Report On

The Role of the DANA Department in Driving Business Growth at IPDC through FinTech Innovations

By

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

BRAC Business School
Brac University
18th February 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:

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Sadia Zaman Pearl

21104023

Supervisor's Full Name & Signature:

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Dr. Mohammad Mujibul Haque

Professor and Associate Dean, Finance, BRAC Business School

BRAC University

Letter of Transmittal

Full name of Supervisor: Dr. Mohammad Mujibul Haque
Designation: Professor and Associate Dean
Department: Finance
BRAC University
Kha 224 Pragati Sarani, Merul Badda, Dhaka 1212

Subject: Submission of internship report on “**The Role of the DANA Department in Driving Business Growth at IPDC through FinTech Innovations**”

Dear Sir,

It gives me great honour to be presenting this report, entitled "The Role of the DANA Department in Driving Business Growth at IPDC through FinTech Innovations," as a partial fulfilment in achieving the requirement during my internship. I tried to put together a report on it, incorporating data to allow comprehensive analysis. This topic I picked out inspired personal observation at the workplace, which I could present firsthand in this report.

I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible.

Sincerely yours,

____

Sadia Zaman Pearl
211040423
BRAC Business School
BRAC University
Date: 02,18,2025

Non-Disclosure Agreement

This agreement is between the company "IPDC Finance Limited" and me, Sadia Zaman Pearl, a BRAC University student, that I have used their organizational information which was needed to complete my internship project on “The Role of the DANA Department in Driving Business Growth at IPDC through FinTech Innovations.”

The organizational manager permitted to use the data and information regarding this NBFI for this report. I would like to express my appreciation for allowing me use and utilize their data for the preparation of my report and I am very thankful that under his supervision I would use their information and work on this report.

As a part of my internship, a good report and comprehensive presentation must be conveyed on working as an intern at IPDC Finance Limited (DANA Department). I am strongly prohibited by the organizational supervisor to disclose any sensitive information about this company. Without a formal instrument signed by both parties, this agreement may not be revised or modified.

Name of Company: IPDC Finance Limited
Supervisor Name: Ismail Hossain, Senior Executive, Corporate Business Department (DANA)
Signature:
Address: Hosna Centre (4th Floor), 106, Gulshan Ave, Dhaka 1212

Name of Student: Sadia Zaman Pearl
Signature:
Address: BRAC University, Kha 224 Pragati Sarani, Merul Badda, Dhaka 1212

Description of the report: “**The Role of the DANA Department in Driving Business Growth at IPDC through FinTech Innovations**”

Acknowledgement

I thank Allah Almighty for providing me with both the capabilities and drive to complete my report before the deadline. Multiple individuals contributed their expertise to help complete my internship project which otherwise would have made report preparation nearly impossible. The necessary information about IPDC Finance Limited's main operations and activities provided by everyone who supported me during my internship made this report possible. The BBA department associate dean and professor Dr. Mohammad Mujibul Haque provided me with ongoing guidance and support and constructive criticism throughout this entire internship experience. Dr. Abu Saad Md. Masnun Al Mahi, the co-supervisor from BRAC University deserves appreciation for his review of my report and his essential modifications. I want to thank Ismail Hossain from the Corporate Business Department (DANA Department) for his essential guidance and enthusiastic support during my time at IPDC. I am deeply grateful to him for enabling me to participate in various assignments which enabled me to understand all IPDC Finance Limited's operational activities. The entire Human Resources and Corporate Communications team at IPDC Finance deserves my appreciation for sharing complete organizational information about projects and marketing initiatives and strategic advancements. I wish to thank my noble parents alongside BRAC University donors for their constant belief in me that has driven me forward.

Executive Summary

The BBA curriculum at BRAC University requires students to produce an internship report. This research investigates the company's achievements since launching their fintech product DANA. The main purpose of this research is to provide financial performance analysis of the fintech product since its introduction.

IPDC stands as a leading and esteemed NBFI in Bangladesh which occupies a distinguished position within the country's financial landscape. The organization started operations in 1981 before establishing Bangladesh's first financial organization. The development of IPDC has been substantial during recent years. The analysis will show their growth trajectory following the implementation of DANA.

The first chapter provides an extensive overview of the internship program. The introduction chapter presents both a description of the internship activities and the results and conclusions gathered from the IPDC Finance Limited DANA Department.

The second chapter of this report delivers a detailed business description on the overall company. The report contains both industry analysis and SWOT assessment together with IPDC Finance Ltd.'s fundamental operational methods.

The third chapter provides an explanation of how the fintech product of IPDC, known as DANA, helped with the growth of the company over the last few years. Data have been collected and assessed for the purpose of trend analysis. Various graphs plotted in this section provides visual representations of the information and research analysis. Financial performance data from IPDC Finance Limited annual reports were analyzed, while incorporating findings, contribution and recommendation, study limitation, etc sections in this part.

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FINANCE

Chapter 1
Overview of Internship

1.1 Student Information

Name: Sadia Zaman Pearl

ID: 21104023.

Program: BBA

Major: Finance

Minor: Management of Information System

1.2 Internship Information

Internship information consists of the information on the period of work, internship company supervisor information and job scope.

1.2.1 Period

October 06, 2024 to January 06, 2025

Company Name: IPDC Finance

Department: DANA Department

Address: Hosna Centre (4th Floor), 106, Gulshan Ave, Dhaka 1212

1.2.2 Internship Company Supervisor Information

Name: Ismail Hossain

Designation: Senior Executive

Department: Corporate Business Department (DANA)

1.2.3 Job Scope

The main job description is based on credit assessment and reporting and data management. These works are described elaborately as follows:

- **Credit Assessment:** As an intern, I had to assist in gathering retailer documents from their online platform which is their authorized portal. I also supported the team head in downloading verified NIDs from this authorized portal. This helped in assessing credit. Moreover, works included coordination in reviewing credit assessments to assess retailers CIBS being classified or unclassified.
- **Reporting and Data Management:** Apart from credit assessment, I also supported in preparing dashboards for tracking credit performance. I had to coordinate with the team for ongoing documentation for the effective operation of this retailer financing project. Moreover, I assisted in finding any errors such as signature mismatch, surname missing, wrong outlet codes, and many more so that zero discrepancy is ensured.

Mostly the work was based on data entry, and this included:

- ✓ Creating a Dashboard with Power Query
- ✓ Participating in sessions on downloading CIB of clientele
- ✓ NID verification and downloading CIB reports of potential clients
- ✓ File status checking from their authorized system (Unnoti) to know the file is approved or pending
- ✓ Enlisting approved and pending files in different excel sheets
- ✓ Finding out the outlet codes which were missing in the forms
- ✓ Helping financial analysts in various tasks like cross-checking financial data, sorting and organizing data
- ✓ Merging daily works accordingly and submitting the files to the line manager

1.3 Internship Outcomes

The student’s contribution to the company, benefits, difficulties, and recommendations are discussed in this part.

1.3.1 Student’s Contribution to the Company

As a finance intern at IPDC's DANA Department, I have actively contributed to driving business growth by supporting FinTech innovations that enhance operational efficiency and customer experience. My role involved analysing financial data to identify trends, assisting in the development of digital lending solutions, and streamlining processes to improve financial accessibility for SMEs and underserved segments. Collaborating with the team, I also contributed to optimizing risk management strategies and ensuring compliance with regulatory standards. By providing actionable insights and supporting the integration of cutting-edge technologies, I have played a part in strengthening IPDC’s position as a leader in FinTech innovation.

1.3.2 Benefit to the Students

Employment within DANA Department of IPDC Finance PLC entails practical experience in digital finance, therefore exposing students to technology such as mobile banking, e-wallets and digital products. Students get to learn use of digital marketing, promotion, and analytical tools and how to manage customers experiences, regulatory issues and cybersecurity in the finance industry. It helps in developing practical problem-solving skills through critical thinking, and most importantly inter-functional training, opening up networking with professionals in different fields apart from the sales domain. This helps students improve their technical and analytical thinking skills and provides them with experience to place into the modern job market of the digital finance industry.

1.3.3 Problem/Difficulties

There were a lot of factors, which were very difficult to deal with. Firstly, I faced some issues with the transportation because my house is a significant distance away from the office and IPDC does not provide transportation facilities. Therefore, it was a hassle to reach there on time on a daily basis.

In addition to that, they do not have any meal facilities and I had to carry my lunch with me. Another option was to buy outside food every day for lunch, which is very unhealthy. The department I worked in was always filled with a lot of files and everything was not properly organized for which I often faced problem in working smoothly.

1.3.4 Recommendations on Future Internships

- Firstly, there is a need for a transportation service for everyone to ensure better commute.
- Secondly, meal services should be provided for all employees to maintain well- being and productivity of the employees.
- Thirdly, the laptop kept shutting down and Excel was out-of-date, which made it difficult for me to enter data. Additionally, restricting access to shared files made my work more difficult. So, these things need to be fixed.

Chapter 2
Organizational Part

2.1 Introduction

IPDC Finance PLC launched in 1981 as Bangladesh's first private banking institution and its top financial player. The International Finance Corporation (IFC), German Investment Corporation (DEG), and Aga Khan Fund for Economic Development (AKFED) joined forces in 1981 to create IPDC. Eventually, this collaboration evolved into a public trading company. It partners with BRAC, the world's most prominent non-governmental development organization, for its primary shareholder role due to its extensive experience in boosting economic and societal growth. Through many years, IPDC has established itself as a company that offers financial services to individual retail customers and corporate and small business clients. The bank serves customers through its diverse products, including term loans, working capital solutions, residential and vehicle loans, saving accounts, funding packages, and focused programs supporting woman-owned businesses and micro-retail stores.

2.1.1 Objective of this Study

The objective of this section is to give an overview of the organization looking out at their performances ana analysing their strengths and weaknesses. The study specifics about the works of IPDC and the key activities they perform as they run their operations. Moreover, IPDC runs its business through its leadership teams and financial tasks and take great financial responsibilities. To evaluate a company's overall performance, a SWOT evaluation and industry analysis is also done along with discussing their proper management techniques, marketing, and handling of the financial transactions. IPDC Finance Limited's operations through its competitive landscape, information system, and operations management are also given here. The objective is to present the main operating principles of every department.

2.1.2 Methodology

This research investigation uses primary and secondary data to evaluate how IPDC Finance PLC actually functions effectively. Primary research involved interviews with department managers and staffs, and with their delivered data, a structured information about their overall company is founded in this chapter. IPDC's annual reports from 2020 to 2024, industry publications, and news articles were the secondary data sources used for more data and information.

2.1.3 Scope

Through this research, the marketing, management, financial, accounting, management of information systems, etc is analysed explicitly and I studied on how IPDC Finance PLC's business development grew over the years. Through SWOT Analysis and Competitive Analysis this research paper gives an in-depth analysis of the whole organisation on running their company effectively.

2.1.4 Limitation

During this examination, some critical limitations were faced. No immediate operational information on their internal data were available and published data from IPDC reports and articles had to be used to examine the study. The descriptive study could have been more substantial and could have better results if I had access to more extensive quantitative data.

2.1.5 Significance

This study shows how the organisation has succeeded over the years and how they reached a broader customer base. The company helps underprivileged merchants overcome credit issues and standard banking restrictions through its small business services. My study shows how IPDC had its economic growth while supporting sustainable development.

2.2 Overview of Company

IPDC leads in poverty-ending strategies by including all customers through technical improvements at the forefront of AI, analytics, and mobile platform investments. The organization connects sustainability to its business plan while following the UN Sustainable Development Goals worldwide. The organization runs green financing programs and practices eco-friendly office procedures to support sustainability. Through its unique approach to financial services, IPDC earned multiple awards, including the Bangladesh FinTech Award, which honours its progress toward better access to finance and digital transformation. Through customer-focused solutions and financing barrier solutions, IPDC supports businesses and individuals as they contribute to Bangladesh's economic growth. IPDC Finance PLC leads the nation's financial sector through creativity and helps people gain control of their finances.

