40 Years of Compounding Happiness

40 years of financing happiness



Integrated Annual Report 2025

IDLC Finance PLC
financing happiness

40 Years of Compounding Happiness

Forty years ago, IDLC started its journey with a clear purpose: to create lasting value for the people and institutions it serves. Value like that is rarely built in a single step. It begins with a carefully made decision, and grows from there. Like a drop of water, each choice sends a ripple outward, asking for expansion by nature.

Over the years, the ripples we helped create followed the financial lives of our customers through new businesses, first homes, first cars, and the ripples continue to future-proof the next generations, unlocking newer opportunities.

Each ripple connects to the next. What starts as one person's progress becomes, over time, progress shared by many. Their stability builds confidence in others. Confidence leads to ambition. Ambition creates growth. Growth brings jobs, income, and opportunity for many more.

Through all of this, IDLC has stayed close to the people living these moments, supporting them craft their stories of happiness as a trusted partner. And happiness, like ripples in water, tends to expand and grow when shared with others. Like compounding interest, we amplified happiness with every connection. This has been our philosophy of compounding happiness.

Forty years of compounding happiness. Made possible by you, for you.



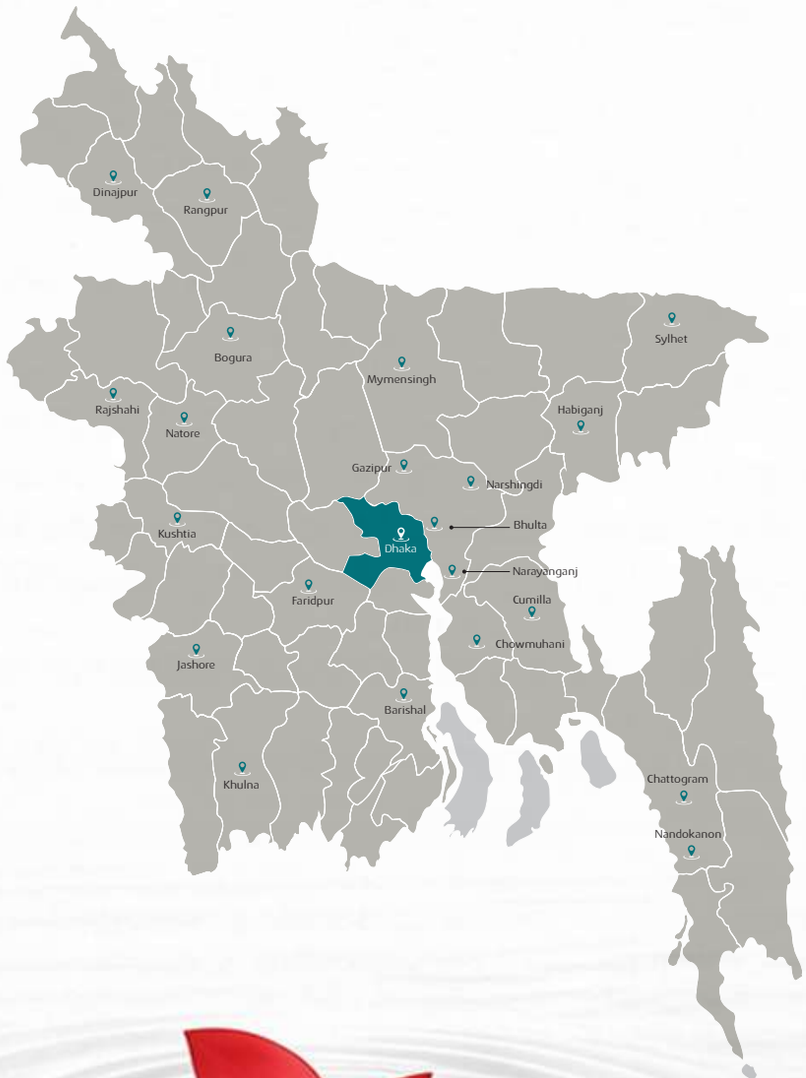
IDLC Finance PLC At a Glance

Overview of IDLC Group

IDLC is the largest multi-product, multi-segment Non-Banking Financial Institution in Bangladesh. As one of the most respected financial brands in the industry, IDLC Finance PLC. holds a strong and diversified footing in Corporate, SME, Retail and Capital Market segments.

IDLC Group comprises of four companies which include IDLC Finance PLC., IDLC Securities Limited, IDLC Investments Limited and IDLC Asset Management Limited. The businesses of all the four concerns are intertwined and operated under the umbrella of IDLC Group.

The company marks its presence in over 27 cities, represented by over 49 touch-points with over 1,668 employees, serving over 286,770 clients.



49
Touch points

8
Divisions

27
Cities

What Differentiates IDLC Group?

Largest NBFI with 40 years of legacy

Established 1985 with IFC (World Bank), German DEG, Korea Development Finance, we are a purpose-led business focused on delivering positive societal and environmental impact underpinned by an inclusive customer-driven culture.

Full Financial Ecosystem Under One Roof

Offering an integrated group spanning core financing, investment banking, brokerage, and asset management with diversified product lines.

Strong Liquidity Position

Prudent management of liquidity through efficient strategies and cost-optimizing initiatives, ensuring financial stability and operational flexibility.

AAA Rated for 13 consecutive years

IDLC has maintained AAA credit score rating for 13 consecutive years through multiple economic cycles including COVID-19, reflecting its strong risk management and commitment to financial stability.

Disciplined Governance

Committed to doing business in a manner that positively contributes to society, fostering sustainable growth, transparency and ethical practices.

ESG Leadership

One of the top Sustainable organizations in Bangladesh, and the only NBFI in the country with Bloomberg recognition for a commitment to ESG practices.

Internationally Acclaimed

Regularly attaining recognitions from various international bodies for sustainable financial offerings and best governance practices.



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Our Journey & Key Highlights

Four decades of compounding happiness. One unwavering commitment.

Your Trust, Our Purpose

For over four decades, we have been more than just a financial institution. We have been a steadfast partner in building Bangladeshi futures. Our strength is rooted in service, and our family of clients continues to grow.

286,770+

Clients Served Nationwide

18+

Major Product Suites

181 BDT Bn

Balance Sheet Size







... Celebrating Life's Milestones

From the joy of a family celebration to the exhilaration of driving home your first car–we are here for every chapter. As your ambitions evolve, so does our commitment. We channel capital where it matters most–empowering clients to pursue dreams, invest in futures, and build lasting legacies for the next generation.

122,779

BDT Mn

Total Loan Portfolio

110,537

BDT Mn

Total Deposit

The Journey Continues...

... A Foundation Built to Last

As your family expands, so does our responsibility. We ensure our own growth mirrors yours–providing a secure, stable financial harbour for the generations ahead. Our story is one of enduring foundations, built not only for our clients, but reflected in our own operations. We uphold the highest standards so that our stability becomes your certainty.

2,434 BDT mn

Net Profit after Tax

Growth: 21.51%

11.63%

Return on Equity

2024: 10.33%

1.48%

Return on Asset

2024: 1.35%



Compounding Happiness

Rooted in Responsibility

4.43%

NPL Ratio

2024: 4.45%

22.30%

Capital Adequacy Ratio

2024: 21.09%



Partners in Prosperity

1,668+

Employees

Serving the Community

3,529 BDT mn

Contribution to the Government Exchequer

259,450+

CSR Beneficiaries

About Our Integrated Annual Report

The 2025 Integrated Annual Report presents a comprehensive view of IDLC's financial and non-financial performance, demonstrating how we create value over time. It reflects our integrated thinking approach and provides stakeholders with a clear understanding of the strategy, performance, and future outlook of IDLC Finance PLC. as a group together with its 3 fully-owned subsidiaries, operating in 3 separate industries.

IDLC FINANCE PLC

IDLC SECURITIES LIMITED	IDLC INVESTMENTS LIMITED	IDLC ASSET MANAGEMENT LIMITED
99.99%	99.99%	99.99%
SHAREHOLDING	SHAREHOLDING	SHAREHOLDING
BROKERAGE BUSINESS	INVESTMENT BANKING BUSINESS	ASSET MANAGEMENT BUSINESS

Navigating our Integrated Reporting Philosophy – purpose led and strategy driven

PURPOSE

Vision

To be the best financial brand in Bangladesh.

Our purpose shapes how we allocate capital, serve customers, manage risk, empower our people, and pursue sustainable growth. It guides the decisions that underpin our integrated thinking and value creation approach across the Group.

Our Core Values

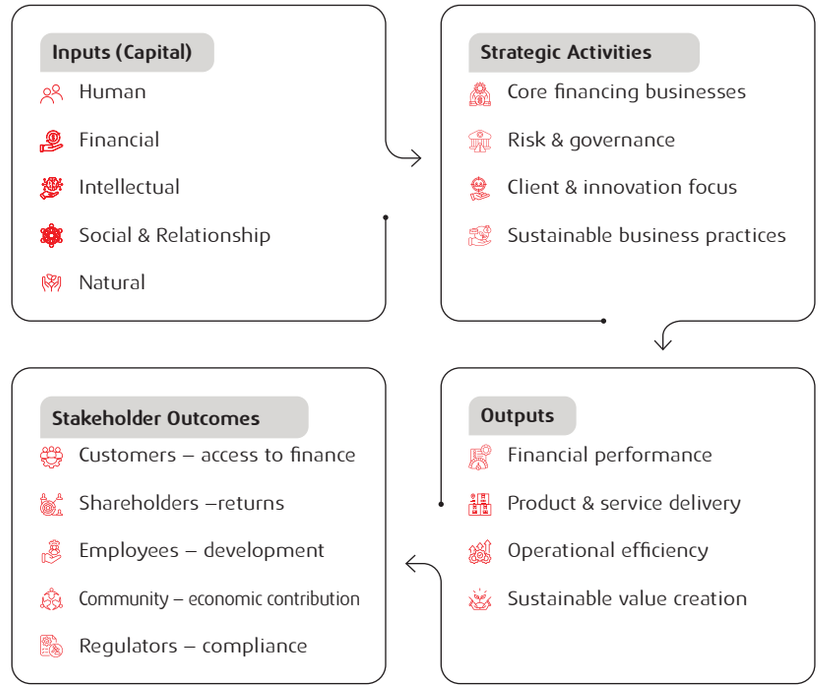
Integrity, Customer Focus, Trust & Respect, Equal Opportunity, Eco-friendly, Passion & Simplicity

Reporting Consistency & Comparability

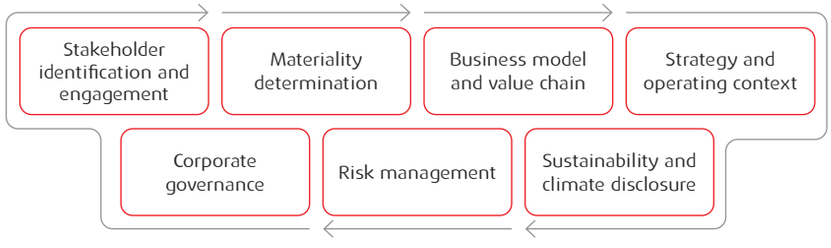
- Reporting Consistency & Comparability
- Information is presented on a consistent basis with the previous reporting period
- Measurement methods and reporting scope remain aligned for comparability
- Disclosures cover all material matters relevant to strategy and performance
- Ensures consistency and comparability across periods and industry benchmarks

INTEGRATED THINKING

How we create value through integrated thinking



Supported by our strategic pillars



INTEGRATED REPORTING PROCESS

Materiality Determination Process at IDLC

Material matters have the most impact on our ability to create long term value as a non-banking financial institution. These matters influence how the Board and senior management steer the company. The following 4 steps encompasses our materiality determination process for the purpose of preparation and presentation of this integrated report.

Identify	Identify material matters through internal insights and stakeholder engagement
Disclose	Disclose material topics and responses aligned with stakeholder expectations and reporting standards
Evualate & Prioritize	Prioritize key issues and drive actions through governance and strategic decision-making
Monitor & Review	Continuously monitor, review, and refine actions to ensure relevance and effectiveness

Our Approach to Double Materiality

At IDLC, we apply double materiality to assess how sustainability issues impact our financial performance and how our activities impact the environment and society.

Our Suite of Reports

Integrated Annual Report

Integrated Annual Report provides a comprehensive overview of the IDLC Group's performance in 2025 and our future outlook, connecting financial and non-financial performance across our seven pillars of value creation.

Reporting guidelines we follow:

- Companies Act, 1994, Companies (Amendment) Act, 2020
- International Integrated Reporting Framework under IFRS Foundation
- Corporate Governance Code, Guidance of SAFA, ICAB, ICMAB
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 Climate-related Disclosures

Financial Statements

Financial Statements report the full set of audited financial statements for IDLC Group, IDLC Finance PLC on a standalone basis, and each of the three subsidiaries.

Reporting guidelines we follow:

- Companies Act, 1994, Companies (Amendment) Act, 2020
- Finance Company Act 2023
- Securities and Exchange Rules 1987
- International Accounting Standards (IAS) International Financial Reporting Standards (IFRS)
- Relevant rules and regulations of Bangladesh Bank
- Other applicable laws and regulations

Sustainability Report

Sustainability Report reports the Group's approach to sustainability in terms of material matters, elaborating on the environmental, social, and governance dimensions that the Integrated Annual Report introduces.

Reporting guidelines we follow:

- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- United Nations Sustainable Development Goals (UN SDGs)
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 Climate-related Disclosures

INTEGRATED REPORTING PROCESS

The report presents key aspects of our value creation process which are in the different forms of capital that provide the inputs, business domains and the value creating activities that results in outputs, outcomes and impacts. It also covers risk and the aspect of conformance. In totality, this report ensures accurate measurement of operational, financial and sustainable performance against our strategy and the matters we consider to be most material to the sustainability of our Group, in a concise manner, so that it ensures comparability with the industry and beyond.

Our reporting boundary and scope

The report covers the period from 1 January 2025 to 31 December 2025, which encompasses the activities that have been carried out within the geographical boundaries of Bangladesh, as IDLC does not have operation or subsidiary in other countries.

We have extracted the disclosure of non-financial information from internally-maintained records reported for the statement of financial position, unless otherwise stated that it has been extracted from a reliable source.

The Sustainability requirements, as provided in "Our Approach to ESG" and elaborated separately in our Sustainability Report, adhere to the guidelines issued by the Global Reporting Initiative (GRI)-G4 Framework, and relevant circular of the Central Bank. We consider that this "Integrated Report" in congruence with Sustainability Report, complies with the requirements of the GRI G4 Core Reporting Guidelines. There has been an additional change to the scope and reporting basis of our Integrated Report as continue to disclose IFRS S1 and S2 disclosure in compliance with limited scope disclosure guideline outlined by the Central Bank.

To report our corporate governance practices, we have drawn reference from the revised Corporate Governance Guidelines (CGG) issued by Bangladesh Securities and Exchange Commission (BSEC).

External Assurance

The company has obtained external assurance on the following reports in the reporting period under consideration:

SL.	Description of Report	External Assurance
1	Financial Statements Audit Report	A. Qasem & Co. – Chartered Accountants
2	Corporate Governance Certification	Suraiya Parveen & Associates, Chartered Secretaries
3	Provident Fund Financial Audit	M M Rahman & Co., Chartered Accountants, Member of Russell Bedford International
4	Gratuity fund valuation	Acturial Sense, an actuarial firm
5	Gratuity Fund Financial Audit	M M Rahman & Co., Chartered Accountants, Member of Russell Bedford International
6	Entity Credit Rating	Emerging Credit Rating Limited
7	Custodian Service Certification	Hussain Farhad & Co. Chartered Accountants
8	Carbon Footprint Assessment Report	Future Carbon Ltd.

Responsibility of the Board over the Integrity of the Integrated Report

The Board and the management ensures that reasonable care has been taken in preparation and presentation of this Integrated Annual Report to preserve the disclosure contained in this Integrated Report presented herewith which comprises the discussion, analysis and disclosures pertaining to stewardship, which should be read in conjunction with the audited financial statements. The role of stewardship brings upon it an obligation to be transparent and accountable, which is thoroughly recognized in this report. Furthermore, we agree that the Integrated Annual Report has been prepared in accordance with the Integrated Reporting Council's International Integrated Reporting Framework, and it addresses the material matter pertaining to the long term sustainability of the group and present fairly the integrated performance of IDLC Group and the impacts thereof.

Our Eco-Design Approach

We apply eco-design principles across both print and digital formats of our Integrated Annual Report to reduce environmental impact while maintaining clarity and usability.

Design Efficiency Measures

Optimized Typography

Adopted IDLC typeface and layout refinements to reduce ink usage by approximately 15%, while improving readability.

Efficient Printing Strategy

Optimized report dimensions and layout to increase printable efficiency, reducing paper usage per copy.

Color Optimization

Limited color usage to a maximum of three CMYK colors and applied tints to achieve visual variety with lower ink consumption.

Material & Production Efficiency

Improved paper usage efficiency through layout optimization and reduced wastage during production.

Digital Optimization

- Enabled digital-first accessibility with optimized file size and screen-friendly layouts
- Reduced reliance on physical distribution through enhanced digital availability



I, on behalf of the Board, acknowledge our responsibility to ensure the integrity of this Integrated Report which addresses all material issues and the affairs of the company, and presents fairly the integrated performance of IDLC Group.

Kazi Mahmood Sattar
Chairman, IDLC Finance PLC.

Availability of the Annual Report

The copy of the Annual Report is sent to all the shareholders, prior to holding the Annual General Meeting, giving due period of notice. Separately, for the benefit of all stakeholders, our report has been made available in the website:

www.idlc.com

Materiality Determination and Reporting at IDLC

Material matters have the most impact on our ability to create long-term value as a non-banking financial institution. These matters influence how the Board and senior management steer the company.

At IDLC, the materiality determination process marks its beginning with Integrated Thinking. We actively reflect on the interdependencies between our various operating and functional units and the capitals we use and/or affect. As a result, we are well prepared to rightly identify and disclose information on matters that substantially affect our value creation process over the short, medium and long term, while keeping our competencies intact.

Identify

Internal Inputs:

- Strategic insights from the Board and Management Committee
- Operational and risk indicators
- Issues raised through cross-functional meetings and employee feedback

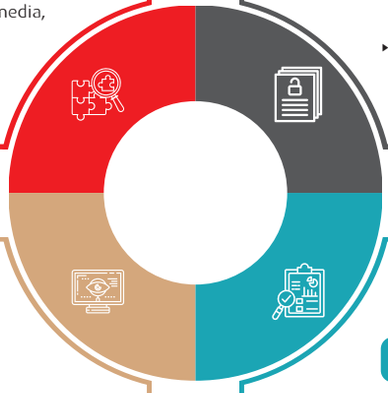
External Input:

- Stakeholder engagement through surveys, social media, direct interactions, and the AGM
- Insights from regulators, industry trends, and policy guidelines

Disclose

Material topics and our responses are disclosed in this Integrated Annual Report for the benefit of our target audience according to guidelines mandated (page 9)

- **Investors:** To evaluate our financial resilience and future outlook
- **Regulators:** To review compliance with accounting and sustainability standards
- **Broader Stakeholders:** To assess how we create and share value across society



Evaluate & Prioritize

Through:

- Resource Allocation (page 144)
- Governance Oversight: Actions are monitored and guided by 12 Board Committees (page 219-226)
- Stakeholder-Centric Decisions: Actions informed by insights from shareholders, regulators, employees, and customers

Monitor & Review

A continuous monitoring mechanism ensures responsiveness to evolving priorities and risks. The Board and Committees regularly assess the relevance of material issues, effectiveness of responses, and alignment with stakeholder expectations.

Our Approach to Double Materiality:

At IDLC, we adopt the principle of Double Materiality to capture both dimensions of value–how sustainability issues impact our business (financial materiality) and how our business activities impact the environment and society (impact materiality).

This dual lens ensures that we not only identify risks and opportunities that influence our financial performance but also account for our broader social and environmental footprint. Our assessment integrates stakeholder feedback, evolving regulatory expectations, and industry best practices to determine the issues most critical to our long-term value creation. Through this approach, we align our corporate strategy with responsible business conduct, ensuring that our growth contributes meaningfully to both shareholder interests and societal progress.

Key Materials that Matter

Through our materiality determination process we identify the key material matters that are integral to IDLC. In continuation with our annual evaluation process, in 2025, we reviewed the findings of our last formal materiality assessment. We also conducted a new analysis, which included desktop research of external trends, data analysis, and regular dialogues with our key stakeholders through various platforms and feedback channels to gain new insights and identify matters of key relevance to them. Through the culmination of our findings, we present below the brief description of key materials identified.



Sustainable and Climate-Inclusive Business Practices

Key Stakeholders Impacted

All Stakeholders

Why this matters

Integrating environmental, social, and governance considerations into business practices enable responsible financing that supports a greener economy while safeguarding long-term business stability, operational efficiency, and resilience, while addressing evolving climate-related and societal risks.

Value Generated

If Managed Effectively-Opportunities Unlocked

- Improved long-term business sustainability
- Better cost efficiency through responsible resource use
- Enhanced stakeholder and regulatory confidence

If Not Managed Effectively-Risks

- Exposure to evolving ESG and climate-related risks
- Higher long-term operational costs
- Reputational and regulatory pressure

Our Actions & its Impact

Expand green banking and sustainable financing

- Green Portfolio size increased by 7.32% from 2024.
- Sustainable finance portfolio became 1.31 times from 2024.
- Ensuring 11.74% & 41.96% of Green & Sustainable Finance of Annual Term Loan Disbursement & Annual Disbursement respectively against the regulatory requirement of 5.00% & 40.00%.
- 20% reduced electricity consumption per employee
- 5% reduced paper consumption per employee

Materiality Assessment

Business & financial impact

Environmental & social impact

Customer Satisfaction & Experience

Key Stakeholder Impacted

Shareholders | Customers | Community | Service Providers & Suppliers

Why this matters

Customer satisfaction is a critical driver of customer retention, cross-selling opportunities, and revenue sustainability. In the financial services sector, consistent service quality and customer experience directly influence trust, brand perception, and long-term business growth.

Value Generated

If Managed Effectively-Opportunities Unlocked

- Higher customer retention and lifetime value
- Increased cross-selling
- Stronger brand trust and market reputation

If Not Managed Effectively-Risks

- Lower market reach
- Reputational damage
- Higher complaint handling and remediation costs

Our Actions & its Impact

Service excellence & responsiveness

- People and processes investment
- Customer care setup
- Convenient investment solutions
- Fairly consistent Customer Satisfaction Index and Net Promoter's score

Materiality Assessment

Business & financial impact

Environmental & social impact

Shareholders' Rights and Returns

Key Stakeholder Impacted

Shareholders | Regulator | Customer | Community

Why this matters

Shareholder rights and return matter because upholding their rights, their value creation and their trust in the organization through transparency supports improvement in company's long-term value, and allows enhanced access to capital.

Value Generated

If Managed Effectively-Opportunities Unlocked

- Strong investor confidence and market credibility
- Improved access to capital
- Stable market valuation and shareholder returns

If Not Managed Effectively-Risks

- Reduced access to capital
- Reputational impact and higher volatility in stock price
- Pressure on market valuation and investor confidence

Our Actions & its Impact

Enhancing transparency, governance, and consistent value delivery

- Maintaining transparent and timely communication with shareholders
- Ensuring protection of shareholder rights
- Rigorous risk management to safeguard shareholder value
- Deliver 21.51% Net Profit after Tax Growth, Consistent Dividend pay-out-Cash 15% and Stock 5%

Materiality Assessment

Business & financial impact

Environmental & social impact

Digital Transformation & Technology

Key Stakeholder Impacted

All Stakeholders

Why this matters

Digital transformation is central to how we deliver value, serve clients, and sustain our competitive position. As financial services evolve rapidly, our ability to adopt and integrate technology across operations, products, and risk management directly determines long-term resilience and relevance.

Value Generated

If Managed Effectively-Opportunities Unlocked

- Improved operational efficiency through automation and streamlined processes
- Stronger competitiveness through differentiated technology
- Enhanced customer experience through seamless digital channels

If Not Managed Effectively-Risks

- Operational inefficiencies and rising costs
- Declining customer satisfaction due to outdated digital experiences
- Loss of market share to more digitally agile competitors

Our Actions & its Impact

Building Digital Capability throughout the business model

- Modernise core systems through phased migration
- Increased focus on service delivery through digital channel- 65% increase in 2025
- Continuously monitor technology risks and align investments with evolving regulatory expectations

Materiality Assessment

Business & financial impact

Environmental & social impact

Financial Inclusion

Key Stakeholder Impacted

Shareholders | Customers | Regulator | Community

Why this matters

As a financial institution, we have both a responsibility and a strategic opportunity to extend access to financial services to underserved individuals, small businesses, and communities. Financial inclusion strengthens social equity, broadens our customer base, and reinforces our license to operate while directly contributing to national economic development goals.

Value Generated

If Managed Effectively-Opportunities Unlocked

- Expanded customer base through access to previously untapped market segments
- Strengthened brand as a trusted, purpose-driven institution
- Improved portfolio diversification and reduced concentration risk

If Not Managed Effectively-Risks

- Exclusion of low-income and rural segments, limiting growth in addressable market
- Missed opportunity to build long-term customer loyalty in underserved communities
- Concentration risk from an overly narrow customer base

Our Actions & its Impact

Digital and Tailored Financial Solutions

- 5 sub-branches launched and 3 in pipeline
- Embed financial literacy programmes to support informed decision-making among new customers
- Continuous accessible, innovative products tailored to the needs of untapped market

Materiality Assessment

Business & financial impact

Environmental & social impact



Data, Governance & Cyber Security

Key Stakeholder Impacted

Shareholders | Customers | Regulator | Community

Why this matters

As custodians of sensitive financial and personal data, robust data governance and cyber security are non-negotiable obligations. Sound governance of data assets also underpins better decision-making, regulatory compliance, and customer trust.

Value Generated

If Managed Effectively-Opportunities Unlocked

- Strengthened customer confidence through demonstrated data stewardship
- Operational resilience and continuity in the face of evolving cyber threats
- Competitive differentiation as a trusted and secure financial institution

If Not Managed Effectively-Risks

- Data breaches and cyber incidents resulting in significant financial and regulatory penalties
- Erosion of customer trust and lasting reputational damage
- Operational disruption from ransomware, fraud, or system compromise

Our Actions & its Impact

Robust risk management system

- Maintain a board-level cyber security oversight function with clear accountability and escalation protocols
- Invest continuously in security infrastructure
- Build a security-aware culture through mandatory training
- Zero Data and Security breaches till date

Materiality Assessment

Business & financial impact

Environmental & social impact



Prevention of Financial Crime

Key Stakeholder Impacted

Shareholders | Customers | Regulator | Community

Why this matters

Financial crime, encompassing money laundering, fraud, bribery, corruption, and terrorist financing, poses one of the most consequential risks to a financial institution's integrity. As a gatekeeper within the financial system, we are obligated to maintain robust controls that detect, deter, and report illicit activity, safeguarding our customers, the broader economy, and the communities we serve.

Value Generated

If Managed Effectively-Opportunities Unlocked

- Lower exposure to money laundering and terrorist financing
- Strong regulatory confidence and compliance standing
- Protection of institutional integrity and reputation

If Not Managed Effectively-Risks

- Regulatory breaches, penalties, and sanctions
- Reputational damage and loss of stakeholder trust
- Operational disruption from investigations and enforcement actions

Our Actions & its Impact

AML/CFT compliance assurance

- Maintain a robust Anti-Money Laundering and Counter-Terrorist Financing (AML/CTF) controls aligned with local and international standards
- Continuity of zero-tolerance policy on bribery and corruption, supported by clear whistleblowing and reporting mechanisms

Materiality Assessment

Business & financial impact

Environmental & social impact



Regulatory Compliance

Key Stakeholder Impacted

All Stakeholders

Why this matters

Operating in a heavily regulated environment, compliance is essential to our licence to operate and stakeholder trust. As regulations become more complex, a proactive, embedded compliance culture is critical to manage risk, avoid penalties, and sustain long-term institutional integrity.

Value Generated

If Managed Effectively-Opportunities Unlocked

- Sustained regulatory confidence
- Reduced operational and legal risk through consistent adherence to requirements
- Enhanced institutional credibility with customers, investors, and rating agencies

If Not Managed Effectively-Risks

- Regulatory sanctions, fines, and enforcement actions with material financial impacts
- Eroded customer loyalty and investor confidence
- Reputational and legal risk

Our Actions & its Impact

Full Adherence to regulatory compliance

- Regular monitoring and implementation of regulatory compliances across various levels under the oversight of the Board
- Foster an ethics-led compliance culture with clear policies, and leadership accountability
- Zero breaches till date

Materiality Assessment

Business & financial impact

Environmental & social impact



Employee Safety, Culture & Well-being

Key Stakeholder Impacted

Customer | Employee | Community

Why this matters

A safe, inclusive, and supportive workplace is fundamental to our success. Investing in employee well-being and culture strengthens talent attraction and retention, enhances performance, and equips the organization to respond effectively to evolving challenges.

Value Generated

If Managed Effectively-Opportunities Unlocked

- Higher employee engagement and motivation
- Improved productivity and service quality
- Lower operational and employee-related costs

If Not Managed Effectively-Risks

- Reduced productivity and higher turnover
- Increased workplace incidents, absenteeism, and associated operational costs
- Reputational and legal risk

Our Actions & its Impact

Cultivate an inclusive and respectful workplace culture

- Maintain a comprehensive occupational health and safety framework with regular risk assessments
- Zero-tolerance policies on misconduct and work-place harassment
- Embed well-being and engagement programmes addressing physical, mental, and financial health
- Accessible and confidential grievance and whistleblowing mechanisms with dedicated training sessions on each

Materiality Assessment

Business & financial impact

Environmental & social impact

Employee Training & Capacity Building

Key Stakeholder Impacted

Customer | Shareholder | Employee | Community

Why this matters

In a sector shaped by rapid technological change, evolving regulation, and intensifying competition, the capability of our workforce is a direct determinant of institutional performance. Continuous investment in training and capacity building ensures our people remain equipped to serve customers effectively, manage risk soundly, and drive the innovation needed to sustain our competitive position over the long term.

Value Generated

If Managed Effectively-Opportunities Unlocked

- Stronger workforce capability and productivity
- Improved service quality and operational efficiency
- Better readiness for business and technological change

If Not Managed Effectively-Risks

- Skills gaps and reduced operational effectiveness
- Lower productivity and service quality
- Limited ability to adapt to change

Our Actions & its Impact

16,400+ Man hours invested in training in 2025

- Digital and technical upskilling programmes to build capability
- Role-specific compliance, risk, and conduct training
- Partner with academic institutions, professional bodies, and industry networks to expand access to specialised and accredited development opportunities

Materiality Assessment

Business & financial impact

Environmental & social impact

Macroeconomic and geopolitical environment

Key Stakeholder Impacted

All Stakeholders

Why this matters

Financial institutions operate at the intersection of economic and geopolitical forces that are largely beyond their direct control. Shifts in interest rates, inflation, currency volatility, and global trade dynamics profoundly influence credit quality, capital adequacy, customer behaviour, and overall business performance.

Value Generated

If Managed Effectively-Opportunities Unlocked

- Timely portfolio repositioning that protects asset quality ahead of economic stress
- Strategic advantage from proactive balance sheet and liquidity management
- Identification of growth opportunities in sectors resilient to macroeconomic headwinds

If Not Managed Effectively-Risks

- Deteriorating asset quality and rising non-performing loans during economic downturns
- Increased credit and market risk exposure
- Poor financial performance

Our Actions & its Impact

AML/CFT compliance assurance

- Maintain a robust Anti-Money Laundering and Counter-Terrorist Financing (AML/CTF) controls aligned with local and international standards
- Continuity of zero-tolerance policy on bribery and corruption, supported by clear whistleblowing and reporting mechanisms

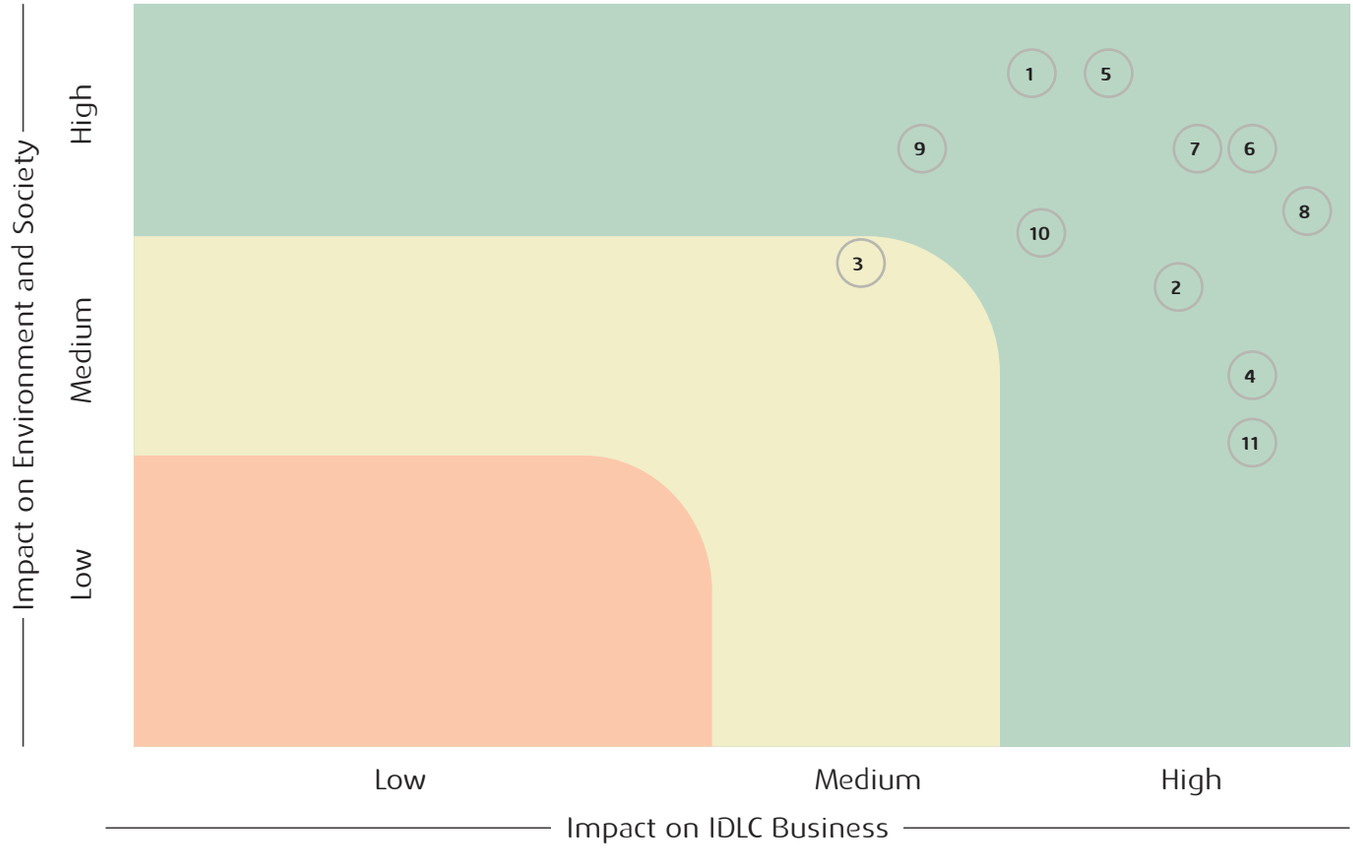
Materiality Assessment

Business & financial impact

Environmental & social impact

Double Materiality Assessment at IDLC

IDLC's Double Materiality Assessment evaluates both the financial impact of sustainability risks on its business and the company's own impact on the environment and society. This dual perspective ensures that IDLC identifies and prioritizes ESG issues that are critical for long-term value creation and responsible corporate behavior.



1 Sustainable and Climate Induced Business Practices
2 Customer Satisfaction
3 Shareholder Rights and Returns
4 Digital Transformation
5 Financial Inclusion
6 Data, Governance & Cyber Security
7 Prevention of Financial Crime
8 Regulatory Compliance
9 Employee Safety, Culture and Well-being
10 Employee Training & Capacity Building
11 Macroeconomic and geopolitical environment

From Aspiration to Belonging:
A Ripple of Compounding Happiness

At IDLC, our vision is to be the best financial institution in the country by creating maximum stakeholder value, and our mission is to deliver that value by placing people at the center of every decision. Ashiq Mahmud's journey reflects how this commitment translates into meaningful, real-life impact.

For Ashiq, a mid-level executive in Dhaka, homeownership began as a personal aspiration—a place to call his own, built on years of discipline and determination. Like many, the challenge was not ambition, but access. Bridging that gap is where IDLC Finance PLC steps in.

Through IDLC's Home Financing, Ashiq found more than a financial solution. The process was transparent, the guidance was clear, and the experience was designed around his needs—reflecting IDLC's core values of customer centricity, integrity, and responsible financial stewardship.

With this support, Ashiq secured his apartment in Rayer Bazar. On the very day his ownership was formalized, he marked another milestone—beginning his married life. Together, they entered their new home, not just as a physical space, but as the foundation of their shared future.

Today, that home represents stability, belonging, and progress. It is where daily life unfolds with confidence and continuity. For Ashiq, it is more than an achievement; it is the starting point of long-term security.

This is how IDLC's impact takes shape. A single financial decision creates stability; stability enables life milestones; and those milestones build toward a stronger future. In line with our vision and mission, each step contributes to a broader cycle of sustainable impact.

At IDLC, this is what we mean by compounding happiness—where every solution extends beyond the moment, creating lasting value across every stage of life.



The Company



Our Philosophies

Our Vision

We will be the best financial brand in the country.

Our Mission

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

Our Core Values

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

Our Strategic Objectives

People	Planet	Prosperity
Holistic Employee Development	Embedding ESG into business strategy and decision-making	Sustainable Growth in Business
Customer Centricity & Financial Inclusion	Continuous operational, infrastructural and technological development	Strong Funding Mix
Competent Leadership and Organizational Synergy		Effective Risk Management
Empowering stakeholders and strengthening institutional capability	**Embedding environmental responsibility into business strategy**	**Delivering disciplined and sustainable financial performance**
People reflects our commitment to building human capability, strengthening stakeholder trust, and delivering inclusive financial services.	Planet reflects our focus on sustainable operations, climate-conscious decisions, and responsible growth for long-term resilience.	Prosperity reflects our emphasis on capital strength, portfolio quality, prudent risk governance, and long-term value creation.

Our Code of Conduct and Ethics

In accordance with the approved and agreed Code of Conduct, IDLC employees shall:

- Act with integrity, competence, dignity and in an ethical manner when dealing with customers, prospects, colleagues, agencies and the public
- Act and encourage others to behave in a professional and ethical manner that will reflect positively on IDLC employees, their profession and on IDLC at large
- Strive to maintain and improve the competence of all in the business
- Use reasonable care and exercise independent professional judgment
- Not restrain others from performing their professional obligations
- Maintain knowledge of and comply with all applicable laws, rules and regulations
- Disclose all conflicts of interest
- Deliver professional services in accordance with IDLC policies and relevant technical and professional standards
- Respect the confidentiality and privacy of customers, people and others with whom they do business
- Not engage in any professional conduct involving dishonesty, fraud, deceit or misrepresentation or commit any act that reflects adversely on honesty, trustworthiness or professional competence.



IDLC employees have an obligation to know and understand not only the guidance contained in the Code of Conduct but also the spirit on which it is based.

Key Milestones

1985	• Incorporation of the Company
1986	• Commencement of the leasing business
1990	• Opening of first Branch in Chittagong
1993	• Listed on the Dhaka Stock Exchange Limited
1995	• Licensed as an NBFI
1996	• Listed on the Chittagong Stock Exchange Limited
1997	• Commencement of home finance and short-term finance operations
1998	• Licensed as a merchant banker by BSEC
1999	• Commencement of corporate finance and merchant banking operations
2004	• Opening of first retail focused branch at Dhanmondi
2006	• Commencement of IDLC Securities Limited; • Opening of the first SME focused branch at Bogura • Relocation of Head Office to Gulshan Premise
2007	• Company Name changed to IDLC Finance Limited
2010	• Inauguration of 10th Branch at Narshingdi
2011	• Commencement of IDLC Investments Limited
2012	• Change of Logo and Rebranding
2015	• Incorporation of IDLC Asset Management Limited
2016	• Launching of Easy Invest • Inauguration of 25th Branch at Elephant Road
2017	• Launched First Open Ended Mutual Fund-IDLC Balanced Fund; • Inaugurated Khushir Kheya

2018	• Launch of IDLC Growth Fund; • Launch of IDLC SIP; • Obtained Alternative Investments License; • Launch of Interest First Deposit; • Launch of IDLC Priority Program • First ever LEED certified environment friendly branch in financial industry of Bangladesh at Chattogram
2019	• Launch of VSE Finance & Affordable Housing; • Received BSEC approval for Venture Capital Fund; • Launch of IDLC AML Shariah Fund
2020	• Launch of IDLC Venture Capital Fund-I; • Launch of Online On-boarding Platform by IDLC AML
2021	• Launched IDLC Income Fund; • Launched own Digital Term Deposit; • Launched Bangladesh's 1st MFS based Digital Deposit program
2022	• 700,000 micro-savers experienced IDLC-bKash Savings Product; • IDLC Securities opened its first digital booth in Bogura; • Introduced Sustainable Finance Help Desks across the major 10 branches
2023	• Company Name changed to IDLC Finance PLC. • Inauguration of Dinajpur branch • Launch of government securities invest window through IDLC. • 1 mn Milestone achieved in IDLC Digital DPS accounts through bKash.
2024	• Soft launch of operation of IDLC Islamic Finance Window • Launch of 3 sub-branches: Pabna, Brahmanbaria & Feni
2025	• Official Launch of IDLC Islamic Window • Inauguration of 2 sub-branches- Feni and Naogaon

Products & Services

SME Loan

- Term Loan
- Shampad (SME Lease)
- Purnota (Women Entrepreneur Loan)
- Working Capital Loan
- Utshob (Seasonal Loan)
- Shombhabona (New Entrepreneurs Loan)
- Bahon (Commercial Vehicle Loan)
- Imarat (Commercial Space loan)
- Shachal
- Uttoron (Special loan product catering to the SMEs transitioning to the corporate segment)

Consumer Loan

Home Loan

- Apartment / Home Purchase
- Building Construction
- Commercial Space Purchase
- Home Equity
- ASHA
- ULLASH
- Semi Paka Loan
- Affordable Housing Finance Solution
- Green Affordable Housing Finance Solution
- Home Loan Shield

Car Loan

- Brand New
- Reconditioned
- Registered

Personal Loan

- Secured
- Unsecured

Corporate Loan

Corporate Business

- Term Loan
- Lease Financing
- Term Loan for Vehicles/ Commercial Vehicles
- Working Capital Loan
- Commercial Space Loan
- Bridge Loan

Supply Chain Finance (SCF)

- Factoring
- Work order Finance
- Working Capital Finance- Reverse Factoring
- Working Capital Finance- Salary Payment
- Distributor Finance
- Corporate Tie Up Factoring(CTF)

Green Products

- Renewable Energy
- Energy & Resource Efficiency
- Alternative Energy
- Liquid Waste Management
- Solid Waste Management
- Circular Economy & Eco-Projects Financing
- Environment Friendly Brick Production
- Green/Environment Friendly Establishments
- Green Agriculture
- Green CMSME
- Green Socially Responsible Financing
- Blue Economy Financing
- Information and Communication Technology
- Miscellaneous

Sustainable Linked Products

- Sustainable Agriculture
- Sustainable MSME
- Sustainable Linked Socially Responsible Financing
- Other Sustainable Linked Finance

Islamic Finance Window

- Ijarah Muntahiah Bi Tamlik
- Murabahah
- Sale & Lease Back

IDLC Securities Limited

- Cash Account
- Margin Account
- Premium brokerage for High Net Worth Individuals, Institutions, and Foreign Investors
- Easy IPO

IDLC Investments Limited

Investment Banking Services

- Initial Public Offering (IPO)
- Rights Issue Management
- Repeat Public Offering (RPO)
- Mergers & Acquisitions
- Corporate advisory
- Underwriting
- Arranging pre-IPO placement/ capital raising of forthcoming IPOs
- Substantial share acquisition and take over
- Valuation services for repatriation of sale proceeds of non-resident owned equity in unlisted
- Acting as trustee of bond issuances through private placement of debt securities companies

Cap-Invest (Non-Discretionary Portfolio)

- Margin Loan Account
- Non-Margin Account

Discretionary Portfolio Management (DPM)

- MAXCAP
- Easy Invest
- Profit-Loss Sharing Scheme
- Capital Protected Scheme
- Portfolio Advisory Services

Structured Finance

- Debt Syndication (Local & Foreign Currency)
- Working Capital Syndication
- Agency & Trusteeship
- Zero Coupon Bonds, Coupon Bearing Bonds & Convertible Bonds
- Balance Sheet Restructuring
- Arrangement of Private Equity & Preference Shares
- Commercial Paper
- Corporate Advisory for Mergers & Acquisitions and Joint Venture Making
- Corporate Advisory for Initial Public Offering

IDLC Asset Management Limited

Mutual Funds

- IDLC Balanced Fund
- IDLC Growth Fund
- IDLC AM Shariah Fund
- IDLC Income Fund

Alternate Investment Fund

- IDLC Venture Capital Fund I

Institutional Fund Management

- Institutional Portfolio Management

Deposit

- Flexible Term Deposit
- Days Term Deposit
- Earner Deposit
- Double Money Deposit
- Triple Money Deposit
- Interest First Deposit
- Monthly DPS
- Bkash Online DPS
- IDLC Islamic Term Deposit
- IDLC Islamic Earner Deposit
- IDLC Islamic Monthly DPS

*Added LAD (Loan against Deposit) Facility up to 80% on Deposit Amount.



Integrated Business Model and Value Chain

INPUTS/KEY RESOURCES & RELATIONSHIP

CAPITALS

FINANCIAL CAPITAL
- Equity Capital
- Liability basket
- Policy Incentives

HUMAN CAPITAL
- Experienced and competent HR resource
- Managerial skills

MANUFACTURED CAPITAL
- Branch Network
- Digital banking platform
- IT infrastructure
- Operational
- Automation

INTELLRCTUAL CAPITAL
- Brand Reputation
- Customer and market
- Driven insights

SOCIAL & RELATIONSHIP CAPITAL
- Customer Relationship
- CSR Initiatives

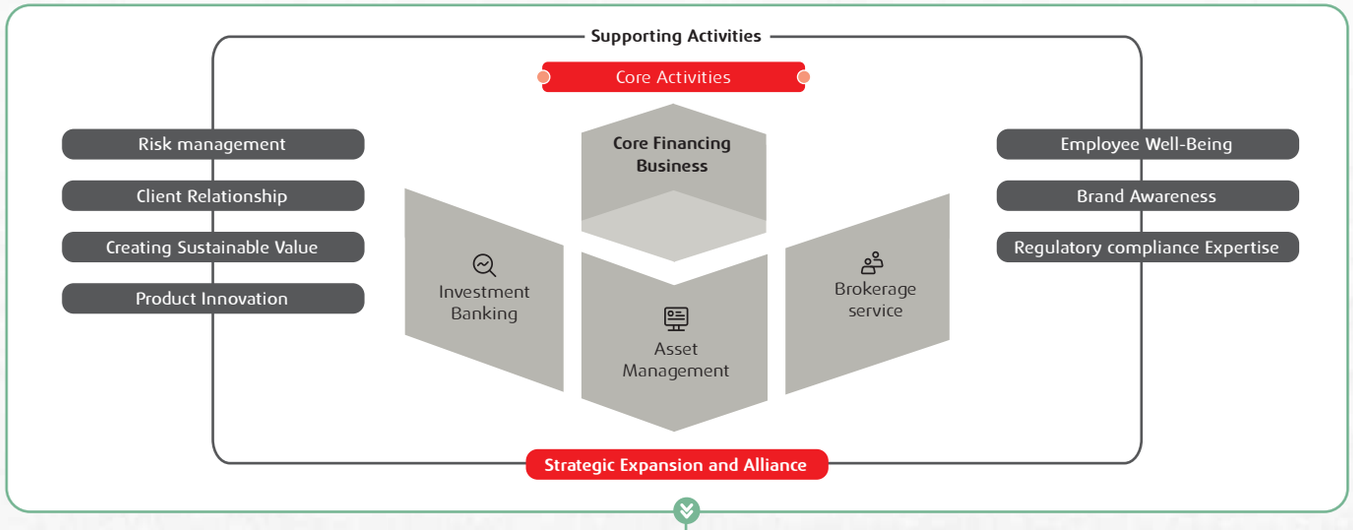
NATURAL CAPITAL
- Green Financing
- Carbon Footprint
- Energy Efficiency

POLICIES & PARTNERSHIPS

Partnerships
- Shareholders
- Investors
- Customers
- Regulators
- Central Bank
- Other banks and financial institutions
- Deposit clients
- Vendors
- Multilateral organisations

Policies
- Refinance Schemes
- Policy Incentives
- Various policies

TRANSFORMED INTO DYNAMIC CAPABILITIES THROUGH STRATEGIC ACTIVITIES



CHANNELS

- Branch
- Digital platform
- Partnership and alliance
- Market Expansion

SUSTAINABLE COMPETITIVE ADVANTAGE

- Strong brand reputation and customer trust
- Technology driven risk management and analytics
- Strong Governance and Ethical Practices
- Innovative Financial Products
- Long term customer relationship
- Digital and physical banking network

Our vision, mission and values act as our compass for sustainable business. We draw resource from different inputs, and through our business processes transform these into meaningful business outcomes

OUTPUTS

FINANCIAL CAPITAL

- 7.62% growth of loan portfolio
- BDT 2,434 Mn NPAT
- 11.63% ROE
- 4.43% NPL
- 39.66% Cost to Income Ratio

HUMAN CAPITAL

- Increased Productivity
- Increased Benefits
- Improved Work-life Balance
- Career Advancement

MANUFACTURING CAPITAL

- Improved Economies of Scale
- Increased Reach
- Smoother Operation

INTELLECTUAL CAPITAL

- Increased Efficiency Through Process Enhancement
- New Products and Services

SOCIAL & RELATIONSHIP CAPITAL

- Dividend: 15% cash, 5% stock
- Around 259,450+ Beneficiaries Reached Through CSR Activities
- 286,770+ Customers Reached

NATURAL CAPITAL

- Reduction of Carbon Footprint
- Green Banking Portfolio Increased by BDT 7.32%

IMPACT ON STAKEHOLDERS

CUSTOMERS

Improved access to financial services and capital through convenient and efficient solutions.

SHAREHOLDERS

Received returns through dividends and benefited from a strong balance sheet

EMPLOYEES

Enhanced productivity and well-being through training, development, and a healthy work environment.

SERVICE PROVIDERS & SUPPLIERS

Maintained ethical partnerships through compliance with procurement processes.

REGULATORS

Ensured compliance with guidelines and contribution to government revenue through taxes.

COMMUNITY

Contributed to economic growth through funding businesses and generating employment

ENVIRONMENTALLY INTERESTED GROUPS/ ORGANIZATIONS

Supported sustainable practices through an increased green portfolio and carbon footprint measurement.

VALUE UNLOCKED

- Delivering market leading products and services
- Continuing to create value based activities
- Increase productivity, employee morale and overall operational efficiency
- Maintaning strong brand name
- Improving economies of scale and driving efficient execution
- Deepening shared values and commitment with customers and stakeholders
- Reducing carbon footprints and ensuring sustainable operational efficiency

Our Capitals

Financial Capital

Material Matters

Macroeconomic & Geopolitical Environment | Shareholder's rights & return | Regulatory Compliance | Financial Inclusion

Inputs

- Equity
- Deposits and borrowings
- Refinance schemes by governement

Strategic Objectives

- Sustainable growth in business
- Strong funding mix
- Customer centricity & Financial inclusion
- Effective Risk Management

KEY RISK

FINANCIAL RISK

- Liquidity Risk
- Credit Risk
- Market Risk

OPERATIONAL RISK

- Operational Process Risk
- Technology Risk
- Strategic Risk

COMPLIANCE RISK

- Legal Risk
- Environmental & Social Risk
- Regulatory Risk

OUTPUT

15% cash 5% stock Dividend for 2025	**7.62%** Y-o-Y growth of loan portfolio	**1.48%** ROA
11.63% ROE	**4.43%** NPL	**39.66%** Cost to Income Ratio

IMPACT TO VALUE CHAIN

- Delivering market leading customer solutions
- Continuing disruptive market activities
- Improving economies of scale and driving efficient execution
- Deepening shared values and commitments

Management Approach

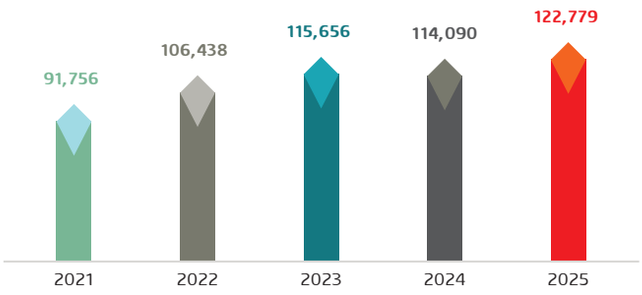
Concerns

- Balancing leverage ratios and portfolio growth
- Lower lending opportunity
- Liquidity pressures in the market
- Curbing impact of ailing capital market

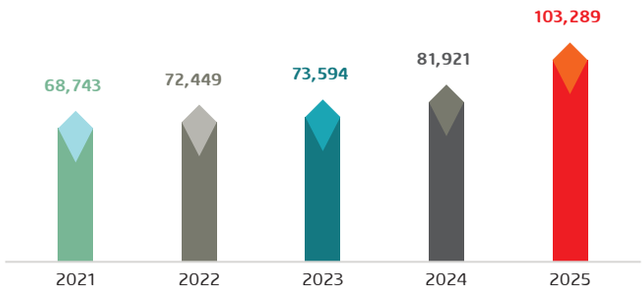
Strategic Response

- Maintained regular loan monitoring and collection efforts
- Continued prudent lending amidst concerns over extent of quality lending opportunities
- Focused on sustainable portfolio growth
- Proactively managed treasury funds by investing in government security
- Focusing on the digital transformation of the brokerage business

Total Loan Portfolio BDT mn



Total Retail Deposit BDT mn



IF INVESTED RIGHT

HUMAN CAPITAL

Competitive pay & benefits, training development, employee engagement **attract and retain skilled employees** which develop long-term organizational resilience.

MANUFACTURED CAPITAL

Effective investment in infrastructure development that **enhance operational efficiency and increase market reach**.

INTELLECTUAL CAPITAL

Digital transformation initiatives within the organization contribute to **innovation and data-driven decision-making**.

SOCIAL & RELATIONSHIP CAPITAL

Responsible business growth as well as investment in community **reinforce stakeholder confidence, strengthen customer relationships** and promote financial inclusion.

NATURAL CAPITAL

Investment toward green financing, net-zero operations and environmental initiatives contributes towards a s**ustainable future**.

MATERIAL MATTERS

	STAKEHOLDERS						
	Shareholders	Customers	Regulators	Employees	Community	Environmentally interested groups	Service providers & suppliers
Macroeconomic & Geopolitical Environment	●	●	●	●	●	●	●
Shareholder's rights & return	●						
Regulatory Compliance		●					
Financial Inclusion	●	●	●			●	●

WAY FORWARD

- Focus on sustainable loan book growth
- Efforts to maintain quality portfolio
- Diversification in the liability basket
- Cautionary approach in the capital market

Human Capital

Material Matters

Employee safety, culture and well-being | Sustainable Business Practices | Shareholder rights and returns | Regulatory Compliance

Inputs

- 16,400+ hours trainings conducted
- Online testing platform for recruitment of candidates
- Compensation & Employee Benefits
- Continued efforts on health and safety awareness
- Experiential learning programs for sales force

Strategic Objectives

- Holistic Employee Development
- Integrating Environmental, Social and Governance (ESG) into business
- Competent Leadership and Organizational Synergy

KEY RISK

STRATEGIC RISK

- Operational Risk
- Strategic Risk

FINANCIAL RISK

- Reputation Risk

NON FINANCIAL RISK

- Legal Risk
- Environmental & Social Risk

OUTPUT

- Improved Productivitiy
- Enhanced employee skillset
- Reduced training cost, covering more trainees
- Efficient talent acquisition process

IMPACT TO VALUE CHAIN

- Increase productivity, employee morale and overall operational efficiency.
- Improving economies of scale and driving efficient execution
- Deepening shared values and commitments

Management Approach

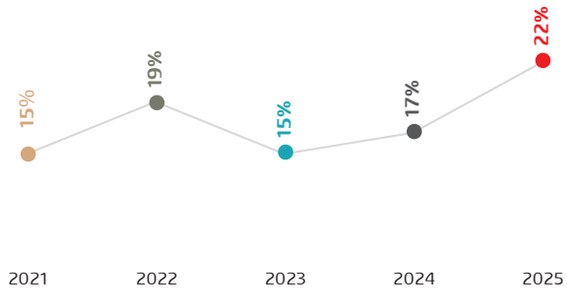
Concerns

- Ensuring fair compensation to boost morale and reduce attrition
- Innovative Talent Acquisition & Development
- Reducing attrition rate & ensuring retention of talent through a goal driven culture

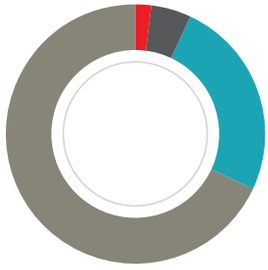
Strategic Response

- Ensure market competitive salary and fringe benefits
- Supporting the career and development plans of all the employees and focus on providing the right training to the right personnel
- Fostering career growth as well as enhancing employement engagement activities

Attrition Rate



Employee Spread



- **2%** Core Management
- **5%** Senior level Management
- **25%** Mid- level Management
- **68%** Junior level Management

If Invested Right

FINANCIAL CAPITAL

Skilled and engaged employees **enhance operational efficiency and portfolio performance**, supporting sustainable financial outcomes and long-term value creation.

MANUFACTURED CAPITAL

Trained staff deploy and optimise technology investments fully as well as **reduces operational errors and downtime**.

INTELLECTUAL CAPITAL

Continuous learning and capability development support digital adoption and **process improvement** initiatives.

SOCIAL & RELATIONSHIP CAPITAL

Employee engagement and service culture **enhance customer experience and reinforce stakeholder confidence**.

NATURAL CAPITAL

Employee sustainability awarness **reduce internal carbon footprint**.

MATERIAL MATTERS	STAKEHOLDERS						
	Shareholders	Customers	Regulators	Employees	Community	Environmentally interested groups	Service providers & suppliers
Employee safety, culture and well-being	●		●	●	●		
Sustainable Business Practices	●			●		●	
Shareholder rights and returns	●			●			
Regulatory Compliance			●	●			

WAY FORWARD

Focus on utilization of competency mapping in our overall Talent Management processes by incorporating them in our processes.

Continue the introduction of new technologies to automate HR processes

Focus more on the development of IDLC Learning Academy, a one stop solution for the development of resources across the organization

Intellectual Capital

Material Matters

Digital transformation | Financial Inclusion | Customer Satisfaction

Inputs

- Product and service formulation
- Branding initiatives
- Process innovation
- In-house software development & adoption of AI tools
- Knowledge

Strategic Objectives

- Continuous operational, infrastructural and technological development
- Customer centricity & Financial inclusion

KEY RISK

STRATEGIC RISK

- Operational Risk
- Strategic Risk

FINANCIAL RISK

- Reputation Risk

NON FINANCIAL RISK

- Technology Risk

OUTPUT

- New software, tools implemented for enhanced efficiency
- Process re-engineering
- Improved information processing efficiency and accuracy to speed up client loan evaluation
- Streamlining digital channels
- Enhanced brand image

IMPACT TO VALUE CHAIN

- Delivering market-leading customer solutions
- Continuing disruptive market activities
- Increase productivity, employee morale and overall operational efficiency.
- Strong brand image
- Improving economies of scale and driving efficient execution

Management Approach

Concerns

- Evolving needs of customers and rapid changes in Technology
- Ongoing risk of system failure, connectivity failure & data breach
- Attaining process improvements for continuous development of employee productivity & customer service
- Serving and reaching customers offline

Strategic Response

- Continuous improvisation of digital deposit product
- Quick adoption and improvisation
- Continuous automation and process re-engineering to enhance productivity
- Increased focus on digital campaigns

ACTIVITIES OF 2025- 40 YEARS CELEBRATION CAMPAIGN OF IDLC

To mark its 40th anniversary, IDLC launched a brand campaign that reached mns of Bangladeshis across television and digital platforms, generating one of the strongest audience responses in the company's recent communications history

DIGITAL CAMPAIGN

35 mn
view across Meta, YouTube, and TikTok platforms

9.8%
engagement rate (industry threshold at 10%)

6.9 mn
engagements generated

22 mn
unique users reached

TELEVISION

1,265
Total GRP (Gross Rating Point) indicating multiple air screening

26,447
spots aired in television

PRINTING

7
billboard faces across key cities and districts

22
newspapers across the country

If Invested Right

FINANCIAL CAPITAL

Automation, analytics and digital campaigns **support informed lending, treasury management and operational efficiency**.

HUMAN CAPITAL

Technology-enabled learning and systems **enhance employee productivity and adaptability**.

MANUFACTURED CAPITAL

Technology upgrades **strengthen operational processes and support scalable business operations**.

SOCIAL & RELATIONSHIP CAPITAL

Digital solutions **improve accessibility, customer interaction and service delivery** driving financial inclusion.

NATURAL CAPITAL

Green product innovation opens new **revenue lines**.

MATERIAL MATTERS	STAKEHOLDERS						
	Shareholders	Customers	Regulators	Employees	Community	Environmentally interested groups	Service providers & suppliers
Digital transformation	●	●			●		●
Financial Inclusion	●	●		●	●		●
Customer Satisfaction	●	●					

WAY FORWARD

- Expand Product basket through strategic partnership with appropriate partners
- Enhance loan processing by incorporateting automatic data analysis tools
- Focus on magnifying digital space, enhance customer service through IDLC App
- Continuously enhance digital media penetration

Manufactured Capital

Material Matters

Digital transformation | Data governance & Cyber security | Regulatory Compliance | Financial Inclusion | Sustainable Business Practices

Inputs

- Physical and online touch points
- IT infrastructures
- Office equipment and supplies

Strategic Objectives

- Continuous operational, infrastructural and technological development
- Customer centricity & Financial inclusion
- Integrating Environmental, Social and Governance (ESG) into business

KEY RISK

STRATEGIC RISK

- Operational Risk
- Strategic Risk

NON FINANCIAL RISK

- Environmental & Social Risk
- Technology Risk

OUTPUT

5 sub-branches in Pabna, Brahmanbaria, Satkhira, Feni and Naogaon

238,270+ active clients through digital deposit

IMPACT TO VALUE CHAIN

- Enhanced Operational Efficiency with improved cost optimization
- Scalability & Innovation
- Expanded Market Reach
- Improved Customer Experience

Management Approach

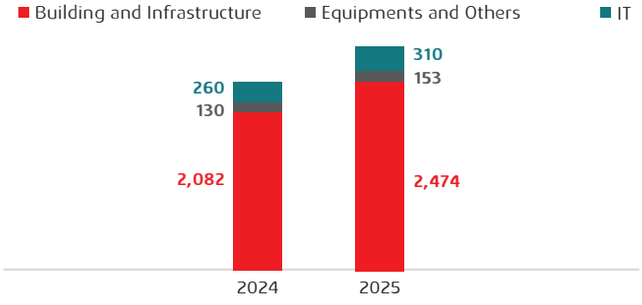
Concerns

- Ensuring infrastructure adequacy to align with growth ambitions
- Managing the balance in costs & benefits
- Evolving technological needs and timing of investments
- Ensure efficient service delivery

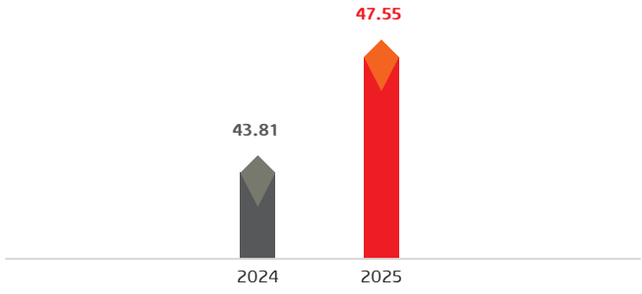
Strategic Response

- Made strategic investments in network expansion
- Conducted regular cost benefit analysis by competent personnel
- Consulted local and international consultants to be updated with best practices
- Maintained/updated systems according to technology and process audits for quick adoption and improvisation

Capital Allocation BDT mn



IT Opex BDT mn



If Invested Right

FINANCIAL CAPITAL

Infrastructure optimisation and system enhancements support **cost efficiency** and sustainable financial performance.

HUMAN CAPITAL

Modern work environments and digital tools enable collaboration and **improve workforce productivity**.

INTELLECTUAL CAPITAL

Technology platforms support **automation, innovation** and data-driven operations.

SOCIAL & RELATIONSHIP CAPITAL

Improved service touchpoints **strengthen customer interaction** and service reliability.

MATERIAL MATTERS	STAKEHOLDERS		
	Shareholders	Customers	Service providers & suppliers
Digital transformation	●	●	●
Data governance & Cyber security	●	●	●
Regulatory Compliance			
Financial Inclusion	●	●	
Sustainable Business Practices	●	●	●

WAY FORWARD

Enhance our accessibility by increasing both geographical and virtual presence

Enhance infrastructure to meet upcoming business needs

Improve process efficiencies to improve utilization of manufactured capitals

Social & Relationship Capital

Material Matters

- Sustainable Business Practices
- Financial Inclusion
- Customer Satisfaction
- Regulatory Compliance
- Employee safety, culture and well-being

Inputs

- Partnerships
- Product targeted towards unbanked population
- Branding initiatives
- Customer service assurance

Strategic Objectives

- Sustainable growth in business
- Strong funding mix
- Customer centricity & Financial inclusion
- Integrating Environmental, Social and Governance (ESG) into business

KEY RISK

STRATEGIC RISK

- Operational Risk
- Strategic Risk

FINANCIAL RISK

- Financial Risk
- Reputation Risk

NON FINANCIAL RISK

- Legal Risk
- Environmental & Social Risk

OUTPUT

- More than 259,450+ beneficiaries reached through CSR activities
- Enhanced brand awareness through '40 years campaign'
- Broadened financial inclusivity by 481 people through training in financial literacy program

IMPACT TO VALUE CHAIN

- Delivering market leading customer solutions
- Continuing disruptive market activities
- Strong brand image
- Deepening shared values and commitments

Management Approach

Concerns

- Addressing stakeholders' queries and potential complaints
- Finding the right partnerships that can bolster value creation for the company in the process of serving the large community
- Reaching customer base outside major cities

Governance

- Board of Directors
- Management Committee
- ESG & Sustainability Oversight
- Stakeholder Engagement Governance

Strategic Response

- Earnings disclosure sessions with analysts and increased engagement through social media
- Partnerships with multilateral organizations to innovate financing solutions for under-served segments
- Opened digital savings to reach mass people with our product offerings

CSR Beneficiaries	Beneficiary Numer
Education scholarship recipients	174
Education scholarship recipients among office assistant's children	89
Exposure to Financial Literacy	485
Tree plantation	1,000
Number of individuals accessing to safe drinking water	206,000
Cancer Hospital	10,000+
Winter Donation Drive	3,150
Eye Screening Program for Marginalized School Children	594
Korail Slum Fire Victim Relief	1,400
Financial Assistance for Medical Treatment	8
Employee Blood Donation for Thalassemia Patient	68
Supporting Children with Neurodevelopmental Disorders	10

CUSTOMER SERVICE ASSURANCE

Customer experience is of paramount importance and IDLC is continuously working towards providing the best customer service and experience possible.
The various customer service enhancement initiatives taken last year are:

- Enhanced customer notification through real-time transaction SMS
- Enhanced experience of deposit customers by sending deposit advice through email
- Enhanced reachability by extending active hours of call center

Looking ahead, we are working on implementing Customer Relationship Management (CRM) solution across the company to improve our profiling, analytical and cross-selling capabilities.

If Invested Right

FINANCIAL CAPITAL

Customer-focused growth and responsible financing practices support **sustainable portfolio expansion**.

HUMAN CAPITAL

Strong organisational culture promotes collaboration and **consistent service delivery**.

INTELLECTUAL CAPITAL

Customer insights and feedback support product **innovation and digital improvement initiatives**.

NATURAL CAPITAL

Sustainability initiatives encourage **responsible business practices and stakeholder awareness**.

MATERIAL MATTERS	STAKEHOLDERS						
	Shareholders	Customers	Regulators	Employees	Community	Environmentally interested groups	Service providers & suppliers
Sustainable Business Practices	●	●					●
Financial Inclusion	●	●	●	●	●	●	●
Customer Satisfaction		●			●		
Employee safety, culture and well-being							
Regulatory Compliance	●		●	●	●		

WAY FORWARD

- Enhance customer relationship management
- Improve product offering to reach more segments
- Increase branding effort to increase awareness
- Continue efforts in CSR

Natural Capital

Material Matters

Sustainable Business Practices | Financial Inclusion | Customer Satisfaction | Digital transformation

Inputs

- Utilities
- Policy Incentives from regulators
- Green Initiatives

Strategic Objectives

- Sustainable growth in business
- Strong funding mix
- Customer centricity & Financial inclusion
- Integrating Environmental, Social and Governance (ESG) into business

KEY RISK

STRATEGIC RISK

- Operational Risk
- Strategic Risk

FINANCIAL RISK

- Liquidity Risk
- Reputation Risk

NON FINANCIAL RISK

- Legal Risk
- Environmental & Social Risk

OUTPUT

Green Portfolio size increased by 7.32% from 2024

Sustainable finance portfolio became 1.31 times from 2024

IDLC was successful in ensuring 11.74% & 41.96% of Green & Sustainable Finance of Annual Term Loan Disbursement & Annual Disbursement respectively.

IMPACT TO VALUE CHAIN

- In-house awareness of employees
- Reducing carbon footprint and optimize resource management
- Sustainable business practices
- Increase in green portfolio

Management Approach

Governance

- Implementing an effective resource optimization system to reduce energy and resource consumption during business operations
- Creating awareness among clients regarding the benefits of green projects
- Ensuring Green Office practices are maintained and internal stakeholders are aware of its benefits

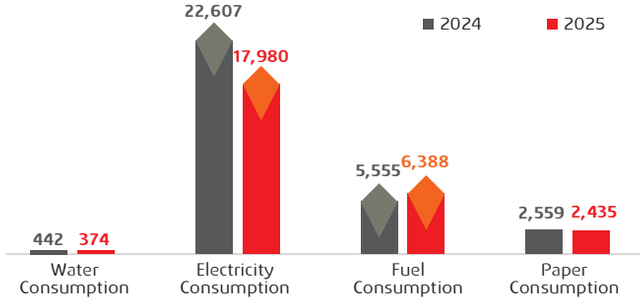
Strategic Response

- Implemented an organization-wide Carbon Management & Resource Optimization Mode
- Conducted training through seminars and establish Sustainable Finance Help Desks with aim towards establishing Green office
- Leveraged our relationships with regulators and multilateral organizations to increase green financing

INITIATIVE

- Received the refinance worth of BDT 1,015 mn, against its green and sustainable finance from Bangladesh Bank
- Green Portfolio size increased by 7.32% from 2024. Moreover, Sustainable finance portfolio became 1.31 times from 2024.
- Efforts accelerated towards employee awareness surrounding reduction of carbon emission and adoption of responsible practices

Resource Consumption Per Employee in BDT



If Invested Right

FINANCIAL CAPITAL

Environmental risk considerations support prudent lending and long-term financial stability.

SOCIAL & RELATIONSHIP CAPITAL

Sustainability efforts strengthen community engagement and responsible stakeholder relationships.

INTELLECTUAL CAPITAL

Environmental awareness and ESG practices support informed decision-making processes.

MANUFACTURED CAPITAL

Energy-efficient operations and resource optimisation improve infrastructure sustainability.

MATERIAL MATTERS	STAKEHOLDERS						
	Shareholders	Customers	Regulators	Employees	Community	Environmentally interested groups	Service providers & suppliers
Sustainable Business Practices	●	●					
Financial Inclusion		●			●		●
Customer Satisfaction		●			●		●
Digital transformation		●			●		●

WAY FORWARD

Seek assurance on carbon footprint analysis

Increase focus towards sustainability

Continue awareness on organization wide resource optimization

Engagement with Our Stakeholders

Our Social Contract: Maximizing the Value of Our Stakeholders

While financial services is our commodity, people are our business. As such, IDLC takes a stakeholder-inclusive approach to creating and sustaining value. This means that stakeholder engagement is integrated into every step of our value-creation process.

Understanding stakeholder expectations and aligning business objectives are critical to IDLC's growth. We recognize that IDLC's success relies on the value generation for all the stakeholders involved in our mission- employees, customers, suppliers, and the wider community. We aim to build long-term relationships, fulfill expectations and create sustainable growth prioritizing the needs and interests of all our stakeholders.

To maximize stakeholder value, we focus on creating a culture of transparency, accountability, and collaboration. This means engaging with stakeholders, investing in employee development, promoting diversity and inclusion, and adopting sustainable business practices. Our commitment to our stakeholders extends beyond the external pressures we face, remaining steadfast as we navigate unexpected challenges. Ultimately, we remain committed to driving digital and financial inclusion by deploying solutions that reduces the digital divide and uplift those living in the most vulnerable communities.

By taking a holistic approach to value creation, we strive forward towards building a more resilient and successful business, while also contributing to the greater good and recognizing the importance of creating value for all stakeholders.

OUR ACHIEVEMENTS IN 2025

- Maintained safety and awareness propaganda for our employees
- Provided support to government and society through active CSR Activities
- Improved dissemination of information and module of engagement for the public
- Facilitated support for SMEs and clients through digital inclusivity
- Continued training for growth of our human capital

Stakeholder Engagement Event Highlights of 2025

In 2025, one of our key engagement with our stakeholders involved our arrangement of the IDLC Mezban. We commemorated our 40 years by having all our stakeholders under one roof- our shareholders ,customers, regulators, business partners and service providers, employees past and present. This allowed us to show our gratitude to each of our stakeholders who were there with IDLC throughout the 40 years.



- Celebration of 40 years anniversary with our stakeholders in IDLC Mezban

Stakeholder Identification

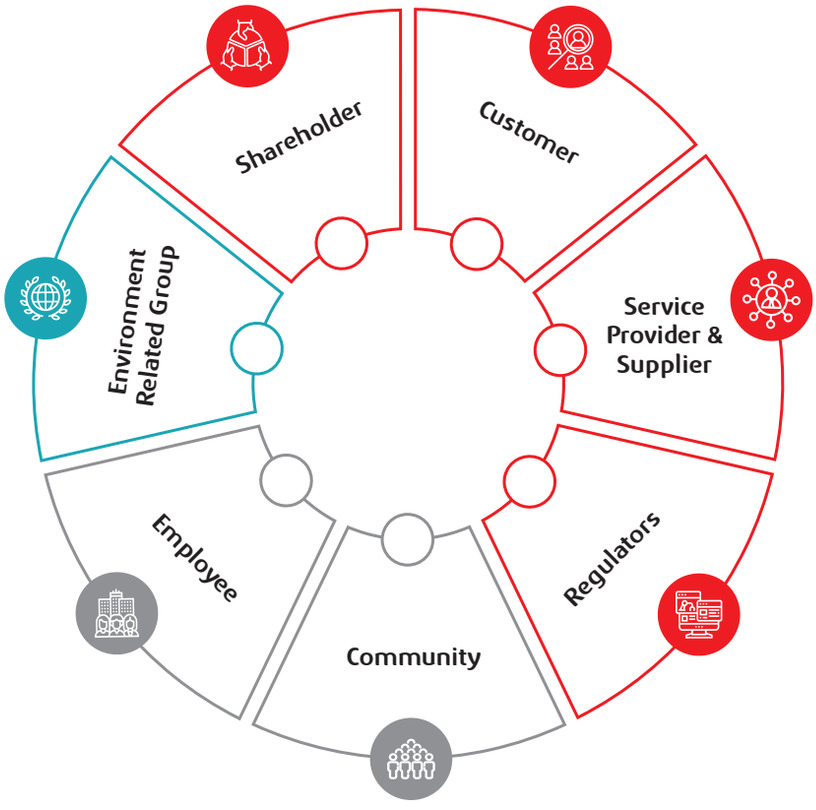
Identifying and understanding stakeholders is important. As we address each of the stakeholders' expectations, we gain their wholehearted support. This lends us credibility as an organization as well as raises the chances of our success.

At IDLC, we identify and analyze stakeholders under three sustainability dimensions – economic, social and environmental.

Economic

Social

Environment



SHAREHOLDERS

Value Proposition

Our shareholders provide the financial capital we need for long-term growth and they expect good returns based on sustainable and ethical business practices. We aim to provide sustained growth in capital and dividends to meet the needs of our shareholders.

Stakeholder's Expectation Addressed

- Consistent dividend payouts
- Sustainable revenue and profit growth
- Strong asset quality and risk management
- Prudent risk management
- Effective corporate governance and internal compliance
- Positive brand reputation
- Long-term value creation

How we engage with stakeholders

- Regular board meetings and annual general meetings (AGMs)
- Quarterly earnings calls and briefings
- Timely disclosures of statutory reporting and disclosures
- Interactive investor relations (IR) portal
- Email, newsletters and financial updates
- Annual Integrated and Sustainability Reports
- Media Briefings

Value Generated in 2025 for Stakeholder

Earnings per share
5.58

Proposed Dividend
15% cash, **5%** stock

Return on Equity
11.63%

Sustainable Value Generation for IDLC

- Diverse base of equity and debt holders to support growth plans
- Positive investor confidence
- Enhanced Brand loyalty and reputation

Related UN SDGS



Related Capitals invested

Financial, Intellectual, Social and Relationship

CUSTOMERS

Value Proposition

Our customers are our primary source of revenue and fund. Retaining their satisfaction and brand loyalty are critical to our ability to create and preserve value in the long term. Through our environmentally efficient practices and innovative use of data and technology we aim improve their business continuity.

Stakeholder's Expectation Addressed

- Diverse and accessible financial products and services
- Competitive rates and transparency
- Quality customer service
- Data security and privacy
- Digital solutions and innovation

How we engage with stakeholders

- Regular customer feedback and surveys
- 24/7 service channels and contact centers
- Digital Platform through Bkash
- 40 branches and subbranches
- Financial literacy programs
- Media, SMS and Email

Value Generated in 2025 for Stakeholder

Tailored solutions to meet needs

Total Gross Disbursement
BDT 68,034 mn

NPS Score
89%

Sustainable Value Generation for IDLC

- Customer loyalty and retention
- Increased market share and business growth
- Enhanced Brand loyalty and reputation

Related UN SDGS



Related Capitals invested

Financial, Inllectual, Social and Relationship

REGULATORS AND GOVERNMENT

Value Proposition

Whereby business management, as opposed to risk control, own all risks assumed throughout the company and are responsible for continuous and active management.

Stakeholder's Expectation Addressed

- Full regulatory compliance
- Transparent reporting and governance
- Contribution to national economic goals
- Tax compliance
- Achieve global best practices
- Embody resilience and build a better economy through macroeconomic challenges

How we engage with stakeholders

- Regular reporting and disclosures
- Policy dialogues and consultations
- Participation in regulatory forums
- Interactive investor relations (IR) portal
- Discussions to provide update on strategic plans or changes aimed at addressing potential regulatory concern

Value Generated in 2025 for Stakeholder

Contribution to National Economy
BDT 3,529 mn

Finance, Corporate Affairs IT

Partnering to implement social programs

Sustainable Value Generation for IDLC

- Operational continuity and stability through guidance
- Financial Support through schemes and refinance benefits
- Effective risk reduction through regulatory relationship
- Enhanced public trust

Related UN SDGS



Related Capitals invested

Financial, Inllectual, Social and Relationship

BUSINESS PARTNERS AND SERVICE PROVIDERS

Value Proposition

We engage with and support our business partners and service providers for oppurtunistic and smooth business operation. They provide cost-effective, quality products and lucrative business services to support our value proposition to customers, employees and other stakeholders.

Stakeholder's Expectation Addressed

- Timely transaction and fair contracts
- Transparent procurement practices
- Long-term business relationships
- Joint opportunities for business expansion
- Collaborative innovation and problem-solving

How we engage with stakeholders

- Clear contract terms and service level agreements
- Regular partnership meetings and strategy sessions
- Shared resources for business development
- Open vendor communication
- Updated policy books and SLAs

Value Generated in 2025 for Stakeholder

Business stability and growth

Reputation boost through association

Enhanced business opportunities and market reach

Sustainable Value Generation for IDLC

- Reliable and efficient service delivery
- Cost optimization
- Compliance with labour laws and procurement regulations
- Collaborative innovation and product development
- Strengthened competitive advantage through partnerships
- Access to new markets and networks

Related UN SDGS



Related Capitals invested

Financial, Manufactured, Social and Relationship, Intellectual

EMPLOYEES

Value Proposition

Our employees drive our strategy with their ideas, skills, experience and productivity. In a competitive resource environment, IDLC values on retaining employees, ensuring ongoing professional development, and reskilling to sustain our human capital, which, in turn, is critical to our operational efficiency and social and relationship capital.

Stakeholder's Expectation Addressed

- Fair compensation and benefits
- Career growth and skill development
- Safe, inclusive, and engaging work environment

How we engage with stakeholders

- Town halls and regular internal surveys
- Performance reviews and feedback mechanisms
- Training and development programs
- Supportive Women Forum
- Engagement Activites
- Mental Health Awareness and safety protocols

Value Generated in 2025 for Stakeholder

Employee Retention Rate
82%

Training hours
16,400+

Employee Onboarded
281

Sustainable Value Generation for IDLC

- High employee productivity and retention
- Strong organizational culture
- Innovation and service excellence
- Developed human capital to ensure sustainable business development

Related UN SDGS



Related Capitals invested

Human, Inllectual, Social and Relationship

COMMUNITY

Value Proposition

Our shareholders provide the financial capital we need for long-term growth and they expect good returns based on sustainable and ethical business practices. We aim to provide sustained growth in capital and dividends to meet the needs of our shareholders.

Stakeholder's Expectation Addressed

- CSR and community support
- Financial literacy and empowerment
- Support during crises and disasters
- Financial Inclusion to marginalized population
- Implementing programs for education, healthcare, skill development and poverty alleviation for the marginalized and underprivileged communities

How we engage with stakeholders

- Volunteering and CSR Initiatives
- Local partnerships and sponsorships
- Awareness campaigns
- Financial Inclusion through digital deposit scheme
- Financial Literacy Programs
- Interactive Marketing and Seminars

Value Generated in 2025 for Stakeholder

Contribution in CSR
BDT 18.75 mn

Women Entrepreneurs Assisted
7,450

Cumulative Disbursement in Female led Business
BDT 42,141 mn

Sustainable Value Generation for IDLC

- Diverse base of equity and debt holders to support growth plans
- Positive investor confidence
- Enhanced Brand loyalty and reputation

Related UN SDGS



Related Capitals invested

Social and Relationship

ENVIRONMENT

Value Proposition

The environment both affects, and is affected by, business decisions in a substantial way. IDLC believes it to be their moral obligation to contribute to the environment and planet as a whole through operations and services

Stakeholder's Expectation Addressed

- Responsible environmental practices
- Green financing and sustainable products
- Climate risk awareness
- Reduced Carbon Footprint
- Promotion of green practices in society

How we engage with stakeholders

- Annual Sustainability Reporting and Disclosure
- Annual Climate Related Disclosure
- Investment in Green and Sustainable Financing Projects
- Environmental awareness initiatives

Value Generated in 2025 for Stakeholder

Increase of Green Portfolio from previous year
7.32%

Fuel Consumption per employee
BDT 6,388 mn

Sustainable Value Generation for IDLC

- Access to green finance refinance schemes and climate funds
- Enhanced ESG ratings and investor appeal
- Future-proofing against climate risks

Related UN SDGS



Related Capitals invested

Financial, Natural

Awards & Accolades

15th ICMAB Best Corporate Award - NBFI - GOLD



SAFA Best Presented Award - Financial Service Sector



ICSB Best Presented Annual Report - NBFI - Gold





Euromoney Awards for Excellence- Best Investment Bank (Bangladesh)

15th ICMAB Best Corporate Award - NBFI - GOLD

ICSB Best Presented Annual Report - NBFI - Gold

FinanceAsia Awards- Best Investment Bank (Domestic) - Highly Commended



- Euromoney Awards for Excellence 2025, IDLC Investments



- 12th ICSB National Award For Corporate Governance Excellence, 2024



- 15th ICMAB Best Corporate Award



- Celebration of winning Best Investment Bank Category in FinanceAsia Award 2025

The Leadership





Our achievements in 2025 – reflected through solid financial performance, improved profitability, and disciplined cost management – highlight our capacity to deliver sustainable value. They reaffirm our position as a resilient financial institution, grounded in strong fundamentals and driven by a commitment to long-term value creation and prudent financial leadership.

Kazi Mahmood Sattar

Chairman

Chairman's Statement

Dear Shareholders,

It is both an honor and a privilege to address you for the first time as Chairman of IDLC Finance PLC. I step into this role with determination, inspired by the confidence you have placed in me and by the remarkable journey IDLC has undertaken since its inception.

This year marked our 40th year of existence- four decades during which IDLC has grown from a single-purpose leasing company into the nation's leading multi-product, multi-segment Non-Banking Financial Institution. The milestone reflects not only on what we have built, but on the values that have guided every decision along the way: prudence, integrity, innovation, and an enduring commitment to the well-being of our customers, employees, and the communities we serve.

It is with this deep gratitude and humble pride that I present to you the performance of IDLC Finance PLC. 2025 was, by any measure, a year of extraordinary challenge. Bangladesh navigated one of its most difficult macroeconomic passages in recent memory, a period characterized by stubbornly elevated inflation, the lowest private sector credit growth in recent history, a capital market in broad retreat, structural pressures within the banking system, and rising industry non-performing loans- accelerating to a staggering 35%. Against this challenging backdrop, I am proud to report that IDLC not only withstood the headwinds but emerged stronger, more diversified, and better positioned for the recovery ahead.

Compounding growth with purpose

In an operating environment as demanding as 2025, the strength of a financial institution is ultimately reflected by its ability to navigate pressures with discipline, resilience, and sustainable performance. With this mindset, while Bangladesh's financial sector encountered macroeconomic headwinds like elevated interest rates, lingering borrower unease, and restrained private sector credit growth, in response, we remained agile and strategic in our approach- emphasizing sustainable lending, safeguarding asset quality, and reinforcing sound risk governance practices. Our efforts consistently prioritized long-term value over short-term returns. The resilience demonstrated by our workforce and the continued confidence of our stakeholders were instrumental in helping us navigate these challenges effectively.

Our financial results reflect the strength of our diversified business model. IDLC Finance PLC. reported a Net Profit After Tax of BDT 1,777 mn with 6.24% growth y-o-y. The subsidiaries also contributed BDT 664 mn, a notable rise from BDT 524 mn the previous year. IDLC Securities Limited delivered a 16.62% growth



122,779 BDT Mn

Total Group Loan Portfolio

+7.62% y-o-y



110,537 BDT Mn

Total Group Deposit

+26.77% y-o-y



4.43%

Standalone NPL Ratio

2024: 4.45%



2,434 BDT Mn

Consolidated Net Profit

+21.51% y-o-y



1.48%

Consolidated ROA

2024: 1.35%



11.63%

Consolidated ROE

2024: 10.33%

in net profit, navigating a subdued capital market through operational efficiency and a strong liquidity position. IDLC Investments Limited grew net profit by 36.14%, anchored by its issue management, advisory, and structured finance capabilities. IDLC Asset Management Limited recorded a net profit of BDT 30 mn, a 90.31% growth over 2024, benefitting from higher returns in its debt funds and the measured uptake of systematic investment plans in its equity offerings. Together, the group delivered a consolidated net profit of BDT 2,434 mn, a 21.51% growth over 2024.

These results did not come easily, nor did they come by chance. They are the product of a conscious strategic pivot executed with precision. Recognizing the onset of margin pressure early in the year, our management team made the deliberate decision to rebalance a significant portion of the Group's liquid assets into government securities, where yields had risen above 12%. This reallocation, executed consistently across all four entities of the Group, was the primary catalyst of our profitability growth.

Compounding trust with customers

At IDLC, the customer has always been the starting point, not the afterthought. We have built our product architecture around a simple conviction, that financial solutions work best when they are designed from the customer's perspective. For the SME entrepreneur, we offer not just financing, but solutions shaped around their reality; from Utshob, our seasonal loan for cyclical businesses, to Purnota, designed exclusively for women entrepreneurs, to Uttoron, which supports growing businesses as they transition from SME to corporate scale. For the aspiring homeowner, ASHA and our Affordable Housing Finance solutions extend the possibility of ownership to those whom conventional mortgage products have long overlooked. In order to cater customers seeking faith-aligned financial services, our Islamic Finance Window offers Shari'ah-compliant products. We also continued to invest in the digital capabilities that allow customers to engage with IDLC, through our own platform and partnership with BKASH.

This reflection is visible through our loan book, which remained well-diversified and strategically aligned with sectors demonstrating sustainable demand, showing a growth of 7.62%, despite the low private sector credit scenario. On the funding side, we maintained a healthy deposit pipeline with a 26.77% growth in total deposit, which demonstrates the trust our customers placed on us.

Compounding the quality of asset

A cornerstone of our financial discipline in 2025 was our strong performance in NPL management. Through diligent monitoring, targeted recovery initiatives, and a reinforced credit governance framework, we successfully brought down our non-performing loan ratio to 4.43% – a substantial improvement in the prevailing industry context.

Compounding value through disciplined governance

Effective governance at IDLC is not a compliance obligation – it is a strategic asset and a competitive advantage. The Board continuously maintains rigorous oversight of strategy, risk, and financial performance. All sub-committees discharged their responsibilities with the diligence and independence our shareholders rightly expect.

We remained in full compliance with Bangladesh Bank's Good Governance Guidelines and the BSEC Corporate Governance Code throughout the year. No director or senior manager engaged in insider trading. Integrity is non-negotiable at IDLC, we maintain zero tolerance for corruption, bribery, harassment, or discrimination, reinforced through strong internal controls and transparent reporting mechanisms.

Compounding happiness with our stakeholders

We are deeply aware that our journey is shaped by those who walk beside us, each contributing uniquely to our shared pursuit of enduring progress:

To our shareholders, your unwavering trust has been pivotal in enabling us to pursue long-term value creation. In 2025, we ensured transparent communication, paid consistent dividends, and made prudent reinvestments into areas with high potential. Going forward, we remain committed to responsible stewardship of your capital, unlocking more avenues for growth, and enhancing returns while upholding governance and sustainability.

To our customers, your aspirations continue to inspire us into bringing innovative financial solutions. Throughout 2025, we expanded access to inclusive financial services through both conventional and digital platforms, strengthened our presence in key regions, and reengineered products to better serve SMEs, retail, corporate and green finance segments. To cater to the growing demand for Shari'ah compliant financial solutions, we are continuously enhancing the operations of "Islamic Finance Window". As we move ahead, we aim to deepen relationships, enhance service quality, and anticipate your needs in an ever-evolving landscape.

To our employees, you are the spirit behind our achievements. Your innovation and adaptability powered many of our strategic resource shifts, whether in streamlining operations, optimizing cost structures, or embracing a leaner, more agile model. We will continue investing in your growth, well-being, and leadership so that together we thrive in an increasingly developing world.

And to our community and environment, your well-being remains integral to our definition of success. In 2025, we deepened our commitment through focused environmental financing, financial literacy programs, and targeted community support. We are proud to share that our efforts were recognized both locally and globally, IDLC has been named by Bloomberg as the one of the most sustainable company in Bangladesh, earning the highest ESG score among NBFIs in the country for 3 consecutive years. These accolades not only validate our strategy but also reinforce our resolve to embed sustainability even deeper into our operations, ensuring that progress remains inclusive, impactful, and enduring.

Together, we will continue to navigate the evolving landscape, aligning our strategic priorities with stakeholder expectations, and building a more resilient, forward-looking future that benefits all.

Appreciation and looking ahead

As we close the chapter on 2025, we do so with genuine gratitude- to our shareholders, whose confidence sustains our ambition; to our customers, whose trust defines our purpose; to our employees, whose commitment makes everything possible; and to the regulators and partners who help shape an environment in which institutions like IDLC can grow responsibly.

40 years is not an ending, it is a vantage point. From it, we see more clearly both how far we have come and how much further we intend to go. The challenges of 2025 have not diminished our resolve; if anything, they have sharpened it. While 2026 presents a complex interplay of domestic recovery and global uncertainty, our strong fundamentals, disciplined risk management, and strategic agility position us to navigate these headwinds and deliver sustainable value to our stakeholders. As we enter our fifth decade, IDLC will continue to invest in digital capabilities, expand sustainable finance, and strengthen our capital market presence, while being better governed, better capitalized, and more deeply connected to the customers and communities.

As Chairman, my vision is to ensure that IDLC continues to balance profitability with purpose, innovation with responsibility, and growth with governance. Together, with all the trust and support of our stakeholders, we will ensure IDLC remains a beacon of dependable finance for Bangladesh's future- compounding value, compounding trust, and compounding happiness for every stakeholder we are privileged to serve.



Kazi Mahmood Sattar
Chairman
IDLC Finance PLC.



These results have been earned through disciplined balance sheet management, strategic reallocation of funds, and an unwavering focus on portfolio quality. As we mark four decades of excellence, this milestone reaffirms that our institution is built not just to endure difficult cycles, but to grow through them.

M. Jamal Uddin

CEO & Managing Director

Reflections of Chief Executive Officer

Dear Shareholders and Fellow Stakeholders,

Forty years of trust, integrity, and purposeful growth have shaped IDLC into the institution it is today, resilient by design, and grounded in its values. It is this very foundation that guided us through one of the more challenging operating environments in recent memory. The year 2025 was defined by a unique convergence of macroeconomic transition, structural headwinds, and cautious stabilization. It was a landscape that demanded extraordinary discipline, agility, and foresight from all financial institutions operating in Bangladesh. Against this backdrop, IDLC Finance PLC delivered a resilient and commendable performance, demonstrating the enduring strength of our institution as we celebrated four decades of excellence.

I am proud to report that in 2025, IDLC achieved a consolidated net profit of BDT 2,434 mn–a growth of 21.51% over the previous year. These results have been earned through disciplined balance sheet management, strategic reallocation of funds, and an unwavering focus on portfolio quality. As we mark four decades of excellence, this milestone reaffirms that our institution is built not just to endure difficult cycles, but to grow through them.

Operating Through a Year of Transition

In 2025, Bangladesh's economy confronted macroeconomic pressures while laying the foundation for gradual sustained stabilization. Real GDP growth decelerated to 3.97% in FY25, reflecting the combined impact of political uncertainty following the regime transition, supply chain disruptions, tighter monetary conditions, and intensifying competition faced by our critical RMG export sector. Headline inflation, though on a downward trajectory, remained sticky above 8% for most of the year, eroding household purchasing power and dampening private consumption.

Private sector credit growth fell to a record low of 6.10% in December 2025, while the industry's non-performing loan (NPL) ratio remained elevated. Bangladesh's capital market mirrored broader economic anxieties with the benchmark DSEX index declining approximately 6% over the year to close at 4,865 points, with average daily turnover falling to BDT 5.2 bn, a 22% decline from 2024. Despite a brief mid-year rally on improving macroeconomic signals, sentiment weakened again in the latter months amid election uncertainty and interest rate reversals.

For financial institutions, this was not a year for aggressive expansion. It was a year that required sharper judgment in balancing liquidity, risk, and return. In this environment, our focus remained on preserving balance sheet strength, protecting portfolio quality, and allocating resources in a manner consistent with both near-term resilience and long-term sustainability.

Responding with Precision: Our Strategic Position in 2025

In the face of such headwinds, our management team remained steadfast in its strategic conviction. We moved with urgency, adaptability, and discipline to protect the balance sheet, preserve portfolio quality, and unlock alternative earning opportunities. Our five core strategic resolutions for the year guided every decision:

- Timely strategic maneuvers resulting in sustainable value management
- Effective fund management
- Prioritization of collection and recovery
- Ensuring a quality asset portfolio
- Increasing operational efficiency

Money Market: Disciplined Navigation under Pressure

With the Bangladesh Bank policy repo rate maintained at 10% and government securities yields exceeding 12% across all tenors, IDLC strategically reallocated capital towards risk-free government securities, a move implemented consistently across all four entities of the Group. This enabled us to generate significant incremental investment income of BDT 3,544 mn in 2025 (compared to BDT 1,433 mn in 2024–a 147% increase), effectively compensating for the compression in net interest income driven by surging borrowing cost. Our cost-to-income ratio improved markedly to 39.66% from 42.00% in 2024, reflecting disciplined expense management even as inflation kept operational costs elevated.

Money Market Challenges in 2025

Sticky inflation and policy rate held at 10%	Rise in deposit and interbank borrowing costs	Lowest private sector credit growth	Long-term loans repriced slowly while funding costs surged

Our Strategic Responses in the Money Market:

Liquidity Management	Maintained a conservative approach to lending and increased investments in government securities to ensure steady returns and liquidity buffers.
Conservative Lending Stance	Maintained conservative lending stance while ensuring a 7.62% group loan portfolio growth
Cost Optimization	Improved cost-to-income ratio to 39.66% from 42.00% through strict expense discipline.

Capital Market: Resilience through Diversification

Our capital market subsidiaries navigated a subdued environment with commendable resolve. IDLC Securities Limited sustained core brokerage profitability despite a 17.5% decline in market turnover, growing its market share by 22 basis points. IDLC Investments Limited delivered standout results in structured finance, executing landmark transactions including multiple Basel III-compliant subordinated bonds, a BDT 3.5 billion zero-coupon bond, the ESG-aligned BDT 2.1 billion Rancon syndicated facility, and the Rights Issue of Berger Paints Bangladesh Limited–the only public equity market deal of the year and completed with the highest-ever premium. Our asset management business registered a significant profit before tax of BDT 59 mn, up from BDT 12 mn the prior year.

Capital Market Challenges in 2025

Drop in DSEX index and daily average turnover due to political and economic uncertainty.	Declining investor confidence and reduced secondary market activity.	Rising preference for risk-free government securities due to attractive yields.

Our Strategic Responses in the Capital Market

Asset Re-allocation	Shifted investment portfolio toward risk-free government treasury instruments to protect investor capital
Structured Finance transactions	Executed landmark structured finance transactions- subordinated bonds, BDT 3.5 bn zero-coupon bond, and the Berger Paints Rights Issue.
Technology Integration	Launched Order Management System (OMS) at IDLC Securities to enhance digital trade execution and client experience

Deposit Mobilization: Historic Growth

In anticipation of persisting liquidity pressures, we proactively intensified our deposit mobilization efforts and achieved our highest-ever net deposit growth in the institution's history, a 27% increase in total deposits, with retail deposits growing by 26%. This reflects the deepening trust our clients place in IDLC as a stable and reliable financial institution, and positions us with a stronger, more sustainable funding base for the future.

Our short-term priorities in 2025 were clear: preserve liquidity, protect portfolio quality, maintain disciplined pricing, and strengthen recovery efforts. Over the medium to longer term, we remain focused on deepening our customer franchise, expanding access, strengthening digital capability, and building a more resilient and inclusive institution.

Advancing Our Market Position through Strategic Innovation and Product Differentiation

Even in a constrained market, we continued to strengthen our customer franchise through relevant, accessible, and segment-focused solutions. Across SME, Corporate, Consumer, and Capital Market businesses, we remained committed to serving customers with products and channels aligned to their evolving needs while maintaining the discipline and responsiveness that define IDLC.

During the year, we refined our offering across customer segments, strengthened our Islamic Finance proposition, and expanded access through our growing branch and sub-branch footprint. Our geographic expansion continues—five sub-branches established are now fully operational, with 3 more in the pipeline for 2026. We also continued to invest in digital capabilities and partnerships that make engagement with IDLC more seamless and convenient. Our strategy on market and service development remains centered on deepening customer engagement, expanding access, and improving service relevance across segments.

Ensuring Security, Compliance and Technological Integrity

Cybersecurity and regulatory compliance remained foundational to our operations throughout 2025. We continued to invest in and strengthen our IT infrastructure, enhancing system resilience and reinforcing data privacy protocols in line with evolving industry standards. Our internal audit framework was further refined to keep pace with regulatory expectations. Employee training and awareness remained a sustained priority, particularly in the areas of information security and fraud prevention, fostering a culture of vigilance and accountability at every level. Encouragingly, 2025 saw no reported breaches of data security or cybercrime incidents, a reflection of both the robustness of our preventative measures and the preparedness of our people. Furthermore, a landmark achievement of the year was the attainment of ISO 27001:2022 certification, a globally recognized standard for Information Security Management Systems, underscoring our commitment to maintaining the highest levels of information security governance.

Creating Sustainable Value

Our commitment to environmental, social, and governance (ESG) leadership has never been stronger. In 2025, IDLC's CSR initiatives continued to create meaningful impact across the country, focusing on educational access, healthcare, financial literacy, and environmental stewardship. Overall, we spent BDT 18.75 mn as part of our CSR expense to 259,450+ beneficiaries. Our green and sustainable finance activities exceeded regulatory benchmarks, with 11.74% green finance disbursement against a regulatory target of 5%, and 41.96% sustainable finance disbursement against a 40% target.

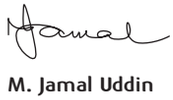
Sustainability remains an important part of our long-term direction. During the year, we continued advancing our responsible financing approach and broader ESG priorities, while reinforcing our position as a sustainability leader among Bangladesh's NBFIs. . We continued to align our reporting with IFRS S1 and S2 climate-related financial disclosure frameworks, strengthening transparency and reinforcing our long-term commitment to responsible business conduct. Our continued recognition by Bloomberg as one of the most sustainable companies in Bangladesh, and the highest ESG-scoring NBFI in the country for the third consecutive year, reflects the consistency of this effort.

Appreciation and Looking Ahead to 2026 with Cautious Optimism

As we move into 2026, we do so with measured optimism. Early signs of macroeconomic stabilisation, improving external sector indicators, and ongoing financial sector reforms provide a basis for cautious confidence. That said, we remain alert to external headwinds, particularly the very recent escalating conflict in the Middle East, which is likely to pose renewed pressures on energy costs, remittances, and trade flows.

Our priorities for the year ahead are clear: sustain prudent liquidity management, preserve portfolio quality, strengthen recovery and collection efforts, deepen our customer franchise, enhance process automation, and continue diversifying fee-based income streams. Over the longer term, our direction remains anchored in building a more resilient, efficient, and inclusive financial institution capable of creating enduring value across cycles.

Our achievements in 2025 are the result of the collective effort, commitment, and trust of every member of the IDLC, from our employees, our clients, our regulators, our shareholders to the communities we serve. As we stand at the threshold of our fifth decade, we are more confident than ever in our ability to navigate complexity, seize opportunity, and deliver on our founding promise: to be the best financial brand in the country, carrying the legacy of compounding happiness.



M. Jamal Uddin
CEO & Managing Director
IDLC Finance PLC.

Shareholding Composition

SL No.	Name of the Shareholders	% of holding	Number of shares
1	**SPONSORS**		
	City Bank PLC.	9.00	39,284,383
	Eskayef Pharmaceuticals Limited	8.00	34,918,671
	Sadharan Bima Corporation	7.62	33,255,662
	Reliance Insurance Limited	7.00	30,553,835
	Mercantile Bank PLC.	3.50	15,276,916
	Sub-Total	**35.12**	**153,289,467**
2	**GENERAL**		
	Institutions:		
	City Bank Capital Resources Limited	9.90	43,211,857
	Investment Corporation of Bangladesh (ICB)	8.30	36,239,705
	City Brokerage Limited	4.31	18,808,183
	Transcraft Limited	4.01	17,517,218
	Mercantile Bank Securities Limited	2.00	8,729,667
	Bangladesh Fund	1.36	5,951,250
	Bangladesh Lamps PLC.	1.32	5,761,578
	Delta Life Insurance Co. Ltd.	1.29	5,641,224
	Marina Apparels Limited	1.00	4,364,831
	Other Institutions	16.64	72,633,510
	Sub-Total	**50.14**	**218,859,023**
	Individuals:		
	General Public (Individuals)	14.16	61,795,729
	Sub-Total	**14.16**	**61,795,729**
	Foreign:		
	Institutions & Individuals	0.58	2,539,190
	Sub-Total	**0.58**	**2,539,190**
	Total	**100.00**	**436,483,409**

	2025	2024
Sponsors/Directors	35.12	56.66
Institutions	50.14	28.12
Individuals	14.16	14.69
Foreign	0.58	0.52
Total	**100.00**	**100.00**

Board Composition



Kazi Mahmood Sattar
Director
Nominated by City Bank PLC.

An accomplished Banking professional with over 45 years of experience, Mr. Sattar began his career with ANZ Grindlays Bank in 1981. His career includes senior assignments in Mumbai and Melbourne, where he specialized in Corporate Banking and Treasury Operations. He successfully established Bangladesh's first Investment Banking Arm/Corporate Finance Unit and later led the Corporate and Investment Banking Division of ANZ Grindlays Bank in Bangladesh.

He went on to serve as Managing Director & CEO of two large domestic Commercial Banks, where he modernized operations, implemented advanced IT systems, and reshaped business culture to match international banking standards.

Mr. Sattar has also served as Independent Director and Chairman of the Board Executive Committee of BRAC Bank PLC., Director of bKash Limited, nominated Director of IDLC Finance PLC., and Chairman of IPDC Finance PLC.

Currently, he is Chairman and Director of RSA Advisory Limited, RSA Solution Limited, Blue-Wealth Assets Limited, and serves as nominated Director of RSA Aviation Limited and Unique Hotel & Resorts Limited.

With his wealth of experience and proven leadership, IDLC Finance PLC. looks forward to continued growth and innovation under his stewardship.



Akhtar Ahmed
Director of the Board and Chairman of the Executive Committee, IDLC Finance PLC.
Nominated by Reliance Insurance PLC.

Mr. Akhtar Ahmed has had a career in the Insurance industry spanning over 50 years, at home and abroad, commencing in 1970 as an Executive Officer with Eastern Federal Insurance Company. From 1981 to 1989 he served in various Managerial positions with Asian Reinsurance Corporation in Bangkok, a UN sponsored inter-governmental organization.

In 1989 he joined Arab Insurance Group, a prominent Insurance/ Reinsurance Company of the Middle East and served for 14 years in various positions as Chief Manager, Regional General Manager and Chief Executive of its Far East operations, based in Hong Kong and Kuala Lumpur. Mr. Ahmed returned home in 2003 and served as Managing Director of Sadharan Bima Corporation during 2003-04.

Subsequently, he completed an assignment as technical Consultant to KPMG, Abu Dhabi. He joined Reliance Insurance Limited and served as its Managing Director & CEO from 2005 to 2014 and subsequently as Adviser and Chief Consultant till early 2023.

Mr. Ahmed holds B.A.(Honours), M.A. degrees from Dhaka University. He is a Chartered Insurer and Associate of Chartered Insurance Institute UK. He is a member and past President of Rotary Club of Dhaka New City.



Kazi Mahbub Masud, FCA

Director
Nominated by Eskayef Pharmaceuticals Limited

Mr. Kazi Mahbub Masud, FCA, serves as the Executive Director - Finance at Eskayef Pharmaceuticals Limited, bringing over 26 years of extensive experience in the pharmaceutical industry of Bangladesh.

He began his professional journey in 1994 with Purabi General Insurance Limited as General Manager (Finance and Accounts). In 1999, he joined Eskayef Pharmaceuticals Limited as Manager (Accounts) and has since played a pivotal role in strengthening the company's financial management and strategic growth.

Mr. Masud earned both his Bachelor's and Master's degrees in Accounting from the University of Dhaka. He is a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB) and an Associate Member of the Institute of Cost and Management Accountants of Bangladesh (ICMAB).

With his strong leadership and financial expertise, Mr. Masud continues to contribute significantly to IDLC Finance PLC.'s sustainable growth and financial excellence.



Md. Khalilur Rahman

Independent Director and Member of the Executive Committee and Risk Management Committee
IDLC Finance PLC.

Mr. Md. Khalilur Rahman was the Managing Director of National Housing Finance PLC. from 2015 to 2021. Mr. Rahman has also served as the Additional Managing Director of National Housing Finance PLC. from 2013 to July, 2014, MD (CC) Up to February 03, 2015, Additional Managing Director of Industrial and Infrastructure Development Finance Co. PLC. from 2009 to 2013, Mortgage Consultant of National Lending Corporate, New York, from 2003 to 2008, CEO of Rupali Exchange Inc., New York, from 2002 to 2003, Managing Director of Bangladesh Industrial Finance Company Limited from 1998 to December, 2001. In his glorious career of 41 years, he had worked in organizations like Southeast Bank PLC. (Vice president, Head of Gulshan Branch), IFIC Bank PLC. (Senior AVP), Bangladesh Shilpa Bank (Manager) in between the years from 1979 to 1998. Mr. Rahman completed his MBA from IBA, University of Dhaka. Mr. Rahman is a member of Rotary Club of Dhaka Buriganga and IBA Alumni Association.



Md. Zakir Hossain

Director of the Board and Member of the Executive Committee, IDLC Finance PLC.
Nominated by Mercantile Bank PLC.

Md. Zakir Hossain is the Deputy Managing Director of Mercantile Bank PLC. having experience of about 33 years in the banking industry of Bangladesh. He started his banking career in 1993 with Janata Bank, a state-owned Commercial Bank of Bangladesh as Financial Analyst in the position of Probationary Officer. Thereafter, he moved to Prime Bank Limited in 1995 and served there as Credit Officer in Credit Risk Management Division till 1999.

Then Mr. Zakir joined Mercantile Bank PLC. in June 1999. He has been serving Mercantile Bank since it's inception in various capacity and positions at Branch and Head Office. He was the Head of 3 (three) leading Branches including Main Branch of the Bank. After promotion as Deputy Managing Director, he had been designated as Deputy Chief Business Officer (DCBO), Chief Operations Officer (COO) and Head of Chattogram Region at different periods. At Present, he is the Chief Risk Officer (acting) of the Bank.

As DMD he has had been supervising several functional Divisions of the bank i.e. Corporate Business Division, SME Financing Division, Agriculture Credit Division, Research & Planning Division, Islamic Banking Division, Internal Control & Compliance Division (ICCD), MIS Division and Central Law Division.

He has experience of working as a member of the committee for Review of Credit Risk Management Guidelines and of the committee for formulation of guidelines for Internal Credit Risk Rating (ICRR) System of Bangladesh Bank.



Mohammad Mostafizur Rahman

Independent Director and Member of the Audit Committee and Risk Management Committee
IDLC Finance PLC.

Mr. Mohammad Mostafizur Rahman is a Former Ambassador of the People's Republic of Bangladesh to the Republic of Indonesia. He held various command, staff, and management positions in the Bangladesh Air Force while working in a United Nations Peacekeeping Mission for three years, demonstrating specialization in Civil Aviation Management and Aviation Security.

In his illustrious career of more than 40 years, he has participated in many trainings in the country and abroad, including Aircraft Accident Investigation Technique and Civil Aviation Management in Singapore Aviation Academy.



Wasiful Hoq

Director of the Board; Chairman Risk Management Committee and Member of the Executive Committee, IDLC Finance PLC.
Nominated by Sadharan Bima Corporation

Mr. Wasiful Hoq hails from a reputed and noble muslim family. He was born on August 17, 1968. He obtained his B.Com (Hons) and M.Com both in Accounting from the University of Dhaka. He also did his MBA in Finance. Mr. Hoq is also an Associate member of Bangladesh Insurance Academy (BIA).

Presently, Mr. Hoq holds the position of General Manager in Sadharan Bima Corporation (SBC) and has 30 years of working experience. He took part in various professional training programme on different fields of Insurance and Risk Management held in London, Philippines, South Korea and India. He also worked as a Project Director in ADB financed Weather Index Based Crop Insurance (WIBCI) Project. He was a Nominated Director in the board of Uttara Bank PLC. and also a member of Audit Committee. He was also a Director of SBC securities & Investment Limited.

Mr. Hoq has appointed as a Nominated Director, representing the Sadharan Bima Corporation (SBC) in the Board of IDLC Finance PLC.



Noor Un Nahar

Independent Director &
Chairman of the Audit Committee

Mrs. Noor Un Nahar is a distinguished former Executive Director of Bangladesh Bank with an illustrious career spanning 33 years. She began her journey in 1989 as an Assistant Director and went on to serve in various key departments, including Foreign Exchange Policy Department, Department of Off-Site Supervision, Anti-Money Laundering Department, Secretary's Department and Human Resources Department–1.

Throughout her remarkable career, Mrs. Nahar made significant contributions to the development and modernization of Bangladesh's Central Banking System. Her expertise in leadership, policy implementation, and institutional governance earned her wide recognition within the organization.

She has represented Bangladesh Bank in numerous professional trainings and workshops, both at home and abroad, in countries including Singapore, Spain, Canada, Germany and Turkey.

Mrs. Nahar holds both her graduation and post-graduation degrees from the University of Dhaka. She earned Banking Diploma (1st Part) from Institute of Bankers, Bangladesh. Her dedication, integrity, and visionary leadership continue to inspire banking professionals in Bangladesh.



M. Jamal Uddin
CEO & Managing Director
Ex-Officio Member of the Board

Mr. Jamal Uddin ascended to the prestigious roles of CEO and MD within his organization in 2021. His journey through the ranks commenced in 1994, when he first stepped into the realm of professional management as a dedicated Management Trainee at IDLC.

Over the course of 29 years, he strengthened his expertise within the Non-Banking Financial Institution's sector, culminating in his designation as the DMD and Head of Business prior to embarking on his current leadership position.

Notably, prior to becoming DMD, his responsibilities included spearheading the Corporate Division, overseeing the intricate operations of the Corporate and Structured Finance Department, and orchestrating term financing and syndicated fund-raising ventures for prominent local and multinational corporate entities in Bangladesh.

Academically, Mr. Jamal is an MBA degree holder from an International University.

Shariah Supervisory Committee



Dr. Md Habibur Rahman CSAA

Universiti Sultan Zainal Abidin (UniSZA), Terengganu, Malaysia.

Dr. Md. Habibur Rahman is a Chartered Islamic Finance Professional with over a decade of experience in teaching, research, and professional training in Islamic finance and Shari'ah. He earned his PhD in Fiqh Muamalat from the International Islamic University Malaysia (IIUM) and holds a bachelor's degree in Shari'ah from Al-Azhar University, Egypt. Prior to that, he completed the Kamil (Hadith specialization) under the Bangladesh Madrasha Education Board, Dhaka. Besides, Dr. Rahman is an Islamic Financial Planner (IFP), a Shari'ah-Registered Financial Planner, and a Certified Shari'ah Advisor and Auditor (CSAA), conferred by AAOIFI, Bahrain.



Dr. Md. Faruk Abdullah

Senior Lecturer, University of Malaya, Adjunct Faculty, Guidance College, Texas

Dr. Md. Faruk Abdullah is a Shariah scholar with extensive academic and industry experience in Islamic finance. He currently serves as a Senior Lecturer at the University of Malaya (UM) and Adjunct Faculty at Guidance College, Texas, and is a Shariah Committee Member of AEON Bank (M) Berhad. His industry engagements include providing Shariah opinions on wa'd (breach of promise) to UNICON Limited (UK), developing Shariah parameters on al-I'nah ala al-Ma siyah in shared services for Affin Islamic Bank Berhad, and contributing to a waqf end-financing product manual for Bank Islam Malaysia Berhad. He holds a PhD in Islamic Economics from the University of Malaya, a Chartered Islamic Finance Professional (CIFP) qualification from INCEIF University, and a Bachelor's degree in Fiqh and Usul al-Fiqh from the International Islamic University Malaysia.



Mufti Zubair Abdullah, CSAA

Member (Shariah Scholar), Chief Mufti & Senior Muhaddis, Jamia Islamia Darul Ulum Dilu Road, Dhaka

Mufti Zubair Abdullah is a prominent Shariah scholar and an AAOIFI-certified Shariah Advisor and Auditor (CSAA) with over 10 years of experience in various aspects of Islamic finance, professional teaching & training, Shariah advisory, corporate zakat consulting, and Shariah audit. He currently serves as the Chief Mufti and Head of Islamic Law & Commercial Jurisprudence at Jamia Islamia Darul Ulum, Dilu Road. His expertise is sought after by leading institutions, where he serves on the Shariah Supervisory Committees of Bank Asia PLC and EDGE Al-Amin Shariah Consumer Fund. A dedicated researcher and trainer, Mufti Zubair specializes in product structuring and Shariah compliance, harmonizing traditional jurisprudence with modern economic needs. He also provides spiritual guidance as the Khatib of Kaptan Bazar Jame Mosque, Dhaka.



Dr. Md. Mahabbat Hossain, CIPA, CSAA, DIB

BBA & MBA (Accounting), PhD. (IBA, RU), DIB (IIBI, UK), CIPA & CSAA (AAOIFI)
Associate Professor, Bangladesh Institute of Bank Management (BIBM)

Dr. Md. Mahabbat Hossain is an Associate Professor at the Bangladesh Institute of Bank Management (BIBM). He serves as a Shari'ah Supervisory Board (SSB) member for various institutions and is actively engaged in multiple working groups of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). He earned his PhD in Accounting and Information Systems from the University of Rajshahi and holds BBA and MBA degrees in Accounting from the same institution. He also completed a Diploma in Islamic Banking (London, UK) and holds the internationally recognized CIPA and CSAA fellowship awarded by AAOIFI. With a prolific research and publication record exceeding 90 articles in national and international journals, Dr. Hossain's professional career spans over 20 years, encompassing teaching, training, research, and consultancy in this dynamic sector.



Mezbah Uddin Ahmed, FCCA, CIPA, CSAA

Research Fellow, ISRA Institute, INCEIF University, Malaysia

Mezbah Uddin Ahmed specialises in developing Islamic finance regulatory frameworks, Shari'ah governance, financial reporting, and Islamic capital markets. Through his roles at ISRA Institute and ISRA International Consulting, he has worked on projects with central banks, ministries of finance, regulators, and financial institutions across various jurisdictions. He advises on and provides training in Islamic finance policy, regulation, and product structuring. He is actively involved in sukuk structuring in Bangladesh and serves on Shari'ah supervisory boards. He previously served as an Industry Expert Member of the Shari'ah Advisory Council of the Bangladesh Securities and Exchange Commission and has been a member of the Sukuk Technical Committee of Bangladesh Bank since its inception. He has contributed to leading Islamic finance textbooks used globally and has authored many academic and industry publications.

Management Committee



Standing from left

Mohammad Abdul Hannan
Deputy General Manager, Head of Islamic Finance Window

Nafius Noor Khan
General Manager, Head of Wealth Management

Mahbub-Ul-Kader, CAMS
Deputy General Manager, Group Head of Internal Control & Compliance & Chief Anti-Money Laundering Compliance Officer

Mohammad Masud Karim Majumder, FCA
General Manager, Group Chief Financial Officer (CFO)

Sitting from left

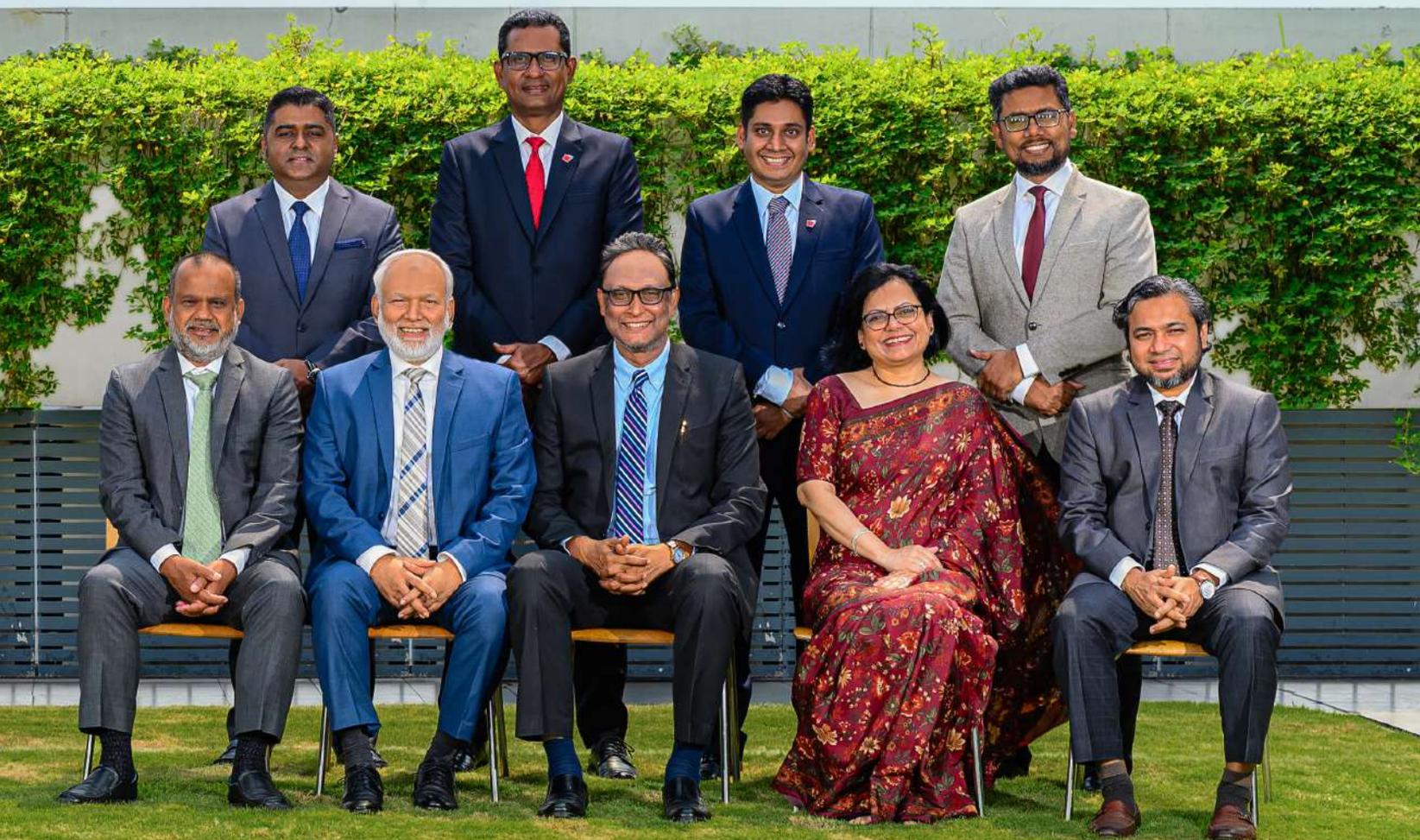
Indrajit Mallick
General Manager, Head of Operations

Mahjebeen Binte Rahman
Deputy General Manager, Head of Consumer

Md. Mezbaul Haque
Managing Director, IDLC Securities Limited

Mir Tariquzzaman
Deputy Managing Director, Group Chief Technology Officer

M. Jamal Uddin
CEO & Managing Director



Standing from left

Adnan Rashid
General Manager,
Head of SME

M. Ataur Rahman Chowdhury
General Manager, Head of Corporate

Kazi Mashook ul Haq
Managing Director, IDLC Asset Management Limited

Nurul Karim Patwery, ACMA
General Manager, Head of Treasury

Sitting from left

Syed Javed Noor
Additional Managing Director, Head of Business

Asif Saad Bin Shams
Additional Managing Director, Group Chief Risk Officer (CRO)

Mesbah Uddin Ahmed
Managing Director,
IDLC Investments Limited

Naz Akhter Samina Hussain
Deputy General Manager, Head of Customer Experience Division (CED)

Md. Ariful Islam
Deputy General Manager, Group Chief Human Resources Officer & Head of Strategic Planning & Transformation

Brief Profile of Management Committee



M. Jamal Uddin

CEO & Managing Director

Mr. Jamal Uddin became the CEO & Managing Director in June 2021.

Prior to this, he had been the DMD & Head of Business since 2015.

He has over 31 years of experience in the Non-Banking Financial Institution's sector. Mr. Uddin joined IDLC as a Management Trainee in 1994. Prior to his current role, he served as Head of Corporate Division since 2006 being responsible for the operations of the Corporate and Structured Finance Department with a special focus on term financing and syndicated fund-raising for large local and multinational corporate houses of Bangladesh.

He has done his BBA and MBA from International University, Missouri, USA.



Syed Javed Noor

Additional Managing Director & Head of Business

Mr. Syed Javed Noor took over the role of Additional Managing Director of IDLC FL in 2024. Mr. Javed has over 25 years of experience in the Banks and Financial Institutions including Southeast Bank, Standard Chartered Bank and HSBC. During his long career, he has worked in most of the functional areas of the Banking industry. Mr. Javed is an MBA from the Institute of Business Administration, University of Dhaka, and Master of Pharmacy from the same University.



Asif Saad Bin Shams

Additional Managing Director & Group Chief Risk Officer (CRO)

Mr. Asif Saad Bin Shams is a seasoned banker with over 30 years of experience in leading Banking and Non-Banking Financial Institutions including Standard Chartered Bank & Eastern Bank PLC. He holds expertise in the fields of Corporate Banking, Credit Risk Management and Special Asset Management. He completed his M. Com and B. Com from Accounting & Information Systems under University of Dhaka. He is a Diplomat Associate in Institute of Bankers Bangladesh. He is also a Director of IDLC Securities Ltd., IDLC Investments Ltd. & Credit Rating Agency of Bangladesh Limited.



Mir Tariquzzaman

Deputy Managing Director; Group Chief Technology Officer

Mr. Mir Tariquzzaman joined IDLC in April 1995 as Management Trainee. He has been working as the Chief Technology Officer since July 2007 and has been responsible for establishing and managing a dynamic IT infrastructure of IDLC Group. He is a Master of Business Administration (MBA) from the Institute of Business Administration (IBA) under the University of Dhaka.



Indrajit Mallick

General Manager; Head of Operations

Mr. Indrajit Mallick has more than 25 years of experience in the financial sector. He worked in a number of departments and branches throughout his career in IDLC. His field of expertise is spread over Supply Chain Finance, Corporate Financing, Branch Operations, Credit Risk Management & Operations. Mr. Mallick completed his MSS in Economics from University of Dhaka and Master of Business Administration (MBA) from the Institute of Business Administration, University of Dhaka.



Mohammad Masud Karim Majumder, FCA

General Manager; Group Chief Financial Officer (CFO)

Mr. Md. Masud Karim Majumder took over the role of Group CFO of IDLC in 2016. Mr. Majumder is a Fellow Chartered Accountant (FCA) with around two decades of corporate experience. His areas of expertise spans over Financial Planning and Control, Budgeting, Corporate and Financial Reporting, Strategic Planning and Taxation. Prior to that, he was working in KPMG Bangladesh as an Audit Supervisor. Mr. Majumder completed his Bachelor of Commerce (Honors) and Masters in Finance from the University of Dhaka.



M. Ataur Rahman Chowdhury

General Manager; Head of Corporate

Mr. M. Ataur Rahman Chowdhury is a seasoned banker with over 26 years of industry experience. He holds expertise in the fields of Consumer, SME & Corporate business, Credit Administration, Foreign Trade & Foreign Exchange Operations. He completed his MBA from the University of Dhaka along with MSS and BSS(Hons) in Economics from the same University.



Adnan Rashid

General Manager; Head of SME

Mr. Adnan Rashid started his career at IDLC in 2008 and is a home-grown seasoned SME Banking specialist with enriched experience in the areas of business development, credit risk management, process automation and change management. Prior to taking over the role of Head of SME in 2022, Mr. Adnan Rashid served as Head of Credit – SME under Credit Risk Management Division since 2016. He completed his Bachelor of Business Administration (BBA) in Finance and Master of Business Administration (MBA) in International Business from the University of Dhaka.



Nurul Karim Patwery, ACMA

General Manager; Head of Treasury

Mr. Nurul Karim Patwery has over 19 years of industry experience in Treasury and Relationship Management with local and international counterparts over the passage of his career. As a seasoned Treasurer, he has vast experience in managing liquidity and interest rate risk, Asset-Liability Management (ALM) desk, fixed income securities, corporate bonds, capital planning and overall investment strategies of the company. Mr. Patwery completed his BBA and MBA in Accounting & Information Systems (AIS) from the University of Dhaka. He is also associate member of Institute of Cost and Management Accountants of Bangladesh (ICMAB).



Nafius Noor Khan

General Manager; Head of Wealth Management

Mr. Nafius has over 20 years of industry experience in the field of Retail Lending, Credit Risk Management, Wealth Management, Asset, Liability and Portfolio Management. After completing BBA in Finance and MBA in Banking from Dhaka University, he started his career in Wealth Management Division at Standard Chartered Bank in 2005. In 2006, he joined the CRM Division fo IDLC Finance. As a seasoned professional, he gained expertise in the field of Wealth Management, Risk Management, Product and Business Diversification, Branch Banking, Retail Lending and Collection across the country. Mr, Nafius has key competencies and played pivotal role in digital finance and service excellence. He has been leading Wealth Management Division of IDLC since 2021.



Mahjebeen Binte Rahman

Deputy General Manager; Head of Consumer

Ms. Mahjebeen Binte Rahman has 25 years of experience in the Financial sector. She joined IDLC Finance PLC. in 2004 as a credit analyst in Personal Investment Division and has been serving in her current role since 2017. Prior to joining IDLC, Ms. Mahjebeen Binte Rahman had served in Delta Brac Housing Finance Corporation Limited and Vanik Bangladesh Limited. Ms. Mahjebeen Binte Rahman has completed her Bachelors and Masters in Finance and Banking from University of Dhaka.



Mahbub-Ul-Kader, CAMS

Deputy General Manager; Group Head of Internal Control & Compliance & Chief Anti-Money Laundering Compliance Officer

Mr. Mahbub-ul-Kader has over 25 years of professional experience in the corporate & financial sector. His areas of expertise spans over credit Control, Operational Risk Management, Audit, Compliance and AML/CFT regime. He completed his Chartered Accountancy Course from KPMG Bangladesh; M. Com. under the National University of Bangladesh, MBA under the Royal Roads University, British Columbia, Canada. He is also a Certified Anti-Money Laundering Specialist (CAMS) and a member of the Association of Certified Anti-Money Laundering Specialists (ACAMS), USA.



Md. Ariful Islam

Deputy General Manager; Group Chief Human Resources Officer & Head of Strategic Planning & Transformation

Md. Ariful Islam took over the role of Head of Strategic Planning & Transformation in 2021. He started his career in HSBC Bank in 2007 and joined IDLC in 2016 as Head of Change Management. He has been instrumental in forming strategy, managing Digital Financial Services, driving and facilitating different initiatives to support business, increase productivity and efficiency. He completed his Bachelor of Business Administration (BBA) in Finance from University of Dhaka. He is an AAOIFI Certified Shari'ah Advisor and Auditor (CSAA) Fellow.



Mohammad Abdul Hannan

Deputy General Manager; Head of Islamic Finance Window

Mr. Mohammad Abdul Hannan has, following his 20 years' journey in the financial industry, worked in areas like credit administration, factoring of receivables, medium enterprise finance, corporate finance, customer service, branch management, and Islamic finance.

He had 8 years of education in Madrasah before completing honors in economics and an MBA in finance from IBA of the University of Dhaka. He earned a diploma in Islamic Finance Practices and the fellowship for completing the Certified Sharia Adviser & Auditor (CSAA) program from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain. He also passed all exams of the Certified Islamic Professional Accountant (CIPA) of AAOIFI. He completed certification programs in areas such as Halal foods, Sukuk, stock markets in Islam, and Riba.



Naz Akhter Samina Hussain

Deputy General Manager; Head of Customer Experience Division (CED)

Ms. Naz A. S. Hussain joined IDLC Finance PLC in 2021, bringing over 26 years of corporate leadership experience. She specializes in customer experience, operations, alternate channel management, and project management. Prior to IDLC, she served as Head of Distribution Projects at Standard Chartered Bangladesh and as Co-Managing Director at Bikroy.com. Ms. Hussain holds an MBA from the Institute of Business Administration, University of Dhaka, and is recognized for driving innovation and operational excellence across diverse business environments.



Md. Mezbaul Haque

Managing Director; IDLC Securities Limited

Mr. Md. Mezbaul Haque joined as the Managing Director of IDLC Securities Limited, effective from January 1, 2026. Mr. Haque brings with him a distinguished legacy of leadership, integrity, and service, shaped over more than three decades at Bangladesh Bank, where he most recently served as Executive Director. Throughout his career, he has played a pivotal role in strengthening the country's financial system, leading national payment system reforms, driving digital transformation, and overseeing critical regulatory and supervisory functions. Mr. Haque holds an MBA in Finance from the Institute of Business Administration (IBA), University of Dhaka, and a Master's and Bachelor's degree in Statistics from Jahangirnagar University. This solid academic foundation, combined with his extensive practical experience, reflects his analytical depth, strategic thinking, and commitment to informed decision-making.



Mesbah Uddin Ahmed

Managing Director, IDLC Investments Limited

Mesbah Uddin Ahmed is a seasoned banker having over 31 years of experience in the Banking and corporate sector. Prior to his current role, Mr. Ahmed had led the IDLC Corporate business from 2015 to 2022 and Consumer and Wealth Management business from later 2022 to 2024. He is a highly experienced leader with a successful track record in Corporate Banking, Structured Finance, Credit Risk Management, Investment Banking, and Sales/marketing activities for private enterprises especially in Banks and FIs. He completed his MBA from London Institute of Technology and Research (LITR) and M.Com in Finance & Banking from University of Dhaka.



Kazi Mashook ul Haq

Managing Director, IDLC Asset Management Limited

Mr. Kazi Mashook ul Haq is a seasoned professional with over 16 years of Capital Market experience. His areas of expertise spans over Strategic Planning, Digital Transformation, Operations & Finance, Customer Experience and Regulatory Compliance. He continuously remains active on developing Bangladesh's mutual fund industry, especially through improving retail participation and institutionalization of the market. He received his undergraduate degree in Civil Engineering from BUET and completed his Masters of Business Administration (MBA) with a major in Finance from IBA, Dhaka University.

Senior Executives

In alphabetical order of first name



Abul Fazal Mohamed Rubayat
FCS FCMA (UK) CGMA (USA) FCPA (AUS)
Group Chief Corporate Affairs Officer and Group Company Secretary



Ahmed Abdullah Al Tamjeed
Head of Products & Markets, Islamic Finance Window



Faiek Fazal
Unit Head, Corporate



Firuj Hossain
Head of Special Asset Management



Hasan Muhammed Rasel
Unit Head, Corporate



Isa Mahmud Shovo
Head of Structured Finance and Green Products



Khandoker Maruf Momin
Head of Regional Business, SME



Laila Nasrin
Deputy Head of Operations
Head of Operations Control



Mahmood Hossain
Unit Head, Corporate



Md. Abdullah-Al-Mamun
Head of Regional Business, SME



Md. Ariful Islam
Head of Regional Business & CD-In Charge of Dilkusha



Md. Arifur Rahman
Senior Credit Manager, Corporate



Md. Asaduzzaman Khan
Head of HR Operations, Rewards and Talent



Md. Harun Or Rashid
Head of Regional Business, Consumer



Md. Kamrul Islam
Unit Head, Corporate



Md. Masud Rana
Head of CRM, Corporate



Md. Mehedi Hasan
Senior Credit Manager, Corporate



Md. Mosharaf Hossain
Cluster Head, SME

Senior Executives

In alphabetical order of first name



Md. Nurul Alam
Head of Software Solutions



Md. Omar Faruque Bhuiyan
Head of SAM, Corporate



Mohammad Abdur Rahaman
Head of Regional Business, Wealth Management



Mohammad Ahsan Ullah
Head of SAM SME



Mohammad Arifur Rahaman Aksad
Head of SAM, Consumer



Mohammad Ashaqur Rahman
Head of Regional Business, SME



Mohammad Habib Ullah Chowdhury
Head of Regional Business, Consumer



Mohammad Saiful Alam
Head of Deposit Operations



Mohammad Samiul Alam
Head of Regional Business, SME



Mohammed Areful Islam
Head of CRM, SME



Muhammad Sazzad Hossain
Group Head of Enterprise Risk Management



Nasir Uddin Babu
Head of Supply Chain Finance



Nastaran Tasnim, FCA
Head of Finance



Nilufa Amin
Head of Credit Administrations, SME



Ohidul Ambia Choudhury ACA
Assistant General Manager, Internal Control & Compliance



Shahriar Anam
Head of Product & Business Management, Consumer



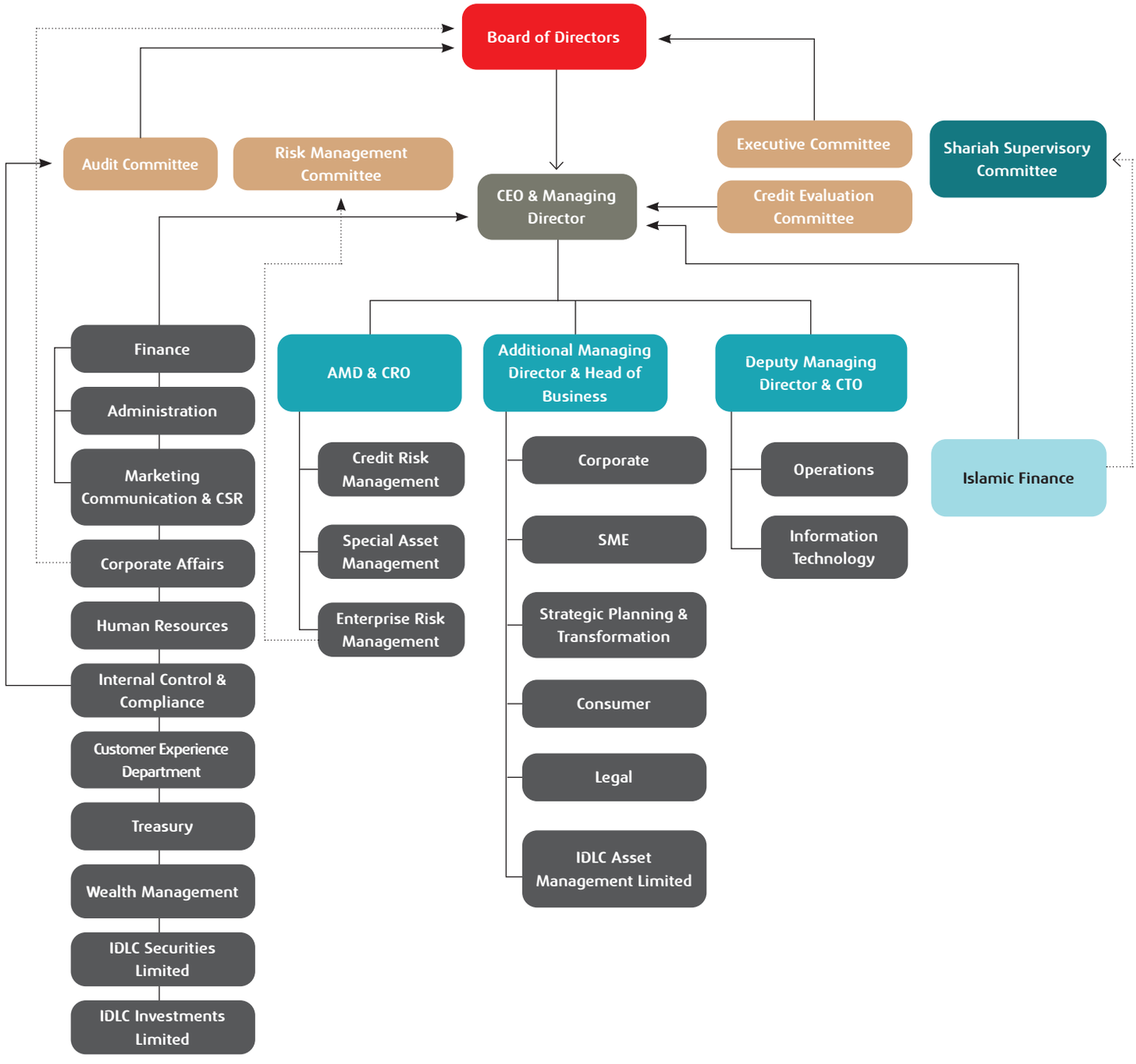
Sheikh Abdul Ahad Md. Sadeki
Head of CRM, Consumer



Tabassum Abedin Shenjuti
Acting Head of Administration

Company Organogram

This represents our company's governing structure.



