ASSESSING SUBSIDIARIES OF FINANCIAL INSTITUTIONS IN BANGLADESH: AN OVERVIEW AND EVALUATION OF IPDC FINANCE PLC.

By

Anaadel Zuglul Kabir
22104048

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

BRAC BUSINESS SCHOOL
BRAC University
December 2025

Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

Anaadel Zuglul Kabir
22104048

Supervisor's Full Name & Signature:

Tausif Bari
Lecturer, BRAC BUSINESS SCHOOL
BRAC UNIVERSITY

Letter of Transmittal

Tausif Bari

Lecturer,

BRAC BUSINESS SCHOOL

BRAC University

Kha 224 Pragati Sarani, Merul Badda, Dhaka 1212

Subject: Letter of Transmittal

Dear Sir,

I am delighted to present my final Internship Report. Covering my experience with IPDC FINANCE PLC, an overview of the firm and its industry, and my final project.

I hope the content and presentation of the report are satisfactory, and thank you for your support and understanding throughout the arduous writing process.

Sincerely,

____

Anaadel Kabir

22104048

BRAC Business School

BRAC University

Date: December 28, 2025

Non-Disclosure Agreement

This agreement is made and entered into by and between IPDC FINANCE PLC and the undersigned student at BRAC University

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Anaadel Zuglul Kabir

ID: 22104048

Acknowledgement

I would like to thank my Academic Supervisor, **Mr. Tausif Bari**, Lecturer, BRAC Business School, BRAC UNIVERSITY, for his invaluable guidance, insight, and support throughout the semester and the report-writing process.

I would also like to thank my Internship Supervisor, **Mr. Md. Mofijul Islam FCA**, First Assistant General Manager, Finance & Accounts, IPDC FINANCE PLC, and by extension, the entirety of the Finance & Accounts team at IPDC FINANCE PLC, for fostering a very supportive and positive workplace environment during my internship.

Executive Summary

This report details the author’s 3-month academic internship from September – December 2025, an overview of the Financial Industry of Bangladesh, and of the first Non-Banking Financial Institution of the country, IPDC FINANCE PLC. Additionally, this report’s project section aims to provide an assessment of IPDC FINANCE PLC’s operations compared to those of its top-performing competitors and their respective subsidiaries. These analyses aim to provide a unique perspective on the consolidation strategy employed by Financial Institutions in Bangladesh by using IPDC FINANCE PLC as the lens through which the efficacy of this business model may be reviewed and understood, whether a Financial Institution must always resort to consolidation to ensure continued growth.

Keywords: Consolidation, Subsidiary, Non-Banking Financial Institution, Financial Institution, Bangladesh, IPDC

Table of Contents

List of Tables

List of Figures

List of Acronyms

FI	Financial Institution
BI	Banking Institution
NBFI	Non-Banking Financial Institution
ROA	Return on Assets
ROE	Return on Equity
NPAT	Net Profit After Tax
BD	Bangladesh
IPDC	IPDC FINANCE PLC
IDLC	IDLC FINANCE PLC
SME	Small-Medium Enterprises

Chapter 1

Internship Overview

1.1 Student Information

Name: Anaadel Zuglul Kabir

ID: 22104048

Program: Bachelor of Business Administration

Major & Minor: Accounting & Finance

1.2 Internship Information

1.2.1 Internship duration and designation

Period: 21 September 2025 – 21 December 2025

Company Name: IPDC FINANCE PLC.

Department: Finance & Accounts

Address: Hosna Centre (4th Floor), 106 Gulshan Avenue, Dhaka-1212, Bangladesh.

1.2.2 Workplace Supervisor

Name: Md. Mofijul Islam FCA

Position: First Assistant General Manager, Finance & Accounts

1.2.3 Job Scope

Carrying out tasks and fulfilling obligations within the Finance & Accounts department

1.3 Internship outcomes

1.3.1 Student's Contribution to the Company

- Quantitative report on IPDC's financial performance as compared to rival FIs
- Qualitative reports and reviews on the comparison of IPDC's annual report as compared to competing rivals such as BRAC Bank and IDLC
- Regular data entry, data validation, and database management of bill and tax information of multiple operational transactions and existing financial databases
- Additional miscellaneous clerical tasks such as file organization and logging

1.3.2 Benefits to the Student

- Provided unique insight into the working operations and structure of an NBFI in Bangladesh
- Provided real-world experience of a professional workplace and its associated practices

1.3.3 Problems faced during Internship

No real problems, issues, or difficulties were faced during the duration of the internship due to a cooperative, welcoming, and supportive environment maintained by the employees of the Finance & Accounts department.

1.3.4 Recommendations

Due to the general practices of confidentiality, and by nature of an internship being a variable experience, it is not always possible to expose interns to in-depth information, especially within a financial institution. However, the author recommends that interns be introduced to at least one additional department during the course of the internship to allow for a varied learning experience and the assignment of tasks based more closely to the intern's existing or desired skillset.

Chapter 2

2.1 Introduction

This chapter aims to provide an overview of IPDC based on the criteria as outlined by the subsequent sub-chapters.

2.1.1 Objectives

1. To provide an overview of IPDC's management, marketing, financial, accounting, and operational practices
2. To provide an overview of IPDC's position within its industry
3. Identify and recommend changes to any problem areas or shortcomings in the aforementioned areas

2.1.2 Scope and Methodology

This paper will utilize information as published by IPDC through official channels, such as its home website and published reporting by news outlets, and other existing research/articles. As such, this paper will rely almost exclusively on **secondary research** for its evaluations and analyses.

The exclusion of **primary research** for a chapter dedicated to understanding the internal operations of a company is mostly based on the need to maintain the timeline of completion for this report. Additional factors for this exclusion are the desires to avoid biases of employees, inconsistencies between firsthand experiences, reliability of employees disclosing significant or publishable critiques or areas of concern, and the sheer volume of input required to provide an honest and objective view of the company beyond the firsthand experiences and observations of the biases i.e. limiting the potential biases in reporting to a singular factor.

2.1.3 Limitations

Due to time constraints and the aforementioned methodology, this paper is limited to relying entirely on published information and data regarding IPDC and the author's personal experiences and observations at the company's head office. As such, analyses regarding the outlined areas will lack in-depth perspectives that may have only been gleaned through a prolonged tenure at the firm or by undertaking multiple interviews. Furthermore, the evaluations made in this paper will have to rely on published information, which may result in very surface-level insights and be unable to address specific or critical aspects of the areas of analysis, which may provide greater and more productive feedback to this paper's readers. Additionally, the bulk of information is limited to the time frame of 2024 – 2025, with most quantitative data being sourced from 2024, and the personal experience of the author being influenced by the final quarter of 2025. Thus, there is a non-zero probability that potential problems and evaluations made by this paper may provide a better snapshot overview of the company as opposed to a critical structural analysis that may inform future studies.

2.2 Company Overview

2.2.1 History

Founded in 1981, IPDC is Bangladesh's first NBFI presently operating nationwide with 18 branches. Since its inception, IPDC has been committed to investing heavily in development projects, even investing in the foundation of its contemporary rivals such as IDLC and DBH, the company embodies an ethos of prioritizing development and growth, being a pioneer investor in multiple sectors such as entertainment, hospitality, education, healthcare, and being the first company to introduce many industry standards. These pioneering achievements are illustrated in the company's 2024 annual report as **Figure 4** below.

Figure 4: IPDC Pioneering Investments

Additionally, IPDC places great emphasis on its Corporate Social Responsibility and Sustainability, winning multiple awards for its environmental consciousness and emphasis on empowering women within the financial services industry. This dedication to development is also reflected in the company's major shareholders, BRAC, the Ayesha Abed Foundation, and the Government of the People's Republic of Bangladesh (25%, 10%, and 22% respectively).

2.2.2 Business Model

As an NBFI, IPDC's offerings can be categorized into the three broad categories of loan products, deposit schemes, and financial advice.

The company's loan products can be further segregated into Home Loans, Auto Loans, Personal Loans, and Home Loans for Middle-Income non-metropolitan customers. For SMEs, the company offers Term Loans (the most crucial source of finance for the company alongside its borrowings), Factoring, Lease Financing, Work Order Finance, Short Term Financing, and dedicated products such as Joyee and Dana, which are geared towards women and microentrepreneurs, respectively.

Deposit Schemes can be categorized into standard variations of regular deposit schemes, general fixed deposits, and term loans, with an additional unique Priti Deposit Scheme offered exclusively to women, which provides special services and partner discounts. Finally, the company operates multiple signature platforms dedicated to acknowledging extraordinary educators (Priyo Shikhok Shommanona), extraordinary women contributors to the nation's development (Unsung Women Nation Builders Award), and, along with the aforementioned Priti platform, an entertainment platform dedicated to contemporary folk music (IPDC Amader Gaan). Moreover, a signature project for the company is its Child Marriage Prevention Loan, which finances underprivileged girls, ensuring their continued education, preventing their marriages before reaching the age of majority.

2.2.3 CSR and Sustainability

As highlighted in the company's business model, IPDC places great emphasis on its ability to positively impact society and people's lives. This commitment to ethical and positive contribution also carries forth to the company's various social welfare projects, donation drives, and contributions to tree planting and flood relief initiatives.

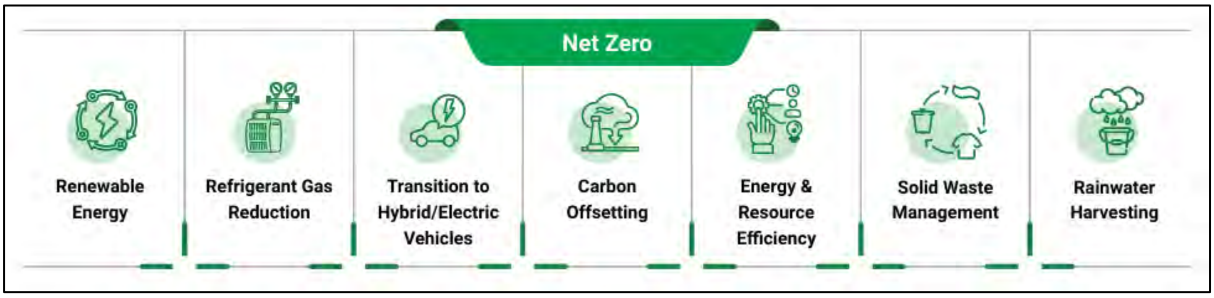

Figure 5: IPDC Sustainability Targets

As a company that prides itself on its commitment to sustainability and environmental consciousness, IPDC also outlines a plan for the company to reach Net-Zero Emissions by 2050, with the specific objectives the firm plans to complete its transition to highlighted in **Figure 5** above. Additionally, the company has a Sustainable Finance Committee (SFC) and a Sustainable Finance Unit (SFU) responsible for aligning the firm's financing and operational activities with an Environmental Social Governance Framework, respectively. The SFC and SFU are formed by several members of the board of directors, departmental heads, managers, and senior employees in the company. This commitment to sustainable finance practices is illustrated by **Figures 6** and **7**, below as extracted from the 2024 Annual Report.

