Report On
The Sustainable Growth of IPDC Finance Limited in the NBFI Industry of Bangladesh

By

Md. Rifat Al Azad

21204050

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

October 2025

Declaration

It is hereby declared that

1. The internship report submitted is my 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 have acknowledged all main sources of help.

Student's Full Name & Signature:

Md. Rifat Al Azad

21204050

Supervisor's Full Name & Signature:

Dr. Sayla Sowat Siddiqui

Assistant Professor, BRAC Business School

BRAC University

Letter of Transmittal

Dr. Sayla Sowat Siddiqui

Assistant Professor

BRAC Business School

BRAC University

KHA 224 Pragati Sarani, Merul Badda, Dhaka-1212

Subject: The submission of the Internship Report.

Dear Madam,

I am glad to present my Internship Report titled **The Sustainable Growth of IPDC Finance Limited in NBFI Industry of Bangladesh** to fulfill the partial requirement of Bachelor of Business Administration (BBA). This report has been written under your gentle guidance based on my little knowledge and experience I have gained during my internship program at IPDC Finance Ltd. I have done my best to report the results fairly and accurately. I appreciate your instruction and help along the way. I also thank the functionaries of IPDC Finance Limited for their support. If you have any questions, don't hesitate to write me at rifat.al.azad@g.bracu.ac.bd.

Sincerely,

Md. Rifat Al Azad

ID: 21204050

BRAC Business School

BRAC University

Non-Disclosure Agreement

This agreement is between **IPDC Finance Limited** and **Rifat Al Azad**, an undergraduate intern at BRAC University. By signing, Rifat Al Azad agrees to keep all company information confidential during and after his internship period and not disclose it to any third party without prior consent. By signing, Rifat Al Azad undertakes to maintain strictly confidential all information of the company and any information received regarding the affairs while was an intern shall be confidential throughout and after this internship period here.

Md. Rifat Al Azad

BRAC University

Acknowledgement

First and foremost, I praise the Almighty God for endowing me with the strength, wisdom, and ability to stay with it and finish this academic experience. This guidance has been an inspiration throughout the process. I would like to express my heartiest gratitude for IPDC Finance Limited letting me intern under such a renowned organization. A big thank you to Mrs. Sharmin Akhter and her team at IPDC Finance for their constant support, advice and guidance. The experience has been truly enriching, where I was able to develop both professionally and personally and obtain more profound. understanding of the financial sector. I also wish to thank (Sayla Sowat Siddiqui, PhD, Assistant Professor at BRAC University), for her constructive comments, mental encouragements and continuous support throughout my academic career.

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Chapter 1: Overview of the internship

<u>Student Information: Name, ID, Program, and Major</u>

Name: Md. Rifat Al Azad

Id: 21204050

Program: Bachelors of Business Administration

Major in Finance and Minor in CIM

1.2 Internship Information

1.2.1 Period, Company name, Department, Address

Internship Period: June 24th 2025 to September 24th 2025

Company name: IPDC Finance Ltd.

Department: DANA

Address: Landmark Tower (Level-08), 12-14 Gulshan North C/A, Gulshan-2, Dhaka

1.2.2 Internship Company Supervisor's name and Position

Name: Sharmin Akhter

Position: Operation Executive – DANA

1.2.3 Job Scope: Responsibilities as Intern

Throughout my internship I was responsible for some activities which helped me to know about more corporate strategy, ethics and diversification.

I. Loan application verification

II. Applicant's information record and communication

III. CIB checking

IV. Helping in Agreement paper making

1.3 Internship Outcomes

1.3.1 Student's contribution to the company

I was able to be part of their DANA department's activities and this project started in 2023. My job was to help them by verifying loan application form, NID and phone calls. Moreover, I was assigned to help making NOC and agreement papers. During my internship period I inserted more than 2500 data into their database.

1.3.2 Benefits to the student

I acquired a lot of knowledge and experience during my internship. I obtained a great deal of practical experience throughout my time as an intern, that was very distinct from the classroom setting I was accustomed to. I was able to improve comprehend the workings of financial organizations. It enabled me to better comprehend the concepts I learnt in my undergraduate classes and get a firsthand look at how NBFIs operate. In addition, the internship helped me preparing for the demanding business atmosphere by allowing me to put myself in such circumstance.

1.3.3 Problem faced during the internship period

I had a great experience working as an intern at IPDC Finance Limited, but I also had a number of difficulties and setbacks. I was less exposed to the quantity of knowledge I could gain and understand more about financial institutions because, as interns, we had limited access to their information and proprietary applications. Nonetheless, when properly evaluated, the records we were given access could be rather instructive for example, the CIB provided an immense quantity of details about clients. Overall, these weren't that big of a problem because my coworkers at IPDC Finance Limited were friendly, supportive, and truly concerned about my academic success and welfare, which made my internship a wonderful one.

1.3.4 Recommendations

I saw one flaw, which was that they failed to adequately introduce other exciting departments. A program for internship orientation would make it much easier for recently hired interns to become settled in, immediately grasp how the company runs and adjust to the new work environment.

Chapter 2: Organization Part

2.1.1 Introduction

This chapter briefly describes about IPDC Finance PLC., which is the hosting organization of this internship. We need to appreciate the IPDC's inner dynamics, strategic inclinations, and operational complexities to situate the sustainable growth of IPDC Finance Limited in NBFI industry of Bangladesh (see Chapter 3). This section is to provide an overall picture of the organization examined in the study, that is, IPDC in terms of its structure, behavior and the situation in the Bangladeshi financial market in the context of the issues addressed here.

2.1.2 Objective(s)

This chapter aims to achieve the following:

To offer comprehensive information about IPDC Finance PLC., knowing about its history, mission, vision and core business sections.

To study the management processes in IPDC, with a special concern for leadership style and human resource management. To analyze marketing efforts and programs adapted by IPDC Finance in orderto cater to its varied customer segments.

To understand IPDC's financial performance and accounting methods from the information disclosed to public.

To talk about the application of operations management and information systems in the company.

To perform industry analysis and competitive analysis of IPDC Finance with the help of theoretical tools.

2.1.3 Scope of Study

The scope of this chapter is limited to IPDC Finance PLC. and the operating context in Bangladesh. The analytic content is mainly based on open documentations ranging from the official website of IPDC, the annual reports, news items, and relevant academic studies. Although attempts have been made to analysis at length, but some internal aspects, especially detailed operative parts, or classified information may not be available from public sources.

2.1.4 Methodology

The desk-based research was the research approach for this chapter. Collections of secondary data were systematicallygathered from multiplesources as follows:

Company: IPDC Finance PLC.'s website and its "About Us," "Management," "Career," "Sustainability," and "Investor Relations" sections were used as the main sources for information on the structure of the organization, mission and vision, and high-level financials.

Annual Reports and Financial Statements: Financial statements and press releases related to financial performances were available to make judgments on financial stability and accounting principles. Academic and Industry Publications: Academic articles as well industry publications on NBFIs, not entrepreneurial firms been having yielded meaningful working urinoma working chanced Similarly among owner-progress to date. added with respect to managerial models, marketing and competition analysis.

News and Business Publications: Stories from well-known business publications provided current case studies of IPDC interventions and market conditions and constraints. The data was analyzed through thematic synthesis and interpretive analysis to obtain a deep understanding of the picture of IPDC Finance.

2.1.5 Significance of Study

This review of the organization is important because it creates a common denominator for what we may consider an adequate response. Its ability, and model of making it happen, for financial inclusion from IPDC Finance is. Virtually for an intern this is a grad work behind to work for a leading NBFI of Bangladesh. And for future thinkers, it is a first question at IPDC on organizational dynamics. Also, gaining perspectives regarding IPDC's internal Audit quality. Hosting them has helped us to build our network workings and external positioning can help its stakeholders to understand strategic options and operational challenges faced by the player/s of consequence in Bangladesh's finance landscape.

2.1.6Limitations

The most significant limitation of this chapter is its exclusively secondary public data. It was not possible for an intern to get hold of sensitive internal documents, detailed proprietary financial information for multi-year comparisons, an HR policy paper or an internal process manual. " Consequently, certain of the analyses below, particularly with respect to management's practices and certain detailed financial ratios, rely on assumptions and inferences based on available information and general industry knowledge, rather than from direct observation or the analysis of complete internal data. This may constrain the degree of in-depth analysis for some quantitative questions.

2.2 Overview of the Company

2.2.1 History and Evolution

About IPDC: IPDC Finance Limited was established in 1981 as the first private sector financial institution of the country. The company has a galaxy of renowned international and local sponsors which include International Finance Corporation (IFC), German Investment and Development Company (DEG), The Aga khan Fund for Economic Development (AKFED), Commonwealth Development Corporation (CDC), and The Government of Bangladesh (IPDC Finance PLC., n.d. - About IPDC; Scribd, n.d.). In 40 years, IPDC grew from an institution focused on industrial development to one that offers diversified financial services. The company was rebranded in 2016 and called IPDC Finance PLC to cover the expanded and more focused strategy (Wikipedia, n.d.). This transition of IPDC has covered its services over corporate, SME, and retail finance focusing more on youth, women and the underprivileged section of the society.

2.2.2 Mission, Vision and Values

The mission, vision, and core values of IPDC Finance articulate a distinct set of end, means and fundamental beliefs:

Vision: "to be known as the 'most passionate financial brand in the country' to help children, youth, women and other undeserved population of the country" (IPDC Finance PLC., n.d. – About IPDC). This vision speaks to their conviction, they believe in inclusive growth and focused customer demographic.

Mission: “To facilitate our customers and communities to break free, to be the best that they can be through the provision of innovative financial solutions in a service that is friendly, timeous, transparent and cost effective IPDC Finance PLC (n.d. – About IPDC). If this mission is what is are interested in making that an option for them, then this is the kind of commitment which demonstrates an intent to allow their customers and delivering creative service.