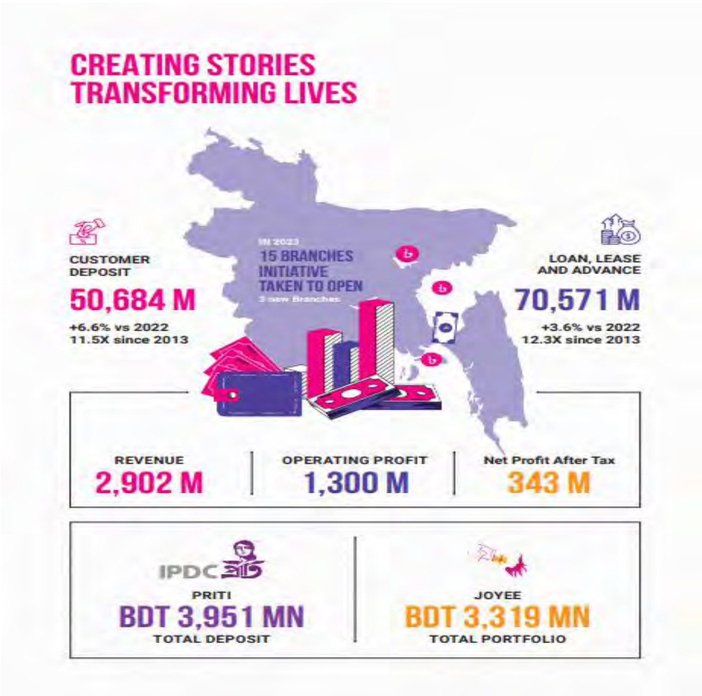


Figure 1: Overview of the Company

Source: IPDC_Annual_Report-2023.pdf

2.2.1 IPDC Finance Limited Vision Statement

To become the most passionate financial brand in the country with a special focus on youth, women, and underserved areas.

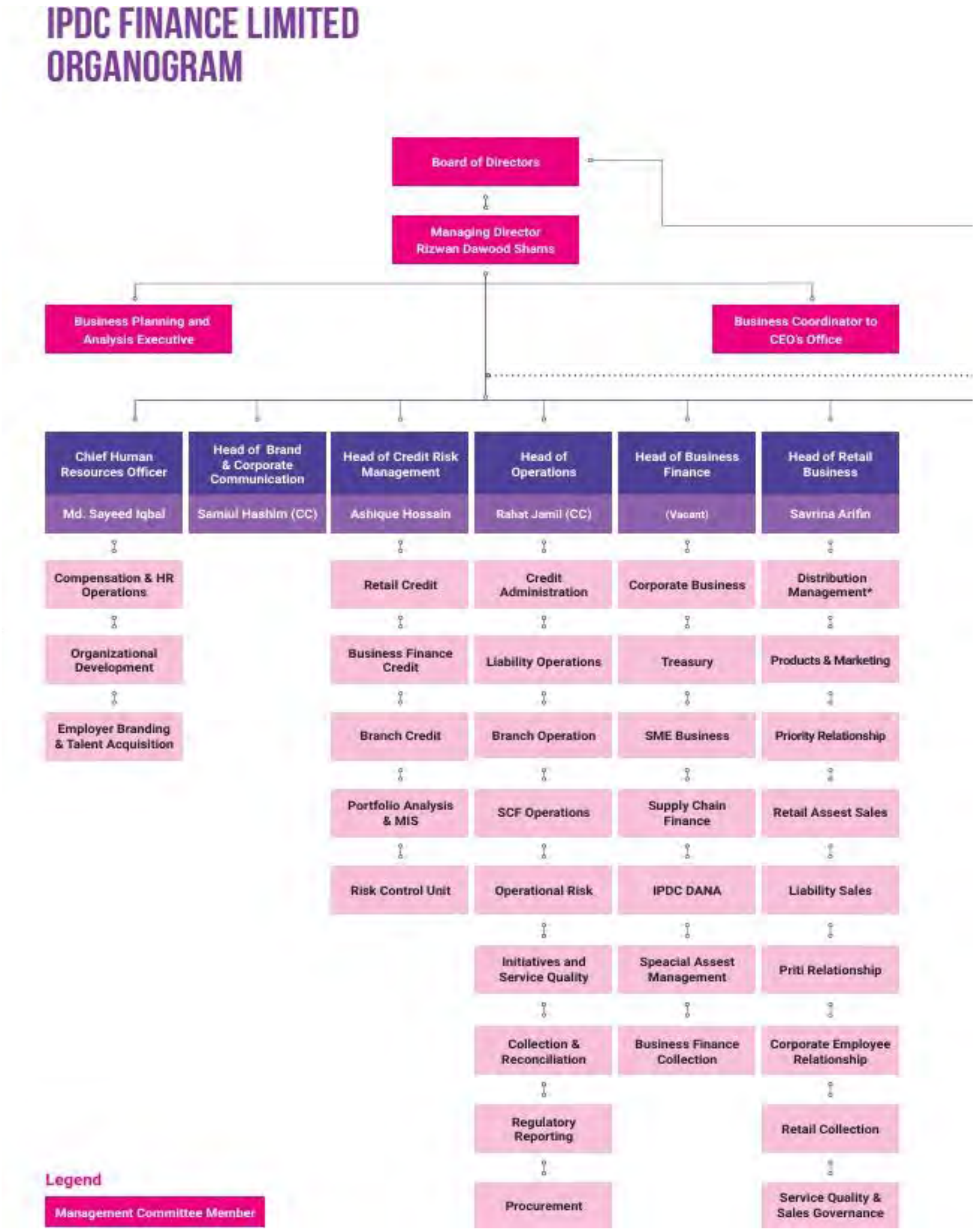
2.2.2 IPDC Finance Limited Mission Statement

To enable our customers and communities live unbound to their fullest potential by extending innovative financial solutions in a friendly, timely, transparent, and cost-effective manner.

2.2.3 Goals of IPDC Finance

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

2.2.4 Organogram of Organisational Structure of IPDC Finance



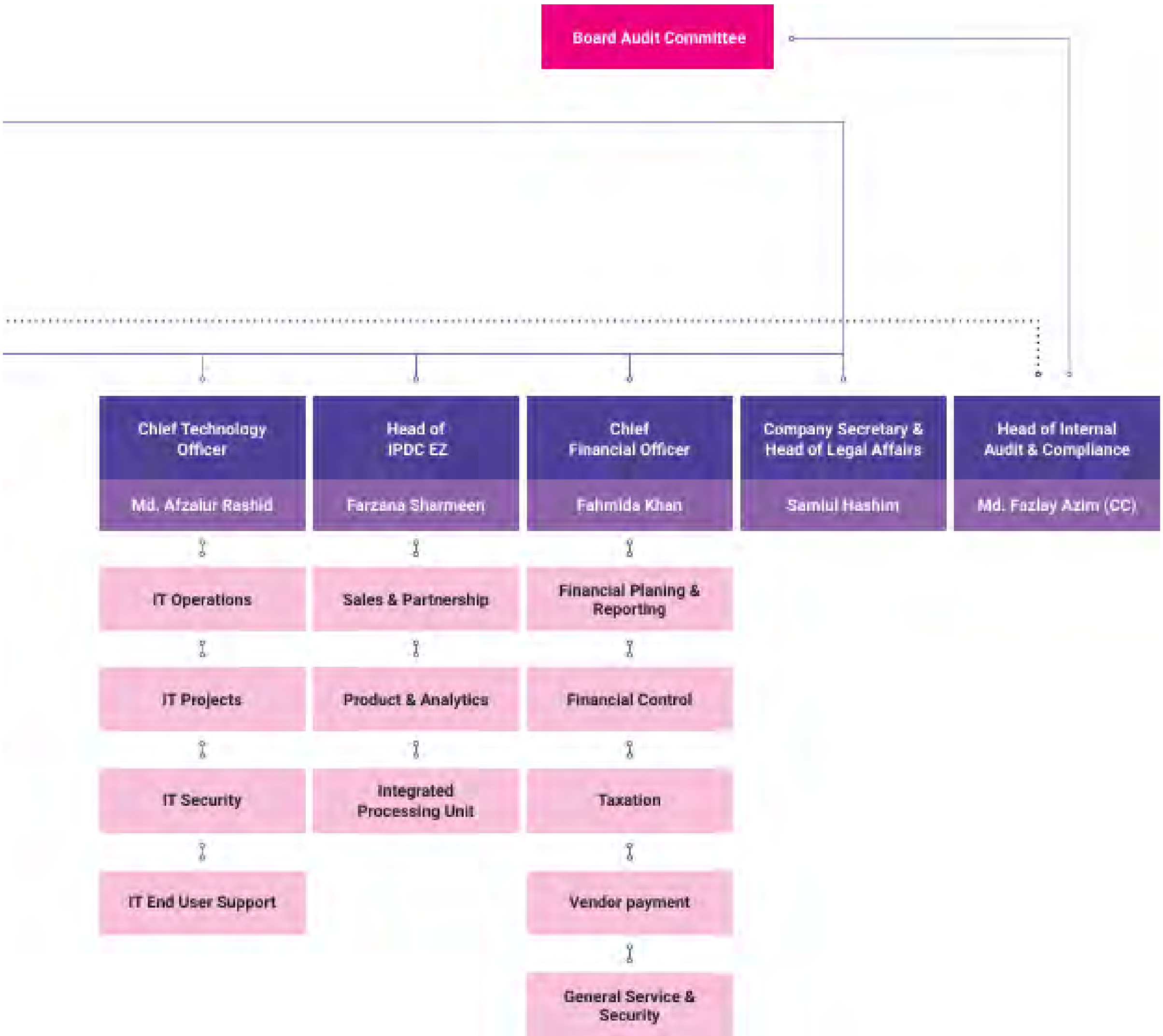


Figure 2: Organogram of the Organisational Structure

Source: IPDC_Annual_Report-2023.pdf

2.3 Management Practices

This section discusses about the management practices that are followed by IPDC Finance PLC. Their leadership styles and the HR planning processes are discussed here.

2.3.1 Leadership Style

IPDC Finance Ltd. adopts an active and participative leadership style, where leaders are always motivated and encouraged in collaboration and open communication. There is always active involvement between employees in all the actions and also the decision-making processes. Employee engagement and strong knowledge of leadership is in new innovations of the company aligning with their strategic goals. Through digital transformation customer experiences are improved and the organisational culture is enhanced, which is an evidence of this leadership style (Aguinis, 2019; Goleman, 2000). IPDC's leadership runs organizational growth, by promoting a shared vision, ensuring employees are properly valued and motivated, to contribute to the success of the company (Northouse, 2018).

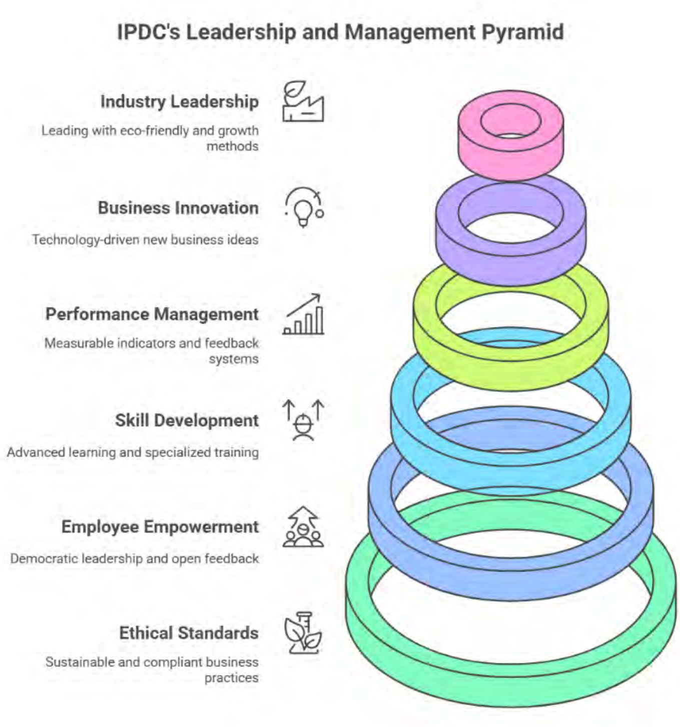


Figure 3: Leadership and Management Pyramid

2.3.2 Human Resource Planning Process

- **Recruitment and Selection Process**: IPDC hire candidates following a very structured recruitment and selection process, ensuring their experiences, skills, and also cultural fil requirements. The process consists of job analysis; then sourcing them with help of various platforms like social media, job portals, etc; conducting effective interviews; and evaluating their skills and competencies by performing different assessments. Finally, the section occurs based on the effective evaluations that are made to hire the perfect candidates for the given roles

- **Compensation System**: The company follows a very competitive compensation system based on the employee's talent and works. This firstly includes the base salaries. Secondly bonuses are also given based on their performances and also on special events. Benefits based on healthcare and retirement plans are also ensured by the company and thus these things keep the motivation in them to keep on working for the organizational goals.