Operating Environment and Risk Management



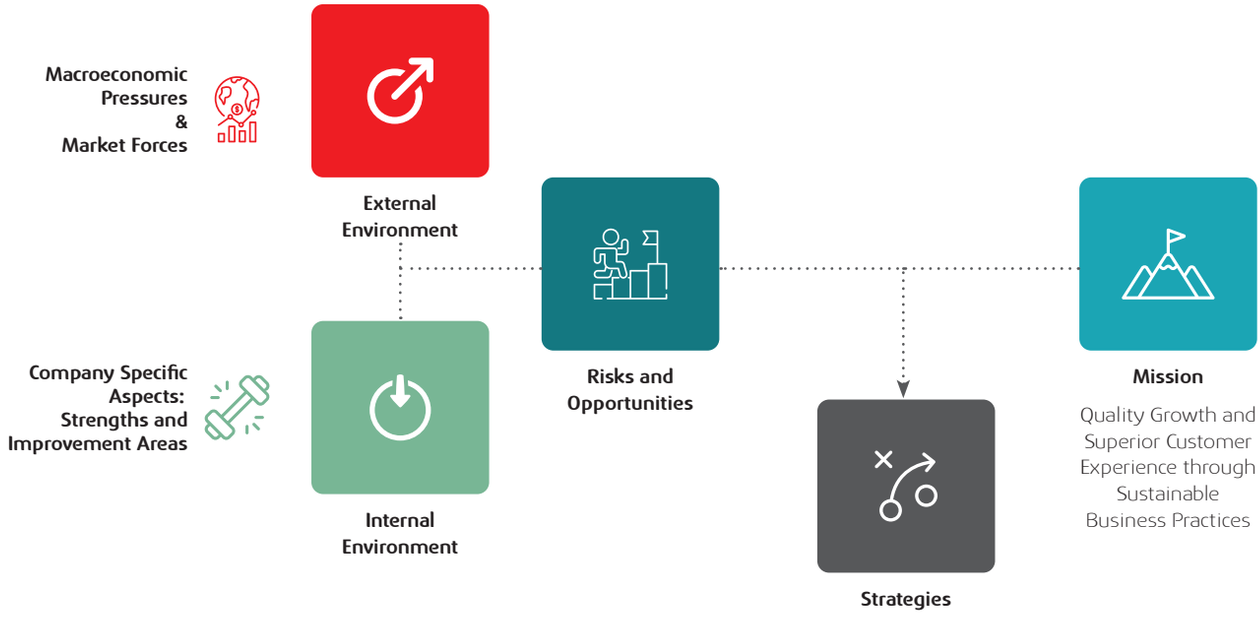
Macroeconomic Overview and Key Highlights

Similar to the recent years, 2025 remained a challenging period for the global economy, although clearer signs of gradual stabilization began to emerge. Inflationary pressures moderated across many regions due to tighter monetary policies, yet geopolitical tensions, supply-side uncertainties, and uneven recovery across advanced and emerging economies continued to weigh on global growth. Financial markets remained sensitive to policy signals, prompting central banks to maintain a cautious and data-driven stance, balancing the need for price stability with supporting sustainable economic recovery.

For Bangladesh, 2025 marked a transition toward macroeconomic stabilization following the disruptions caused by political transition in the preceding year. Inflation showed signs of gradual easing, supported by policy tightening and improved supply conditions, while external balances demonstrated modest recovery driven by stronger remittance inflows and import adjustments. However, elevated interest rates, exchange rate adjustments, and cautious private sector investment continued to pose challenges to economic momentum.

In response, the central bank sustained its reform agenda, focusing on strengthening financial sector discipline, enhancing market-based mechanisms, and restoring confidence in the overall economic framework.

Amid this evolving macroeconomic landscape, IDLC once again demonstrated resilience and strategic agility. Leveraging nearly four decades of experience, we navigated these challenges through disciplined risk management, proactive balance sheet optimization, and a continued focus on sustainable growth. Our ability to adapt to changing market dynamics, while maintaining strong governance and stakeholder confidence, remained central to our performance. This resilience is reflected in our financial performance (page 6,154,280) and the robustness of our risk management framework (page 89-100), reinforcing our position as a trusted leader in the industry.The following sections highlight the scenario we have been operating in, our strategies, stances and focuses through Michael Porter's five-force risk analysis and PESTEL analysis.



Operative Context Highlights in 2025:

Bangladesh's economy navigated another year of challenges in 2025, balancing inflation control with the need for economic growth. While global economic uncertainties persisted, domestic factors such as currency depreciation, liquidity constraints, and policy tightening shaped the financial landscape.

- **GDP Growth:** The economy showed sluggish growth, with GDP growth for FY24-25 reported at 3.49%, a marked reduction from 4.22% from the previous fiscal year. However, growth remained subdued due to persistently high inflation, reduced consumer spending, and cautious private sector investment.
- **Inflation:** Inflation come down to single digit in 2025, with lowest being 8.17% in Oct'25. However, inflation has been persistently high with the yearly average standing at 8.77%.

Liquidity & Financial Sector Challenges

Liquidity concerns remained a central theme in 2025 as the financial sector faced tightening measures to control inflation, government borrowing pressures, and external account constraints.

- **Deposit Growth:** The banking sector saw deposit growth of 11.10% in December 2025, while private sector credit growth has been historically low at 6.10% in December 2025,

continuing a downward trend since November 2022, reflecting a continued cautious lending behavior and subdued investment appetite.

- **Government Borrowing:** The government's reliance on bank borrowing has continued, leading to a further crowding-out effect on private sector credit.
- **Foreign Exchange & Reserves:** The current account balance improved owing to increased remittance inflow. Net dollar reserves increased to USD 28.52 billion by December 2025 (gross reserves at USD 33.19 billion, compared to USD 26.21 billion a year earlier).
- **Exchange Rate:** The exchange rate stabilized in the range of 121-123 BDT per USD following the introduction of market based exchange rate system.
- **Reserve Money:** Reserve Money grew by 9.22% (year-over-year) by December 2025, surpassing projections. Growth mainly driven by increased Net Domestic Assets of Bangladesh Bank, with BB supporting banks' liquidity needs.

Capital Market Performance

Market liquidity remained constrained, further exacerbated by investor caution and regulatory interventions.

- DSEX (benchmark index) dropped by 6.7% in CY25, reaching 4,865 points by December 2025, down from 5,216 points the previous year.
- CY 2025 began on a muted note, shaped by ongoing policy shifts, political changes, and broader macroeconomic pressures. However, daily average turnover reflected heightened market activity during the year, particularly in July when the market experienced a sharp increase driven by lower interest rates compared to June. However in Q4'25, market activity declined again due to heightened election uncertainty and a reversal in interest rate expectations, as the policy rate was held at 10% despite moderation in inflation.
- The daily average turnover stood at BDT 5.2bn, decreasing 21% from BDT 6.3bn in 2024.

Macroeconomic Factors and Their Impacts

POLITICAL

Impact- High

Risks Associated

- Credit
- Market
- Strategic

Operating Environment

Following the transition phase in 2024, Bangladesh experienced a relatively stabilizing political environment in 2025. While governance frameworks became more structured, policy continuity and institutional strengthening remained key focus areas. Regulatory clarity improved, and administrative disruptions reduced, supporting gradual recovery in investor confidence. However, political sensitivity around reforms and elections continued to influence market sentiment and capital flows.

LONG-TERM STRATEGY	IMPACT ON THE INDUSTRY	ORGANIZATIONAL IMPACT
Maintain neutral stance in terms of declaring any political affiliation.	1. **Investor Confidence:** Improved political stability supported gradual recovery in capital inflows and business sentiment. 2. **Policy Continuity:** Greater consistency in fiscal and regulatory policies improved planning visibility for financial institutions.	While IDLC benefitted from relatively moderate political stability in 2025, cautious approach remained at the forefront. Continuous monitoring of regulatory and political developments remained critical.

Evident in Performance analysis with Management Committee page 154, Business Segment Review page 176

ECONOMIC

Impact- High

Risks Associated

- Credit
- Market
- Strategic
- Liquidity

Operating Environment

In 2025, Bangladesh's economy showed early signs of stabilization, although challenges persisted. Inflation moderated slightly from 2024 peaks but remained above 8.00%. The exchange rate continued to experience pressure, though volatility reduced as market based exchange rate was introduced in 2025, maintaining tighter monetary policies and improved remittance inflows. Foreign reserve levels showed noteworthy recovery, while interest rates remained relatively high with Government Securities yields crossing 12.00% before slight moderation in the second half of the year.

LONG-TERM STRATEGY	IMPACT ON THE INDUSTRY	ORGANIZATIONAL IMPACT
Strengthen credit risk management, efficient liquidity management, diversify funding sources and focus on resilient and diversified product offerings.	1. **Liquidity Conditions:** Liquidity pressure eased slightly due to regulatory support, improved remittance inflows and sluggish credit growth, though tight conditions remained. 2. **Interest Rate Environment:** High interest rates continued to impact borrowing costs and investment decisions. 3. **Credit and Market Risks:** Credit risk remained elevated, though improving economic stability reduced default risk marginally.	The economic environment in 2025 continued to exert pressure on IDLC's core operations, particularly through elevated cost of funds driven by persistently high deposit rates. Although inflation showed signs of moderation, its lagged impact on clients' real income affected repayment capacity, keeping credit risk at relatively elevated levels. At the same time, the continuation of a market-based interest rate regime allowed IDLC to better align lending rates with prevailing market conditions, supporting margin stabilization compared to the previous year. However, cautious private sector investment and subdued credit demand limited loan growth opportunities. In capital market front, although early signs of recovery were observed, overall turnover and investor participation remained below historical levels, constraining fee-based income growth.

Evident in Performance analysis with Management Committee page 154, Business Segment Review page 176

SOCIAL

Impact- High

Risks Associated

- Social
- Reputation
- Market
- Strategic

Operating Environment

In 2025, income levels continued to rise gradually with GNI per capita reaching BDT 334,511 in Jun'2025; however, persistently high inflation continued to erode real purchasing power, limiting the effective improvement in living standards. The Middle and Affluent Class (MAC) segment continued to expand, reflecting long-term structural progress in income distribution. However, consumption growth remained cautious, as elevated interest rates increased the cost of borrowing and discouraged discretionary spending. At the same time, ongoing economic uncertainty led households to adopt a more conservative financial approach, prioritizing essential expenditures and savings over non-essential consumption.

LONG-TERM STRATEGY

Enhance customer engagement and tailor products aligned with evolving income and consumption patterns.

IMPACT ON THE INDUSTRY

1. Higher cost of living continued to limit savings growth.
2. While consumption trends showed signs of recovery, it still remains below the potential
3. Demand for consumer loans remained moderate due to high borrowing costs.

ORGANIZATIONAL IMPACT

Amid these social dynamics, IDLC continued to focus on the expanding MAC segment as a key growth driver. However, persistently high inflation and elevated interest rates required adjustments in strategy to address constrained disposable income and cautious savings behavior. While the focus on affordable housing finance and tailored deposit products for this segment remained, the gradual recovery in purchasing power has moderated the pace of growth in these areas.

Evident in Performance analysis with Management Committee page 154, Business Segment Review page 176

TECHNOLOGICAL

Impact- High

Risks Associated

- Credit
- Operational
- Technology
- Social
- Strategic

Operating Environment

In 2025, Bangladesh's financial sector continued its rapid digital transformation, supported by rising internet penetration of around 44–45% and increased smartphone adoption. In this journey of digital transformation, Mobile Financial Services (MFS) remained the key driver, with registered accounts exceeding 239 mn and monthly transaction values surpassing BDT 1.5 trillion, across more than 600 mn transactions per month. Annual MFS transactions reached approximately BDT 17 trillion which is around 50% of Bangladesh's GDP, reflecting the growing scale of digital financial activity. Digital payments across platforms continued to expand, supported by central bank initiatives such as interoperable payment systems and digital banking frameworks. This sustained growth highlights increasing financial inclusion and the gradual shift toward a more digitally integrated financial ecosystem.

LONG-TERM STRATEGY

Invest in scalable digital solutions with a strong focus on cost efficiency and customer-centric innovation.

IMPACT ON THE INDUSTRY

1. **Enhanced Efficiency:** The integration of digital technologies streamlined operations, reducing transaction times and operational costs.
2. **Strategic Partnerships:** Collaborations between financial institutions and fintech companies introduced innovative solutions, expanding service reach and improving customer experiences.
3. **Improved Customer Experience:** Enhanced digital platforms improved accessibility and engagement.

ORGANIZATIONAL IMPACT

IDLC continued investing in digital transformation, improving service delivery and operational efficiency through both in-house development and partnerships.

Evident in Reflection of the CEO – page 55, Strategy & Resource Allocation - page 144

ENVIRONMENTAL

Impact- Moderate

Risks Associated

- Environment
- Social
- Strategic

Operating Environment

In 2025, climate risk remained a significant concern for Bangladesh. Increased focus on sustainability and green financing continued, supported by international funding and regulatory incentives.

LONG-TERM STRATEGY	IMPACT ON THE INDUSTRY	ORGANIZATIONAL IMPACT
Undertake more environmentally friendly projects, raise awareness among clients and integrate sustainability into core business practices.	1. **Risk Integration:** Financial institutions increasingly integrated climate risk into lending decisions. 2. **Green Financing Initiatives:** The central bank has expanded refinancing facilities to encourage green and sustainable financing.	IDLC is committed to sustainable development through the creation of long-term value, for all our stakeholders. Environmental sustainability is a priority in that regard. In 2026, IDLC will continually look to utilize sustainable forms of resources and maintain environmentally ethical practices.

Evident in Strategy & Resource Allocation- page 144, Natural Capital page 40, Business Segment Review – page 176

LEGAL

Impact- High

Risks Associated

- Credit
- Market
- Strategic
- Liquidity

Operating Environment

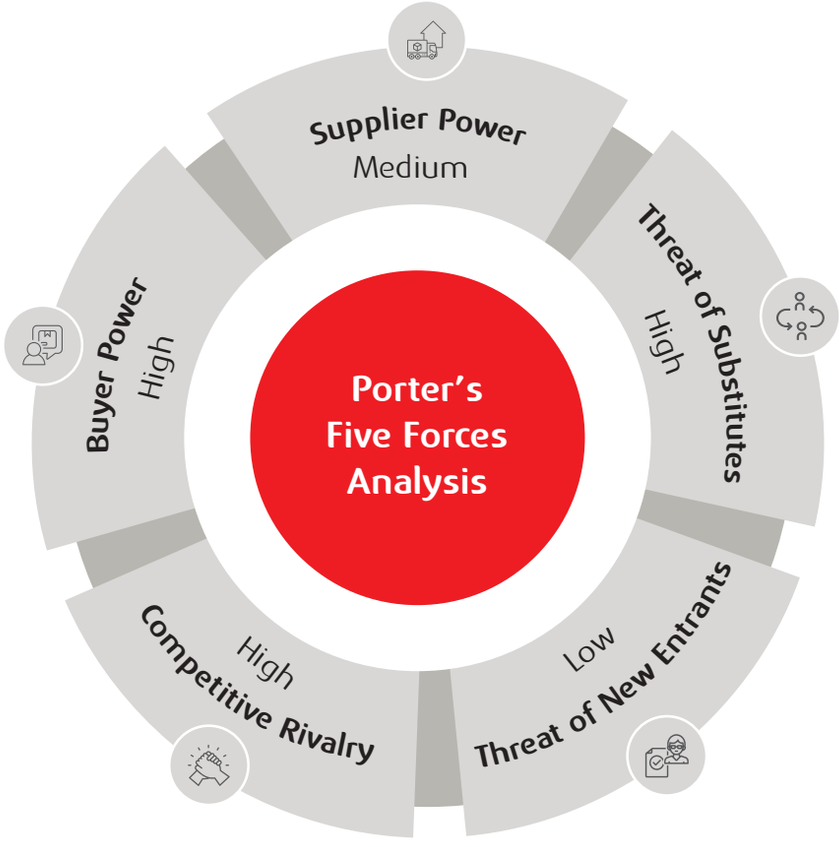
In 2025, the focus for the regulators was reform Bangladesh's finance sector. As a result, the industry continued to operate under a strengthened regulatory framework, with increased emphasis on compliance, transparency, and financial stability. Regulatory authorities intensified monitoring through enhanced reporting, AML requirements, and governance standards, resulting in higher compliance obligations across institutions. At the same time, stricter loan classification and provisioning guidelines were enforced to improve asset quality and strengthen risk management practices within the financial system. In parallel, Bangladesh Bank introduced and expanded guidelines for digital banking, e-KYC, and fintech integration, supporting innovation while requiring financial institutions to invest in technology and cybersecurity infrastructure. These regulatory developments reflect a balanced approach aimed at ensuring systemic stability, improving governance, and facilitating the transition toward a more digitally advanced financial ecosystem.

LONG-TERM STRATEGY	IMPACT ON THE INDUSTRY	ORGANIZATIONAL IMPACT
Maintain strong regulatory compliance and proactive engagement with policymakers.	1. **Governance and Transparency:** Enhanced regulatory focus on transparency and governance improved risk discipline but increased oversight requirements. 2. **Foreign Currency Control:** Regulatory measures on foreign exchange transactions and exchange positively impacted the reserve, trade financing and cross-border business activities.	IDLC maintained strict compliance and adapted to evolving regulatory frameworks while ensuring competitive positioning.

Evident in Reflection of the CEO – page 55, Strategy & Resource Allocation - page 144, Performance analysis with Mgt Committee- page 154

Market Forces and Competitive Landscape

In order to better understand and depict our competitive landscape and the market factors affecting it, we have used Michael , as illustrated below. It highlights how the financial industry has strong competitive rivalry owing to the 101 total banks and NBFIS (61 Scheduled Banks, 5 Non Scheduled Banks and 35 NBFIs). In this retrospective, the buyer/ customer power is very high. Details of each of the factors are given below.



BUYER POWER

High

Factors Affecting IDLC:

- High rate sensitivity among corporates and large clients allow them to exercise higher buyer power
- Continued elevated returns on government securities have increased competition for deposits, enhancing depositor bargaining power.
- Growing presence of financial institutions, especially in the SME segment, provides customers with multiple financing alternatives.

Responses and Strategies Going Forward:

- Strengthen customer retention by leveraging existing relationships while expanding the quality client base.
- Develop value-added and differentiated financial products to reduce price sensitivity and enhance customer loyalty.

SUPPLIER POWER

Medium

Factors Affecting IDLC:

- Persistently high deposit and government security rates, along with tight liquidity conditions, increased the cost of funds.
- In a stance to counter inflation, reduced availability of refinance schemes has further intensified reliance on market-based funding sources
- Non-financial vendors continue to have minimal impact on overall cost structures.

Responses and Strategies Going Forward:

- Diversify fund sources for short-term and long-term strategic positioning
- Expanding retail deposit and reduce dependency on any one particular segment

THREAT OF SUBSTITUTES

High

Factors Affecting IDLC:

- While there are no direct alternatives to loan products, especially in retail segments, decision to fund businesses through equity is next possible alternative.
- The prevalence of direct financing without taking the aid of financial intermediaries can act a threat to FIs as seen in the role of commercial vehicle retailers who accept EMI for themselves, excluding the inclusion of an intermediary for financial settlement.
- Rapid growth of fintech solutions and digital lending platforms is gradually emerging as a substitute for conventional financing.

Responses and Strategies Going Forward:

- Establish strategic partnerships with fintech players to capture emerging opportunities and enhance digital offerings.
- Leverage integrated financial services, including capital market and wealth management solutions, to cater to both debt and equity financing needs.

THREAT OF NEW ENTRANTS

Low

Factors Affecting IDLC:

- Very low threat of new entrant as establishment of a financial institution requires the investment of a large amount of capital
- New entrants to the financial market also depends on the Government's decision to grant new license

Responses and Strategies Going Forward:

- Maintain competitive advantage through superior service quality, operational efficiency, and strong brand positioning.

COMPETITIVE RIVALRY

High

Factors Affecting IDLC:

- The presence of a large number of banks and financial institutions in Bangladesh intensifies competition.
- Low switching costs enable customers to easily shift between providers, increasing competitive pressure.

Responses and Strategies Going Forward:

Our long-standing commitment towards delivering excellent service quality has helped differentiate ourselves so far. We have also been investing in process developments and technology to engineer superior efficiency in the lower ticket retail segments. As such, we also intend to increase our efforts to create more brand awareness among these segments, especially outside the metropolitan cities.

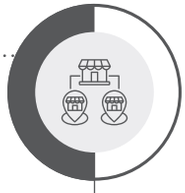
Entity Analysis

Entity Analysis provides a focused view of IDLC's institutional strengths, structural constraints, and key areas of continued strengthening. It reflects the factors that support the Group's resilience and competitiveness, while also highlighting selected concentration areas and improvement priorities that remain important for sustaining balanced long-term growth.

CORE INSTITUTIONAL STRENGTHS

Established Franchise and Trusted Market Position

- Strong brand credibility built over 40 years
- Nationwide presence across 27 cities and 49 touch points
- Large and diversified customer base supporting market relevance



Diversified Multi-Business Platform



- Presence across lending and capital market businesses
- Supported by three subsidiaries under the Group
- Broader platform improves flexibility and cross-business reach

Financial Resilience and Balance Sheet Discipline

- Strong capital adequacy and liquidity position
- Improved profitability with disciplined balance sheet management
- Long-standing AAA rating reflects financial strength and risk discipline



Broad Product Architecture and Customer-Led Solutions



- Wide product coverage across SME, consumer, corporate and capital market segments
- Growing presence in sustainable and Islamic finance
- Stronger ability to serve diverse and evolving customer needs

Governance, Compliance and Institutional Discipline

- Strong governance and ethical operating culture
- Continued focus on regulatory compliance and risk oversight
- Institutional discipline strengthens credibility and stakeholder confidence



Experienced People Base and Execution Capability



- Large and experienced workforce supports execution quality
- Continued emphasis on employee development and capability building
- Strong people base supports service quality, innovation and continuity

SCOPE FOR OPTIMIZATION

Earnings Concentration in Interest-Based Income

- Revenue profile remains largely dependent on interest-based earnings
- Greater non-interest income diversification remains important
- Fee-based, advisory and service-led businesses can support balance



Geographic Concentration in Dhaka-Centric Markets

- Portfolio concentration remains relatively high in Dhaka and nearby areas
- Deeper regional expansion can support more balanced growth
- Digital and branch-light models can improve reach beyond major urban centers



Exposure to Capital Market Cyclicality

- Market-linked businesses remain sensitive to weak capital market conditions
- Earnings contribution from these segments can fluctuate across cycles
- Greater selectivity and efficiency can improve resilience in downturns



Product Concentration in Term-Lending-Led Financing

- Business mix remains tilted toward term-lending activities
- Broader product diversification can improve flexibility and income mix
- Growth in specialized, sustainable and fee-generating products remains important



Statement of Enterprise Risk Management

IDLC adheres to a strong risk management strategy that stems from sound corporate governance in order to solidify the enterprise risk management framework. This allows the company to smoothly and pro-actively adapt to changes in the business environment.

The governance of risk management starts with the board and is interwoven around a strong management structure, information system, risk-rating system and robust policies. IDLC considers guidelines for Managing Core Risks of Financial Institutions issued by the Bangladesh Bank vide FID Circular No. 10 dated September 18, 2005 and Integrated Risk Management Guidelines for Financial Institutions issued by the Bangladesh Bank in 2016 alongside ensuring benchmark industry practices of identifying, assessing and measuring risk.

Strong inter-department communication link on risk factors and a culture of collaboration in decision-making among the revenue generating units, independent control and support functions, committees and the senior management help the company in proper management of organizational risks.

Effective management coupled with the adoption of BASEL-II recommendations benefits IDLC by enhancing capitalization and optimizing costs to risk and funding.

Risk Types

Strategic Risk	Financial Risk	Non- Financial Risk	Climate Related Risk
Operational Risk	Liquidity Risk	Legal Risk	Transition Risk
Market Risk	Credit Risk	Environmental & Social Risk	Physical Risk
Strategic Risk	Reputation Risk	Technological Risk	

Risk Management Framework



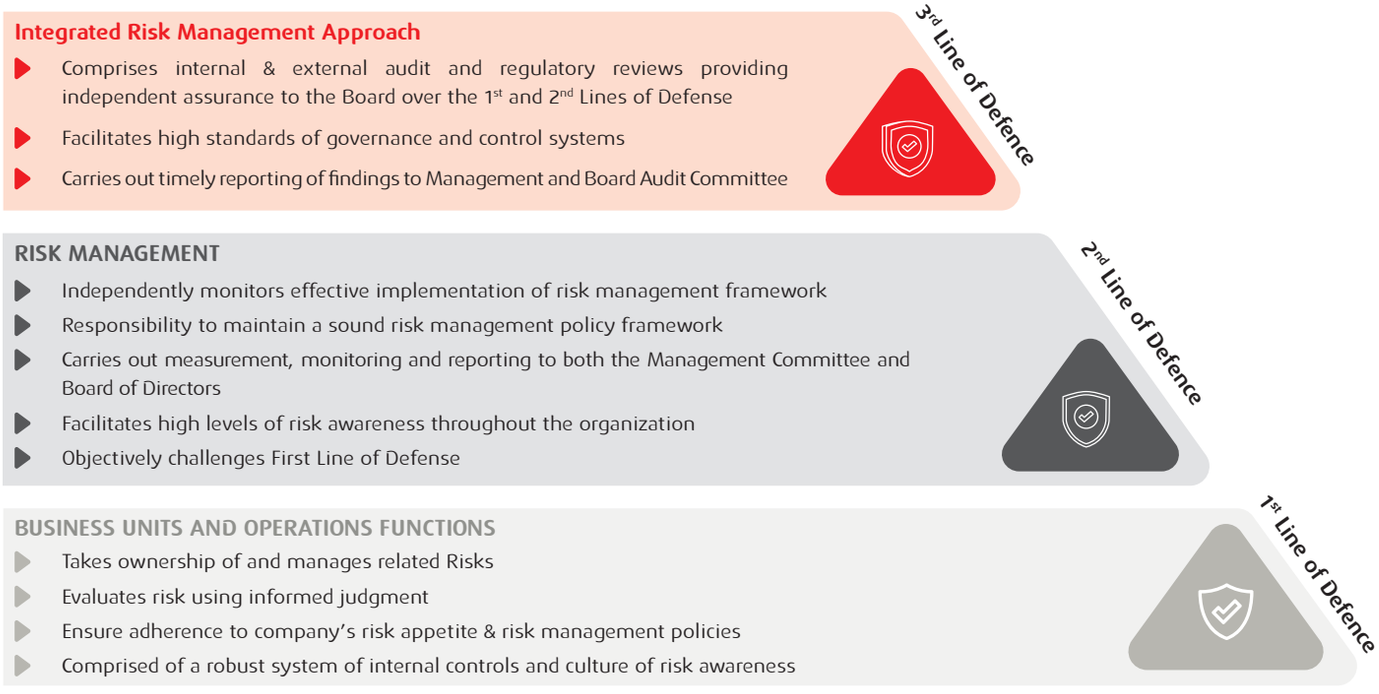
- The Specific Risk Identification, Mitigation Techniques, Monitoring Mechanism have been detailed on page 91-100.
- Impact Analysis detailed on page 100.

Integrated Risk Management Approach

Risk Management and Control Principles		Major Risks Associated with
Protecting IDLC's Financial Strength	By controlling risk exposures and pro-actively circumventing potential risk concentration.	Business Units
		Credit Risk Management
Complete Management Accountability	Whereby business management, as opposed to risk control, own all risks assumed throughout the company and are responsible for continuous and active management.	Treasury
		Operations
Independent Control Functions	To monitor the effectiveness of the business's risk management capabilities.	ICC
Comprehensive And Transparent Risk Disclosure	To senior management, the Board of Directors, shareholders, regulators, rating agencies and other stakeholders.	Finance, Corporate Affairs
		IT
Protecting Our Reputation	Through sound risk culture characterized by a holistic and integrated view of risk and ensuring compliance with our standards and principles.	Strategic Planning
		Other functional areas

Defence Mechanism

IDLC's risk management process is underpinned by the "Three Lines of Defence (LOD)" model, which sets out responsibilities for different functions and enables a cohesive and objective risk-related decision making across the company. The First Line of Defence, comprising the business units and operational functions, is responsible for assuming and managing the risks arisen from day-to-day operations. The Risk Management Division constitutes the Second Line of Defence, which facilitates the compliance and oversight of the first line of defence in addition to developing and maintaining the implementation of relevant policies, framework, controls and tools. The Internal Compliance and Control Unit forms the third and final Line of Defence. It works to review and provide independent assurance to the regulatory and external bodies regarding the effectiveness of the first two lines and the company's overall risk management practices



Risk Management Initiatives Regarding Data-Driven Decision Making

We have initiated some regulatory risk reporting to minimize probable negative impacts on our projects or strategic intents. Through our initiatives, possibility of success can be heightened and unexpected challenges can be mitigated. Our initiatives such as Risk Appetite Statement, Stress Test Report, and Internal Capital Adequacy Assessment Process ensure that the financial markets are well functioning, effective and efficient for stakeholders. IDLC owns a detailed risk management system and follows some procedures to evaluate risk.

Risk Appetite Statement (RAS)

IDLC takes risk-informed decisions through RAS. This helps us to mitigate unforeseen challenges and reduce surprises through resource allocation and management controls. The framework is used to not only determine the amount of risk we are taking but also determine the financial gain or loss we are willing to accept. Risk appetite is taken into consideration while setting policy for mitigating interest rate risk.

Among three Lines of Defence, the first LoD ensures adherence to company's risk appetite. Risk appetite is taken into account to deliver long term strategic objectives and achieving the strategic intents when it comes to the remuneration philosophy. Company's Credit Risk Management (CRM) department closely examines projects with regards to risk-weighted perspective aligned with the company's risk appetite and assists relevant departments in setting business development priorities. This way, the risk-return trade-off resulting from relevant risk exposures can be optimized.

Stress Testing

A risk management tool to gauge probable impact on a portfolio in a set of financial variable. It is a computer-simulated technique to analyze how portfolios passage in changing economic situations. It also helps evaluating internal processes and controls. From government it has been advised that all banks and financial institutions perform stress testing on a quarterly basis. The report is overviewed by the senior management team and the board which finally is sent to the BB.

RISK AND OUR RESPONSES

Strategic Objective

1. Sustainable Growth in Business
2. Strong Funding Mix
3. Holistic Employee Development
4. Continuous operational, infrastructural and technological development
5. Integrating Environmental, Social and Governance (ESG) into business
6. Customer Centricity & Financial Inclusion
7. Competent Leadership and Organizational Synergy

Risk Severity

Low
Moderate
High

CREDIT RISK

Risk Identified	Risk Categorization	Mitigation Techniques	Monitoring Mechanism
Default Risk • Borrower's failure to repay debt. The risk arises from fund diversion, cash crunch, wrong product and over financing, borrower's willful non-payment etc.	**Strategic Objective:** 1 **Risk Severity:** ●●● **Risk Direction:** • Likely to increase considering current volatile economy	• Checking debt servicing capacity • Assessing financial strength • Tracking payment behavior • Purpose Assessment and Need based Credit Structuring • Market review • Seasonal Impact Consideration • Risk Grading • Risk Transfer • Sensitivity analysis cnsidering impact of war on loan performance • Loan Rescheduling & restructuring • Negotiation	• Regular visit and market feedback • Review of financial cash flow in regular interval • Review of industry report • Early Alert Reporting Process • Periodic Review of marginal clients • Portfolio Analysis: PAR & NPL monitoring • Risk categorization of clients based on war specific risk factors and overall financial capacity and adoption of specific monitoring strategies for high risk accounts
Recovery Risk • Failure to recover outstanding amount after a client becomes defaulter. The risk arises from double financing against same asset, decline in collateral value, complication regarding repossession of collateral and owner's poor net worth	**Strategic Objective:** 1 4 7 **Risk Severity:** ●●● **Risk Direction:** • Likely to increase as economic volatility will have impact on purchase power of mass people and as such value of collateral might fall at liquidation point.	• Checking Procurement documents • Checking Personal Net Worth of owners • Ensuring strong Group support • Collateral visit by IDLC employee • Checking possession status • Accepting valuations no older than 3 years • Third party Personal Guarantee of Owner of the Mortgaged Property • Signboard on mortgaged property • Involving Recovery Agency where suited • Negotiation • Collection from Write-off account • Litigation	• Collection of updated documents at the time of repeat financing • Collection of Updated PNW statements • Conducting Fresh valuation when the previous one was done more than 3 years ago • Collateral visit and documentation rechecking at the time of refinancing • Analysis of NPL%, PAR & Provision coverage
Concentration Risk • Concentration risk results from concentration in a particular client/ group/ region or sector if any such heavily concentrated client or group becomes defaulter or if such a heavily concentrated sector or region is affected negatively due to macroeconomic event/geopolitical reason or regulatory guidelines.	**Strategic Objective:** 1 7 **Risk Severity:** ●● **Risk Direction:** • Likely to be stable as there is no major concentration issue.	• Maintaining Product cap as per Credit Policy • Maintaining Sectorial cap as per Credit Policy • Maintaining exposure cap to a single group as per Credit Policy	• Monthly Sanction, Disbursement and Portfolio Review • Monthly Business Review • Periodic Review of Large Borrowers • Periodic Review of Top Sectorial exposure • Quarterly Stress testing

Way Forward:

1. Optimizing risk based group limit
2. Quarterly Risk Appetite Limit Monitoring is in place to ensure portfolio alignment with risk tolerance
3. Revamping Scorecard based SME Lending in Association with IFC

RISK AND OUR RESPONSES

Strategic Objective

1. Sustainable Growth in Business
2. Strong Funding Mix
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Risk Severity

Low
Moderate
High

MARKET RISK

Risk Identified	Risk Categorization	Mitigation Techniques	Monitoring Mechanism
Interest Rate Risk • Impact of changes in interest rate on the company's net interest income. The risk arises from erroneous price-setting and mismatch among re-pricing frequencies of assets, liabilities and cash-flows	**Strategic Objective:** 1 2 **Risk Severity:** ●●● **Risk Direction:** • Likely to increase or decrease based on regulation and MPS	• Policy settings with respect to risk appetite • Explicit and prudent interest rate risk limit • Operating within the interest rate risk limit • Aligning with the interest rate movement of the market	• Gap analysis • Changes in net interest income • Simulation method • Sensitivity ratio • Monitoring deviation from approved limit • Monitoring market interest rate movement
Equity Price Risk • Adverse changes in the value of investment due to price volatility. The risk arises from macroeconomic instability, market volatility, and political unrest and under performance of Investee Company, among other factors	**Strategic Objective:** 1 2 **Risk Severity:** ●●● **Risk Direction:** • Likely to increase or decrease based on regulations and macroeconomic situation	• Investment in Fundamentally sound and well governed companies considering broader economic cycle • Prudence in terms of market volatility • Portfolio re-allocation according to observed feedbacks • Exposure management in different market scenario	• Observing Macroeconomic cycle • Staying updated about company performance • Continuous monitoring of political development • Portfolio beta in comparison to the market

Way Forward:

Going forward, monitoring of interest rate movements will be continued and risk measurement techniques will be improved further. Furthermore, our vigilance will remain in place to minimize the impact of equity price risk.

RISK AND OUR RESPONSES

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Risk Severity

Low
Moderate
High

LIQUIDITY RISK

Risk Identified	Risk Categorization	Mitigation Techniques	Monitoring Mechanism
Funding Liquidity Risk • Inability to carry out necessary funding transactions due to asset liability mismatch. Arises from lack of planning leading to tenor mismatch of assets and liabilities	**Strategic Objective:** 1 2 **Risk Severity:** ●●● **Risk Direction:** • Likely to remain same	• Maintaining CRR & SLR • Limits on negative gap % in various time buckets • Composition & concentration of assets and liabilities • Funding mix (ratio of stable fund to total fund) • Reviewing liquidity and funding profile • Using contingency funding plan as an integral part of liquidity management	• Conducting periodical Stress Test • Tracking balance sheet movement and key ALM ratios • Tracking major changes in key economic indicators • Loan to fund ratio • Medium term funding ratio • Ratio of stable fund to total fund • Short term liquidity ratio
Market Liquidity Risk • Limited access to funds due to changes in external factors. The risk can arise from, concentrated funding mix, dependency on wholesale borrowing, investment in highly illiquid assets, etc	**Strategic Objective:** 1 2 **Risk Severity:** ●● **Risk Direction:** • Likely to remain same	• Diversification of funding basket • Maintaining easily accessible secured credit lines • Maintaining reserve in excess of CRR & SLR requirement • Adherence to policy with sufficient cushion to deal with liquidity disruptions • Activating contingency funding plan for handling liquidity crisis	• Tracking balance sheet movement and key ALM ratios • Tracking major changes in key economic indicators and acting accordingly • Tracking regulatory interventions impact fundings

Way Forward:

Going forward, we will continue to monitor internal ALM ratios as well as the economic and market scenarios. Additionally, we will continue on efforts to ensure and maintain stable source of funds in funding basket.

RISK AND OUR RESPONSES

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Risk Severity

Low
Moderate
High

OPERATIONAL RISK

Risk Identified	Risk Categorization	Mitigation Techniques	Monitoring Mechanism
People Risk • The risk of loss intentionally or unintentionally caused by employees. The risk arises from employee error, employee defection, internal fraud, etc.	**Strategic Objective:** 4 3 5 7 **Risk Severity:** Moderate **Risk Direction:** • Likely to decrease	• Setting of an appropriate 'tone at the top' • Effective employee engagement • Ensuring appropriate segregation of duties • Use of physical and logical access controls • Background verification before onboarding • Whistleblower reporting • Insurance • Legal recovery measures	• Top management reviews • Reconciliations of key accounts and balances • Verification procedures (using independent third parties, where applicable) • Top Operational Risk identification & mitigation • Incident Analysis Report • Process Risk Analysis and SOP Gap Analysis • Branch Process Risk Analysis • Department and Branch wise Operational Risk Profile • OpRisk management trainings for members of OpRisk community • ORM Toolkits (Risk Register, Risk Control & Self-Assessment, RCSA Campaign & Branch OpRisk Register) • Risk Managers' Performance Assessment Toolkit • Internal audits • External audits
Process Risk • Related to the execution and maintenance of transactions and the various aspects of running a business. The risk arises from incomplete / inadequate legal documentation, collateral management failures, data entry failures, etc.	**Strategic Objective:** 3 4 **Risk Severity:** Moderate **Risk Direction:** • Likely to remain same	• Process diagnosis and Incident monitoring • Vetting of relevant documentation by appropriately qualified legal personnel • Centralized operations for better oversight over collateral management processes • Employing independent third party valuation specialists • Data validation routines • Insurance • Legal recovery measures • Remediation activities • Data backup and recovery processes	• Top Operational Risk identification & mitigation • Process Risk Analysis and SOP Gap Analysis • Branch Process Risk Analysis • Department and Branch wise Operational Risk Profile • Incident Analysis Report • ORM Toolkits (Risk Register, Risk Control & Self-Assessment, RCSA Campaign & Branch OpRisk Register) • Credit collection review meetings • Internal audits • External audits
System Risk • The risk of loss caused by piracy, theft, failure, breakdown or disruption in technology, data or information. The risk arises from hardware and software failures, telecommunication problems and utility outages.	**Strategic Objective:** 4 **Risk Severity:** Moderate **Risk Direction:** • Likely to remain same	• Service Level Agreements with vendors • Network redundancy arrangements • Alternative power sources • Use of Disaster Recovery site • Multiple telecommunication channels • Data backup and recovery processes	• Network & system monitoring • Top Operational Risk identification & mitigation • Process Risk Analysis and SOP Gap Analysis • Branch Process Risk Analysis • Department and Branch wise Operational Risk Profile • Incident Analysis Report • System Downtime Reporting • ORM Toolkits (Risk Register, Risk Control & Self-Assessment, RCSA Campaign & Branch OpRisk Register) • IT Dashboard & IT service desk • IT risk monitoring
External Risk • The risk of loss on account of damage to physical property or assets from natural or unnatural causes. Sources of the risk are natural disasters, political unrest, regulatory change and external fraud.	**Strategic Objective:** 4 5 7 **Risk Severity:** Moderate **Risk Direction:** • Likely to remain same	• Business continuity plan (BCP) • Disaster recovery plan (DRP) • Immediate response to regulatory changes • Use of physical and logical access controls, where appropriate • Whistleblower reporting • Insurance • Legal recovery measures	• Context analysis (environmental scanning) as part of strategic planning process • Business Continuity Plan testing • Disaster Recovery Plan testing • Verification procedures • Top Operational Risk identification & mitigation • Process Risk Analysis and SOP Gap Analysis • Incident Analysis Report • ORM Toolkits (Risk Register, Risk Control & Self-Assessment, RCSA Campaign & Branch OpRisk Register)

Way Forward:

IDLC has continuous focus on implementing the global best operational risk management practices across the company. IDLC has undertaken number of important projects which will help the company to manage different kind of operational risk exposures effectively.

RISK AND OUR RESPONSES

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Risk Severity

Low
Moderate
High

STRATEGIC RISK

Risk Identified	Risk Categorization	Mitigation Techniques	Monitoring Mechanism
Strategic Positioning Risk • Risk of losing business volumes and margins due to improper strategic positioning. The risk may arise from changing organization structure, customer demographics, customer profile and preference, economic factors, technological changes and changes in regulation	**Strategic Objective:** 1 2 4 7 6 **Risk Severity:** ●●● **Risk Direction:** • Likely to decrease	• Regular market survey and cost of fund projection • Participatory interaction with regulators on policy discussion • Customer centricity • Integrated planning across the company • Discussion and engagement with all relevant parties at the planning stage of all essential projects • Setting KPIs at the branch, divisional and organizational levels • Align and update strategies based on changes of factors • Timely investment in technology • Timely withdrawal of resources from under-performing projects	• Benchmarking KPIs within the company and across the industry • Monthly preparation of forecasts and reviewing reasons for variances • Evaluation of studies prepared for competitor intelligence • Evaluate service quality and customer feedback • Monthly financial analysis and discussion on variances from budget
Strategy Implementation Risk • Risk of losing business volumes and margins due to improper implementation of the strategies considered. The risk can arise from work processes, procedures and lack of proper / adequate human resources and IT infrastructure	**Strategic Objective:** 1 2 4 7 6 **Risk Severity:** ●●● **Risk Direction:** • Likely to remain same	• Ensure person-role fit through robust recruitment, retention, training and development process. • Work process improvement and innovation • Setting KPIs • Benchmarking with best practices from both local and international approaches. • Pay attention to the voice of customer • Timely allocation of resources for critical projects.	• Structured and systematic methods of gaining employee views and feedback • Analysis and monitoring of standard unit time, for benchmark setting and improving process efficiencies • Regular financial analysis to monitor returns of each business vertical • Regular monitoring of project progress • Regular monitoring of service standard and quality

Way Forward:

Further improve decision accuracy and speed through improving research, increasing the number of reports, increasing automation to enhance coverage of business intricacies, timeliness and early detection of deviations from budgets. Furthermore, enhance report standardization, quality and visualizations in order to capture and communicate more concise and actionable analyses to management

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Risk Severity

Low
Moderate
High

TECHNOLOGY RISK

Risk Identified	Risk Categorization	Mitigation Techniques	Monitoring Mechanism
System Failure Risk • Unavailability of business critical systems. The sources are: Infrastructure, Platform, Software, Technical Glitches, Malicious Intrusion, Human Error and Cyber Attack.	**Strategic Objective:** 4 **Risk Severity:** ●● **Risk Direction:** • Likely to remain same	• Capacity planning ,Disaster Recovery Site, High Availability, Redundancy, Hardware Review and Upgrade, Periodic Backup, Near Data Center (NDC), Real-time data replication to DRS • Regular software and security updates, Multi-layer Perimeter Security (Firewall), Intrusion Detection & Prevention System, End Point Security, System & Network Security Controls, Encryption, Multi-factor Authentication, Vulnerability Assessment & Penetration Testing, • Third-party vendor risk management • Awareness & Training for users and IT Personnel	• System Alerts • Log and event management • Performance monitoring • Global Threat Intelligence • Exception Report
Information Security Risk • Leak / disclosure of business critical sensitive Information. The sources are: Malware and Viruses, Phishing Attacks, Insider Threats, Weak or Compromised passwords, Third-Party Risks, Unpatched Software and Systems, Social Engineering	**Strategic Objective:** 4 **Risk Severity:** ●●● **Risk Direction:** • Likely to remain same	• Logical Access Control, Physical Access Control, Control on Privileged Account Usage, Periodic Review of System Access, Awareness& Training for users and IT Personnel, Deterrent Initiatives such limiting External Email and Web Access • Compliance of Policy & Standard Operating Procedure (SOP), Periodic Review of Policy &Procedure • Termination of Contract with non-performing Vendors, Multiple Vendors for Single Service • Regular software and security updates • Firewall, Secure Email Gateway (SEG), Intrusion Detection & Prevention System, End Point Security, System & Network Security Controls, Encryption, SSL Certificate • Secure IT Asset Disposal	• System Log Monitoring • Network Traffic Monitoring • Audit Trail • Global Threat Intelligence • Exception Report
Business Continuity Risk • Interruption / unavailability of business critical systems which can occur from Natural disasters (e.g. earthquakes), Hazards (e.g. Fire), Vendor, Technology Obsolesces, Malicious Intrusion, Technical Glitches, Power Outages, Human Error, and Cyber Attack	**Strategic Objective:** 4 **Risk Severity:** ●●● **Risk Direction:** • Likely to remain same	• Near Data Center (NDC), Disaster Recovery Site • Annual Maintenance Contract (AMC), Service Level Agreement (SLA), Due Diligence, Periodic review of Contracts, Maintain Relationship • Research & Development, Technology Adoption, Skill Development • Firewall, Secure Email Gateway (SEG), Intrusion Detection & Prevention System, End Point Security, System & Network Security Controls, Encryption, SSL Certificate • Work For Home (WFH) Infrastructure • Periodic Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) Drill	• Service & Performance monitoring • Business Operation Monitoring Market Intelligence • Awareness of Technology Trend & Change • System Log Monitoring • Network Traffic Monitoring • Audit Trail • Global Threat Intelligence • Exception Report

Way Forward:

We plan to sustain strong risk culture through Enhancing technology risk framework, enforcing stringent rules, continuous assessment and monitoring of progress. We also plan to strengthen system security through enhanced security operation center, leveraging global threat intelligence and introduce layered internal and perimeter security.

RISK AND OUR RESPONSES

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Risk Severity

Low
Moderate
High

LEGAL RISK

Risk Identified	Risk Categorization	Mitigation Techniques	Monitoring Mechanism
Compliance Risk • Risk of legal sanction and material financial loss suffered. The risk arises from violations or non-compliance, lack of or inadequate compliance with contractual obligations and other legal documentation and pending litigations compliance with contractual obligations and other legal documentation and pending litigations	**Strategic Objective:** 5 7 **Risk Severity:** ●●● **Risk Direction:** • Likely to remain same	• Aligning in-house policies and procedures with national laws and regulations • Integrating laws and regulations into our regular decision making processes • Regular scanning of regulator websites to stay up-to-date with latest changes and timely communication of relevant updates to relevant stakeholder departments • Ensuring that any changes to product features, processes, policies, procedures and documentation necessitated by legal or regulatory changes are made in a timely manner • Legal vetting of documentation • Employee training • Seeking, and acting in accordance with, the appropriate legal advice • Insurance • Legal recovery measures • Remediation activities	• Top level management reviews • Incorporation of compliance requirements in branch and departmental Key Control Standards • Litigation register • Internal audits • External audits
ML/FT Risk Money laundering and terrorist financing (ML/TF) risk is the risk that IDLC may - a) be used to launder money and/or finance terrorism and b) Not be meeting its obligations under existing legislation, rules and regulations for the prevention of money laundering and for the combatting against terrorism financing	**Strategic Objective:** 5 7 **Risk Severity:** ●●● **Risk Direction:** • Likely to remain same	• Designated AML/CFT structure consisting of Central Compliance Unit, a Chief Anti Money Laundering Compliance Officer, and Branch Anti-Money Laundering Compliance Officers • Appropriate AML/CFT policies and procedures • Know Your Customer (KYC) and Know Your Employee (KYE) procedures • Customer risk grading • Transaction monitoring • Employee training • Enhanced due diligence for select accounts Suspicious Transaction and/or Activity Reporting	• Branch Self-assessments • Cash transaction review • Suspicious transaction reporting • IT based screening mechanism for UN Sanctions checklist and locally proscribed organization • Continuous monitoring of media reports • Internal Audits

Way Forward:

Utilizing video telephony technology to implement online training programs to enhance reach. Administering online knowledge quizzes to surmount mobility barriers. Increased focus on effective operation of operational risk management key control standards.

RISK AND OUR RESPONSES

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Risk Severity

Low
Moderate
High

ENVIROMENT RISK

Risk Identified	Risk Categorization	Mitigation Techniques	Monitoring Mechanism
Environment Risk • The probability that operational activities of a particular client/ industry would negatively affect the environment and the community of the operational zone as well as neighboring area. We might face loss if client has to stop operation due to regulatory intervention	**Strategic Objective:** 5 1 **Risk Severity:** ●●● **Risk Direction:** • Likely to remain same	• Checking/Screening Bangladesh Bank Exclusion list against financing any Agri/Cottage Enterprises/ All types of Micro, Retail, & Trading Enterprises and Consumer Financing/ Financing in E&S Sensitive retail & trading enterprises, Small/ Medium Enterprise Finance, Large Enterprise Finance, Infrastructure Project Finance (ESIA required) • Completion of ESDD Checklist to farming (using pesticides, agro-chemicals), E&S Sensitive retail & trading enterprises, financing in Small Enterprises (Manufacturing & Services), Financing in all Medium Enterprises (Manufacturing and Services), Financing in all large manufacturing and service Enterprises, Financing in Infrastructure Projects as well as complying the applicability guideline of Bangladesh Bank and • Checking regulatory clearance documentation • Using BB ESMS toolkit (SFD_annex2) , a semi-automated toolkit, to determine three separate risks – General, Environmental & Social risks and 10 sector specific checklists • Mandatory ESIA (Environmental & Social Impact Assessment) by external experts for large projects like for infrastructure projects (Power Generation, Economic Zones etc.) • Not accepting mortgage of contaminated land as collateral.	• Checking DoE specified Project Categories and Considering E&S Risk Grading • For High and Medium Risk transaction, taking a time bound action plan and relevant covenants and review of the proposed actions (if any) to mitigate potential environmental and social issues associated with the project. • Depending upon the risk rating, the transaction is escalated to the relevant authority. • Quarterly Report on Sustainable Finance Unit Activities to Executive Committee (EC) • Quarterly reporting of Environmental and social risk status of portfolio • Maintaining MIS on the ESRM Grading
Social Risk • Financing in businesses with negative impact on social life of stakeholders	**Strategic Objective:** 5 **Risk Severity:** ●● **Risk Direction:** • Likely to remain same	• Designated AML/CFT structure consisting of Central Compliance Unit, a Chief Anti Money Laundering Compliance Officer, and Branch Anti-Money Laundering Compliance Officers • Appropriate AML/CFT policies and procedures • Know Your Customer (KYC) and Know Your Employee (KYE) procedures • Customer risk grading • Transaction monitoring • Employee training • Enhanced due diligence for select accounts Suspicious Transaction and/or Activity Reporting	• Branch Self-assessments • Cash transaction review • Suspicious transaction reporting • IT based screening mechanism for UN Sanctions checklist and locally proscribed organization • Continuous monitoring of media reports • Internal Audits

Way Forward:

Periodical monitoring and implementation of Environmental & Social Action Plans (ESAP) of respective clients as per loan agreement. Furthermore, we will keep extending our Advisory Support for esteemed clients regarding Green Finances and Sustainable Finances, to contribute in achieving Sustainable Development Goals (SDGs) of Bangladesh by 2030. IDLC also aspires to measure carbon footprint of both its internal operations and loan portfolio to reduce the impact and thus reach net zero emission by 2050.

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Risk Severity

Low
Moderate
High

REPUTATION RISK

Risk Identified	Risk Categorization	Mitigation Techniques	Monitoring Mechanism
The risk of potential or actual damage to the company's image which may impair profitability and/or sustainability of its business. Arises from actions and word-of- mouth of internal and external stakeholders, various media platforms operational hindrances and technological disruption	**Strategic Objective:** 5 4 6 7 **Risk Severity:** ●●● **Risk Direction:** • Likely to remain same	• Negotiations with Media Agencies to control • Misrepresentations of information • Managing social media accounts to remove hateful comments and deter cyber bullying	• Regular monitoring of laws and regulations and ensuring those are complied with - Monitoring the non-financial reputational risk indicators and identifying matters of potential risk - Active evaluation to analyze impact on reputation - Regular tests and system upgradation to ensure the efficacy of the IT system

Way Forward:

We plan to increase efforts towards connecting with our stakeholders, to better manage their queries and complaints, and at a much quicker pace. This would further portray our commitment to better serve all our stakeholders.

CLIMATE RISK

Risk Identified	Risk Categorization	Mitigation Techniques	Monitoring Mechanism
Transition Risk • The risk arising from the global and domestic transition to a lower-carbon economy, encompassing regulatory changes, policy shifts, technological disruption, and reputational pressures that may affect the company's portfolio, operations, and market position.	**Strategic Objective:** 5 1 2 **Risk Severity:** • Medium **Risk Direction:** • Likely to increase based on stricter global and domestic climate regulations and growing ESG expectations	• Integrating climate transition risk factors into credit appraisal and portfolio management processes • Aligning internal green finance taxonomy with Bangladesh Bank's Sustainable Finance Policy • Prioritizing financing of green and climate-resilient projects (renewable energy, energy efficiency) • Conducting client-level engagement to assess borrowers' carbon transition plans • Performing scenario analysis to evaluate portfolio sensitivity to policy and regulatory changes • Building internal capacity through climate risk training for risk and business teams • Expanding product offerings to include green bonds and sustainability-linked financing instruments • Adopting TCFD (Task Force on Climate-related Financial Disclosures) reporting framework	• Tracking regulatory updates from Bangladesh Bank and Ministry of Environment • Monitoring green finance proportion of total portfolio (quarterly) • Review of Sustainable Finance KPIs by Executive Committee • Portfolio carbon intensity tracking • Compliance monitoring against BB Sustainable Finance Policy • Quarterly reporting to Executive Committee on transition risk exposure • Maintaining MIS on green and climate-aligned portfolio segments
Physical Risk • The risk of financial loss arising from climate-related physical hazards including acute events (floods, cyclones, droughts) and chronic changes (rising temperatures, sea-level rise) that may directly impact collateral values, business continuity, and borrower repayment capacity.	**Strategic Objective:** 5 1 **Risk Severity:** • Medium **Risk Direction:** • Likely to increase, given Bangladesh's high climate vulnerability including flooding, cyclones, and salinity intrusion affecting key economic sectors	• Incorporating physical climate risk assessment (acute and chronic) into credit appraisal for vulnerable sectors (agriculture, manufacturing, coastal real estate) • Mapping portfolio exposure to climate-vulnerable geographies (coastal, flood-prone and drought-prone areas) • Requiring Environmental & Social Due Diligence (ESDD) and ESIA for large project finance in climate-sensitive areas • Avoiding mortgage acceptance of land in high climate-risk zones without adequate risk assessment • Engaging with insurers for climate risk coverage on financed physical assets • Participating in Bangladesh Bank's climate risk stress testing framework • Promoting climate-adaptive investments in borrower operations and supply chains • Incorporating climate-related physical risk disruption scenarios into Business Continuity Planning (BCP) • Tracking and monitoring extreme weather events and their impact on portfolio quality	• Quarterly reporting of portfolio exposure in climate-vulnerable regions and sectors • Annual physical risk stress test across key lending portfolios • Periodic review of collateral valuations in flood and climate-risk zones • Tracking extreme weather events and their impact on PAR and NPL • Monitoring Bangladesh Meteorological Department and IPCC risk alerts • Reporting to Executive Committee on climate risk heat map and portfolio resilience • Maintaining MIS on ESRM grading for high physical-risk clients • Quarterly reporting on Environmental and Social risk status of portfolio • Conducting Fresh Valuation of collateral in high-risk zones when previous was done more than 3 years ago

Way Forward:

Establish a dedicated Climate Risk Management Framework aligned with TCFD recommendations and Bangladesh Bank's Green Taxonomy; integrate climate scenario analysis into annual stress testing; expand green finance disclosures.

Impact Analysis

Establish a dedicated Climate Risk Management Framework aligned with TCFD recommendations and Bangladesh Bank's Green Taxonomy; integrate climate scenario analysis into annual stress testing; expand green finance disclosures.

RISK HEAT MAP

Credit Risk
1.a Default Risk
1.b Recovery Risk
1.c concentration risk

Market Risk
2.a Interest Rate Risk
2.b Equity Price Risk

Liquidity Risk
3.a Funding Liquidity Risk
3.b Market Liquidity Risk

Operational Risk
4.a People Risk
4.b Process Risk
4.c System Risk
4.d External Risk

Strategic Risk
5.a Strategic Positioning Risk
5.b Strategy Implementation Risk

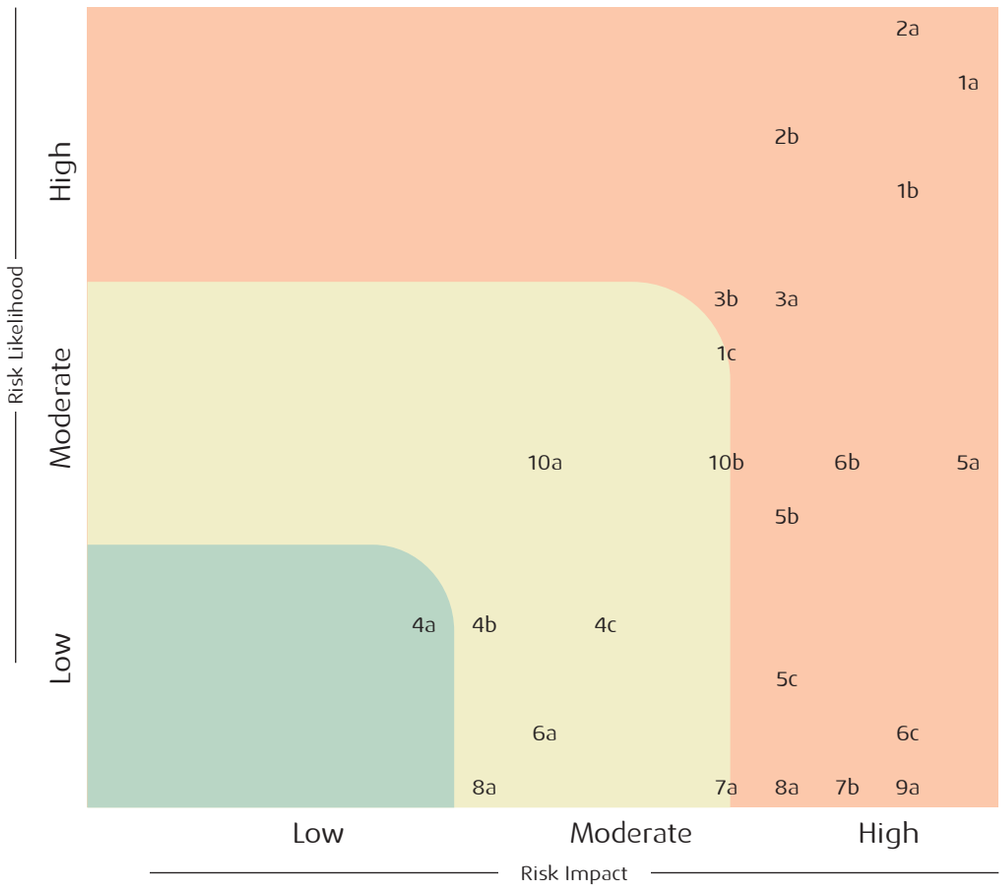
Technology risk
6.a System Failure Risk
6.b Information Security Risk
6.c Business Continuity Risk

Legal Risk
7.a Compliance Risk
7.b ML/FT Risk

Environment Risk
8a Environment Risk
8b Social Risk

Reputation Risk
9a Reputation Risk

Climate Risk
10.a Transition Risk
10.b Physical Risk



Sustainability Reporting and Climate Related Disclosure



Building A Sustainable Legacy

Building a sustainable future is about going beyond and leverage sustainability to create value for the organization, its people and community. The sustainability philosophy of IDLC is based on managing ESG related risks and opportunities, the ultimate purpose of which is to create value for the organization, shareholders and stakeholders.

Sustainability Overview

Sustainability for IDLC means committing to long-term value creation that respects and enhances the well-being of people and the planet. We strive to integrate environmental, social, and governance considerations into our operations and investment decisions, driving positive impact while delivering sustainable returns for our stakeholders.

Sustainability Pillars

- Solidifying Financial Stability
- Reducing Environmental Impact
- Driving Inclusive Growth
- Building a Great Workplace

Our Commitment

- Net Zero Carbon Emission by 2050
- Tobacco Free Portfolio
- Principled on responsible banking
- Collective Commitment to Climate Action
- Timely disclosure of Bangladesh Bank adopted IFRS S1 and S2 disclosures



Highlights in 2025

Environmental Disclosures

Green Portfolio	Unit	2025	2024
Green Finance Portfolio	BDT Mn	13,393	12,480
Sustainable Linked Finance Portfolio	BDT Mn	39,006	27,395

Emissions Intensity Metrics

Greenhouse Gas (GHG) Emissions	Unit	2025	2024
Scope 1 emissions	tCO_2e	453	282
Scope 2 emissions	tCO_2e	1,306	1,259
Scope 3 emissions	tCO_2e	294,396	281,794

Energy Consumption

Energy Source	Unit	2025	2024
Electricity	BDT per employee	17,980	22,607
Water	BDT per employee	374	442
Paper	BDT per employee	2,435	2,559

Workforce Profile

Metric	Unit	2025	2024
Total employees	Count	1,668	1,665
Female employees (%)	%	15%	15%
Employee turnover (%)	%	22%	17%
Avg. training hours per participant	Hours per count	7	6

Message from the Head of Sustainable Finance Committee



Asif Saad Bin Shams

Additional Managing Director and
Group Chief Risk Officer

At IDLC, sustainability is not just a consideration we have adopted, rather it is a reflection of who we have always been. Long before sustainability became a global imperative, we were making choices rooted in the same values: financing businesses that create real livelihoods, standing beside entrepreneurs who lacked access to capital, and governing ourselves with the transparency we would expect of others. Moving forward, what changed is not our conviction, it is our capacity to articulate it, measure it, and deepen it.

In 2025, we made tangible progress in embedding ESG across our entire value chain, in our alignment with GRI Standards, and in our contributions to Bangladesh's sustainable development agenda. Our green and sustainable finance initiatives successfully contributed in advancing CMSME by not only providing financial support but also guidance and advice for achieving sustainable business growth. Moreover, perceiving the contribution of our women entrepreneurs in CMSME, we continued to provide productive and coherent support to encourage them towards a sense of accomplishment and financial independence

We also advanced our climate journey through a structured assessment of both transition and physical risks across our portfolio, strengthening transparency and reinforcing stakeholder confidence. Our progress in aligning with IFRS S1 and S2 represents a meaningful milestone, not just in meeting emerging standards, but in advancing clear, decision-useful, climate-informed disclosures. Being the first financial institution in Bangladesh to measure entire portfolio Greenhouse Gas (GHG) emission, we carried on taking prudent financing and investment decisions that ensured robust portfolio growth while controlling portfolio GHG emission to ensure reduced environmental impact. Our latest portfolio GHG emission, measured in 2025, solidifies the reinforcement of our commitment towards people, environment, country and planet. We are proud that these efforts have been recognized by Bloomberg, where we continued to be one of the most sustainable organizations of Bangladesh, as well as the top sustainable NBFI in the country for three consecutive years.

That said, we aspire to strive even further. Through responsible financing, green investments, inclusive growth, and strong governance, we are committed to creating lasting resilience and sustainable value across our business. We remain committed to achieving net zero carbon emissions and zero operational waste, translating environmental responsibility into measurable targets. At the same time, our financial inclusion and literacy initiatives continue to empower underserved communities across Bangladesh, enabling individuals and small businesses to participate more fully in the formal economy.

We will continue to expand green financing, support small businesses, empower women entrepreneurs, and strengthen governance–guided by a deeper belief that every responsible decision sets in motion a ripple of positive impact, where value created today grows, amplifies, and endures into the future.

Our Purpose and Sustainable Value Creation

Sustainability is embedded in our strategy, guiding long-term value creation and reinforcing the resilience of our business in a rapidly evolving world In a world increasingly affected by interconnected climate, health, and economic disruptions, the adoption of Environmental, Social, and Governance (ESG) principles has enhanced IDLC's ability to respond with agility and responsibility– supporting sustainable growth that extends beyond immediate financial outcomes.

We recognize that today's business environment is shaped as much by shareholder expectations as by the broader needs of communities, economies, and the environment. As crises continue to evolve globally, we have deepened our commitment to embed stakeholder needs into our business model. The lessons of recent years, have further underscored the importance of integrating ESG considerations into our core strategy.

At IDLC, we see challenges as opportunities to lead with purpose. Guided by corporate citizenship principles, we are focused on delivering positive impact across three key areas: Environment, Social, and Governance. These commitments are fundamental to achieving our 2025 sustainability targets and fulfilling our vision of "A Sustainable Future for All."

Roadmap to a Sustainable Future

We have since long understood the importance of Environmental, Social and Governance (ESG) related non-financial factors to identify material risks and growth opportunities. Global Reporting Initiative (GRI) are working to form standards and define materiality to facilitate incorporation of these factors into the investment process. Through our commitment to ensuring a sustainable tomorrow over a magnanimous today, we have been a member of United Nations Environment Programme Finance Initiative (UNEP FI) since 2010 and have been publishing our commitments and actions in the form of a separate Sustainability Report since then.



FROM THE YEAR 2019, WE HAVE BECOME SIGNATORIES OF THE BELOW FOUR INITIATIVES-

2019

22 September, 2019

Principles For Responsible Banking (PRB)

Collective Commitment to Climate Action (CCCA)

Tobacco Free Portfolios

2021

21 April, 2021

Net-Zero Banking Alliance (NZBA)

2023

Started Initial Disclosure On Climate Related Risk Management On The Basis of TCFD Recommendations

Carbon Footprint Analysis starts on Limited Scope

2025

Limited Scope adoption of IFRS S1 and S2 Disclosure.

2030

Full Disclosure on Carbon Footprint Analysis

2050

Net Zero Carbon Achieved

About Sustainability Report

About this report

This section of the report should be read in conjunction with our detailed Sustainability Report published separately. This section highlights about the scope and the main aspects of sustainability and the disclosures.

Adoption of IFRS S1 and S2 Standards

Our already designed road map towards sustainability aided us in adopting IFRS S1 and S2 disclosures for better accountability. These disclosures have come into effect from 01 January 2024 as per International Sustainability Standards Board (ISSB). These have been directly adopted by Bangladesh Bank through its Circular Guideline on Sustainability and Climate-related Financial Disclosure SFD Circular no. 06 dated, 26 December 2023. The circular provides the roadmap into gradual adaptation of full scope disclosure implementation over the course of four years, starting from 2024. Not only does it ensure compliance of regulations for the future, but it also prepares us on creating and monitoring measuring targets to help achieve our Net Zero Target by 2050.

Scope and Transition Relief

In alignment with the IFRS standards and in line with the Bangladesh Bank Circular, we adopted and implemented the standard in limited scope in 2024. The disclosures only cover IDLC Finance on a stand-alone basis. The subsidiaries have not been considered for this reporting period.

We applied transition relief for the first year of adoption, and opted for only disclosing climate-related risks and opportunities in accordance with IFRS S2, which is also in line with Bangladesh Bank circular. However, in 2025, we have provided comparative information as well, keeping the scope of data similar to 2024. Full scope disclosure is expected to be provided for the year 2027, as per Bangladesh Bank guideline.

Comparability

The data provided is shown in comparison with the previous year, 2024.

Materiality

At IDLC, we believe that transparent and meaningful disclosure is essential to building long-term trust with our stakeholders and driving sustainable value creation. In an evolving global environment, providing high-quality sustainability information is not only a regulatory expectation but a reflection of our commitment to responsible business practices.

Our approach to materiality is aligned with the IFRS S1 General Requirements for Sustainability-related Financial Disclosures, ensuring that we report on sustainability risks and opportunities that could reasonably influence the primary users of our general-purpose financial reporting. Through a structured materiality assessment, we prioritize the issues most relevant to our financial performance, resilience, and future growth. This helps us provide focused, meaningful information that supports informed decisions and strengthens our commitment to a sustainable future for all.

Double Materiality Assessment

At IDLC, we recognize that sustainability-related issues have impacts that extend beyond financial performance alone. Our Double Materiality Assessment framework ensures that we evaluate sustainability matters from two perspectives: their impact on our business value and their broader effects on society, the environment, and our stakeholders.

Financial Materiality focuses on identifying environmental, social, and governance (ESG) risks and opportunities that could influence our financial condition, operational performance, or market position. Guided by IFRS S1 standards, we assess how emerging trends – such as climate risks, regulatory changes, and shifting customer expectations – could impact our strategy, value creation, and long-term resilience.

Impact Materiality, in parallel, considers how our business activities affect the environment, society, and the communities we serve. This reflects our responsibility as a corporate citizen and our alignment with the global sustainability best practices. We assess the extent to which our lending practices, environmental footprint, employee programs, and community investments contribute to broader sustainable outcomes.

By integrating both dimensions, we ensure a balanced, transparent, and forward-looking sustainability approach that strengthens our decision-making and accountability. Our Double Materiality Assessment informs strategic planning, risk management, and reporting, helping us create lasting value for all stakeholders while contributing to a more inclusive and resilient future.

Details of our approach to materiality and double materiality assessment have been well defined in page 12-19 of Section “Material that Matters”.

Data consistency and understandability

The data, assumptions, judgments used in preparing this report are consistent and made understandable, to the best extent possible, in alignment with the parameters and data used in preparation of the financial statements for this reporting period. As part of our continued alignment with IFRS S1 and IFRS S2, the methodologies, scope, and calculation boundaries applied are periodically reviewed and refined. In 2025, updates to the methodology resulted in the restatement of previously reported figures in order to ensure improved accuracy, consistency, and alignment with evolving best practices.

Events after reporting period

Events occurring after the reporting period have been considered and disclosed if and where relevant.

Inherent Limitations

There are inherent limitations in measuring and evaluating sustainability matters due to limitations in reporting period of third party data for Scope 3 calculation.

Our Sustainability Governance Framework

Responsibilities of Board of Directors

Executive Committee (EC)

Provide strategic oversight, ensure risk management and policy alignment, monitor progress toward sustainability targets, and guide the organization in addressing environmental and social risks and opportunities in line with national and international frameworks.

Oversight of Climate and Sustainability Risks & Opportunities

- Board evaluates trade-offs in climate-related risks and opportunities.
- Reviews high-risk environmental projects as per Bangladesh Bank's ESRM Guidelines.
- Assesses and monitors Environmental and Social Action Plans (ESAPs) to mitigate risks.

Ensuring Skills & Competencies

- Guides management to ensure staff have or develop relevant sustainability-related expertise.
- Supports capacity-building and upskilling efforts aligned with strategic ESG goals.

Setting & Monitoring of Sustainability Targets

- Quarterly reviews of climate-related targets and risks.- Oversees annual GHG reduction goals and project onboarding.
- Monitors SMART targets for 5 priority sectors aligned with NDCs and IEA scenarios.
- Links sustainability progress with business unit performance metrics.

Sustainable Finance Committee (SFC)

Chaired by the AMD and CRO, with department heads as members.

Oversees climate and sustainability-related risks and opportunities.

Conducts monthly reviews of green projects and monitors GHG reduction impact.

Ensures strategic alignment and reports updates to the Board quarterly.

Sustainable Finance Unit (SFU)

A dedicated unit responsible for implementing green and sustainable finance strategies.

Supports business units in evaluating sustainability-linked projects.

Assists in capacity building, ESG assessments, and regulatory compliance.

Plays a key role in achieving green finance targets and net-zero commitments

Major activities of Sustainable Finance Unit

1. SFU will be responsible for its sustainable finance policy formation, modification, correction, update and execution of all activities related to Green Banking, Corporate Social responsibility, Environmental & Social Risk Management, Green Office Guidelines, Green Strategic Planning, Gender Parity
2. SFU will be responsible for its own strategy preparation, refinement, correction, update, & execution for the following activities:
    - Carbon Footprint Measurement (on a yearly basis)
    - Climate Risk Fund Formation and Management
    - Green Marketing
3. To execute all the regulations from Bangladesh Bank on United Nations' Sustainable Development Goals.

Our sustainability agenda is overseen and driven by a dedicated governance structure, comprising the Sustainability Function Committee (SFC) and the Sustainability Function Unit (SFU). The following members play a critical role in steering our sustainability initiatives and embedding ESG principles across the organization:

Sustainable Finance Committee (SFC)

Name	Designation
Asif Saad Bin Shams	AMD, Chief Risk Officer
Syed Javed Noor	AMD, Head of Business
Mir Tariquzzaman	DMD, CTO
Mohammad Masud Karim Majumder	GM, Group CFO
Indrajit Mallick	GM, Head of Operations
M. Ataur Rahman Chowdhury	GM, Head of Corporate
Adnan Rashid	GM, Head of SME
Md. Ariful Islam	DGM, Group Chief Human Resources Officer
Mahjabeen Binte Rahman	DGM, Head of Consumer Division
Mahbub-ul-Kader	DGM, Group Head of ICC
Firuj Hossain	DGM, Head of Special Asset Management
Isa Mahmud Shovo	DGM, Head of Structured Finance & Green Products

Sustainable Finance Unit (SFU)

Name	Designation
Asif Saad Bin Shams	AMD, Chief Risk Officer
Syed Javed Noor	AMD, Head of Business
Md. Nurul Alam (Jewel)	DGM, Head of Software Solutions
Isa Mahmud Shovo	AGM & Head of Structured Finance & Green Products
Tabassum Abedin Shenjuti	DGM, Acting Head of Administration
Mohammed Areful Islam	AGM, Head of CRM, SME
Md. Asaduzzaman Khan	AGM, HR
Md. Arifur Rahman	AGM, Senior Credit Manager, Corporate
Maleeha Tarannum	Senior Manager, CRM-Central
Farhana Sharmin	Senior Manager, Marketing Communication & CSR
Mohi Uddin Sabbir	Manager, Green Products Lead
Shakir Ahmmed Barno	Assistant Manager & Green Desk
Nayeem Ahmed Shuvo	Senior Officer, Green Desk

Sustainability as a Business Strategy

At IDLC, sustainability is integrated into how we protect long-term resilience and value creation. As a financial institution, capital allocation and risk management decisions directly influence asset quality, funding access, and stakeholder confidence. Embedding environmental, social, and governance considerations into financing and operations supports business growth in four key areas.



Through disciplined integration of sustainability principles, IDLC strengthens financial performance while preparing for evolving economic and regulatory environments.

Creating Sustainable Growth while Delivering Values

At IDLC, sustainability is deeply embedded across every layer of our business model and value chain. Our Sustainability Value Creation Framework is anchored on four core pillars: solidifying financial strategy, reducing environmental impact, driving inclusive growth, and building an empowered workplace. Through key resource inputs – intellectual, financial, natural, social, and human capital – we drive strategic core activities, including sustainable product innovation, responsible financing practices, climate risk-embedded credit evaluation, employee and community development, and ethical governance across our business operations.

Sustainability Value Creation Model

Pillars upholding Sustainability

Pillar I: Solidifying Financial Stability	Pillar II: Reducing Environmental Impact	Pillar III: Driving Inclusive Growth	Pillar IV: Building an Empowered Workplace

Embedding Sustainability Across Our Value Chain

Input Commitments to Uphold

Principles for Responsible Banking	Collective Commitment to Climate Action	Tobacco Free Portfolio	Net Zero Baking Alliance

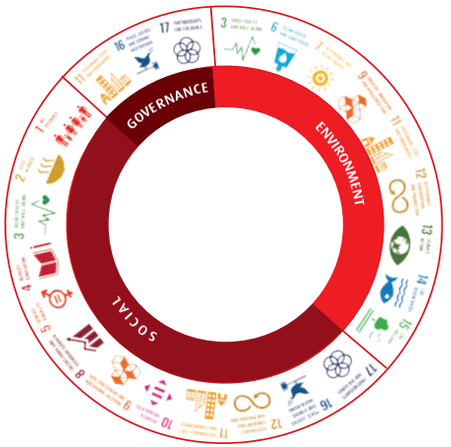
To align in accords to Global Commitments

Key Resources Input

- Intellectual Capital, Financial Capital
- Financial Capital, Social & Relationship Capital
- Financial Capital, Natural Capital
- Human Capital, Social & Relationship Capital
- Intellectual Capital, Social & Relationship Capital

Core Activities to Integrate Sustainability

- Sustainable Product Innovation
- Responsible Financing Practices
- Climate Risk-embedded Credit Evaluation
- Employee and Community Development
- Ethical Governance Across the Business Model



Stakeholders Impacted

- Customers, Regulators, Investors
- Customers, Shareholders, Regulators, Communities
- Shareholders, Regulators, Communities
- Employees, Communities
- Shareholders, Regulators, Customers, Business Partners, Employees

Related UN SDGs

Outcomes 2025

- Digital Deposit Portfolio - BDT 2,997Mn
  Total Sustainable Finance Portfolio BDT 52,399 mn
- Ensuring Tobacco Free Portfolio
  Partial Disclosure of IFRS S1 and S2
  Adoption of ESMS in Portfolio level
- Integrating Climate and Sustainability Related Risks into Credit Evaluation Model and Risk Management Framework
- CSR Beneficiaries: 259,450+
- Major Non Compliances: Nil
  Whistle Blowing Cases resolved: 3

GRI · SUSTAINABLE DEVELOPMENT GOALS · UNEP FINANCE INITIATIVE · United Nations Global Compact · TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES · IFRS®

Aligned with Global Standards and Best Practices

Sustainability Strategy and Key Priorities

At IDLC, to formalize our road to sustainability, and realize our commitments, we adhere to four pillar approach strategy – Solidifying Financial Stability, Reducing Environmental Impact, Driving Inclusive Growth and Building a Great Workplace. This approach is endorsed by the Board of Directors and in alignment of The Ten Principles of UN Global Compact and 17 Sustainable Development Goals and on the foundation of the strategies outlined.

Solidifying Financial Stability

Improving financial stability is crucial to ensure the company's long term resilience and thereby maximize sustainable values for our stakeholders.

Strategies

Consistent Returns
Cost to Income Alignment
Quality Asset Portfolio
Prudent Fund Mobilization

Ten Principles

8, 10



Reducing Environmental Impact

Minimize direct and indirect impacts on emission, pollution, climate, waste and resource management are essential to our long term success.

Strategies

Building Sustainable Portfolio
Aligning with Net Zero
Emission Target
Climate Risk Management

Ten Principles

7, 8, 9



Driving Inclusive Growth

Impacts on societal well-being , social justice and equity, including managing relationships with our employees, customer and community.

Strategies

- Promoting Diversity & gender balance
- Trusted partnerships
- Eliminate barrier of inequality
- Community Wellbeing

Ten Principles

1, 2, 3, 4, 5, 6



Building a Great Workplace

Our governance goals and actions are comprised of direct and indirect impacts on corporate governance through transparency, metrics, data security, risk management, and ownership review.

Strategies

Ensuring zero tolerance policy for bribery and corruption

Ten Principles

6, 10



Sustainability Strategy with Measurable Targets–Ambition 2025



Pillars upholding sustainability	Strategic Focus	KPI	2025	2030	2050	Capital Alignment
Solidifying Financial Stability	Building Sustainable Portfolio	Enhancing Green and Sustainability linked portfolio	●	●	●	Natural, Financial
	Keeping Strong Fund Mix	Leveraging Green Product based refinance schemes	●	●	●	Financial
	Embedding Climate and ESG Risk in Credit Evaluation	ESG based Credit Score	●	●	●	Financial
Reducing Environmental Impact	Responsible Consumption	Reducing Water Consumption Electricity Consumption Fuel Consumption 3Rs Implementation	●	●	●	Natural, Manufacturing
	Aligning with Net Zero Emission Target	GHG Carbon Footprint Measurement	●	●	●	Natural, Manufacturing
	Climate Risk Management and ensuring appropriate disclosure	Adaption under IFRS S1 and S2	●	●	●	Natural, Financial
Driving Inclusive Growth	Financial Inclusion	Attract more customers through Digital Deposit Product and Portfolio innovation	●	●	●	Financial, Intellectual
	Community Wellbeing	Expanding the net of CSR Beneficiaries	●	●	●	Social & Relationship
Building a Great Workplace	Empowering Employee	Increase No. of training Employee Benefits Productivity per employee	●	●	●	Human
	Promoting Diversity & gender balance	Increasing Women hires	●	●	●	Human
	Ensuring zero tolerance policy for bribery and corruption	Monitoring and Solving Whistle Blowing Cases	●	●	●	Human

Environment Initiatives: Shaping A Greener Tomorrow

Pillar I: Solidifying Financial Stability

At IDLC, solidifying financial stability is not merely a strategic objective – it is a foundational pillar for embedding sustainability across our value chain. By ensuring prudent financial management, maintaining asset quality, and preserving a resilient capital base, we are able to support long-term business continuity while fostering responsible growth. Being one of the major contributors of sustainable taxonomy as per the new SFD Circular No. 05: Sustainable Finance Policy for Banks and Financial Institutions dated December 30, 2020 by Bangladesh Bank, a significant share of our loan and investment portfolio is now directed toward green and sustainable finance initiatives, including renewable energy, energy efficiency, and environmentally responsible enterprises. This not only enhances our financial resilience but also ensures that capital is allocated to sectors that drive positive environmental and social impact, reinforcing our role as a responsible financial intermediary in Bangladesh.

Sustainable Finance Portfolio	2025 (BDT Mn)	2024 (BDT Mn)
Green Finance Portfolio	13,393	12,480
Sustainable Linked Finance Portfolio	39,006	27,395
Total Green Finance Portfolio	**52,399**	**39,874**

2025 Key Highlights:

Green Portfolio size increased by 7.32% from 2024. Moreover, Sustainable finance portfolio became 1.31 times from 2024.

Received the refinance worth of BDT 1,015 mn, against its green and sustainable finance from Bangladesh Bank.

IDLC was successful in ensuring 11.74% & 41.96% of Green & Sustainable Finance against the regulatory requirement of 5.00% & 40.00% of Annual Term Loan Disbursement & Annual Disbursement respectively.

Efforts accelerated towards employee awareness surrounding reduction of carbon emission and adoption of responsible practices

Sustainable Financing Aligned with the SDGs

IDLC's green and sustainable financing initiatives are aligned with key UN Sustainable Development Goals (SDGs), supporting broader environmental and social impact. The table below maps each financing category to its relevant SDGs:

Green Finance Portfolio in Segments	2025 (BDT Mn)	UN SDG Contribution
Renewable Energy	967	
Energy & Resource Efficiency	6,622	
Alternative Energy	163	
Liquid Waste Management	584	
Solid Waste Management	-	
Circular Economy & Eco-Projects Financing	386	
Environment Friendly Brick Production	48	

Green Finance Portfolio in Segments	2025 (BDT Mn)	UN SDG Contribution
Green/Environment Friendly Establishments	2,443	
Green Agriculture	96	
Green CMSME	103	
Green Socially Responsible Financing	930	
Blue Economy Financing	50	
Information and Communication Technology	1,001	
Miscellaneous	-	
Total Green Finance Portfolio	**13,393**	

Sustainable Linked Finance Portfolio in Segments	2025 (BDT Mn)	UN SDG Contribution
Sustainable Agriculture	466	
Sustainable MSME	12,495	
Sustainable Linked Socially Responsible Financing	2,524	
Other Sustainable Linked Finance	23,521	
Total Sustainable Linked Finance Portfolio	**39,006**	

Environmental Contribution Through Green Financing

Beyond portfolio growth, IDLC's green and sustainable financing activities are directed toward sectors with material environmental impact and transition relevance. In alignment with our Net Zero pathway and identified priority sectors, financing is extended to projects that support renewable energy generation, energy efficiency improvement, cleaner production processes, and resource optimization. These initiatives contribute to lowering carbon intensity, reducing energy consumption, and strengthening environmental performance across financed entities.

Within climate-sensitive industries, green financing also supports gradual transition toward more sustainable operating practices, improving resilience to regulatory and market-driven climate shifts. Through sector-focused capital allocation and disciplined risk assessment, IDLC seeks to support climate mitigation and responsible environmental management while maintaining portfolio stability.

Embedding Sustainability and Climate Factors in Credit Assessment

At IDLC, environmental and social considerations have long been embedded in our credit origination process through our Environmental and Social Due Diligence (ESDD) framework, ensuring that every credit application is evaluated not only on financial merit but on its exposure to sustainability and climate-related risks. In line with the Environmental and Social Risk Management (ESRM) Guidelines established by Bangladesh Bank, the Board is tasked with reviewing and evaluating projects that have been classified as carrying high environmental risks. Additionally, the Board examines the Environmental and Social Action Plan (ESAP) for these high-risk projects to identify and implement mitigation strategies aimed at reducing associated environmental and social risks.



Business Origination:

Business units conduct initial screening of financing proposals, applying ESG criteria and exclusion policies at the early stage of client engagement.

Credit Evaluation:

Credit Risk Management performs Environmental and Social Due Diligence to assess potential risks and determine appropriate mitigation measures.

Risk Classification and Escalation:

Projects are categorized based on environmental and social risk levels. Medium- and high-risk exposures are escalated through defined approval hierarchies.

Sustainable Finance Oversight:

The Sustainable Finance Committee monitors climate risks, green portfolio progress, regulatory compliance, and sustainability target implementation.

Board and Executive Oversight:

The Board and Executive Committee review material sustainability risks, approve high-risk exposures, and ensure alignment with institutional strategy and regulatory requirements.

Monitoring and Reporting:

Approved exposures are subject to ongoing monitoring. Sustainability data and performance metrics are consolidated for internal review and regulatory disclosure.

Pillar II: Reducing Environmental Impact

Biodiversity Policy and Management

IDLC's direct biodiversity impact is limited due to the nature of its financial services operations. However, biodiversity-related considerations are addressed through IDLC's broader environmental and social risk management approach.

IDLC applies an exclusion list, Environmental and Social Risk Due Diligence (ESDD), and risk mitigation requirements, where relevant, to avoid or limit financing of activities that may result in significant environmental harm. Through this framework, biodiversity-related risks are considered within financing and credit assessment processes.

In addition, IDLC supports green finance, green office practices, and community-based initiatives such as tree plantation programs. In 2025, IDLC supported plantation of 1000 trees at two key locations in Dhaka. Through these measures, IDLC seeks to reduce indirect environmental impact and support the protection of natural capital.

Sustainable Sourcing & Supplier Environmental Compliance

IDLC addresses sustainable sourcing and supplier environmental compliance through its procurement manual, vendor enlistment process, and broader sustainability approach to supplier management. Supplier selection and procurement decisions consider vendor eligibility, ethical business conduct, transparency, fair evaluation, and, where relevant, alignment with social and environmental standards, including environmental responsibility, eco-friendly practices, and relevant certifications.

The company also emphasizes responsible sourcing, gives preference to local procurement where feasible, and encourages responsible business practices across its supply chain. Through supplier assessment, sourcing decisions, and vendor engagement on sustainability expectations, IDLC seeks to reduce the environmental impact of procurement activities, strengthen supplier accountability on environmental matters, and build a more sustainable and accountable supply chain aligned with its long-term sustainability objectives.

Industry Exposure

IDLC manages industry exposure through portfolio diversification, sector-wise monitoring, and concentration controls within its credit risk framework, applying threshold limits to avoid excessive concentration in any single industry. Additionally, IDLC maintains an Exclusion List as a non-negotiable pre-screening condition, identifying categories of activities and industries that are ineligible for financing on environmental, social, or reputational grounds irrespective of financial merit.

- Forced Labour or Child Labour in Hazardous Working Conditions
- Activities or Products Deemed Illegal or Banned under Local or International Law
- Cross-Border Trade in Waste and Waste Products
- Destruction of High Conservation Value Areas (HCVAs)
- Radioactive Materials and Unbounded Asbestos Fibers
- Pornography or Prostitution
- Racist or Anti-Democratic Media
- Products Constituting a Substantial Part of a Company's Core Operations

Our Approach to Net Zero Waste Management

IDLC is committed to minimizing waste generated from its operational activities and advancing a zero-waste-to-landfill ambition over long term. While IDLC's direct waste generation is comparatively limited relative to industrial sectors, waste management is recognized as an operational sustainability matter with reputational, regulatory, and environmental dimensions. IDLC's zero waste approach is embedded within its Green Banking Policy aligned with its sustainability narrative, stakeholder expectations, and Bangladesh's environmental regulations.

Responsible Consumption- 3R Approach

We are committed to responsibly decreasing both the quantity and intensity of resource (water, fuel, electricity, paper) generated from our operations. Furthermore, we have adopted the 3R concept to manage our waste management in a sustainable manner.



REDUCE

- Monitor and control resource consumption (fuel, electricity, paper, water etc.)
- Using energy-efficient lighting, heating, and cooling systems within branches and office spaces to reduce energy consumption
- Monitor branch-wise carbon footprint
- Move towards paperless transaction

REUSE

- Reuse of paper as much as possible
- Utilizing reusable materials and supplies as much as possible
- Donation of surplus office equipment and furniture to the community

RECYCLE

- Waste separation management system for recyclable wastes such as paper, plastic and biodegradable products
- Partnerships with certified recycling vendors

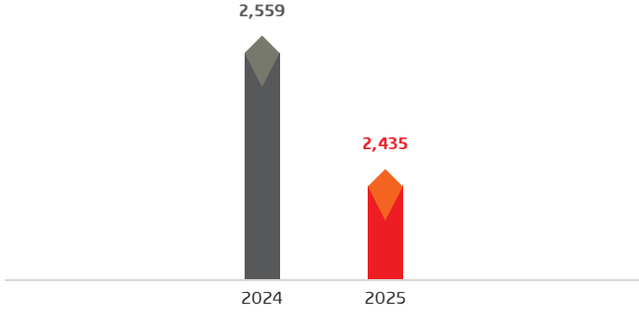
Paper Reduction & Digitalization

A significant driver of IDLC's zero waste ambition is the progressive reduction of paper consumption through digitalization of business processes. IDLC is progressively advancing toward digital documentation, e-signing platforms, and paperless customer onboarding, with ongoing efforts to reduce reliance on paper across both customer-facing and back-office operations. Internal communications are conducted primarily through digital channels, and paper printing is subject to awareness campaigns and internal guidelines encouraging double-sided and selective printing.

Electric Waste (E-Waste) Management

Given IDLC's reliance on IT infrastructure, e-waste management is a material component of its zero waste framework. IDLC decommissions IT equipment in accordance with an asset lifecycle policy that prioritizes reuse, refurbishment, and donation before disposal. End-of-life equipment that cannot be reused is transferred

Paper Consumption per employee BDT



to certified e-waste recyclers or disposal vendors approved under IDLC's vendor management framework.

Hazardous Waste Generation

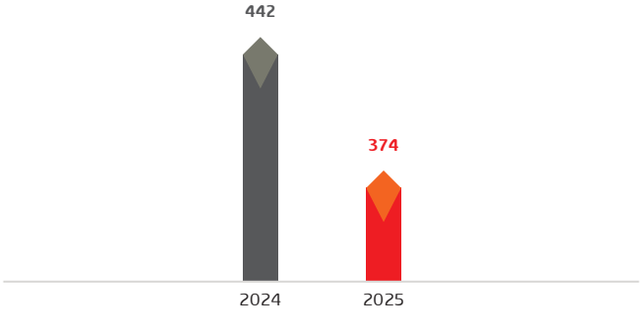
Due to the nature of its financial services operations, IDLC generates limited quantities of hazardous waste, and the topic is not considered highly material to its direct operational footprint. Potential hazardous waste streams may include e-waste, batteries, printer cartridges, and similar office-related materials. IDLC seeks to manage such waste through responsible handling, approved disposal practices, and operational controls, where applicable. Where applicable, the company seeks to ensure that office-related hazardous waste, including electronic and battery waste, is handled through appropriate collection, disposal, or recycling arrangements.

Water Use Policy

IDLC recognizes water as a vital and scarce resource and promotes its responsible use across workplace operations. Given the nature of its financial services business, water consumption is limited and mainly relates to employee use and cleaning activities.

To support efficient use, IDLC monitors and controls water consumption through internal systems and promotes employee awareness to reduce unnecessary use. Through this approach, IDLC seeks to encourage responsible water management and the efficient use of natural resources within its operations.

Water Consumption per employee BDT

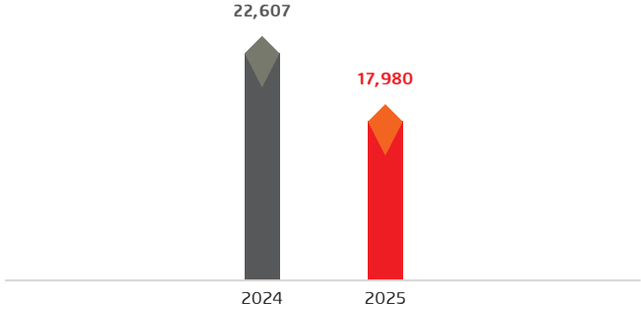


Approach to Energy Efficiency

IDLC is committed to improving energy efficiency across its operational footprint as part of its broader sustainability strategy. Consistent with the disclosure requirements under IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures), IDLC integrates energy-related risks and opportunities into its governance and risk management framework. Energy efficiency is recognized as both a cost-management imperative and a strategic driver of IDLC's transition to a low-carbon business model.

IDLC's energy consumption arises primarily from its office and branch network operations, including air conditioning and cooling systems, IT infrastructure and data processing, office lighting, and employee commuting under Scope 3. Given its position as a financial institution with no industrial or manufacturing operations, IDLC's direct energy intensity is comparatively modest; however, the company recognizes that cumulative operational energy use contributes meaningfully to its Scope 1 and Scope 2 emissions baseline. (More Details in page 118 of Scope and Boundaries of IDLC GHG Reporting)

Electricity Consumption per employee BDT



Energy Efficiency Initiatives

IDLC has implemented a range of operational measures to reduce energy consumption across its branch and head office network. Key initiatives include the deployment of energy-efficient LED lighting, procurement of Energy Star-rated or equivalent equipment, installation of smart metering and building energy management systems (BEMS) to monitor real-time consumption. Furthermore, in line with Energy Efficiency and Conservation Master Plan and Bangladesh Bank's green office guidelines, IDLC keeps air conditioning temperature to 25°C or above across its office and branch network, in effort to reduce HVAC-related electricity consumption.

Climate Related Disclosure

Our Approach to Net Zero Carbon Emission- Carbon Footprint Journey



Only NBFI from Bangladesh to be listed Bloomberg rating for Sustainability



Setting and Disclosing Smart targets to Reach Net Zero Emission by 2050



Only NBFI to disclose total GHG emission

At IDLC, we are guided by responsible growth. Driven by this tenet we became a member of the United Nations Environment Programme Finance Initiative (UNEP FI) in 2010 and since we then have been publishing our commitments and actions in the form of a separate Sustainability Report.

In extension to this and our commitment to improved disclosure we undertook carbon footprint analysis in partnership with an external consultant, and have published the first in the NBFI sector, our total GHG Emission, including all 3 scopes, and our detailed plan "Setting Smart Target to Reach Net Zero Emission by 2050", which is available at our website and has been submitted to UNEPFI as part of our pledge. The GHG emission calculation has been done complying with GHG Protocol and Partnership for Carbon Accounting Finance (PCAF). We believe it is a crucial step to move towards a better, sustainable future.

Our calculation for 2025 has also been vetted by our external consultant, for reporting the Scope 1, Scope 2 and Scope 3 GHG emissions of 2025, in limited scope- focusing only on GHG from our own consumption

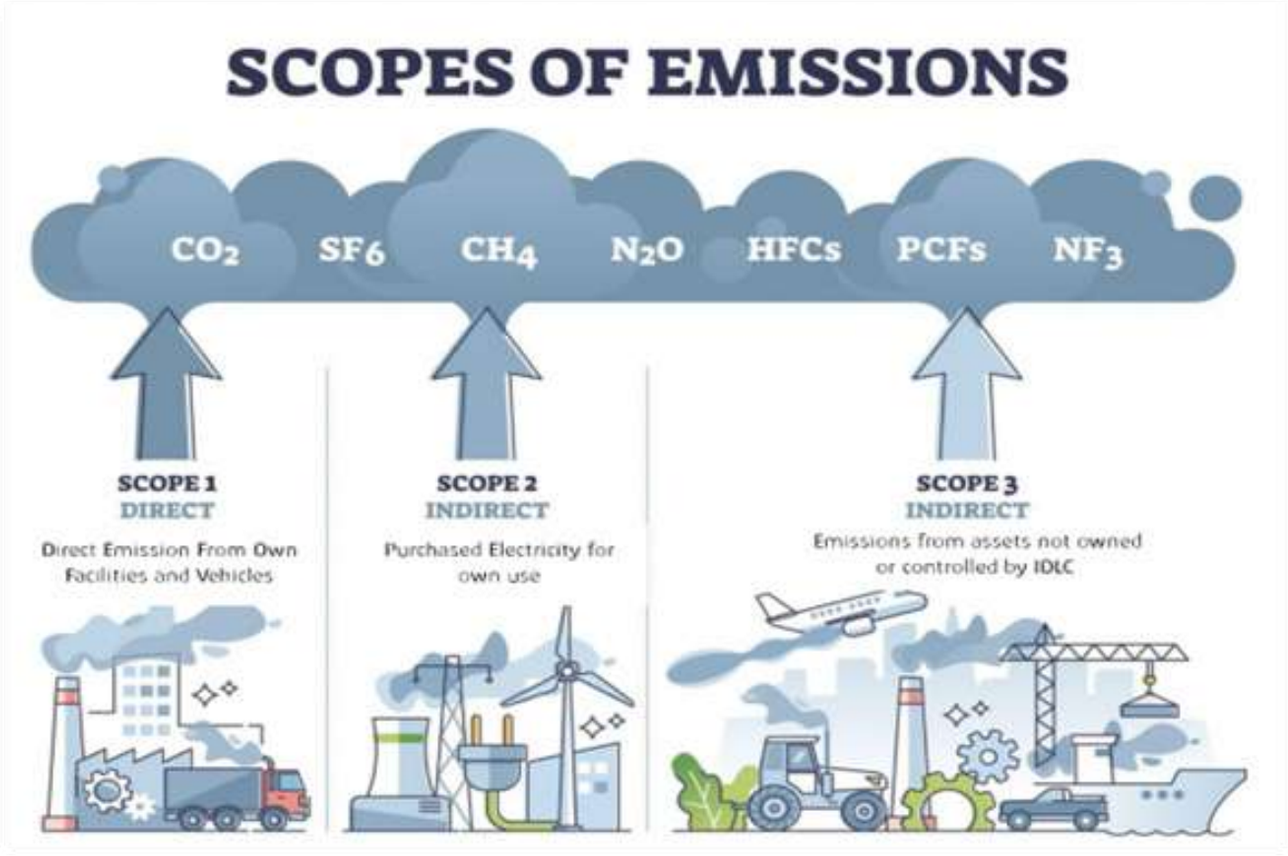
Scope and Boundaries of IDLC GHG Reporting

Scope1- emissions are direct greenhouse gas emissions that occur from sources that are controlled or owned by an organization. For IDLC, categories of Scope-1 emissions include fuel consumption, carbon emission from refrigeration.

Scope 2- emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Although Scope 2 emissions physically occur at the facility where they are generated, they are accounted for in an organization's GHG inventory because they are a result of the organization's energy use. In case of IDLC carbon emission from purchased electricity forms the primary scope.

Scope 3- emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain. Scope 3 emissions include all sources not within an organization's Scope 1 and 2 boundaries. For IDLC, the scope encompasses- Material Uses and Waste, Employee Commuting, Business Travel (Air), Hotel Stays, Water Supply etc. We have also accounted for emission from our loan portfolio, which is essentially emission by entities who we have financed.

With expansion in business and our footprint it is likely that GHG emission is likely to increase. However, curtailing it to a minimum is a primary objective. In this regard, our commitment and rigorous monitoring has allowed maintain our level, despite increase in activity and employees.



SCOPE 1	SCOPE 2	SCOPE 3
2025: 453 tCO_2e	**2025: 1,306 tCO_2e**	**2025: 294,396 tCO_2e**
0.31 tCO_2e per employee	0.90 tCO_2e per employee	203.45 tCO_2e per employee
2024: 282 tCO_2e	**2024: 1,259 tCO_2e**	**2024: 281,794 tCO_2e**
0.19 tCO_2e per employee	0.87 tCO_2e per employee	193.67 tCO_2e per employee

Details of calculation are provided in our Annual Sustainability Report 2025

Strategies and Targets

Scope 1 and 2 Emissions– Operational Strategy & Targets

Scope-1 emissions are direct greenhouse gas emissions that occur from sources that are controlled or owned by an organization. Some of the categories of Scope-1 emissions are fuel consumption, biofuel consumption, air conditioning, refrigerator, and owned vehicles. Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling, as they are a result of the organization's energy use.

As at 2025, Scope 1 = 453 tCO_2e. Scope 2 emissions are indirect emissions from purchased electricity, steam, heat, or cooling. Location-based Scope 2 = 1,306 tCO_2e, covering 2 rural and 30 urban branches of IDLC Finance PLC.

As IDLC's operational footprint expands in line with business growth, absolute Scope 1 & 2 emissions may rise. Accordingly, IDLC's 2030 strategy focuses on restraining emission intensity (emissions per employee / per unit of floor area) while pursuing absolute reductions through renewable energy and operational efficiency.

Scope	Target	Strategy
Scope 1	Efficient use of natural resources at workplace; minimise direct GHG emissions from owned sources	• Integrate GHG emission considerations in design, construction and maintenance of new office premises • Maintain optimum AC temperature across all locations (target 24–25°C) • Deploy energy-intensity sensor-based lighting where feasible • Promote IDLC Green Office Guidelines through regular awareness campaigns • Phase out desktop computers in favour of energy-efficient laptops • Promote virtual platforms for cross-location meetings to reduce travel emissions • Encourage carpooling and responsible vehicle use among employees
Scope 2	Reduction of carbon footprint from purchased electricity and energy use	• Install rooftop solar panels at IDLC office premises • Procure Renewable Energy Certificates (RECs) where solar deployment is not feasible • Launch targeted employee awareness campaigns on responsible energy use • Track and report energy intensity (kWh/employee) annually

Scope 3 Emission – Portfolio Decarbonisation Strategy

Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain. Scope 3 emissions include all sources not within an organization's Scope 1 and 2 boundaries. Examples of some Scope-3 emissions are- Material Used, Employee Commuting, Business Travel (Air), Hotel Stay, Water Supply, Investments etc. We have also accounted for emission from our loan portfolio, which is essentially emission by entities who we have financed.

As at December 2025, IDLC's total absolute gross Scope 3 financed emissions from its loan portfolio stand at 294,267 tCO_2e, with an additional 130 tCO_2e from other Scope 3 activities (business travel, hotel stays etc.), giving a total Scope 3 of 294,396 tCO_2e. Total GHG emissions (all scopes) = 296,156 tCO_2e.

Under the NZBA, IDLC had calculated its GHG emission for both its internal operations and Loan portfolio (considering 2022 as its base year) and has disclosed SMART targets to reach net zero by 2050.

In this regard, IDLC has identified five of its impactful areas, as tabulated below, after taking into consideration Nationally Determined Contributions (NDCs) and IEA NZE Scenarios 2050. It has also set medium- and long-term goals to achieve net zero emissions by 2050. As of 2025, the total portfolio amount for these sectors cumulatively amounts to BDT 37,863.66 mn (31% of total stand-alone loan portfolio).

Financing Sector	Estimated Emission Reduction Target (%) for 2030	Strategies for 2030	Estimated Emission Reduction Target (%) for 2050	Strategies for 2050
Food	45%	• Implement environmental criteria for assessment	100%	• Reward sustainable practices
		• Offer specialized financial incentives for environmental friendly practices		• Collaborate with Sustainable Suppliers
		• Encourage sustainability reporting		
		• Offer expertise and advisory services for implementing sustainable practices		
Textile & RMG	54%	• Encourage Investment in Sustainable Technologies	100%	• Financing companies engaged in reducing GHG emission, and strategise on carbon footprint reduction.
		• Promote Recycling and Circular Economy		• Offer specialized financial incentives for environmental friendly practices
		• Reduce investing in companies who use coal fired broilers for their operations		• Zero financing of coal fired broilers, encourage shift towards renewable energy

Financing Sector	Estimated Emission Reduction Target (%) for 2030	Strategies for 2030	Estimated Emission Reduction Target (%) for 2050	Strategies for 2050
Agriculture	55%	• Finance Sustainable & GHG emission reduction practices	100%	• Offer specialized financial incentives for environmental friendly practices
		• Finance Sustainable & GHG emission reduction practices & screening		• Promote environmental friendly crop breeding
		• Encourage improved agricultural practices		
Transport	47%	• Encourage fuel efficiency for the transport sub sector	100%	• Offer specialized financial incentives for environmental friendly practices
		• Increasing finance in less emission-based transport system		• Assess the financial risks and opportunities associated with the scenarios
		• Develop and support for improving the Inland Transport System		• Regularly review and update the action plan based on various sustainability standards.
		• Invest in development of advanced technology for transport sector and renewable energy vehicle manufacturing		• Engaged with international sustainability initiatives to align the bank's efforts with global goals.
		• Financing vehicles powered by compressed natural gas		
		• Collaborate with clients to use energy efficient products.		
		• Encourage the adoption of low carbon transportation systems		
Power	49%	• Decrease the investments in oil fired power plants	100%	• Increase investment in sustainable business practices
		• Provide financial incentives to encourage the adoption of low-carbon technologies and renewable energy sources		• Increase the investment in renewable energy sectors, solar PV and wind energy.
		• Promote Green Bonds		• Stop new funding for fossil fuel-based power companies.
				• Support research and development efforts for reducing GHG emission

Value Chain Engagement Strategy- Upstream and Downstream Approach

As a financial institution, IDLC's direct environmental footprint is relatively limited. The more significant impact lies in what IDLC finances – the businesses, operations, and supply chains of its borrowers. Recognizing this, IDLC has structured its value chain engagement strategy around two axes:

Upstream: engaging borrowers on the sustainability of their input sourcing, supplier relationships, and production inputs

Downstream: supporting borrowers in managing emission impacts from product use, distribution, and end-of-life treatment

Upstream Value Chain Strategy

Upstream Activity	2050 Strategy & Approach
Raw Material & Input Suppliers	Apply ESDD criteria to assess borrower supplier sustainability. Preference for loans to borrowers sourcing from certified or verified sustainable suppliers.
Capital Goods & Equipment	Prioritize financing of energy-efficient machinery and equipment. Apply minimum emission performance standards for capital goods in high-emission sectors (Textile, Power). MIS maintained for lower-carbon-intensive project tracking.
Transportation & Logistics (Inbound)	Engage borrowers on optimizing inbound logistics emissions; favor rail, waterway, or CNG transport over diesel road transport where feasible. Inland Water Transport financing supported.
Supplier Engagement & Capacity Building	Provide advisory and capacity-building support to help borrowers influence upstream supplier practices. IDLC Sustainable Finance Unit and Green Banking Unit lead knowledge dissemination and client consultation.
Biodiversity & Ecosystem (Upstream Inputs)	Reduce biodiversity loss by increasing financing for wastewater treatment plants (ETP / Biological ETP). ESG checklist applied to monitor environmental and social impacts at origination.

Downstream Value Chain Strategy

Downstream Activity	IDLC Strategy & Approach
Distribution & Outbound Logistics	Assess and monitor GHG emissions from financed distribution networks. Incentivize borrowers to shift to low-emission distribution modes. Finance refrigerated low-emission logistics for Food & Agriculture sectors.
Use of Sold Products / Services	Evaluate end-use emissions profile of financed products (energy consumption of financed appliances, vehicles, and buildings). Require energy audit disclosures for large commercial borrowers in high-emission sectors.
End-of-Life Treatment	Finance circular economy initiatives including recycling, refurbishment, waste reduction, and effluent treatment in financed operations.
Customer Engagement & Reporting	Collaborate with retail and SME borrowers on sustainability reporting; integrate Scope 3 downstream disclosures into IDLC's own NZBA reporting cycle. GHG emission calculator made available to facilitate client-level tracking.
Carbon Credits & Offset Mechanisms	Potential future use of third-party verified carbon credits (nature-based or technology-based) to offset residual portfolio emissions. Tree plantation supported through CSR fund aligned with Bangladesh Bank guidance.

Risks and Opportunities

Sustainability and Climate Related Risk Management & Financial Impact

IDLC has always been attuned to its environment and has since long initiated action to incorporate climate risks inherent in the businesses being assessed, evaluating climate risk in planned strategic priorities, embedding climate risk into relevant policies and understanding the impact.

The Board's responsibility

The board members takes into account the risks when making strategic and policy choices. The Board members will carefully assess the trade-offs between the climate-related risks and opportunities in their decision-making process. The board and the EC, comprising of Board members, are responsible for overseeing all climate-related and sustainability-related risks and opportunities in accordance with regulatory guidelines. All financing decisions are evaluated through the Environmental and Social Due Diligence (ESDD) process, as outlined by Bangladesh Bank.

The Board reviews and approves the credit policy on an annual basis, which includes specific policies and strategies aimed at managing climate and sustainability-related risks and opportunities at the transaction level.

Projects categorized as having high environmental or social risks are escalated to the Board for approval. The Board members thoroughly assess the associated risk factors and review the Environmental and Social Action Plan (ESAP) to implement appropriate measures for mitigating the identified risks of high-risk rated projects.

Management Level responsibility

Each financing decision is carefully assessed to identify potential environmental and social risks at the credit evaluation stage, in alignment with the ESG guidelines set forth by Bangladesh Bank. Projects classified as medium or high environmental and social risks are escalated to the Credit Evaluation Committee (CEC) and the Board, respectively, following the approved organizational hierarchy. The Environmental, Social, and Governance (ESG) checklist is employed to monitor the environmental and social impacts of business activities, and an Environmental and Social Action Plan (ESAP) is developed to mitigate the identified risks associated with these projects.

The Sustainable Finance Committee (SFC) under the management, in addition to assessing climate and sustainability-related risks and opportunities, monitors their progress and impact. Additionally, the committee ensures the implementation of regular capacity-building sessions of business units, credit risk management officials, to seize the opportunities of an evolving economy and society towards sustainability. The SFC also entrusted to escalate any material climate related risk and issues.

Sustainability & Climate Related Risks Under IFRS S1 And S2 Based On TCFD Recommendations:

IDLC envisions in 21st century to create value for both society and stakeholders, and remaining trustworthy as always among investors, customers, employees and society. Involvement with these initiatives guides IDLC to align its ESRM practices with global standards and adopt the best practices. The ESRM assesses the nature, likelihood and magnitude of the effects of the risks which tackles both physical and transition risk, through the main 4 pillars of risk identification, measurement, monitoring and control.

Category based on IFRS S1 and S2	Drivers	Related key risk	Strategic Management and Mitigation	Impact Drivers	Potential Financial Impacts
Transition Risk					
Policy and Legal	• Carbon taxes • Enhanced emissions-reporting obligations • Mandates on and regulation of existing products and services • Cap on trade and systems	Liquidity Strategic Legal Environment & Social Reputation	• Implementation of proper disclosure of climate change and material financial risk and abide by the regulatory policies • A resilient energy strategy supported by renewables and cost-effective energy efficiency projects	**Likelihood:** Moderately Likely **Timeframe:** Medium to long term **Financial Impact:** Medium	• Increase in operational expense, • Reduced demand for products and services resulting from fines and judgments
Technology	• transition to low carbon, energy efficient system • development and use of emerging technologies such as renewable energy, battery storage, energy efficiency, and carbon capture and storage	Technology Operational Strategic	• Adoption of best available technology to increase our use of renewable energy • In our own operations and in partnership with our logistic suppliers, continuing to reduce emissions by maximizing the use of space, reducing fuel consumption and switching to lower emission fuels	**Likelihood:** Likely **Timeframe:** Medium to long term **Financial Impact:** Medium	• Research and development (R&D) expenditures in new and alternative technologies • Increase in operational expense • Capital investments in technology development

Category based on IFRS S1 and S2	Drivers	Related key risk	Strategic Management and Mitigation	Impact Drivers	Potential Financial Impacts
Market	• Transition to Carbon Neutral and Sustainable Products • Changing customer behavior	Environment & Social Strategic	• Exploring products or branding carbon neutrality to meet growing market preferences	**Likelihood:** Moderately likely **Timeframe:** Long Term **Financial Impact:** Low	• Change in revenue mix and sources, resulting in decreased revenues • Reduced demand for goods and services due to shift in consumer preferences
Reputation	• Shifts in consumer preferences • Stigmatization of sector	Reputation Legal	• Make our footprint transparent and our progress clear • Communicating our advocacy positions and sharing our interactions with governments and civil society	**Likelihood:** Moderately Unlikely **Timeframe:** Short Term **Financial Impact:** Low	• Reduced revenue from decreased demand for goods/ services • Reduction in capital availability • Decrease in customer engagement thereby decrease in retail deposit and loan portfolio
Physical Risk					
Acute	• Increased severity of extreme weather events such as cyclones and floods	Environment & Social Operational Market	Advocating and directly being involved in building a sustainable society through CSR activities. Our future commitments will continue to take into consideration the relationship between climate action, protecting biodiversity and ensuring that progress delivers social benefits.	**Likelihood:** Moderately Likely **Timeframe:** Short to Medium term **Financial Impact:** Low	• Increased cost from transport difficulties, supply chain interruptions • Businesses operating in areas susceptible to climate-related events face inability to continue business as usual thus reducing revenues • Adverse weather may negatively impact agricultural output thus hiking commodity prices leading to inflation growth.
Chronic	Rising mean temperatures Rising sea levels			**Likelihood:** Moderately Unlikely **Timeframe:** Long Term **Financial Impact:** Low	

The current and anticipated effects of sustainability and climate-related risks and opportunities on the entity's business model and value chain:

Current Effects

- At the transaction level, credit loss from flood, drought, and other climate changes.
- Supply chain disruption from flood and other natural disasters that would lower the repayment.
- Floods and other natural disasters caused physical harm to ETP and other waste disposal facilities.
- Variations in agricultural productivity: Floods and droughts lower agricultural output, which has an impact on loan performance in industries that depend on agriculture.
- Increased demand of green projects like Green Building/Industry, solar power plant/ net metering rooftop solar projects, Biological ETP, Fire Safety products etc. for meeting buyers, internal and external regulatory bodies & stakeholders' demands.

Anticipated Effects

- Stricter regulations aimed at lowering greenhouse gas emissions and promoting pollution-free operations will limit the options available to companies that are unable to adapt to the demands.
- Carbon Tax on the businesses and subsequent failure of loan repayment.
- Assets are being converted to stranded assets due to climate change.
- New technological development making the existing technology obsolete.
- Buyers demand might shift towards more sustainable products/ business practices.
- Due to anticipated climate change, business operations in some geographic areas may need to be reduced.

Climate-Related Opportunities: Strategic Responses and Financial Value Creation

Through our evolving Carbon Footprint Journey, IDLC is not only mitigating climate risk but also unlocking sustainable financial value. Our path to Net Zero is anchored in practical innovation, regulatory alignment, and transparent reporting – all while supporting Bangladesh's transition to a low-carbon economy.

The board members takes into account the opportunities related to sustainability and climate mentioned in the table below when making strategic and policy choices.

Climate and Sustainability Related Opportunities	Description	Related Strategic Objectives	Strategy to harness opportunity	Impact of Climate and Sustainability related opportunity			Potential Financial Impact
				Short	Medium	Long Term	
Resource Efficiency	• Reduced environmental footprint of operations. •Reduced paper consumption. • Reduced water usage and consumption. • Recycling/re-using unavoidable paper waste	• Integrating Environmental, Social and Governance (ESG) into business. • Sustainable growth in business	•IDLC's climate capabilities have extended through its ESG approaches and investments in sustainable projects. •IDLC's major in-house green initiatives focus on resource efficiency having an impact on the environment and society • Incentivize sustainable practices through rewards.	Medium	Medium	High	•Reduced operational cost (e.g. using resources efficiently). •Formed new revenue streams through increased customer base. •Employee satisfaction which ultimately results in lower cost

Climate and Sustainability Related Opportunities	Description	Related Strategic Objectives	Strategy to harness opportunity	Impact of Climate and Sustainability related opportunity			Potential Financial Impact
				Short	Medium	Long Term	
Energy efficiency	• Balanced energy savings and comfort at the workplace. •Energy efficient pool- vehicles. • Use of newer and updated technologies. •Move toward decentralized energy generation	• Continuous operational, infrastructural and technological development. • Integrating Environmental, Social and Governance (ESG) into business. • Sustainable growth in business	Renewable energy procurement at branches and offices ensures energy savings at the workplace. Discontinue financing for customers utilizing coal-fired boilers. Cease new funding for power companies reliant on fossil fuels. Offer guidance and financial assistance to textile manufacturers for conducting energy audits and adopting energy-efficient practices in their facilities Increased emphasis on promoting environmentally friendly initiatives. Renewable Energy Energy Efficient Machineries Green Building/Industry Extended efforts in capacity building	High	High	High	•Reduced exposure to GHG emissions which ultimately means less sensitive towards the change in cost of carbon
New/ enhanced Products & Services + Low cost Solutions	•Development of low-emission services and diversify business activities. •Move towards consumer centric approaches	•Customer centricity & Financial inclusion. •Continuous operational, infrastructural and technological development • Strong funding mix	• Accessing favorable financial terms for projects focused on sustainability and low-carbon outcomes- Increased financing in climate mitigation/ Adaptation projects through CRF fund, pre-financing/re-financing projects •Disbursement in projects where the major products include biological ETP, energy efficient technology, renewable energy projects. •Decrease the investments in oil fired power plants in the 2030s • Encourage research and development projects aimed at developing energy storage options, clean energy technology, and cutting-edge techniques for lowering emissions in HVAC and electrical systems.	Low/ Medium	Medium/ High	Low/ Medium	•Increased customer base which is reflected in an increased revenue. •Increased revenue in terms of the demand for lower emission services. Received the refinance worth of BDT 1,015 mn, against its green and sustainable finance from Bangladesh Bank.

Climate and Sustainability Related Opportunities	Description	Related Strategic Objectives	Strategy to harness opportunity	Impact of Climate and Sustainability related opportunity			Potential Financial Impact
				Short	Medium	Long Term	
Access to New Markets	•Access to new locations needing financial services. •Enlarge the business segments & focus on financial inclusion.	•Sustainable Growth in Business • Continuous operational, infrastructural and technological development	•IDLC's ESG approaches and climate related capabilities have expanded through environmental friendly investment which enables the company to develop climate solutions and increase its customer base.	Low/ Medium	Medium/ High	Low/ Medium	•Increased portfolios which leads to increased diversification of financial services. •Increased revenues through capturing new markets.
Enhanced Branding	* Leveraging sustainability initiatives to improve the company's reputation and market positioning	•Sustainable Growth in Business	Launch public campaigns showcasing net-zero goals, climate finance, green loans, SME financing, etc. .	Medium	Medium	High	•Reputational benefits increasing new customer acquisition and retention Enhances Brand Equity
Resilience and Business Continuity	Strengthening the organization's capacity to adapt to and recover from climate-related disruptions	All	Adapting Global Standard Best Practice across business model and value chain Partner with suppliers who prioritize sustainability	High	High	High	Improved Risk-Adjusted Return on Asset Reduced business recovery costs post-disaster
Memberships and climate change commitments	Participation in renewable energy programs and adoption of energy efficiency measures. Use resources efficiently.	•Integrating Environmental, Social and Governance (ESG) into business. •Customer centricity & Financial inclusion. •Effective Risk Management	•IDLC maintains membership with UNEP FI, UNGC. Its collective commitment to climate action (CCA) and Net Zero Carbon Emission which contribute to market insights that facilitate the ongoing development of the Company's climate related risk and solution. This ultimately enables IDLC to access to new markets and increase revenues.	Low	Medium	High	•Increased revenue through attracting more investors and focus on diversification. •Increased ability to operate under various conditions.

Looking Ahead

The macroeconomic factors reflects the overall growth of the economy. The GDP, Inflation rates, stock prices will impact on people's behavior in financial markets. The climate change will shape how people move towards investments and also shape how people will think about financing. IDLC's strong integration with ESG, Sustainability and Climate related disclosures will not only create value for the business but also will impact on the larger ecosystem.

In the coming days, IDLC aspires to increase its portfolio in green and sustainable projects and thus align itself with global initiatives like net zero emission and the Paris Agreement for ensuring the sustainability of the economy, environment, and society. In addition, we also aim to tap into climate related opportunities through enhanced digitization, and exploring other avenues in order to create positive synergy.

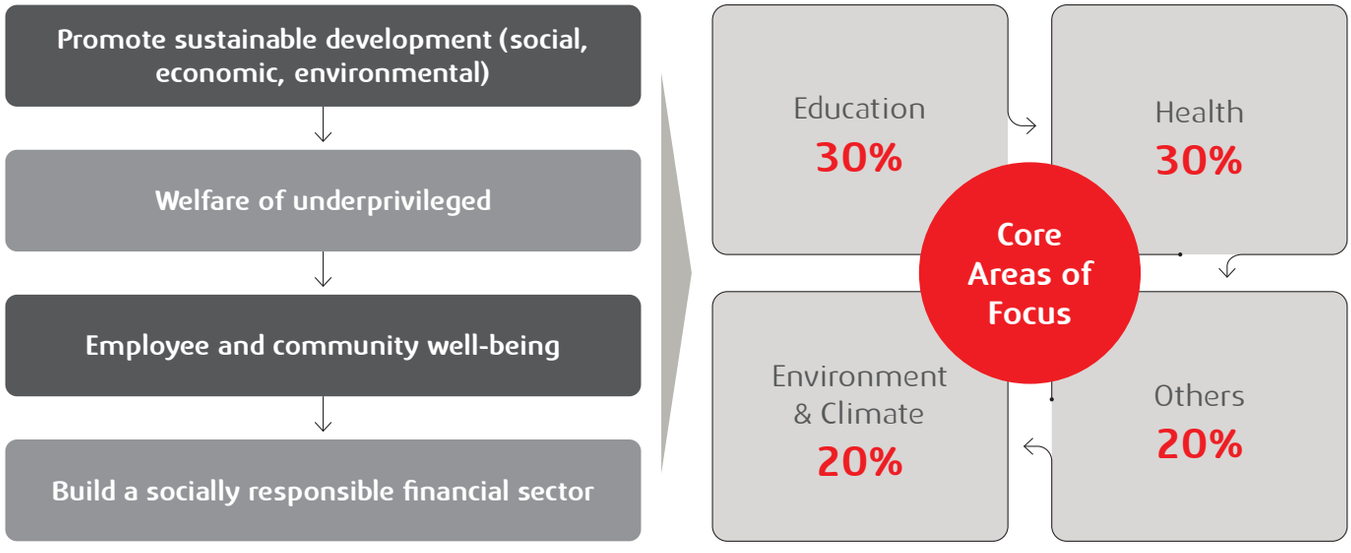
Social Initiatives: Growing Together With Community

IDLC Finance PLC embraces its role as a responsible corporate citizen, firmly committed to creating long-term value for society through inclusive and sustainable development. Guided by the principles of transparency, ethical governance, and stakeholder engagement, IDLC's CSR activities are strategically designed to address pressing social, environmental, and economic challenges across Bangladesh. With a strong focus on community empowerment, the organization prioritizes initiatives in education, healthcare, climate resilience, and disaster relief–ensuring that marginalized and underserved populations are not left behind in the nation's progress. Through collaborative efforts and impactful programs, IDLC continues to foster inclusivity and resilience, making meaningful contributions toward a more equitable and sustainable future.

Our Corporate Social Responsibility Policy

The Corporate Social Responsibility Policy is developed in alignment with the guidelines provided by Bangladesh Bank for Banks and Financial Institutions. The policy outlines IDLC's commitment to integrating social and environmental concerns into its business operations and contributing to the sustainable development of Bangladesh.

The policy has been updated in line with the SFD Circular No. 1, dated 9 January 2022, titled "Policy Guidelines on Corporate Social Responsibility for Banks and Financial Institutions", SFD Circular No. 6, dated 29 November 2022, and SFD Circular No. 5, dated 23 November 2023 issued by the Sustainable Finance Department of Bangladesh Bank.



CSR Activities of 2025

Initiative	Activity	UN SDGs Aligned
EDUCATION		
Support Staff Children Scholarship Program	Monthly stipends and annual academic support to children of permanent support staff. In 2025: 89 students from 58 employee families, primary through higher secondary level.	
Scholarships for Underprivileged Students (Higher Secondary & University)	Partnership with Pay It Forward – 10 underprivileged students in public colleges and universities.	
Scholarship Program – Dept. of Banking & Insurance, University of Dhaka	Monthly stipend to students from marginalized backgrounds throughout their full graduation program.	
Nursing Scholarship – AYAT & CRP Nursing College	Latifur Rahman Memorial Scholarship at AYAT and M.A. Hashem Scholarship at CRP Nursing College. In 2025 scholars completed their BSc in Nursing.	
Odditiya Scholarship – Asian University for Women	Supports women who are the first in their families to pursue higher education. Phase III (2025): 10 new scholars over four years, in partnership with Prothom Alo Trust and Asian University for Women.	
HEALTH		
Chemotherapy Unit – Chattogram Maa-O-Shishu Cancer Hospital	Funded Bangladesh's first dedicated chemotherapy unit outside Dhaka (20-bed facility, established 2022). In 2025, extended further financial support for maintenance and continued operation of the unit.	
Employee Blood Donation Campaign & Thalassemia Screening	Employee volunteering blood drive in collaboration with Bangladesh Thalassemia Foundation – collected 68 units of blood. Free thalassemia screening arranged for employees to promote informed health practices.	
Blood Bag Refrigerator Donation – Bangladesh Thalassemia Foundation	Donated a Fiocchetti EMOTECA blood bag refrigerator, increasing storage capacity from 200 to 380 bags with precise temperature control, alarm systems, and data logging – ensuring safer blood supply for patients requiring regular transfusions.	
Safe Drinking Water Points – Dhaka University Campus	Established clean drinking water access points at 10 locations across Dhaka University campus, benefiting over 1,000 students, faculty, and staff daily.	
Physiotherapy for Children with Neurodevelopmental Disorders	Partnership with SEID Trust – free physiotherapy sessions for 20 children from marginalized families living with autism, cerebral palsy, and Down syndrome, relieving financial and emotional burden on their families.	
Financial Assistance for Medical Treatment	Direct financial assistance to 8 individuals (employees, family members, and others in critical need) undergoing treatment for cancer, kidney disease, liver cirrhosis, blood infections, and urgent surgical cases.	
Chanpara Community Clinic – Maternal & Child Health	Partnership with ActionAid Bangladesh – provided essential medical equipment to a clinic serving ~60,000 residents in Rupganj, Narayanganj, including garment workers and day labourers. Clinic now facilitates 15–20 births per month.	

Initiative	Activity	UN SDGs Aligned
Free Eye Screening – Marginalized School Children	Organized two free eye screening programs across two government primary schools in Dhaka (594 children screened). 54 students received custom spectacles, 34 received prescribed medication, 5 referred for specialist treatment. 11 awareness sessions for teachers and parents.	
ENVIRONMENT		
Ramchandrapur Canal Cleanup & Maintenance	On World Environment Day 2025, partnered with Footsteps Bangladesh, Dhaka North City Corporation, and Ministry of Environment to remove ~2 km of accumulated waste. Phase II (Sep–Dec 2025): monthly cleanups, floating waste barriers, and community awareness campaigns. Benefited ~20,000 residents.	
Tree Plantation Initiative	Planted 1,000 trees at two Dhaka locations – 500 indigenous saplings (Hijol, Neem, Arjun) along Uttara Sector 15 riverbank supporting local biodiversity; 500 pollinator-friendly trees along 1 km of Banani Lakeside for climate risk mitigation.	
Safe Drinking Water – Vulnerable Communities, Mymensingh	Established two community water points in Ghoshgaon Union (Mymensingh) using deep-well submersible pumps and 2,000-litre overhead tanks (200–950 ft depth), serving Garo indigenous communities and peri-urban households. Protects against iron contamination and seasonal water scarcity.	
DISASTER MANAGEMENT		
Emergency Relief – Korail Slum Fire Victims	Supported 350 families displaced by the November 2025 Korail slum fire in Dhaka: distributed 1,200 blankets, 350 tarpaulin sheets, 350 mosquito nets, and dry food supplies. On-site medical camp provided first aid, burn treatment, and health screenings.	
Winter Relief – Blanket Donation Initiative	Employee volunteering initiative distributing 3,000 blankets to marginalised communities across Bangladesh to support vulnerable families through winter months.	
SOCIAL INCLUSION		
Wheelchair Sports 2025 – Empowering Physical Inclusion	Sponsored Wheelchair Sports 2025 (organised by Suborno Nagorik Foundation) on National and International Day of Persons with Disabilities (3 Dec 2025). ~60 wheelchair athletes competed in races, table tennis, weightlifting, shot put, and basketball.	



- Blood Donation Drive in collaboration with the Bangladesh Thalassemia Foundation



- Graduation ceremony of IDLC Scholarship Recipients who completed their Bsc. in Nursing



- IDLC donated a Fiocchetti EMOTECA blood bag refrigerator to the Bangladesh Thalassemia Foundation



- Medical Equipment Support with ActionAid Bangladesh at Chanpara Community Clinic









- Ramchandrapur Canal Cleanup with Footsteps Bangladesh

Empowering Communities through Financial Literacy

The Financial Literacy Wing (FLW) of IDLC Finance PLC plays a crucial role in promoting financial awareness and inclusion across Bangladesh, guided by the Financial Inclusion Department (FID) of Bangladesh Bank. FLW focuses on educating diverse groups, including CMSME entrepreneurs, farmers, and marginalized communities, about essential financial topics such as savings, lending, digital transactions, and foreign remittance through authorized channels. Its activities include organizing nationwide Financial Literacy Programs (FLPs), conducting focused group discussions, and celebrating key events like Financial Literacy Day and Financial Literacy Week. FLW also leverages digital platforms, including social media handles like “Orther Ortho” and the IDLC website, alongside thematic campaigns and branch displays to spread financial knowledge effectively. Through employee engagement, capacity-building initiatives, and the establishment of Financial Literacy Corners in branches, FLW aims to foster a culture of responsible financial behavior, enhance digital transaction adoption, and contribute to building a financially literate and inclusive Bangladesh.

Key Financial Literacy Initiatives of 2025:

- Financial Literacy Day was observed on the first Monday of March 2025, and Financial Literacy Week was held from March 17, 2025 to March 23, 2025. In parallel, a year-round campaign titled "Think before you follow, wise money tomorrow" was promoted through branch branding, social media and digital platform outreach, as well as financial literacy programs.
- Seminars were conducted for first-year students at the University of Dhaka and Jagannath University, equipping more than 200 prospective leaders with essential knowledge on prudent and secure financial decision-making.
- Focus Group Discussions (FGDs) and training sessions were organized across IDLC branches nationwide, with particular emphasis on youth and women entrepreneurs.
- In total, IDLC FLW conducted 37 workshops across 9 districts, enhancing financial awareness and building capacity among 52 cottage, micro, small, and women entrepreneurs, as well as 433 youths.
- As the country’s first non-bank financial institution to implement the Skills for Industry Competitiveness and Innovation Program (SICIP) under the Ministry of Finance and Bangladesh Bank, IDLC Finance PLC strengthened entrepreneurial capacity by providing training to 25 entrepreneurs in Dinajpur.



Entrepreneurship Development Program by Ministry of Finance, Bangladesh Bank, and IDLC Finance PLC



Financial Literacy Session at the University of Dhaka

Financial Literacy program around the country



- Agrabad



- Bogra



- Jessore



- Mymensingh



- Rajshahi



- Sylhet

Enhancing Employee Excellence

In an era of rapid and continuous transformation across the financial sector, IDLC remains steadfast in its conviction that people are its greatest asset. Our human capital strategy is built on a foundation of care, merit, and sustained development; ensuring that every individual who joins us has the opportunity to grow, contribute meaningfully, and thrive.

We strive to create a workplace culture that enables our employees to deepen their expertise, pursue performance excellence, and realise their professional aspirations. At IDLC, recognition is commensurate with growth, compensation reflects talent and experience, and reward is fundamentally driven by the individual's own trajectory. Over 40 years of sustained growth, the ability to evolve our workforce and align work design with business demands has remained the cornerstone of our progress.

Driving Excellence through Development

IDLC is committed to developing its workforce by fostering expertise and continuous learning. By transforming challenges into opportunities for innovation, IDLC empowers employees to refine their skills, driving excellence and reinforcing its leadership in the financial industry.



Human Resource Governance Framework

At IDLC, our Human Resources framework is founded on comprehensive policies, structured processes, and well-defined procedures, fostering a dynamic and inclusive workplace. Aligned with local and international labor management standards, our HR strategies are developed at the highest organizational level to drive excellence.

The Board and Managing Director provide strategic oversight of IDLC's strategical HR Policies while the Human Resources Department (HRD) is responsible for its implementation and regular reporting. The HRD ensures compliance with legal regulations and proactively manages HR-related risks through early identification and mitigation. Additionally, the department upholds ethical conduct and integrity, reinforcing the core values that define IDLC's organizational culture.

Throughout the year, our organization has remained fully compliant with all employee-related laws and regulations in Bangladesh. Importantly, there have been no reported incidents of noncompliance, and no fines have been incurred for any breaches.

Some practices and Policies at IDLC includes, but not limited to:

- Recruitment & Selection Policy
- Remuneration Policy
- Performance Management Policy
- Recognition and Reward Policy
- Training & Development policy
- Employee Ethics and Code of Conduct
- Disciplinary Policy
- Data Privacy & Confidentiality Policy

- Workplace violence, discrimination and harassment Policy
- Workplace Health & Safety Policy
- Whistleblower Protection Policy
- Employee Grievance Handling Policy
- Conflict of Interest Policy
- Leave management policy
- Remote Work & Hybrid Work Policy
- Occupational Training and Internships
- Staff re-hiring policy
- Social media policy
- Employee Separation Policy
- Retirement & Pension Policy

Workforce Combination

A diverse and balanced workforce is both a strategic imperative and a reflection of IDLC's values. We regularly monitor workforce composition; across gender, seniority, and background; to assess progress, identify opportunities for improvement, and ensure our talent practices remain inclusive and equitable at every level.

Group Headcount

2024 1,665 2025 1,668

ENHANCING WORKPLACE EQUITY

Female Headcount

2024 250 2025 243

Women Representation in the Workforce

IDLC promotes equal opportunity employment by actively supporting balanced gender participation across its entire workforce. We monitor female representation at all levels to understand diversity trends and to ensure our workplace remains inclusive, collaborative, and reflective of our organizational values.

Women in Leadership and Management

Strengthening gender diversity within leadership is an integral part of IDLC's human capital strategy. We build an inclusive management pipeline by ensuring fair access to recruitment, development, and promotion opportunities – grounded in merit and performance. Structured talent practices actively support the advancement of women professionals into senior management roles, reinforced by a culture of equal opportunity and collaboration. We continuously monitor gender representation across senior management levels to assess progress and identify areas for further development.

	2025	2024
Women in Leadership and Management	7	8

Minorities in Management and the Broader Workforce

At IDLC, we value diversity of background, perspective, and lived experience as an important driver of balanced decision-making and organizational resilience. IDLC maintains inclusive talent practices that support fair representation within management roles, ensuring that growth opportunities are accessible to individuals from all backgrounds. Monitoring representation across management and workforce levels helps us understand composition trends and reinforces our commitment to an equitable, respectful workplace culture.

Skills, Qualifications, and Competency Framework

At IDLC, building the right capabilities across the organization is fundamental to sustaining competitive advantage. Our competency framework defines the skills, qualifications, and behavioral standards required at each level, from entry-grade professionals to senior leadership. This framework guides hiring decisions, learning interventions, career progression, and performance evaluation, ensuring alignment between individual capability and organizational need.

We invest in developing both technical and leadership competencies, recognizing that excellence in financial services demands depth of expertise alongside strong people and strategic skills. Role-specific qualification requirements are clearly articulated, and employees are encouraged to pursue relevant professional certifications- costs for which are reimbursed by the organization as part of its commitment to continuous development.

This competency foundation shapes how we engage with our people at every stage of their journey with us – from the moment we identify and attract talent, through their development and growth, to how we recognize, retain, and ultimately celebrate their contribution.

We can broadly define our employee cycle through the core pillars of:



Recruitment

Recruitment at IDLC follows the philosophy of being competence driven to ensure we onboard the right people in right positions. Our process combines rigorous assessment with a commitment to diversity and meritocracy, providing equal employment opportunities to all qualified candidates regardless of background. We had introduced online aptitude test for new hires that brought about rigor and consistency in the initial assessment phase ensuring we filter according to our needs. Subsequent assessment is conducted through multi-layered interviews designed to evaluate not only functional competence but also cultural alignment and leadership potential.



As a diverse organization, we believe in equal employment opportunities for everyone who is interested, thus managing talent acquisition on the basis of diversity and meritocracy.

Talent Acquisition Programs

Youth Leadership Program (YLP), our flagship Management Trainee program, is designed to build a strong pipeline of high potential talent capable of driving organization's future growth. Through rigorous and structured selection process - beginning with a competitive aptitude test and progressing through a preliminary interview, case presentation, and final interview–the program identifies and on-boards individuals with the potential to take on leadership roles and become integral members of the management team.

Sales Leadership Program (SLP) - through this program IDLC recruits talented resources for our sales force so that we have a ready pipeline of sales leaders who have the ability to drive the organizations business forward.

To drive our digital transformation initiatives, we have launched this IT Apprenticeship Program called **IDLC Tech Accelerator Program**. By investing in the development of our next generation of IT Talents, we aim to build a robust and innovative IT workforce capable of propelling our organization to new height.

Our **internship program "Jumpstart"** allows young graduates who are encouraged to build a career in the financial services industry and learn the finance terms in a physical atmosphere. In 2025, we offered internships to interns to join our team in different departments. This approach builds the graduates experienced for their next stage of work life.