Values: The IPDC believes in and promotes Diversity, Integrity, Teamwork Thirst for Win Technology Corporate Citizenship (IPDC Finance PLC., n.d.-About IPDC). These principles shape how they operate internally as well as how they interact with the world.

2.2.3 Products and Services

Product and Services IPDC Finance has a varied range of financial products and services for different client types:

Corporate Finance: Consists of lease finance, term loans, project finance, short-term loans, investments in preference shares, factoring, and work order financing (IPDC Finance PLC., n.d. Corporate Financial Services).

SME Financing: Includes JOYEE and credit warehousing program among the products marketed to Cottage, Micro, Small and Medium Enterprises (CMSMEs), many with offerings without collaterals and special quota set for women entrepreneurs (IPDC FINANCE PLC., 2024). This section is particularly important for the financial inclusion objective.

Retail Finance: Includes loans taken by individuals such as education, personal, auto, housing including BHALO BASHA LOAN and various forms of deposit schemes such as Wealth Builder Deposit, Monthly Savings Plan and Special Term Deposit (IPDC Finance PLC., n.d. - About

IPDC).

Supply Chain Finance (SCF): IPDC has introduced Orgon; South-East Asia's premiere blockchain-based Digital Supply Chain Finance Platform, emphasizing the organization's dedication to technological advancements in powering solutions to finance supply chain ecosystems (IPDC Finance PLC.,n.d. – About IPDC).

Sustainable Finance Products: These are structured to align with Bangladesh Bank, as well as, international SDGs, and encompass financing facilities for renewables, energy and resource efficiency, waste management, green agriculture, and Green CMSME ventures (IPDC Finance PLC.,n.d. Sustainability).

Social Impact Products with Innovation: An illustration in this regard is "Child Marriage Prevention Loan" which is an interest free loan model to prevent child marriages that reflects a rare amalgamation of a financial service and a social development (IPDC Finance PLC., n.d. - About IPDC).

2.3 Management Practices

2.3.1 Leadership Style

Leadership style Although the Ageing work is not able to find a specific leadership model of IPDC Finance Limited in their corporate website, it seems that a combination of Transformational and Participative Leadership (subjective idea). This combination is the ideal blend of inspirational leadership and team spirit, corresponding well with IPDC's vision for the future.

Transformational Leadership

IPDC is positioned to transform itself into the “most passionate financial brand” with its emphasis on aggressive adoption of cutting-edge technology such as blockchain for Orjon and AI for Dana (IPDC Finance PLC., n.d. – About IPDC). This style of leadership inspires people to take risks, change things and serve a purpose larger than just profit.

With its emphasis in giving youth, women and underprivileged communities the power to boost their share of comfort and prevent health risks, the company adopts a vision from which it can grow together with broader social inclusion. Managing Director Mr. Rizwan Dawood Shams, Managing Director’s visionary leadership has effectively steered the organization and spearheaded seminal strategic interventions driving IPDC’s rapid portfolio growth and overall organizational transformation (IPDC Finance PLC., n.d.), (Management Team).

Participative Elements

IPDC also again clearly demonstrates the features of participative leadership, with a focus on teambuilding and diversity as two fundamental values. The organization promotes collaboration, shared decision making and open communication. With strategic decision-making at grounds floor and inclusion of the employees in innovations and problem-solving, support that is both engaging and responsible could be built up.

Critical Analysis

The incorporation of both transformational and participative leadership styles seems particularly effective at promoting IPDC strategic aspirations, in particular its emphasis on financial inclusion and sustainable development as outlined under the NPFS. Though a combination of visionary leadership and involvement of the staff, IPDC enhances innovation and service quality.

In addition, its application of tech enabled products such as Orjon and Dana reinforces how leadership ingrains a strategic vision into the day-to-day work—increasing financial inclusion and enhancing customer experience. This two-pronged focus of competitive business performance and social impact is what will make IPDC dynamic, adaptable to changes in the financial world in future.

2.3.2 Human Resource Planning Process

Talent Architecture at IPDC Finance Limited IPDC Finance Limited values people, considers its employees as the most important assets of organization (UIU Space Home, 2023). These HR protocols are not fully released but the given info does imply a planned and smooth talent management.

Recruitment and Selection:

Passionate individuals with drive to create success stories (IPDC Finance PLC., n.d.- Career) are what they want in those working for IPDC. Emphasis is on ability and willingness to perform. A blind recruitment Blissfully little detail has been made public, but the process itself is likely to be based on job adverts; screening; interviews and assessments that are inclusive, merits-based and aligned with professional standards.

Compensation System:

The Company offers competitive compensation and benefits, with benchmarking against other comparable companies. Top performers are provided incentives, bonusses. Health insurance, gratuity, provident fund, festival bonuses etc. on par with US standard of industry designed to motivate reward and retain talent while ensuring diversity fairness at work place.

Training and Development:

"IPDC supports employees in reaching the very top of their performance" (IPDC, n.d. – Career). The company invests in both technical and leadership development through continuous learning. As a business emphasizing innovation – particularly in blockchain, AI and sustainable finance – lifelong learning is ingrained into its ethos to keep employees capable and future-fit.

Performance Appraisal System: The "reward system" and the focus on "performance that is well acknowledged and rewarded" suggest it is a performance appraisal system driven organization (IPDC Finance of performance goals, regular feedback, formal reviews and connecting performance to compensation and career advancement. According to UIU Space report, HR department performs LC., n.d. - Career). That kind of system would generally include the establishment. its duty such as performance appraisal, training and development in an elaborated manner (UIU D SpaceHome, 2023).

2.4 Marketing Practices

IPDC Finance is a big NBFI and has a good market size, therefore it follows a comprehensive marketing campaign:

2.4.1 Marketing Strategy

IPDC Finance PLC's marketing strategy is positioned as a "passionate financial brand" that operates outside of "financial stereotypes" (IPDC Finance PLC., n.d. - About IPDC). That means an approach that combines traditional financial product promotion with do-anyone-dinner innovative players, strong brand and a clear social mission. They re-directed the focus towards youth, women and the underprivileged areas by the strategic plan they designed in 2016, and it also shapes their marketing strategies. (IPDC Finance PLC., n.d. – About IPDC).

2.4.2 Target Customers, Targeting & Positioning Strategy

IPDC aims for a range of customers, stating:

Young: Understanding the demographic of the future and its financial needs.

Women: A priority segment for financial inclusion and empowerment, consistent with national development objectives.

Unserved Areas: Extending to markets outside of cities to close financial inclusion gaps.

Corporate: For corporate clients of different industries.

SMEs and CMSMEs: Check importance for economic development and employment, complementing their financial inclusion goals.

Consumer Customers: People interested in personal, home, or auto lending and deposit offerings.

The following seems to be the positioning strategy of IPDC:

Customer-Centricity: Providing "easy and tailored service with fastest turnaround time" (Scribd, n.d.).

Social Impact – making a difference in the society: They offer products like "Child Marriage Prevention Loan," and campaigns like "IPDC Amader Gaan" (saving Bangla folk music) where they make their social responsibility and cultural connection visible to the customers. Reliability & Trust: Here is their bread and butter and as the first private sector DFI, they utilize their long history and robust governance.

2.4.3 Distribution Channels (for product and services)

Branches: They have 17 branches across the country through which they operate and provide services to their customers in person (IPDC Finance PLC., n.d. - About IPDC). Digital Channels: Increasingly important which include, their website, online applications and digital marketing platformsfor communicationand customer engagement.

Direct Sales Force/ Relation Managers: These are dedicated team of employee who are likely to be managing the relationship and bringing the business.

Partnerships: Collaborations with organizations such as the SME Foundation for credit whole-selling increase their exposure to particular target clienteles.

2.4.4 Product / New Product Development and Competitive Behavior

IPDC is strong in new product development albeit with a touch of innovation:

Priti and Joyee : Specifically designed for women entrepreneurs.

Dana: Loan for micro-merchants and bolsters their operational activities by providing microloans (particularly for retailers).

Bhalo Basha Loan : The goal of Bhalo Basha Loan program is to provide affordable financing to underprivileged people who reside countryside.

Competitively, IPDC pursues differentiation by technology, social impact and focused lending, with low NPL and a strong market positioning against the NBFIs (The Daily Star, n.d. – NBFIs).

2.4.5 Branding Activities

IPDC has been involved in branding campaigns to sell a unique image.

Rebranding: Change of name to "IPDC Finance PLC." in 2016 was part of a strategic shift to represent its broader focus.

Brand Ambassadors: Recruiting popular figures such as Tamim Iqbal, a national cricketing identity as "Ucchasher Ogrodut" (Ambassador of Inspiration) can raise the brand profile and appeal (IPDC Finance PLC.,n.d.-About IPDC).

Cultural Programs: The "IPDC Amader Gaan" (Our Song) program that aims to protect and promote Bangla Folk music, represents a distinctive cultural involvement and consolidates their branding initiatives at local level (IPDC Finance PLC.,n.d. - About IPDC).

Sustainability Focus: Emphasis and reporting on sustainable finance point to a responsible, forward-thinking image.

2.4.6 Other Advertising and Promotion Approaches (including comments on social media and digital marketing)

Digital get together They have followed "digital marketing tactics" and created "digital channels to inform people about its services" and understand the need of having an online presence with the new normal (Scribd, n.d. - IPDC Report 2). Presumably, this refers to social media campaigns, search engine marketing and content marketing. Ambassador Campaigns: Adoption growth referral programs such as the "Ambassador Campaign to raise deposits, motivate the current users to refer the IPDC's service (IPDC Finance PLC.,n.d. –Ambassador Campaign).

Traditional Media: Nothing specified but knowing it as a large financial institution, they would probably use traditional media (TV, Print, Outdoor) for mass reach, especially for mass market products like deposits schemes or home loans.

Public Relations & CSR: Sponsorship for events (like Sylhet Strikers in BPL 2023) and involvement in CSR activities (like Prime Minister's Education Assistance Trust) bring positive images and brand value (Wikipedia, n.d.).