- **Training and Development Initiatives**: IPDC Finance emphasizes in their training and development strongly, ensuring the workforce has the proper skills and knowledges needed to meet the organizational goals. Professional development programs, leadership training programs for the potential managers, specialized courses on enhancing technical skills, etc are often conducted the company. Moreover, financial support is also provided by them on certain certifications relevant to their roles in the job. Therefore, these things help in the long-term success of the company as employees grow and contribute for the success.

- **Performance Appraisal System**: The individual performances are assessed aligning it with the organizational objectives in the performance appraisal system. At the start of the evaluation period, specific and measurable goals are set up and regular feedback sessions are conducted after that. These sessions include progress discussions, coaching providing, and also identifying improvement areas. At the last of this cycle, reviews are done formally on the performances, evaluating the strengths, achievements, and development needs. This ensures the employees to stay focused on the main key objectives and thus serves compensation adjustments and advance career opportunities.

2.4 Marketing Practices

The marketing practices involves the information on marketing strategy the company follows, their target customers along with targeting and positioning, marketing channels they follow, product development and competitive practices. Branding activities, advertising and promotion strategies are also discussed in this part.

2.4.1 Marketing Strategy

IPDC Finance, in its marketing methods, uses a customer-first approach strategy, to achieve its mission of including more people in financial solutions. To make their brand visible, the digital transformation strategy of the company, which they combined with customized products is helping them grow and lead among the other NBFI companies in the market.

They use AI, data analytics, mobile platforms etc to provide personalised financial solutions. The service IPDC provides is always accessible to the small businesses, households with less income, women, etc. They have a forward thinking as is sustainable as they align themselves in marketing efforts fowling global trends such as green financing and UN Sustainable Development Goals. Therefore, the company's brand is enhanced as being socially responsible and also as a fine technology driven financial institution, with following this marketing strategy (Aguinis, 2019; Boxall & Purcell, 2016).

2.4.2 Target Customers, Targeting and Positioning

Price

IPDC Finance's targeting and positioning strategy focuses on the underserved and emerging market segments in Bangladesh. The targeting strategy cater both individuals and businesses. For individuals, IPDC targets households with low to middle income, who may not have access to the traditional financial services. Mostly microfinance services, education loans, and child marriage prevention loans, are offered by them for the individuals. For businesses, IPDC provide financial solutions to small and medium sized to support proper growth and development. IPDC contributes to financial inclusion, by targeting these segments, and helps in making a link between the underserved populations and access to capital (Breaugh, 2013; Dessler, 2020).

IPDC Finance Ltd, in terms of positioning, differentiate itself as a socially responsible and technology driven financial institution. In digital transformation, the company positions itself as a leader as in their services, they integrated AI, mobile platforms, and data analytics. Thus, IPDC can offer personalized financial solutions to customers with specific needs. Furthermore, IPDC's sustainability is strengthened as socially responsible institution through initiatives like green financing and UN Sustainable Development Goals (SDGs) (Aguinis, 2019; Boxall & Purcell, 2016).

2.4.3 Marketing Channels

Place

1. **Traditional Channels:**
   IPDC Finance, through its branch network across Bangladesh, relies on traditional face-to-face interactions. Loan consultations, financial advices, product inquiries, etc are easily accessed by the customers and thus they can use this personalised service very easily. Moreover, IPDC is involved in direct mail campaigns and also traditional advertising is done through TV, radio, newspapers, etc. Billboards are also used to help in raising brand awareness and promotion of services. Individuals with less engagement in digital platforms are benefitted with these traditional methods (Dessler, 2020).

2. **Digital Channels:**
   IPDC Finance integrated digital channels in its marketing strategy, as technology is growing strong day by day. They use the social media platforms like facebook, linkedin, Instagram, etc, to increase wide engagement among all range of customers. Moreover, they have their mobile apps and websites which are easily accessible for easy loan applications, online customer support services, etc. Through email marketing, online advertising, SEO strategies, etc, it is ensured that they are visible to

all the potential customers, and thus this is also growing the ecommerce trend (Noe, 2017; Lawler, 2000).

2.4.4 Product/New Product Development and Competitive Practices

Product

- **New Product Development**

  IPDC Finance uses a customer-centric strategy to new product development which focuses on digital transformation and financial inclusion. Based on the unique needs of different customer segments, the company often introduces products such as Microfinance Loans, Green Financing, Education Loans, etc. Child Marriage Prevention Loan is one of their best innovative and unique service which provide financial help for female children education to support families in delaying child marriages.

  Furthermore, IPDC has products like DANA, Joyee, Priti are also introduced by them. DANA is associated with utilizing AI and mobile platforms, offers digital financial products such as loan products, mobile banking services, online financial tools, etc, creating easily accessible and personalized financial solutions. Joyee is designed in such a way which helps in providing quick loans and personal finance options to its users. Priti is a financial service that provides easy and flexible loan options for women and this eventually helps in empowering women by offering tailored financial products, and the benefits offered by IPDC makes it easier for the women to access credit.

- **Competitive Practices**

  IPDC Finance focuses on new innovations, wide customer engagement, and strategic partnerships, to maintain competitive edges. The company invested largely in advance technology, make them more accessible and streamline services more urban areas connecting to rural and underserved areas too. IPDC emphasises on digital transformation systems, like introducing to mobile apps and data analytics. This provides an enhanced customer experiences as they are getting personalized financial solutions easily. Green financing initiatives are also taken by them which shows them being socially responsible in investments and this makes them different as they follow sustainability. They are helping SMEs mostly which is great help in growing the condition of Bangladesh. Their tech driven approach makes them different and they even earned industry recognition and was also awarded the Bangladesh FinTech Award (Boxall & Purcell, 2016; Lawler, 2000).

2.4.5 Branding Activities

For branding, the marketing plan of IPDC includes GDN, GNR, YouTube, and other digital media. To strengthen their branding, they often go for strategic collaborations with NGOs and development agencies.

2.4.6 Advertising and Promotion Strategies

Promotion

The advertising and promotion strategy of IPDC combines digital marketing strategy, traditional advertising system, and also strategic partnerships which helps to strengthen its brand and reach the range of diverse customer segments in Bangladesh. They use their social media like Facebook, Instagram, LinkedIn for targeted campaigns. Content marketing and SEO is used to increase visibility. Moreover, email marketing, along with influencer collaborations helps in engaging potential clients with personalized financial solutions. However, IPDC also maintains traditional media platforms such as TV, radio, etc. This shows their involvement in both digitally and non-digitally.

2.4.7 Critical Marketing Issues and Gaps (If any)

Critical marketing challenges are often faced by IPDC such as limited awareness of its digital services mostly in rural areas with low digital literacy. They often overlook the older or less digitally connected people as they focus more on the youth. Moreover, for more personalized marketing, they underutilize advanced analytics. If they address these issues and work in these, it will help in their success rapidly (Kotler et al., 2015; Jain & Kaur, 2017).

2.5 Financial Performance

Information on the financial performances and accounting practices are discussed in this part. The financial performance is consisting of different types of analyses such as DuPont analysis, Comparative Analysis of Net Profit and Net Interest Margin, and information on maintaining Optimal Debt to Equity Ratio and Capital Adequacy Ratio (CAR) is also discussed in this part.

2.5.1 Financial Analysis and Performances

Between 2019 to 2023, IPDC Finance PLC demonstrated notable financial performance, reflecting its strategic initiatives and resilience in the face of economic challenges. Proper analysis is done as follows:

2.5.1.1 DuPont Analysis:

The DuPont analysis shows a comprehensive view of profitability and reveals how efficiently returns on assets (ROA) can be utilized and how well returns on shareholders' equity (ROE) can be generated.

A significant decline is seen in the net profit, from BDT 901 million in 2022 to BDT 343 million in 2023. It is indicated that the company's overall profitability has taken a major hit. Reasons for this decline may be due to:

- Operational costs or expenses being higher;
- Revenues from core business activities being lower;
- Increase in provisions for bad debts or loan losses; and

- Economic factors which include the inflations, rising of interest rates, or fluctuations in the financial market.

Table 1: DuPont Framework

	2019	2020	2021	2022	2023
Net Income	563.16	704.67	881.92	902.666	342.436
Revenue	2,166	2,830	3,445	3,247	2,902
Net Profit Margin	26.00%	24.90%	25.60%	27.80%	11.80%
Total Assets	64,402	75,969	84,973	86,732	91,934
Asset Turnover	3.36%	3.73%	4.05%	3.74%	3.16%
Total Liabilities	58,826	69,906	78,620	79,929	85,182
Shareholder's Equity	5,576	6,063	6,353	6,803	6,752
Equity Multiplier	11.55	12.53	13.38	12.75	13.62
ROE	10.1%	11.6%	13.9%	13.3%	5.1%
ROA	0.9%	0.9%	1.0%	1.0%	0.4%

From the above table, the ROA and ROE differences can be seen which is described elaborately as follows:

The ROA of the company dropped to 0.4% in 2023 from 1.0% which was in 2022. The lower ROA says that the company is generating less profit from its asset base, compared to its previous year. Based on this, it can be said that either the assets are not being used as efficiently it should be, or the company has incurred higher costs or lower returns from these assets. However, it could also mean that the corresponding returns have not been proportionate enough yet the asset base has grown.

The ROE of the company dropped to 5.1% in 2023 from 13.3% which was in 2022. A significant decrease has been seen here in the ROE which indicates that the company has become less effective at generating profit from its equity base. This decline in ROE could mean to lower profit margin (net profit after tax) and also potentially lower asset efficiency (lower ROA). As a result, this makes the company less attractive to shareholders.

To conclude, likely driven by the improvements in Net Profit Margin, Asset Turnover, and also possibly leverage, between 2019 and 2021, the company demonstrated a strong ability to generate profits. However, in 2022, there was a light decrease in ROE, which indicated that the company faced some challenges, which eventually worsened in 2023. Potential issues with profitability, asset utilization, or capital structure, may have caused this decline.

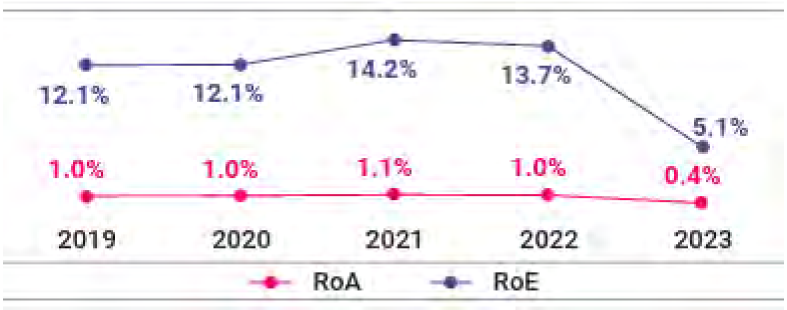


Figure 4: Graphical Representation of Return on Equity and Assets

Source: IPDC_Annual_Report-2023.pdf

The figure above gives a visual representation of the DuPont Analysis over the last five years from 2019 to 2023. IPDCs asset base is increasing significantly from 2019 to 2022 over the years through its planned business expansion, and thus ROA is stable for these years. However, ROE shows a downward trend which shows the significant decline from 2022 to 2023 due to higher equity base and comparative less profit.