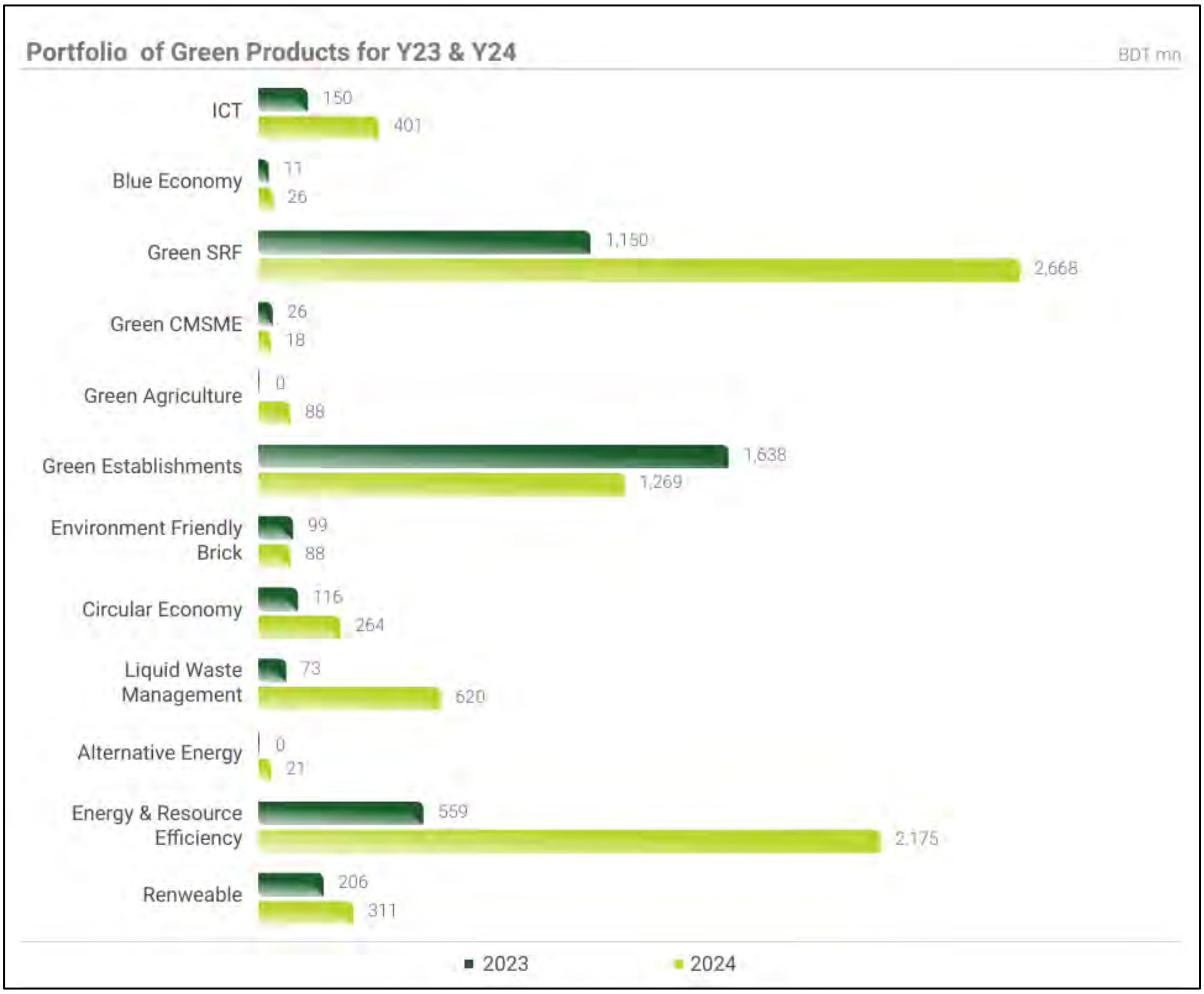

Figure 6: Sustainable Finance Distribution

IPDC'S ACHIEVEMENT AGAINST BANGLADESH BANK TARGET

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

Figure 7: Sustainable Finance Goal Achievement

Moreover, for most modern companies, sustainability measures are often set against the satisfaction of the requirements and categories of the Sustainable Development Goals (SDGs) as established by the United Nations. As such, IPDC also showcases its adherence, completion, and commitment to meeting these SDGs, as shown below in **Figure 8.** Notably, the company's initiatives, projects, and investing ethos is directly related to SDGS 1, 2, 5, 6, 8, 9, leaving the remaining SDGS still being impacted indirectly. As an NBFI, IPDC is also able to extend its impact to other areas beyond its own internal operations, excluding polluting and unethical industries (**Figure 9),** further showcasing the firm’s commitment to ethical and environmentally sustainable practices both internally and expressed through its operations.

Figure 8: SDG Goals

The exclusion list is as follows:

Serial No.	Sector / Activities
1	Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under the Convention on International Trade in Endangered Species (CITES).
2	Ship breaking/ trading activities which include: 1. Ships with prevalent asbestos use (for e.g. passenger cruise), 2. Ships not certified 'gas free' for hot work
3	Drift net fishing, deep sea bottom trawling, or fishing with the use of explosives or cyanide
4	Hydraulic horn and >75 decibel horns, polypropylene and polythene bags, two stroke engines.
5	Operations impacting UNESCO World Heritage Site and/or Ramsar site
6	Illegal logging, and logging operations or conversion of land for plantation use in primary tropical moist forests
7	Production or activities involving forced labour/ child labour
8	Production or trade in: 1. Weapons and munitions 2. Tobacco in any form 3. Gambling, casinos 4. Pornography (goods/stores/web-based) 5. Brick production through Fixed Chimney Kiln (FCK)
9	Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples

Figure 9: Investing Exclusions

2.3 Management Practices

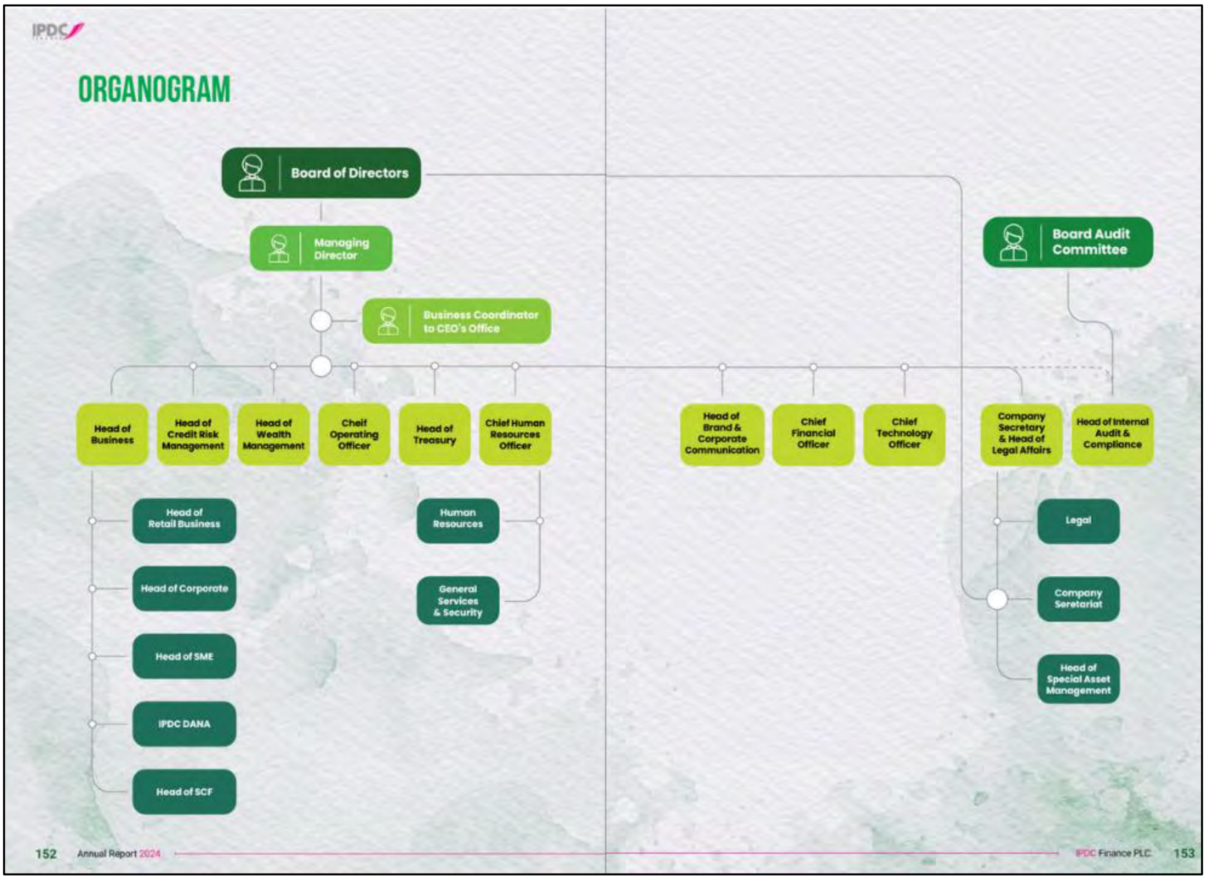

Figure 1: IPDC Organogram

Based on **Figure 1**, it is evident that, despite being a large company, IPDC's hierarchical structure does not exhibit an excessively bureaucratic organogram with multiple levels. Moreover, this organizational structure allows for improved parallel communication and reporting. Based on the author's internship experience, it is also evident that the regular operational management style for IPDC is very democratic and participatory, with active engagement, communication, and positive interactions between employees regardless of seniority or designation.

2.3.1 Compensation Plan

The company's compensation plan, determined following an annual allocated budget, includes holiday bonuses, insurance coverage through a partnership with MetLife, contributions to a provident fund where the company matches employee contributions (employees leaving before 2 years of employment are returned the employee contributions only), and including the basic salary as determined by ranges determined by management and adjusted according to the nature of the job and qualifications of the employees.

Additionally, a performance bonus is included in the compensation plan determined by performance appraisals overseen by the Human Resources Department. These appraisals are based on the completion of Key Performance Indicators, which vary across departments, such as operating within budget for cost centers and meeting specific sales targets for revenue centers, with an additional commission or sales incentive for revenue centers.

2.3.2 Recruitment and Training

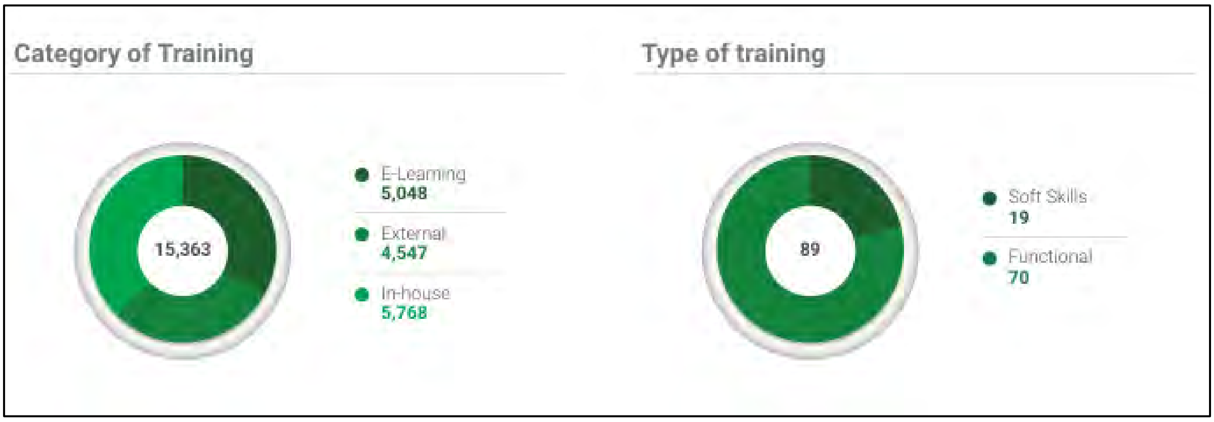

Figure 10: Training Activities

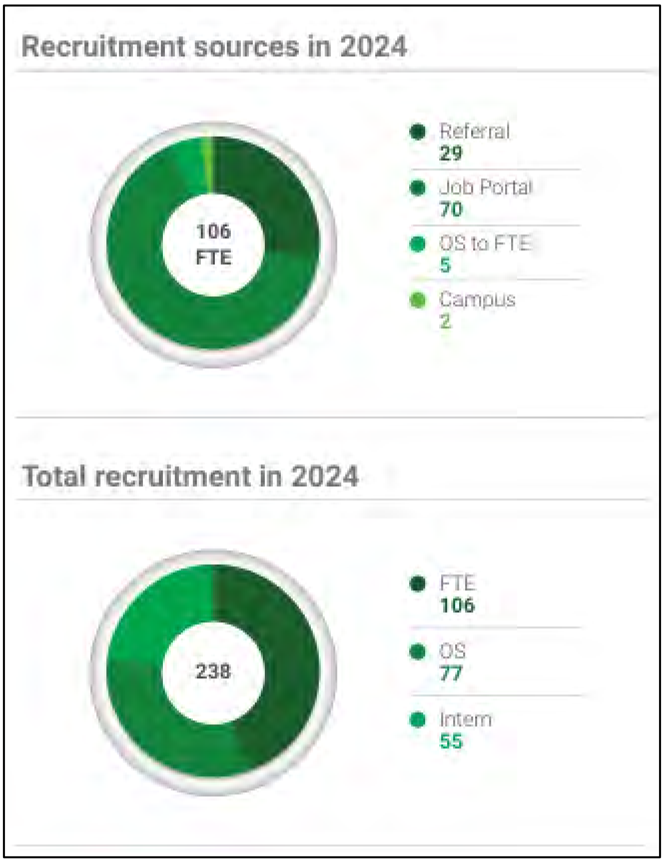

Figure 11: Recruitment Sources

Based on **Figure 10,** it can be seen that the company uses a balanced approach to training mediums, with a greater emphasis on improving functional skills compared to soft skills. Additionally, with the number of Interns being approximately. 52% equivalent to Full-Time Employees, the company may have to continue its culture of training and development as a necessity, but it may also lead to greater pressure on tenured employees. Based on the author's experience, training is also conducted through seminars, workshops, lectures, and both in-house and out-of-house training, either with the expertise of senior employees or the inclusion of special external educators. Notably, although employees are not required to complete any specific modules, they are required to complete an anti-fraud and anti-money laundering course due to IPDC being an FI.