MAJOR FOCUS AREAS OF PERSONNEL TRAINING AND DEVELOPMENT



Induction Training for School of Warriors- SME



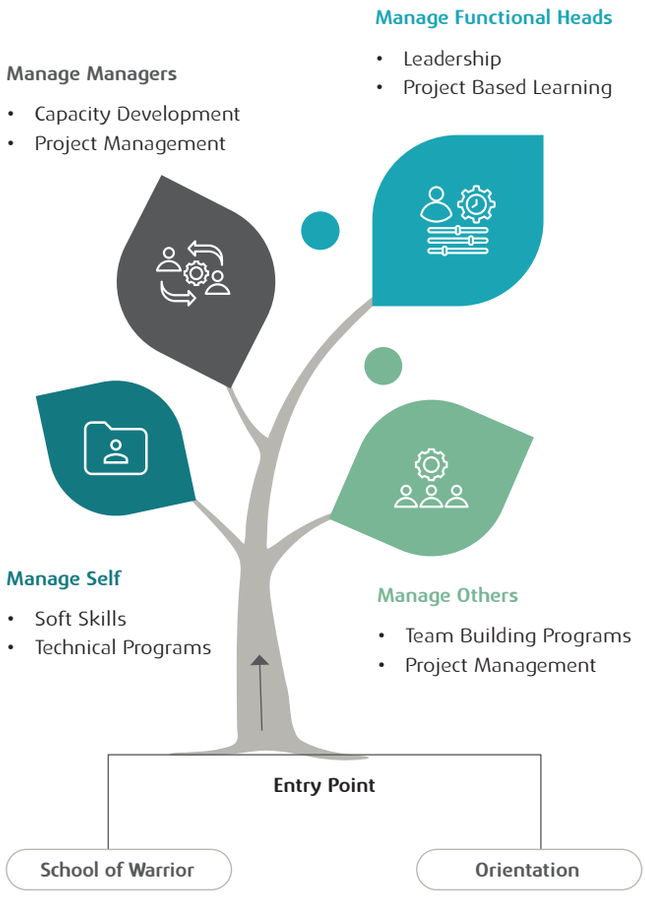
"Skills for Supervisory Excellence" with Singapore Institute of Management in Singapore



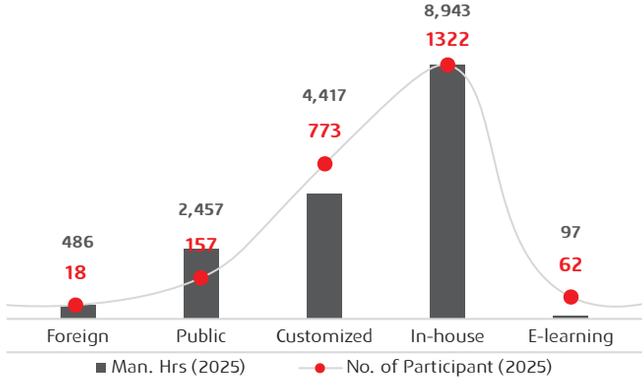
Forensic Analysis in Fraud Detection & Critical Areas of Op-Loss with Md. Nazib Ullah, FCA of KPMG



"Train the Trainers"- session



Training Participation



2,332	16,400
Total Participants in 2025	Total training hrs in 2025

Performance Management

Through our robust performance appraisal process, we classify our resources based on their performance in terms of achievements against both Objectives and demonstrated Behaviors and design our rewards and developmental programs accordingly. Through a structured performance review process, our employees are encouraged to formally sit with their respective line managers at least twice a year and review their performances. All our rewards & recognition activities are entirely performance driven and designed to encourage our talents to give their level best in order to achieve the organizational goals.

Employee Rewards and Recognition:

At IDLC, we believe in celebrating the values and efforts that propel us forward. We honor our employees by recognizing their virtues, contributions, and the positive impact they make every day.

Integrity Award

Presented to those who consistently uphold the highest ethical standards. At IDLC, we cherish individuals with strong values and moral courage. The Integrity Award, given in three categories across all employee, recognizes those who's honesty and integrity set a benchmark for others.

Spot Award

We value contributions that transcend ordinary responsibilities. The Spot Award is given to employees whose efforts make a significant difference beyond their immediate roles, driving positive change and innovation for the betterment of the company.

Chairman's Award

In every division, the Chairman's Award acknowledges outstanding contributions that elevate our collective success. This annual honor is a token of our appreciation for employees whose dedication, creativity, and perseverance inspire excellence across the organization.

These awards reflect our commitment to fostering a culture where excellence is appreciated, inspiring our people to achieve more and lead with purpose.



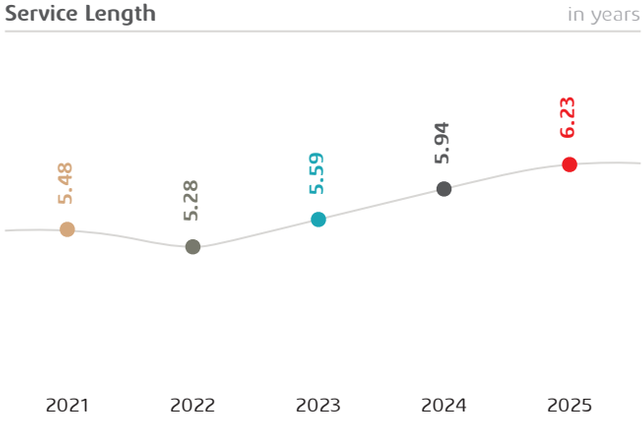
IDLC Chairman's Award Ceremony



IDLC Integrity Award Ceremony

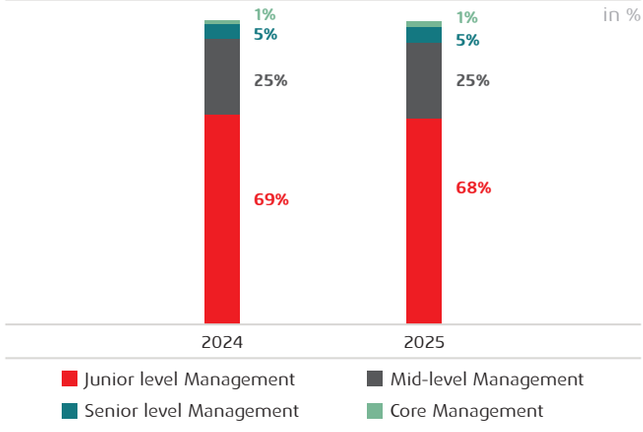
Service Period Analysis for Enhanced Retention

Our employee value proposition plays significant role to retain the best talent within the organization. It demonstrates the value, the company offers to employees in return for the value they bring to the organization. IDLC's friendly and flexible work environment, transparency and equal opportunity, wellness, engagement activities and competitive remuneration policies supports the retention period and increases the service period.



Succession Planning

While there is much to achieve in succession planning and enriching our employees' career path, IDLC boasts of homegrown leaders who have been rotated through the various business verticals to give them an extensive and holistic business perspective and leadership skills. We regularly promote or move resources cross-functionally and expose them to holistic growth with evermore challenging roles. Considering increased retention ratio (2025 - 82%, 2024: 83%), it is evident that promoted employees in managerial positions have been retained. Thus this segment is optimized. In 2025, in line with established practice, only employees who demonstrated consistently strong performance were promoted.



Employee Value Proposition and Retention

IDLC's employee value proposition is a key driver of long-term retention. It articulates the full range of benefits- tangible and intangible- that the organization offers in exchange for the talent, effort, commitment and contribution of its people. A friendly and flexible work environment, transparent career frameworks, equal opportunity, competitive remuneration, and a genuine focus on employee wellbeing together create the conditions for sustained engagement and loyalty.

Employee Well-Being

Work-Life Balance

IDLC is working towards enabling employees to enjoy a better work-life balance. Through flexible work arrangements, supportive policies, and initiatives that encourage time for rest and rejuvenation, we empower our team members to manage their responsibilities both at work and at home. By prioritizing work-life balance, we ensure that our employees remain motivated, engaged, and able to achieve their full potential, contributing to a harmonious and successful workplace.



Knowledge sharing session on "Work-Life Balance for Banking Professionals" with Sharbari Saha

Employee Health, Safety and Wellness

We are dedicated to creating a secure and supportive work environment by implementing comprehensive measures that ensure both physical and mental well-being. This includes providing access to health support resources, maintaining a safe workplace, and fostering a culture of care where every employee feels valued and empowered.

Our commitment extends beyond safety–we strive to promote holistic wellness, enabling our team members to flourish both personally and professionally. By nurturing a culture of care, we ensure that our employees can thrive in all aspects of their lives.

Medical support is provided through a designated doctor on a weekly basis. We also educate employees on various health and safety matters to ensure a safe and efficient workplace. Additionally, our branches are well-equipped with essential emergency equipment and medical supplies, including oxygen cylinders, emergency medicines, wheelchairs, and more.

Safety Drills and Protocols

IDLC has a Business Continuity Plan (BCP) in place, which is a regulatory requirement by Bangladesh Bank. Business operational drills are periodically implemented with select personnel from several departments and branches in order to ensure that our employees know how to respond appropriately and our business operations remain unhindered in the event of any untoward incident or disaster resulting in the closing down of certain branches or parts of operations. We conduct annual fire drills to keep our employees alerted and learned on how to take measures in fire hazard.



Fire Safety Drills at IDLC as part of BCP

Access to round-the-clock medical support

We facilitated access to medical support, through various contracts with insurance companies, diagnostic centers and medicine supplies. In addition, we have arrangements with two doctors–one based in Dilkusha and another serving CHO and Gulshan (available three days a week). Employees across other branches can also access free medical consultations with the doctors over the phone.

Fair pay and Other Benefits

Divided in two categories:

Monetary Benefits	Non-Monetary Benefits
Attractive Remuneration, Performance Bonus and Incentives, Leave Fair Assistance, Life and Health Insurance, Retirement Benefits (Gratuity, Provident Fund, Leave Encashment)	Good working environment, Training and Development, Recognition and Awards, Leave Benefits

Gender Pay Equity and Transparency

IDLC is committed to promoting fair and equitable remuneration practices that uphold the principle of equal pay for equal work, guided by merit, performance, and role responsibility. Our compensation framework is structured to ensure consistency, transparency, and alignment with internal governance standards, while actively working to minimize unintended pay disparities. We periodically review remuneration data across roles and levels to support responsible compensation decisions and reinforce fairness across the organization.

Employee Voice and Grievance Mechanisms

At IDLC, every voice matters. Complaints and feedback are carefully evaluated with transparency and fairness, reflecting our belief that open communication is fundamental to a healthy and productive workplace. When concerns related to organizational values arise, we follow structured and impartial procedures to address them with integrity. Our goal is a workplace in which trust is nurtured, accountability is upheld, and employees feel empowered to speak freely – without hesitation or fear of reprisal.

Culture at IDLC

Ethics & Culture

Our ethical framework guides every decision, interaction, and practice within the organization, ensuring that we uphold the highest standards of transparency, accountability, and fairness. We believe that a strong ethical culture is not only essential for maintaining trust with our stakeholders but also for creating an environment where employees feel respected, valued, and empowered to act with integrity.



Session on "Professional Conduct and Positive Workplace Behavior" with Bitopi Das Chowdhury, Country Head, Corporate Affairs, Brand and Marketing, at Standard Chartered Bank Bangladesh

Equal Opportunity and Non-Discrimination

IDLC is deeply committed to fostering an inclusive workplace where every individual is treated with dignity, fairness, and respect. Our people practices promote equal opportunity across recruitment, training, performance evaluation, career progression, and all employment-related decisions – ensuring that these processes remain merit-based and entirely free from discrimination. We do not tolerate bias or unfair treatment of any kind, and we strive continuously to create an environment in which employees feel safe, valued, and empowered to contribute fully. Equal opportunity principles are embedded in our culture and decision-making processes, enabling sustainable growth and shared success.

Inclusion of Persons with Disabilities

IDLC is committed to an inclusive workplace that supports individuals of all abilities. We promote accessibility, respect, and equal participation across the workforce through supportive policies, fair employment practices, and reasonable workplace adjustments where applicable – enabling employees with diverse needs to contribute effectively and pursue their professional growth within a safe and enabling environment.

Zero tolerance on corruption

As part of our unwavering dedication to maintaining trust and upholding the reputation, we have adopted a strict Zero Tolerance Policy on Corruption. We are committed to support international and local efforts to eliminate corruption and financial crimes by complying with all applicable laws and regulations against corruption and financial crimes. We have implemented stringent monitoring and auditing mechanisms to detect and address any potential violations of our anti-corruption policies. Our internal controls are continuously reviewed and improved to ensure they remain robust and effective.

Respecting Human Rights, Labor Rights and Non-discrimination

Our commitment to respecting human rights, safeguarding labor rights, and ensuring non-discrimination is deeply ingrained in our operations, culture, and relationships with employees, customers, suppliers, and communities. The HR Manual that we follow is in line with the principles of the United Nations Global Compact for addressing Human Rights and Labor issues. HR functions are positioned in a manner that we at every level eliminates all forms of forced / compulsory labor in violation of basic human rights. Our recruitment, training, and development practices are designed to ensure equal opportunities for all employees, regardless of race, ethnicity, gender, sexual orientation, religion, disability, or any other characteristic.

Child Labor & Forced and Compulsory Labor

Adhering to the Principles of UNGC and applicable laws and regulations, we at IDLC are strictly following in our recruitment policy of hiring talents at age not below 21. In compliance to that we are not associated with any third party who are associated with Child Labor & Forced and Compulsory Labor.

Women Employee Forum

IDLC has a dedicated ladies forum for the women employees. IDLC Ladies Forum is a platform for women to collaborate, learn, and grow together. By sharing experiences, knowledge, and support, the forum creates a community that fosters personal growth, mutual support, and empowerment. IDLC Ladies Forum helps women navigate the challenges that they face and celebrate their successes. IDLC ladies forum promotes collaborative learning, fosters inclusivity and prevents and address harassment.



IDLC HerSpace session on the Challenges of Working Women

IDLC Ladies forum regularly takes initiatives to drive the forum objectives including panel discussions where guest speakers from various fields have discussions on important topics such as career development for women and the challenges faced by women etc. The forum also hosts regular session where the women of IDLC share the challenges that they face and how to overcome them.

Employee Engagement

At IDLC, we believe that open communication, collaboration, and recognition are key drivers of a thriving work culture. Our commitment to fostering an engaged workforce is reflected through continuous feedback channels, opportunities for skill development, and platforms where ideas and suggestions are valued. In 2025, we took these initiatives a step further by organizing team-building activities and offsite retreats, which not only strengthened connections among team members but also inspired new ways of thinking to achieve our collective goals. By nurturing an environment of trust and growth, we empower our employees to align with our mission and contribute to the digital transformation journey of the organization. Together, we strive to create a workplace that celebrates collaboration, progress, and shared achievement.



IDLC Corporate Team Building Event 2025



Celebration of Pahela Baishakh 2025 at IDLC Finance PLC



IDLC SME Off-site Strategic Session



IDLC Annual Budget Session 2025

Human Resource Accounting – Value derived from empowered workforce

Human Resource Accounting (HRA) involves capitalizing the company's management and employees as human capital that provides future benefits. In the HRA approach, costs related to human resources are treated as assets on the balance sheet as opposed to the in traditional accounting approach which treats them as expenses on the income statement. HRA implies that in addition to the measures themselves, the process of measurement has relevance in decision-making involving organizations. Therefore, HRA is the process of identifying and measuring data about human resources and communicating this information to the interested parties. It is an attempted process to identify and report investments made in human resource that the current practices do not account for

Reporting Standards and Practice at IDLC

The IFRS do not currently have standards requiring HRA, but they are moving closer to providing more flexible approaches to accounting measurements and reporting. For example, the international standards IAS 38 Intangible Assets and IFRS 3 on Business Combinations permits the recognition of the intangible asset goodwill, which indicates a willingness to allow for valuation of assets that are not traditional tangible assets, such as human resources. In IDLC, we are following conventional accounting practices and, as there are no HR specific accounting standards, we do not capitalize any HR cost as asset. However, we are trying to benefit from HR accounting concepts and are using HR accounting information (such as per employee cost to the company, expected service life of employees, per capita productivity and its growth over periods and many more) in making important management decisions.

Objectives and Benefits

The aim of HR accounting is to illustrate the potential of the employees in monetary terms, which aids in investment decisions and HR and expected benefits that can be derived from such investment. It provides cost/value information for making management decision about acquiring, allocating, developing and maintaining human resources in order to attain cost effectiveness. It allows management personnel to monitor and effectively use human resources. Lastly, it also provides insightful information to the investors interested in making long term investments in service sector companies.

Human Resource Accounting



IDLC Group

1,668

2024: **1,666**

IDLC Solo

1,447

2024: **1,455**

The Key Metrics of IDLC Group in regards to headcount are provided as follows

Particulars (BDT Mn / employee)	2024	2025
▸ Disbursement	**32.52**	**40.79**
▸ Loan portfolio	**68.48**	**73.61**
▸ Deposit Portfolio	**50.36**	**63.85**
▸ Operating Income	**4.36**	**5.08**
▸ Operating expense	**1.83**	**2.01**
▸ Operating Profit	**2.53**	**3.06**
▸ Profit Before Tax	**2.11**	**2.53**
▸ Profit After Tax	**1.20**	**1.46**

Management Discussion & Analysis



Strategy & Resource Allocation

Having discussed the challenges from the operating environment (page 82-86), it is imperative we present to our stakeholders, specific challenges that guide our business model and our adaptability to these fundamental forces. We will also elaborate on any changes we see as required within our business model in combatting the challenges faced or in order to benefit from the opportunities arising from changing market dynamics and our strategies thereof.

While this section contains a detailed breakdown of our resource allocation strategies and their impact on the capitals and on our business model, our financial performance analysis is provided under Performance Discussion Analysis with the Management Committee (page 154), which is summarized in context of the operating environment, with explanation of our strategic responses in CEO's Statement (page 55). Meanwhile, a more broad level view is provided under Message from Chairman (page 51).

Strategic progression of IDLC

At IDLC, the long-standing culture has been for the Board of Directors to provide direction and act as the guardian for ensuring corporate governance, carrying out the role of an enabler to allow the management team drive the company's vision.

Breaking down IDLC's progression in to 5 year strategies that shows how management teams took timely initiatives to drive growth sustainably and continue such maneuvers to continue the growth trajectory.

2010-2015

Focus

SME, Mortgage Lending, Investment Banking, Structured Finance, Core Banking System Integration

Preparations for Expansion

Capital Market Operations, Non-Funded Fee based Business Opportunities

2016-2020

Focus

SME, Mortgage Lending, Capital market and Non-Funded Fee based Business Opportunities, Process Re-engineering & Automation

Preparations for Expansion

Affordable Housing Finance, , Asset Management, Venture Capital, Digital Deposit and Digital Lending Initiatives

2021-present

Focus

SME, Mortgage Lending, Capital market & Fee Income, Process Re-engineering & Automation, Affordable Housing Finance, Digital Initiatives

Preparations for Expansion

Anchor-based Digital products, Referral based sourcing, digital transformation and digitization, Islamic Finance business

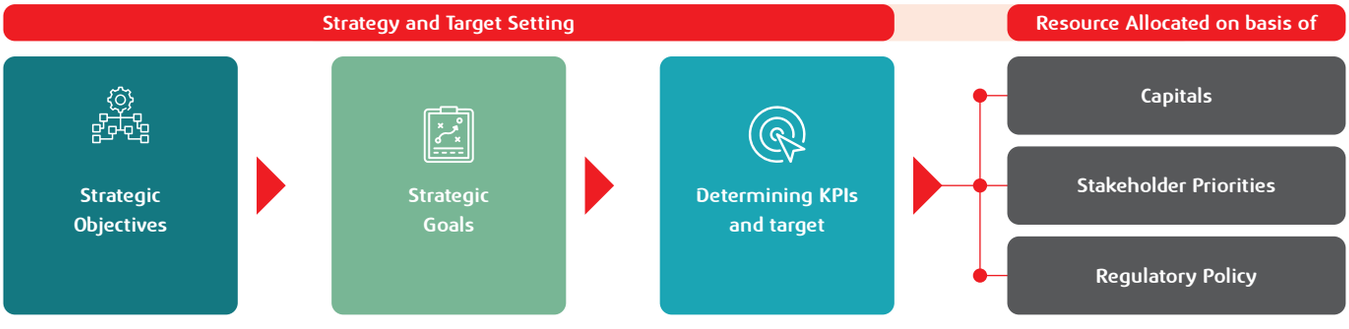
Product, Market and Service Development over the Strategic Progression

Product & Service Development	Market Differentiation	Outcome in 2025	Way forward
Deposit mobilization, as opposed to borrowing from banks, paved way for business growth with better control over fund management and planning. While digital deposits enabled the mobilization for the mass people.	▸ Focus on expanding the retail depositor base, appealing to mass market individuals ▸ Promoting digital deposits as a modern, tech-enabled alternative.	▸ Total Customer Deposit: BDT 103,289 mn ▸ Total Deposit Client: 255,160+	▸ Focus on expanding the retail depositor base ▸ Open up all the possible channels for digital deposits
Consumer and SME financing, as opposed to only catering to Corporates, helped move into less crowded spaces and attain early movers' advantage.	▸ Less TAT compared to banks ▸ Referral and Partner based sourcing as alternative sources ▸ Less filing complicacies compared to banks	SME Portfolio: BDT 46,940 mn Consumer Portfolio: BDT 33,494 mn Corporate Portfolio: BDT 41,552 mn	Move into more granular segments: ▸ Affordable Housing Finance ▸ Small Medium Enterprise (SME) Finance ▸ Referral and Partner based sourcing ▸ Venture into digital lending space

Product & Service Development	Market Differentiation	Outcome in 2025	Way forward
Capital market operations, enabled business diversification beyond the lending business and allowed significant profit-booking during various market cycles.	▸ Offering fee-based services and investment solutions tailored for both institutional and retail investors. ▸ Leverage intellectual capital to provide advisory services, differentiating through expertise	Revenue Generated from Capital Market Operations: Investment Banking: BDT 600 mn Brokerage Business: BDT 905 mn Asset Management Business: BDT 179 mn	▸ Move towards providing differentiated fee-based offerings addressing investment needs of institutional as well as retail investors ▸ Focus on building upon intellectual capital and provide more advisory services ▸ Increase retail customer base
Islamic Finance Initiatives as a new avenue of catering to the strong public demand for Shahriah compliant, non-interest based investment and financial products	▸ Serving a niche but large segment demanding Shariah-compliant products ▸ Expansion of IDLC Asset Management's Shariah Fund	Islamic Finance Investment Portfolio: BDT: 4,569 mn	▸ Focus on expanding IDLC Asset Management Shahriah Fund ▸ Launch new Islamic investment and finance products and services to cater to a large demand

Our Integrated Approach to Strategy Formulation and Resource Allocation

At IDLC, our strategic journey begins with setting clear objectives that align with our core mission–achieving quality growth, sustainable business practices, and delivering customer-centric financial solutions. These objectives are translated into actionable strategic goals across our core business segments. We establish specific KPIs and performance targets to measure our progress and ensure accountability. Throughout this process, our decisions for resource allocation are guided by the responsible management of our six capitals, the evolving priorities of our stakeholders, and the regulatory landscape of Bangladesh. This integrated approach enables us to remain agile, future-ready, and purpose-driven as we continue to create long-term value for all.



Current allocation of resources & and return from bottom-line composition

BDT mn

Strategic Name	Total Asset	Capex	Opex	Revenue	Net Profit	Contribution to Group NPAT
Core Lending Business	172,924	2,841	2,901	6,805	1,777	**73%**
Brokerage Business	6,676	77	260	905	351	**14%**
Investment Banking Business	5,217	9	113	600	282	**12%**
Asset Management Business	477	10	97	179	30	**1%**
Total	**180,585**	**2,937**	**3,359**	**8,469**	**2,434**	**100%**

Inter-company adjustment has been considered for consolidation purpose.

In 2025, IDLC Group allocated the majority of its capital and resources to its core lending arm, IDLC Finance PLC, which accounted for over 93% of total assets. However, subsidiaries in capital market business-Brokerage Business (IDLC SL), Investment Banking Business (IDLC IL) and Asset Management Business (IDLC AML) demonstrated strong efficiency by contributing 27% of the Group's net profit with significantly lower resource usage. This reflects a strategic balance–leveraging the scale of core operations while optimizing returns through efficiency from capital market operations.

Return on Allocation	CapEx/Net Profit	Opex/Revenue	Interpretation
Core Lending Business	160%	43%	Capex investment to build capacity, infrastructure, and scale; Cost to income ratio well managed.
Brokerage Business	22%	29%	Efficient resource allocation with high ROI
Investment Banking Business	3%	19%	Advisory-driven with highly efficient CapEx use, lean operating model
Asset Management Business	32%	54%	High usage of Capex as strategic spending is focused on building operational capacity.

Value Generation through efficient resource allocation

Total Value Created in 2025
BDT 5,246 mn

To Employees

Value Distributed
BDT 1,828 mn

Related Capitals
Human Capital, Financial Capital

Related Material Matters
4,5

Related Strategic Objectives
Holistic Employee Development

To Government

Value Distributed
BDT 1,411 mn

Related Capitals
Financial Capital, Social & Relationship Capital

Related Material Matters
8,9

Related Strategic Objectives
Integrating ESG into Business

To Shareholders

Value Distributed
BDT 873 mn

Related Capitals
Financial Capital

Related Material Matters
6,7,8

Related Strategic Objectives
Sustainable Growth in Business

For Business Operation

Value Distributed
BDT 1,135 mn

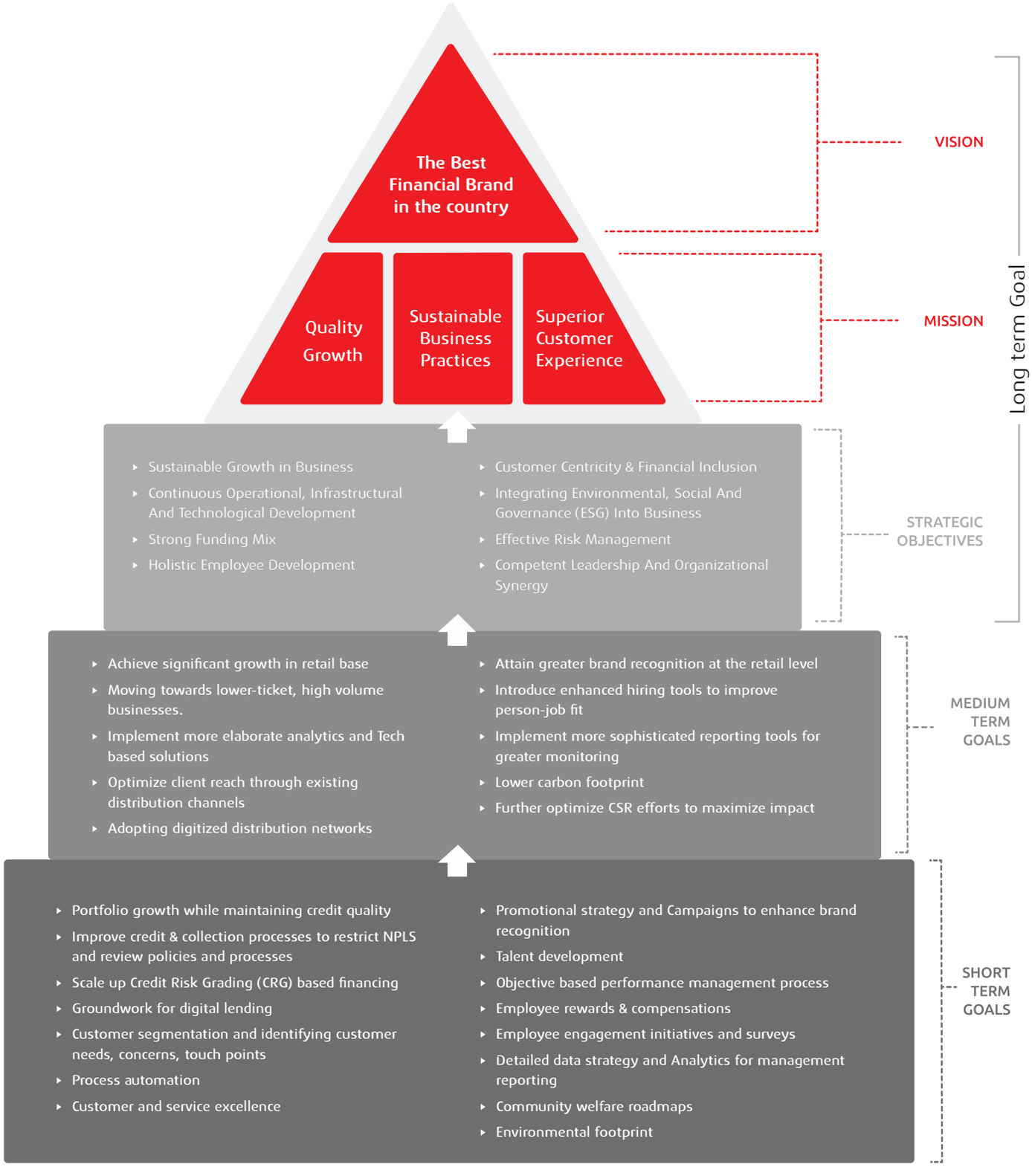
Related Capitals
ALL

Related Material Matters
ALL

Related Strategic Objectives
ALL

IDLC has demonstrated a strong commitment to inclusive and sustainable value creation, generating a total of BDT 5,246 mn in 2025. This value has been strategically distributed to key stakeholders, with BDT 1,828 mn allocated to employees, BDT 1,411 mn contributed to the government, BDT 873 mn distributed to shareholders, and BDT 1,135 mn retained to support future business operations. In doing so, IDLC continues to integrate Environmental, Social, and Governance (ESG) principles into its business practices, foster holistic employee development, and drive sustainable business growth. Our value creation activities are closely aligned with several United Nations Sustainable Development Goals (SDGs), reinforcing our dedication to responsible growth, governance excellence, and long-term stakeholder prosperity.

For Details, refer to Page 166, Value Added Statement, Page 30-41 for details on Capitals, Page 12 for Material Matters and Page 22 for Strategic Objectives.


The Best Financial Brand in the country
Quality Growth
Sustainable Business Practices
Superior Customer Experience
VISION
MISSION
Long term Goal
Sustainable Growth in Business
Continuous Operational, Infrastructural And Technological Development
Strong Funding Mix
Holistic Employee Development
Customer Centricity & Financial Inclusion
Integrating Environmental, Social And Governance (ESG) Into Business
Effective Risk Management
Competent Leadership And Organizational Synergy
STRATEGIC OBJECTIVES
Achieve significant growth in retail base
Moving towards lower-ticket, high volume businesses.
Implement more elaborate analytics and Tech based solutions
Optimize client reach through existing distribution channels
Adopting digitized distribution networks
Attain greater brand recognition at the retail level
Introduce enhanced hiring tools to improve person-job fit
Implement more sophisticated reporting tools for greater monitoring
Lower carbon footprint
Further optimize CSR efforts to maximize impact
MEDIUM TERM GOALS
Portfolio growth while maintaining credit quality
Improve credit & collection processes to restrict NPLS and review policies and processes
Scale up Credit Risk Grading (CRG) based financing
Groundwork for digital lending
Customer segmentation and identifying customer needs, concerns, touch points
Process automation
Customer and service excellence
Promotional strategy and Campaigns to enhance brand recognition
Talent development
Objective based performance management process
Employee rewards & compensations
Employee engagement initiatives and surveys
Detailed data strategy and Analytics for management reporting
Community welfare roadmaps
Environmental footprint
SHORT TERM GOALS

Key performance indicators (KPIs) to measure the achievement against strategic objectives

Strategic Objectives	Key Performance Indicators	Capitals Invested	Risk Associated	Target Achievement Level in 2025
Sustainable growth in business	▸ Growth of Quality Portfolio ▸ Growth of Deposit ▸ Cost to Income Ratio ▸ Net Profit Margin	Financial, Human, Manufacturing, Intellectual	Credit, Liquidity, Operational, Market, Strategic	Moderate
Continuous operational, infrastructural and technological development	▸ Enhanced customer convenience and improved accessibility. ▸ Increase of operational efficiency	Intellectual, Manufacturing	Strategic, Technological	High
Strong funding mix	▸ Loan to Fund Ratio ▸ Cost of Fund	Financial	Liquidity, Market, Credit	High
Holistic Employee Development	▸ Employee Retention ▸ Productivity per Employee ▸ Women Hires during the year ▸ Employee Promotion	Human	Strategic, Reputation	Moderate
Customer centricity & Financial inclusion	▸ Customer Reach ▸ Customer Satisfaction Index ▸ No. of Customer Complaints	Social & Relationship, Intellectual	Reputation, Legal	High
Integrating Environmental, Social and Governance (ESG) into business	▸ Carbon Footprint ▸ Green Desk ▸ Number of CSR Beneficiaries	Natural, Human	Environment & Social, Legal, Reputation	Moderate
Competent Leadership and Organizational Synergy	▸ Strong Corporate Governance ▸ Internal Audit Report ▸ Strategic KPI Achievement ▸ Organizational Performance ▸ Innovative Product and Market Development	Financial, Human, Intellectual, Manufacturing, Social & Relationship, Natural	Strategic, Operational	High
Effective Risk Management	▸ NPL ratio ▸ Data and Cyber Security Breach ▸ Risk Exposure Ratio ▸ Sensitivity Analysis ▸ Risk Apetite Alignment	Financial	Operational, Market, Strategic	High

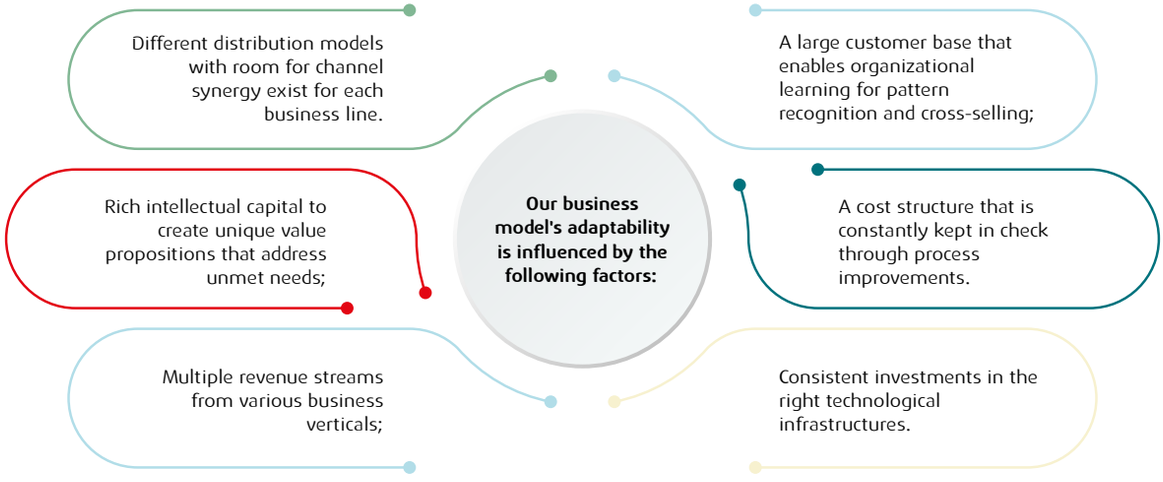
Strategies in alignment to core challenges

Key challenges	Risk Category	Opportunities & Key Strategies	Relevant Strategic Theme	Business Model Adaptability
Achieving quality portfolio growth amidst the post pandemic macro-economic turmoil	Credit Risk (pg. 91)	▸ Continuously fine tune internal credit rating and risk grading rules to ensure applicability of existing models in different markets and different macroeconomic situations, especially in consideration of the global economic turmoil and inflation.	Achieve Sustainable Growth	Short-term: High Medium-term: High
Tightening Margins	Interest Rate Risk (pg. 92)	▸ Find niche and underserved markets ▸ Gain scalability in existing markets to be able to undertake quality business growth without proportionate rise in operating expenses ▸ Explore alternative & cheaper sources of funds and fee-based income sources ▸ Maintain balance sheet strength by, especially during low liquidity scenarios	Achieve Sustainable Growth Maintain robust funding mix Maintain Service Excellence Continuously improve operational efficiency	Short-term: Moderate Medium-term: High
Maturity Mismatch	Funding Liquidity Risk (pg. 93)	▸ Focus on maintaining and improving renewal rates – currently, above 70% of deposits are renewed at maturity ▸ Continue exploring long-term funding sources, i.e. bonds, foreign financings etc.	Maintain robust funding mix Maintain Service Excellence	Short-term: High Medium-term: High
Dependency of capital gains and brokerage incomes on stock market cycles	Equity Price Risk (pg. 92)	Balance capital market exposures in the overall portfolio while taking advantage of market inefficiencies Gradually enhance scope for non-funded business revenues from capital market subsidiaries	Achieve Sustainable Growth Continuously improve operational efficiency	Short-term: Moderate Medium-term: Moderate
Attaining targets with controlled growth in operating expenses	Operational Risk (pg. 94) Technology Risk (pg. 96)	Continue to undertake process optimization initiatives Review and implement improved sizing and HR strategy for optimizing productivity	Continuously improve operational efficiency Maintain Service Excellence	Short-term: Moderate Medium-term: High
Improving effectiveness of recruitment and talent management	People Risk (pg. 94)	Attract the right talent through proper evaluation Offer competitive packages Provide career development scopes	Attract, retain and develop talented employees	Short-term: Moderate Medium-term: High
Attaining mass brand recognition at retail level	Reputation Risk (pg. 99)	Undertake promotional activities with a uniform branding strategy to increase brand awareness	Achieve Sustainable Growth Maintain Service Excellence	Short-term: Moderate Medium-term: High

Business model adaptability and change requirements

What makes our business model highly adaptable

Our accommodative business and operational model enables us to make swift adjustments to meet the majority of the strategic needs mentioned. For instance, our liability team can acquire enough deposits to cover the majority of our funding needs. Because of our governance, we are able to withstand blows like liquidity shocks that were caused by the pandemic or global economic volatility amidst conflict between Russia and Ukraine. In comparison to other NBFIs in the nation, we are able to lower our cost of funds thanks to our strategic collaborations, which enable us to attain financing from from the central bank through various pre-finance/re-finance schemes and multilateral organizations. Our emphasis on corporate responsibility and environmentally sustainable lending practices, in part, prepares the path for taking advantage of such opportunities.



Emerging Trends & Change requirements

The financial services landscape in Bangladesh is undergoing a profound transformation, driven by rapid digitalization, shifting demographic forces, evolving regulatory expectations, and growing awareness of environmental and social responsibility. As consumer behaviors adapt and new market segments emerge, IDLC recognizes that staying ahead of these trends is not merely a strategic advantage, it is an imperative for sustainable growth. We have thus highlighted some emerging trends shaping the consumer and business environment, alongside IDLC's structured short-term and long-term responses, reflecting the Company's commitment to innovation, inclusion, and resilience.

Emerging Trend		Short-term Response (1–2 Years)	Long-term Response (3–5 Years)
TECHNOLOGY & DIGITALISATION			
01	**Digital-first financial services**	Launch upgraded mobile app with loan application, EMI tracking, and e-KYC. Digitise loan documentation.	Build a fully integrated digital lending platform. Develop API ecosystem for fintech partnerships and embedded finance.
02	**Continuous automation and process engineering**	Automated credit scoring models and usage of behavioural data for targeted product cross-selling through CRM automation.	Deploy machine learning for real-time risk pricing, predictive churn management, and automated portfolio monitoring.
CONSUMER BEHAVIOUR & DEMOGRAPHICS			
03	**Rising youth & millennial segment**	Introduction of more youth-oriented products. Simplification of digital onboarding. Develop financial literacy content to drive brand trust.	Build lifelong customer relationships through a product ladder, starter loans to home finance.
04	**Women's economic participation**	Diverse loan and deposit products targeted towards women entrepreneurs. Partner with NGOs and related foundations for outreach and credit guarantees.	Develop a blended finance model with development partners (IFC, ADB) to scale women-focused lending.
REGULATORY, ESG & MACRO ENVIRONMENT			
05	**Green & sustainable finance demand**	Grow green finance portfolio. Publish interim ESG metrics in line with BB guidelines. Train credit teams on ESG risk.	Align portfolio with Bangladesh's NDC targets. Develop a proprietary ESG rating tool.
06	**Financial inclusion & rural reach**	Expand with sub-branch network in Tier 2/3 cities. Offer simplified SME loans and retail loans.	Develop a phygital model combining field agents with a digital platform.
07	**Macroeconomic volatility & FX risk**	Strengthen early warning system for NPL detection. Adjust EMI structures for rate sensitivity.	Develop stress-tested capital buffers aligned with Basel-III principles. Build a macro scenario planning capability within the organization for forward planning.
08	**Probable Implementation of IFRS 9 for loan provision and NPL calculation**	Formation of team in anticipation of implementation and refining data in readiness.	Align policies and business model in line with the regulations.

In the medium to long term, our revenue model can be expected to demonstrate scale-based growth, in line with the opportunities presented by the country's growing economy. In preparation of this, our cost structure will see greater expenditures in technology and physical infrastructure in the short term as we move to scale our operations while exploring geographic expansions. Our customer base has been becoming more diverse, which is expected to continue as we focus on more retail client onboarding.

Adaptability to unprecedented contingencies

The global risk landscape is evolving at a pace that challenges even the most experienced institutions. Geopolitical fractures, ranging from prolonged conflicts and disrupted energy supply chains to recurring political instability, are increasingly transmitting economic shockwaves across borders with unprecedented speed. The ripple effects of the Russia–Ukraine war, renewed volatility in Middle Eastern energy corridors, and political transitions in Bangladesh have underscored this reality. In the horizon ahead, the realistic possibility of global energy crises compressing fuel import costs for Bangladesh is tangible. This may slow investment, tighten liquidity, and shift borrower behavior in ways that are difficult to forecast.

What sets IDLC apart is its readiness to respond. Its diversified portfolio, spanning retail consumers, small businesses, large corporates, and capital market clients, means that when one segment faces pressure, others provide stability. IDLC's risk management and treasury functions are designed to act quickly, shifting credit focus, managing liquidity, and adjusting strategy as conditions change. The management reviews the external environment on an ongoing basis, ensuring that decisions are made with current information rather than outdated assumptions. By building flexible systems, maintaining strong capital buffers, and fostering a culture that embraces change, IDLC aims to remain steady for its clients and shareholders no matter what the external environment brings. The road ahead may be unpredictable, but IDLC is equipped to move with it.

Strategies undertaken in responses to issues raised through stakeholder engagement

We incorporate feedbacks from our stakeholders in various aspects of our operations and employ resources to address their concerns.

	Stakeholders	Concerns	Strategies Undertaken	Capitals Invested
Stakeholders	Customers	▸ Investment opportunities ▸ Premature encashment penalties ▸ Account opening and services without physical presence	▸ Made a wide range of products available including loan, deposit, capital market products and services to invest in Government securities. Loan Against Deposit (LAD) facilities ▸ Enabled both physical and online services	Financial, Intellectual, Social & Relationship
	Shareholders	▸ Timely performance review and transparency	▸ Improved transparency through quarterly earnings disclosures	Human, Intellectual
	Regulators	▸ Anti-money laundering and anti-terrorist financing	▸ Enterprise Risk Management ▸ (ERM) department and Internal Control & Compliance (ICC) departments ensure risk identification & mitigation	Human, Intellectual
	Employees	▸ Safety ▸ Fair incentive structure and performance rewards	▸ Work-from-home and remote work capabilities for emergency ▸ Thorough incentive structure and comprehensive performance appraisal system ▸ Healthy premises, company doctor, regular fire drills, etc.	Financial, Human
	Community	▸ Environment protection ▸ Social involvement	▸ Investment on green premises ▸ Increased focus on Green Financing Growing CSR activities	Financial, Social & Relationship

Further details is addressed in Stakeholder's Engagement of page 42-46.

Capitals that form our competitive advantage

Emphasis on development of our intellectual and human capitals

Numerous forms of training conducted on technical and leadership skills (pg. 137) stand to prove our commitment towards developing our human and intellectual capitals in efforts to remain a knowledge centric institution that seeks to create value through quality growth and sustainable business practices. We incorporate various other measures in developing these capitals which are expanded upon under Intellectual Capital (pg. 34) and Human Capital (pg. 32).

The role of innovation in harnessing the potential of our capitals

IDLC nurtures its spirit of innovation through its three integral pillars - People, Product and Processes. The following table articulates the scope of further innovation of each of these pillars and the respective teams engaged in that regard:

3P's	Capital	Role of Innovation	Strategic initiatives	Key Stakeholder impacted	SDG Supported
People	Human Capital	Build a skilled, empowered, and technologically capable workforce	▸ E-learning platforms ▸ Internal innovation challenges ▸ Leadership development	Employees	
	Social & Relationship Capital	Foster trust and inclusivity through innovative outreach and ethical engagement	▸ Products for underserved (women, rural) ▸ Social media-based feedback loops ▸ Community engagement	Customers, Community, Regulators	
Profit	Financial Capital	Drive sustainable growth, cost efficiency, and returns to shareholders	▸ Algorithmic credit scoring models ▸ Digital platform for business ▸ Capital efficiency via lean operations	Shareholders, Regulators	
	Manufactured Capital	Digital transformation of infrastructure to enhance reach and reduce physical dependence	▸ Mobile banking & online onboarding ▸ Omnichannel platforms ▸ Tech savvy branches and service platforms	Customers, Service Providers	
	Intellectual Capital	Leverage data, analytics, and fintech partnerships to deliver smarter, customer-focused services	▸ Data analytics for customer insight ▸ Fintech collaboration for product innovation	Customers, Shareholders, Service Providers	
Planet	Natural Capital	Promote eco-efficiency and sustainable finance through innovation	▸ Launch of innovative green financing solutions ▸ E-KYC, e-statements ▸ Energy-efficient IT infrastructure	Environment, Regulators, Community	

Environmental and social considerations in our strategy formulation

Our focus on environmental and social responsibilities is deeply ingrained within our policies, strengthened by government regulations and international frameworks that help us communicate our rationale and ways to implement sustainable practices with many of our clients. It is also evident in our efforts towards Green Financing initiatives (pg. 113).

Key interdependencies, complexities and tradeoffs between capitals

Our capitals are deeply intertwined and dependent on each other. While one capital is used up, it transforms into the creation or development of another. The role of innovation in harnessing the potential of our capitals already illustrates this. The flow of one capital therefore, not only affects its own outcomes, but also that of others (pg. 30). While the relevant tradeoffs for each capital are briefly mentioned in their respective sections, following is an elaboration of some of the key interdependencies and tradeoffs.

Tradeoffs we seek to avoid

At IDLC, we recognize that true value creation is not about maximizing one area at the expense of another. The concept of "trade-offs we seek to avoid" underscores our commitment to a balanced, responsible approach across the six capitals–financial, manufactured, human, intellectual, social & relationship, and natural. We strive to ensure that progress in profitability, innovation, or operational efficiency does not compromise the wellbeing of our people, the trust of our communities, or the sustainability of our environment. By identifying and managing these interdependencies, we aim to foster a resilient business model that supports inclusive growth and long-term sustainability for all stakeholders.

Capital	Potential Trade-Off	How IDLC Might Seek to Avoid It
Financial Capital	Allocating too much profit to shareholder dividends may reduce reinvestment in digital transformation or ESG programs.	Balance between dividend payouts and reinvestment into future-ready infrastructure.
Manufactured Capital	Heavy investment in digital channels may lead to branch closures, affecting customer access in rural areas.	Ensure hybrid models (e.g., agent engagement) to retain reach while going digital.
Human Capital	Cost-cutting measures might reduce training budgets or increase workloads, affecting employee wellbeing.	Prioritize employee engagement, upskilling, and a healthy work environment.
Intellectual Capital	Focus on proprietary tech may limit collaboration or transparency with partners and regulators.	Promote open innovation and transparent governance in partnerships.
Social & Relationship Capital	Aggressive loan recovery could harm community trust or reputation.	Adopt inclusive, ethical recovery policies and build strong client relationships.
Natural Capital	Expansion of physical operations or data centers may increase carbon footprint.	Offset environmental impact via energy-efficient systems and green finance initiatives.

Our scope of long term value creation

Despite the record-high inflation witnessed across all global markets due to economic turmoil, we believe to have developed, through years of experience and resilience, the right set of strategies, policies, processes and investment endeavors to penetrate into the segments that we serve, successfully and sustain in the long run. Recognitions from multilateral organizations such as Sustainable Financial Institution for the third time by Bangladesh Bank, the most sustainable company with highest ESG rating in Bangladesh by Bloomberg serve as testament to our capability to bet on the right clients, with the appropriate loan products and structures. With our expertise and the growing chance to offer more value to underserved segments through dedicated products, like digital DPS through mobile financial services, that meet their different financing needs, we are well-positioned to become one of the top organizations in the country for such ventures.

The same structured approach in integrating our core competencies with opportunities derived from the operating environment are expected to help us ensure quality growth in affordable home loans and other business initiatives as well.

Our emphasis on corporate governance has been another key reason behind the trust of our stakeholders. Among other things, this has enabled us to successfully execute our funding strategies even at times when most Banks and NBFIs have been facing difficulties.

Besides, our ear-on-the-ground approach has enabled us to continually innovate our products to meet newer customer requirements. Additionally, one of our key strengths lies in our ability to have consistently hired the right talent for the right job, especially in key management positions. Combined with a Board of Directors that is well-informed about the industry and empowering about the matters that require swift decision-making, we are able to optimize our resource allocation strategy quickly in response to market variables.

Overall, our efforts at enhancing our capability to anticipate key trends through various stakeholder engagement programs, combined with constant reviewing of our operating environment and the competitive landscape help us utilize and transform our capitals for value creation. Our ability to meet and exceed customer expectations with the right set of execution strategies, ensure quicker loan disbursement (for those eligible). And our willingness and capacity to help them navigate through their business challenges has ensured that we remain one of Bangladesh's most respected and trusted Financial Institutions.

Performance Analysis with the Management Committee

Performance Summary in Light of Operating Context

In 2025, Bangladesh's economy navigated a challenging yet stabilizing phase as policymakers prioritized restoring macroeconomic balance amid lingering domestic and global headwinds. Inflation remained a central concern but gradually eased through the year as tight monetary policy, fiscal restraint, and supply-side interventions began to take effect, while the policy rate was maintained at a restrictive level of 10% to support exchange rate and inflation stability. Economic growth moderated, with real GDP slowing to around 3.97%. Liquidity conditions remained tight across the banking system, reflected in elevated interest rates and historically weak private sector credit growth, while public sector borrowing increased to meet fiscal needs. At the same time, managing non-performing loans remained a key priority for the banking sector, with ongoing reforms, strengthened supervision, and enhanced recovery initiatives supporting the gradual improvement of financial stability and confidence. Overall, the year was characterized by cautious stabilization, with policy coordination focused on containing inflation, restoring financial stability, and laying the groundwork for a gradual recovery in growth.

In 2025, credit growth trends reflected the continued impact of tight monetary policy and evolving financing needs within the economy. Private sector credit growth slowed to 6.10% as higher borrowing costs, cautious business sentiment, and tight liquidity conditions restrained investment appetite. Overall, the credit landscape remained measured, with lending patterns shaped by policy tightening and a greater shift toward public sector borrowing. **Against this backdrop, IDLC Group booked portfolio at BDT 122.78 bn with an 8% growth to previous year, prioritizing cautious stance in preserving quality balance sheet, while the economy transitioned through a phase of cautious stabilization.**

Due to increased government borrowing, the rates of government securities remained high with rates over 12% across tenors in 2025. As such, the rates offered to depositors increased, thereby hiking the borrowing expense for banks and FIs. The repercussions, as evident, were visible in the revenues from our lending business, with **net interest income showing a de-growth of 18.45%, booking at BDT 3,920 mn in 2025.**

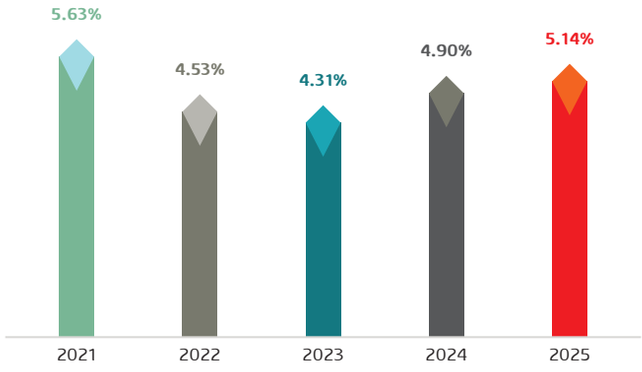
Investor sentiment was largely stayed muted due to ongoing uncertainties regarding the capital market outlook amid economic and political tensions. As a result, the broad index of the Dhaka Stock Exchange (DSEX) fell roughly 6% over the year to close at 4,865 points in December. **Strategically, we shifted our investment portfolio towards risk free Government Securities with higher margins, generating higher risk-adjusted returns and booking BDT 3,544 mn from investment income (2024: BDT 1,433 mn, 147.35% y-o-y growth).**

In light of these factors, IDLC Group posted a Net Profit of BDT 2,434 mn (2024: BDT 2,003 mn), accounting for a Return on Asset of 1.48% (2024: 1.35%) and Return on Equity of 11.63% (2024: 10.33%).

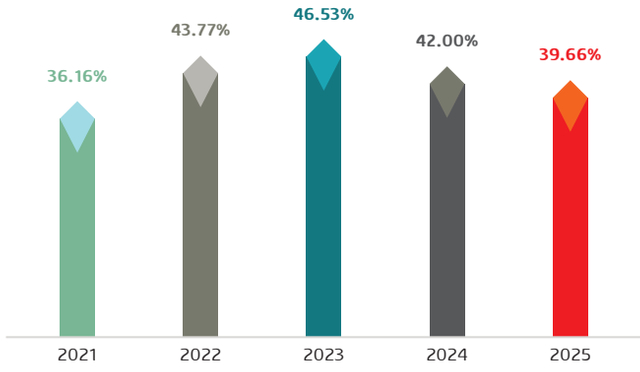
Dupont	Description	2021	2022	2023	2024	2025
Net interest Income	% of Avg Assets	3.77%	3.51%	3.39%	3.25%	2.38%
Non-Interest Income	% of Avg Assets	1.86%	1.02%	0.92%	1.65%	2.76%
Operating Income	% of Avg Assets	5.63%	4.53%	4.31%	4.90%	5.14%
Operating Expense	% of Avg Assets	-2.04%	-1.98%	-2.00%	-2.06%	-2.04%
Cost/Income	% of Operating Income	36.16%	43.77%	46.53%	42.00%	39.66%
Profit before Tax and Provision	% of Avg Assets	3.60%	2.55%	2.30%	2.84%	3.10%
Provision	% of Avg Assets	-0.85%	-0.75%	-0.67%	-0.47%	-0.54%
Tax rate	% of PBT	-42.84%	-26.86%	-37.22%	-42.92%	-42.36%
Minorities	% of Avg Assets	0.00%	0.00%	0.00%	0.00%	0.00%
RoA	Return of Avg. Assets	1.57%	1.32%	1.03%	1.35%	1.48%
Assets/Equity	Avg. Asset/Avg. Equity	8.42	8.40	8.07	7.64	7.87
RoE	Return on Avg. Equity	13.21%	11.06%	8.28%	10.33%	11.63%

The central bank's core goal for 2025 was to bring inflation down from double digits to around 6.5–7%, following an inflation level of 9–11% for an extended period. Built on tight monetary policy, exchange-rate flexibility, fiscal discipline, and supply-side reforms, the point-on-point basis inflation lowered from 9.94% on January 2025 to 8.58% on December 2025. Concurrently, we also managed to restrain our Operating Expense as % of Average Asset at 2.04%. This proved effective in countering the fall of net interest margin, hence curtailing the cost to income ratio to 39.66% (2024: 42.00%). On the other hand, higher returns of investment income from government securities attributed to increase in growth of Operating Income as % of Avg. Asset to 5.14% (2024: 4.90%)

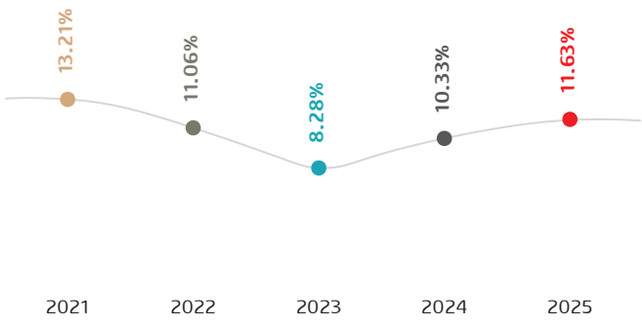
Operating Income as % of Avg. Assets in %



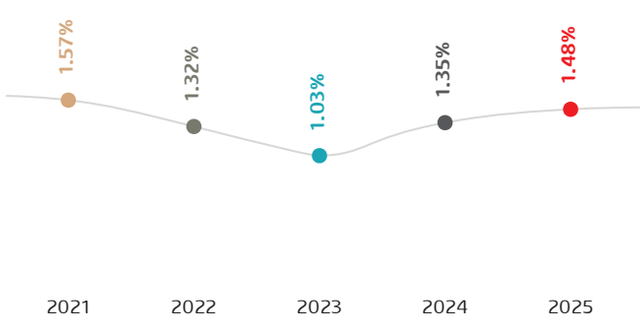
Cost to Income Ratio in %



ROE in %



ROA in %



Furthermore, this year the Provision (Cost of Risk) as % of Average Asset to 0.54% compared to last year's 0.47%. This is because, aside from our strategic stance to focus on collection, we also kept an **additional provision of BDT 865 mn as a precaution against potential uncertainties ahead**.

Overall, the Group profitability saw a boost this year with the Return of Equity growing to 11.63% and Return on Asset to 1.48%, reflecting our strategic efforts to leverage opportunities amid macro-political uncertainty. Through every challenge, we have continued to move forward while staying true to the principles that have defined us for 40 years. As we enter the next phase of our journey, we are confident in our ability to create stronger and more sustainable value for the years ahead. Carrying this progress forward, we step ahead toward a **future of compounding happiness**.

Summarized Income Statement

BDT Mn

Particulars	2025	2024	Growth
Net interest income	3,920	4,807	-18%
Fee & other income	1,005	1,017	-1%
Investment income	3,544	1,433	147%
Operating expense	3,359	3,048	10%
Provision	889	700	27%
Tax	1,788	1,506	19%
Profit after tax	**2,434**	**2,003**	**22%**

Revenues

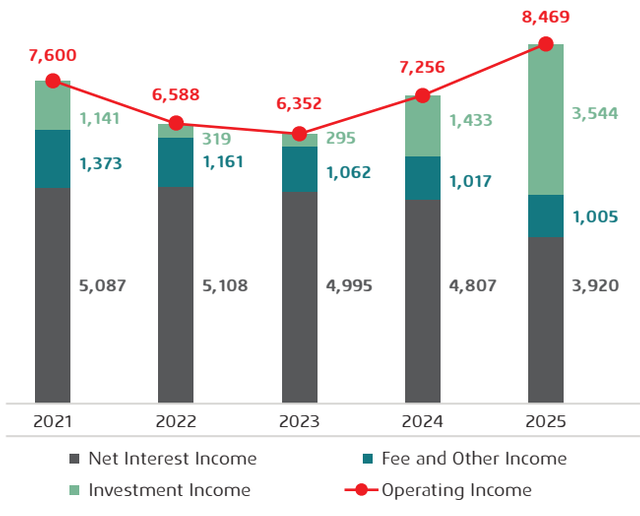
Bangladesh Bank kept the policy rate at 10% and removed the lending rate cap, which allowed banks and NBFIs to re-price loans upward, pushing the average lending rate. Together with the 7.62% growth of loan portfolio, the total Interest Income rose by 12.01%, amounting to BDT 16.55 bn by the end of the year 2025. While Interest Income saw a growth, the borrowing cost surged at a higher rate than lending rate, due to severe liquidity pressure. Heavy borrowing demand from both the government and private sector drove government securities yields upward, which in turn raised deposit rates across the banking system. As a result, the industry faced significant margin pressure despite higher loan yields. Reflecting on this, interest expense rose by 26.69% compared to Interest Income (y-o-y growth 12.01%); leading to a decrease in our Net Interest Income by 18.45% (Standalone: Decrease by 18.41%).

Fee & Other Income, excluding Investment Income, saw a de-growth of 1.12% during the year. The primary reason being the 3.22% drop in Other Operating Income (decreased by BDT 19.72 mn). However, Fee from Commission, Exchange and Brokerage saw a growth of 2.05% (increased by BDT 8.29 mn).

We managed to realize a net capital gain of BDT 874 mn (2024: BDT 195 mn) from our investment in marketable securities and Government Treasury Bond.. Notably, with BDT 21bn increase in investment in Government Securities (2025: BDT 35bn, 2024: BDT 13bn), interest income from this saw an incline of BDT 1,434 mn (2025: BDT 2,522 mn, 2024: 1,087 mn) totaling to a 147.35% growth in overall Investment Income.

Overall, the total Operating Income increased by 16.72% in 2025 amounting to BDT 8,469 mn (2024: BDT 7,256 mn).

Revenue Breakdown — in BDT Million

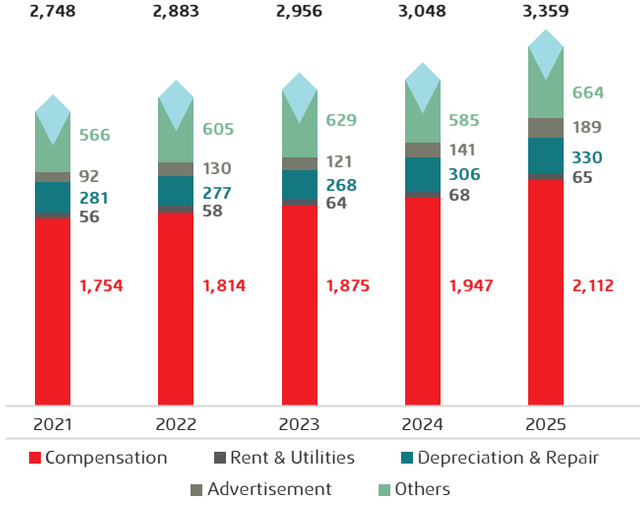


Expenses and Provision

In 2025, our overall expenses grew by 10.20% (2025: BDT 3,359 mn; 2024: BDT 3,048 mn), in line with the average inflation which continued to hover around 8-9%. While our expenses inevitably had to adjust to inflation, we successfully improved our income growth which allowed us to significantly improve our cost to income ratio to 39.66% from 42.00%.

The Group Operating Expense comprises of costs associated with premises rent & maintenance, technology, advertisement, and other expenses; with salary & compensation expense accounting for 63% of the overall expenditure. Some of the material changes in Operating Expenditure over the last year are discussed below:

Opex Breakdown — in BDT Million



Compensation

In 2025, we undertook market pay-scale alignment considering market competitiveness and inflation. This along with regular promotion and new recruitments to support grassroots expansion, increased our total compensation to a moderate 8.79%. We also continued our zero-retrenchment approach to support employee motivation and job stability.

Advertisement & Promotions

In line with our vision to increase our market presence and improve client engagement, we took the opportunity to amplify our promotional activities and recorded an expenditure of BDT 188.62 mn in advertisement and promotional activities, which was 33.66% higher than last year's expenditure. It was focused on expanding customer reach for SME financing, Home and Car loans, Deposit schemes, as well as our newly minted Islamic financing products. We also highlighted our legacy of trust, integrity, and sustainable growth, reinforcing its position as a dependable financial partner as we celebrated our 40 years of excellence.

Depreciations & Other Operating Expense

Overall depreciation and repair of company asset expenses went up to BDT 329.88 mn from BDT 306.17 mn in the preceding year. Consequent to re-classification of office rent under IFRS 16: "Leases" since 2019, a major portion of our depreciation expense is charged against Right-of-Use of Asset, which increased owing to renewal with increment of office spaces.

Other expenses, on the other hand, rose from BDT 585.07mn to BDT 663.78 mn (13% growth) on the back of increased business expenses such as increment in insurance cost, office service expenses and increase in sales incentives which is in direct proportion to increase in disbursement and recovery. Our prime commitment is to ensure smooth operations and stellar customer service through focused efficiency drives.

Provision for Loans and Investment

BDT Mn

Provision for loans and investments	2024	2025
Increase in General provision during the year	9.49	18.08
Decrease in Specific provision during the year	609.18	579.81
Increase in Provision for diminution in value of investments	81.39	290.79
Total Incremental Provision	700.06	888.68

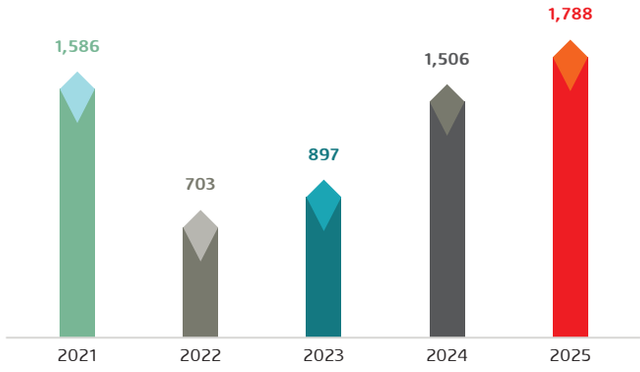
Incremental provision of BDT 888.68 mn was charged during the year, which was BDT 188.62 mn higher than that of 2024. Notably, incremental specific provision from loans decreased by BDT 29.36 mn, following our collection efforts. In addition to adhering to provisioning policy set forth by the Central Bank for loans and investments, we maintained a stricter internal provisioning policy that allowed for recording excess provision balance of BDT 865.05 mn against loans, leases and advances, investments and other asset for the Group. This was maintained as part of our cautionary stance to reduce risk against investment.

Provision for Income Tax

Current tax provision for the year has increased by 18.77% to BDT 1,788 mn. The higher tax provision in 2025 is mainly due to the increase of group's profit before tax by 20.33%, along with the change in tax rates implemented by NBR. While tax expenses are higher, they also reflect the positive sign of growing profitability.

Provision for Income Tax

in BDT Million



Summarized Balance Sheet

BDT Mn

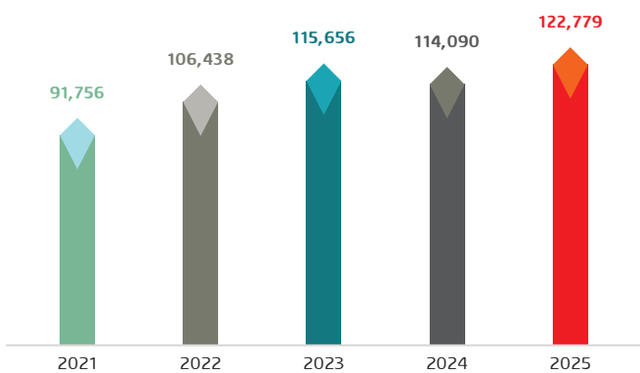
Balance Sheet	2024	2025
Total Assets:	149,018	180,585
Cash and cash equivalent	12,258	12,498
Investment	18,543	40,328
Lending portfolio	114,090	122,779
Others	4,127	4,980
Total Liabilities & Equity:	149,018	180,585
Deposit	87,197	110,537
Borrowing	27,832	31,955
Other liabilities	13,928	16,287
Equity	20,061	21,806

Lending Portfolio and Quality

In 2025, IDLC continued its cautious approach amid uncertain economic and political environment, slow private sector credit growth (6.10%). IDLC booked BDT 122.78 bn loan portfolio, with a growth of 7.62% (Stand-Alone: 8.10% growth), reflecting our focus on preserving the quality of asset alongside cautionary expansion. Our primary loan portfolio is from our financing business of IDLC Finance (Stand-Alone) where we undertook strategic expansion in line with private sector credit growth while continuing our strong focus on collection and recovery efforts. Evidently, we managed to lower the stand-alone NPL to 4.43% (2024: 4.45%), which remains a notable achievement post- pandemic.

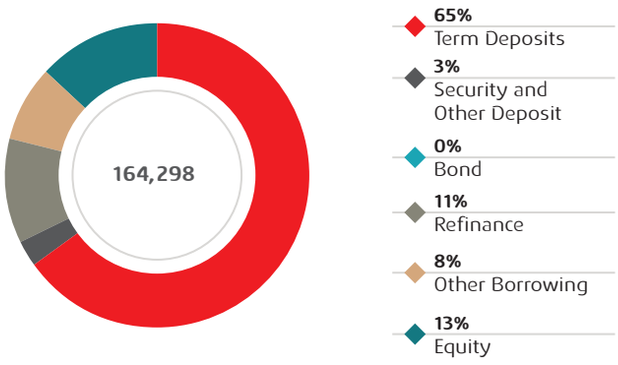
Loan Portfolio

in BDT Million

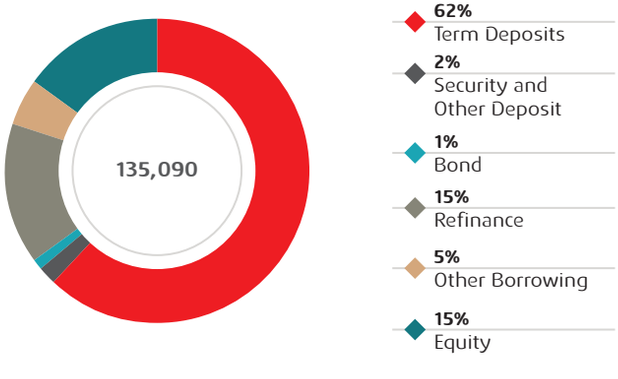


Funding Bucket

Funding Bucket- 2025



Funding Bucket- 2024

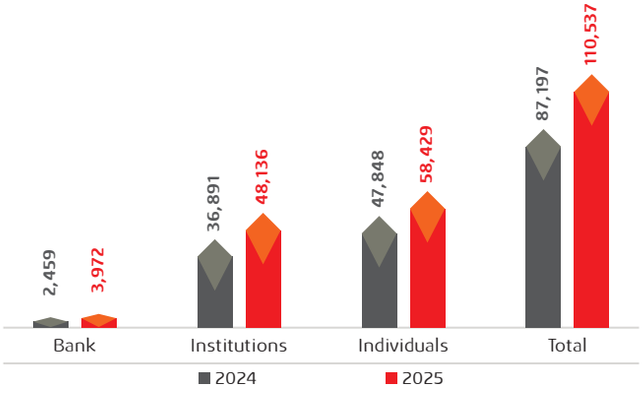


Our funding bucket increased by 21.62% (Standalone: 21.75%) in 2025 and moved to BDT 164.30 bn (Standalone 159.76 bn) from BDT 135.09 bn (Standalone 131.22 bn) in the previous year. Term Deposits (adjusted for intercompany deposits), which now comprises 65% of the funding basket, saw a growth and stood at BDT 106.50 bn which was BDT 83.91 bn in the prior year (26.92% growth).

In 2025, our base further developed towards retail deposits. Deposit from Institutions (excl. Banks) increased by 30.48% whereas deposit from Individuals grew by 22.11%. Moving forward we will continue our efforts towards enhancing our deposit portfolio as a sustainable source of fund.

Total Deposit Sources

in BDT Million



Cash flow Statement Analysis

BDT Mn

Particulars	2024	2025
A) Net cash flows from/(used in) operating activities	3,501	23,298
B) Net cash flows from/(used in) investing activities	(8,901)	(22,434)
C) Net cash flows from/(used in) financing activities	(623)	(624)
D) Net increase/(decrease) in cash and cash equivalents (A+ B + C)	(6,023)	240
E) Cash and cash equivalents at beginning of the year	18,281	12,258
F) Cash and cash equivalents at end of the year (D+E)	**12,258**	**12,498**

Cash flow from Operating Activities

Cash generated from operating activities before changes in operating assets and liabilities stood at BDT 3.95 bn in 2025, registering a 30.88% growth from the previous year due to higher cash inflow from interest income and other income. Hence, net cash flow from operating activities for 2025 improved to BDT 23.30 bn, compared to an inflow of BDT 3.50 bn in 2024, on account of effective management of operating assets and liabilities.

Cash Flow from Investing Activities

The cash flow from investing activities declined to BDT (22.43) bn in 2025 from BDT (8.90) bn in 2024, primarily due to a high net investments in government securities, reflecting a strategic move to strengthen the balance sheet.

Cash Flow from Financing Activities

IDLC paid BDT 624 mn in dividends in 2025 (2024: BDT 623 mn) where BDT 7.25 mn past unpaid dues were settled.

Overall Scenario

The group's cash and cash equivalents increased to BDT 12.50 bn in 2025, from BDT 12.26 bn in 2024, driven by increase in balance kept with Bangladesh Bank, which shows even better liquidity position than compared to previous year; all while maintaining sufficient surplus Cash Reserve Requirement (CRR) and Statutory Liquidity Reserves (SLR). This reinforces our resilience in navigating unforeseen financial challenges.

Key Operating Highlights

IDLC Group

Entity Analysis provides a focused view of IDLC's institutional strengths, structural constraints, and key areas of continued strengthening. It reflects the factors that support the Group's resilience and competitiveness, while also highlighting selected concentration areas and improvement priorities that remain important for sustaining balanced long-term growth.

BDT mn

Financial Performance	2021	2022	2023	2024	2025
Total assets	142,913	147,922	147,116	149,018	180,585
Long term liabilities	122,421	125,533	122,818	122,826	151,802
Term deposit balance	73,171	77,645	80,465	83,907	106,496
Loans & Advances	91,756	106,438	115,656	114,090	122,779

Operational Performance	2021	2022	2023	2024	2025
Operational income	7,600	6,588	6,352	7,256	8,469
Operational expenses	2,748	2,883	2,956	3,048	3,359
Financial expenses	5,455	6,121	7,556	9,970	12,631
Profit before tax	3,702	2,618	2,411	3,509	4,222
Net profit after tax	2,116	1,915	1,514	2,003	2,434

Financial Ratios	2021	2022	2023	2024	2025
Debt equity ratio (Times)	7.51	7.30	6.86	6.43	7.28
Average effective tax rate	42.12	48.06	48.29	42.92	42.36
Financial expenses coverage ratio (Times)	1.68	1.43	1.32	1.35	1.33
Return on total assets (%)	1.57	1.32	1.03	1.35	1.48
Return on shareholders' equity (%)	13.21	11.06	8.28	10.33	11.63
Earnings per share	5.09	4.61	3.64	4.59	5.58
Price earnings ratio (Times)	11.85	10.10	12.77	7.13	6.40
Net interest income as a percentage (%) of working funds	5.50	5.15	4.50	4.19	3.31
Operating Profit as percentage (%) of working fund	5.25	3.74	3.06	3.66	4.32

Equity Statistics	2021	2022	2023	2024	2025
Number of shares outsatnding (No.)	395,903,319	415,698,484	415,698,484	415,698,484	436,483,409
Year end market price per share (BDT)	60.30	46.50	46.50	32.70	35.70
Net asset value per share (BDT)	40.39	42.89	45.03	45.96	49.96
Market capitalization (BDT mn)	23,872.97	19,329.98	19,329.98	13,593.34	15,582.46
Market value addition per share (BDT)	19.91	3.61	1.47	(13.26)	(14.26)
Shareholders' equity (BDT mn)	16,789	17,828	18,718	20,061	21,806

Key Operating Highlights

IDLC Finance PLC

Entity Analysis provides a focused view of IDLC's institutional strengths, structural constraints, and key areas of continued strengthening. It reflects the factors that support the Group's resilience and competitiveness, while also highlighting selected concentration areas and improvement priorities that remain important for sustaining balanced long-term growth.

BDT mn

Financial Performance	2021	2022	2023	2024	2025
Lease and Term loans disbursed	36,052	51,466	51,974	42,396	56,229
Housing finance disbursement	7,523	9,597	8,744	6,267	5,472
Short term finance portfolio	1,152	1,922	2,910	3,114	3,218
Lease Finance	2,964	3,852	3,497	3,792	4,737
Real estate finance assets	27,372	30,322	31,616	30,863	29,166
Total assets	136,756	143,868	142,877	142,823	172,924
Long term liabilities	120,371	125,694	123,167	121,670	150,064
Term deposit balance	73,893	79,410	82,402	84,379	107,011
Net current assets	14,860	9,702	8,105	7,122	4,231

Operational Performance	2021	2022	2023	2024	2025
Operational income	5,870	5,500	5,338	6,225	6,805
Operational expenses	2,218	2,415	2,530	2,595	2,901
Financial expenses	5,499	6,202	7,725	10,103	12,740
Profit before tax	2,743	2,079	1,802	2,942	3,188
Net profit after tax	1,576	1,620	1,094	1,673	1,777

Financial Ratios	2021	2022	2023	2024	2025
Debt equity ratio (Times)	9.42	9.17	8.77	8.13	9.34
Average effective tax rate (%)	42.41	48.78	54.11	43.14	44.25
Financial expenses coverage ratio (Times)	1.50	1.34	1.23	1.29	1.25
Current ratio (Times)	1.24: 1	1.15: 1	1.14: 1	1.13: 1	1.07: 1
Return on total assets (%)	1.21	1.15	0.76	1.17	1.13
Non performing loan ratio (%)	3.05	3.81	4.46	4.45	4.43
Return on shareholders' equity (%)	12.49	11.87	7.60	11.06	10.98
Earnings per share	3.61	3.71	2.51	3.83	4.07
Dividend per share	2.00	1.50	1.50	2.00	2.00
Dividend yield (%)	3.32	3.23	3.23	6.12	5.60
Dividend payout ratio (%)	55.38	40.42	59.87	52.18	49.12
Shareholders' equity	13,126.79	14,152.55	14,622.62	15,637.44	16,727.81
Net interest income as a percentage (%) of working funds	5.14	4.73	4.10	3.88	3.05
Operating Profit as percentage (%) of working fund	4.03	3.20	2.59	3.21	3.33

Highlight as per Bangladesh Bank

IDLC Finance PLC as on December 31, 2025

Entity Analysis provides a focused view of IDLC's institutional strengths, structural constraints, and key areas of continued strengthening. It reflects the factors that support the Group's resilience and competitiveness, while also highlighting selected concentration areas and improvement priorities that remain important for sustaining balanced long-term growth.

Sl no.	Particulars		2025	2024
1	Paid-up capital	BDT mn	4,365	4,157
2	Total capital (eligible)	BDT mn	17,727	16,610
3	Surplus/(shortage) capital	BDT mn	7,780	6,759
4	Total assets	BDT mn	172,924	142,823
5	Total deposits	BDT mn	111,051	87,669
6	Total loans, advances and leases	BDT mn	121,986	112,848
7	Total contingent liabilities and commitments	BDT mn	750	750
8	Loans to deposit ratio (total loans/total deposits)	Times	1.10	1.29
9	% of classified loans against total loans	%	4.43	4.45
10	Profit after tax and provision	BDT mn	1,777	1,673
11	Classified loans, advances and leases during the year	BDT mn	5,406	5,023
12	Provisions kept against classified loans, advances and leases	BDT mn	2,939	2,907
13	Provision surplus / (deficit) against classified loans, advances and leases	BDT mn	641	129
14	Cost of fund	%	10.12	9.05
15	Interest earning assets	BDT mn	164,538	135,140
16	Non-interest earning assets	BDT mn	8,386	7,683
17	Return on investment (ROI)	%	1.28	1.38
18	Return on assets (ROA)	%	1.13	1.17
19	Income from investment	BDT mn	2,618	1,208
20	Operating profit per share	BDT mn	8.95	8.32
21	Earnings per share	BDT mn	4.07	3.83
22	Price earning ratio	Times	8.77	8.53

Horizontal Analysis

Consolidated Balance Sheet as at December 31 (For last five years)

	31.12.2025	31.12.2024	31.12.2023	31.12.2022	31.12.2021
PROPERTY AND ASSETS					
Cash					
In hand (including foreign currencies)	92%	97%	97%	101%	100%
Balance with Bangladesh Bank and its agent (including foreign currencies)	125%	104%	101%	118%	100%
	125%	**104%**	**101%**	**118%**	**100%**
Balance with other banks and financial institutions					
Inside Bangladesh	27%	27%	41%	57%	100%
Outside Bangladesh	-	-	-	-	-
	27%	**27%**	**41%**	**57%**	**100%**
Money at call and short notice	**0%**	**0%**	**50%**	**530%**	**100%**
Investments					
Government	726%	356%	78%	100%	100%
Others	111%	104%	101%	100%	100%
	755%	**347%**	**183%**	**163%**	**100%**
Loans and advances					
Loans, cash credit, overdraft etc.	134%	124%	126%	116%	100%
Bills purchased and discounted	-	-	-	-	-
	134%	**124%**	**126%**	**116%**	**100%**
Fixed assets including land, building, furniture and fixtures	185%	156%	90%	94%	100%
Other assets	121%	100%	118%	108%	100%
Non-banking assets	100%	-	-	-	-
Total Assets	**126%**	**104%**	**103%**	**104%**	**100%**
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents	**87%**	**76%**	**88%**	**101%**	**100%**
Deposits and other accounts					
Current accounts and other accounts etc.	-	-	-	-	-
Bills payable	-	-	-	-	-
Savings bank deposits	-	-	-	-	-
Term deposits	146%	115%	110%	106%	100%
Bearer certificate of deposits	-	-	-	-	-
Other deposits	166%	135%	130%	107%	100%
	146%	115%	111%	106%	100%
Other liabilities	**118%**	**101%**	**90%**	**92%**	**100%**
Total Liabilities	**126%**	**102%**	**102%**	**103%**	**100%**
Capital/Shareholders' equity					
Paid-up capital	110%	105%	105%	105%	100%
Share premium	100%	100%	100%	100%	100%
Statutory reserves	138%	127%	117%	110%	100%
General reserves	100%	100%	100%	100%	100%
Dividend equalisation reserves	2151%	1075%	1075%	100%	100%
Capital reserves	100%	100%	100%	-	-
Retained earnings	129%	121%	107%	111%	100%
Total Equity attributable to equity holders of the company	**130%**	**119%**	**111%**	**108%**	**100%**
Non-controlling interest	**114%**	**110%**	**106%**	**103%**	**100%**
Total Liabilities and Shareholders' equity	**126%**	**104%**	**103%**	**104%**	**100%**

Horizontal Analysis

Consolidated Profit and Loss Account (For last five years)

	2025	2024	2023	2022	2021
Interest Income & Financing Income	157%	140%	119%	107%	100%
Interest paid & Profit distributed on Deposits, Placements & Borrowings etc.	232%	183%	139%	112%	100%
Net Interest Income & Financing Income	**77%**	**95%**	**98%**	**100%**	**100%**
Investment income	311%	126%	26%	28%	100%
Commission, exchange and brokerage	44%	43%	38%	63%	100%
Other operating income	134%	139%	160%	130%	100%
Total operating income	**111%**	**95%**	**84%**	**87%**	**100%**
Salaries and allowances	120%	111%	107%	103%	100%
Rent, taxes, insurance, electricity etc.	116%	122%	114%	103%	100%
Legal expenses	87%	86%	89%	100%	100%
Postage, stamp, telecommunication etc.	119%	114%	118%	130%	100%
Stationery, printing, advertisements etc.	144%	111%	137%	140%	100%
Managing Director's salary and benefits	177%	160%	137%	137%	100%
Directors' fees	226%	224%	101%	124%	100%
Auditors' fees	112%	102%	93%	148%	100%
Charges on loan losses	-	-	-	-	-
Depreciation and repair of Company's assets	117%	109%	95%	99%	100%
Other expenses	127%	110%	107%	100%	100%
Total operating expenses	**122%**	**111%**	**108%**	**105%**	**100%**
Profit before provision	**105%**	**87%**	**70%**	**76%**	**100%**
Provision for loans and investments					
General provision	16%	5%	-1%	133%	100%
Specific provision	58%	61%	100%	66%	100%
Provision for diminution in value of investments	735%	206%	-31%	718%	100%
Other provisions	-	-	-	-	-
Total provision	**77%**	**61%**	**86%**	**95%**	**100%**
Total profit before taxation	**114%**	**95%**	**65%**	**71%**	**100%**
Provision for taxation					
Current tax expense	113%	96%	75%	80%	100%
Release from previous year's excess provision	-	100%	100%	-	-
Deferred tax expense/(income)	85%	6%	-8%	17%	100%
	113%	95%	57%	44%	100%
Net profit after taxation	**115%**	**95%**	**72%**	**90%**	**100%**
Earnings Per Share (EPS)	**110%**	**95%**	**72%**	**90%**	**100%**

Vertical Analysis

Consolidated Balance Sheet as at December 31 (For last five years)

	31.12.2025	31.12.2024	31.12.2023	31.12.2022	31.12.2021
PROPERTY AND ASSETS					
Cash					
In hand (including foreign currencies)	0.00%	0.00%	0.00%	0.00%	0.00%
Balance with Bangladesh Bank and its agent (including foreign currencies)	0.89%	0.90%	0.88%	1.03%	0.90%
	0.90%	**0.90%**	**0.88%**	**1.03%**	**0.90%**
Balance with other banks and financial institutions					
Inside Bangladesh	6.03%	7.32%	11.20%	15.49%	28.18%
Outside Bangladesh	-	-	-	-	-
	6.03%	**7.32%**	**11.20%**	**15.49%**	**28.18%**
Money at call and short notice	**0.00%**	**0.00%**	**0.34%**	**3.58%**	**0.01**
Investments					
Government	19.29%	8.98%	3.26%	2.53%	0.28%
Others	3.04%	3.47%	3.39%	3.33%	3.46%
	22.33%	**12.44%**	**6.65%**	**5.86%**	**3.74%**
Loans and advances					
Loans, cash credit, overdraft etc.	67.99%	76.56%	78.62%	71.83%	64.20%
Bills purchased and discounted	-	-	-	-	-
	67.99%	**76.56%**	**78.62%**	**71.83%**	**64.20%**
Fixed assets including land, building, furniture and fixtures	1.63%	1.66%	0.97%	1.00%	1.11%
Other assets	1.12%	1.11%	1.33%	1.21%	1.16%
Non-banking assets	0.02%	-	-	-	-
Total Assets	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents	**17.70%**	**18.68%**	**21.92%**	**24.99%**	**25.66%**
Deposits and other accounts					
Current accounts and other accounts etc.	-	-	-	-	-
Bills payable	-	-	-	-	-
Savings bank deposits	-	-	-	-	-
Term deposits	58.97%	56.31%	54.70%	52.40%	51.20%
Bearer certificate of deposits	-	-	-	-	-
Other deposits	2.24%	2.21%	2.15%	1.75%	1.71%
	61.21%	**58.51%**	**56.84%**	**54.15%**	**52.91%**
Other liabilities	**9.02%**	**9.35%**	**8.51%**	**8.64%**	**9.68%**
Total Liabilities	**87.92%**	**86.54%**	**87.28%**	**87.78%**	**88.25%**
Capital/Shareholders' equity					
Paid-up capital	2.42%	2.79%	2.83%	2.81%	2.77%
Share premium	0.70%	0.85%	0.86%	0.85%	0.88%
Statutory reserves	2.49%	2.78%	2.59%	2.42%	2.29%
General reserves	0.55%	0.67%	0.68%	0.67%	0.70%
Dividend equalisation reserves	0.55%	0.34%	0.34%	0.03%	0.03%
Capital reserves	0.17%	0.17%	0.14%	0.00	-
Retained earnings	5.19%	5.87%	5.29%	5.41%	5.08%
Total Equity attributable to equity holders of the company	**12.08%**	**13.46%**	**12.72%**	**12.22%**	**11.75%**
Non-controlling interest	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Total Liabilities and Shareholders' equity	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Vertical Analysis

Consolidated Profit and Loss Account (For last five years)

	2025	2024	2023	2022	2021
Interest Income & Financing Income	78.44%	85.78%	90.24%	88.35%	80.74%
Interest paid & Profit distributed on Deposits, Placements & Borrowings etc.	59.86%	57.88%	54.33%	48.16%	41.78%
Net Interest Income & Financing Income	**18.58%**	**27.90%**	**35.91%**	**40.19%**	**38.96%**
Investment income	16.80%	8.32%	2.12%	2.51%	8.74%
Commission, exchange and brokerage	1.95%	2.34%	2.57%	4.63%	7.13%
Other operating income	2.81%	3.56%	5.07%	4.51%	3.38%
Total operating income	**40.14%**	**42.12%**	**45.67%**	**51.84%**	**58.22%**
Salaries and allowances	9.93%	11.22%	13.39%	14.17%	13.36%
Rent, taxes, insurance, electricity etc.	0.31%	0.39%	0.46%	0.45%	0.43%
Legal expenses	0.09%	0.10%	0.13%	0.16%	0.16%
Postage, stamp, telecommunication etc.	0.27%	0.32%	0.40%	0.49%	0.36%
Stationery, printing, advertisements etc.	1.05%	0.99%	1.51%	1.69%	1.18%
Managing Director's salary and benefits	0.08%	0.09%	0.09%	0.10%	0.07%
Directors' fees	0.02%	0.03%	0.01%	0.02%	0.01%
Auditors' fees	0.01%	0.01%	0.01%	0.01%	0.01%
Charges on loan losses	-	-	-	-	-
Depreciation and repair of Company's assets	1.56%	1.78%	1.92%	2.18%	2.15%
Other expenses	2.61%	2.77%	3.32%	3.41%	3.31%
Total operating expenses	**15.92%**	**17.69%**	**21.25%**	**22.69%**	**21.05%**
Profit before provision	**24.22%**	**24.43%**	**24.42%**	**29.15%**	**37.16%**
Provision for loans and investments					
General provision	0.09%	0.06%	-0.01%	1.16%	0.85%
Specific provision	2.75%	3.54%	7.18%	5.16%	7.66%
Provision for diminution in value of investments	1.38%	0.47%	-0.09%	2.23%	0.30%
Other provisions	-	-	-	-	-
Total provision	**4.21%**	**4.06%**	**7.08%**	**8.55%**	**8.81%**
Total profit before taxation	**20.01%**	**20.37%**	**17.34%**	**20.60%**	**28.36%**
Provision for taxation					
Current tax expense	8.37%	8.73%	8.39%	9.86%	11.94%
Release from previous year's excess provision	-	0.00%	-1.92%	-4.37%	-
Deferred tax income	0.11%	0.01%	-0.02%	0.04%	0.21%
	8.48%	8.74%	6.45%	5.53%	12.15%
Net profit after taxation	**11.53%**	**11.63%**	**10.88%**	**15.06%**	**16.21%**
Earnings Per Share (EPS)	**0.03%**	**0.03%**	**0.03%**	**0.04%**	**0.04%**

Value Added Statement

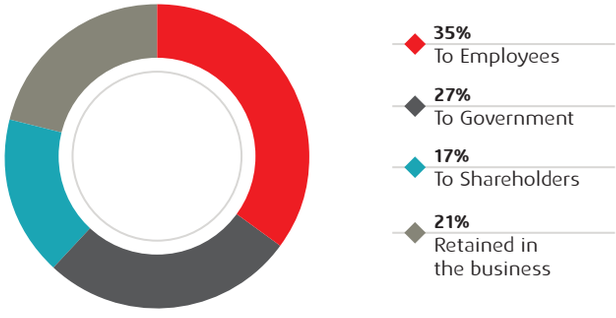
for the year ended December 31, 2025

Value added is the wealth created by IDLC through extending lease financing, short-term finance (factoring of accounts receivable and work order financing), housing finance, merchant banking and corporate finance.

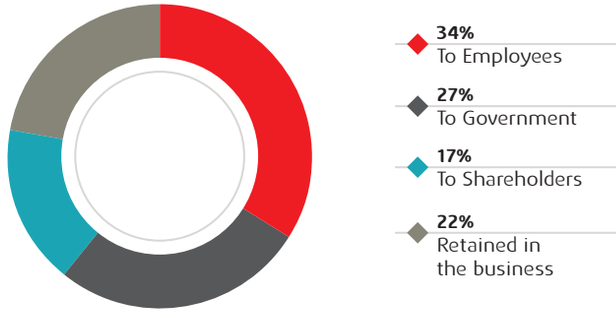
The Value Added Statement shows the total worth created and how it was distributed to meet certain obligation and the portion retained for the continued operation and expansion of the Company.

	Dec. 31, 2025 BDT	%	Dec. 31, 2024 BDT	%
Value added				
Operating revenue	18,957,707,411		15,726,704,307	
Cost of borrowing	(12,739,702,284)		(10,103,103,694)	
	6,218,005,127		5,623,600,613	
Other income	587,148,352		601,167,354	
	6,805,153,478		6,224,767,968	
Provisions	(716,472,983)		(687,514,872)	
Operating expenses excluding staff costs and depreciation.	(842,335,664)		(735,006,781)	
Value added	**5,246,344,832**	**100%**	**4,802,246,315**	**100%**
Distribution of value addition				
To Employees				
as remuneration	1,828,008,090	35%	1,649,824,066	34%
To Government	1,410,793,758	27%	1,269,143,972	26%
as taxes				
To Shareholders	872,966,818	17%	831,396,968	17%
as stock dividend (cash and stock)				
Retained in the business	1,134,576,165	22%	1,051,881,308	22%
as capital and revenue reserve	904,330,975	17%	841,582,000	18%
as depreciation	230,245,190	4%	210,299,308	4%
	5,246,344,832	**100%**	**4,802,246,315**	**100%**

2025



2024



Market Value Added Statement

Market value added statement reflects the Company's performance evaluated by the market through the share price of the company. This statement shows the difference between the market value of a company and the capital contributed by investors. In other words, it is the sum of all capital claims held against the company plus the market value of debt and equity.

The following statement shows how the MVA has been calculated for the year ended December 31, 2025 and 2024:

BDT mn

	2025	2024
Market value of shares outstanding	15,582	13,593
Book value of shares outstanding	21,806	20,061
Market value added	**(6,224)**	**(6,468)**

Explanation: With the capital market performing below par, the stock market price is not an ideal reflection of the value of a company. Where the year end market price was BDT 35.70, our NAV was BDT 49.96 Group, Stand-Alone- BDT 38.32 , with an ROE of 11.63% Group, Stand-alone- 10.98%. Our earnings have been growing, so has Shareholder's value, and we have always ensured steady distribution of dividend. As such the negative Market Value Addition is not an indicative of our performance. Once the market stabilizes, our market value addition would return back to positive.

Economic Value Added Statement

Economic Value-Added is the surplus generated by an entity after meeting an equitable charge towards providers of capital. It is the post-tax return on capital employed (adjusted for the tax shield on debt) less the cost of capital employed. Companies which earn higher returns than cost of capital create value, and companies which earn lower returns than cost of capital are deemed harmful for shareholder value.

The aim of EVA is to provide management with a measure of their success in increasing shareholder's wealth: a better measure than profit of how much the company had made for shareholders.

EVA has been calculated by the following formula: EVA = Net Operating Profit – Taxes – Cost of Capital

BDT

	2025	2024
Net operating profit	3,904,564,534	3,629,637,812
Provision for taxes	(1,410,793,758)	(1,269,143,972)
Net operating profit after tax (NOPAT)	**2,493,770,776**	**2,360,493,840**
Charges for capital		
Capital employed	20,921,213,371	19,509,099,562
Cost of equity (%)*	10.90%	12.68%
Capital charge	2,280,391,336	2,472,778,369
Economic Value added	**213,379,440**	**(112,284,529)**
Capital employed as on December 31		
Shareholders' equity	16,727,813,011	15,637,442,322
Accumulated provision for doubtful accounts and future losses	4,942,413,964	4,534,757,444
Average shareholders' equity**	**20,921,213,371**	**19,509,099,562**

* Cost of equity reflects shareholders' expected return. Ultimately, this is the opportunity cost for shareholders for investing their funds in the company. Interest on 20 years Government Treasury Bond.

** Average shareholders equity has been derived from average of current year and previous years.

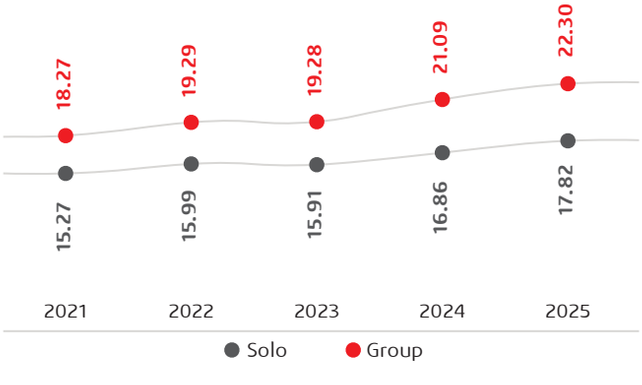
Capital Adequacy Ratio

As per Bangladesh Bank Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions, Financial Institutions (FIs) are required to maintain a minimum capital adequacy ratio of 10%. At the end of 2025, capital adequacy ratio of the group stood at 22.30%.

BDT mn

	2025	
	IDLC Finance PLC	IDLC Group
Tier 1: Core Capital	**16,728**	**21,806**
Paid-up capital	4,365	4,365
Share premium	1,261	1,261
Statutory reserves	4,499	4,499
General reserves	1,000	1,000
Dividend equalization reserves	1,000	1,000
Capital reserves	-	305
Retained earnings	4,604	9,377
Non-controlling interest	-	0.004
Tier II: Supplementary capital	**999**	**1,003**
General Provision	999	1,003
C) Total eligible capital	**17,727**	**22,809**
D) Total risk weighted assets	**99,464**	**102,297**
Capital Adequacy Ratio (%)	**17.82**	**22.30**

Capital Adequacy Ratio (%)



Non-Financial Highlights

	Unit	2025	2024
Environment			
Electricity Consumption per employee	BDT	17,980	22,607
Fuel Consumption per employee	BDT	6,388	5,555
Paper Consumption per employee	BDT	2,435	2,559
Significant environmental fines	BDT	Nil	Nil
Green Financing			
Green Finance Portfolio	BDT Mn	13,393	12,480
Sustainable Linked Finance Portfolio	BDT Mn	39,006	27,395
Social			
Employee			
Employee Attrition Rate	%	22%	17%
Total Employee	Count	1,668	1,665
Percentage of Women Hires	%	15%	15%
Sales force Training hours	Hours	16,400	17,620
Incidents of child labour	Count	Nil	Nil
Incidents of discrimination	Count	Nil	Nil
Incidents of forced or compulsory labor	Count	Nil	Nil
Customer			
Net Promoter Score	%	89%	90%
Customer Satisfaction Index (CSAT)	%	79%	81%
Customers through Digital Platform	Count	238,273	144,125
Proportion of female savers through digital deposit	%	33%	32%
Sustained complaints on breach of customer privacy and loss of customer data	Count	Nil	Nil
Community			
Total Scholarship Reciepients	Count	263	231
Beneficiary through healthcare initiatives	Count	216,681 +	380,700+
Total CSR Beneficiary	Count	259,450 +	484,044 +
Financial Literacy Exposure through Training	Count	485	210
Governance			
Incidends of violation of corporate code of conduct and ethics	Count	Nil	Nil
Non-compliance with social and economic laws and regulations	Count	Nil	Nil
Whistle Blowing cases reported and sorted	Count	3	5

Contribution to the National Economy

IDLC Finance PLC. has served as one of Bangladesh's most impactful financial institutions for nearly four decades. Established in 1985 as the country's first leasing company, IDLC pioneered lease finance as a viable, long-term financing alternative for Bangladeshi businesses. Today, as the largest Non-Banking Financial Institution (NBFI) in Bangladesh, IDLC continues to contribute to the national economy in both monetary and non-monetary terms, serving over 286,770+ clients across more than 49 touch-points nationwide.

KEY ECONOMIC CONTRIBUTION

BDT 1,530 mn
Corporate Tax & VAT Paid

BDT 3,529 mn
Total Contribution to Government Exchequer

1,668
People Employed (Group)

19,987
SME Clients

BDT 2,910 mn
Affordable Housing Loan Portfolio

BDT 2,997 mn
Digital Deposit Portfolio

BDT 34,843 mn
Investment in G-sec

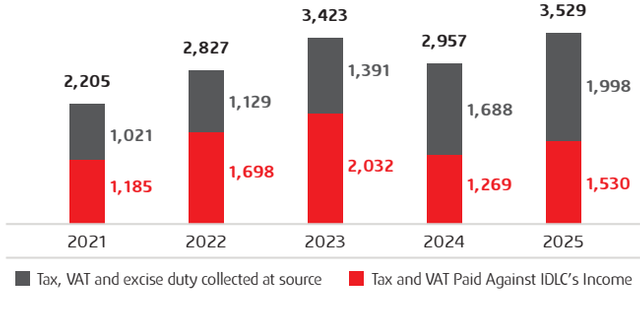
259,450+
CSR Beneficiaries

Taxes to Government

In 2025, IDLC deposited BDT 1,446 mn to the Government exchequer as corporate income tax and BDT 84 mn as VAT against fee income; totaling to BDT 1,530 mn paid as Tax and VAT against the income earned by IDLC. This 20.56% increase against income is primarily attributable to increase in corporate tax by 21.88%, mainly due to increase in revenue over the years.

In addition, as a deducting/collecting entity, IDLC contributed BDT 1,998 mn to the Government exchequer through withholding tax (BDT 1,652 mn), withholding VAT (BDT 117 mn) and excise duty (BDT 229 mn). This is an 18.37% increase in overall deduction from

Taxes paid to the Government BDT mn



previous year. This is mainly due to increase in interest expense on term deposit and increase operating expenses.

Our special efforts in effective deduction management has been recognised by National Board of Revenue in 2025, through a special letter awarded for facilitating timely revenue collection of withholding tax on deposits.

Considering the composition of our total BDT 3,529 mn contribution government exchequer, the prime contributor still continues to be tax, followed by excise duty and then VAT.

Composition of Contribution to National Exchequer in 2025



Composition of Contribution to National Exchequer in 2024



Employment Generation

As one of the largest NBFIs in Bangladesh, IDLC's contribution to direct employment is substantial. As of December 31, 2025, IDLC maintained a workforce of 1,668 permanent employees distributed across 31 branches and 5 sub-branches nationwide, serving both urban and underserved semi-urban markets.

The company has consistently invested in its human capital through structured training programmes, competitive compensation, and career development pathways. In 2025, the group offered both local and foreign training opportunities, with programmes tailored internally and developed in partnership with external training providers, enabling employees to acquire skills aligned with the evolving needs of the financial sector.

Beyond direct employment, IDLC's lending activities, particularly to Small and Medium Enterprises (SMEs), serve as a major catalyst for indirect job creation across the broader economy. At a time when job creation remains a national priority, IDLC's SME and micro-enterprise financing accelerates employment generation across manufacturing, trade, and services.

Focus on SME Financing

Small and Medium Enterprises are the backbone of the Bangladeshi economy. According to the BBS Economic Census 2024, there are 11.8 mn CMSMEs in Bangladesh, contributing approximately 30% to national GDP under the SME Policy 2019. CMSMEs account for 90% of total industrial units, approximately 85% of industrial sector employment, and 45% of manufacturing value addition. IDLC's SME Division has maintained a Compound Annual Growth Rate (CAGR) of approximately 7.39% over the past five years and represents a core pillar of the company's lending portfolio. The division's approach extends beyond credit, embedding non-financial services and capacity-building support to its borrowers.

Affordable Housing Finance

IDLC's Affordable Housing Loan programme is a purpose-built product aimed at extending home financing access to middle and lower-middle income households. This demographic has historically been excluded from formal mortgage markets due to high collateral requirements, stringent documentation demands, and elevated instalment obligations relative to income levels.

Bangladesh faces a structural urban housing deficit, particularly in Dhaka and other rapidly expanding cities, driven by rural-to-urban migration and population growth. IDLC's Affordable Housing Loan directly responds to this gap, supporting the Government of Bangladesh's vision of shelter for all and contributing to SDG 11 – Sustainable Cities and Communities.

By expanding mortgage access to underserved income segments, this product also functions as a wealth-creation instrument for first-time homeowners, contributing to long-term household economic stability and asset formation for Bangladeshi families. In 2025, our affordable housing portfolio reached BDT 2,910 mn.

Digital Financial Inclusion

IDLC continued to deepen its digital infrastructure in 2025, enabling broader financial access for clients across Bangladesh anchored in two concrete initiatives- a strategic partnership with bKash for digital DPS (Deposit Pension Scheme) collections and the company's own digital deposit platform. As of 2025, IDLC's digital deposit portfolio stands at BDT 2,997 mn.

Through these initiatives, IDLC enables depositors to make DPS instalments directly through the bKash app or own platform, eliminating the need to visit a branch or maintain a traditional bank account. This is particularly significant for lower-income and semi-urban depositors who have historically had limited access to formal savings products.

Green Finance & Environment-Friendly Initiatives

Sustainable economic growth and environmental stewardship are inseparable objectives at IDLC. The company maintains an active green financing portfolio covering a range of sectors including Renewable Energy, Waste Management, Non-Fire Block Brick manufacturing, Auto Brick Kilns, Green Buildings and Industries, Fire & Safety, Industrial Energy Efficiency, and Recycling Industries etc. Furthermore, the company remained committed to refinancing green and sustainable portfolios through Bangladesh Bank's dedicated refinance facility.

IDLC continues to progress towards its long-term goal of achieving net-zero emissions across its operations and value chain by 2050. The company conducted a comprehensive carbon footprint analysis, calculating and disclosing greenhouse gas (GHG) emissions across all three scopes (Scope 1, 2, and 3), establishing a measurable baseline for future targets. By 2017, the company intends on making full disclosure of IFRS S1 and S2 as mandated by Bangladesh Bank. **Bloomberg acknowledged IDLC as one of the most sustainable companies in Bangladesh – and the only Non-Banking Financial Institution in this accreditation.**

Investment in Government Securities

IDLC's investment in Bangladesh Government Securities, comprising Treasury Bills and Government Treasury Bonds, forms a strategically important component of its treasury operations, serving simultaneously as a liquidity management tool, a risk-free income source, and a mechanism through which IDLC participates in financing public expenditure and national development. By investing in government instruments, IDLC simultaneously supports financing infrastructure, social spending, and public services, while maintaining a liquid, zero-credit-risk buffer on its balance sheet that strengthens its overall financial resilience. This dual function makes the government securities portfolio not merely a treasury management exercise, but a direct contribution to public finance and macroeconomic stability. In 2025, IDLC invested BDT 34,843 mn in government bills and bonds (160% growth y-o-y).

Supporting community through various CSR activities

At IDLC, commitment to social welfare and community has been part of its corporate culture, and IDLC is much reputed for its contributions towards environmental and community development. We support economic growth by investing in programs that enable economic development with a social purpose. We have extended our reach towards social and economic development by leaps and bounds and as we engage members of the community in various social development initiatives it further enhances our effort towards ensuring a sustainable economy. 2025 continued to be a year where providing community support was key. We engaged in providing healthcare services to the marginalized society and initiated several scholarship programs contributing towards the education of the underprivileged. Details of our activities in this area has been discussed on page no. 128.

Scaling Purpose:
Another Ripple of Compounding Happiness

At IDLC, enabling businesses across Bangladesh—from large corporates to emerging enterprises—is central to creating sustainable economic value. Within this landscape, the SME segment plays a vital role, driving innovation, employment, and inclusive growth. Among these, women-led enterprises represent a powerful force of progress. Through Purnota, IDLC's women entrepreneurship platform, this potential is actively supported and nurtured.

Neshat Unzum, founder of Aurum Bangladesh, is one such example.

Founded in 2017, Aurum Bangladesh reflects Neshat's commitment to sustainable fashion. Built on eco-friendly materials and ethical production practices, the brand represents a conscious approach to business—balancing commercial viability with environmental and social responsibility.

Like many growing enterprises, Aurum's next phase required access to capital. For women entrepreneurs in particular, this journey can often be more arduous. What Neshat needed was a financial partner who understood both her vision and the unique dynamics of her business.

Through Purnota, IDLC provided not only access to capital but also a relationship grounded in trust, transparency, and long-term support. This approach reflects IDLC's core values—placing clients at the center, acting with integrity, and enabling sustainable growth through responsible financial solutions.

With this foundation, Aurum Bangladesh has continued to expand its reach and impact. Beyond her business, Neshat has extended her efforts into broader social initiatives as Co-founder and CEO of Lovely Foundation and M4M, contributing to women's health, technology access, and empowerment across communities.

Her journey illustrates how access to the right financial support can unlock wider impact. A single enterprise creates employment; employment strengthens communities; and empowered individuals contribute to a more inclusive economy.



This is how IDLC's SME and women-focused initiatives translate into real outcomes. By supporting entrepreneurs like Neshat, IDLC helps transform vision into sustainable businesses—creating ripples that extend far beyond individual success.

At IDLC, this is what we mean by compounding happiness—where each enterprise supported today contributes to a stronger, more inclusive tomorrow.

Business Highlights in 2025



- Bridging the Gap - Transitioning from Bank Finance to Capital Market Finance



- IDLC partnered with Akij Takaful Life Insurance to offer SME Surakkha-Life, a Group Credit Shield Life Insurance facility design



- International Conference on Financial Literacy And Economic Wellbeing 2025



- Launching Ceremony of IDLC Islamic



- MoU signed with Akij Takaful Life Insurance PLC to introduce Home Loan Shield coverage for IDLC clients marking a strategic part



- Networking event with Metlife



- Opening Ceremony of IDLC Sub-Branch at Naogaon



- Opening Ceremony of IDLC Sub-Branch at Shatkhira



- Signing Ceremony with Thakral Information Systems Private Limited for core banking software implementation.





- Participation in Global SME Finance Forum Conference in Johannesburg

Business Segment Review

SME

Introduction

Established in 2006 with its first SME branch in Bogura, IDLC Finance's SME Division has grown into its largest business segment, contributing significantly to the loan portfolio and client base. It provides tailored financing solutions to CMSMEs across sectors such as light engineering, textiles, plastics, and agro-industrial linkages. Supported by strong risk management and nationwide investments in infrastructure and talent, the division also promotes sustainable growth through ESG-focused initiatives, including green financing and support for women-led enterprises–driving both grassroots impact and long-term profitability.

Since its inception, IDLC's SME Division has supported domestic entrepreneurs with timely financing, strengthening portfolio resilience and contributing to sustainable economic growth. Building on this, it remains committed to expanding inclusive access to finance, accelerating entrepreneurship, and fostering a more resilient SME ecosystem.

Adnan Rashid, Head of SME

HIGHLIGHTS

Average Ticket Size:
BDT 3.2 Mn

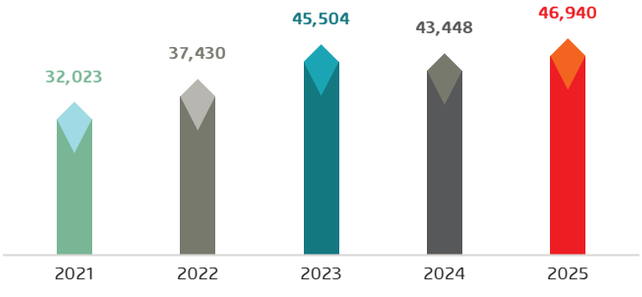
Branches:
29 Branches, 5 Sub-branches

Customer Base:
19,987

Employees:
417

Portfolio Trend

in BDT Million



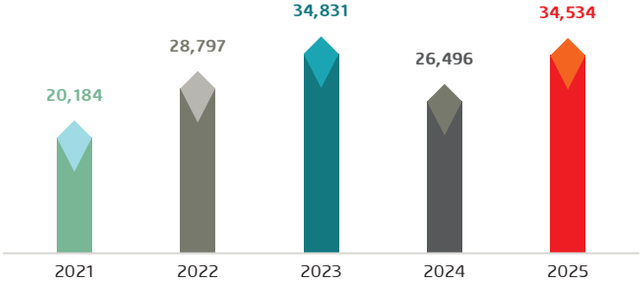
Sector Breakdown



25% Manufacturing
14% Service
61% Trading

Disbursement Trend

in BDT Million



Contribution in Portfolio



39% SME Loan

Performance Review:	2021	2022	2023	2024	2025
Headcount	↓	↓	↑	↑	↑
Portfolio/Business Colleague (BDT)	↓	↑	↑	↓	↑
Disbursement/Business Colleague (BDT)	↑	↑	↑	↓	↑
Average Ticket Size	↓	↑	↑	–	↑
Yield on Lending	↓	↓	↑	↑	↑

Business Focus of 2025

Growing inclusive and sustainable long-term asset portfolio

Aligned with

Goals

Championing ESG-driven quality portfolio for inclusive growth and lasting sustainability

Year in review

Business Highlight of the year	Strategic objective	KPI Achievement
Registering 8% growth of asset portfolio including highest-ever disbursement in a month on Jan-2025 amid record low private sector credit growth	Sustainable growth of asset portfolio	Above target
Reengineering loan underwriting process and internal policies	Solve process bottlenecks and increase operational efficiency	Above target
Inauguration of 1 sub-branch in Naogaon, and 3 sub-branches are sche duled to be launched by next year	Expansion of geographical footprint in regional areas	On target
Developed a structured framework to recover long-overdue instalments and collect outstanding government charges and fees through extensive manual intervention	Strengthened the collection of overdue instalments and government charges while encouraging consistent loan repayment among borrowers	On target

Industry Overview and Our responses

Internal Factor

- Timely loan recovery to strengthen asset quality and preserve portfolio health
- Targeted capacity building initiatives to enhance organizational capability and workforce effectiveness
- Reduce customer turnaround times and elevate service delivery standards
- Broaden market reach and drive sustainable business growth

Our response

- Enhanced recovery frameworks and early-warning mechanisms to strengthen portfolio resilience and enable proactive risk intervention
- Invested in targeted workforce capability-building to elevate credit assessment standards and drive quality-led portfolio growth
- Streamlined internal loan processing workflows, improving operational efficiency through the elimination of systemic bottlenecks
- Advanced key external partnership initiatives, laying the strategic groundwork for future collaborative growth opportunities

Industry Overview and Our responses

External Factor	Our response
▸ Heightened political uncertainty created meaningful headwinds, constraining business activity and dampening operational momentum across key market segments	▸ Exercised rigorous credit assessment and compliance frameworks to uphold portfolio integrity and maintain superior asset quality across the lending book
▸ Persistently elevated inflation eroded household purchasing power, weakening borrower repayment capacity and overall debt serviceability	▸ Reinforced disciplined underwriting standards amid macroeconomic headwinds, with heightened focus on asset quality preservation and risk-adjusted returns
▸ Subdued private sector investment drove historically low credit growth, reflecting a broad-based retrenchment in economic risk appetite	▸ Balanced net interest margin expansion with broader profitability objectives, while sustaining credit accessibility for the SME segment

Future Outlook

Short Term

- Disciplined, sustainable asset portfolio growth
- Technology-driven credit underwriting transformation
- Core operational process re-engineering and efficiency optimization
- Systematic salesforce enablement and productivity elevation
- Enterprise-wide risk mitigation fortification

Medium Term

- Comprehensive digital transformation and lending platform acceleration
- Strategic geographical expansion into semi-urban and rural markets
- Sustainable profitability through market share expansion and non-funded income diversification
- High-value strategic partnership cultivation

Long Term

- Targeted R&D investment for continuous product and process innovation
- Pre-eminent SME financier market leadership establishment
- Active SME development advocacy and ecosystem stakeholder engagement

Empowering Women-led Businesses with Women Entrepreneur Loan



IDLC SME promotes financial inclusion by expanding access for women entrepreneurs in the formal SME sector. Through its Women Entrepreneur Loan, it offers accessible, competitively priced financing with flexible repayment and fast disbursement via STP, enabling timely access to capital. Beyond financing, IDLC supports women through training, networking, and market linkages to strengthen capabilities, expand opportunities, and build long-term resilience.

As of 2025, IDLC has supported more than 7,450 women entrepreneurs , with cumulative disbursements totaling BDT 42,141 mn to women-led SMEs. Through this continued commitment, IDLC is helping expand women's economic participation while contributing to more inclusive and sustainable growth.

Promoting Sustainability through Agro Machineries Financing



IDLC SME supports the agro-processing value chain by helping SMEs adopt modern, energy-efficient machinery and sustainable practices. Through machinery financing, it provides affordable capital for upgrades that improve efficiency and productivity, while strengthening supply chains and creating rural employment.

As of 2025, IDLC has supported over 592 entrepreneurs in procuring agro-machinery, with cumulative disbursements reaching BDT 3,674 mn for agro-processing SMEs. These initiatives are contributing to greater sectoral resilience while generating lasting economic, environmental, and social value.

Consumer

Introduction

Launched in 1997, the Consumer Division remains a cornerstone of IDLC's growth, delivering customer-centric financial solutions through its core services in Home Loans, Car Loans, and Personal Loans. While 2024 focused on establishing a sustainable foundation, 2025 marked a year of "Resilient Transformation," as the division transitioned from a traditional sales-centric model to a holistic "Businessman" approach. This evolution emphasizes the entire business lifecycle—integrating quality selling, proactive collection, and diversified revenue streams. By prioritizing affordable housing for middle and lower-middle-income segments, the division continues to expand its geographical footprint and solidify its reputation as the preferred financial partner for diverse customer segments.

By embedding sustainability into our core lending, we are not just supporting dreams but securing a resilient future for every household we serve.

Mahjebeen Binte Rahman, Head of Consumer

HIGHLIGHTS

Average Ticket Size:
BDT 3.5 Mn

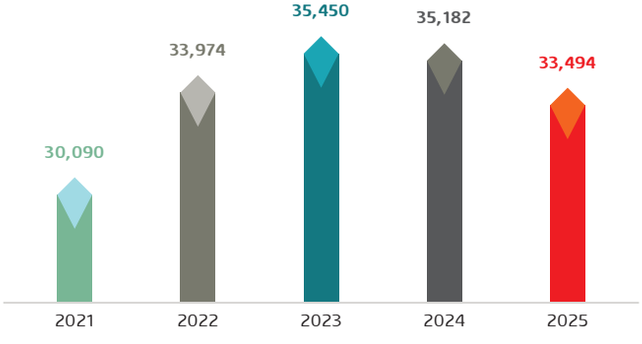
Branches:
27 Branches

Customer Base:
11,292

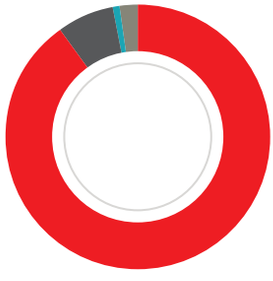
Employees:
150

Portfolio Trend

BDT mn



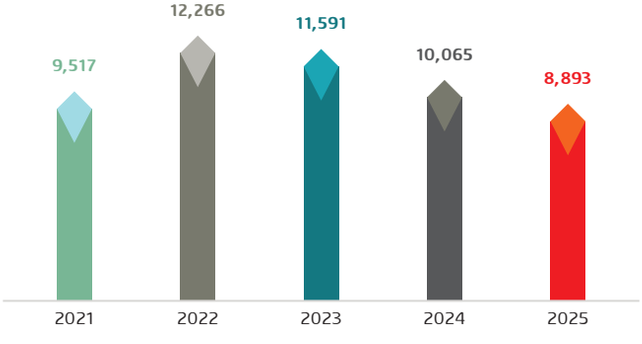
Sector Breakdown



90% Home Loan
7% Car Loan
1% Personal Loan
2% LAD

Disbursement Trend

BDT mn



Contribution in Portfolio



27% Consumer

Performance Review:	2021	2022	2023	2024	2025
Headcount	↑	↑	↑	↓	↓
Portfolio/Business Colleague (BDT)	↑	↑	↑	↑	↑
Disbursement/Business Colleague (BDT)	↑	↑	↓	↓	↑
Average Ticket Size	↓	↓	↑	↑	↓
Yield on Lending	↓	↓	↑	↑	↑

Business Focus of 2025

Driving Resilience and Sustainable Growth.

Aligned with

Goals

Maximizing value through efficient portfolio management and revenue diversification.

Year in review

Business Highlight of the year	Strategic objective	KPI Achievement
Streamlined and optimized the business structure to drive operational agility sustainable profitability	Structural Realignment for Operational Efficiency	On target
Proactive collection and recovery efforts to preserve asset quality	Maintain Asset Quality	On Target

Industry Overview and Our responses

Internal Factor

- Growing demand for home, car, and personal loans due to urbanization and rising incomes
- Rising expectations for fast, paperless service
- Maintaining a healthy loan portfolio and mitigating credit risks crucial for sustaining growth.
- The market being highly volatile, it's a challenge to cater a large segment.

Our response

- Expanded customized financing solutions with competitive rates and flexible repayment; enhanced digital onboarding for seamless experience
- Invested in automation and digital tools to reduce turnaround time and improve efficiency
- Strengthened credit assessment and risk management frameworks to ensure responsible lending
- Developed tailored service structures to address varied client needs

Industry Overview and Our responses

External Factor

- Persistent inflationary pressures continued to erode household disposable income, affecting repayment capacity across retail segments.
- Heightened competition for quality assets intensified pricing pressure and raised expectations around turnaround time and service standards.
- Macroeconomic uncertainty and regulatory vigilance required stronger compliance discipline and more prudent credit risk management.

Our response

- We reinforced responsible lending through enhanced cash-flow assessment frameworks, periodic fraud analytics reviews, and strengthened underwriting governance.
- We differentiated through specialized offerings, including Islamic Finance and Affordable Green Housing, while improving service efficiency through process automation.
- IDLC Consumer Division maintained proactive engagement with regulatory developments and adopted agile credit policy adjustments to preserve portfolio resilience.

Future Outlook

Short-Term

- Maintaining a low NPL ratio through the implementation of the revamped chaser module and enhanced monitoring of big-ticket accounts.
- Expanding the IDLC Islamic portfolio to cater to the increasing demand for Shariah-compliant financial solutions across our customer base.

Medium-Term

- Accelerating business growth through alternative channels and the introduction of innovative service offerings tailored to evolving market needs.
- Strengthening partnerships with developers and digital vendors to create a more integrated and seamless home-buying journey.

Long-Term

- Scaling affordable green housing solutions that promote financial inclusion and environmental responsibility.
- Integrating consumer analytics to provide personalized financial solutions tailored to the evolving needs of the Bangladeshi household.

Description of product that directly links to sustainability and some related numbers to quantify the impact including portfolio, clients etc:



Affordable green housing Affordable green housing remains our future focus, to provide cost-effective residential solutions that minimize environmental impact while delivering economic benefits like reduced energy costs. **In 2025, our affordable housing portfolio reached BDT 2,910 Mn. (Client Base: 2300+)**

In 2025, we strengthened our sustainability footprint by expanding Islamic Financing products to meet the demand for ethical solutions, achieving a portfolio of BDT 488 mn. We further enhanced our impact by adopting digital tools to streamline operations and by prioritizing social responsibility.

Corporate

Introduction

As the pioneering business vertical of IDLC Finance PLC, the Corporate Division has evolved into a fully integrated platform encompassing Corporate Finance, Supply Chain Finance (SCF), and Green Banking operations, delivering tailored financial solutions to both domestic and multinational enterprises operating in Bangladesh.

Aligned with IDLC's long-term sustainability agenda, the Division systematically integrates Environmental, Social, and Governance (ESG) considerations into all financing decisions. In close collaboration with the Green Banking Unit, we actively promote environmentally responsible investments and sustainable business practices, reinforcing our commitment to responsible growth and long-term stakeholder value creation.

As IDLC Finance PLC celebrates four decades of leadership, the Corporate Division remains committed to responsible growth. By integrating ESG considerations into financing decisions, strengthening portfolio governance, and expanding green and socially impactful initiatives, we aim to align profitability with sustainability while supporting the evolving needs of Bangladesh's corporate sector.

M. Ataur Rahman Chowdhury, Head of Corporate

HIGHLIGHTS

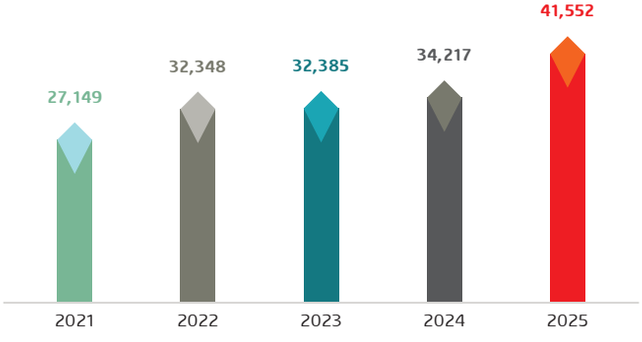
Branches:
2 Branches

Customer Base:
532

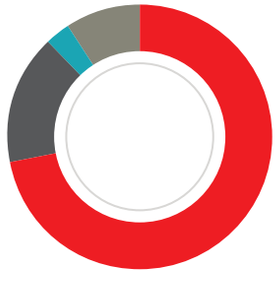
Employees:
46

Portfolio Trend

in BDT Million



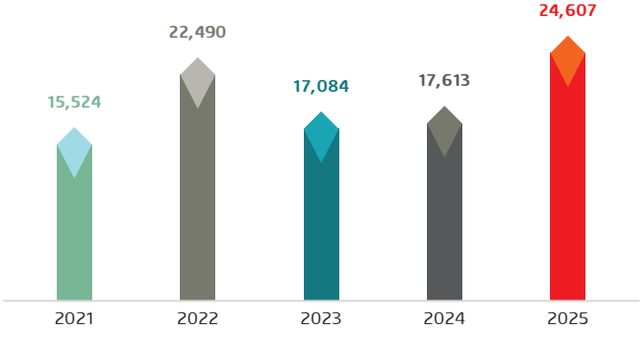
Sector Breakdown



- **72%** Manufacturing
- **16%** Service
- **3%** Trading
- **9%** Supply Chain Finance

Disbursement Trend

in BDT Million



Contribution in Portfolio



- **34%** Corporate

Performance Review:	2021	2022	2023	2024	2025
Headcount	↓	↑	↓	↑	↑
Portfolio/Business Colleague (BDT)	↑	↑	↓	↓	↑
Disbursement/Business Colleague (BDT)	↑	↑	↑	↓	↑
Yield on Lending	↓	↑	↑	↑	↑

Business Focus of 2025

Driving sustainable portfolio growth through disciplined risk management, accelerated ESG integration, and effective overdue management to ensure long-term financial stability

Aligned with

Goals

Advance sustainable and resilient corporate growth by financing clients with strong governance, ensuring disciplined risk and overdue management to deliver long-term stakeholder value.

Year in review

Business Highlight of the year	Strategic objective	KPI Achievement
Online Credit Appraisal System (OCAS) Optimization improving efficiency	Operational excellence by improved service delivery, and scalable growth.	On target
NPL ratio is 3.58% (4.43% in 2024)	Strengthened portfolio quality via proactive overdue management and early warning systems	On Target
Received the refinance worth of BDT 1,015 mn, against its green and sustainable finance from Bangladesh Bank.	▸ Expand green banking and sustainable financing in line with national and global mandates. ▸ Support the transition to a net zero carbon footprint. ▸ Diversify into sustainable sectors for reducing exposure to environmentally risky ventures.	On Target
Green Portfolio size increased by 7.32% from 2024. Moreover, Sustainable finance portfolio became 1.31 times from 2024.		Above Target
IDLC was successful in ensuring 11.74% & 41.96% of Green & Sustainable Finance against the regulatory requirement of 5.00% & 40.00% of Annual Term Loan Disbursement & Annual Disbursement respectively.		Above Target
IDLC Corporate portfolio consists of 10.98% Green Finance & 42.95% Sustainable Finance		On target
Efforts accelerated towards employee awareness surrounding reduction of carbon emission and adoption of responsible practices		On target

Industry Overview and Our responses

Internal Factor

- Focus on timely loan recovery to maintain portfolio quality.
- Enhancing credit appraisal efficiency through better utilization of company's IT infrastructure.
- Promote ESG awareness

Our response

- Consolidated large and local corporates under a unified Corporate Business structure to improve operational efficiency and client management
- Upgraded Online Credit Appraisal System (OCAS) and Referral App for streamlined credit processing and coordination
- Continued to organize periodical in-house training & awareness programs on green and sustainable financing.
- Continued to optimize usage of the "Environmental & Social Management System (ESMS)''

Industry Overview and Our responses

External Factor	Our response
▸ RMG order shifting to other destinations having lower US Tariff	▸ Consideration of major buyer concentration for RMG financing
▸ Deterioration of few big ticket accounts due to political instability	▸ Enhanced risk assessment from PEP perspective & Early Alert System
▸ Persistent macroeconomic pressure characterized by inflation, elevated interest rates, and cautious investment sentiment.	▸ Adopted prudent risk assessment and selective portfolio expansion
▸ Higher cost of fund compared to Banks	▸ Financing through effective rate model to address higher cost of fund
▸ Growing demand for efficient cash flow and Supply Chain Finance	▸ Launched bespoke Supply Chain Finance products tailored to client needs

Future Outlook

Short Term

- Pursue selective portfolio growth with careful monitoring of macroeconomic conditions and prudent risk assessment.
- Strengthen portfolio quality through early delinquency detection and post-disbursement monitoring.
- Enhance client engagement to secure future business opportunities.
- Leverage existing and upcoming Central Bank refinancing schemes.
- Expand green and sustainable finance exposure
- Promote Supply Chain Financing (SCF) for large corporates via the Online Credit Appraisal System (OCAS) portal integration.
- Secure more concessional funding for green projects

Medium Term

- Form partnerships with development organizations for innovative financial solutions.
- Upgrade IT infrastructure and re-engineer processes for efficiency and flexibility.
- Continue expanding sustainable financing offerings aligned with regulatory expectations.
- Focus on improving existing Sustainability and Climate-related Financial Disclosure to showcase commitment towards sustainability and the environment.
- Increase portfolio in sustainable finance in the coming days for ensuring a sustainable economy.

Long Term

- Implement holistic client assessment based on industry benchmarks and financial health indicators.
- Reduce operational and portfolio-level carbon footprint.
- Align internal strategy to support the unconditional target of reducing emissions by 26.70 $MtCO_2e$ by 2035, as committed in the Nationally Determined Contribution (NDC 3.0)
- Align long-term strategies with the global net-zero emissions target by 2050.

Championing Sustainable Finance for a Greener Future



At IDLC, we view green financing and sustainable portfolio investment as key pillars of our commitment to responsible growth. By channeling funds into environmentally sound and socially impactful projects, we actively support the transition toward a low-carbon, inclusive economy. The expansion of our green and sustainable finance portfolio–driven by evolving regulatory guidance and access to refinance schemes–underscores our dedication to exceeding compliance and maximizing impact. Through this approach, we aim to create long-term value for our stakeholders while reinforcing our role as a catalyst for sustainable development in Bangladesh.

Wealth Management

Introduction

IDLC Wealth Management remains committed to delivering sustainable, secure, and forward-looking investment solutions that supported both immediate financial objectives and long-term wealth creation. Leveraging our diversified product portfolio and the deep expertise of our experienced Relationship Managers, we design tailored financial solutions aligned with each client's unique goals and risk appetite. Our disciplined approach to risk management and client-centric advisory ensures steady and responsible growth of client investments. Our expanding and diversified client base, spanning various income segments and professional backgrounds reflects the enduring trust placed in our capabilities. This continued confidence reinforced our commitment to excellence and further strengthened IDLC Finance PLC's standing as a leading and trusted brand in the financial industry.

Building on our 40-year legacy, in 2025, IDLC further strengthened its robust and rapidly expanding deposit and client base, achieving historic growth in both while maintaining exceptional stability. Guided by a strategic vision for the future, we delivered sustainable results and achieved key milestones, reflecting our enduring commitment to excellence and the trust our clients place in us.

Nafius Noor Khan, Head of Wealth Management

HIGHLIGHTS

Average Ticket Size:
BDT 4.4 Mn

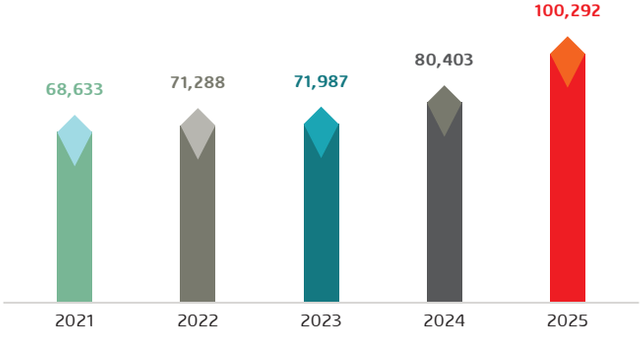
Customer Base:
11,265 Retail Term Deposit
238,273 Digital Deposit

Active Digital Deposit Accounts:
321,593

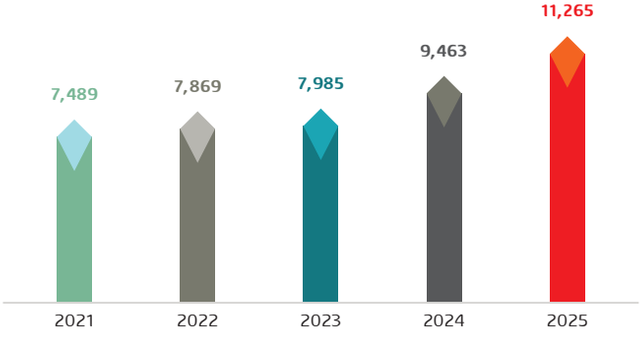
Proportion of Female Savers in Digital Deposit:
33%

Retail Deposit Trend (w/o Digital)

BDT mn

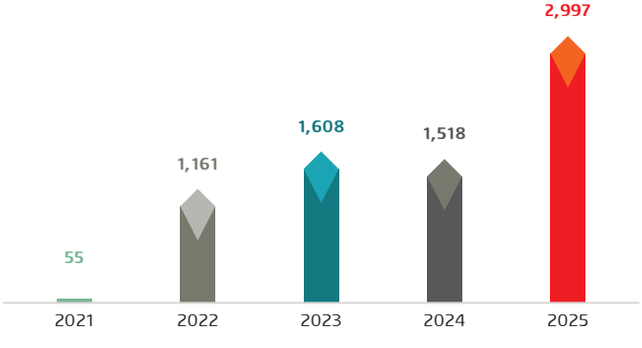


Retail Deposit Client Base

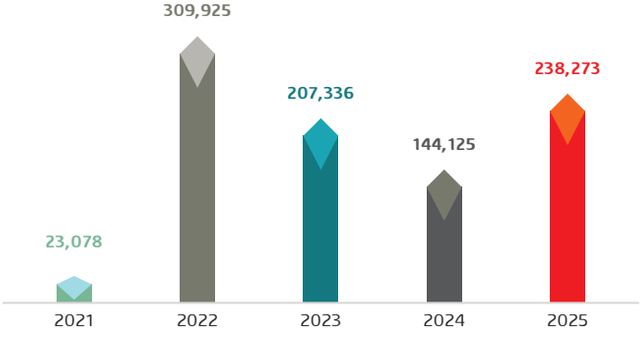


Digital Deposit Trend

BDT mn



Digital Deposit Client Base



Performance Review:	2021	2022	2023	2024	2025
Headcount	↓	↑	↑	↑	↓
Retail Deposit/Business Colleague (BDT)	↑	↑	↓	↑	↑
Retail Client/Business Colleague (BDT)	↑	↑	↑	↑	↑
Average Ticket Size	↓	↑	↑	↓	↓

Business Focus of 2025

Enhancing client-centric advisory aligned with evolving risk preferences, advancing our digital enhancement initiatives, streamlining internal processes and expanding client touchpoints.

Aligned with

Goals

Advance financial inclusion by expanding access to reliable savings and investment solutions, delivering stable, secure returns through a seamless, digitally enabled wealth management experience.

Year in review

Business Highlight of the year	Strategic objective	KPI Achievement
Achieved the highest-ever net deposit growth in its history in 2025, recording a 27% increase, surpassing set expectations and demonstrating the effectiveness of its targeted deposit acquisition strategies.	Strengthening the deposit base and enhancing liquidity management were key strategic priorities for the year. This action was undertaken to support sustainable business growth, fund client financing activities, and reinforce IDLC's position as a trusted financial partner.	Above target
With over 85% of the existing portfolio retained, the division successfully preserved its client base, meeting set expectations and demonstrating effective client relationship management strategies.	This action was undertaken to maintain a sustainable client base, minimize attrition, and secure predictable revenue streams. Focused relationship management, personalized solutions, and proactive client engagement were key initiatives driving portfolio retention.	On target
Launch of the IDLC Customer Portal. All services post-account opening are now fully digital, allowing clients to manage their accounts, deposits, and transactions seamlessly through digital channels, enhancing client experience and promoting sustainable engagement.	Enhancing client experience and digital engagement was a key strategic priority for the year.	On target

Industry Overview and Our responses

Internal Factor

- Organizational efficiency and agility amid evolving client expectations

Our response

- At the beginning of the year , Wealth Management undertook a comprehensive restructuring, realigning roles, optimizing reporting lines, and enhancing workflows to strengthen coordination, accountability, and operational efficiency.

Industry Overview and Our responses

External Factor

- Rising client demand for sophisticated financial advice and personalized solutions
- Heightened client preference for safety and transparency amid economic downturns and financial sector failures.

Our response

- To meet rising demand for personalized solutions, IDLC conducted over 100 training sessions to enhance the sales force's skills and product knowledge. It also launched "Wealth Management Pathshala," equipping relationship managers with expertise in products, digital platforms, client management, and compliance to deliver more tailored financial guidance.
- IDLC strengthened its financial positioning by promoting transparency and consistently presenting key financial ratios at client touchpoints, using clear communication and well-designed materials to build trust and address client concerns.

Future Outlook

Short Term

- Accelerate deposit mobilization momentum, enhance client acquisition efficiency, and further streamline digital touchpoints to improve overall client experience.

Medium Term

- Deepen portfolio diversification, strengthen advisory capabilities through data-driven insights, and scale digital platforms to drive operational efficiency and sustainable growth.

Long Term

- Build a resilient, future-ready wealth management function grounded in stability, innovation, and sustainability, aiming to be a trusted, full-service partner across clients' evolving financial journeys.

Description of product that directly links to sustainability and some related numbers to quantify the impact including portfolio, clients etc:



Bkash Weekly DPS :

The bKash Weekly DPS is a digital savings product that allows customers to save small weekly amounts (from as low as BDT 250 up to BDT 5,000) directly through the bKash mobile app with IDLC Finance PLC as one of the partner institutions.

By offering Weekly DPS through bKash, IDLC enabled large-scale digital account opening, supporting clients' long-term financial stability and inclusion. The product directly contributes to sustainability by encouraging regular saving behavior, reducing dependence on informal mechanisms, and fostering disciplined wealth accumulation. As of 2025, total deposit for Weekly BKASH DPS stand at 1,108 mn.

Islamic Finance Window

Introduction

Building on its successful launch in 2024, IDLC Islamic continued its position in 2025 as a credible Shariah-compliant window within IDLC Finance PLC, backed by decades of institutional experience. Since its launch in Ramadan 1445 Hijri, it has evolved into a structured platform with robust governance, trained personnel, and disciplined processes.

Guided by a Shariah Supervisory Committee and aligned with AAOIFI standards, IDLC Islamic ensures strict compliance, strong risk management, and transparency–advancing inclusive, ethical financing and long-term value creation in Bangladesh.

Islamic finance is not only about avoiding interest; it is about promoting fairness, transparency, and real economic value. At IDLC Islamic, our focus is to ensure that every transaction reflects the true spirit of Shariah–supporting responsible growth, protecting stakeholders, and contributing positively to society and the environment."

Mohammad Abdul Hannan, Head of Islamic Finance Window

HIGHLIGHTS

Average Ticket Size:
BDT 25.13 mn

Customer Base:

No. of Deposit Client:
604

No. of Investment Client :
125

Investment Portfolio:
BDT 4,569 mn

Deposit Portfolio:
BDT 4,558 mn

Year in review

Business Highlight of the year	Strategic objective	KPI Achievement
Improved Consumer Division operations including making Takaful optional in case of home financing, revising the rent rate matrix, and simplifying sales commission structure.	Improve product competitiveness and streamline operational processes to support business growth.	On target
Implemented financing for under-construction properties and introduced substitute documentation Asset Delivery Agreement (ADA) replacing the Asset Purchase Agreement (APA).	Expand financing opportunities and improve customer convenience through simplified processes.	On target
Reduced customer cost of funds through insurance cost optimization and improved financing structure.	Strengthen customer value proposition and improve affordability of Shariah-compliant financing.	Above target
Streamlined SME Division processes including withdrawal of Asset Purchase Agreement (APA) requirements, introducing system-generated issuance of Purchase Orders, and formalizing disbursement guidelines.	Improve operational efficiency and reduce processing time for SME clients.	On target
Introduced an email-based Murabahah execution process establishing clear, time-stamped demarcation of ownership transfer from vendor to IDLC and subsequently to the client, ensuring proper sequencing of transactions and strengthening Shariah compliance while significantly improving operational efficiency.	Ensure strict adherence to Shariah requirements in Murabahah transactions while enhancing process efficiency and transparency.	On target

Business Focus of 2025

Strengthening operational foundations, expanding market presence while ensuring Shariah discipline, and driving measured portfolio growth

Aligned with

Goals

To be a trusted provider of Shariah-compliant financial solutions that uphold ethical values, sustainability, and responsible economic development.