2.5.1.2 Financial Ratios:

One of the most commonly used tools, which is needed to assess the performance of a company is Financial Ratios. These ratios help to evaluate liquidity, profitability, leverage, efficiency, and market performance.

a) **<u>Profitability ratios:</u>**

- **ROA**

	2019	2020	2021	2022	2023
Net Income	563.16	704.67	881.92	902.666	342.436
Total Assets	64,402	75,969	84,973	86,732	91,934
ROA	0.9%	0.9%	1.0%	1.0%	0.4%

Table 2: ROA

Table 2 shows that the ROA of the company dropped to 0.4% in 2023 from 1.0% which was in 2022, and lower ROA states that the company is generating less profit from its asset base, in comparison to its previous year. Thus, it can be said that either the assets are not being used as efficiently it should be, or the company has incurred higher costs or lower returns from these assets. However, it could also mean that yet the asset base has grown, the corresponding returns have not been proportionated enough.

- **ROE**

	2019	2020	2021	2022	2023
Net Income	563.16	704.67	881.92	902.666	342.436
Equity	5,576	6,063	6,353	6,803	6,752
ROE	10.1%	11.6%	13.9%	13.3%	5.1%

Table 3: ROE

Table 3 shows the ROE of the company from 2019 to 2023, which dropped to 5.1% in 2023 from 13.3% which was in 2022. The significant decrease in the ROE indicates that the company has become less effective at generating profit from its equity base. The decline in ROE, however could mean to lower profit margin (net profit after tax) and also potentially lower asset efficiency (lower ROA). Therefore, this makes the company less attractive to shareholders.

- **Net Profit Margin**

	2019	2020	2021	2022	2023
Net Income	563.16	704.67	881.92	902.666	342.436
Revenue	2,166	2,830	3,445	3,247	2,902
Net Profit Margin	26.0%	24.9%	25.6%	27.8%	11.8%

Table 4: Net Profit Margin

Table 4 shows net profit margin over the last five years, and generally a strong and stable performance is seen, though it was less in 2023 which was 11.8%, but the highest is seen in 2022 which was 27.8%. There is a fluctuation in the margin and it fluctuated slightly, peaking in 2022, but it remained robust with values between

24.9% and 26% from 2019 to 2021. There was a sharp decline seen in 2023 that could indicate a drastic reduction in profitability and this may be due to the increased costs or other operational challenges. Overall, a healthy profitability in the company was maintained in the recent years, although there was a decrease in 2023.

- **Operating Profit Margin**

	2019	2020	2021	2022	2023
Operating Income	1,184	1,680	2,203	1,760	1,300
Revenue	2,166	2,830	3,445	3,247	2,902
Operating Profit Margin	54.7%	59.4%	63.9%	54.2%	44.8%

Table 5: Operating Profit Margin

Table 5 shows the operating profit margin from 2019 to 2023 where it is seen that there was a peak at 63.9% in 2021, indicating excellent operational efficiency, and this remained high at 59.4% in 2020 too. But the margin declined to 54.2% in 2022 and then further dropped to 44.8% in 2023. This suggested a decrease in operational profitability, and this could be due to the rising costs, or reduced operational efficiency, or there may be other challenges affecting the company's core operations in the recent years. But despite having this decline, the operating profit margins remained relatively high and thus reflected that the company has the ability to generate profits from its core activities.

b) <u>Liquidity Ratios:</u>

- **Current Ratio**

	2019	2020	2021	2022	2023
Current Assets	9,777	14,674	14,224	12,675	14,137
Total Liabilities	58,826	69,906	78,620	79,929	85,182
Non-current Liabilities	2,655	2,935	3,094	3,478	3,766
Current Liabilities	56,171	66,971	75,526	76,451	81,416
Current Ratio	0.17	0.22	0.19	0.17	0.17

Table 6: Current Ratio

Table 6 shows the current ratio from 2019 to 2023 where it remained consistently low over the past five years, and there were fluctuations seen between 0.17 and 0.22. Significant liquidity issues are seen here, as there is less than one dollar in current assets for every dollar of current liabilities. It is said that if current ratio below 1, then the company may struggle to cover its short-term obligations using its current assets, and this could pose financial risks if not addressed timely and properly. A persistent challenge is highlighted in managing short-term liquidity, due to the low ratio across multiple years.

- **Cash Ratio**

	2019	2020	2021	2022	2023
Cash + Cash Equivlents	9,777	14,674	14,224	12,675	14,137
Current Liabilities	56,171	66,971	75,526	76,451	81,416
Cash Ratio	0.17	0.22	0.19	0.17	0.17

Table 7: Cash Ratio

Table 7 shows the cash ratio for the last five years and it is seen that there has been consistently low over the past five years, and it ranged from 0.17 to 0.22. As a result, this indicates that there has been very limited cash or cash equivalents relative to its current liabilities. If cash ratio is below 1, then it suggests that the company may struggle to meet its short-term obligations using only its most liquid assets. This highlights potential liquidity concerns. Cash reserves have not significantly improved, and this is proven due to low ratio over several years. This could pose financial challenges if immediate cash needs arise.

c) <u>Leverage Ratios</u>

- **Debt-to-Equity Ratio:**

	2019	2020	2021	2022	2023
Total Liabilities	58,826	69,906	78,620	79,929	85,182
Shareholder's Equity	5,576	6,063	6,353	6,803	6,752
Debt to Equity Ratio	10.55	11.53	12.38	11.75	12.62

Table 8: Debt-to-Equity Ratio

Table 8 is on debt-to-equity ratio from 2019 to 2023, and it remained very high over the last five years, ranging from 10.55 to 12.62. This shows that with debt significantly outweighing equity, the company relies heavily on debt to finance its operations and growth. Increased financial risk is associated with high debt-to-equity ratio, as the company may face challenges in meeting its debt obligations. This may be caused especially during times of economic downturn or operational difficulties. When business is doing well, it can amplify returns and also increases the potential for financial instability.

- **Debt Ratio**

	2019	2020	2021	2022	2023
Total Liabilities	58,826	69,906	78,620	79,929	85,182
Total Assets	64,402	75,969	84,973	86,732	91,934
Debt Ratio	0.91	0.92	0.93	0.92	0.93

Table 9: Debt Ratio

Table 9 shows debt ratio which remained consistently high over the last five years, and it range from 0.91 to 0.93. A significant portion of the company's assets is financed through debt, with about 91% to 93% of the company's assets being funded by liabilities, and this is shown by debt ratio. Higher debt ratio also suggests a higher level of financial risk, because the company heavily depends on borrowed funds.

d) Efficiency Ratios:

- **Asset Turnover Ratio**

	2019	2020	2021	2022	2023
Revenue	2,166	2,830	3,445	3,247	2,902
Total Assets	64,402	75,969	84,973	86,732	91,934
Asset Turnover Ratio	0.03	0.04	0.04	0.04	0.03

Table 10: Asset Turnover Ratio

Table 10 shows the asset turnover ratio from 2019 to 2023, ranging from 0.03 to 0.04. The company is generating only a small amount of revenue relative to its total assets. And this shows inefficient use of its assets in generating the sales. Low asset turnover ratio may suggest to underutilization of assets, and there may be challenges in effectively leveraging them to drive and increase revenue. It is clearly seen that the company has struggled to improve its asset efficiency, shown by the consistency of the ratio across the years. Thus, this could limit growth potential and overall profitability.

- **Credit Deposit Ratio**

	2019	2020	2021	2022	2023
Total Loans	7,037,982,481	10,946,478,220	10,495,832,829	12,097,050,078	16,099,168,254
Total Deposits	46,361,357,299	52,456,341,963	60,405,264,987	59,139,483,337	60,177,042,834
Credit Deposit Ratio	15.18%	20.87%	17.38%	20.46%	26.75%

Table 11: Credit Deposit Ratio

Table 11 shows the Credit Deposit Ratio (CDR) for IPDC from 2019 to 2023. A gradual increase is seen in the proportion of deposits being used for lending from 2019 to 2023. A conservative approach to lending is seen in 2019 with a CDR of 15.18%. In 2020, this ratio rose to 20.87% showing a more aggressive lending strategy. However, it slightly dropped to 17.38% in 2021 but then increased again in 2022 to 20.46%. In 2023 it was at its peak at 26.75%. this means that IPDC increasingly relied on its deposits to fund loans. There is an upward trend which indicates that IPDC has been progressively utilizing more of its deposits for credit activities. This is directed towards higher potential returns, but there are also greater exposure to lending risks.

- **Cost to Income Ratio**

	2019	2020	2021	2022	2023
Operating Costs	981,315,365	1,150,211,016	1,241,299,042	1,486,668,468	1,602,683,619
Operating Income	2,165,698,703	2,829,795,301	3,444,668,246	3,246,952,625	2,902,451,401
Cost to Income Ratio	45.31%	40.65%	36.04%	45.79%	55.22%

Table 12: Cost to Income Ratio

Table 12 shows Cost to Income Ratio (CIR) from 2019 to 2023. The CIR was 45.31% in 2019 that shows that the company spent 45.31% of its income on operating expenses. In 2020 this ratio improved and got to 40.65% with better cost management. There was a slight increase in 2021 to 36.04% and this show the further efficiency. The CIR rose further to 45.79% in 2022, and finally in 2023 it peaked at 55.22%. This suggests that the company faced higher operating costs relative to income, impacting profitability and operational efficiency.

e) **Market Valuation Ratios:**

- **P/E Ratio:**

	2019	2020	2021	2022	2023
Market Price per Share	37.04	22.94	26.37	36.47	57.47
EPS	1.82	1.90	2.37	2.43	0.92
P/E Ratio	20.35	12.07	11.13	15.01	62.47

Table 13: P/E Ratio

Table 13 shows P/E (Price-to-Earnings) ratio that has shown significant fluctuations from 2019 to 2023. It ranged from 11.13 in 2021 to a sharp increase of 62.47 in 2023. Higher P/E ratio refers that market is willing to pay more for each dollar of earnings. This indicates higher investor expectations or there can be a premium on the company's future growth potential. The dramatic rise in 2023 reflects positivity for the company and this is potentially driven by strong growth prospects, or a recent positive event, or can be due to changes in market sentiment. However, the notable spike in 2023 could also indicate overvaluation or increased risk.

- **Dividend Yield:**

	2019	2020	2021	2022	2023
Dividend per share	0.70	1.00	1.20	1.20	1.00
Market Price per Share	37.04	22.94	26.37	36.47	57.47
Dividend Yield	1.89%	4.36%	4.55%	3.29%	1.74%

Table 14: Dividend Yield

Table 14 shows for the last five years that dividend yield has fluctuated ranging from 1.74% in 2023 to a peak of 4.55% in 2021. The company was paying out a relatively larger portion of its earnings to shareholders during 2020 and 2021, proved by the higher yields. However, there was decrease in the yields in 2022 and 2023 which showed a lower return on investment for shareholders in terms of dividends. Therefore, this decline or decrease could be due to the reduced profitability or changes in dividend policy. Another reason can be because rather than distributing earnings to shareholders, the company may have prioritized toward reinvesting the earnings.

2.5.1.3 Comparative Analysis of Net Profit and Net Interest Margin:

Table 15: Profitability Performance

PARTICULAR	2019	2020	2021	2022	2023
Revenue	2,166	2,830	3,445	3,247	2,902
Operating Profit	1,184	1,680	2,203	1,760	1,300
Net Profit After Tax	562	706	881	901	343

Source: IPDC_Annual_Report-2023.pdf

Various challenges which include inflations, intensified competitions, and a liquidity crisis, was encountered by the industry over the years which had a great impact on the profitability performance in the recent years. Yet, despite of these difficulties, IPDC has managed to optimize operating expenses and thus increase its asset portfolio throughout the years. However, due to certain circumstances, a decline is caused in the net profit after tax by 62% to BDT 343mn in 2023, though it was increasing from 2019 to 2022.