Furthermore, IPDC utilizes a variety of recruitment channels, as shown in **Figure 11**, such as online job portals (LinkedIn and BDJobs), job fairs at university campuses, and the company's dedication to a positive working environment is also seen in their internal recruitment figure. Additionally, for specific or high-level positions, IPDC utilizes external recruiters such as CONSUMARK and Enroute International Ltd. All recruitment is also approved by upper management following an internal survey by the Human Resources department and consulting with specific department heads for the creation of job circulars and all additional recruitment costs necessary for the recruitment and onboarding process.

2.4 Marketing Practices

As the nation's first NBFI, IPDC's long history of operations has enabled the firm to effectively develop and reach its target demographics, leaving very little scope for significant marketing gaps.

2.4.1 Targeting and Outreach

IPDC's target consumers can be categorized into younger generations, women, aspiring home and automobile owners, corporations, and SMEs (metropolitan and non-metropolitan). Based on IPDC's product offerings, it is evident that the company has geared its offerings to fit its target demographics (as discussed in the Company Overview).

Moreover, IPDC's marketing strategy places a greater emphasis on metropolitan areas and their associated consumers. Despite having a specific set of target customers, IPDC still operates in the financial service industry against many direct rivals. Thus, the company benefits from mass marketing channels such as television advertisements, billboards, and online marketing, with a greater shift to the latter strategy for the obvious low-cost, high-engagement benefits.

2.4.2 Branding and Advertisement Activities

Figure 2: Social Media Overview

Based on **Figure 2**, IPDC clearly maintains an active social media presence, with Facebook and LinkedIn being the most active platforms along with traditional marketing channels, but with a gradual shift away from the latter and towards the former. However, due to the competitive nature of the financial services industry in Bangladesh, the firm may find greater engagement by also maintaining a social media presence directly on platforms such as Instagram and Twitter for reaching both younger and international customers.

Additionally, IPDC's branding and sponsorship activities are intrinsically linked to its continuous CSR activities, including donation drives to various schools and disadvantaged areas, environmental campaigns for disaster relief and tree planting campaigns, and partnerships with various institutions that engage in social development and enrichment activities such as NGOS and educational institutions (IPDC, n.d.).

2.5 Financial Performance

For the financial performance evaluation of IPDC, this paper utilizes data gathered from the published annual reports for 2023 and 2024, along with the relevant figures presented in **Tables A, B, and C** in the Appendix.

2.5.1 Financial Analysis

RATIO ANALYSES

	2022	2023	2024
LIQUIDITY			
CURRENT	1.27	1.32	1.36
CASH	0.05	0.08	0.16
SOLVENCY			
DEBT TO ASSET	92.16%	92.66%	92.25%
DEBT TO EQUITY	92.16%	92.66%	92.25%
INTEREST COVERAGE	29.33%	13.18%	13.59%
EFFICIENCY			
COST INCOME	45.79%	55.22%	45.58%
PROFITABILITY			
ROA	1.039%	0.373%	0.408%
ROE	13.245%	5.080%	5.257%
LEVERAGE			
DEBT TO CAPITAL	1175%	1262%	1190%
VALUATION			
EPS	2.43	0.88	0.93
AVERAGE PRICE	51.15	54.86	22.55
PRICE EARNINGS RATIO	21.05	62.34	24.24

Table D: Ratio Analyses

DUPONT ANALYSIS

	2022	2023	2024
NET PROFIT	901,020,079	342,955,864	363,234,933
INTEREST INCOME	7,080,316,655	7,433,716,178	8,811,163,320

INVESTMENT INCOME	2,770,198,710	2,422,628,463	2,392,704,290
AVERAGE TOTAL ASSETS	86,732,379,052	89,333,187,996	90,528,950,285
AVERAGE TOTAL EQUITY	6,802,943,139	6,777,228,334	6,830,275,862
NET PROFIT MARGIN	0.091469334	0.034795442	0.032420495
ASSET TURNOVER	0.113573679	0.110332396	0.123760052
EQUITY MULTIPLIER	12.74924357	13.18137498	13.2540694
RATIO	0.132	0.051	0.053

Table E: DuPont Analysis

Based on **Table D,** it is evident that IPDC's liquidity is on a positive trend for both its current and cash ratios. Although the current ratio suggests the firm can meet its short-term obligations, the cash ratios' comparatively lower figure indicates that paying off these liabilities may not be easily accomplished in the short term.

Moreover, the solvency ratios indicate that IPDC can still satisfy its long-term obligations, but due to the nature of the firm being an FI, it is highly leveraged as shown by its debt-to-capitalization ratio, and the best a firm in this industry can maintain is a less than one-to-one solvency status.

However, although IPDC may be able to satisfy its financial obligations, its profitability has taken a considerable decrease from 2022 to 2023. Although the associated Cost Income Ratio, Interest Coverage Ratio, ROE, and ROA indicate that there has been a gradual recovery in the relationship between the firm's revenues and expenses, the growth is much smaller than the detrimental reduction suffered before assuming that this recovery is certain to fully recover the initial reduction within a few years.

This slow progression is also reflected in the DuPont Analysis for IPDC, which shows that the rate of growth, although still on a positive trend, may still harbor the potential for negative growth soon. If this area of concern is not addressed, the Market Valuation for the firm may also continue to suffer, reflecting investor skepticism in the firm's ability to return to its much more financially sound position (as per its ratios) as it was in 2022.

However, although the financial ratios indicate a precarious position for the firm, the volumetric data, as represented in **Tables A, B, and C,** show that a more optimistic outlook on the firm's ability to gradually increase its performance is not unwarranted. This charitable assumption is mostly reliant on IPDC's ability to maintain its current positive trend in improving its acquisition of Total Assets, Total Equity, NPAT, and Net Cash by sheer degree of volume and its consistent ability to meet its obligations (as represented by liquidity and solvency) despite being an extremely highly leveraged institution.

2.5.2 Accounting Practices

As IPDC is regulated by the Bangladesh Bank, there is a greater need to comply with its regulations over the IFRS. As such, there are multiple areas where the IFRS are applicable and not applicable to IPDC's reporting, as shown in Figure 3 below. However, this deviation in standards does not diminish the overall quality of IPDC's accounting practices as the company adheres to the entire accounting cycle till the publication of its financial statements, appropriate acknowledgement of notes to the financial statements, and utilization of an external auditor (in addition to audits carried out by internal control systems and the Bangladesh Bank). Additionally, the company maintains a robust system of investor relations through the publication of regular quarterly and half-yearly audited reports in addition to the regular annual reports.

Compliance of International Financial Reporting Standard (IFRS)

Name of the standards	Ref.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	IFRS-1	Not applicable
Share Based Payment	IFRS-2	Not applicable
Business Combinations	IFRS-3	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	IFRS-6	Not applicable
Financial Instruments: Disclosures	IFRS-7	Applied with some departures (note 2.3)
Operating Segments	IFRS-8	Not applicable
Financial Instruments	IFRS-9	Applied with some departures (note 2.3)
Consolidated Financial Statements	IFRS-10	Not applicable
Joint Arrangements	IFRS-11	Not applicable
Disclosure of Interests in Other Entities	IFRS-12	Not applicable
Fair Value Measurement	IFRS-13	Applied
Regulatory Deferral Accounts	IFRS-14	Not applicable
Revenue form Contracts with Customers	IFRS-15	Applied
Leases	IFRS-16	Applied
Insurance Contracts	IFRS-17	Not applicable
Presentation of Financial Statements	IAS-1	Applied with some departures (note 2.3)
Inventories	IAS-2	Not applicable
Statement of Cash Flows	IAS-7	Applied with some departures (note 2.3)
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Applied
Events After the Reporting Period	IAS-10	Applied
Income Taxes	IAS-12	Applied
Property, Plant and Equipment	IAS-16	Applied
Employee Benefits	IAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS-20	Applied
The Effects of Changes in Foreign Exchange Rates	IAS-21	Not applicable
Borrowing Cost	IAS-23	Applied
Related Party Disclosures	IAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	Not applicable
Separate Financial Statements	IAS-27	Not applicable
Investments in Associates and Joint Ventures	IAS-28	Not applicable
Financial Reporting in Hyperinflationary Economies	IAS-29	Not applicable
Earnings per Share	IAS-33	Applied
Interim Financial Reporting	IAS-34	Applied
Impairments of Assets	IAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied
Intangible Assets	IAS-38	Applied
Investment Property	IAS-40	Not applicable
Agriculture	IAS-41	Not applicable

Figure 3: IFRS Applicability

2.6 Operations Management and Information Systems

IPDC maintains a dedicated IT department at the head office, which monitors all active networks across the company's 18 branches. Additionally, the department internally monitors all active devices connected to the local network. Moreover, the company utilizes the Temenos

T24 Central Banking System, which is accessible through all approved network devices. However, despite utilizing an interconnected network, the company still relies heavily on physical documentation and storage. Additionally, almost all digital operational activities are carried out using Microsoft Office, which may allow for an easier training experience due to the software suite's prevalence and ease of use, but may also prevent the company from accessing specialized software, allowing for more efficient operations.

Although IPDC's lack of significant technological or digital integration may limit the company compared to international contemporary firms, Bangladesh's lack of domestic technological advancements may make importing special hardware, technology, and access to paid specialized software a systemic drawback affecting the local financial service sector as a whole. However, IPDC has still managed to implement a Real Time Gross Settlement with the Bangladesh Bank, highlighting a positive step in technological and operational efficiency.

2.7 Industry and Comparative Analysis

2.7.1 Porter's Five Forces

Force	Degree of intensity
BARRIERS FOR NEW ENTRANTS	VERY HIGH
CUSTOMER BARGAIN POWER	LOW
SUPPLIER BARGAIN POWER	LOW
THREAT OF SUBSTITUTES	MEDIUM
THREAT FROM RIVALS	VERY HIGH

Table F: Porter's Five Forces

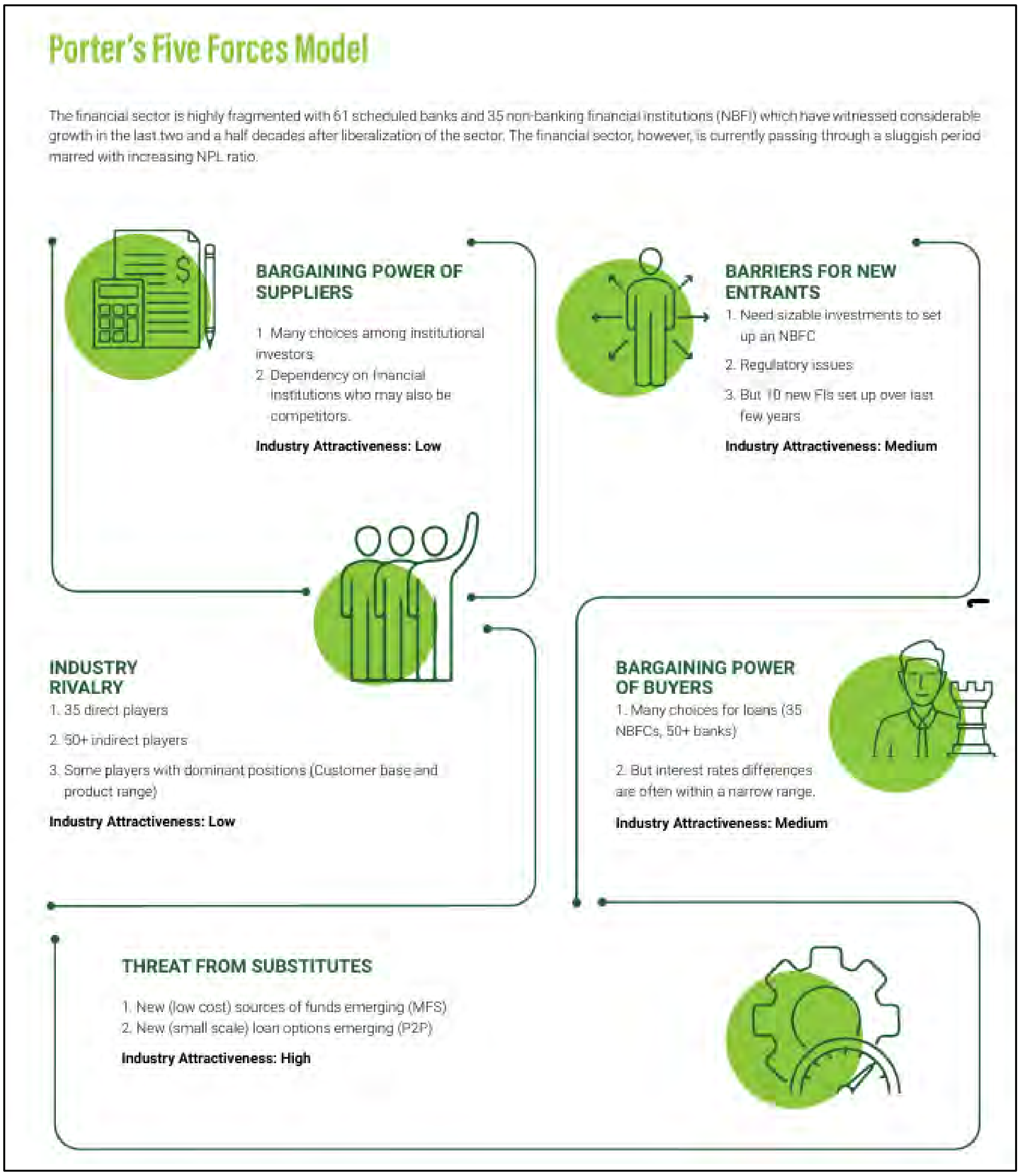

Figure 12: IPDC Self-Assessment Porter's 5 Forces

Although IPDC published its own assessment of the company using Porter's 5 forces, there are discrepancies between the assessment by the company and this paper, as seen between **Figure 12** and **Table F**.

