cause bankruptcy.

The corporation must raise operational income or cut operating costs to lower this percentage. IPDC's high operational costs increased their ratio, hence they got a 4 grade.

IDLC Finance Limited originally earned a '3', then their rate declined for three years, and despite the pandemic, they earned a '3' from 2019 to 2020. A management grade of "3" implies one or more difficulties. Regulatory monitoring ensures management and the board take corrective action. There's insider misbehavior. Inadequate risk assessment and planning, incorrect reactions to economic hardship and corrective attempts, poor financial performance, and missing regulations and processes are regulatory breaches. Despite the pandemic, they're in a better situation than IPDC Finance Limited.

Time-series Analysis:

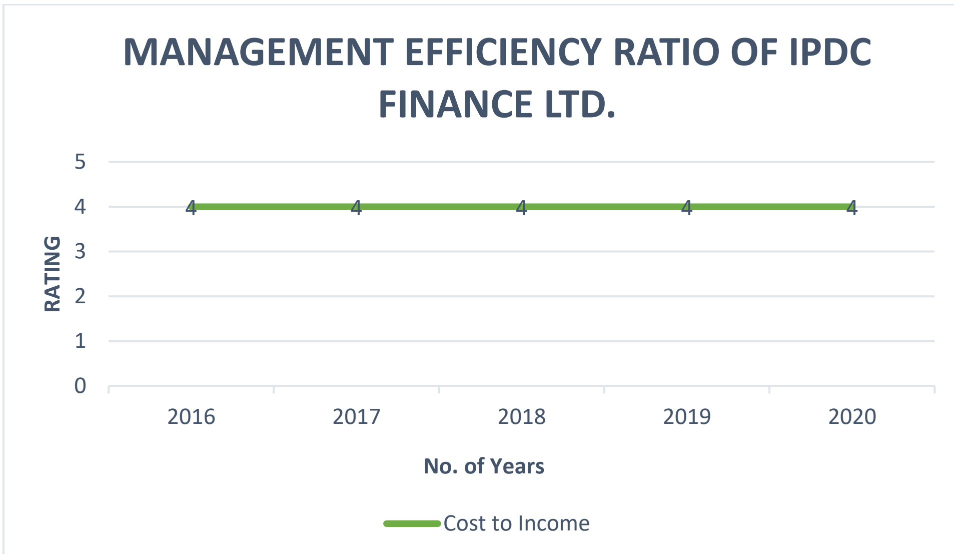

Figure 28: *Cost-to-Income Ratio Time-Series Ranking Analysis of IPDC*

IPDC Finance Limited: Throughout the preceding five years, their ranking has remained unchanged: The management grade of "4" indicates severe deficiencies in numerous areas. A robust regulatory structure is required. Due to 1) insider abuse, 2) disdain for regulatory standards, 3) the lack of adequate processes, 4) harmful acts, and 5) poor financial performance that might lead to insolvency, the Board of Directors should consider removing or strengthening management. Therefore, businesses should strive for a grade of 1, which requires excellent planning, control, the application of internal policies, and the presence of an adequate audit function.