Through representing a significant increase of approximately 59%, the operating income experienced a steady growth from 2019 (BDT 2,166mn) to 2021 (BDT 3,445mn). However, this income declined in 2022 (BDT 3,247mn) and also in 2023 (BDT 2,902mn). This decrease is caused due to IPDC's conservative approach in dealing with changing market dynamics, which also includes interest caps. Operating profit also increased steadily from 2019 (BDT 1,184mn) to 2021 (BDT 2,203mn) and then there was a sudden decline in 2022 (BDT 1,760mn) and also in 2023 (BDT 1,300mn). Even the net profit after tax followed this similar pattern as the previous metrics, where it reached a peak in 2021 (BDT 881mn) and then in 2023, they witnessed a significant drop in net profit (BDT 343mn), and thus this represents a decrease of over 62% compared to the previous year.

2.5.2 Accounting Practices

The accounting department at IPDC Finance plays an important role in ensuring the company's financial integrity and compliance with regulatory standards. The department is deals with preparing accurate financial statements and managing financial reporting. Thus, this makes sure that IPDC Finance transparency and accountability in financial operations is maintained properly.

Accounting Practice:
The International Financial Reporting Standards (IFRS) is an accounting practice followed by IPDC Finance PLC. The Bangladesh Financial Reporting Standards (BFRS) is adhered by all the NIBFs, including IPDC Finance and this is a requirement for them, which are essentially aligned with IFRS. It is ensured that financial statements are transparent and comparable with the adoption of IFRS or BFRS. And thus, this helps in providing a clear and accurate picture of the company's financial position. This is necessary that investor confidence is maintained properly by ensuring consistency and aligning with international accounting practices. Therefore, IPDC Finance PLC uses IFRS accounting practices as guided by the BFRS in Bangladesh.

Accrual basis of accounting is used here, where revenues and expenses are recognized when earned and not when cash is received. For different classifications, measurements, and impairments of financial instruments like loans and investments, it follows BFRS 9 and also adheres to the standards for revenue recognition, especially in interest income and fee based income. However, IPDC also uses fair value accounting for certain assets and prepares consolidated financial statements if applicable. Thus, they also abide by the rules for income tax recognition and asset impairment. To sum up, the transparency, consistency, and compliance with global standards is ensured by the IPDC’s accounting practices.

Auditing:

External audits are done by independent auditors in IPDC and this ensures its financial statements complies with Bangladesh Financial Reporting Standards (BFRS) and International Financial Reporting Standards (IFRS). The accuracy and transparency of financial records are verified by them, and assesses are done on the company's internal controls, and thus this ensures there is compliance with relevant regulations, such as those from the Bangladesh Securities and Exchange Commission (BSEC). If there are issues, the auditors provide audit opinions, which can be unqualified (clean) or qualified. There are findings and recommendations in the audit reports which helps to maintain transparency and trust with stakeholders.

- **Total Assets**: Significant growth has been seen in its total assets over recent years. As of September 2024, the company's total assets stood at approximately BDT 85.48 billion, though it had slight decline from previous year which was BDT 91.93 billion from December 2023. IPDC's strengthening of its financial position is highlighted by the growth trends, particularly from 2021 to 2023.
- **Liabilities**: Significant growth in IPDC's total liabilities is also seen over recent years. The total liabilities stood at approximately BDT 78.77 billion as of September 2024, whereas there was a decrease of BDT 85.18 billion in September 2023. This decline was primarily because of reduction in term deposits, which decreased from BDT 60.18 billion in September 2023 to BDT 53.78 billion in September 2024.
- **Depreciation**: IPDC recorded depreciation and repair expenses amounting to BDT 99,542,262 for six month period ending June 30, 2024. Again, for the same period in 2023, these expenses were BDT 113,661,011. Therefore, these figures reflect that the company's ongoing investment in maintaining and depreciating its fixed assets.

2.6 Operation Management and Information System Practices and Supply Chain Management (SCM)

2.6.1 Operation Management and Information System

IPDC Finance’s operation management has got a very efficient and effective system with innovative product solutions, based on mainly the client focussed products. They have made their strong space in Bangladesh’s financial sector due to their operational excellence and adaptability. This could happen as the advanced information system was integrated along with the sustainable supply chain practices.

With the introduction of modern techniques and major improvements enhanced the operation system. Lean management and automation system of the software helped them with easy and fast loan processing, increasing its efficiency. The priority of the company of customer satisfaction is met due to the introduction of these modern systems. The central strategy of the company is digital transformation through its AI generated systems which helps in real time data analysis and also helps in decision making. For example, the DANA app is there which enhances access of the customers to transaction systems. Moreover, improved communication and coordination is maintained by the ERP system. Operational performances and customer satisfaction are boosted with these technologies.

Figure 5: Technologies used by IPDC Finance

2.6.2 Supply Chain Management (SCM)

Supply chain management methods are used by the company for better service delivery. They are engaged in partnership with SMEs and distributers effectively using their SCM methods for efficient distribution of financial resources.

To optimize the delivery of services throughout the network, SCM strategies are used. To distribute financial recourses easily, the company is partnered with small businesses and distributers. For instant financing with the local retailers, DANA platform is there. Business growth is supported and accessibility is enhanced with the help of these. Ecological sustainability is backing the projects which involves renewable energy, in its supply chain. Eco friendly business fundings are done developing CSR responsibilities strengthening it aligning with the standards of international sustainability.

2.7 Industry and Competitive Analysis

Porter's five forces analysis and SWOT analysis is done in this part which are discussed elaborately in the following sub chapters.

2.7.1 Porter's Five Forces Analysis

The tool analyzes competitive forces to judge IPDC Finance's market position and also present directions for meeting business challenges with capitalizing on market possibilities.

Threat of New Entrants

Many opportunities are offered by the financial sectors especially in the businesses like microfinance and fintech businesses. Yet, the barriers are faced by the newcomers such as strict regulations, strong competitions and also high capital requirements. But IPDC made strong platforms which gives hard times to other newcomers. DANA platform is such a platform which is very innovative and strong and is giving a tough competition to others.

Bargaining Power of Suppliers

Financial sector suppliers consist of two groups: capital providers and technology vendors. IPDC Finance's funding practice incorporates both local bank loans and funding from development organizations within and outside the country. Green financing choices, along with expanding funding sources, have decreased individual funding sources' ability to control lenders. Implementing FinTech innovations at IPDC depends heavily on the strategic support of technology vendors. IPDC achieves minimal supplier dependency through supplier base diversity supported by strong relationship development practices.

Bargaining Power of Buyers

Customers in the financial services industry hold substantial power due to the availability of alternatives like banks, microfinance institutions, and digital financial service providers. The company addresses this competition by creating products mainly designed to satisfy various market segments' needs through initiatives like IPDC DANA for micro-retailers and Purnota for women entrepreneurs. Mapping competitive prices and flexible financing solutions alongside digital platforms allows IPDC to increase customer loyalty and decrease customer purchasing power.

Threat of Substitute Products or Services

Financial services in Bangladesh exist in multiple forms, while peer-to-peer lending platforms stand alongside mobile financial services (MFS) and microfinance institutions as substitute options. Alternative financial options pose an average risk to IPDC's business operations. IPDC reduces this risk through its ability to deliver differentiated value through loans that require no collateral alongside sustainable funding options and digital tools designed with customers in mind. Through customer-driven service development and its reliable reputation, IPDC successfully minimizes the competition from alternative financial products.

Industry Rivalry

The financial sector of Bangladesh is very much competitive. This includes all the traditional banks, NBFIs and fintech companies with varying market shares. IPDC maintains its front position in their technological advancements like AI and data analytics. Their operations and customer engagement are also improved as sustainably and CSRs is prioritized mostly by IPDC.

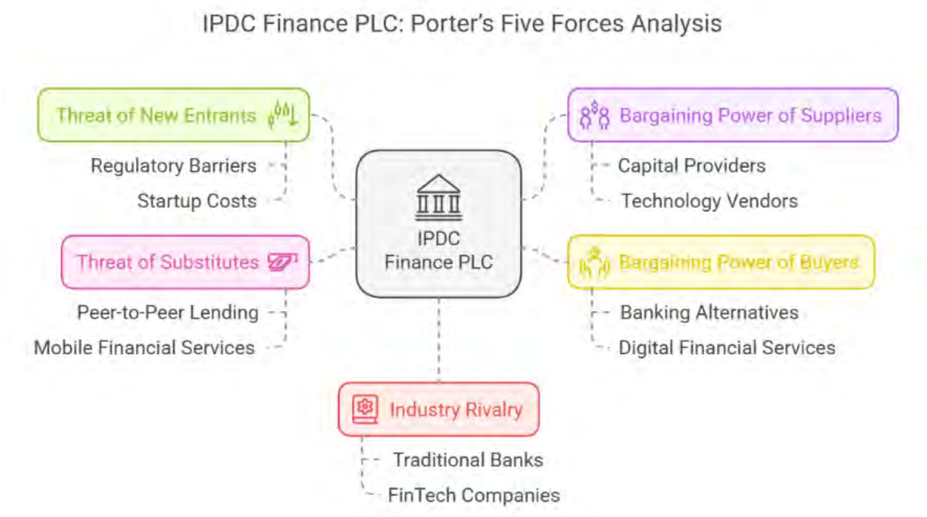


Figure 6: Porter's Five Forces Analysis

2.7.2 SWOT Analysis

To present an extensive financial sector positioning overview, organizational SWOT analysis discusses both internal strengths and external opportunities, plus the threats they face, along with their weaknesses.

Strengths

The key strength of IPDC is their two innovative departments- DANA and Joyee. These two departments represent community empowerments and though them many females, SMEs, etc are getting benefits with their services. Financial solutions are provided to many women business owners, micro retailers, banks, etc. IPDC's use of AI, data analytics with digital platforms, etc are accelerating operations thus increasing customer interactions. The company earned its stable brand reputation and gained customer trust. They show their dedication through green financing, SDG programs, to the responsible business actions.

Weaknesses

IPDC also has its weaknesses besides its strengths. Their operational activities are mostly devoted to urban and semi urban population bases and thus they have limited connections among the rural territories. They face operational limitations as they avoid customers from rural sides despite need for financial inclusion. The market presence is smaller as IPDC is a NBFI, than that of the major banks or other large fintech companies.

Opportunities

For the growth of IPDC many opportunities are there. They are diving into the developed fintech features to form fresh and innovative financial services. Moreover, through their digital inclusions, they could reach more people from all over Bangladesh. They can even extend their services to create new customer values by working with NGOs and international organisations. Green financing programs can be expanded by them as there is a need for sustainable financing in the growing market.

Threats

IPDC operates in such a ground where traditional banks, microfinance institutions and other fintech companies compete. Due to regulatory changes in financial sector, IPDC do face problems in expanding. Riks is there in payment stability of the client base because of market volatility. There are often increases in price and interest rate keeps on changing. They are also exposed to cyber threats. This is because they operate as a digital fast organisation. This threatens operational security and may take away customer trust.

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Figure 7: SWOT Analysis

2.8 Summary and Conclusions

To sum up IPDC Finance, as an NBFI has a very strong brand reputation and their innovative approaches help Bangladesh advance and grow its economic conditions. Solutions are provided to people who face existing financial challenges, mostly micro retailers, women entrepreneurs, and marginalized communities. IPDC's sectors like DANA and Joyee represent products for them. For economic expansion and poverty reduction initiatives are taken by them to deliver funding with all kinds of support and financial solutions. IPDC includes sustainability through financing programs which support the United Nations Sustainable Development Goals (SDGs). IPDC could create environmental awareness throughout all its activities by the implementation of sustainable business practices along with responsible operational measures. IPDC has also implemented advanced technologies through AI and digital platforms, which helps in operational efficiency enhancement.