Commentary on social media and Digital Marketing: IPDC's digital strategy focuses on social media and internet as key platforms to reach out to tech-savvy youth and the broader digital community. New technologies, such as blockchain and AI, exemplify a forward-thinking strategy and create more customized and interactive touchpoints. Though actual figures and specific plans aren't public, the decision to concentrate on social media reflects this simple fact: it's where people build trust, share stories about themselves and interact with brands today.

2.4.7 Gaps and Critical Marketing Issues

Digital Divide: Given effort investment: A notable segment of the target microfinance user population in under-served areas may have issues with digital literacy or access, making a purely digital marketing approach somewhat difficult.

Competitive intensity**:** The financial industry in Bangladesh is highly competitive, having large number of ABs and NBFIs competing on quality, productivity and market share. In order to differentiate effectively, you need to find continual innovation and strong value propositions. NBFIs perception: The perception of NBFIs may have been perceived differently from traditional bank historically. Here, IPDC has to work to develop trust and focus on its stability and for the customer.

<u>Data-Driven Marketing</u>**:** Innovation is visible, yet the extent to which IPDC uses state-of-art data analytics for ultra-personalized marketing or pinpoint targeting may be an area to be fine-tuned to great extent.

2.5 Financial Performance and Method of Accounting

2.5.1 Financial Performance (Analysis depending on the available data)

A full financial evaluation usually needs audited accounts over several years, but based on recent reports we can still see a strong picture of IPDC Finance's performance. In 2024, the company posted an operating profit of **BDT 1,765 million**, up by **35.8%**, showing solid business growth. Net profit stood at **BDT 363 million**, marking a **5.9% increase year-on-year** (IPDC Finance PLC., 2025). These results highlight healthy operations and steady profitability.

DSIJ Analysis

IPDC's operating profit increased sharply in 2024, but net profit growth took place at a much slower pace. This implies that underlying business appears to be running well while increasing interest expenses (due to elevated deposit costs and policy rate hikes) and possibly higher provisions have daunted bottom-line growth.

Liquidity and Solvency

IPDC's operating profit increased sharply in 2024, but net profit growth took place at a much slower pace. This implies that underlying business appears to be running well while increasing interest expenses (due to elevated deposit costs and policy rate hikes) and possibly higher provisions have daunted bottom-line growth. And its business proved resilient on the liquidity and solvency front. The bank's gross financing portfolio increased by 5.3% from a year earlier to BDT 79,048 million and its investments in government securities also increased to BDT 6,481 million. This move to safer assets is an example of sound liquidity management in uncertain economic times. CTL's NPL ratio was kept in check due to a prudent credit-risk stance, indicating sound asset quality despite external headwinds. Deposits were BDT 51,761 million, representing a modest growth of 2.1%, however indicative of a resilient deposit base. Overall, the migration toward government debt reflects prudence in risk management even as deposits are stable and credit quality is strong. Prospects for growth could get another boost if other industries, such as real estate, recover and demand for credit picks up.

Deposits

As of December 2024, IPDC Finance Limited had customer deposits amounting to BDT 51,761 million which increased only by an incremental rate of 2.1% over the year before (IPDC Finance PLC., 2025). This gradual rise in funding level is also an affirmation of the confidence clients have in the bank.

Insights

The growth in government securities investment demonstrates IPDC's conservative stance on liquidity management and a tactical move towards safer assets. Furthermore, the bank is efficient in supervision of deposits and conducting punitive recovery and is instrumental in keeping a robust level of NPL coverage ratio, thereby enhancing financial stability and resilience.

Efficiency

IPDC Finance Limited Velocity in operating cost was enjoyed by IPDC Finance limited (BGME: IDPL), reducing its operating cost by 7.8% yearly in both 2024 and 2025; amounting BDT124million (IPDC Finance PLC., 2025). This increase is due to resource optimization, selective recruitment and operating efficiency improvements. The drop in costs demonstrates how IPDC is becoming more capable to run efficiently--growing the business without grossly inflating costs. While specific numerals, such as D/E or D/A ratios, were not discussed confidence was created by the company's high priority on cost of funds management and healthy deposit base in its approach to leverage and solvency.

Market-Value

IPDC is a listed company in Dhaka Stock exchange and Chittagong Stock Exchange, accordingly its market value represents a value, set by the market price of its shares. The steady increase of operating profit and managed NPLs would normally be encouraging for investors.

Frameworks

Ratios: If all the financial statements had been available, the common ratios would be:

Liquidity: Current Ratio, Quick Ratio (for short-term solvency).

Solvency/Leverage: Debt-to-Equity, Debt-to-Asset (to determine long-term stability and dependence on debt).

Profitability: Net Profit Margin, ROA, ROE, EPS (for profitability).

Horizontal Analysis (Trend Analysis): For short-term comparative analysis across multiple periods (e.g., 2022, 2023, 2024), readers determine the growth trends, asset structure changes and expense structure fluctuations. The 2024 report even includes year-on-year growth figures, a variation of horizontal analysis.

Vertical Analysis (also known as Common-Size Analysis): With this method, each line in the financial statement is presented as a percentage of a base figure, affecting the relative difference between the different accounts and indicating the changes that have occurred with the passage of time in the financial structure.

2.5.2 Accounting Practices

Reputation supported by strong accounting Bases/Capital Adequacy/Regulatory: As per available interim financial disclosure and NBFIs practice prevailing in Bangladesh, the Company (IPDC Finance Limited) maintains strong accounting standards/regulatory requirement as explained below. The Company has to comply with The Companies Act, 1994 and International Financial Reporting Standards as adopted by Bangladesh (Bangladesh Financial Reporting Standards – BFRS) and regulated by Bangladesh Bank.

This conformity is necessary to make IPDC financials based on basic accounting principles like – going concern concept, accrual basis of accounting, consistency, prudence and matching principle. These conventions keep financial statements transparent, reliable and comparable for both the regulator of accounting standards and investors.

Method of Accounting: Financial statements (such as income statements and balance sheets) typically reflect IPDC's using the accrual method of accounting. The Company recognizes revenues and costs in the period earned or incurred, rather than when cash is received or paid, respectively. This should be the norm in the case of banks to really show their financial position and their performance. Cash flow statements on the other hand can provide information of cash based on movement.

Accounting Cycle: Although not explicitly mentioned in financial statements, it is assumed IPDC goes through a full accounting cycle: transactions, journal entries, posting to ledger, trial balance, adjustments, adjusted trial balance, financial statements (Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Statement, and Statement of Financial Position) and closing entries. Compliance demands need a seamless process for timely and accurate reporting.

Depreciation Methods: There is discussion in the interim results in 2015 over "Depreciation and repair of Company's assets" and "land and building has been presented separately based on the valuation report from the latest valuation date" (IPDC, Q3 2015). This means that IPDC has depreciated its property, plant, and equipment. The depreciation policy (straight-line versus declining balance etc.) is not directly provided in these publicly available snippets, but industry practice for NBFIs is to use straight-line method for most of the fixed assets .

Disclosure: Accounting Disclosure of HCOV Other than the details provided in the quarterly reports ("The annexed notes 1 to 39 form an integral part of these financial statements" - IPDC, Q3 2012), there's not much about accounting practices within IPDC's financial statements. These notes contain essential disclosures about the accounting policies, important judgement and estimates and the analysis of the financial instruments, transactions with related parties and other significant information which is prescribed by BFRS and the regulators. The existence of a "Principles on Disclosure of Material Information and Price Sensitive Information" policy (IPDC Finance PLC., n.d. - Investor Relations) confirms their commitment towards transparency in addition to fulfilling disclosure obligations.

2.6 Practices of Operations Management and Information Systems

Process of operations: IPDC Finance operates on strong operations management and information systems that bring efficiency, data integrity and optimal customer experience.

2.6.1 Adoption of Information Systems (IS) Use

IPDC utilizes IS extensively for:

Data Capture and Archival: footfalls of data - As a debt institution (IPDC) it handles too much Data Management, Metadata Incorporation and Business Activity Monitoring collected and stored the data in its customer data. They likely have core banking software, loan management systems, and customer relationship The Information Systems play a crucial role in the transaction process, financial reporting and analysis. The management (CRM)applications to record and store this type of information safely. to AI-enabled platforms like DANA, suggests that for decision-making and product delivery. Communicating with clients and other stakeholders.

Operational: IPDC launched an "electronic document system" and a "digital memo approbative 2017 procedures. system" so as to evolve a simple, user-friendly and efficient "paperless system" of internal dissemination of IPDC (IPDC Finance PLC., n.d. - Sustainability Disclosures). This enables greater interaction between departments

Inbound: Their website is a hub for both clients and investors hosting product information, investor relations content and news. They track data such as IP address, device information and location data from website visitors for security and service improvements in line with a privacy policy (IPDC Finance PLC., n.d. – Privacy Policy).

Databases and Office Management Software: The modern digitalization efforts also strongly suggest the usage of complex digital databases in managing client accounts, loan portfolio, financial transactions etc. Generic ERP or bank specific software suites would also exist for Backoffice functionality, office management and cross-department coordination.

2.6.2 Application in Quality Management, Scheduling, Resource Allocation and Operations Management

Quality Management NPL Management**:** IPDC‟s high loan portfolio quality was evident, as reflected in the low NPL ratio it managed to maintain (5.83% in 2024) along with its "prudent credit risk management practices" Place (IPDC Finance PLC.,2025). Indicates the existence of strong credit assessment, monitoring and recovery data preparation and management systems. Unfortunately, "better customer experience" is also code for good service.

Scheduling: Though we did not specify the scheduling of policies, it is clear that in banking the agile approval, disbursal and collection cycles for loans is critical to both liquidity as well as customer satisfaction. Given its position as a holding company of consumer credit assets, it is understood that IPDC utilizes digital technology to standardize and simplify these processes leading to better operational efficiency and faster service.