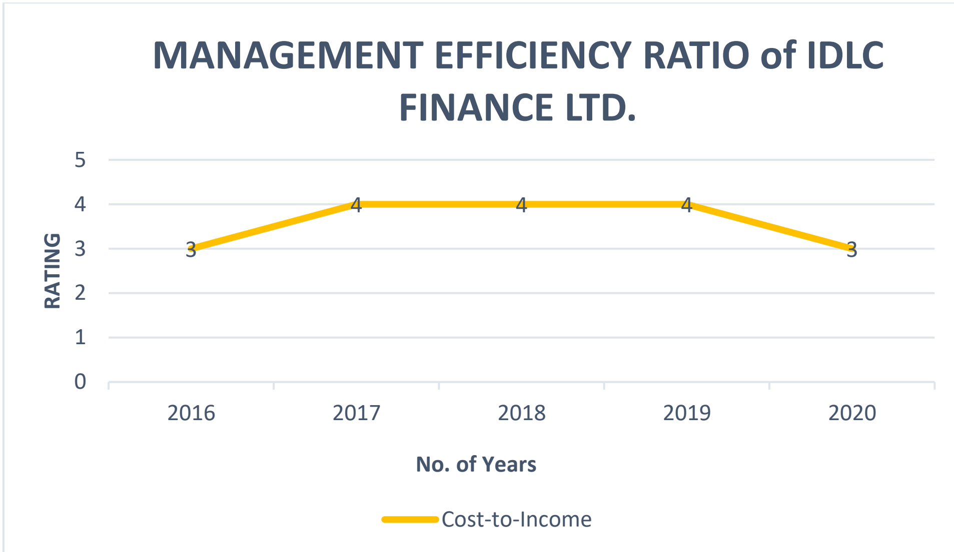

Figure 29*: Cost-to-income Ratio Time-Series Analysis of IDLC*

IDLC Finance Limited: According to the competitor's time series analysis, their ranking changed over time, but they were able to rebound and recapture their former position despite the ongoing epidemic. Nonetheless, because rate ‘3’ is inefficient, they require more effective management. A management rating of "3" indicates that one or more rating categories include significant problems. To guarantee that management and the Board of Directors take corrective action, it requires regulatory oversight. Significant insider abuse and disrespect for regulatory standards are among the problems. Planning and risk assessment are insufficient. Inappropriate economic hardship reactions and remedial measures Additionally, it suggests bad financial performance. Policies and procedures are not documented.

3.3.7 Earnings Capacity:

"CAMEL"E" "'s refers for earnings capacity. Earning capacity is a bank's ability to regularly make profits. To check a bank's finances to determine its long-term survival. CAMEL ratings emphasize risk, but earnings are also key. Negative earnings bring banks down. Return on assets (ROA) measures banks' profitability by dividing after-tax income by assets. A bank's long-term profitability may be judged by comparing its outcomes against the industry's. Now, the bank's performance may be compared to rivals. As a result, regulators are concerned about the influence of economic changes on the profitability of a bank.

Return on Assets:

Return on assets is a term that refers to the percentage of a company's assets that are successful in producing revenue for the business.

Formula: Return on Assets (ROA) = Net profit (loss)/ Total assets

Return on Equity:

It does so by contrasting the profitability of a firm with the equity of its owners.

Formula: Return on Equity (ROE) = Net profit (Loss)/ Shareholder's equity

Earnings Capacity (ROA Ratio)

	2016		2017		2018		2019		2020		
NBFI's	**2016**	**Rating**	**2017**	**Rating**	**2018**	**Rating**	**2019**	**Rating**	**2020**	**Rating**	**Average Ratings**
IPDC Finance Ltd.	1.34%	2.00	0.85%	1.00	0.89%	1.00	0.87%	1.00	0.93%	1.00	1.2
IDLC Finance Ltd.	1.96%	1.00	1.71%	1.00	1.51%	1.00	1.33%	2.00	1.79%	1.00	1.2

Earning Capacity (ROE Ratio)

	2016		2017		2018		2019		2020		
NBFI's	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Avearge Ratings**
IPDC Finance Ltd.	10.92%	3.00	10.78%	3.00	11.99%	3.00	10.09%	3.00	11.64%	3.00	3
IDLC Finance Ltd.	19.68%	1.00	14.97%	3.00	14.42%	3.00	13.55%	3.00	18.20%	2.00	2.4

Figure 30: *Earning Capacity Ratios and Rating Analysis of IPDC and IDLC*

Ranking Analysis:

ROA: The greater the ROA, the better, as it indicates that the business can earn more income with less investments. Simply said, a higher return on investment (ROI) indicates a more efficient use of assets. It is visible that IPDC's ROA ratio kept decreasing slightly over the year. So, in order to generating or maintaining a good ROA, they should be increasing the net income/profit which is the numerator of the formula.

We can see that IPDC Finance Limited's Return on Asset ranking has remained at '1' throughout time. A Profits Ratio of ‘1’ implies that an NBFI has adequate earnings to fulfill reserve requirements, sustain capital growth, and pay appropriate dividends to shareholders. In addition, they maintained disciplined budgeting, planning, and expenditures. In addition, their primary income and expenditure categories exhibited upward trends. In addition, they relied less on innovative and non-traditional sources of revenue.

Their competition continued to keep the race at a high level of difficulty in order to maintain a flawless record. Both hold an overall rating of 1.2 out of 5. As a consequence of this, they were able to preserve an excellent ROA while simultaneously making significant strides toward improvement in significant aspects of their revenue and expenditures. In addition to this, they relied far less on unusual products and unconventional sources of financial capital. On the other hand, the ROA ratios that they have are noticeably higher than the ones that IPDC Finance Limited has, which shows that they are in the lead.

ROE: In terms of IPDC Finance Limited, the ROE rating had been 3 from 2016 to 2020 respectively. Earnings-wise, the NBFI has a rating of "3," which implies that it does not meet a significant number of grading conditions. The fact that the bank was given a score of "3" for its earnings shows that it does not meet certain grading requirements. It is essential to have regulatory monitoring in order to guarantee that management will take the required actions to improve profitability. It is essential to have regulatory monitoring in order to guarantee that management will take the required actions to improve profitability. Capital might be lost due to insufficient retained earnings.