The first area of disagreement is the barrier for new entrants. Although IPDC cites the formation of 10 new FIs in recent years as a cause for the medium barriers to entry, this paper argues that the formation of a new FI does not indicate reduced barriers to entry, as the business would still have to survive to justify the ease of entry. Furthermore, although 10 new FIs may have been formed in recent years, 9 FIs have been shut down as well (Hasan, 2025). As such, although a company may have the required funds and satisfy regulatory standards, the inability to survive within the market and develop a brand image as strong as the largest FIs in the industry makes it far too difficult for new FIs to truly enter and survive within the industry.

IPDC also suggests that customers have a medium level of bargaining power, as opposed to this paper's estimation of low bargaining power. Although this paper does not refute that the large number of competitors for IPDC would indicate a certain degree of bargaining power for consumers, it must also be addressed that, due to the regulated nature of interest rates, there may not be enough systemic room for bargaining. Additionally, although large businesses may be able to negotiate reduced interest rates, the vast majority of individual customers who lack the financial knowledge or influence of a large corporation cannot engage in such negotiations. Moreover, the decision to engage with an NBFI over a BI would also indicate that these customers are not satisfied with traditional banking systems, which significantly cuts down the degree of competition for NBFIs.

The next area of disagreement is the threat from substitutes, where IPDC suggests a high-level degree of threat as opposed to this paper's suggestion of a medium degree of threat. Although this paper acknowledges the rapid adoption of MFS technology by the general population and the emergence of small-scale loan options, it must also be mentioned that the sheer volume of loans offered by FIs dwarfs the financing options from MFS services, which are more geared to small individual-level financing. Additionally, although the P2P loan options may pose a threat moving forward, there is a real opportunity for NBFIs such as IPDC to integrate these systems within its offerings portfolio as opposed to seeing it as an emergent threat.

The final area of disagreement is regarding the threat from existing rivals, where IPDC estimates a low threat as opposed to the very high threat of this paper. This paper suggests that, despite IPDC being a AAA Credit-Rated NBFI (thus belonging to a small list of high-performing firms), the biggest threats faced by IPDC are IDLC and BRAC Bank. Both institutions have the capacity and performance to encroach and capture the target customer base of IPDC without requiring a significant overhaul of policy or brand image (although the mutual shareholding by BRAC may prevent active schisms between IPDC and BRAC Bank). Additionally, this paper finds IPDC's acknowledgement of its multiple competitors and still suggesting a low threat from rivals contradictory, especially in an industry where brand image, marketing campaigns, and easily replicable product offerings (depending on funding availability) can easily bridge the gap between NBFIs.

Finally, although not a contradiction, this paper suggests that IPDC should also factor in the credit rating, size, brand image, and regulatory compliance in its assessment of the mutually agreed-upon low supplier bargaining power. The reasoning for this addition is largely due to the nature of Bangladesh’s historic economic instability, making investors more likely to prefer highly-rated, regulated, and historically safe financial institutions, which drastically sets IPDC apart from a majority of its competitors.

2.7.2 SWOT Analysis

Figure 13: IPDC Self-Assessment SWOT Analysis

Similar to the previous section discussing Porter’s 5 Forces, IPDC has a self-assessed SWOT analysis. However, this paper does not disagree with the suggestions raised by the company but instead proposes a handful of additions.

For Strengths, this paper believes that IPDC’s CSR activities and women-empowerment-focused product offerings significantly aid its brand image and potentially attract and retain an entire gender demographic.

An additional Opportunity IPDC can capitalize upon is its potential to leverage its development-focused brand image to introduce more products and schemes geared towards younger entrepreneurs, start-up investment, and a greater emphasis on non-metropolitan businesses.

An additional Threat that this paper believes should be included is the replicable nature of financial products. This threat permeates the financial services industry, as there are no real barriers preventing firms from copying the structure, branding, and pricing schemes of each other's financial services. For IPDC, a firm heavily reliant on its brand image as a development and sustainability-first organization, it faces this threat most strongly from firms such as BRAC Bank and IDLC, as these rivals have the funds and brand power to easily target and replicate IPDC’s exact product offerings, capturing their market share.

2.7.3 Industry Comparison

Name	Total Assets	Total Equity	Net Profit	ROA	ROE
IPDC Finance	89,123,903,630	6,909,038,195	363,234,933	0.41%	5.26%
Eastern Bank	616,050,374,950	43,063,636,095	7,503,942,828	1.22%	17.43%
IDLC Finance	142,822,593,059	15,637,442,322	1,672,978,968	1.17%	10.70%
BRAC Bank	930,132,702,781	75,444,056,785	12,136,169,761	1.30%	16.09%
Pubali Bank	981,203,156,118	52,324,602,630	7,624,516,621	0.78%	14.57%

Premier Bank	449,626,031,783	27,042,855,120	1,454,588,947	0.32%	5.38%
Dutch Bangla Bank	679,875,504,457	51,608,170,451	4,734,756,394	0.70%	9.17%
DBH Finance	67,187,844,768	9,398,259,605	1,008,558,647	1.50%	10.73%
BIFFL	55,907,629,920	28,243,306,948	1,011,318,572	1.81%	3.58%

Table G: 2024 Industry Snapshot

Based on **Table G,** it is evident that among other AAA Credit-Rated domestic firms, IPDC struggles to stand out in terms of ROA and ROE. Additionally, the firm struggles to compete directly with the other NBFIs in the table.

Although this indicates that IPDC is by far one of the weaker firms of the grouping, this is still the highest credit rating group of domestic firms. Thus, although IPDC's financial performance (based on these two specific metrics) can indicate that the firm struggles to compete with its rivals, it is still in the upper echelon of FIs in Bangladesh, and the sheer volume of the company's assets, equity, and profits still allows it to compete directly with significantly larger firms.

2.8 Summary and Conclusion

In conclusion, IPDC operates in a burgeoning yet highly competitive financial service industry. The company's success can largely be attributed to its early start within the market, a distinct brand identity, and an ability to leverage service excellence and unique product offerings to carve out and hold a sizeable portion of the consumer base. Additionally, with the majority shareholders being BRAC, the world's largest NGO and the parent company of BRAC Bank, and the government of Bangladesh, IPDC can maintain the integrity of its business ethos while also being able to mitigate the pressure from one of its greatest contemporary rivals.

However, the nature of the financial service industry is heavily reliant on brand perception and product offerings. Thus, IPDC's greatest strength, its unique brand image, is also its greatest weakness, as larger firms such as IDLC can easily replicate the rates and design of IPDC's product offerings. Moreover, IPDC's reliance on service quality and brand image leaves the company little room for flexible expansion, as any deviations or shortcomings in these factors can allow its competitors to capture unattended or unreached consumers.

Lastly, although IPDC struggles to distinguish itself from its direct larger rivals, the firm still maintains positive profitability and significant levels of total assets and equity. However, with the financial service sector slowly expanding, as more lower credit rating firms will soon reach IPDC's level and institutions capturing multiple market segments through subsidiaries targeting asset, investment, and capital management as well as MFS systems, IPDC's continued focus on traditional, albeit distinct financial services may soon be in desperate need of reformulation with the company's overall offerings needing additions and revisions.

2.9 Recommendations and Implications

As IPDC relies heavily on its brand image to attract and maintain its consumer base, the firm should allocate significant resources to the creation of a dedicated product development team or department. The reasoning for this recommendation is rooted in the aforementioned replicability of IPDC's product offerings. As such, the company has an imperative need to maintain a strong brand image within the public consciousness and a loyal consumer base to prevent customers from switching to more regulated institutions, such as banks or other NBFIs offering additional tandem services.

This leads to the next recommendation for IPDC, which is to expand its social media and general online presence. Building upon the need for creating a strong brand image, IPDC presently lacks the financial performance and access to funds of its larger rivals, and so further creating a strong image and presence online can allow the firm to at least cement itself as a primary answer to any marketing gaps that arise for potential customers, either entering the financial services sector or looking to switch from existing services.

Furthermore, with many of IPDC's rivals utilizing subsidiary firms (discussed in greater detail in the subsequent chapter) for targeting specific financial services, IPDC may also have an opportunity to replicate this strategy, allowing it to capture greater market shares in either the established markets of asset management, investment management, or capital management, or attempt to carve out a new niche.

However, as IPDC's present financial condition does not show signs of strong and assured sustained profitability, the firm may find it easier to retain its current business model of providing traditional financial services. As such, IPDC can also explore product offerings targeting entrepreneurs or startup businesses in metropolitan and non-metropolitan areas. Although these are typically riskier customers, it can allow IPDC to charge higher rates and target customers typically deemed too risky for traditional banks.

Finally, if IPDC remains steadfast in its commitment to its existing core offerings, the firm may need to establish a stronger presence in non-metropolitan areas, especially beyond the capital. This can allow IPDC to once again leverage its experience as an early entrant and establish a dominant presence in developing areas of the country or even target firms looking to expand to such areas.

Chapter 3

Project

3.1 Introduction

As this project will show below, there is a general trend amongst financial institutions internationally to form a group of companies with subsidiaries dedicated to specific financial services running in tandem with the parent company's core services. As such, IPDC's strategy not to form a subsidiary despite being the first NBFI in the country raises the question of whether this overall strategy has an exception in Bangladesh or if IPDC's performance has proven to find progress without the adoption of a strategy embraced by the majority of its direct and indirect competitors.

3.1.1 Background & Problem Statement

Problem Statement

Can a Financial Institution continue to grow without having to form subsidiaries to capture separate market segments, and instead grow without having to create a group of companies?

Background

Bangladesh’s financial sector routinely suffers from systemic shortcomings hindering its development, stemming from its political unpredictability and lack of engagement from the greater population; despite potential growth and digitization of its financial sector in the past decade nation’s performance in this industry leaves much to be desired in terms of scale and efficacy (Razzaque, 2024; Islam, 2025; Karim & Islam, 2024).

Amongst the 62 scheduled Banks (Banking Institutions, BI) and 35 Finance Companies (Non-Banking Financial Institutions, NBFI) in the nation, multiple BIs and NBFIs operate subsidiaries in the capital and asset management markets, showing a clear pattern of consolidation amongst the nation’s financial institutions (Bangladesh Bank, n.d; CSE, n.d.; Bangladesh Securities and Exchange Commission, n.d.).

Founded in 1981, the nation’s first NBFI, IPDC Finance PLC, operates without a subsidiary firm, and its continued success and achievement of the highest credit rating in the country (AAA) can serve as a signal that an NBFI's success need not be determined by its ability to focus dedicatedly on its ability to capture multiple markets through consolidation but maintain its growth through its initial and sustained regular operating strategy (IPDC AT a GLANCE, n.d.).