Nevertheless, there it was seen in recent years, that IPDC's operating income and profit have undergone a decline, especially in 2022 and 2023. This may have occurred due to the increased operational costs; there might be impact of interest rate caps; and may also occur due to the conservative approach in lending. There might be lack of strategic adaptability as the management seems to follow a conservative approach. Slowdown in growth can be seen due to this lack of adaptability. Moreover, there is limited market reach and customer awareness, for which the marketing department may face challenges in reaching new customer segments, especially the younger audiences. Apart from these there is another issue which is on outdated technology infrastructure. They are using systems that are not capable of handling the increasing volume of data, or they are not being to be adapting to new regulatory requirements. Challenges are also there in data integration, which is hindering real-time decision-making.

However, challenges are there which are faced by IPDC as an NBFI. market service capability is minimised due to limited geographic accessibility. Digital infrastructure unintentionally locks out customers who do not have technological access or digital competency. To accomplish ongoing growth objectives and maximum impact organizations must address present operational gaps. The non-banking financial sector leader IPDC demonstrates market leadership through customer-first initiatives and novel choices and advanced strategies. The financial landscape of Bangladesh will become stronger because IPDC takes steps toward capacity development and strategic planning coupled with an ongoing dedication to innovation. To drive economic growth in Bangladesh, the organisation shows financial practices which support sustainability.

2.9 Recommendations/Implications

To strengthen its position and enhance its impact, IPDC Finance PLC should consider the following strategies based on the problems discussed above:

- There should be flexibility and cost efficiency and the finance department should focus on identifying cost-saving opportunities by improving operational efficiency and streamlining processes.
- The risk assessment models can be strengthened by the finance department and more dynamic interest rate structures can be adopted, that can adapt to market conditions.
- There was a significant decline in ROE and ROA in 2023 than that of 2022. To increase ROA, reducing asset management can be done by eliminating underperforming assets and increasing asset turnover will also help to enhance ROA. Moreover, by proper reviewing of the capital structure and through improving risk management practices, will improve ROE.
- Management department of the company should adopt an innovative approach that will allow IPDC to quickly adjust to regulatory and market changes, and this can be done by diversifying their services and exploring digital financial services.
- The skills of management and leadership teams has to be strengthened which will help them handle the changing market dynamics, will help in improving decision-making processes and will and speed up the adaptation to new challenges.
- Digital marketing strategies must be focused, especially on social media, content marketing, and targeted online advertising. IPDC's market presence can be expanded by partnering with fintech companies for cross-promotions.
- Brand image of IPDC Finance should be improved and marketing team should emphasize on its reliability and customer centric approach. Unique value propositions

should be promoted and more financial literacy should be there that can also enhance engagement and customer loyalty.

- Modern and scalable IT systems and software solutions can be introduced by the MIS department. This will help in handling big data efficiently, will provide real-time data analysis, and will help in integrating with other departments for smoother workflow management.
- Advanced analytics tools should be implemented that will help to generate actionable insights from data, and can help in making informed decisions on the investments, risk management, and customer targeting.
- Data accessibility, security, and scalability can be enhanced by transitioning to cloud-based solutions. This will make the company more agile and will be better able to respond to the market changes.

Chapter 3
The Role of the DANA Department in Driving Business Growth at IPDC through FinTech Innovations

3.1 Introduction

New technologies and modified business approaches are helping financial industry in Bangladesh advance. IPDC Finance PLC is one of the leading non-banking financial institutions (NBFI) in Bangladesh. The DANA Department is a significant department of the organisation as this leads the development of business growth by implementing FinTech innovations. The DANA Department successfully established itself by addressing neglected financing requirements of micro and small retailers. Both artificial intelligence technology and digital platform-assisted data analytics are utilised by IPDC to create financial solutions. DANA operates as the flagship platform and this employs AI which offers working capital by processing transactions with simpler documentation management. DANA also obtains funds, through this method, to support farmers who do not possess traditional capital documentation and financial reporting. The strategic programs from DANA work to support inclusive financial growth while developing sustainable development frameworks.

The DANA Department of IPDC Finance PLC is a core department that helps in business expansion opportunities with the help of its strategic initiatives. Operational efficiency is enhanced through FinTech innovations, and this is also building client satisfaction at the same time and also creating conditions for economic growth development. The report demonstrates how DANA is helping grow IPDC’s profit and helping it grow and sustain in the market though its strategic initiative roles.

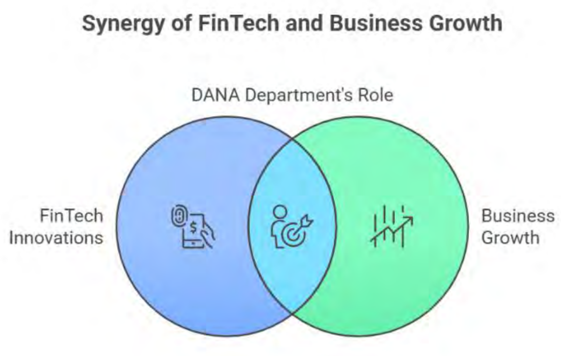

Figure 8: Venn Diagram on merging FinTech Innovations with Business Growth

3.1.1 Background and Problem Statement

DANA is IPDC's significant product and this falls under their strategic initiatives. Some of the strategies have been implemented by IPDC which includes digital transformation for better performance in the new market. Thus, the DANA department was established, focusing on automation, AI, and network improvements. Through these innovations, IPDC has turned into a competitive player in the fintech market Adopting technological advancement is DANA's main focus and they are able to acquire this through there strong strategic initiatives.

IPDC could provide proper customers satisfaction with their significant services with the help of technological innovations such as AI and network improvements. This also made a base for them and better positioned to compete with various companies. Strategic initiatives led by DANA for IPDC helped in improving its revenues, market share and also the flexibility of the business. However, there is a lack of empirical evidence proving the effectiveness of DANA's work on improving the broader business outcomes of IPDC.

However, digital transformation plays an important and major role in growing business opportunities. DANA's work is associated with digital transformation in areas of automation, artificial intelligence, and network optimization. DANA department's activities have facilitated IPDC's operational improvement, enhancement of its competitiveness on the market, and also customer satisfaction. DANA's contributions, as a fintech product, enhances IPDC's overall performance in terms of increased revenue and streamlined operations.

The financial landscape competitive nature is increasing day by day and this digitally driven initiative (DANA) is comparatively new in the market. Thus, the company do face challenges of enhancing its customer engagement with this new initiative, yet introduction of this is having a positive impact and is thus expanding its digital presence. The introduction of DANA, which is a new digital platform, presents an opportunity for improved service delivery, accessibility, and operational efficiency. However, the company must address the potential risks and challenges associated with integrating DANA into its existing infrastructure. This ensures smooth user experience and customer adoption, maintaining robust security standards. To further drive IPDC's growth while managing the complexities of digital transformation, the core issue lies in successfully scaling this new digital initiative.

3.1.2 Objectives

Broad Objective

The broad objective of this study is to show how the DANA product helped in IPDC's business growth, which is illustrated through in-depth trend analysis.

Specific Objectives

- To evaluate how DANA has led to new revenue opportunities for IPDC through its innovations
- To examine IPDC's growth after the introduction of DANA's strategic initiatives, using financial data over the years (2020-2024)
- To assess how DANA's strategic initiatives have helped improve its productivity
- To investigate how the strategies of DANA helped IPDC expand its customer base and increase revenue
- To suggest improvements or new approaches which DANA can address to further boost IPDC's revenue

3.1.3 Significance

FinTech innovations are used by the DANA department of IPDC Finance PLC and this helps in building business growth along with financial inclusion across Bangladesh. IPDC operates as Bangladesh's ruling non-banking financial institution, providing financing solutions to micro and small retailers, struggling with collateral requirements and bank service limitations. This study talks on how the DANA Department executes strategic initiatives along with technological improvements, promoting local economic growth and empowering undeserved communities. The research also emphasizes on financial operations on advanced technologies to streamline processes, cut costs, and enhance customer experiences. DANA department launched real time monitoring for loan assessments, along with no property security loans.

Through its documentation of new developments, the report demonstrates ways financial institutions can evolve to new market patterns and progress toward sustainable future growth. The report functions as a reference standard that guides FinTech adoption efforts for societal and economic advancement by organizations worldwide.

3.1.4 Scope of the Study

Through this research, study was done how the DANA Department boosts IPDC Finance PLC's business development through FinTech solutions. It was analysed how AI systems with digital financial tools and no-collateral loans make business easier for micro and small retail stores. The research covers previous years information to examine how DANA helps expand businesses for financial integration in Bangladesh. It was analysed by the department's support for sustainable practices and its work in developing digital financial services.

3.2 Literature Review

In various industries, digital transformation is seen as a major value for business development and organisation optimisation. To optimize organisation's functions, facilitate better decision making, and better customer satisfaction, the incorporation of digital automation, AI, and network architecture has helped a lot (Westerman et al., 2014).

In the acceleration of these technologies to sustain competitive advantage, improve operational flexibility and address the customer expectations in the context of the fintech industry, technological advancements for financial institutions are especially imperative (Brynjolfsson & McAfee, 2014).

DANA department, which stands for Digital Automation and Network Architecture is the main driver of this process. DANA has enhanced operational effectiveness with the help of the developed digital technologies. These helps in process efficiencies resulting from reduced operational costs and increased production efficiency (Chakravarty et al., 2013).

Moreover, there are parts of the elements that comprise the fintech revolution which are AI and advanced network systems. Client experience and relationship with organizations has been enhanced through AI application to anticipative markets and economic products (Davenport et al., 2020).

Furthermore, the flexibility of network structures is useful in enhancing transaction velocity and also ensuring secure processing of data and ensuring that institutions accommodate the rising number of customers. All of these are essential in the growth of the fintech firms (Laudon & Laudon, 2021).

Both operational productivity and revenues are enabled since digital makes it possible to launch new products and gain ground in the markets, and this also deliver enhanced customer value propositions (Fitzgerald et al., 2014). For example, innovative players in the fintech ground spread solutions for more clients by designing customized services, through using technology for advanced automation and AI applications (Ng, 2021).

3.3 Methodology

This research studies the DANA Department's impact on business growth at IPDC through FinTech innovations. It implements qualitative research methods to achieve complete insight into the subject, the research combines primary data collection with secondary data sources.

The present study relied heavily on secondary data sources and materials alongside primary data sources. The research draws from IPDC's 2020-2024 annual and sustainability reports, industry articles. Financial performance reviews and statistical insights obtained from The Financial Express and The Business Standard were also incorporated.

A trend analysis method measured financial performance metrics, including revenue evolution, active subscriber figures, and non-performing loans (NPLs). Analyzing DANA's FinTech solutions included evaluating the features of its AI-driven platform through case studies, which determined service scalability and efficiency.

The research methodology achieves equilibrium by blending theoretical models with practical, real-world assessments that determine DANA Department support for IPDC's purpose of advancing economic growth and financial inclusion.

3.4 Findings and Analysis

IPDC Finance Limited, a pioneering financial institution in Bangladesh, introduces the DANA App to enhance the efficiency of financial transactions for distributor representatives. With a 40-year history of shaping Bangladesh's industrial landscape, IPDC is known as the fastest-growing financial institution in the country. The DANA App offers features such as easy and secure requests for loans and payments, real-time notifications, a dashboard for quick insights into retailer transactions, and a convenient retailer account closure feature. This app showcases IPDC's dedication to innovation and delivering user-friendly solutions for businesses in Bangladesh. The DANA App serves to improve both operational efficiency and user experience for distributor representatives who enable financial transactions between retailers. Through its manufacturer supply chain involvement DANA provides collateral-free funding solutions to small and medium enterprises retailers. The DANA team provides loaned products through the manufacturer's distribution channels to applicants according to their requested funding quantities.

3.4.1 Trend Analysis

Key trends that are observed in the usage of the IPDC DANA app include the following:

• An increasing and growing number of downloads and active users: Studies expresses that downloads of the app from app stores shows a steady upward trend as users actively embrace and adopt it.
• An expanding array of services: The DANA app from IPDC has transformed into a broader financial platform through regular release of features such as bill payments and mobile top-ups and peer-to-peer transfers.
• Rising popularity among younger users: Younger users have embraced the app because they possess tech expertise and digital transaction comfort.
• Increased usage in rural regions: The DANA app gains rising popularity in rural regions because of expanding internet and mobile access while delivering financial services to underserved communities.