On the other hand, IDLC’s ROE rate was ‘1’ initially but then it degraded for few years and in the last year it scores ‘2’ again. During the pandemic again they managed to maintain a good earnings rating. However, Rating “2” indicates that it is possible for the bank to meet reserve requirements, promote capital development, and pay dividends due to the amount of income it generates. On the other hand, there is the possibility that there may be some unfavorable results, such as the requirement placed on enterprises to improve their methods of budgeting, planning, and administration as a result of their reliance on irregular income. As a result, management ought to be given the freedom to deal with the problems without intervention from the relevant authorities.

Time-series Analysis:

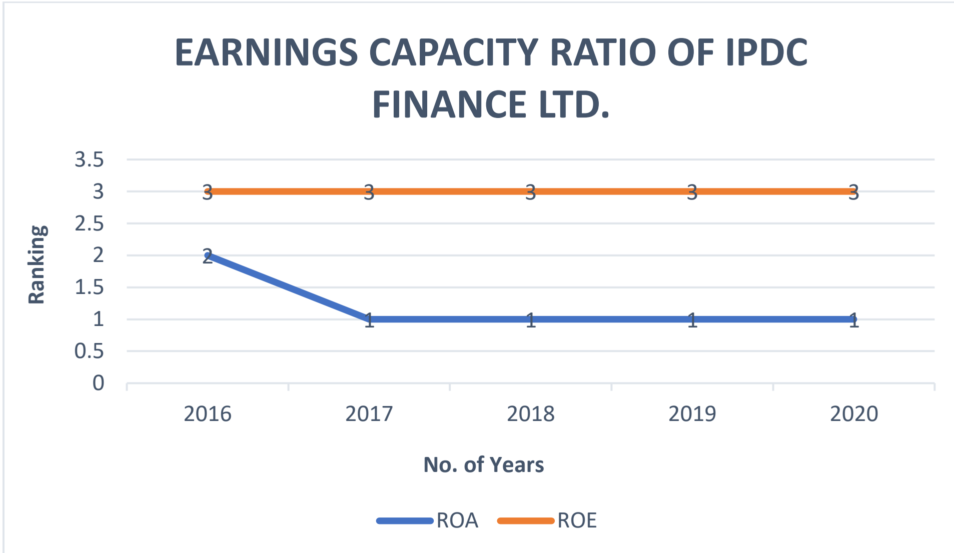

Figure 31: ROA and ROE Ratio Time-Series Ranking Analysis of IPDC

IPDC Finance Limited: We can see that IPDC Finance Limited had scored a ROA rank of 3 in 2016, 2017, 2018, 2019 and 2020 respectively. Earnings-wise, the NBFI has a rating of "3," which implies that it does not meet a significant number of grading conditions. It is essential to have regulatory monitoring in order to guarantee that management will take the required actions to improve profitability. Capital might be lost due to insufficient retained earnings.

Moreover, the NBFI had scored a ROE rank of 2 in 2016 and then it scores ‘1’ in 2017, 2018, 2019 and 2020 which and earning rating ‘1’ indicates that sufficient funds were created to fulfill the requirements for the reserve, to encourage the expansion of the capital, and to pay acceptable dividends to the owners. In addition to this, it exhibits remarkable capabilities in terms of budgeting, planning, and managing one's finances. In addition to this, it provides evidence of positive trends in significant revenue and spending categories. The IPDC became less reliant on unusual commodities and unconventional sources of income.