Resource Deployment: In 2024 IPDC witnessed “strategic resource optimization” and “selected hiring.” that contributed in lower operating cost which was expressed in annual report (IPDC Finance PLC., 2025). This reflects strategic use of financial, human and technology resources to drive productivity and long-term strategy. Their move of adding to the investment in G-secs also seems to be a prudent and sensible option ‘in these challenging times, considering the liquidity position’ which all investors are facing, he added. Integrated management of operations the way IPDC manages its operations reflects the strong emphasis on technology innovations as well as sustainability. The move towards a paperless office is not just about saving dollars and streamlining operations -it’s also an opportunity to express environmental responsibility. Simultaneously, the automation of business processes reinforces their strategy to cut OPEX, reduce turnaround times and adhere to sustainable finance principles.

2.7 Industry and Competitive Analysis

2.7.1 Porter’s Five Forces Analysis

Porter's Five Forces analysis for IPDC Finance (A Non-Bank Financial Institution(NBFI) in Bangladesh):

Threat of New Entrants (Low)

Barriers to entry are high: The need for a large amount of capital, highly controlled regulatory approval from Bangladesh Bank and NBR, a trusted & reputable brand, an established distribution network as in retail trade, and the difficulty to earn brand royalty are significant for new player.

Implications for IPDC: This weak threat gives IPDC enough space to concentrate on further reinforcing its market position and keep on innovating within a somewhat sheltered circumstance.

Bargaining Power of Buyers (High)

Customer Sensitivity: In Bangladesh, borrowers (financial services' buyers), particularly microfinance recipients and small loan-taking SMEs are very sensitive towards the price and they possess strong negotiating power against FIs; cause there are a lot of banks, NBFIs and traditional MFIs.

Switching Costs: There can be some process-related switching costs, which generally are not too high, in particular for simpler loan or deposit products. Mobile Financial Services (MFS) provide an accessible option for most simple transactions.

IPDC implications: IPDC has to now innovate and differentiate in their product offerings, focusing on superior customer experience, fast turn-around time and tailor-made solutions (read specific SME loan, distinct social-impact loans) to keep and acquire clients at a price competitive market.

Power of Suppliers (Moderate to Low)

Suppliers of Funds: The main "suppliers" of IPDC are its depositors and the institution lenders. Although the cost of funds is influenced by market liquidity and Bangladesh Bank's policy rates, IPDC has a well-spread deposit base (BDT 51,761 million in 2024) and access to multiple funding sources.

Learnings for IPDC: Profit is influenced by increased deposit costs in 2024 but IPDC's goodwill and alternate funding lines reduces the supplier's bargaining power. This necessitates diversifying deposit products and ensuring you have a robust investor relations program me in place.

Threat of Substitute Products or Services (High)

Mobile Financial Services (MFS): MFS platforms (bKash, Nagad etc.) are an important alternative especially for payments, savings and micro loan services with easy access even in the remote area

Legacy Banks: Commercial banks, offering the same lending and deposit products, and often having large branch networks.

Traditional MFIs: For plain vanilla microcredit, there are direct substitutes in many NGOs and niche MFIs.

Informal Credit Providers: In some unserved areas, informal money lenders that provide money quickly (albeit at high interest rates) can still be substitutes.

Implications for IPDC: Given this heightened risk, IPDC requires sustained innovation, special attention to differential value propositions (such as specialized SME finance, sustainable finance) and potentially strategic alliances with MFS providers to offer combined services.

Rivalry Among Existing Competitors (High)

The Bangladeshi financial marketplace is very competitive, severed by 57 banks and numerous nonbank financial institutions (NBFIs) that dominate in urban areas (ResearchGate, n.d. 2). Because most financial products are so similar, the competition is often a matter of pricing, and that is hard to do in a way that assures long-term profitability.

The Future for IPDC's differentiation: By targeting niche segments like youth, women and unserved communities such as indigenous another ethnic group and SME specific sectors – IPDC will also be able to avoid banging heads-on with bigger competitors. Yet its heavy reliance on technology (blockchain and AI being just two examples) enables it to develop smarter, more custom-made solutions.

By combining strategic centrality and continuous innovation, IPDC can differentiate itself in the cluttered market landscape, make lasting consumer connections and lay the groundwork for future success.

2.7.2 SWOT Analysis

Strengths (Internal)

First Private DFI: We are the first private development finance institution in Bangladesh, which has given us a powerful brand presence and market positioning.

Diverse Offerings: The above-indicated funding presence in both corporate and retail asset financings endows the company with a variety of revenue options while balancing fee-based income with risk-adjusted returns.

By focusing on youth, women, underserved geographies and national development priorities in their course of business operation, IPDC has made a difference already by offering products that makes social benefit and business sense.

Tight Risk Management: A low NPL ratio of 5.83% in 2024 underscores stringent underwriting criteria and good recovery processes.

Governance: Supported by a competent management team and being compliant to Bangladesh Bank's sustainability ratings, IPDC stands as stable & responsible.

Operating efficiency: Reduced operating expenses in 2024 demonstrate good cost management and an efficient operation.

Weaknesses (Internal)

High Sensitivity to Cost of Funds: IPDC is more susceptible than banks in the industry to higher funding costs, given its less expensive deposit profile.

Restricted physical outreach: Despite being physically present in selected areas, IPDC has a network of branches that is relatively smaller than those of big banks and microfinance institutions, which restricts reach especially to rural clients who do not have access to digital tools.

Gaps in transparency: Some granular financial data may not be accessible to the public, potentially dampening stakeholder confidence and involvement.

Opportunities (External)

Inclusion Demand / Market Potential: With a population of unbanked/underserved numbering in the millions within Bangladesh particularly in rural and SME segments, it is underlined by significant growth potential.

Digitization: Through quick penetration of mobile and digital platforms, financial services can be extended to a larger number of customer segments at a lower cost.

Government Programs: Schemes such as the SME Foundation's credit wholesaling provide an opportunity for IPDC to grow its mission-led lending.

Growth in Sustainable Finance: Rising preference for green funding creates avenues for IKBF to utilise its focus on sustainability.

Alliances with Fintech and E-commerce: working in cooperation or having tie-ups with mobile financial services, fintechs and online platforms would expand the reach to IPDC's service.

Threats (External)

High competition: Banks, non-bank financial institutions (NBFIs), microfinance institutions and fast-growing MFS platforms all target the same customer base.

Macroeconomic Instability: Increased inflation and uncertain economy may increase the cost of funding and borrowers' ability to repay.

Regulatory changes: The introduction or amendment of regulations can lead to compliance complexities and/or interfere with established business.

Sector-wide NPL Risk: Though IPDC has largely managed its asset quality, a surge in NPL across the industry could affect confidence and present systemic risks.

Cybersecurity Threat: Increasing dependence on digital mediums exposes the business to cyber-attacks and data breaches.

2.8 Summary and Conclusions

IPDC Finance PLC has transformed quite phenomenally over the years, migrating from a Development Finance Institution (DFI) to a diversified Non-Bank Financial Institution (NBFI). There has been a clear strategic direction towards financial inclusion, with emphasis on youth, women and micro, small and medium enterprises (MSMEs).

A transformational leadership style and approach by the company is evident; driven by innovation, its people's development, and a vision of inclusive growth. With its 360-degree marketing approach, it uses conventional and online channels to also communicate a brand concept which intertwines innovation with social purpose.

On financial side, IPDC has been recording robust operating profit enhancement along with adequate risk control despite the pressure from rising funding cost. At an institutional level, it has been increasingly adopting digitalization with a focus on efficiency, information dissemination and ecologically friendly business practices.

In a market already crowded with banks, NBFIs and fintech companies, IPDC has distinguished itself with its specialization in innovation and ability to develop niche markets. This leaves the firm in a strong position in an industry of hyper competition and growing substitution threats.

2.9 Recommendations and Implications

According to this analysis, a few strategic recommendations are provoked for enhancing the position of IPDC and making its growth sustainable:

- Sustain and Deepen Digital Innovation: Keep on investing in digital platforms such as Orjon and DANA. Scale automation of internal processes and customer facing services to improve access and effectiveness, particularly among underserved populations.
- Reinforce Human Resources for Digital and Inclusive Finance: Develop and refactor HR planning, training and development programs in line with digital transformation plans. Reskill workers on rising technologies such as AI, blockchain and data analytics, and inclusive lending models.
- Segmented Marketing and Digital Literacy: Adapt marketing approaches to different customer segments, taking into account differences in digital proficiency. Scale financial and digital literacy programs, in particular for rural and microfinance clients in parallel with promotional campaigns.
- Transparent Financing Cost Management: Always be on the lookout for other competitive sources of finance to minimize exposure to interest rate volatility. Examine new deposit mechanisms and explore collaborating with international development banks on broad based finance programs.
- Leverage SWOT for Strategic Niches: Leverage unique capabilities of IPDC (being pioneering DFI, technically leader and social impact products) to establish and further niche markets. Leverage these differentiators to compete more effectively.

- Develop Strategic Partnerships: Engage mobile money operators, Government and NGOs proactively to collaborate. Collaborations have the potential to increase IPDC's scale of influence, optimize delivery channels and improve access for financially excluded communities.
- Data-driven insights for informed decisions: Investigate the enhancement of advanced data analytics, once solid information systems are in place. Leverage data insights for real that provide a view on market trends, customer behavior and risk to make more intelligent strategic and operating decisions.