Industry Overview and Our responses

Internal Factor

- Growing need to strengthen operational depth after the first year of operations
- Requirement to build customer confidence in a new Islamic finance window
- Need for specialized human capital in Islamic finance
- Operational requirement for distinct systems and transaction flow
- Ensuring consistency in Shariah governance practices

Our response

- Focused on improving internal processes, documentation standards, and Shariah compliance monitoring across transactions
- Enhanced transparency in product structures and increased engagement with clients regarding Shariah principles and processes
- Continued structured training programs and internal knowledge development initiatives for employees
- Strengthened the use of separate Islamic banking software and ensured clear segregation of Islamic transactions
- Regular interaction with the Shariah Supervisory Committee and periodic review of products and processes

Industry Overview and Our responses

External Factor

- Increasing market awareness and demand for Islamic financial solutions
- Competitive landscape with established Islamic banks
- Gradual regulatory emphasis on Islamic finance development
- Growing interest in ethical and sustainable finance globally
- Demand from SMEs and emerging businesses for partnership-based financing

Our response

- Expanded customer outreach and awareness initiatives explaining the value and structure of Shariah-compliant financing
- Positioned IDLC Islamic as a disciplined and governance-focused Islamic finance window with strong institutional credibility
- Maintained close alignment with Bangladesh Bank guidelines and evolving regulatory expectations
- Integrated sustainability considerations into financing decisions, particularly in productive and environmentally responsible sectors
- Prepared groundwork for introducing broader Shariah partnership modes in the coming years

Future Outlook

Short Term

- Strengthen portfolio growth while maintaining strict Shariah and risk management discipline.
- Expand awareness programs to deepen customer understanding of Islamic financial solutions.
- Improve operational efficiency and customer experience within Islamic finance services.
- Gradually broaden product outreach across key customer segments.

Medium Term

- Introduce more partnership-based financing solutions such as Musharakah, Mudarabah, and Wakalah-based structures.
- Expand financing in productive sectors including SMEs, renewable energy, and sustainable industries.
- Develop affordable and responsible housing finance solutions targeting emerging middle-income segments.
- Strengthen digital capabilities for Islamic finance operations.

Long Term

- Establish IDLC Islamic as a trusted and leading Islamic finance window among non-bank financial institutions in Bangladesh.
- Contribute meaningfully to financial inclusion through ethical and accessible financing solutions.
- Align Islamic finance initiatives with national sustainability priorities and SDGs.
- Promote a responsible financing culture that integrates Shariah principles with environmental and social impact.

IDLC Securities Limited

Introduction

IDLC Securities Limited, one of the leading brokerage houses in Bangladesh, commenced operations in September 2006. The company provides brokerage services to more than 24,461 active retail, local, and foreign institutional investors through the trading platforms of the Dhaka Stock Exchange and Chittagong Stock Exchange. It also acts as a panel broker for over 5,300 clients of enlisted merchant banks. IDLC Securities Limited has built a strong track record in delivering quality customer service while upholding high standards of compliance and corporate governance.

In addition to execution brokerage, the company also offers premium brokerage services to high-net-worth (HNW), institutional, and foreign investors, combining execution services with comprehensive research and advisory support. It has also undertaken technological enhancements to better serve digitally engaged clients.

We will continue to strive to consolidate technology, research & our best corporate practices to create value for our customers

Md. Mezbaul Haque, Managing Director, IDLCSL

HIGHLIGHTS

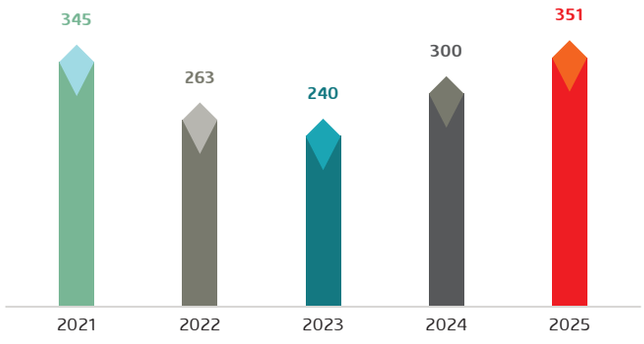
Average Daily Turnover:
BDT 310 mn

Number of clients:
24,461

Number of Employees:
154

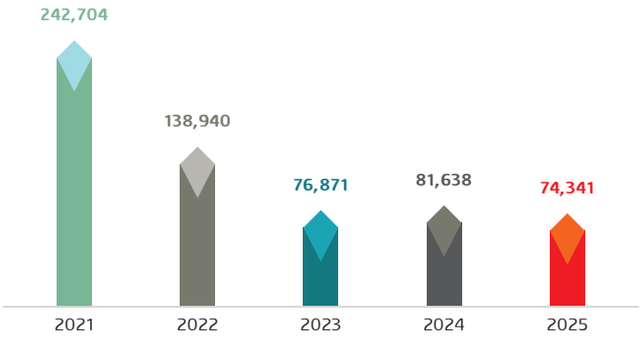
Net Profit after Tax

BDT mn



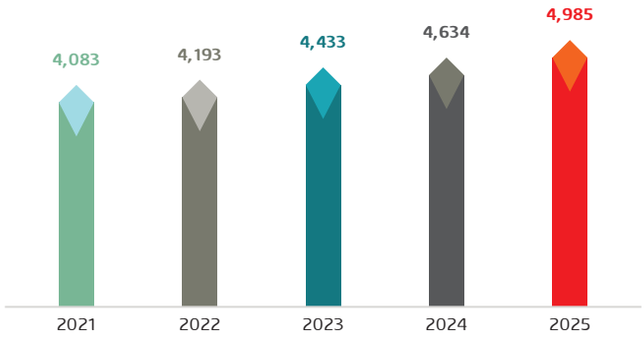
Total Turnover

BDT mn



Total shareholders' equity

BDT mn



Current Business Focus

The key focus of the company has been on bringing in more Digital Transformation & full-fledged launch of IDLCSL App.

Key Business Actions in 2025

- Despite a 17.5% decline in market turnover, core brokerage profitability was sustained, supported by a 22 bps increase in market share.
- In December 2025, IDLCSL launched its Order Management System (OMS), with full deployment at the trader level and selective beta access provided to clients via the mobile app.
- Treasury bond investments currently stand at approximately BDT 4 billion (c80% of equity), with an average yield of 12.34% and duration of 6.45 years; the 15-year bond auction yield stood at 10.9% as of December 2025.
- Maintained minimal delinquency within the margin loan portfolio, despite market-wide negative equity reported at BDT 97 billion.

Performance Review

Indicators (in BDT mn)	2021	2022	2023	2024	2025
Total Equity	4,083	4,193	4,433	4,634	4,985
Total Asset	6,054	5,620	5,958	6,098	6,671
NPAT	345	263	240	301	351
Number of Customers	18,653	21,003	22,551	23,547	24,461
Daily Average Turnover	1,011	569	315	347	310
Total Turnover	242,704	138,940	76,871	81,638	74,343
Market Share	3.43%	2.96%	2.72%	2.75%	2.97%
Net Brokerage Fee Income	682	391	217	235	216
ROA	6.1%	4.5%	4.1%	5.0%	5.5%
ROE	8.8%	6.4%	5.6%	6.6%	7.3%

Industry Overview and Our responses

Internal Factors

- Increase of 22bps Market share
- 100%+ growth in investment income driven by diversification of the investment basket through higher allocation in fixed income instruments.
- Cost-to-income ratio decreased to 26.8% in 2025 from 37.8% in 2024.

External Factors

The operating environment were adversely affected by external factors, leading to 6.7% YoY Decline in DSEX. The Daily Average Turnover (DAT) for 2025 stood at BDT 5.2bn, a 17.5% decrease from 2024. The major dynamics behind the drop in turnover were:

- Investors waited on trading due to regulatory uncertainty, new IPO & margin rules, merger of five banks, and election-related concerns.
- The money market remained appealing as T-bond yields remained at double digits.

Way Forward

Short Term

- Launch of IDLCSL App with three-to-five modules.
- Reactivation of dormant client.
- Selective recruitment in the post-election period.
- Increase corporate outreach to onboard corporate clients.

Medium to Long Term

- Full-fledged launch of IDLCSL App with all ten modules.
- Targeting knowledge leadership position in the industry to sustain a long term business growth.
- Increasing the IDLCSL footprint leveraging on IDLC Finance PLC.'s network.

IDLC Investments Limited

Introduction

At IDLC Investments Limited, we remain committed to delivering disciplined and client-focused financial solutions to both local and Non-Resident Bangladeshi (NRB) clients. Throughout 2025, the economy and capital market navigated a challenging environment marked by tight monetary policy to control inflation and delayed recovery in investment and credit growth. Despite the challenges, modest signs of exchange rate stability and ongoing fiscal and structural reforms helped underpin a more cautious investor outlook. While capital market activity was subdued, early commentary from global fund managers suggests that macroeconomic improvements and political clarity from the recent election could support a gradual turnaround in market sentiment. Amid this evolving landscape, IDLC Investments Limited continues to uphold high standards of professionalism, compliance and ethical practice, leveraging our expertise in investment banking and portfolio management to help clients navigate near-term volatility and position for future opportunities.

In every cycle, we focus on resilient pathways for wealth creation that sustain with a purpose.

Mesbah Uddin Ahmed, Managing Director of IDLC Investments Limited

HIGHLIGHTS

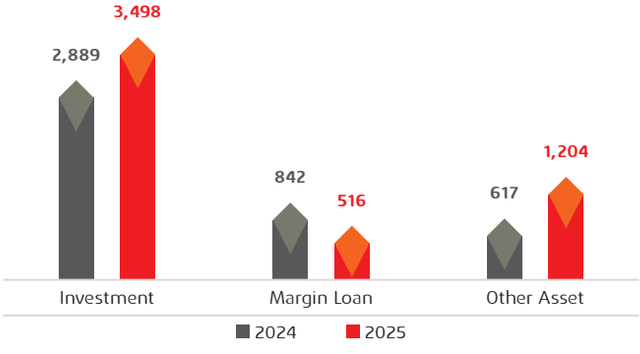
Number of Clients:
3,610

Number of Employees:
35

NPAT:
BDT 282 mn

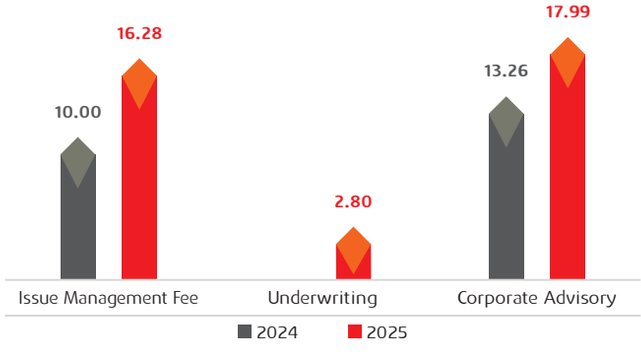
Asset Portfolio

BDT mn



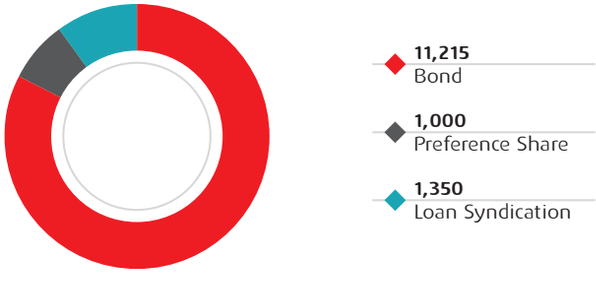
Revenue from Investment Banking

BDT mn



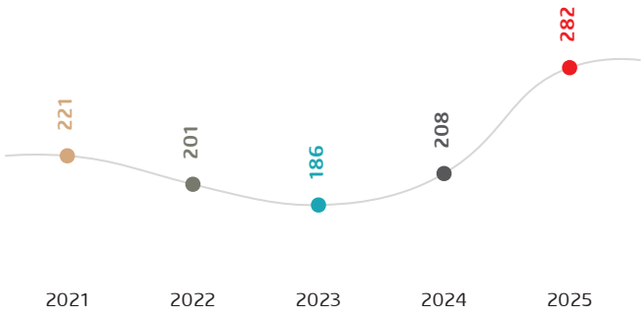
Fund Raised through Structured Finance Deals

BDT mn



Net Profit After Tax

BDT mn



Business Focus of 2025

Growing sustainable business opportunities, expanding our investment banking presence, introducing Shariah compliant investment services, and implementing BSEC's new Margin Rule to help protect the market from unpredictable downturns, while diversifying into untapped business areas.

Aligned with

Goals

We are committed to strengthen our leadership in the capital market through disciplined expansion and sharper risk oversight.

Year in review

Business Highlight of the year	Strategic objective	KPI Achievement
Delivered a strong year in structured finance by executing diverse landmark transactions, including multiple Basel-compliant subordinated bonds, a BDT 3.5 billion zero-coupon bond, and the ESG-aligned BDT 2.1 billion Rancon syndicated facility supporting green industrial expansion.	We have aligned our structured finance activities to national priorities by delivering ESG-driven industrial financing while structuring Basel III-compliant subordinated bonds that reinforced Tier-II capital for some of the most prominent commercial banks of Bangladesh and strengthened overall banking sector resilience. We also arranged preference share solutions for leading corporates such as DBL Group to optimize capital structure and support sustainable long-term growth.	Above target
Rights Issue of Berger Paints Bangladesh Limited: Completed the only Public Equity Market deal with highest ever premium. The deal was structured in such a manner to ensure benefit of all the stakeholders.	To structure an innovative rights-based free-float expansion issue, setting a market precedent as an alternative to sponsor sell-downs during a subdued capital market environment and reinforce IDLC's leadership in complex equity transactions.	Above target
Green Islamic Syndicated Financing of BDT 1,884 mn for Akij Bakers Limited: Structured Bangladesh's largest low cost Green Islamic Syndication eligible for Bangladesh Bank green refinancing.	To diversify revenue streams beyond traditional capital markets, expand Shariah-compliant and sustainable financing solutions, and position IDLC as a leader in green Islamic structuring.	On target
Risk Mitigation in Margin Loan Business: Reduce the number of risky portfolios in margin loan basket and encourage clients to diversify their portfolios across various stocks and sectors.	We have proactively notified the clients of the upcoming reformative initiatives by the regulatory body. The new margin loan agreement will require clients to maintain a diversified portfolio to avoid single stock or single sector concentration.	On Target

Performance Review

Indicators	2021	2022	2023	2024	2025
Asset Size-BDT Mn.	5,102	4,327	4,066	4,348	5,217
NPAT-BDT Mn.	221	201	186	208	282
Number of IPOs, RPOs and Right Issues	1	0	1	0	1
Number of Customers	3,483	3,319	3,277	3,451	3,610
ROA	5.26%	4.66%	4.56%	4.93%	5.91%
ROE	6.82%	6.12%	5.57%	5.97%	7.71%

Industry Overview and Our responses

Internal Factor	Our response
▸ Exposure to non-margin and risky shares ▸ Lack of diversification in products	▸ We proactively notified clients about market reforms and updates, guiding them away from non-marginable and non-operational shares, thereby protecting their capital from potential losses. ▸ We have taken initiative to launch our first Shariah compliant investment scheme under Discretionary Portfolio Management Services in 2026. Our IB and SFD teams will focus on issuing green bonds and sukuks alongside conventional deals to enhance portfolio diversity and sustainable growth.

Industry Overview and Our responses

External Factor	Our response
▸ Introduction of new BSEC rules (Margin Rule and IPO Rule) ▸ Capital market reform and political uncertainties	▸ We implemented the rules into our systems and have maintained full compliance since their establishment. ▸ The market faced volatility, with DSE closing below 5000 points and market P/E at a 36% discount compared to the year's median (14.2x). We strategically invested in government risk-free treasury instruments to protect investor capital and mitigate potential losses from market downturns.

Future Outlook

Short Term

- Focus on onboarding firms with strong corporate governance and resilient performance in volatile market condition.
- Diversifying product into different asset classes and exploring new business avenues for sustainable growth.
- Advancing back-office technology for portfolio management and margin loan clients to optimize processes and ensure smooth, error-free service delivery

Medium to Long Term

- Strengthen risk management to protect investor capital amid market volatility.
- Deepen client engagement through advisory-led, research-backed solutions.
- Enhance digital capabilities to improve efficiency and portfolio management.
- Focus on private and structured investments with strong fundamentals.
- Expand advisory and capital market services to support client growth.

IDLC Asset Management Limited

Introduction

IDLC Asset Management Limited, a fully owned subsidiary of IDLC Finance PLC., was incorporated in Bangladesh on November 19, 2015. The Company was awarded with asset management license on June 7, 2016 with an initial paid-up capital of BDT 100,000,000 (BDT one hundred mn only) and obtained alternative investment license on July 16, 2018. As of December 31, 2025, the paid-up capital of IDLC Asset Management Limited stands at BDT 250,000,000 (BDT two hundred fifty mn) only.

Since its inception, the company has launched four mutual funds and one venture capital fund catering to different investment needs of general people. It has also launched IDLC SIP encouraging investment discipline among retail investors for accumulating wealth.

In an ever-changing world, we unlock opportunities through research excellence, disciplined risk management and accessible solutions to shape every individual's better financial future."

Kazi Mashook ul Haq, , Managing Director of IDLC Assets Management Limited.

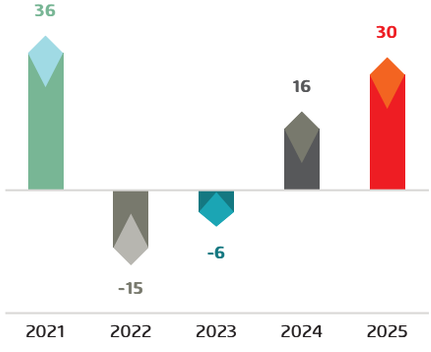
HIGHLIGHTS

NPAT:
BDT 30.2 mn

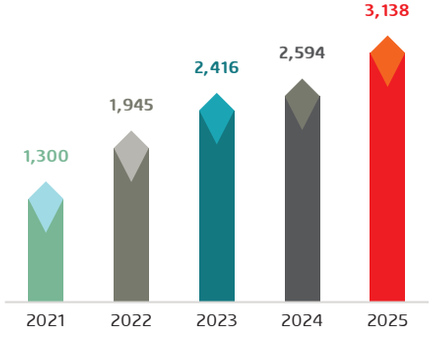
Asset Under Management:
3,137.8 mn

Return on Equity:
8.4%

Net Profit After Tax

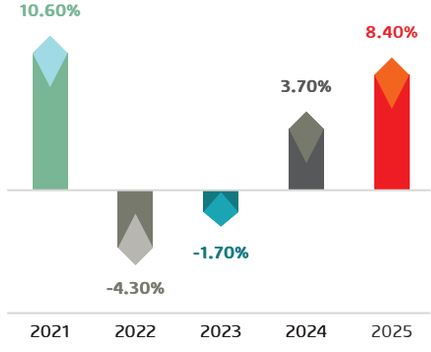


Asset Under Management



Return on Equity

in %



Business Focus of 2025

Expanding client base through aligning the right product with the right investor segments.

Aligned with

Goals

Structuring our product offerings to cater to all investors with diverse preferences, enabling seamless access within a unified platform.

Portfolio Companies of IDLC Venture Capital Fund I

Intelligent Machines Limited	Truck Lagbe Limited	iFarmer Limited	Arogga Limited	Silver Water Technologies Bangladesh Limited [Pickaboo]	BariKoi Limited

Year in review

Business highlight of the year	Strategic objective	KPI Achievement
▸ Empowering retail investors with personalized financial solutions ▸ Modernizing Back Office Software & Streamlining Digital Ecosystem	▸ To encourage regular savings among retail investors by addressing their unique investment needs through diversified range of products ▸ To ensure seamless journey for our investors	KPIs were actively pursued, although external economic and political factors hindered the achievement. Despite challenges, substantial improvements were made in the value chain to avail future opportunity.

Performance Review

Indicators (BDT mn)	2021	2022	2023	2024	2025
AUM	1,300	1,945	2,416	2,594	3,138
Fee income - Institutional Portfolio Mgt., Mutual Funds & Venture Capital Fund	50	52	53	57	99
Asset Size	468	447	435	426	507
Number of Employees	22	24	26	27	30

Industry Overview and Our responses

Internal Factor	Our response
▸ Product Placement ▸ Distribution Network ▸ Technology and Digital Infrastructure	▸ Strategic product positioning ▸ Marketing and sales focusing target group aligned with product positioning ▸ Automation in both process and service delivery for scalability

Industry Overview and Our responses

External Factor	Our response
▸ Uncertainty around political landscape ▸ Adverse Macroeconomic Events ▸ Complex geopolitical situations	▸ Change in asset allocation to mitigate market volatility and safeguard investor interests ▸ Maintain operational agility to adapt swiftly to shifting political and economic landscapes

Future Outlook

Short Term	Medium to Long Term
▸ To protect the asset under management from value erosion ▸ To grab selective investment opportunity that would yield attractive return	▸ Adoption of technology for expanding the retail customer base

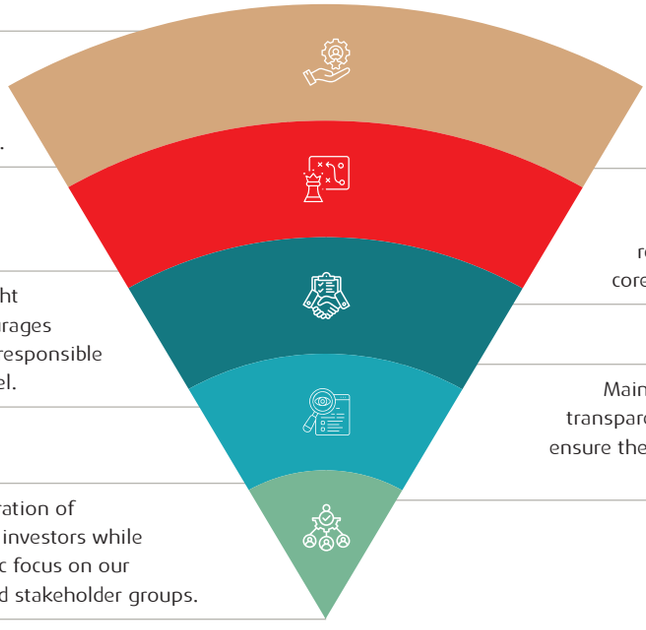
The Governance



Governance Practices by IDLC

This disclosure presents IDLC's governance framework and summarizes the key corporate governance practices adopted in 2025 to uphold regulatory compliance and create sustainable value for stakeholders.

Aim of our Corporate Governance



Committed to delivering long-term, enduring benefits for our shareholders while balancing the diverse interests of all stakeholders.

Ensuring every strategic choice and organizational decision remains strictly aligned with our core mission and ethical principles.

Fostering a culture of oversight and accountability that encourages collaborative, informed, and responsible decision-making at every level.

Maintaining high standards of transparency and responsibility to ensure the organization's long-term sustainability.

Prioritizing the generation of sustainable value for investors while maintaining a holistic focus on our wider community and stakeholder groups.

Key Highlights for 2025

Achieved "Gold Award for Best Presented Annual Report- Financial Sector for Corporate Governance Excellence" for the 4th consecutive time by ICSB, recognizing our Governance practices.

Maintained a resilient Board structure and composition despite significant regional political and economic volatility.

Successfully transitioned to a paperless environment for all Board proceedings.

Deployed specialized software to modernize meeting workflows and enhance operational efficiency.

Letter from the Board of Directors Exhibited by the Company Secretary

> With integrity as our compass and innovation as our engine, we navigate challenges to deliver sustainable growth and stakeholder confidence



Dear Esteemed Shareholder,

On behalf of the Board of Directors, we are pleased to present the Corporate Governance Report of IDLC Finance PLC. for the fiscal year ended December 31, 2025. This report outlines the Company's governance framework and highlights the key initiatives undertaken during the year to uphold the principles of transparency, accountability, ethical conduct, and responsible corporate stewardship.

Corporate governance continues to serve as a fundamental pillar of IDLC's long-term sustainability and institutional resilience. The Board of Directors plays a vital role in safeguarding the interests of shareholders while providing strategic oversight and guidance to management in the execution of the Company's business objectives. Guided by integrity, prudence, and accountability, the governance framework ensures that all strategic decisions remain aligned with the Company's long-term vision and the expectations of its diverse stakeholder base.

During the year under review, the Board remained actively engaged in overseeing the Company's strategic priorities, financial performance, and enterprise risk management practices. The Board discharged its responsibilities through regular meetings and through its specialized committees–namely the Executive Committee, Audit Committee [which also plays the role of Nomination and Remuneration Committee (NRC) as per Corporate Governance Code 2018] and Risk Management Committee–each operating under clearly defined Terms of Reference to strengthen governance oversight, reinforce internal control systems, and ensure prudent and transparent decision-making.

Alongside strengthening governance practices, IDLC continued to accelerate its digital transformation journey to enhance operational efficiency and client experience. The Company has progressively adopted technology-driven and paperless operational processes, enabling customers and stakeholders to access services more seamlessly through digital platforms. These initiatives have significantly reduced dependency on physical documentation while improving process efficiency, transparency, and turnaround times.

Through the integration of advanced technology, data-driven decision-making systems, and digitally enabled service channels, IDLC continues to expand its ability to deliver innovative and value-added financial solutions. These developments not only enhance customer convenience but also support environmentally responsible practices by minimizing resource consumption and promoting more sustainable operational models.

The Company remains committed to maintaining the highest standards of regulatory compliance and governance integrity. IDLC continues to maintain full compliance with the Corporate Governance Code (CGC) issued by the Bangladesh Securities and Exchange Commission and the regulatory directives of Bangladesh Bank. Compliance with the CGC has been independently reviewed and certified by our external auditors, Suraiya Parveen & Associates, with detailed disclosures presented in this Annual Report. The Company also remains compliant with the statutory requirements of the National Board of Revenue and other relevant authorities.

As we move forward, the Board remains steadfast in its commitment to strengthening governance excellence, embracing responsible innovation, and fostering sustainable growth. By reinforcing a culture of transparency, ethical leadership, and technological advancement, IDLC aims to continue building a resilient institution that creates enduring value for shareholders, customers, employees, and the wider community. The Board firmly believes that strong governance, supported by innovation and responsible stewardship, will remain the foundation upon which IDLC continues to build trust, resilience, and long-term value creation.

Yours faithfully,

On behalf of the board,

Abul Fazal Mohamed Rubayat
FCS FCMA (UK) CGMA (USA) FCPA (AUS)
Group Chief Corporate Affairs Officer and
Group Company Secretary

Statement of Corporate Governance

IDLC Prioritizes



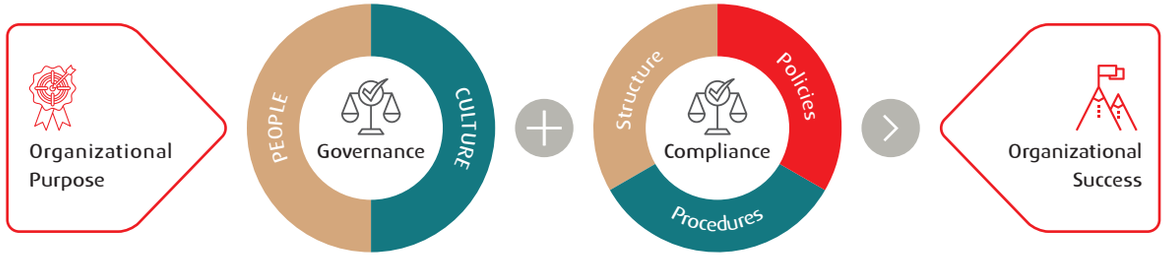
By embracing these principles, we aim to build trust and ensure long-term viability in our practices.

IDLC has attained the highest standards of corporate governance and fostered a corporate culture that stands as a benchmark for excellence. Our governance framework reflects an unwavering commitment to integrity, transparency, and strategic agility enabling swift, well-informed and effective decision making across the organization.

At IDLC, corporate governance transcends mere compliance with statutory and regulatory mandates. While we rigorously adhere to all applicable laws and regulations, our framework is deliberately designed to go beyond compliance anchored in the highest ethical standards and a forward-looking vision for sustainable, long-term growth. This robust and dependable governance of architecture reinforces stakeholder confidence and underpins the institution's enduring value creation.

IDLC's Corporate Governance framework reflects our structured approach to ensuring strong oversight and disciplined control over administrative and managerial functions. It is executed through clearly defined protocols that protect the interests of stakeholders and shareholders, aligned with recognized governance standards and best practices. Our Board believes that sound governance safeguards the rights of all stakeholders-particularly minority shareholders- by promoting fairness, accountability, and transparency. At IDLC, we view good governance not only as a compliance requirement but as a strategic driver of sustainable growth, institutional resilience and enhanced profitability.

Corporate Governance as a Driver of Organization Success



How Positive Corporate Governance Supports the Delivery of Our Purpose

	Committed to being a premier, trusted brand and a reliable strategic partner within every market we serve.
	Embedding rigorous governance principles and ethical standards as the foundational "spirit of our organizational culture.
	Utilizing a highly qualified and diverse leadership team to generate and maintain long-term value for all stakeholders through governance excellence.
	Empowering our workforce to implement corporate strategies with a steadfast commitment to ethics, fairness, and professional responsibility.

IDLC's Corporate Governance Culture is anchored on



Corporate Governance Driving IDLC

Our corporate governance philosophy is firmly aligned with IDLC's clearly articulated vision, mission, goals, and objectives. The Board of Directors plays a central oversight role – setting strategic direction, providing leadership for its execution, supervising management, and reporting transparently to shareholders for upholding a governance framework that promotes effective and efficient management, aimed at delivering sustainable long-term value within well-defined risk parameters. The Board prioritized the maintenance of effective corporate governance. Our framework is dynamic, business-focused, and supported by clear ownership structures, robust policies, and well-established procedures that guide management actions and reinforce directors' responsibilities to shareholders.

IDLC remains committed to continuously reviewing and enhancing its governance practices to ensure transparency, uphold the highest ethical standards, and provide reliable, high-quality information to stakeholders.

This disciplined approach safeguards stakeholders' interests while driving long-term performance and institutional sustainability. IDLC is committed to ensuring that its corporate governance practices fully comply with all the aspects of the Corporate Governance Code (CGC) notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated June 10, 2018 and its subsequent amendments, Notification No. SEC/CMRRCD/2006-158/208/Admin/81, dated June 20, 2018, on financial reporting and disclosure issued by Bangladesh Securities and Exchange Commission (BSEC) and all aspects of Bangladesh Bank's DFIM Circular No. 1, dated February 29, 2024 (prior to this, followed all applicable Bangladesh Bank Circulars).

IDLC not only upholds the highest standards of corporate governance but also integrates best-in-class governance principles across every facet of its operation. Excellence in governance is achieved through the clear delineation of roles and responsibilities among the Board of Directors, the Chairman, the CEO & Managing Director, the Company Secretary, the Chief Financial Officer, the Chief Compliance Officer, and the various Board Committees. The structured and independent governance architecture ensures balanced oversight, accountability, and effective decision-making throughout the organization.

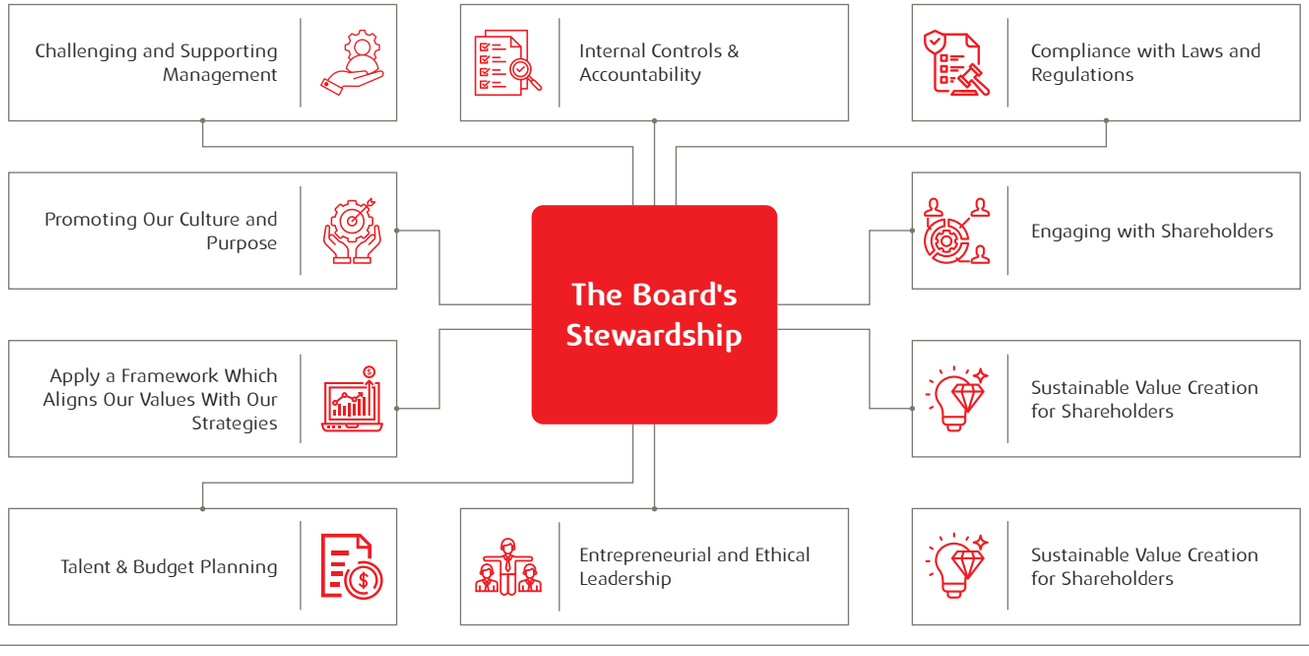
Mandatory Compliance

- The Companies Act, 1994
- The Finance Companies Act, 2023
- Corporate Governance Code and Security Exchange Rule by BSEC
- Good Governance issued by Bangladesh Bank.
- Listing Regulation of Dhaka Stock Exchange and Chittagong Stock Exchange.

Voluntary Compliance

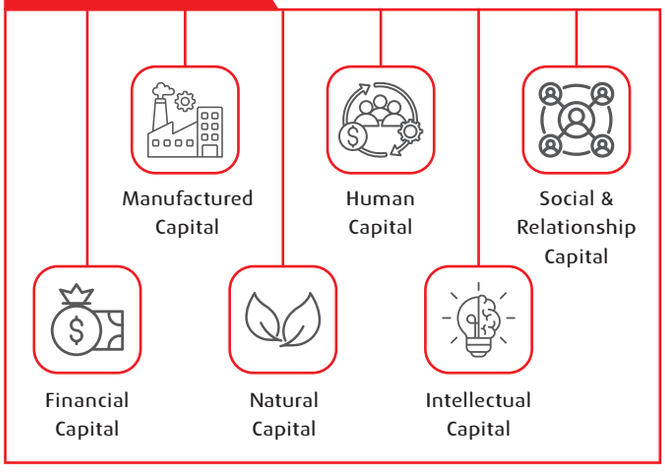
- Secretarial Standards of Institute of Chartered Secretaries of Bangladesh (ICSB)
- Corporate Governance Checklist of Institute of Chartered Accountants of Bangladesh (ICAB) and Institute of Cost and Management Accountants of Bangladesh (ICMAB)
- GRI Standards
- UNSDG Standards
- Principles for Responsible Banking
- Net Zero Bank Alliance (NZBA)
- Tobacco Free Portfolio
- Collective Commitment to Climate Action
- ESG IFRS S1 & S2

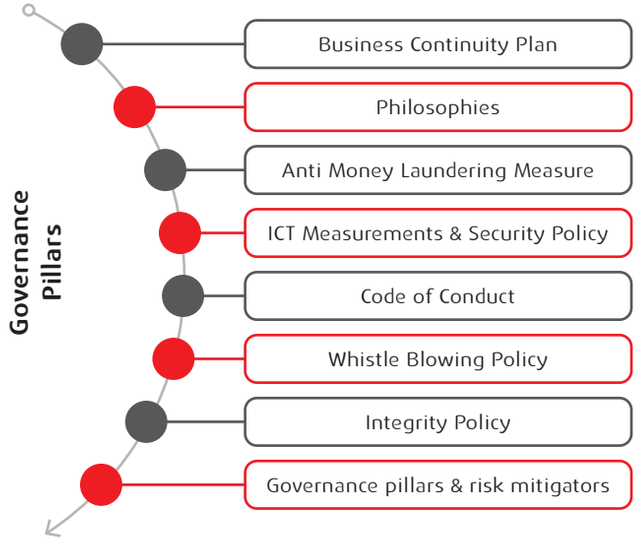
Key Focus Areas in 2025



VALUE CREATION THROUGH CORPORATE GOVERNANCE FRAMEWORK

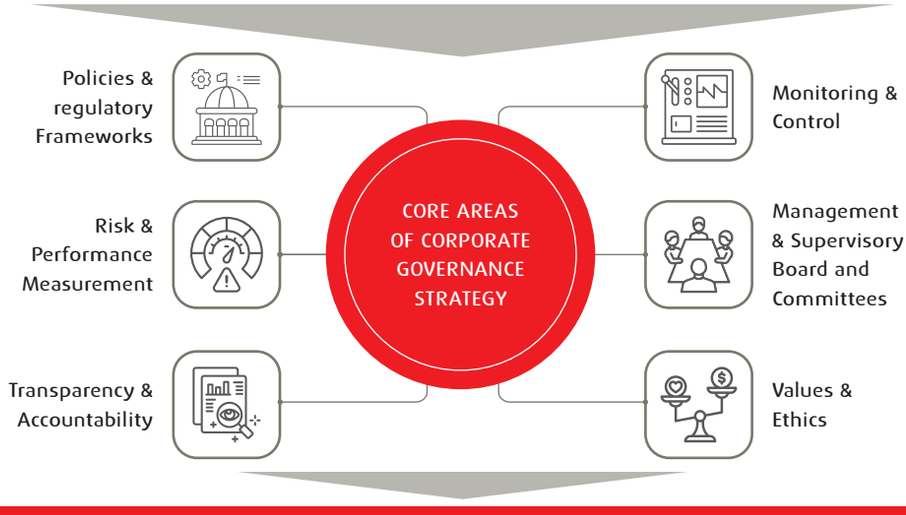
INPUTS





MISSION

We will focus on quality growth, superior customer experience, and sustainable business practice



VISION

We will be the best financial brand in the country.

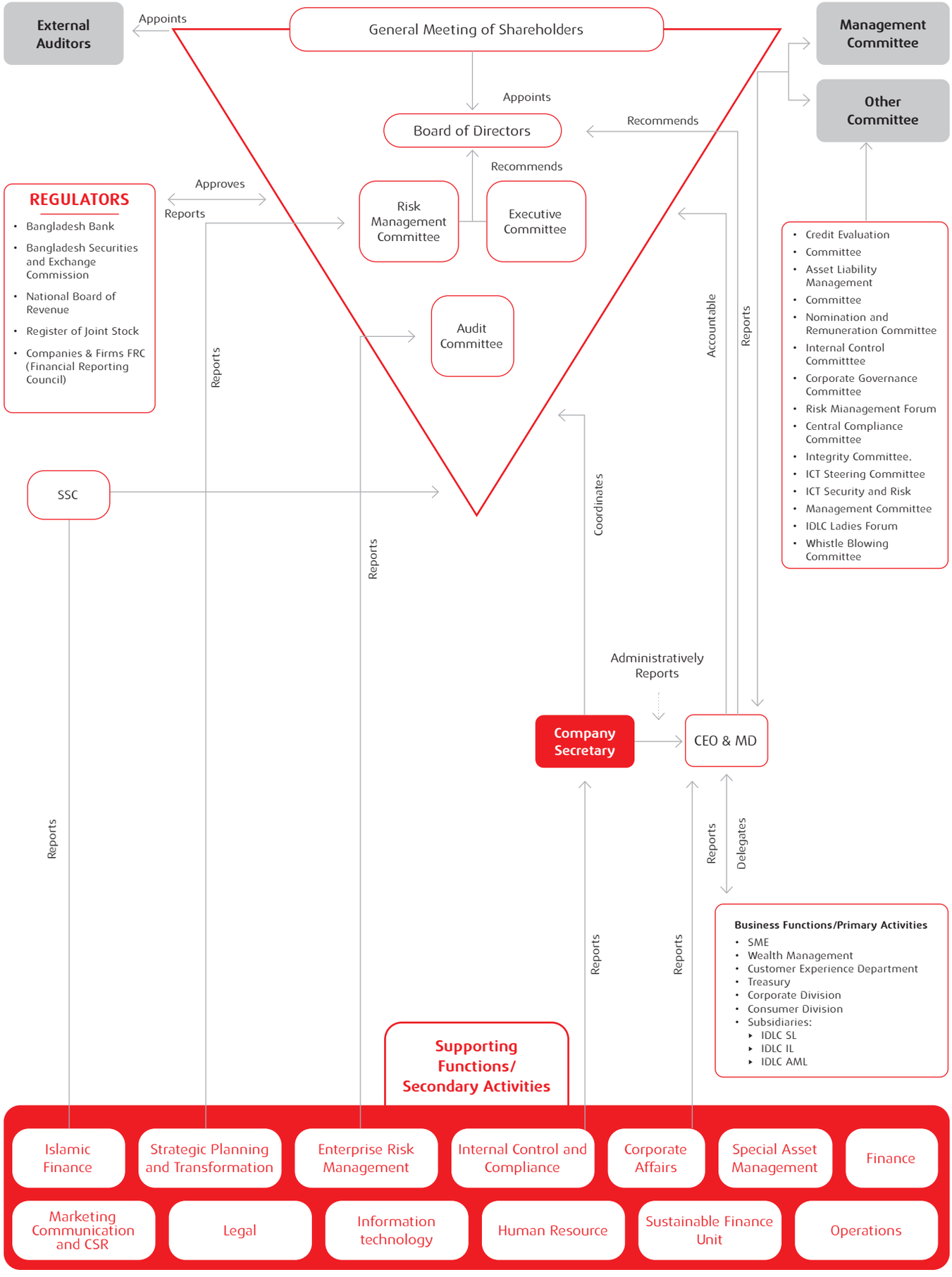
Outcomes

- Maintained control over non-performing loans (NPL)
- Achieved optimized spread alongside effective liquidity risk management
- Enhanced the quality of financial reporting
- Recorded growth in operating profit
- Improved efficiency in reducing turnaround time for loan processing and overall disbursement
- Strengthened organizational culture

Integrands through which we generate value:

References for Corporate Governance framework	Sections	Value Unlocked	Initiatives/Responses and Outcomes
IDLC's Vision, Mission and Strategies	2	• Delivering market leading products and services • Improving economies of scale and driving efficient execution.	• ROA and ROE in 2025 reported at 1.48% and 11.63% respectively. • IDLC was successful in ensuring 11.74% & 41.96% of Green & Sustainable Finance against the regulatory requirement of 5% & 40% of ANNUAL Term Loan Disbursement & Annual Disbursement respectively. • Curtailed NPL to 4.43%, which is significantly lower than industry average
Board of Directors	1		
Audit Committee	4		
Internal Control and Risk Management	5		
Environmental and Social Obligation	11	Reducing carbon footprints and ensuring sustainable operational efficiency	
Communication and relationship with Shareholders and Investors	9	Maintaining strong brand name Deepening shared values and commitment with customers and stakeholders	Improved interaction with Shareholders and Investors (page 249-253)
Dividend distribution policy	10		Ensuring wealth maximization of shareholders
Human Capital	8	Incase productivity, employee morale and overall efficiency	Improved learning/training
Remuneration policy of Directors and Executives	7		Enhancing employee excellence and nurturing their well-being (page 134)
Complaint Management Process	9.7	Deepening shared values and commitment with customers and stakeholder.	Whistle-blowing cases reported and solved: 3
Ethics and Compliance	6	Continuing to create value-based activities	Zero non-compliance report

Our Corporate Governance Structure



1.0 Composition of the Board and Committees

"Effective governance depends not only on regulatory frameworks but also on the integrity and qualities of the individuals responsible for its implementation".

IDLC places strong emphasis on maintaining a well-balanced Board composition, comprising Directors with an appropriate blend of skills, experience and personal attributes necessary to discharge their statutory and fiduciary responsibilities effectively. Directors are expected to possess a comprehensive understanding of the Company's business and to rigorously evaluate its performance to ensure strategic alignment and accountability.

The Board's composition reflects a commitment to diversity and breadth of perspective. Its members bring extensive local and international experience, specialized expertise, and professional insight, thereby strengthening the quality of deliberations and supporting informed decision-making in the best interests of shareholders.

Members of the Board

Name	Status	Tenure (as of December 31, 2025)	Executive Committee	Audit Committee (They are also performing the NRC roles)	Risk Management Committee	Subsidiary's Board
Kazi Mahmood Sattar	Chairman, NED	13 Days	-	-	-	-
Akhtar Ahmed	NED	1 Years, 2 Months, 24 Days	Chairman	-	-	-
Kazi Mahbub Masud, FCA	NED	2 Months, 25 Days	-	Member		-
Wasiful Hoq	NED	1 Years, 1 Months, 26 Days	Member	-	Chairman	-
Md. Zakir Hossain	NED	1 Years, 2 Months, 8 Days	Member	-	-	-
Md. Khalilur Rahman	IND, NED	2 Years, 8 Months, 15 Days	Member	-	Member	Chairman, IDLC SL, and IL
Mohammad Mostafizur Rahman	IND, NED	1 Years, 8 Months, 23 Days	-	Member	Member	Chairman, IDLC AML
Noor Un Nahar	IND, NED	5 Months, 9 Days	-	Chairman	-	-
M Jamal Uddin	EXO	-	-	-	-	-
Abul Fazal Mohamed Rubayat FCS FCMA (UK) CGMA (USA) FCPA (AUS)	SEC		SEC	SEC	SEC	SEC IDLC SL, IL, and AML

NED = Non-Executive Director; EXO = Ex-officio; IND = Independent Director, SEC = Secretary, SL= Securities Limited, IL= Investments Limited, AML=Asset Management Limited

Note:

- Mr. Farooq Sobhan, Independent Director (retired on June 12, 2025) has presided over the Board meetings of IDLC Finance PLC. for a period from April 17, 2025 to June 12, 2025;
- None of the Existing Directors of the Board has yet completed their 1st tenure (3 years), in compliance with Finance Companies Act 2023;
- The number of Boards served by the Chairman is mentioned in his brief profile in page 59.

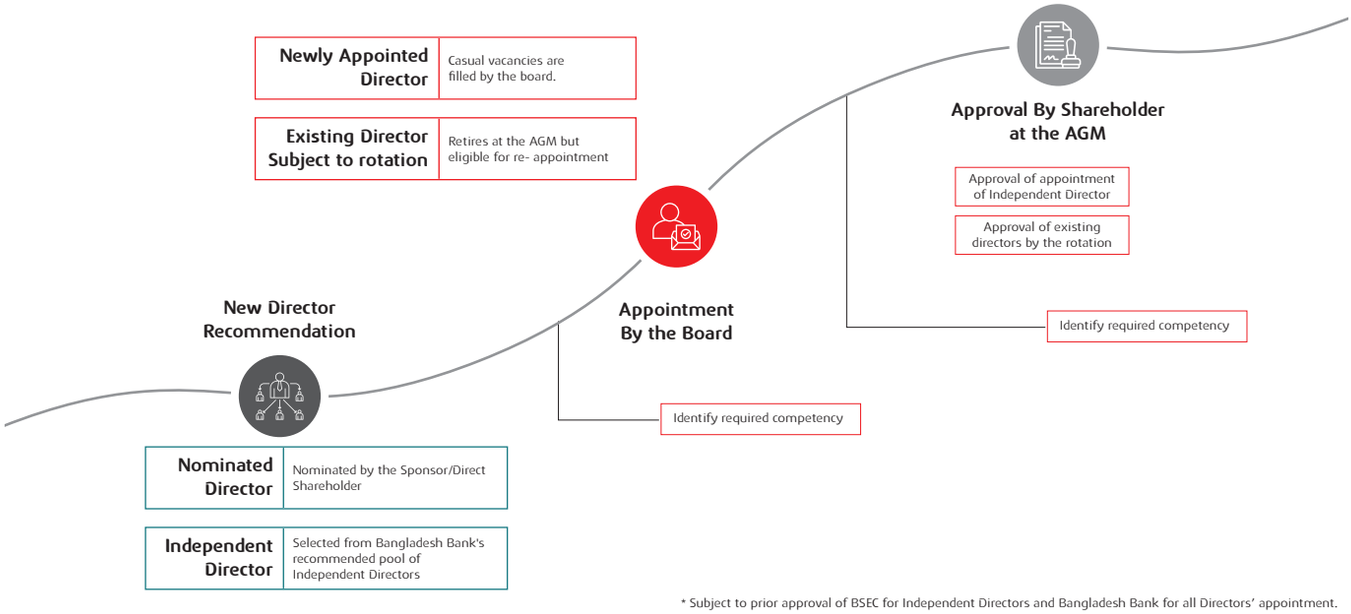
Particulars	Board	Executive Committee	Audit Committee	Risk Management Committee
Finance Companies Act, 2023	• Highest 15 non-executive directors • No bar for minimum • Minimum 2 Independent Directors.	-	-	-
Bangladesh Bank Requirements	• Highest 15 non-executive directors • No bar for minimum	Highest 5 Non-Executive Directors including 1 Independent Director	• Highest 5 non-executive Directors including 1 Independent Director • No member of Audit Committee can be the member of Executive Committee at the same time.	Highest 5 Non-Executive Directors
Corporate Governance Code, 2018 and subsequent amendments	• Highest 20 non-executive directors • Minimum 5 members • At least 2 Directors or 1/5th of the total Directors, whichever number is higher, shall be the number of Independent Directors	-	• Minimum 3 non-executive Directors, including 1 Independent Director for both Audit and Nomination & Remuneration Committee. • All the members of both committee shall be Non-Executive Director	-

Particulars	Board	Executive Committee	Audit Committee	Risk Management Committee
IDLC's Compliance Status	• 8 non-executive Directors • Including 3 Independent Directors	• 4 Non-Executive Directors • Including 1 Independent Director	• 3 non-executive Directors • Including 2 Independent Director • There is no member of Executive Committee on the Audit Committee	3 non-executive Directors
Remarks	Complied with all required regulation.	Complied with all required regulation	Complied with all required regulation	Complied with all required regulation

IDLC's policy on Appointment of Directors

The composition of the Board at IDLC reflects a carefully structured and compliant with regulatory requirement selection process, ensuring both strategic representation and independent oversight:

- **Nominated Non-Executive Directors** are selected from the senior leadership of sponsor and shareholder institutions. Each nominee undergoes a rigorous evaluation by the Nomination and Remuneration Committee (NRC) which is authorized by Bangladesh Bank to function under by Audit Committee. NRC then provides its recommendation to the Board prior to approval, subject to formal clearance from Bangladesh Bank. Upon receiving regulatory approval and following the completion of the necessary formalities, the individuals are formally inducted, reinforcing a governance framework that is both prudent and compliant.
- **Independent Non-Executive Directors** are appointed from a distinguished pool recommended by Bangladesh Bank, comprising seasoned professionals with proven expertise and integrity. Each appointment strictly adheres to the eligibility criteria outlined in the Corporate Governance Code of BSEC, alongside the directives of Bangladesh Bank, thereby ensuring an optimal balance of independence, experience, and accountability within the Board. Each selected individual is subsequently approved by the shareholders at the Annual General Meeting (AGM).



* Subject to prior approval of BSEC for Independent Directors and Bangladesh Bank for all Directors' appointment.

1.1.1 Duties and Responsibilities of Existing Board of Director

- The Directors are appointed by the shareholders in the Annual General Meeting (AGM). Casual vacancies, if any, are filled by the Board in accordance with the stipulations of the Companies Act, 1994, and the Articles of IDLC with prior approval from Bangladesh Bank.
- The CEO & Managing Director is appointed by the Board subject to the consent of the shareholders in the Annual General Meeting (AGM) and approval of Bangladesh Bank.
- Any change in the members of the Board requires intimation to the Bangladesh Bank, all scheduled Banks and Finance Companies, Bangladesh Securities and Exchange Commission (BSEC) and the stock exchanges.
- Identify any competencies not adequately represented and agree to the process necessary to be assured that a candidate nominated by the shareholders with those competencies is selected.
- Regularly review the size and composition of the Board and the mix of expertise, skills, experience and perspectives that may be desirable to permit the Board to execute its functions

1.0.1 DIRECTOR APPOINTMENT & REGULATORY COMPLIANCE

All appointments, reappointments, and removals of Directors are conducted with full adherence to regulatory requirements, including Bangladesh Bank approvals and compliance with the Finance Companies Act, 2023 and DFIM Circular No. 01 dated February 29, 2024. The Company maintains documented procedures for evaluating the suitability of candidates, ensuring that directors possess the requisite skills, qualifications, and ethical standards.

Independent Directors are appointed by the Board for an initial three-year term, with the possibility of renewal for an additional three years, in line with the Corporate Governance Code of the Bangladesh Securities and Exchange Commission (BSEC). These appointments are ratified by shareholders at the AGM, reinforcing transparency and shareholder engagement. Through this framework, IDLC Finance PLC ensures that all Board composition decisions are consistent with statutory obligations, regulatory directives, and best practices in corporate governance. This approach safeguards the interests of shareholders and stakeholders while maintaining robust oversight and accountability at the Board level.

1.0.2 BOARD REFRESHMENT & ROTATION POLICY

The Board of IDLC Finance PLC follows a structured approach to ensure periodic renewal of leadership. One-third of Directors retire at each Annual General Meeting (AGM) based on the length of service since their last election. This mechanism promotes strategic continuity while allowing new members to bring fresh insights to Board deliberations.

Tenure limits are strictly applied in accordance with the Finance Companies Act, 2023 and DFIM Circular No. 01 dated February 29, 2024. Directors may serve a maximum of three consecutive terms, totalling nine years, after which a mandatory cooling-off period of three years is observed before reappointment to the same finance company. Directors who had already completed three or nine years prior to the enactment of the Finance Companies Act, 2023, will step down at the end of their current term.

Non-Executive Directors retiring at the forthcoming 41st AGM:

- **Akhtar Ahmed** – Reliance Insurance PLC.
- **Wasiful Hoq** – Sadharan Bima Corporation
- **Md. Zakir Hossain** – Mercantile Bank PLC.

This refreshment process ensures a dynamic, effective Board with a healthy mix of experience, independence, and new perspectives.

1.1.2 Philosophy of Board Governance

The Board's unwavering commitment to the diligent discharge of its responsibilities stands at the heart of the Company's governance framework. Through the consistent and thoughtful implementation of principles and practices prescribed by relevant regulatory authorities, the Company empowers the Board to effectively fulfill its governance mandate.

At IDLC Finance PLC., corporate governance is regarded not merely as a matter of regulatory compliance or adherence to best practices. Rather, it reflects a broader and more purposeful commitment that emphasizes strengthened accountability, robust oversight of risk and performance, heightened transparency, and principled leadership in steering the organization toward sustainable success.

1.2 Ensuring Compliance with All Regulations from Regulatory Bodies in Terms of Composition of the Board by Ensuring Adequate Number of Non-Executive Directors and Their Independence

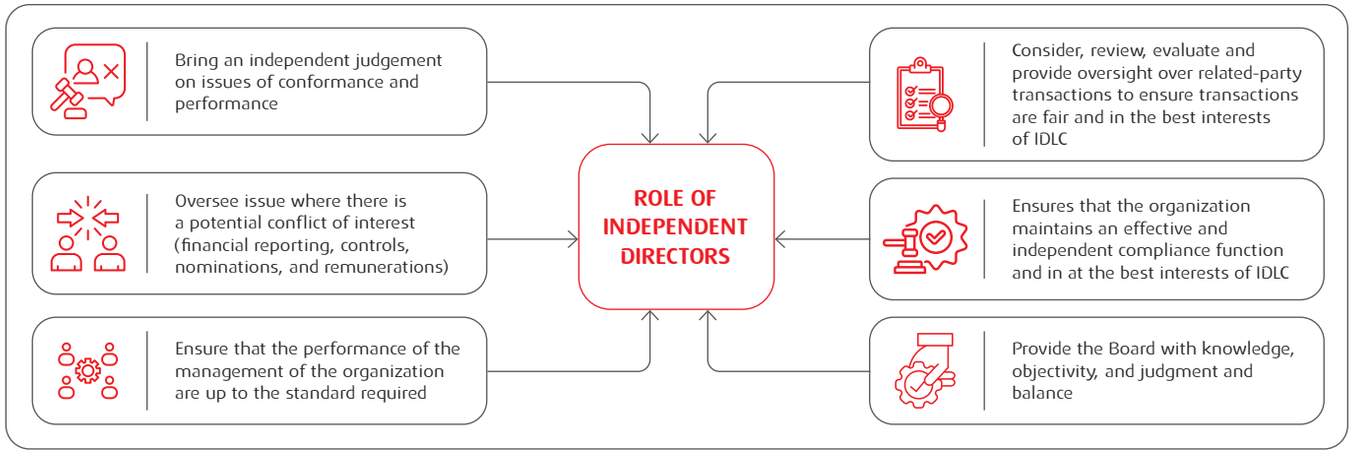
IDLC Finance PLC. ensures full compliance with the Corporate Governance Code (CGC) issued by the Bangladesh Securities and Exchange Commission. The Company maintains the required number of Non-executive Directors in accordance with the regulatory provisions. In addition, it complies with the requirement relating to Independent Directors as stipulated in the Corporate Governance Code of BSEC and the guidelines of Bangladesh Bank.

The Board is composed of Directors possessing a diverse range of skills, expertise, and extensive professional experience across various professions, industries, and service sectors.

In accordance with the Corporate Governance Code, at least one-fifth (1/5) of the total members of the Board must be Independent Directors, with any fractional number rounded up to the next whole number. Furthermore, the guidelines issued by the Bangladesh Securities and Exchange Commission and Bangladesh Bank require that the Board include a minimum of two (2) Independent Directors. Accordingly, the Board of Directors of IDLC Finance PLC. currently comprises eight (8) Non-executive Directors, including three (3) Independent Directors.

1.2.1 Role of Independent Directors

Independent Directors bring invaluable expertise, objectivity, and independent judgment to the Board. In addition to fulfilling their responsibilities as members of the Board, they also perform various additional roles that support effective governance. Each Independent Director contributes distinct knowledge and professional experience, enabling them to critically evaluate the Company's strategy and overall operations, while also providing impartial oversight on matters related to compliance and performance.



1.3 Adequate Number of Independent Directors in the Board

In compliance with the Corporate Governance Code (CGC) issued by the Bangladesh Securities and Exchange Commission, the Board is structured to ensure the required proportion of Independent Directors. Additionally, consistent with the directives of both the Bangladesh Securities and Exchange Commission and Bangladesh Bank, the Board maintains no fewer than two (2) Independent Directors.

Accordingly, IDLC Finance PLC. has appointed three (3) Independent Directors within its eight (8)-member Board, thereby exceeding the minimum regulatory threshold.

1.4 Criteria for Appointment of Independent Directors

The Independent Directors of IDLC Finance PLC. fully satisfy all criteria set forth in the relevant directives issued by Bangladesh Bank and the Corporate Governance Code of the Bangladesh Securities and Exchange Commission. They do not possess any ownership interest or financial stake in the Company, thereby preserving their objectivity and impartial judgment. The independence of each Director is rigorously evaluated during the nomination and appointment process, and they formally affirm their commitment to uphold such independence throughout their tenure.

Furthermore, in strict adherence to the regulatory requirements of both Bangladesh Bank and the Bangladesh Securities and Exchange Commission, the Company submits applications for the appointment or reappointment of Independent Directors through the Commission's prescribed Online Regulatory Submission Form. This process ensures the requisite approvals are obtained while reinforcing full compliance with the stipulated independence criteria.

1.5 Independence and Non-conflict of Non-executive Directors from Day-to - Day Operations

Except for the Independent Directors, all Non-Executive Directors are nominated by their respective institutions, ensuring appropriate representation of key stakeholders. Each Director brings a distinct perspective, complemented by extensive professional expertise, thereby strengthening the Board's ability to effectively discharge its responsibilities. The Board of Directors of IDLC Finance PLC. remains steadfast in its commitment to the highest standards of ethics and integrity, ensuring that all operations are conducted in the best interests of stakeholders.

None of the Directors are involved in the day-to-day management of the Company. Instead, they provide strategic direction, oversight, and informed guidance to management through active participation in Board and committee deliberations. Directors are also expected to exercise due diligence in avoiding any situations that may give rise to actual or perceived conflicts of interest with the Company's interests, thereby upholding the principles of transparency and sound governance.

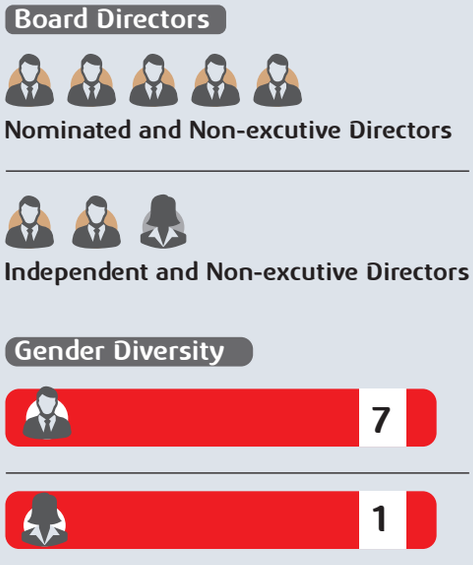
1.6 Diversity of the Board

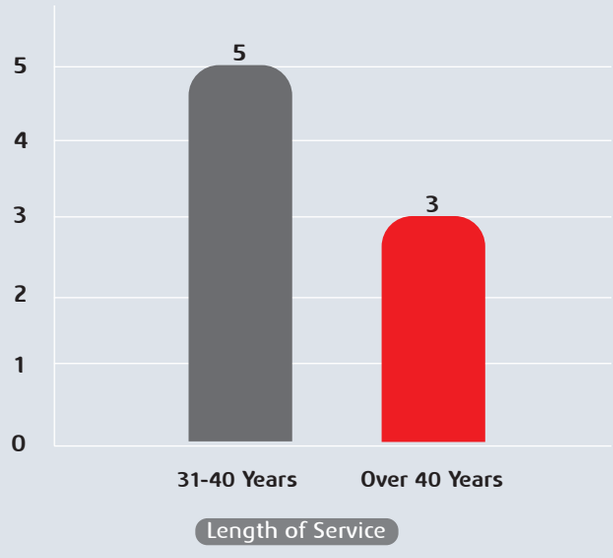
1.6.1 Professional Background

Experts from a variety of disciplines make up our board, giving the business a well-rounded perspective that aids in efficient strategic planning and execution. The areas of competence and length of service of our board members are represented in the table and illustrations below.

1.6.2 Years of Professional Expertise

The members of our Board are distinguished professionals, each with over 30 years of experience in their areas of expertise. A significant number of our directors possess between 31 to 40 years and even over 40 years of experience, ensuring that stakeholders can rely on their insights and governance skills during the decision-making process.





Name	Position in BoD	Accounting/ Finance	Insurance	Banking	HR Management	Entrepreneurship/ Business Management	Risk Management, Sustainable Development
Kazi Mahmood Sattar	Chairman	✓		✓	✓	✓	✓
Akhtar Ahmed	Director		✓		✓	✓	✓
Kazi Mahbub Masud, FCA	Director	✓					✓
Wasiful Hoq	Director	✓	✓				✓
Md. Zakir Hossain	Director			✓		✓	✓
Md. Khalilur Rahman	Independent Director	✓		✓			✓
Mohammad Mostafizur Rahman	Independent Director				✓		
Noor Un Nahar	Independent Director	✓		✓	✓		

1.6.3 Risk appetite of the Board

Risk appetite defines the extent of risk the organization is prepared to assume in pursuit of its strategic objectives. At IDLC Finance PLC., this appetite is systematically translated into structured frameworks, policies, and operational guidelines that govern risk-taking across the institution.

The Company's Credit Policy serves as a primary articulation of this risk appetite, incorporating well-defined parameters such as product limits, group exposure limits, and regional concentration thresholds. These provisions collectively guide lending decisions by delineating acceptable levels of exposure across sectors, geographies, and borrower groups. Complementing this, the Product Program Guidelines (PPGs) embed risk-based considerations including differential risk premiums, financing contribution requirements, security arrangements, and maximum exposure limits tailored to the varying risk profiles of borrowers.

Both the Credit Policy and the PPGs are subject to rigorous review during the annual Credit Policy Review process, conducted under the oversight of the Board, ensuring continued alignment with the Company's evolving risk landscape and strategic priorities.

In addition, the Company undertakes a comprehensive assessment of sector-specific financing risks at the outset of each year, incorporating insights from global economic conditions and domestic macroeconomic dynamics. Based on this evaluation, sectoral strategies categorized as Grow, Hold, or Reduce are formulated to maintain exposures within defined risk tolerance levels.

Recognizing the increasing volatility in the global economic environment, IDLC Finance PLC. has further strengthened its risk management practices through periodic reviews of key macroeconomics

indicators and commodity price trends, both globally and domestically. This continuous monitoring enables the Company to proactively assess potential sectoral impacts and dynamically recalibrate its financing strategies, ensuring sustained alignment with its overall risk appetite.

1.6.4 Dealing with Challenging Situations

Operating in an increasingly dynamic environment marked by economic uncertainty, regulatory shifts, market volatility, and rapid digital transformation, IDLC Finance PLC. remains agile and responsive in its approach. The Company continuously adapts to evolving conditions, ensuring that its business practices remain resilient and uninterrupted in the face of diverse challenges.

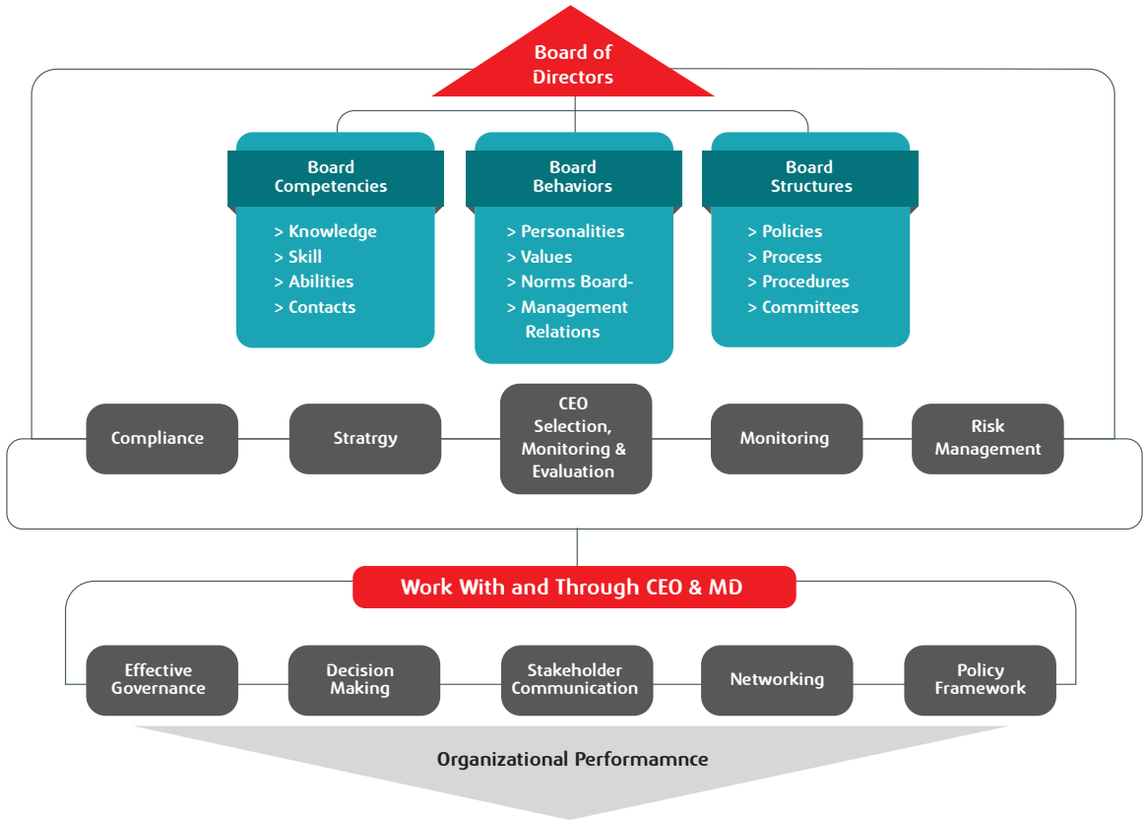
A notable example of this adaptability was demonstrated during the COVID-19 pandemic, when IDLC effectively managed dividend distribution through a third party-administered manual process to ensure continuity. Building on this experience and in alignment with its digitalization agenda, the Company is progressively implementing advanced software solutions to facilitate seamless dividend disbursement and strengthen communication with shareholders.

Further reinforcing its commitment to innovation and enhanced stakeholder engagement, IDLC is in the process of introducing an NLP-based chatbot. This initiative is expected to significantly improve accessibility to information, enabling shareholders to obtain timely and efficient responses to their queries while elevating the overall service experience.

1.7 Roles and Responsibilities of Board

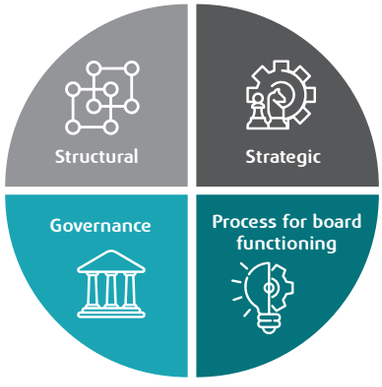
The Board sets a strategic direction and is committed to the Company to achieve superior financial performance and long- term prosperity, while meeting stakeholder expectations of sound corporate governance practices. The Board determines the corporate governance arrangements for the Company. As with all its business activities, the Board is proactive with regards to corporate governance and puts in place those arrangements that it considers the best interest of the Company. In fulfilling its management tasks and responsibilities, the Board takes into consideration the interests of our stakeholder.

To achieve its objective of maximizing value for stakeholders and providing optimal organizational performance, a high-performing Board works in close collaboration with the Chief Executive Officer (CEO) and Managing Director. The model illustrated below demonstrates an example of such effective collaboration.



The functions of the board may be segregated into four categories as specified below:

- Board composition and diversity
- Board competencies & skills
- Policies and goal setting
- Director recruitment and orientation



- Formulation & implementation of strategy
- Leadership pool development
- CEO selection & compensation
- Succession planning

- Company's performance
- Risk and crisis management
- Compliance
- Governance

- Board meetings & preparation
- Group dynamics & training
- Managing the quality of conversation
- Interaction with management

The Board of IDLC Finance PLC. fully adheres to the guidelines issued by Bangladesh Bank concerning the roles, responsibilities, and accountability of the Board, its chairman, and the CEO & MD, as outlined in DFIM Circular No. 3, dated March 25, 2024, while previously following all applicable Bangladesh Bank circulars.

Clear delineation of responsibilities exists for the Board, executives, and employees, with the aim of overarching the Company's objectives, enhancing shareholder value, and driving sustainable performance. The Board firmly recognizes that the Company's long-term success is intrinsically linked to the credibility and robustness of its corporate governance practices. Guided by this principle, it establishes strategic priorities and actively supervises the business and related affairs of the Company.

In addition to oversight, the Board defines the Company's strategic objectives and policy framework. In fulfilling these responsibilities, the Board undertakes, among other tasks, the functions specified in its charter and in accordance with Bangladesh Bank's DFIM Circular No. 1, dated February 29, 2024, having previously complied with all relevant directives issued by the central bank.



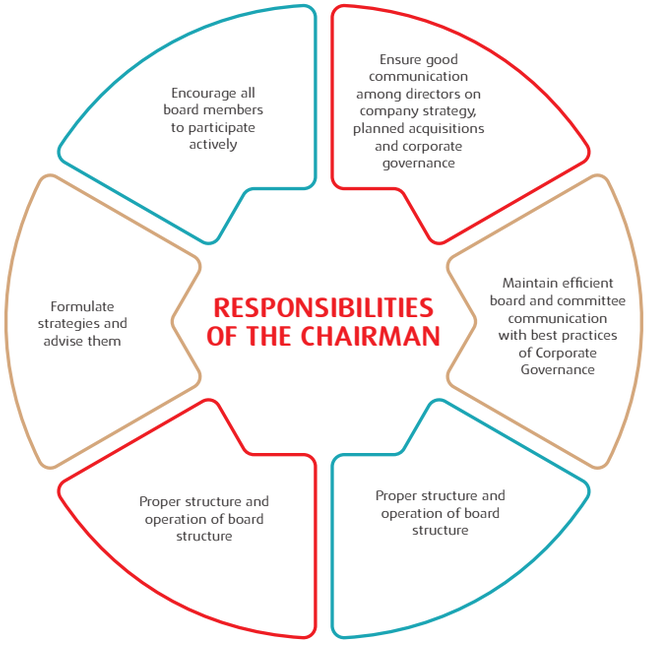
1.8 The Chairman of the Board and the CEO & Managing Director of the Company are Different Individuals

The Chairman of the Board and the Chief Executive Officer of IDLC Finance PLC. are distinct and separate positions, each carrying its own clearly defined roles and responsibilities. While their functions remain independent, the two offices maintain a highly positive and constructive working relationship, fostering effective collaboration in guiding the Company's strategic direction and operational performance. Also, Board and CEO & Managing Director (MD) refreshment are treated distinctly. The Chairperson is elected from among the Directors for a two-year term, promoting periodic leadership renewal and accountability. As a Board member, the Chairperson remains subject to the Company's governance framework, including retirement by rotation, re-election at the Annual General Meeting (AGM), and applicable tenure limits.

1.9 Role and Responsibilities of the Chairman as Defined by the Board

The Board is chaired by the Chairman, whose primary responsibility is to ensure the Board functions effectively in defining and guiding the Company's strategic direction. As the leader of the Board, the Chairman provides oversight, facilitates informed decision-making, and ensures that the Board fulfills its governance and supervisory duties. The appointment of the Chairman is made by the Board itself. Other key responsibilities of the Chairman include:





1.10 Company Secretary as the Bridge between Board and Management

The Company Secretary (CS) serves as the primary liaison between the Board and management, ensuring seamless communication and coordination. The CS is entrusted with upholding the Company's commitment to sound corporate governance, including the scheduling and smooth conduct of Board and committee meetings.

1.11 Annual Appraisal of the Board's Performance and Disclosure

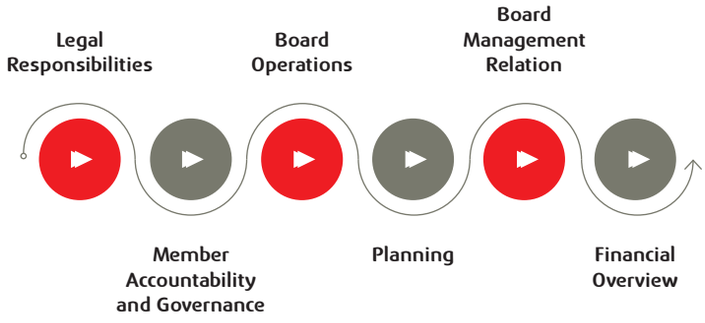
The individual and collective responsibilities of the Board of Directors are most effectively understood and executed when the Board periodically evaluates its own performance. A clear understanding of expectations enables Directors to act with focus, accountability, and alignment toward the Company's strategic objectives, ultimately enhancing the overall effectiveness of the Board.

In addition, the CS provides guidance and support on Board procedures and offers clarity on applicable laws and regulatory requirements to all Board members. The role also encompasses a broad spectrum of responsibilities, including advising on matters related to social and economic sustainability, facilitating effective decision-making, and acting as a mediator when necessary to support the Board in fulfilling its governance and oversight functions.

When conducted rigorously, Board evaluations serve as a vital mechanism to strengthen the collaborative relationship between management and the Board. Central to any performance review are two essential components: the agenda and the meeting procedure, which together provide a structured framework for meaningful assessment.

Within the context of the Board of Directors, performance appraisal primarily examines the Board's ability to clearly define its responsibilities and establish annual objectives aligned with these duties. The process further evaluates the Board's effectiveness in achieving these objectives throughout the fiscal year. An effective evaluation also considers whether the Board possesses the requisite resources, expertise, and institutional capacity to discharge its duties efficiently and responsibly.

The evaluation process itself constitutes the mechanism by which the Board reflects upon and assesses its own performance. Prior to initiating such assessments, the Board must clearly articulate the specific actions associated with its broader responsibilities. This clarity enables the establishment of measurable objectives, which serve as benchmarks against which performance can be objectively assessed. Accordingly, at the beginning of each fiscal year, the Board formulates a set of strategic objectives, reflecting the collective judgment of its members regarding the critical aspects of its mandate requiring special attention during the year.



As a body composed of highly specialized knowledge professionals, the Board relies on a sophisticated integration of intellectual capital, strategic insight, institutional authority, and dedicated time to function as a high-performance governance unit. Recognizing the inherent complexity of self-evaluation, Directors are required to exercise impartial judgment on matters that bear significant implications for both the Company's stakeholders and the Board's governance structures.

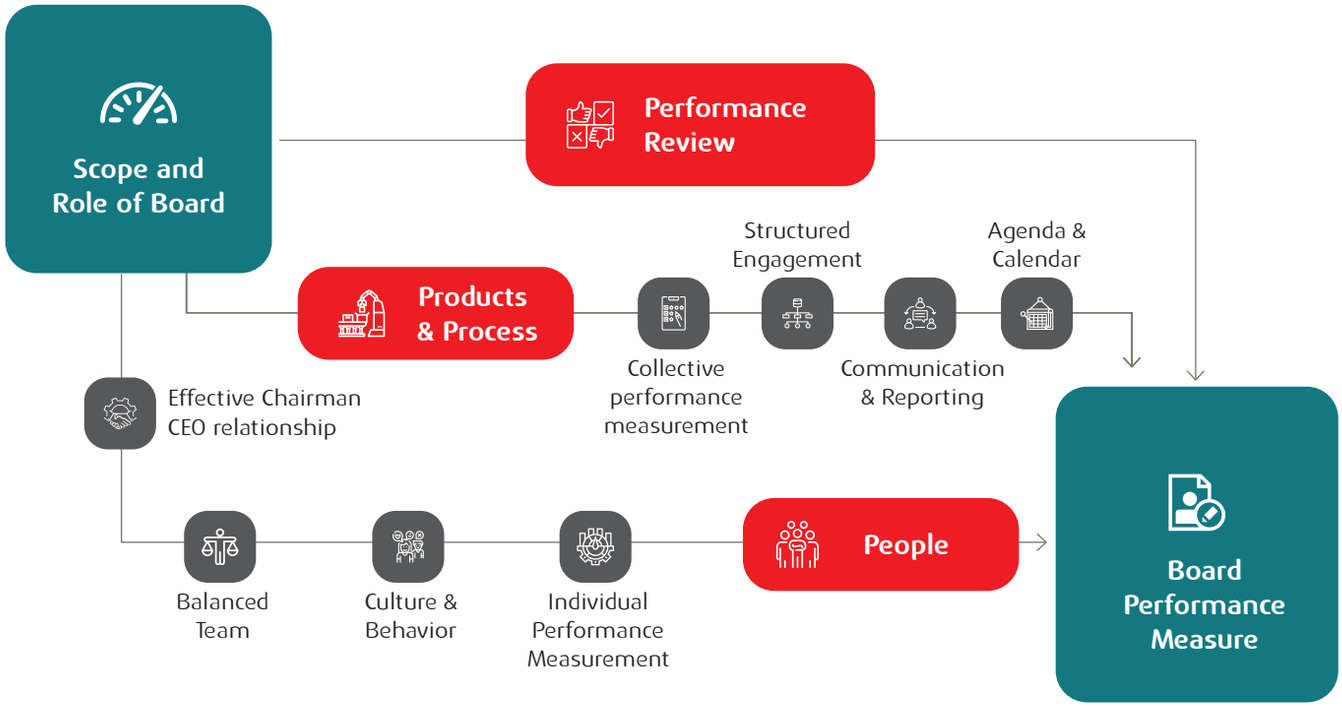
At IDLC Finance PLC., the Board evaluation process serves as a critical diagnostic tool, designed to assess the fulfillment of the Board's core mandate and the effectiveness with which responsibilities are executed. The appraisal framework focuses on two primary pillars: the leadership and guidance provided by the Chairman, and the collective effectiveness of the Board across all governance categories. While management and external advisors provide detailed reviews of operational programs and services, the Board's evaluation remains focused on the integrity and robustness of the Company's overarching corporate governance framework.

We believe that a systematic and thoughtful appraisal of Board performance achieves more than the measurement of outputs; it clarifies the individual and collective fiduciary duties of Directors. By fostering a shared and nuanced understanding of expectations, this process ensures that the Board operates with enhanced efficiency, strategic foresight, and governance rigor essential qualities for navigating an increasingly complex financial landscape.

Evaluation Process of the Board



Performance Measures of Board



Evaluation of Governance Board 2025

Ongoing advancement in terms of Board composition is in place, ensuring suitable composition skills, experience, as well as demographic diversity

The Board is satisfied with the high level of ethical behavior and proper compliance standards throughout IDLC

There is a high level of consideration by the Board on various constituencies, including shareholders, employees, customers, suppliers and communities.

The board believes recruitment and retention has been effective in the past period, but believes that it needs to place more emphasis on director orientation and development particularly for new members.

Excellent relationships are maintained between board members and with the CEO and other executives, while the level of leadership and team synergy remain at a very high standard.

Roles and responsibilities are clearly defined, important directives are prioritized and regularly reviewed and financial performance is successfully monitored.

The Board remains satisfied in regard to its effectiveness in terms of effective overall performance and that it is highly competent on strategic matters, including ethics, integrity of internal control systems, leadership and management relations.

The Board's intervention is reserved for exceptional circumstances and is invoked primarily when unforeseen challenges arise. During such critical situations, the guidance and oversight of the Board are indispensable. Conversely, during routine business operations, the Board's direct involvement is minimal, as corporate governance processes are embedded within the Company's day-to-day practices.

Through formal and periodic Board appraisals, IDLC Finance PLC. ensures that all processes, procedures, personnel, and working relationships are aligned, well-defined, and fully prepared. This structured readiness guarantees that when the Board's strategic discretion is required, the Company can respond effectively, maintaining continuity, accountability, and operational resilience.

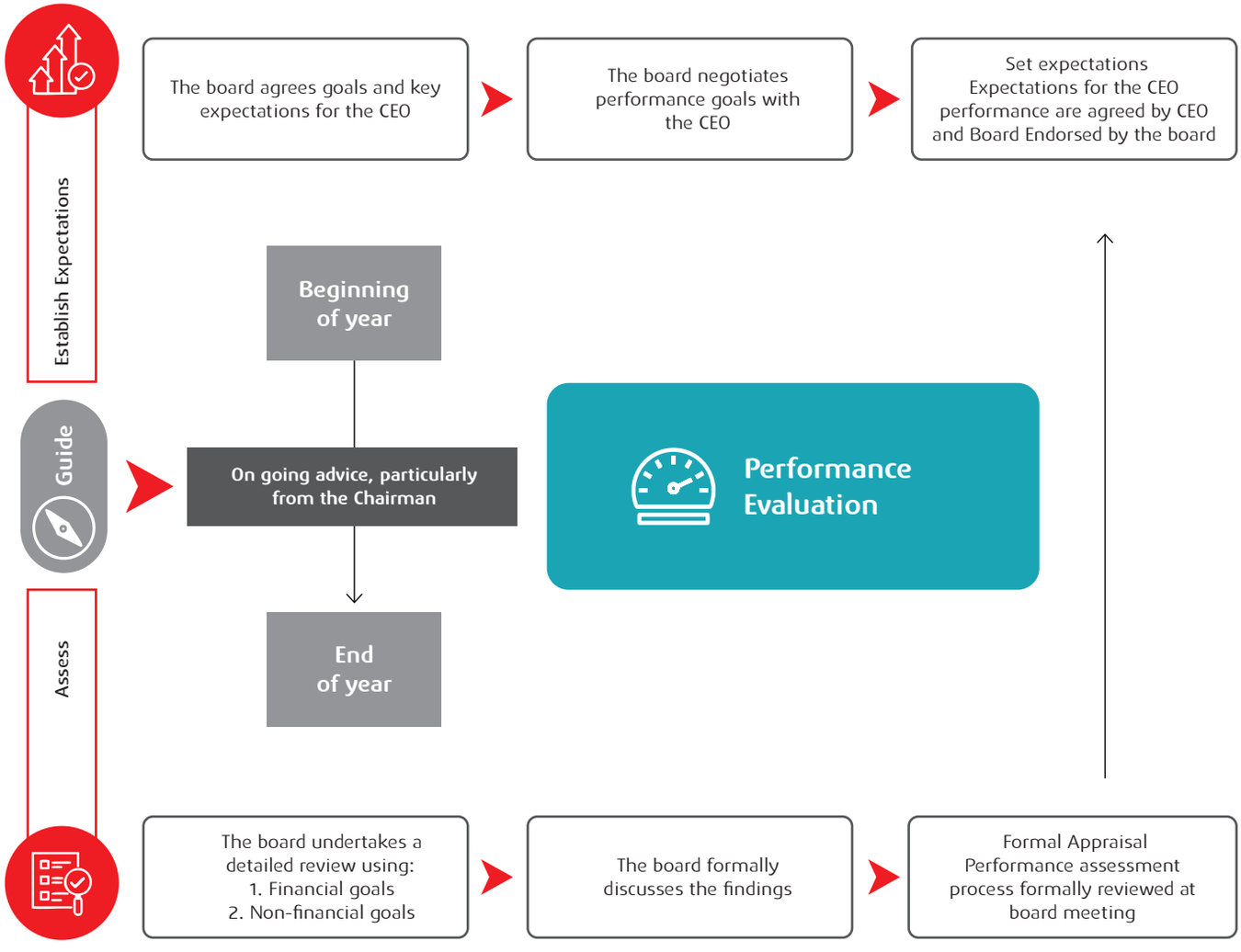
1.12 Roles and Responsibilities of the CEO & MD

The CEO & MD is appointed by the Board subject to the approval of Bangladesh Bank and the consent of the shareholders in the Annual General Meeting. The CEO & MD does not hold the same position in other listed companies.

- Appointment and appraisal of the employees
- Ensures Compliance with related regulatory guidelines and circulars
- Fulfills duties delegated by the board
- Plans, executes and achieves target set by the board

1.12.1 Annual evaluation of the CEO & Managing Director by the Board

At the beginning of each fiscal year, the Board of Directors conducts a comprehensive assessment of the CEO & MD, evaluating performance against pre-established objectives that are aligned with the Company's vision and mission. Simultaneously, the Board deliberates on, evaluates, and approves the annual financial budget, along with other key strategic and operational priorities. The evaluation process encompasses both financial and non-financial objectives, ensuring a holistic review of leadership performance and alignment with the Company's overarching goals.



1.12.2 Evaluation based on Financial and Non-Financial Performance

At the end of each quarter, the CEO & Managing Director is evaluated based on the financial targets. The evaluation is done based on both:

Evaluation Based on Financial Performance	Budget vs. Actual Performance	Address the variance between target and actual results, along with actions taken to address gap
	Growth in Key Financial Indicators	Overview of the increase in total investments, loan portfolio customer deposits, and capital adequacy levels.
	NPL and Recovery Progress	Review of non-performing loans, Including reduction in NPL ratio, collection progress, and updates on written-off accounts.
	Efficiency and Return to Shareholders	Assessment of operational efficiency through the cost-to-income ratio and returns generated for shareholders
Evaluation Based on Non-Financial Goals	Board Assignments Compliance	Status update on how management has carried out the tasks and decisions assigned by the Board
	Regulatory Compliance	Confirmation of adherence to all relevant laws, rules, and regulations across operations

In addition, at the end of each year, an annual assessment and evaluation of the achievements of pre-agreed targets is done. During this evaluation, the deviations from target, and the reasons for the deviations are discussed and assessed.

1.13 Policy for the Induction of Directors

All new Directors appointed to the Board attend a formal induction programme to familiarize themselves with the Group's strategy and aspiration, understanding of the line of business and corporate functions, key financial highlights, audit, compliance and risk management.

1.14 Training and Development of Directors

The Board recognizes the fundamental importance of continuous professional development, ensuring that Directors consistently refine the requisite skills and expertise to discharge their fiduciary duties effectively. To facilitate this, the Board participates in it off-site strategy sessions alongside the Board members of IDLC's subsidiaries. The sessions are designed to foster a comprehensive understanding of the Group's strategic trajectory through ongoing engagement with senior management.

Furthermore, Directors remain apprised of industry developments and Group performance through regular consultative dialogues with Senior Management team during Board proceedings. This structured approach ensures that all members have access to appropriate continuing education, keeping them informed of emerging trends and advancements in business, industry, law, and regulation that may impact the Company's operations. This program is spearheaded by Senior Management, the CEO & Managing Director, and respective Business Unit Heads.

To support seamless integration, the Company Secretary provides newly appointed Directors with a comprehensive introduction kit. This disclosure includes the Board Charter, the Code of Ethics, Terms of Reference for Board Committees, and formal Schedule of Matters Reserved for the Board.

In accordance with statutory requirements, any changes to the composition of the Board of Directors must be formally reported to Bangladesh Bank, all scheduled banks and Financial Institutions (Fis), the Bangladesh Securities and Exchange Commission (BSEC) and the respective stock exchanges.

1.15 Financial and Accounting Knowledge and Expertise of Directors

The members of our Board of Directors represent a diverse spectrum of professional backgrounds, bringing together specialized expertise in law, marketing, business administration, economics, management, finance. The multifaced composition facilitates a collective environment for formulating robust growth policies. By leveraging their collective insight, the Board is positioned to anticipate market shifts from a holistic perspective while maintaining the requisite autonomy to provide impartial oversight of Management.

Notably, the Board includes Mr. Kazi Mahbub Masud, a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB) & also Institute of Cost and Management Accountants of Bangladesh (ICMAB). His extensive professional background provides critical guidance on accounting and audit-related matters, ensuring institutional compliance and the integrity of our financial reporting.

1.16 Holding of Board Meetings

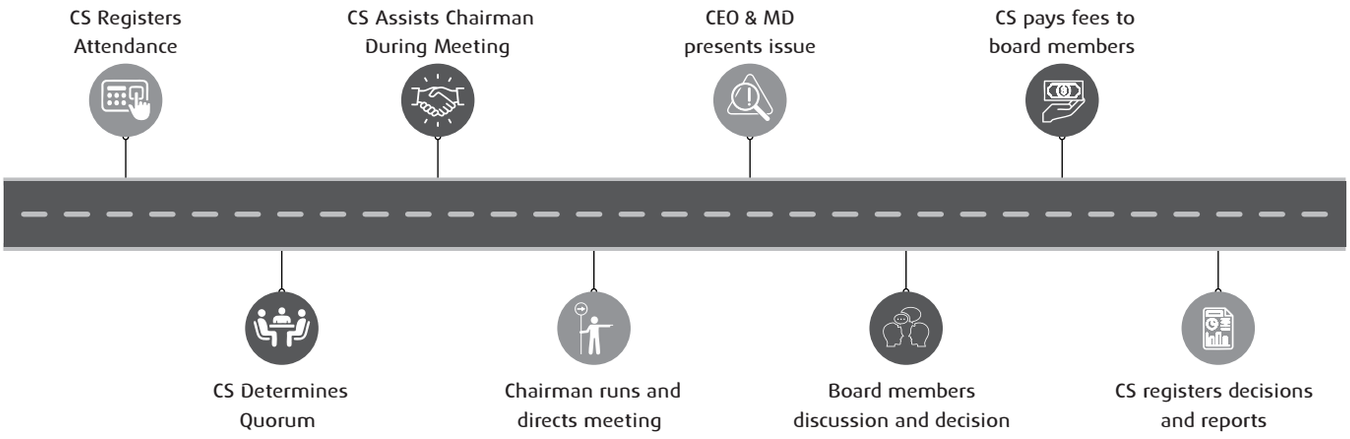
To effectively discharge its fiduciary duties and oversight functions, the Board typically convenes at least once per month. These meetings are scheduled well in advance to ensure maximum participation, with formal written notices disseminated to each Director by the Company Secretary.

In alignment with regulations guidelines and to ensure undisrupted governance during period of covid, IDLC utilized a highly secure digital platform for virtual meetings. This approach ensured full regulatory compliance while maintaining the integrity and confidentiality of Board deliberations, demonstrating our commitment to operational resilience. Later through DFIM Circular 27, dated: September 24, 2024 Bangladesh Bank has advised to make sure all the Board Meetings of NBFIs should take place in physical format in order to ensure the active and effective participation of directors in the meetings of the board of directors and supporting committees of finance companies and to keep the regular activities of the organization running properly. Since then, IDLC has been arranging all the Meetings of the Board and its committees in physical form.

1.16.1 Process of Holding Board Meetings

In the year 2025 IDLC developed and adopted automated meeting module which is called the Meeting Management Solution (MMS). The Company Secretary prepares the detailed agenda for the meeting. The Board papers comprising the agenda, explanatory notes and proposed resolutions are circulated to the Directors via the MMS, well in advance for their review. The members of the Board have complete access to all the information about the Company, enabling them to work efficiently. The members of the Board are also free to recommend inclusion of any matter in the agenda for discussions, subject to the permission of the Chairman of the meeting. The Company Secretary, the Chief Financial Officer and Head of Internal Control and Compliances always attend the Board meetings, and the senior management is invited to attend the Board meetings to provide additional input of the items being discussed by the Board and make necessary presentations. Board meetings minutes as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB).

The details of attendance along with the amount of remuneration of Directors in the meeting of the Board and its committees are enclosed in Annexure-II of the Directors' Report on page number 289. The amount of remuneration paid to the Directors is also disclosed in Note 31 of the audited financial statements.



1.17 Number of Board Meetings Held in 2025

The number of Board and committee meetings held during the accounting year, along with Directors' attendance and corresponding remuneration, is detailed in Annexure-II of the Directors' Report on page 289 of this Annual Report. These meetings provided a structured forum for deliberating on strategic initiatives and approving the Company's business plans. The progress and status of key strategic matters are systematically reported and monitored during quarterly Board meetings.

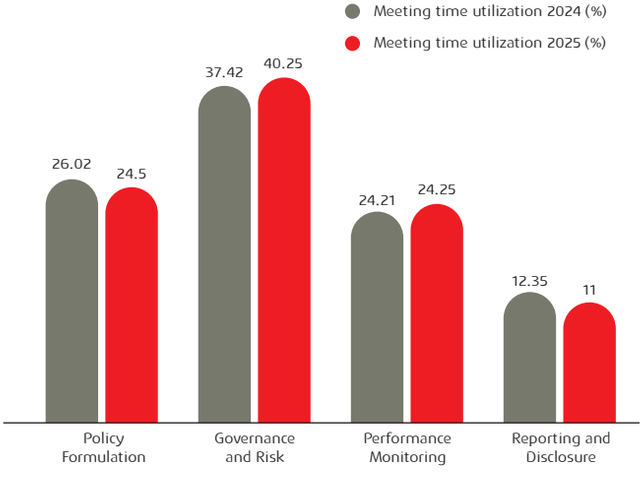
As per the Articles of Association, a quorum for Board meetings requires six (6) of the eight (8) Directors to be present. During the year 2025, a total of twelve (12) Board meetings were convened, reflecting the Board's active engagement in governance, oversight, and strategic decision-making.

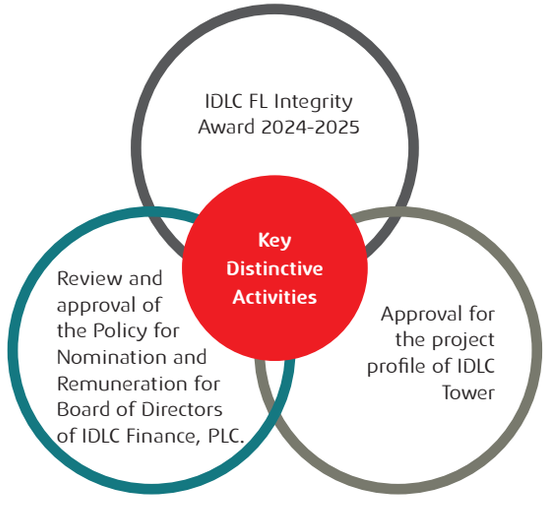
1.17.1.1 Key Focus Area of the Board in 2025

Quarter	Overview of Important Board Activities of 2025
January – March	• Notification to the Board regarding the appointment of Independent Directors of a Finance Company as per DFIM Circular Letter No 40, Dated December 12, 2024, and DFIM Circular Letter No 01, dated January 12, 2025 • Appointment of an Independent Directors in the Board of IDLC Finance PLC. through the Circular Resolution • Notification and approval for Promotion to Top Executives of the Company • Review and approval of the Policy for Nomination and Remuneration for Board of Directors of IDLC Finance PLC. • Review of Base Rate for the Fourth Quarter 2024 • Approval of different business proposal
April – June	• Endorsement of First Quarter Financial Statement 2025 (January – March) • Authorization of Financial Statements and Annual Report 2024 • Adoption of Directors' Report of 2024 • Dividend declaration for 2024 • Approval of Performance Bonus for 2024 • Appointment of Statutory and Corporate Governance Auditors and determination of Audit Fees • Approval of Retirement of Directors from the Board of the Company as per Article 116 of the Articles of Association of the Company • Holding Annual General Meeting • Approval for the restructure and formation of the Executive Committee, Audit Committee, and Risk Management Committee as per DFIM Circular 01, dated February 29, 2024 • Policy on Formation of Board and Responsibilities of Directors of Finance Companies as per DFIM Circular Letter No. 09, dated April 16, 2025

Quarter	Overview of Important Board Activities of 2025
July - Septmber	• Approval of the amendments of HR Policies of the IDLC Finance PLC. • Review of Base Rate for the 1st Quarter 2025 • Endorsement of Second Quarter Financial Statement 2025 (April – June) • Approval for Changes in nomination made by Eskayef Pharmaceuticals Limited nominated by the Board of IDLC Finance PLC. • Approval of nomination on the Board of IDLC Finance PLC. made by City Bank PLC. • Review of Compliance Report on Bangladesh Banks' Comprehensive Inspection Report, dated August 25, 2025, on the Corporate Head Office of IDLC Finance PLC. based on the financials as of December 31, 2024 • IDLC FL Integrity Award 2024-2025 • Approval of different business proposal
October - December	• Approval for the project profile of IDLC Tower • Notification to the Board regarding change of Members of Shariah Supervisory Committee (SSC) of IDLC Finance PLC. • Review and approval the Policy for Remuneration for the Members Shariah Supervisory Committee (SSC) of IDLC Finance PLC. • Endorsement of Third Quarter Financial Statement 2025 (July – September) • Appointment of Managing Director at IDLC Securities Limited • Approval of Budget for the year 2026 & Review of Base Rate for the Third Quarter 2025 • Approval of different business proposals • Affirmation of compliance with code of conduct for the members of the Board of Directors of IDLC Finance PLC. for 2026

Board Meeting Clock





1.18 Directors' Remuneration

At IDLC Finance PLC, the incentive structure framework is designed to foster a culture of meritocracy and long-term value creation. The organization recognizes that a well-calibrated compensation structure is fundamental to attracting and retaining high-quality talent while sustaining financial and operational excellence. The remuneration approach balances fixed competitive pay with performance-linked variable compensation, ensuring that employees are rewarded for both current achievements and sustained organizational performance. A structured performance evaluation system enables differentiation in rewards, reinforcing accountability, fairness, and alignment with the Group's long-term financial heath and governance standards.

Members of the Board are not entitled to any remuneration beyond the fees prescribed for attending meetings of the Board and its respective Committees. In accordance with Bangladesh Bank DFIM Circular No. 01, dated February 29, 2024 (and prior applicable circulars), the maximum honorarium for Directors has been established at BDT 10,000 per meeting for attendance at Board and Committee sessions. Furthermore, Independent Directors are eligible for a fixed monthly remuneration of BDT 50,000.

All such payments are subject to the deduction of applicable taxes at source, ensuring full adherence to national fiscal and regulatory mandates.

IDLC maintains a high degree of transparency in executive remuneration through comprehensive disclosures in its annual reporting. While a formal "Say on Pay" voting mechanism is not

explicitly instituted, compensation practices remain subject to robust Board oversight and are communicated clearly to all relevant stakeholders, ensuring accountability and trust.

The organization is firmly committed to upholding pay equity across all levels. Compensation is determined based on role complexity, individual performance, and prevailing market benchmarks, in alignment with the principle of equal pay for work of equal value. This structured and equitable framework reinforces organizational fairness, enhances employee confidence, and further strengthens IDLC's standing as a responsible and governance-driven corporate entity.

IDLC follows a structured "pay for performance" philosophy, where variable compensation is contingent upon the achievement of predefined performance benchmarks. Variable pay is not treated as a guaranteed entitlement but as a reward mechanism linked to measurable outcomes at both organizational and individual levels. This performance-driven model ensures that higher levels of achievement are appropriately recognized, while also maintaining flexibility to adapt to changing business conditions. By aligning incentive outcomes with overall company performance, IDLC ensures a balanced approach that supports employee motivation, financial resilience, and long-term shareholder value.

1.19 Directors' Report on Preparation and Presentation of Financial Statements and Corporate Governance

In accordance with the Companies Act 1994, the Board of directors is statutorily mandated to prepare financial statements for each accounting period that present a true and fair view of the Company's financial position. The Board acknowledges its primary responsibility for maintaining comprehensive accounting records, which serve as a fundamental safeguard for the Company's assets, a critical mechanism for the prevention and detection of fraud or other irregularities. This responsibility extends to the selection and consistent application of appropriate accounting policies, as well as the formulation of reasonable and prudent judgements and estimates where required.

Furthermore, the Board remains committed to the implementation of robust corporate governance practices that align with institutional excellence. A dedicated statement detailing the Directors specific responsibilities regarding financial reporting and the corporate governance framework is provided on page 279 of this Annual Report.

1.20 Background and Roles of Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS

1.20.1 Background



Masud Karim Majumder, FCA

Group Chief Finance Officer

Years of Professional Experience:
20 years

Prior Working Experience:
KPMG, Rahman Rahman Huq

Educational Qualification:

- Bachelor and Masters of Commerce degree major in Finance - Dhaka University,
- Fellow member of Institute of Chartered Accountants of Bangladesh (ICAB)

Skills And Expertise:
Financial Planning and Control, Budgeting, Corporate and Financial Reporting, Strategic Planning and Taxation.



Mahbub-Ul-Kader, CAMS

Group Head of Internal Audit and Compliance

Years of Professional Experience:
25 years

Prior Working Experience:
KPMG Bangladesh, Rahman Rahman Huq, Heidelberg Cement Bangladesh

Educational Qualification:

- Chartered Accountancy Course from KPMG Bangladesh.
- MBA under the Royal Roads University, British Columbia, Canada, M. Com. under the National University of Bangladesh.
- He is also a Certified Anti-Money Laundering Specialist (CAMS).

Skills And Expertise:
Audit, Compliance, Risk Management, Credit Control and AML/CFT regime



Abul Fazal Mohamed Rubayat FCS FCMA (UK) CGMA (USA) FCPA (AUS)

Group Chief Corporate Affairs Officer & Group Company Secretary

Years of Professional Experience:
23 years

Prior Working Experience:
CEAT, Zuellig Pharma, Heidelberg Cement, Sanofi and Former Council Member & Chairman of the Education Committee of ICSB.

Educational Qualification:

- MBA from the University of Dhaka. Legislative Law Bachelor from National University, Certified Income Tax Practitioner from National Board of Revenue and and VAT Consultant by National Board of Revenue.
- Fellow Member (FCMA) of Chartered Institute of Management Accountants (UK), Chartered Global Management Accountant (CGMA) of American Institute of Certified Public Accountants (USA), Fellow Certified Public Accountant (FCPA) of CPA Australia, Fellow member (FCS) of Institute of Chartered Secretaries of Bangladesh (ICSB), Associate Member (AFA) of Institute of Financial Accountants (UK), Member (MIPA) of Institute of Public Accountants (Australia), Associate Member (ACMA) of The Institute of Cost Accountants of India.

Skills And Expertise:
Financial reporting, Tax and VAT planning, Statutory and other regulatory compliance, Audit, Internal control, Risk Management and Stakeholder management.

1.21 Roles and Responsibilities

Group Chief Financial Officer Masud Karim Majumder, FCA	**Group Head of Internal Audit and Compliance** Mahbub-ul-Kader CAMS	**Group Company Secretary** Abul Fazal Mohamed Rubayat FCS FCMA (UK) CGMA (USA) FCPA (AUS)
Responsible for overallfinancial management	Ensure properinternal control system	Ensures compliance & manages the corporate governance framework
Regulations, supervises and implements accounting & audit requirements	Check compliance to internal and external regulation	Overseas, conducts induction training for newly elected directors
Ensures overall accuracy of budgetary & financial control system	Coordinate analysis of risk in different areas of operations	Statutory reporting to Bangladesh Bank and other regulatory bodies
Alerts of any irregularity concerning financial system.	Prepare annual audit plans based on the result of the risk analysis	Conscience of the company
Ensures proper tax management and compliance system	Prepare audit programs and approaches that meet the objectives of audit	Liaison with outside Stakeholders for company affairs
Liaison with externalauditor & overseethe audit procedure	Prepare draft audit report and conduct exit meetings	Manages and administers board meetings
Prepares and circulates statutory annual report to stakeholders	Prepare final audit reports and circulate the reports.	Ensures compliance with legal requirements
Assists in corporate tax planning & ensures effective tax management	Conduct special investigation into the megaton of fraud	Mediator between board and management
Statutory reporting to Bangladesh Bank	Works on special projects assigned by CEO or Audit Committee	Liaison with external regulators and advisers

1.14 Committees of the Board

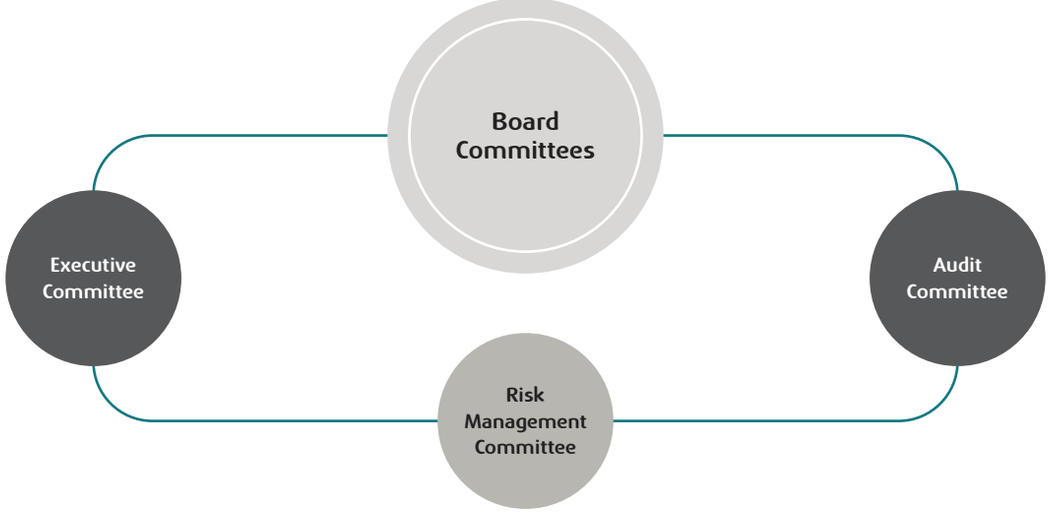
In Compliance with Bangladesh Bank guidelines, IDLC, being a Financial Institution (FI) can only form three subcommittees of the Board, as per DFIM Circular No. 01, Dated: February 29, 2024 (prior to this, followed all applicable Bangladesh Bank circulars):

- Audit Committee (AC),
- Executive Committee (EC) and
- Risk Management Committee (RMC).

No other subcommittee of the Board is permitted by Bangladesh Bank. For ensuring good governance in the company, BSEC has advised that the Board shall have at least two sub-committees

- Audit Committee, and
- Nomination and Remuneration Committee

As the primary regulator of Non-Banking Financial Institutions (NBFIs), Bangladesh Bank clarifies that financial institutions are not mandated to establish a separate NRC, as prescribed under the Corporate Governance Code of 2018 issued by BSEC. Pursuant to DFIM Circular Letter No. 18, dated May 21, 2024, NRC-related responsibilities, as outlined in the Corporate Governance Code 2018, are executed by the Audit Committee for Finance Companies. Accordingly, IDLC has established three permanent Board subcommittees to provide guidance, advice, and recommendations to the Board on matters within their respective mandates, in accordance with BSEC and Bangladesh Bank guidelines. Each Committee operates under a formally approved charter that defines its objectives, responsibilities, structures, and operational framework. The composition of these Board subcommittees is presented on page 220 of this Annual Report.



Members of the Committee	Core Function of the Committee	Meetings held in 2025
 **Executive Committee*** Akhtar Ahmed - Chairman Wasiful Hoq - Member Md. Zakir Hossain- Member Md. Khalilur Rahman - Member	▸ Reviewing all the operational functions. ▸ Analyzing and reviewing major standard terms and conditions beyond the management authority as per approved Credit Policy ▸ Considering all proposals and increasing their acquisition costs by 10% ▸ Presenting a summary of approved proposals which are within their approval limit ▸ Exercising the delegated authority from time to time ▸ Might delegate its authority to management as it deems it from time to time ▸ Considering other matters submitted by Managing Director	**1**
 **Audit Committee*** Noor Un Nahar – Chairman Kazi Mahbub Masud FCA – Member Mohammad Mostafizur Rahman – Member	▸ Appraising the audit procedures and reviewing the management letter ▸ Assessing the management's compliance with the recommendations made by external auditors. ▸ Making recommendations about the appointment of external auditors ▸ Reviewing rules and regulations set by different regulatory bodies, internal policies and guidelines. ▸ Reviewing and reporting any reflection or irregulates identified by internal and external auditors and Bangladesh Bank inspection team. ▸ Carrying out supervisory activities assigned by the board ▸ Evaluating its own efficiency regularly **NRC (Nomination & Remuneration Committee) Roles & Responsibilities:** ▸ Update of Audit Committee TOR incorporating NRC roles and responsibilities as per Corporate Governance Code 2018 and subsequent directions. ▸ Formulating policies for Board diversity based on experience, gender, education background, and nationality ▸ Developing remuneration structures for directors and top-level executives, ensuring fairness, transparency, and alignment with company performance. ▸ Evaluating and recommending nominations for key leadership roles, ensuring appointments align with IDLC's strategic goals. ▸ Assessing board performance, including the effectiveness of independent directors. ▸ Overseeing and human resource development policies, including training and succession planning.	All 8 meetings including with agenda related to NRC roles and responsibilities
 **Risk Management Committee*** Wasiful Hoq – Chairman Md. Khalilur Rahman – Member Mohammad Mostafizur Rahman – Member	▸ Risk assessment and outline risk mitigation strategies ▸ Restructuring organizational structure to accommodate risk evasive environment ▸ Development and approval of Risk management policy ▸ Outlining information preservation and reporting system ▸ Outlining information preservation and information system.	**4**

* Company secretary acts as the secretary of all the committee meetings

1.15 Management Committee and its Sub-committees

Our Management Committee, shown below, is tasked with setting goals and leading from the front to guarantee that the company's vision and mission are upheld. IDLC's strategic objectives are determined by the Management and its subcommittees based on the Board's excellent direction. These objectives include areas of business focus, policies, monitoring, and process improvements.

MANAGEMENT COMMITTEE

Risk Managed

- Credit Risk
- Market Risk
- Liquidity Risk
- Operational Risk
- Reputation Risk
- Strategic Risk
- Technology Risk
- Legal Risk
- Environment and Social Risk

Meeting Held

WEEKLY

Members

M. Jamal Uddin CEO & Managing Director	**Syed Javed Noor** Additional Managing Director, Head of Business	**Asif Saad Bin Shams** Additional Managing Director. Chief Risk Officer (CRO)	**Mir Tariquzzaman** Deputy Managing Director Chief Technology Officer (CTO)
Indrajit Mallick General Manager, Head of Operations	**Masud Karim Majumder, FCA** General Manager, Group Chief Financial Officer (CFO)	**M. Ataur Rahman Chowdhury** General Manager, Head of Corporate	**Adnan Rashid** General Manager Head of SME
Nurul Karim Patwery, ACMA General Manager Head of Treasury	**Nafius Noor Khan** General Manager Head of Wealth Management	**Mahjebeen Binte Rahman** Deputy General Manager, Dep Head of Consumer Division	**Mahbub-Ul-Kader, CAMS** Deputy General Manager, Group Head of Internal Control and Compliance
Mohammad Abdul Hannan Deputy General Manager. Head of Islamic Finance Window	**Md. Ariful Islam Deputy** General Manager, Group Head of Human Resource	**Mesbah Uddin Ahmed** Managing Director, IDLC Investments Limited	**Md. Mazbaul Haque** Managing Director IDLC Securities Limited
Kazi Mashook ul Haq Managing Director, IDLC Asset Management Limited			

Functions

- Oversee IDLC in accordance with its constitution and applicable laws and regulations
- Oversee ongoing operations
- Segregation of the responsibilities and accountibility of the committee from those of the Executive Officer to ensure governance
- Monitoring achievement against startegic plans and allocated budget
- Making key decisions for the Company's management and operations under the official delgation of authority from the Board.

Notable activities of 2025

- Strategies for maximizing value and sustainable growth
- Maintain sufficient liquidity to meet commitments
- Increased footprint and customer reach
- Focused on digital product penetration and diversity
- Strategies undertaken to boost efficiency, productivity, and control avoidable cost
- Actions to be more socially responsible
- Explore new business avenues.

CREDIT EVALUATION COMMITTEE

Risk Managed

- Credit Risk
- Legal Risk
- Liquidity Risk

Meeting Held

Twice in a Week

Notable activities of 2025

Cumulative exposure above BDT 20 mn

Achievement Highlights

Total Evaluated number of Proposals: 1750

Members

M. Jamal Uddin CFO & Managing Director	**Syed Javed Noor** Additional Managing Director, Head of Business	**Asif Saad Bin Shams** Additional Managing Director Chief Risk Officer (CRO)	**M. Ataur Rahman** Chowdhury Head of Corporate
Masud Karim Majumder, FCA Group Chief Financial Officer (CFO)	**Indrajit Mallick** Head of Operations	**Mahjebeen Binte Rahman** Head of Consumer Division	**Adnan Rashid** Head of SME
Nurul Karim Patwery, ACMA Head of Treasury	**Firuj Hossain** Head of SAM		

Functions

- Evaluates credit proposals from the risk point of view
- Reviews all policies related to underwriting to ensure proper risk management
- Reviews any policy and process related to valuation, vetting, insurance which have implication on overall credit risk management
- Reviews sector-specific portfolio from time to time to mitigate concentration risk.

ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

Risk Managed

- Interest Rate Risk
- Liquidity Risk
- Deposit Concentration Risk
- Maturity Mismatch Risk

Meeting Held

12

Members

M. Jamal Uddin CEO & Managing Director	**Asif Saad Bin Shams** Additional Managing Director. Chief Risk Officer (CRO)	**Syed Javed Noor** Additional Managing Director, Head of Business	**Masud Karim Majumder, FCA** Group Chief Financial Officer (CFO)
Adnan Rashid Head of SME Division	**M. Ataur Rahman Chowdhury** Head of Corporate Division	**Nafius Noor Khan** Head of Wealth Management	**Nurul Karim Patwery (Mamun), ACMA** Head of Treasury
Mahjebeen Binte Rahman Head of Consumer Division	**Md. Ariful Islam** Group Head of Human Resources	**Mohammad Abdul Hannan** Head of Islamic Finance Window	

Achievement Highlights

- Maintained sufficient liquidity buffer throughout the year in the challenging market conditions to support the business growth
- Monthly Loan to fund ratio remained well below 90% against the regulatory threshold of maximum 95%
- Strategic asset-liability mixing for a smooth balance sheet transition. Loan-deposit spread was maintained within the targeted range in rising rate environment
- Islamic Finance Window operated in full swing with market-competitive PSR Ratios for clients
- Deposit regostered a strong positive net inflow at the end of the year despite the challenging macroeconomic persisting in the year.
- During the volatile scenarios where disbursement was halted, optimal & proper fund utlization continued through Government Securities investment

Functions

- To instill a systematic management process for tracking the Balance Sheet risks in a timely manner.
- Regulatory changes and/or changes in economic/political environment.
- To proactively review and manage potential liquidity risk and Interest rate risk which may arise from market movements
- To review and set deposit-pricing and asset-pricing strategy of IDLC. Determine deposits and assets growth in the right bucket for better Asset Liability Management (ALM) of IDLC.
- To ensure compliance with the regulations of Bangladesh Bank in respect of statutory obligations involved within the parameters of Balance Sheet Risks.

Notable activities of 2025

- Maintaining adequate liquidity buffer depending on market outlook
- Keeping liquidity risk, interest rate risk, deposit concentration risk & asset-liability maturity related risk metrics within the regulatory limits;
- Monitoring and exectuting asset and liability repricing appropriately and in a strategic manner to maintain optimal spread
- Continually monitoring the spread movement and presenting forecasts to business units to re-strategize and better their lending opportunities
- Reducing reliance on large corporate deposists and moving to smaller ticket sizes to ensure less volatility in deposit retention
- Ensuring compliance with all ALM ratios
- Remaining active in more secure form of governement investments to make optimal usage of funds while meeting daily business operation requirements;

BASEL COMMITTEE

Risk Managed

- Credit Risk
- Market Risk
- Strategic Risk
- Liquidity Risk

Meeting Held

4

Members

M. Jamal Uddin CFO & Managing Director	**Asif Saad Bin Shams** Additional Managing Director, Chief Risk Officer (CRO)	**Masud Karim Majumder, FCA** Group Chief Financial Officer (CFO)	**Mahbub-Ul-Kader, CAMS** Group Head of Internal Control and Compliance

Functions

- Apply the action plan of BASEL-II and review thereof;
- Communicate issues related to the BASEL-II or any subsequent amendments to the management;
- Assist in carrying out the quantitative impact study (QIS), if necessary;
- Engage in capacity building and training according to the training need assessment for the concerned officials; and
- Establish a planning and supervisory review as required by Pillar-III of BASEL-II framework.

Notable activities of 2025

- Ensuring alignment of business strategies and planning with BASEL guidelines to maintain a healthy Capital Adequacy Ratio (CAR),
- Maintaining strong and growing CAR-Solo-17.82%, Group- 22.30%
- Calculated and planned CAR for the 5 year strategic roadmap.
- Ensuring effective liquidity and capital management based on key ratios
- Assessed market risks and implemented mitigation strategies.

INTEGRITY COMMITTEE

Risk Managed

- Credit Risk
- Liquidity Risk
- Operational Risk
- Strategic Risk
- Market Risk
- Environment and Social Risk

Meeting Held

1

Members

M. Jamal Uddin CEO & Miraging Director	**Asif Saad Bin Shams** Additional Managing Director Chief Risk Officer (CRO)	**Syed Javed Noor** Additional Managing Director, Head of Business	**Md. Ariful Islam** Group Chief of Human Resources
Mahbub-UI-Kader, CAMS Group Head of Internal Control and Compliance			

Functions

- Create awareness on code of integrity and good governance across the company:
- Identify the scopes where efficiency of employee can be developed and arrange appropriate training in this regards,
- Amend existing policies and procedures as per requirements;
- Evaluate and reward the respective employees for integrity and good work;
- Improve e-governance system;
- Implement code of conduct;
- Develop complaint management system.

Notable activities of 2025

- As part of regulatory requirement followed by DFIM Circular No. 3 and amendent of the same in Circular No. 11, the IDLC Finance PLC has presented the awards to three of esteemed awardees in 2025.
- Number of Awardees for 2025-3
- A few instances of misconduct were identified after evaluating the internal processes, which were addressed to maintain the required level of integrity.
- To prevent misconduct and promote integrity, several refresher sessions on the company's Code of Conduct were held, followed by a signed declaration.

CENTRAL COMPLIANCE UNIT (CCU)

Risk Managed

- Money Laundering
- Terrorist Financial Risk

Meeting Held

9

Members

Syed Javed Noor Additional Managing Director, Head of Business	**Asif Saad Bin Shams** Additional Managing Director, Chief Risk Officer (CRO)	**Mahbub-UI-Kader, CAMS** Group Head of Internal Control and Compliance & Chief Anti-Money Laundering Compliance Officer

Functions

- Keeping updated with changes in regulations regarding the combatting of money laundering and terrorist financing, and accordingly adopting changes to IDLC's AML Policy
- Supervising money launderingand terrorist financing control procedures of the company so as to ensure legal and regulatory requirements
- Issuing necessary instructions across the company in line with company policy and Bangladesh Bank directives
- Ensuring that proper KYC along with effective risk assessment and control procedures are in place
- Providing advisory services on various issues linked with alleged money laundering activities or transactions
- Maintaining ongoing awarenesson evolving money laundering risks and their compliance procedures through formal and informal training, workshop and seminars
- Development of adequate testing procedures to detect and prevent lapses in compliance
- Monitoring business activities of branches through AML CFT self-assessment procedure and provide corrective measures.

Notable activities of 2025

- Ensured continued compliance with national AML/CFT laws and regulations;
- Reviewed and approved suspicious transaction and activity reporting:
- Review of organization-wide AML activity report
- Ensured continued process for AML/CFT Training and awareness building
- Ensuring every new employee is accustomed with basic risk mitigation factors at a behavioral level along with complying with the company's code of conduct.
- Number of AML trainings conducted in 2025: 6

IDLC LADIES FORUM

Meeting Held

1

Members

Chairperson - Laila Nasrin Deputy Head of Operations, Head of Operations Control	**Naz Akhter Samina Hussain** (Vice Chairperson) Head of Customer Experience Department (CED)	**Mahjebeen Binte Rahman** (Executive Committee Member) Head of Consumer Division	**Tabassum Abedin Shenjuti** (Executive Committee Member), Acting Head of Administration
Nastaran Tasnim, FCA (Executive Committen Member), Head of Finance	**Nilufa Amin** (Executive Committee Member), Head of Credit Credit Administrations, SME	**Tafriha Kamrul Neha** (Secretary)	(All female of IDLC members)

Functions

- Ensuring all women employees the opportunity for networking and provide a common platfrom to share and raise various issues and problems like discriminations, harrasment, negative attitude towards women and any other issues that may affect women employees within the Company
- Enabling IDLC's management to better understand and adrdess issues and develop strategies accordingly.

Notable activities of 2025

- Ensuring proper management of issues raised.
- Ensuring they have equal opportunities and face no discrimination
- Ensuring implementation of Harrassment Policies

ICT STEERING COMMITTEE

Risk Managed

- Strategic Risk
- Technology Risk
- Operational Risk

Meeting Held

5

Members

M. Jamal Uddin CEO & Managing Director	**Syed Javed Noor** Additional Managing Director, Head of Business	**Asif Saad Bin Shams** Additional Managing Director, Chief Risk Officer (CRO)	**Mir Tariquzzaman** Deputy Managing Director, & Chief Technology Officer (CTO)
Masud Karim Majumder, FCA Group Chief Financial Officer (CFO)	**Md. Ariful Islam** Group Head of Human Resources	**Mahbub-Ul-Kader, CAMS** Group Head of Internal Control and Compliance & Chief Anti-Money Laundering Compliance Officer	**Indrajit Mallick** Head of Opentions
M. Ataur Rahman Chowdhury Head of Corporate	**Adnan Rashid** Head of SME	**Mahjabeen Binte Rahman** Head of Consumer	**Muhammad Sazzad Hossain** Group Head of Enterprise Risk Management
Other Stakeholder as directed by the committee			

Achievement Highlights

- Number of projects evaluated by ICT Steering committee in 2025-11
- Number of projects approved this year - 11
- Number of projects implemented in 2025-6
- Number of projects ongoing from 2025-10

Functions

- Monitor management methods to determine and achieve strategic goals
- Provide guidance related to risk, funding, or sourcing
- Ensure project priorities and assessing feasibility for ICT proposals
- Ensure that all critical technology projects have a component for "project risk management"
- Consult and advise on the selection of technology to be implemented
- Ensure that vulnerability assessment of new technology is performed
- Provide direction and guidance regarding architecture design, need for legislative and regulatory compliance
- Ensure compliance to regulatory and statutory requirements

Notable Activities of 2025

- Approved the project for the year
- Prioritize the IT projects and resource assignment for the approved projects
- Take the status update of the ongoing IT projects
- Provide necessary guidance to ensure compliance

WHISTLE BLOWING COMMITTEE

Meeting Held

3

Members

M. Jamal Uddin Group CEO & Managing Director	**Mahbub-Ul-Kader CAMS** Group Head of Internal Control and Compliance & Chief Anti-Money Laundering Compliance Officer

Functions

- Review of issues bought out by the whistle blower
- Formulation of investigation committee to investigate the matter reported by a whistle blower
- Overseeing investigation report and take corrective and remedial measures accordingly

RISK MANAGEMENT FORUM

Risk Managed

- Credit Risk
- Market Risk
- Liquidity Risk
- Operational Risk
- Reputational Risk
- Strategic Risk
- Capital Managerment
- Legal & Compliance Risk
- Environment & Social Risk

Meeting Held

12

Members

Asif Saad Bin Shams Additional Managing Director. Chief Risk Officer (CRO)	**Syed Javed Noor** Additional Managing Director, Head of Business	**Indrajit Mallick** Head of Operations	**Masud Karim Majumder FCA** Group Chief Financial Officer (CFO)
Adnan Rashid Head of SME	**Mahjebeen Binte Rahman** Head of Consumer	**Mahbub-Ul-Kader CAMS** Group Head of Internal Control and Compliance & Chief Anti-Money Laundering Compliance Officer	**Nurul Karim Patwery ACMA** Head of Treasury
Nafius Noor Khan Head of Wealth Managernerit	**Firuj Hossain** Head of Special Asset Management	**Md. Masud Rana** Head of CRM, Corporate	**Mohammad Abdul Hannan** Head of Islamic Finance Window
Muhammad Sazzad Hossain Group Head of Enterprise Risk management	**Sheikh Abdul Ahad Md. Sadeki** Head of CRM, Consumer	**Md. Arifur Rahman** Senior Credit Manager, Corporate	

Achievement Highlights

- Ensured Overall risk monitoring and strategy development across the Company
- Undertaking risk analysis and recommending measures, as deemed necessary, for management of relevant risks
- Overviewing activities of Financial Risk Management (FRM) Desk
- Reviewed Quarterly Risk Management Paper
- Regular monitoring of financial risks escalated by Unit Financial Risk Managers (UFRMs)
- Enhanced scrutinization procedure for potential credit distress in portfolio
- Enhanced control and monitoring through approved internal proceduresand services
- Enhanced monitoring to assess risk more dynamically and granularly, based on the latest and most relevant economic and market data
- Supervised adherence to regulatory rules and regulations

Functions

- Design overall risk management strategy
- Communicate views of the Board and senior management regarding the risk management culture and risk appetite across the company
- Prepare risk management policies and procedures
- Monitor the prescribed/ threshold limits o risk appetite
- Develop and observe the use of models to measure and monitor risks
- Develop and oversee implementation of stress testing
- Oversee the capital management unctions in accordance with the risk based capital adequacy measurement accord, i.e. BASEL II
- Implement action plans and guidelines relating to inancial risk management suggested by Risk Management Committee (RMC)
- Highlight risks in portolios and deiciencies of the Company on a timely manner
- Review market conditions, identiy external threats and provide recommendations or precautionary measures
- Develop overall inarmation system/ MIS to support the risk management unctions of the company

CYBER SECURITY MANAGEMENT COMMITTEE

Risk Managed

- Cyber Risk
- Operational Risk

Meeting Held

2

Achievement Highlights

Provided strategic guidance to enhance cybersecurity, reviewed key security initiatives, assessed VAPT reports, monitored backup & restoration processes, and approved managed SOC service.

Members

Indrajit Mallick Head of Operations	**Masud Karim Majumder, FCA** Group Chief Financial Officer (CFO)	**Mahbub-Ul-Kader, CAMS** Group Head of Internal Control and Compliance & Chief Anti-Money Laundering Compliance Officer
Laila Nasrin Deputy Head of Operations, Head of Operations Control	**Muhammad Sazzad Hossain** Group Head of Enterprise Risk Management	

Advisors

M. Jamal Uddin CEO & Managing Director	**Asif Saad Bin Shams** Additional Managing Director & Chief Risk Officer (CRC)	**Mir Tariquzzaman** Deputy Managing Director, Chiel Technology Officer (CTO)	**Other Stakeholder as directed by the committee**

Functions

- Monitoring and reviewing the tasks related to cyber security
- Monitoring and reviewing taks related to data protection and data security (Data backup & restoration)
- Appraise Board of Directors on the overall ICT security including cyber security related status
- Appraise Board of Directors on the overall data protection & data security related activities.

Notable Activities of 2025

- Provided necessary guidance to enhance Cyber security risk and mitigate the Cyber risks
- Reviewed new and ongoing cybersecurity initiatives
- Reviewed Vulnerability Assessment and Penetration Testing (VAPT) Report
- Reviewed Backup & Restoration Process and Status
- Provided the necessary guidance to implement a managed Security Operations Centre (SOC) service

ICT SECURITY AND RISK MANAGEMENT COMMITTEE

Risk Managed

- Technology Risk
- Operational Risk

Meeting Held

2

Members

Asif Saad Bin Shams Additional Managing Director. Chief llisk Officer (CRO)	**Mir Tariquzzaman** Chief technilogy Officer (CTO)	**Indrajit Mallick** Head of Operations	**Masud Karim Majumder, FCA** Group Chiet Financial Officer (CFO)
Mahbub-Ul-Kader, CAMS Group Head of Intermal Control and Compliance & Chief Anti-Money Laundering Compliance Officer	**Muhammad Sazzad Hossain** Group Head of Enterprise Risk Management	**Other Stakeholder as directed by the committee**	

Achievement Highlights

Conducted comprehensive reviews of ICT policies, security controls, risk assessments, and audit reports while ensuring compliance, prioritizing ICT security projects, and tracking audit action items.

Functions

- Ensure development and implementation of ICT security objectives, ICT security related policies and procedures
- Provide ongoing management support to the Information security processes
- Ensure continued compliance with the business objectives, regulatory and legal requirements related to ICT security
- Support to formulate ICT risk management framework/process and to establish acceptable ICT risk thresholds/ICT risk apatite and assurance requirements

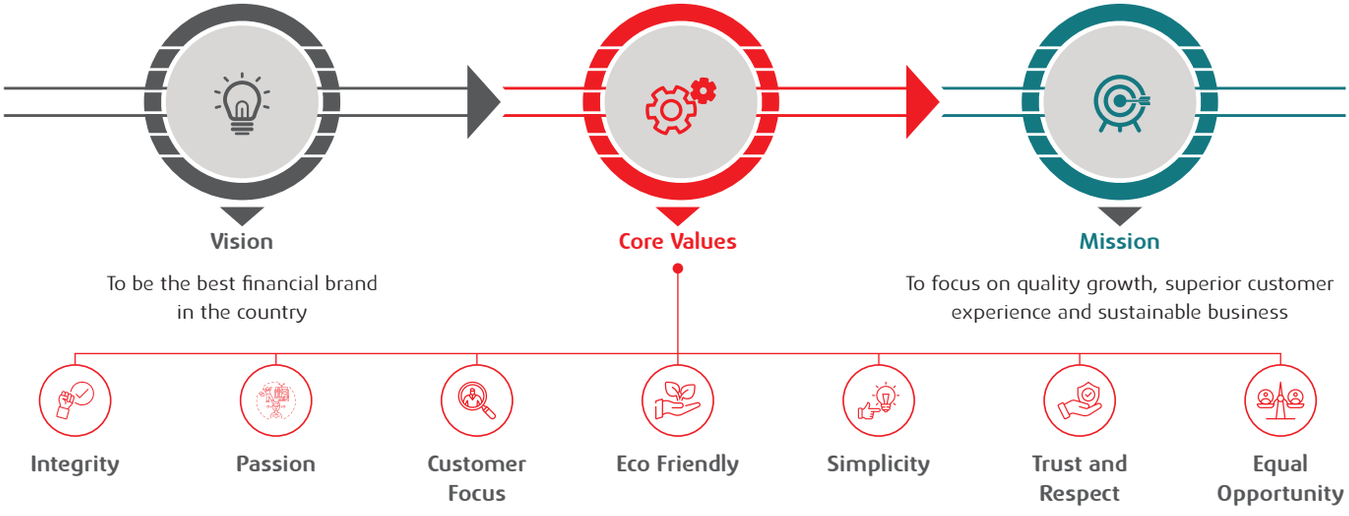
Notable Activities of 2025

- Reviewed ICT Management and Information Security Policy
- Reviewed system seurity control implementations.
- Reviwed Risk Assesment and Treatment Report
- Reviewed Internal and External Audit Report on Information Security Management System (ISMS)
- Take status update of the action items of last IT audit
- Prioritize the ICT Security and Risk Managerment projects and resource assignment for the approved projects
- Provided necessary guidance to ensure compliance

2.0 IDLC's Mission, Vision and Strategies

2.1 Board-approved Vision and Mission Statements of the Company

The Board of Directors, at its 193rd meeting held on May 13, 2012, redefined the Company's vision, mission, strategic objectives and value statements. Adhering to our value statements, we are driving towards our vision



Our vision, mission, strategic objectives and value statements are depicted on page 144 of this annual report.

2.2 Business Objectives and Areas of Business Focus

Our business objectives have been explained in detail in the section 'Strategy and Resource Allocation' on page 144.

2.3 Strategies to Achieve the Company's Business Objectives

Aligned with our focus on enhancing shareholder communication and reporting our progress and prospects on an ongoing basis, we describe our strategy, resource allocation approach and our upcoming plans to achieve our business objectives on page 144 of this annual report.

3.0 Advancing with E-Corporate Governance System

Corporate Governance encompasses the integrated policies, principles, and practices designed to regulate and oversee an organization's conduct. At IDLC, the primary objective of our governance framework is to enhance transparent communication between the Board of Directors and our shareholders.

While IDLC had established electronic platforms for governance and compliance monitoring prior to the global health crisis, the transition to large-scale digital integration accelerated during the COVID-19 pandemic. This digital legacy has since evolved into a seamless, permanent feature of our operational culture. By optimizing e-governance, we significantly enhance our ability to monitor management's efficacy and operational efficiency. The strategic adoption of information technology remains a key driver in increasing corporate transparency and ensuring long-term institutional agility.

3.1 Optimization of Shareholder Data Management, Dividend & Meeting Process through Automation

3.1.1. Shareholder Data Management

IDLC utilizes a proprietary, in-house developed management information system (MIS) specifically engineered to oversee all shareholder-related data. This robust software infrastructure enables the Company to maintain a granular and comprehensive audit trail of shareholder information, ensuring rapid data retrieval and the highest standards of record-keeping accuracy. By leveraging this customized digital solution, IDLC enhances its capacity to manage investor relations with precision and institutional transparency.



- Track down any shareholder at a specific point in time
- Fetch data related to his/her holding of shares
- Year-wise dividend
- Payment status

4.0 Executive Committee

REPORT OF THE EXECUTIVE COMMITTEE

Scope of work of the Executive Committee

The scope of the Executive Committee ("the Committee") of IDLC Finance PLC. is determined by its Terms of Reference (ToR) which, in turn, are shaped by directives from its principal regulators, Bangladesh Bank.

Executive Committee (EC) at IDLC, a Subsidiary Committee of the Board, is to assist the Board of Directors to exercise oversight over of corporate plans, budgets, legal matters, and funding activities, review and approval of financing proposals exceeding management's authority, as per Board-approved credit policies, evaluate climate-related risks and opportunities as outlined in Annexure I, subject to updates per Bangladesh Bank guidelines.

Meetings of the Executive Committee:

The Committee met one (1) time during the year 2025 and carried out under its DLA tasks:

- Reviewed and approved of financing proposals, i.e., Term Loan facilities, Short Term Loan facilities, New Home Loan, New Car Loan facilities exceeding, Management's Authority, as per Board approved credit policies.



Acknowledgement

The Executive Committee of IDLC's Board of Directors extends its heartfelt appreciation to the members of the Board, the Management Committee, and their unwavering and constructive support.

We look forward to a continued cooperation and support for review and approval of financing proposals.

On behalf of the Executive Committee,

Akhtar Ahmed
Chairman, Executive Committee

The Executive Committee (EC) is a sub-committee of the Board and was established during the 165th Meeting of the Board of IDLC Finance PLC. held on August 26, 2009, in accordance with the prudential guidelines of Bangladesh Bank. As stipulated in clause 11.1 of Bangladesh Bank's DFIM Circular No. 1 dated February 29, 2024, certain members of the Board shall serve on the Executive Committee and perform their responsibilities in accordance with the procedures approved by the Board.

4.1 Appointment of Members and Composition of the Executive Committee

The Executive Committee of IDLC is a sub-committee of the Board constituted in compliance with the prudential guidelines issued by Bangladesh Bank and Bangladesh Bank's DFIM Circular No. 1 dated February 29, 2024. All members of the Committee are selected from among the members of the Board of Directors, taking into consideration their knowledge and expertise related to the Finance Company Act, 2023, other applicable laws and regulations, and matters relating to finance company business and management.

4.2 Composition of the Executive Committee

- Members of the Committee shall be nominated by the Board of Directors from among its members. The Committee shall consist of up to five (5) members, including at least one (1) Independent Director.
- No more than one member from the same family shall serve on the Committee at the same time.
- Members of the Committee shall serve for a term of three (3) years.
- The Company Secretary shall act as the Secretary to the Committee.
- The Committee may invite any official of IDLC to attend its meetings in relation to specific agenda items.

4.3 Chairman of the Executive Committee

One member of the Committee shall be elected as the Chairman of the Executive Committee for a term of three (3) years.

4.4 Qualification of the Chairman of the Executive Committee

The Chairman of the Executive Committee shall be selected from among the Non-Executive Directors of the Board and must possess a sound understanding of the Finance Companies Act, 2023 and other relevant regulations.

4.5 Eligibilities to be a Member of the Committee

- Members should demonstrate integrity, commitment, and the capacity to dedicate sufficient time to the activities of the Committee.
- Members should have a strong understanding of the Finance Companies Act, 2023, relevant regulations, risk management practices, and their responsibilities as members of the Committee.
- Individuals capable of making meaningful and effective contributions to the Committee's functions shall be prioritized.

4.6 Holding of the Executive Committee Meeting during 2025

Meetings of the Executive Committee may be convened as required to discharge its responsibilities. During the year ended 31 December 2025, the Committee held one (1) meeting. Details of the meetings held, and the attendance of members are disclosed in Annexure II of the Directors' Report on page 289.

4.7 Quorum of the Executive Committee Meetings

The quorum required for a meeting of the Executive Committee shall be two (2) members. The Company Secretary shall act as the Secretary to the Committee.