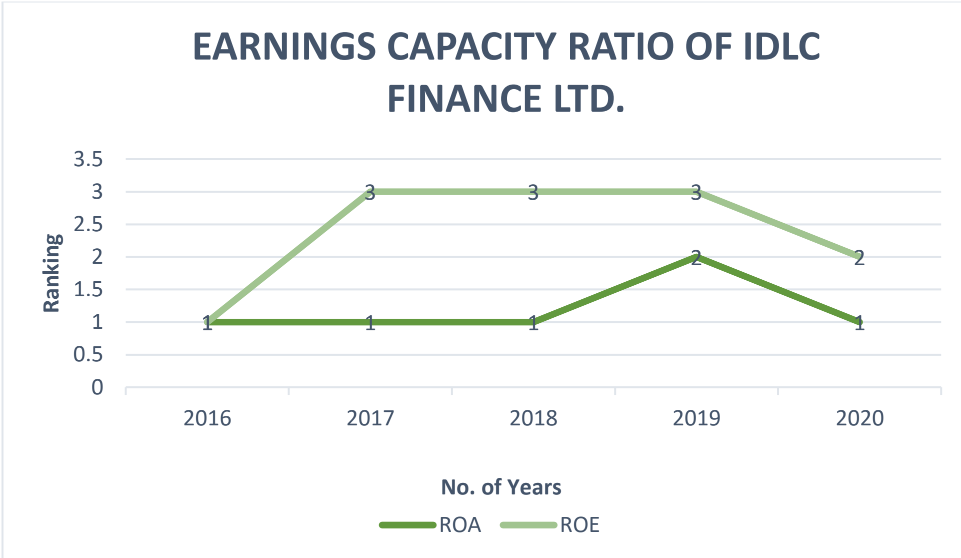

***Figure 32**: ROA and ROE Ratio Time-Series Ranking Analysis of IDLC*

IDLC Finance Limited: The return on assets (ROA) of IDLC Finance Limited grew between the years 2016 and 2020. Its rating of '1' did not change at any point during the Covid-19 event. An earning capacity rate of '1' indicates that this competition has adequate income to meet reserve needs, create capital growth, and pay acceptable dividends to shareholders. This competition also has sufficient income to pay appropriate dividends to shareholders. In addition to this, they maintained discipline in terms of their expenditures, budgeting, and planning.

In case of ROE rank, the ROE rank of IDLC Finance Limited fluctuated in a negative direction. Meaning it was doing great initially and then it degraded to '2' and during pandemic it managed to reach to the score '2' which indicates that the amount of money generated by the NBFI is adequate to satisfy reserve requirements, allow for capital development, and pay dividends, earning it a score of 2. On the other hand, there is the possibility that unfavorable developments may take place, such as a growing reliance on one-time or irregular revenues and the requirement to improve budgeting, planning, and administration. In addition, management should be capable of finding solutions to problems without the involvement of regulatory agencies.

3.3.8 Liquidity Management:

Long-term viability of financial institutions depends on their capacity to appropriately manage liquidity. This can tell whether a bank is about to fail. A bank has sufficient liquidity when it has enough cash reserves to satisfy short-term obligations. "Liquid money" are easily convertible assets. Inability to meet short-term liquidity needs might affect a bank's overall liquidity and efficiency. It means they may not be able to pay depositors, which determines if the bank will fail.

Credit Deposit Ratio: The credit deposit ratio shows how much of a bank's deposits are loaned out. If the ratio is inadequate, the bank will lose money. If the sum is large, the bank may not have enough assets to convert or refund the depositor. Especially if the total is large.

Formula: Credit Deposit Ratio = Total Loans/Total Deposits

Liquidity Management (TL/TD) Ratio

	2016		2017		2018		2019		2020		
NBFI's	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Average Ratings**
IPDC Finance Ltd.	113.40%	5.00	115.87%	5.00	119.58%	5.00	109.41%	5.00	102.20%	5.00	5
IDLC Finance Ltd.	123.72%	5.00	112.57%	5.00	111.68%	5.00	115.03%	5.00	113.93%	5.00	5

Figure 33: *Liquidity Management Ratio and Rating of IPDC and IDLC*

Ranking Analysis:

Optimal loan-to-deposit ratio is 80-90%. In a recession, an NBFI that lends too much of its deposits may overextend itself. If corporations lend too little of their deposits, they may face opportunity costs since their deposits would be idle and generate no revenue. Low LTD ratios may limit banks' interest revenue and profitability. Balance is needed. IPDC's TL/TD ratio is too high, earning a 5 score.

A nonbank financial institution's (NBFI) liquidity may be evaluated with the help of a ratio called the loan-to-deposit ratio (LDR). This ratio compares a company's total loans to its total deposits over a certain time period. The LDR is expressed as a proportion.. If the ratio is excessively high, the NBFI could not have enough liquid assets to fulfill any unforeseen financial demands, and this might put the institution in jeopardy.

According to the research, NBFI, IPDC, and IDLC Finance Limited all scored 5 for 2016 to 2020. This grade suggests that IPDC Finance Limited and IDLC Finance Limited need outside financial help to meet current liquidity demands and avoid failing due to inability to pay creditors and depositors. It proves a bank has crumbled. In other words, IPDC Finance Limited's opponents are in the same position.