The future success indicators show that the IPDC DANA app will become a leading digital financial platform for Bangladesh to achieve financial inclusion goals. Widespread adoption of the IPDC DANA app remains challenging because of internet connectivity difficulties and digital literacy challenges as well as security concerns. The forthcoming research focuses on the identified factors.

3.4.1.1 Trend Analysis of Average Portfolio

DANA department provides loans to funding solutions to small and medium enterprises retailers. And the values provided in the following table implies the average loan amounts (in lakhs) that has been provided by IPDC to their customers each month.

Table 16: Trend Analysis of Average Portfolio

This table illustrates information on the monthly average portfolio values from December 2022 to December 2024.

Date	Average Portfolio (in lakhs)
Dec-2022	76.46
Jan-2023	74.89
Feb-2023	74.64
Mar-2023	72.85
Apr-2023	74.9
May-2023	85.7
Jun-2023	78.21
Jul-2023	67.97
Aug-2023	71.15
Sep -2023	77.44
Oct-2023	92.3
Nov-2023	88.69
Dec-2023	90.8
Jan-2024	91.74
Feb-2024	99.26
Mar-2024	102.19
April 2024	108
May 2024	107.59
June-2024	116.59
July 2024	84.44
Aug-2024	88.62

Sep-2024	89.27
Oct-2024	103.81
Nov-2024	105.30
Dec-2024	106.75

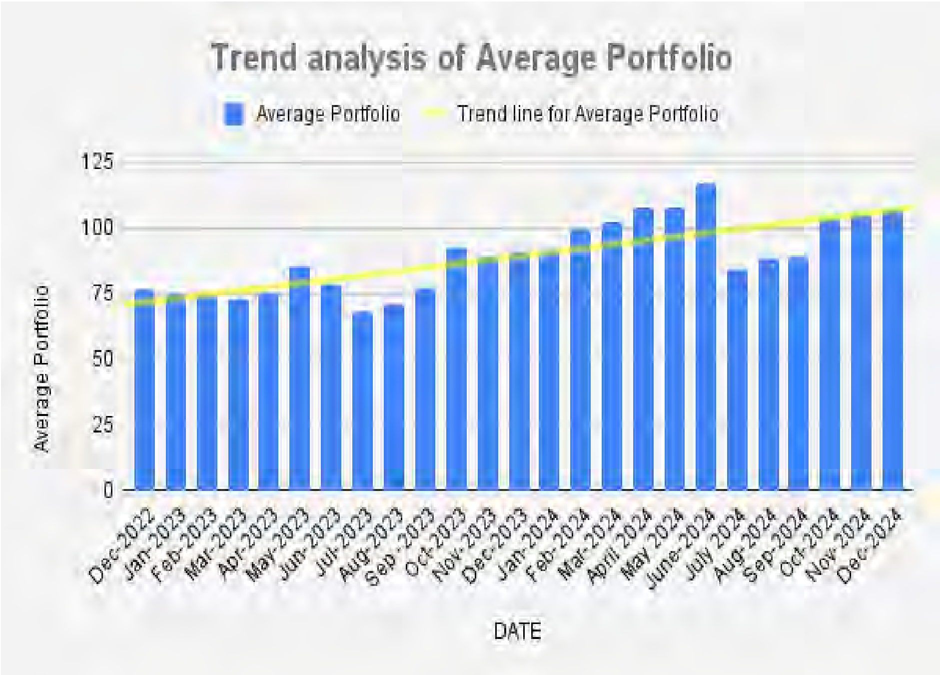

Figure 9: Trend Analysis of Average Portfolio

The figure above gives a visual representation on the average portfolio of the loan amounts provided by IPDC DANA. This chart shows a significant upward trend from June 2022 to Jun 2024, indicating a general increase in the portfolio's value, that is more loan amounts were given to the customers during these times. However, there's a sharp decline in July 2024 and an increase little Aug 2024 and Sep 2024.There will be some increase in Oct-Dec 2024 which will be found out by trend analysis. The declines were caused by certain economic uncertainties, reduced loan disbursements, increase of non-performing loans, regulatory changes and market volatility.

3.4.1.2 Trend Analysis of Active Retailers and Total Retailers

There are many retailers associated with DANA. But not all of them are active. The following table gives information on the total and active retailers present and gives a ground to compare them.

Table 17: Trend Analysis of Active Retailers and Total Retailers

This table illustrates information on the number of total retailers and active retailers that are associated with DANA from December 2022 to December 2024.

Date	Active Retailers	Total Retailers
Dec-2022	35,637	43,211
Jan-2023	41,390	54,734
Feb-2023	41,624	54,734
Mar-2023	41,484	54,734
Apr-2023	44,025	60,950
May-2023	44,363	58,543
Jun-2023	45,101	58,545
Jul-2023	45,103	58,596
Aug-2023	46,967	58,596
Sep -2023	49,959	58,596
Oct-2023	52,348	65,877
Nov-2023	54,140	73,535
Dec-2023	56,440	78,514
Jan-2024	57,498	78,514
Feb-2024	58,668	81,934
Mar-2024	60,248	81,934
April 2024	62,170	81,934
May 0202	67,979	92,412

May-2024	68,685	92,418
July 2024	69,192	92,418
Aug-2024	69,192	89,727
Sep-2024	70,101	89,752
Oct-2024	53,059	69,887
Nov-2024	53,888	71,157
Dec-2024	54,483	71,939

Figure 10: Trend Analysis of Active Retailers and Total Retailers

The figure above gives a visual representation on the Trend Analysis of Active Retailers and Total Retailers. The number of active retailers is steadily increasing from June 2022 to Sep 2024, suggesting the business is expanding its reach. From October 2024 to Dec 2024, a downward trend on the number of retailers is seen. Total Retailers similar to Active Retailers, there's a consistent growth, which is indicating an overall increase in the number of retailers involved. The increase in active retailers could be due to a number of factors, such as the growth of e-commerce, the expansion of retail businesses, or the entry of new players into the market. The slower growth in total retailers compared to active retailers could indicate that some retailers are becoming inactive or going out of business. The sharp increase in total retailers in April 2024 could be due to a number of factors, such as seasonal fluctuations, new government policies, or economic conditions.

3.4.1.3 Performance of the Corporate Business sector in IPDC Finance

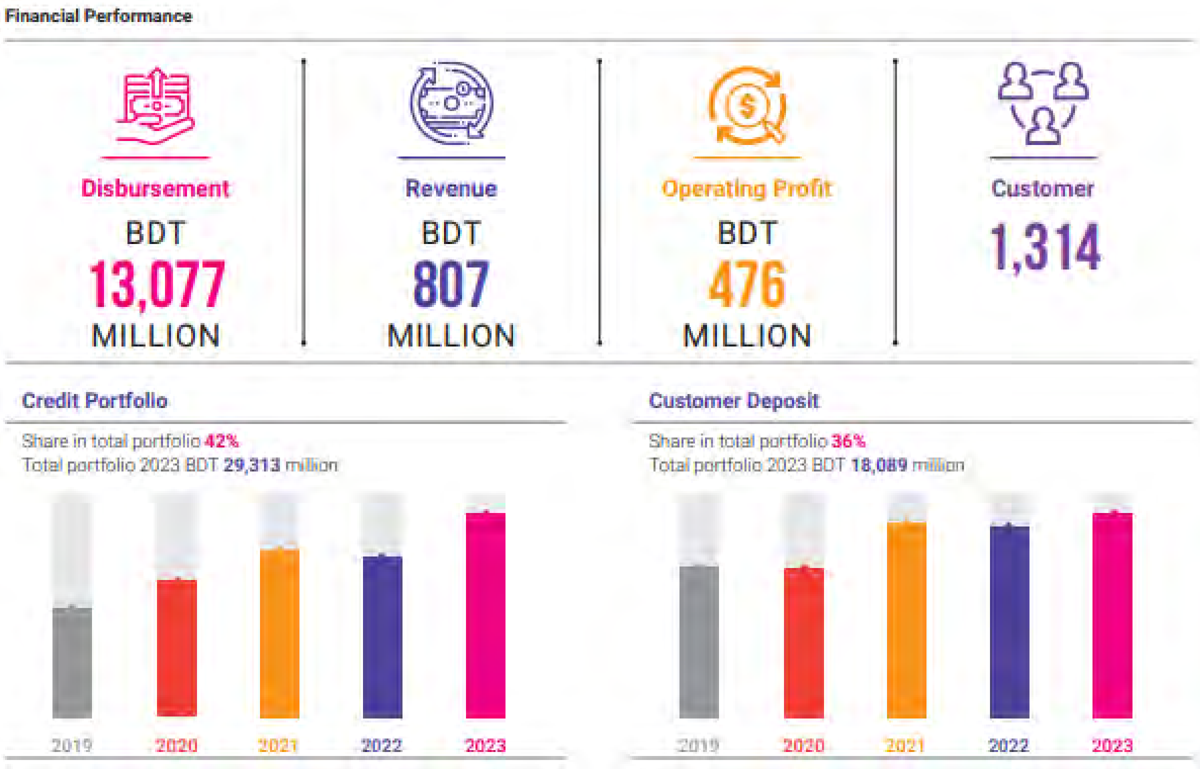

Figure 11: Financial Performance of IPDC Finance (Corporate Business)

Source: IPDC_Annual_Report-2023.pdf

DANA Department in IPDC Finance is a part of their corporate business wing. As it has been already seen in the performance of DANA, that how their portfolio has increased over the years along with their retailer numbers, and has a positive growth and is predicted to increase more. In the above diagram it is seen that over the years how the performance of the corporate business wing of IPDC Finance has also grown. The positive growths from DANA enhances this corporate business sector altogether.

The diagram shows the increase of the credit portfolio and customer deposits from 2019 to 2023. There is a gradual increase in the portfolio and also the customer deposits every year.

The total corporate loans portfolio was found at BDT 29,313mn as of 31 December 2023, and this contributed 42% in total IPDC's loans leases and advances. The economy was facing multiple external and internal shocks arising from macroeconomic stress and political tension surrounding national elections, which caused a slight decrease of 3% in 2023 corporate portfolio from last year.

There was a significant increase of 27.15%, in the corporate liability, to BDT 18,089mn from 14,226mn in 2022. The corporate business brought 7,839mn new deposits in 2023 from 800+ customers and also has disbursed 13,077mn loans to 60 customers. However, the revenue of from corporate business was BDT 807mn. This was a good amount and this also caused the operating profit of 476 million. Though this was less of that of 2022, yet the corporate contributed highest of 37% operating margin to IPDC in 2023.

Therefore, the performance of corporate business wing also shows an increase over the last five years from 2019 to 2023, and DANA department contributed a major part being one of the core department's of IPDC Finance.

3.4.2 Major Findings/Inferences based on Trend Analysis

The valuation of DANA Department operational data spanning June 2022 through September 2024 has revealed important performance patterns, growth opportunities, and necessary focus areas. These outcomes demonstrate how the department achieves financial inclusion and retail support and highlight hurdles that must be resolved.

- Growth Trajectory

The data shows progressive retailer engagement followed an upward trajectory between June 2022 and September 2024. The period demonstrates successful departmental outreach, as financial products suited to customer needs and client-focused strategies contributed to its expansion. The active retailer growth demonstrates that DANA's user engagement efforts have transformed into successful customer retention and empowerment of its primary audience. The steady expansion reflects the strength of risk assessment models supported by artificial intelligence, loan flexibility, and collateral-free financial solutions implemented by DANA.

- Sudden Decline

During 2024, retail entities experienced a vertical number reduction between October and December. The cause or causes behind this abnormal drop need further research. Several possible causes, such as seasonal market fluctuations aside from changes in market environments and enhanced competition from financial service providers, contributed to the decline. Solving these problems must become an immediate priority to sustain ongoing growth.