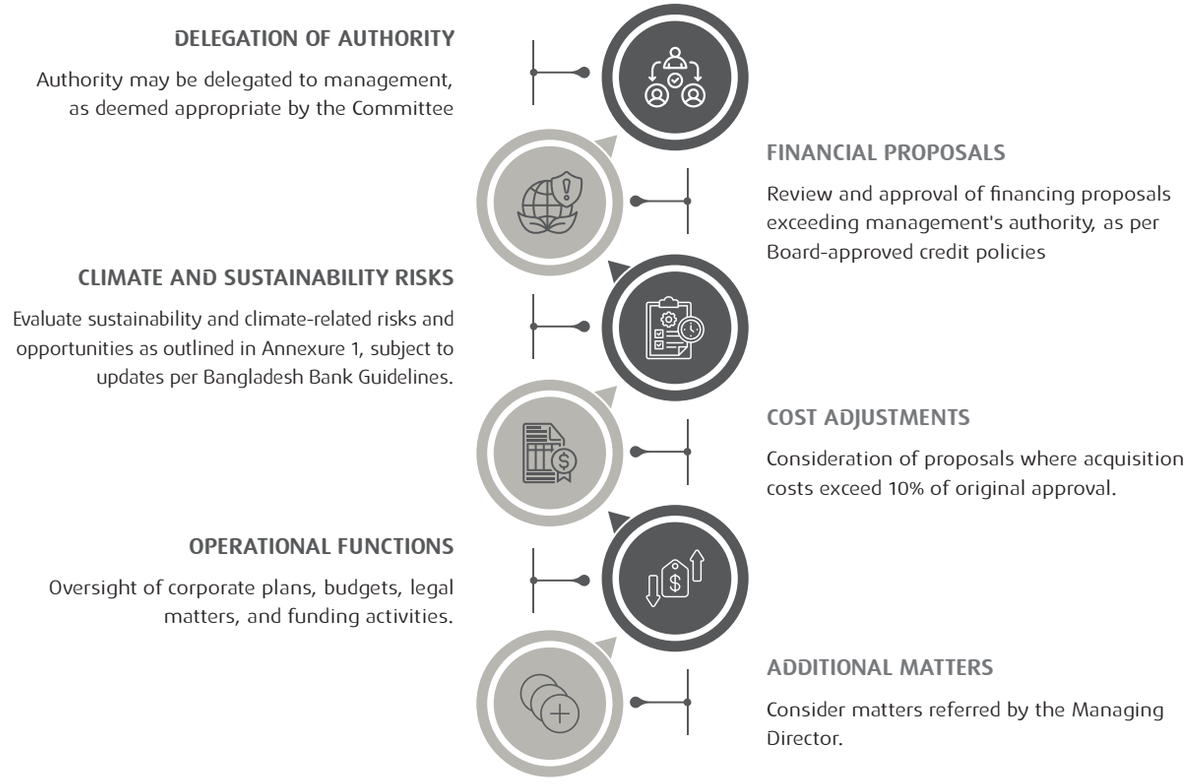
4.8 Roles and Responsibilities of the Executive Committee

- The Executive Committee shall perform duties and take decisions on matters delegated by the Board, except those matters which are specifically reserved for the Board under applicable directives, regulations, acts, or instructions issued by the Regulatory Authority governing finance companies.
- The Committee may take necessary decisions or provide approvals within the authority delegated by the Board.
- Any decision taken by the Committee shall be placed for ratification at the next meeting of the Board of Directors.



4.9 Terms of Reference of Executive Committee:

According to the Terms of Reference (ToR) of the executive committee, its principal duties and responsibilities in respect in the following aspects:



The Executive Committee (EC) considers the following climate-related risks when formulating policies and making strategic decisions, including financing decisions:

Physical Risks

- Assessment of whether acute climate-related events such as floods, droughts, and similar occurrences could adversely affect the asset (including client businesses, company assets, etc.).
- Evaluation of whether the asset (client business/company asset, etc.) is in areas vulnerable to rising sea levels, global warming, or other climate-related changes, which could disrupt operations and affect the long-term sustainability of the business.

Transition Risks

- Market -The likelihood of customer demand shifting toward sectors with lower carbon intensity and reduced pollution levels.

5.0 Audit Committee



Acknowledgement

The Audit Committee of IDLC Finance PLC. wishes to record its profound appreciation for the collective dedication of the Board of Directors and the Internal Control & Compliance team. Their steadfast commitment and constructive collaboration have been fundamental in upholding the highest standards of governance, transparency, and operational integrity throughout 2025.

On behalf of the Audit Committee,

Noor Un Nahar
Chairman, Audit Committee

Scope of Work of the Audit Committee

The scope of the Audit Committee ("the Committee") of IDLC Finance PLC. is determined by its Terms of Reference (ToR) which, in turn, are shaped by directives from its principal regulators, Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC). These include, but are not limited to, exercising oversight over:

- The internal control system of the company
- Financial reporting
- The Internal Control and Compliance department
- Compliance with regulatory requirements
- Nomination & remuneration policies, practices and procedures

The Committee is authorized to investigate any matter within its terms of reference, access all documents and information of the company, seek information from any director or employee of the Group, and co-opt any resources (including external professional assistance) it sees fit to fulfill its duties. However, the Committee has no executive function, and its primary objective is to review and challenge and recommend, as it sees fit, rather than assume responsibility for any matters within its remit.

The Committee presents a summary of its activities to shareholders and other interested parties by means of this report, and the Committee Chairman attends all general meetings of the Company's shareholders to answer any questions on the Committee's activities

Review of financial statements by the Audit Committee

The Audit Committee reviewed the quarterly and annual financial statements of the company for the year 2025 and placed its recommendations to the Board of Directors.

Review of the Activities of Internal Control and Compliance (ICC)

The major activities undertaken by the ICC department during the year included the following:

- Execution of risk-based annual audit plan 2025
- Conducting investigations as and when required
- Review of internal control system
- Issuance of responses to inquiries by regulators and other government agencies
- Coordination of regulatory inspections and statutory external audit
- Coordination of management responses to the external audit and to regulatory inspection reports
- Management of IDLC Complaint Cell
- Monitoring of anti-money laundering (AML) and combating the financing of terrorism (CFT) compliance activities
- Continual review of loan/lease classification process and ensure proper provisioning of non-performing loan/lease
- Facilitation of, and participating in, Audit Committee meetings

In addition to the above regular activities, the department also carried out the following development functions during the year:

- Reviewed and provided value-added input on new policies and procedures proposed by the various IDLC departments.
- Conducted in-house fresher and refreshers training program on AML/CFT regulations as part of overall awareness building efforts.

All the above enabled the Committee to evaluate major risk areas, issue broad-level guidance for management to ensure effective controls are in place and to provide accurate, appropriate and timely information to the Board of Directors, regulatory bodies and shareholders.

External Audit

A. Qasem & Co., Chartered Accountants, acted as statutory external auditors of the company for 2025. Prior to finalization of the consolidated financial statements of the company for the year ended 31 December 2025, the Audit Committee sat with the statutory auditors to discuss their audit of the same.

Independence of External Auditors

The Committee prohibits the external auditors from performing any work that they may subsequently need to audit, or which might otherwise create a conflict of interest. The Committee also monitors the balance between audit and non-audit related functions to ensure that auditor independence can be shown to be maintained.

The external auditors are not engaged by the company in any material non-audit work such as:

- Appraisal or valuation services or fairness opinions.
- Financial information systems design and implementation.
- Book-keeping or other services related to the accounting records or financial statements;
- Broker-dealer services
- Actuarial services;
- Internal audit services

The Audit Committee appraised the expertise, resources,

independence and objectivity of the external auditors and also reviewed their effectiveness as external auditors.

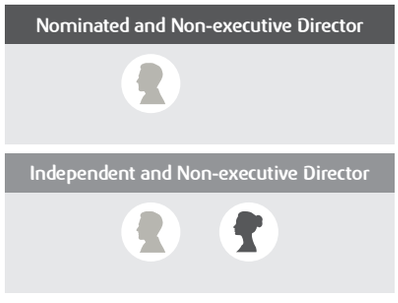
Resolutions of the Audit Committee Meeting

The Committee met Eight (8) times during the year 2025 and carried out the following tasks:

- Reviewed the audited consolidated financial statements of IDLC Finance PLC. ("IDLC") as well as the audited separate financial statements of IDLC and its subsidiaries for the year ended December 31, 2024;
- Conducted discussions with the Bangladesh Bank, statutory auditors and management, on the audited financial statements of the company and its subsidiaries for the year ended December 31, 2024, before concluding that the audited financial statements provided a true and fair view;
- Reviewed report of Management Discussion and Analysis 2024 prior to its publication in the Annual Report 2024;
- Reviewed loan classification process with provision requirement for the year ended December 31, 2024;
- Reviewed report of the Audit Committee for 2024 for publication in the Annual Report 2024;
- Reviewed and approved Annual Risk-based Audit Plan 2026 of the Internal Control & Compliance department
- Reviewed compliance report on Bangladesh Bank's comprehensive inspection report on Corporate Head Office of IDLC Finance PLC. based on December 31, 2024;
- Recommended for appointment of statutory auditors for the year 2025 and for fixation of their remuneration;
- Recommended for appointment of auditors for certification on compliance with the conditions of Corporate Governance Guideline (CGG) for the year 2025 and for fixation of their remuneration;
- Recommended for appointment of Independent Scrutinizer to authenticate the election process and voting result of 40th Annual General Meeting as per the BSEC directive;
- Reviewed the quarterly unaudited financial statements of IDLC Finance PLC. and its subsidiaries for the quarters ended 31 March 2025, 30 June 2025 and 30 September 2025 respectively;
- Reviewed classification process with provision requirement for the quarters ended on March 31, 2025, June 30, 2025, and September 30, 2025, respectively
- Reviewed the half-yearly Anti-Money Laundering (AML) compliance activity report of IDLC Finance PLC. for the half year ended December 31, 2024, and 30 June 2025;
- Reviewed the quarterly Internal Control & Compliance reports for the quarters ended on December 31, 2024, March 31, 2025, June 30, 2025, September 30, 2025, respectively;
- Reviewed Quarterly Willful Defaulter Report to DFIM and CIB Unit of Bangladesh Bank for the Quarters ended December 31, 2024, March 31, 2025, June 30, 2025, September 30, 2025, respectively;
- Reviewed Management Report issued By A. Qasem & Co., Chartered Accountants, statutory auditors of the company, based on their annual audit of the financial statements of IDLC Finance PLC. for the year ended December 31, 2024;
- Reviewed and approved the Policy regarding identifying the Company's Needs for Employees at Different Levels and Determine their Selection, Transfer or Replacement and Promotion Criteria;
- Reviewed and Approved the Policy for Nomination and Remuneration for the Board of Directors of IDLC Finance PLC.;
- Reviewed Bangladesh Bank's re-compliance letter dated August 25, 2025, on Bangladesh Bank FIID Comprehensive Inspection Report on Head Office of IDLC Finance PLC. based on 31.12.2023.
- Reviewed the Nomination and Remuneration Policy and Status during the year 2024 at a glance to be disclosed in the Annual Report;
- Reviewed Bangladesh Bank's Quick Summary Report on FICL of IDLC Finance PLC. based on the financials as of December 31, 2024
- Reviewed other matters of interest arising during the year ended 31 December 2025.

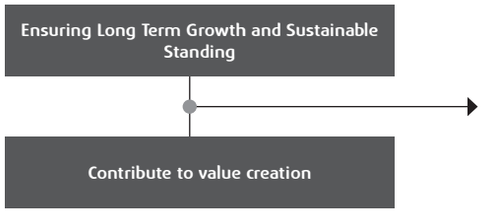
Based on its reviews and the discussions mentioned above, the Audit Committee is satisfied that the internal control and compliance framework of the company is adequate to ensure the fair and accurate presentation of the company's financial performance and activities, and that assets are properly safeguarded against business and operational risks.

Audit Committee Composition



Area of Expertise





Key Functions

Ensuring appropriate internal control and Compliance	Mitigating Risks Establishing Accountability and Transparency	Upholding Core Values of ▸ Integrity ▸ Trust ▸ Respect

5.1 Appointment of Members and Composition of the Audit Committee

IDLC's Audit Committee is a sub-committee of the Board established in accordance with the requirements of DFIM Circular No. 1 dated February 29, 2024 of Bangladesh Bank (previously complying with all relevant Bangladesh Bank circulars), the BSEC Revised Corporate Governance Code (CGC) under notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018, including its subsequent amendments, and internationally recognized corporate governance best practices.

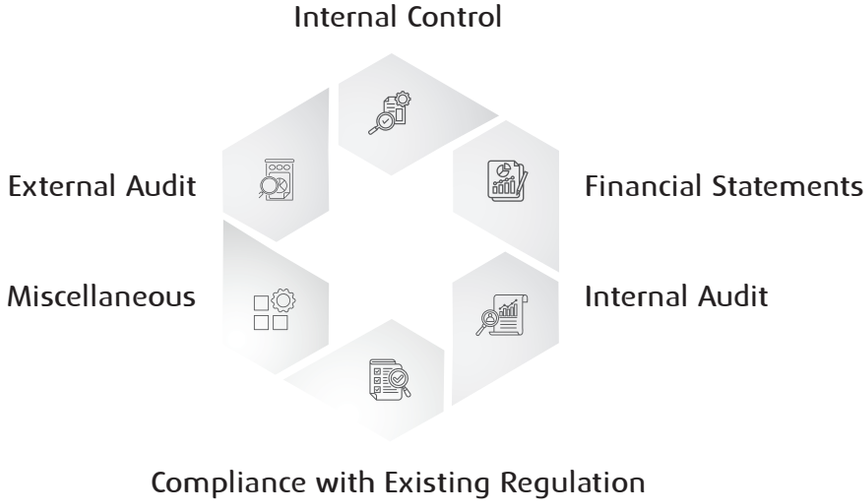
5.2 Qualification of the Chairman of the Audit Committee

The Chairman of the Audit Committee, Mrs. Noor Un Nahar, is an Independent and Non-Executive Director with extensive experience. Her qualifications are detailed in the brief profile on page 62 of this annual report. All Committee members are 'financially literate' as defined under the Corporate Governance Code. In the absence of the Chairman, the remaining members may elect one among themselves to chair that meeting. In such cases, the quorum requirement under condition No. 5(4)(b) which mandates the presence of an independent director will still be fulfilled, and the reason for the regular Chairman's absence will be properly recorded in the minutes.

Chairman of the Audit Committee shall Remain Present in the Annual General Meeting (AGM):

- Provided that in absence of Chairman of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the
- AGM and reason for absence of the Chairman of the Audit Committee shall be recorded in the minutes of the AGM.

5.3 Terms of Reference of Audit Committee – Empowering to Investigate Employees and Retain External Counsel



According to the revised Terms of Reference (ToR) of the Audit Committee, its principal duties and responsibilities in respect of the following aspects

Compliance with existing regulations

Reviewing whether the rules and regulations set by regulatory authorities (Bangladesh Bank and other regulatory bodies)as well as internal policies and guidelines approved by the Board of Directors are being complied with Compliance

Compliance with existing regulations

1. Reviewing whether financial statements were prepared in compliance with all directives and guidelines prescribed by the Bangladesh Bank and other applicable standards
2. Engaging in discussions with external auditors and the management prior to the finalization of the financial statements
3. Attending and answering questionsrelated to accounts and audit at the AGM.

Internal Control

1. Evaluating whether the management:
   a. Has an appropriate internal control and compliance culturewith regards to risk management, including approval of the Internal Audit and Compliance Plan
   b. Has clearly defined the duties and responsibilitiesof officials
   c. Has full control over the operations of the Company
2. Reviewing the appropriateness of managernent information system (MIS) including information technology system and its use
3. Reviewing whetherthe management is complying with the recommendations made by internaland external auditors
4. Reviewing existingrisk management procedures to ensure that processes are effectively run within the Company
5. Reviewing all fraud, forgery and internal control weaknesses discovered by internal, external or regulatory auditors

Internal Audit

1. Reviewing the activities and organizational structure of internal audit and ensuring that there is no barrier or limitation to the performance of an independent internal audit
2. Assessing the efficiency and effectiveness of internal audit
3. Assessing whether the management is appropriately considering compliance of recommendations made by the internal auditors with regards to the observations identified by them

External Audit

1. Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board;
2. Review the Management's Discussion and Analysis before disclosing in the Annual Report;
3. Appraising the audit procedures and reviewing the management letter submitted by externalauditors;
4. Assessing whether the management has appropriately considered the observations and recommendations made by the externalauditors;
5. Oversee the determination of audit for effective audit and evaluate the performance of external auditors: and
6. Placing recommendations to the Board of Directors regarding the appointment of external auditor

5.4 Composition of the Audit Committee

5.4.1 Composition Consisting of an Independent Director and Non-Executive Directors

In compliance with the BSEC Corporate Governance Code and DFIM Circular No. 1 dated February 29, 2024 (previously adhering to all relevant Bangladesh Bank circulars), the Committee is chaired by an Independent Director and consists of five (5) non-executive members of the Board. A quorum cannot be formed unless the Independent Director is present. The Company Secretary serves as the Secretary to the Audit Committee.

5.4.2 Relevant Expertise of the Committee

All five members of the Committee possess extensive professional experience in finance, accounting, and auditing. Among them, Mr. Kazi Mahbub Masud, a Fellow member of the ICAB and an Associate member of ICMAB, holds the requisite specialized expertise for this role. The detailed qualifications and profiles of the Committee members are provided on pages 59-62 of this Annual Report.

5.4.3 Accessibility of Head of Internal Audit to the Meeting of the Audit Committee

The Head of Internal Control and Compliance has direct access to the Audit Committee, which is directly accountable to the Board.

5.4.4 Holding of the Audit Committee Meeting during 2025

According to its Terms of Reference, the BSEC Corporate Governance Code dated 03 June 2018, and DFIM Circular No. 1 dated February 29, 2024 (previously complying with all applicable Bangladesh Bank circulars), the Audit Committee must hold at least four (4) meetings annually. For the year ended 31 December 2025, the Committee held eight (8) meetings. Details of these meetings and members' attendance are provided in Annexure II of the Directors' Report on page 289.

5.5 Quorum of the Audit Committee Meetings

As per the BSEC Corporate Governance Code dated 03 June 2018, the quorum for an Audit Committee meeting shall be two members of the Committee members, with the mandatory presence of an Independent Director. The Company Secretary shall act as the Secretary of the Committee.

5.6 The Audit Committee and Internal Control and Compliance

The Internal Control and Compliance (ICC) department of IDLC is responsible for conducting routine audits of all operational units in addition to evaluating the company's internal control system. The Head of ICC (HoICC), in addition to having a direct reporting line to the CEO and Managing Director, also has access to the Audit Committee, demonstrating ICC's operational independence. Its members are not invited in the Company's operational activities. The ICC annual audit plan must be approved by the Audit Committee, which is also in charge of monitoring the plan's subsequent execution. The Committee regularly reviews the internal audit reports or summaries that the ICC has prepared.

5.7 The Audit Committee and Internal Control and Compliance

The Internal Control and Compliance (ICC) department of IDLC is responsible for conducting routine audits of all operational units in addition to evaluating the company's internal control system. The Head of ICC (HoICC), in addition to having a direct reporting line in the CEO and Managing Director, also has access to the Audit Committee, demonstrating ICC's operational activities. The ICC annual audit plan must be approved by the Audit Committee, which is also in charge of monitoring the plan's subsequent execution. The Committee regularly reviews the internal audit reports or summaries that the ICC has prepared.

5.8 Reporting of the Audit Committee

The Audit Committee reports directly to the Board of Directors and, under specific circumstances, may also report to the Bangladesh Securities and Exchange Commission (BSEC).

Immediate Reporting to the Board of Directors

The Audit Committee is required to report promptly to the Board of Directors in the following situations:

1. Any conflict of interest.
2. Any suspected or presumed fraud, irregularity, or significant weakness in the internal control system.
3. Any suspected violation of laws, including securities-related laws, rules, and regulations; and
4. Any other matter that requires immediate disclosure to the Board of Directors.

No such matters arose at IDLC during the year ended 31 December 2025.

Immediate Reporting to the Bangladesh Securities and Exchange Commission

If the Audit Committee reports to the Board of Directors on an issue that materially affects the financial condition or operational results of the company, and the Committee observes that appropriate corrective actions have been unreasonably disregarded, the Committee shall report its findings to the BSEC. No such circumstances occurred during the year ended 31 December 2025.

5.9 Objectives of the Audit Committee

To ensure that the financial statements present an accurate and fair view of the company's position, the Audit Committee works closely with the Board of Directors to review significant accounting and reporting matters, including newly issued professional standards and regulatory pronouncements. In doing so, the Committee ensures that appropriate monitoring and oversight mechanisms are effectively established and maintained across the organization.

The Committee has also undertaken a comprehensive review of the company's internal control framework, reinforcing its commitment to sound governance and risk management practices. In addition, it holds responsibility for recommending the appointment of external auditors, determining their remuneration, and overseeing their performance to ensure independence, objectivity, and audit quality.

The primary responsibilities of the Audit Committee include overseeing IDLC's risk management processes, internal control systems, financial reporting practices, and compliance with applicable regulatory requirements. However, the Committee does not perform executive functions; rather, its principal role is to review, evaluate, and constructively challenge matters within its scope, without assuming operational responsibility.

Oversight of executive remuneration, including the Managing Director's salary and director fees, is exercised by the Board, with the Audit Committee performing the functions of the Nomination and Remuneration Committee. The Board ensures that total compensation–comprising salary, benefits, and director fees–is appropriate, transparent, and aligned with both performance outcomes and regulatory guidelines, including the Finance Company Act 2023 and Bangladesh Bank directives.

5.10.1 Internal Controls are Well Conceived, Properly Administered and Satisfactorily Monitored

Based on its review of the activities carried out by the ICC department during 2025, the Audit Committee believes that the internal control and compliance mechanisms are appropriately designed, effectively implemented, and adequately monitored. This assessment is reflected in the Audit Committee Report presented on page 275 of this Annual Report.

5.10.2 Ensuring Compliance with Laws, Regulations and Timely Settlements of Statutory Dues

Ensuring compliance is a primary goal for IDLC in maintaining sustainable business operations. The company makes continuous efforts to adhere to all applicable laws and regulatory requirements, including the timely submission of regulatory reports and settlement of statutory obligations.

5.10.3 Audit Committee's Involvement in the Review of the External Audit Functions

Based on the recommendation of the Audit Committee, the Board of Directors proposed the appointment of A. Qasem & Co., Chartered Accountants, a chartered accounting firm in Bangladesh, as the statutory external auditors of the company for the year 2025 at the 40th Annual General Meeting (AGM). The shareholders subsequently approved of this appointment.

Prior to their engagement as statutory auditors, a declaration confirming their independence from IDLC was obtained in accordance with DFIM Circular No. 04 dated April 30, 2015, issued by Bangladesh Bank.

In compliance with the Corporate Governance Code of BSEC, the statutory auditors did not perform any services other than the statutory audit. Throughout their engagement, the ICC department coordinated and reviewed their activities and reported the findings to the Audit Committee.

Before the financial statements were presented to the Board of Directors, the Audit Committee reviewed the auditors' activities and held discussions with them at its rr meeting held on March 16, 2026. Both the Committee and the auditors expressed satisfaction regarding the audit process and outcome.

Key Functions of Audit Committee



Activities undertaken in 2025

The key activities performed by Audit Committee have been detailed on page 275 in the Statement of Audit Committee.

5.10.4 Selection of Appropriate Accounting Policies

During its review of the financial statements for 2025, the Audit Committee confirmed that the statements were prepared using appropriate accounting policies consistent with the applicable accounting standards adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). These policies and the resulting financial statements were also examined and validated by the statutory auditors, as reflected in their report on page 313 of this Annual Report.

5.10.5 Review of Interim Financial Statements before presenting them to the Board for Authentication

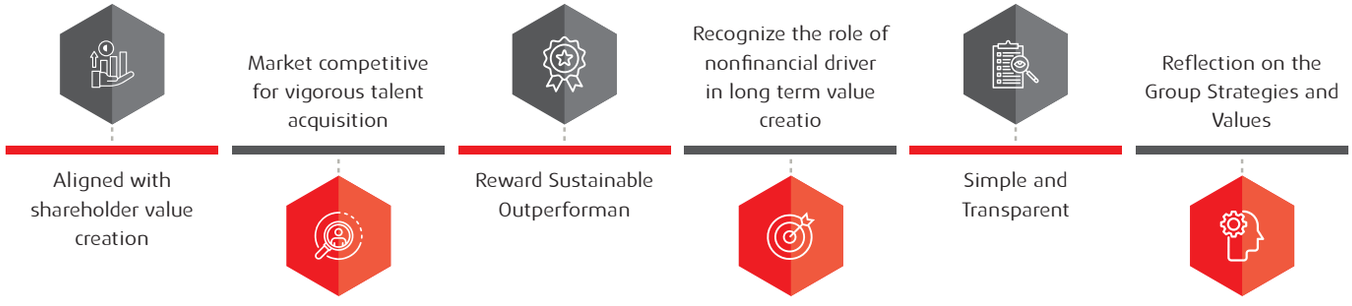
In accordance with Bangladesh Bank DFIM Circular No. 1 dated February 29, 2024 (and previously in compliance with all relevant Bangladesh Bank circulars), as well as the Terms of Reference (ToR) of the Audit Committee, the Committee reviews the interim financial statements prior to their submission to the Board of Directors for authentication.

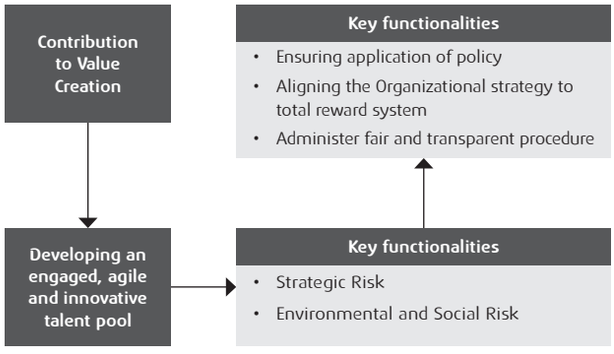
5.10.6 Review of Reliability of Management Information used for Such Computation

The Audit Committee, together with the Board, is satisfied with the accuracy and reliability of the management information used in preparing the financial statements. This confidence is based on the effectiveness of the internal control framework, its proper implementation, and the measures adopted to mitigate risks related to fraud and forgery. The statutory auditors have also expressed their satisfaction in this regard, as documented in their report on page 313 of this Annual Report.

5.10 Nomination and Remuneration

Our Remuneration Principles





Core area of expertise of the members of the committee



In compliance with Bangladesh Bank DFIM circular letter no. 18 dated 21 May 2024, the roles and responsibilities of the Nominations and Remuneration Committee (NRC), as outlined in the Corporate Governance Code 2018 (amended in 2023), is performed by the Audit Committee for Finance Companies. As part of the role, the committee assists the Board of Directors in fulfilling its oversight responsibilities related to nomination and remuneration policies, practices, and procedures of IDLC Finance PLC.

5.11.1 Philosophy and Principles of Remuneration

Our remuneration philosophy aims to foster a high-performance culture that supports sustainable shareholder returns and long-term strategic objectives while remaining within an appropriate risk tolerance level. This compensation approach is implemented in a fair, responsible, and transparent manner across all employee levels. By adopting a comprehensive framework that integrates both financial and non-financial reward components, the Group ensures a strong employee value proposition and achievement of remuneration objectives. Additional information regarding the employee value proposition is available under IDLC's Human Capital section on page 248 of the Annual Report 2025. Remuneration practices are closely aligned with the performance objectives of the organization, subsidiaries, teams, and individuals. The overall remuneration structure depends on the employee's role and position within the Group, ensuring a strong and sustainable relationship between performance, contribution, and potential, and the rewards received by employees.

IDLC's reward policy aims to achieve the following objectives:

- Internal equity, ensuring employees are compensated relative to peers while maintaining adherence to the principle of "equal pay for work of equal value."
- External equity, ensuring employee remuneration remains competitive within the employment market.
- Fair and responsible reward management, ensuring equal opportunities across IDLC for the development and advancement of high-performing individuals aligned with the organization's values and philosophy.
- Consistent application of performance measurement practices across the organization.
- Equitable and consistently applied remuneration and benefits at all organizational levels.
- Performance-based rewards for employees across the Group, reflecting individual contribution and achievements.
- Reward practices that promote an ethical culture and responsible corporate citizenship.
- A balanced mix of short-term and long-term incentives to support sustained performance and align employee and shareholder interests within IDLC's financial capacity and risk appetite. These incentives are periodically reviewed to ensure their relevance considering the current stage of business development, the retail industry, and the scale of IDLC.
- Alignment of risk and reward, where remuneration structures encourage superior medium- to long-term performance relative to competitors while remaining within prudent risk parameters to ensure sustainability.
- At committee meetings, no individual participates in determining their own remuneration or remains present when matters related to their compensation are discussed.

5.11.2 Remuneration Governance

The committee is responsible for overseeing the Group's remuneration policies and practices. It regularly reviews IDLC's compensation structure to ensure alignment with the company's business strategy, human resource initiatives, and the goal of enhancing shareholder

value. The committee also focuses on achieving the following objectives:

- Attracting, engaging, motivating, rewarding and retaining a high-performing executive team, while ensuring these principles are applied across all employee levels.
- Establishing a clear link between short-term and long-term performance and remuneration.
- Maintaining an appropriate balance between fixed and variable remuneration, considering IDLC's short-term and long-term business objectives.
- Differentiating compensation between high and average performers through effective performance evaluation and management.

Through continuous supervision and monitoring, the committee ensures that IDLC remains responsive to evolving legal requirements and compensation practices, particularly emphasizing the principle of "equal pay for work of equal value." Reflecting the Group's commitment to ongoing shareholder engagement and evolving global best practices, remuneration governance will continue to evolve and strengthen. The Chairman of the committee regularly reports on the committee's activities at Board meetings, where compensation strategies and policies, including progress toward achieving their objectives, are discussed and reviewed throughout the annual cycle.

5.11.2.1 Fair and Responsible Remuneration

IDLC ensures fair and responsible reward management, providing equitable opportunities for high-performing individuals who share the organization's values to grow and develop. Established performance evaluation processes ensure consistent implementation and appropriate recognition of achievements. The organization continues to prioritize fair and competitive compensation, including benefits that enhance employees' health, well-being, and overall living standards.

During the reporting period, efforts continued to ensure that remuneration appropriately reflects role, tenure, experience, and performance levels across all employees within IDLC.

Additionally, during annual salary reviews, attention is given to reducing income disparities, and in the reporting period the Group continued its practice of maintaining higher salary increments for junior employees compared to senior management.

5.11.3 Roles and Responsibilities of the Committee

The Nomination and Remuneration Committee (NRC) is responsible for assisting the Human Resources function in establishing and implementing a fair, transparent, and structured process that supports the Group's overall human resource strategy. The Committee operates independently and remains accountable to the Board of Directors and the shareholders.

The NRC ensures transparency and equal opportunity in key areas, including recruitment, merit-based compensation, qualification- and competence-based evaluation, training and development, performance-based promotion, and benefits management. These practices are aligned with the Company's operating results and comparable market benchmarks. The Company discloses its nomination and remuneration policy, along with the evaluation criteria and a summary of NRC activities during the year, in the Annual Report. In addition to its primary responsibility, the NRC oversees the following matters and submits recommendations to the Board:

a) Criteria and Remuneration Policy

Formulates criteria for determining the qualifications, positive attributes, and independence of directors, and recommends a remuneration policy for directors and top-level executives. The policy ensures that remuneration is reasonable, performance-linked, and balanced between fixed and incentive components, reflecting both short-term and long-term objectives.

b) Board Diversity

Devises a policy on Board diversity, considering age, gender, experience, ethnicity, educational background, and nationality.

c) Appointment and Removal

Identifies qualified individuals for Board and top-level executive positions and recommends their appointment or removal in accordance with established criteria.

d) Performance Evaluation

Formulates criteria for evaluating the performance of the Board and independent directors.

e) Human Resource Planning

Determines the Company's workforce needs and establishes criteria for selection, transfer, replacement, and promotion.

f) HR and Training Policies

Develops, recommends, and reviews the Company's human resources and training policies on an annual basis.

The Composition, responsibilities and meeting procedures of the committee are described on page 220 of this annual report.

5.11.4 Key Policies regarding Remuneration of Directors, Senior Management and Employees

5.11.4.1 Remuneration of Chairman, Directors, CEO, and Senior Executives:

Directors are only entitled to the remuneration for attending the meeting of the board and its sub-committees

Directors are only entitled to the remuneration for attending the meeting of the board and its sub-committees

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Remuneration of all other employees are determined by the CEO & Managing Director.

5.11.4.1.1 Chairman & Directors

As stated previously, in accordance with the policy mentioned earlier, the Chairman of the Board and other Directors are entitled to receive remuneration. The remuneration paid to the Chairman and the Directors during 2025 has been disclosed on page 289 of this Annual Report under Annexure II in the Reports & Disclosures section.

5.11.4.1.2 CEO & Managing Director

The remuneration paid to the Chief Executive Officer (CEO) and Managing Director (MD), as approved by Bangladesh Bank, has been disclosed on page 361 of this Annual Report under the Reports & Disclosures section.

5.11.4.1.3 Remuneration of Senior Executives

Senior executives are provided with competitive, market-based compensation packages designed to attract, motivate, and retain qualified professionals. The overall remuneration structure for senior executives includes basic salary, allowances, retirement benefits such as provident fund and fidelity benefits, along with other benefits in accordance with company policies.

In addition, executives are eligible to receive an annual performance-based bonus. This variable bonus is determined based on the overall performance of the company, the outcomes achieved within the executive's respective area of responsibility, and the extent to which individual performance targets established at the beginning of the year have been achieved.

5.11.5 Number of Meetings Held and Work Performed

In two meetings of the Audit Committee, as required by the relevant circulars issued by Bangladesh Bank, discussions were held regarding matters related to the Nomination and Remuneration Committee (NRC) and its associated agendas. These discussions included agendas related to the Management's Compensation Committee, particularly those concerning employee benefits.

The quarterly discussions of the Compensation Committee, which were subsequently presented to the NRC.

5.11.6 Work Performance in 2025

Following agendas, which were briefed to NRC are mentioned below:



5.11.7 Future Focus Areas

The Committee intends to undertake the following initiatives during the 2025 reporting period:

- Ensure that the principle of "equal pay for equal work" is upheld across all levels of the organization and that executive management remuneration remains fair and responsible within the broader framework of employee compensation. Attention will be given to maintaining pay equity, reviewing strategies for a liveable wage, and offering benefits that support improved living standards.
- Continue monitoring reward structures and retention mechanisms for scarce and critical skills using relevant market data, while also considering emerging trends such as the migration of young and skilled professionals.
- Maintain focus on the phased succession planning process for top management and senior executives, ensuring that it is supported by best practices in remuneration and aligned with the organization's broader transformation strategies.
- Sustain engagement and dialogue with shareholders to ensure the continued relevance and appropriateness of the remuneration policy.
- Ensure that all requirements outlined in the Committee's charter continue to be fulfilled.

5.11.8 NRC Committee's Confirmation

As part of IDLC Finance PLC.'s commitment to upholding the highest standards of corporate governance, the Audit Committee plays an important role in ensuring financial integrity, regulatory compliance, and a strong internal control framework. In accordance with the directive issued by Bangladesh Bank in May 2018 and aligned with the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC) in June 2018, the responsibilities of the Nomination and Remuneration Committee (NRC) were also assigned to the Audit Committee under a clearly defined Terms of Reference (ToR).

Composition and Functioning

Under the scope of the NRC, the Audit Committee appoints three to five members from among its members, all of whom are non-executive directors, including at least one independent director as required by regulatory guidelines. The Committee is chaired by an independent director to ensure impartial oversight. The Committee meets at least once each year, with additional meetings convened whenever necessary.

The Company Secretary serves as the Secretary to the Committee, ensuring effective coordination and proper documentation of all proceedings. Furthermore, the Head of Internal Control and Compliance (ICC) reports directly to the Audit Committee, thereby strengthening independent governance mechanisms.

Looking Ahead

With the expanded responsibilities of the NRC, the Audit Committee remains committed to strengthening corporate governance standards by promoting accountability, ethical business practices, and sustainable value creation for stakeholders. This will be achieved by ensuring that appropriate resources are deployed at both strategic and board levels to support the organization's long-term sustainability and success. The Committee will continue to refine its practices in line with the evolving regulatory framework of Bangladesh Bank.

Key Activities of the Audit Committee regarding performing roles and responsibilities of Nomination and Remuneration Committee (NRC)

The Committee met Eight (8) times during the year 2025 and carried out the following tasks relating to Nomination and Remuneration:

- Reviewed the Policy regarding Identifying the Company's Needs for Employees at Different Levels and Determine their Selection, Transfer or Replacement and Promotion Criteria and recommended place before the Board of Directors for its approval
- Reviewed and approved the Policy for Nomination and Remuneration for the Board of Directors of IDLC Finance PLC.
- Approved for appointment of an independent director in the board of IDLC Finance PLC. to comply with the Corporate Governance Code (CGC) subject to approval from Bangladesh Bank & BSEC
- Reviewed the Appointment of the Director in the Board of IDLC Finance PLC. by City Bank Capital Resources Limited
- Reviewed the Appointment of The Director in the Board of IDLC Finance PLC. by City Brokerage Limited
- Reviewed the Nomination and Remuneration Policy and Status During the Year 2025 immediately to be Disclosed in the Annual Report
- Reviewed and confirmed Adoption of Nomination of Chairman of the Audit Committee made by the Board of IDLC Finance PLC.
- Reviewed the recommendation for Nomination in the Board of IDLC Finance PLC. made by City Bank PLC.
- Reviewed the restructuring of salary component, and recommended place before the Board of Directors for its approval
- Reviewed other matters of interest arising during the year ended 31 December 2025.

6. Risk Management Committee

REPORT OF THE RISK MANAGEMENT COMMITTEE

Scope of work of the Risk Management Committee

IDLC formed a Risk Management Committee (RMC) consisting of its Board members as per the requirement of Bangladesh Bank's DFIM Circular no. 01 dated 29 February 2024.

The scope of the Risk Management Committee of IDLC Finance PLC. is determined by its Terms of Reference (ToR) which, in turn, is shaped by directives from its principal regulator, Bangladesh Bank.

Risk Management Committee (RMC) at IDLC is to assist the Board of Directors to effectively reduce probable risks in implementing strategies and work plans as well as assisting them in properly playing their roles and responsibilities. Risk Management Committee (RMC) assists in identifying and quantify various risks that exist across the organization and ensures that risk reduction techniques and risk management processes are properly being applied across the organization and required capital, and provisions are being maintained against those risks.

Meetings of the Risk Management Committee

The Committee met four (4) times during the year 2025 to review and assess IDLC Finance's risk management culture as well as compliance with regulatory requirements, identify various risks exposures, suggest strategies for risk mitigation and ensure their implementation.

Key Areas Covered in the Meeting of Risk Management Committee (RMC)

During 2025, the Committee carried out the following tasks:

1. Reviewed risk management practice and compliance of IDLC against different risk management related circulars applicable for NBFIs.
2. Reviewed the quarterly submitted Risk Management Paper reports to Bangladesh Bank for the quarters ended on 31 March 2025, 30 June 2025, 30 September 2025 and 31 December 2025 respectively.
3. Reviewed major risks escalated through monthly Risk Register (RR) by different departments during the year.
4. Reviewed NPL status and resolved against action plans to improve the scenario.
5. Reviewed Suspicious Transaction Reports (STRs) and Suspicious Activity Report (SARs) reporting process of IDLC.
6. Reviewed monthly Top defaulters' status report and analyzed total portfolio percentage against them.

Future Roadmap

Risk Management Committee (RMC) is aware of its responsibilities in effective risk management as well as importance of controlled risk-taking in accomplishing IDLC's performance targets and ensuring growth. Risk Management Committee (RMC) understands that the future path is going to be challenging considering current local and global macroeconomic challenges and ongoing geopolitical conflicts.

Risk Management Committee (RMC) believes that Risk Management has been established as a fundamental concept in IDLC and the management has developed and implemented a comprehensive risk management framework across the organization which ensures compliance with all regulatory mandates as well as industry best practices and emerging trends. IDLC has the ability to address ongoing and emerging challenges considering its strong risk management culture and framework and it will remain resilient and stable even amidst turbulent situations.

In 2026, the Committee will continue to monitor the execution of enhanced and effective risk management practices across IDLC in line with its risk aware culture and robust risk management framework.

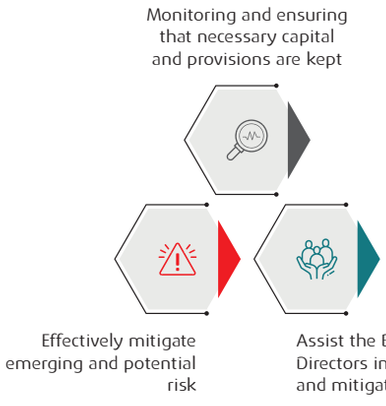


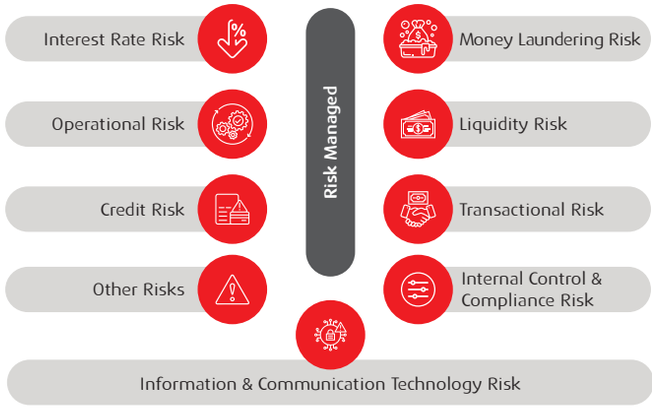
Acknowledgement

The Risk Management Committee of IDLC's Board of Directors extends its heartfelt appreciation to the members of the Board, the management committee, and different risk management forums for their unwavering and constructive support. We look forward to your continued cooperation and support for strengthening IDLC's risk governance and control practices.

On behalf of the Risk Management Committee,

Wasiful Hoq
Chairman, Risk Management Committee





Committee Structure



Committee members shall be nominated for a period of 3 years

Our Risk Management Committee will be constituted with a maximum of 5 (five) members and one of them will be elected as the Chairman of the committee



Integrity, efficiency, dedication and ability of the concerned director to devote sufficient time to the work of the committee is considered.

Individuals who can make meaningful and productive contributions to the Committee's operations.

Individuals who can adequately understand the Finance Companies Act 2023, other relevant laws and regulations, the operations of IDLC.

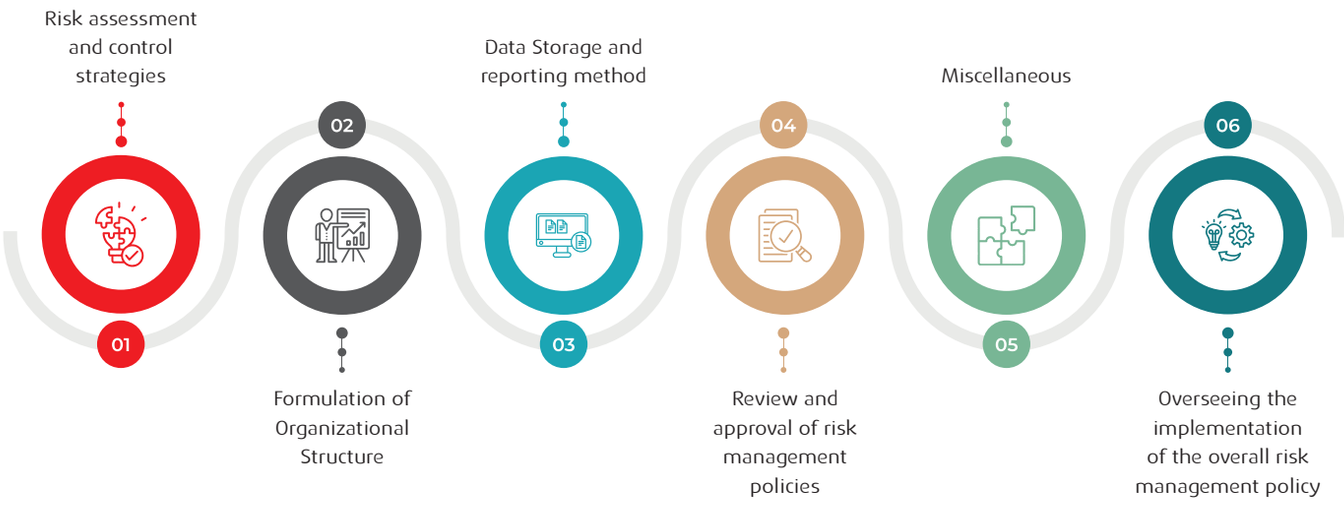
6.1 Appointment of Members and Composition of the Risk Management Committee

The Risk Management Committee of IDLC functions as a sub-committee of the Board and is established in accordance with the requirements outlined in Bangladesh Bank's DFIM Circular No. 1 dated 29 February 2024, as well as internationally recognized risk management best practices. The members of the Committee are selected from among the Board of Directors based on their understanding of the Finance Company Act 2023, other applicable laws and regulations, the operations and management of finance companies, and their experience and expertise in risk management.

6.2 Qualification of the Chairman of the Risk Management Committee

The Chairman of the Risk Management Committee shall be appointed from among the Non-Executive Directors of the Board who possess prior experience in risk management. In the absence of the Committee Chairman, the remaining members may select one among themselves to act as Chairperson for that specific meeting. The reason for the regular Chairman's absence must be appropriately documented in the meeting minutes.

6.3 Terms of Reference of Risk Management Committee



According to the Terms of Reference (ToR) of the Risk Management Committee, its principal duties and responsibilities respect the following aspects:

Risk Assessment and Control Strategies

- Identifying the risks associated with the financial company's various operations
- Developing suitable management methods & seeing to it that they are carried out.
- Observing risk management policies and processes
- Assessing the current system and give the management authority instructions on what actions to do.
- Guaranteeing an efficient control system

Formulation of Organizational Structure

- Making sure the financial firm has the right organisational structure for risk management.
- Keeping an eye on how policies and guidelines are being followed for additional risks.
- When required, giving management authorities the advice they need.

Review and Approval of Risk Management Policies

- Assessing the financial company's risk management policy and guidelines.
- Making any required adjustments, and submit the proposal to the board of directors for final approval.
- Reviewing additional constraints, such as the loan approval limit at least once a year & taking any necessary corrective action

Data Storage and Reporting Method

- Review and approval of the information storage and reporting protocols created by the finance company's management.
- Verifying whether or not the aforementioned method is being followed correctly.
- Notifying the board of directors the minutes of its sessions, which will include proposals, recommendations, and summaries in a prescribed format.

Overseeing the Implementation of the Overall Risk Management Policy

- Supervising the appropriate execution of the finance company's comprehensive risk management policy.
- Monitoring the implementation of appropriate risk management strategies for credit risk, market risk, operational risk, and other hazards

Miscellaneous

- The Board of Directors will receive a summary of the Committee's decisions and recommendations every quarter;
- The Committee will abide by the directives periodically issued by the regulatory bodies regarding various risks associated with the Finance Company's operations; and
- Upon Committee request, the Chief Risk Officer and the Finance Company's internal and external auditors will submit their assessment reports on the pertinent subject.

6.4 Identification of Key Risks IDLC is Exposed to – Both Internally and Externally

IDLC places strong emphasis on delivering optimal value to its stakeholders by maintaining a balanced approach between return and risk. In managing its core risks, the Company follows the guidelines on risk management for financial institutions issued by Bangladesh Bank, while also incorporating industry best practices for risk identification, assessment, and measurement. These regulatory guidelines are outlined in FID Circular No. 10 dated September 18, 2005, and DFIM Circular No. 03 dated January 24, 2016.

A comprehensive discussion on the various risks faced by the Company and the strategies adopted to manage and mitigate them

is presented in the Statement of Risk Management on page 89 of this Annual Report. In addition, the Board of Directors regularly reviews the adequacy and effectiveness of the internal control systems.

6.5 Disclosure of the Strategies Adopted to Manage and Mitigate the Risks

To address and mitigate the risks prudently, at IDLC, the following committees are operational, about which details are given on page 221 of this annual report under the section of management committee and subcommittee.



6.3 Relevant Expertise of the Committee

All members of the Committee possess the necessary knowledge and experience relating to the Finance Company Act, 2023, other relevant laws and regulations, finance company operations, management practices, and various aspects of risk management.

6.4 Reporting of the Risk Management Committee

The Risk Management Committee reports directly to the Board of Directors. The Committee's reporting may include, but is not limited to, the following risk areas:

1. Loan risk
2. Transactional risk
3. Internal control and compliance risk
4. Money laundering risk
5. Information and communication technology (ICT) risk
6. Operational risk
7. Interest rate risk
8. Liquidity risk
9. Other relevant risks

6.5 Cyber Security Program

Significant investments are made in IT projects and the maintenance of cybersecurity infrastructure. Activities related to cybersecurity are regularly reviewed and closely monitored to ensure effectiveness. Measures concerning data protection and data security are also supervised to maintain appropriate safeguards. IDLC consistently emphasizes providing the necessary guidance to strengthen cybersecurity practices and mitigate related risks. The Company regularly reviews both new and ongoing cybersecurity initiatives to ensure their effectiveness. In addition, Cybersecurity Awareness Training programs are conducted to enhance awareness among employees regarding cybersecurity risks and preventive practices. Vulnerability Assessment and Penetration Testing (VAPT) is an integral component of the organization's cybersecurity framework. IDLC regularly reviews and monitors the status and outcomes of VAPT activities to ensure proper implementation of recommended security measures.

6.6 Objectives of the Risk Management Committee

Objectives of the Risk Management Committee contain but are not limited to: -

- Risk assessment and control strategies
- Formulation of Organizational Structure
- Review and approval of risk management policies
- Data storage and reporting method
- Overseeing the implementation of the overall risk management policy

The Chief Risk Officer, internal and external auditors of the Company shall submit their assessment report on the relevant matter if requested by the Committee.

6.7 Convening of Committee meeting

- The Committee shall convene at least four times a year and more frequently as needed.
- The Committee may, at its discretion, invite any official of the Company to attend a meeting.
- The committee members should be informed of the memoranda that will be presented at the meeting at least two (2) days in advance to enable them to participate and contribute effectively to every meeting.
- The committee's recommendations and observations will all be documented in the form of minutes.

7. Shariah Supervisory Committee (SSC)

7.1 Objectives of the Committee

The primary objective of the Shariah Supervisory Committee (SSC) of IDLC Finance PLC. is to ensure that all Shariah-compliant financing operations are conducted in full adherence to Islamic principles and regulations. This includes overseeing the structuring of financial products, transactions, and business practices to maintain compliance with Shariah laws. The Committee also aims to provide guidance and advisory on best practices, risk management, and operational procedures, ensuring the promotion of ethical financing in line with the Shariah governance framework.

7.2 Appointment of Members and Composition of the Committee

The members of the Shariah Supervisory Committee are appointed by the Board of Directors of IDLC Finance PLC. based on their expertise in Islamic finance, jurisprudence, and financial management. The SSC is composed broadly of 2 categories of members - Shariah Scholars and Islamic Finance Scholars. A member in the category of Shariah Scholar must be the holder of academic qualifications in the field of Shariah. He must hold a minimum of Master's / Kamil/ Dawra degree with the studies that may include Usul ul Fiqh (Principles of Islamic jurisprudence), Fiqh Al-Mua'malat (Islamic commercial jurisprudence), Islamic Studies, Islamic Law at undergraduate or postgraduate level from a recognized institution. An Islamic Finance Scholar should be an individual generally recognized for his expertise in the respective field (e.g. economics, law, banking, accounting, finance, insurance, etc.). He should hold a minimum of master's degree along with an accumulated experience of 10 years or more in the relevant field(s). Members of both categories should be able to demonstrate an adequate understanding of finance / banking in general and Islamic finance / banking in particular. S/He should also be able to demonstrate an understanding of the legal and regulatory framework applicable to the functions of the financial institutions in Bangladesh.

Two members of the Shariah Supervisory Committee of IDLC Islamic, Dr. Monzur Elahi and Dr. Mufti Yusuf Sultan, were appointed to the Shariah Advisory Board of Bangladesh Bank. Following their appointment, they stepped down from the Shariah Supervisory Committee of IDLC Islamic.

In accordance with the By-Laws of the Shariah Supervisory Committee of IDLC Islamic, the Committee is to be constituted with five members.

Following the departure of the two members, the Board of IDLC has confirmed the appointment of two distinguished Shariah scholars from among the country's leading experts in Islamic finance. The new SSC members are Dr. Md. Faruk Abdullah and Mufti Zubair Abdullah.

Members are selected through a formal appointment process, considering the need of diverse knowledge and expertise in Shariah law. The composition of the Committee is designed as follows:

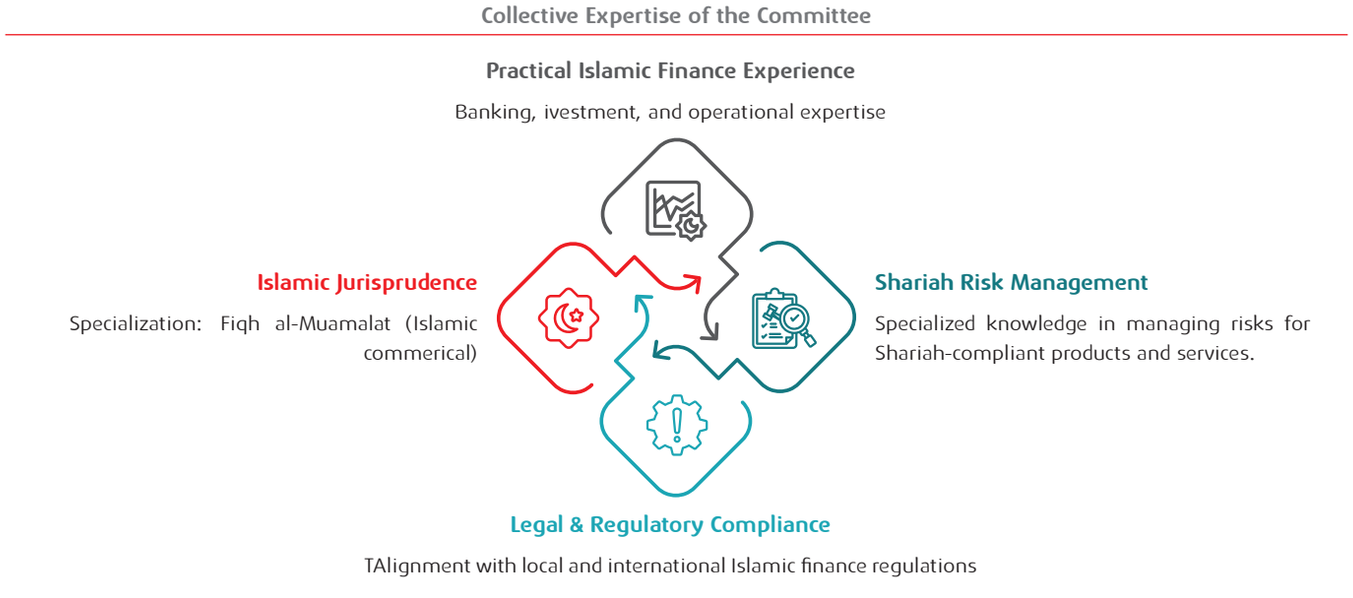
Sl.	Name of Member	Designation	Qualification
1	Dr. Md Habibur Rahman, CSAA	Chairman	Shariah Scholar
2	Dr. Md Faruk Abdullah, CIFP	Member	Shariah Scholar
3	Mufti Zubair Abdullah, CSAA	Member	Shariah Scholar
4	Dr. Md. Mahabbat Hossain, DIB, CIPA, CSAA	Member	Islamic Finance Scholar
5	Mezbah Uddin Ahmed, FCCA, CIPA, CSAA, MIBF	Member	Islamic Finance Scholar

7.3. Collective Expertise of the Committee

The Shariah Supervisory Committee consists of members possessing diverse and complementary areas of expertise, including:

- Islamic jurisprudence, with specializations in Fiqh al-Muamalat (Islamic commercial law).
- Practical experience in Islamic finance, banking, and investment.
- Legal and regulatory expertise in compliance with local and international laws governing Islamic financial institutions.
- Risk management knowledge specific to Shariah-compliant financial products and services.
- Professional certification in Islamic finance and Accounting

This combined expertise enables the Committee to effectively supervise and provide guidance on the Company's Shariah-compliant financing operations effectively.



7.4. Qualification of the Chairman of the Committee

The Chairman of the Shariah Supervisory Committee must have a distinguished academic and professional background in Islamic finance, along with a proven track record in Shariah-compliant financial matters. The Chairman is expected to have extensive experience in such committees, demonstrating leadership skills, and maintaining a deep understanding of Shariah principles and their practical applications in the financial industry. Additionally, the Chairman should possess excellent communication skills and a commitment to upholding the ethical and operational standards of the Committee.

7.5 Terms of Reference for the Committee

The Terms of Reference (ToR) of the Shariah Supervisory Committee outline the responsibilities, roles, and powers granted to the Committee. These include:

- Providing independent review and approval of Shariah-compliant products and services
- Ensuring that all operations are in compliance with Shariah law and regulatory requirements
- Offering advisory services to the Board and management on Shariah-related matters
- Reviewing and monitoring transactions to ensure no breach of Shariah principles
- Advising on financial structuring, risk management, and governance procedures
- Reviewing of work carried out by the Shariah compliance and Shariah audit units and following up with the management of IDLC Islamic Financing Window (IDLCIFW) to ensure that appropriate corrective/rectification measures have been taken where necessary to address the issues raised by these units
- Reviewing the method of distribution of income/profit among depositors (investment account holders)
- Approving the criteria of identifying impure income or haram income and recommending for disposal of the same through charitable causes or any other Shariah recommended ways

The Committee also performs a periodic review of its policies and operations, making necessary adjustments in line with evolving regulatory and market conditions.

Since its inception, IDLC Islamic has remained committed to upholding the highest standards of Shariah compliance, transparency, and governance. IDLC Islamic has complied with all the regulatory guidelines as well as has voluntarily adopted the spirits and principles that are yet to be directly imposed for IDLC.

For example, in recognition of the importance of qualified Shariah oversight, and to ensure the effective engagement of competent and distinguished Shariah scholars, the institution has introduced a structured monthly honorarium BDT 25,000 for the members of the Shariah Supervisory Committee.

7.6. Holding of the Shariah Supervisory Committee Meeting

The Shariah Supervisory Committee (SSC) meetings were held to review and discuss the company's Shariah-compliant financing activities. All meetings were conducted in accordance with the Committee's internal schedule and operational requirements. From the formation of the IDLC Finance's Islamic Finance Window, there have been thirteen (13) SSC meetings including four (4) in 2025.

7.7 Quorum of the Committee Meetings

The quorum for the Shariah Supervisory Committee meetings is set at a majority of the members. For decisions to be valid, at least two-thirds of the total members must be present, ensuring that all deliberations are backed by a majority vote. As the SSC is comprised of the Islamic Finance Scholars and Shariah Scholars, for a decision to be passed, two Shariah Scholars must have consent to it. The quorum requirement ensures effective decision-making and reflects the collective judgment of the Committee's diverse expertise.

7.8. Reporting of the Committee

The Board of Directors are updated about the SSC meetings at regular intervals.

7.9. Activities Undertaken in 2025

In the year 2025, the Shariah Supervisory Committee of IDLC Finance PLC. undertook several key activities to enhance its Shariah-compliant financing operations. The Committee reviewed the proposal for products, processes and policies and the SSC approved the ones that passed through the Shariah compliance tests. The detailed list of activities is provided in the report of the Shariah Supervisory Committee (SSC) of IDLC Finance PLC. Detailed activities mentioned in the satisfactory report of SSC on page 376.

8. Internal Control and Compliance

8.1 Acknowledgment of Directors' Responsibility in Respect of Internal Control of IDLC



"IDLC's Board of directors acknowledge its overall responsibility for maintaining the adequacy and effectiveness of the Group's system of internal controls. The Board is of the view that the internal control framework is designed to manage the Group's control and compliance within an acceptable control and compliance profile, rather than completely eliminate the risk of failure to achieve the policies, goals and objectives of the Group. The Board therefore believes that it can provide only reasonable, rather than absolute, assurance regarding effectiveness against material misstatements of management and financial information or against financial losses and fraud."

8.2 Internal Control

Following the COSO (Committee of Sponsoring Organisations of the Treadway Commission) Integrated Framework, IDLC defines internal control as a process established and executed by its Board of Directors, management, and staff. This system is designed to provide reasonable assurance that the company achieves its primary objectives across three key areas:

- Operational Excellence: Ensuring the effectiveness and efficiency of all business activities.
- Reporting Integrity: Maintaining the reliability of both internal and external reporting, covering both financial and non-financial data.
- Legal Compliance: Adhering strictly to all applicable laws and regulatory requirements.

This comprehensive control system is mandatory and integrated across every department and division within the IDLC Group.

8.2.1 Key Features of the Internal Control System

The Company's internal control system consists of four interrelated components:

Control Environment

Orientation, awareness and actions of those in the governance and management roles with regards to the Company's internal control and its importance in the entity.

Activities ensured by IDLC:

- Active participation by those charged with governance through regular meetings
- Regular communication and confirmation of its Code of Conduct.
- Zero tolerance for illegal or unethical behavior.
- Maintaining a well-defined organizational structure
- Human resource policies that demonstrate the Company's commitment

Control Activities

Facilitates the functioning of the other components by providing information that is necessary for the attainment of Company objectives and by establishing a continuous process for collecting, sharing and disseminating necessary information from both within and outside the Company

Activities ensured by IDLC:

Authorization, reviews, reconciliations and verifications of various objectives that are appliedthroughout the Companyat all levels and in all functions.

Information & Communication

Facilitates the functioning of the other components by providing information that is necessary for the attainment of Company objectives and by establishing a continuous process for collecting, sharing and disseminating necessary information from both within and outside the Company

Activities ensured by IDLC:

- Established information systems that deal with internally generated data as well as external events, activities and conditions relevant to business decision-making
- Encourages sharing of information and opinions across the management hierarchy and among different businesses, functions and departments

Monitoring

Ensures that controls are operating as intended and that they are appropriately modified in responseto changing conditions.

Activities ensured by IDLC:

Ongoing monitoring which occurs in the course of, and as a part of, day-to-day operations as well as separate management reviews, evaluations and periodic internal audits of various departments and business functions.

8.3 Directors' Reviewing the Adequacy of Internal Control

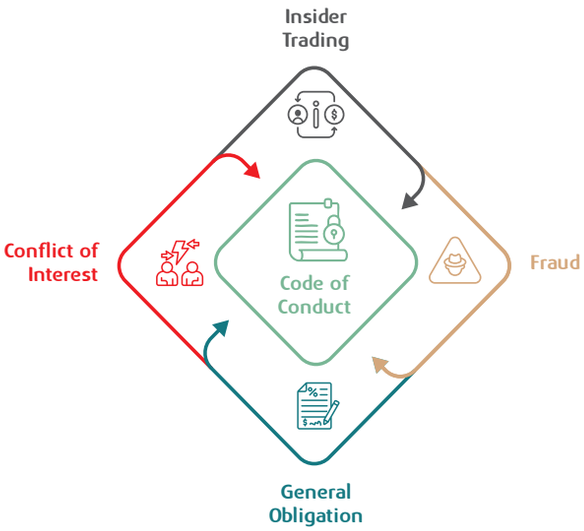
Subject to the caveats of reasonable assurance mentioned earlier, the Board confirms that it has reviewed and assessed the Group's system of internal controls with regards to its adequacy and effectiveness in providing reasonable assurance regarding the achievement of objectives relating to the effectiveness and efficiency of operations, reliability of both external and internal financial and non-financial reporting and compliance with the applicable laws and regulations.

9.0 Ethics and Compliance

The Board of IDLC Finance PLC. is committed to upholding the highest standards of ethics and compliance by its employees through due diligence. The Code of Conduct reflects the commitment. It majorly addresses all the issues relating to conduct and apart from law and regulations touches on prime issues such as Conflict of Interest, Insider

9.1 Code of Conduct

Trading, and Other general obligations.



9.2 Disclosure Statement on Ethics

The IDLC Group remains committed to upholding the

highest standards of ethics and compliance by its employees. This commitment is reflected in its Code of Conduct that covers, among other issues, the following areas:

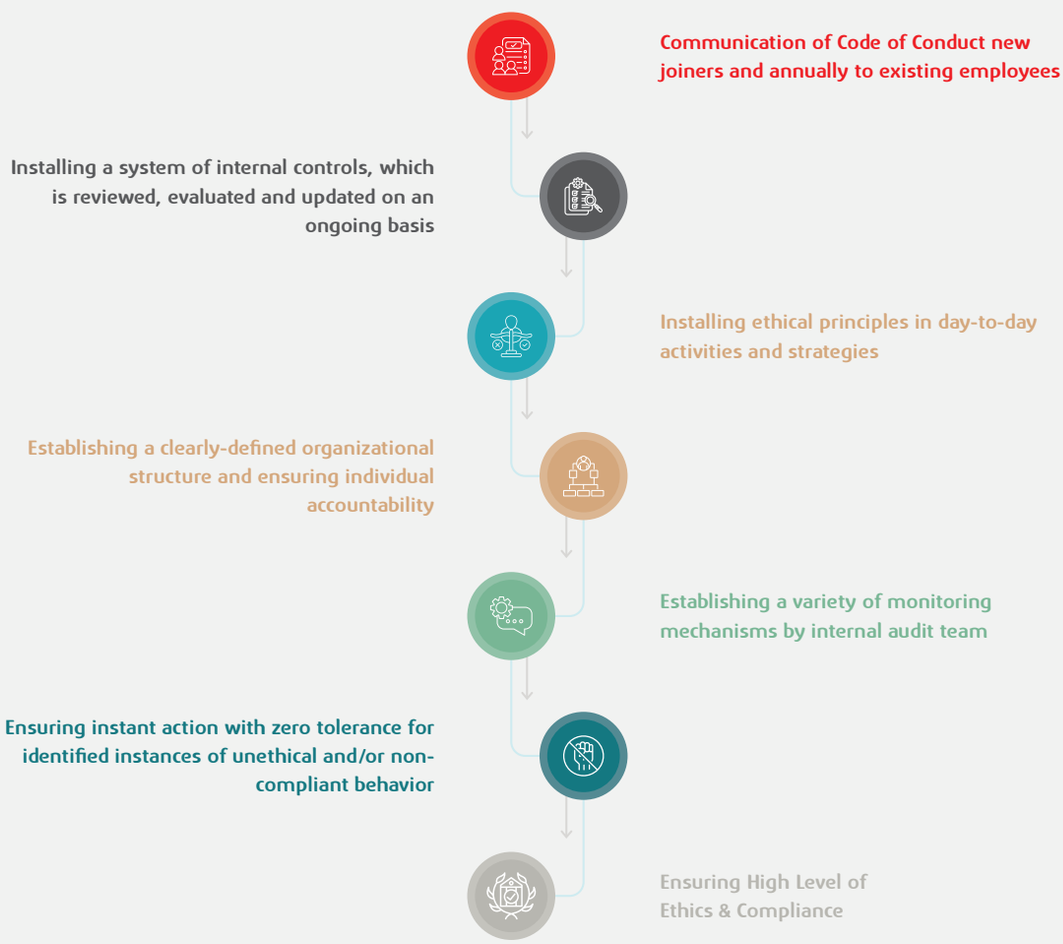
- Their relationship with and responsibilities to IDLC.
- Their relationship with and responsibilities to customers.
- Compliance with laws and regulations.
- Acting in a professional and ethical manner.
- Protection of business assets.
- Disclosure of conflicts of interest.
- Prohibition of any conduct involving dishonesty, fraud, deceit or misrepresentation including insider trading.

9.3 Dissemination of the statement of Ethics and Code of Conduct

An annual declaration is required to be signed by every employee of IDLC, confirming that they have read and understood the Code of Conduct.

The Human Resources department circulates the required declaration and ensures that all employees signed the declaration.

The Internal Control and Compliance (ICC) department, through regular audits, assesses whether any employees have breached the Code of Conduct.



9.4 Code of Conduct for Board members

The Board of Directors of IDLC is dedicated to maintaining the highest standards of professional conduct in its interactions with employees, customers, members, shareholders, regulators, and the broader public. The Code of Conduct establishes a framework of guiding principles designed to assist Directors in making appropriate and responsible decisions. It emphasizes conducting business in compliance with all applicable laws and regulations while also upholding the broader spirit of the law. The actions of the Board are expected to reflect IDLC's core values, demonstrate ethical leadership, and foster a workplace culture that sustains the organization's reputation for integrity, ethical behavior, and trust. This Code serves as a formal articulation of the fundamental principles governing the conduct of the Directors.

Directors are encouraged to raise any concerns or seek clarification regarding situations that may involve provisions of this Code by consulting the Chairman of the Board.

In accordance with the Corporate Governance Code issued by the

Bangladesh Securities and Exchange Commission (BSEC), the Board is responsible for establishing a Code of Conduct applicable to all Board members, and compliance with the Code must be documented on an annual basis.

9.5 Scope of the Code of Conduct

A Board member is required to comply with the Board's Code of Conduct when he or she:

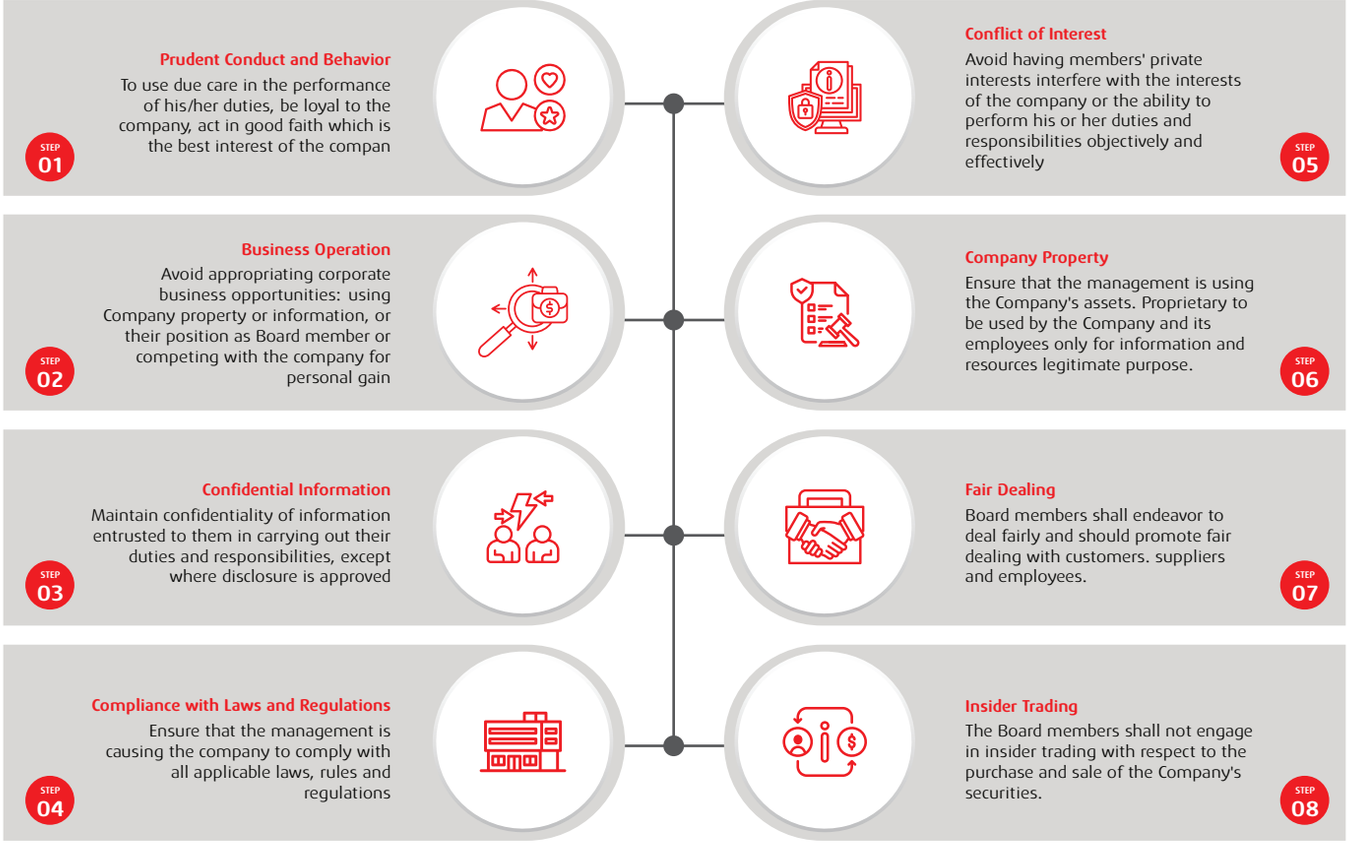
- Conducts the official business of the Board.
- Acts in the capacity of a representative of the Board.

The Board's Code of Conduct does not apply to activities undertaken by a Board member in a personal or non-official capacity, except where otherwise specified.

However, when a Board member represents the Board at meetings of another public body or committee, the member must adhere to the Board's Code of Conduct while performing that role, unless such compliance conflicts with any other legal obligations to which the member may be subject.

General Obligation

The Code of Conduct for Board members of the Company include



9.6 Conflict of Interest

Each Board member shall make every effort to ensure that personal interests do not conflict with:

- The interests of the Company.
- The member's capacity to perform duties and responsibilities in an objective and effective manner.

Board members must refrain from receiving, or allowing members of their immediate family to receive, any improper personal benefits from the Company, including loans or guarantees of obligations provided by the Company.

In addition, a Board member is required to fully disclose to the entire Board any transaction or relationship that could reasonably be expected to create an actual conflict of interest with the Company and must seek the Board's approval before proceeding with such transactions or relationships.

9.8 Insider Trading

Board members are strictly prohibited from engaging in insider trading in relation to the Company's securities. They must not buy or sell securities while in possession of material non-public information concerning the issuer of those securities, whether the issuer is IDLC or any other company.

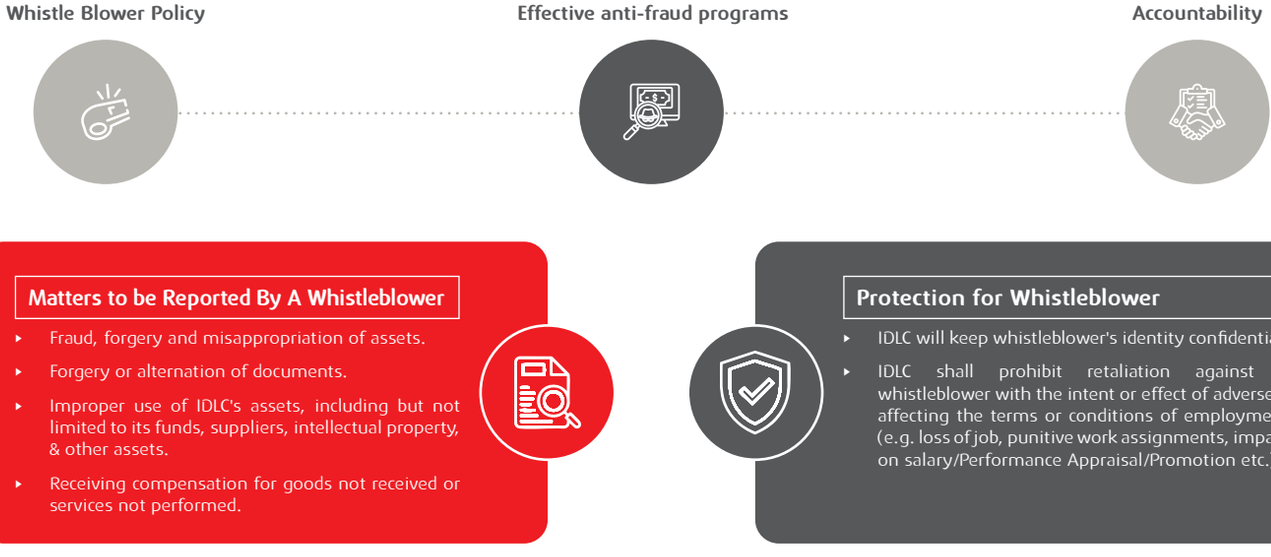
Board members are also prohibited from disclosing such information to any person who may use it to buy or sell securities. Insider trading is unlawful because it provides insiders with an unfair market advantage, places their personal interests above the fiduciary duties they owe, and may allow them to improperly influence the value of a company's stocks and securities. The Code of Conduct for Board members establish standards of behaviour, and Directors confirm their compliance with the Code on an annual basis.

Accordingly, the Board of IDLC has developed a Code of Conduct applicable to all Board members, and compliance with the Code was duly recorded for the year 2025. In alignment with the National Integrity Strategy of Bangladesh and to uphold principles of integrity and sound governance, IDLC has also formed an "Integrity Committee." The composition and responsibilities of this committee are detailed on page 223 of this Annual Report under the section titled Management Committee and Sub-Committees.



9.9 Existence of Effective Anti-Fraud Programs and Controls Through Whistle-Blower Mechanism

In recent years, the Company has recognized fraud risk as an emerging concern within its overall risk management framework. As part of its planned anti-fraud initiatives, the Company has introduced a whistle-blower mechanism. The Whistleblower Guideline was approved on December 17, 2017. In addition, efforts are being made to further strengthen existing processes and operational practices, while anti-fraud controls have been integrated into the broader system of internal controls.



9.10 Redress of Investor's Complaints and Recommendation

IDLC maintains a structured procedure for handling complaints and suggestions that is accessible to all stakeholders, including clients and investors. A specialized complaints cell, supervised by a senior member of management, is responsible for addressing such complaints and recommendations. These may be submitted through complaint boxes placed at all IDLC branches or filed online through the IDLC website at www.idlc.com.



9.11 Accountability

The Board regularly reports the Company's financial results to shareholders on both a quarterly and annual basis. In presenting these results, the Board aims to provide a transparent and balanced assessment of IDLC's performance and financial position, along with relevant insights into the prevailing competitive environment at the time of disclosure. Prior to each Board meeting, management provides all Directors with detailed financial statements and reports addressing performance and related matters. Directors are also encouraged to seek further information regarding the Company's operations and performance whenever necessary. The Board remains committed to ensuring that its decisions and actions create maximum sustainable value for all shareholders.

9.12 Related Party Disclosure

IDLC has established comprehensive policies and procedures to regulate related party transactions. The Board is responsible for approving all such transactions, ensuring that they are conducted on an arm's length basis. The Audit Committee reviews all material related party transactions and keeps the Board informed of these matters. During the year, the Company accepted deposits from its directors and their related parties; however, no preferential treatment was provided in relation to these deposits. Further details are available on page 365 of the Annual Report 2025.

10.0 Human Capital

IDLC regards its human resources as its most valuable asset. The Company engages and mobilizes its people and teams by involving them in leading and innovative practices within the financial industry, making IDLC an attractive workplace for employees. It provides a wide range of opportunities for both professional and personal growth, along with a work environment founded on respect, trust, cooperation, and collaboration.

This approach is driven by the belief that the knowledge, skills, and enthusiasm of employees are key factors behind the Company's consistent growth. IDLC recognizes that its human resources are the primary driving force in building and sustaining the organization. Accordingly, each employee is valued, nurtured, and motivated to contribute effectively toward the achievement of the Company's strategic objectives.



10.1 Human Resource Policy

A general overview of the policies and practices adopted by the Company regarding human resource development and management including succession planning, merit-based recruitment, performance appraisal systems, promotion criteria, reward and motivation mechanisms, training and development, as well as grievance management and counselling is presented in the section titled "Enhancing Employee Excellence" on page 134 of this Annual Report.

10.2 Organizational Chart

IDLC's organizational chart illustrates the Company's internal structure by defining the roles, responsibilities, and reporting relationships among employees. It provides a visual representation of the organizational framework, including the segregation of the Company into various divisions and departments. The Company's organogram is presented on page 78 of this Annual Report.

10.2.1 Structure

The management structure of the Company consists of the Chief Executive Officer & Managing Director (CEO & MD) and the Management Committee (ManCom). ManCom is chaired by the CEO & MD and meets regularly through in-person sessions to discuss operational and strategic matters.

10.2.2 Management Committee (MANCOM)

The Management Committee (MANCOM) comprises selected members of the management team who are responsible for overseeing the governance and strategic direction of IDLC. The Committee performs its duties in accordance with the provisions of the Finance Companies Act 2023 and the Company's constitutional framework. MANCOM supervises the overall operations of the Company while delegating routine operational responsibilities to the Executive Officer. A key aspect of sound governance is the clear separation of responsibilities and accountability between the Committee and the Executive Officer.

The Committee remains well-informed about IDLC's operations, maintains oversight of the broader strategic direction, and monitors the implementation of the strategic plan to ensure that organizational objectives are achieved. It also ensures that ongoing activities align with IDLC's policies, objectives, and approved budget.

10.3 Performance Review

The CEO & MD is responsible for setting financial targets as well as operational and managerial objectives for members of MANCOM. Performance management for senior executives incorporates both short-term and long-term goals. Long-term goals are aligned with the Company's vision, while short-term goals are typically linked to specific organizational objectives. At the end of each year, the CEO, together with the Evaluation Committee, conducts a comprehensive assessment of the performance of senior executives against these established goals.

10.4 Succession Planning and Talent Management

Succession planning and talent management are treated as continuous processes to ensure that both the Management and the Board are prepared for leadership transitions at multiple levels across the organization. This approach covers not only Key Management Personnel but also their direct reporting lines and other critical positions within the Company.

IDLC's core values promote a culture of continuous learning, growth, and knowledge sharing. Mentoring and guidance are strongly embedded within the organization to support employee development.

The trainee programme for new employees follows a blended learning approach that integrates theoretical instruction, practical exposure, and on-the-job training. Each trainee is supported through mentorship and coaching to facilitate effective learning. Training materials have also been recently redesigned to align with evolving learning environments.

The Company has also created opportunities for young professionals through its internship programme. This initiative enables recent graduates to gain practical workplace experience and prepares them for entry into the corporate sector. The programme also serves as a talent pipeline for entry-level recruitment.

Additionally, IDLC continues to implement leadership development initiatives for current and future managers to ensure effective succession across different departments and support functions.

Promoting Diversity: During the year, the Company recruited 26 female employees and enhanced internal mobility, reflecting its ongoing commitment to workplace diversity and inclusive growth. Further details are provided in the "Enhancing Employee Excellence" section on page 134 of this Annual Report.

10.5 Grievance Management and Counselling

IDLC is committed to ensuring equal opportunity and equal rights for all employees. The Human Resources Department is responsible for addressing employee grievances by listening to concerns, resolving issues, and providing counselling when necessary.

In addition to the general grievance management system, IDLC has established a dedicated platform for female employees known as the IDLC Ladies Forum (IDLC LF). This forum allows women employees to discuss and raise concerns related to issues such as discrimination, harassment, negative attitudes toward women, or other matters affecting their workplace experience. The platform enables management to better understand these concerns and develop appropriate strategies to address them.

Insurance Coverage: IDLC provides health and life insurance coverage for all eligible employees. The health insurance policy covers employees, their spouses, and their children, with the Company bearing the insurance premium. The Human Resources Division manages all administrative processes related to insurance claims.

11. Investor Relations (IR)

IDLC's investment community includes banks, corporate organizations, research analysts, and both current and prospective shareholders, the majority of whom are institutional and individual investors. As providers of capita through either debt or equity investors represent a vital stakeholder group that supports the Company's operations and enables the successful execution of its strategic initiatives. In return, investors anticipate reasonable financial returns, which may be generated through interest income, capital appreciation, or dividends.

The perceived risk profile of the Company plays a significant role in determining the pricing of its debt instruments and equity securities. Accordingly, maintaining open, transparent, and constructive communication with investors is essential to enable them to make informed decisions regarding the long-term value of their investments. IDLC remains committed to ensuring that all market participants have fair and timely access to relevant corporate information. Transparency is a key principle in the Company's engagement approach as it continues to develop a sustainable and resilient business. The Investor Relations (IR) team plays a crucial role in facilitating this communication by ensuring that relevant information is disseminated through digital platforms and other recognized channels within the financial community. The IR team is also responsible for ensuring that all disclosures comply with applicable market regulations and legal requirements.

Through this process, the Company keeps its stakeholders informed about its financial performance, regulatory developments, strategic priorities, growth opportunities, and the associated risk–return profile.

11.1 Relations with Shareholders and Stakeholders

Due to restrictions on in-person interactions, the Company adapted its investor engagement programme by incorporating virtual communication channels to maintain effective interaction with both existing and potential stakeholders. During this period, the Investor Relations team remained proactive and adaptable in providing timely and relevant information to the market while sustaining constructive dialogue with stakeholders. Additional details are available on page 42 of this report.

11.2 Institutional Shareholders

During 2025, the Directors, together with senior management and members of the Investor Relations team, participated in several hybrid investor meetings, seminars, and conferences held across various locations. The Company organized conference calls to present quarterly financial results and conducted in-person presentations of its full-year performance for both equity and fixed-income investors.

11.3 Individual Shareholders

Throughout 2025, the Company continued to communicate with individual shareholders through shareholder correspondence, updates provided on the Company's website, and the Annual General Meeting (AGM). Shareholders were given the opportunity to submit questions prior to the AGM, and each query was addressed individually. Responses to frequently asked questions were also published on the Company's website. In addition, shareholders may access the website to receive updates regarding IDLC and their shareholdings directly via email.

11.4 Shareholders' Rights

Effective corporate governance requires open and reliable communication and collaboration among all stakeholders associated with the Company, including its shareholders. IDLC remains committed to maintaining transparent communication with its investors and safeguarding their rights. To support this objective, the Company strives to remain accessible and transparent to all shareholders. Considerable importance is also placed on conveying shareholder feedback both positive and constructive to the Board for its consideration.

IDLC Shareholder's Right

- Entitlement of dividend
- Effective participation and voting in shareholder meetings
- Participation and informed on basic decisions
- Right to elect the board members
- Ability to conveyor transfer shares
- Sufficient and timely information on the Board
- Meetings
- Right to question the board and put input on fundamental issues
- Permission to vote in absentia
- Allowed to consult with each other concerning their interest

11.4.1 Control Structure Fulfilling Shareholders' Needs

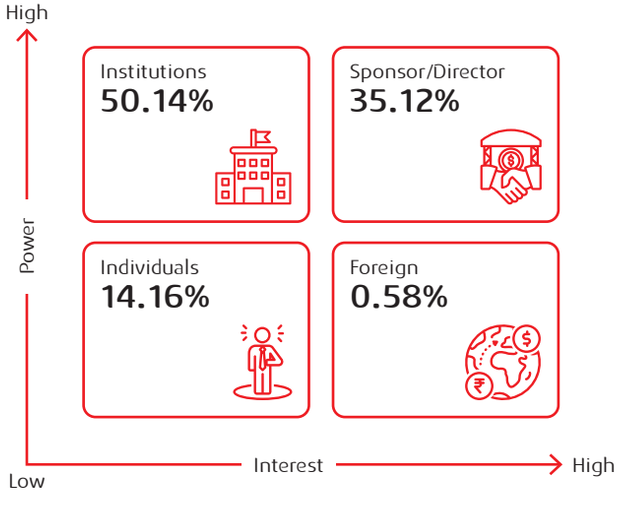
IDLC maintains a flexible control structure that can be adjusted in accordance with shareholders' requirements. The control framework is aligned with share ownership, ensuring that voting power corresponds proportionally to shareholding. Clear and transparent rules governing changes in control are in place and are accessible to all shareholders. Share transactions are conducted at prices that ensure fairness to all shareholders. These provisions collectively function as a takeover defense,' safeguarding the interests of shareholders and ensuring equitable treatment during ownership transitions

11.4.2 Equitable Treatment of All Shareholders

IDLC is committed to ensuring fair and equal treatment for all shareholders. Shares within the same class carry identical rights and privileges. Shareholder meetings are structured in a manner that allows participants to exercise their voting rights without undue difficulty.

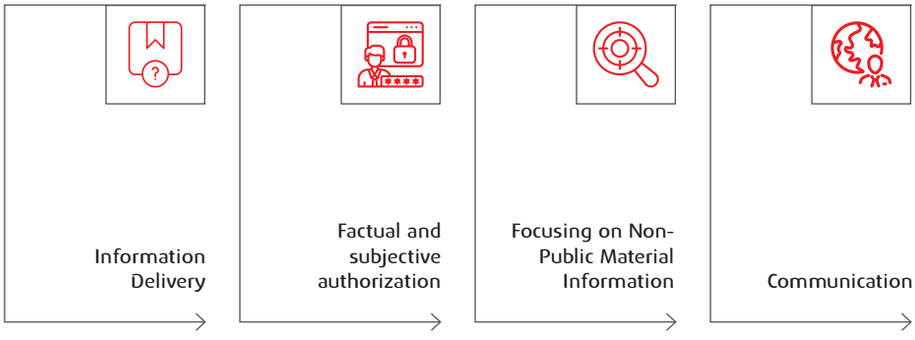
- Subject to any rights or restrictions attached to specific classes of shares, each member present at the Annual General Meeting either in person or through a proxy, attorney, or authorized representative shall be entitled to one vote on a show of hands.
- In the case of a poll, each member present shall be entitled to one vote for every share held.
- Every shareholder of one or more ordinary shares, upon being entered in the share register, is entitled to attend, speak, and vote at any General Meeting.
- Any shareholder whose name appears in the register shall enjoy the same rights and assume the same obligations as other shareholders belonging to the same class of shares.

The Company maintains a structured stakeholder engagement approach to ensure effective communication with all shareholder groups. Shareholders, including sponsor institutions, institutional investors, foreign investors, and individual investors, are provided with timely, accurate, and transparent information to facilitate informed decision-making. This inclusive approach enables shareholders to actively participate in General Meetings and exercise their voting rights, thereby reflecting their Director Support through approval of Board decisions and Director appointments. This approach is fully aligned with the Company's commitment to equitable shareholder treatment and reinforces transparency, accountability, and confidence in the governance framework.



11.4.3 Protection of Minority Shareholders

In accordance with BSEC's Corporate Governance Code, IDLC works to uphold transparency, accountability, and minority shareholder interests. Voting rights are distributed among shareholders based on the number of shares. If a dividend is issued, the shareholders are entitled to receive



IDLC Protects the Interest of Minority Shareholders

Provides flow of information and keeping shareholders updated through necessary means.

IDLC follows Code of Compliance

It Ensures the affairs of the company being conducted or the power of directors are being exercised in a manner that is not prejudicial to any of the shareholders with regard to monitory shareholders.

11.5 Strategy to Facilitate Effective Communication with Shareholders

It is the Company's policy that all external communication by the Company will:



Express information in a timely, clear and objective manner

Be factual and subject to internal vetting and authorization before issue

Not omit material information

11.5.1 Way of Communication with the Stakeholders

The following diagram illustrates the multiple channels of communication with shareholders:

Channels of Communication with Stakeholders

IDLC strongly believes that all stakeholders should have access to complete information on its activities, performance and product initiatives

Annual General Meeting
Average Shareholders Representation in past 5 years: 68.43% 2025: 66.20% (AGM for the year 2025)

IDLC Website
Updates of recent financial information and latest investor information and analys briefing material

2025 Investor Meetings
- Over 18 Investor meetings.
- Teleconference meeting with potential foreign Investors

Reports and Announcements
- Annual report and sustainability report Quarterly financial statements
- Price sensitive disclosures
- Announcements and Press releases

2025 Shareholder Visits
121 visits by 123 shareholders

2025 Analyst Briefings
Quarterly analyst briefings discussing each quarter including year end financial performances

11.5.1.1 Communication Through Website

The Company's website (www.idlc.com) provides a wide range of information, including Annual Reports, half-yearly and quarterly reports, monthly business reviews, product details, recent announcements, presentations, and updates on corporate events.

Price-sensitive information (PSI) is disclosed promptly and adequately in accordance with the requirements of the Bangladesh Securities and Exchange Commission (BSEC), Bangladesh Bank, and the listing regulations of the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. This ensures timely compliance and allows relevant information to be disseminated to the public and all stakeholders through both print and digital media.

11.5.1.2 Communication Through Quarterly Reports

The Company communicates its financial performance to shareholders four times each year through quarterly and half-yearly financial reports, along with a comprehensive Annual Report.

11.5.1.3 Quarterly Earning Disclosure

Following the approval of the quarterly financial statements by the Board, IDLC organizes a quarterly earnings disclosure session on the following day. This session, conducted through a webinar, involves analysts, members of the press, and foreign investors, and provides additional explanations and updates regarding the Company's performance beyond the published financial statements.

11.6 Policy on Ensuring Participation of Shareholders

Shareholders whose names appear in the Register of Members of the Company and/or in the Depository records on the Record Date are eligible to attend the Annual General Meeting (AGM) and to receive dividends as approved.

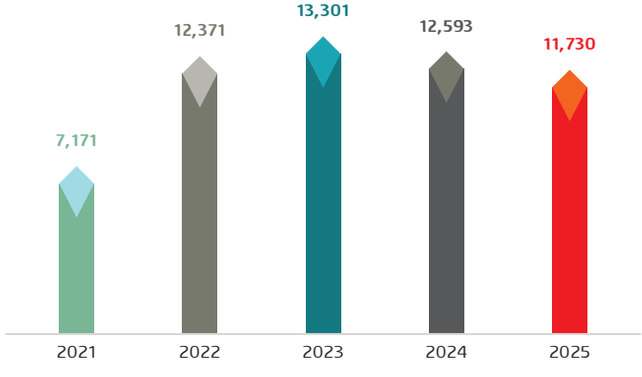
A shareholder may appoint a proxy to attend and vote on his or her behalf by completing the proxy form in accordance with Article 103 of the Articles of Association of the Company. The duly completed and stamped proxy form must be submitted to the Company's office no later than 72 hours prior to the scheduled time of the meeting.

In accordance with Article 80 of the Articles of Association, a corporate member may authorize a representative–through a resolution of its Board of Directors or governing body–to attend and act on its behalf at any meeting of the Company's members.

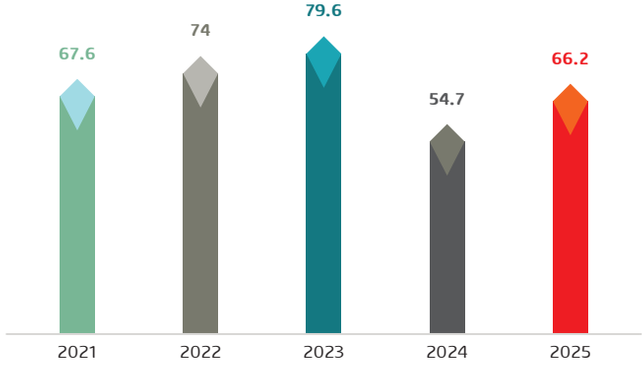
The Annual Report, Notice of the Meeting, Attendance Slip, and Proxy Form are distributed to all members through courier or postal service. Shareholders may also obtain the proxy form from the Company's registered office, and these documents are made available on the Company's website (www.idlc.com).

Members and their appointed proxies are required to register their attendance at the AGM by signing in at the registration counter located at the entrance of the meeting venue.

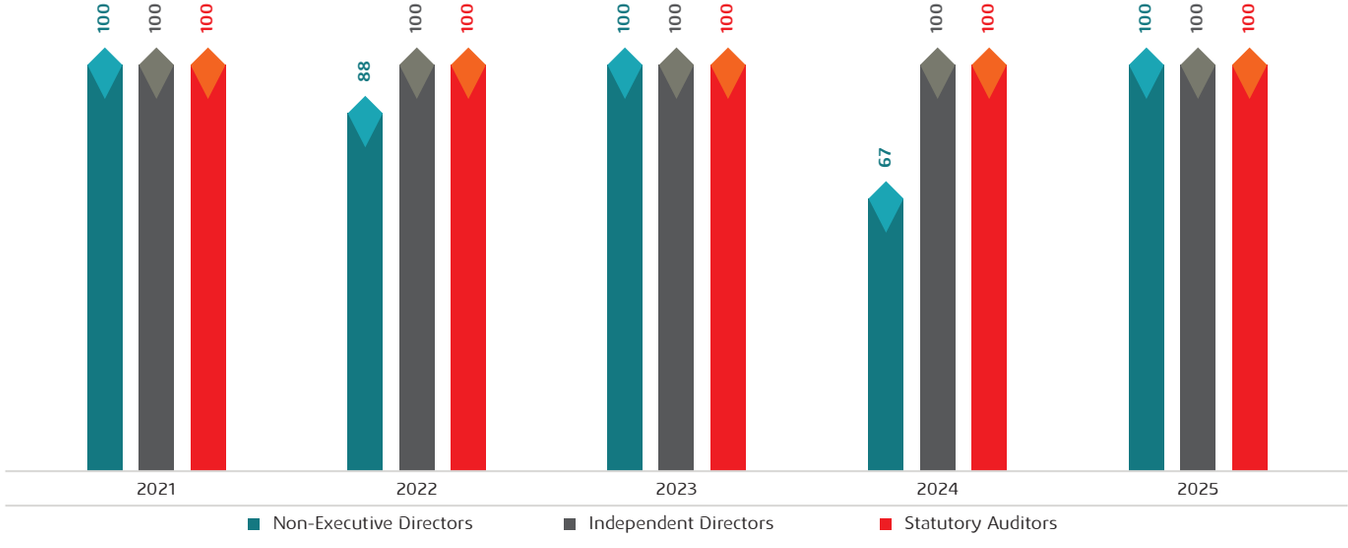
Total Number of Shareholders against Total Number of Shares



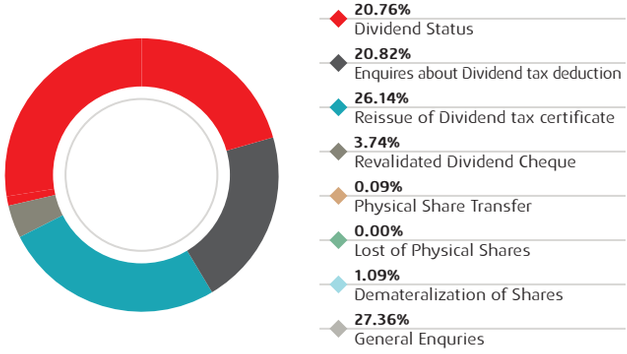
Average Shareholder's (%) Representation in past 5 years



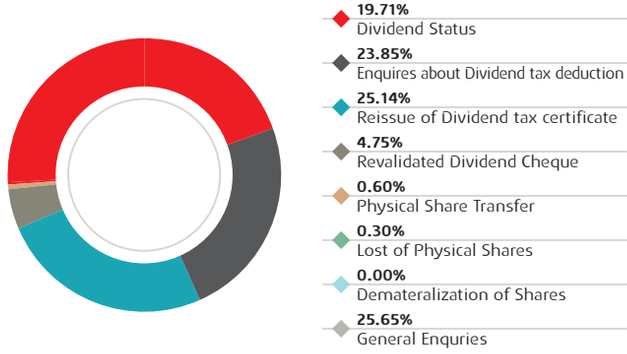
AGM Attendance % of Non-Executive Directors, Independent directors, and Statutory Auditors



Service Provided to Stakeholders 2024



Service Provided to Stakeholders 2025



11.6.1 Process of Communicating the Schedule

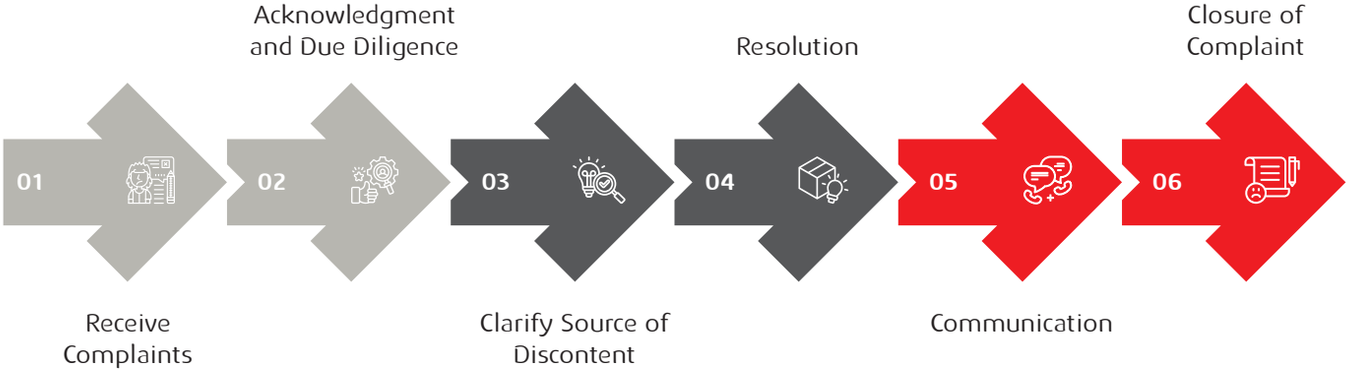
In accordance with the Companies Act, 2020 (2nd Amendment), hard copies of the Annual Report and the Notice of the Annual General Meeting (AGM) are dispatched to shareholders at least 21 days prior to the AGM. These documents are sent to shareholders whose names appear on the Record Date, which was fixed on Monday, May 12, 2025.

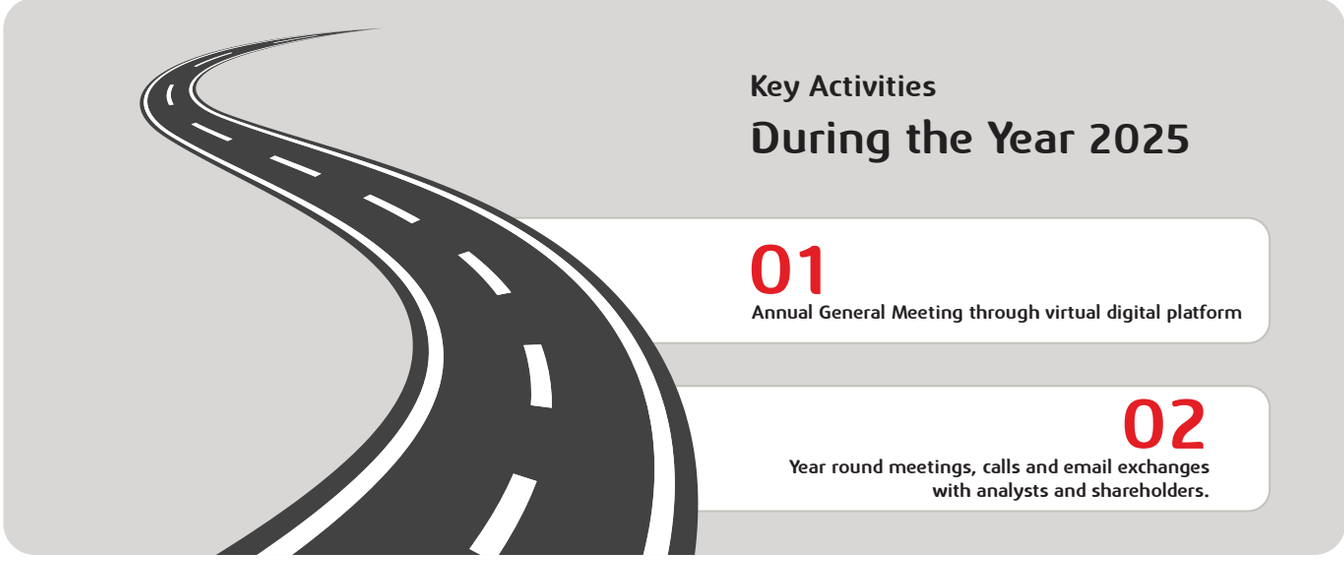
The AGM notice is also submitted to the Dhaka Stock Exchange (DSE) PLC., Chittagong Stock Exchange (CSE) PLC., and the Bangladesh Securities and Exchange Commission (BSEC). In addition, the notice is published through both online and print media and is made available on the Company's official website.

11.7 Complaint Management Process

IDLC firmly upholds the principle of equitable treatment for all shareholders. Shareholder complaints are addressed on a priority basis, and the Company has established appropriate mechanisms to resolve grievances within a specified timeframe.

To promote effective stakeholder engagement while safeguarding stakeholder rights and accountability, the Company has implemented a Complaint Management Policy. The Board of Directors is responsible for overseeing the implementation of this policy and ensuring compliance with its provisions





12.0 Dividend Distribution Policy

IDLC is committed to creating superior value for its stakeholders through a prudent capital management strategy. The Company continues to focus on generating sustainable returns to support long-term value creation while addressing both the immediate and future requirements of the business.

In line with this commitment, IDLC has established a Dividend Distribution Policy in accordance with the Directive on Dividend Distribution and Management issued by the Bangladesh Securities and Exchange Commission (BSEC), notification no. BSEC/CMMRRCD/2021-386/03 dated January 14, 2021. The policy provides a broad framework to guide the declaration and distribution of dividends to shareholders.

12.1 Preamble

This policy sets out the parameters under which IDLC Finance PLC. intends to distribute dividends to its shareholders. The Company will follow the guidelines outlined in this policy when declaring and paying dividends approved by the Board and shareholders. The policy aims to provide a structured framework for dividend distribution while maintaining an appropriate balance between rewarding shareholders and retaining sufficient resources to support the Company's growth and long-term sustainability. It may also be used to evaluate any claims relating to dividend entitlement by shareholders or other stakeholders, subject to the provisions contained in the Company's Articles of Association.

12.2 Philosophy

IDLC Finance PLC. is dedicated to maximizing value for its shareholders. Through an effective capital strategy, the Company aims to ensure sustainable returns that contribute to long-term value creation. Shareholder wealth maximization remains one of the primary priorities of IDLC Finance PLC. While addressing both short-term operational needs and long-term strategic objectives, the Board will continue to follow a progressive and adaptive dividend policy.

12.3 Objective

The purpose of this policy is to establish a broad and guiding framework, along with key principles and parameters, that influence the declaration and distribution of dividends. It also seeks to ensure the timely and accurate remittance of cash or stock dividends to shareholders. In addition, the policy identifies relevant internal and external factors, including financial considerations, that may affect dividend decisions and helps regulate the overall dividend distribution process.

12.4 Regulatory Framework

The Board has adopted a progressive and flexible dividend distribution policy in compliance with applicable laws, rules, and regulations prescribed by the relevant regulatory authorities.

12.5 Definitions

This section outlines the meanings of terms used within the Dividend Distribution Policy.

12.6 Interpretation

Unless the context otherwise requires, the following interpretations apply within this policy:

- Clause headings are included solely for reference purposes and do not affect the interpretation of the provisions.
- References to a clause number include its related sub-clauses.
- Words expressed in the singular form shall include the plural, and vice versa.
- Terms and expressions not specifically defined in this policy but defined under the Bangladesh Securities and Exchange Commission notification No. BSEC/CMMRRCD/2021-386/03 dated January 14, 2021, relating to the Directive on Dividend Distribution and Management of Unpaid and Unclaimed Dividends, shall carry the meanings assigned to them under the relevant laws, rules, and regulations.

12.7 Period and Category of Dividends

Dividends may be distributed in the form of cash or stock dividends. The Company may declare both interim and final dividends. The Board of Directors has the authority to recommend a final dividend, which is subject to approval of shareholders at the Annual General Meeting (AGM). During the financial year, the Board may also declare interim dividends in accordance with this policy. Final dividends are distributed once in a financial year after the completion and audit of the annual financial statements. Interim dividends may be declared by the Board of Directors one or more times during the financial year, as deemed appropriate.

12.8 Parameters/Factors for Dividend Declaration

Dividends shall be declared because of the Company's ordinary shares. Currently, the Authorized Share Capital of the Company consists solely of equity/ordinary shares with a face value of BDT 10 each. The Company does not have any other class of shares. The Board shall recommend or declare the dividend per share considering the following parameters:

12.8.1 Financial Parameters

- Financial feasibility of the Company
- Liquidity position
- Availability of profits
- Favorable debt-equity ratio
- Debt interest coverage ratio
- Profit growth
- Business expansion plan

12.8.2 Internal Factors

- **Profitability:** Dividend decisions will consider the Company's profitability.
- **Growth Plan:** The need for capital expenditure to support optimal growth and leverage will be considered.
- **Earnings Growth Rate:** Past and projected profit growth is evaluated.
- **Free Cash Flow:** Availability of free cash flow significantly influences dividend payouts.
- **Investment Opportunities:** Decisions will consider available investment options.

Note: Other factors that may significantly impact the Company but are not explicitly listed above may also be considered.

12.8.3 External Factors

- **Statutory Restrictions:** Dividend declaration and distribution are subject to prevailing legal and regulatory requirements.
- **Shareholder Expectations:** Shareholders' expectations are an important consideration in dividend decisions.

- **Government Policies:** Applicable policies and restrictions under the Companies Act and other relevant regulations will be observed.

Note: Other external factors with a material impact may also be considered.

12.9 Utilization of Retained Earnings

Retained earnings shall be used to support the Company's business operations and long-term shareholder value. Their utilization will be guided by:

- Market expansion plans
- Product expansion initiatives
- Modernization programs
- Business diversification
- Long-term strategic objectives
- Replacement of capital assets
- Cost considerations for debt financing
- Dividend payments
- Other criteria deemed appropriate by the Board from time to time

12.10 Entitlement to Dividend

Shareholders whose names appear in the Share Register and/or Depository records on the Record Date are entitled to receive dividends.

12.11 Tax

Dividends will be distributed in compliance with prevailing tax laws after deducting applicable taxes, which will be deposited to the Government exchequer. Tax certificates, along with the challan copy, will be provided to all shareholders.

12.12 Dividend Disbursement Process

Following the Board's recommendation, the proposed dividend is placed before shareholders at the General Meeting for approval. Approved dividends will be distributed within the prescribed timeline, in accordance with regulatory requirements, including BSEC Notification No. BSEC/CMMRRCD/2021-386/03 dated January 14, 2021, regarding Dividend Distribution and Management of Unpaid and Unclaimed Dividends.

12.13 Reporting

The Company shall submit the Dividend Compliance Report to the relevant regulators in the prescribed format within the stipulated timeline.

12.14 Disclosures

The Dividend Distribution Policy shall be disclosed on the Company's website and in the Annual Report.

12.15 Unclaimed Dividend

Unclaimed dividends are maintained in a separate bank account and disbursed to shareholders upon legitimate claim. Pursuant to the BSEC directive on Dividend Distribution and Management of Unpaid and Unclaimed Dividends (Notification No. BSEC/CMMRRCD/2021-386/03), IDLC will retain unclaimed dividends for three (3) years from the date of AGM approval. After this period, any remaining unclaimed dividends will be transferred to the Capital Market Stabilization Fund (CMSF) established by the Bangladesh Securities and Exchange Commission. Claims on unclaimed dividends after transfer will be verified by IDLC and paid to the respective shareholders.

12.16 Amendment

This Policy Statement is effective from the date of execution and may be amended from time to time, subject to approval by the Board of Directors.

12.17 Disclaimer

This Policy Statement does not constitute a guarantee of future dividends. It provides general guidance on the Company's approach to distribution.

13.0 Environmental and Social Obligation

Profit
Our profit-generating capacity for long-term sustenance.

Planet
Our surrounding environment and the planet

People
Our Stakeholders with whom we engage for our business and the community where we live.

Policy and Practices on Environmental and Social Obligations

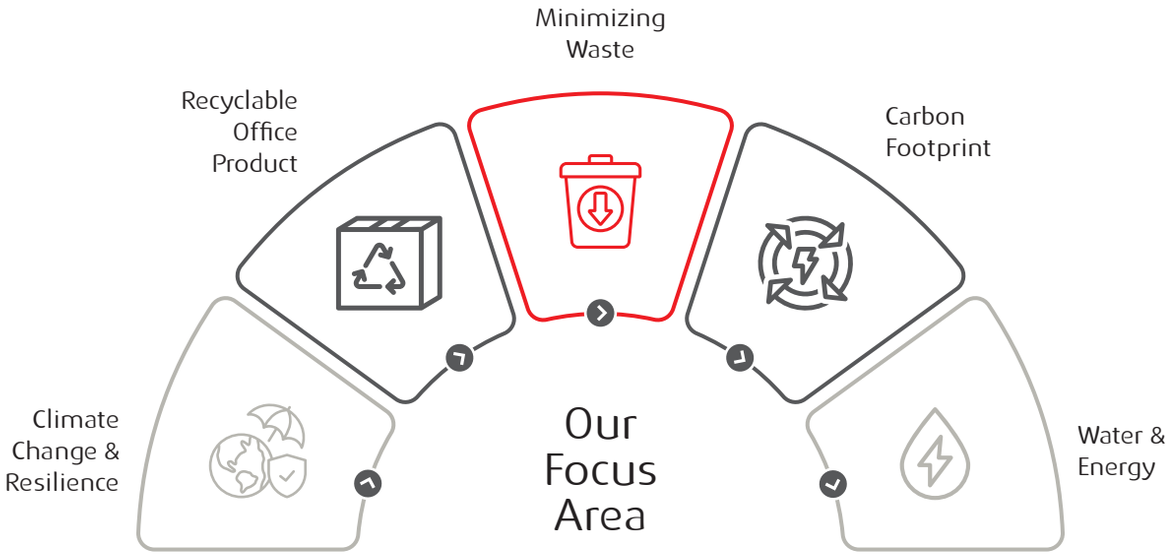
At IDLC, we believe in the concept of a sustainable business, one that integrates. good governance, environmental issues and social concerns with its business strategies to maximize value for stakeholders. IDLC's sustainability model is based on the 3P approach - People, Planet and Profit

Accordingly, IDLC has aligned its CSR (corporate social responsibility) initiatives to deliver on this commitment and aid community empowerment and responsible environmental management in a sustainable manner. We have three primary ways to support our communities:

- Partnering with NGOs/INGOs/volunteering Organizations
- Employee engagement
- Donations

At IDLC, we are also focusing on Earth and its sustainability, shifting from the traditional financing approach.

In this regard, we are making our credit appraisal process to be much more stringent from an environmental and social (E&S) perspective evaluating all the environmental and social factors such as project impacts on the environment and the community in the long run, prior to approving a loan.



Healthcare Initiatives

- Established a Chemotherapy Unit at Chattogram Ma-O-Shishu Cancer Hospital and Research Institute
- Organized a Cervical Cancer Awareness session for female employees of IDLC
- Financial support for facilitating treatment of childhood cancer
- Installation of Safe Drinking Water System in 3 Government Primary Schools in Dhaka
- Provided 4 units of water purifier for the Court of Chief Judicial Magistrate, Dhaka

Environment Initiatives

- Distributed 4000 blankets among poor and cold-stricken people
- Planted 5,000 Trees at Baher Char, Rangabali

Education Initiatives

- Scholarship program for the children of IDLC permanent support staffs
- Educational Sponsorship - DU, Banking & Insurance
- Scholarship program for underprivileged students at Higher Secondary and Graduation level
- Nursing Education for 25 Disadvantaged Females
- Oditiya - Scholarship for Disadvantaged Female Students
- Expansion of IDLC Latarchar School, Patuakhali
- Bangladesh Economics Olympiad 2023
- Education support for children with special needs

Affiliated Agreements

IDLC is also among the founding signatories of several global initiatives, including the Principles for Responsible Banking (comprising six principles), the Collective Commitment to Climate Action, and the Net-Zero Banking Alliance, all introduced by the United Nations Environment Programme Finance Initiative. In addition, IDLC has voluntarily endorsed the pledge of Tobacco Free Portfolios. Participation in these initiatives enables IDLC to align its Environmental and Social Management System (ESMS) practices with internationally recognized standards and adopt global best practices.

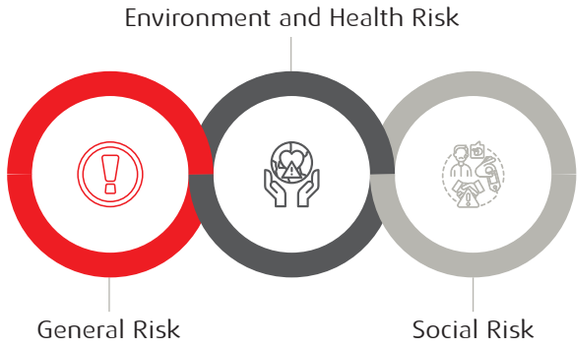
To support these commitments, a dedicated Environmental and Social (E&S) team works collaboratively across the organization to ensure the effective implementation of Environmental and Social Risk Management (ESRM) throughout IDLC. The team also focuses on strengthening the capacity of business units and credit risk management officials to identify and leverage opportunities arising from an evolving economy and society that increasingly emphasizes sustainability. In the 21st century, IDLC aspires to create sustainable value for both society and its stakeholders, while continuing to maintain the trust of investors, customers, employees, and the broader community.

Furthermore, the implementation of IDLC's Green Banking Policy and Sustainable Finance Policy, which are aligned with the International Finance Corporation Performance Standards, the Asian Development Bank Safeguard Policy, and the relevant guidelines of Bangladesh Bank, represents another significant milestone in the Company's sustainability journey. In accordance with these policies and practices, a detailed description of the specific activities undertaken by IDLC is provided on page 128 of this Annual Report under the section titled Natural Capital.

Any substantial risks and opportunities associated with sustainability and climate change that could be anticipated to have an impact on the entity's cash flows, cost of capital, or access to finance over the short, medium, or long term are disclosed by IDLC as per IFRS S1 and IFRS S1 requirements.

IDLC is strictly following a rigorous Environmental and Social Risk Due Diligence (ESDD) process.

The current ESSD process covers three sections



Ecological Balance in the Office

We prioritize the use of office materials that can be recycled after their lifecycle. This approach helps ensure that the products used in our offices minimize environmental impact. In addition, we are taking necessary initiatives to renovate our office spaces with energy-efficient lighting and air-conditioning systems that are more environmentally friendly.

13.2 Sustainability

Ensuring that our business practices remain sustainable is one of our key priorities. We continue to follow sustainable practices by adhering to the guidelines and recommendations of the Global Reporting Initiative (GRI). IDLC Finance PLC. has been recognized among the top twelve (12) financial institutions (10 banks & 2 FIS) in Bangladesh Bank's Sustainability Finance Report 2024. Further details on this matter are provided in our Sustainability Report.

Outside Financial Inclusion

With the launch of the nation's first "Digital Savings Scheme," IDLC has made it possible for those who were not previously financially included to take use of IDLC Finance's term-deposit services by using their bKash accounts. People from all walks of life should be encouraged to save money by this new service, which will also make saving more profitable, easy, safe, and accessible.

Long Term Goal

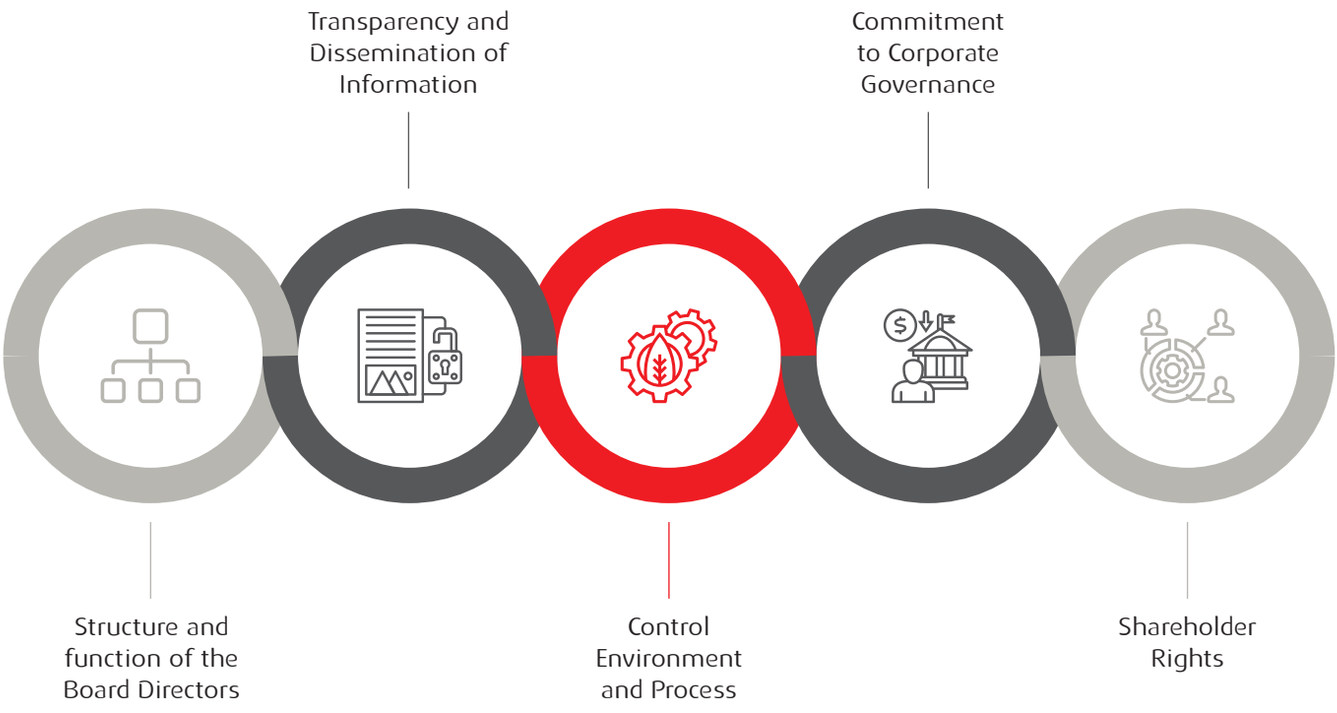
Through addressing issues with education, health, and the environment, our CSR projects seek to uphold the positivity, inclusivity, and connection that characterize our organization. Our specific plans and actions to achieve this are listed on page 256 in the CSR activities section.

14. IDLC's Overall Corporate Governance

At IDLC, the Board of Directors is accountable to the shareholders for ensuring that the Company is managed effectively and that its strategic objectives are achieved. The Board convenes regularly to determine the Company's strategic direction, review operational and financial performance, establish the organization's risk appetite, and provide oversight to ensure that the Company is adequately resourced and maintains effective control systems.

In line with our commitment to business sustainability and within the framework of our integrated reporting approach, our governance structure–guided by a well-structured and capable Board (as described above in relation to its core responsibilities)–supports the creation of sustainable value over the medium and long term. Several key drivers enable the Company to consistently generate value, including:

IDLC's Overall Corporate Governance



Statutory Reporting

Key Pointers for Shareholders

IDLC is very much concern of the stakeholders' interest on the company, including the potential investors. IDLC, with 40 years of financial expertise, helps its clients to decide in taking right financial decisions. The following historical information will help our current and potential investors with their decision making:

Financial Calendar to the Shareholders

Events for the Year	2025	2024
Publication of Financial Statements for the 1st Quarter	May 8, 2025	May 12, 2024
Publication of Financial Statements for the Half-year	July 31, 2025	July 18, 2024
Publication of Financial Statements for the 3rd Quarter	October 29, 2025	October 20, 2024
Annual Financial statements approved by the Board	March 16, 2026	April 17, 2025
Date of Record	April 19, 2026	May 12, 2025
Dispatching notice for the Annual General meeting	April 23, 2026	May 13, 2025
Dispatching of Annual Report	April 23, 2026	May 13, 2025
Holding of Annual General Meeting	May 14, 2026	June 03, 2025
Transfer/ payment of Dividend	June 11, 2026	July 02, 2025

Comparative Shareholding Structure

Types of Shareholders	2025		2024	
	No. of Shares	% of Shares	No. of Shares	% of Shares
Sponsor/Director	153,289,467	35.12%	235,540,930	56.66%
Institutions	218,859,023	50.14%	116,903,361	28.12%
Individuals	61,795,729	14.16%	61,080,161	14.70%
Foreign	2,539,190	0.58%	2,174,032	0.52%
Total shares held	436,483,409	100.00%	415,698,484	100.00%

Top Ten Shareholders of IDLC as on December 31, 2025

Sl. No.	Name of the Shareholders	2025		2024	
		No. of shares held	% of Issued shares	No. of shares held	% of Issued shares
1	City Bank PLC.	39,284,383	9.00%	37,413,699	9.00%
2	City Bank Capital Resources Limited (CBCRL)	43,211,857	9.90%	41,154,150	9.90%
3	City Brokerage Limited	18,808,183	4.31%	17,912,556	4.31%
4	Eskayef Bangladesh Limited	34,91,8671	8.00%	33,255,878	8.00%
5	Transcraft Limited	17,517,218	4.01%	16,683,065	4.01%
6	Bangladesh Lamps PLC.	5,761,578	1.32%	5,487,218	1.32%
7	Sadharan Bima Corporation (SBC)	33,255,662	7.62%	3,1672,060	7.62%
8	Reliance Insurance PLC.	30,553,835	7.00%	29,098,891	7.00%
9	Mercantile Bank PLC.	15,276,916	3.50%	14,549,444	3.50%
10	Mercantile Bank Securities Limited	8,729,667	2.00%	8,313,969	2.00%

Equity Statistics of IDLC Important to the Shareholders

Particulars	2025	2024	2023	2022	2021
Number of shares outsatnding (No.)	436,483,409	415,698,484	415,698,484	415,698,484	395,903,319
Net asset value per share (BDT)	49.96	45.96	45.03	42.89	40.39
Market Capitalization (BDT Mn)	15,582	13,593	19,330	19,329	23,873
Market value addition per share (BDT)	(14.26)	(13.26)	1.47	3.61	19.91
Shareholders' equity (BDT Mn)	21,806	20,061	18,718	17,828	16,789

IDLC'S Share Price as on December 31, 2025

Particulars	2025	2024	2023	2022	2021
Highest (BDT)	35.80	32.90	46.50	46.50	60.9
Lowest (BDT)	35.40	32.40	46.50	46.50	59.60
Closing (BDT)	35.70	32.7	46.50	46.50	60.30
Shares traded (No.)	180,317	116,801	300	13,339	169,164
Market Turnover (BDT Mn)	6.421	3.81	0.014	0.62	10.17

Non-Performing Loan (NPL) Management

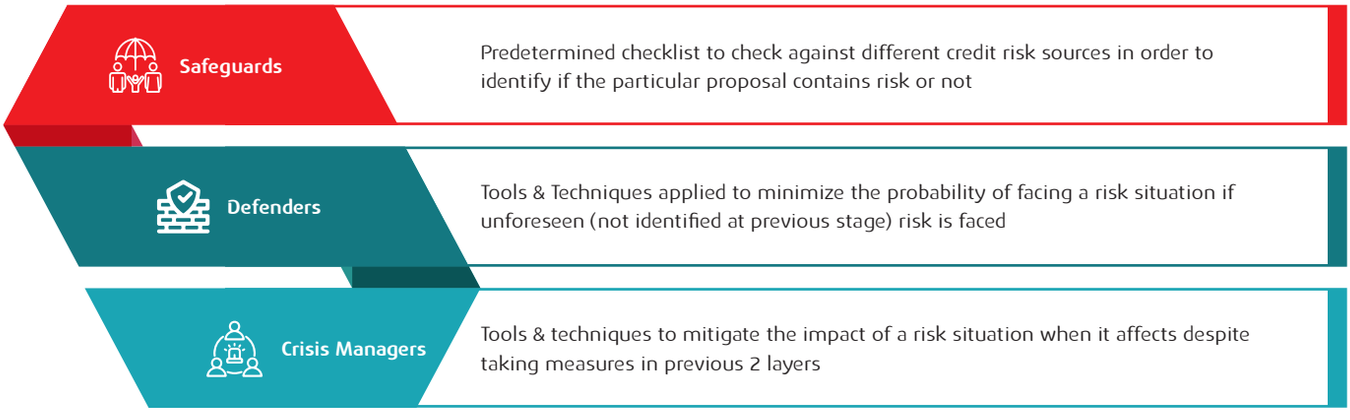
Managing Non-Performing Loans (NPL) has become has emerged as one of the most pressing challenges facing Bangladesh's financial sector compounded by a confluence of structural and governance failures: the prolonged aftershocks of the COVID-19 pandemic, persistently elevated inflation and macro-political transitions that declined investor confidence. Post-COVID increases in production costs and disrupted supply chains have further prevented timely repayment of loan instalments across the industrial sector, deepening defaults. Since net interest income is a key revenue stream for financial sector, NPLs stand as major deterrent to ensuring the strength of financial institutions. As of December 2025, the percentage of Classified Loan to Total Outstanding of the banking industry stood at 30.60% for Banks.

At IDLC, one of our core strategic objectives is maintain the quality of assets. We have integrated the core principles of asset quality into our business strategy to keep the NPL at the lowest possible level. Rather than retreating into blanket conservatism that would cost us meaningful business opportunities, we take a more deliberate approach: identifying niches that offer the most attractive risk-adjusted returns, supported by rigorous processes, sound underwriting policies, and early-warning monitoring systems. This discipline is what allows IDLC to maintain NPL levels that stand in clear contrast to the broader sectoral distress – and to remain a trusted partner for borrowers and investors alike.

Strategy for NPL Management at IDLC

NPL Management starts from ground zero of our business process with strong Credit Risk Management (CRM) process. At IDLC, the underlying goal of Credit Risk Management is to maximize profit over long run maintaining credit risk exposure within acceptable level. To do so, a 3-layered CRM strategy has been adopted.

At the frontal part is Safeguards. Every credit proposal in term of client segment, macro aspect has some inherent risks. Every credit proposal, therefore, is checked against our predetermined risk sources to ensure if the proposal adheres to our safeguard strategy. At the middle layer is the Defenders. If IDLC decides to proceed with particular proposal despite the non-adherence of that proposal with our initial safeguards, we implement Defense mechanism. Despite taking safeguard and implementing defense mechanism, a loan might become non-performing for many reasons. In that case we implement rehabilitation techniques to minimize adverse impact with crisis management.



Safeguarding against NPLs:

At IDLC, in order to safeguard against NPLs, a proposal undergoes through following assessments:

- **Financial Status Review:** To assess client's financial ability to pay objectively based on financial data.
- **Ownership & Management Structure Analysis:** To assess management and ownership structure to identify potential risk in term of succession and dependence on single person and to mitigate such risks accordingly
- **CIB Analysis:** To assess the payment behavior of the prospective client
- **Market Review Assessment:** To have a basic idea about the client's willingness to pay as well as client's ability to pay.
- **Purpose Assessment:** To ensure utilization of our loan for specific purpose which will have positive impact on business
- **Tenure Assessment:** To manage the asset-liability mismatch

Defending against NPLs:

The following tools are followed for defending against NPLs at post sanction stage:

- Credit Structuring
- Early Alert Report
- Appointment of a third party consultant in case of below par management skills
- Primary security and Cash Security as collateral
- Taking a third part personal guarantor/ corporate guarantee

If we understand a client is going to be defaulter, we take the following three routes:

- If through Early Report or any other mean, we can predict client is going to be a defaulter, our primary defense is to take "exit" from the client. In this case, we provide a timeline and offer structured payment during that period so that client can foreclose her/his facility with us in ease.
- **Restructuring** means either extending whole tenure of a facility or structuring payment before a facility becomes non-performing but early alert suggests it might be later.
- **Rescheduling** is a sort of restructuring but it is done for a facility which has already become non-performing. While rescheduling, extension of tenure, change of interest rate might be taken into consideration.

Crisis Managing NPLs:

At IDLC, we have a dedicated team to manage crisis in case a loan defaults and becomes non-performing, known as Special Asset Management (SAM) team. SAM department of IDLC is responsible for monitoring and managing delinquent accounts with a view to reducing the company's Portfolio at Risk (PAR), Non-Performing Loans (NPL) and Incremental Specific Provision (ISP).Crisis Management undergoes the following procedure:

- The primary strategy is negotiation. In many cases, personal guarantors apart from the client himself/ herself play a crucial role to peruse the client for making payment, transferring possession of vehicles or in sale of mortgaged property to save their own back.
- Recovery agency has expertise in recovering receivables. Recovery agencies can play crucial role in recovering payable directly from clients. Where direct recovery effort does not work out, recovery agencies help in taking possession of client's assets.
- If recovery from client directly is not feasible, the client's asset that is used as collateral is liquidated. However, for liquidation, we have to go through Litigation under Artha Rin Adalat (ARA) and Negotiable Instruments (NI) Act.

Tactics used for Collection and Recovery process

Strategy	Strategy
Recovery of due payments	• Soft phone calls • Visits • Soft overdue reminder letters
Prevention of further deterioration	• Frequent phone calls • Visits to client and guarantors • Meetings • Persuasive reminder letters • Legal Notice for Payment of Overdue and for Filing Suit under NI Act
Full settlement of liabilities	• Meetings • Legal Notice • Litigation under NI Act • Involvement of third party recovery agents • Termination and liquidation/auction of secured assets/mortgage • Litigation under ARA Act • Depending on case assessment- writing-off

Major Challenges faced in 2025

Drastic change in political regime in August 2024, posed a question mark on our overall political stability leading to challenge in export and FDI (foreign direct investment). Since then, our overall economy is going through a challenging phase.

Macro-economic Challenge:

1. Minimal Growth prospect
2. Both foreign and local investment in business and industry in general experienced decline as uncertainty and volatility are increasing in business environment
3. Power and energy crisis continued to affect production cost and business margin.
4. High lending rate due to higher policy rate
5. Inflation and Liquidity pressure deteriorating client repayment behavior.
6. Lingering impact of COVID- 19 and Russia – Ukraine war is adversely affecting clients' business condition and in many cases businesses have shut down

Legal Challenge:

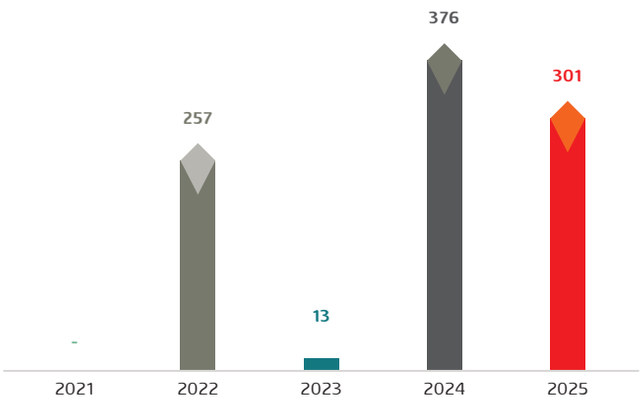
1. Lengthy and time consuming legal procedure
2. Delay in closing law suits due to propensity to opt for stay orders

Through combined efforts of CRM team, in safeguarding and defending against default risks, and Special Asset Management (SAM) team through recovery, allowed us to restrict NPL rate to 4.43% in 2025; which is significantly lower than both Bank and NBFI industry average.

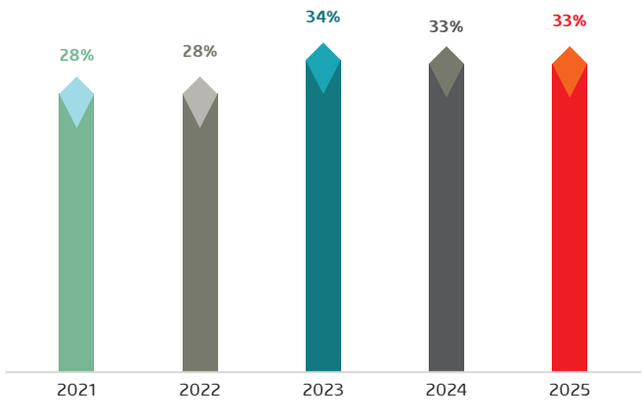
Highlights of 2025

Amount Written off during the year

in BDT

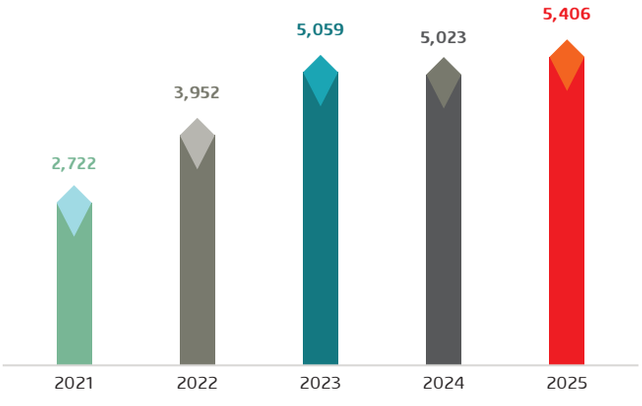


Total Recovery as percentage of written off amount

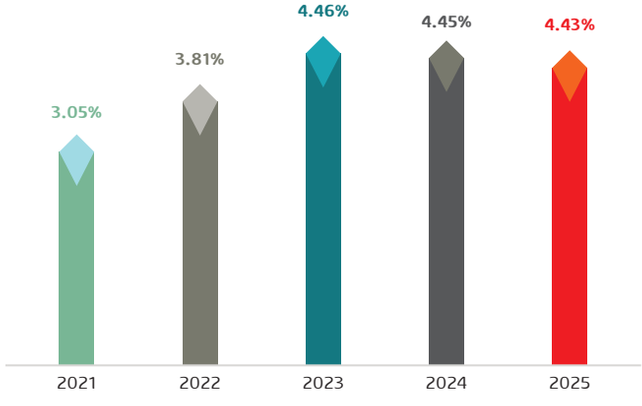


NPL Amount

in BDT



NPL Rate



Strategic Outlook for 2026

2026 could be a year full of potential as new political government has been elected but the ongoing war is threatening our economic development.

In order to arrest NPL, our focus is not only to reduce existing NPL portfolio, but also to avoid further addition of NPL. In this regard, we have strengthened our front liners, recovery & monitoring teams, deployed external sources where found suitable, strengthened our legal team, thereby intensified recovery drive which brought in defaulting clients under negotiation. As part of our core strategic objective of maintaining quality asset, we will focus on the following strategies to restrict and curb the NPL ratio in the years ahead:

- Setting a sector specific financing strategy based on the impact of war on the specific sector performance
- Review of sector specific financing benchmark considering war specific risk to ensure adequate risk identification at credit approval process.
- Streamlining loan covenants to identify and mitigate war – specific risks
- Risk categorization of large loan accounts considering the impact of the war and initiating specific monitoring process proactively for the high risk accounts
- Setting an optimistic target of non – performing portfolio for 2026 and ensure co-ordination amongst the units towards ultimate recovery objectives;
- Performance focused model for relationship managers to ensure regular payment of clients;
- Implementing adequate internal procedures using Early Warning Indicators (EWI).
- Closely monitoring legal cases for rapid settlement through legal procedure; and
- Strengthening amicable settlement process with the problem accounts to minimize recovery risk

Disclosures on Risk Based Capital Under Pillar-III Market Discipline

for the Year Ended 31 December 2025

Disclosures under Pillar-III Market Discipline

The following detailed qualitative and quantitative disclosures are provided in accordance with Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions which has been published on December 28, 2011. The purpose of these requirements is to complement the capital adequacy requirements and the Pillar III – supervisory review process. These disclosures are intended for market participants to assess key information about the FI's exposure to various risks and to provide a consistent and understandable disclosure framework as per regulatory requirement. The FI has an approved disclosure policy to observe the disclosure requirements set out by the Bangladesh FI and International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) into Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) where relevant to the FI.

The Basel II Accord is based on three mutually reinforcing pillars. The First pillar is about Minimum Capital Requirement (MCR), second is about Supervisory Review Process (SRP) and the last is about Market Discipline. This accord outlines the level of capital required by an FI against various types of risks including credit, market and operational risk based on the risk profile of the organization.

Basel II		
Pillar I	**Pillar II**	**Pillar III**
Minimum Capital Requirement (MCR)	Supervisory Review Process	Disclosure & Market Discipline

A) Scope of application

Qualitative Disclosures:

The name of the top corporate entity in the group to which this guidelines applies.

IDLC Finance PLC.

An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).

The IDLC Group has three wholly owned subsidiaries: IDLC Securities Limited, IDLC Investments Limited and IDLC Asset Management Limited, which are fully consolidated.

Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.

Not applicable.

Quantitative Disclosures:

The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the name(s) of such subsidiaries.

Not applicable.

B) Capital structure

Qualitative Disclosures

Summary information on the terms and conditions of the main features of all capital instruments, specially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2.

Tier 2 capital includes:

i) General provision up to a limit of 1.25% of Risk Weighted Asset (RWA) for Credit Risk;

ii) Revaluation reserves:

- 50% Revaluation reserve for fixed assets;
- 45% Revaluation reserve for securities;
- 10% Revaluation Reserve for Equity Instruments

iii) All other preference shares.

Conditions for maintaining regulatory capital:

The calculation of Tier 1 capital, and Tier 2 capital, shall be subject to the following conditions:

i) The amount of Tier 2 capital will be limited to 100% of the amount of Tier 1 capital.

ii) 50% of revaluation reserves for fixed assets and 45% of revaluation reserves for securities are eligible for Tier 2 capital.

Quantitative Disclosures:

The amount of Tier 1 capital and Tier 2 capital, with separate disclosure of:

BDT crore

Particulars	As on 31-12-25	
	Solo	Consolidated
Paid up capital	436.48	436.48
Non-repayable share premium account	126.06	126.06
Statutory reserve	449.88	449.88
General reserve	100.00	100.00
Retained earnings	460.36	937.70
Minority interest in subsidiaries	-	-
Non-cumulative irredeemable preference shares	-	-
Dividend equalisation reserves	100.00	100.00
Other(if any item approved by Bangladesh Bank)	-	30.48
(a) Total Tier 1 capital	**1,672.78**	**2,180.60**
(b) The total amount of Tier 2 capital	**99.88**	**100.26**
(c) Other deductions from capital	**-**	**-**
(d= a+b+c) Total eligible capital	**1,772.66**	**2,280.85**

C) Capital Adequacy

Qualitative Disclosures

(a) A summary discussion of the FI's approach to assessing the adequacy of its capital to support current and future activities.