Time-Series Analysis:

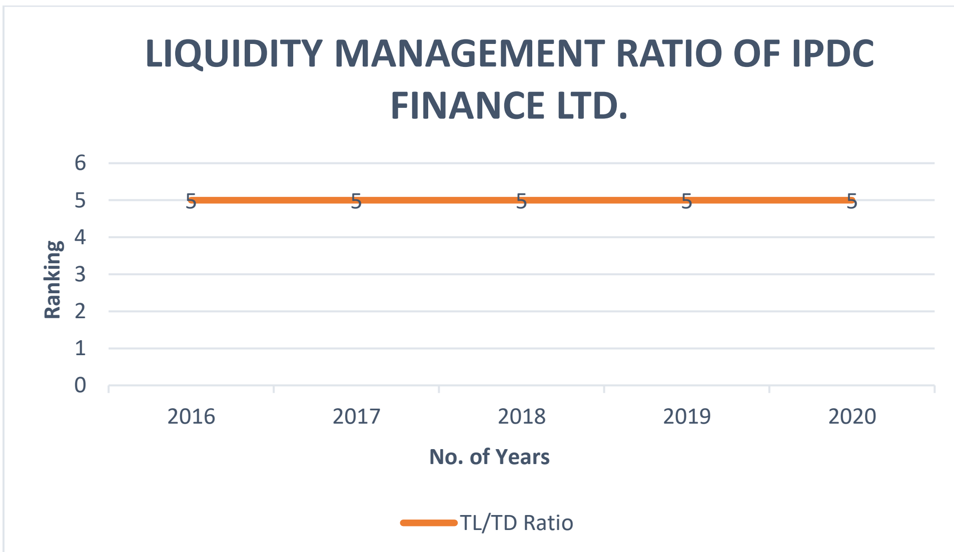

Figure 34: *TL/TD Ratio Time-Series Ranking Analysis of IPDC*

IPDC Finance Limited: From 2016 to 2020, IPDC Finance Limited scored a rank of 5. This is a strong signal that banks may fail in the near future. This issue may be the consequence of management being unable to respond quickly enough to negative trends in order to avert a crisis in the day-to-day operations of the company, as well as a lack of timely attention and regulatory monitoring.

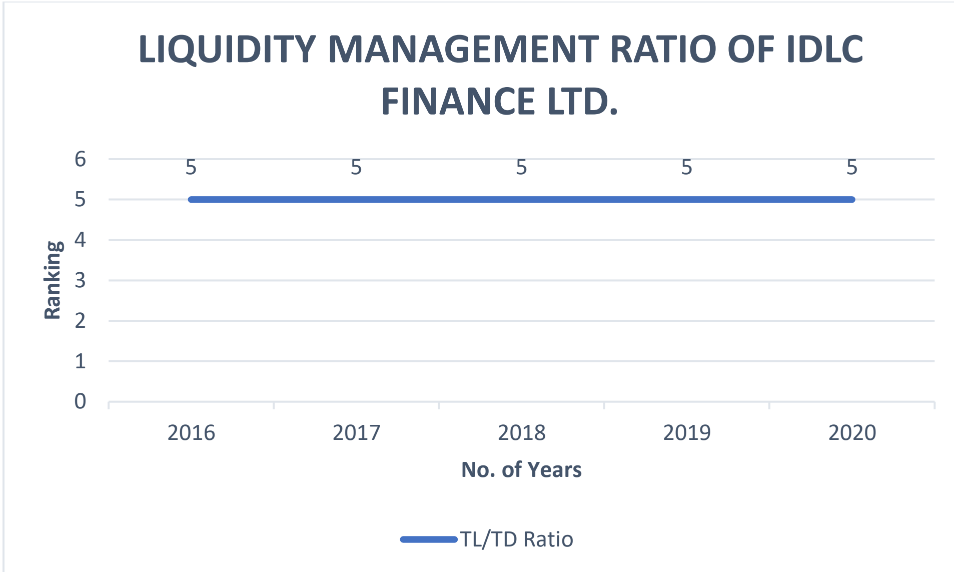

***Figure 35**: TL/TD Ratio Time-Series Ranking Analysis of IDLC*

IDLC Finance Limited: The fact that IDLC Finance Limited has received a grade of 5 indicates that the company requires external financial support to handle the ongoing liquidity challenges it is experiencing and to avoid the mistakes that would come from its inability to pay creditors and depositors.

3.3.9 Composite Camel Rating:

NBFI's	C	A	M	E	L	Average	Composite Rating
IPDC Finance Ltd.	1.2	1.6	4	2.1	5	2.78	**3**
IDLC Finance Ltd.	1.6	2.6	3.6	1.8	5	2.92	**3**

***Figure 36:** Composite Camel Rating Comparison of IPDC and IDLC*

Following the completion of the assessing process for their respective composite ratings, both IPDC Finance Limited and its key rival IDLC Finance Limited were awarded the rating "3," which is equivalent to the term "Fair." The final result of the composite rating puts IPDC Finance Limited and IDLC Finance Limited in a tie for third place. IPDC Finance Limited is the company's key competitor. Based on the total score, it appears that both the IPDC and the IDLC are in satisfactory operational condition.