3.1.2 Objectives

1. To identify if there is a trend for Financial Institutions to form subsidiaries, establishing a pattern of strategic planning in the local industry
2. To understand if these subsidiaries are a key contributor to the growth of their respective parent Financial Institutions, establishing an accepted normality of decisions in favor of creating subsidiaries
3. To understand if IPDC shows comparatively significant growth despite not having a subsidiary, showing success despite deviation from an established or perceived norm
4. To understand if IPDC’s target markets/core services are just as or more lucrative than the target markets of the top-performing Financial Institutions’ subsidiaries, showing the firm’s capacity to continue with its current business model
5. To understand if IPDC can successfully grow without a subsidiary, showing the potential of the firm’s growth sustained entirely on its present target markets
6. To understand, if proven, whether IPDC’s success can be replicated or if it is unique to the firm

Research Questions

1. Do the majority (>50%) of Financial Institutions, rivaling IPDC Finance PLC (IPDC) (those with a AAA Credit Rating), operate as, or with at least one subsidiary?
2. Do these Financial Institutions (2 Banking & 2 Non-Banking) show financial growth based on a positive trend over 3 years in Return On Assets (ROA), and Return On Equity (ROE)?*
3. Can the financial contributions of the subsidiaries to the growth of these Financial Institutions be considered significant, i.e., greater than or equal to 50% of the contribution of the parent company to Consolidated Net Profit, Total Assets, and Total Equity?
4. Does IPDC also show financial growth based on Return On Assets and Return On Equity?
5. Do IPDC's markets of operation show growth, i.e., the volume and interest income of consumer loans, home loans, corporate loans, automobile loans, etc.?
6. Is IPDC's growth (based on ROA and ROE) significant compared to that of the top-performing Financial Institutions?
7. Is the growth of IPDC's markets of operation significant compared to the growth of the markets of operation of the top-performing Financial Institution's subsidiaries, e.g., Wealth Management, Asset Management, Brokerages, etc.?

***Disclaimer:** 2 Banking and 2 Non-Banking institutions have been chosen to represent their respective sectors for brevity. Furthermore, ROA and ROE (although commonly used as measures of performance) have been selected as measures of growth, as their components (Net Profit, Total Assets, and Total Equity) are, by nature, measures of growth (showing a company's ability to generate surplus revenue, and its rate of growth in assets and acquired capital); this metric thus reveals both growth and performance through its working calculations.

Additionally, the time period from 2022 to 2024 will be considered for relevance to eliminate any anomalies or inconsistencies in data caused by the 2020–2021 global pandemic.

3.1.3 Significance

This report aims to fill the research gap in the area of evaluating the efficacy and validity of pursuing a consolidation strategy within the context of an NBFI in Bangladesh through the performance analysis of IPDC Finance PLC.

As such, this report's significance lies in its aim to contribute to the existing body of literature on the subject of consolidation of Financial Institutions, re-evaluate the efficacy of the consolidation strategy among Financial Institutions in Bangladesh, evaluate IPDC's management decision avoiding the consolidation strategy, and potentially aid in the strategic decision-making process of existing and future Financial Institutions by identifying and analyzing any unique or replicable mechanisms for success through the evaluation of IPDC.

3.1.4 Scope of the Study

This report aims to evaluate the potential for IPDC to continue its present operations without forming a group of companies by adopting/forming subsidiary companies that specialize in the traditional financial services, such as Investment Management, Asset Management, and Capital Market Brokerages/Capital Management.

This report does not provide an in-depth comparative analysis of IPDC's performance compared to that of its competitors, nor does it deduce the factors that would affect any discrepancies between IPDC and its rival firms. Additionally, it does not provide a detailed analysis of the specific minute mechanisms that may allow IPDC to continue operations without utilizing subsidiary firms.

As such, this report provides a surface-level overview and comparison between its chosen financial institutions to identify, based on publicly available resources, whether IPDC's current target markets and operations are sufficient to sustain the firm's growth without the need for additional subsidiary companies.

3.2 Literature Review

Existing research on the consolidation of Financial Institutions, as evident from the studies below, focuses heavily on evaluating the strategic decision of utilizing consolidation as a business strategy for growth and expansion, the evaluation of this strategy in terms of financial performance, and the risks of undertaking the consolidation process and its associated challenges and opportunities.

Early research has provided insight into the opportunities and challenges that firms encountered during the gradual, widespread adoption of the consolidation strategy (Mishkin, 1999; Berger et al., 1999). The success of consolidation within the global financial industry further manifests in an identifiable international trend (De Nicoló et al., 2004). As such, this has developed a strong foundation for the nature of consolidation in the financial services industry. Thus, further studies have focused on understanding the moral hazards of consolidation, the implementation of subsidiaries as a core aspect of expansion strategies, and the efficacy of this strategy as a tool for greater integration of financial services across respective geographic and service areas (Kahn & Winton, 2004; Fáykiss et al., 2013; Cerutti et al., 2007; Amel et al., 2004; Berger et al., 2001). However, the bulk of the existing literature shows a clear pattern of research in this area being conducted within the context of developed nations or a broad international analysis, with most data coming from the banking sector rather than an even balance between Bis and NBFIs.

Moreover, studies in Bangladesh have focused more on evaluating the condition of the financial services industry than on a comprehensive re-evaluation of the nature and feasibility of consolidation in the country (Saha, S. et al., 1999; Rahman et al., 2023; Beck & Rahman, 2006).

3.3 Methodology

Due to the analytical-heavy nature of this report, **Secondary Research** will be utilized.

Sources of information

This report will cite published annual reports from the firms relevant to this study, relevant articles, and reporting from journals and news sites.

Analytical Tools

This report will utilize Microsoft Excel (2019) for all mathematical and statistical calculations, graphical representations, and other relevant analyses as required to satisfy its objectives and research questions.

3.4 Findings and Analysis

The data collected in this paper serve to answer the aforementioned research questions and satisfy the requirements outlined in the paper's objectives.

3.4.1 Competitor overview

To create an accurate comparison between IPDC and its rivals, a comprehensive list of comparable firms is required. As such, to curate the large list of FIs, the long-term credit rating of these institutions has been considered a measure for distinguishing those firms that can be considered IPDC's direct rivals, i.e., FIs with AAA Credit Ratings, as illustrated below in ***Table 1.***

Name of FI	Category	Credit Rating	Rating Source
Eastern Bank	Banking	AAA	CRAB
Dutch-Bangla Bank PLC.	Banking	AAA	CRAB

Pubali Bank PLC.	Banking	AAA	CRISL
BRAC Bank PLC.	Banking	AAA	CRAB
The Premier Bank PLC.	Banking	AAA	ARGUS
Bangladesh Infrastructure Finance Fund	Non-Banking	AAA	CRISL
DBH Finance PLC	Non-Banking	AAA	ECRL
IDLC	Non-Banking	AAA	ECRL

Table 1: IPDC Rivals

Additionally, many NBFIs and a handful of Bis have been excluded from consideration due to not satisfying the AAA Credit Rating, operating with a non-traditional financial service model (non-interest-based), and being a branch of a larger MNC whose scope would render direct comparisons to IPDC unfair. These exclusions are explained and highlighted in **Table 1.1** and **Table 1.2** in the Appendix of this paper.

Thus, with a list of comparable rivals, it can be identified whether there is a trend within the industry for operating subsidiary companies, as shown in **Table 2** and **Table 2.1** below:

Name of Company	No. of Subsidiaries
Eastern Bank	3
Dutch-Bangla Bank PLC.	0
Pubali Bank PLC.	1
BRAC Bank PLC.	4
The Premier Bank PLC.	1
Bangladesh Infrastructure Finance Fund	0
DBH Finance PLC	0
IDLC	3

Table 2: Subsidiary Trend

Name of FI	Subsidiary Name	Subsidiary Markets
Eastern Bank	EBL Securities EBL Investments EBL Asset Management	Brokerage Investment Management Asset Management
Dutch-Bangla Bank PLC	N/A	
Pubali Bank	Pubali Bank Securities	Brokerage
Premier Bank	Premier Bank Securities	Brokerage
Bangladesh Infrastructure Finance Fund	N/A	
DBH Finance PLC	N/A	
IDLC	IDLC Securities Limited	Brokerage

	IDLC Investments	Investment Management
	IDLC Asset Management	Asset Management
BRAC Bank	bKash Ltd	MFS
	BRAC EPL Investments Ltd	Investment Management
	BRAC EPL Stock Brokerage Ltd	Brokerage
	BRAC Sajaan Exchange Ltd	Remittance Service

Table 2.1: Subsidiary Operations Trend

Based on the above tables, it is evident that there is an overwhelming majority for IPDCs' rival firms to operate as a group (5 out of 8 firms), utilizing subsidiaries specializing in either asset management, investment management, or securities management (Brokerages). Additionally, although most of the firms considered special exclusions (**Appendix Table 1.1)** are not considered as IPDC's direct comparable rivals, the operations of their own subsidiaries internationally (for example, HSBC and SCB operate numerous international subsidiaries) reinforce this paper's claim that creating subsidiaries is a common strategy within the greater financial services industry.

3.4.2 Trends and Subsidiary Contributions

Using the chosen metrics of ROA, ROE, and NPAT, the contributions of each subsidiary and parent company can be measured against the performance of the overall group of companies of each respective subsidiary holding FI. This comparison, using the total average values across 3 years, is illustrated below with **Table 3** and **Table 3.1.** Additionally, the prerequisite calculations for the consolidated average totals are illustrated in the Appendix by **Tables 3.2-3.6.**

Consolidated Average Totals					
Name of FI	**Average Total Assets**	**Average Total Equity**	**Average Net Profit**	**Average ROA**	**Average ROE**
Eastern Bank	531,626,035,653	39,748,545,923	5,947,327,611	1.15%	15.23%

Pubali Bank PLC.	838,709,484,980	48,031,424,341	8,665,895,774	0.82%	19.86%
BRAC Bank PLC.	849,939,650,833	91,536,832,118	9,578,511,206	0.96%	11.87%
The Premier Bank PLC.	416,831,813,587	26,289,279,167	3,140,828,079	1.01%	10.13%
IDLC	148,153,359,197	19,056,770,074	1,810,295,992	1.16%	8.97%

Table 3: Consolidated Average Totals

Eastern Bank	**2022**	**2023**	**2024**	**Average**	**Percentage of Consolidated Total**	**Average Growth**
Total Assets	455,989,142,514	508,554,061,455	616,050,374,950	526,864,526,306	99.10%	16.33%
Total Equity	35,045,444,496	39,767,446,008	43,063,636,095	39,292,175,533	98.85%	10.88%
Net Profit After Tax	5,107,457,663	6,109,200,443	7,503,942,828	6,240,200,311	104.92%	21.22%
ROA	1.12%	1.20%	1.22%	1.18%		4.32%
ROE	14.57%	15.36%	17.43%	15.79%		9.42%
EBL Securities	**2022**	**2023**	**2024**	**Average**	**Percentage of Consolidated Total**	**Average Growth**
Total Assets	7,586,810,137	8,774,479,404	8,063,427,373	8,141,572,305	1.53%	3.78%
Total Equity	2,166,769,633	2,446,176,167	1,617,011,259	2,076,652,353	5.22%	-10.50%
Net Profit After Tax	161,633,999	129,406,534	-818,194,964	-175,718,144	-2.95%	-376.10%
ROA	2.13%	1.47%	-10.15%	-2.18%		-409.40%
ROE	7.46%	5.29%	-50.60%	-12.62%		-542.78%
EBL Investments	**2022**	**2023**	**2024**	**Average**	**Percentage of Consolidated Total**	**Average Growth**
Total Assets	513,544,388	850,500,268	1,404,548,391	922,864,349	0.17%	65.38%
Total Equity	433,653,501	724,584,932	699,486,881	619,241,771	1.56%	31.81%
Net Profit After Tax	6,747,337	10,931,431	-25,098,052	-2,473,095	-0.04%	-133.79%
ROA	1.31%	1.29%	-1.79%	0.27%		-120.60%
ROE	1.56%	1.51%	-3.59%	-0.17%		-170.44%
EBL Asset Management	**2022**	**2023**	**2024**	**Average**	**Percentage of Consolidated Total**	**Average Growth**
Total Assets	261,209,662	253,578,642	201,851,322	238,879,875	0.04%	-11.66%
Total Equity	250,140,361	243,806,935	193,409,703	229,119,000	0.58%	-11.60%
Net Profit After Tax	-6,286,688	-6,333,426	-50,397,232	-21,005,782	-0.35%	348.24%
ROA	-2.41%	-2.50%	-24.97%	-9.96%		451.71%
ROE	-2.51%	-2.60%	-26.06%	-10.39%		453.22%
IDLC	**2022**	**2023**	**2024**	**Average**	**Percentage of Consolidated Total**	**Average Growth**
Total Assets	142,822,593,059	142,876,772,104	143,867,729,414	143,189,031,526	96.65%	0.37%
Total Equity	15,637,442,322	14,622,622,385	14,152,552,807	14,804,205,838	77.68%	-4.85%
Net Profit After Tax	1,672,978,968	1,093,617,303	1,619,616,134	1,462,070,802	80.76%	6.73%