Risk Weighted Assets (RWA) and Capital Adequacy Ratio (CAR)

IDLC has adopted Standardized Approach for computation of Capital Charge for Credit Risk and Market Risk while Basic Indicator Approach for Operational Risk. Total Risk Weighted Assets (RWA) of the Company is determined by multiplying the capital charge for market risk and operational risk by the reciprocal of the minimum capital adequacy ratio i.e. 10% and adding the resulting figures to the sum of risk weighted assets for credit risk. Total RWA is then used as denominator while total Eligible Regulatory Capital as on numerator to derive Capital Adequacy Ratio.

Strategy to achieve the required Capital Adequacy:

Operational level:

Immediate measures:

Asking unrated Corporate clients to have credit rating from External Credit Assessment Institutions (ECAIs) recognized by Bangladesh Bank;

Rigorous monitoring of overdue contracts to bring those under 90 days overdue;

Assessing incremental effect of capital charge over the expected net income from financing before sanctioning any appraisal, which could be one of the criteria for taking financing decision.

Continuous measures:

Concentrating on SME clients having exposure up to BDT 1 crore as this will carry 75% fixed risk weight (for regular contracts only);

Financing clients having good credit rating;

Using benefit of credit risk mitigation by taking eligible financial collaterals against transactions;

Focusing more on booking high spread earning assets and thus increasing retained earnings.

Strategic level:

Injecting fresh capital by issuing right shares, if required

Strategic level:
Injecting fresh capital by issuing right shares, if required

Quantitative Disclosures

BDT Crore

Particulars	As on 31-12-25	
	Solo	Consolidated
(a) Capital requirement for Credit Risk	8,769.21	8,424.57
(b) Capital requirement for Market Risk	286.58	729.38
(c) Capital requirement for Operational Risk	890.61	1,075.75

(e) Total and Tier 1 capital ratio:

For stand alone; and
For the consolidated group

Particular	Solo	Consolidated
CAR on Total capital basis (%)	17.82	22.30
CAR on Tier 1 capital basis (%)	16.82	21.32
CAR on Tier 2 capital basis (%)	1.00	0.98

D) Credit Risk

Qualitative Disclosures

Credit risk is defined as the probability of failure of counterparty to meet its obligation as per agreed terms. FI's is very much prone to credit risk due to its core activities i.e. lending to Corporate, Consumer, SME, another bank/FI. The main objective of credit risk management is to minimize negative impact through adopting proper mitigates and to limit risk exposures within acceptable limit.

(a) The general qualitative disclosure requirement with respect to credit risk, including:

Definitions of past due and impaired (for accounting purposes)

As per the Bangladesh Bank's Prudential Guideline on Capital Adequacy and Market Discipline for Financial Institutions, the unsecured portion of any claim or exposure (other than claims secured by residential property) that is past due for 90 days or more, net of specific provisions (including partial write-off) will be risk weighted as per risk weights of respective balance sheet exposures. For the purpose of defining the net exposure of the past due loan, eligible financial collateral (if any) may be considered for Credit Risk Mitigation.

Description of approaches followed for specific and general allowances and statistical methods;

Specific provisions for classified loans and general provisions for unclassified loans and advances and contingent assets are measured following BB prescribed provisioning rates as mentioned below:

Bank guideline. For Example, 0.25% provision is maintained against SME-Standard loan/ lease,

1% provision is maintained against good loans (other than SME-Standard loan/ lease), 1% on the

off-balance sheet exposures, 2% on the standard amount for loan/ lease to the Subsidiaries/Sister

Concerns, Brokerage House, Merchant Banks, Stock dealers etc, 0.25% provision is maintained against SME- SMA loan/ lease , 5% against SMA loan/ lease (other than SME- SMA loan/ lease), 5% against sub-standard loan/ lease, 20% against sub-standard loan/ lease (other than SME- sub-standard loan/ lease), 20% against SME-doubtful loan/ lease, 50% against doubtful loan/ lease lease (other than SME- doubtful loan/ lease)and 100% against bad/loss loan/ lease after deducting the amount of interest expenses and value of eligible securities from the outstanding balance of classified accounts.

Discussion of the FI's credit risk management policy.

Implementation of various strategies to minimize risk:

- To encounter and mitigate credit risk the following control measures are taken place at IDLC:
- Looking into payment performance of customer before financing;
- Periodic review of clients;
- Adequate insurance coverage for funded assets;
- Vigorous monitoring and follow up by Special Assets Management and collection Team;
- Strong follow up of compliance of credit policies by Credit Administration Department;
- Taking collateral and performing valuation and legal vetting on the proposed collateral;
- Seeking legal opinion from internal and external lawyer for any legal issues;
- Maintaining neutrality in politics and following arm's length approach in related party transactions;
- Regular review of market situation and industry exposure;
- Sector-wise portfolio is maintained within specific limits to ensure diversification of loan assets.

In addition to the industry best practices for assessing, identifying and measuring risks, IDLC also considers Guidelines for Managing Core Risks of financial institutions issued by the Country's Central Bank, Bangladesh Bank; vide FID Circular No. 10 dated September 18, 2005 for management of risks.

Approved Credit Policy by the Board of Directors

The Board of Directors has approved the Credit Policy for the company where major policy guidelines, growth strategy, exposure limits (for particular sector, product, individual company and group) and risk management strategies have been described/stated in detail. Credit Policy is regularly updated to cope up with the changing global, environmental and domestic economic scenarios.

Separate Credit Risk Management (CRM) Department

An independent Credit Risk Management (CRM) Department is in place, at IDLC, to scrutinize projects from a risk-weighted point of view and assist the management in creating a high quality credit portfolio and maximize returns from risk assets. Research team of CRM regularly reviews market situation and exposure of IDLC in various industrial sub-sectors. CRM has been segregated from Credit Administration Department in line with Central Bank's Guidelines. CRM assess credit risks and suggest mitigations before recommendation of every credit proposal while Credit Administration confirms that adequate security documents are in place before disbursement.

Special Assets Management and Collection Team

A strong Law and Recovery Team monitors the performance of the loans & advances, identify early signs of delinquencies in portfolio, and take corrective measures to mitigate risks, improve loan quality and to ensure recovery of loans in a timely manner including legal actions.

Independent Internal Control and Compliances Department (ICC)

Appropriate internal control measures are in place at IDLC. IDLC has also established Internal Control and Compliances Department (ICC) to ensures, compliance with approved lending guidelines, Bangladesh Bank guidelines, operational procedures, adequacy of internal control and documentation procedures. ICC frames and implements policies to encounter such risks.

Credit Evaluation

The Credit Evaluation Committee (CEC) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to counter associated risks. The CEC critically reviews projects considering the current global financial crisis and its probable impact on the project.

Risk Grading Model (RGM) helps a Financial Institution to understand the various dimensions of risks involved in transactions related to small business clients who are plying their businesses in various geographical locations across the country. IDLC has been developing and managing RGM to promote the safety and soundness of the Company by facilitating informed decision-making. This model measures credit risk and differentiate individual credits and groups of credits by the risk they pose. This allows management and examiners to monitor changes and trends in risk levels. The process also allows the management to manage risk to optimize returns.

To mitigate credit risk, IDLC search for credit report from the Credit Information Bureau (CIB) of Bangladesh Bank. The report is scrutinized by CRM and CEC to understand the liability condition and repayment behavior of the client. Depending on the report, banker's opinions are taken from client's banks. Suppliers' and buyers' opinion are taken to understand the market position and reputation of our proposed customers.

Credit Approval Process

To ensure both speedy service and mitigation of credit risk, the approval process is maintained through a multilayer system. Depending on the size of the loan, a multilayer approval system is designed. As smaller loans are very frequent and comparatively less risky, lower sanctioning authority is set to improve the turnaround time and associated risk. Bigger loans require more scrutiny as the associated risk is higher. So sanctioning authority is higher as well.

Credit Quality and Portfolio Diversification

IDLC believes in diversification in terms of products as well as sectors. To mitigate the Credit Risk, the company diversifies its loan exposure to different sectors confirming the Central Bank's requirements. Threshold limit is set for any sector so that any adverse impact on any industry has minimum effect on IDLC's total return. Central Bank's instructions are strictly followed in determining Single Borrower/ Large Loan limit. Significant concentration of credit in terms of groups or geographical location is carefully avoided to minimize risk.

Early Warning System

Performance of loans is regularly monitored to trigger early warning system to address the loans and advances whose performance show any deteriorating trend. It enables the company to grow its credit portfolio with ultimate objective to protect the interest of stakeholders.

NPL Management

IDLC measures its loan portfolio in terms of payment arrears. The impairment levels on the loans and advances are monitored regularly.

As per FID Circular No.3 dated March 15, 2007, DFIM Circular No.3 dated April 8, 2015, DFIM Circular No.2 dated April 1, 2019, DFIM Circular No.8 dated June 7, 2022:

1. Loan/Lease, classified as bad/loss and with 100% provision, can only be written-off.
2. Approval from the Board of Directors has to be taken before write-off.
3. The financial institutions should constantly try to recover the loan/lease written-off amount. If legal action has not been taken against the client, legal charges should be placed before the write off.
4. To expedite the legal settlement or collection of the due amount, third party agents can be appointed by the financial institutions.
5. A separate ledger should be maintained for the written off loans/leases and the accumulated written off value should be disclosed separately under the heading of "notes to the account" in the annual report/balance sheet of the financial institutions.
6. Even if the loan/lease has been written off, the client should be classified as defaulter and reported to CIB accordingly.
7. Approval from Bangladesh Bank must be obtained for the written off loan/lease taken in the name of the director of a financial institution or an institution related to his interests.
8. FI also can write off bad loans taken by a person, or in the name of his/her sole proprietorship who subsequently passed away, without filing a lawsuit if they are not actionable under the Finance Court Act 2003. However, in the case of a sole proprietorship, it must be considered whether the deceased has any earning heirs
9. FIs are now allowed to write off from their balance sheet the default loans that have been in the bad and loss category for three years.
10. Financial institutions will take legal action in cases of diversion of funds without proper utilization of the disbursed loans, or loans created through fraud or forgery, or in the name of non-existent institutions.

Detail records for all such write off accounts are meticulously maintained and followed up.

Counterparty Credit Rating

IDLC is taking initiatives to rate the Corporate Clients of the company immediately by the External Credit Assessment Institutions (ECAIs)/ Rating Agencies duly recognized by the Central Bank. As on December 31, 2024, 1,721 clients with total net exposure of BDT 4,061.77 crore were eligible for credit rating. Among these clients, 286 clients having net exposure of BDT 2,797.14 crore had valid credit ratings. That is, about 68.87% of ratable exposure was rated. Around 38% of the unrated exposure belong to clients with significantly small exposure of less than 1 crore who preferred not to do rating considering exposure amount. The remaining unrated exposure belong to clients who are of SME type in nature and are not motivated to do rating due to their unstructured nature and the cost that needs to be incurred for the credit rating report.

Methods used to measure Credit Risk

As per the directives of Bangladesh Bank, 'The Standardized approach' is applied by the company to measure its Credit Risk.

Quantitative Disclosures

(b) Total gross credit risk exposures broken down by major types of credit exposure.

BDT Crore

Particular	Solo	Consolidated
Lease receivable	473.71	473.71
Long-term finance	7,492.65	7,492.65
Real estate finance	2,916.61	2,916.61
Car loans	232.90	232.90
Personal loan	8.78	8.78
Short term finance	321.80	321.80
Loan to subsidiaries	-	-
Loan against deposit (LAD)	67.47	67.47
Margin loan to portfolio investors	-	79.34
Ijarah Muntahiah Bi Tamlik	325.57	325.57
Murabahah	6.19	6.19
Sale & Lease Back	112.08	112.08
Interest/Profit Receivables	240.79	240.79
Total	12,198.56	12,277.90

(b) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.

BDT crore

Area	Solo	Consolidated
Dhaka	8,085.95	8,165.28
Chattogram	635.33	635.33
Bogura	288.66	288.66
Sylhet	175.91	175.91
Savar	334.93	334.93
Cumilla	331.80	331.80
Jashore	283.28	283.28
Narsingdi	149.30	149.30
Bhulta	151.25	151.25
Khulna	124.97	124.97
Natore	122.41	122.41
Kushtia	173.83	173.83
Habiganj	147.06	147.06
Mymensingh	255.79	255.79
Rangpur	147.65	147.65
Chowmuhani	254.34	254.34
Barishal	197.25	197.25
Rajshahi	136.60	136.60
Faridpur	145.85	145.85
Dinajpur	56.38	56.38
Total	**12,198.56**	**12,277.90**

(d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.

SL. No.	Particulars	Amount (BDT Crore)
1	Trade & Commerce	3,275.48
2	Industry	4,355.92
	A. Garments & Knitwear	1,229.66
	B. Textiles	509.21
	C. Food Production, Processing & Rice Mills	856.37
	D. Jute & Jute products	18.81
	E. Plastic & Rubber Industry	255.54
	F. Leather & Leather goods	36.04
	G. Iron, Steel & Engineering	172.56
	H. Pharmaceuticals & Chemicals	381.26
	I. Cement & Allied Industry	65.64
	J. Paper, Packaging, Printing, Publishing & Allied Industry	123.94
	K. Wood, Furniture & Fixture	80.99
	L. Glass, Glassware & Ceramic Industry	9.47
	M. Ship Manufacturing & Breaking	0.00
	N. Electronics & Electrical Products	55.67
	O. Power, Gas, Petrollium, Water & Sanitary	42.04
	P. Transport & Aviation	271.78
	Q. Others	246.94
3	Agriculture	65.11
	A. Crops	-
	B. Forestry	1.04
	C. Poultry & Livestock	51.54
	D. Fisheries	5.79
	E. Others (Cold Storage, Biofuel, Seed, Feed, Agri-related Other Institutions & Services)	6.73
4	Mining & Quarrying	-
5	Housing	3,055.35
	A. Individual/Retail Housing	3,029.97
	B. Project/Commercial Housing	25.38
6	Financial Corporation	279.73
	A. Bank	-
	B. Financial Institution	-
	C. Insurance Company	3.58

SL. No.	Particulars	Amount (BDT Crore)
	D. NGO	276.03
	E. Audit & Accounting firm	-
	F. Credit Rating Agency	-
	G. Merchant Banking	-
	i. Loans to Own Subsidiaries	-
	ii. Loans to Other FI/Bank Subsidiaries	-
	iii. Loans to Brokerage House	-
	H. Other Financial Auxiliaries	0.12
7	Service	875.66
	A. Education, Career & Training (Institutional), Consultancy Supervisory	12.15
	B. Tourism, Hospitality & Logistics	10.64
	C. Health Sector	100.80
	D. Media, Advertising & Event Management	13.06
	E. Beautification & Gym	6.28
	F. Tailoring & Laundry	17.86
	G. Private Survey Institution	-
	H. Restaurant Service, Catering & Online Food Supplier	56.45
	I. Telecommunication & Information Technology	173.82
	J. Others	484.60
8	Consumer Finance	291.32
	A. Personal Loan	4.36
	B. Auto Loan	240.55
	C. Employee/Staff Loan	4.27
	D. Credit Card	-
	E. Loan Against Deposit	42.14
9	Q. Others	-
Grand Total		**12,198.56**

Beside these, IDLC group portfolio includes total margin loan to clients by our capital market subsidiaries (IDLC SL and IDLC IL) of amount BDT 79.34 crore. Therefore, the total industry exposure amounts to **BDT 12,277.90 crore.**

(e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.

		BDT crore
Particular	**Solo**	**Consolidated**
Repayable on demand	392.78	392.78
Over 1 month but not more than 3 months	981.30	981.30
Over 3 months but not more than 1 year	3,387.68	3,467.02
Over 1 year but not more than 5 years	5,238.73	5,238.73
Over 5 years	2,198.07	2,198.07
Total	**12,198.56**	**12,277.90**

(f) Gross Non Performing Assets (NPAs)

Non Performing Assets (NPAs) to Outstanding Loans & advances

On the reporting date i.e. 31 December 2025, Gross Non-Performing Assets/classified loans stood at BDT 540.56 core.

Non-Performing Assets (classified loans) to Outstanding Loans & advances

On the reporting date i.e. 31 December 2025, Non-Performing Assets (classified loans) to outstanding loans & advances was 4.43%.

Movement of Non-Performing Assets (NPAs)

Particular	**BDT crore**
Opening balance	**502.28**
Additions	161.54
Reductions	123.25
Closing balance	**540.56**

Movement of specific provisions for NPAs

Particular	**BDT crore**
Opening balance	**356.23**
Provisions made during the period	116.22
Write-off	27.68
Write-back of excess provisions	50.41
Closing balance	**394.36**

E) Equities: banking book positions

Qualitative Disclosures

The general qualitative disclosure requirement with respect to equity risk, including:

Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and

Total equity shares holdings are for capital gain purpose.

Discussion of important policies covering the valuation and accounting of equity holdings in the

banking book positions. This includes the accounting techniques and valuation methodologies

used, including key assumptions and practices affecting valuation as well as significant changes in these practices.

Quoted shares are valued at cost prices and if the total cost of a particular share is lower than the market value of that particular share, then provision are maintained as per terms and condition of regulatory authority. On the other hand, unquoted share is valued at cost price or book value as per latest audited accounts.

Quantitative Disclosures

Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.

BDT Crore

Particulars	Cost Price	Market Price
Quoted shares	367.03	364.69
Unquoted shares	25.58	-

The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.

- Nil

Particulars	BDT Crore
Total unrealized gains (losses)	**2.33**
Total latent revaluation gains (losses)	-
Any amounts of the above included in Tier 2 capital.	-

Capital requirements broken down by appropriate equity groupings, consistent with the FI's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.

Specific Risk- Market value of investment in equities is BDT 364.69 crore. Capital Requirement is 10% of the said value which stand to **BDT 36.47 crore.**

General Risk- Market value of investment in equities is **BDT 364.69 crore.** Capital Requirement is 10% of the said value which stand to **BDT 36.47 crore.**

F) Interest rate in the banking book

Qualitative Disclosures

The general qualitative disclosure requirement including the nature of interest risk and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits.

Interest rate risk in the banking book arises from mismatches between the future yield of an assets and their funding cost. Assets Liability Committee (ALCO) monitors the interest rate movement on a regular basis. IDLC measure the Interest Rate Risk by calculation Duration Gap i.e. a positive Duration Gap affect company's profitability adversely with the increment of interest rate and a negative Duration Gap increase the company's profitability with the reduction of interest rate.

Quantitative Disclosures

The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk broken down by currency (as relevant).

Maturity wise Distribution of Assets-Liabilities

BDT Crore

Particular	1 to 30/31day (1month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year
A. Total Rate Sensitive Liabilities (A)	553.88	729.28	772.16	1169.33	1374.35
B. Total Rate Sensitive Assets (B)	981.42	672.59	701.62	1396.22	2312.82
C. Mismatch	427.54	-56.69	-70.54	226.89	938.47
D. Cumulative Mismatch	427.54	370.85	300.32	527.21	1465.67
E. Mismatch (%)	77.19%	-7.77%	-9.13%	19.40%	68.28%

Interest Rate Risk - Increase in Interest Rate

Magnitude of Shock	Minor	Moderate	Major
	2%	4%	6%
Change in the Value of Bond Portfolio	-50.99	-101.97	-152.96
Net Interest Income	29.31	58.63	87.94
Revised Regulatory Capital	2259.18	2237.51	2215.84
Risk Weighted Assets	10229.71	10229.71	10229.71
Revised CAR (%)	22.08%	21.87%	21.66%

G) Market risk

Qualitative Disclosures

a) Views of BOD on trading/investment activities

All the Market Risk related policies/guidelines are duly approved by BOD. The BOD sets limit and review and updates the compliance on regular basis aiming to mitigate the Market risk.

Methods used to measure Market risk

Market Risk is the probability of losing assets in balance sheet and off- balance sheet position arising out of volatility in market variables i.e. interest rate, exchange rate and prices of securities. In order to calculate the market risk for trading book purposes the company uses Standardized (rule based) Approach where capital charge for interest rate risk, price and foreign exchange risk is determined separately.

Market Risk Management system

Policies and processes for mitigating market risk

A Policy for managing Market Risk has been set out by the Board of Directors of the company where clear instructions has been given on Loan Deposit Ratio, Whole Sale Borrowing Guidelines, Medium Term Funding, Maximum Cumulative Outflow, Liquidity Contingency Plan, Local Regulatory Compliance, Recommendation / Action Plan etc. Treasury manages the Market Risk with the help of Asset Liability Management Committee (ALCO) and Asset Liability Management (ALM) Desk in the following fashion:

Interest Risk Management

Treasury Division reviews the risks of changes in income of the Company as a result of movements in market interest rates. In the normal course of business, IDLC tries to minimize the mismatches between the duration of interest rate sensitive assets and liabilities. Effective Interest Rate Risk Management is done as under:

Market analysis

Market analysis over interest rate movements are reviewed by the Treasury of the company. The type and level of mismatch interest rate risk of the company is managed and monitored from two perspectives, being an economic value perspective and an earning perspective.

GAP analysis

ALCO has established guidelines in line with central Bank's policy for the management of assets and liabilities, monitoring and minimizing interest rate risks at an acceptable level. ALCO in its regular monthly meeting analyzes Interest Rate Sensitivity by computing GAP i.e. the difference between Rate Sensitive Assets and Rate Sensitive Liability and take decision of enhancing or reducing the GAP according to prevailing market situation aiming to mitigate interest rate risk.

Continuous Monitoring

Company's treasury manages and controls day-to-day trading activities under the supervision of ALCO that ensures continuous monitoring of the level of assumed risks.

Equity Risk Management

Equity Risk is the risk of loss due to adverse change in market price of equities held by the Company. Equity Risk is managed by the following fashion:

IDLC minimizes the Equity Risks by Portfolio diversification as per investment policy of the company. The entire portfolio is managed by IDLC Investments Limited.

Quantitative Disclosures

The capital requirements for Market Risk:

	Stand Alone	Consolidated
Particulars	**Amount in BDT Crore**	**Amount in BDT Crore**
Interest rate risk	-	-
Equity position risk	28.66	72.94
Foreign Exchange Position and Commodity risk (if any).	-	-

H) Operational Risk:

Qualitative disclosure:

Views of Board on system to reduce Operational Risk:

All the policies and guidelines of internal control and compliances are duly approved by the Board. The Board delegates its authority to Executive Committee and to ManCom members as per company policy of delegation of authority. Audit Committee of the Board directly oversees the activities of internal control and compliance as per good governance guideline issued by Securities and Exchange Commission.

Performance gap of executives and staffs

IDLC's recruitment strategy is based on retaining and attracting the most suitable people at all levels of the business and this is reflected in our objective approach to recruitment and selection. The approach is based on the requirements of the job (both now and in the near future), matching the ability and potential of the individual. Qualification, skills and competency form our basis for nurturing talent. We are proud to state that favorable job responsibilities are increasingly attracting greater participation from different level of employees in the IDLC family. We aim to foster a sense of pride in working for IDLC and to be the employer of choice. As such there exists no performance gap in IDLC.

Potential external events

No such potential external event exist to rise operational risk of IDLC at the time of reporting.

Policies and procedures for mitigating operational risk:

IDLC has also established Internal Control and Compliances Department (ICC) to address operational risk and to frame and implement policies to encounter such risks. ICC assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and mange operational risk.

Approach for calculating capital charge for operational risk:

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. IDLC uses basic indicator approach for calculation capital charge against operational risk i.e. 15% of average positive annual gross income of the company over last three years.

Quantitative Disclosures

Capital requirement for operational risk:

	Stand Alone	Consolidated
Particulars	**Amount in BDT Crore**	**Amount in BDT Crore**
Capital requirement for operational risk:	89.06	107.58

Custodian Service Certificate

HUSSAIN FARHAD & CO.
CHARTERED ACCOUNTANTS

To whom it may concern

We hereby certify that IDLC Finance PLC has undertaken custodian transactions relating to custodian services rendered during the year ended 31 December 2025. These transactions have been reviewed and verified against the books of account, invoices, and other supporting documents provided to us.

Furthermore, we certify that the management has duly prepared and fairly presented the Income and Expense Account in compliance with the Securities and Exchange Commission (Security Custodian Service) Rules, 2003, and that the necessary disclosures have been incorporated in the audited financial statements for the year ended 31 December 2025.

Hussain Farhad & Co.
Chartered Accountants
Firm Registration No.: CAF-001-125

Dhaka, 09 April 2026

Md. Masum Hossain FCA
Partner
Enrolment Number: 1985

Authorised Training Employer of ICAEW Chartered Accountants

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Independent member Morison Global

Notice of the 41st Annual General Meeting

(THROUGH AN ONLINE PLATFORM)

Notice is hereby given to all the members of IDLC Finance PLC. (IDLC) that the 41st Annual General Meeting (AGM) of the company will be held on May 14, 2026 (Thursday) at 11.00 A.M. (BST) by using an Online Digital Platform (Pursuance to BSEC Order no. SEC/SRMIC/94-231/91, dated March 31, 2021, and BSEC/ICAD/SRIC/2024/318/87, dated March 27, 2024) to transact the following businesses:

Ordinary Business:

FPG260514-0041-01: Adoption of Directors' Report, Auditors' Report, and Audited Financial Statements for the year ended December 31, 2025;

FPG260514-0041-02: Declaration of Dividend for the year 2025 as recommended by the Board;

FPG260514-0041-03: Retirement and Election of Directors, including the confirmation of the appointment of Independent Directors;

FPG260514-0041-04: Appointment of Auditors of the Company until the conclusion of the next Annual General Meeting (AGM) and fixation of their remuneration; and

FPG260514-0041-05: Appointment of auditors for certification on the compliance on conditions of the Corporate Governance Code (CGC) for 2026 of the Company and fixation of their remuneration.

Special Business:

FPG260514-0041-01S: To consider and if thought fit to pass the proposed amendments to the existing clause 134 (Quorum of the Board), of the Articles of Association of the Company, be hereby approved as Special Resolutions to comply with the relevant regulations of Bangladesh.

To be resolved:

"Resolved that the proposed amendments to the existing clause 134 (as follows), of the Articles of Association of the Company, be hereby approved as Special Resolutions to comply with the relevant regulations of Bangladesh.

Sl.	Clause	Existing	Proposed Amendment
1	134	Quorum of Board meeting: Subject to Section 131 of the Act, six (6) Directors present in person, shall form quorum for the transaction of the business of the Directors at the meeting of the Board of Directors.	Subject to Section 131 of the Companies Act, 1994, the quorum for a meeting of the Board of Directors shall be fifty percent (50%) of the total number of Directors for the time being in office, present in person, and in no case less than the minimum required number of Directors under applicable laws, rules and regulatory requirements. The quorum requirement may be revised from time to time to ensure compliance with the prevailing laws, rules, and regulatory requirements.

Date: April 23, 2026

By order of the Board

Abul Fazal Mohamed Rubayat FCS FCMA (UK) CGMA (USA) FCPA (AUS)
Group Chief Corporate Affairs Officer and Group Company Secretary

Notes:

- As notified earlier the "**Record Date**" is fixed at **April 19, 2026 (Sunday)**. The Members whose names would appear in the Register of Members of the company and/or in the Depository on the 'Record Date' will be eligible to attend the 41st AGM and entitled to the Dividend as approved;
- The members may join the Virtual AGM through the link: https: //agmbd.live/IDLC2026;
- The members will be able to submit their questions/comments electronically 24 (Twenty-four) hours before the commencement of the AGM through this link and also during the Annual General Meeting;
- In order to log in to the virtual AGM as a participant, the member needs to click on the link and provide the individual's 16-digit Beneficiary Owners (BO) Account number or Folio number, name of respective member, number of shares held, and mobile number or email address;
- Members/proxies are requested to login to the system prior to starting the meeting at 10.30 A.M. (BST) on **May 14, 2026, (Thursday)** and the webcast will start at **11.00 A.M. (BST)**. For any IT-related guidance and help with the login process, the respected members may contact us at +8809609994350 or visit the IDLC website;
- The notice of the 41st AGM along with the link for the virtual AGM and detailed login process to the virtual AGM has been sent through email of the respective member's email ID and it is also available at: www.idlc.com;
- In compliance with Clause No. 22(1) of the Listing Regulations, 2015, of Dhaka Stock Exchange PLC. & Chittagong Stock Exchange PLC. and condition No. 9(2) of gazette notification No. SEC/CMRRCD/2006-158/208/Admin/81, dated June 20, 2018, on Financial Reporting and Disclosure of Bangladesh Securities and Exchange Commission (BSEC) soft copies of the Annual Report along with the Attendance Slip, Proxy Form, and the Notice, will be forwarded to all the Members at their respective email address available with us as per CDBL record. The Members may also collect the Proxy Form from the Registered Office of the company. These are also available in the website of the company: www.idlc.com. The printed annual report may be available if any member requires in writing beforehand;
- A Member may appoint a proxy to attend and vote on his/her place by filling proxy form as per Article 102 of the Articles of Association of the company. The proxy form, duly completed and stamped, must be deposited at the office or sent through email to companysecretary@idlc.com not later than 72 hours before the time scheduled for holding the meeting;
- Pursuant to Article 80 of the Articles of Association, a corporate member of the company, by resolution of the Board of Directors or other Governing Body of such body corporate, may authorize such person as it thinks fit, to act as representative at any meeting of the members of the company;
- Members are requested to advise us on their option of receiving entitled cash dividends through email: companysecretary@idlc.com **on or before April 30, 2026**, Otherwise dividend will be paid off as deemed appropriate by IDLC.

Report of the Audit Committee

Scope of work of the Audit Committee

The scope of the Audit Committee ("the Committee") of IDLC Finance PLC. is determined by its Terms of Reference (ToR) which, in turn, are shaped by directives from its principal regulators, Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC). These include, but are not limited to, exercising oversight over:

- The internal control system of the company
- Financial reporting
- The Internal Control and Compliance department
- Compliance with regulatory requirements
- Nomination & remuneration policies, practices and procedures

The Committee is authorized to investigate any matter within its terms of reference, access all documents and information of the company, seek information from any director or employee of the Group, and co-opt any resources (including external professional assistance) it sees fit in order to fulfill its duties. However, the Committee has no executive function and its primary objective is to review and challenge and recommend, as it sees fit, rather than assume responsibility for any matters within its remit.

The Committee presents a summary of its activities to shareholders and other interested parties by means of this report, and the Committee Chairman attends all general meetings of the Company's shareholders to answer any questions on the Committee's activities.

Review of financial statements by the Audit Committee

The Audit Committee reviewed the quarterly and annual financial statements of the company for the year 2025 and placed its recommendations to the Board of Directors.

Review of the activities of the Internal Control and Compliance (ICC)

Major activities of the ICC department during the year were as follows:

- Execution of risk-based annual audit plan 2025
- Conducting investigations as and when required
- Review of internal control system
- Issuance of responses to inquiries by regulators and other government agencies
- Coordination of regulatory inspections and statutory external audit
- Coordination of management responses to the external audit and to regulatory inspection reports
- Management of IDLC Complaint Cell
- Monitoring of anti-money laundering (AML) and combating the financing of terrorism (CFT) compliance activities
- Continual review of loan/lease classification process and ensure proper provisioning of non-performing loan/lease
- Facilitation of, and participating in, Audit Committee meetings

In addition to the above regular activities, the department also carried out following development functions during the year:

- Reviewed and provided value-added input on new policies and procedures proposed by the various IDLC departments;
- Conducted in-house fresher and refreshers training program on AML/CFT regulations as part of overall awareness building efforts

All of the above enabled the Committee to evaluate major risk areas, issue broad-level guidance for management so as to ensure effective controls are in place and to provide accurate, appropriate and timely information to the Board of Directors, regulatory bodies and shareholders.

External audit

A. Qasem & Co., Chartered Accountants, acted as statutory external auditors of the company for 2025. Prior to finalization of the consolidated financial statements of the company for the year ended 31 December 2025, the Audit Committee sat with the statutory auditors to discuss their audit of the same.

Independence of External Auditor

The Committee prohibits the external auditors from performing any work that they may subsequently need to audit, or which might otherwise create a conflict of interest. The Committee also monitors the balance between audit and non-audit related functions to ensure that auditor independence can be shown to be maintained.

The external auditors are not engaged by the company on any material non-audit work such as:

- Appraisal or valuation services or fairness opinions;
- Financial information systems design and implementation;
- Book-keeping or other services related to the accounting records or financial statements;
- Broker-dealer services;
- Actuarial services; and
- Internal audit services

The Audit Committee appraised the expertise, resources, independence and objectivity of the external auditors and also reviewed their effectiveness as external auditors.

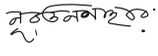
Resolutions of the Audit Committee meeting

The Committee met Eight (8) times during the year 2025 and carried out the following tasks:

- Reviewed the audited consolidated financial statements of IDLC Finance PLC. ("IDLC") as well as the audited separate financial statements of IDLC and its subsidiaries for the year ended December 31, 2024;

- Conducted discussions with the Bangladesh Bank, statutory auditors and management, on the audited financial statements of the company and its subsidiaries for the year ended December 31, 2024 before concluding that the audited financial statements provided a true and fair view;
- Reviewed report of Management Discussion and Analysis 2024 prior to its publication in the Annual Report 2024;
- Reviewed loan classification process with provision requirement for the year ended December 31, 2024;
- Reviewed report of the Audit Committee for 2024 for publication in the Annual Report 2024;
- Reviewed and approved Annual Risk-based Audit Plan 2026 of the Internal Control & Compliance department
- Reviewed compliance report on Bangladesh Bank's comprehensive inspection report on Corporate Head Office of IDLC Finance PLC. based on December 31, 2024;
- Recommended for appointment of statutory auditors for the year 2025 and for fixation of their remuneration;
- Recommended for appointment of auditors for certification on compliance with the conditions of Corporate Governance Guideline (CGG) for the year 2025 and for fixation of their remuneration;
- Recommended for appointment of Independent Scrutinizer to authenticate the election process and voting result of 40th Annual General Meeting as per the BSEC directive;
- Reviewed the quarterly unaudited financial statements of IDLC Finance PLC. and its subsidiaries for the quarters
- ended 31 March 2025, 30 June 2025 and 30 September 2025 respectively;
- Reviewed classification process with provision requirement for the quarters ended on March 31 2025, June 30 2025 and September 30 2025, respectively;
- Reviewed the half-yearly Anti-Money Laundering (AML) compliance activity report of IDLC Finance PLC. for the half years ended December 31, 2024 and 30 June 2025;
- Reviewed the quarterly Internal Control & Compliance reports for the quarters ended on December 31, 2024, March 31 2025, June 30 2025, September 30 2025, respectively;
- Reviewed Quarterly Willful defaulter Report to DFIM and CIB Unit of Bangladesh Bank for the Quarters ended December 31, 2024, March 31 2025, June 30 2025, September 30 2025 respectively;
- Reviewed Management Report issued By A. Qasem & Co., Chartered Accountants, statutory auditors of the company, based on their annual audit of the financial statements of IDLC Finance PLC. for the year ended December 31, 2024;
- Reviewed and approved the Policy regarding identifying the Company's Needs for Employees at Different Levels and Determine their Selection, Transfer or Replacement and Promotion Criteria;
- Reviewed and Approved the Policy for Nomination and Remuneration for the Board of Directors of IDLC Finance PLC.;
- Reviewed Bangladesh Bank's re-compliance letter dated August 25, 2025 on Bangladesh Bank FIID Comprehensive Inspection Report on Head Office of IDLC Finance PLC. based on 31.12.2023;
- Reviewed the Nomination and Remuneration Policy and Status during the year 2024 at a glance to be disclosed in the Annual Report;
- Reviewed Bangladesh Bank's Quick Summary Report on FICL of IDLC Finance PLC. based on the financials as of December 31, 2024
- Reviewed other matters of interest arising during the year ended 31 December 2025.

Based on its reviews and the above-mentioned discussions, the Audit Committee is of the view that the internal control and compliance system of the company is adequate for the purposes of presenting a true and fair view of the activities and financial status of the company and for ensuring that its assets are safeguarded properly against business and operational risks.



Noor Un Nahar,
Chairman, Audit Committee

Assessment Report on the Going Concern of IDLC Finance PLC.

Going concern is a fundamental accounting concept that underlies the preparation of financial statements of companies. Under the going Concern concept, it is assumed that a Company will continue in operation and that there is neither the intent nor the need to either liquidate it or to cease trading.

The purpose of this going concern statement is to bring together the requirements of Company law, accounting standards and Listing Rules on going concern.

The management of IDLC has made this assessment based on the accounting period ended on or after December 31, 2025. The management's assessment of whether the Company is a going concern involves making appropriate inquiries including review of budgets and future outcome of inherent risks involved in the business.

Considering the following major indicators, IDLC's management has reached the conclusion that the financial statement for the year 2025 is prepared based on going concern assumption:

Financial Indications

Fixed term debt with realistic renewal or repayment.

At the close of financial year 2025, total borrowing from other banks and financial institutions was BDT 31,955 mn. Based on our past experience, it can be said that there is every possibility that a major part of the debt would be renewed further or can be repaid from our existing cash flow.

Continuous financial support by lenders/ depositors

The Company enjoys a good track record and reputation in the settlement of its obligation with its lenders/ depositors. The Company was able to increase the level of confidence of depositors, which resulted in total deposit of BDT 101,537 mn.

Positive key financial ratios

The Company's financial ratios indicate sound financial strength and prospects and are evident from financial highlights given on page no. 159-161 of this Annual Report.

Consistent payment of dividends

IDLC has been paying dividend consistently to its shareholders over the years. We refer to financial highlights on page no. 160 of this Annual Report to show our steady dividend payment records. Moreover, the Company has declared Cash dividend @ 15% and stock dividend @ 5% in 2025, which reflects the Company's long- term operational viability.

Years	2021	2022	2023	2024	2025
Dividend%	15% Cash 5% Stock	15% Cash	15% Cash	15% Cash 5% Stock	15% Cash 5% Stock

Credibility in payment of obligations

IDLC has strong credibility in terms of payment of its obligations to lenders. The Company is particular in fulfilling the terms of loan agreements and has never defaulted, even in terms of convenience.

Trend of loan investment portfolio

The Company's loan portfolio saw a 7.62% growth with long-term financing increase by 10.66% and Islamic financing increasing by 160.96%.

Operating indications

Strengthening of Human Capital

During the year 2025, the Company has recruited 281 new employees, which resulted in a net headcount to 1,668 at the end of the year 2025, in comparison to 1,665 at the end of the year 2024.The net reduction is due to the departure of a few employees during the year.

Average length of service of an employee at IDLC was 6.23 years in 2025 (5.94 years in 2024). A report on human resource has been given on page no. 134 of this Annual Report.

Years	2021	2022	2023	2024	2025
Average length of service (in years)	5.48	5.28	5.59	5.94	6.23

Business expansion

IDLC has always been vested in growth through expanding our product offering. The pandemic, despite its constraints, has accelerated digitalization amongst the masses. Our strategy since long was to increase customer reach and granular penetration, which was made easier in the current situation. We launched our own "Digital Term Deposit" product, and our first ever MFS based DPS product that is likely to widen our business horizon in the upcoming times.

In addition, we inaugurated 5 major sub branches in Pabna, Satkhira, Feni, Brahmanbaria and Naogaon, which will be mostly catering to SME customer base in the region.

We have also successfully expanded operations of "IDLC Islamic" – the Shari'ah-Compliant Financing Window Of IDLC Finance PLC.

Despite the detriments from the macro-economic challenges, we have managed expansion in the form of geographic and product basket and paving the path for growth in the upcoming year.

Corporate environment and employee satisfaction

There exists a healthy corporate environment in the Company. This is reflected in our Statement of Corporate Governance and Report on our Human Capital.

Other indications

Maintenance of Capital Adequacy Ratio (CAR)

As per the DFIM Circular Number 14, dated December 28, 2011 of the Bangladesh Bank prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions has come into force from January 01, 2012. As per the guidelines, Financial Institutions (FIs) are required to maintain a CAR @ 10%. Before its implementation, FIs have been reporting CAR to the Bangladesh Bank based on draft BASEL Accord for Financial Institutions.

In each quarter of 2025, IDLC Finance PLC. as well as the Group had CAR above the minimum requirements of 10%.

Details are given in note No. 14.1 of the financial statements on page no. 357 and at “Disclosure under Pillar III-Market Discipline” on page no. 264.

Strong equity base

As on 31 December 2025, total equity of IDLC stands at BDT 21,806 mn (BDT 20,061 mn in December 31, 202), representing an increase of 7.21% over last year and reflects the Company’s long-term viability.

Strong CAMEL rating

CAMEL rating is used by the Bangladesh Bank as a tool for evaluating the strength and performance of a non-banking financial institution. The composite rating adjudged by the Bangladesh Bank signifies satisfactory performance of IDLC. The report contained no adverse material observations of the Bangladesh Bank on the activities of the Company.

Changes in government policy

The management anticipates no significant changes in legislation or government policy, which may materially affect the business of the Company.

Statement of Directors' Responsibilities for Internal Control, Financial Reporting and Corporate Governance

Responsibility for financial statements

The Directors are responsible for ensuring that the Company keeps proper books of accounts of all the transactions and prepares financial statements, which give a true and fair view of the state of its affairs and profit/ loss for the year.

The Board of Directors accepts responsibility for the integrity and objectivity of the financial statements. It ensures that the estimates and judgments relating to the financial statements were made on a prudent and reasonable basis so that they reflect in a true and fair manner, the form and substance of transactions and reasonably presents the Company's true state of affairs.

The Board of Directors confirm that the International Financial Reporting Standard (IFRS) and International Accounting Standards, as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, have been adhered to, subject to any material departure being disclosed and explained in the notes to the accounts.

The Board also confirms that the Company keeps accounting records, which disclose with reasonable accuracy, the financial position of the Company, and which enables it to ensure that the financial statements comply with the requirements of the Companies Act, 1994, Securities and Exchange Rules, 1987, Financial Institutions Act, 1993, and Listing Regulations of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited and amendments thereto.

Responsibility for internal control systems

To ensure this, the Company has taken proper and sufficient care in installing a system of internal control, which is reviewed, evaluated and updated on an ongoing basis. The internal control and compliance department of the Company conducts periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed.

Responsibility for Corporate Governance

At IDLC, we view the governance and oversight of our distinctive business model and prudent strategy as key to the ongoing creation and delivery of value to our stakeholders, particularly in an economic environment that remains both uncertain and challenging.

At our Company, the Board's primary role is to provide leadership, ensure that it is appropriately managed and deliver long-term shareholder value. It also sets the Group's strategic objectives and provides direction as a whole. A number of key decisions are reserved for and may only be made by the Board, which enables it and the executive management to operate within a clear governance framework.

At IDLC, we have also established and embraced - both in letter and spirit - our Code of Conduct, signed by each and every member as an acceptance to adhere to the principles of the Code during all business dealings. The Code also sets out guidance on best practices in the form of principles and provisions on how we should adopt and follow good governance practices. It has been the Board's view that the Company's governance regime has been fully compliant with the best practices set out in the Code during the year under review.

Opinion of external auditors

The auditor of the Company, A. Qasem & Co. Chartered Accountants, have carried out annual audit to review the system of internal controls, as they consider appropriate and necessary, for expressing their opinion on the financial statements. They have also examined the financial statements made available by the management together with all the financial records, related data, minutes of shareholders and Board meetings, relevant policies and expressed their opinion.

Moreover, in compliance with the conditions of the revised Corporate Governance Code (CGC) notification No. SEC/ CMRRCD/2006-158/207/ Admin/80, dated June 3, 2018, and notification No. SEC/ CMRRCD/2006-158/208/Admin/81, dated June 20, 2018, on financial reporting and disclosure issued by Bangladesh Securities and Exchange Commission (BSEC), Emerging Credit Rating Limited, have examined the compliance with the said conditions of Corporate Governance and certified that IDLC Finance PLC. has complied with the conditions of Corporate Governance Code stipulated in the above mentioned notification.

Directors' Report to the Shareholders of IDLC Finance PLC

Dear shareholders,

We, the Board of Directors, are proud to present the performance of IDLC for the year 2025, reaffirming our deep-rooted commitment to strengthening this company in which you have placed your confidence. In a year marked by macroeconomic transition and economic reset, we delivered a robust performance that speaks to our discipline, adaptability and long-term vision. Our focus remained clear: to preserve and elevate our standing as the nation's leading financial institution through prudent stewardship, innovation, and sustainable growth.

As we step forward on the foundation of four decades of excellence, we carry with us a legacy, built on trust and performance. Together, we remain committed to creating lasting value and compounding happiness for generations to come.

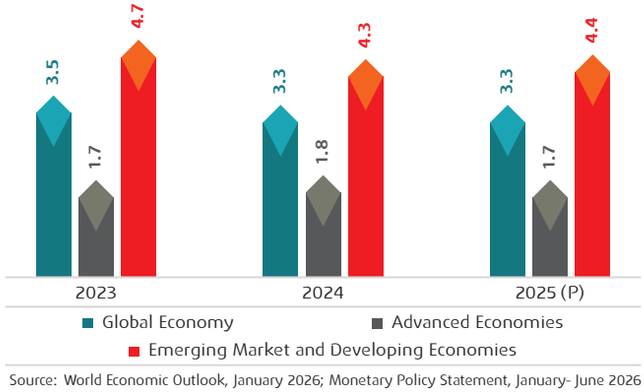
Macroeconomic Environment

Global Economic Outlook

In 2025, the global economy continued to navigate a transitory phase. Although inflationary pressures moderated compared to previous years, global growth remained constrained by tight financial conditions, geopolitical tensions, tariff wars, and lingering structural adjustments.

According to World Economic Situation and Prospects published by UN, the world economy growth is projected to grow by 2.5% in both 2025 and 2026, below the 2.8% recorded in 2024 and the pre-pandemic average of 3.2% (2010–2019). However, IMF's World Economic Outlook expects a growth projection of 3.3% for bth 2025 and 2026. This is indicative that global growth could be settling into a persistently lower trajectory, highly subject to the severity of the trade shock.

IMF World Economic Outlook %



Source: World Economic Outlook, January 2026; Monetary Policy Statement, January- June 2026

Global inflation moderated to 4.1 percent in 2025 supported by easing energy prices and softening demand.

Advanced economies maintained restrictive monetary policy stances for most of the year. The US Federal Reserve and the European Central Bank adopted a cautious approach aimed at inflation control, the latter having ensued a rate cut to manage prices for goods and services. Tariff increases ranged from 10-50% as its impact permeated through the global economy, causing uneven impacts across sectors and regions due to renewed market competitiveness. However, dollar depreciation provided some monetary policy space for emerging market and developing economies.

Emerging economies demonstrated relative resilience as the central banks balanced ease with vigilance. However, higher global interest rates, capital flow volatility, and currency pressures continued to pose challenges. Overall, global trade growth remained subdued, while investment activity was influenced by elevated financing costs.

Key observations of Global Economy in 2025:

Global growth held steady at 3.3% in 2025, showing resilience despite trade tensions and geopolitical uncertainty.	Inflation declined to 4.1% globally, supported by softer demand and easing energy prices.	Trade tensions continued to weigh on activity. Although some of the immediate drag faded relative to earlier shocks, high tariff levels still acted as a structural headwind to trade and investment in 2025.

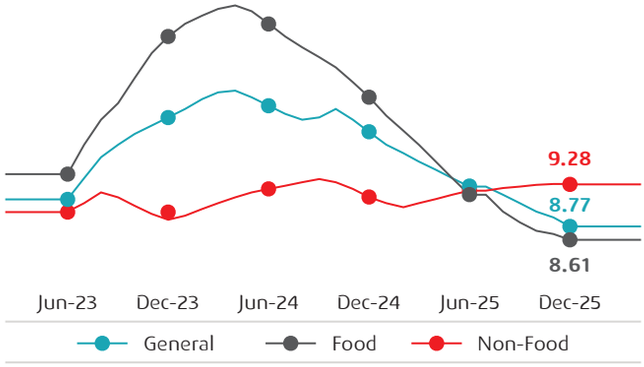
Economy of Bangladesh

Bangladesh's economy in 2025 represents a transition from macroeconomic uncertainty towards gradual stabilization. Macroeconomic pressures eased gradually: the exchange rate remained broadly contained, foreign exchange reserves improved, inflation moderated at a measured pace, and the balance of payments recorded improvement. However, economic growth remained moderate, domestic credit activity was subdued and the banking sector continued to face structural challenges.

Inflation and Commodity Prices: Point by Point inflationary pressure went down from 9.94% in January 2025 to 8.49% in December 2025 (Twelve-Month Average: 8.77%), and since the middle of the year this downtrend has been sticky amidst ongoing policy adjustments. However, the policy rate itself remained untouched at 10.00%. Considerably, food inflation edged down from 10.72% in January to 7.71% in December (Twelve-Month Average 8.61%), supported by tariff rationalization, removal of LC margin requirements, fertilizer subsidies, and improved commodity stock management. Meanwhile, non-food inflation remained relatively similar throughout the year, going from 9.32% at the beginning of the year to 9.13% in December.

Twelve Month Average Inflation

%

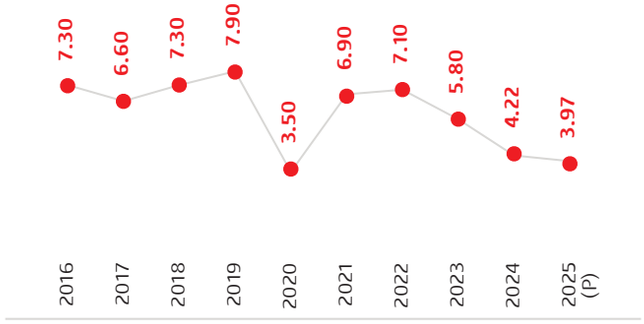


Source: BB Monetary Policy Statement, January-June 2026

Economic Growth and GDP: Economic activity moderated compared to FY23-24, reflecting both tighter monetary conditions and efforts to restore macroeconomic stability. However, the slowdown of global economic developments and its own transition in the political scene significantly influenced other aspects of the economic performance of Bangladesh, with real GDP growth at just 3.97% for FY25, the slowest expansion Bangladesh had recorded in recent years, followed after 4.22% in FY24. The root cause of this is the rapture of investor's confidence following macro-political uncertainty in FY24. Supply chain disruptions and the contractionary monetary policy stance further slowed domestic demand and private investment. Furthermore, U.S. tariff restrictions created buyer uncertainty, and intensified competition from Indian and Chinese exporters in the EU market eroded Bangladesh's market share, causing a critical blow to the RMG sector.

Real GDP Growth Rate

%



Source: Bangladesh Bank Weekly Economic Indicator

Domestic Credit: Private sector credit growth in Bangladesh had been in a prolonged deceleration. By December 2025, it fell to 6.10%, a record low in 22 years and well below the projection of 7.2%. This was mainly driven by slow deposit growth in FY25, dampened investor confidence, cautious lending practices amid rising NPL and a tighter monetary policy stance that elevated borrowing costs. Increased public sector credit growth (projected 28.9% by December 2025) boosted by higher government borrowing from commercial banks through T-Bills and T-Bonds to finance the fiscal deficit amid weak revenue collection and rising operational expenses due to pre-election spending.

Besides the blend of tighter liquidity conditions and improving supply-side factors, the overall fiscal policy remained focused on revenue mobilization and expenditure prioritization to maintain macroeconomic balance.

External Sector, Exchange Rate, and Reserves: Bangladesh's macroeconomic environment in 2025 started at a pace of growth, as exchange rate flexibility continued to play a key role in external sector adjustment. Foreign exchange reserves stabilized relative to earlier periods as vividly seen in dollar reserve build up amounting $28.52 Bn. as of December 30, 2025. This was significantly driven by remittance inflow that reached a record high of $30.04 Bn. and exports increased by 8.58% from the previous year.

As the economy moved into 2026, the outlook depends largely on sustained policy coordination, financial sector resilience, and a supportive environment for investment and external trade.

Key observations of Bangladesh Economy in 2025:

- Real GDP grew at just 3.97% in FY25, the slowest in recent history.
- Headline inflation remained above 8% for most of 2025, point-by-point inflation curbing at 8.49% in December 2025, exhibiting structural "downward stickiness".
- Private sector credit growth hit 6.1% by December 2025 as high borrowing costs, risk-averse banks, and weak investment appetite suppressed credit demand
- Deposit growth remained slow, subduing banks' lendable resources; public confidence in the banking system remained fragile

Financial Industry Overview

The financial services and banking sector in Bangladesh operated in a challenging environment throughout 2025. Government spending was significantly high, with government securities yield exceeding 12.00% across instruments of all tenors. Liquidity condition was controlled, and at the same time, Bangladesh Bank continued the industry repo support. As previously mentioned, credit growth moderated as banks adopted a conservative lending stance in response to rising funding costs and asset quality considerations. On the other hand, deposits of the banking system grew by 11.10% Y-o-Y in December, and as per latest available data of November'25, currency outside banks took a negative dip.

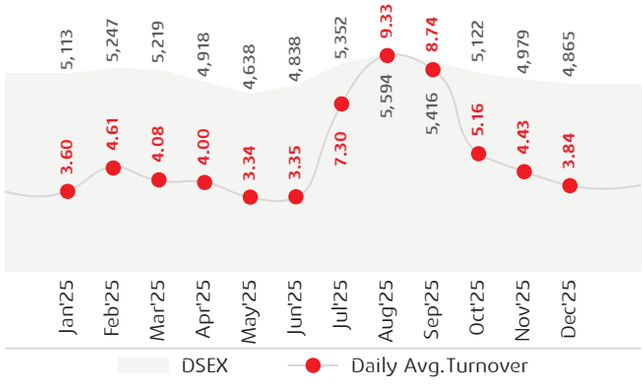
Asset quality indicators remained a key area of concern this year, with industry non-performing loans staying elevated above 35% as of Q3 2025. As a result, regulatory focus remained on strengthening governance, improving recovery mechanisms, and ensuring adequate capital buffers through the comprehensive reform measures aimed by the Banking Sector Reform taskforce (BSR-TF).

Capital Market Overview

Bangladesh's capital market in 2025 was marked by overall weakness, with the benchmark DSEX index declining roughly 6% over the year to close at 4,865 points in December, while the daily average turnover stood at BDT 5.2bn, decreasing 22% from BDT 6.3bn in 2024. The market spent much of the first half in a prolonged downturn, weighed down by uncertainty following previous year's political transition, elevated interest rates that drew investors toward safer fixed-income instruments, regulatory headwinds, and concerns over US tariff impacts on export-oriented sectors. A mid-year recovery between July and August driven by declining bond yields and inflation, as well as improving macroeconomic indicators

such as rising remittances and stabilizing foreign reserves; briefly lifted the index to 5,594 in Aug'25. However, the rally proved short-lived due to downturn of market sentiment amid a reversal in interest rates, the merger of five banks, and uncertainty ahead of the 2026 national election. On the regulatory front, the Bangladesh Securities and Exchange Commission (BSEC) finalized and issued the Margin (Repeal) Rules, 2025; Mutual Fund Rules, 2025; and Public Offer of Equity Securities Rules, 2025, with the aim of strengthening regulatory oversight and reducing fraudulent practices.

DSEX Index & Market Daily Avg. Turnover %



Reflecting on Our Performance

For the banking industry, the year 2025 was a year of trials, transitions, and tenacity. Amid economic headwinds, tight monetary policy, elevated interest rates, sluggish private credit growth, a stressed banking sector, and a declining capital market, we identified growth opportunities, expanding further into the market through disciplined credit underwriting, cautious balance sheet expansion, active NPL resolution, diversification of funding where feasible, and constructive alignment with Bangladesh Bank's reform. Our unwavering strategic vision, adaptability, and customer-centric approach propelled us forward, enabling us to achieve a remarkable consolidated net profit of BDT 2,434 mn in 2025; a 21.51% growth compared to previous year.

Our firm strategic resolutions for 2025 were:

- Timely strategic maneuvers resulting in sustainable value management
- Effective fund management
- Prioritize collection
- Ensure quality asset portfolio
- Increase Efficiency

Challenges of 2025

- Removal of SMART and higher COF due to G-sec Rates
- Downtrend in Capital Market with low turnover
- Weak Private Credit growth
- Market Liquidity Pressure
- High Inflationary Pressure
- Economic turmoil and business disruptions due to political uncertainity
- Subdued investor sentiment

Business Analysis

The businesses were severely affected throughout the year as a result of rising inflation, high borrowing cost and gradual declining of consumer confidence. Consequently, we went for a cautious lending activity; an effort that can be seen echoed throughout the banking and financial industry. Our ability to adapt and our commitment to driving value, despite challenges, set us apart from others in this difficult environment, resulting in a 7.6 % growth in group loan portfolio, despite low private credit growth.

Predicting likelihood of worsening liquidity scenario, we were able to effectively mobilize resources to achieve a 27% total deposit growth with 26% growth in retail deposit. We utilized these funds to ensure maintenance of quality portfolio while constraining surge in cost of fund. As our strategic focus was on ensuring quality of portfolio, we were able to further curb NPL % to 4.43% in 2025, contradictory to the soaring NPL% in the industry.

Operating Segment Analysis

IDLC has long been recognized for its agility and ability to respond decisively to shifting market dynamics in pursuit of sustainable shareholder value. In 2025, while the financing business contended with a contracting credit market, elevated credit risk, and mounting recovery pressures, the capital market arm navigated economic volatility and subdued investor confidence in the bourses.

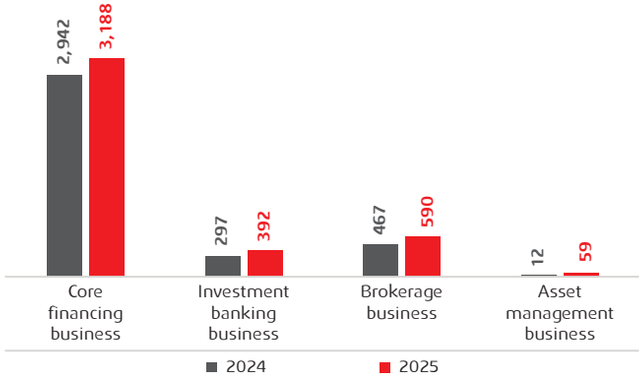
To protect the balance sheet and preserve returns, the Group acted swiftly to rebalance its fund toward significantly lower-risk earning avenues – most notably the government securities market. This strategic reallocation was implemented consistently across all four entities of the Group, reflecting coordinated and disciplined decision-making. The outcome was a meaningful uplift in profitability, achieved despite a challenging operating environment for core businesses, underscoring the Group's resilience and prudent risk management.

IDLC Group

Core Financing Business

As is the composition of the Group and the comparative size of the entities, the core financing business brought in the lion share, which is 75% of the total Profit before Tax in 2025, as represented in the graph below. The primary catalyst behind the increase, is the return from investment in Government securities with high margin, reflecting a rational strategic reallocation: redirecting capital into high-yield government securities when the cost of lending surged far faster than the yield on loan portfolio could timely accommodate. Furthermore, decrease of specific provisions (from BDT 561 mn to BDT 531 mn), suggests IDLC's core loan book quality held up. Resultantly, IDLC booked 8% growth in Profit before Tax from Core Financing Business (2025: BDT 3,188 mn, 2024: BDT 2,942 mn).

Segment Profit before Tax BDT mn



Investment Banking

While the fresh fund-raising opportunities in the secondary market were lacking in the form of IPOs, IDLC was able to complete a landmark transaction in 2025 by structuring and executing the Rights Issue of Berger Paints Bangladesh Limited. In addition the investment banking frontier attained substantial momentum in earnings through Issue Management and Advisory services on the back of its years of competence and brand image. Aided with strategically merged Structured Finance from IDLC Finance, and portfolio management of fixed-income assets, the investment banking operations booked profit before tax of BDT 392 mn during 2025 (2024: BDT 297 mn); a 32% growth compared to previous year. The goal was to generate higher risk-adjusted returns by carefully balancing our investments through maintaining diversification.

Brokerage Business

In line with the Group's strategy, the brokerage business optimized turnover, undertook efficient operational management, and effectively invested funds, to generate a solid profit before tax of BDT 590 mn, reflecting a 26% growth compared to the previous year. This was achieved by maintaining a strong liquidity position, ensuring transparent communication with stakeholders, and leveraging the years of brand equity that have been built.

Asset management business

Meanwhile, our Asset Management business generated a profit before tax of BDT 59 mn, a significant jump from BDT 12 mn in the previous year, through efficient and effective management of own funds and its mutual funds On one side, the company has been able to generate better return amidst the current interest scenario through the Debt Fund, IDLC Income Fund. On the other side, investors in Equity Funds were able to implement the strategy of taka cost averaging through IDLC Systematic Investment Plan (IDLC SIP).

Quarterly Performance- IDLC Standalone

As the core finance business is the largest contributor in the group, with a profit of BDT 1,777 mn in 2025, we have illustrated below the quarterly performance IDLC Finance PLC on a Standalone Basis:

BDT Mn

Particulars	Quarterly Performance - IDLC Finance PLC				2025	2024	Growth (%)
	Q1	Q2	Q3	Q4			
Net interest income	896	933	814	938	3,581	4,389	-18%
Investment & other income	666	714	981	864	3,224	1,836	76%
Total operating income	1,562	1,647	1,794	1,802	6,805	6,225	9%
Total operating expense	686	675	794	745	2,901	2,595	12%
Profit before provisions	**875**	**972**	**1,000**	**1,057**	**3,905**	**3,630**	**8%**
Provision for loans/investments	233	66	227	190	716	688	4%
Profit before taxes	**642**	**906**	**773**	**867**	**3,188**	**2,942**	**8%**
Provision for taxes	275	380	302	454	1,411	1,269	11%
Net profit after taxation	**368**	**526**	**471**	**413**	**1,777**	**1,673**	**6%**

The quarterly performance reflects the impacts of the quarter-on-quarter macroeconomic dynamics- changes in interest rates, inflationary pressures, periods of political unrest. With the effect of tight monetary policy, borrowing cost continued to surge- a trend that could be seen throughout the year. The 10% policy repo rate meant IDLC's short-term funding costs in the interbank market stayed elevated (call money 9.9–10.1%). At the heart of the challenge lies a mismatch in repricing dynamics between assets and liabilities. Much of the loan portfolio comprises long-term exposures booked in earlier periods at fixed or partially fixed rates, which is slow to adjust. In contrast, term deposits and borrowings were rolled over in 2025 at significantly higher market rates, causing funding costs to rise more quickly than asset yields, thereby compressing margins.

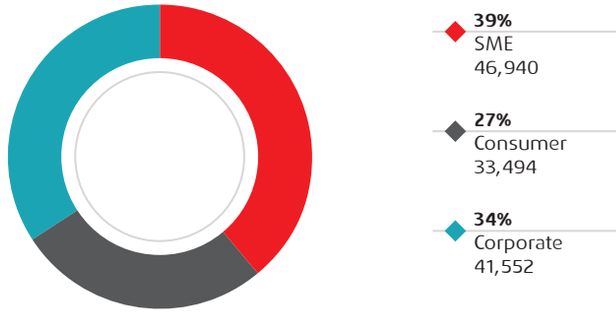
However, we made use of the opportunity and invested in government securities. As the G-sec rates rose, the return from treasury bills and bonds also increased gradually in the last three quarters. This was accompanied by a brief surge in capital market, as DSEX surged 12.5% M-o-M, following the election roadmap announcement, declining T-bond yields, and improving macro sentiment; leading to a cumulative growth of 9% (y-o-y) from Operating Income. At the same time, while elevated inflation inevitably impacted our operating expenses throughout the year, our efficiency measures helped restrain the increase to a minimum.

As already mentioned, in 2025, we focused more on maintaining quality of loan portfolio instead of portfolio expansion. Our strong collection efforts enabled us to reduce our provision requirements against portfolio and investment throughout the year. It must be mentioned here that this was achieved despite maintaining BDT 641 mn additional provision (standalone basis) kept to strengthen the portfolio against the probable effects of ongoing economic uncertainties. By end of 2025, the solo financing business could report 6% growth in Net Profit After Tax of BDT 1,777 mn.

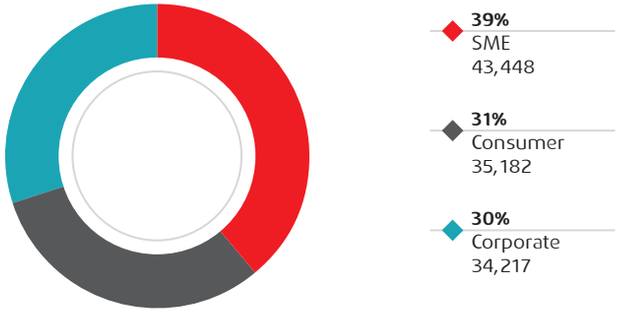
Segment-Wise Portfolio Assessment

At the end of 2025, IDLC reported a balance sheet of BDT 172.92 bn (2024: BDT 142.82 bn) on a standalone basis (Group: 2025- BDT 180.59 bn, 2024- BDT 149.02 bn), with loan portfolio of BDT 121.99 bn (2024: BDT 112.84 bn), which comprises of SME holding 39%, Corporate holding 34% and Consumer holding 27% of total loan portfolio in 2025.

2025



2024



As we all know, across the country the **SME** businesses bore the biggest brunt of the pandemic, with many entities shutting down. Even as the businesses were recovering post COVID aforementioned economic turbulences including regime change, hit SMEs by spiking costs and adversely hampering repayment capacity. As such, our concentration was primarily on collection for this business segment, and while ensuring a sustained growth rate of portfolio level. At the end of 2025, SME booked a portfolio of BDT 46.94 bn (2024- BDT 43.45 bn), which is 8% from previous year.

For portfolio of **Corporate** Division we maintained steady momentum during the year, alongside continued utilization of pre-finance and refinance funding schemes obtained from the Central Bank and were able to report a growth of 21% (2025- BDT 41.55 bn, 2024- BDT 34.21 bn).

As household real incomes were severely squeezed throughout 2025 and inflation remained sticky above 8–9% for most of the year, it eroded the purchasing power, severely affecting the home loan and car loan market. Considering the rising inflation and inability of customers to absorb rising cost of funds, the margins were likely to shrink and increase chances of default. Against such adverse situation, for the **Consumer** Division, we aimed to maintain our portfolio, and ended the year with BDT 33.49 bn (2024- BDT 35.18 bn). We continued on our target of extending customer reach at a granular level through our "Affordable Housing Loan".

Quarterly Performance- IDLC Group

BDT Mn

Particulars	Quarterly Performance - IDLC Group				2025	2024	Growth (%)
	Q1	Q2	Q3	Q4			
Net interest income	958	1,021	891	1,051	3,920	4,807	-18%
Investment & other income	900	1,002	1,435	1,213	4,549	2,449	86%
Total operating income	1,857	2,022	2,326	2,264	8,469	7,256	17%
Total operating expense	799	781	904	875	3,359	3,048	10%
Profit before provisions	**1,059**	**1,241**	**1,422**	**1,389**	**5,111**	**4,209**	**21%**
Provision for loans/investments	211	200	322	155	889	700	27%
Profit before taxes	**848**	**1,041**	**1,100**	**1,233**	**4,222**	**3,509**	**20%**
Provision for taxes	340	462	423	564	1,788	1,506	19%
Net profit after taxation	**509**	**579**	**677**	**669**	**2,434**	**2,003**	**22%**

The Group's quarterly performance closely mirrored that of its financing business, reflecting consistent market dynamics. A key driver of the Group's financial growth was the capital market's performance, contributing to a 22% increase in Net Profit. The Investment and Other Income, which is primarily comprised up of the Investment Income returns from government securities, attributed to the positive trajectory of Operating Income. Operating expenses increased marginally by 10% y-o-y, largely due to inflationary pressures, strategic cost efficiencies helped maintain profitability. It must be re-iterated, we were able to attain the 22% Group profit growth while keeping BDT 865 mn additional provision on a consolidated basis, to strengthen the portfolio against the probable effects of ongoing economic uncertainties.

Despite such uncertain business atmosphere, we managed to bolster the morale of our core strength, our employees, by ensuring the cost of living adjustment in salary and offered promotions.

Way Forward

As Bangladesh transitions from 2025 to 2026, the economy stands at a pivotal juncture – having navigated one of its most challenging periods in recent decades. The year gone by was marked by historically low private sector credit growth, persistent NII compression across the financial sector, record NPL levels breaching 35% of total banking assets, and political uncertainty ahead of the February 2026 national election. Yet the same period also witnessed meaningful foundations being laid: a stable exchange rate, robust remittance inflows, a gradual disinflation trajectory, and Bangladesh Bank's sweeping banking sector reform agenda. These developments had positioned 2026 as a year of cautious but credible recovery.

Economic growth in 2026 is expected to pick up tentative momentum as the political transition following the February election restores investor and consumer confidence. International development agencies project GDP growth of around 5.0% for FY26, driven by a modest rebound in domestic demand, recovering private investment, and continued resilience in the external sector. The easing of monetary policy, with T-bond yields having already declined to the 9.5-10.0% range from their 2025 peak of over 12%, may provide meaningful relief to both borrowers and financial institutions, though full recovery will take several quarters.

For these positive assumptions to yield results, political stability and regulatory developments will play a crucial role in shaping investor confidence and influencing overall market performance. The financial sector will also be instrumental in facilitating credit expansion, supporting both private sector investment and government-led infrastructure projects. However, external challenges, including geopolitical risks, global trade policy amendments, and shifts in trade dynamics as well as the escalating conflict in the Middle East,

may continue to pose hurdles to sustained economic momentum. Hence, our aim for 2026 is to closely monitor the market dynamics, optimize liquidity management and attain sustainable portfolio growth.

Strategic Objectives: 2026

Sustain prudent liquidity management	Disciplined portfolio quality management
Accelerate Recovery and Collection Efforts	Deepening our customer franchise
Enhance process automation	Diversify Fee-Based Revenue Streams capacity.

We have already laid the foundation for expanding our geographic footprint. 5 sub-branches established at the end of 2024 and early 2025 are now fully operational, with 3 more in the pipeline for 2026. This expansion will extend our customer reach and enable deeper, more granular market penetration while maintaining cost discipline.

We enter 2026 with measured optimism. While the structural challenges of the past two years persist and are not yet fully resolved, the macroeconomic environment is showing early signs of stabilization. That said, this trajectory now encountering additional headwinds from the escalating conflict in the Middle East. For Bangladesh, a country that relies on the Middle East for nearly 90% of its fuel imports, the crisis may pose renewed uncertainty with potential implications across energy, inflation, remittances, trade, and the financial sector. Against this backdrop, our focus for 2026 is to translate emerging opportunities into meaningful portfolio growth, enhance the quality and sustainability of our earnings, and continue reinforcing the trust our clients and stakeholders place in IDLC as a resilient and diversified financial institution.

IDLC's contribution to the economy of Bangladesh

In 2025, IDLC deposited BDT 1,446 mn to the Government exchequer as corporate income tax and BDT 84 mn as VAT against fee income; totaling to BDT 1,530 mn paid as Tax and VAT against the income earned by IDLC. Also, BDT 1,998 mn was collected and deposited to the Government exchequer as withholding tax (BDT 1,652 mn), withholding VAT (BDT 117 mn) and excise duty (BDT 229 mn)-total contribution to Government Exchequer amounting to BDT 3,529mn. Corporate tax revenue has risen by 27.04% compared to last year's contribution. This increase is attributed to effective management of corporate tax matters, including the settlement of prior-year cases. Notably, we received special recognition from the tax authority for our prudent management of withholding tax on deposit interest. Withholding tax has been increased significantly by 21.46 % over last year mainly because of increase in interest expense on term deposits and operating expenditure. Due to rise in effective market interest rate during the later months of the year, interest expense on term deposits has been increase by 30% (Group: 43%) and inflation also led the operating expenses to be soared by 2.46%. Tax, VAT and Excise Duty deduction/collection at source has been increased by 21.34% where withholding TAX and VAT have been increased. Overall, the composition of Contribution has remained fairly consistent.

Detail in this regard is on page no. 170 under the section "Contribution to National Economy".

Management's Discussion & Analysis

A more detailed discussion and analysis of the financials, as delivered by the CEO & Managing Director, is appended on page no 154.

Key Operational and Financial Information

Key operational and financial information over the last five years, as per the requirements of No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, has been presented on page no. 159-160. Highlights of the Company's operations as per the DFIM Circular No. 11 dated December 23, 2009, have also been presented on page no. 161.

Risk Management

At IDLC, we believe that getting risk management right is an essential component of success. The identification, evaluation and management of risk, together with the way we respond to changes in the external operating environment are keys to sustainable growth and underpin the robustness of our business plans and strategic objectives, protecting our license to operate and our reputation and helping create a long-term source of competitive advantage.

Risk management is embedded in IDLC's organizational structure, operations and management systems. Business risks across the Group are addressed in a structured and systematic way through a predefined risk management structure. This ensures that the Board's assessment of risk is informed by risk factors and mitigating controls originating from and identified by the Group's assets, functional departments and operations, including the Company's subsidiaries. Moreover, IDLC possesses a detailed risk management system with procedures in place to support risk evaluation across the Group. The risks associated with the delivery of the business plan and annual work programs and the associated mitigation measures are maintained in asset or project risk matrices and registers.

IDLC possesses different committees for risk management. The Credit Evaluation Committee (CEC) and Asset and Liability Committee (ALCO) is constituted by the Company's senior management team which regularly reviews issues related to the markets, credit and liquidity and, accordingly, recommend and implement appropriate measures to proactively identify and mitigate risks. IDLC possesses an approved Asset Liability Management (ALM) policy under the responsibility of the ALCO, together with a robust ALM management system and dedicated ALM desk to generate necessary information for improving ALCO's decision-making abilities.

The Company's Credit Risk Management (CRM) department independently scrutinizes projects from a risk-weighted perspective and assists relevant departments in setting business development priorities. These are aligned with the Company's risk appetite while optimizing the risk-return trade-off derived from relevant risk exposures.

The CRM team also clearly defines exceptionally high-risk sectors and prohibits lending to those projects which the Company does not ascribe to, including those which represent negative environmental, social or ethical standards. A separate Enterprise Risk Management department is dedicated to oversee the operational risk and its mitigation at transactional level.

At an individual exposure level, a risk grading model (RGM) is used to promote corporate safety and sustainability by facilitating informed decision-making. At the portfolio level, the Company

actively tracks the quality of its loans by analyzing risk migration and assessing trends in non-performing assets. Such indicators prompt timely decision-making by the relevant risk management committees and help preserve the quality of loans and advances.

IDLC's Credit Administration Department (CAD) and Internal Control and Compliance (ICC) departments are responsible for assessing operational risks across the Company and also ensure an appropriate framework to identify, assess and manage operational risks.

IDLC also has a BASEL Implementation Unit (BIU) responsible for implementing Capital Adequacy and Market Discipline (CAMD) instructions of the Bangladesh Bank across the Company and managing risk-based capital adequacy. The BASEL Implementation Desk (BID) specifically carries out risk-based capital analysis and places it to the BIU along with recommendations to facilitate enhanced decision-making for maintaining minimum/ regulatory capital and managing related risks.

Details about our risk management policies and practices are discussed in the 'Statement of Risk Management on page no 8-100.

Corporate & Financial Reporting Framework

The Directors of IDLC, in conformance with the BSEC Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, confirm compliance with the financial reporting framework for the following:

- The financial statements, prepared by the management of IDLC make a fair presentation of its activities, operational details and results, cash flow information and changes in equity structure.
- Proper books and accounts of the Company have been maintained.
- Appropriate accounting policies, including International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS)/ as applicable/adopted in Bangladesh, have been consistently applied in preparation of the financial statements. Any change or deviation has been adequately disclosed.
- Accounting estimates are based on reasonable and prudent judgment.
- Internal control processes have been properly designed and effectively implemented and monitored.
- Minority shareholders have been duly protected as have effective means of redress.
- No significant doubt exists upon the Company's ability to continue as a going concern.
- Comparative analysis of significant deviations have been highlighted and reasons have been explained in the sections above.

Compliance and Conviction

IDLC is in complete compliance of all applicable laws and regulations and does not adhere to any non-compliance of regulatory requirements, any loan default by the company or its directors or senior management.

CEO and CFO's Declaration Certificate

The CEO and CFO's declaration to the Board is appended on page no 312.

Senior Management

Disclosure of all senior management personnel have been accounted for in page no. 74.

Related Party Transactions

Disclosure of all related party transactions, including basis for such transactions, has been provided in Note 41 of the financial statements on page no. 366.

Insider Trading

The members of the board of IDLC, or its sub –committee, or its senior management and their family members did not involve in any insider trading and did not violate the provision with regard to insider trading.

Shareholding Pattern

IDLC's shareholding pattern as on December 31, 2025, is disclosed as per the new CGC of BSEC in Annexure-I of this annual report on page no. 288.

Board Meetings and Attendance by the Directors

During the year 2025, a total of twelve (12) meetings of the Board were held. Attendance by the Directors and remuneration to the Directors has been summarized in Annexure-II of this annual report on page no. 289.

Dividend

Proposed Annual Dividend

The Board has proposed 15% Cash Dividend and 5% Stock Dividend.

Interim Dividend

No cash or bonus share dividend was declared as interim dividend during 2025. No Bonus Share shall be declared as interim dividend.

Directors

Resume and line of expertise

A brief resume of the directors are appended in page no. 59, which includes his/her nature of expertise and qualifications. An analysis of the directors' experience and expertise and its impact on the corporate governance of the company is included in the Corporate Governance Report in page no. 208.

Related entities with the Directors

The names of the companies in which the directors holds directorship and membership of committees of the board are included in the note Related Party Transactions of the financial statements in Note 41 c, in page no. 366.

Retirement and re-election

As per Article 116 of the Articles of Association of the Company, the following Directors will retire from the office of the Company at the 41st Annual General Meeting.

Director	Particular
Mr. Akhtar Ahmed	Directors nominated by Reliance Insurance PLC
Mr. Wasiful Hoq	Director Nominated by Sadharan Bima Corporation
Mr. Md. Zakir Hossain	Director nominated by Mercantile Bank PLC

Auditors

The statutory auditors of the Company, A. Qasem & Co. Chartered Accountants have successfully completed their third year as the statutory auditors of the Company, as appointed at the 40th Annual General Meeting. As per the stipulation of FID Circular No. 03, dated March 02, 1999, they are not eligible for re-appointment. On the basis of the proposal of the Board's Audit Committee, the Board recommends the reappointment. Accordingly, new auditors have to be appointed for the year 2026, subject to the approval of Bangladesh Bank and shareholders at the Annual General Meeting. On the basis of the proposal of the Audit Committee, the Board recommends the appointment of Rahman Rahman Huq, Chartered Accountants as the auditors of the company for the year 2026, at a remuneration of BDT 1,400,000 (Fourteen Lac only) for IDLC Finance PLC. (Solo) and BDT BDT 150,000 (One Lac Fifty Thousand only) each for the 3 subsidiaries, totaling BDT 1,850,000 (Eighteen Lac Fifty Thousand only) (excluding VAT) for the Group.

Status of Compliance

Status of the compliance of conditions of Corporate Governance Code imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 along with a certificate from a practicing Chartered Secretary has been enclosed in Annexure-III on page no. 291 of this annual report. We also enclose a statement of compliance on the good governance guidelines issued by the Bangladesh Bank as Annexure-IV on page no. 305 of this annual report.

On behalf of the Board of Directors-



Kazi Mahmood Sattar
Chairman
IDLC Finance PLC.

Annexure-I

Shareholding pattern as on December 31, 2025, as required by the revised Corporate Governance Guidelines issued by BSEC

Particulars	No. of shares held	% of total shares Remarks of IDLC
Shares held by:		
(a) Parent or Subsidiary or Associated Companies and other related parties:	NIL	
Sub-Total	**NIL**	
(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children:		
Directors, their spouses and minor children	Nil	
Chief Executive officer (CEO) and his spouse and minor children	NIL	
Chief Financial Officer (CFO) and his spouse and minor children	NIL	
Company Secretary (CS) and his spouse and minor children	NIL	
Head of Internal control and Compliance (HICC)	3,211	0.00074%
Sub-Total	**3,211**	
(c) Executives (Top five person other than CEO, CFO, CS, HICC):		
1. Syed Javed Noor, Additional Managing Director & Head of Business	NIL	
2. Asif Saad Bin Shams, Additional Managing Director and Chief Risk Officer (CRO)	Nil	
3. Mir Tariquzzaman, Deputy Managing Director and Chief Technology Officer (CTO)	NIL	
4. M. Ataur Rahman Chowdhury, Head of Corporate Division	NIL	
5. Indrajit Mallick, Head of Operations	1,157	0.00027%
Sub-Total	**4,368**	**0.001001%**
(d) Shareholders holding ten percent (10%) or more voting right: N/A		

Annexure-II

Meeting attended by the Directors of IDLC Finance PLC. during 2025

Name of Director	Board of Directors Meeting				Executive Committee Meeting				Audit Committee Meeting				Risk Management Committee Meeting				Monthly Fixed Remuneration for Independent Directors	Total Remuneration paid for the year 2025
	Total BOD meeting Held during Diretor's tenure	Meeting Attended	Attendence as % of total meeting held	Remuneration paid for attending the meeting	Total EC meeting Held during Diretor's tenure	Meeting Attended	Attendence as % of total meeting held	Remuneration paid for attending the meeting	Total AC meeting Held during Diretor's tenure	Meeting Attended	Attendence as % of total meeting held	Remuneration paid for attending the meeting	Total RMC meeting Held during Diretor's tenure	Meeting Attended	Attendence as % of total meeting held	Remuneration paid for attending the meeting		
				(Taka)				(Taka)				(Taka)						(Taka)
Mr. Aziz Al Mahmood*	3	3	100	30,000	0	0	0	-	-	-	-	-						30,000
Mr. Kazi Mahmood Sattar*	1	1	100	10,000														10,000
Mr. Akhtar Ahmed	12	12	100	120,000	1	1	100	10,000										130,000
Ms. Mahia Juned*	3	3	100	30,000	-	-	-	-	1	1	100	10,000						40,000
Mr. Nurullah Chaudhury*	3	2	67	20,000	-	-	-	-				-						20,000
Mr. Md. Kamrul Hassan, FCA*	3	2	67	20,000	-	-	-	-	1	0	0	-						20,000
Mr. Kazi Mahbub Masud FCA*	3	3	100	30,000				-	1	1	100	10,000						40,000
Mr. Wasiful Hoq	12	12	100	120,000	1	1	100	10,000	-	-	-	-	4	4	100	40,000		170,000
Mr. Md. Zakir Hossain	12	11	92	110,000	1	1	100	10,000			0	-						120,000
Mr. Farooq Sobhan*	5	5	100	50,000	-	-	-	-	4	4	100	30,000					270,000	350,000
Mr. Md. Khalilur Rahman	13	9	62	90,000	1	0	0	-	-	-	-	-	4	3	75	30,000	600,000	720,000
Mr. Mohammad Mostafizur Rahman	12	12	100	120,000					8	8	100	70,000	4	4	100	40,000	600,000	830,000
Mrs. Noor Un Nahar*	7	7	100	70,000					4	4	100	40,000					266,129	376,129
Total Remueration paid				820,000				30,000				160,000				110,000	1,736,129	2,856,129

Noted: Remuneration paid to the Directors for attending meetings are exclusive of VAT amount. No Remuneration has been paid for 103rd Meeting of the Audit Committee, incompliance with Section 12.2 (খ) of DFIM Circular No. 01 dated February 29, 2024. Independent Directors monthly payment is applicable from the date of their appointment. Leave of absence was granted to the Directors those who could not attend at the meeting.

Name	Appointment	Retirement/ Withdrawn/ End of Tenure
Mr. Nurullah Chaudhury		City Bank PLC. withdrew the nomination on March 25, 2025
Mr. Aziz Al Mahmood		Tenure is ended on May 08, 2025
Ms. Mahia Juned		Retired at the 40th AGM held on June 03, 2025
Mr. Md. Kamrul Hassan, FCA		Retired at the 40th AGM held on June 03, 2025
Mr. Farooq Sobhan		Tenure is ended on June 12, 2025
Mrs. Noor Un Nahar	July 22, 2025	
Mr. Kazi Mahbub Masud, FCA	October 6, 2025	
Mr. Kazi Mahmood Sattar	December 18, 2025	

Meeting attended by the SSC Members in 2025

Name of Member	Total meeting Held during 2025	Meeting Attended	Attendence as % of total meeting held	Total Remuneration paid for the year 2025 (BDT)*
Dr. Mohammad Monzur-E-Elahi	4	4	100	32,000
Dr. Md. Mahabbat Hossain	4	4	100	32,000
Mezbah Uddin Ahmed	4	4	100	32,000
Mufti Yousuf Sultan	4	4	100	32,000
Dr. Md. Habibur Rahman	4	4	100	32,000
Total Remueration paid				**160,000**

*Excluding VAT

Annexure-III

Certification on the Compliance with the Corporate Governance Guidelines

Suraiya Parveen & Associates
(Chartered Secretaries, Financial & Management Consultants)

[Certificate as per condition No.1 (5) (XXVII)]

Report to the Shareholders of
IDLC Finance PLC on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by IDLC Finance PLC for the year ended on 31st December 2025. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;

(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

(d) The Governance of the company is highly satisfactory.

Dhaka, Dated
February 15, 2026

For Suraiya Parveen & Associates
Chartered Secretaries

Suraiya Parveen, FCS
Chief Executive Officer

Office Address: Razzak Plaza (9th Floor) Suite-10G, 383 Tangi Diversion Road (old), 2 Shahid Tajuddin Ahmmed Sarani (New), Moghbazar, Dhaka-1217, Mobile: 01911-421998, 01713-110408, E-mail: suraiyaparveenfcs@gmail.com, musfiquefcs@gmail.com

Compliance Report on Corporate Governance Code by BSEC

Status of Compliance with the Corporate Governance Code (CGC) as on December 31, 2025

[As per condition No. 1(5) (xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 and subsequent amendmends and inclusions, regarding amendmend of some conditions, issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1	**Board of Directors**			
1(1)	**Size of the Board of Directors:** The number of Board members shall not be less than 5 (five) and more than 20 (twenty);	√		Number of Board members of IDLC Finance PLC. is 8 (Eight) including 3 (three) Independent Directors [among them 1 (one) Female Independent Director] Refer to IDLC's Corporate Governance Report on page no. 204 of this Annual Report.
1(2)	**Independent Directors (ID)**			
1(2)(a)	At least 2 (two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be Independent Directors; any fraction shall be considered to the next integer or whole number for calculating number of Independent Director(s);" Provided that the Board shall appoint at least 1 (one) Female Independent Director in the Board of Directors of the company.	√		Number of Board members of IDLC Finance PLC. is 8 (Eight) including 3 (three) Independent Directors [among them 1 (one) Female Independent Director] Refer to IDLC's Corporate Governance Report on page no. 204 of this Annual Report
1(2)(b)	**Criteria of "Independent Director"**			
1(2)(b) (i)	Who either does not hold share in the company or holds less than one (1%) shares of the total paid up shares of the company;	√		None of the Independent Directors hold any share of the company
1(2)(b) (ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company	√		None of the Independent Directors has such connection as affirmed.
1(2)(b) (iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;			None of the Independent Directors is ex-employee of the Company.
1(2)(b) (iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	√		The Independent Directors have submitted declarations about their compliances.
1(2)(b) (v)	Who is not a member or TREC holder, director or officer of any stock exchange;	√		
1(2)(b) (vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(2)(b) (vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	√		
1(2)(b) (viii)	Who shall not be an independent director in more than 5 (five) listed companies;	√		
1(2)(b) (ix)	Who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for nonpayment of any loan or advance or obligation to a Bank or a Financial Institution	√		
1(2)(b) (x)	Who has not been convicted for a criminal offence involving moral turpitude.	√		
1(2)(c)	The Independent Director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM): "Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;"	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	√		No such vacancy created
1(2)(e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	√		Reference to the Corporate Governance Report on page no. 206 of this Annual Report & at www.idlc.com
1(3)	**Qualification of Independent Director (ID)**			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		Qualification and backgrounds of Independent Directors confirm their capabilities as such. Details are given under Directors' Profile on page no. 59-62 on this Annual Report.
1(3)(b)(i)	Business Leader who is or was a Promoter or Director of an unlisted company having minimum paid-up capital of Tk.100.00 mn or any listed company or a member of any national or international chamber of commerce or registered business association; or"			Not applicable.
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 mn or of a listed company; or	√		One of Independent Director Mr. Md. Khalilur Rahman is a Former Managing Director of different Private Financial Institutions and Commercial Banks. Details are given under Directors' Profile on page no. 60 on this Annual Report.
1(3)(b)(iii)	Former or existing official of Government or Statutory or Autonomous or Regulatory body in the position not below 5th Grade of the National Pay Scale, who has at least educational background of Bachelor degree in Economics or Commerce or Business or Law: Provided that in case of appointment of Existing Official as Independent Director, it requires clearance from the organization where he or she is in service; or"			Independent Directors Mrs. Noor Un Nahar and Mr. Mohammad Mostafizur Rahman are Former officials of Government. Details are given under Directors' Profile on page no. 61 - 62 of this Annual Report.
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;			Not applicable.

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			Not applicable.
1(3)(c)	The independent director must have at least 10 (ten) years of in any field mentioned in clause (b);	√		Reference to the directors' profile in page no. 59 -62 on this Annual Report.
1(3)(d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			Not applicable.
1(4)	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer**			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		Reference to the Corporate Governance Report on page no. 210 of this Annual Report
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		Reference to the Corporate Governance Report on page no. 210 of this Annual Report .
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		Reference to the Corporate Governance Report on page no. 212 of this Annual Report .
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;			Such roles are defined in the Articles of the Company. Reference to the Corporate Governance Report on page no. 210 & 212-213 of this Annual Report
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		No such situation was occurred to execute such option.
1(5)	**The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):**			
1(5)(i)	Industry outlook and possible future developments in the industry;	√		Refer to the 'Directors' Report' on page no. 280 -287 of this Annual Report
1(5)(ii)	Segment-wise or product-wise performance;	√		Refer to the 'Directors' Report' on page no. 283 of this Annual Report
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		Refer to the 'Directors' Report' on page no. 285 of this Annual Report
1(5)(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		IDLC being a Financial Institution such formation of P&L is not followed rather format prescribed by Bangladesh Bank is followed
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			No such item exists
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		Refer to the 'Directors' Report' on page No. 286 and subsequently elaborated in the note No. 41 of 'Audited Financial Statements' of this Annual Report
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			No such event occurred.

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			Not applicable as because IDLC's financial results have boosted up after Rights Offer.
1(5)(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	√		No such variation has occurred which has properly been mentioned in 'Directors' Report' on page no. 283 - 284 of this Annual Report
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		Refer to the Directors' Report on page no. 289 as well as note no. 31 of the financial statements of this Annual Report
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		Refer to the 'Directors' Report' on page no. 286 - 287 of this Annual Report
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		Refer to the 'Directors' Report' on page no. 286 as well as the auditors; report on page no. 313 of this Annual Report
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		Refer to the 'Directors' Report' on page no. 286 as well as the auditors' report on page no. 312 of this Annual Report
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		Refer to the 'Directors' Report' on page no. 286 as well as the auditors' report on page no. 312 of this Annual Report
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		Refer to the 'Directors' Report' on page no. 286 as well as the auditors' report on page no. 312 of this Annual Report
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		Refer to the 'Directors' Report' on page no. 286 as well as the Corporate Governance section on page no. 251 of this Annual Report
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		No such going concern issues have been aroused and a status of going concern key indicators have been mentioned on page no. 277 of this annual report.
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		No such deviation has occurred which has properly been mentioned in 'Directors' Report' on page no. 282 of this Annual Report
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		Refer to the 'Key Operating Highlights' on page no. 159-160 of this Annual Report
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		The Board of Directors at 364th meeting of the Board, held on March 16, 2026, declared Cash Dividend @ 15% and Stock Dividend @ 5% for 2025.
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		Refer to the 'Directors' Report' on page no. 286 of this Annual Report
1(5)(xxii)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		Refer to the 'Directors' Report' on page no. 286 of this Annual Report

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(5)(xxiii)	**The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by: -**			
1(5)(xxiii) (a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		Refer to the Annexure-I of the Directors' Report on page no. 288 of this Annual Report.
1(5)(xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		
1(5)(xxiii) (c)	Executives;	√		
1(5)(xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1(5)(xxiv)	**In case of the appointment/re-appointment of a Director the company shall disclose the following information to the shareholders: -**			
1(5)(xxiv) (a)	A brief resume of the director;	√		Information regarding the Directors' are disclosed in brief profile of the Directors' on page no. 59-62 of this Annual Report
1(5)(xxiv) (b)	Nature of his/her expertise in specific functional areas;	√		
1(5)(xxiv) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1(5)(xxv)	**Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements**			
1(5)(xxv) (a)	Accounting policies and estimation for preparation of financial statements	√		Refer to the Financial Capital: Analysis with the Management Committee on page no. 154 - 168 of this Annual Report
1(5)(xxv) (b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√		
1(5)(xxv) (c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		
1(5)(xxv) (d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1(5)(xxv) (e)	Briefly explain the financial and economic scenario of the country and the globe	√		
1(5)(xxv) (f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√		
1(5)(xxv) (g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	√		
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(6)	**Meetings of the Board of Directors**			
	Conducting Board meetings and recording the minutes of the meetings and keeping required books and records in line Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB), in so far as those standards are not inconsistent with any condition of this Code.;	√		Reference to the Corporate Governance Report on page no. 214 -216 of this Annual Report .
1(7)	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer**			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		Reference to the Corporate Governance Report on page no. 210-211, 235-238 of this Annual Report.
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency	√		Reference to the Corporate Governance Report on page no. 245 -248 of this Annual Report.
2	**Governance of Board of Directors of Subsidiary Company**			
2(a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	√		Refer to the 'Directors' Report' of subsidiaries companies such as IDLC Securities Limited, IDLC Investments Limited and IDLC Asset Management Limited on page no. 393, 424,457 respectively of this Annual Report
2(b)	At least 1 (one) Independent Director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	√		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		
3	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)**			
3(1)	**Appointment**			
3(1)(a)	The Board shall appoint a MD or CEO, CS, CFO and HIAC;	√		Refer to the Corporate Governance Report on page no. 204-205 of this Annual Report
3(1)(b)	The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		Refer to the Corporate Governance Report on page no. 204-205 of this Annual Report
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		Refer to the Corporate Governance Report on page no. 204-205 of this Annual Report
3(2)	**Requirement to attend Board of Directors' Meetings:**			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters	√		Refer to the Corporate Governance Report on page no. 214 of this Annual Report
3(3)	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
3(3)(a)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		Refer to the 'Report of the CEO & MD and CFO to the Board' on page no. 312 of this Annual Report
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in this Annual Report;	√		
4	**Board of Directors' Committee**			
	The Board shall have at least following sub-committees:			
	(i) Audit Committee; and	√		
	(ii) Nomination and Remuneration Committee.	√		Bangladesh Bank through DFIM Circular Letter No. 18, dated May 21, 2024, has allowed that the Audit Committee will perform the roles and responsibilities of the Nomination and Remuneration Committee (NRC) as prescribed by the Corporate Governance Code, 2018, issued by the Bangladesh Securities and Exchange Commission. Accordingly, the Audit Committee is performing all the conditions of the Nomination and Remuneration Committee (NRC) as prescribed by the Corporate Governance Code, 2018, issued by the Bangladesh Securities and Exchange Commission.
5	**AUDIT COMMITTEE:**			
5(1)	**Responsibility to the Board of Directors**			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		Refer to the Corporate Governance Report on page no. 219 - 220 of this Annual Report

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
5(1)(b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		Refer to the Corporate Governance Report on page no. 230 of this Annual Report
5(1)(c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		Refer to the Corporate Governance Report on page no. 230 of this Annual Report
5(2)	**Constitution of the Audit Committee:**			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members.	√		Refer to the Corporate Governance Report on page no. 233 of this Annual Report
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1(one) Independent Director.	√		Refer to the Corporate Governance Report on page no. 233 of this Annual Report
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		Refer to the Corporate Governance Report on page no. 233 of this Annual Report
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			No casual vacancies created during 2025
5(2)(e)	The company secretary shall act as the secretary of the Committee	√		Refer to the Corporate Governance Report on page no. 233 of this Annual Report
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without Independent Director	√		Refer to the Corporate Governance Report on page no. 233 of this Annual Report
5(3)	**Chairman of the Audit Committee**			
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an Independent Director.	√		Refer to the Corporate Governance Report on page no. 231-234 of this Annual Report
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3)(c)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM). Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		
5(4)	**Meeting of the Audit Committee**			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		Refer to the Corporate Governance Report on page no. 220 of this Annual Report

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		Refer to the Corporate Governance Report on page no. 233 of this Annual Report
5(5)	**Role of Audit Committee:**			
5(5)(a)	Oversee the financial reporting process	√		Refer to the Corporate Governance Report on page no. 230 -234 of this Annual Report
5(5)(b)	Monitor choice of accounting policies and principles	√		
5(5)(c)	Monitor Internal Control Risk management process	√		
5(5)(d)	Oversee hiring and performance of external auditors	√		
5(5)(e)	Hold the meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		Audit Committee at its 110th meeting held on March 16, 2026, conducted the session.
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	√		
5(5)(h)	Review the adequacy of internal audit function	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in this Annual Report ;	√		
5(5)(j)	Review statement of significant related party transactions submitted by the management	√		
5(5)(k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in this Annual Report along with the comments of the Audit Committee.			Not applicable in 2025
5(6)	**Reporting of the Audit Committee:**			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		Refer to the Corporate Governance Report on page no. 233 of this Annual Report
5(6)(a)(ii)	**The Audit Committee shall immediately report to the Board of Directors on the following findings, if any: -**			
5(6)(a)(ii)(a)	Report on conflicts of interests ;	√		No such event occurred
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	√		No such event occurred

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
5(6)(a)(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations;	√		No such event occurred
5(6)(a)(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately.	√		No such event occurred
5(6)(b)	Reporting to the Authorities – Reported to the Board of Directors about anything which has material impact on the financial condition and results of operation	√		No such event occurred
5(7)	Reporting to the Shareholders and General Investors Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii)	√		No such event occurred
6	**Nomination and Remuneration Committee (NRC)**	√		Bangladesh Bank through DFIM Circular Letter No. 18, dated May 21, 2024, has allowed that the Audit Committee will perform the roles and responsibilities of the Nomination and Remuneration Committee (NRC) as prescribed by the Corporate Governance Code, 2018, issued by the Bangladesh Securities and Exchange Commission. Accordingly, the Audit Committee is performing all the conditions of the Nomination and Remuneration Committee (NRC) as prescribed by the Corporate Governance Code, 2018, issued by the Bangladesh Securities and Exchange Commission.
6(1)	**Responsibility to the Board of Directors**			
6(1)(a)	Nomination and Remuneration Committee (NRC) as a sub-committee of the Board	√		Audit Committee is a sub-committee of the Board, which will perform the roles and responsibilities of the Nomination and Remuneration Committee (NRC) as prescribed by the Corporate Governance Code, 2018, issued by the Bangladesh Securities and Exchange Commission.
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	ToR of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b);	√		The Terms of Reference (ToR) of the Audit Committee of IDLC Finance PLC. has incorporated all the conditions of the Nomination and Remuneration Committee (NRC) as prescribed by the Corporate Governance Code, 2018, issued by the Bangladesh Securities and Exchange Commission.
6(2)	**Constitution of the NRC**			
6(2)(a)	The Committee shall comprise of at least three members including an Independent Director;	√		
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive Directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee			No such event occurred.

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee	√		
6(2)(g)	The company secretary shall act as the secretary of the Committee	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company	√		
6(3)	**Chairperson of the NRC**			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such event occurred.
6(3)(c)	The Chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the shareholders	√		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC	√		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h)			
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC;	√		
6(5)	**Role of the NRC**			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	√		
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	√		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board	√		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board	√		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	√		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report	√		
7	**External or Statutory Auditors**			
7(1)	The issuer Company shall not engage its external or statutory auditors to perform the following services of the company, namely: -	√		**A. Qasem & Co. Chartered Accountants,** have declared such independence during their appointment
7(1)(i)	appraisal or valuation services or fairness opinions	√		
7(1)(ii)	financial information systems design and implementation	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services;	√		
7(1)(vii)	Any service that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
8	**Maintaining a website by the Company**			
8(1)	The company shall have an official website linked with the website of the stock exchange;	√		Web address is: www.idlc.com The required information are available in the website under the link: https: //idlc.com/price-sensitive-information-and-notices
8(2)	The company shall keep the website functional from the date of listing;	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s);	√		
9	**Reporting and Compliance of Corporate Governance**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in this Annual Report .	√		The required Certificate is available on page no. 291 of this Annual Report
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		The agenda will be placed in the 41st Annual General Meeting. Refer to the notice of the AGM, on page no. 273 of this Annual Report.
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		Refer to the 'Directors' Report' on page no. 287 of this Annual Report

Annexure IV

Statement of compliance with the good governance guideline issued by the Bangladesh Bank

Statement of compliance with the good governance practices guided by Finance Company ACT 2023 and Bangladesh Bank issued circulars, directives and policies. The Board of Directors of the Company has taken appropriate steps to comply with the good governance practice guidelines

A status report on compliance with those guidelines is stated below:

Sl. No.	Particulars	Status of Compliance
1.	**Composition of the Board:**	
	(a) The Board of Directors of the Finance Company shall consist of Shareholder Directors, representative Directors on behalf of the Shareholder organization and Independent Directors	Complied
	(b) The number of Directors of the Board of Directors shall be a maximum of 15 (fifteen) persons	Complied
	(c) The number of Independent Directors shall be at least 2 (two) persons	Complied
	(d) When a natural person is a Director of a Finance company, no other person nominated by him as an interested party shall be a representative director on the Board of Directors of the said finance company	Complied
	(e) Not more than 1 (one) person nominated by him or her on behalf of any institution or company shall be appointed representative Director on the Board of Directors	Complied
	(f) No other person can be appointed as a representative Director on behalf of a natural person shareholder on the Board of Directors	Complied
	(g) Term of office of director of finance company 3 (three) years	Complied
	(h) No Director shall hold the office of Director for more than 3 (three) terms or 9 (nine) years consecutively. After that he or she shall not be eligible for re-appointment as a Director of the said finance company until 3 (three) years have elapsed from the date of expiry of the said term	Complied
	(i) Immediately before the coming into force of the Finance Companies Act, 2023, if any person has held the office of Director for 3 (three) terms or 9 (nine) years respectively, the office shall vacate on the expiry of his existing term of office as Director	Complied
	(j) One-third of the Directors shall retire on the basis of seniority at every Annual General Meeting in compliance with Section 80 of Schedule-1 of the Companies Act, 1994. The retiring Director shall be eligible for re-election.	Complied
2	**Eligibility and suitability to be appointed as Director:**	
	(a) Hold minimum shares as per the regulations of Bangladesh Securities and Exchange Commission	Complied
	(b) The person concerned should have at least 10 (ten) years of management or business or professional experience; No work experience shall be taken into account until a person attains the age of 18 (eighteen) years	Complied
	(c) The minimum age of the person concerned shall be 30 (thirty) years	Complied
	(d) He or she has not been convicted of a criminal offense or has been or is not involved in fraud, cheating, financial crime or any other illegal activity as per the investigation or inspection report carried out by any agency of the Government or Bangladesh Bank	Complied
	(e) There is no adverse observation/comment in a court judgment in any civil or criminal case against him or her	Complied
	(f) He or she has not been convicted of any violation of rules, regulations, policies or rules of any regulatory authority relating to the financial sector	Complied
	(g) He or she was not associated with any company or establishment, the registration or license of which has been canceled or the establishment has been wound up	Complied
	(h) He or she or his or her affiliated institution is not a defaulting borrower	Complied
	(i) He or she is engaged in any other Financial Company or Banking Company or Insurance Company or any Subsidiary Company of such companies or in the opinion of Bangladesh Bank, any such company or institution which exercises control, joint control or significant influence over such financial company or banking company or insurance company as an advisor, consultant or in any other profitable position.	Complied
	(j) He or she is not a Director of any such company or several companies, which company or companies together are entitled to vote more than 15 (fifteen) percent of the total votes against the total shares of the said finance company	Complied
	(k) He or she is not holding the position of auditor, legal adviser, consultant, consultant, salaried employee or otherwise gainful position in the same finance company	Complied
	(l) He or she has not at any time been declared insolvent by a Court	Complied
	(m) He or she is a non-tax defaulter either personally or on behalf of his sole proprietorship or his or her partnership organization	Complied

Sl. No.	Particulars	Status of Compliance
	(n) If employed in any position in the concerned finance company for a period not exceeding 5 (five) years after termination of employment	Complied
	(o) If he or she is listed as a willful defaulter by any Finance Company or Bank-Company, he or she shall not be eligible to be a Director of any Finance Company until 5 (five) years have elapsed after he or she has been exempted from the said listing	Complied
	(p) Director or (Alternative Director) must be a Graduate. Nominated Director must fulfill all prescribed criteria for Independent Director.	Complied
3	**Taking prior approval of Bangladesh Bank in case of appointment/re-appointment of Director:**	
	(a) Prior approval of Bangladesh Bank shall be taken in case of appointment or re-appointment or re-appointment or re-appointment as the case may be after selection or nomination of Directors of the Finance Company	Complied
	(b) For obtaining the said prior approval, the Finance Company shall apply to Bangladesh Bank under the signature of the Chief Executive/Managing Director within 7 (seven) working days of the relevant Board Meeting/Annual General Meeting and attach information as per the prescribed form	Complied
4	**Director Information:**	
	(a) Duly maintain an up-to-date list of Directors of the Finance Company	Complied
	(b) To send a copy of the list of Directors to Bangladesh Bank and to all Finance Companies and Banking Companies after the Director's appointment or removal or at the end of the Director's term	Complied
	(c) A list of the Directors with their portraits shall be displayed on the website of the respective Finance Company and shall be updated regularly	Complied
	(d) After the nomination/appointment or removal of the Chairman of the Finance company or at the end of his tenure, the updated information shall be sent to Bangladesh Bank	Complied
	(e) Update of the Directors of the Finance company within 10 (ten) days after the end of every quarter to be submitted to Bangladesh Bank's EDW Portal through Rational Input Template (RIT). In addition, in case of Director appointment or any change in the Board of Directors of the Finance company, the said information must be submitted to Bangladesh Bank's EDW Portal through RIT	Complied
	(f) The names, addresses and other particulars of the Directors of the Finance Company and their respective Commercial, Financial, Agricultural, Industrial and other businesses and family business interests shall be submitted in writing to the Board of Directors on an annual basis	Complied
5.	**Responsibilities and authorities of the Board of Directors:**	
	The Board of Directors should focus mainly on the policy matters and evaluation of the performance of the institution, such as:	
	(a) Work-planning and strategic management:	
	(i) The Board shall determine the Vision/ Mission of the institute. In order to enhance operational efficiency and to ensure business growth, they shall chalk out strategies and work-plans on annual basis. The Board shall review such strategies on quarterly rests and shall modify accordingly, if required. If any structural modification is required, shall bring those changes with consultation with the management.	Complied
	(ii) The Board shall have its analytical review incorporated in the Annual report as regard to the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders on future plans and strategies.	Complied
	(iii) The Board will set the Key Performance Indicator (KPI)s for the CEO and other senior executives and will appraise those on half yearly basis.	Complied
	(b) Financial Management:	
	(i) Annual budget and statutory financial statements shall be adopted finally with the approval of the Board.	Complied
	(ii) Board shall review and examine in quarterly basis various statutory financial statements such as statement of income-expenses, statement of loan/lease, statement of liquidity, adequacy of capital, maintenance of provision, legal affairs including actions taken to recover overdue loan/lease.	Complied
	(iii) Board shall approve the Company's policy on procurement and collection and shall also approve the expenditures according to policy. The Board to the maximum extend shall delegate the authority on the Managing Director and among other top executives for approval of expenditure within budget.	Complied
	(iv) The Board shall adopt the process of operation of bank accounts. To ensure transparency in financial matters, groups may be formed among the management to operate bank accounts under joint signatures.	Complied
	(v) The Board shall review from time to time the activities of ALCO as per the guidelines of Bangladesh Bank	Complied
	(c) Management of Loan/Lease/Investments:	
	(i) Policy on evaluation of loan/lease/investment proposal, sanction and disbursement and its regular collection and monitoring shall be adopted and reviewed by the Board regularly based on prevailing laws and regulations. Board shall delegate the authority of loan/lease/investment specifically to management preferably on Managing Director and other top executives.	Complied

Sl. No.	Particulars	Status of Compliance
	(ii) No Director shall interfere on the approval of loan proposal associated with him. The Director concerned shall not give any opinion on that loan proposal.	Complied
	(iii) Any large loan/lease/investment proposal must be approved by the Board.	Complied
	(d) Credit and Risk Management:	
	(i) Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly.	Complied
	(e) Internal Control and Compliance Management:	
	(i) The Board shall continuously oversee internal controls to ensure satisfactory credit/investment quality	Complied
	(ii) The Internal Audit Function must operate independently of Management.	Complied
	(iii) On a quarterly basis, the Board will review reports from the Audit Committee, addressing recommendations from internal and external auditors, as well as inspection findings from Bangladesh Bank.	Complied
	(f) Human Resource Management:	
	(i) Board shall approve the policy on Human Resources Management and Service Rule. The Chairman and Directors of the Board shall not interfere on the administrative job in line with the approved Service Rule.	Complied
	(ii) Only the authority for the appointment and promotion of the Managing Director/ Additional Managing Director/ Deputy Managing Director and other equivalent position shall lie with the Board incompliance with the policy and Service Rule. No director shall be included in any Executive Committee formed for the purpose of appointment and promotion of others.	Complied
	(iii) The Board of Directors will formulate the Code of Conduct and Code of Ethics for officers and staffs at all levels and those officers and staffs will comply the said Code of Conduct and Code of Ethics.	Complied
	(g) Financial Management:	
	(i) Annual budget and statutory financial statements shall be adopted finally with the approval of the Board.	Complied
	(ii) Board shall review and examine in quarterly basis various statutory financial statements such as statement of income-expenses, statement of loan/lease, statement of liquidity, adequacy of capital, maintenance of provision, legal affairs including actions taken to recover overdue loan/lease.	Complied
	(iii) Board shall approve the Company's policy on procurement and collection and shall also approve the expenditures according to policy. The Board to the maximum extend shall delegate the authority on the Managing Director and among other top executives for approval of expenditure within budget.	Complied
	(iv) The Board shall adopt the process of operation of bank accounts. To ensure transparency in financial matters, groups may be formed among the management to operate bank accounts under joint signatures.	Complied
	(vi) The Board shall review from time to time the activities of ALCO as per the guidelines of Bangladesh Bank	Complied
	(h) Appointment of CEO:	
	(i) The Board shall appoint a competent CEO for the institution with the prior approval of the Bangladesh Bank and shall approve the proposal for increment of his salary and allowances.	Complied
	(i) Responsibilities and duties of the Chairman and Director of the Board of Directors:	
	(i) One of the members of the Board of Directors shall be elected as Chairman for a maximum term of 2 (two) years. He will be eligible for re-election to the post of chairman subject to the tenure of directorship.	Complied
	(ii) The Chairman of the Board of Directors or the Chairman of any Committee constituted by the Board or any Director shall not participate in or interfere into the administrative or operational and routine affairs of the Company as he/ she has no jurisdiction to apply executive power	Complied
	(iii) The minutes of the Board meetings shall be signed by the Chairman	Complied
	(iv) The Chairman shall sign-off the proposal for appointment of Managing Director and increment of his salaries & allowances	Complied
6	**Formation of sub-committee:** An Executive Committee (EC), an Audit Committee (AC) and a Risk Management Committee (RMC) will be formed in combination with members of the Board of Directors of the Company. Except the Executive Committee, Audit Committee and Risk Management Committee, no other committee or sub-committee can be formed, even in temporary basis.	Complied
	(a) **Executive Committee:** An Executive Committee of the Board shall be constituted for the purpose of continuing the urgent and day-to-day or routine activities (approval of loan/lease application, write-off, rescheduling etc.) arisen from the regular business activities between the meetings of the Board of Directors. The Executive Committee shall perform its duties according to the procedure prescribed by the Board.	
	Organizational Structure of the Executive Committee:	
	(i) Appointment of Members: Members of the Committee shall be nominated by the Board of Directors from among its members	Complied
	(ii) Size and Composition: The Committee shall consist of up to five (5) members, including at least one (1) Independent Director	Complied

Sl. No.	Particulars	Status of Compliance
	(iii) Chairman: • One of the members elected as Chairman of the Committee for a term of 3 (three) years; • The Chairman of the Board of Directors can also be the Chairman of the Executive Committee	Complied
	(iv) Tenure: Committee members to be nominated for every 3 (three) years subject to tenure of their Directorship	Complied
	(v) Restriction for Family Members: The Executive Committee shall not include more than one member of the same family	Complied
	(vi) Secretary to the Committee: The Company Secretary shall act as the Secretary of the Committee.	Complied
	(vii) Meeting: The Committee may arrange for meetings to be held at any time as may be necessary	Complied
	(viii) Participation by Invitation: The Committee may invite any IDLC official to attend its meetings concerning specific agenda items	Complied
	(ix) Rectification: The decision taken by the committee should be ratified in the next Board meeting	Complied
	(x) Audit Committee: The Committee is formed to carry out an adequate system of internal control, adequate system of internal control, assist the Board of Directors in fulfilling its oversight responsibilities related to nomination and remuneration policies, practices, and procedures of the company and adequate processes to ensure compliance by the Company with all applicable legal and regulatory requirements and Company's own policy.	
	(b) Organizational Structure of the Audit Committee:	
	(i) Appointment of Members: The members of the committee are nominated by the Board of Directors from amongst the Directors	Complied
	(ii) Size and Composition: The committee will be constituted with a maximum of 05 (five) members	Complied
	(iii) Chairman: The Chairman of the Committee shall be elected from amongst the Independent Directors	Complied
	(iv) Tenure of Chairman: The tenure of the Chairman of the Committee shall be 3 (three) years. No individual Director shall serve as Chairman of the Audit Committee for 2 (two) consecutive terms	Complied
	(v) Restriction for Members of the Executive Committee: No member of the Executive Committee shall be included as a member of the Audit Committee	Complied
	(vi) Tenure: Committee members can be nominated for every 3 (three) years	Complied
	(vii) Secretary to the Committee: The Company Secretary shall act as the Secretary of the Committee.	Complied
	(viii) Meeting: Hold at least four (4) meetings in a year and whenever necessary	Complied
	(c) Risk Management Committee: The Committee is formed to assist the Board of Directors to effectively reduce probable risks in implementing strategies and work plans as well as assisting them in properly playing their roles and responsibilities	
	Organizational Structure of the Risk Management Committee:	
	(i) Appointment of Members: The members of the committee are nominated by the Board of Directors from amongst the Directors	Complied
	(ii) Size and Composition: The committee will be constituted with a maximum of 05 (five) members	Complied
	(iii) Chairman: One of the members shall be elected as the Chairman of the Committee for a term of 3 (three) years	Complied
	(iv) Tenure: Committee members can be nominated for every 3 (three) years	Complied
	(v) Secretary to the Committee: The Company Secretary shall perform the secretarial duties of the Committee	Complied
	(vi) Meeting: Hold at least four (4) meetings in a year and whenever necessary	Complied
7	**Board of Directors and Subsidiary Committee meeting schedule**	
	(a) The meeting of the Board of Directors of the Finance Company may normally be held 1 (one) in every month or more if necessary	Complied
	(b) According to the Articles of Association (AoA) or Memorandum of Association (MoA) of a Finance Company, the quorum of the meeting of the Board of Directors of the said Finance Company shall be determined.	Complied
	(c) Apart from the Directors of the company, only the Managing Director and the Company Secretary will be present in the meeting of the Board of Directors.	Complied
	(d) An officer of the finance company may attend the said meeting (not for full-time) only when presenting any matter related to him on the invitation of the Board or the Subsidiary Committee of the Board for special needs.	Complied
	(e) Under no circumstances shall any outsider be present at the meeting of the Board and the meeting of the Subsidiary Committee of the Board	Complied
8	**Remuneration and other Financial benefits payable to Directors:**	
	(a) The upper limit of the honorarium payable to the Directors for attending the meeting of the Board of Directors/ Subsidiary Committee shall be 10,000 (ten thousand) taka	Complied
	(b) The Independent Directors shall be entitled to a fixed remuneration per month subject to an upper limit of Taka 50,000 (Fifty Thousand) (subject to deduction of applicable tax)	Complied
9	**Independent Directors:**	
	(a) He or she has at least 10 (Ten) years' experience on Management or Business or service	Complied
	(b) His or her age limit is minimum 45 (Forty- Five) and maximum 75 (Seventy-Five)	Complied
	(c) He or she must be a Graduate or Post Graduate on Economics, Finance, Business Administration, Law or Accounting	Complied

Sl. No.	Particulars	Status of Compliance
	(d) Ex- Managing Director or Chief Executive Officer of any Bank Company or Finance Company or Chartered Accountant or Cost Management Accountant or Ex- Chief Executive Officer of any reputed Corporate institution	Complied
	(e) Experienced Teacher of Business Administration or Business Studies or Law or Information Technology in any Public or Autonomous or Private University, Lawyer, experienced Banker, experienced officer in Ministry of Commerce, Financial Institutions Division and Finance Department of Ministry of Finance, Ministry of Industries, Ministry of Law	Complied
	(f) He or she has not any past, present or future actual or apparent interest in any Finance Company or he or she is not associated with a Finance Company	Complied
	(g) His or her family members will not hold any share of the respective Finance Company or hold any profitable position in the respective Finance Company	Complied
	(h) He or she will not hold the position of Independent Director in any other Finance Company, Banking Company, Insurance Company or any subsidiary company of such companies.	Complied
	(i) He or she has not been convicted of a criminal offense or has been or is not involved in fraud, cheating, financial crime or any other illegal activities	Complied
	(j) There is no adverse observation/comment in a Court judgment in any civil or criminal case against him or her	Complied
	(k) He or she has not been convicted of any violation of rules, regulations, policies or rules of any regulatory authority relating to the financial sector or his or her own profession	Complied
	(l) He or she has not at any time been declared insolvent by a Court	Complied
	(m) He or she is not a loan defaulter.	Complied
	(n) He or she is a non-tax defaulter	Complied
	(o) If he or she is listed as a willful defaulter by any Finance Company or Bank-Company, he or she shall not be eligible to be an Independent Director of any Finance Company until 5 (five) years have elapsed after he or she has been exempted from the said listing	Complied
	(p) He or she has not been convicted of violating any rules, regulations, policies or codes of conduct of any regulatory authority related to the financial sector.	Complied
	(q) He or she was not associated with the ownership of any company/institution whose registration/license has been cancelled or the institution has been defunct.	Complied
	(r) To appoint an Independent Director, prior approval from Bangladesh Bank is required	Complied
	(s) Finance Company will send the information of eligible person to be appointed as an Independent Director for the panel of Bangladesh Bank	Complied
	(t) Finance Company will appoint Independent Director from the said panel subject to prior approval from Bangladesh Bank	Complied
	(u) Finance Company will inform Bangladesh Bank for the expiration of tenure of Independent Director before 30 (Thirty) working days	Complied
10.	**Managing Director and Chief Executive Officer:**	
	(a) Eligibilities:	
	(i) He or she has not been convicted of a criminal offense or has been or is not involved in fraud, cheating, financial crime or any other illegal activities	Complied
	(ii) There is no adverse observation/comment in a Court judgment in any civil or criminal case against him or her	Complied
	(iii) He or she has not been convicted of any violation of rules, regulations, policies or rules of any regulatory authority	Complied
	(iv) He or she was not associated with the ownership of any company/institution whose registration/license has been cancelled or the institution has been defunct.	Complied
	(v) He or she was not employee of any company/institution whose registration/license has been cancelled due to his or her direct or indirect crime	Complied
	(vi) He or She has not been removed/dismissed/demoted from his/her position or relieved of his/her duties as the Chairman or Director or Officer or Employee of any company or organization due to embezzlement, corruption, forgery, or moral turpitude	Complied
	(vii) He or she has not been removed, dismissed, demoted or relieved from his or her position while holding the position of Chief Executive Officer, Chairman, Director, Officer or any other position of any Finance Company or any Banking Company;	Complied
	(viii) There are no adverse observations against him or her in Bangladesh Bank's offsite or onsite inspections.	Complied
	(b) Financial Transparency/Integrity:	
	(i) He or she is not a defaulter on a loan taken from any Finance Company or Banking Company.	Complied
	(ii) He or she did not stop paying the creditor's dues or was not exempted from collecting the debt through his or her own agreement with the creditor.	Complied
	(iii) He or she is not a tax defaulter.	Complied
	(iv) He or she has never been declared bankrupt by a Court.	Complied
	(v) He or she was not involved in any financial irregularities while performing his or her professional duties in any Finance Company or Banking Company.	Complied

Sl. No.	Particulars		Status of Compliance
	(c)	**Educational Qualifications and Experience:**	
	(i)	He or She will hold at least a Master's degree from a recognized university.	Complied
	(ii)	Minimum 20 (Twenty) years' experience in Finance Company or Banking Company and minimum 2 (Two) years' experience in the preceding previous position of Chief Executive Officer	Complied
	(iii)	He or she have leadership capacity	Complied
	(d)	**Professional Involvement:**	
	(i)	He or she will not hold the position of Director in any Finance Company or Banking Company or Insurance Company or any company which is controlled by those respective companies or any profitable position in the respective companies	Complied
	(ii)	He or she will not engage in any business	Complied
	(iii)	His or her doesn't have any business interest in the Finance Company	Complied
	(iv)	His or her doesn't have any relation with any organization which is owned by or controlled by any Director of the respective Finance Company	Complied
	(v)	His or her family members will not involve in the Board of the respective Finance Company	Complied
	(e)	**Age Limit:**	
	(i)	His or her age limit is 65 (Sixty Five) years.	Complied
	(f)	**Bonus & Remuneration:**	
	(i)	Performance Bonus not more than BDT 10 (Ten) Lac in a year	Complied
	(ii)	He or she will be entitled for any remuneration to attend the Board Meeting and its Sub- Committee Meeting	Complied
	(g)	**Responsibilities of Managing Director:**	
	(i)	Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management;	Complied
	(ii)	For day to day operations, Managing Director shall ensure compliance with the rules and regulation of the Financial Institutions Act, 1993 and other relevant circulars of Bangladesh Bank;	Complied
	(iii)	All recruitment/ promotion, except those of AMD, DMD, and equivalent positions shall be vested upon the Managing Director. He shall act such in accordance the approved HR Policy of the institution;	Complied
	(iv)	Managing Director may re-schedule job responsibilities of employees;	Complied
	(v)	Except for the AMD, DMD, and equivalent positions, power to transfer and to take disciplinary action shall vested to the Managing Director.	Complied
	(vi)	Managing Director shall sign all the letters/statements relating to compliance of polices and guidelines. However, Departmental/Unit heads may sign daily letters/statements as set out in DFIM circular no. 2 dated 06 January 2009 if so authorized by MD.	Complied

Reports and Financial Statements

IDLC Group and IDLC Finance PLC.



IDLC Finance PLC. and its Subsidiaries

DECLARATION BY CEO AND CFO

Date: March 16, 2026

The Board of Directors
IDLC Finance PLC.
Bay's Galleria (1st Floor)
57 Gulshan Avenue

Dhaka.

Subject: Declaration on Financial Statements for the year ended on December 31, 2025

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of IDLC Finance PLC. for the year ended on December 31, 2025 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

(4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

(6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

(i) We have reviewed the financial statements for the year ended on December 31, 2025 and that to the best of our knowledge and belief:

  (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



(M. Jamal Uddin)
CEO & Managing Director
Date: March 16, 2026



(Masud Karim Majumder, FCA)
Chief Financial Officer (CFO)
Date: March 16, 2026

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of IDLC Finance PLC.

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of IDLC Finance PLC. and its subsidiaries (the "Group") as well as the separate financial statements of IDLC Finance PLC. (the "Company"), which comprise the consolidated and separate balance sheets as at 31 December 2025 and the consolidated and separate profit and loss accounts, the consolidated and separate statements of changes in equity and the consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Company give a true and fair view of the consolidated financial position of the Group and separate financial position of the Company as at 31 December 2025, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed that matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to those matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans, advances and leases	
With reference to Note 13.6 to the Financial Statements, the process for calculating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex. The Company calculates provision for loans, advances and leases by considering various factors such as rate of provision, loan category, expiry date, outstanding balance, interest suspense amount, value of eligible collateral as per DFIM Circular No. 04 dated 26 July 2021 and DFIM Circular No 37 dated 04 December 2024. According to DFIM Circular Letter No. 33 dated 19 December 2021, NBFIs must keep an extra 2% (percent) special provision for the borrowers who have availed Payment by Deferral (PBD) facilities. The Company has kept a special provision of BDT 75.31 mn as of 31 December 2025 to comply with the circular. In Bangladesh, non-performing loans have been increasing day by day. NBFIs need to maintain provisions for additional non-performing loans in line with the Bangladesh Bank's guidelines. The Company identifies impaired loan accounts and calculates required provisions manually. Furthermore, management has incentive to maintain lower provisions for loans and advances to overstate profit. Considering these factors, we have considered measurement of provision for loans, advances and leases as significant risk as well as a key audit matter.	We tested the design and operating effectiveness of key controls focusing on the following: • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Review of quarterly Classification of Loans (CL). Our substantive procedures in relation to the provision for loans, advances and leases portfolio comprised the following: • Reviewed the adequacy of the general and specific provisions and loan classification disclosures in the financial statements in line with related Bangladesh Bank guidelines; • Tested the inputs in computation of provision in terms of testing the accuracy of underlying information; • Assessed the methodologies on which the provision amounts based (value of eligible securities, interest suspense), recalculated the provisions for loans, advances and leases;

Description of key audit matters	Our response to key audit matters
At the year end of 2025 the Group reported total gross loans, advances and leases of BDT 122,778.99 mn (2024: BDT 114,090.39 mn) and in 2025 the Company reported total gross loans, advances and leases of BDT 121,985.60 mn (2024: BDT 112,847.81 mn) whereas at the year end of 2025 the Group reported total provision for loans, advances and leases of BDT 4,040.77 mn (2024: BDT 3,944.16 mn) and the Company reported total provision for loans, advances and leases of BDT 3,929.84 mn (2024: BDT 3,872.13 mn).	• Checked the adequacy of the Company's general and specific provisions; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines
See note no 13.6 to the financial statements	
Recognition of interest income on loans, advances and leases	
Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income have involved complex IT environments. We identify recognition of interest income from loans, advances and leases as a key audit matter because this is one of the key performance indicators of the Company and therefore there is an inherent risk of fraud and error and overstatement in recognition of interest by management to meet specific targets or expectations.	We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans, advances and leases focusing on the following: • Reviewing transfer of interests to the income account in line with the Bangladesh Bank's guideline; • Reviewed the grounds for approval for the transfer of interest to the income account. We performed test of operating effectiveness on automated control in place to measure and recognize interest income. We have also performed substantive procedure to check whether interest income is recognized completely and accurately in line with time-to-time movement of interest rate published by Bangladesh Bank. However, due to the current uncertainty of the overall economic situation both in Bangladesh and Globally there are inherent risk that the judgment applied by Management in assessing recoverability of interest income from classified loans may be different than the actual situation in future.
See note no 20 to the financial statements	
Adequacy of income tax provision	
At year end of 2025 the Group reported provision for income tax of BDT 9,232.18 mn (2024: BDT 7,466.64 mn) and the Company has reported provision for income tax of BDT 6,035.60 mn (2024: BDT 4,639.75 mn).	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of income tax provision and the assumptions used in estimating various allowable and disallowable items to determine taxable income. We also assessed the completeness and accuracy of the data used to prepare year-wise tax position summary for all pending tax assessments/appeals. We have reviewed the assessment/ appeal orders to determine whether the current tax provision is adequate for the potential tax liability.
See note no 13.2 to the financial statements	
IT systems and controls	
Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.	We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Company's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configurations and other application layer controls identified as key to our audit. We performed the Tests of IT General Controls to evaluate the Application Development and Database, Hosting Platforms and segregation of incompatible duties relevant to application and database change management.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this audit's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Company in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules, 2020, the Finance Company Act, 2023 and the rules and regulations issued by Bangladesh Bank, we also report that:

i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

ii. in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;

iii. the consolidated and separate balance sheet and consolidated and separate profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

iv. the expenditures incurred were for the purpose of the Company's business for the year;

v. the financial statements of the Group and the Company have been drawn up in conformity with the Finance Company Act, 2023 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;

vi. adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;

vii the financial statements of the Group and the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;

viii. the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;

ix. statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;

x. taxes and other duties were collected to be and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;

xi. nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;

xii. proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;

xiii based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;

xiv. the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;

xv. we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 3,500 person hours for the audit of the books and accounts of the Company;

xvi. the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;

xvii all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-129



Md. Sirajul Haque FCA
Partner
ICAB Enrollment No: 1172
DVC: 2603161172AS450135
Dhaka, Bangladesh
March 16, 2026

IDLC Finance PLC. and its Subsidiaries

CONSOLIDATED BALANCE SHEET

As at December 31, 2025

Particulars	Note	31.12.2025	31.12.2024
		Amount in BDT	
PROPERTY AND ASSETS			
Cash	3		
In hand (including foreign currencies)	3.1	400,000	420,000
Balance with Bangladesh Bank and its agent (including foreign currencies)	3.2	1,616,176,440	1,342,569,718
		1,616,576,440	**1,342,989,718**
Balance with other banks and financial institutions	4		
Inside Bangladesh	4(a)	10,881,677,640	10,914,886,886
Outside Bangladesh	4(b)	-	-
		10,881,677,640	**10,914,886,886**
Money at call and short notice	5	-	-
Investments	6		
Government		34,843,103,228	13,378,438,729
Others		5,484,826,257	5,164,127,607
		40,327,929,485	**18,542,566,336**
Loans, advances and leases	7		
Loans, cash credit, overdraft etc.		122,778,990,147	114,090,385,515
Bills purchased and discounted		-	-
		122,778,990,147	**114,090,385,515**
Fixed assets including land, building, furniture and fixtures	8(d)	**2,936,845,500**	**2,471,329,788**
Other assets	9	**2,015,600,904**	**1,655,968,071**
Non-banking assets	10	**27,750,000**	**-**
Total Assets		**180,585,370,117**	**149,018,126,314**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	**31,955,465,628**	**27,831,818,346**
Deposits and other accounts	12		
Current accounts and other accounts etc.		-	-
Bills payable		-	-
Savings bank deposits		-	-
Term deposits		106,496,369,667	83,907,240,444
Bearer certificate of deposits		-	-
Other deposits		4,040,296,876	3,289,878,141
		110,536,666,543	**87,197,118,585**
Other liabilities	13	**16,287,247,792**	**13,928,109,049**
Total Liabilities		**158,779,379,963**	**128,957,045,980**
Capital/Shareholders' equity			
Paid-up capital	14	4,364,834,090	4,156,984,840
Share premium	15	1,260,585,930	1,260,585,930
Statutory reserves	16	4,498,811,548	4,143,351,989
General reserves	17	1,000,000,000	1,000,000,000
Dividend equalisation reserves	17 (a)	1,000,000,000	500,000,000
Capital reserves	17 (b)	304,785,293	253,928,032
Retained earnings		9,376,969,376	8,746,225,780
Total Equity attributable to equity holders of the company		**21,805,986,237**	**20,061,076,571**
Non-controlling interest		**3,917**	**3,762**
Total Liabilities and Shareholders' equity		**180,585,370,117**	**149,018,126,314**

Particulars	Note	Amount in BDT 31.12.2025	31.12.2024
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18.1		
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Indemnity bond		-	-
Corporate guarantee		750,000,000	750,000,000
		750,000,000	**750,000,000**
Other commitments			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Un-drawn note issuance and revolving underwriting facilities		-	-
Un-drawn formal standby facilities, credit lines		-	-
Un-disbursed contracted loans and leases		-	-
		-	-
Total Off-Balance Sheet items including contingent liabilities		**750,000,000**	**750,000,000**
Net Assets Value (NAV) per share	38	**49.96**	**45.96**

These Financial Statements should be read in conjunction with the annexed notes
This is the consolidated balance sheet referred to in our separate report of even date.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-129

Akhtar Ahmed
Director

Wasiful Hoq
Director

Md. Sirajul Haque FCA
Partner
ICAB Enrollment No: 1172
DVC: 2603161172AS450135
Dhaka, March 16, 2026

Noor Un Nahar
Director

M. Jamal Uddin
CEO & Managing Director

Abul Fazal Mohamed Rubayat
Company Secretary

IDLC Finance PLC. and its Subsidiaries

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2025

Particulars	Note	Amount in BDT 2025	2024
Interest Income & Financing Income	20	16,550,704,673	14,776,517,731
Interest paid & Profit distributed on Deposits, Placements & Borrowings etc.	21	(12,630,733,145)	(9,969,715,229)
Net Interest Income & Financing Income		**3,919,971,528**	**4,806,802,502**
Investment income	22	3,544,077,021	1,432,814,686
Commission, exchange and brokerage	23	412,114,646	403,824,137
Other operating income	24	593,042,694	612,761,202
Total operating income		**8,469,205,888**	**7,256,202,527**
Salaries and allowances	25	2,095,421,918	1,932,666,068
Rent, taxes, insurance, electricity etc.	26	64,579,590	67,846,502
Legal expenses	27	18,004,375	17,904,889
Postage, stamp, telecommunication etc.	28	56,350,390	54,326,991
Stationery, printing, advertisements etc.	29	221,210,778	171,282,805
Managing Director's salary and benefits	30	16,232,496	14,670,083
Directors' fees	31	4,333,684	4,175,050
Auditors' fees	32	1,380,000	1,264,136
Charges on loan losses		-	-
Depreciation and repair of Company's assets	33	329,883,797	306,171,761
Other expenses	34	551,116,755	477,229,009
Total operating expenses		**3,358,513,783**	**3,047,537,294**
Profit before provision		**5,110,692,105**	**4,208,665,233**
Provision for loans and investments	13.6(ii)		
General provision		18,083,078	9,493,044
Specific provision		579,808,053	609,176,830
Provision for diminution in value of investments		290,785,509	81,386,067
Other provisions		-	-
Total provision		**888,676,640**	**700,055,941**
Total profit before taxation		**4,222,015,465**	**3,508,609,292**
Provision for taxation			
Current tax expense	13.2	1,765,643,902	1,504,292,516
Deferred tax expense/(income)	Annex B	22,740,359	1,520,201
		1,788,384,262	**1,505,812,716**
Net profit after taxation		**2,433,631,203**	**2,002,796,576**
Attributable to:			
Shareholders of the Company		2,433,631,048	2,002,796,446
Non-controlling interest		155	130
		2,433,631,203	**2,002,796,576**
Appropriations to:			
Statutory reserves		355,459,559	334,595,794
General reserves		-	-
Capital reserves	17 (b)	50,857,261	42,576,736
Dividend etc.		-	-
		406,316,819	**377,172,530**
Retained surplus		**2,027,314,229**	**1,625,623,916**
Earnings Per Share (EPS)	37	**5.58**	**4.59**

These Financial Statements should be read in conjunction with the annexed notes
This is the consolidated profit & loss account referred to in our separate report of even date.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-129

Md. Sirajul Haque FCA
Partner
ICAB Enrollment No: 1172
DVC: 2603161172AS450135
Dhaka, March 16, 2026

Akhtar Ahmed
Director

Noor Un Nahar
Director

Wasiful Hoq
Director

M. Jamal Uddin
CEO & Managing Director

Abul Fazal Mohamed Rubayat
Company Secretary

IDLC Finance PLC. and its Subsidiaries

CONSOLIDATED CASH FLOW STATEMENT

For the year ended December 31, 2025

Particulars		2025	2024
		Amount in BDT	
A)	**Cash flows from operating activities**		
	Interest Income & Financing Income received	16,047,801,846	14,256,534,861
	Interest & Profit paid	(12,106,054,728)	(9,699,439,047)
	Dividend received	148,505,786	150,373,395
	Fees and commission received	412,114,646	403,824,137
	Paid to employees and suppliers	(3,086,537,208)	(2,796,190,434)
	Payment of income tax	(1,446,464,130)	(1,186,671,008)
	Received from other operating activities	3,977,011,089	1,886,946,250
	Cash generated from operating activities before changes in operating assets and liabilities	**3,946,377,301**	**3,015,378,154**
	Increase/(decrease) in operating assets and liabilities		
	Lease receivable	(944,814,945)	(294,833,682)
	Long-term finance	(7,219,164,454)	2,438,638,303
	Real estate finance	1,697,236,822	752,521,202
	Car loan	181,709,591	(21,591,639)
	Personal loan	(31,317,580)	10,278,173
	Loan against deposit	193,486,022	(139,308,471)
	Margin loan to portfolio investors	449,184,190	1,195,892,218
	Short term finance	(104,476,642)	(203,741,699)
	Ijarah Muntahiah Bi Tamlik	(1,947,788,944)	(1,307,864,287)
	Murabahah	46,883,151	(108,813,416)
	Sale & Lease Back	(836,665,121)	(284,131,728)
	Other assets	(29,606,731)	(460,129,829)
	Non-banking assets	(27,750,000)	-
	Term and other deposits	23,339,547,958	3,572,081,051
	Drawdown of term loans	13,826,259,935	11,438,089,764
	Repayment of term loans	(13,742,612,652)	(15,242,135,598)
	Net drawdown of short term loan	4,040,000,000	(616,000,000)
	Payable and accrued expenses	(145,529,616)	(354,100,463)
	Deferred liability-employee gratuity	(4,050,870)	12,143,302
	Portfolio investors' fund	410,375,351	23,631,937
	Net defined benefit obligation/plan assets	93,535,664	57,911,119
	Remeasurement gain/(loss)	(65,173,657)	(36,496,300)
	Deferred tax liability	(33,209,629)	21,175,594
	Interest suspense account	206,013,205	32,087,808
		19,352,071,050	**485,303,358**
	Net cash flows from/(used in) operating activities	**23,298,448,351**	**3,500,681,512**
B)	**Cash flows from investing activities**		
	Purchase of fixed assets	(705,776,216)	(161,042,336)
	Disposal of fixed assets	56,851,115	13,808,516
	Net proceeds of investment in securities	(21,785,363,149)	(8,753,385,317)
	Net cash flows from/(used in) investing activities	**(22,434,288,250)**	**(8,900,619,138)**
C)	**Cash flows from financing activities**		
	Dividend paid	(623,782,625)	(623,448,376)
	Net cash flows from/(used in) financing activities	**(623,782,625)**	**(623,448,376)**
D)	**Net increase/(decrease) in cash and cash equivalents (A+ B + C)**	**240,377,476**	**(6,023,386,002)**
E)	**Effects of exchange rate changes on cash and cash equivalents**	**-**	**-**
F)	**Cash and cash equivalents at beginning of the year/period**	**12,257,876,604**	**18,281,262,607**
G)	**Cash and cash equivalents at end of the year (D+E+F)**	**12,498,254,080**	**12,257,876,604**
	Cash and cash equivalents at end of the year/period		
	Cash in hand (including foreign currencies) (Note-3.1)	400,000	420,000
	Balance with Bangladesh Bank and its agent bank(s) (Note-3.2)	1,616,176,440	1,342,569,718
	Balance with other banks and financial institutions (Note-4)	10,881,677,640	10,914,886,886
	Money at call and short notice (Note-5)	-	-
		12,498,254,080	**12,257,876,604**
Net operating cash flow per share (Note-39)		**53.38**	**8.02**

These Financial Statements should be read in conjunction with the annexed notes

IDLC Finance PLC. and its Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2025

Amount in BDT

Particulars	Attributable to equity holders of the Company								Non-controlling interest	Total equity
	Paid-up capital	Share premium	Statutory reserves	General reserves	Dividend equalisation reserves	Capital reserves	Retained earnings	Total		
Balance at January 1, 2025	4,156,984,840	1,260,585,930	4,143,351,989	1,000,000,000	500,000,000	253,928,032	8,746,225,780	20,061,076,571	3,762	20,061,080,333
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-
Restated balance	**4,156,984,840**	**1,260,585,930**	**4,143,351,989**	**1,000,000,000**	**500,000,000**	**253,928,032**	**8,746,225,780**	**20,061,076,571**	**3,762**	**20,061,080,333**
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-	-	-
Remeasurement gain/(loss)	-	-	-	-	-	-	(65,173,657)	(65,173,657)	-	(65,173,657)
Net gain and losses not recognised in the profit and loss accounts	-	-	-	-	-	-	(65,173,657)	(65,173,657)	-	(65,173,657)
Net profit for the year 2025	-	-	-	-	-	-	2,433,631,048	2,433,631,048	155	2,433,631,203
15% cash dividend (for 2024)	-	-	-	-	-	-	(623,547,726)	(623,547,726)	-	(623,547,726)
5% stock dividend (for 2024)	207,849,250	-	-	-	-	-	(207,849,250)	-	-	-
Appropriation to reserves	-	-	355,459,559	-	500,000,000	50,857,261	(906,316,819)	-	-	-
Balance at December 31, 2025	**4,364,834,090**	**1,260,585,930**	**4,498,811,547**	**1,000,000,000**	**1,000,000,000**	**304,785,293**	**9,376,969,376**	**21,805,986,237**	**3,917**	**21,805,990,154**

IDLC Finance PLC. and its Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

Amount in BDT

Particulars	Attributable to equity holders of the Company								Non-controlling interest	Total equity
	Paid-up capital	Share premium	Statutory reserves	General reserves	Dividend equalisation reserves	Capital reserves	Retained earnings	Total		
Balance at January 1, 2024	4,156,984,840	1,260,585,930	3,808,756,195	1,000,000,000	500,000,000	211,351,296	7,780,645,890	18,718,324,151	3,632	18,718,327,783
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-
Restated balance	**4,156,984,840**	**1,260,585,930**	**3,808,756,195**	**1,000,000,000**	**500,000,000**	**211,351,296**	**7,780,645,890**	**18,718,324,151**	**3,632**	**18,718,327,783**
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-	-	-
Remeasurement gain/(loss)	-	-	-	-	-	-	(36,496,300)	(36,496,300)	-	(36,496,300)
Net gain and losses not recognised in the profit and loss accounts	-	-	-	-	-	-	(36,496,300)	(36,496,300)	-	(36,496,300)
Net profit for the year 2024	-	-	-	-	-	-	2,002,796,446	2,002,796,446	130	2,002,796,576
15% cash dividend (for 2023)	-	-	-	-	-	-	(623,547,726)	(623,547,726)	-	(623,547,726)
Appropriation to reserves	-	-	334,595,794	-	-	42,576,736	(377,172,530)	-	-	-
Balance at December 31, 2024	**4,156,984,840**	**1,260,585,930**	**4,143,351,989**	**1,000,000,000**	**500,000,000**	**253,928,032**	**8,746,225,780**	**20,061,076,571**	**3,762**	**20,061,080,333**

These Financial Statements should be read in conjunction with the annexed notes

IDLC Finance PLC.