This category of composite ratings comprises financial institutions that have supervision problems in at least one of the component categories. These financial institutions have a variety of problems ranging from mild to severe; nonetheless, the severity of the flaws almost never leads a component to be scored lower than a 4. It's possible that management doesn't have the necessary skills or the will to fix problems in a timely and effective manner.

The Handbook for the Comptroller of the Bank Supervision Process These financial institutions are more vulnerable to the effects of a variety of external factors and less resistant to the effects of a variety of economic shocks than those with composite scores of 1 or 2. In addition to that, it is likely that these financial companies may break the rules and regulations that are in place. It's possible that the methods for risk management at the institution don't make sense given its size, complexity, or risk profile.

Nevertheless, more monitoring of these financial institutions is required, and this might take the shape of statutory or informal enforcement proceedings. It is highly improbable that these businesses will fail given their overall strength and the financial resources they possess.

Despite the fact that both IPDC Finance Limited and IDLC Finance Limited have excellent CAR and asset quality ratios, there are obstacles in the way of loan delinquency management techniques and the potential for income for both companies. In such a situation, the Central Bank had to reevaluate its management structure and keep a careful eye on the activities of the IPDC and IDLC to make certain that they do not engage in any risky behaviors.

IPDC Finance Limited is working hard to expand its commercial operations. They call for more than the typical level of supervision, as well as formal or unofficial enforcement. IPDC is unable to manage its capital in an efficient manner in respect to its debt. According to Daily Star (2020), although if the rate of defaulted loans is 1.38 percent (far lower than the previous year 2019), the number of such loans is still rising, and banks must take efforts to solve the issue. The management of this company is unable to correct deficiencies within the allotted time frames. The company's risk management is insufficient due to the scale of the business and the nature of the risks it faces. Therefore, the central bank has the ability to change the management so that new members may discover the flaws early on, make adjustments to the current policy, and conform to the requirements of the central bank before the problem becomes even more severe. In addition, in order to guarantee that the administration of NBFIs is in accordance with the Central Bank's standards, the Central Bank may carry out an exhaustive examination and audit.

3.4 Summary and Conclusions:

In Bangladesh, IPDC Finance Limited is one of the first non-bank financial firms. Although it wasn't a bank, the financial firm had a lot of success. In the last few years, the IPDC Finance team has worked relentlessly to enhance both its services and the profit and loss statements of its clients. Non-banks are also encouraged to participate in lucrative investment opportunities as a result of their efforts. Underwriting coverage is expected to rise significantly, but overall nonperforming assets are expected to decrease, according to my predictions. IPDC Finance Limited's goal is to increase its share in the Bangladeshi financial sector as the country moves closer to financial industrialization. IPDC's long-term profit growth will be increased by lowering borrowing costs and increasing the company's operating margin. IPDC Finance Limited has created a simple, transparent, risk-free leverage ratio for the financial industry to reduce excessive on- and off-balance sheet leverage. We believe that covid has had a bad influence on the economy, and our administration is seeking to restore the economy via competent and accountable management. All of IPDC Finance Limited's resources are being devoted to combating the epidemic, which has led to an intolerable situation. Significant government support will help them overcome economic growth barriers and resume our projected development course. IPDC Finance Limited has most of the resources necessary to recoup their losses.

In addition, in order for IPDC to go forward, it is necessary for the organization to recognize its own shortcomings and work to fix them. IPDC Finance Limited has been an innovator in the field of automation since its inception. Many individuals have put their confidence in the bank due to the breadth and depth of its competence in financial matters. To achieve success over the long term, it is necessary to concentrate on the aspects in which they may develop and advance.

3.5 Recommendations:

- The analysis revealed that RWA grew from $35.43 billion to $39.16 billion. Therefore, I believe they should reduce their risk-weighted asset to enhance their CAR ratio. To do this, non-bankers must strike a balance between the prospective rate of return (ROA) on an asset class and the quantity of capital they must retain for that asset class. Additionally, IPDC Finance Limited must maintain a high CAR ratio while working to build its cash reserves. It is usual practice to evaluate a financial institution's performance based on its CAR ratio.
- Secondly, IPDC should reduce their NPL by competent credit risk management and by avoiding reckless borrowing and lending. In addition, they should refrain from aggressive lending and reinforce effective oversight and acquisition procedures. IPDC must reduce the number of nonperforming loans in order to enhance the quality of its assets and reduce its debt levels.
- The organization's management is responsible for ensuring that the cost-to-revenue ratio remains within acceptable limits at all times. However, their operational expenses have risen from $98 crore to $115 crore (From 2019 to 2020). The administration of an NBFI must guarantee that the organization utilizes its available finances prudently. It has been noted in chapter 2 that they provide a vast selection of items. Therefore, they should simplify products and services in order to lower their operational expenses.
- Higher ROA and ROE are essential for firms to expand their earning capability. Even if its position is number one, IPDC should strive to raise its net income and net interest margin from its loan products to achieve an even higher ROA. They should attempt to raise overall sales for the time, which will lead to an increase in net income. And their ROE was rated at 3, therefore they need also improve it. They can accomplish this by utilizing greater financial leverage. In other words, by raising the proportion of debt capital to equity capital. IPDC can boost its return on equity in this manner.