ROA	1.17%	0.77%	1.13%	1.02%		6.21%
ROE	10.70%	7.48%	11.44%	9.87%		11.46%
IDLC Securities Limited	**2022**	**2023**	**2024**	**Average**	**Percentage of Consolidated Total**	**Average Growth**
Total Assets	6,097,977,694	5,958,359,623	5,619,600,484	5,891,979,267	3.98%	-3.99%
Total Equity	4,634,010,243	1,525,421,014	1,426,849,459	2,528,760,239	13.27%	-36.77%
Net Profit After Tax	301,071,634	240,187,584	263,321,653	268,193,624	14.81%	-5.30%
ROA	4.94%	4.03%	4.69%	4.55%		-1.06%
ROE	6.50%	15.75%	18.45%	13.57%		79.78%
IDLC Investments	**2022**	**2023**	**2024**	**Average**	**Percentage of Consolidated Total**	**Average Growth**
Total Assets	4,226,415,854	4,324,921,212	4,327,495,770	4,292,944,279	2.90%	1.20%
Total Equity	3,523,366,095	3,707,165,574	3,521,585,794	3,584,039,154	18.81%	0.11%
Net Profit After Tax	207,500,974	185,579,780	200,764,299	197,948,351	10.93%	-1.19%
ROA	4.91%	4.29%	4.64%	4.61%		-2.24%
ROE	5.89%	5.01%	5.70%	5.53%		-0.56%
IDLC Asset Management	**2022**	**2023**	**2024**	**Average**	**Percentage of Consolidated Total**	**Average Growth**
Total Assets	425,670,698	434,659,917	447,226,210	435,852,275	0.29%	2.50%
Total Equity	350,910,464	336,901,320	342,722,628	343,511,471	1.80%	-1.13%
Net Profit After Tax	15,894,139	-5,821,308	-15,211,928	-1,713,032	-0.09%	12.34%
ROA	3.73%	-1.34%	-3.40%	-0.34%		9.05%
ROE	4.53%	-1.73%	-4.44%	-0.55%		9.36%
BRAC Bank	**2022**	**2023**	**2024**	**Average**	**Percentage of Consolidated Total**	**Average Growth**
Total Assets	930,132,702,781	726,723,275,859	563,271,395,707	740,042,458,116	87.07%	-22.18%
Total Equity	75,444,056,785	63,782,029,290	58,418,109,568	65,881,398,548	71.97%	-11.93%
Net Profit After Tax	12,136,169,761	7,303,604,668	5,763,173,574	8,400,982,668	87.71%	-30.46%
ROA	1.30%	1.01%	1.02%	1.11%		-10.58%
ROE	16.09%	11.45%	9.87%	12.47%		-21.33%
bKash Ltd	**2022**	**2023**	**2024**	**Average**	**Percentage of Consolidated Total**	**Average Growth**
Total Assets	135,829,697,481	118,814,311,917	105,584,425,552	120,076,144,983	14.13%	-11.83%
Total Equity	34,701,033,110	31,542,977,817	30,602,346,144	32,282,119,024	35.27%	-6.04%
Net Profit After Tax	3,157,732,847	985,482,973	175,316,077	1,439,510,632	15.03%	-75.50%
ROA	2.32%	0.83%	0.17%	1.11%		-72.15%
ROE	9.10%	3.12%	0.57%	4.27%		-73.67%
BRAC EPL Investments Ltd	**2022**	**2023**	**2024**	**Average**	**Percentage of Consolidated Total**	**Average Growth**
Total Assets	1,675,280,208	2,522,789,440	2,647,040,522	2,281,703,390	0.27%	27.76%
Total Equity	716,088,201	1,293,414,099	1,302,350,935	1,103,951,078	1.21%	40.66%
Net Profit After Tax	-577,325,898	-8,936,836	265,463,389	-106,933,115	-1.12%	-1584.45%
ROA	-34.46%	-0.35%	10.03%	-8.26%		-1514.99%

ROE	-80.62%	-0.69%	20.38%	-20.31%		-1574.60%
BRAC EPL Stock Brokerage Ltd	**2022**	**2023**	**2024**	**Average**	**Percentage of Consolidated Total**	**Average Growth**
Total Assets	2,517,125,273	2,462,904,476	2,183,721,797	2,387,917,182	0.28%	-6.74%
Total Equity	1,449,462,214	1,488,526,712	1,457,088,870	1,465,025,932	1.60%	0.29%
Net Profit After Tax	-39,064,498	41,129,359	77,307,098	26,457,320	0.28%	-58.66%
ROA	-1.55%	1.67%	3.54%	1.22%		-47.81%
ROE	-2.70%	2.76%	5.31%	1.79%		-55.25%
BRAC Sajaan Exchange Ltd	**2022**	**2023**	**2024**	**Average**	**Percentage of Consolidated Total**	**Average Growth**
Total Assets	162,437,927	530,788,967	41,245,748	244,824,214	0.03%	67.27%
Total Equity	57,113,373	-61,551,875	41,245,748	12,269,082	0.01%	-187.39%
Net Profit After Tax	-88,669,567	-120,243,433	-95,583,292	-101,498,764	-1.06%	7.55%
Exchange Rate Euro: Taka			124			
ROA	-54.59%	-22.65%	-231.74%	-41.46%		432.24%
ROE	-155.25%	195.35%	-231.74%	-827.27%		-222.23%
Pubali Bank	**2022**	**2023**	**2024**	**Average**	**Percentage of Consolidated Total**	**Average Growth**
Total Assets	981,203,156,118	814,866,573,965	712,755,711,836	836,275,147,306	99.71%	-14.74%
Total Equity	52,324,602,630	46,844,037,230	42,486,088,178	47,218,242,679	98.31%	-9.89%
Net Profit After Tax	7,624,516,621	6,808,468,920	5,321,771,659	6,584,919,067	75.99%	-16.27%
ROA	0.78%	0.84%	0.75%	0.79%		-1.56%
ROE	14.57%	14.53%	12.53%	13.88%		-7.04%
Pubali Bank Securities	**2022**	**2023**	**2024**	**Average**	**Percentage of Consolidated Total**	**Average Growth**
Total Assets	10,254,535,398	9,907,853,346	9,693,455,489	9,951,948,078	1.19%	-2.77%
Total Equity	7,577,874,064	7,401,519,795	7,260,151,126	7,413,181,662	15.43%	-2.12%
Net Profit After Tax	176,354,269	141,368,669	326,234,592	214,652,510	2.48%	55.47%
ROA	1.72%	1.43%	3.37%	2.17%		59.42%
ROE	2.33%	1.91%	4.49%	2.91%		58.67%
Premier Bank	**2022**	**2023**	**2024**	**Average**	**Percentage of Consolidated Total**	**Average Growth**
Total Assets	449,626,031,783	414,401,578,090	384,771,821,413	416,266,477,095	99.86%	-7.49%
Total Equity	27,042,855,120	27,353,853,145	24,769,636,767	26,388,781,677	100.38%	-4.15%
Net Profit After Tax	1,454,588,947	4,345,530,103	4,031,061,073	3,277,060,041	104.34%	95.75%
ROA	0.32%	1.05%	1.05%	0.81%		112.02%
ROE	5.38%	15.89%	16.27%	12.51%		98.90%
Premier Bank Securities	**2022**	**2023**	**2024**	**Average**	**Percentage of Consolidated Total**	**Average Growth**
Total Assets	5,334,299,011	5,493,960,139	5,547,072,965	5,458,444,038	1.31%	1.98%
Total Equity	2,261,573,326	2,374,550,304	2,565,308,836	2,400,477,489	9.13%	6.51%
Net Profit After Tax	-112,976,978	-190,758,532	-104,960,374	-136,231,961	-4.34%	11.93%
ROA	-2.12%	-3.47%	-1.89%	-2.49%		9.22%

ROE	-5.00%	-8.03%	-4.09%	-5.71%		5.87%

Table 3.1: Subsidiary Contribution

Thus, based on these tables, it is evident that the subsidiaries of these FIs do not contribute significantly to their overall performance, and in the case of BIs, the parent company far outclasses the contributions of their subsidiaries, highlighting a clear preference for the traditional banking services offered by BRAC BANK, EBL, PUBALI BANK, and PREMIER BANK as opposed to the services of their subsidiary firms. However, the top-performing subsidiaries (by measure of contribution) are IDLC Securities, IDLC Investments, and bKash. These are notable figures due to IDLC being the only NBFI presently operating subsidiaries, and bKash being a Mobile Financial Service (MFS) which deviates from the typical subsidiary models utilized by competitors.

Despite these performances indicating the promise for the viability of the subsidiary strategy, it must also be noted that the majority of parent and subsidiaries, including the aforementioned top-performing subsidiaries, show negative average growth, which may indicate an industry-wide shortcoming to engage or capture enough of the population or generate enough business through existing markets.

3.4.3 Company Analysis and Comparisons

IPDC	2022	2023	2024	Average	Average Growth
Total Assets	86,732,379,052	91,933,996,939	89,123,903,630	89,263,426,540	1.47%
Total Equity	6,802,943,139	6,751,513,529	6,909,038,195	6,821,164,954	0.79%
Net Profit After Tax	901,020,079	342,955,864	363,234,933	535,736,959	-28.01%
ROA	1.04%	0.37%	0.41%	0.61%	-27.42%
ROE	13.24%	5.08%	5.26%	7.86%	-29.07%

Table 4: IPDC Performance

Based on **Table 4**, it is clear that despite maintaining positive growth in Total Assets and Total Equity, IPDC suffered a significant reduction in Net Profit from 2022 to 2023, with the decrease being so substantial that the company’s growth in Net Profit from 2023 to 2024 is dwarfed by the prior reduction, leading to a negative average growth in Net Profit.

Average Growth Comparison					
Name of FI	**Total Assets**	**Total Equity**	**Net Profit After Tax**	**ROA**	**ROE**
Eastern Bank	16.33%	10.88%	21.22%	4.32%	9.42%
EBL Securities	3.78%	-10.50%	-376.10%	-409.40%	-542.78%
EBL Investments	65.38%	31.81%	-133.79%	-120.60%	-170.44%
EBL Asset Management	-11.66%	-11.60%	348.24%	451.71%	453.22%
IDLC	0.37%	-4.85%	6.73%	6.21%	11.46%
IDLC Securities Limited	-3.99%	-36.77%	-5.30%	-1.06%	79.78%
IDLC Investments	1.20%	0.11%	-1.19%	-2.24%	-0.56%
IDLC Asset Management	2.50%	-1.13%	12.34%	9.05%	9.36%
BRAC Bank	-22.18%	-11.93%	-30.46%	-10.58%	-21.33%
bKash Ltd	-11.83%	-6.04%	-75.50%	-72.15%	-73.67%
BRAC EPL Investments Ltd	27.76%	40.66%	-1584.45%	-1514.99%	-1574.60%
BRAC EPL Stock Brokerage Ltd	-6.74%	0.29%	-58.66%	-47.81%	-55.25%
BRAC Sajaan Exchange Ltd	67.27%	-187.39%	7.55%	432.24%	-222.23%
Pubali Bank	-14.74%	-9.89%	-16.27%	-1.56%	-7.04%
Pubali Bank Securities	-2.77%	-2.12%	55.47%	59.42%	58.67%
Premier Bank	-7.49%	-4.15%	95.75%	112.02%	98.90%
Premier Bank Securities	1.98%	6.51%	11.93%	9.22%	5.87%

Table 4.1: Average Growth Comparison

Additionally, based on **Table 4.1**, IPDC does show signs of positive growth in Total Assets and Equity, but once again suffers in Net Profit growth (however, this is not a significant concern as the company shows signs of growth from 2023 to 2024). Moreover, IPDC’s average growth rates do not particularly stand out compared to both rival FIs and their subsidiaries, but it does highlight that the only major shortcoming the firm has is its aforementioned suffering Net Profit growth rate.