Chapter-3: Project Part

Background and Problem Statement

The first ISO-certified financial institution of Bangladesh, IPDC of companies also set a precedent by registering the highest number of clients in FY1516 among all other non-banking financial institutions (NBFI). Through the years, it has developed as a major player in corporate, SME and retail financing providing products such as digital supply chain platforms to its customers who come from all walks of life – from affordable housing loan borrowers to corporates. Together, they illustrate how IPDC is not only a market leader but also at the starting forefront of promoting financial inclusion. 2020, "IPDC has entered into an exciting phase in its business trajectory and the ongoing brand refresh along with technology driven financial solutions will enhance IPDC's prominence in the market. The NBFIs still have fierce competition in Bangladesh, and the top 3 institutions' market share accounts for more than 60% of total. Macroeconomic challenges, regulation limitations and increasing funding cost remain disruptive on sustainable growth strategies. The real challenge is not whether IPDC can maintain its growth momentum, with growing competition, regulatory changes shaping up and the economics becoming volatile post the pandemic. Despite the proven robustness through profitability and innovation of IDPC, its longer-term sustainability will be dictated by diversification of revenue base, enhancement of financial inclusion and managing growth with prudential concerns. Consequently, the challenge is whether IPDC can sustain growth in 2020-2024 to retain competitive advantage within NBFI industry of Bangladesh.

3.1.1 Objectives

The prime purpose of this study is to investigate whether IPDC Finance Limited can sustain growth in the Non-Bank Financial Institution (NBFI) sector of Bangladesh from 2020 to 2024. Analyst must refer to financial performance, strategic challenges & position in the industry while evaluating IPDC's stability and competitiveness. Specific aspects of this study consider financial performance, strategic challenges & position in the industry for analyzing capability to maintain long term stability & growth of IPDC.

Benchmarking of IPDC with other prominent NBFIs is important. This analysis will help to identify performance gap and highlight need for improvement. Using both qualitative and quantitative means, the research is intended to present a composite image of the company's growth, barriers to development, and prospects for future.

The study will conclude by providing a roadmap that defines the relevance of IPDC's strategic priorities: innovation, financial inclusion and digital transformation vis-à-vis pursuing sustainable growth in an ever-changing financial industry.

3.1.2 Significance

The study is showing its importance due to the fact that at present, financial sector is changing rapidly and the extent greatly contributed on explanation of sustainability of NBFIs in Bangladesh. Being the eldest NBFI in Bangladesh, a story of the journey of IPDC Finance Limited is not just that of a company but rather an industry, which grew and evolved with time and generations. Consequently, an appreciation of IPDC's sustainable growth is also relevant to policymakers, regulators and industry players in the pursuit for stability in finance and development of sectoral.

Moreover, this research provides theoretical as well as practical implications—it identifies how strategic initiatives digital supply chain financing, SME-funding and women entrepreneurship programs would lead to financial inclusion and socio-economic development. Other NBFIs can use the IPDC experience as a reference point to standardize or personalize best practices for their sustainable growth journey.

3.1.3 Scope of the Study

This research examines the performance and strategy of IPDC Finance Limited for the years 2020 to 2024. It examines the financial analysis, strategic position of the firm and its competitors in context with nonbank financial institution (NBFI) industry in Bangladesh. "As all eyes are on IPDC's journey in growth, the study also factors in wider trends impacting the industry — including economic recovery following the pandemic, regulatory changes made and the increasing role of digitalization across financial services. But beyond the framework of the NBFI, this scope is not applied to all aspects of Bangladesh financial system or other banks in general. Form instead selected NBFI benchmarks will be used as comparators. This narrow scope makes it possible to gain in depth knowledge of IPDC's sustainability strategy and keep the analysis specific and relevant.

3.2 Literature Review

Due to the above reasons, recent studies in financial sector of Bangladesh witnessed an important role played by NBFIs in economic development and bridging up the gaps that are left by traditional banks. Hossain and Hossain (2013) stressed that the age and reputation of an NBFI play important role in setting interest cost as older NBFIs such as IPDC have structural benefit. Some newer analysis, like Alo (2021), highlights the fact that IPDC managed to continue growing sustainably, including during the Covid-19 crisis period, thus, strengthened its market leading position and company strength A lot can happen between 2020 and 2024 in terms of IPDC's sustainability and might be framed within wider financial inclusion trends and digital solutions. Alif (2021) also observed that the larger NBFI did not fare particularly well but top performing ones gained more advantage than less performing firm as a consequence of industry growth. This is in line with IPDC's strategy of using technology and innovative financing solutions to reach under-reached markets. The literature also provides evidence that the contribution by NBFIs to GDP is positively related to their growth in SME, retail, and housing finance. Therefore, analyzing IPDC's growth will not only reflect its organizational ability but also the contribution of NBFIs towards Bangladesh's socio-economic development.

3.3 Methodology

This research employs a approach utilizing quantitative and qualitative analysis for assessing sustainable growth of IPDC Finance Limited.

The quantitative data involve the analysis of IPDC's annual reports, financial statements and publications from the Bangladesh Bank for years 2020–2024. Figures are presented to evaluate the financial performance of IPDC by calculating different financial ratios related to profitability, liquidity, solvency and efficiency. Moreover, indicators like Market Value Added (MVA) and Economic Value Added (EVA) are employed to assess the value of company that it has been creating over time. For comparison, the relative performance of IPDC is compared with that of other prominent NBFIs in Bangladesh including IDLC Finance Limited, Lanka Bangla Finance Limited, Delta BRAC Housing (DBH), United Finance.

The qualitative research is based on secondary data, academic journals, industry reports and newspaper articles published from 2020 to 2024. These sources provide context on financial information, including bigger picture economic conditions or trends, competitive space, and regulatory backing/changes. Collectively, this holistic approach enables a deep understanding of IPDC's sustainable value creation journey that involves both financial implications and strategic considerations.

Profitability Ratios:

Return on Asset= $\frac{\text{Net Income}}{Total\ Assets}$

ROE= $\frac{Net\ income}{\text{Shareholders Equity}}$

Operating Profit Margin = $\frac{\text{Operating income}}{\text{Revenue}}$

Net interest Margin = $\frac{\text{Net interest income} - \text{Net interest expense}}{\text{Average earnings asset}}$

Liquidity and Solvency ratios:

Current Ratio = $\frac{\text{Current assets}}{\text{Current liabilities}}$

Debt Equity Ratio = $\frac{\text{Total Debt}}{\text{Shareholder's equity}}$

Interest Coverage Ratio = $\frac{\text{EBIT}}{\text{Interest Expense}}$

Efficiency Ratio:

Efficiency Ratio $= \frac{\text{Non Interest Expense}}{\text{Net Revenue}}$

Leverage Ratio:

Leverage Ratio = $\frac{\text{Tier 1 Capital}}{Average\ Total\ Consolidated\ Assets}$

Market Value Ratios:

EPS = $\frac{\text{Net income} - \text{Preferred dividends}}{Number\ of\ outstanding\ shares}$

P/E Ratio = $\frac{\text{Price per share}}{\text{Earnings per share}}$

Dividend Per Share = $\frac{\text{Total dividends paid}}{Number\ of\ shares}$

Dividend yield = $\frac{\text{DPS}}{\text{Price per share}}$

Dividend Cover = $\frac{\text{EPS}}{\text{DPS}}$

As per our study in the literature IPDC Finance Limited is one of the largest three NBFIs on the Country. I have taken four more mainstream companies under the NBFI industry of BD to show a comparative image with IPDC Finance Limited: 1) IDLC Finance Limited, 2) Lanka Bangla Finance Limited, 3) DBH & 4) United Finance limited. I have checked few of their key numbers like Loans and Advances, Deposits, Revenue, Operating Profit, Net Proft and Net Cash Inflow. I have mathematically calculated year on-year growth to view the growth in these financials over a three-year period from 2020-22.

3.4 Findings and Analysis

Details	2020	2021	2022	2023	2024
Profitability Ratios					
ROA	1.00%	1.10 %	1.05 %	0.38 %	0.42 %
ROE	11.50%	14.20 %	13.70 %	5.05 %	5.44 %
Operating Profit Margin	24.30%	63.94 %	54.20 %	44.90 %	54.50 %
Net Interest Margin	3.20%	3.80 %	3.50 %	3%	2.80 %

Liquidity and Solvency Ratios					
Current Ratio	1	1.00	1.30	1	1.00
Debt Equity Ratio (Times)	1.8	1.7	1.8	2.4	2.5
Capital Adequacy Ratio	18.51%	15.65 %	15.92 %	18.12 %	18.09 %
Interest Coverage Ratio (Times)	4.00	5.2	4.6	2.2	1.9
Efficiency Ratios					
Efficiency Ratio	48.91%	36.02	45.79	55.23	45.57
Leverage Ratios					
Leverage Ratio	7.40%	7.10 %	7.50 %	7.00 %	7.40 %

Market Value Ratios					
EPS	1.9	2.37	2.43	0.92	0.93
P/E Ratio	14.5	16.26	23.87	62.70	19.6
Dividend per Share	1.2	1.20	1	0.5	0.5

Dividend Yield	4.30%	3.01%	1.70%	1.70%	2.70%
Dividend Cover (EPS/DPS)	1.6	1.98	2.4	1.8	1.9

3.4.1 Profitability Ratios

When determining the return on asset ratio, I can see that it was 1% in 2020 and for the remainder of the year, it was below and above 1%. Return on Equity was within the range of 14.70% to5.05%. The operating profit margin in 2020 was 24.30%. For the remainder of the year, it was within the range of 50% to 65%, except for 2023, where it dipped below 50%. The net interest margin showed a similar picture as well, where the range of the ratio was very steady and within3% to 4% , except for 2024, it dropped below 3%. Overall, I could see that the year 2021 was an exceptional year for the Company. It performed exceptionally compared to the other years.

3.4.2 Liquidity and solvency ratios

The Company has ensured that its current ratio remains at 1, this means it owns an exact portion of the maximum of current assets and current liabilities. Its debt-to-equity ratio has grown over the years from 1.7 to 2.5 between 2021 and 2024, this shows buyer with recent increase in debt held by the firm on its balance sheet as compared of increase in value generated from new capital supplied by stock holders. In 2021 the percentage was an enviable 5.2, but in previous and preceding years it wobbled between a less than satisfactory 1.5 and an impressive 5 – hardly a stable footing. Its capital adequacy ratio has been very good in 2020 but just OK and still increasing from 2021 to 2024. LI's interest coverage ratio has been declining for over 12 months, yet they are not able to service debt and the other CAR changes is marginal are insignificant. It relates to the incipient global state of pandemic.