- Additionally, they should attempt to minimize their loan-to-deposit ratio to between 80 and 90 percent, which is optimal. Even if the high deposit is influenced by other variables. It is suggested that IPDC Finance Limited explore new deposits to increase their total liquidity while maintaining a sufficient level of liquidity.
- In addition to improving its capacity to adhere to its budget, IPDC Finance Limited should focus on meeting its capital needs. As a consequence of this step, banks will be sheltered from the impacts of catastrophic events and given a clearer view of the future of the economy, allowing them to carry out their financial plans to the maximum extent possible.
- If nonbank financial institutions (NBFIs) such as IPDC Finance Ltd. want to boost the quality of their assets, they will need to improve the way they screen loan applicants and monitor credit risk. In view of the recent issues that financial institutions have had with their nonperforming loans, this is an essential number to examine. A lot of businesses have failed due in part to these loans.

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3.7 Appendix A.

Workings (IPDC Finance Ltd.)					
C- Capital Adequancy	**2016**	**2017**	**2018**	**2019**	**2020**
1. CAR Ratio:	**0.220948952**	**0.151395552**	**0.140115766**	**0.193039201**	**0.18511444**
Tier 1 +	2,650,611,680	2,990,055,274	3,441,063,079	5,266,852,668	5,621,345,070
Tier 2	271,227,589	333,339,724	708,473,268	1,572,576,116	1,628,106,439
Risk-weighted asset	13,224,046,761	21,951,734,758	29,615,056,540	35,430,258,498	39,161,998,909
A- Asset Quality					
1. Non-Performing Loans:	**0.007058728**	**0.006205066**	**0.021379436**	**0.015687518**	**0.013840728**
NPL's	137,508,216	213,869,730	947,649,323	795,761,575	741,997,199
Total Loans	19,480,595,090	34,466,955,374	44,325,273,003	50,725,778,746	53,609,693,044
M- Management Efficiency					
1. Cost to Income Ratio:	**0.403836869**	**0.459901216**	**0.400961744**	**0.453117123**	**0.406464388**
Operating Costs	339,787,494	572,810,429	751,616,194	981,315,165	1,150,211,016
Operating Income	841,397,901	1,245,507,534	1,874,533,431	2,165,698,703	2,829,795,301
E- Earning Capacity					
1. Earnings-					
ROA:	**0.013424602**	**0.008537397**	**0.008908983**	**0.008733749**	**0.00928748**
Net Profit (Loss)	303,086,561	335,425,303	450,003,237	562,471,755	705,564,611
Total Assets	22,576,949,615	39,288,942,356	50,511,180,906	64,402,099,290	75,969,433,159
ROE:	**0.109215911**	**0.107835109**	**0.119939219**	**0.100874032**	**0.116363901**
Net Profit (Loss)	303,086,561	335,425,303	450,003,237	562,471,755	705,564,611
Total Equity	2,775,113,619	3,110,538,922	3,751,927,371	5,575,981,673	6,063,432,063
L - Liquidity Management					
1. Credit Deposit Ratio:	**1.133964676**	**1.158675337**	**1.195844692**	**1.094139208**	**1.021986876**
Total Loans	19,480,595,090	34,466,955,374	44,325,273,003	50,725,778,746	53,609,693,044
Total Deposits	17,179,190,416	29,746,862,008	37,066,078,306	46,361,357,299	52,456,341,963