IPDC				
Types of loans & etc.	**2022**	**2023**	**2024**	**Average Growth**
Long-term loan	28,994,992,232	30,488,754,247	30,782,938,741	3.06%
Lease finance	5,733,916,450	4,592,744,548	3,972,557,773	-16.70%
Short-term loan	14,053,030,603	13,308,557,892	12,875,213,945	-4.28%

Channel finance	4,196,285,205	5,189,040,942	5,245,899,601	12.38%
Mortgage finance	9,489,229,516	10,472,057,992	10,245,602,575	4.10%
Auto loan	4,504,246,613	4,978,961,256	4,819,158,874	3.66%
Secured retail loan	519,150,035	871,909,545	961,672,448	39.12%
Personal loan	373,892,089	367,720,875	378,466,706	0.64%
Staff loan	211,879,186	256,005,607	231,280,640	5.58%
Consumer White Goods Finance	28,954,314	45,486,640	22,911,823	3.73%
BRAC BANK				
Types of Loans & etc.	**2022**	**2023**	**2024**	**Average Growth**
Overdrafts	14,264,660,532	25,431,612,843	32,039,210,105	52.13%
Demand loans	93,550,846,726	125,993,007,565	162,980,999,171	32.02%
Term loans	101,066,162,683	118,465,251,374	147,272,386,742	20.77%
Lease receivables	488,267,689	381,836,306	313,530,526	-19.84%
Credit Cards	10,794,068,205	12,894,325,021	14,067,646,868	14.28%
Staff loans	1,139,528,139	1,202,085,797	4,116,487,366	123.97%
Margin loan	-	-	-	
SME				
Overdrafts	12,992,885,904	11,845,706,532	11,895,459,249	-4.20%
Demand loans	18,412,632,107	13,789,378,536	19,249,140,494	7.24%
Term loans	201,964,416,265	160,407,248,749	229,085,555,190	11.12%
Lease receivables	-	3,904,457	-	
Bills purchased and discounted (SME)	116,046,343	53,694,267	115,320,890	30.52%
IDLC				
Types of Loans & etc.	**2022**	**2023**	**2024**	**Average Growth**
Lease receivable	3,851,808,782	3,497,435,220	3,792,268,902	-0.39%
Long-term finance	62,798,084,352	70,146,021,695	67,707,383,393	4.11%
Real estate finance	30,321,877,364	31,615,879,108	30,863,357,906	0.94%
Car loans	2,371,105,067	2,489,139,600	2,510,731,240	2.92%
Personal loan	86,640,039	66,746,592	56,468,419	-19.18%
Short-term finance	1,922,001,545	2,909,823,061	3,113,564,760	29.20%
Loan to subsidiaries	-	-	-	
Loan against deposit	662,451,693	728,903,700	868,212,171	14.57%
Margin loan to portfolio investors	-	-	-	
Interest receivable	1,738,993,381	1,885,392,633	2,235,016,630	13.48%
EBL				
Types of Loans & etc.	**2022**	**2023**	**2024**	**Average Growth**
Loans - general	216,408,060,820	263,438,011,747	312,631,733,979	20.20%
Cash credit	2,067,129,447	3,134,410,350	5,641,042,323	65.80%
Overdraft	43,496,868,346	52,475,254,950	53,939,707,821	11.72%

Table 4.2: Loan Growth and Comparison

Based on **Table 4.2,** although IPDC does not surpass the growth rate of the FIs with the most subsidiaries, the firm still shows signs of consistent growth in most of its financial products, indicating that, despite the lack of subsidiaries, IPDC still shows signs of slow growth but growth nonetheless.

3.5 Summary and Conclusions

From the findings of this paper, a clear trend can be identified for FIs to utilize subsidiaries, particularly in Asset Management, Investment Management, and Capital Management/Brokerages. However, it is also evident that these subsidiaries struggle to contribute significantly to the overall performance of the group as a whole, and individually, most subsidiaries do not show signs of consistent positive growth. Although these subsidiaries are not all profitable, there are still signs of growth and potential for the common financial services offered by these firms, as Bangladesh's financial services industry has seen gradual improvements in engagement in recent years.

IPDC itself struggles to stand out against its rivals and their subsidiaries in terms of its performance, but beyond its negative Net Profit growth rate (showing signs of recent positive growth), the firm still shows positive growth in terms of Total Assets and Equity. Coupled with its increasing rate of loan disbursements, the profitability issue for the company can be assumed to be on a path of recovery, and lead to the reasonable conclusion that IPDC can continue its operations within its present markets, similar to the core FI of its other rival group of companies, without having to invest and support additional subsidiary services. However, that does not mean that the potential for a subsidiary under IPDC is an adverse strategy, as the performance of IDLC shows that there is potential for an NBFI to operate profitable and growing subsidiaries.

It must also be addressed that 35% and 10% of IPDC's shares are controlled by BRAC and the Ayesha Abed Foundation, respectively (IPDC, n.d.). As such, although IPDC is not a subsidiary of BRAC, it can be assumed that there is a conscious management decision by its major shareholders not to develop subsidiaries under IPDC, especially as BRAC controls one of IPDC's major rivals, BRAC BANK, which also has specialized subsidiaries.

3.6 Recommendations and Implications

Although IPDC shows the potential of continued growth without a subsidiary, the formation of one in a more active Bangladeshi financial service industry may provide the firm with a lucrative strategy. Alternatively, as more FIs continue to enter the established and common FI subsidiary markets, IPDC may find a more profitable niche by continuing its efforts to improve its core services and providing financial services catered towards the development of consumer and commercial projects. Furthermore, in a developing nation such as Bangladesh, one with a turbulent economy and political climate, it may be beneficial for IPDC to continue its initial ethos of development-focused services long enough for the core business to overcome its current slow profitability growth and adopt potential branching strategies in other markets or services.

In conclusion, although this paper addresses its initial problem statement by identifying sufficient (although unimpressive) growth in IPDC to validate its current strategy of not utilizing a subsidiary firm, there are still clear gaps that warrant further study.

Firstly, as the scope of this paper does not address the specific mechanisms for IPDC's success in reaching AAA Credit Rating status, while not matching the performance of its rival FIs, it is a potential case that can identify beneficial specialties in the firm's management or operational strategies. Secondly, the widespread adoption of subsidiaries by firms in the financial service industry, despite Bangladesh's lack of adequate engagement in this sector, also warrants further investigation that may allow for the re-evaluation of the strategic decision-making of FIs presently. Thirdly, the potential for IPDC to eventually form its own subsidiary or introduce additional/specialized services to differentiate itself leaves the prospect for further studies to harmonize the relevant operational and market data and identify such potential.

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Appendix

Special Exclusions	Sector	Rating	Rating Source	Reason
Standard Chartered Bank	Banking (Foreign)	AAA	CRISL	Non-Bangladeshi origin MNC
Commercial Bank of Ceylon PLC	Banking (Foreign)	AAA	CRISL	Non-Bangladeshi origin MNC
HSBC	Banking (Foreign)	AAA	CRAB	Non-Bangladeshi origin MNC
State Bank of India	Banking (Foreign)	AAA	Alpha	Non-Bangladeshi origin MNC
Islami Bank Bangladesh PLC.	Banking (Islami)	AAA	ECRL	Non-interest-based FI

Table 1.1: Special FI Exclusions

Exclusions	Reason
Agrani Bank (Agrani Financing Company Ltd.)	AA Credit Rating
Alliance Finance PLC	AA- Credit Rating (Outdated, 2023)
Aviva Finance Limited	AA Credit Rating
Bay Leasing & Investment Limited	BB+ Credit Rating
Bangladesh Finance Limited	AA Credit Rating
BIFC	B Credit Rating
CVC Finance	BBB- Credit Rating
Far East Finance	BBB Credit Rating (Outdated, 2019)
FAS Finance & Investment	A Credit Rating (Outdated, 2018)
First Finance Limited	BB+ Credit Rating
GSP Finance Company Limited	A+ Credit Rating (Outdated, 2020)
Hajj Finance Limited	A Credit Rating (Outdated, 2021)
IIDFC	A+ Credit Rating
IDCOL	AA1 Credit Rating
ILFSL	BBB Credit Rating
Islamic Finance & Investment PLC	BBB Credit Rating
LankaBangla Finance PLC	AA3 Credit Rating
Meridian Finance	BBB- Credit Rating
MIDAS Financing PLC	A- Credit Rating
National Finance Limited	BBB- Credit Rating (Outdated, 2023)
National Housing Finance PLC	AA- Credit Rating
People's Leasing and Financial Services Ltd.	D Credit Rating
Phoenix Finance and Investments Ltd	BB Credit Rating
Premier Leasing and Finance Limited	BB+ Credit Rating
SABINCO	Credit Rating Not Available
SFIL Finance	A+ Credit Rating
UAE-Bangladesh Investment Company	Credit Rating Not Available
Union Capital Limited	BB+ Credit Rating (Outdated, 2023)
United Finance Limited	AA+ Credit Rating

Uttara Finance and Investment	AA+ Credit Rating

Table 1.2: Additional FI Exclusions

Credit Rating References	
Detail	**Link**
Bank Credit Ratings	https://www.bb.org.bd/en/index.php/financialactivity/credit_rating_of_banks
NBFI List	https://www.bb.org.bd/en/index.php/links/links/2
NBFI Credit Ratings	https://www.cse.com.bd/company/listedcompanies
Aviva Finance	https://avivabd.com/products-services/
BIFC	https://bifcol.com/investor-relation/credit-reting/
BIFFL	https://www.biffl.org.bd/uploads/images/reports/BIFFL%20Annual%20Report%202024.pdf
CVC	https://www.cvcflbd.com/CVCFLBD/Investor/CreditRating
FAS	https://www.fasbd.com/
Hajj Finance	https://hajjfinance.net/credit-rating-2/
IIDFC	https://iidfc.com/finance_report/credit_rating
IDCOL	https://idcol.org/home/credit_rating
Meridian Finance	https://www.meridianfinancebd.com/Credit-Rating
National Finance	https://www.nfl.com.bd/home/crreport
SFIL Finance	https://www.sfilbd.com/regulatory-compliance/credit-rating
United Finance Limited	https://www.ufplc.com/en/Home/CreditRating
Uttara Finance and Investment	https://uttarafinance.com/

Table 1.3: Credit Rating Sources

Subsidiary References	
Detail	**Link**
EBL	https://www.ebl.com.bd/subsidiaries
Pubali	https://www.pubalibangla.com/assets/pdf/Financial_Reports/annual_reports/Annual_Report_2024.pdf
Premier Bank	https://thepremierbankplc.com/wp-content/uploads/2025/09/The-Premier-Bank-PLC-Annual-Report-2024.pdf
Islami Bank	https://www.islamibankbd.com/public/assets/annual-report/1761203020_Annual_Report_2024.pdf
BIFFL	https://www.biffl.org.bd/uploads/images/reports/BIFFL%20Annual%20Report%202024.pdf
DBH	https://dbhfinance.com/public/assets/investor/financial-statement-sub/1682508776_DBH-Annual-Report-2022.pdf
IDLC	https://web.idlc.com/uploads/financial_report/idlc-annual-report-2024-122339.pdf

Table 1.4: Subsidiary Identification

Consolidated Total Equity			
Name of FI	**2022**	**2023**	**2024**
Eastern Bank	35,761,628,008	40,525,924,443	42,958,085,317

Dutch-Bangla Bank PLC.	41,638,755,228	48,172,764,551	51,608,170,451
Pubali Bank PLC.	43146239304	47645557025	53,302,476,694
BRAC Bank PLC.	87,020,403,154	87,020,403,154	100,569,690,045
The Premier Bank PLC.	24,834,965,604	27,228,423,450	26,804,448,446
Bangladesh Infrastructure Finance Fund	27,048,204,165	27,601,834,367	28,243,306,948
DBH Finance PLC	7,986,476,279	8,678,445,056	9,398,259,605
IDLC	18,109,609,061	18,999,624,591	20,061,076,571

Table 3.2: Consolidated Total Equity

Consolidated Total Assets			
Name of FI	**2022**	**2023**	**2024**
Eastern Bank	459,868,446,589	513,758,131,734	621,251,528,637
Dutch-Bangla Bank PLC.	555,473,634,446	593,883,123,100	679,875,504,457
Pubali Bank PLC.	714,272,726,951	817,591,163,058	984,264,564,931
BRAC Bank PLC.	655,950,266,450	837,145,184,673	1,056,723,501,375
The Premier Bank PLC.	385,544,682,385	414,966,375,627	449,984,382,748
Bangladesh Infrastructure Finance Fund	49,311,718,703	49,122,031,775	55,907,629,920
DBH Finance PLC	61,737,601,156	67,537,281,693	67,187,844,768
IDLC	148,184,739,314	147,378,690,089	148,896,648,189