3.4.3 Efficiency Ratio

During this entire time, the efficiency ratio remained under 50% other than in 2023. This suggests that in most year, the company was able to keep more than half its revenue after paying all expenses – a sign of strong operating efficiency.

3.4.4 Leverage Ratio

For the five years, the leverage ratio fluctuated in a tight range between 7 and 7.5. This stability indicates that the company is not taking on too much debt to finance their operations. Onto the dividend itself, I believe it does not demonstrate a riskier approach by management as much as healthy excess use of internally produced capital.

3.4.5 Market Value Ratios

Earnings per Share (EPS) is also increasing from 2020 to 2022, but then take beat down in 2023 and again at 2024 as it goes even below $1 with values as such;0.920.93 This compares to an ever-increasing P/E ratio over the period, indicating an increasing market valuation despite the earnings being in decline. But a major shift appears in 2023 when the P/E ratio is 62.70. So, you can see that company's market price per share was expensive relative to its earnings per share (EPS) that year. The dividend per share is still in the range of 0.5 – 1.2 and seems like a viable financial measure too. What is more, the dividend yields also went down from 2.7% to 4%. 4.30% in 2020 and subsequently went down.

3.4.6 EVA Analysis

It's a measurement that measures how well a business has done, economically, over time. It is one of the best measurements against which to judge a company. It is obtained by deducting capital costs from the Company's' Net Operating Profit after Tax in order to determine the Company's true financial performance.

EVA

Details (BDT in Millions)	2020	2021	2022	2023	2024
Net Operating Profit After Tax	1186.1	1581.1	1396.9	981.9	1255.7
Average Equity	6885.7	7856.8	8788.28	9499.7	10124.3
Cost of Equity in %	6.48%	8.55%	9.91%	11.07%	14.38%
Cost of Equity (Avg. Equity*Cost of Equity%)	446.2	671.8	175.8	1051.6	1455.9

Economic Value Added	**739.9**	**909.3**	**1221.2**	**-69.7**	**-200.2**

MVA Analysis

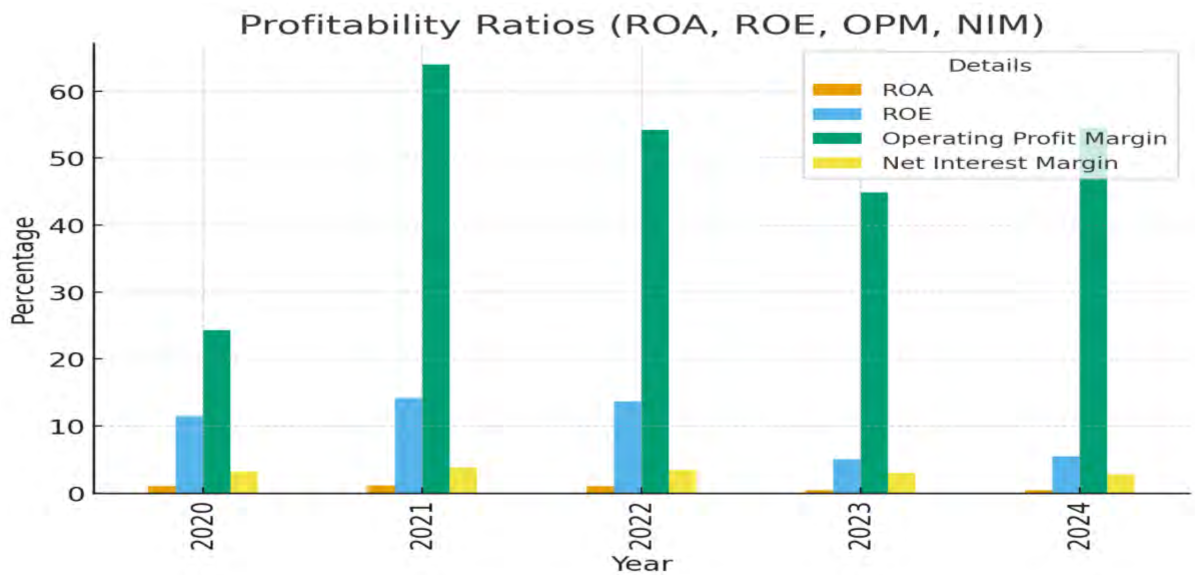
The MVA (Market Value Added) is a measure which expresses the success or failure of the company as judged by the market in share price terms. The MVA is the spread between the market and book value of the Company\'s shares. Market sentiment is strengthening, the table below illustrates in all years except 2024.

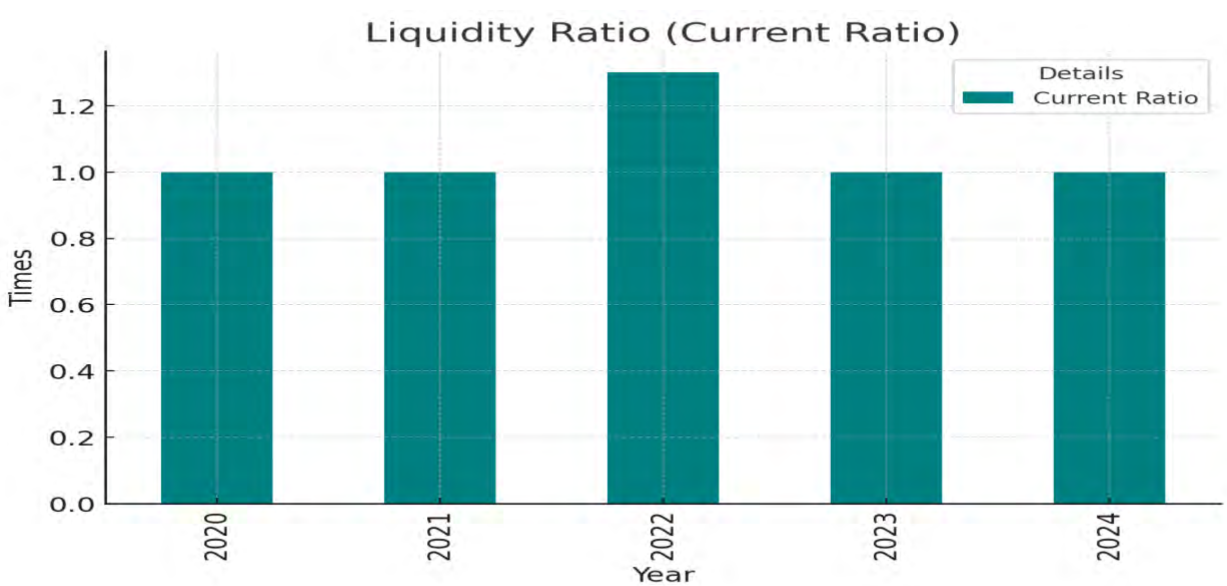
MVA

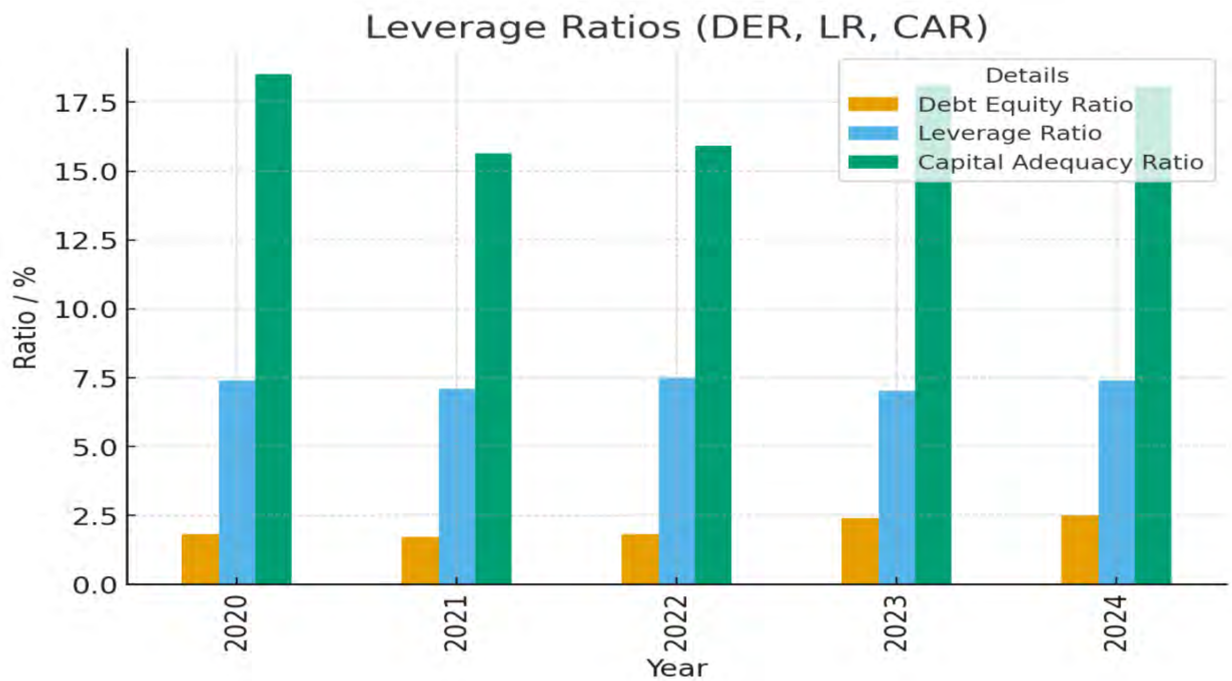
Particulars	2020	2021	2022	2023	2024
Market Value Per Share (BDT)	27.6	38.6	57.6	57.6	18.3
Number of Share Outstanding	371091547	371091547	371091547	371091547	389646124
Total Market Capitalization	10242.1	14324.1	21374.9	21374.9	7134.5
Book Value of Outstanding Shares	6063.4	6353	6802.9	6751.5	6909