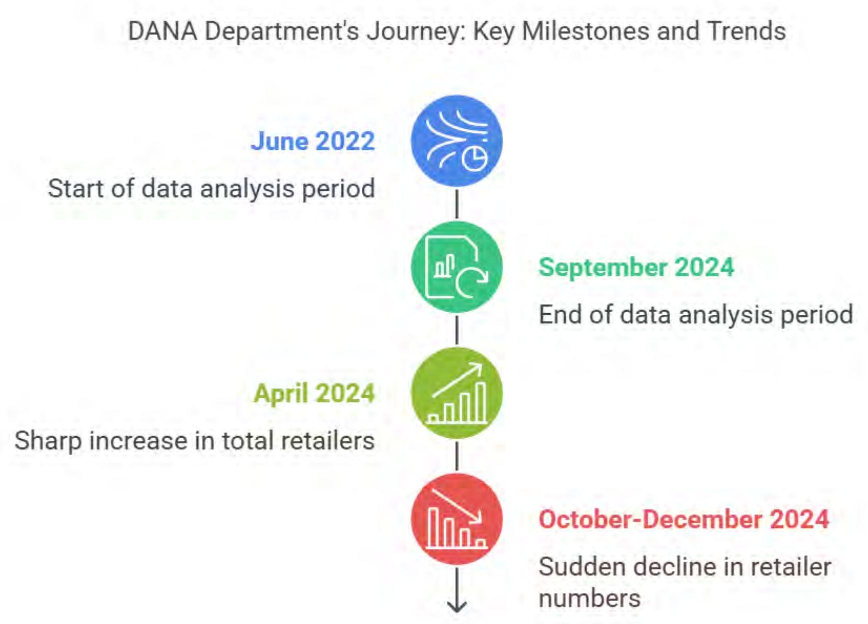

Figure 12: DANA Department Trends

- Active vs. Total Retailers

DANA's steady expansion of engaged retailers surpasses the gradual increase in overall retailers because the company has developed strong customer retention. This suggests that while acquiring new users may have slowed, the existing users remain engaged, showcasing DANA's effectiveness in fostering customer satisfaction and loyalty.

- Sharp Increase in April 2024

The increase in retailers during April 2024 stems from the combination of seasonal business activity with promotional events and new business establishment. The present market situation enables department growth together with additional operational expansion.

- Portfolio Value Trends

During the period from June 2022 to June 2024 the department's investment portfolio grew substantially in value which reflects strong investment performance. The department's financial solutions demonstrate effective scalability because they enable retailers to access growing value benefits. The July 2024 portfolio decrease highlighted both market uncertainties and operational risks to the department. Analytical examination of the August-September 2024 period will help identify ways to minimize future potential risks even though it shows signs of returning to stability and potential growth.

- Periods of Significant Growth and Slowdowns

The timeline demonstrates development stages which demonstrate effective new approaches together with advantageous market conditions. Company growth encountered a temporary slowdown because of three major factors: decreasing customer interactions and regulatory adjustments and heightened market competition. Insights from direct analysis of these changes enable the creation of adaptive planning tools which drive sustainable long-term growth.

- Potential for future growth

Detailed research confirms strong market potential for upcoming years based on existing market developments. Operational analytics prove that DANA maintains adaptable operations to expand and withstand changes so the company can meet new market goals. Strategic investments in the DANA Department will generate major possibilities for both financial inclusion and business development expansion.

3.4.3 Results

Multiple vital findings emerged from the data analysis of the DANA Department's work at IPDC Finance PLC, demonstrating its success and areas requiring further improvement. Retailer engagement demonstrates positive development patterns as the department efficiently grows users and expands the network. DANA successfully executes its FinTech solutions and innovative approaches to meet micro and small retailer needs and advance financial inclusion and community empowerment.

A fundamental outcome shows that retail users remain steadily increasing while the system's total number of retailers displays decelerated expansion patterns. Data indicates that DANA successfully attracts customers who stay committed to its platform. Strategic customer-focused offerings, including transaction-based funding and AI risk evaluation systems, likely create strong customer loyalty that sustains company interaction. The gradual increase in retailers indicates space for developing better user acquisition methods to obtain new users while expanding department visibility.

The April 2024 surge in retailer numbers reveals that the department has extraordinary growth potential if external circumstances align. During this timeframe, operations likely experienced steady growth because of distinct department strategies, seasonal shopping trends, and combined sales promotions. The analysis of present market trends enables DANA to implement best practices that will boost its upcoming strategic growth strategies. The significant reduction in the number of retailers during the late phase of 2024 raises considerable concerns. This reduction highlights the need to identify fundamental factors between macroeconomic market elements and industry challenges and company operational patterns. The company should identify these challenges followed by execution of needed corrective measures for maintaining ongoing success.

Through an upward trajectory from June 2022 until June 2024, the portfolio performance data indicates positive investment outcomes and strong execution strategies. The July 2024 financial market showed volatility through significant portfolio value declines which confirmed the necessity for strong risk management systems. Analysis from August and September 2024 shows signs of stabilization in addition to promising growth possibilities. Forecast models project sustained market recovery with growth potential for the department throughout October to December 2024 provided strategic risk reduction measures remain in place.

Results have demonstrated the necessity to create corrective action plans that help control market slowdown or decline periods. Future resilience strategies for operations will improve through DANA's investigation of growth drivers during peak expansion periods and analysis of the reasons behind operational disruptions. How effectively the department uses its advantages, ls with hurdles, and deploys data-based solutions determines its capacity to support ongoing Bangladesh financial inclusion expansion. The DANA Department aims to build upon its previous achievements while addressing difficulties for improved extended-term influence through its commitment to ongoing improvement and strategic adjustment.

3.5 Summary and Conclusions

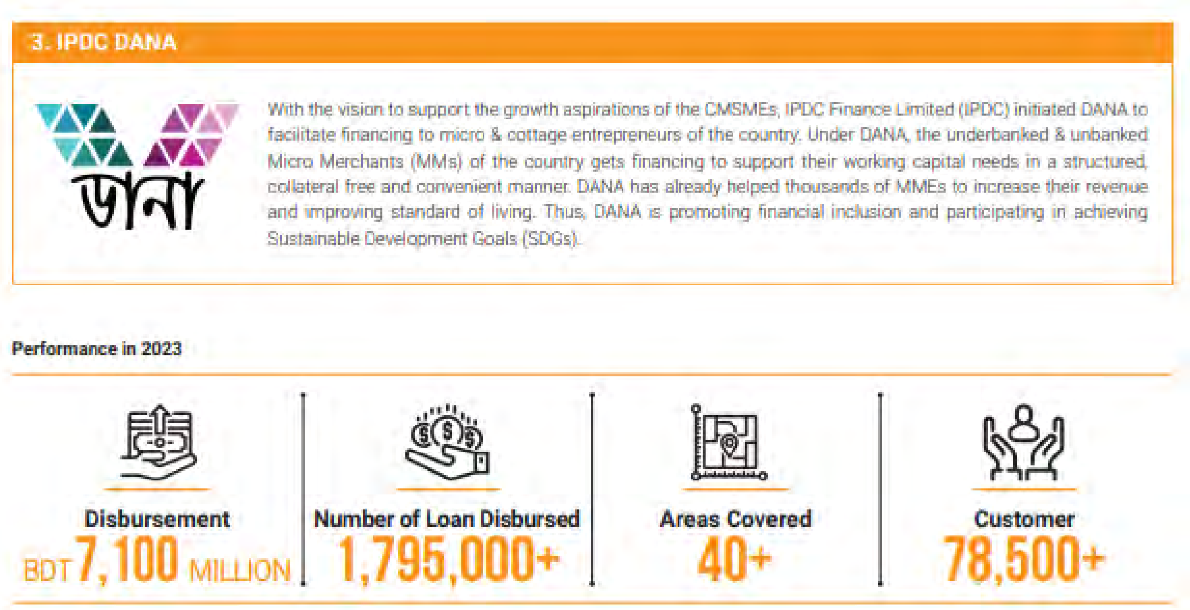

Figure 13: Performance of DANA in 2023

Multiple vital findings emerged from the data analysis of the DANA Department's work at IPDC Finance PLC, demonstrating its success and areas requiring further improvement. There was a total disbursement of BDT 7100 million and the number of loan disbursement was over 1795000. Retailer engagement demonstrates positive development patterns as the department efficiently grows users and expands the network, and their customer range has gone more than 78500 in 2023. DANA successfully executes its FinTech solutions and innovative approaches to meet micro and small retailer needs and advance financial inclusion and community empowerment.

A fundamental outcome shows that retail users remain steadily increasing while the system's total number of retailers displays decelerated expansion patterns. Data indicates that DANA successfully attracts customers who stay committed to its platform. Strategic customer-focused offerings, including transaction-based funding and AI risk evaluation systems, likely create strong customer loyalty that sustains company interaction. The gradual increase in retailers indicates space for developing better user acquisition methods to obtain new users while expanding department visibility.

The April 2024 surge in retailer numbers reveals that the department has extraordinary growth potential if external circumstances align. The operations maintained steady growth because the company deployed specialized departmental approaches combined with seasonal shopping behaviours and collaborative sales promotion initiatives. Recent market trends analysis enables DANA to adopt best practices which will strengthen its future strategic growth plans.

Considerable concerns are raised which can be seen from the significant reduction in the number of retailers towards the end of 2024. To distinguish customer market effects from business performance changes and competitive industry dynamics, the current market slow down requires an extensive analysis. However, before creating solutions that will lead to long-term success, the organization needs to discover these troubles.

Because of effective investment strategies, the portfolio maintained positive trends throughout its entire six-month period starting from June 2022 until June 2024. Through its successful asset management which supports ongoing operational functionality, the department demonstrates financial management excellence. During July 2024, financial market volatility manifested itself through a major decline in portfolio. The data from August and September 2024 directs steadiness along with potential growth. **B**ased on future projections, the department will experience market recovery with growth opportunities during October-December 2024, maintaining strategic adjustments and implementing risk reduction strategies.

The research expresses that organizations require appropriate action frameworks to handle market declines and downturns. The DANA Department aims to expand its successful achievements by confronting upcoming obstacles through ongoing efficiency improvements and strategic transition efforts.

3.6 Recommendations/Implications

1. **Expanding Rural Outreach:** IPDC Finance PLC needs to expand its service network toward rural areas that lack sufficient financial service access. The customized financial products launched by IPDC will fulfil rural community financial requirements thus increasing both financial inclusion and customer loyalty.
2. **Strengthening Digital Literacy Initiatives:** The heavy use of digital platforms by IPDC requires immediate implementation of digital literacy programs which specifically target rural and semi-urban customers to close the current knowledge gap. The use of digital financial tools will be taught by the educational programs, thus creating trust while promoting platform acceptance.
3. **Enhancing Cybersecurity Measures:** Cybersecurity should be their top priority being a digital first organisation. This defends customer information and stop online threats. Advanced security investment along with regular audits, trainings, etc enables IPDC to build stronger digital infrastructure which sustains client trust.
4. **Diversifying Financial Products:** Dependence on single revenue streams will be reduced if financial product range is expanded. New market segments can be accessed through the introduction of micro-insurance options, wealth management services, and also customized financing programs for different industries.
5. **Forming Strategic Partnerships:** IPDC can expand its operations more while enhancing service delivery if they form alliance with NGOs, government agencies and international organizations. Strategic partnerships enable implementations of innovative solutions.
6. **Monitoring and Evaluating Performance:** Regular performance assessments will help organizations discover developmental requirements and also confirm that they meet their strategic goals.

7. **Adopting Flexible Credit Policies:** Banks can attract customers outside their usual customer base through transaction-based lending and collateral free loan policies
8. **Promoting Sustainability Awareness:** Stakeholder branding is enhanced by increasing sustainability awareness across its operations. Customer trust is built more strongly through educational programs about green funding combined with corporate social responsibility initiatives.

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