3.8 Appendix B.

Workings (IDLC Finance Ltd.)					
C- Capital Adequancy	**2016**	**2017**	**2018**	**2019**	**2020**
1. CAR Ratio:	**0.132511176**	**0.152979779**	**0.15465972**	**0.148171128**	**0.145885194**
Tier 1 +	7,604,537,150	10,569,096,776	11,028,591,831	11,231,107,366	12,116,170,614
Tier 2	479,814,536	529,042,481	635,970,391	704,203,917	705,353,767
Risk-weighted asset	61,008,829,057	72,546,445,689	75,420,815,521	80,550,856,754	87,887,769,898
A- Asset Quality					
1. Non-Performing Loans:	**0.029751331**	**0.02765667**	**0.022011085**	**0.030658322**	**0.017885215**
NPL's	1,818,868,397	1,954,376,108	1,813,924,860	2,803,655,952	1,642,806,060
Total Loans	61,135,698,103	70,665,633,916	82,409,607,473	91,448,447,902	91,852,743,960
M- Management Efficiency					
1.Cost to Income Ratio:	**0.37904421**	**0.402845182**	**0.406603287**	**0.417767357**	**0.38345897**
Operating Costs	1,681,283,988	1,934,158,912	1,913,174,177	2,011,718,794	2,157,126,143
Operating Income	4,435,588,106	4,801,246,227	4,705,259,985	4,815,404,454	5,625,441,870
E- Earning Capacity					
1. Earnings-					
ROA:	**0.019559578**	**0.01708264**	**0.015122846**	**0.013276314**	**0.017863886**
Net Profit (Loss)	1,496,408,396	1,582,040,107	1,590,647,395	1,522,193,265	2,204,740,977
Total Assets	76,505,145,476	92,610,982,518	105,181,750,507	114,654,809,403	123,418,886,876
ROE:	**0.196778366**	**0.149685459**	**0.144229419**	**0.135533676**	**0.181966815**
Net Profit (Loss)	1,496,408,396	1,582,040,107	1,590,647,395	1,522,193,265	2,204,740,977
Total Equity	7,604,537,150	10,569,096,776	11,028,591,831	11,231,107,366	12,116,170,614
L - Liquidity Management					
1. Credit Deposit Ratio:	**1.237237589**	**1.125658573**	**1.116765463**	**1.150315657**	**1.139298568**
Total Loans	61,135,698,103	70,665,633,916	82,409,607,473	91,448,447,902	91,852,743,960
Total Deposits	49,413,062,330	62,777,147,198	73,793,119,684	79,498,568,372	80,622,188,549

3.9 Appendix C.

Capital Adequacy(CAR Ratio)

	2016		2017		2018		2019		2020		
NBFI's	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Average Ratings**
IPDC Finance Ltd.	22.09%	1.00	15.14%	1.00	14.01%	2.00	19.30%	1.00	18.51%	1.00	1.2
IDLC Finance Ltd.	13.25%	2.00	15.30%	1.00	15.47%	1.00	14.82%	2.00	14.59%	2.00	1.6

Asset Quality (NPL/TL) Ratio

	2016		2017		2018		2019		2020		
NBFI's	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Average Ratings**
IPDC Finance Ltd.	0.71%	1.00	0.62%	1.00	2.14%	2.00	1.57%	2.00	1.38%	2.00	1.6
IDLC Finance Ltd.	2.98%	3.00	2.77%	3.00	2.20%	2.00	3.07%	3.00	1.79%	2.00	2.6

Management Efficiency (Cost to Income) Ratio

	2016		2017		2018		2019		2020		
NBFI's	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Average Ratings**
IPDC Finance Ltd.	40.38%	4.00	45.99%	4.00	40.10%	4.00	45.31%	4.00	40.65%	4.00	4
IDLC Finance Ltd.	37.90%	3.00	40.28%	4.00	40.66%	4.00	41.78%	4.00	38.35%	3.00	3.6

Earnings Capacity (ROA Ratio)

	2016		2017		2018		2019		2020		
NBFI's	**2016**	**Rating**	**2017**	**Rating**	**2018**	**Rating**	**2019**	**Rating**	**2020**	**Rating**	**Average Ratings**
IPDC Finance Ltd.	1.34%	2.00	0.85%	1.00	0.89%	1.00	0.87%	1.00	0.93%	1.00	1.2
IDLC Finance Ltd.	1.96%	1.00	1.71%	1.00	1.51%	1.00	1.33%	2.00	1.79%	1.00	1.2

Earning Capacity (ROE Ratio)

	2016		2017		2018		2019		2020		
NBFI's	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Avearge Ratings**
IPDC Finance Ltd.	10.92%	3.00	10.78%	3.00	11.99%	3.00	10.09%	3.00	11.64%	3.00	3
IDLC Finance Ltd.	19.68%	1.00	14.97%	3.00	14.42%	3.00	13.55%	3.00	18.20%	2.00	2.4

Liquidity Management (TL/TD) Ratio

	2016		2017		2018		2019		2020		
NBFI's	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Ratio**	**Rating**	**Average Ratings**
IPDC Finance Ltd.	113.40%	5.00	115.87%	5.00	119.58%	5.00	109.41%	5.00	102.20%	5.00	5
IDLC Finance Ltd.	123.72%	5.00	112.57%	5.00	111.68%	5.00	115.03%	5.00	113.93%	5.00	5