BALANCE SHEET

As at December 31, 2025

Particulars	Note	31.12.2025	31.12.2024
		Amount in BDT	
PROPERTY AND ASSETS			
Cash	3		
In hand (including foreign currencies)	3.1	305,000	325,000
Balance with Bangladesh Bank and its agent (including foreign currencies)	3.2	1,616,176,440	1,342,569,718
		1,616,481,440	**1,342,894,718**
Balance with other banks and financial institutions	4		
Inside Bangladesh	4(a)	9,038,065,990	9,509,245,682
Outside Bangladesh	4(b)	-	-
		9,038,065,990	**9,509,245,682**
Money at call and short notice	5	-	-
Investments	6		
Government		29,470,834,379	9,133,474,749
Others		2,427,257,829	2,306,251,865
		31,898,092,208	**11,439,726,614**
Loans, advances and leases	7		
Loans, cash credit, overdraft etc.		121,985,601,674	112,847,812,851
Bills purchased and discounted		-	-
		121,985,601,674	**112,847,812,851**
Fixed assets including land, building, furniture and fixtures	8 (d)	**2,841,153,676**	**2,353,920,156**
Other assets	9	**5,517,303,591**	**5,328,993,037**
Non-banking assets	10	**27,750,000**	**-**
Total Assets		**172,924,448,579**	**142,822,593,059**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	**31,983,601,937**	**27,913,507,632**
Deposits and other accounts	12		
Current accounts and other accounts etc.		-	-
Bills payable		-	-
Savings bank deposits		-	-
Term deposits		107,010,742,917	84,379,223,529
Bearer certificate of deposits		-	-
Other deposits		4,040,296,876	3,289,878,141
		111,051,039,793	**87,669,101,670**
Other liabilities	13	**13,161,993,838**	**11,602,541,435**
Total Liabilities		**156,196,635,568**	**127,185,150,737**
Capital/Shareholders' equity			
Paid-up capital	14	4,364,834,090	4,156,984,840
Share premium	15	1,260,585,930	1,260,585,930
Statutory reserves	16	4,498,811,548	4,143,351,989
General reserves	17	1,000,000,000	1,000,000,000
Dividend equalisation reserves	17 (a)	1,000,000,000	500,000,000
Retained earnings		4,603,581,443	4,576,519,564
Total Equity		**16,727,813,011**	**15,637,442,322**
Total Liabilities and Shareholders' equity		**172,924,448,579**	**142,822,593,059**

Particulars	Note	31.12.2025	31.12.2024
		Amount in BDT	
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18.1		
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Indemnity bond		-	-
Corporate guarantee		750,000,000	750,000,000
		750,000,000	**750,000,000**
Other commitments			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Un-drawn note issuance and revolving underwriting facilities		-	-
Un-drawn formal standby facilities, credit lines		-	-
Un-disbursed contracted loans and leases		-	-
		-	-
Total Off-Balance Sheet items including contingent liabilities		**750,000,000**	**750,000,000**
Net Assets Value (NAV) per share	38	**38.32**	**35.83**

These Financial Statements should be read in conjunction with the annexed notes
This is the balance sheet referred to in our separate report of even date.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-129

Md. Sirajul Haque FCA
Partner
ICAB Enrollment No: 1172
DVC: 2603161172AS450135
Dhaka, March 16, 2026

Akhtar Ahmed
Director

Noor Un Nahar
Director

Wasiful Hoq
Director

M. Jamal Uddin
CEO & Managing Director

Abul Fazal Mohamed Rubayat
Company Secretary

IDLC Finance PLC.

PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2025

Particulars	Note	2025	2024
		Amount in BDT	
Interest Income & Financing Income	20	16,320,632,165	14,492,224,840
Interest paid & Profit distributed on Deposits, Placements & Borrowings etc.	21	(12,739,702,284)	(10,103,103,694)
Net Interest Income & Financing Income		**3,580,929,881**	**4,389,121,146**
Investment income	22	2,618,133,385	1,208,378,064
Commission, exchange and brokerage	23	18,941,861	26,101,403
Other operating income	24	587,148,352	601,167,354
Total operating income		**6,805,153,478**	**6,224,767,968**
Salaries and allowances	25	1,811,775,594	1,635,153,983
Rent, taxes, insurance, electricity etc.	26	48,006,722	52,709,232
Legal expenses	27	10,011,222	10,106,994
Postage, stamp, telecommunication etc.	28	49,000,681	47,969,487
Stationery, printing, advertisements etc.	29	190,325,533	158,862,086
Managing Director's salary and benefits	30	16,232,496	14,670,083
Directors' fees	31	3,272,684	3,101,450
Auditors' fees	32	977,500	919,136
Charges on loan losses		-	-
Depreciation and repair of Company's assets	33	280,247,226	254,590,288
Other expenses	34	490,739,285	417,047,417
Total operating expenses		**2,900,588,944**	**2,595,130,155**
Profit before provisions		**3,904,564,534**	**3,629,637,812**
Provision for loans and investments	13.6(ii)		
General provision		26,338,333	17,787,283
Specific provision		531,324,409	561,260,488
Provision for diminution in value of investments		158,810,240	108,467,101
Other provision		-	-
Total provision		**716,472,983**	**687,514,872**
Total profit before taxation		**3,188,091,552**	**2,942,122,941**
Provision for taxation			
Current tax expense	13.2	1,395,850,947	1,262,146,681
Deferred tax expense/(income)	Annex B	14,942,811	6,997,291
		1,410,793,758	**1,269,143,972**
Net profit after taxation		**1,777,297,794**	**1,672,978,968**
Appropriations to:			
Statutory reserves		355,459,559	334,595,794
General reserves		-	-
Dividend etc.		-	-
		355,459,559	334,595,794
Retained surplus		**1,421,838,235**	**1,338,383,175**
Earnings Per Share (EPS)	37	**4.07**	**3.83**

These Financial Statements should be read in conjunction with the annexed notes
This is the profit & loss account referred to in our separate report of even date.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-129

Md. Sirajul Haque FCA
Partner
ICAB Enrollment No: 1172
DVC: 2603161172AS450135
Dhaka, March 16, 2026

Akhtar Ahmed
Director

Noor Un Nahar
Director

Wasiful Hoq
Director

M. Jamal Uddin
CEO & Managing Director

Abul Fazal Mohamed Rubayat
Company Secretary

IDLC Finance PLC.

CASH FLOW STATEMENT

For the year ended December 31, 2025

Particulars		2025	2024
		Amount in BDT	
A)	**Cash flows from operating activities**		
	Interest Income & Financing Income received	16,169,131,066	14,179,619,870
	Interest & Profit paid	(12,215,023,867)	(9,832,827,512)
	Dividend received	52,730,155	250,247,275
	Fees and commission received	18,941,861	26,101,403
	Paid to employees and suppliers	(2,670,343,754)	(2,384,830,847)
	Payment of income tax	(1,194,932,791)	(976,362,115)
	Received from other operating activities	2,790,769,375	1,343,663,117
	Cash generated from operating activities before changes in operating assets and liabilities	**2,951,272,045**	**2,605,611,191**
	Increase/(decrease) in operating assets and liabilities		
	Lease receivable	(944,814,945)	(294,833,682)
	Long-term finance	(7,219,164,454)	2,438,638,303
	Real estate finance	1,697,236,822	752,521,202
	Car loan	181,709,591	(21,591,639)
	Personal loan	(31,317,580)	10,278,173
	Loan against deposit	193,486,022	(139,308,471)
	Short term finance	(104,476,642)	(203,741,699)
	Ijarah Muntahiah Bi Tamlik	(1,947,788,944)	(1,307,864,287)
	Murabahah	46,883,151	(108,813,416)
	Sale & Lease Back	(836,665,121)	(284,131,728)
	Other assets	141,715,550	(443,196,721)
	Non-banking assets	(27,750,000)	-
	Term and other deposits	23,381,938,123	2,107,556,767
	Drawdown of term loans	13,772,706,959	11,438,089,764
	Repayment of term loans	(13,742,612,653)	(15,291,956,992)
	Net drawdown of short term loan	4,040,000,000	(616,000,000)
	Payable and accrued expenses	(174,551,452)	(253,161,613)
	Net defined benefit obligation/plan assets	91,039,383	63,273,987
	Remeasurement gain/(loss)	(63,379,379)	(34,611,305)
	Deferred tax liability	(26,802,070)	21,903,833
	Interest suspense account	144,923,410	32,087,808
		18,572,315,770	(2,134,861,716)
	Net cash flows from/(used in) operating activities	**21,523,587,816**	**470,749,475**
B)	**Cash flows from investing activities**		
	Purchase of fixed assets	(694,300,773)	(115,313,818)
	Disposal of fixed assets	55,268,206	12,654,358
	Net proceeds of investment in securities	(20,458,365,594)	(6,123,575,877)
	Net cash flows from/(used in) investing activities	**(21,097,398,160)**	**(6,226,235,337)**
C)	**Cash flows from financing activities**		
	Dividend paid	(623,782,625)	(623,448,376)
	Net cash flows from/(used in) financing activities	**(623,782,625)**	**(623,448,376)**
D)	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**	(197,592,970)	(6,378,934,237)
E)	**Effects of exchange rate changes on cash and cash equivalents**	-	-
F)	**Cash and cash equivalents at beginning of the year**	10,852,140,400	17,231,074,638
G)	**Cash and cash equivalents at end of the year (D+E+F)**	**10,654,547,430**	**10,852,140,400**
	Cash and cash equivalents at end of the year/period		
	Cash in hand (including foreign currencies) (Note-3.1)	305,000	325,000
	Balance with Bangladesh Bank and its agent bank(s) (Note-3.2)	1,616,176,440	1,342,569,718
	Balance with other banks and financial institutions (Note-4)	9,038,065,990	9,509,245,682
	Money at call and short notice (Note-5)	-	-
		10,654,547,430	**10,852,140,400**
Net operating cash flow per share (Note-39)		**49.31**	**1.08**

These Financial Statements should be read in conjunction with the annexed notes

IDLC Finance PLC.

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2025

Amount in BDT

Particulars	Paid-up capital	Share premium	Statutory reserves	General reserves	Dividend equalisation reserves	Retained earnings	Total
Balance at January 1, 2025	4,156,984,840	1,260,585,930	4,143,351,989	1,000,000,000	500,000,000	4,576,519,564	15,637,442,322
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	**4,156,984,840**	**1,260,585,930**	**4,143,351,989**	**1,000,000,000**	**500,000,000**	**4,576,519,564**	**15,637,442,322**
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-
Remeasurement gain/(loss)	**-**	**-**	**-**	**-**	**-**	**(63,379,379)**	**(63,379,379)**
Net gain and losses not recognised in the profit and loss accounts	-	-	-	-	-	(63,379,379)	(63,379,379)
Net profit for the year 2025	-	-	-	-	-	1,777,297,794	1,777,297,794
15% cash dividend (for 2024)	-	-	-	-	-	(623,547,726)	(623,547,726)
5% stock dividend (for 2024)	207,849,250	-	-	-	-	(207,849,250)	-
Appropriation to reserve	-	-	355,459,559	-	500,000,000	(855,459,559)	-
Balance at December 31, 2025	**4,364,834,090**	**1,260,585,930**	**4,498,811,548**	**1,000,000,000**	**1,000,000,000**	**4,603,581,443**	**16,727,813,011**

IDLC Finance PLC.

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

Amount in BDT

Particulars	Paid-up capital	Share premium	Statutory reserves	General reserves	Dividend equalisation reserves	Retained earnings	Total
Balance at January 1, 2024	4,156,984,840	1,260,585,930	3,808,756,195	1,000,000,000	500,000,000	3,896,295,420	14,622,622,384
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	**4,156,984,840**	**1,260,585,930**	**3,808,756,195**	**1,000,000,000**	**500,000,000**	**3,896,295,420**	**14,622,622,384**
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-
Remeasurement gain/(loss)	**-**	**-**	**-**	**-**	**-**	**(34,611,305)**	**(34,611,305)**
Net gain and losses not recognised in the profit and loss accounts	-	-	-	-	-	(34,611,305)	(34,611,305)
Net profit for the year 2024	-	-	-	-	-	1,672,978,968	1,672,978,968
15% cash dividend (for 2023)	-	-	-	-	-	(623,547,726)	(623,547,726)
Appropriation to reserves	-	-	334,595,794	-	-	(334,595,794)	-
Balance at December 31, 2024	**4,156,984,840**	**1,260,585,930**	**4,143,351,989**	**1,000,000,000**	**500,000,000**	**4,576,519,564**	**15,637,442,322**

IDLC Finance PLC.

LIQUIDITY STATEMENT

As at December 31, 2025

Amount in BDT

Particulars	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	Above 5 years term	Total
Assets						
Cash in hand (including balance with Bangladesh Bank)	30,217,999	-	-	-	1,586,263,441	1,616,481,440
Balance with other banks and financial institutions	2,907,287,761	2,252,241,936	280,000,000	3,598,536,293	-	9,038,065,990
Money at call and short notice	-	-	-	-	-	-
Investments	4,275,050,674	6,323,622,035	3,081,902,801	14,536,555,378	3,680,961,320	31,898,092,208
Loans and advances	3,927,819,890	9,813,022,097	33,876,773,272	52,387,290,502	21,980,695,913	121,985,601,674
Fixed assets including land, building, furniture and fixtures	-	-	975,726	190,040,005	2,650,137,944	2,841,153,676
Other assets	402,793,111	555,722,506	458,788,184	-	4,099,999,790	5,517,303,591
Non-banking assets	-	-	-	-	27,750,000	27,750,000
Total assets	**11,543,169,435**	**18,944,608,574**	**37,698,439,983**	**70,712,422,178**	**34,025,808,409**	**172,924,448,579**
Liabilities						
Borrowing from Bangladesh Bank, other banks and financial institutions & its agents	4,666,953,119	2,676,831,122	11,115,436,276	12,211,165,309	1,313,216,112	31,983,601,937
Deposits	4,983,574,691	10,934,945,589	21,864,348,209	66,813,819,047	6,454,352,257	111,051,039,793
Other accounts	-	-	-	-	-	-
Provision and other liabilities	492,998,631	1,096,637,838	6,122,795,186	499,901,351	4,949,660,832	13,161,993,838
Total liabilities	**10,143,526,441**	**14,708,414,549**	**39,102,579,670**	**79,524,885,707**	**12,717,229,201**	**156,196,635,569**
Net Liquidity Gap	**1,399,642,995**	**4,236,194,026**	**(1,404,139,687)**	**(8,812,463,529)**	**21,308,579,207**	**16,727,813,011**

These Financial Statements should be read in conjunction with the annexed notes

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

As at and for the period ended December 31, 2025

1. Company and its activities

1.1 Legal status and nature of the Company

IDLC Finance PLC. (The Company "IDLC") was incorporated in Bangladesh as a public limited company on May 23, 1985 under the Companies Act, 1913 in its earlier name of Industrial Development Leasing Company of Bangladesh Limited. The Company changed its name in August 2007. The registered office of the company is situated at Bay's Galleria (1st Floor), 57 Gulshan Avenue, Gulshan 1, Dhaka. The Company is registered as a Financial Institution under the Finance Company Act, 2023, governed by Bangladesh Bank (the Central Bank of Bangladesh). The Company went for public issue of its shares in 1993. Its shares are listed in both the Stock Exchanges in Bangladesh.

Bangladesh Bank vide their published gazette no. DFIM(L)/1053/12/2023-4133 dated December 12, 2023, has informed that the name of the Finance company 'IDLC Finance Limited' has been changed to 'IDLC Finance PLC.' with immediate effect.

1.2 Principal activities and nature of operation

When incorporated, the Company started with lease and term financing, as its core businesses. It expanded its activities into 'Short-Term Finance' (factoring of accounts receivable and work order financing) and 'Real Estate Finance' operations in 1997. It also started car loan and personal loan services to individuals in 2004 and 2007, respectively. Now, the company has evolved itself as multiproduct financial institution and holds a strong and diversified footing in Corporate, SME and Retail segments. Not only does IDLC provide diversified loan products to small business and women entrepreneur, they also provide home loans and affordable housing solutions. IDLC also provides loan solutions to corporate clients including providing green banking solutions. After COVID-19, to fulfill the market gap and spread financial inclusivity, IDLC also launched Digital Financing Solutions in 2021 through partnership with Bkash.

The company obtained permission from Bangladesh Bank to operate Islamic Finance Window on 24th August 2022, vide letter No.-DFIM (L)1053/12/2022–2402 . It started its pilot run of its Islamic Finance Window from March 2024.

1.3 Subsidiary companies

1.3.1 IDLC Securities Limited (IDLCSL)

IDLC Securities Limited, a wholly owned subsidiary company (99.99%) of IDLC Finance PLC., was incorporated on April 19, 2006 as a private limited company under Companies Act, 1994. The Company had started its operation from September 2006. The main objective of the Company is to act as a member of stock exchanges to operate the Central Depository System (CDS) and to carry on the business of brokers, jobbers or dealers in stocks, shares, securities, commodities, commercial papers, bonds, obligations and debentures etc.

1.3.2 IDLC Investments Limited (IDLC IL)

As required by the Bangladesh Securities & Exchange Commission (BSEC), the Company formed a separate subsidiary (99.99%) on May 19, 2010 in the name and style of "IDLC Investments Limited" to transfer its merchant banking activities. As per Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules, 1996, the services of issue management, portfolio management, underwriting of shares and securities advisory services fall under the purview of merchant banking operation. The Company obtained license from the Bangladesh Securities and Exchange Commission (BSEC) on August 02, 2011 and commenced its business on August 16, 2011.

1.3.3 IDLC Asset Management Limited (IDLC AML)

IDLC Asset Management Limited (IDLC AML), another wholly owned subsidiary company (99.99%) of IDLC Finance PLC., was incorporated on November 19, 2015 as a private limited company under Companies Act, 1994.

The main objective of the Company is to carry out the business of asset management, primarily, through launching and managing mutual funds to cater diverse needs of investors. Beside institutional fund management IDLC AML also facilitates alternative investments in terms of private equity and venture capital.

2. Basis of preparation and significant accounting policies

2.1 Statement of compliance

The consolidated financial statements and separate financial statements of the Company have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement which is stated at market value in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, except the circumstances where local regulations differ, and the Financial Reporting Act 2015, the Companies Act, 1994, the Finance Company Act, 2023, Securities and Exchange Rules, 1987, Bangladesh Securities and Exchange Commission (BSEC) Margin Rules, 2025, BSEC (Mutual Fund) Rules, 2001 & 2025 & the (Listing) Regulations, 2015 of Dhaka & Chittagong Stock Exchanges and other applicable laws and regulations.

The presentation of the financial statements has been made as per the requirements of DFIM Circular No: 11, dated December 23, 2009 issued by the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been kept blank in the financial statements.

The requirements of accounting standards as per IFRS that have been departed to comply with Bangladesh Bank requirements have been disclosed in detail in **note-2.3 & Annexure-C**.

However, this departure with IFRS has been made by following all of the relevant provisions of IAS-1 and the details disclosures are given in **note-2.3 & Annexure-C** by following the provision of Para 20 of IAS-1 (Presentation of Financial Statements).

2.2 Basis of measurement

This financial statements have been prepared based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) and no adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

2.3 Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with Bangladesh Bank's requirements

Bangladesh Bank (the local Central Bank) is the prime regulatory body for Financial Institutions in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provision standards of IAS and IFRS. As such the company has departed from those contradictory requirements of IAS/IFRS in order to comply with the rules and regulations of Bangladesh Bank, which are disclosed in **Annexure-C** along with financial impact where applicable.

2.4 Significant accounting policies

Same disclosed accounting policies and methods of computation have been followed in these Financial Statements as were applied in the preparation of the financial statements of IDLC Finance PLC. & Group as at and for the year ended 31 December 2024.

2.5 Components of the financial statements

The financial statements comprise of (As per DFIM Circular No. 11, Dated 23 December 2009):

a) Consolidated and Separate Balance Sheet as at December 31, 2025;

b) Consolidated and Separate Profit and Loss Account for the year ended December 31, 2025;

c) Consolidated and Separate Statement of Cash Flows for the year ended December 31, 2025;

d) Consolidated and Separate Statement of Changes in Equity for the year ended December 31, 2025;

e) Liquidity Statement as at December 31, 2025;

f) Notes to the Consolidated and Separate Financial Statements as at and for the year ended December 31, 2025.

2.6 Directors' and Management's responsibilities on statement

The Board of Directors and the Management take the responsibility for the preparation and presentation of these financial statements.

2.7 Date of authorisation

The Board of Directors has authorised this financial statements for public issue on 16 March 2026.

2.8 Presentation and functional currency and level of precision

The financial statements are presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest BDT.

2.9 Use of estimates and judgments

The preparation of financial statements in conformity with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

The most critical estimates and judgments are applied to the following:

- Provision for impairment of loans, leases and investments

- Gratuity

- Useful life of depreciable assets

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognised in the period in which the estimates are revised. In accordance with the guidelines as prescribed by IAS 37: "Provisions, Contingent Liabilities and Contingent Assets", provisions are recognized in the following situations:

Provisions

Provisions are liabilities that are uncertain in timing or amount. Provisions are recongnized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or the Group has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise legal claims under arbitration or court process in respect of which a liability is not likely to occur.

Contingent Assets

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are never recognized, rather they are disclosed in the financial statements when they arise.

2.10 Basis of consolidation of operations of subsidiaries

The financial statements of the Company and its subsidiaries, as mentioned in note No. 1.3.1, 1.3.2 and 1.3.3 have been consolidated in accordance with International Financial Reporting Standard (IFRS) 10 "Consolidated Financial Statements". The consolidation of the financial statements have been made after eliminating all material inter company balances, income and expenses arising from inter company transactions.

The total profits of the Company and its subsidiaries are shown in the consolidated profit and loss account with the proportion of profit after taxation pertaining to non-controlling shareholders being deducted as 'Non-controlling Interest'.

All assets and liabilities of the Company and of its subsidiaries are shown in the consolidated balance sheet. The interest of non-controlling shareholders of the subsidiary are shown separately in the consolidated balance sheet under the heading 'Non-controlling Interest'.

2.11 Branch accounting

The Company has over forty branches, with no overseas branch as on December 31, 2025. Accounts of the branches are maintained at the head office from which these accounts are drawn up.

2.12 Accounting for term finance & other finances

Books of accounts for term finance operation are maintained based on the accrual method of accounting. Outstanding loans, along with the accrued interest thereon, for short-term finance, and unrealised principal for long-term finance, real estate finance, car loans and other finances are accounted for as term finance assets of the Company. Interest earnings are recognised as operational revenue periodically.

2.13 Accounting policy for Leases (IFRS 16)

IDLC as a lessee

The right of use asset is depreciated using the straight line methods from the commencement date (from the beginning of 2019) to the earlier of the end of the useful life of the right of use asset or the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right of use asset is depreciated using the straight line methods from the commencement date (from the beginning of 2019) to the earlier of the end of the useful life of the right of use asset or the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date (from the beginning of 2019), discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, IDLC 's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in IDLC 's estimate of the amount expected to be payable under a residual value guarantee, or if IDLC changes its assessment of whether it will exercise purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right to use asset, or is recorded in profit or loss if the carrying amount of the right to use asset has been reduced to zero.

IDLC presents right of use assets in **Annexure A** and lease liabilities in **note-13.1** separately.

2.14 Accounting for Margin Loan

Margin Loan to Portfolio investors is given at an agreed ratio (not more than the ratio prescribed by BSEC) between investor's deposit and loan amount to purchase securities against respective investor account. The new investor are to maintain the margin as per set rules and regulations. The margin is monitored on daily basis as it changes due to changes in market price of share. If the margin falls below the minimum requirement, the investors are required to deposit additional fund to maintain the margin as per rules otherwise the securities are sold to bring the margin to the required level.

2.15 Investment in securities

Investment in marketable ordinary shares has been shown at cost, on an aggregate portfolio basis. Investment in non-marketable shares has been valued at cost. Full provision for diminution in value of shares as on closing of the year on an aggregate portfolio basis is made in the financial statements as required by Bangladesh Bank DFIM circular No. 02 dated January 31, 2012. (FID Circular No. 08 Dated 3 Aug 2002)

As per IFRS 9: ""Financial Instruments"", Financial Assets are classified as either: (i) Amortised cost, (ii) Fair value through profit or loss or (iii) Fair Value through other comprehensive income. In case of valuation of investment in government bonds (Note-6), we have followed amortised cost method, as it meets both of the following assessment criteria:

i) Business model assessment: The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and

ii) Contractual cash flow assessment: The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding on a specified date.

2.16 Property and equipment

i) Recognition and measurement

Own assets

Items of own fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition for its intended use as per International Accounting Standard (IAS) 16: "Property, Plant and Equipment".

ii) Subsequent expenditure on Fixed assets

Subsequent expenditure is capitalised only when it increases the future economic benefit from the assets and that cost can be measured reliably. All other expenditures are recognised as an expense as and when they are incurred.

iii) Depreciation

Depreciation is charged to amortise the cost of assets, over their estimated useful lives, using the straight-line method in accordance with IAS-16: "Property, Plant and Equipment". Full depreciation is charged on additions irrespective of date in the month in which the related assets are put into use and no depreciation is charged from the month of disposal. Asset category wise depreciation rates are as follows:

Particulars of Property, Plant & Equipment	Rates (Yearly)
Furniture and fixtures	12.50%
Building	2.50%
Electrical equipment	20.00%
Curtain and carpets	33.33%
Office equipment	20.00%
Office decoration	20.00%
Telephone and telex	33.33%
Motor vehicles	25% & 12.5%
Computers	20.00%
Software (Office Operation)	33.33%
Software (Business Operation)	20.00%
Right-of-use Asset	Lease term

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the profit and loss account.

Depreciation methods, useful lives and residual values, if any are reviewed at the balance sheet date.

2.17 Intangible assets and amortisation of intangible assets

Recognition & Measurement

Intangible assets comprise the value of computer software. Intangible assets acquired separately are measured on initial recognition at cost and are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation

Amortisation is calculated using the straight line method to write down the cost of intangible assets to their residual values over their estimated useful lives based on the management best estimates of 3 or 5 years.

Subsequent expenditure

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits in the specifications to which it relates. All other expenditures are expensed as incurred.

2.18 Revenue recognition

Revenue is only recognised when it meets the following five steps model framework as per IFRS 15: "Revenue from Contracts with Customers"

a) identify the contract (s) with a customers;

b) identify the performance obligations in the contract;

c) determine the transaction price;

d) allocate the transaction price to the performance obligations in the contract;

e) recognise revenue when (or as) the entity satisfies a performance obligation.

Interest income from loans and other sources is recognised on an accrual basis of accounting and where applicable, on the basis of instruction from Bangladesh Bank considering on the future risk of recovery.

Lease income

Finance lease income is allocated over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on net investment in the finance lease. The unearned lease income is recognised on installment date as revenue on an accrual basis over the terms of the lease. However, lease income is not recognised if capital or interest receivable is in arrears for more than three months.

Interest on real estate finance

Interest on real estate finance is recognised as revenue on an accrual basis and no interest on real estate finance is accounted for as revenue where any portion of capital or interest is in arrear for more than nine months.

Interest on term loans and short term finance

Interest on term loan and short term finance is recognised as revenue on an accrual basis and interest income on term loan is not recognised where any portion of interest is in arrear for more than three months.

Portfolio management fee

Portfolio management fees are recognised on the market value of the clients' portfolio on monthly basis and charged to client's balance on quarterly basis.

Issue management & Corporate advisory fee

Issue management and corporate advisory fees are recognised according to the stage of completion of services as agreed and defined in issue management and corporate advisory agreement between company and clients.

Brokerage commission

Brokerage commission is recognised as income when selling or buying order is signed and trade is executed.

Dividend income

Dividend is recognised as income when the right to receive income is established.

Profit or loss on sale of securities

Profit or loss arising from the sale of securities is accounted for only when the securities are sold/offloaded.

Fee based revenues

Fees on services rendered by the company are recognised as and when services are rendered.

Mutual fund management fees

As per the Securities and Exchange Commission (Mutual Fund) Rules, 2001, the Fund shall pay a management fee based on following criteria:

a. 2.50 percent per annum of the weekly average NAV up to BDT 5.00 crore (Five crore BDT);

b. 2.00 percent per annum for additional amount of the weekly average NAV up to BDT 25.00 crore (Twenty Five crore BDT) over BDT 5.00 crore (Five crore BDT);

c. 1.50 percent per annum for additional amount of the weekly average NAV up to BDT 50.00 crore (Fifty crore BDT) over BDT 25.00 crore (Twenty Five crore BDT); and

d. 1.00 percent per annum for additional amount of the weekly average NAV over BDT 50.00 crore (Fifty crore BDT), accrued and payable quarterly at the end of the period.

Mutual fund formation fee

As per the Securities and Exchange Commission (Mutual Fund) Rules, 2001, the Fund shall pay Mutual Fund Formation fee to the Asset Management Company as mentioned in the Published Prospectus of the Fund approved by Bangladesh Securities and Exchange Commission.

Mutual fund Pre-scheme formation fee

As per BSEC Directive vide ref no.: SEC/CMRRCD/2009 – 193/ 160 dated 28 May 2014, Asset Manager can accrue management fees from scheme of the Mutual Fund for the period starting from the registration date of the scheme to pre-trade period according to the Rule 65(2).

2.19 Interest suspense account

Lease income earned, interest on term finance (car loans, personal loans) overdue beyond three months period and interest on real estate finance overdue beyond nine months period and interest on short term finance overdue beyond permitted credit term plus ninety days period are not recognised as revenue and are credited to the interest suspense account.

2.20 Accounts receivable

Accounts receivable at the balance sheet date is stated at amounts which are considered realisable. Specific allowance is made for receivable considered to be doubtful for recovery.

2.21 Securitization

Securitization of various leases/loans result in sale of these assets to Special Purpose Vehicles ('SPVs'), which, in turn issue securities to investors. Financial assets are partially or wholly derecognised when the control of the contractual rights in the securitized assets are lost.

2.22 Borrowing cost

Borrowing costs are recognised as expense in the year in which they are incurred unless capitalisation is permitted under International Accounting Standard (IAS) 23: "Borrowing Costs".

2.23 Cash flow statements

Cash flow statements are prepared using the direct method as stipulated in International Accounting Standard (IAS) 7: "Cash Flow Statements", and in accordance with the instruction of Bangladesh Bank.

2.24 Conversion of foreign currency transactions

Foreign currency transactions are translated into BDT at rates prevailing at the respective dates of transactions, while foreign currency monetary assets at the end of the year are reported at the rates prevailing on the balance sheet date. Exchange gains or losses arising out of the said conversions are recognised as income or expense for the year after netting off.

2.25 Provision for doubtful accounts and future losses

Provision has been made at estimated rates on outstanding exposures, based on aging, continuous review of the receivables and in accordance with policy and instructions from Bangladesh Bank. A general provision has been made by the company to cover unforeseen losses on all leases and loans excluding those for which a specific provision has been kept. The provision is considered adequate to meet any probable future losses.

2.26 Write-off

Write-off describes a reduction in recognised value. It refers to the recognition of the reduced or zero value of an asset. Generally it refers to an investment for which a return on the investment is now impossible or unlikely. The item's potential return is thus cancelled and removed from ("written-off") the Company's balance sheet.

Recovery against debts written-off/provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances there-against or are considered recoverable.

2.27 Employees' benefit obligation

2.27.1 Defined contribution plan

The Company operates a contributory provident fund scheme for its permanent employees. Provident fund is administered by a Board of Trustees and is funded by equal contributions both by the employees and the Company at a predetermined rate. The contributions are invested separately from the Company's asset.

2.27.2 Defined benefit plan

The Company also operates a funded gratuity scheme (which is a defined benefit scheme as specified in IAS 19). Gratuity fund is administered by a Board of Trustees and Company contributions are invested separately from company assets. Employees are entitled to gratuity benefit after completion of minimum years of service with the Company. The Company is contributing to the fund as prescribed by actuarial valuation report. The gratuity is calculated on the last basic pay and is payable at the rate of below table:

Duration of the services	Amount entitled of receive
For services from 05 to below 10 years	One month's basic pay for each year of service.
For services from 10 to below 15 years	One & a half month's basic pay for each year of service.
For services from 15 years & above	Two month's basic pay for each year of service

2.27.3 Other employees benefit obligation

The Company operates a group life insurance scheme for its permanent employees.

The Company also has real estate loan for its permanent employees. Employees are entitled to real estate loan after completion of minimum five years of services with the Company. In case of lateral entry, there are few exceptions also.

2.28 Taxation

Tax expense comprises of current and deferred tax.

2.28.1 Deferred tax

The Company accounts for deferred tax as per International Accounting Standard (IAS) 12: ""Income Taxes"". Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the date of reporting of the financial statements.

The Company provides disclosures based on the classes of assets and liabilities related to the temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax liabilities are recognized for all taxable temporary differences and it is probable that temporary differences will not reverse in the foreseeable future. Both the Deferred tax assets and liabilities are reviewed at each reporting date considering the probability of benefit or detriment realizable. Deferred tax assets and liabilities are not offset and are presented separately as per Bangladesh Bank directive.

2.28.2 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any, in accordance with provisions of Income Tax Act 2023. It is measured using tax rates enacted or substantively enacted at the reporting date. Applicable tax rate for the Company for the year 2025 are mentioned below:

Regular business tax rate	Rates
IDLC Finance PLC.- Publicly traded Financial institution	37.50%
IDLCSL- Private Limited company	27.50%
IDLC IL- Merchant Bank	27.50%
IDLC AML- Private Limited company	27.50%

Other business tax rate	Rates
Dividend income	20.00%
Asset Management fee of Mutual funds	15.00%
Capital gain on sale of fixed assets	15.00%
Capital gain on sale of marketable securities	15.00%

The Company's existing accounting policy for uncertain income tax treatments is consistent with the requirements of IFRIC 23 Uncertainty over Income Tax Treatments, which became effective on 1 January 2019.

2.29 Impairment of long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recovered. Accordingly, the Company estimates the recoverable amount of the assets. Impairment losses, if any, is recognised in the profit and loss account when the estimated recoverable amount of an asset is less than its carrying amount.

2.30 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, term deposits and investment in call loan that are readily convertible to a known amount of cash (with less than three months maturity) and that are subject to an insignificant risk of change in value.

2.31 Bank loans

Bank loans are recorded at the proceeds received. Interest on bank loans is accounted for on accrual basis and charged to profit and loss account.

2.32 Earnings Per Share (EPS)

The Company calculates earnings per share in accordance with International Accounting Standard (IAS) 33: "Earnings Per Share" which has been shown in the face of the Profit and Loss Account and the computation is stated in note 37.

2.33 Related party disclosure

As per International Accounting Standard (IAS) 24: "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in note 41.

2.34 Statutory reserves

As per clause no 6 of Financial Institutions Regulations, 1994, Financial Institution is required to transfer at least 20% of it's profit after tax and before appropriation of dividend in a particular year, if the financial institution's sum of Share Premium Account (if any) and Statutory Reserves is less than the required paid up capital of that financial institution. Accordingly to DFIM Circular no 05, dated July 24, 2011, required capital for financial institution should not be less than BDT 100 crore or minimum capital required based on risk-weighted asset. Accordingly, 20% of current year's profit after tax has been transferred to Statutory Reserves Account.

2.35 Determination and presentation of operating segment

After incorporation, the company started with lease and loan as its core financing business. By times, it diversified its business into investment banking business, brokerage business and asset management business. The company has decided it's various operating segment considering nature of segmental business. Thus four operating segments of the Group are reported and presented. Profit and loss account of above operations and other operation have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), and results of its operation has been combined, item by item, with the financial results of the Company.

Compliance with International Financial Reporting Standard (IFRS)

As on January 01, 2010, the Company determines and presents operating segments based on information that is internally provided to the Company's Management Committee (ManCom), which is the Company's Chief Operating Decision Maker (CODM). This is due to the adoption of the International Financial Reporting Standard (IFRS) 8 " Operating Segments". Since the adoption of this IFRS only affects presentation and disclosure aspects, there is no impact on the earnings per share.

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with the Company's other components, whose operating results are regularly reviewed by the Company's ManCom to make decisions about resources allocated to the segments and assess its performance and for which discrete financial information is available.

For the separate financial statements, the Company has determined one reportable segments such as core financing business and for the consolidated financial statements, the subsidiaries of the Company have been determined to be a separate reportable segment in addition to the other segments. Thereafter, for the separate financial statements, the Company has one reportable segment which is core financing business and for the consolidated financial statements, the subsidiaries of the Company (IDLC Securities Limited, IDLC Investments Limited and IDLC Asset Management Limited) have been determined to be three separate reportable segments in addition to the core financing business.

Information about operating segment has been presented in note 35.

2.36 Dividend

Dividend is proposed, paid and recorded in line with all regulatory guidelines and on company policy. DFIM Circular no.01, dated February 24, 2021, and DFIM Circular Letter No. 04, dated March 22, 2021, and BSEC Directive no. BSEC/CMRRCD/2021-386/03, dated January 14, 2021, has been complied with and disclosures presented in Note 13.7

2.36.1 Proposed dividend

Proposed dividend has not been recognised as a liability in the balance sheet in accordance with International Accounting Standard (IAS) 10: "Events After the Reporting Period".

2.37 Events after the reporting period

All material events occurring after the reporting date have been considered and where necessary, adjusted for or disclosed in note 46.

2.38 Minority interest in subsidiaries

A minority interest, which is also referred to as noncontrolling interest (NCI), is ownership of less than 50% of a company's equity by an investor or another company. For accounting purposes, minority interest is a fractional share of a company amounting to less than 50% of the voting shares. Minority interest shows up as a noncurrent liability on the balance sheet of companies with a majority interest in a company, representing the proportion of its subsidiaries owned by minority shareholders. Also, minority interest is reported on the consolidated income statement as a share of profit belonging to minority shareholders.

2.39 Liquidity statement

The liquidity statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as of the close of the year as per following basis:

a) Balances with other banks and financial institutions are on the basis of their maturity term & behavioral aspect.

b) Investments are on the basis of their expected liquidation & residual maturity term.

c) Loans, advances and leases are on the basis of their repayment/maturity schedule.

d) Fixed assets are on the basis of their useful lives.

e) Other assets are on the basis of their adjustment terms.

f) Borrowings from other banks and financial institutions as per their maturity/repayment terms.

g) Deposits and other accounts are on the basis of their maturity term and behavioral past trends.

h) Other long term liabilities are on the basis of their maturity terms.

i) Other liabilities are on the basis of their settlement terms & behavioral aspect.

2.40 Status of compliance of International Accounting Standards and International Financial Reporting Standards

In addition to compliance with local regulatory requirements, in preparing the Consolidated Financial Statements and Separate Financial Statements, IDLC applied following IAS and IFRS:

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied *
Inventories	2	N/A
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	Applied
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Interests in Joint Ventures	31	N/A
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A

Name of the IFRS	IFRS No.	Status
Share Based payment	2	N/A
Business combination	3	N/A
Non-current assets held for sale and discontinued operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied *
Operating Segments	8	Applied
Financial Instruments	9	Applied *
Consolidated Financial Statements	10	Applied
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	Applied *
Revenue from Contracts with customers	15	Applied
Leases	16	Applied
Insurance contracts	17	N/A

N/A= Not Applicable

* As the regulatory requirements differ with the standards, relevant disclosures have been made in accordance with Bangladesh Bank's requirements (please see note 2.3 & Annexure C).

2.41 BASEL II & its implementation

To cope with the international best practices and to make the capital more risks sensitive as well as more shock resilient, guidelines on 'Basel Accord for Financial Institutions (BAFI)' were introduced on January 01, 2011 on test basis by the Bangladesh Bank. At the end of test run period, Basel Accord regime started and the guidelines namely "Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions (CAMD)" came fully into force from January 01, 2012 with its subsequent supplements/revisions. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital, and Disclosure requirement as stated in these guidelines have to be followed by all FIs for the purpose of statutory compliance. As per CAMD guidelines, Financial Institutions should maintain a Capital Adequacy Ratio (CAR) of minimum 10%. In line with CAMD guideline's requirement, IDLC has already formed BASEL Implementation Unit (BIU) to ensure timely implementation of BASEL II accord. Latest status of Capital Adequacy Ratio (CAR) has been shown in note - 14.1

2.42 Risk management

IDLC always concentrates on delivering high value to its stakeholders through appropriate trade-off between risk and return. A well structured and proactive risk management system is in place within the organization to address risks relating to credit, market, liquidity, operations and money laundering and terrorist financing. In addition to the industry best practices for assessing, identifying and measuring risks, IDLC also considers guidelines for managing core risks of financial instructions as issued by the Country's Central Bank, Bangladesh Bank, vide FID Circular No. 10 dated September 18, 2005 for management of risks and, more recently, DFIM Circular No. 03 dated January 24, 2016.

Credit Risk

To encounter and mitigate credit risk, the company employs multilayer approval process; policy for maximum exposure limit of sector or groups; policy for internal risk rating systems and risk based pricing; review of key industry parameters; probability of default (PD) estimation; mandatory search for credit report from Credit Information Bureau; review of past payment performance of customer before financing; annual review of clients; adequate insurance coverage for funded assets; vigorous monitoring and follow up by Special Assets Management Team; strong follow up of compliance of credit policies by Internal Control and Compliance Department (ICCD); taking collateral; obtaining external legal opinion; maintaining neutrality in politics and following arm's length approach in related party transactions; regular review of market situation; default case analysis and industry exposure, etc.

The Credit Evaluation Committee (CEC) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to counter associated risks. The CEC critically reviews projects from risk point of view. An independent Credit Risk Management Department is in place, at IDLC, to scrutinize projects from a risk-weighted point of view and assist the management in creating a high quality credit portfolio and maximize returns from risk assets.

Market Risk

The Asset Liability Management Committee (ALCO) of the Company regularly meets to assess the changes in interest rate, market conditions, carry out asset liability maturity gap analysis, re-pricing of products and thereby takes effective measures to monitor and control interest rate risk. IDLC has also strong access to money market and credit lines at a competitive rate through good reputation, strong earnings, financial strength, good governance and credit rating.

Liquidity Risk

Liquidity requirements are managed on a day-to-day basis by the Treasury Division which is responsible for ensuring that sufficient funds are available to meet short term and long term obligations, even in a crisis scenario, and for maintaining a diversity of funding sources. Treasury Division maintains liquidity based on historical requirements, anticipated funding requirements from operation, current liquidity position, collections from financing and available sources of funds. An optimal match of risk and return is maintained while fulfilling liquidity requirements.

Operational Risk

As per Basel II, Operational risk (OR) refers to the risk of loss resulting from inadequate or failed internal processes, people and systems; or from external events. Basically, it is the risk of financial losses related to breakdown in internal control and corporate governance.

Operational Risk Management (ORM) deals with the risk of a change in value caused by the fact that actual losses incurred for inadequate or failed internal processes, people and systems, or from external events. Operational Risk Management (ORM) proactively assists the businesses, operations & technology, and support functions in enhancing the effectiveness of controls and managing operational risks across products, business lines and regions. Appropriate Operational Risk Management Framework (ORMF) are in place, at IDLC, to address operational risks. The ORM wing assesses operational risk across the company as a whole and ensures that an appropriate framework exists to identify, assess, report and manage operational risk.

Money Laundering and Terrorist Financing Risk

In IDLC, money laundering and terrorist financing risk takes two broad dimensions:

a) Business risk which is the risk that IDLC may be used for money laundering or for the financing of terrorism and

b) Regulatory risk which is the risk that IDLC fails to meet regulatory obligations under the Money Laundering Prevention Act 2012 (subsequently amended in 2015) and the Anti-Terrorism Act 2009 (subsequently amended in 2012 and 2013).

To mitigate the risks, IDLC, while adhering to various guidelines and circulars issued by the Bangladesh Financial Intelligence Unit (BFIU), has in place a strict compliance program consisting of the following components:

a) Internal policies, procedures and controls, which are continually updated as and when required, to identify and report instances of money laundering and terrorism financing;

b) A dedicated structure and sub-structure within the organisation, headed by a Central Compliance Unit (CCU), for proactively managing AML and CFT compliance;

c) Appointment of an AML/CFT Compliance Officer, known as the Chief Anti Money Laundering Officer (CAMLCO), to lead AML/CFT efforts throughout the company;

d) Independent audit functions, including internal and external audit, to test the programs;

e) Ongoing employee training programs.

Additional risks required to be addressed under regulatory requirements

DFIM Circular No.03 of 2016, introduced the Integrated Risk Management Guidelines for Financial Institutions ("the guidelines"). These guidelines supplement, and do not replace, existing risk management guidelines.

The Integrated Risk Management Guidelines for Financial Institutions specify a number of additional risks that financial institutions are now required to manage in a more structured manner. Key among these are:

Strategic Risk

Strategic risk has been defined as the risk of possible losses that might arise from adverse business decisions, substandard execution and failure to respond properly to changes in the business environment. The guidelines set out the respective roles of the board of the directors, senior management and business units in managing strategic risks, identify the steps to be followed in the strategic risk management process and also suggest measures for strategic risk control.

IDLC's strategic risk management efforts are evident from the constantly evolving business model of the company over the years, in alignment with changing market dynamics, risks and opportunities. Being said, the company has a clear strategic vision as to what it wants to be and a mission statement that states what it will do to achieve it. Strategic issues are discussed at a variety of forums including meetings of the Management Committee and of the IDLC Board. IDLC also has a separate Strategic Planning department to assist senior management in this regard. The culmination of all these efforts are reflected in annual Strategy and Budget sessions, where the company sets out its plans for the next year. The company keeps track of internal and external factors to align and update the strategy as and when required, monitors implementation, and evaluates performance for strategic risk management.

Compliance Risk

Compliance risk is defined as the current or prospective risk of legal sanction and/or material financial loss that an organisation may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best practice as well as from the possibility of incorrect interpretation of laws or regulations. The guidelines set out the respective roles of the board, senior management and compliance function units in managing compliance risks and also require formulation of a written compliance risk management policy.

Historically, IDLC has always fostered a compliance oriented culture. This has been reinforced in a variety of ways, ranging from formal requirements to sign declarations of compliance with the IDLC code of conduct (which requires compliance with the law & regulations) to repeated communications from senior management stressing the need to do business in a compliant manner. In general, compliance risk management is embedded in the day to day to business processes and practices of the company. Concerned departments are kept informed of latest legal and regulatory requirements by the ICC and Corporate Affairs departments. A consideration of compliance (or any potential non-compliance) with laws and regulations is a standard part of the company's regular decision making processes. Wherever deemed necessary, appropriate legal advice is sought from qualified internal and/or external legal counsel. In addition, compliance with laws and regulations has been introduced as a Key Control Standard (KCS) under the Operational Risk Management self-assessment toolkit. Unit operational risk managers are required to actively consider relevant legal and regulatory compliance requirements using the toolkit.

Reputation Risk

Reputation risk may be defined as the risk of loss arising from damage to an organization's reputation. The guidelines set out the respective roles of the Board and senior management in managing reputation risk and also require financial institutions to implement a sound and comprehensive risk management process to identify, monitor, control and report all reputational risks.

IDLC has already established a set of non financial reputational risk indicators and put in place a process for monitoring these and any other matters that might give rise to potential reputational risk issues. Till date, no material reputational risk issue involving the company has been identified.

Environmental & Social Risk

As the best financial brand in promoting sustainable business practices, IDLC have adopted Environmental & Social Risk Management System (ESMS) as one of its integral parts of Credit Risk Assessment to compute environmental & social risks from its financial footprints. IDLC is one of the front runners to practice ESMS within its framework, a global standard to minimize environmental & social risks from the organizational activities. Even before the regulatory requirement, IDLC has been vigilant in forming commendable framework for incorporating environmental and social factors in financing decisions. Till 2021, IDLC had its own ESMS system based on the Environmental & Social Risk Management Guideline (2017) by Bangladesh Bank, the Environment Conservation Rules 1997, IFC Performance Standards, and ADB Safeguard Policy for financing. This mentionable efficient ESMS tool, blending the local & international standards, was developed with the co-operation of FMO (Netherlands Development Finance Company). From the year 2022, with the support and guidance of Bangladesh Bank, IDLC is strictly following an Excel based Environmental and Social Risk Due Diligence (ESDD) process. The current ESDD process covers three sections – i) General Risks, ii) Environmental & Health Risks and iii) Social Risks. Moreover, it contains specific notes on ten (10) different vulnerable sectors of Bangladesh. In addition to all these, with the help of an exclusion list, IDLC is contributing to protect the Mother Nature by prohibiting any illegal/high E&S risk associated project financing. IDLC adopted ten(10) UNGC (United Nations Global Compact) principles within its organizational framework as the only member of UNEP FI (United Nations Environment Programme Finance Initiative) from Bangladesh. IDLC is also one of the founding signatories to the Principles for Responsible Banking (6 principles), the Collective Commitment to Climate Action (CCCA) and the Net Zero Banking Alliance (NZBA), global initiatives introduced by UNEP FI, and signed the pledge of Tobacco Free Portfolios as well. Involvement with these initiatives guides IDLC to align its ESMS practices considering Global standards and adopt the best practices through peer learning. A dedicated E&S team is working collaboratively to ensure Environmental & Social Risk Management (ESRM) effectively across IDLC, and capacity building of business units as well as credit risk management officials to seize the opportunities of evolving economy and society towards sustainability. IDLC envisions in 21st century to create value for both society and stakeholders, and remain trustworthy as always amongst investors, customers, employees and society.

2.43 Custodial Service

IDLC Finance PLC. is a registered Security Custodian vide registration license no SC-06/2007 dated May 24, 2007 issued by Bangladesh Securities and Exchange Commission. To facilitate this service IDLC Finance PLC. has also obtained Custody Depository participant License vide registration license no. BSEC/Registration/ CDBL-DP-414, dated December 17, 2014 issued by Bangladesh Securities and Exchange Commission. The major responsibilities of the Security Custodian are as follows:

- Custody of client's securities;
- Collection, book keeping and communication of gain, income, profit, stake on behalf of clients;
- Collection, communication, dissemination and book keeping of any declaration, published or publicly available information, statement etc. of securities issuer;
- Administer client's security and account.

IDLC Finance PLC. as a Security Custodian confirms that proper internal audit and evaluation process are in place to ensure the following:

- Secure and appropriate custodial service;
- No unwarranted change in the assets, records, agreements etc. occur;
- Each client receives his/her due dividends, bonus share, right share, interest, principal etc. in a timely manner;
- Prevent loss, theft, damage due to natural calamity.

In 2025, IDLC Finance PLC did not enter into any new security custodian agreements.

IDLC Finance PLC has been providing security custodian services since 2020 to Axiata Investments (Labuan) Limited, Axiata Group Berhad, and Bharti International (Singapore) Pte. Limited. Collectively, these entities hold an aggregate of 4,714,139,961 ordinary shares of Robi Axiata Limited.

Since 2017, IDLC Finance PLC has been acting as the security custodian for SEAF Bangladesh Ventures LLC in respect of its ordinary shareholding in ADN Telecom Limited, which currently stands at 1,285,832 shares.

Additionally, under an agreement entered into in 2014, IDLC Finance PLC continues to provide security custodian services to RAK Ceramics PJSC, UAE. As of December 31, 2025, IDLC Finance PLC serves as the custodian for 291,586,597 ordinary shares of RAK Ceramics (Bangladesh) Limited held by RAK Ceramics PJSC, UAE, along with shares held by seven individual sponsor shareholders.

		IDLC Finance PLC.		IDLC Group	
		Amount in BDT			
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
3	**Cash**				
3.1	**Cash in hand (including foreign currencies)**				
	In local currency	305,000	325,000	400,000	420,000
	In foreign currency	-	-	-	-
		305,000	**325,000**	**400,000**	**420,000**
3.2	**Balance with Bangladesh Bank and its agent (including foreign currencies)**				
	In local currency	1,616,176,440	1,342,569,718	1,616,176,440	1,342,569,718
	In foreign currency	-	-	-	-
		1,616,176,440	**1,342,569,718**	**1,616,176,440**	**1,342,569,718**
		1,616,481,440	**1,342,894,718**	**1,616,576,440**	**1,342,989,718**

3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)

Cash Reserve Requirement and Statutory Liquidity Reserve have been calculated and maintained in accordance with Finance Company Act, 2023 & Financial Institutions Regulations, 1994, FID Circular No. 06, dated November 06, 2003, FID Circular No. 02 dated November 10, 2004, DFIM Circular Letter No. 01, dated January 12, 2017 and DFIM Circular Letter No. 03, dated June 21 2020.

Cash Reserve Requirement (CRR) has been calculated at the rate of 1.5% on Total Term Deposits which is preserved in current account maintained with Bangladesh Bank. 'Total Term Deposit' means Term or Fixed Deposit, Security Deposit against Lease/Loan and other Term Deposits, received from individuals and institutions (except Banks & Financial Institutions).

Statutory Liquidity Reserve (SLR) has been calculated at the rate of 5.0% on total liabilities, including CRR of 1.5% on Total Term Deposit, as per DFIM circular no. 03 June 21, 2020. SLR is maintained in liquid assets in the form of cash in hand (notes & coin in BDT), balance with Bangladesh Bank and other Banks and Financial Institutions, unencumbered treasury bill, bond and any other assets approved by Government gazette or by Bangladesh Bank.

a)	**Cash Reserve Requirement**				
	Required reserve	1,586,263,441	1,270,278,344	1,586,263,441	1,270,278,344
	Actual reserve maintained	1,610,464,448	1,298,486,075	1,610,464,448	1,298,486,075
	Surplus/ (deficit)	**24,201,007**	**28,207,731**	**24,201,007**	**28,207,731**
b)	**Statutory Liquidity Reserves**				
	Required reserve (including CRR)	6,172,952,481	5,221,503,068	6,172,952,481	5,221,503,068
	Actual reserve maintained (including CRR) (note 3.3.1)	6,504,174,466	5,622,355,377	6,504,174,466	5,622,355,377
	Surplus/ (deficit)	**331,221,985**	**400,852,309**	**331,221,985**	**400,852,309**
3.3.1	**Actual reserve maintained (including CRR)**				
	City Bank PLC.	732,045,940	-	732,045,940	-
	Standard Chartered Bank	198,161,287	-	198,161,287	-
	Dhaka Bank PLC.	6,145,270	2,079,843,138	6,145,270	2,079,843,138
	Shahjalal Islami Bank PLC.	-	36,603,211	-	36,603,211
	Eastern Bank PLC.	178,411,099	-	178,411,099	-
	The Premier Bank PLC.	-	166,642,266	-	166,642,266
	Bangladesh Bank	1,606,783,750	1,322,593,455	1,606,783,750	1,322,593,455
	NRB BANK PLC.	-	277,634,108	-	277,634,108
	Meghna Bank PLC.	-	419,968,127	-	419,968,127
	BRAC Bank PLC.	521,487,800	-	521,487,800	-
	Modhumoti Bank PLC.	-	100,000,000	-	100,000,000
	Standard Islami Bank PLC.	-	719,286,571	-	719,286,571
	Govt. Treasury Bond	3,261,139,320	499,784,500	3,261,139,320	499,784,500
		6,504,174,466	**5,622,355,377**	**6,504,174,466**	**5,622,355,377**
4	**Balance with other banks and financial institutions in Bangladesh**				
4(a)	**Inside Bangladesh:**				
	Current deposits in local currency				
	Woori Bank	900,405	953,940	900,405	953,940
	Bank Al- Falah	228,780	229,850	228,780	229,850
	One Bank PLC.	-	-	143,411	141,115
	Jamuna Bank PLC.	-	749,410	31,792	782,436
	City Bank PLC.	1,168,168	11,896,498	1,683,956	13,168,188
	National Bank PLC.	561,889	799,554	561,889	799,554
	Islami Bank Bangladesh PLC.	9,594,476	35,442,790	9,594,476	35,442,790
	Bank Asia PLC.	63,643,745	43,984,780	63,643,745	43,984,780

	IDLC Finance PLC.		IDLC Group	
	Amount in BDT			
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
State Bank of India	40,789	41,134	40,789	41,134
Commercial Bank of Ceylon PLC.	5,134,569	3,243,907	5,766,914	3,364,939
NCC Bank PLC.	7,458,243	13,482,633	973,454,851	184,587,573
Citibank N.A	1,794,542	2,413,615	1,794,542	2,413,615
Standard Chartered Bank	145,404,730	34,970,807	211,550,866	69,614,242
Mutual Trust Bank PLC.	4,941,070	10,911,507	4,941,070	10,911,507
Exim Bank PLC.	1,422,525	1,164,450	1,422,525	1,164,450
Dutch Bangla Bank PLC.	79,358,659	26,582,509	79,358,659	26,582,509
BRAC Bank PLC.	1,226,775,611	15,912,972	1,935,381,089	469,569,983
Dhaka Bank PLC.	32,430,498	24,577,693	44,988,753	293,395,600
United Commercial Bank PLC.	28,981,880	21,250,886	28,981,880	21,250,886
NRB Bank PLC.	-	-	46,337	46,827
Mercantile Bank PLC.	6,966,885	11,420,681	6,966,885	11,420,681
bKash Limited	75,090,211	44,041,067	75,090,211	44,041,067
Nagad	18,631	21,939	18,631	21,939
IDLC Investments Limited	40,497,002	3,093,285	-	-
	1,732,413,308	**307,185,907**	**3,446,592,456**	**1,233,929,604**
Short-term deposit accounts				
Pubali Bank PLC.	18,275,912	-	18,275,912	-
Prime Bank PLC.	24,081,674	13,133,332	24,081,674	13,133,332
City Bank PLC.	768,204,348	556,947	769,842,486	3,292,809
BRAC Bank PLC.	-	-	48,549,140	-
Southeast Bank PLC.	3,277,232	12,984,432	3,277,232	12,984,432
Citibank N.A.	-	1,650,658	-	1,650,658
Standard Chartered Bank	4,605,326	75,905,318	4,867,520	76,022,293
Commercial Bank of Ceylon PLC.	18,370,677	1,027,294,698	18,370,677	1,027,294,698
One Bank PLC.	1,020,010	1,352,943	1,020,010	1,352,943
NCC Bank PLC.	37,453	38,130	255,855	198,712
Exim Bank PLC.	-	456,259,934	-	458,985,463
Eastern Bank PLC.	286,497,961	-	286,497,961	-
NRB Bank PLC.	628,602	461,277,088	628,602	461,277,088
Dhaka Bank PLC.	211,717,643	915,482,365	260,482,270	1,358,640,923
Standard Islami Bank PLC.	2,098,581,490	2,189,772,140	2,098,581,490	2,189,772,140
Trust Bank PLC.	4,461,100	5,173,598	4,461,100	5,173,598
United Commercial Bank PLC.	284,307	270,613	284,307	270,613
Modhumoti Bank PLC.	202,935,498	-	202,935,498	-
Mutual Trust Bank PLC	168,114	-	168,114	-
Mercantile Bank PLC.	220,198,642	-	220,198,642	-
Jamuna Bank PLC.	14,450,563	-	14,450,563	-
Meghna Bank PLC.	223,314	891,891,287	223,314	891,891,287
Shahjalal Islami Bank PLC.	2,069,850	3,124,996	2,069,850	3,124,996
Premier Bank PLC.	562,966	310,891,297	562,966	310,891,297
	3,880,652,683	**6,367,059,776**	**3,980,085,184**	**6,815,957,282**
Fixed Deposits				
Community Bank Bangladesh PLC.	500,000,000	-	500,000,000	-
Meghna Bank PLC.	750,000,000	750,000,000	750,000,000	750,000,000
South Bangla Agriculture & Commerce Bank PLC.	-	55,000,000	-	55,000,000
Jamuna Bank PLC.	280,000,000	530,000,000	280,000,000	530,000,000
Citizens Bank PLC.	600,000,000	800,000,000	600,000,000	800,000,000
United Commercial Bank PLC.	1,000,000,000	-	1,000,000,000	-
City Bank PLC.	-	-	30,000,000	15,000,000
Dhaka Bank PLC.	-	500,000,000	-	500,000,000
NRB Global Bank PLC.	95,000,000	-	95,000,000	-
Standard Islami Bank PLC.	200,000,000	100,000,000	200,000,000	100,000,000
Modhumoti Bank PLC.	-	100,000,000	-	100,000,000
	3,425,000,000	**2,835,000,000**	**3,455,000,000**	**2,865,000,000**
	9,038,065,990	**9,509,245,682**	**10,881,677,640**	**10,914,886,886**

		IDLC Finance PLC.		IDLC Group	
		Amount in BDT			
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
4(b)	**Outside Bangladesh**	-	-	-	-
	Total balance	**9,038,065,990**	**9,509,245,682**	**10,881,677,640**	**10,914,886,886**
4.1	**Maturity grouping of balance with other banks and financial institutions:**				
	Payable on demand	-	-	1,813,611,650	1,375,641,205
	Up to 1 month	2,907,287,761	1,793,281,301	2,907,287,761	1,793,281,300
	Over 1 month but not more than 3 months	2,252,241,936	5,013,227,819	2,252,241,936	5,020,227,819
	Over 3 months but not more than 6 months	280,000,000	1,525,492,187	280,000,000	1,525,492,187
	Over 6 months but not more than 1 year	-	953,482,539	30,000,000	976,482,539
	Over 1 year but not more than 5 years	3,598,536,293	223,761,837	3,598,536,293	223,761,837
	Over 5 years	-	-	-	-
		9,038,065,990	**9,509,245,682**	**10,881,677,640**	**10,914,886,886**
5	**Money at call and short notice**				
		-	-	-	-
6	**Investments**				
	Treasury bill	17,787,668,814	2,735,801,059	17,787,668,814	2,735,801,059
	National Investment bonds	-	-	-	-
	Bangladesh Bank bill	-	-	-	-
	Government notes/bonds	11,683,165,565	6,397,673,690	17,055,434,414	10,642,637,670
	Prize bonds	-	-	-	-
	Others	-	-	-	-
		29,470,834,379	**9,133,474,749**	**34,843,103,228**	**13,378,438,729**
	Other investments				
	Investment in non marketable ordinary shares (Note 6.1)	7,864,000	7,864,000	143,863,952	143,863,952
	Investment in preference shares (Note 6.2)	111,958,000	111,958,000	111,958,000	111,958,000
	Investment in debenture and bonds (Note 6.3)	250,000,000	-	992,157,941	851,323,985
	Investment in venture capital (Note 6.4)	50,000,000	50,000,000	59,000,000	59,000,000
	Investment in marketable securities (Note 6.5)	1,534,842,374	1,675,186,114	3,670,252,909	3,501,737,918
	Investment in open end mutual fund (Note 6.6)	472,593,456	461,243,751	507,593,456	496,243,751
	Other investments	-	-	-	-
	Gold etc.	-	-	-	-
		2,427,257,829	**2,306,251,865**	**5,484,826,257**	**5,164,127,607**
		31,898,092,208	**11,439,726,614**	**40,327,929,485**	**18,542,566,336**
6.1	**Investment in non marketable ordinary shares**				
		No. of Shares			
	Credit Rating Agency of Bangladesh Limited	52,227	1,719,800	1,719,800	1,719,800	1,719,800
	*The Bangladesh Rating Agency Limited (BDRAL)	61,442	6,144,200	6,144,200	6,144,200	6,144,200
	Jayson Pharmaceuticals Limited		-	-	99,999,952	99,999,952
	Akij Takaful Life Insurance PLC		-	-	36,000,000	36,000,000
			7,864,000	**7,864,000**	**143,863,952**	**143,863,952**
	* Previously the name was Dan & Bradstreet Rating Agency Bangladesh Limited					
6.2	**Investment in preference shares**				
	Chaldal Limited		111,958,000	111,958,000	111,958,000	111,958,000
			111,958,000	**111,958,000**	**111,958,000**	**111,958,000**
6.3	**Investment in bonds**				
	Pubali Bank 5th Subordinated Bond		250,000,000	-	350,000,000	-
	Thengamara Mohila Sabuj Sangha (TMSS)		-	-	-	37,116,279
	Renata zero coupon bond		-	-	86,796,693	106,722,971
	SAJIDA 2nd Zero Coupon Bond Trust		-	-	219,766,473	347,104,242
	City Auto Rice and Dal Mills Zero Coupon Bond		-	-	220,097,135	310,380,493
	CDIP 1st Zero Coupon Bond		-	-	25,497,640	-
	Bank Asia 1st Perpetual Bond		-	-	50,000,000	50,000,000
	Bank Asia 4th Sub Bond		-	-	40,000,000	-
	Total		**250,000,000**	**-**	**992,157,941**	**851,323,985**
6.4	**Investment in venture capital**				
	IDLC Venture Capital Fund I		50,000,000	50,000,000	59,000,000	59,000,000
	Total		**50,000,000**	**50,000,000**	**59,000,000**	**59,000,000**

	IDLC Finance PLC.		IDLC Group	
	Amount in BDT			
	31.12.2025	31.12.2024	31.12.2025	31.12.2024

IDLC Finance PLC. invested BDT 50.00 mn in IDLC Venture Capital Fund I, an alternative investment fund. The objective of the fund is to provide superior risk adjusted returns over a medium to long term by investing in high growth companies, with good management and corporate governance through Equity and Equity Linked Instruments. IDLC Asset Management Limited (IDLC AML) also invested BDT 9.00 mn in this fund.

6.5 Investment in marketable securities

Investment in marketable securities (Note 6.5.1)	1,534,842,374	1,675,186,114	3,664,097,029	3,493,358,567
Investment in DPM PLS Scheme	-	-	6,155,879	8,379,351
	1,534,842,374	**1,675,186,114**	**3,670,252,909**	**3,501,737,918**

6.5.1 Investment in marketable securities

Details of marketable securities are given below:

	IDLC Finance PLC.		IDLC Group	
	Amount in BDT			
Business Segments	**Cost price**	**Market price at the end of the year**	**Cost price**	**Market price at the end of the year**
Mutual Funds	13,378,078	4,041,190	13,378,078	4,041,190
Banks	736,435,074	925,879,246	1,386,996,005	1,696,433,769
Pharmaceuticals & Chemicals	673,033,582	416,095,379	1,246,265,096	953,144,694
Financial Institutions	9,999,990	1,897,873	9,999,990	1,897,873
Telecom	101,993,025	84,970,571	280,379,968	219,486,680
Food & Allied	-	-	195,487,298	109,366,598
Engineering & Others	2,625	2,500	531,590,595	656,898,968
	1,534,842,374	**1,432,886,759**	**3,664,097,029**	**3,641,269,772**

All investments in marketable securities are valued on an aggregate portfolio basis, at cost value, at the balance sheet date. Market price for securities not listed as on reporting date, has been shown at cost for calculation purpose. As on December 31,2025 there was BDT 22.83 mn unrealised loss on consolidated investment in marketable securities and BDT 101.96 mn unrealised loss on investment by IDLC Finance PLC. in marketable securities. We have been booking provision for the unrealized loss (if any) of share investment as per Bangladesh Bank circular and BSEC rules.

6.6 Investment in open end mutual fund

IDLC Balanced Fund	151,148,886	145,962,952	151,148,886	145,962,952
IDLC Growth Fund	143,703,237	137,539,466	143,703,237	137,539,466
IDLC Asset Management Shariah Fund	167,741,333	167,741,333	172,741,333	172,741,333
Mercantile Bank Unit Fund	10,000,000	10,000,000	10,000,000	10,000,000
IDLC Income Fund	-	-	5,000,000	5,000,000
IDLC Nagorik SDG Fund	-	-	25,000,000	25,000,000
	472,593,456	**461,243,751**	**507,593,456**	**496,243,751**

IDLC Finance PLC. has invested BDT 294.85 mn as the sponsor in the IDLC Balanced Fund and IDLC Growth Fund. IDLC Finance PLC. has also invested BDT 167.74 mn in the IDLC Asset Management Shariah Fund. IDLC Asset Management Limited (IDLC AML), as the sponsor, has invested BDT 35.00 mn in the IDLC Asset Management Shariah Fund, the IDLC Income Fund, and the IDLC Nagorik SDG Fund. All of these are open-ended mutual funds, and IDLC Asset Management Limited (IDLC AML) is the fund manager. IDLC Finance PLC. has also invested BDT 10.00 mn in the Mercantile Bank Unit Fund. The objective of these funds, other than the shariah fund, is to generate returns annually through investments in a range of fixed-income securities, including government securities, investment-grade corporate bonds, and money market instruments, while maintaining the optimum balance of yield, safety, and liquidity. The funds intend to distribute the profit among the investors in the form of dividends as well as capital appreciation. On the other hand, the objective of the Shariah fund is to generate profit by investing in a portfolio of Shariah-compliant securities vetted by the Shariah Advisory Board.

6.7 Maturity grouping of investments

On demand	-	-	850,468,223	703,255,761
Up to 1 month	4,275,050,674	1,401,732,158	4,275,050,674	1,488,432,158
Over 1 month but not more than 3 months	6,323,622,035	2,769,632,687	6,389,573,153	2,857,520,187
Over 3 months but not more than 6 months	673,762,100	401,765,898	789,823,311	1,692,474,417
Over 6 months but not more than 1 year	2,408,140,701	106,821,493	3,842,199,001	553,937,910
Over 1 year but not more than 5 years	14,536,555,378	192,278,688	14,792,643,878	2,889,586,233
Over 5 years	3,680,961,320	6,567,495,690	9,388,171,244	8,357,359,670
	31,898,092,208	**11,439,726,614**	**40,327,929,485**	**18,542,566,336**

		IDLC Finance PLC.		IDLC Group	
		Amount in BDT			
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
7	**Loans, advances and leases**				
	Inside Bangladesh:				
	Lease receivable (Note 7.1)	4,737,083,847	3,792,268,902	4,737,083,847	3,792,268,902
	Long-term finance (Note 7.2)	74,926,547,846	67,707,383,393	74,926,547,846	67,707,383,393
	Real estate finance (Note 7.3)	29,166,121,084	30,863,357,906	29,166,121,084	30,863,357,906
	Car loans (Note 7.4)	2,329,021,649	2,510,731,240	2,329,021,649	2,510,731,240
	Personal loan (Note 7.5)	87,785,999	56,468,419	87,785,999	56,468,419
	Short term finance (Note 7.6)	3,218,041,402	3,113,564,760	3,218,041,402	3,113,564,760
	Loan against deposit (LAD)	674,726,149	868,212,171	674,726,149	868,212,171
	Margin loan to portfolio investors (Note 7.7)	-	-	793,388,474	1,242,572,664
	Ijarah Muntahiah Bi Tamlik (Note 7.8)	3,255,653,231	1,307,864,287	3,255,653,231	1,307,864,287
	Murabahah (Note 7.9)	61,930,265	108,813,416	61,930,265	108,813,416
	Sale & Lease Back (Note 7.10)	1,120,796,849	284,131,728	1,120,796,849	284,131,728
	Interest/Profit Receivables (Note-7.11)	2,407,893,354	2,235,016,630	2,407,893,354	2,235,016,630
		121,985,601,674	**112,847,812,851**	**122,778,990,147**	**114,090,385,515**
	Outside Bangladesh	-	-	-	-
		121,985,601,674	**112,847,812,851**	**122,778,990,147**	**114,090,385,515**
7.1	**Lease receivable**				
	Balance at January 1	3,792,268,902	3,497,435,220	3,792,268,902	3,497,435,220
	Add: Addition during the year	2,416,199,913	1,848,766,972	2,416,199,913	1,848,766,972
		6,208,468,815	**5,346,202,192**	**6,208,468,815**	**5,346,202,192**
	Less: Realisation/adjustment during the year	1,471,384,968	1,553,933,291	1,471,384,968	1,553,933,291
	Balance at the year end	**4,737,083,847**	**3,792,268,902**	**4,737,083,847**	**3,792,268,902**
7.1a	**Lease receivable**				
	Gross lease receivable	5,840,690,730	4,636,279,654	5,840,690,730	4,636,279,654
	Less: Unearned lease income	1,103,606,883	844,010,752	1,103,606,883	844,010,752
	Lease receivable	**4,737,083,847**	**3,792,268,902**	**4,737,083,847**	**3,792,268,902**

7.1.1 Aging analysis of lease receivable

	31.12.2025		31.12.2024	
	Amount in BDT.	% of total	Amount in BDT.	% of total
Up to one year	1,544,420,981	32.60	1,384,801,189	36.52
Above one year to three years	2,270,931,212	47.94	1,682,024,695	44.35
Above three years to five years	921,731,654	19.46	725,443,018	19.13
More than five years	-	-	-	-
	4,737,083,847	**100.00**	**3,792,268,902**	**100.00**

		IDLC Finance PLC.		IDLC Group	
		Amount in BDT			
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
7.2	**Long-term finance**				
	Balance at January 1	67,707,383,393	70,146,021,695	67,707,383,393	70,146,021,695
	Add: Disbursement during the year	53,812,926,585	40,547,207,880	53,812,926,585	40,547,207,880
		121,520,309,978	**110,693,229,575**	**121,520,309,978**	**110,693,229,575**
	Less: Realisation/adjustment during the year	46,593,762,132	42,985,846,182	46,593,762,132	42,985,846,182
	Balance at the year end	**74,926,547,846**	**67,707,383,393**	**74,926,547,846**	**67,707,383,393**

7.3 Real estate finance

This represents loans to individuals, employees under the Company's real estate loan scheme and corporate bodies for purchase and construction of apartments and homes in urban areas for periods ranging from 5 to 20 years.

Balance at January 1	30,863,357,906	31,615,879,108	30,863,357,906	31,615,879,108
Add : Disbursement during the year	5,471,702,785	6,267,250,027	5,471,702,785	6,267,250,027
	36,335,060,691	**37,883,129,135**	**36,335,060,691**	**37,883,129,135**
Less: Realisation/adjustment during the year	7,168,939,607	7,019,771,229	7,168,939,607	7,019,771,229
Balance at the year end	**29,166,121,084**	**30,863,357,906**	**29,166,121,084**	**30,863,357,906**

		31.12.2025		31.12.2024	
		Amount in BDT.	% of total	Amount in BDT.	% of total
7.3.1	**Aging analysis of real estate finance**				
	Up to one year	2,587,351,262	8.87	2,365,395,326	7.66
	Above one year to three years	4,654,746,716	15.96	4,305,656,004	13.95
	Above three years to five years	4,328,412,442	14.84	4,236,976,451	13.73
	More than five years	17,595,610,664	60.33	19,955,330,125	64.66
		29,166,121,084	**100.00**	**30,863,357,906**	**100.00**

		IDLC Finance PLC.		IDLC Group	
		Amount in BDT			
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
7.4	**Car loans**				
	Balance at January 1	2,510,731,240	2,489,139,600	2,510,731,240	2,489,139,600
	Add : Disbursement during the year	818,800,000	1,020,655,000	818,800,000	1,020,655,000
		3,329,531,240	**3,509,794,600**	**3,329,531,240**	**3,509,794,600**
	Less: Realisation/adjustment during the year	1,000,509,591	999,063,361	1,000,509,591	999,063,361
	Balance at the year end	**2,329,021,649**	**2,510,731,240**	**2,329,021,649**	**2,510,731,240**
7.5	**Personal loan**				
	Balance at January 1	56,468,419	66,746,592	56,468,419	66,746,592
	Add : Disbursement during the year	72,841,342	28,944,138	72,841,342	28,944,138
		129,309,761	**95,690,730**	**129,309,761**	**95,690,730**
	Less: Realisation/adjustment during the year	41,523,762	39,222,311	41,523,762	39,222,311
	Balance at the year end	**87,785,999**	**56,468,419**	**87,785,999**	**56,468,419**
7.6	**Short term finance**				
	Factoring of account receivable	3,218,041,402	3,113,564,760	3,218,041,402	3,113,564,760
7.7	**Margin loan to portfolio investors**				
	Balance at January 1	-	-	1,242,572,664	2,316,986,757
	Add : Disbursement during the year	-	-	793,388,474	1,030,418,978
		-	**-**	**2,035,961,138**	**3,347,405,735**
	Less: Realisation/adjustment during the year	-	-	1,242,572,664	2,104,833,071
	Balance at the year end	**-**	**-**	**793,388,474**	**1,242,572,664**

Margin loan to portfolio investors are provided by the subsidiaries of the Company as part of their normal business activities and the Group considers this as having similar characteristics of retail/personal lending. Based on detailed review, the Group noted that shortfall, if any on individual client's portfolio and margin lending exposure are temporary in nature and any potential shortfall is expected to be recouped in near future. Moreover, the Group is also continuing its recovery efforts by requesting those clients to bring in additional fund to cover shortfall. Nevertheless, the Group is closely monitoring this matter and if it becomes obvious that additional provision will be required, then it shall be provided for in due course.

7.8	**Ijarah Muntahiah Bi Tamlik**				
	Balance at January 1	1,307,864,287	-	1,307,864,287	-
	Add : Disbursement during the year	2,138,568,973	1,327,647,518	2,138,568,973	1,327,647,518
		3,446,433,260	**1,327,647,518**	**3,446,433,260**	**1,327,647,518**
	Less: Realisation/adjustment during the year	190,780,029	19,783,232	190,780,029	19,783,232
	Balance at the year end	**3,255,653,231**	**1,307,864,287**	**3,255,653,231**	**1,307,864,287**
7.9	**Murabahah**				
	Balance at January 1	108,813,416	-	108,813,416	-
	Add : Disbursement during the year	172,600,000	199,400,000	172,600,000	199,400,000
		281,413,416	**199,400,000**	**281,413,416**	**199,400,000**
	Less: Realisation/adjustment during the year	219,483,151	90,586,585	219,483,151	90,586,585
	Balance at the year end	**61,930,265**	**108,813,416**	**61,930,265**	**108,813,416**
7.10	**Sale & Lease Back**				
	Balance at January 1	284,131,728	-	284,131,728	-
	Add : Disbursement during the year	981,923,097	302,756,584	981,923,097	302,756,584
		1,266,054,825	**302,756,584**	**1,266,054,825**	**302,756,584**
	Less: Realisation/adjustment during the year	145,257,976	18,624,856	145,257,976	18,624,856
	Balance at the year end	**1,120,796,849**	**284,131,728**	**1,120,796,849**	**284,131,728**
7.11	**Interest/Profit Receivables**				
	Lease receivable	81,686,897	67,928,088	81,686,897	67,928,088
	Long-term finance	1,398,230,622	1,416,063,265	1,398,230,622	1,416,063,265
	Real estate finance	690,375,189	629,085,272	690,375,189	629,085,272

		IDLC Finance PLC.		IDLC Group	
		Amount in BDT			
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
	Car loan	27,883,175	27,574,987	27,883,175	27,574,987
	Personal loan	537,955	529,032	537,955	529,032
	Loan against deposit (LAD)	27,412,037	33,531,865	27,412,037	33,531,865
	Short term finance	51,361,173	48,180,098	51,361,173	48,180,098
	Ijarah Muntahiah Bi Tamlik	108,705,988	3,969,835	108,705,988	3,969,835
	Murabahah	9,710,962	6,439,709	9,710,962	6,439,709
	Sale & Lease Back	11,989,354	1,714,479	11,989,354	1,714,479
		2,407,893,354	**2,235,016,630**	**2,407,893,354**	**2,235,016,630**
7.12	**Net loans, advances and leases**				
	Gross performing loans, advances and leases (Note-7)	121,985,601,674	112,847,812,851	122,778,990,147	114,090,385,515
	Interest suspense (Note-13.5)	939,789,618	794,866,208	1,126,353,692	920,340,486
	Provision for loans and advances/investments (Note-13.6 (i))	4,942,413,964	4,534,757,444	5,596,111,538	5,016,251,361
		5,882,203,582	**5,329,623,652**	**6,722,465,230**	**5,936,591,848**
		116,103,398,092	**107,518,189,199**	**116,056,524,918**	**108,153,793,667**
7.13	**Residual maturity grouping of loans, advances and leases**				
	Repayable on demand	3,927,819,890	3,959,366,717	3,927,819,890	3,959,366,717
	Over 1 month but not more than 3 months	9,813,022,097	8,798,581,996	9,813,022,097	8,798,581,996
	Over 3 months but not more than 1 year	33,876,773,272	31,917,942,551	34,670,161,745	33,160,515,215
	Over 1 year but not more than 5 years	52,387,290,502	43,857,306,905	52,387,290,502	43,857,306,905
	Over 5 years	21,980,695,913	24,314,614,682	21,980,695,913	24,314,614,682
		121,985,601,674	**112,847,812,851**	**122,778,990,147**	**114,090,385,515**
7.14	**Loans, advances and leases on the basis of significant concentration**				
a)	Loans, advances and lease to the institutions in which Directors have interest	-	-	-	-
b)	Loans, advances and lease to Chief Executive and other senior executives	43,605,261	37,109,560	43,605,261	37,109,560
c)	Loans, advances and lease to customer groups:				
i)	Real estate finance	29,418,066,307	31,012,776,894	29,418,066,307	31,012,776,894
ii)	Car loan	2,356,904,824	2,538,306,227	2,356,904,824	2,538,306,227
iii)	Personal loan	45,579,346	40,333,576	45,579,346	40,333,576
iv)	Loan against deposit (LAD)	426,774,918	679,681,983	426,774,918	679,681,983
v)	Small and medium enterprises	29,915,528,955	25,416,214,883	29,915,528,955	25,416,214,883
vi)	Special program loan (BB refinancing scheme)	11,189,728,549	12,899,650,470	11,189,728,549	12,899,650,470
vii)	Staff loan	412,587,249	424,078,827	412,587,249	424,078,827
viii)	Industrial loans, advances and leases (Note- 7.14 (d))	43,489,522,124	36,950,454,870	43,489,522,124	36,950,454,870
ix)	Other loans and advances	4,687,304,141	2,849,205,561	5,480,692,615	4,091,778,225
		121,941,996,412	**112,810,703,291**	**122,735,384,886**	**114,053,275,955**
		121,985,601,674	**112,847,812,851**	**122,778,990,147**	**114,090,385,515**
d)	Details of Industrial loans, advances and leases				
i)	Agricultural industries	6,862,241,859	4,207,729,664	6,862,241,859	4,207,729,664
ii)	Textiles, Apparels & Accessories	13,792,687,494	9,751,947,150	13,792,687,494	9,751,947,150
iii)	Food and beverage	1,619,642,401	1,235,677,288	1,619,642,401	1,235,677,288
iv)	Pharmaceuticals	1,943,525,489	2,254,004,633	1,943,525,489	2,254,004,633
v)	Leather & leather products, chemicals	150,906,663	346,827,778	150,906,663	346,827,778
vi)	Power, energy & engineering	392,812,923	530,887,138	392,812,923	530,887,138
vii)	Real estate & Home appliances, cement, ceramics	10,711,412,327	11,288,709,782	10,711,412,327	11,288,709,782
viii)	IT & services	1,057,556,951	1,141,547,540	1,057,556,951	1,141,547,540
ix)	Transportation	2,372,364,655	2,057,829,774	2,372,364,655	2,057,829,774
x)	Other industries	4,586,371,361	4,135,294,122	4,586,371,361	4,135,294,122
		43,489,522,124	**36,950,454,870**	**43,489,522,124**	**36,950,454,870**

		IDLC Finance PLC.		IDLC Group	
		Amount in BDT			
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
7.15	**Loans, advances and leases -geographical location-wise**				
	Inside Bangladesh:				
	Urban				
	Dhaka	80,859,460,946	74,168,324,952	81,652,849,420	75,410,897,616
	Chattogram	6,353,344,605	6,672,924,453	6,353,344,605	6,672,924,453
	Bogura	2,886,628,925	2,593,351,719	2,886,628,925	2,593,351,719
	Sylhet	1,759,088,615	1,624,631,234	1,759,088,615	1,624,631,234
	Savar	3,349,336,915	3,848,638,088	3,349,336,915	3,848,638,088
	Cumilla	3,318,029,340	2,877,918,728	3,318,029,340	2,877,918,728
	Jashore	2,832,824,354	2,418,218,183	2,832,824,354	2,418,218,183
	Narsingdi	1,493,006,508	1,200,454,266	1,493,006,508	1,200,454,266
	Bhulta	1,512,508,181	1,242,095,464	1,512,508,181	1,242,095,464
	Khulna	1,249,686,769	1,378,338,157	1,249,686,769	1,378,338,157
	Natore	1,224,098,499	1,099,939,573	1,224,098,499	1,099,939,573
	Kushtia	1,738,304,727	1,720,317,834	1,738,304,727	1,720,317,834
	Habiganj	1,470,552,638	1,495,702,462	1,470,552,638	1,495,702,462
	Mymensingh	2,557,872,140	2,284,687,937	2,557,872,140	2,284,687,937
	Rangpur	1,476,538,710	1,372,990,809	1,476,538,710	1,372,990,809
	Chowmuhani	2,543,447,635	2,333,812,748	2,543,447,635	2,333,812,748
	Barishal	1,972,520,418	1,843,607,605	1,972,520,418	1,843,607,605
	Rajshahi	1,366,040,558	1,098,110,789	1,366,040,558	1,098,110,789
	Faridpur	1,458,547,720	1,114,912,056	1,458,547,720	1,114,912,056
	Dinajpur	563,763,469	458,835,794	563,763,469	458,835,794
		121,985,601,674	**112,847,812,851**	**122,778,990,147**	**114,090,385,515**
	Outside Bangladesh:	-	-	-	-
		121,985,601,674	**112,847,812,851**	**122,778,990,147**	**114,090,385,515**

7.16 Details of large loan/investments

Large loan clients with outstanding amount and classified loans / investments exceeding 15% of total capital of the financial institution. Total capital of the financial institution was BDT 16,727.81 mn as at 31 December 2025 (BDT 15,637.44 mn in 2024). Client wise details of large loans have been presented in below:

Number of clients	1
Amount of outstanding loans and advances	3,898,466,540
Amount of classified loans and advances	Nil

7.17 Particulars of loans, advances and leases

i)	Loans, advances and leases considered good in respect of which the financial institution is fully secured	4,089,074,483	4,241,549,993	4,882,462,956	5,484,122,657
ii)	Loans, advances and leases considered good against which the financial institution holds no security other than the debtors' personal guarantee	1,830,239,921	2,057,762,611	1,830,239,921	2,057,762,611
iii)	Loans, advances and leases considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	116,066,287,270	106,548,500,247	116,066,287,270	106,548,500,247
		121,985,601,674	**112,847,812,851**	**122,778,990,147**	**114,090,385,515**
iv)	Loans, advances and leases adversely classified; provision not maintained there against	-	-	-	-
v)	Loans, advances and leases due by directors or officers of the financial institution or any of them either separately or jointly with any other persons [Note-7.14 (b) & (c) (vii)]	456,192,510	461,188,387	456,192,510	461,188,387
vi)	Loans, advances and leases due from companies or firms in which the directors of the financial institution have interest as directors, partners or managing agents or in case of private companies, as members	-	-	-	-
vii)	Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the financial institution or any of them either separately or jointly with any other person	456,192,510	461,188,387	456,192,510	461,188,387

	IDLC Finance PLC.		IDLC Group	
	Amount in BDT			
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the financial institution have interest as directors, partners or managing agents or in the case of private companies, as member	-	-	-	-
ix) Due from bank and financial institutions	2,761,474,667	738,213,346	2,761,474,667	738,213,346
x) Classified loans, advances and leases				
a) Classified loans, advances and leases on which interest has not been charged (Note-7.18)	5,405,637,394	5,022,761,095	5,726,649,753	5,226,166,446
b) Provision kept for the year	918,794,041	877,347,942	1,076,777,684	939,408,912
Provision released during the year	(202,321,058)	(189,833,070)	(188,101,044)	(239,352,970)
Total provisions charged during the year (Note-13.6(ii))	**716,472,983**	**687,514,872**	**888,676,640**	**700,055,941**
c) Amount of written off loans, advances and leases	308,816,463	376,134,401	308,816,463	385,823,367
Total amount realised against loans and leases previously written off	104,538,996	85,554,677	104,538,996	85,554,677
d) Provision kept against loans and advances classified as bad debts	2,533,964,953	2,578,007,964	2,533,964,953	2,578,007,964
e) Interest credited to Interest Suspense Account (Note-13.5)	939,789,618	794,866,208	1,126,353,692	920,340,486
xi) Cumulative amount of written off loans, advances and leases				
Balance at January 1	2,121,899,779	1,745,765,378	2,118,132,464	1,732,309,096
Amount written off during the year	308,816,463	376,134,401	308,816,463	385,823,367
	2,430,716,242	**2,121,899,779**	**2,426,948,927**	**2,118,132,464**
The amount of written off loans, advances and leases for which law suits have been filed	**2,419,975,736**	**2,119,559,962**	**2,419,975,736**	**2,119,559,962**

xii) IDLC Finance PLC, through DFIM Circular No. 04, dated April 03, 2024, titled "Identification & Finalization of Willful Defaulters and Measures to be Taken against them," established a dedicated unit on April 28, 2024, under the supervision of the GM & Head of Operations. This unit is responsible for identifying and reporting willful loan defaulters while strictly adhering to the criteria, process flow and timeline outlined in the circular.

As of December 31, 2025, the dedicated unit has identified several borrowers from various business segments who meet the criteria (outlined in the circular) of willful loan defaulters. After conducting proper due diligence and obtaining approval from the FI's competent authority, the necessary reports have been submitted to the Credit Information Bureau (CIB) of Bangladesh Bank. Additionally, quarterly reports have been submitted to the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank in the prescribed format.

IDLC will proceed with the next course of action as per Sections 6(6) and 6(7) of DFIM Circular No. 04, dated April 03, 2024, subject to Bangladesh Bank's decision regarding the appeals submitted by the respective willful defaulters, if any.

7.18 Classification of loans, advances and leases

Unclassified				
Standard including staff loan	114,751,616,928	106,102,154,865	115,223,993,042	107,141,322,178
Special Mention Account (SMA)	1,828,347,352	1,722,896,891	1,828,347,352	1,722,896,891
	116,579,964,280	**107,825,051,756**	**117,052,340,394**	**108,864,219,069**
Classified				
Sub-standard	882,424,105	656,679,365	1,203,436,465	860,084,715
Doubtful	688,444,906	707,510,560	688,444,906	707,510,560
Bad/Loss	3,834,768,382	3,658,571,170	3,834,768,382	3,658,571,170
	5,405,637,394	5,022,761,095	5,726,649,753	5,226,166,446
	121,985,601,674	**112,847,812,851**	**122,778,990,147**	**114,090,385,515**

				IDLC Finance PLC.		IDLC Group	
				Amount in BDT			
				31.12.2025	31.12.2024	31.12.2025	31.12.2024
7.19	**(a) Particulars of required provision for loans, advances and leases**						
	Status	**Base for provision**	**Rate (%)**				
	General Provision						
	Loans and leases SME-STD (Excluding SMA)	40,270,107,774	0.25%	100,675,269	81,421,498	100,675,269	81,421,498
	Loans and leases (Excluding SMA)	73,365,805,993	1.00%	733,658,060	721,399,786	737,417,889	730,935,468
	Special mention account (SMA)-SME	688,638,197	0.25%	1,721,595	1,290,621	1,721,595	1,290,621
	Special mention account (SMA)	944,351,770	5.00%	47,217,589	65,282,199	47,217,589	65,282,199
				883,272,513	**869,394,105**	**887,032,342**	**878,929,787**
	Special Reserve						
	Extra provision for providing COVID related circular advantage	3,765,563,390	2.00%	75,311,268	95,561,658	75,311,268	95,561,658
	Status	**Base for provision**	**Rate (%)**				
	Specific provision						
	Sub Standard-SME	519,940,835	5.00%	25,997,042	18,322,049	25,997,042	18,322,049
	Sub Standard	264,954,598	20.00%	52,990,920	42,614,779	156,619,021	101,608,585
	Doubtful-SME	351,535,721	20.00%	70,307,144	46,948,163	70,307,144	46,948,163
	Doubtful	143,671,426	50.00%	71,835,713	114,276,220	71,835,713	114,276,220
	Bad/ Loss	2,533,964,953	100.00%	2,533,964,953	2,578,007,964	2,533,964,953	2,578,007,964
				2,755,095,772	**2,800,169,175**	**2,858,723,873**	**2,859,162,981**
	Required provision for loans, advances and leases			**3,713,679,553**	**3,765,124,937**	**3,821,067,483**	**3,833,654,425**
	Other provision						
	Off-Balance Sheet Exposure	750,000,000	1.00%	7,500,000	7,500,000	7,500,000	7,500,000
	Other Asset	338,881,563	100.00%	338,881,563	313,058,082	432,596,343	405,444,371
				346,381,563	**320,558,082**	**440,096,343**	**412,944,371**
	Required provision for diminution in value of investments			**241,385,029**	**320,568,439**	**469,896,559**	**509,716,411**
	Total provision required			**4,301,446,146**	**4,406,251,459**	**4,731,060,386**	**4,756,315,208**
	Total provision maintained (Note - 13.6 (i)) & 7.19 (b)			4,942,413,964	4,534,757,444	5,596,111,538	5,016,251,361
	Excess/(short) provision at the end of the year			**640,967,818**	**128,505,986**	**865,051,152**	**259,936,154**
7.19	**(b) Particulars of kept provision for loans, advances and leases**						
	Status	**Base for provision**	**Rate (%)**				
	General Provision						
	Loans and leases SME-STD (Excluding SMA)	40,270,107,774	0.25%	100,675,269	81,421,498	100,675,269	81,421,498
	Loans and leases (Excluding SMA)	73,365,805,993	1.00%	733,658,060	721,399,786	737,417,889	733,272,399
	Special mention account (SMA)-SME	-	0.25%	-	1,290,621	-	1,290,621
	Special mention account (SMA)	1,632,989,968	5.00%	81,649,498	65,282,199	81,649,498	65,282,199
				915,982,828	**869,394,105**	**919,742,656**	**881,266,718**
	Special Reserve						
	Extra provision for providing COVID related circular advantage	3,765,563,390	2.00%	75,311,268	95,561,658	75,311,268	95,561,658
	Status	**Base for provision**	**Rate (%)**				
	Specific provision						
	Sub Standard-SME	-	5.00%	-	6,127,202	-	6,127,202
	Sub Standard	784,895,433	20.00%	156,979,087	91,394,165	264,148,485	151,550,882
	Doubtful	495,207,146	50.00%	247,603,573	231,646,627	247,603,573	231,646,627
	Bad / Loss	2,533,964,953	100.00%	2,533,964,953	2,578,007,964	2,533,964,953	2,578,007,964
				2,938,547,613	**2,907,175,958**	**3,045,717,011**	**2,967,332,675**
	Kept provision for loans, advances and leases			**3,929,841,708**	**3,872,131,720**	**4,040,770,935**	**3,944,161,050**

			IDLC Finance PLC.		IDLC Group	
			Amount in BDT			
			31.12.2025	31.12.2024	31.12.2025	31.12.2024
Other provision						
Off-Balance Sheet Exposure	750,000,000	1.00%	7,500,000	7,500,000	7,500,000	7,500,000
Other Asset	524,531,088	100.00%	524,531,088	333,394,797	618,245,868	425,781,086
			532,031,088	**340,894,797**	**625,745,868**	**433,281,086**
Kept provision for diminution in value of investments			**480,541,167**	**321,730,927**	**929,594,734**	**638,809,225**
Total provision maintained (Note - 13.6 (i))			**4,942,413,964**	**4,534,757,444**	**5,596,111,538**	**5,016,251,361**

Base for provision calculation includes waiver of the requirement of provisioning for the un-classified loans provided under the IPFF project as approved by Bangladesh Bank.

8 Fixed assets including land, building, furniture and fixtures

a. Cost				
Balance at 01 January	2,911,063,836	2,834,098,728	3,321,508,063	3,211,848,409
Addition during the year	239,983,106	293,849,019	260,357,230	364,217,076
	3,151,046,942	**3,127,947,747**	**3,581,865,294**	**3,576,065,485**
Disposal/Adjustments during the year	(120,641,832)	(216,883,912)	(248,799,670)	(254,557,422)
Balance at the year end	**3,030,405,110**	**2,911,063,836**	**3,333,065,624**	**3,321,508,063**
b. Accumulated depreciation				
Balance at 01 January	1,490,152,024	1,492,339,396	1,783,186,619	1,780,844,908
Charged during the year	230,245,190	210,299,308	271,976,575	251,346,859
	1,720,397,214	**1,702,638,704**	**2,055,163,194**	**2,032,191,767**
Disposal/Adjustments during the year	(105,922,713)	(212,486,680)	(233,720,004)	(249,005,148)
Balance at the year end	**1,614,474,501**	**1,490,152,024**	**1,821,443,191**	**1,783,186,619**
c. Work-in-progress	**1,425,223,067**	**933,008,344**	**1,425,223,067**	**933,008,344**
d. Written down value (a-b+c)	**2,841,153,676**	**2,353,920,156**	**2,936,845,500**	**2,471,329,788**

A schedule of fixed assets including land, building, furniture and fixtures is given in **Annexure-A**

9 Other assets

Investment in subsidiary companies (Note - 9.1)	4,099,999,790	4,099,999,790	-	-
Accounts receivable (Note - 9.2)	917,576,368	735,730,793	1,350,901,225	985,919,702
Advances, deposits and prepayments (Note - 9.3)	294,085,944	283,903,712	397,385,347	385,578,930
Deferred tax asset (Annexure B)	205,641,489	209,358,742	253,307,333	270,462,439
Investment in stock exchanges (Note - 9.4)	-	-	14,007,000	14,007,000
	5,517,303,591	**5,328,993,037**	**2,015,600,904**	**1,655,968,071**
9.1 Investment in subsidiary companies				
IDLC Securities Limited (Note- 9.1.1)	1,649,999,900	1,649,999,900	-	-
IDLC Investments Limited (Note- 9.1.2)	2,199,999,900	2,199,999,900	-	-
IDLC Asset Management Limited (Note- 9.1.3)	249,999,990	249,999,990	-	-
	4,099,999,790	**4,099,999,790**	**-**	**-**

9.1.1 Out of the total of 20,000,000 ordinary shares issued and paid up, IDLC Finance PLC. holds 19,999,992 (including bonus shares issued in 2008, 2009 and 2010) ordinary shares of BDT 100 each.

9.1.2 Out of the total of 22,000,000 ordinary shares issued and paid up, IDLC Finance PLC. holds 21,999,999 ordinary shares of BDT 100 each.

9.1.3 Out of the total of 25,000,000 ordinary shares issued and paid up, IDLC Finance PLC. holds 24,999,999 ordinary shares of BDT 10 each.

9.2 Accounts receivable				
Profit/Interest receivable - FDR, SND	46,913,291	34,287,136	54,022,915	35,103,022
Receivable from Investment in bonds/bills	370,046,375	223,298,178	560,843,852	371,542,305
Accrued Income	-	18,491,552	-	18,491,552
Protested bill	19,906,263	19,906,263	19,906,263	19,906,263
Litigation & Repossession and other receivables	480,710,438	439,747,663	716,128,195	540,876,560
	917,576,368	**735,730,793**	**1,350,901,225**	**985,919,702**
9.3 Advances, deposits and prepayments				
Deposits and prepayments	285,575,333	273,401,137	287,019,046	274,577,083
Advance against expenses	8,510,611	10,502,575	110,366,300	111,001,847
	294,085,944	**283,903,712**	**397,385,347**	**385,578,930**

Advances, deposits and prepayments are considered good but not secured by collateral.

		IDLC Finance PLC.		IDLC Group	
		Amount in BDT			
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
9.4	**Investment in stock exchanges**				
	DSE membership at cost	-	-	11,418,750	11,418,750
	CSE membership at cost	-	-	2,588,250	2,588,250
		-	**-**	**14,007,000**	**14,007,000**

IDLC Securities Limited has received the following shares from DSE and CSE against the membership under demutualization scheme of the stock exchanges.

Stock exchange	Type of shares	Number of shares	Face value per share
Dhaka Stock Exchange PLC.	Floated (53.33%)	2,886,042	10
	Blocked (46.67%)	2,525,287	10
		5,411,329	
Chittagong Stock Exchange PLC.	Floated (53.33%)	1,714,932	10
	Blocked (46.67%)	1,500,565	10
		3,215,497	

Valuation of membership has been shown at cost in the accounts.

10 Non-banking assets

Name of parties	Property details	Possession date				
Capri Garments Ltd	46.25 Decimal land at Sadar, Gazipur	19-Jul-25	27,750,000	-	27,750,000	-
			27,750,000	**-**	**27,750,000**	**-**

On 19 July 2025, IDLC obtained ownership of the mortgaged property, Capri Garments Ltd., pursuant to a judgment issued by the Honourable Artha Rin Adalat-2, Gazipur under Section 33(7) of the Artharin Adalat Ain, 2003.

In compliance with the Bank Companies Act, 1991 and BRPD Circular No. 22 dated 20 September 2021, the property has been recognized as a non-banking asset. The value of the asset has been determined at BDT 27,750,000 in accordance with the valuation methodology prescribed in the said circular.

Non-banking asset held by IDLC is classified as non-income-generating asset.

11 Borrowings from other banks, financial institutions

	Inside Bangladesh (Note- 11.1)	31,983,601,937	27,913,507,632	31,955,465,628	27,831,818,346
	Outside Bangladesh	-	-	-	-
		31,983,601,937	**27,913,507,632**	**31,955,465,628**	**27,831,818,346**
11.1	**Inside Bangladesh**				
	Secured Short Term Loan				
	Citi Bank N.A.	1,000,000,000	500,000,000	1,000,000,000	500,000,000
	Woori Bank	234,000,000	234,000,000	234,000,000	234,000,000
	Standard Chartered Bank	3,500,000,000	3,000,000,000	3,500,000,000	3,000,000,000
	Total secured short term loan	4,734,000,000	3,734,000,000	4,734,000,000	3,734,000,000
	Total secured loans	**4,734,000,000**	**3,734,000,000**	**4,734,000,000**	**3,734,000,000**
	Unsecured loans				
	Zero Coupon Bond				
	Institutions	82,485,954	655,118,247	54,349,644	573,428,961
	Individuals	10,534,126	69,969,383	10,534,126	69,969,383
		93,020,079	**725,087,630**	**64,883,770**	**643,398,344**
	Unsecured Long-term loans				
	Kreditanstalt for Wiederaufbau (KfW)	104,027	203,100	104,027	203,100
	Bank Asia PLC.	272,715,786	773,451,453	272,715,786	773,451,453
	Dutch Bangla Bnak PLC.	2,916,666,667	-	2,916,666,667	-
	SME Foundation	177,144,000	373,218,000	177,144,000	373,218,000
	Investment Promotion & Financing Facilities (IPFF)	2,053,061,728	2,129,774,714	2,053,061,728	2,129,774,714
	Saudi Bangladesh Industrial & Agricultural Investment Company Limited	-	115,859,459	-	115,859,459
	Bangladesh Bank Refinance and Prefinancing Schemes	16,246,889,651	17,611,913,277	16,246,889,651	17,611,913,277
		21,666,581,858	**21,004,420,002**	**21,666,581,858**	**21,004,420,002**
	Total unsecured long-term loan	**21,759,601,937**	**21,729,507,632**	**21,731,465,628**	**21,647,818,346**

		IDLC Finance PLC.		IDLC Group	
		Amount in BDT			
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
	Unsecured Short Term Loans				
	Short-term loans				
	Meridian Finance & Investment Limited	40,000,000	-	40,000,000	-
	United Commercial Bank PLC.	1,000,000,000	-	1,000,000,000	-
	Bank Asia PLC.	2,000,000,000	-	2,000,000,000	-
	Standard Islami Bank PLC.	2,300,000,000	1,450,000,000	2,300,000,000	1,450,000,000
	Jamuna Bank PLC.	150,000,000	400,000,000	150,000,000	400,000,000
		5,490,000,000	**1,850,000,000**	**5,490,000,000**	**1,850,000,000**
	Call Loans				
	Shimanto Bank PLC.	-	100,000,000	-	100,000,000
	Modhumoti Bank PLC.	-	500,000,000	-	500,000,000
		-	600,000,000	-	600,000,000
	Total unsecured short-term loans	**5,490,000,000**	**2,450,000,000**	**5,490,000,000**	**2,450,000,000**
	Total Borrowings from other banks, financial institutions & agents	**31,983,601,937**	**27,913,507,632**	**31,955,465,628**	**27,831,818,346**
11.2	**Security against borrowings from other banks and financial institutions**				
	Secured	4,734,000,000	3,734,000,000	4,734,000,000	3,734,000,000
	Unsecured	27,249,601,937	24,179,507,632	27,221,465,628	24,097,818,346
		31,983,601,937	**27,913,507,632**	**31,955,465,628**	**27,831,818,346**

Secured loans are covered by first equitable mortgage of all present and future immovable properties and by floating charges on movable assets of the Company ranking pari-passu among the lenders. The Company has a Pari Passu Security Sharing Agreement (PPSSA) among the secured lenders stipulating the procedure in the sharing of the security provided by the Company. Loans repayable within one year have been placed under current liabilities. Details of loans are as follows:

11.3	**Maturity grouping of borrowings from other banks and financial institutions**				
	Payable on demand	-	-	-	-
	Up to 1 month	4,666,953,119	1,366,611,677	4,666,953,119	1,366,611,677
	Over 1 month but within 3 months	2,676,831,122	3,528,364,198	2,676,831,122	3,528,364,198
	Over 3 months but within 1 year	11,115,436,276	11,231,988,394	11,115,436,276	11,231,988,394
	Over 1 year but within 5 years	12,211,165,309	10,324,879,687	12,183,029,000	10,243,190,401
	Over 5 years	1,313,216,112	1,461,663,677	1,313,216,112	1,461,663,677
		31,983,601,937	**27,913,507,632**	**31,955,465,628**	**27,831,818,346**
12	**Deposits and other accounts**				
	Current accounts and other accounts etc	-	-	-	-
	Bills payable	-	-	-	-
	Savings bank deposits	-	-	-	-
	Term deposits (Note- 12.1)	107,010,742,917	84,379,223,529	106,496,369,667	83,907,240,444
	Bearer certificate of deposits	-	-	-	-
	Refundable deposits (Note- 12.2)	4,040,296,876	3,289,878,141	4,040,296,876	3,289,878,141
		111,051,039,793	**87,669,101,670**	**110,536,666,543**	**87,197,118,585**
12.1(a)	**Term deposits**				

This represents deposits received from institutions and individuals for a period not less than three months.

Balance at January 1	83,527,497,977	82,401,917,639	83,055,514,892	80,465,410,270
Add: Deposits received during the year	43,531,983,177	34,330,370,133	43,531,983,177	34,330,370,133
	127,059,481,154	116,732,287,772	126,587,498,069	114,795,780,403
Less: Matured/encashed during the year	24,467,330,809	33,204,789,795	24,467,330,809	33,204,789,795
Inter-company deposit	-	-	42,390,165	(1,464,524,284)
Balance at the year end	**102,592,150,345**	**83,527,497,977**	**102,077,777,095**	**83,055,514,892**
12.1(b) **Mudarabah Term deposits**				

This represents deposits received from institutions and individuals for a period not less than three months.

Balance at January 1	851,725,552	-	851,725,552	-
Add: Deposits received during the year	3,879,921,366	986,127,010	3,879,921,366	986,127,010
	4,731,646,918	986,127,010	4,731,646,918	986,127,010
Less: Matured/encashed during the year	313,054,346	134,401,458	313,054,346	134,401,458
Inter-company deposit	-	-	-	-
Balance at the year end	**4,418,592,572**	**851,725,552**	**4,418,592,572**	**851,725,552**
Total Term Deposits & Mudarabah Term Deposits	**107,010,742,917**	**84,379,223,529**	**106,496,369,667**	**83,907,240,444**

	IDLC Finance PLC.		IDLC Group	
	Amount in BDT			
	31.12.2025	31.12.2024	31.12.2025	31.12.2024

12.1.1 Rate of interest/ Profit sharing ratio

Rate of interest on term deposit receipts ranges from 9% to 12.35% (2024: 8.50% to 12.25%).

Profit sharing ratio on Mudarabah term deposit ranges from 71% to 86% (2024: 62.59% to 87%)

12.2 Refundable deposits

The Company takes deposits from the clients of lease and loan on signing of agreement, refundable at the end of the contract period. Balance at the year end stands as under:

Deposits against loan and lease rental	375,076,660	185,918,746	375,076,660	185,918,746
Deposits against financing as per term of agreements (Security deposits)	3,665,220,216	3,103,959,395	3,665,220,216	3,103,959,395
	4,040,296,876	**3,289,878,141**	**4,040,296,876**	**3,289,878,141**

Security deposits are interest bearing while deposits against loan and lease are non interest bearing.

12.3 Group-wise break-up of deposits and other accounts

Government	-	-	-	-
Bank	3,971,938,911	2,458,572,030	3,971,938,911	2,458,572,030
Other institutions	48,650,182,055	37,362,855,945	48,135,808,805	36,890,872,860
Individuals	58,428,918,827	47,847,673,695	58,428,918,827	47,847,673,695
	111,051,039,793	**87,669,101,670**	**110,536,666,543**	**87,197,118,585**

12.4 Maturity analysis of deposits

Maturity analysis of Term deposits/ Mudarabah Term deposits				
Payable on demand	-	-	-	-
Up to 1 month	4,941,498,747	4,713,951,968	4,941,498,747	4,713,951,968
Over 1 month but within 6 months	22,146,328,497	11,088,671,831	21,631,955,247	10,616,688,747
Over 6 months but within 1 year	9,687,846,056	12,975,862,975	9,687,846,056	12,975,862,975
Over 1 year but within 5 years	63,788,391,889	50,588,818,074	63,788,391,889	50,588,818,074
Over 5 years but within 10 years	6,446,677,728	5,006,544,005	6,446,677,728	5,006,544,005
Above 10 years	-	5,374,676	-	5,374,676
	107,010,742,917	**84,379,223,529**	**106,496,369,667**	**83,907,240,444**
Maturity analysis of Refundable deposit				
Payable on demand	-	-	-	-
Up to 1 month	42,075,944	41,220,520	42,075,944	41,220,520
Over 1 month but within 6 months	425,756,433	371,849,618	425,756,433	371,849,618
Over 6 months but within 1 year	539,362,812	412,609,833	539,362,812	412,609,833
Over 1 year but within 5 years	3,025,427,158	2,452,403,967	3,025,427,158	2,452,403,967
Over 5 years but within 10 years	7,674,529	11,794,203	7,674,529	11,794,203
	4,040,296,876	**3,289,878,141**	**4,040,296,876**	**3,289,878,141**

13 Other liabilities

Payable and accrued expenses (Note- 13.1)	5,915,983,570	5,174,031,666	6,906,076,484	6,118,406,260
Provision for income tax (Note- 13.2)	1,106,405,765	905,487,609	1,641,703,712	1,322,524,193
Gratuity Payable (Note- 13.3)	-	-	87,608,165	91,659,035
Portfolio investors' fund (Note- 13.4)	-	-	667,261,090	256,885,739
Interest suspense account (Note- 13.5)	939,789,618	794,866,208	1,126,353,692	920,340,486
Provision for doubtful accounts and future losses (Note- 13.6 (i))	4,942,413,964	4,534,757,444	5,596,111,538	5,016,251,361
Unpaid/ Unclaimed dividend (Note- 13.7)	7,246,868	7,481,767	7,246,868	7,481,767
Net defined benefit obligation (Note-13.8)	154,313,370	63,273,987	151,446,783	57,911,119
Deferred tax liability (Annexure B)	95,840,683	122,642,753	103,439,460	136,649,089
	13,161,993,838	**11,602,541,435**	**16,287,247,792**	**13,928,109,049**

13.1 Payable and accrued expenses

Receipt against loans and leases	586,693,961	508,697,685	586,693,961	508,697,685
Liabilities for expenses (Note- 13.1.1)	4,406,144,074	3,466,680,635	5,370,099,968	4,356,467,072
Lease Liability	264,591,461	357,108,006	290,728,481	411,696,163
Liabilities for other finance	411,754,287	424,345,050	411,754,287	424,345,050
Accrued Interest on Borrowing	167,163,583	377,675,858	167,163,583	377,675,858
Accrued revenue	79,636,204	39,524,432	79,636,204	39,524,432
	5,915,983,570	**5,174,031,666**	**6,906,076,484**	**6,118,406,260**

		IDLC Finance PLC.		IDLC Group	
		Amount in BDT			
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
13.1.1	**Liabilities for expenses**				
	Accounts Payable	63,222,625	19,269,410	940,550,223	824,040,845
	VAT Payable	4,006,201	5,043,309	10,738,358	7,856,039
	Withholding Tax Payable	132,503,412	84,703,196	132,994,270	84,773,124
	Excise Duty Payable	235,639,338	228,833,282	235,639,338	228,833,282
	Accrued Expense	309,491,414	261,073,199	415,381,642	347,432,352
	Accrued Interest/Profit on Term, Mudarabah & Security Deposit	3,661,281,085	2,867,758,240	3,634,796,137	2,863,531,430
		4,406,144,074	**3,466,680,635**	**5,370,099,968**	**4,356,467,072**
13.2	**Provision for income tax**				
	Provision				
	Balance at January 1	4,639,746,138	3,377,599,457	7,466,641,245	5,962,348,729
	Less: Adjustment during the year	-	-	254	-
		4,639,746,138	3,377,599,457	7,466,640,991	5,962,348,729
	Add: Provision made during the year	1,395,850,947	1,262,146,681	1,765,643,902	1,504,292,516
		6,035,597,085	4,639,746,138	9,232,284,893	7,466,641,245
	Settlement of previous year's tax liability	-	-	105,604	-
	Balance at the year end	**6,035,597,085**	**4,639,746,138**	**9,232,179,290**	**7,466,641,245**
	Advance tax				
	Balance at January 1	3,734,258,529	2,757,896,414	6,144,117,051	4,957,446,044
	Add: Payment made during the year:				
	Under sections 154 and 173 of ITA, 2023	796,154,403	663,934,378	902,316,781	745,416,543
	Deduction at source	384,261,014	310,582,737	515,689,099	430,468,103
	Others	14,517,374	1,845,000	28,352,647	16,450,443
		1,194,932,791	976,362,115	1,446,358,526	1,192,335,088
		4,929,191,320	3,734,258,529	7,590,475,578	6,149,781,132
	Less: Adjustment during the year	-	-	-	5,664,081
		4,929,191,320	**3,734,258,529**	**7,590,475,578**	**6,144,117,051**
	Net balance at the year end	**1,106,405,765**	**905,487,609**	**1,641,703,712**	**1,322,524,193**
13.3	**Gratuity Payable**				
	Balance at January 1	-	-	91,659,035	79,515,732
	Add: Addition during the year	-	-	15,137,970	21,837,853
		-	**-**	**106,797,005**	**101,353,586**
	Less: Payment during the year	-	-	19,188,840	9,694,551
	Balance at the year end	**-**	**-**	**87,608,165**	**91,659,035**
13.4	**Portfolio investors' fund**				
	This represents the balance of deposits made with the IDLC Investments Limited by the portfolio investors to take margin loan and buy marketable securities. The balance of fund has been arrived at as follows:				
	Balance at January 1	-	-	256,885,739	233,253,801
	Add: Deposit and share sold by clients	-	-	15,277,359,970	15,759,605,029
		-	**-**	**15,534,245,708**	**15,992,858,830**
	Less: Purchase of share and deposit withdraw by clients	-	-	14,866,984,618	15,735,973,092
	Balance at the year end	**-**	**-**	**667,261,090**	**256,885,739**
13.5	**Interest suspense accounts**				
	On lease finance	28,635,433	26,114,016	28,635,433	26,114,016
	On real-estate finance	278,167,819	231,010,428	278,167,819	231,010,428
	On term finance	628,723,430	534,039,373	628,723,430	534,039,373
	On car loan	3,802,091	3,047,655	3,802,091	3,047,655
	On personal loan	214,049	216,385	214,049	216,385
	On short term finance	246,796	438,351	246,796	438,351
	On Margin Loan	-	-	186,564,074	125,474,278
		939,789,618	**794,866,208**	**1,126,353,692**	**920,340,486**

		IDLC Finance PLC.		IDLC Group	
		Amount in BDT			
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
13.6	**Provision for loans and advances/investments**				
13.6(i)	**Balance at January 1**	4,534,757,444	4,223,376,973	5,016,251,361	4,702,018,787
	Provision kept against required for the year	918,794,041	877,347,942	1,076,777,684	939,408,912
	Special Reserve (released)/charged during the year*	(20,250,390)	(17,767,530)	(20,250,390)	(17,767,530)
	Provision released during the year	(182,070,669)	(172,065,540)	(167,850,655)	(221,585,441)
	Provision charged for the year (Note- 13.6 (ii))	716,472,983	687,514,872	888,676,640	700,055,941
	Write off during the year	308,816,463	376,134,401	308,816,463	385,823,367
	Balance at the year end	**4,942,413,964**	**4,534,757,444**	**5,596,111,538**	**5,016,251,361**
	* Provision for providing COVID related circular advantage				
13.6(ii)	**Provision charged for the period**				
	General provision-Regular	46,588,723	35,554,812	38,333,468	27,260,574
	Special Reserve	(20,250,390)	(17,767,530)	(20,250,390)	(17,767,530)
	Total General provision	26,338,333	17,787,283	18,083,078	9,493,044
	Specific provision	531,324,409	561,260,488	579,808,053	609,176,830
	Provision for diminutions in value of investments	158,810,240	108,467,101	290,785,509	81,386,067
	Other Provisions	-	-	-	-
		716,472,983	**687,514,872**	**888,676,640**	**700,055,941**

Reason for changes in provision charged for the period:

Solo: Incremental provision of IDLC Finance PLC. for the year ended December 31, 2025 was BDT 716 mn, which was BDT 688 mn in the same period of the previous year. As per the breakdown of incremental provision for loans and investments, the main reason behind the BDT 29 mn increase was the increase in provision for diminution in value of investments by BDT 50 mn, decrease in specific provision by BDT 30 mn and increase in general provision by BDT 9 mn.

Group: Incremental provision of IDLC Group for the year ended December 31, 2025 was BDT 889 mn, which was BDT 700 mn in the same period of previous year. As per the breakdown of incremental provision for loans and investments, the main reason behind the BDT 189 mn increase was the increase in provision for diminution in value of investments by BDT 209 mn, increase in general provision by BDT 9 mn and decrease in specific provision during the year by BDT 29 mn compared to the same period of previous year.

13.6(iii)	**Product wise break up of provision**				
	Lease	208,892,859	176,464,210	208,892,859	176,464,210
	Long- term finance	3,037,930,071	3,022,381,215	3,037,930,071	3,022,381,215
	Real estate finance	571,897,930	568,160,525	571,897,930	568,160,525
	Car loan	36,156,635	36,868,337	36,156,635	36,868,337
	Investment in shares	480,541,167	321,730,927	929,594,734	638,809,225
	Personal Loan	2,485,801	1,944,397	2,485,801	1,944,397
	Short term finance	65,457,030	57,295,596	65,457,030	57,295,596
	Loan against Deposit	7,021,382	9,017,440	7,021,382	9,017,440
	Other Assets	524,531,088	333,394,797	618,245,868	425,781,086
	Off-Balance Sheet Exposure	7,500,000	7,500,000	7,500,000	7,500,000
	Margin loan	-	-	110,929,227	72,029,330
		4,942,413,964	**4,534,757,444**	**5,596,111,538**	**5,016,251,361**
13.6(iv)	**Provision segregation**				
	Special Reserve	75,311,268	95,561,658	75,311,268	95,561,658
	Other than special reserve	4,867,102,696	4,439,195,787	5,520,800,270	4,920,689,704
		4,942,413,964	**4,534,757,444**	**5,596,111,538**	**5,016,251,361**
13.7	**Aging analysis of unpaid/unclaimed dividend**				
	i. Unclaimed cash dividend: *				
	Upto 1 year	3,278,048	1,782,743	3,278,048	1,782,743
	Over 1 year but within 3 years	3,819,936	5,605,900	3,819,936	5,605,900
	Over 3 years but within 4 years	55,761	32,019	55,761	32,019
	Over 4 years but within 5 years	32,019	61,105	32,019	61,105
	Above 5 years	61,105	-	61,105	-
		7,246,868	**7,481,767**	**7,246,868**	**7,481,767**
	**ii. Unclaimed stock dividend (Number of stock): ** **				
	Upto 1 year	83,399	-	83,399	-
	Over 1 year but within 3 years	-	41,464	-	41,464
	Over 3 years but within 4 years	1,266	1,553	1,266	1,553
	Over 4 years but within 5 years	1,553	-	1,553	-
	Above 5 years	2,880	2,880	2,880	2,880
		89,098	**45,897**	**89,098**	**45,897**

	IDLC Finance PLC.		IDLC Group	
	Amount in BDT			
	31.12.2025	31.12.2024	31.12.2025	31.12.2024

*As per the Directive No. BSEC/CMRRCD/2021-386/03, dated January 14, 2021, and the Capital Market Stabilization Fund (CMSF) Rules, 2021, dated June 01, 2021, of Bangladesh Securities and Exchange Commission (BSEC) any entitlement dividend which remains unclaimed for a period of 3 (three) years from the date of approval or date of subscription, shall be transferred to the fund named "Capital Market Stabilization Fund" within such time as directed by the Commission or the Fund from time to time. As per CMSF Rules 9(1), we have already deposited unclaimed cash dividends from years 1993 to 2021 amounting to BDT 32,663,335.02 to CMSF, out of which unclaimed dividend amounting to BDT 545,790.01 has been paid to shareholders by CMSF, who claimed. Also we transferred partial unclaimed dividend amounting to BDT 1,855,708.94 for the year 2022 and 2023 to CMSF, from which unclaimed dividend amounting to BDT 19,142.85 has been settled by CMSF as per shareholders' claim. We did not transfer unclaimed cash dividend amounting to BDT 249,152.77 to CMSF because we have received claims from shareholders. From the said claim amount BDT 107,274.06/- has already been settled with the shareholders and rest is under the process of settlement.

As per CMSF Rules 9(3), the Unclaimed additional amount received for the Rights Share issue 2016 subscription amounting to BDT 416,061.00/- has been transferred to CMSF.

**As per CMSF Rules 9(2), Unclaimed Bonus Share dividend from the period 2006 to 2014 and 2021 containing 805,900 shares has been transferred to CMSF. Unclaimed Bonus Share dividend containing 24,326 shares was retained with us, because we have received applications from respective shareholders. Out of which Unclaimed Bonus Share dividend containing 18,627 shares have been transferred to respective shareholders and the rest 5,699 shares are under process of transfer.

Undistributable Stock Dividend of 83,399 for the year 2024 was transferred to Bonus Suspense Account.

13.8 Net defined benefit obligation

Net defined benefit obligation is the net result of post employment benefit plans which is measured as per actuarial valuation under IAS 19 Employee Benefits. Valuation is carried out on Projected unit credit method as recommended by International Accounting Standard (IAS) 19. Under this method, the valuation is done considering both 'future service cost' which an employee shall obtain in normal course of service and past service cost which is the difference between assets built up from past contributions and accrued liabilities (i.e. benefits earned by members as a result of service as of valuation date).

Defined benefit obligation (Note: 13.8.1)	729,071,312	537,843,391	735,813,423	540,231,879
Fair value of plan assets (Note: 13.8.2)	574,757,942	474,569,404	584,366,640	482,320,760
	154,313,370	**63,273,987**	**151,446,783**	**57,911,119**

13.8.1 Defined benefit obligation

The amount of obligation for gratuity fund is determined considering present value of last basic salary multiplied by applicable rates as per service length which is discounted on actuarial financial and demographical assumptions/factors such as interest rate, salary growth rate, mortality rate, probable length of service etc.

Opening Balance	537,843,391	468,746,870	540,231,879	477,314,677
Current service cost	81,649,785	34,918,288	83,181,770	35,197,136
Interest expense	55,507,733	54,438,238	55,767,839	54,938,744
Benefit payments	(47,336,604)	(75,638,093)	(47,336,604)	(85,110,093)
Remeasurement loss/(gain)	101,407,007	55,378,088	103,968,539	57,891,415
	729,071,312	**537,843,391**	**735,813,423**	**540,231,879**

13.8.2 Fair value of plan assets

IAS 19 prescribes a fair valuation of fund assets and where market price is not available, fair value of the fund assets is estimated. Here, fair value of plan assets is not readily available, hence historical book value (audited) of fund assets is considered as fair value of plan assets of the funds

Opening Balance	474,569,404	480,075,952	482,320,760	498,712,590
Interest income	58,025,725	44,627,104	59,332,375	44,376,143
Employer contributions	89,900,088	37,061,892	90,374,172	37,700,088
Expense Adjustment	(400,671)	(11,557,451)	(324,063)	(13,357,968)
Benefit payments from plan assets	(47,336,604)	(75,638,093)	(47,336,604)	(85,110,093)
	574,757,942	**474,569,404**	**584,366,640**	**482,320,760**

13.8.3 Remeasurement gain/(loss)

Opening balance	(55,378,088)	-	(57,891,415)	-
Remeasurement (loss) adjustment	(101,407,007)	(55,378,088)	(103,968,539)	(57,891,415)
	(156,785,095)	(55,378,088)	(161,859,954)	(57,891,415)
Less: Deferred Tax (expense)/income	58,794,411	20,766,783	60,189,997	21,395,115
	(97,990,684)	**(34,611,305)**	**(101,669,957)**	**(36,496,300)**

13.8.4 Net defined benefit liability (asset) reconciliation

Opening balance of net defined benefit liability (asset)	63,273,987	(11,329,082)	57,911,119	(21,397,913)
Defined benefit cost included in profit or loss	79,532,464	56,286,873	79,941,297	59,117,705
Total remeasurements value	101,407,007	55,378,088	103,968,539	57,891,415
Employer contributions	(89,900,088)	(37,061,892)	(90,374,172)	(37,700,088)
Net defined benefit liability (asset) as of end of year	**154,313,370**	**63,273,987**	**151,446,783**	**57,911,119**

	IDLC Finance PLC.		IDLC Group	
	Amount in BDT			
	31.12.2025	31.12.2024	31.12.2025	31.12.2024

Significant characteristics of the plan

Plan sponsor	:	IDLC Finance PLC.
Name of the gratuity fund	:	IDLC Finance Limited Employees' Gratuity Fund
Nature of benefits	:	Final salary defined benefit plan
Risks associated with the plan	:	Plan sponsor bears interest rate risks associated with the plan
Vesting criteria	:	5 years of continuous service
Applicable salary	:	Last drawn monthly basic salary
Maximum limit of benefit paid	:	No upper limit on benefit
Basis of gratuity	:	Accrued benefit
Normal retirement age	:	60 years
Benefit calculation	:	- Past service from 5 years to below 10 years: One month's basic pay for each year of service - From 10 years to below 15 years: One & a half month's basic pay for each year of service - From 15 years & above: Two month's basic pay for each year of service

14 Share capital

Authorised				
1,000,000,000 ordinary shares of BDT 10 each	**10,000,000,000**	**10,000,000,000**	**10,000,000,000**	**10,000,000,000**
Issued, subscribed and paid-up				
415,698,484 ordinary shares of BDT 10 each & 436,483,409 ordinary shares of BDT 10 each	**4,364,834,090**	**4,156,984,840**	**4,364,834,090**	**4,156,984,840**

The Shareholders of the company approved 5% stock dividend for the year ended on December 31, 2024, in the 40th Annual General Meeting (AGM) of IDLC Finance PLC., held on June 03, 2025. Accordingly, after completion of all the regulatory formalities duly, we have credited the entitled bonus shares for the year ended on December 31, 2024, to the respective shareholders' BO Accounts on June 25, 2025, as of record date i.e. May 12, 2025. Thereafter, the number of Ordinary Shares of the company stands at 436,483,409 and the paid-up capital stands at BDT 4,364,834,090.

Paid-up share capital as on December 31, 2025 comprises the following:

Composition of shareholding:

Sl. No.	Name of the Shareholders	31.12.2025			31.12.2024
		% of holding	Number of shares	BDT	BDT
1	**SPONSORS/DIRECTORS**				
	City Bank PLC.	9.00	39,284,383	392,843,830	374,136,990
	Eskayef Pharmaceuticals Limited	8.00	34,918,671	349,186,710	332,558,780
	Sadharan Bima Corporation	7.62	33,255,662	332,556,620	316,720,600
	Reliance Insurance Limited	7.00	30,553,835	305,538,350	290,988,910
	Mercantile Bank PLC.	3.50	15,276,916	152,769,160	145,494,440
		35.12	**153,289,467**	**1,532,894,670**	**1,459,899,720**
2	**GENERAL**				
	Institutions:				
	City Bank Capital Resources Limited	9.90	43,211,857	432,118,570	411,541,500
	Investment Corporation of Bangladesh (ICB)	8.30	36,239,705	362,397,050	341,909,440
	City Brokerage Limited	4.31	18,808,183	188,081,830	179,125,560
	Transcraft Limited	4.01	17,517,218	175,172,180	166,830,650
	Mercantile Bank Securities Limited	2.00	8,729,667	87,296,670	83,139,690
	Bangladesh Fund	1.36	5,951,250	59,512,500	55,900,000
	Bangladesh Lamps PLC.	1.32	5,761,578	57,615,780	54,872,180
	Delta Life Insurance Co. Ltd.	1.29	5,641,224	56,412,240	53,725,950
	Marina Apparels Limited	1.00	4,364,831	43,648,310	41,569,820
	Other Institutions	16.64	72,633,510	726,335,100	675,928,400
	Sub-Total	**50.14**	**218,859,023**	**2,188,590,230**	**2,064,543,190**
	Individuals:				
	General Public (Individuals)	14.16	61,795,729	617,957,290	610,801,610
	Sub-Total	**14.16**	**61,795,729**	**617,957,290**	**610,801,610**
3	**FOREIGN**				
	Institutions & Individuals	0.58	2,539,190	25,391,900	21,740,320
		0.58	2,539,190	25,391,900	21,740,320
		100.00	**436,483,409**	**4,364,834,090**	**4,156,984,840**

The shares were listed with Dhaka Stock Exchange PLC. on March 20, 1993, and with Chittagong Stock Exchange PLC. on November 25, 1996, and quoted at BDT 35.70 at Dhaka Stock Exchange PLC. and BDT 39.00 at Chittagong Stock Exchange PLC. respectively on December 31, 2025.

14.1 Capital Adequacy Ratio (CAR):

As per the Section 4(GHA) of the Financial Institutions Rule, 1994 and subsequently updated vide DFIM Circular No. 5, dated July 24, 2011, the minimum paid-up capital of the Financial Institution (FI) shall be BDT 100 crore; provided that the sum of paid-up capital and reserves shall not be less than the minimum capital required under the Risk-Based Assets of the company, criteria determined by the Bangladesh Bank.

The surplus eligible capital of the company as well as the Group at the close of business on December 31, 2025 were BDT 778.02 crore and BDT 1257.88 crore, respectively.

Details are as follows:

	IDLC Finance PLC.		IDLC Group	
	Amount in BDT			
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Core Capital (Tier-1)/Shareholders' Equity				
Paid-up capital (Note-14)	4,364,834,090	4,156,984,840	4,364,834,090	4,156,984,840
Share premium (Note-15)	1,260,585,930	1,260,585,930	1,260,585,930	1,260,585,930
Statutory reserves (Note 16)	4,498,811,548	4,143,351,989	4,498,811,548	4,143,351,989
General reserves (Note 17)	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Dividend equalization reserves	1,000,000,000	500,000,000	1,000,000,000	500,000,000
Capital reserves (Note 17 (b))	-	-	304,785,293	253,928,032
Retained earnings	4,603,581,443	4,576,519,564	9,376,969,376	8,746,225,780
Non-controlling interest	-	-	3,917	3,762
A) Sub-Total	**16,727,813,011**	**15,637,442,322**	**21,805,990,154**	**20,061,080,334**
Supplementary capital (Tier -II)				
General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheet exposure)*	998,794,095	972,455,762	1,002,553,924	984,328,375
Assets Revaluation Reserves up to 50%	-	-	-	-
Revaluation Reserve for Securities up to 45%	-	-	-	-
All others preference shares	-	-	-	-
Others (if any other item approved by Bangladesh Bank)	-	-	-	-
B) Sub-Total	**998,794,095**	**972,455,762**	**1,002,553,924**	**984,328,375**
C) Total eligible capital	**17,726,607,106**	**16,609,898,084**	**22,808,544,078**	**21,045,408,709**
Total assets including off-balance sheet exposures	**173,674,448,579**	**143,572,593,059**	**181,335,370,117**	**149,768,126,314**
D) Total risk weighted assets	**99,463,932,066**	**98,510,442,205**	**102,297,059,577**	**99,794,000,006**
E) Required capital based on risk weighted assets (10% of D)	**9,946,393,207**	**9,851,044,221**	**10,229,705,958**	**9,979,400,001**
F) Surplus (C-E)	**7,780,213,900**	**6,758,853,864**	**12,578,838,120**	**11,066,008,708**
Capital Adequacy Ratio (%)	**17.82**	**16.86**	**22.30**	**21.09**

*Limited to 1.25% of RWA as per CAMD guideline.

15 Share premium

Balance at January 1	1,260,585,930	1,260,585,930	1,260,585,930	1,260,585,930
Add: Received during the year	-	-	-	-
Balance at the year end	**1,260,585,930**	**1,260,585,930**	**1,260,585,930**	**1,260,585,930**

This represents Share Premium amount was received @50% over par value of share @BDT 100 against issue of 75,000 Ordinary Shares during IPO in 1993 and subsequently Share Premium amount was received @100 % over par value of share @BDT 10 per share on 125,683,593 no. of Ordinary Shares in 2017 against Rights Issue (1R: 2).

16 Statutory reserves

Balance at January 1	4,143,351,989	3,808,756,195	4,143,351,989	3,808,756,195
Add: Transferred on appropriation of profit	355,459,559	334,595,794	355,459,559	334,595,794
Balance at the year end	**4,498,811,548**	**4,143,351,989**	**4,498,811,548**	**4,143,351,989**

In compliance with the clause no 6 of Financial Institutions Regulations, 1994, Financial Institution is required to transfer at least 20% of it's profit after tax and before appropriation of dividend in a particular year, if the financial institution's sum of Share Premium Account (if any) and Statutory Reserves is less than the paid up capital of that financial institution. Accordingly, 20% of current year's profit after tax has been transferred to Statutory Reserves Account.

		IDLC Finance PLC.		IDLC Group	
		Amount in BDT			
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
17	**General reserves**				
	Balance at January 1	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
	Add: Transferred on appropriation of profit	-	-	-	-
	Balance at the year end	**1,000,000,000**	**1,000,000,000**	**1,000,000,000**	**1,000,000,000**
17 (a)	**Dividend equalisation reserves**				
	Balance at January 1	500,000,000	500,000,000	500,000,000	500,000,000
	Add: Transferred from Retained earnings	500,000,000	-	500,000,000	-
	Balance at the year end	**1,000,000,000**	**500,000,000**	**1,000,000,000**	**500,000,000**

The Board of Directors of IDLC Finance PLC at its 351st Board Meeting held on April 17, 2025, approved the transfer of BDT 500.00 mn to Dividend equalization reserves from Retained earnings.

17 (b)	**Capital reserves**				
	Balance at January 1	-	-	253,928,032	211,351,296
	Add: Transferred on appropriation of last year's profit	-	-	50,857,261	42,576,736
	Balance at the year end	**-**	**-**	**304,785,293**	**253,928,032**

As per the clause (i) of (e) of Part B [rule (1) (b), rule 5(2)] of the Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy), Rules, 2019, each registered entity have to maintain a mandatory provision at least @ 10% of profit after tax of last year as 'capital reserve' and the full amount of such reserve shall be accounted for in computing total capital. Accordingly, @10% of profit after tax of last financial year of IDLC Securities Limited & IDLC Investments Limited (from the year 2018 to 2024) has been transferred to capital reserves and also has been accounted for in computing total capital.

18 Business commitments and contingencies

In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities. No material losses are anticipated as a result of these transactions. These contingent liabilities and business commitments are quantified below:

18.1	**Contingent liabilities**				
	Acceptances and endorsements	-	-	-	-
	Letters of guarantee	-	-	-	-
	Irrevocable letters of credit	-	-	-	-
	Bills for collection	-	-	-	-
	Indemnity bond	-	-	-	-
	Corporate guarantee (Note - 18.1.1)	750,000,000	750,000,000	750,000,000	750,000,000
		750,000,000	**750,000,000**	**750,000,000**	**750,000,000**
18.1.1	**The Company is contingently liable on behalf of IDLC Securities Limited for the guarantees given below in favour of:**				
	Dhaka Stock Exchange PLC.	700,000,000	700,000,000	700,000,000	700,000,000
	Chittagong Stock Exchange PLC.	50,000,000	50,000,000	50,000,000	50,000,000
		750,000,000	**750,000,000**	**750,000,000**	**750,000,000**
18.2	**Other commitments**				
	Documentary credits and short term trade related transactions	-	-	-	-
	Forward assets purchased and forward deposits placed	-	-	-	-
	Un-drawn note issuance and revolving underwriting	-	-	-	-
	Un-drawn formal standby facilities, credit lines	-	-	-	-
		-	**-**	**-**	**-**

18.2.1 Capital expenditure commitments

There was no capital expenditure contracted but not incurred or provided for at December 31, 2025 (2024: nil). There was no material capital expenditure authorised by the Board but not contracted for at December 31, 2025 (2024: nil).

18.2.2 Unacknowledged debt

The Company had no claim, legal or others, which has not been acknowledged as debt at the balance sheet date.