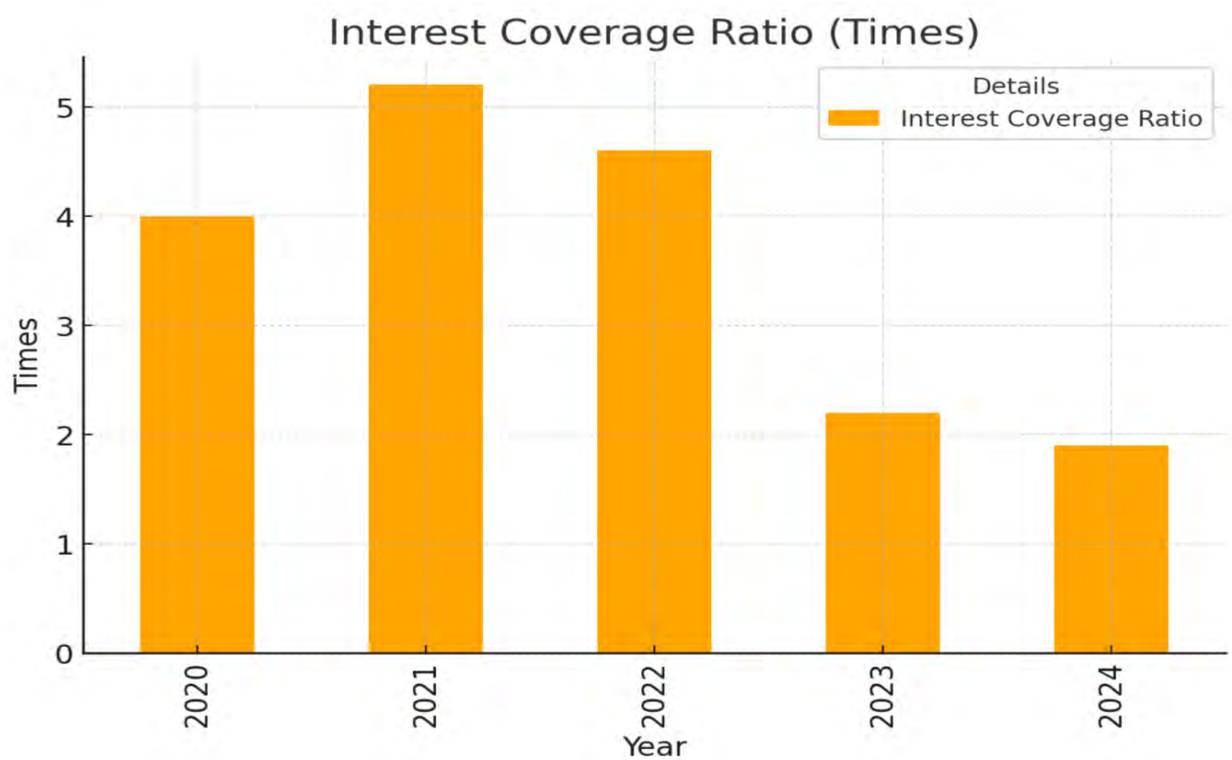
Market Value Added	**4178.7**	**7971.1**	**14571.9**	**14623.4**	**225.5**

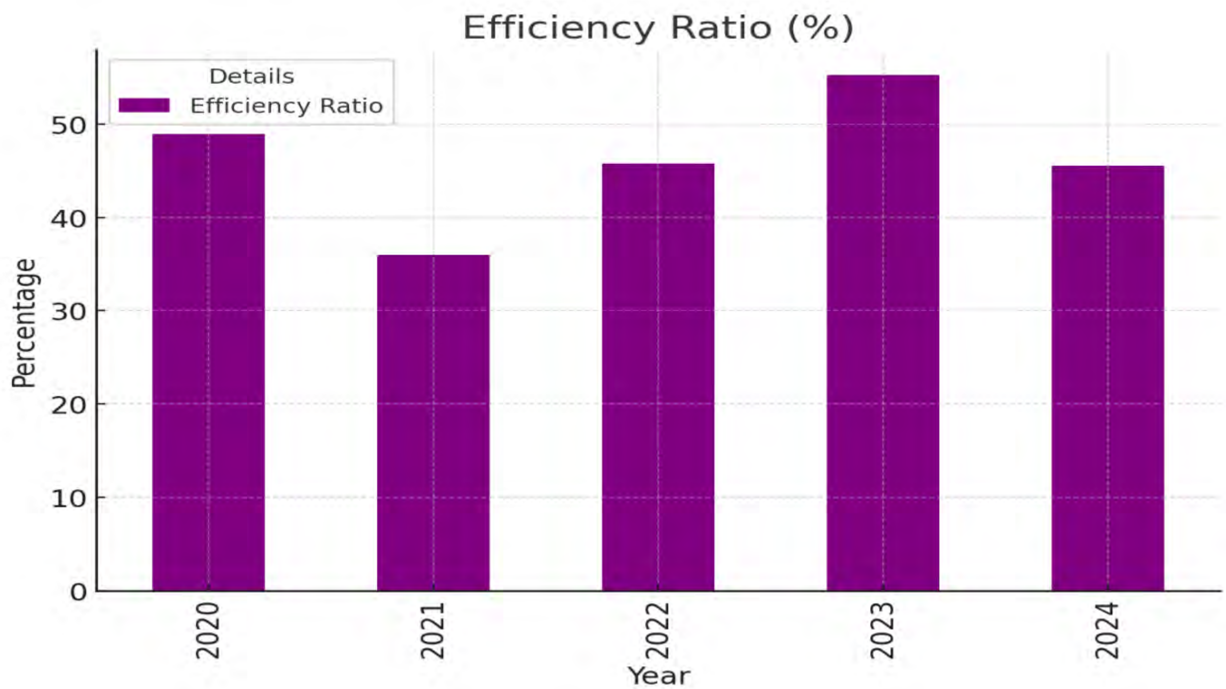
3.4.7 Graph & Chart






Leverage Ratios (DER, LR, CAR)
Details
Debt Equity Ratio
Leverage Ratio
Capital Adequacy Ratio
Ratio / %
17.5
15.0
12.5
10.0
7.5
5.0
2.5
0.0
2020
2021
2022
2023
2024
Year


Interest Coverage Ratio (Times)
Details
Interest Coverage Ratio
Times
5
4
3
2
1
0
2020
2021
2022
2023
2024
Year


Efficiency Ratio (%)
Details
Efficiency Ratio
Percentage
0
10
20
30
40
50
2020
2021
2022
2023
2024
Year

3.4.8 Comparative Analysis

For year 2020,

Details (BDT in Millions)	IPDC	IDLC	LANKA BANGLA	DBH	UNITED FINANCE
Loans and Advances	51056	85606	54032	42633	14812
Growth (YTD)	0.70%	-6.40%	-10.90%	-4.20%	-1.20%
Deposit	50991	81479	44381	45646	12538
Growth (YTD)	10%	2.50%	-5.40%	5.10%	1.60%
Revenue	1987	3517	1823	1528	652
Growth (YoY)	29.10%	3%	-26.70%	4.60%	-19.90%
Operating Profit	1157	2043	638	1139	202
Growth (YoY)	37.50%	5.40%	-44.10%	7.60%	-43.40%
Net Profit	503	1515	460	548	94
Growth (YoY)	13.40%	27.90%	1.80%	33.20%	45.70%
Net Cash Inflow	1615	9303	1066	1404	-886

The list of data then shows that, for IPDC Finance Limited, all of the major financial statement metrics were favorable as of this point in time (12 quarters). However, this was not the case for the remaining NBFIs, all of which showed declining financial ratios growth. When it comes to loans and advances, IPDC Finance Limited has a 0.7% rise while the other NBFIs have negative growth. Additionally, IPDC Finance Limited raised deposits by 10%. DBH is IPDC Finance Limited's closest rival, with a 5.1% gain. Additionally, the organization's increase in revenue metrics is 29.1%, which is higher than DBH's growth (4.6%), which comes in second on this financial parameter. Additionally, IPDC Finance Limited's profit from operations has been a constructive course. It is 37.5% for the company and has demonstrated highly poor growth for the majority of other companies. Lastly, IPDC Finance Limited's net profit is 13%. Even though IDLC Finance Limited grew more than IPDC, IPDC exceeded it in every single financial metri

For year 2021,

Details (BDT in Millions)	IPDC	IDLC	LANKA BANGLA	DBH	UNITED FINANCE
Loans and Advances	61366	88452	55413	43223	17179
Growth (YTD)	14.50%	-3.70%	1.30%	1.10%	13.50%
Deposit	57683	75197	47206	46381	13201
Growth (YTD)	10%	6.70%	-0.80%	5.80%	7.30%
Revenue	2329	4262	2026	1897	680
Growth (YoY)	17.20%	21.2%	11.10%	24.50%	4.30%
Operating Profit	1437	2621	883	1472	200
Growth (YoY)	24.20%	28.30%	38.30%	29.40%	-.80%
Net Profit	630	1144	272	811	134
Growth (YoY)	25.30%	24.50%	-41.00%	48.60%	41.70%
Net Cash Inflow	-516	6318	199	4768	1503

Regarding 2021, it is evident from my table as well that all of the important accounting records criteria indicate positive growth in the case of IPDC Finance Limited. This is not the case for other NBFIs, since IDLC's financial performance measures are growing negatively while the remaining ones are below IPDC. IPDC Finance Limited reports a 14.50% gain for loans and advances. Also, IPDC Finance Limited's deposit business grew by a respectable 10%. With a 7.30% rise, United Finance was IPDC Finance Limited's closest rival.