Table 3.3: Consolidated Total Assets

Consolidated Net Profit After Tax			
Name of FI	**2022**	**2023**	**2024**
Eastern Bank	5,120,586,681	6,122,419,552	6,598,976,600
Dutch-Bangla Bank PLC.	5,661,689,673	8,017,399,148	4,734,756,394
Pubali Bank PLC.	5648006251	6949837589	13,399,843,483
BRAC Bank PLC.	6,142,001,094	8,275,050,569	14,318,481,955
The Premier Bank PLC.	3,926,100,699	4,154,771,571	1,341,611,968
Bangladesh Infrastructure Finance Fund	761,390,536	833,078,883	1,011,318,572
DBH Finance PLC	1,016,725,759	984,454,323	1,008,558,647
IDLC	1,914,528,041	1,513,563,360	2,002,796,576

Table 3.4: Consolidated NPAT

Consolidated ROA			
Name of FI	**2022**	**2023**	**2024**
Eastern Bank	1.11%	1.19%	1.06%
Dutch-Bangla Bank PLC.	1.02%	1.35%	0.70%
Pubali Bank PLC.	0.79%	0.85%	1.36%
BRAC Bank PLC.	0.94%	0.99%	1.35%
The Premier Bank PLC.	1.02%	1.00%	0.30%
Bangladesh Infrastructure Finance Fund	1.54%	1.70%	1.81%

DBH Finance PLC	1.65%	1.46%	1.50%
IDLC	1.29%	1.03%	1.35%

Table 3.5: Consolidated ROA

Consolidated ROE			
Name of FI	**2022**	**2023**	**2024**
Eastern Bank	14.32%	15.11%	15.36%
Dutch-Bangla Bank PLC.	13.60%	16.64%	9.17%
Pubali Bank PLC.	13.09%	14.59%	25.14%
BRAC Bank PLC.	7.06%	9.51%	14.24%
The Premier Bank PLC.	15.81%	15.26%	5.01%
Bangladesh Infrastructure Finance Fund	2.81%	3.02%	3.58%
DBH Finance PLC	12.73%	11.34%	10.73%
IDLC	10.57%	7.97%	9.98%

Table 3.6: Consolidated ROE

BALANCE SHEET	2024	2023	2022
PROPERTY AND ASSETS			
CASH			
IN HAND (INCLUDING FOREIGN CURRENCIES)	555,000	495,000	495,000
BALANCE WITH BANGLADESH BANK AND ITS AGENT BANK(S) (INCLUDING FOREIGN CURRENCIES)	810,238,006	786,835,844	734,784,074
	810,793,006	787,330,844	735,279,074
BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS			
INSIDE BANGLADESH	6,270,561,635	13,349,654,597	11,939,491,287
OUTSIDE BANGLADESH			
	6,270,561,635	13,349,654,597	11,939,491,287
MONEY ON CALL AND SHORT NOTICE			
INVESTMENTS			
GOVERNMENT SECURITIES	5,206,164,086	1,612,792,857	
OTHER INVESTMENTS	4,306,163,758	2,905,885,109	2,499,501,477
	9,512,327,844	4,518,677,966	2,499,501,477
LOANS, ADVANCES, AND LEASES			
LOANS, CASH CREDITS, OVERDRAFTS, ETC	69,535,703,126	70,571,239,544	68,105,576,243
BILLS PURCHASED AND DISCOUNTED			
	69,535,703,126	70,571,239,544	68,105,576,243
FIXED ASSETS, INCLUDING LAND, BUILDINGS, FURNITURE, AND FIXTURES	741,498,930	807,561,945	876,327,403
OTHER ASSETS	2,249,266,684	1,895,779,638	2,572,451,163
NON-BANKING ASSETS	3,752,405	3,752,405	3,752,405
TOTAL ASSETS	89,123,903,630	91,933,996,939	86,732,379,052
LIABILITIES AND CAPITAL			
LIABILITIES			
BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS, AND AGENTS	17,433,014,873	16,099,168,254	12,097,050,078
DEPOSITS AND OTHER ACCOUNTS			
CURRENT ACCOUNTS AND OTHER ACCOUNTS			

BILLS PAYABLE			
SAVINGS DEPOSITS			
TERM DEPOSITS	54,319,330,270	60,177,042,834	59,139,483,337
BEARER CERTIFICATE OF DEPOSITS			
OTHER DEPOSITS			
	54,319,330,270	60,177,042,834	59,139,483,337
OTHER LIABILITIES	10,462,520,292	8,906,272,322	8,692,902,498
TOTAL LIABILITIES	82,214,865,435	85,182,483,410	79,929,435,913
SHAREHOLDERS' EQUITY			
PAID-UP CAPITAL	3,896,461,240	3,710,915,470	3,710,915,470
SHARE PREMIUM	402,627,680	402,627,680	402,627,680
STATUTORY RESERVE	1,301,722,665	1,229,075,678	1,160,484,505
ASSETS REVALUATION RESERVE	290,414,727	291,906,470	304,583,030
RETAINED EARNINGS	1,017,811,883	1,116,988,231	1,224,332,454
TOTAL SHAREHOLDERS' EQUITY	6,909,038,195	6,751,513,529	6,802,943,139
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	89,123,903,630	91,933,996,939	86,732,379,052
NET ASSET VALUE (NAV) PER SHARE	17.73	17.33	18.33

Table A: Balance Sheet

PROFIT AND LOSS	**2024**	**2023**	**2022**
INTEREST INCOME	8,811,163,320	7,433,716,178	7,080,316,655
LESS: INTEREST PAID ON DEPOSITS AND BORROWINGS, ETC	6,418,459,030	5,011,087,715	4,310,117,945
NET INTEREST INCOME	2,392,704,290	2,422,628,463	2,770,198,710
INVESTMENT INCOME	684,870,678	232,450,624	202,104,580
COMMISSION, EXCHANGE, AND BROKERAGE	142,075,996	207,345,214	151,194,042
OTHER OPERATING INCOME	23,230,441	40,027,100	123,455,293
TOTAL OPERATING INCOME	3,242,881,405	2,902,451,401	3,246,952,625
SALARY AND ALLOWANCES	923,637,690	987,688,639	848,352,078
RENT, TAXES, INSURANCE, ELECTRICITY, ETC	40,074,050	38,181,778	32,296,269
LEGAL EXPENSES	61,156,549	52,119,724	65,668,980
POSTAGE, STAMPS, TELECOMMUNICATIONS, ETC	15,999,635	15,279,184	15,782,422
STATIONERY, PRINTING, ADVERTISEMENTS, ETC.	70,821,142	108,493,198	112,386,288
MANAGING DIRECTOR'S SALARY AND ALLOWANCES	13,870,192	15,450,000	16,450,000
DIRECTORS' FEES	1,891,200	1,337,600	1,223,720
AUDITORS' FEES	954,500	954,500	1,759,500
CHARGES ON LOAN LOSS			
DEPRECIATION AND REPAIR OF ASSETS	198,291,565	224,852,408	215,356,247
OTHER EXPENSES	151,471,053	158,326,588	177,392,964
TOTAL OPERATING EXPENSES	1,478,167,576	1,602,683,619	1,486,668,468
PROFIT BEFORE PROVISION	1,764,713,829	1,299,767,782	1,760,284,157
PROVISION FOR LOANS AND ADVANCES	811,801,326	638,774,929	449,862,621
PROVISION/(REVERSAL) FOR DIMINUTION IN VALUE OF INVESTMENTS	53,410,281	9,646	35,418,720

OTHER PROVISIONS	27,243,310	489,370	10,631,900
TOTAL PROVISION	892,454,917	639,273,945	495,913,241
PROFIT BEFORE TAX	872,258,912	660,493,837	1,264,370,916
PROVISION FOR TAXATION	504,335,000	355,266,140	367,448,480
CURRENT TAX EXPENSE	4,688,979	-37,728,167	-4,097,643
DEFERRED TAX EXPENSE/ (INCOME)	509,023,979	317,537,973	363,350,837
NET PROFIT AFTER TAX	363,234,933	342,955,864	901,020,079
APPROPRIATIONS			
STATUTORY RESERVE	72,646,987	68,591,173	180,204,016
GENERAL RESERVE			
PROPOSED DIVIDEND			
	72,646,987	68,591,173	180,204,016
RETAINED SURPLUS	290,587,946	274,364,691	720,816,063
EARNINGS PER SHARE (EPS)	0.93	0.88	2.43

Table B: Statement of Profit & Loss

CASH FLOW STATEMENT	**2024**	**2023**	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES			
INTEREST RECEIVED	9,174,038,828	7,477,260,204	7,300,904,900
INTEREST PAID	-6,058,149,145	-4,900,430,241	-4,202,352,324
DIVIDEND RECEIVED	201,706,209	121,162,832	129,490,996
FEE AND COMMISSION RECEIVED	142,075,996	207,345,214	151,194,042
RECOVERIES OF LOANS PREVIOUSLY WRITTEN OFF	1,932,000	21,772,009	111,333,612
PAYMENT TO EMPLOYEES	-970,320,060	-992,150,142	-891,379,010
PAYMENT TO SUPPLIERS	-388,722,722	-461,774,431	-475,909,601
INCOME TAXES PAID	-397,348,844	-628,737,138	-666,729,110
PAYMENTS FOR THE INTEREST PORTION OF THE LEASE PAYMENTS	-17,234,009	-18,455,900	-12,715,091
RECEIPT FROM OTHER OPERATING ACTIVITIES	128,427,870	17,899,996	33,130,584
PAYMENT FOR OTHER OPERATING ACTIVITIES			
CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES	1,816,406,122	843,892,403	1,476,968,998
CHANGES IN OPERATING ASSETS AND LIABILITIES			
STATUTORY DEPOSITS			
SALE OF TRADING SECURITIES			
LOANS AND ADVANCES TO OTHER BANKS	134,316,360	40,298,678	306,181,140
LOANS AND ADVANCES TO CUSTOMERS	855,837,513	-2,483,021,787	-3,141,079,992
OTHER ASSETS	47,795,586	329,923,907	-360,959,981
DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS	-6,934,700,000	-2,087,300,000	-280,000,000
DEPOSITS FROM CUSTOMERS	1,076,987,436	3,124,859,497	-985,781,650
OTHER LIABILITY ACCOUNTS OF CUSTOMERS			
TRADING LIABILITIES	632,887,198	306,230,766	-1,354,689,837
OTHER LIABILITIES	-121,878,746	146,516,363	194,447,879
CASH RECEIVED/(PAID) FROM OPERATING ASSETS AND LIABILITIES	-4,308,754,653	-622,492,576	-5,621,882,441
NET CASH FROM OPERATING ACTIVITIES	-2,492,348,531	221,399,827	-4,144,913,443

CASH FLOWS FROM INVESTING ACTIVITIES			
NET PROCEEDS OF INVESTMENT IN SECURITIES	-4,993,649,878	-1,995,908,732	240,976,887
PURCHASE OF PROPERTY, PLANT, AND EQUIPMENT	-42,698,513	-56,688,959	-125,574,267
SALE PROCEEDS OF PROPERTY, PLANT, AND EQUIPMENT	131,222	4,825,239	2,417,634
NET CASH (USED IN)/ FROM INVESTING ACTIVITIES	-5,036,217,169	-2,047,772,452	117,820,254
CASH FLOWS FROM FINANCING ACTIVITIES			
RECEIPTS FROM THE ISSUE OF LOANS AND DEBT SECURITIES	1,698,246,660	1,963,705,750	
PAYMENTS FOR REDEMPTION OF LOANS AND DEBT SECURITIES	-200,000,000	-253,823,765	-410,968,055
PAYMENTS FOR THE PRINCIPAL PORTION OF THE LEASE PAYMENTS	-42,357,122	-36,394,874	-32,916,682
RECEIPTS FROM THE ISSUE OF ORDINARY SHARES			
RECEIPTS/(PAYMENTS) OF LONG TERM LOAN	-797,287,239	1,986,005,425	3,366,875,141
DIVIDENDS RETURNED/(PAID) IN CASH	-185,667,399	-370,904,831	-444,651,372
NET CASH (USED IN)/ FROM FINANCING ACTIVITIES	472,934,900	3,288,587,705	2,478,339,032
NET INCREASE IN CASH	-7,055,630,800	1,462,215,080	-1,548,754,157
EFFECT OF CHANGES IN THE EXCHANGE RATE ON CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	14,136,985,441	12,674,770,361	14,223,524,518
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7,081,354,641	14,136,985,441	12,674,770,361
NET OPERATING CASHFLOW PER SHARE (NOCFPS)	-6.4	0.57	-11.17

Table C: Cash Flow Statement