Additionally, the company reports a 17.20% gain in sales over the last 12 months, while IDLC boosts total revenue growth by 21.2%, the second-best growth in this financial area. IPDC Finance Limited also has the ability to increase through operating profit.

This percentage is 24.20% for the business; aside from United Finance, the majority of other companies showed far more encouraging growth. Lastly, IPDC Finance Limited's net profit increased by 25.30 percent. DBH's was higher than IPDC's.

For year 2022,

Details (BDT in Millions)	IPDC	IDLC	LANKA BANGLA	DBH	UNITED FINANCE
Loans and Advances	70,337	102064	63332	44114	21386
Growth (YTD)	14.62%	15.39%	14.29%	2.06%	24.49%
Deposit	55154	82517	45936	38053	15557
Growth (YTD)	-4.38%	9.73%	-2.69% -	17.96%	17.85%
Revenue	2515	4213	2032	1609	831
Growth (YoY)	7.99%	-1.15%	0.30%	15.18%	22.21%
Operating Profit	1409	2451	821	1152	245
Growth (YoY)	-1.95%	-6.49%	-7.02%	21.74%	22.50%
Net Profit	620	1055	72	787	47
Growth (YoY)	-1.59%	-7.78%	-73.53%	-2.96%	-64.93%
Net Cash Inflow	-5764	-23102	-1735	-2136	-1898

By no means does IPDC Finance Limited exhibit an upward trend as of 2022, according to a key financial report statistic. Most of the other NBFIs showed a decline in their financial statistics, thus this cannot be said for them. For the others With the exception of Loan and Advances, IPDC Financial Limited, all NBFIs exhibit positive growth of 14.62 percent. Once more, IPDC Finance Limited experienced a decline in their Deposits sector of -4.38%, while the only two companies experiencing positive growth are IDLC and United Finance. Additionally, regarding Revenue (Y/Y Change)5, the company's YTD achievement of 2.41% shown a strong growth of 7.99% over the previous year. Additionally, IPDC Finance Limited's operating profit shows room to grow.

Although this is really bad for the company, 22.50% is a very good growth rate when compared to United Finance. Lastly, IPDC Finance Limited's income growth is -1.59%. Despite reporting negative growth, IPDC Finance Limited outperformed its rivals in 2022 in terms of net profit CAGR.

3.5 Summary and Conclusion

This study purports to present a sustainable growth path of IPDC Finance Limited which is one of the earliest NBFIs in Bangladesh for the period 2020- 2024. The analysis is a combination of quantitative techniques (financial ratio analysis: Profitability, Liquidity, Efficiency, Leverage and Market) (Prince 2012), Economic Value Added (EVA) and Market Value Added (MVA)) as well as qualitative comparison with the major competitors in the industry.Key findings of the study are summarized below:

- Profitability: IPDC exhibited robust profitability from 2021 on the back of strong ROE at 14.20% and operating profit margin at 63.94%. But profitability took a big hit in 2023 and 2024, with both ROE and ROA deteriorating. The decrease was reported despite (the company's) capacity to keep operating costs in check, which indicates the difficulties experienced at present level of parameters for steady bottom line growth.
- Financial stability and risk: The firm was stable in its current ratio (approximately 1), while it was also able to maintain relatively stable leverage level whereby both reflected systems that cannot fully support all the debt demands. But since then, risks have multiplied as the D/E peaked at 2.5, which reflects an increasing dependence on debt financing for growth. This likewise drove IPDC reserve position lower and as the coverage ratio on interest becomes too skinny at only 1.9x by 2024, the risk of squeezing debt repayments in higher rate environment gradually becoming uncomfortable for IPDC.
- Shareholder Value and Market Perception: The stock has gone through an evolution of early optimism followed by correction. EPS had continued to rise through 2022, only to halve in 2023 and 2024. In contrast, the Price-to-Earnings (P/E) ratio jumped to 62.70 in 2023, indicating that investors have high hopes even when earnings are falling. This mis-

match generated the volatility –the MVA captures the peak of market confidence up to 2023, which is then followed by a huge collapse in 2024. What's worse, EVA went negative in 2023 and 2024, indicating the company was not value-added for shareholders but instead running with a cost of equity that exceeded its return on capital.

• Competitive Positioning (Comparative Analysis): It is evident from the competition analysis in comparison to rivals IDLC, Lanka Bangla, DBH, and United Finance that IPDC shown exceptional resilience during 2020, a year of crisis from a commercial and operations that some of its rivals were unable to successfully navigate. In 2021, when competitors began to rebound, it continued to do well. By 2022, almost every statistic in the industry was negative, and for the majority of companies, if not all of them, this was reflected in the fact that IPDC's negative growth rates were generally milder than those of its peers, indicating a certain level of comparative resiliency.

In the period 2020-2022, IPDC FL emerged as one of the stalwart and pioneering entities within the NBFI vertical in Bangladesh. By being the first to lead in financing supply chain digitally, and concentrating on SMEs and women entrepreneurs, it takes off strongly in pandemic years positioning as a cost tier institution.

But the surge did not hold. But in 2023 and 2024, the financial landscape looked different. Profitability declined, EVA went negative, leverage grew and interest coverage deteriorated to a concerning level. These signs indicate that with IPDC's innovation, it worked well in short term but now the company is being forced on identifying a balance between its growth aspirations and financial prudence. External headwinds, such as higher funding costs, tougher regulations and global economic instability, have only compounded the problem — but internal changes are crucial now.

If IPDC wants to have sustained long-term growth, it needs to get back on track toward profitability and handle its leverage with kid gloves while ensuring its growth initiatives create real value for the company's shareholders. The challenge for the company will be combining innovation and inclusion with prudent financial management.

3.6 Strategic Implications

Here's the Thing About Innovation and Market Position. Forward-thinking projects such as IPDC Finance Limited's investment into digital supply chain platforms and SME women entrepreneur targeted lending programs have also helped the company fortify its resilience in the face of economic headwinds. Even amidst the global pandemic (2020–2021) that was causing so much chaos, IPDC remained unfazed and continued to use these dynamic methods.

Historical performance indicators (HPI), have shown strong loan and deposit growth rates, along with continued revenue growth trends within the last five years from 2011 to 16 which puts IPDC out there as one of the top performing challenger NBFIs in Bangladesh. This is evidence that innovation and financial inclusion are not only tagged on priorities, but rather the very basis of IPDC's strategic expansion to keep a competitive edge in an extremely saturated market.

Strategic Vulnerability Post-2022

Still, beyond 2022 the strategic landscape is becoming more challenging. The reduction of significant profitability measures, such as ROA and ROE, and the appearance of negative EVA in

2023 reflect financial distress. In addition, the see-sawing in operating profit margins means that the previous engines of growth appear to be running out of steam.

These trends indicate that the previous strategies of IPDC─ i.e., concentrating efforts in terms of its innovation and inclusiveness—were most likely affecting initial growth, but they may have been outpaced by increased funding costs, greater competition within markets and an evolving economic climate. In order to retain a sustainable development, IPDC has to reconsider his strategic orientation and focus on efficiency, value creation and diversification besides of market extension.

Financial & Operational Implications

<u>Deteriorating Profitability and Shareholder Value</u>

Recent erosion in profitability and shareholder value raises worries about the core financial health of IPDC. The EPS decline for 2023–2024 combined with negative EVA as reported at the conference means that profitability has been deteriorating and the business is less able to generate real economic profits.

Although IPDC still harvests income growth in many ways, the trend is clear that it has not been converting this growth into meaningful shareholder value. It is a pattern that echoes the early warning signs for many companies that have faltered in the past decade. This is to be expected and would naturally be perceived as unnerving for investors and could cost more in terms of raising equity in future, you know how confidence when eroded can lead.

Increasing Financial Risk and Leverage

The company's financial structure has incrementally been increasing, Debt-to-Equity cranked up from 1.7x to 2.5x and Interest Coverage Ratio has been sliding down. This mix indicates increased financial risk, as chapter 7 nakedly reveals the company will rely on credit to support operations.

Strategically this means IPDC is growing its dependence on debt financing, which could be risky when interest rates begin to soar. This dependence could constrain the company's financial flexibility and make it susceptible to economic downturns or tightness in liquidity.

Market Perception Versus Fundamental Reality

In 2023, its P/E skyrocketed to 62.70 despite the fall in EPS. This mismatch seems to indicate that perhaps investors were valuing IPDC's stock higher than the business warranted by merely extrapolating burgeoning hopes about its digital transformation and innovative straddle versus actual financial results.

Yet the dramatic drop in MVA in 2024 is simply a market reversion, as investors drove down stock prices to compensate for a deteriorating financial profile. This change serves as a reminder for IPDC to concretize its earnings quality, regain investor confidence and have the market's perception in line with the strength of our underlying business.

The NBFI Sector and Policymakers – Implications

Effects of Sector Polarization and the "Top-Tier" Advantage

The comparative study among the NBFI industry finds a clear trend of sectorial clustering, with a few large players—such as IPDC Finance Limited and IDLC Finance Limited—continuing to dominate the minor ones, in challenging economic times as well. These larger NBFIs have superior funding sources, better technology and established market reputations – so they can grow faster and take greater market share.

The tendency described indicates that the disparity between larger and smaller NBFIs is expected to become accentuated. Without strategic changes or support, smaller players could struggle to keep pace with larger healthcare systems and more consolidation across the industry.

The Critical Role of Regulation

The profitability squeeze and increasing leverage indicated in the IPDC financials are indicative of a larger structural issue at NBFI. These days, regulatory compliance is thus increasingly pitted against a lack of funds and rising operating expenses for many institutions.

For policy makers and regulators, especially Bangladesh Bank there are serious lessons on the importance of having an enabling yet stable regulatory system which forces financial discipline but does not stymie innovation and sustainable access to funding. Balancing forces Creating that balance is critical to empower NBFIs to further contribute towards financial inclusion, especially for SMEs and underserved segments which remain crucial to Bangladesh’s larger economic development imperatives.

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