		IDLC Finance PLC.		IDLC Group	
		Amount in BDT			
		2025	2024	2025	2024
19	**Income statement**				
	Income				
	Interest & profit, discount and similar income (Note-19.1)	18,886,035,395	15,450,355,629	19,946,275,908	16,058,959,023
	Dividend income (Note-22)	52,730,155	250,247,275	148,505,786	150,373,395
	Fees, commission and brokerage (Note-23)	18,941,861	26,101,403	412,114,646	403,824,137
	Other operating income (Note-24)	587,148,352	601,167,354	593,042,694	612,761,202
		19,544,855,763	16,327,871,661	21,099,939,034	17,225,917,756

		IDLC Finance PLC.		IDLC Group	
		Amount in BDT			
		2025	2024	2025	2024
	Expenses				
	Interest paid & Profit distributed on Deposits, Placements & Borrowings etc. (Note-21)	12,739,702,284	10,103,103,694	12,630,733,145	9,969,715,229
	Administrative expenses (Note-19.2)	2,179,604,469	1,967,783,430	2,535,420,452	2,318,961,426
	Other expenses (Note-34)	490,739,285	417,047,417	551,116,755	477,229,009
	Depreciation on assets (Note-33)	230,245,190	210,299,308	271,976,575	251,346,859
		15,640,291,228	12,698,233,849	15,989,246,929	13,017,252,523
	Profit before provision	**3,904,564,534**	**3,629,637,812**	**5,110,692,105**	**4,208,665,233**
19.1	**Interest & profit, discount and similar income**				
	Interest Income & Financing Income (Note -20)	16,320,632,165	14,492,224,840	16,550,704,673	14,776,517,731
	Gain on sale of marketable securities & DSE share (Note - 22)	396,462,229	23,098,738	516,697,694	(9,641,240)
	Gain on sale of Government Treasury Bond (Note - 22)	349,951,751	205,526,878	357,369,889	204,689,633
	Income from investment in bonds (Note - 22)	1,818,989,250	729,505,173	2,521,503,651	1,087,392,898
		18,886,035,395	**15,450,355,629**	**19,946,275,908**	**16,058,959,023**
19.2	**Administrative expenses**				
	Salary and allowances (Note-25)	1,811,775,594	1,635,153,983	2,095,421,918	1,932,666,068
	Rent, taxes, insurance, electricity, etc. (Note-26)	48,006,722	52,709,232	64,579,590	67,846,502
	Legal expenses (Note-27)	10,011,222	10,106,994	18,004,375	17,904,889
	Postage, stamp, telecommunication, etc. (Note-28)	49,000,681	47,969,487	56,350,390	54,326,991
	Stationery, printing, advertisement, etc. (Note-29)	190,325,533	158,862,086	221,210,778	171,282,805
	Managing Director's salary and fees (Note-30)	16,232,496	14,670,083	16,232,496	14,670,083
	Directors' fees (Note-31)	3,272,684	3,101,450	4,333,684	4,175,050
	Auditors' fees (Note-32)	977,500	919,136	1,380,000	1,264,136
	Repair and maintenance of Company's assets (Note-33)	50,002,036	44,290,980	57,907,221	54,824,901
		2,179,604,469	**1,967,783,430**	**2,535,420,452**	**2,318,961,426**
20	**Interest income/profit on investments**				
	This represents interest income from the following products:				
	Lease finance	844,259,795	398,284,192	844,259,795	398,284,192
	Real estate finance	4,213,202,114	3,984,228,315	4,213,202,114	3,984,228,315
	Term finance	9,334,614,980	8,055,981,548	9,334,614,980	8,055,981,548
	Short term finance	375,147,165	388,612,970	375,147,165	388,612,970
	Car loan	365,493,484	326,581,416	365,493,484	326,581,416
	Personal loan	9,281,746	7,252,570	9,281,746	7,252,570
	Margin loan to portfolio investors	-	-	84,299,598	221,289,278
		15,141,999,285	**13,160,941,011**	**15,226,298,883**	**13,382,230,288**
	Interest/Profit on balance with other banks & financial institutions	1,067,251,264	1,229,153,217	1,211,977,630	1,292,156,831
	Loan against deposit	108,863,624	102,130,612	108,863,624	102,130,612
	Net Interest Income (on Gratuity Fund)	2,517,992	-	3,564,536	-
		16,320,632,165	**14,492,224,840**	**16,550,704,673**	**14,776,517,731**
21	**Interest paid & Profit distributed on Deposits, Placements & Borrowings etc.**				
	Interest & Profit on term deposits & mudarabah term deposits	11,072,988,495	8,492,527,148	10,963,554,515	8,359,514,370
	Interest on borrowings & Profit distributed on Placements	1,455,548,910	1,338,771,876	1,455,834,999	1,338,948,838
	Interest on secured/unsecured zero coupon bonds	24,602,767	95,594,035	20,655,743	87,915,428
	Interest & Profit distributed on security deposits	128,143,154	102,543,765	128,143,154	102,543,765
	Interest on call loan	24,966,292	32,835,111	24,966,292	32,835,111
	Interest on lease rent	33,452,666	31,020,624	37,578,443	37,395,117
	Net interest cost (on Gratuity Fund)	-	9,811,134	-	10,562,601
		12,739,702,284	**10,103,103,694**	**12,630,733,145**	**9,969,715,229**
22	**Investment income**				
	Gain on sale of marketable securities	396,462,229	23,098,738	516,697,694	(9,641,240)
	Gain on sale of Government Treasury Bond	349,951,751	205,526,878	357,369,889	204,689,633
	Dividend income	52,730,155	250,247,275	148,505,786	150,373,395
	Income from investment in bonds	1,818,989,250	729,505,173	2,521,503,651	1,087,392,898
		2,618,133,385	**1,208,378,064**	**3,544,077,021**	**1,432,814,686**

		IDLC Finance PLC.		IDLC Group	
		Amount in BDT			
		2025	2024	2025	2024
23	**Commission, exchange and brokerage**				
	Agency fees	8,100,000	7,280,000	8,600,000	7,280,000
	Arrangement fees	9,840,500	18,494,125	35,440,500	25,494,125
	Commission & brokerage	-	-	240,038,275	261,709,181
	Underwriting commission	-	-	2,800,000	-
	Documentation fees	-	-	147,000	263,000
	Custodial fees	1,001,361	327,278	1,001,361	327,278
	Fees from mutual fund & others	-	-	49,840,648	45,921,341
	Issue management fees	-	-	16,282,032	10,000,000
	Portfolio management fees	-	-	32,240,558	31,289,843
	Corporate advisory fees	-	-	17,986,511	13,263,386
	Settlement charges	-	-	7,737,761	8,275,983
		18,941,861	**26,101,403**	**412,114,646**	**403,824,137**
24	**Other operating income**				
	Application, processing and documentation fees	378,888,819	424,536,076	378,888,819	424,536,076
	Loan settlement and others	71,401,022	55,947,133	71,401,022	55,947,133
	Gain on Disposal of Right-of-Use Assets	5,760,273	-	5,760,273	-
	Service charges	3,660,753	3,839,374	3,660,753	3,839,374
	Gain on disposal of fixed assets	4,620,205	8,257,126	5,842,566	8,256,243
	Account opening & BO account maintenance fees	-	-	1,500,900	2,419,000
	IPO service charge	-	-	-	25,015
	Revenue from write off collection	104,538,996	85,554,676	104,538,996	85,554,676
	Commission on Corporate Guarantee	2,661,458	2,668,750	2,661,458	2,668,750
	Miscellaneous income	15,616,825	20,364,219	18,787,906	29,514,934
		587,148,352	**601,167,354**	**593,042,694**	**612,761,202**
25	**Salaries and allowances**	**1,811,775,594**	**1,635,153,983**	**2,095,421,918**	**1,932,666,068**

Salaries and allowances include the current service cost.

25.1 Salaries and allowances

Salaries and allowances include annual contribution of BDT 64,682,681 to Provident Fund of IDLC Finance PLC. and BDT 74,511,242 to Provident Fund of IDLC Group. Details for gratuity fund (Defined benefit plan) have been disclosed in note 13.8 & 13.3.

26	**Rent, taxes, insurance, electricity, etc.**				
	Rent, rate and taxes	2,858,233	3,062,755	9,267,674	8,725,581
	Insurance	2,816,136	6,372,371	4,004,587	6,949,446
	Power and electricity	42,332,353	43,274,106	51,307,329	52,171,475
		48,006,722	**52,709,232**	**64,579,590**	**67,846,502**
26.1	**Disclosure related to rent, rate and taxes:**				
	Actual rent expenses (inclusive of VAT)	181,039,076	162,544,223	229,265,846	206,178,939
	Less: Reclassification of rent expenses (as per IFRS 16: Leases)	178,180,843	159,481,468	219,998,172	197,453,358
	Rent expenses as reported	**2,858,233**	**3,062,755**	**9,267,674**	**8,725,581**

In addition to the above mentioned change in rent expense, implementation of IFRS 16 has resulted in charging of depreciation against Right-of-use asset as disclosed in Annexure A and of Interest expense on lease rent, as disclosed in Note 21.

27	**Legal expenses**				
	Renewal and registration	5,454,381	4,864,404	7,046,442	6,439,908
	Other professional charges	4,556,841	5,242,590	10,957,934	11,464,981
		10,011,222	**10,106,994**	**18,004,375**	**17,904,889**
28	**Postage, stamp, telecommunication, etc.**				
	Postage	3,426,207	3,691,226	3,631,350	3,874,324
	Telecommunication and internet etc.	45,574,474	44,278,261	52,719,040	50,452,667
		49,000,681	**47,969,487**	**56,350,390**	**54,326,991**
29	**Stationery, printing, advertisements, etc.**				
	Stationery & printing	29,296,050	26,955,386	32,595,752	30,167,582
	Advertisement and publicity	161,029,484	131,906,700	188,615,026	141,115,223
		190,325,533	**158,862,086**	**221,210,778**	**171,282,805**

		IDLC Finance PLC.		IDLC Group	
		Amount in BDT			
		2025	2024	2025	2024
30	**Managing Director's salary and benefits**				
	Basic pay	8,346,000	7,368,500	8,346,000	7,368,500
	Allowances	5,495,496	4,397,748	5,495,496	4,397,748
	Bonus	2,391,000	2,445,500	2,391,000	2,445,500
	Company's contribution to provident & gratuity fund	-	458,335	-	458,335
		16,232,496	**14,670,083**	**16,232,496**	**14,670,083**
31	**Directors' fees**				
	Honorarium for attending meeting	3,272,684	3,101,450	4,333,684	4,175,050
		3,272,684	**3,101,450**	**4,333,684**	**4,175,050**

31.1 Directors' fees

In compliance with condition 12.2 (Ka) of DFIM Circular No 01, dated on February 29, 2024, BDT 10,000 has been paid to the Directors of the Board excluding the CEO & Managing Director for attending per meeting of the Board and its Sub-committees of IDLC Finance PLC.

In compliance with condition 12.2 (Ga) of DFIM Circular No 01, dated on February 29, 2024, and condition 5 (Ka) of DFIM Circular No 02, dated March 13, 2024, the Independent Directors will be entitled to a maximum of BDT 50,000.00 (subject to applicable tax deduction) as fixed remuneration per month other than meeting attendance fee

32	**Auditors' fees**				
	Annual statutory audit fees (including VAT)	977,500	919,136	1,380,000	1,264,136
		977,500	**919,136**	**1,380,000**	**1,264,136**
33	**Depreciation and repair of company's assets**				
	Freehold assets (Annexure-A)	230,245,190	210,299,308	271,976,575	251,346,859
	Repair and maintenance for premises, vehicles, computers and computers accessories	50,002,036	44,290,980	57,907,221	54,824,901
		280,247,226	**254,590,288**	**329,883,797**	**306,171,761**
34	**Other expenses**				
	Bank charges	20,685,967	40,097,073	22,168,681	42,180,741
	Books and periodicals	244,568	209,149	274,735	242,528
	Car expenses	28,861,224	32,318,314	31,581,451	35,380,565
	Donations and subscriptions	1,584,600	483,447	2,362,396	1,113,429
	Medical & welfare expenses	55,048,785	39,041,483	58,458,833	42,806,968
	Entertainment expenses	12,199,173	19,499,771	15,750,580	22,833,525
	Consultancy fees	15,771,647	8,485,676	15,771,647	8,485,676
	Office service expenses	148,741,303	121,522,405	167,045,780	139,477,869
	Salaries & allowance-outsourcing staff	36,554,475	31,337,188	37,167,479	31,337,188
	Training expenses	7,645,617	6,830,452	8,642,884	7,155,519
	Travel and conveyances	34,931,351	28,420,399	39,244,968	30,445,688
	Brokerage Charges	-	-	5,829,671	6,532,059
	CDBL charges	16,759	900	163,223	654,205
	Shariah Supervisory Committee's Fees	184,000	132,000	184,000	132,000
	Howla and Laga charge	-	-	18,133,198	20,612,155
	Portfolio Management Charge	12,216,089	10,277,292	-	-
	Sales Incentive	74,649,875	56,770,767	81,984,387	63,621,505
	Repossession fees and others	41,403,853	21,621,101	46,352,841	24,217,390
		490,739,285	**417,047,417**	**551,116,755**	**477,229,009**

35 Operating Segment Report

a) IDLC Finance PLC. & its subsidiaries:

Revenue and profit	For the year 2025				
	Core financing business	Investment banking business	Brokerage business	Asset management business	Total
External revenue					
Net interest income	3,580,929,881	127,067,433	167,661,335	3,834,011	3,879,492,661
Investment income	2,618,133,385	368,936,028	493,170,989	75,283,643	3,555,524,044
Commission and brokerage	18,941,861	102,434,018	240,038,275	99,448,424	460,862,578
Other operating income	587,148,352	1,409,697	4,283,003	201,642	593,042,694
Inter-segment revenue/interest expense	-	-	-	-	(19,716,088)
Total Segment Revenue (A)	**6,805,153,478**	**599,847,177**	**905,153,602**	**178,767,720**	**8,469,205,888**

Revenue and profit	For the year 2025				
	Core financing business	Investment banking business	Brokerage business	Asset management business	Total
Other operating expenses	2,670,343,754	103,893,958	235,104,125	89,053,319	3,098,395,156
Major non-cash expenses:					
Depreciation	230,245,190	8,988,100	25,324,008	7,777,417	272,334,716
Provision for future losses	716,472,983	95,091,562	54,636,826	22,475,269	888,676,640
Inter-segment expense	-	-	-	-	(12,216,089)
Total Segment Expense (B)	**3,617,061,927**	**207,973,621**	**315,064,959**	**119,306,005**	**4,247,190,423**
Reportable segment profit before tax (A-B)	**3,188,091,552**	**391,873,556**	**590,088,642**	**59,461,714**	**4,222,015,465**

Revenue and profit	For the year 2024				
	Core financing business	Investment banking business	Brokerage business	Asset management business	Total
External revenue					
Net interest income	4,389,121,146	159,159,244	244,966,947	5,876,558	4,799,123,895
Investment income	1,208,378,064	222,295,474	213,033,062	6,786,649	1,650,493,248
Commission and brokerage	26,101,403	69,529,847	261,709,181	56,760,998	414,101,430
Other operating income	601,167,354	223,475	3,102,058	8,268,314	612,761,202
Inter-segment revenue/interest expense	-	-	-	-	(220,277,247)
Total Segment Revenue (A)	**6,224,767,968**	**451,208,040**	**722,811,248**	**77,692,519**	**7,256,202,527**
Other operating expenses	2,384,830,847	91,307,136	264,409,839	64,877,931	2,805,425,753
Major non-cash expenses:					
Depreciation	210,299,308	8,988,100	25,324,008	7,777,417	252,388,834
Provision for future losses	687,514,872	53,544,398	(33,922,294)	(7,081,034)	700,055,941
Inter-segment expense	-	-	-	-	(10,277,292)
Total Segment Expense (B)	**3,282,645,027**	**153,839,634**	**255,811,553**	**65,574,313**	**3,747,593,235**
Reportable segment profit before tax (A-B)	**2,942,122,941**	**297,368,406**	**466,999,695**	**12,118,205**	**3,508,609,292**

Segment assets and liabilities

	For the year 2025				
	Core financing business	Investment banking business	Brokerage business	Asset management business	Total
External assets					
Total assets	172,924,448,579	5,217,386,646	6,675,826,798	477,199,208	185,294,861,232
Inter-segment assets	(4,140,496,792)	(28,136,125)	(540,851,734)	(6,463)	(4,709,491,115)
Total Segment Assets	**168,783,951,787**	**5,189,250,521**	**6,134,975,064**	**477,192,745**	**180,585,370,117**
External liabilities					
Total liabilities	156,196,635,568	1,411,535,717	1,690,716,755	105,334,247	159,404,222,287
Inter-segment liabilities	(584,345,322)	(40,497,002)	-	-	(624,842,324)
Total Segment Liabilities	**155,612,290,246**	**1,371,038,715**	**1,690,716,755**	**105,334,247**	**158,779,379,963**

	For the year 2024				
	Core financing business	Investment banking business	Brokerage business	Asset management business	Total
External assets					
Total assets	142,822,593,059	4,349,937,911	6,105,030,049	401,557,552	153,679,118,570
Inter-segment assets	(4,103,093,075)	(81,689,286)	(426,638,613)	(49,571,282)	(4,660,992,256)
Total Segment Assets	**138,719,499,984**	**4,268,248,625**	**5,678,391,435**	**351,986,270**	**149,018,126,314**
External liabilities					
Total liabilities	127,185,150,737	826,571,816	1,471,019,806	50,647,087	129,533,389,446
Inter-segment liabilities	(573,250,181)	(3,093,285)	-	-	(576,343,466)
Total Segment Liabilities	**126,611,900,556**	**823,478,531**	**1,471,019,806**	**50,647,087**	**128,957,045,980**

b) IDLC Finance PLC.- Divisional Segment:

Revenue and profit

	For the year 2025				
	Corporate	SME	Consumer	Treasury & Common	Total
Total External revenue	963,056,371	2,429,263,151	813,380,187	2,599,453,770	6,805,153,478
Inter-segment revenue/interest expense	820,000	747,103	(1,567,103)	-	-
Total Segment Revenue (A)	**963,876,371**	**2,430,010,254**	**811,813,083**	**2,599,453,770**	**6,805,153,478**
Total Segment Expense (B)	**337,317,019**	**1,347,219,727**	**572,821,943**	**1,359,703,237**	**3,617,061,927**
Reportable segment profit before tax (A-B)	**626,559,352**	**1,082,790,527**	**238,991,140**	**1,239,750,533**	**3,188,091,552**

	For the year 2024				
	Corporate	SME	Consumer	Treasury & Common	Total
Total External revenue	953,100,840	2,194,613,778	788,657,239	2,288,396,111	6,224,767,968
Inter-segment revenue/interest expense	1,411,450	2,228,472	(3,639,922)	-	-
Total Segment Revenue (A)	**954,512,290**	**2,196,842,250**	**785,017,316**	**2,288,396,111**	**6,224,767,968**
Total Segment Expense (B)	**365,373,733**	**1,325,919,555**	**567,032,861**	**1,024,318,878**	**3,282,645,027**
Reportable segment profit before tax (A-B)	**589,138,557**	**870,922,696**	**217,984,455**	**1,264,077,233**	**2,942,122,941**

36 Tax expenses

36.1 Current tax

Provision of current tax has been calculated based on the profit for the year, adjusted according to the taxation rules outlined in the Income Tax Act 2023, along with any subsequent amendments. The applicable tax rate for the Company is 37.50% on taxable income (same as in 2023). Adequate provisions have been made for the years where tax assessments are pending.

36.2 Deferred tax

Deferred tax is provided using the balance sheet method for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes as per International Accounting Standard (IAS) 12 "Income Taxes".

	IDLC Finance PLC.		IDLC Group	
	Amount in BDT			
	2025	2024	2025	2024

36.3 Average effective tax rate

The average effective tax rate is calculated below as per International Accounting Standard (IAS) 12: "Income Taxes".

Tax expenses (A) (Note 13.2 & Annex-B)	1,410,793,758	1,269,143,972	1,788,384,262	1,505,812,716
Accounting profit before tax (B)	3,188,091,552	2,942,122,941	4,222,015,465	3,508,609,292
Average effective tax rate (A÷B)	**44.25%**	**43.14%**	**42.36%**	**42.92%**

Reason for changes in Average effective tax rate:

Solo: The effective tax rate of IDLC Finance PLC. has increased compared to the previous year. This year, the profit before tax has increased by 246 mn compared to last year. However, the average effective tax rate has also increased. This rise was primarily driven by a prudent approach to provisioning for loans and investments, as well as potential tax disputes. Consequently, the average effective tax rate increased to 44.25%.

Group: In contrast, the group's effective tax rate decreased in the current year compared to the previous year, as reflected in the consolidated financial statements. The group's profit before tax increased by BDT 713 mn, while the average effective tax rate declined. The primary driver of this reduction was the change in tax rates implemented by the National Board of Revenue (NBR), which resulted in a lower overall tax burden for the group. As a result, the average group effective tax rate decreased to 42.36%.

36.3.1 Reconciliation of effective tax rate :

IDLC Finance PLC.

	2025		2024	
	%	BDT	%	BDT
Profit before income tax as per profit and loss account		3,188,091,552		2,942,122,941
Income tax as per applicable tax rate	37.50%	1,195,534,332	37.50%	1,103,296,103
Net inadmissible expenses	11.75%	374,738,918	7.76%	228,455,397
Tax savings from reduced tax rates (ranging from 0% to 20% for exempted investment income, dividend income, capital gains, management fee of mutual funds, sale of stock exchange membership & release from settlement of pending tax cases)	-5.47%	(174,422,303)	-2.37%	(69,604,818)
Effect of deferred tax (income)/expense	0.47%	14,942,811	0.24%	6,997,291
Reported average effective tax rate & total tax expenses	**44.25%**	**1,410,793,758**	**43.14%**	**1,269,143,972**

	2025		2024	
	%	BDT	%	BDT
IDLC Group				
Profit before income tax as per consolidated profit and loss account		4,222,015,465		3,508,609,292
Income tax as per applicable tax rate	33.23%	1,403,175,922	35.79%	1,255,838,680
Net inadmissible expenses	13.24%	559,042,658	10.48%	367,634,477
Tax savings from reduced tax rates (ranging from 0% to 20% for exempted investment income, dividend income, capital gains, management fee of mutual funds, sale of stock exchange membership)	-4.65%	(196,511,856)	-3.40%	(119,180,641)
Effect of deferred tax (income)/expense	0.54%	22,677,537	0.04%	1,520,201
Reported average effective tax rate & total tax expenses	**42.36%**	**1,788,384,262**	**42.92%**	**1,505,812,716**

	IDLC Finance PLC.		IDLC Group	
	Amount in BDT			
	2025	2024	2025	2024
37 Earnings Per Share (EPS)				
Earnings attributable to ordinary shareholders (Net profit after tax) (A)	1,777,297,794	1,672,978,968	2,433,631,048	2,002,796,446
Weighted average number of ordinary shares outstanding during the year (B)	436,483,409	436,483,409	436,483,409	436,483,409
Earnings Per Share (A÷B)	**4.07**	**3.83**	**5.58**	**4.59**

Earnings Per Share as shown in the face of the Profit and Loss Account is calculated in accordance with International Accounting Standard (IAS) 33: "Earnings Per Share".

Basic earnings per share has been calculated as follows:

Reason for changes in Earnings Per Share (EPS):

Solo: EPS of IDLC Finance PLC. for the year ended December 31, 2025 is BDT 4.07, which was BDT 3.83 in the same period of the previous year. The primary reason behind this growth is the increase in Investment income (increased by BDT 1,410 mn). On the other hand, Net interest income (decreased by 808 mn), Other operating income (decreased by BDT 14 mn), Operating expenses (increased by BDT 305 mn) and Provision for tax (increased by BDT 142 mn). So, the aggregate Net profit after tax increased to BDT 1,777 mn (increased by BDT 104 mn).

Group: In the consolidated financial statement, EPS for the year ended December 31, 2025 is BDT 5.58, which was BDT 4.59 in the same period of the previous year. The primary reason behind this growth is the increase in Investment income (increased by BDT 2,111 mn) and Commission exchange & brokerage (increased by BDT 8 mn). On the other hand, Net interest income (decreased by 887 mn), Other operating income (decreased by BDT 20 mn), Operating expenses (increased by BDT 311 mn), Provision for loans and investments (increased by BDT 189 mn) and the Provision for tax (increased by BDT 283 mn). As such, aggregate Net profit after tax increased to BDT 2,434 mn (increased by BDT 431 mn).

	IDLC Finance PLC.		IDLC Group	
	Amount in BDT			
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
38 Net Asset Value (NAV) Per Share				
Net Asset (total assets less total liabilities) (A)	16,727,813,011	15,637,442,322	21,805,990,154	20,061,080,334
Total number of ordinary shares outstanding (B)	436,483,409	436,483,409	436,483,409	436,483,409
Net Asset Value per share (NAV) (A÷B)	**38.32**	**35.83**	**49.96**	**45.96**

	IDLC Finance PLC.		IDLC Group	
	Amount in BDT			
	2025	2024	2025	2024
39 Net Operating Cash Flows Per Share (NOCFPS)				
Net cash flows from operating activities (A)	21,523,587,816	470,749,475	23,298,448,351	3,500,681,512
Total number of ordinary shares outstanding (B)	436,483,409	436,483,409	436,483,409	436,483,409
Net operating cash flows per share (NOCFPS) (A÷B)	**49.31**	**1.08**	**53.38**	**8.02**

Reason for changes in Net Operating Cash Flows Per Share (NOCFPS):

Solo: NOCFPS of IDLC Finance PLC. for the year ended December 31, 2025 is BDT 49.31, which was BDT 1.08 in the same period of the previous year. The primary reason behind this variance is the net increase in cash generation from terms and other deposits by BDT 21,274 mn, increase in net cash generation from operating activities by BDT 346 mn, from term loan & bank borrowing by BDT 8,540 mn and from other assets & interest suspense accounts by 698 mn. On the other hand, decrease in cash flow from loans and advances by BDT 9,806 mn. As such, aggregate cash outflow from operating activities has increased by BDT 21,053 mn during the period ended on December 31, 2025.

Group: In consolidated financial statement, NOCFPS for the year ended December 31, 2025 is BDT 53.38 which was BDT 8.02 in the same period of the previous year. The primary reason behind this variance is the increase in cash generation from terms and other deposits by BDT 19,767 mn, increase in term loan & bank borrowing by BDT 8,544 mn, increase in cash generation from operating activities by BDT 931 mn, increase in payable and accrued by 227 mn and increase in Interest Suspense & Other Assets account by 555 mn, which is offset by decrease in loans & advances by BDT 10,522 mn. As such, aggregate cash outflow from operating activities has increased by BDT 19,798 mn during the period ended on December 31, 2025.

40 Reconciliation of Net Profit with Cash Flows from Operating Activities

	IDLC Finance PLC.		IDLC Group	
	Amount in BDT			
	2025	2024	2025	2024
Net profit after tax	**1,777,297,794**	**1,672,978,968**	**2,433,631,203**	**2,002,796,576**
Items not involved in cash movement:				
Add: Depreciation	230,245,190	210,299,308	271,976,575	251,346,859
Add: Provision for loans and investments	716,472,983	687,514,872	888,676,640	700,055,941
Add: Provision for taxation	1,395,850,947	1,262,146,681	1,765,643,902	1,504,292,516
Add/ (Less): Accrued expenses	524,678,417	270,276,182	545,917,486	767,132,856
Add/ (Less): Accrued income	(354,722,298)	(583,280,258)	(537,858,246)	(618,057,345)
Less: Gain On Disposal of Fixed assets	(4,620,205)	(8,257,126)	(5,842,566)	(8,256,243)
Less: Gain on Disposal of Right-of-Use Assets	(5,760,273)	-	(5,760,273)	-
Add/ (Less): Remeasurement gain/(loss)	(63,379,379)	(34,611,305)	(65,173,657)	(36,496,300)
Increase/(Decrease) in Net defined benefit obligation/plan assets	91,039,383	63,273,987	93,535,664	57,911,119
Increase/(Decrease) in Employee gratuity	-	-	(4,050,870)	12,143,302
Increase/(Decrease) in deferred tax	(23,084,817)	(13,769,492)	(16,054,524)	(19,874,914)
Adjustments to reconcile net profit after tax to net cash provided by operating activities	**4,284,017,741**	**3,526,571,818**	**5,364,641,336**	**4,612,994,367**
Increase/(decrease) in operating assets and liabilities				
(Increase)/Decrease in Loans & advances	(8,964,912,099)	841,152,756	(8,515,727,909)	2,037,044,974
(Increase)/Decrease in Other assets	(10,182,232)	(344,226,009)	(11,806,417)	(321,004,846)
(Increase)/Decrease in Other assets	(27,750,000)	-	(27,750,000)	-
Increase/(Decrease) in Term & other deposits	23,381,938,123	2,107,556,767	23,339,547,958	3,572,081,051
Increase/(Decrease) in Term loans	30,094,306	(3,853,867,228)	83,647,283	(3,804,045,834)
Increase/(Decrease) in Short term borrowings	4,040,000,000	(616,000,000)	4,040,000,000	(616,000,000)
Increase/(Decrease) in Payable and accrued expenses	(159,608,642)	(246,164,321)	(144,028,326)	(849,436,937)
(Increase)/Decrease in Income tax	(1,194,932,791)	(976,362,115)	(1,446,464,130)	(1,186,671,008)
Increase/(Decrease) in Portfolio investors fund	-	-	410,375,351	23,631,937
Increase/(Decrease) in Interest suspense	144,923,410	32,087,808	206,013,205	32,087,808
	17,239,570,075	**(3,055,822,342)**	**17,933,807,016**	**(1,112,312,855)**
Net cash flows from/(used in) operating activities	**21,523,587,816**	**470,749,475**	**23,298,448,351**	**3,500,681,512**

41 Related party disclosure

a. Particulars of Directors and their interest in different entities

SL no.	Name of the Director	Status in IDLC	Name of the firms/companies in which interested is the proprietor, partner, director, managing agent, guarantor, employee etc.	Status in interested entity	(%) of Holding/ Interest in the concern as on 31.12.2025
1.	Kazi Mahmood Sattar	Chairman	RSA Aviation Limited	Director, Nominated by RSA Capital Limited	-
			Unique Hotel & Resorts Limited	Director, Nominated by Unique Eastern Private Limited	-
			RSA Advisory Limited	Director & Chairman of the Board	55.00%
			RSA Solution Limited	Director & Chairman of the Board	35.00%
			Blue-Wealth Assets Limited	Director & Chairman of the Board	38.00%
2.	Mr. Akhtar Ahmed	Director	-	-	-
3.	Mr. Kazi Mahbub Masud, FCA	Director	Eskayef Pharmaceuticals Limited	Executive Director, Finance	-
4.	Mr. Wasiful Hoq	Director	Sadharan Bima Corporation	General Manager	-
5.	Mr. Md. Zakir Hossain	Director	Mercantile Bank PLC.	Deputy Managing Director	-
6.	Mr. Md. Khalilur Rahman	Independent Director	-	-	-
7.	Mr. Mohammad Mostafizur Rahman	Independent Director	Aerotech Aviation Limited	-	20.00%
8.	Mrs. Noor Un Nahar	Independent Director	-	-	-

b. Significant contract where the Company is party and wherein Directors have interest - Nil

c. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with or without common Directors and key management positions. The Company has entered into transaction with other related entities in normal course of business that fall within the definition of related party as per Bangladesh (International) Accounting Standard 24: " Related Party Disclosures." Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials and do not involve more than a normal risk.

Details of transactions with related parties and balances with them as at 31 December 2025 were as follows:

Name of the related party	Transaction nature	Relationship	Amount in BDT			
			Balance as at January 1, 2025	Addition	Adjustment	Balance at year end 'December 31, 2025 receivable/ (payable)
City Bank PLC. and its subsidiaries	Term Deposit	Sponsor shareholder	(48,655,066)	(5,121,487)	-	(53,776,553)
City Bank Capital Resources Limited	Term Deposit	Related Party	-	(218,447,104)	158,447,104	(60,000,000)
Transcom group	Term Deposit	Shareholder	(964,217,690)	(181,553,304)	140,124,157	(1,005,646,837)
Reliance Insurance Limited	Term Deposit	Shareholder	(424,000,000)	(5,895,500)	67,895,500	(362,000,000)
Directors & their families	Term Deposit	Shareholder	(69,734,763)	(13,992,510)	-	(83,727,273)
IDLC Securities Limited	Term Deposit	Subsidiary	(425,280,000)	(327,423,684)	238,330,434	(514,373,250)
	Payable to SL	Subsidiary	(1,358,613)	(59,649,475)	34,529,604	(26,478,484)
IDLC Investments Limited	Term Deposit	Subsidiary	-	(277,540,000)	277,540,000	-
	Payable to IL	Subsidiary	-	(9,424,994)	9,424,994	-
IDLC Asset Management Limited	Term Deposit	Subsidiary	(46,703,085)	(14,463,129)	61,166,214	-
	Payable to AML	Subsidiary	-	(147,037)	147,037	-
			(1,979,949,217)	**(1,113,658,224)**	**987,605,043**	**(2,106,002,397)**

d. Share issued to Directors and executives without consideration or exercisable at a discount - Nil

e. Lending policy to related parties

Related parties are allowed Loans and Advances as per General Loan Policy of the Company.

f. Loans, advances and leases to Directors and their related concern -Nil

g. Investment in the Securities of Directors and their related concern - Nil

42 Receivable from Directors

The company does not have any receivable from Directors as at December 31, 2025.

43 Disclosure on Audit committee

a. Particulars of audit committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Company in accordance with DFIM Circular no. 13 issued on October 26, 2011 by Bangladesh Bank and in accordance with Bangladesh Securities and Exchange Commission (BSEC) condition No. 5 of the notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated June 3, 2018.

The Audit Committee of the Board of Directors as of 31 December 2025 consisted of the following members of the Board:

Name	Status at the Company	Status at committee
Mrs. Noor Un Nahar	Independent Director	Chairman
Mr. Kazi Mahbub Masud, FCA	Director	Member
Mr. Mohammad Mostafizur Rahman	Director	Member

The company secretary acts as the Secretary of the Audit Committee

b. Meetings held by the committee during the year by date:	Meeting No	Held on
	101st	23-Mar-2025
	102nd	13-Apr-2025
	103rd	17-Apr-2025
	104th	8-May-2025
	105th	31-Jul-2025
	106th	8-Sep-2025
	107th	29-Oct-2025
	108th	24-Dec-2025

c. Eight meetings of the audit committee were held during the year 2025 where it carried out the following tasks:

i) Reviewed Report of the Audit Committee for 2024 to be published in the Annual Report 2024

ii) Reviewed the AML Activity Report of IDLC Finance PLC. for the Half-Years ended December 31, 2024 and June 30, 2025

iii) Reviewed Quarterly Willful Defaulter Report to Bangladesh Bank for the Quarters ended on December 31, 2024, March 31, 2025, June 30, 2025, September 30, 2025

iv) Reviewed Quarterly Internal Audit and Compliance Report for the quarters ended on December 31, 2024, March 31, 2025, June 30, 2025, September 30, 2025
v) Discussed on Whistleblowing Complaints
vi) Reviewed and Approved the Policy regarding identifying the Company's Needs for Employees at Different Levels and Determine their Selection, Transfer or Replacement and Promotion Criteria
vii) Reviewed and Approved the Policy for Nomination and Remuneration for the Board of Directors of IDLC Finance PLC.
viii) Approved appointment of an independent director in the board of IDLC Finance PLC. to comply with the Corporate Governance Code (CGC)
ix) Reviewed Quarterly Unaudited Financial Performance of IDLC Finance PLC. and its Subsidiaries for the Quarters ended on March 31, 2025, June 30, 2025, September 30, 2025
x) Reviewed Classification Process with Provision Requirement for the Quarters ended on March 31, 2025, June 30, 2025, September 30, 2025
xi) Reviewed Unaudited Financial Statements of IDLC Finance PLC. and its Subsidiaries for the Half-year ended on June 30, 2025, and Quarters ended on March 31, 2025, September 30, 2025
xii) Reviewed Management Report issued by A. Qasem & Co. Chartered accountants based on Annual Audit of Financial Statements of IDLC Finance PLC. for the year ended on December 31, 2024
xiii) Reviewed Bangladesh Bank's Re-compliance Letter dated August 25, 2025 on Bangladesh Bank FIID Comprehensive Inspection Report on Head Office of IDLC Finance PLC. based on 31.12.2023
xiv) Recommended for Nomination in the Board of IDLC Finance PLC. made by City Bank PLC.;
xv) Reviewed and approved Annual Risk-based Audit Plan 2026
xvi) Reviewed Bangladesh Bank FIID's Observations on Nomination of Independent Directors in the Board of Subsidiary Companies
xvii) Reviewed Bangladesh Bank FIID's Observations on Shareholding Composition of IDLC Finance PLC.
xviii) Reviewed Bangladesh Bank FIID's Observation on Investment in iFarmer through IDLC Venture Capital Fund
xix) Reviewed Bangladesh Bank FIID's Observation on Collateral Position of Regent Textile Mills Limited
xx) Reviewed Bangladesh Bank FIID's Observation seeking Board's Perspective on Approval of Loan to Flamingo Fashions Ltd. before Receipt of Formal Loan Application
xxi) Reviewed Bangladesh Bank FIID's Observation on Fund Utilization of IPFF-II Syndicated Loan Proceeds by Summit Communications Limited
xxii) Discussed with Bangladesh Bank, External Auditors and Management Prior to Finalization of Financial Statements for the Year Ended December 31, 2024
xxiii) Reviewed Bangladesh Bank's Quick Summary Report on FICL of IDLC Finance PLC. based on the Financials as of December 31, 2024
xxiv) Reviewed Financial Statements of IDLC Finance PLC. for the Year Ended December 31, 2024;
xxv) Reviewed Report of Management's Discussion and Analysis 2024 to be published in the Annual Report 2024
xxvi) Recommended for Appointment of Statutory Auditors' For the Year 2025 and Fixation of their Remunerations
xxvii) Recommended for Appointment of Auditors' for Certification on Compliance with the Conditions of Corporate Governance Guideline (CGG) for the Year 2025 and Fixation of their Remunerations
xxviii) Recommended for Appointment of Independent Scrutinizer to Authenticate the Election Process and Voting Result of 40th Annual General Meeting as per the BSEC Directive
xxix) Reviewed the Nomination and Remuneration Policy and Status during the Year 2024 at a glance to be disclosed in the Annual Report

44 Foreign remittance

There were no foreign remittance during the year 2025.

45 Number of employees

The Company paid an aggregate amount more than BDT 36,000 per annum to 1,668 employees as a group and solo 1,447, who were in employment for full year or part of the year. (2024: Group- 1,665, Solo- 1,454)

46 Events after the reporting period

46.1 Dividend for the year 2025

The Board of Directors of IDLC Finance PLC. at its 364th Board Meeting held on March 16, 2026, recommended to the shareholders a cash dividend @ 15% i.e. BDT 1.5 per share amounting to BDT 654,725,113.50 and Stock dividend @ 5% i.e. BDT 0.5 per share amounting to BDT 218,241,704.50 based on financial performance of 2025. This will be considered for approval by the shareholders at the 41st Annual General Meeting (AGM) to be held on May 14, 2026.

47 General

47.1 The Company publishes its quarterly accounts as per the Bangladesh Securities and Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2008-183/Admin/03-34, dated September 27, 2009.

47.2 The Company does not have any restriction on distribution and payment of dividends.

47.3 During the year under report, no matters were submitted to a vote of shareholders of the Company.

47.4 Previous year's figures have been rearranged where necessary to conform to current year's presentation.

Akhtar Ahmed
Director

Wasiful Hoq
Director

Noor Un Nahar
Director

M. Jamal Uddin
CEO & Managing Director

Abul Fazal Mohamed Rubayat
Company Secretary

Dhaka, March 16, 2026

Annexure A

Fixed assets including land, building, furniture and fixtures- for 2025

Amount in BDT

Asset category	Cost				Depreciation					Written down value at December 31, 2025
	Balance at January 1, 2025	Addition during the year	Disposal/ adjustment during the year	Balance at December 31, 2025	Rate %	Balance at January 1, 2025	Charged for the year	Adjustment during the year	Balance at December 31, 2025	
Free hold assets:										
Land	692,515,608	-	-	692,515,608	-	-	-	-	-	692,515,608
Building	207,519,303	-	-	207,519,303	2.50	62,252,980	5,187,983	-	67,440,962	140,078,341
Right-of-use Asset	750,240,071	68,065,666	(53,305,064)	765,000,672	-	423,192,730	128,305,347	(42,072,558)	509,425,519	255,575,154
Furniture and fixtures	106,084,970	4,967,092	(2,205,705)	108,846,356	12.50	90,461,851	4,370,290	(2,127,482)	92,704,659	16,141,698
Electrical equipment	78,375,339	7,842,936	(9,745,481)	76,472,794	20.00	69,232,549	3,705,046	(9,365,023)	63,572,572	12,900,221
Curtain and carpets	9,144,836	1,921,886	(4,826,733)	6,239,989	33.33	6,857,103	1,394,806	(4,721,004)	3,530,905	2,709,083
Office equipment	93,398,284	5,520,383	(7,719,265)	91,199,403	20.00	92,019,324	4,399,979	(7,713,178)	88,706,125	2,493,278
Office decoration	152,239,598	7,262,467	(9,277,681)	150,224,384	20.00	143,170,513	3,322,688	(9,272,986)	137,220,215	13,004,169
Computers	306,615,024	40,555,001	(6,427,108)	340,742,916	20.00	217,656,608	27,485,359	(6,426,118)	238,715,849	102,027,067
Software (Office Operation)	93,912,423	12,160,157	-	106,072,580	33.33	61,706,992	17,656,652	-	79,363,644	26,708,936
Software (Business Operation)	176,366,570	57,296,450	-	233,663,020	20.00	165,677,660	8,137,063	-	173,814,723	59,848,297
Telephone and telex	31,479,365	5,834,869	(9,744,881)	27,569,353	33.33	25,274,504	4,854,419	(9,506,974)	20,621,948	6,947,405
Motor vehicles	213,172,445	28,556,200	(17,389,913)	224,338,732	25.00 & 12.50	132,649,212	21,425,559	(14,717,391)	139,357,380	84,981,353
Subtotal	**2,911,063,836**	**239,983,106**	**(120,641,832)**	**3,030,405,110**		**1,490,152,024**	**230,245,190**	**(105,922,713)**	**1,614,474,501**	**1,415,930,609**
Capital Work-in-Progress:										
Building	820,488,191	487,098,871	-	1,307,587,061		-	-	-	-	1,307,587,061
Software	112,520,154	35,284,462	(30,168,610)	117,636,005		-	-	-	-	117,636,005
Subtotal	**933,008,344**	**522,383,332**	**(30,168,610)**	**1,425,223,067**		**-**	**-**	**-**	**-**	**1,425,223,067**
Total December 31, 2025	**3,844,072,180**	**762,366,438**	**(150,810,442)**	**4,455,628,177**		**1,490,152,024**	**230,245,190**	**(105,922,713)**	**1,614,474,501**	**2,841,153,676**

Fixed assets including land, building, furniture and fixtures- for 2024

Amount in BDT

Asset category	Cost				Depreciation					Written down value at December 31, 2024
	Balance at January 1, 2024	Addition during the year	Disposal/ adjustment during the year	Balance at December 31, 2024	Rate %	Balance at January 1, 2024	Charged for the year	Adjustment during the year	Balance at December 31, 2024	
Free hold assets:										
Land	692,515,608	-	-	692,515,608	-	-	-	-	-	692,515,608
Building	207,519,303	-	-	207,519,303	2.50	57,064,997	5,187,983	-	62,252,980	145,266,323
Right-of-use Asset	726,219,402	178,535,201	(154,514,533)	750,240,071	-	457,582,282	120,124,980	(154,514,533)	423,192,730	327,047,341
Furniture and fixtures	103,758,529	3,685,433	(1,358,992)	106,084,970	12.50	84,914,132	6,813,739	(1,266,020)	90,461,851	15,623,119
Electrical equipment	75,080,203	4,622,116	(1,326,980)	78,375,339	20.00	67,068,826	3,150,683	(986,960)	69,232,549	9,142,790
Curtain and carpets	7,616,938	1,747,362	(219,464)	9,144,836	33.33	5,664,009	1,316,707	(123,613)	6,857,103	2,287,733
Office equipment	94,164,683	4,115,922	(4,882,320)	93,398,284	20.00	92,802,368	4,098,561	(4,881,605)	92,019,324	1,378,961
Office decoration	150,647,510	3,607,592	(2,015,504)	152,239,598	20.00	141,874,184	3,311,728	(2,015,399)	143,170,513	9,069,085
Computers	280,552,504	29,253,472	(3,190,952)	306,615,024	20.00	199,467,634	21,379,566	(3,190,592)	217,656,608	88,958,416
Software (Office Operation)	71,547,758	22,364,665	-	93,912,423	33.33	47,974,238	13,732,754	-	61,706,992	32,205,431
Software (Business Operation)	176,366,570	-	-	176,366,570	20.00	157,912,445	7,765,215	-	165,677,660	10,688,910
Telephone and telex	28,264,669	4,192,833	(978,138)	31,479,365	33.33	22,522,009	3,550,965	(798,470)	25,274,504	6,204,861
Motor vehicles	219,845,052	41,724,423	(48,397,029)	213,172,445	25.00 & 12.50	157,492,274	19,866,426	(44,709,488)	132,649,212	80,523,234
Subtotal	**2,834,098,728**	**293,849,019**	**(216,883,912)**	**2,911,063,836**		**1,492,339,396**	**210,299,308**	**(212,486,680)**	**1,490,152,024**	**1,420,911,812**
Capital Work-in-Progress:										
Building	-	820,488,191	-	820,488,191		-	-	-	-	820,488,191
Software	-	112,520,154	-	112,520,154		-	-	-	-	112,520,154
Subtotal	**-**	**933,008,344**	**-**	**933,008,344**		**-**	**-**	**-**	**-**	**933,008,344**
Total December 31, 2024	**2,834,098,728**	**1,226,857,364**	**(216,883,912)**	**3,844,072,180**		**1,492,339,396**	**210,299,308**	**(212,486,680)**	**1,490,152,024**	**2,353,920,156**

A.1 Details of disposals/adjustments- for 2025

Amount in BDT

Asset category	Cost	Accumulated depreciation	Book value	Sale price/ adjustment	Profit/(loss) on disposal	Mode of disposal	Buyer
Free hold assets :							
Furniture and fixtures	2,205,705	(2,127,482)	78,224	146,523	68,299	As per policy of the Company	Employees/Outsider
Electrical equipment	9,745,481	(9,365,023)	380,458	449,885	69,427	As per policy of the Company	Employees/Outsider
Curtain and carpets	4,826,733	(4,721,004)	105,729	113,551	7,822	As per policy of the Company	Employees/Outsider
Office decoration	9,277,681	(9,272,986)	4,695	79,300	74,605	As per policy of the Company	Employees/Outsider
Office equipment	7,719,265	(7,713,178)	6,087	295,950	289,863	As per policy of the Company	Employees/Outsider
Computers	6,427,108	(6,426,118)	990	345,840	344,850	As per policy of the Company	Employees/Outsider
Telephone and telex	9,744,881	(9,506,974)	237,907	429,697	191,790	As per policy of the Company	Employees/Outsider
Motor vehicles	17,389,913	(14,717,391)	2,672,522	6,246,071	3,573,549	As per policy of the Company	Employees/Outsider
Total 2025	**67,336,767**	**(63,850,155)**	**3,486,612**	**8,106,817**	**4,620,205**		

Consolidated Fixed assets including land, building, furniture and fixtures-for 2025

Amount in BDT

Asset category	Cost				Depreciation					Written down value at December 31, 2025
	Balance at January 1, 2025	Addition during the year	Disposal/ adjustment during the year	Balance at December 31, 2025	Rate %	Balance at January 1, 2025	Charged for the year	Adjustment during the year	Balance at December 31, 2025	
Free hold assets:										
Land	710,376,451	-	-	710,376,451	-	-	-	-	-	710,376,451
Building	227,596,125	-	-	227,596,125	2.50	62,294,806	5,689,903	-	67,984,709	159,611,416
Right-of-use Asset	913,807,946	76,964,347	(172,466,896)	818,305,396	-	541,336,700	157,862,603	(161,234,390)	537,964,913	280,340,483
Furniture and fixtures	127,166,161	5,538,160	(2,380,992)	130,323,329	12.50	107,365,702	5,352,158	(2,302,699)	110,415,161	19,908,168
Electrical equipment	105,762,948	8,863,874	(10,811,146)	103,815,675	20.00	92,517,331	5,174,107	(10,409,246)	87,282,192	16,533,483
Curtain and carpets	11,063,099	2,269,053	(4,963,707)	8,368,445	33.33	8,444,052	1,618,876	(4,857,968)	5,204,960	3,163,485
Office equipment	135,572,770	6,827,404	(9,754,845)	132,645,329	20.00	129,102,746	6,101,808	(9,747,524)	125,457,031	7,188,298
Office decoration	187,913,786	7,463,454	(9,277,681)	186,099,559	20.00	174,591,303	4,901,801	(9,272,986)	170,220,118	15,879,441
Computers	340,387,878	43,218,501	(6,427,108)	377,179,270	20.00	241,443,080	31,054,446	(6,426,118)	266,071,408	111,107,862
Software (Office Operation)	104,341,108	12,160,157	-	116,501,265	33.33	71,283,218	17,719,414	-	89,002,632	27,498,633
Software (Business Operation)	181,429,175	57,296,450	-	238,725,625	20.00	171,386,817	8,164,609	-	179,551,426	59,174,199
Telephone and telex	35,779,323	6,239,368	(9,827,380)	32,191,312	33.33	29,065,953	5,210,821	(9,569,874)	24,706,900	7,484,412
Motor vehicles	240,311,294	33,516,461	(22,889,913)	250,937,842	25.00 & 12.50	154,354,912	23,126,029	(19,899,199)	157,581,742	93,356,100
Subtotal	**3,321,508,063**	**260,357,230**	**(248,799,670)**	**3,333,065,624**		**1,783,186,619**	**271,976,575**	**(233,720,004)**	**1,821,443,191**	**1,511,622,434**
Capital Work-in-Progress:										
Building	820,488,191	487,098,871	-	1,307,587,061		-	-	-	-	1,307,587,061
Software	112,520,154	35,284,462	(30,168,610)	117,636,005		-	-	-	-	117,636,005
Subtotal	**933,008,344**	**522,383,332**	**(30,168,610)**	**1,425,223,067**		**-**	**-**	**-**	**-**	**1,425,223,067**
Total December 31, 2025	**4,254,516,407**	**782,740,563**	**(278,968,280)**	**4,758,288,691**		**1,783,186,619**	**271,976,575**	**(233,720,004)**	**1,821,443,191**	**2,936,845,500**

Consolidated Fixed assets including land, building, furniture and fixtures-for 2024

Amount in BDT

Asset category	Cost				Depreciation					Written down value at December 31, 2024
	Balance at January 1, 2024	Addition during the year	Disposal/ adjustment during the year	Balance at December 31, 2024	Rate %	Balance at January 1, 2024	Charged for the year	Adjustment during the year	Balance at December 31, 2024	
Free hold assets:										
Land	692,515,608	17,860,843	-	710,376,451	-	-	-	-	-	710,376,451
Building	207,519,303	20,076,823	-	227,596,125	2.50	57,064,997	5,229,809	-	62,294,806	165,301,319
Right-of-use Asset	895,349,897	203,174,739	(184,716,690)	913,807,946	-	577,096,495	148,956,896	(184,716,690)	541,336,700	372,471,246
Furniture and fixtures	124,658,008	4,032,374	(1,524,220)	127,166,161	12.50	100,430,900	8,349,670	(1,414,868)	107,365,702	19,800,459
Electrical equipment	102,675,961	6,278,907	(3,191,920)	105,762,948	20.00	89,795,196	4,787,437	(2,065,302)	92,517,331	13,245,617
Curtain and carpets	9,841,044	2,019,797	(797,742)	11,063,099	33.33	7,376,088	1,515,600	(447,635)	8,444,052	2,619,047
Office equipment	134,289,044	6,428,433	(5,144,707)	135,572,770	20.00	128,722,285	5,518,964	(5,138,503)	129,102,746	6,470,024
Office decoration	186,002,002	3,927,288	(2,015,504)	187,913,786	20.00	171,055,568	5,551,134	(2,015,399)	174,591,303	13,322,483
Computers	315,780,864	31,224,935	(6,617,922)	340,387,878	20.00	223,346,639	24,711,853	(6,615,412)	241,443,080	98,944,798
Software (Office Operation)	81,976,443	22,364,665	-	104,341,108	33.33	57,487,701	13,795,517	-	71,283,218	33,057,890
Software (Business Operation)	181,291,446	137,729	-	181,429,175	20.00	163,612,420	7,774,397	-	171,386,817	10,042,358
Telephone and telex	32,475,006	4,558,305	(1,253,988)	35,779,323	33.33	26,144,785	3,905,338	(984,171)	29,065,953	6,713,371
Motor vehicles	247,473,786	42,132,237	(49,294,729)	240,311,294	25.00 & 12.50	178,711,835	21,250,245	(45,607,168)	154,354,912	85,956,382
Subtotal	**3,211,848,409**	**364,217,076**	**(254,557,422)**	**3,321,508,063**		**1,780,844,908**	**251,346,859**	**(249,005,148)**	**1,783,186,619**	**1,538,321,444**
Capital Work-in-Progress:										
Building	-	820,488,191	-	820,488,191		-	-	-	-	820,488,191
Software	-	112,520,154	-	112,520,154		-	-	-	-	112,520,154
Subtotal	**-**	**933,008,344**	**-**	**933,008,344**		**-**	**-**	**-**	**-**	**933,008,344**
Total December 31, 2024	**3,211,848,409**	**1,297,225,420**	**(254,557,422)**	**4,254,516,407**		**1,780,844,908**	**251,346,859**	**(249,005,148)**	**1,783,186,619**	**2,471,329,788**

Annexure B- Deferred Tax

Deferred tax has been calculated based on deductible/taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of International Accounting Standard (IAS) 12: "Income Taxes".

Amount in BDT

	IDLC Finance PLC.			IDLC Group		
	31.12.2025	31.12.2024	Deferred tax (expenses)/ income	31.12.2025	31.12.2024	Deferred tax (expenses)/ income
Deferred tax assets (Note 9)	205,641,489	209,358,742	(3,717,253)	253,307,333	270,462,439	(17,155,105)
Deferred tax liabilities (Note 13)	95,840,683	122,642,753	26,802,070	103,439,460	136,649,089	33,209,629
Total			**23,084,817**			**16,054,523**
Deferred tax income related to actuarial gain/loss from remeasurement			38,027,628			38,794,882
Deferred tax expense related to profit or loss			(14,942,811)			(22,740,359)
			23,084,817			**16,054,523**

Deferred tax asset is arrived at as follows:

Amount in BDT

Particulars	IDLC Finance PLC.			IDLC Group		
	Carrying amount	Tax base	(Taxable)/ deductible temporary difference	Carrying amount	Tax base	(Taxable)/ deductible temporary difference
31.12.2025						
Assets (excluding land):						
Fixed assets net of depreciation (Annexure-A)	467,839,848	571,600,860	103,761,012	520,905,499	654,093,499	133,188,000
Difference of vehicle*	(25,711,461)	-	25,711,461	(26,941,233)	-	26,941,233
	442,128,387	571,600,860	129,472,473	493,964,267	654,093,499	160,129,232
Liabilities:						
Loss on sale of secondary shares	-	-	-	53,035,396	-	53,035,396
Lease Liability-Rent	264,591,461	-	264,591,461	290,728,481	-	290,728,481
Gratuity provision (net of payment)	-	-	-	87,608,165	-	87,608,165
Net defined benefit obligation	154,313,370	-	154,313,370	154,313,370	-	154,313,370
Total	**418,904,831**	**-**	**418,904,831**	**585,685,412**	**-**	**585,685,412**

	IDLC FL	IDLCSL	IDLC IL	IDLC AML
Applicable tax rate for Business or Profession (2025)	37.50%	27.50%	27.50%	27.50%
Applicable tax rate for loss on sale of secondary shares (2025)	15.00%	15.00%	15.00%	15.00%
Deferred tax asset as on December 31, 2025	**205,641,489**			**253,307,333**

Amount in BDT

Particulars	IDLC Finance PLC.			IDLC Group		
	Carrying amount	Tax base	(Taxable)/ deductible temporary difference	Carrying amount	Tax base	(Taxable)/ deductible temporary difference
31.12.2024						
Assets (excluding land):						
Fixed assets net of depreciation (Annexure-A)	401,348,863	516,175,186	114,826,323	455,473,747	600,874,774	145,401,026
Difference of vehicle*	(23,081,664)	-	23,081,664	(24,175,229)	-	24,175,229
Total	**378,267,199**	**516,175,186**	**137,907,986**	**431,298,519**	**600,874,774**	**169,576,255**

Amount in BDT

Particulars	IDLC Finance PLC.			IDLC Group		
	Carrying amount	Tax base	(Taxable)/ deductible temporary difference	Carrying amount	Tax base	(Taxable)/ deductible temporary difference
Liabilities:						
Loss on sale of secondary shares	-	-	-	79,103,033	-	79,103,033
Lease Liability-Rent	357,108,006	-	357,108,006	411,696,163	-	411,696,163
Gratuity provision (net of payment)	-	-	-	91,659,035	-	91,659,035
Net defined benefit obligation	63,273,987	-	63,273,987	-	-	-
Total	**420,381,993**	**-**	**420,381,993**	**582,458,231**	**-**	**582,458,231**

	IDLC FL	IDLCSL	IDLC IL	IDLC AML
Applicable tax rate (2024)	37.50%	25.00%	37.50%	25.00%
Applicable tax rate for loss on sale of secondary shares (2024)	15.00%	15.00%	15.00%	15.00%
Deferred tax asset as on December 31, 2024	**209,358,742**			**270,462,439**

Deferred tax liability is arrived at as follows:

31.12.2025						
ROU-Rent, net of depreciation	255,575,154	-	(255,575,154)	280,340,483	-	(280,340,483)
Net defined plan assets	-	-	-	2,866,587	-	(2,866,587)
Total taxable temporary differences for the year ended	**255,575,154**	**-**	**(255,575,154)**	**283,207,070**	**-**	**(283,207,070)**

	IDLC FL	IDLCSL	IDLC IL	IDLC AML
Applicable tax rate	37.50%	27.50%	27.50%	27.50%
Deferred tax liabilities as on December 31, 2025	**95,840,683**			**103,439,460**

31.12.2024						
ROU-Rent, net of depreciation	327,047,341	-	(327,047,341)	372,471,246	-	(372,471,246)
Net defined plan assets	-	-	-	7,876,195	-	(7,876,195)
Total taxable temporary differences for the year ended	**327,047,341**	**-**	**(327,047,341)**	**380,347,441**	**-**	**(380,347,441)**

	IDLC FL	IDLCSL	IDLC IL	IDLC AML
Applicable tax rate Business or Profession	37.50%	25.00%	37.50%	25.00%
Deferred tax liabilities as on December 31, 2024	**122,642,753**			**136,649,089**

2025: The consolidated deferred tax expense was BDT 22.74 mn, which includes BDT 14.94 mn for deferred tax expense of IDLC Finance PLC., BDT 2.92 mn for deferred tax expense of IDLC Securities Limited, BDT 4.84 mn for deferred tax expense of IDLC Investments Limited and BDT 0.04 mn for deferred tax expense of IDLC Asset Management Limited. Apart from this, consolidated deferred tax income was BDT 38.79 mn for remeasurement loss on actuarial valuation, which includes BDT 38.02 mn for deferred tax income of IDLC Finance PLC. & BDT 0.77 mn for deferred tax income of IDLC Asset Management Limited.

2024: The consolidated deferred tax expense was BDT 1.52 mn, which includes BDT 7.00 mn for deferred tax expense of IDLC Finance PLC., BDT 8.43 mn for deferred tax income of IDLC Securities Limited, BDT 1.15 mn for deferred tax expense of IDLC Investments Limited and BDT 1.80 mn for deferred tax expense of IDLC Asset Management Limited.

* This represents the permanent difference related to sedan cars, not plying for hire, owned by IDLC. As per the provisions of Income Tax Act 2023, depreciation on such cars is allowed only up to certain limit of cost (currently BDT 3.00 mn per car) of such cars for tax purpose. Difference for vehicle represents the amount of depreciated cost exceeding such limits.

Annexure C - Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with Bangladesh Bank's requirements

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 "Financial Instruments"	An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets me Pasured at amortized cost is impaired. If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to: the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).	As per FID circular No. 08, dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03, dated 29 April 2013, a general provision at 0.25% to 5% under different categories of unclassified loans (good/ standard loans and Special Mentioned Accounts (SMA)) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances. Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.	In separate Financial Statements, an amount of BDT 716.47 mn has been charged as incremental provision for leases, loans and advances, which includes charged of BDT 26.34 mn as general provision for the period ended December 31, 2025. Also, as at 31 December 2025, accumulated provision for leases, loans and advances stand at BDT 4,942.41 mn. In consolidated Financial Statements, the incremental provision amount is BDT 888.68 mn which includes charged/ (released) of general provision of BDT 18.08 mn. Also, as at 31 December 2025, accumulated provision for leases, loans and advances stand at BDT 5,596.11 mn.
2	Valuation of Investments in quoted and unquoted shares	IFRS 9 "Financial Instruments"	Investment in shares falls either under at "fair value through profit/ loss (FVTPL)' or "fair value through other comprehensive income (FVTOCI)" where any change in the fair value in case of FVTPL at the year-end is taken to profit of loss, and any change in fair value in case of FVTOCI is taken to other comprehensive income.	As per FID circular No. 08, dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.	During this year, total market value of shares of IDLC Finance PLC. & subsidiaries is less than the cost price. As on December 31, 2025 there was BDT 22.83 mn unrealized loss on consolidated investment in marketable securities and BDT 101.96 mn unrealized loss on investment by IDLC Finance PLC. in marketable securities. (except investment in government bond & bill)
3	Recognition of interest income for SMA and classified lease, loans and advances	IFRS 9 "Financial Instruments"	Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount.	As per FID circular No. 03, dated 03 May 2006, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.	At the year end, in separate Financial Statements interest suspense account has increased to BDT 939.79 mn from BDT 794.87 mn resulting in increase of BDT 144.92 mn of interest suspense. This amount has been shown in other liabilities in note 13.5
4	Presentation of cash and cash equivalent	IAS 7 "Statement of Cash Flows"	Cash equivalent are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day to day operations.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements provided detail presentation for statement of cash flows.	Financial Statements for the year end 2025 and corresponding period of 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
5	Measurement of deferred tax asset	IAS 12 "Income Tax"	A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.	As per DFIM circular No. 7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against the provision for lease, loans and advances.	During this period there is no impact in the financial statements due to this departure as the Company did not consider any deductible temporary difference against the provision for leases, loans and advances.
6	Presentation and disclosure of Financial Statements and Financial Instruments	IAS 1 "Presentation of Financial Statements" IFRS 9 "Financial Instruments" & IFRS 7 "Financial Instruments: Disclosure"	Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement. IAS 1 requires separate line item for intangible assets on the face of statement of financial position. IFRS 9 and IFRS 7 require specific presentation and disclosure relating to all financial instruments.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement. Intangibles assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets. As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IAS 39. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.	Financial Statements for the year end 2025 and corresponding period of 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
7	Preparation of "Statement of Cash Flows"	IAS 7 "Statement of Cash Flows"	The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per DFIM Circular No. 11, dated 23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Financial Statements for the year end 2025 and corresponding period of 2024 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.
8	Current/Non-current distinction	IAS 1 "Presentation of Financial Statement"	As per Para 60 of IAS 1 "Presentation of Financial statement" An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.	As per DFIM Circular No. 11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In this templates there is no current and non-current segmentation of assets and liabilities	Financial Statements for the year end 2025 and corresponding period of 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
9	Off-balance sheet items	IAS 1 "Presentation of Financial Statements"	There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.	As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	Financial Statements for the year end 2025 and corresponding period of 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure but there is a disclosure in the financial statements.

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
10	Impairment of Margin Loan (Loans and receivables	IFRS 9 "Financial Instruments"	Measurement after initial recognition at amortized cost and recording of changes through profit and loss.	As per the Bangladesh Securities and Exchange Commission (BSEC) Margin Rules, 2025, Chapter 3 (Section 15), a general provision of 1% is required to be maintained on the outstanding margin loan.	Financial Statements have been prepared in compliance with Bangladesh Securities and Exchange Commission (BSEC) Margin Rules, 2025, Chapter 3 (Section 15). Moreover, we have been maintaining full provision for negative equity (if any) of margin loan in the portfolio.
11	Complete set of financial statements	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements'' complete set of financial statements are i) statement of financial position, ii)statement of profit or loss and other comprehensive income, iii) statement of changes in equity, iv) statement of cash flows, v) notes, comprising significant accounting policies and other explanatory information and vi) statement of financial position at the beginning of preceding period for retrospective restatement.	As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are i) balance sheet, ii) profit and loss account, iii) statement of cash flows, iv) statement of changes in equity, v) statement of liquidity, vi) notes, comprising significant accounting policies and other explanatory information.	Financial Statements for the year 2025 and corresponding period of 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
12	Intangible asset	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements'' para 54: the statement of financial position shall include separate line item for intangible assets.	As per DFIM Circular No. 11, dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in annexure-A as separate line item.	Financial Statements for the year end 2025 and corresponding period of 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
13	Other comprehensive income	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements'' Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single OCI statement.	Bangladesh Bank has issued templates for financial statements which will strictly be followed by financial institutions. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement. As such the financial institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.	Financial Statements for the year end 2025 and corresponding period of 2024 have been prepared as per the guideline and templates issued by Bangladesh Bank. There is no financial impact for this departure in the financial statements.
14	Disclosure of presentation of profit	N/A	There is no requirement to show appropriation of profit in the face of statement of comprehensive income.	As per DFIM circular no 11, dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account	Financial Statements for the year end 2025 and corresponding period of 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
15	Non-banking assets	IAS 1 "Presentation of financial statements"	There is no concept of non-banking assets items in any IFRS; hence there is no requirement for disclosure of non-banking assets items on the face of the balance sheet.	As per DFIM Circular No. 11 dated 23 December 2009, non-banking assets must be disclosed separately on the face of the balance sheet.	In compliance with the Bank Companies Act, 1991 and BRPD Circular No. 22 dated 20 September 2021, the property has been recognized as a non-banking asset

Report of the Shariah Supervisory Committee of IDLC Finance PLC.

For the year ended on 31st December 2025

In the name of Allah, the Most Gracious, the Most Merciful.

To the Shareholders and the board of directors of IDLC Finance PLC.

Assalamu Alikum Warahmatullahi Wabarakatuh

The Shariah Supervisory Committee (SSC) presents this report on its activities related to supervising the operations of the Islamic Finance Window of IDLC Finance PLC. (IDLC) from a Shariah perspective for the financial year ended on 31 December 2025, in fulfilment of its mandated responsibilities.

A. Responsibilities of the Shariah Supervisory Committee (SSC)

The SSC is responsible for providing independent oversight and guidance on the Shariah compliance of the Islamic finance activities conducted by IDLC. In discharging this responsibility, we relied on the Qur'an, Sunnah, Ijma, and Qiyas, as well as relevant Shariah standards, fatwas, and guidance issued by reputable local and international bodies. We also adhered to the approved SSC bylaws, the Shariah governance framework adopted by IDLC, and the applicable rules and regulations of Bangladesh Bank and other regulatory authorities.

B. Responsibilities of the Board of Directors & Management

The board of directors of IDLC has the oversight responsibility to ensure that an effective and robust Shariah compliance environment and culture exists for the proper functioning of IDLC Islamic. The board of directors is responsible for ensuring that the management of IDLC implements the necessary strategies, processes, and operational practices to comply with Shariah resolutions and guidance issued by the SSC.

The management is responsible for ensuring that the day-to-day operations of IDLC Islamic are conducted in accordance with the Shariah resolutions and guidance issued by the SSC. This includes ensuring that all activities of IDLC Islamic, such as financing products, deposit products, operational procedures, and related documentation, comply with Shariah requirements. The management is also responsible for maintaining adequate internal controls, accounting records, and compliance mechanisms to ensure effective monitoring of Shariah compliance. Furthermore, management is responsible for providing the SSC with accurate, complete, and timely information necessary for the SSC to perform its responsibilities effectively.

C. Activities Performed by the SSC

During the year, we have held four meetings in discharge of our responsibilities, during which more than fifteen resolutions were passed.

The review of IDLC's internal Shariah audit reports, together with our opinions and guidance thereon, formed an important part of our activities. We also provided advice and directives to the management on Shariah compliance matters, relevant operational issues, and necessary corrective measures, as required.

In addition, we reviewed selected areas of the financial statements, accounting treatments, and operational reports to determine whether the activities of IDLC Islamic were carried out in accordance with the Shariah resolutions and guidance issued, as well as the policies and procedures approved by us. Members of the SSC also conducted a partial review of IDLC Islamic's core banking software (Ababil) during the year.

The matters deliberated during the year included, but were not limited to, the following:

1. Reviewed the financial statements of IDLC Islamic;
2. Approved the basic structure of the Zero Coupon Islamic Investment Certificate for fundraising by IDLC Islamic;
3. Approved the treatment of rent received during the construction period in the form of 'advance rentals' in the case of under-construction asset financing;
4. Approved the appointment of a pool of Client Relationship Executives (CREs) as client agents, replacing individual relationship executives, whereby any individual within the pool would be eligible to deliver services and receive agency commission;
5. Reviewed and Approved the internal Shariah audit reports on the financing contracts;
6. Review of ABABIL by representatives of the SSC;
7. Reviewed and approved the appointment of IDLC as the client's agent, replacing the current practice of appointing individual customer relationship executives; and
8. Assessment of Bai al-Inah in a Murabahah financing.

D. Management's Representations

The management has made the following representations to us:

1. Distinctive Shariah Practices of IDLC Islamic: The management of IDLC Islamic has reported to us that, since its inception, it has adopted several product structures and operational practices that reflect a cautious and distinctive approach to Shariah compliance in its Islamic finance activities. For instance, lease-based financing is structured through Ijarah Muntahia Bittamleek (IMBT) arrangements; Murabahah financing disbursements are made directly to suppliers rather than to customers and customers are not appointed as buying agents in Murabahah. Moreover, where Takaful coverage is required, IDLC Islamic bears the cost proportionate to its ownership share in the underlying asset. Adherence to these practices reflects a governance philosophy that seeks to maintain a clear alignment between contractual arrangements, ownership responsibilities, and the underlying Shariah principles governing Islamic financial transactions.
2. Application of Hibah (Gift): The management has reported to us that, during its formative stage, IDLC Islamic granted Hibah (gift) to depositors out of its own share of profit to maintain depositors' returns at a level comparable to the market. IDLC Islamic also separately disclosed the Hibah portion in the clients' account statements, which the management described as a distinctive practice within the industry. The management has further informed us that the practice of giving Hibah has been discontinued for new contracts from 2026 onwards, as the returns on its deposit products have become sufficiently competitive.
3. Separation of Funds: The management has reported to us that the treasury and deposit funds of IDLC Islamic are managed fully separately from the funds of its conventional operations. IDLC Islamic also maintains a dedicated core banking system—

ABABIL—through which all fund operations are managed in accordance with the rulings of the SSC.

4. Management of Late Payment Charges (LPCs): The management has informed us that the LPCs collected from financing clients on the basis of a 'Unilateral Undertaking to Donate' are maintained in a separate fund. The total balance of this fund as at 31 December 2025 stood at BDT 1,251,871. The management has further informed us that a policy guideline for the distribution of this fund for charitable purposes will soon be presented to us for approval.
5. Mudarabah Profit Calculation and Regular Disclosure: The management has reported to us that, on a monthly basis, the actual yield and the corresponding annualized profit rates for the various Mudarabah deposit schemes, based on the applicable Profit Sharing Ratios (PSR), are uploaded to its website. This practice enhances transparency by enabling depositors to understand the actual profit earned on their deposits for each month based on the applicable PSR.
6. Zakat: The management has reported to us that IDLC Islamic does not deduct or pay Zakat on behalf of its depositors or shareholders of IDLC.

E. Opinion on Shariah Compliance and Limitations

Based on the information and documentation presented to us, including reports submitted by the management and the internal Shariah audit function, we are of the opinion that the contracts, transactions, and financial arrangements entered into by IDLC Islamic during the financial year ended 31 December 2025 have been conducted in compliance with the principles and rules of Shariah, in line with the approvals, resolutions, and guidance issued by the Shariah Supervisory Committee (SSC). We are also satisfied that the PSR mechanisms adopted for the allocation and distribution of profits to Mudarabah depositors are in conformity with the applicable Shariah structures governing the respective deposit products.

In forming this opinion, we did not undertake a comprehensive or detailed examination of all operational activities carried out by IDLC Islamic; rather, we relied on the internal Shariah audit and compliance review processes. As reported to us, the internal Shariah audit covered approximately 54% of the total disbursement value during the financial year, representing a significant portion of Islamic financing activities. Accordingly, our opinion is based on such audit coverage and on the reports, information, and explanations provided by the management to the SSC.

F. Recommendations for Further Improvements

While acknowledging the progress made, we recommend continued enhancement in the following areas:

1. Prior Review of New Structures: All new financing products involving unique project structures, as well as any deviations from the approved Product Program Guidelines (PPGs), must be submitted to us for review and approval prior to execution.
2. Capacity Building and Training: Mandatory training programs on the Shariah requirements of Murabahah and Ijarah should be conducted for both sales and operations teams.
3. Operational Risk Mitigation: To minimize clerical and documentation errors, the relevant operational teams should develop and implement a comprehensive 'Master Checklist' to be used during the document verification process.
4. Forward Ijarah Framework: Management is advised to develop a dedicated PPG for Forward Ijarah (Ijarah Mawsufa fi al-Dhimmah), addressing the specific complexities associated with under-construction real estate financing and ensuring Shariah compliance from the inception of the contract.
5. Audit Report Frequency: Internal Shariah audit observations should be presented to us on a periodic basis, preferably quarterly.
6. Engagement with Senior Management and Board: SSC has recommended that IDLC Islamic will arrange meeting with the Senior Management Team (SMT) and the board of directors to discuss the observations and suggestions to improve the shariah governance activities.
7. Core Banking System Review: The SSC has directed IDLC Islamic to arrange a further review of the Core Banking System to ensure full alignment with Shariah requirements.

Management has informed us that the necessary initiatives and programs have already been undertaken to address the above areas.

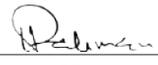
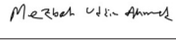
G. Report Approval

This report has been unanimously approved by all members of the SSC, with no dissenting opinion.

We seek the guidance and blessings of Allah (SWT) in our continued pursuit of Shariah compliant financial excellence. May He grant us

the strength and wisdom to uphold the principles of Shariah in Islamic finance and to achieve success in this world and the hereafter.

Allah knows best.

NO.	Name	Designation	Number of Meetings Attended in 2025	Signature
1	Dr. Md Habibur Rahman, CSAA	Shariah Scholar Member and Chairman	4/4	
2	Dr. Md Faruk Abdullah, CIFP	Shariah Scholar Member	Appointed in January 2026.	
3	Mufti Zubair Abdullah, CSAA	Shariah Scholar Member	Appointed in January 2026.	
4	Dr. Md. Mahabbat Hossain, DIB, CIPA, CSAA	Islamic Finance Scholar Member	4/4	
5	Mezbah Uddin Ahmed, FCCA, CIPA, CSAA, MIBF	Islamic Finance Scholar Member	4/4	

Dated: 06 April 2026

Remarks: Dr. Md Faruk Abdullah, CIFP and Mufti Zubair Abdullah, CSAA have been appointed to the SSC in January 2026 to fill the vacancies created by the following two members:

Name	Designation	Number of Meetings Attended	Remarks
Dr. Monzur Elahi, CSAA	Shariah Scholar Member and former Chairman	4/4	The members resigned from the SSC following their appointment to the Shariah Advisory Board (SAB) of Bangladesh Bank, in compliance with regulatory requirements.
Dr. Mufti Yusuf Sultan, CSAA	Shariah Scholar Member	4/4	

IDLC Finance PLC.
Islamic Finance Window

BALANCE SHEET

As at December 31, 2025

Annexure- D

Particulars	Note	Amount in BDT 31.12.2025	31.12.2024
PROPERTY AND ASSETS			
Cash			
Cash in hand (including foreign currencies)		-	-
Balance with Bangladesh Bank and its agent bank(s)	3	62,434,791	12,048,494
		62,434,791	**12,048,494**
Balance with other banks and financial institutions			
Inside Bangladesh	4	2,143,936,551	1,039,433,650
Outside Bangladesh		-	-
		2,143,936,551	**1,039,433,650**
Placements with banks & other financial institutions		-	-
Investments in share & securities			
Government		-	-
Others		-	-
		-	-
Financing			
General Financing	5	4,568,786,650	1,712,933,453
Bills Purchased and Discounted		-	-
		4,568,786,650	1,712,933,453
Fixed assets including land, building, furniture and fixtures	6	39,658,522	-
Other assets	7	48,314,242	7,254,560
Non-banking assets		-	-
Total assets		**6,863,130,755**	**2,771,670,156**
LIABILITIES AND CAPITAL			
Liabilities			
Placements from banks & other financial institutions	8	1,950,000,000	1,850,000,000
Deposits and other accounts	9		
Mudarabah Savings & Term Deposits		4,418,592,572	851,725,552
Other deposits		139,747,619	19,487,720
		4,558,340,191	**871,213,272**
Other liabilities	10	371,572,586	77,038,235
Total liabilities		**6,879,912,777**	**2,798,251,507**
Capital/shareholders' equity			
Paid-up capital		-	-
Share premium		-	-
Statutory reserves		-	-
General reserves		-	-
Retained earnings	11	(16,782,022)	(26,581,351)
Total shareholders' equity		**(16,782,022)**	**(26,581,351)**
Total liabilities and shareholders' equity		**6,863,130,755**	**2,771,670,156**

IDLC Finance PLC.
Islamic Finance Window
PROFIT AND LOSS ACCOUNT

For the period ended December 31, 2025

Annexure- D

Particulars	Note	Amount in BDT 2025	2024
Financing Income	12	612,612,401	44,449,395
Profit & other expenses distributed on Deposits and Placements	13	519,933,548	37,223,449
Net Financing Income		**92,678,853**	**7,225,946**
Income from Investment in shares & securities		-	-
Commission, exchange and brokerage		-	-
Other operating income	14	660,399	233,609
Total operating income		**93,339,252**	**7,459,556**
Salaries and allowances		16,500,702	13,880,099
Rent, taxes, insurance, electricity etc.		790,761	638,673
Legal expenses	15	34,500	311,878
Postage, stamp, telecommunication etc.	16	58,838	47,425
Stationery, printing, advertisement etc.	17	9,108,637	1,495,740
Shariah Supervisory Committee's Fees	18	184,000	132,000
Depreciation and repair of assets	19	2,696,307	-
Other expenses	20	3,798,544	907,287
Total operating expenses		**33,172,291**	**17,413,101**
Profit before provision		**60,166,961**	**(9,953,546)**
Provision for investments			
General provision		27,805,022	16,627,805
Specific provision		-	-
Provision for diminution in value of investments		-	-
Total provision		**27,805,022**	**16,627,805**
Total profit before taxes		**32,361,939**	**(26,581,351)**
Provision for Tax		22,562,610	-
Profit After Tax		**9,799,329**	**(26,581,351)**

IDLC Finance PLC.
Islamic Finance Window

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Annexure- D

1 Status of the unit

IDLC Board of Directors, in its 314th meeting on May 31, 2022, approved the proposal for introducing Islamic Finance Window. Subsequently, IDLC applied for Bangladesh Bank's permission on June 07, 2022. IDLC obtained permission for initiating Islamic financing operations from Bangladesh Bank vide Letter No. DFIM(L)1053/12/ 2022-2402 dated August 24, 2022. IDLC's Islamic financing services were rolled out on March 12, 2024.

1.1 Principal activities/ Islamic Finance operation:

The operation of our Islamic Finance Window is completely separate from the IDLC conventional operation as the former operates its businesses on the basis of Islamic Shariah. Through the Islamic Finance window (IFW), IDLC extends a wide range of Islamic Shariah compliant deposit products such as Mudarabah Monthly Earner Schemes, Mudarabah Quarterly Earner Schemes, Mudarabah Term Deposit, Mudarabah Monthly DPS and investment/financing products such as Ijarah Muntahiah Bittamlik, Murabahah, Sale & Lease Back etc. An appropriate accounting system has also been implemented in order to further reinforce our emphasis on Shariah compliance. In a nutshell, we follow under noted accounting principles, run through a completely separate Islamic Core Banking System (ICBS) named 'Ababil' that we installed before the beginning of IFW operation.

2 Significant accounting policies and basis of preparation of financial statements

2.1 Deposit Collection and Profit Sharing Ratio (PSR)

Islamic Finance Window operation usually follows Mudarabah principle for procuring deposit.

All other deposit products follow the Mudarabah principle, which refers to a partnership contract, where one party, known as Rab-ul-Maal (Depositor) provides capital and the other party, known as Mudarib (IDLC) provides skill and manages the business, maintaining Shariah principles. Rab-ul-Maal cannot take part in the management of the business. Profit is shared as per the PSR agreed between the parties at the outset of the deposit account opening, while loss is borne by the Rab-ul-Maal only as the owner of the deposited fund provided there is no negligence from Mudarib's part.

Profit Sharing Ratio (PSR) may vary based on the product type, tenure and amount. The PSR determines the portion of income for each type of depositor and the IDLC. For example, the PSR of 76: 24 would mean that 76% of distributable income is to be shared by the concerned depositors and the rest 24% to be shared by the IDLC. The PSR between each type of Mudarabah depositors and IDLC (Mudarib) are duly disclosed at the time of Account opening and/or beginning of the concerned period. Profit rate is emerged at actual, as derived from the income fetched from deployment of the concerned fund. As such our rate of profit on deposit under Islamic Window is nothing but a post facto expression of the respective agreed sharing ratios. Our profit rate is an output based on the IDLC's earning on investment.

2.2 The PSR declared on Mudarabah deposit products for the year 2025

Types of Mudarabah Deposit	Profit Sharing Ratio (PSR)	
	Client	IDLC
Mudarabah Term Deposit	71% - 85%	29% - 15%
Mudarabah Monthly Earner Scheme	77%-84%	23%-16%
Mudarabah Quarterly Earner Scheme	77%-86%	23%-14%

2.3 Investment Operation

Financing of Islamic Window are broadly categorized in the following types of Financing Mode :

Ijarah Muntahiah Bittamleek

Ijarah Muntahia Bittamleek is a form of leasing contract which includes a promise by the lessor (IDLC) to transfer the ownership in the leased property to the lessee, either at the end of the term of the Ijarah period or by stages during the term of the contract. IDLC, the lessor, bears the risks associated with the proportion of its ownership in the leased property during the Ijarah period as per the Shariah principles.

Murabahah

Murabaha is the sale of a commodity at the purchase price plus a defined and agreed-upon profit markup. This markup may be a percentage of the purchase price or a lump sum. IDLC first buys the product from a vendor and then sells it to the client.

Sale & Lease Back

Sale & Lease Back is a transaction where the owner of an asset sells the asset and then immediately turns around and leases the asset back from the person who purchased it. Here, IDLC is the buyer and the client is the seller of the asset and subsequently IDLC is the lessor and the client is the lessee of that asset through separate contracts for the buy-sell and the leasing.

2.4 Income/ Revenue Recognition Principles

IDLC earns income from various sources such as investment income, fees and commission. To recognize all sorts of income, IDLC follows Shariah principle strictly. Usually fees & commission etc. are recognized on actual basis. Recognition of income from investment follows principles as under:

For Murabahah

While creating each deal, in case of Murabahah mode of investment, markup/profit is added to the IDLC purchase cost with a credit to unearned income account. Thereafter time apportionment of profit is recognized out of the unearned income amount at the end of each month on accrual basis.

For Ijarah Muntahiah Bittamleek and Sale & Lease Back

In case of Ijarah Muntahiah Bittamleek & Sale & Lease Back mode of investment rent is charged and taken into income account at the end of each month on accrual basis. If the account has a provision of gestation period, generally no income is earned during the period. In this case income starts just after the end of gestation period. However rent is chargeable in spite of gestation, if the delivery of asset is completed in usable condition such as a machine or a set of machinery or ready to use building etc.

2.5 Cost Recognition Principle

Cost in respect of profit shared on deposit is recognized on accrual basis. Monthly accruals in this respect are calculated on the basis of Profit Sharing Ratio. Other costs are also recognized on the accrual basis following the matching concept of Accounting.

To ensure and supervise Shariah compliance in operation, IDLC has formed a knowledgeable Shariah Supervisory Committee (SSC) comprising renowned Fiqh scholars, Islamic bankers and academicians conversant in Islamic Economics & Finance.

2.6 Late Payment Charge

Clients unilaterally undertake to donate a certain amount because of the delay in payment of the due amount on the due date. The amount is accrued under the head Late Payment Charges. The amount so collected will be spent for the allowable charitable purposes as approved by the Shariah Supervisory Committee of IDLC.

Particulars		31.12.2025	31.12.2024
		Amount in BDT	
3 Balance with Bangladesh Bank and its agent bank(s)			
Al Wadiah Current Account		62,434,791	12,048,494
		62,434,791	**12,048,494**
4 Balance with other banks and financial institutions			
Inside Bangladesh	Note 4.1	2,143,936,551	1,039,433,650
Outside Bangladesh		-	-
		2,143,936,551	**1,039,433,650**
4.1 Inside Bangladesh			
Mudarabah Current Deposit			
Standard Chartered Bangladesh		57,053,950	69,612,022
		57,053,950	**69,612,022**
Mudarabah Short Notice Deposit			
Export Import Bank of Bangladesh PLC.		-	3,252,842
Shahjalal Islami Bank PLC.		2,069,850	3,124,996
Standard Bank PLC.		1,597,722,525	963,443,790
City Bank PLC.		28,176	-
Meghna Bank PLC.		141,314	-
NRB Bank PLC.		422,774	-
Eastern Bank PLC.		286,497,961	-
		1,886,882,600	**969,821,628**
Mudarabah Term Deposit			
Standard Bank PLC.		200,000,000	-
		200,000,000	**-**
		2,143,936,551	**1,039,433,650**
5 General Financing			
Ijarah Muntahiah Bittamleek	Note - 5.1	3,255,653,231	1,307,864,287
Murabahah	Note - 5.2	61,930,265	108,813,416
Sale & Lease Back	Note - 5.3	1,120,796,849	284,131,728
Profit Receivable	Note - 5.4	130,406,305	12,124,023
		4,568,786,650	**1,712,933,453**
5.1 Ijarah Muntahiah Bittamleek			
Balance at January 1		1,307,864,287	-
Add : Disbursement during the period/year		2,138,568,973	1,327,647,518
		3,446,433,260	**1,327,647,518**
Less: Realisation/adjustment during the period/year		190,780,029	19,783,232
Balance at the period/year end		**3,255,653,231**	**1,307,864,287**
5.1.1 Aging Analysis of Ijarah Muntahiah Bittamleek			
Up to one year		578,986,445	142,502,762
Above one year to three years		1,438,109,598	601,805,661
Above three years to five years		963,558,044	502,682,672
More than five years		274,999,144	60,873,193
		3,255,653,231	**1,307,864,287**
5.2 Murabahah			
Balance at January 1		108,813,416	-
Add : Disbursement during the period/year		172,600,000	199,400,000
		281,413,416	**199,400,000**
Less: Realisation/adjustment during the period/year		219,483,151	90,586,585
Balance at the period/year end		**61,930,265**	**108,813,416**

Particulars			Amount in BDT 31.12.2025	31.12.2024
5.2.1	**Aging Analysis of Murabahah**			
	Up to one year		35,713,008	106,970,103
	Above one year to three years		26,217,257	1,843,312
	Above three years to five years		-	-
	More than five years		-	-
			61,930,265	**108,813,416**
5.3	**Sale & Lease Back**			
	Balance at January 1		284,131,728	-
	Add : Disbursement during the period/year		981,923,097	302,756,584
			1,266,054,825	**302,756,584**
	Less: Realisation/adjustment during the period/year		145,257,976	18,624,856
	Balance at the period/year end		**1,120,796,849**	**284,131,728**
5.3.1	**Aging Analysis of Sale & Lease Back**			
	Up to one year		413,683,035	135,706,859
	Above one year to three years		530,714,416	118,835,723
	Above three years to five years		83,446,053	29,589,146
	More than five years		92,953,345	-
			1,120,796,849	**284,131,728**
5.4	**Profit Receivable**			
	Ijarah Muntahiah Bittamleek		108,705,988	3,969,835
	Murabahah		9,710,962	6,439,709
	Sale & Lease Back		11,989,354	1,714,479
			130,406,305	**12,124,023**
5.5	**Classification of General Financing**			
	Unclassified			
	Standard including staff loan		4,568,786,650	1,712,933,453
	Special Mention Account (SMA)		-	-
			4,568,786,650	**1,712,933,453**
	Classified			
	Sub-standard		-	-
	Doubtful		-	-
	Bad/Loss		-	-
			-	-
			4,568,786,650	**1,712,933,453**
6	**Fixed assets including land, building, furniture and fixtures**			
a.	**Cost**			
	Balance at 01 January		-	-
	Addition during the period/year		40,330,700	-
			40,330,700	**-**
	Disposal/Adjustments during the period/year		-	-
	Balance at the period/year end		**40,330,700**	**-**
b.	**Accumulated depreciation**			
	Balance at 01 January		-	-
	Charged during the period/year		672,178	-
			672,178	**-**
	Disposal/Adjustments during the period/year		-	-
	Balance at the period/year end		**672,178**	**-**
c.	**Written down value (a-b)**		**39,658,522**	**-**

A schedule of fixed assets including land, building, furniture and fixtures is given in **Annex-IFA**

Particulars		31.12.2025	31.12.2024
		Amount in BDT	
7 Other assets			
Profit Receivable from Mudarabah Short Notice Deposits Account		1,164,344	3,353,332
Profit Receivable from Mudarabah Term Deposit		336,111	-
Advance Corporate Tax		45,240,323	3,190,043
Charge Receivable		1,572,076	711,185
Compensation Receivable		1,388	-
		48,314,242	**7,254,560**
8 Placements from banks & other financial institutions			
Inside Bangladesh	Note- 8.1	1,950,000,000	1,850,000,000
Outside Bangladesh		-	-
		1,950,000,000	**1,850,000,000**
8.1 Inside Bangladesh			
Standard Bank PLC.		1,900,000,000	1,450,000,000
Jamuna Bank PLC. (Islamic Banking)		50,000,000	400,000,000
		1,950,000,000	**1,850,000,000**
9 Deposits and other accounts			
Mudarabah Savings & Term Deposits	Note - 9.1	4,418,592,572	851,725,552
Other Deposits	Note - 9.2	139,747,619	19,487,720
		4,558,340,191	**871,213,272**
9.1 Mudarabah Savings & Term Deposits			
Balance at January 1		851,725,552	-
Add: Deposits received during the period/year		3,879,921,366	986,127,010
		4,731,646,918	**986,127,010**
Less: Matured/encashed during the period/year		313,054,346	134,401,458
Balance at the period/year end		**4,418,592,572**	**851,725,552**
9.1.1 Maturity analysis of Mudarabah Savings & Term Deposits			
Payable on demand		-	-
Up to 1 month		290,909,288	37,470,000
Over 1 month but within 6 months		3,169,483,193	613,334,124
Over 6 months but within 1 year		928,156,228	200,306,427
Over 1 year but within 5 years		29,940,872	615,000
Over 5 years but within 10 years		102,990	-
Above 10 years		-	-
		4,418,592,572	**851,725,552**
9.2 Other Deposits		19,487,720	-
Balance at January 1		161,620,954	19,487,720
Add: Deposits received during the period/year		**181,108,674**	**19,487,720**
Less: Matured/encashed during the period/year		41,361,055	-
		139,747,619	**19,487,720**
9.2.1 Maturity analysis of Other Deposits			
Payable on demand		-	-
Up to 1 month		-	-
Over 1 month but within 6 months		-	-
Over 6 months but within 1 year		2,110,000	-
Over 1 year but within 5 years		137,637,619	19,487,720
Over 5 years but within 10 years		-	-
Above 10 years		-	-
		139,747,619	**19,487,720**

Particulars		Amount in BDT 31.12.2025	31.12.2024
10 Other Liabilities			
Unearned Profit		9,054,322	4,056,412
Late Payment Charge (LPC) Payable		1,251,871	500,932
Retention Commission Payable		3,283,525	1,072,930
Accounts Payable		5,883,302	2,408,892
Accrued Profit on Deposit		118,926,911	16,895,538
Accrued Profit on Short Term Placement		2,702,778	3,655,556
Customer Settlement Account		76,806,041	15,441,488
Mutation and PoA		1,117,250	228,340
Provision for investments	Note 10.1	44,432,827	16,627,805
Provision for Tax		22,562,610	-
Accrued Expense		2,814,589	-
Payable to IDLC Finance PLC.	Note 10.2	82,736,560	16,150,343
		371,572,586	**77,038,235**
10.1 Provision for investments			
10.1 (i) Balance at January 1		16,627,805	-
Provision kept against required for the period/year		28,668,178	16,627,805
Write off during the year		-	-
Provision released during the period/year		(863,156)	-
Provision charged for the period/year (Note- 10.1 (ii))		**27,805,022**	**16,627,805**
Write off during the year		-	-
Balance at the period/year end		**44,432,827**	**16,627,805**
10.1 (ii) Provision charged for the period/year			
General provision-Regular		27,805,022	16,627,805
Special Reserve		-	-
Total General provision		**27,805,022**	**16,627,805**
Specific provision		-	-
Provision for diminutions in value of investments		-	-
Other Provisions		-	-
		27,805,022	**16,627,805**
10.1 (iii) Product wise break up of provision			
Ijarah Muntahiah Bittamleek		32,842,283	12,772,348
Murabahah		312,381	996,995
Sale & Lease Back		11,278,164	2,858,462
		44,432,827	**16,627,805**
10.2 Payable to IDLC Finance PLC.			
Salaries and allowances		30,380,801	13,880,099
Legal expenses		346,378	311,878
Postage, stamp, telecommunication etc.		106,263	47,425
Stationery, printing, advertisement etc.		9,849,190	1,578,132
Shariah Supervisory Committee Members Fee		316,000	132,000
Travel & Conveyance		24,474	-
Entertainment		279,856	190,294
Verification & Survey Expense		600	-
Books and Periodicals		10,515	10,515
Stamp Expense		666,859	-
Outsourcing Cost		267,687	-
Training		150,152	-
Office Service		7,086	-
Software & Database Cost		40,330,700	-
		82,736,560	**16,150,343**

Particulars		Amount in BDT 31.12.2025	31.12.2024
11.00 Retained earnings			
Opening Balance		(26,581,351)	-
Add : Net Profit / (Loss) during this period		9,799,329	(26,581,351)
		(16,782,022)	**(26,581,351)**

Particulars		Amount in BDT 2025	2024
12 Financing Income			
Income from General Financing	Note - 12.1	395,393,117	25,772,163
Income from Mudarabah Short Notice Deposits Account		199,934,562	16,839,732
Income from Mudarabah Term Deposit		11,519,444	-
Income from Short Term Placement		5,765,278	1,837,500
		612,612,401	**44,449,395**
12.1 Income from General Financing			
Ijarah Muntahiah Bittamleek		325,782,243	13,510,951
Murabahah		14,250,388	6,984,233
Sale & Lease Back		55,360,486	5,276,979
		395,393,117	**25,772,163**
13 Profit & other expenses distributed on Deposits and Placements			
Mudarabah Savings & Term Deposits	Note - 13.1	345,772,081	30,624,027
Hibah Paid on Mudarabah Savings & Term Deposits		22,454,224	2,325,410
		368,226,305	**32,949,437**
Profit Shared on Other Deposit		800,299	5,567
Profit Shared on Short Term Placement		150,906,944	4,268,444
		519,933,548	**37,223,449**
13.1 Mudarabah Savings & Term Deposits			
Term Deposit		311,803,077	30,612,606
Monthly Earner Deposit		32,026,705	8,831
Quarterly Earner Deposit		1,749,238	2,591
Deposit Pension Scheme		193,061	-
		345,772,081	**30,624,027**
14 Other operating income			
Vetting Fee		230,435	68,696
Valuation Fee		238,435	62,696
Title Searching Fee		1,739	1,217
CPV Charge		31,939	3,610
CIB Collection Fee		55,161	21,426
Other Service Fee		102,691	5,521
Stamp Charge		-	70,443
		660,399	**233,609**
15 Legal Expense			
Other Professional Fees		34,500	311,878
		34,500	**311,878**
16 Postage, stamp, telecommunication etc.			
Communication Expense		58,838	47,425
		58,838	**47,425**
17 Stationery, printing, advertisement etc.			
Stationery and Printing		638,488	96,410
Advertisement and Publicity		8,470,150	1,399,330
		9,108,637	**1,495,740**

Particulars		Amount in BDT 2025	2024
18 Shariah Supervisory Committee's Fees			
Honorarium for attending meeting		184,000	132,000
		184,000	**132,000**

As per the respective appointment letter, BDT 8,000 has been paid to each of the Shariah Supervisory Committee (SSC) Members for attending per meeting.

19 Depreciation and repair of assets			
Depreciation & Amortization of Freehold Asset	Annex-IFA	672,178	-
Repair and Maintenace of Freehold Asset		2,024,129	-
		2,696,307	**-**
20 Other Expense			
Bank Charge		612,495	173,709
Training		150,152	-
Travel & Conveyance		24,474	-
Entertainment		89,562	190,294
Books and Periodicals		-	10,515
Deposit Sales Commission		2,646,489	532,769
Outsourcing Cost		267,687	-
Office Service		7,086	-
Verification & Survey Expense		600	-
		3,798,544	**907,287**

Fixed assets including land, building, furniture and fixtures- for the year ended December 31, 2025

Annexure- D
Annex: IFA

Amount in BDT

Asset category	Cost				Depreciation					Written down value at December 31, '2025
	Balance at January 1, '2025	Addition during the year	Adjustment during the year	Balance at December 31, '2025	Rate	Balance at January 1, '2025	Charged for the year	Adjustment during the year	Balance at December 31, '2025	
Free hold assets: Software (Business Operation)	-	40,330,700	-	40,330,700	20.00	-	672,178	-	672,178	39,658,522
Total December 31, 2025	**-**	**40,330,700**	**-**	**40,330,700**		**-**	**672,178**	**-**	**672,178**	**39,658,522**
Total December 31, 2024	**-**	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**

Reports and Financial Statements

Subsidiary Companies



IDLC Securities Limited

Management Committee



Md. Mezbaul Haque

Managing Director

Mr. Md. Mezbaul Haque joined as the Managing Director of IDLC Securities Limited, effective from January 1, 2026. Mr. Haque brings with him a distinguished legacy of leadership, integrity, and service, shaped over more than three decades at Bangladesh Bank, where he most recently served as Executive Director. Throughout his career, he has played a pivotal role in strengthening the country's financial system, leading national payment system reforms, driving digital transformation, and overseeing critical regulatory and supervisory functions. Mr. Haque holds an MBA in Finance from the Institute of Business Administration (IBA), University of Dhaka, and a Master's and Bachelor's degree in Statistics from Jahangirnagar University. This solid academic foundation, combined with his extensive practical experience, reflects his analytical depth, strategic thinking, and commitment to informed decision-making.



Mohammad Masud Karim Majumder, FCA

Group Chief Financial Officer (CFO)

Mr. Md. Masud Karim Majumder took over the role of Group CFO of IDLC in 2016. Mr. Majumder is a Fellow Chartered Accountant (FCA) with around two decades of corporate experience. His areas of expertise spans over Financial Planning and Control, Budgeting, Corporate and Financial Reporting, Strategic Planning and Taxation. Prior to that, he was working in KPMG Bangladesh as an Audit Supervisor. Mr. Majumder completed his Bachelor of Commerce (Honors) and Masters in Finance from the University of Dhaka.



A.H.M. Nazmul Hasan

Deputy General Manager & Head of Business

Mr. A. H. M. Nazmul Hasan is a seasoned capital market professional with over 24+ years of experience, having served at IDLC in various roles within Capital Market Operations for 18+ years. Prior joining at IDLCSL, he was the Managing Director and CEO of Bangladesh Finance Securities Ltd. Mr. Nazmul holds an MBA from the University of Dhaka and a B.Sc from Delhi University



Abul Fazal Mohamed Rubayat FCS FCMA (UK) CGMA (USA) FCPA (AUS)

Group Chief Corporate Affairs Officer & Group Company Secretary

Mr. Rubayat has over 22 years of experience in the corporate & financial sectors both in local and multinational companies. Before joining IDLC, Mr. Rubayat held various key positions in CEAT, Zuellig Pharma, Heidelberg Cement, and Sanofi. As a seasoned corporate and financial professional, his areas of expertise spans across Secretarial practices, Accounts maintenance, Group reporting, Tax and VAT planning, Treasury function, Statutory, and other regulatory compliance. Mr. Rubayat is a Fellow Member of the Institute of Chartered Secretaries of Bangladesh. He also holds Associate Membership of different prestigious foreign professional institutes. Mr. Rubayat completed his MBA in Accounting and Information System from the University of Dhaka, Legislative Law Bachelor from National University, and is also a Certified Income Tax Practitioner from National Board of Revenue.



Md. Momin Uddin

Deputy Head of Business

Mr. Md. Momin Uddin currently playing the role of Deputy Head of Business. He played a pivotal role in developing and launching the 'Premium Brokerage Product,' including an equity research service targeting both foreign and local institutions. He also significantly contributed to launching cross-business sales activity within IDLC group to expand our reach to retail and HNW individuals. Mr. Uddin brings over 19 years of experience in various capacities within the Brokerage Business. Throughout his tenure, he held various positions in Finance, Accounts, HR Operations, Business Development, and System & Process Development. Mr. Uddin holds an MBA in Finance from East West University.



Mizanur Rahman

Head of Regional Business

Mr. Mizanur Rahman has over 21 years of experience in Brokerage Industry with key exposure in business development, branch operation and people management. He has played a pivotal role in developing and expanding IDLC Securities brokerage operation in Chattogram. Currently he is playing the role of Head of Regional Business - Region 2, where 3 branches of IDLC Securities Limited is under his supervision. Mr. Rahman started his capital market career in Associate Capital Securities, then joined Meenhar Securities Limited before joining IDLC Securities Limited back in 2007. He has completed his Bachelor of Commerce (Honors) and Master of Commerce in Management from Government College of Commerce, Chattogram.



Tanay Kumar Roy

Head of Equity Research

Tanay Kumar Roy, Head of Equity Research at IDLC Securities Limited, has over a decade of experience in the field. He commenced his professional journey as a buy-side analyst at LR Global BAMCO and developed his expertise as a sell-side analyst in Lanka Bangla Securities Limited. After joining IDLC Securities as a Research Analyst, he went on to assume leadership as the head of the Research department in 2022. Tanay is a graduate of the Institute of Business Administration, University of Dhaka, holding both a BBA and an MBA degree.



Nastaran Tasnim, FCA

In-Charge, Finance & Admin

Ms Nastaran Tasnim is a Fellow Chartered Accountant (FCA) with over a decade of corporate experience. Her areas of expertise spans over financial management and planning, financial reporting, budgetary control, taxation, corporate affairs; honed through working under various capacities at IDLC, Standard Chartered Bank and KPMG Bangladesh. She is a business graduate from North South University.

IDLC Securities Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS



Md. Khalilur Rahman
Chairman

Dear Shareholders,

It is with immense pleasure that the Board of IDLC Securities Limited (IDLCSL) presents the Directors' Report, the audited financial statements of the Company for the year ended December 31, 2025, and the Auditor's Report thereon along with a capital market overview, the Company's performance and other matters in compliance with the Companies Act, 1994, and the guidelines issued by the Bangladesh Securities and Exchange Commission.

The total market capitalization of Bangladesh stands at approximately USD 55 billion with 653 securities, including stocks, corporate bonds, treasury bonds, and mutual funds, whereas the equity market capitalization stands at around USD 26 billion. Interestingly, the top 10 market cap companies represent about 43% of the equity market capitalization, and all 13 listed MNCs represent about 28% of the equity market capitalization. The country's equity market is still in the primary stage. While DSE market cap-to-GDP is less than 6%, it is much higher for countries like Indonesia (66%), China (48%), Malaysia (104%), Singapore (144%), Thailand (92%) and India (128%), suggesting an ample scope for the market growth given the listing of new equities in the coming days. Besides, the demand for investment vehicles will increase with our country's rising MAC (Middle and Affluent Class) population. Boston Consultant Group expects Bangladesh's MAC population to triple to 34 mn by 2025 from 11.7 mn in 2015 while increasing at average of 10.5% rate annually. In addition, Dhaka Stock Exchange (DSE) started trading in SME market in October 2021, sharing API connections with the brokers in December 2021, trading treasury securities from October 2022, participating in the primary auction of treasury bonds from June 2023. We believe continuation of such initiatives will bring many qualitative improvements in our market, including the adoption of different advanced Order Management Systems (OMS), launching of new products, and thus accelerating the growth of our market.

2025 daily average turnover stood at BDT 5.2bn, decreasing 17.5% from BDT 6.3bn in 2024. Following the political transition in August 2024, large-cap stocks experienced a brief rally driven by improved sentiment; however, gains were not sustained amid persistently high interest rates and policy uncertainty. Market turnover weakened by end-2024 and remained subdued in 2025, with average daily turnover declining to BDT 3.8 billion in H1 CY25 from BDT 6.3 billion in the same period last year. The benchmark index fell 11.5% between January and May 2025, driven by high interest rates, regulatory uncertainty, and election-related concerns. Market conditions improved in Q3 CY25 (July–September) as declining inflation and interest rate expectations lifted DAT to BDT 8.5bn; however, the momentum proved short-lived, with daily average turnover falling again to BDT 4.5bn amid a reversal in interest rates, the merger of five banks, and uncertainty ahead of the 2026 national election. On the regulatory front, the Bangladesh Securities and Exchange Commission (BSEC) finalized and issued the

Margin Repeal Rules, 2025; Mutual Fund Rules, 2025; and Public Offer of Equity Securities Rules, 2025, with the aim of strengthening regulatory oversight and reducing fraudulent practices.

IDLC is navigating a challenging market environment while remaining firmly focused on long-term growth. In line with this strategic vision, IDLC Securities Limited (IDLCSL) has been prioritizing the digital transformation of its brokerage operations. IDLCSL has successfully implemented a new Order Management System (OMS) following FIX certification from the Dhaka Stock Exchange (DSE). The mobile application has been launched on a limited scale for selected clients, with a full-scale rollout expected in 2026. The trading app will eventually enhance clients' investment management and learning experience by fostering a comprehensive digital ecosystem that integrates research and investor literacy platforms, promotes knowledge-based brokerage services, improves salesforce productivity, and strengthens overall operating efficiency. In parallel, Online Service Portal (OSP) is now fully operational where the clients can provide service request online without any manual intervention.

Operational highlights of 2025

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
No. of account at the beginning	16,308	18,653	21,003	22,551	23,547
Account opened during the year	2,703	2,751	2,020	2,399	2,132
Account closed during the year	(358)	(401)	(472)	(1,403)	(1,218)
No. of accounts at year end	18,653	21,003	22,551	23,547	24,461
Growth (year on year)	14.38%	12.60%	7.37%	4.4%	3.9%
Composition of client base:					
Individual	17,758	20,101	21,628	22,605	23,521
Institution & Foreign	436	443	465	480	480
NRB	459	459	458	462	460
Total	**18,653**	**21,003**	**22,551**	**23,547**	**24,461**

IDLCSL has more than 24,400 clients, including 480 institutional and foreign clients. In addition, the Company serves more than 5,300 customers as a panel broker of its enlisted merchant banks. In 2025, IDLCSL closed 1,218 inactive accounts. Overall, the total number of accounts in 2025 shows a growth of 3.9%.

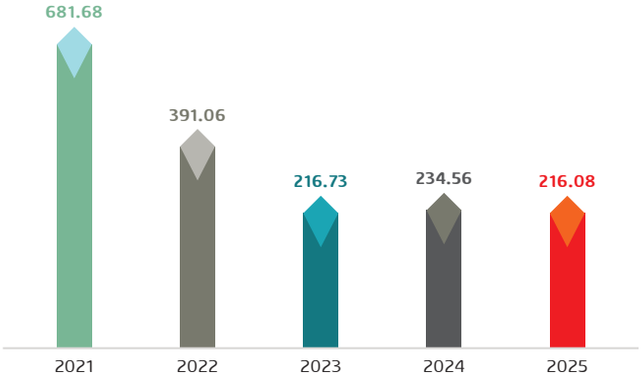
In 2025, the capital market remained under pressure from macroeconomic headwinds, interest rate reversals, political uncertainty, and geopolitical risks. Under these challenges, IDLC Securities Limited (IDLCSL) achieved 22 bps gain in market share. However, due to 17.5% decline in daily average turnover in market, IDLCSL's total turnover declined by 8.9% in 2025, resulting in a 7.9% decline in net brokerage income. Profitability was primarily supported by investment income, as the company strategically rebalanced its portfolio from equities to treasury securities amid elevated interest rates. Consequently, investment income increased from BDT 213 mn in 2024 to 493 mn in 2025–more than doubling. Coupled with restrained cost-to-income ratio of 26.83% and maintaining more than adequate provision, IDLCSL ensured sustained profitability with a net profit of BDT 351 mn in 2025.

Financial highlights of 2025

Amount in BDT mn	2021	2022	2023	2024	2025
Total turnover of IDLCSL	242,703.56	138,939.77	76,871.12	81,638.28	74,341.17
Total turnover of IDLCSL Growth (%)	124.49%	-42.75%	-44.67%	6.20%	-8.94%
Total assets	6.053.52	5.619.60	5,958.36	6,097.98	6,670.79
Total assets Growth (%)	16.08%	-7.17%	6.03%	2.34%	9.39%
Total shareholders' equity	4,083.39	4,192.75	4,432.94	4,634.01	4,985.11
Total shareholders' equity Growth (%)	9.23%	2.68%	5.73%	4.54%	7.58%
Brokerage Commission Income	757.23	439.22	245.47	261.71	240.04
Brokerage Commission Expense	75.54	48.15	28.74	27.14	23.96
Net brokerage commission income	681.68	391.06	216.73	234.56	216.08
Net brokerage commission income Growth (%)	119.95%	-42.63%	-44.58%	8.23%	-7.88%
Net interest income	194.88	266.08	304.39	244.97	167.66
Net interest income Growth (%)	51.20%	36.54%	14.40%	-19.52%	-31.56%
Income from investment	112.38	84.03	68.33	213.03	493.17
Investment income Growth (%)	-19.85%	-25.23%	-18.68%	211.75%	131.50%
Total interest and investment income	307.26	350.11	372.72	458.00	660.83
Total interest and investment income Growth (%)	14.18%	13.95%	6.46%	22.88%	44.29%
Operating expenses	302.29	277.52	235.75	262.59	236.47
Operating expenses Growth (%)	31.02%	-8.19%	-15.05%	11.39%	-9.95%
Net profit before tax & provision	692.65	467.88	358.12	433.08	644.73
Net profit before tax & provision Growth (%)	95.73%	-32.45%	-23.46%	20.93%	48.87%
Net Profit after Tax	345.10	263.32	240.19	301.07	351.10
Net Profit after Tax Growth (%)	107.82%	-23.70%	-8.79%	25.35%	16.62%
Return on total assets	6.13%	4.51%	4.15%	4.99%	5.50%
Return on equity	8.82%	6.36%	5.57%	6.64%	7.30%

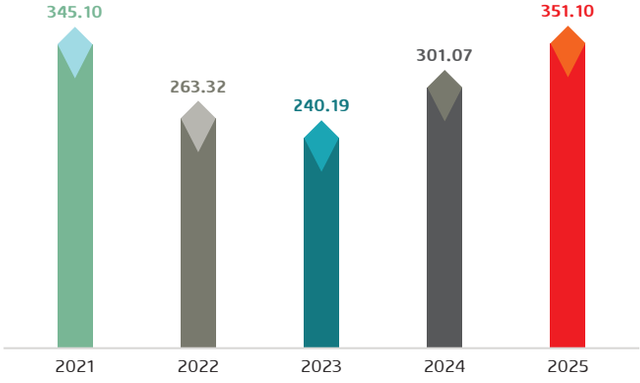
Net brokerage commission income

(BDT in million)

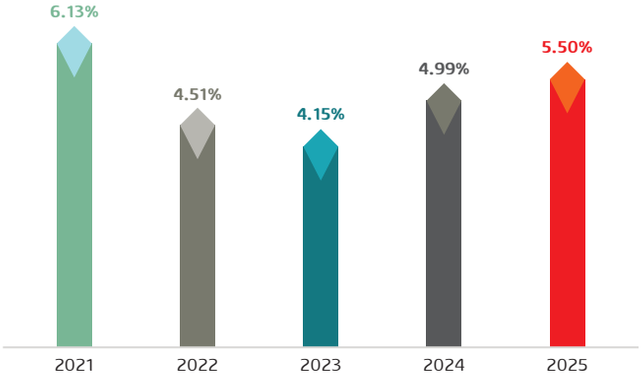


Net Profit after Tax

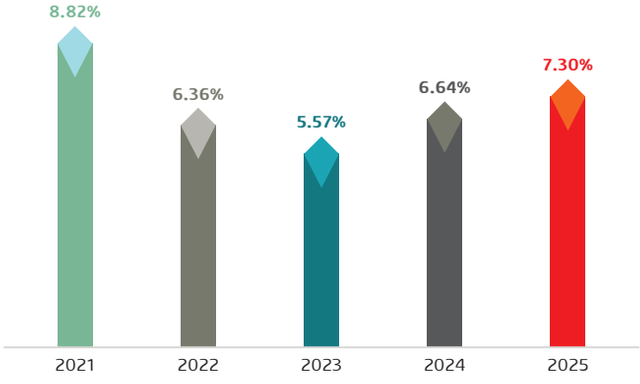
(BDT in million)



Return on assets



Return on equity

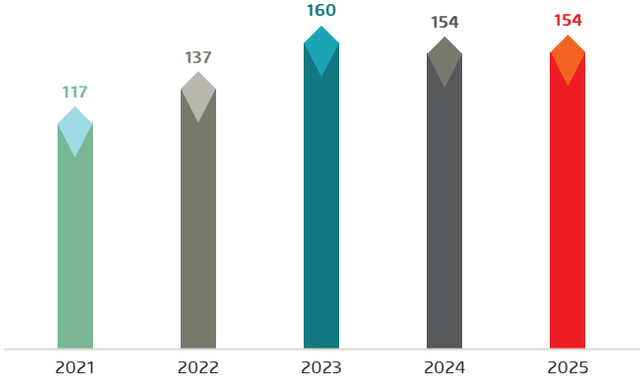


Human Resource Development

At IDLCSL, human capital remains central to delivering disciplined execution in a dynamic capital market environment. The Company's performance is driven by the competence, integrity, and market insight of its professionals. We focus on attracting and retaining individuals with strong analytical capability and sound risk awareness, essential in a regulated brokerage landscape. Our human resource framework promotes merit-based progression, accountability, and alignment with compliance standards and business objectives. During the year, employees undertook targeted managerial and technical training covering market practices, regulatory updates, risk management, and client servicing. These initiatives strengthen operational controls and enhance our ability to respond to evolving market conditions. By investing in capability development and succession depth, IDLCSL continues to reinforce its institutional strength and long-term position in the capital market.

During 2025, 666.60 man-hours of training were provided to 144 participants in multiple local and customized training programs. At the end of 2025, the total number of employees remained at 154, similar to that of 2024.

Number of Employees



Top-five risks impacting our business and key mitigation strategies

Risk	Mitigation Strategy
Political uncertainty	Maintain balance sheet position in risk free securities;
Macro Economy & Inflation	Prudent asset allocation and disciplined equity exposure management;
Regulatory Reforms	Improve internal control, monitoring, and training employees for enhancing compliance;
Retention of skilled human resources	Performance recognition and competitive compensation;
Shift in technology	Closely monitor technological changes to adopt the appropriate technology and remain contemporary regarding the prevailing standards.

Key achievements of 2025

- Despite a 17.5% decline in market turnover, core brokerage profitability was sustained, supported by a 22 bps increase in market share.
- In December 2025, IDLCSL launched its Order Management System (OMS), with full deployment at the trader level and selective beta access provided to clients via the mobile app.
- Treasury bond investments currently stand at approximately BDT 3.9 billion (c79% of equity), with an average yield of 12.34% and weighted average duration of around 16 years; the 15-year bond auction yield stood at 10.9% as of December 2025.
- Maintained minimal delinquency within the margin loan portfolio, despite market-wide negative equity reported at BDT 97 billion.

Outlook for 2026

Following the February 2026 election and the formation of a new government, investor sentiment strengthened, triggering a post-election rebound in the equity market. Historical precedents from frontier and emerging markets indicate that durable rallies typically emerge when political stability is complemented by monetary easing. Notably, post-election market returns reached approximately 180% in Argentina, 109% in Pakistan, and 140% in Sri Lanka. In Bangladesh, while political certainty has improved, the absence of decisive measures to meaningfully reduce interest and inflation rates suggests that sustained monetary easing remains the critical catalyst for a stronger and more durable capital market recovery.

With foreign exchange reserves stabilizing and the central bank actively purchasing foreign currency from commercial banks to strengthen reserve buffers, depreciation pressure on the BDT is expected to moderate. As currency stability improves, persistent inflationary pressures appear increasingly linked to structural supply-side constraints, including oligopolistic market dynamics. Consequently, targeted policy interventions may be required to address inflation stickiness and create room for lower interest rates.

In addition, a weaker USD against other major currencies may enhance the attractiveness of frontier markets, including Bangladesh. Consequently, the capital market may benefit from increased inflows from frontier market funds.

Overall, broader political and macroeconomic stability will be critical in shaping market performance in 2026. An uptrend in the stock market, given both conditions are met, will be favorable for core brokerage revenue as well as investment return from stock market exposure. Meanwhile, IDLCSL is set to enjoy fixed return from the investment in treasury securities.

Books of accounts

At IDLC Securities, proper books of accounts have been maintained. The appropriate accounting policies have been consistently applied in preparing financial statements and accounting estimates based on reasonable and prudent judgment. International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparing the financial statements, and any departure there-from has been adequately disclosed. The financial statements prepared by the management of IDLC Securities Limited present fairly its state of affairs, the result of its operations, cash flows, and changes in the shareholders' equity.

Internal control

The internal control system is sound in design and has been effectively implemented and monitored.

Distribution of profits

Considering Company's investment opportunities, growth potentials and comparative cost benefit analysis of paying out dividend and overall better tax management, the Board of IDLC Securities Limited decided not to disburse any dividend to the shareholders of the Company for 2025. In doing so, we aim to strengthen our equity capital base for foreseeable future.

Appointment of auditors

In terms of Article 102 of the Articles of Association of the Company, the Company shall at each annual general meeting, appoint an auditor or auditors to hold office until the next AGM. The shareholders of IDLC Securities Limited at its 19th meeting appointed A. Qasem & Co., Chartered Accountants, as the auditors for the company for 2025. Accordingly, the auditors of the Company, A. Qasem & Co., Chartered Accountants, has completed the third year as auditor of the Company. As per the BSEC restriction on re-appointment of the same auditor for more than three consecutive years for a listed Company, the existing auditor will not be eligible for re-appointment as auditors of IDLC Group for the year 2026. Following that, we will appoint the same auditor as will be selected for the IDLC Group so that the auditor can consolidate the Group financial statements without any review of other auditors' work.

Going concern

There are no significant doubts upon the IDLC Securities Limited's ability to continue as a going concern.

Appreciation

I would like to thank the Board and colleagues for their continuous support and generous cooperation and, on their behalf, express my sincere appreciation to the entire IDLC Securities team. They were called upon to embrace significant difficulties while maintaining the highest service standards for our clients and adhering to rules and regulations in this challenging time.

Special thanks to our parent company, IDLC Finance PLC., for providing full support as and when required for the company to grow and expand its operations.

On behalf of the Board, I would like to thank our loyal customers, and honorable shareholders (especially IDLC Finance PLC., our parent company) for their trust reposed on us. The members of the Board would also like to thank the Bangladesh Securities and Exchange Commission (BSEC), the Dhaka Stock Exchange (DSE) PLC., the Chittagong Stock Exchange (CSE) PLC., Bangladesh Financial Intelligence Unit (BFIU) and the Central Depository Bangladesh Limited (CDBL), who have remained as partners in the growth of our Company.

For and on behalf of the Board of Directors,



Md. Khalilur Rahman
Chairman
IDLC Securities Limited

Independent Auditor's Report
TO THE SHAREHOLDERS OF IDLC SECURITIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IDLC Securities Limited (the "Company") which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2025 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 3.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectives of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or condition that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor s report to the related disclosure in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to case to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules 2020, we also report the following:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;

iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns.



A. Qasem & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-129

Md. Sirajul Haque FCA
Partner
Enrolment No : 1172
DVC: 2603151172AS634044
Dhaka, 15 March 2026

IDLC Securities Limited

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

Particulars	Notes	31-Dec-25	31-Dec-24
		Amount in BDT	
ASSETS			
Non-Current Assets			
Property, plant and equipments	4	58,540,920	62,196,086
Intangible assets	5	10,858	52,700
Right-of-use-assets	6	18,328,424	28,209,415
Investment in Stock Exchanges	7	14,007,000	14,007,000
Investment in Bond	8	3,911,087,100	3,290,838,639
Deferred tax assets	9	29,669,383	32,588,422
		4,031,643,685	**3,427,892,262**
Current Assets			
Advances, deposits and prepayments	10	42,987,303	41,220,218
Investment in marketable securities	11	649,684,113	703,255,761
Accounts receivable	12	299,103,434	144,866,685
Margin loan to clients	13	277,379,261	400,691,231
Short term investments	14	544,373,250	455,280,000
Cash and cash equivalents	15	825,615,436	924,771,537
		2,639,142,797	**2,670,085,432**
Total Assets		**6,670,786,482**	**6,097,977,694**
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	16	2,000,000,000	2,000,000,000
Capital reserves	17	177,984,840	147,877,677
Retained earnings	18	2,807,125,203	2,486,132,566
		4,985,110,043	**4,634,010,243**
Liabilities			
Non-Current Liabilities			
Lease liabilities	19	8,762,118	12,712,350
		8,762,118	**12,712,350**
Current Liabilities			
Accounts payable	20	946,871,043	863,449,468
Liabilities for expenses	21	58,996,929	54,705,145
Provision for income tax	22	385,411,985	291,306,127
Provision for diminution in value of investments	23	264,999,976	209,999,976
Provision for margin loan and others	24	10,337,397	10,700,570
Lease liabilities	19	10,296,991	21,093,815
		1,676,914,321	**1,451,255,101**
Total liabilities		**1,685,676,439**	**1,463,967,451**
Total shareholders' equity and liabilities		**6,670,786,482**	**6,097,977,694**

The annexed notes 1 to 43 and "Annexure A" are the integral part of the financial statements.
See the annexed report of even date

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-129

Md. Sirajul Haque FCA
Partner
Enrolment No : 1172
DVC: 2603151172AS634044
Dhaka, 15 March 2026

M. Jamal Uddin
Director

Abul Fazal Mohamed Rubayat
Company Secretary

Nurul Karim Patwery
Director

Asif Saad Bin Shams
Director

Md. Mezbaul Haque
Managing Director

IDLC Securities Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

		Amount in BDT	
Particulars	**Notes**	**31-Dec-25**	**31-Dec-24**
Operating Income			
Brokerage commission income	25	240,038,275	261,709,182
Brokerage commission expenses	26	(23,962,870)	(27,144,214)
Net brokerage commission income (a)		**216,075,405**	**234,564,968**
Interest income	27	170,592,351	249,108,697
Interest expenses	28	(2,931,016)	(4,141,750)
Net interest income (b)		**167,661,335**	**244,966,947**
Net investment income (c)	29	493,170,989	213,033,062
Other brokerage income (d)	30	1,718,331	2,879,291
Total Operating Income (A=a+b+c+d)		**878,626,060**	**695,444,267**
Operating Expenses			
Salaries & allowances	31	151,839,596	181,035,453
Rent, taxes, insurance, electricity, etc.	32	26,095,907	24,130,868
Legal expenses	33	5,030,423	4,535,743
Postage, stamp, telecommunication, etc.	34	6,508,117	5,810,378
Stationery, printing, advertisements, etc.	35	9,998,728	6,203,018
Directors' fee & meeting expenses	36	460,000	308,000
Audit fee		143,750	115,000
Depreciation and amortization	(4+5+6)	27,573,678	26,673,269
Other expenses	37	8,815,065	13,777,905
Total Operating Expenses (B)		**236,465,264**	**262,589,634**
Operating Profit (A-B)		**642,160,796**	**432,854,634**
Non-operating Income	38	2,564,672	222,767
Profit before Provisions and Tax		**644,725,468**	**433,077,400**
Provision for diminution in value of investments	23	(55,000,000)	30,000,000
Provision for margin loan and others	24	363,174	3,922,294
Profit before provision for income tax		**590,088,642**	**466,999,695**
Provision for income tax		**238,988,842**	**165,928,062**
Current tax	22	236,069,801	174,358,087
Deferred tax expense/(income)	9	2,919,041	(8,430,025)
Net Profit		**351,099,800**	**301,071,634**
Other comprehensive income		-	-
Total Comprehensive Income		**351,099,800**	**301,071,634**

The annexed notes 1 to 43 and "Annexure A" are the integral part of the financial statements.
See the annexed report of even date

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-129

Md. Sirajul Haque FCA
Partner
Enrolment No : 1172
DVC: 2603151172AS634044
Dhaka,15 March 2026

M. Jamal Uddin
Director

Abul Fazal Mohamed Rubayat
Company Secretary

Nurul Karim Patwery
Director

Asif Saad Bin Shams
Director

Md. Mezbaul Haque
Managing Director

IDLC Securities Limited

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

Particular	Amount in BDT			
	Share Capital	Retained Earnings	Capital Reserves	Total Equity
Balance as on 01 January 2024	2,000,000,000	2,309,079,691	123,858,918	4,432,938,609
Addition during the period	-	301,071,634	-	301,071,634
5.00% cash dividend for the year 2024	-	(100,000,000)	-	(100,000,000)
Transfer to capital reserve	-	(24,018,759)	24,018,759	-
Balance as on 31 December 2024	**2,000,000,000**	**2,486,132,566**	**147,877,677**	**4,634,010,243**
Balance as on 01 January 2025	2,000,000,000	2,486,132,566	147,877,677	4,634,010,243
Addition during the period	-	351,099,800	-	351,099,800
**% cash dividend for the year 2025	-	-	-	-
Transfer to capital reserve	-	(30,107,163)	30,107,163	-
Balance as on 31 December 2025	**2,000,000,000**	**2,807,125,203**	**177,984,840**	**4,985,110,043**

The annexed notes 1 to 43 and "Annexure A" are the integral part of the financial statements.

M. Jamal Uddin
Director

Asif Saad Bin Shams
Director

Nurul Karim Patwery
Director

Abul Fazal Mohamed Rubayat
Company Secretary

Md. Mezbaul Haque
Managing Director

IDLC Securities Limited

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Particulars	31-Dec-25	31-Dec-24
		Amount in BDT	
A.	**Cash flow from operating activities**		
	Net profit during the year	351,099,800	301,071,634
	Adjustments for:		
	Depreciation & amortization	27,573,678	26,673,269
	(Decrease)/increase in Provision for diminution in value of investments	55,000,000	(30,000,000)
	(Gain)/loss on disposal of property, plant and equipments	(1,222,361)	898
	Cash generated from operating activities before changes in working capital:	**81,351,317**	**(3,325,833)**
	Changes in workings capital:		
	(Increase)/decrease in accounts receivable	(154,236,749)	(11,321,613)
	(Increase)/decrease in deferred tax asset	2,919,041	(8,430,026)
	(Increase)/decrease in margin loan to clients	123,311,970	652,214,820
	Decrease/(increase) in advances, deposits and prepayments	(1,767,085)	23,286,163
	Increase/(decrease) in accounts payable	83,421,576	(70,012,973)
	(Decrease)/increase in provision for expenses	4,291,783	(377,490)
	(Decrease)/increase in provision for margin loan and others	(363,174)	(3,922,294)
	Increase/(decrease) in provision for current tax	94,105,858	53,356,625
	(Increase)/decrease in short term investments	(89,093,250)	1,603,294,841
	Increase/(decrease) in lease liabilities	(14,747,058)	(10,497,430)
	Net cash flow from operating activities	**480,294,032**	**2,525,336,424**
B.	**Cash flow from investing activities**		
	Acquisition of property, plant and equipment	(12,773,320)	(50,766,045)
	Investment in shares/securities	53,571,648	562,393,166
	Dividend Paid	-	(100,000,000)
	Investment in Bond	(620,248,461)	(3,133,377,412)
	Net cash (used in)/ flow from investing activities	**(579,450,133)**	**(2,721,750,290)**
C.	**Cash flows from financing activities**		
	Net cash flow from in financing activities	-	-
D.	Net surplus/(deficit) in cash & cash equivalents for the year (A+B+C)	(99,156,101)	(196,413,867)
E.	Cash & cash equivalents at the beginning of the year	924,771,537	1,121,185,406
F.	**Cash and cash equivalents at the end of the year**	**825,615,436**	**924,771,537**
	***Cash and cash equivalents:**		
	Cash in hand	95,000	95,000
	Cash at bank	825,520,436	924,676,537
		825,615,436	**924,771,537**

The annexed notes 1 to 43 and "Annexure A" are the integral part of the financial statements.

M. Jamal Uddin
Director

Asif Saad Bin Shams
Director

Nurul Karim Patwery
Director

Abul Fazal Mohamed Rubayat
Company Secretary

Md. Mezbaul Haque
Managing Director

IDLC Securities Limited

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

1 Company and its activities

1.1 Legal status of the Company

IDLC Securities Limited (IDLCSL) was incorporated with the Registrar of Joint Stock Companies and Firms (RJSC) vide registration no. C-61319 (3328)/06 with effect from 19 April 2006 as a private limited company, limited by shares having its registered office at DR Tower (4th Floor), 65/2/2, Bir Protik Gazi Golam Dostogir Road, Purana Paltan, Dhaka-1000 under the Companies Act 1994. The Company is a Trading Right Entitlement Certificate (TREC) holder of both Dhaka Stock Exchange PLC. (058) and Chittagong Stock Exchange PLC. (119). The company commenced its business operations on 18 September 2006 as a wholly owned subsidiary of IDLC Finance PLC.

1.2 Nature of business

The principal activities of IDLC Securities Limited are to act as a member of stock exchanges, the central depository system (CDS) companies and to carry on the business of broker, jobbers or dealers in stocks, shares, securities, bonds, debentures. The Company is also authorized to buy, sell, hold or otherwise acquire or invest the capital of company in shares, stocks and fixed income securities, etc. The Company has nine (09) branches in Bangladesh located at Purana Paltan ,Chattogram, Dhanmondi, Mohakhali (DOHS), Gulshan, Narayanganj, Uttara, Gazipur, Sylhet and one (01) digital booth at Bogura. IDLC Securities Limited possesses following licenses from regulatory authorities:

Name of Institutions	License No:	Nature of Business
Bangladesh Securities and Exchange Commission (BSEC)	3.1/DSE/58/2006/130	Stock Broker Business with DSE
Bangladesh Securities and Exchange Commission (BSEC)	3.1/DSE/58/2008/233	Stock Dealer Business with DSE
Bangladesh Securities and Exchange Commission (BSEC)	3.2/CSE/119/2006/135	Stock Broker Business with CSE
Bangladesh Securities and Exchange Commission (BSEC)	3.2/CSE/119/2009/176	Stock Dealer Business with CSE
Central Depository Bangladesh Limited (CDBL)	CDBL- DP 229	Depository functions

1.3 Investment in stock exchanges for membership

In accordance with section 8 of the Exchanges Demutualization Act, 2013, both stock exchange memberships have been converted into shares through the issuance of two completely de-linked assets to the former members in the Exchange, namely (a) fully paid-up shares and (b) trading right. Exchanges shall have the authority to issue Trading Right Entitlement Certificate (TREC), as per the Exchanges Demutualization Act, 2013 and as outlined in the scheme, to provide the right to trade any securities enlisted in Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) to eligible brokers and dealers. Such TRECs will be totally separated from the ownership of the Exchange as there is no obligation for TREC holders to be or remain shareholders of the exchange.

2 Basis of preparation of financial statements

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994 and other applicable laws and regulations.

2.2 Other regulatory compliance

As required, IDLC Securities Limited also complies with the applicable provisions of the following major laws/ statutes:

-Securities and Exchange Rules, 2020;
-Securities and Exchange Commission Act, 1993;
-Securities and Exchange Commission (Stock-Dealer, Stock-Broker and Authorized Representatives) Rules, 2000;
-The Exchanges Demutualization Act, 2013;
- Bangladesh Securities and Exchange Commission (Margin) Rules, 2025;
- Risk Based Capital Adequacy Rules, 2019;
- Money Laundering Prevention Act, 2012 (Subsequent amendment at 2015);
-The Income Tax Act, 2023;
-The Income Tax Rules, 2023;
-The Value Added Tax and Supplementary Duty Act, 2012;
-The Bangladesh Labor Act, 2006;
-Negotiable Instruments Act, 1881;
-Anti-Terrorism Act 2009 (subsequently amended in 2012 & 2013);
-Companies Act 1994;
-Foreign Exchange Regulation Act, 1947 and
-Other applicable laws and regulations.

2.3 Basis of measurement

These financial statements have been prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs).

2.4 Components of financial statements

-Statement of Financial Position

-Statement of Profit or Loss and Other Comprehensive Income

-Statement of Changes in Equity

-Statement of Cash Flows

-Notes to the Financial Statements

2.5 Functional and presentational currency

These financial statements are presented in Bangladeshi Taka (BDT) which is the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest integer.

2.6 Use of estimates and judgments

The preparation of financial statements in conformity with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

Provisions and accrued expenses are recognized in the financial statements in line with International Accounting Standard (IAS) 37: "Provisions, Contingent Liabilities and Contingent Assets" when - the Company has a legal or constructive obligation as a result of past event; and

The most critical estimates and judgments are applied to the following:

- Provision for impairment of margin loans, and investments

-Useful life of depreciable assets

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised. In accordance with the guidelines as prescribed by IAS 37: "Provisions, Contingent Liabilities and Contingent Assets", provisions are recognized in the following situations:

Provisions:

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Contingent liabilities:

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or the Group has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise legal claims under arbitration or court process in respect of which a liability is not likely to occur.

Contingent assets:

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are never recognized, rather they are disclosed in the financial statements when they arise.

2.7 Statement of cash flows

Statement of Cash Flows is prepared in accordance with International Accounting Standard (IAS) 7: "Statement of Cash Flows" and the cash flows from operating activities are presented under the indirect method as prescribed by the Securities and Exchange Rules, 2020.

2.8 Going concern

The Company has adequate resources to continue in operations for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.9 Reporting period

The financial period of the Company is similar to calendar years covers one year from 01 January to 31 December and is being followed consistently.

3 Significant accounting policies

3.1 Property, plant and equipment's and depreciation

All Property, Plant and Equipment are stated at cost less accumulated depreciation as per IAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use.

3.1.1 Depreciation and amortization

Property, Plant and Equipment are stated at cost less accumulated depreciation. Depreciation is charged using the straight-line method on the acquisition cost of PPE and such cost is written off over the estimated useful life of assets, in accordance with IAS 16. Depreciation for full month is charged on additions irrespective of date when the related assets are put into use and no depreciation is charged for the month of disposal. The rates of depreciation used to write off the amount of assets are as follows:

Category of assets	Rate of depreciation	
Building	**2.50%**	**p.a.**
Computer peripherals	**20.00%**	**p.a.**
Office equipment's	**20.00%**	**p.a.**
Electrical equipment's	**20.00%**	**p.a.**
Motor vehicles (Motorcycle)	**25.00%**	**p.a.**
Motor vehicles (Motor Car)	**12.50%**	**p.a.**
Office decoration	**20.00%**	**p.a.**
Furniture & fixtures	**12.50%**	**p.a.**
Telephone and telex	**33.33%**	**p.a.**
Curtain & carpet	**33.33%**	**p.a.**
Right of use assets	**Lease Term**	

3.1.2 Intangible assets and amortization of Intangible assets

The main item includes in intangible asset is computer software. Intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably in accordance with IAS 38: "Intangible Assets". Accordingly, these assets are stated in the Statement of Financial Position at cost less accumulated amortization. Intangible asset is amortized over a period of three (03) years.

3.2 Leases- IFRS 16

The company applied IFRS 16- Leases for its rental properties/office space. Accordingly it recognizes Right of use asset, lease liabilities in the statement of financial position and depreciation expenses as well as interest expenses in the statement of profit or loss and other comprehensive income.

Right of Use Assets (RoU)

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost at the amount of lease liability plus initial direct costs incurred by the company and depreciated using straight line method, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liabilities.

Lease Liabilities

The lease liabilities are initially measured at the present value of the lease payments to be made over the lease term, using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liabilities are subsequently increased by the interest cost on the lease liabilities and decreased by lease payment made.

3.3 Financial instruments

3.3.1 Financial assets

As per IFRS 9: ""Financial Instruments"", Financial Assets are classified as either: (i) Amortized cost, (ii) Fair value through profit or loss or (iii) Fair Value through other comprehensive income. In case of valuation of investment in government bonds (Note-8), we have followed amortized cost method, as it meets both of the following assessment criteria:

i) Business model assessment: The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and

ii) Contractual cash flow assessment: The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding on a specified date.

Financial assets currently being used by the Company are as follows:

(i) Cash and cash equivalents

Cash and cash equivalents comprise of Cash at Bank and Fixed Deposit Receipt (FDR) which are available for use by the Company without any restriction.

(ii) Accounts receivables

Accounts receivables represent the amounts due from DSE, CSE, broker, accrued interest from T-Bond, dividend etc. These are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost and any subsequent impairment losses against those, recognized as provision in the profit or loss and other comprehensive income in the respective year.

(iii) Investments

The company's investments consist of investment in stock exchange, marketable securities, treasury bond, treasury bill and zero coupon bond. T-Bond and Zero Coupon bonds are initially recognized at cost; however, T-Bond is subsequently measured using IFRS-9, while Zero Coupon bonds are measured on a straight-line basis.

Investment in marketable securities is measured at cost on portfolio basis. Changes between closing market price at 31 December 2025 and the respective cost price on portfolio have been considered as unrealized loss or gain and charged to profit or loss and other comprehensive income as per BSEC regulation. A security which is not listed at stock exchange as on the reporting date then the price is shown at cost.

3.3.2 Financial liabilities

The Company initially recognizes financial liabilities on the date that is originated. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities obliged by the Company are as follows:

(i) Accounts payable

Accounts payable represent the amounts due to parties for receiving services. These are recognized at cost which is the fair value on that date.

(ii) Liabilities for expenses

Liabilities for expenses represent the amounts due to various parties for receiving services. These are initially recognized at cost which is also the fair value on that date.

3.4 Taxation

3.4.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any, in accordance with provisions of Income Tax Act, 2023. It is measured using tax rates enacted or substantively enacted at the reporting date. Applicable tax rate for the Company for the year 2025 will be declared by Finance Ordinanace 2025. For the purpose of these financial statements, management has assumed that the existing tax rates will be applicable for Income year 2025 as well, which are mentioned below:

Regular business tax rate	Rate
Private Limited Company	27.5%
Other business tax rate	Rate
Dividend Income	20%
Capital gain on sale of fixed assets	15%
Capital gain on sale of marketable securities	15%

The Company's existing accounting policy for uncertain income tax treatments is consistent with the requirements in IFRIC 23 Uncertainty over Income Tax Treatments, which became effective on 01 January 2019. We already account for uncertainty of taxes and further disclosure is not required.

3.4.2 Deferred tax

The Company accounts for deferred tax as per International Accounting Standard (IAS) 12: "Income Taxes". Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the date of reporting of the financial statements.

The Company provides disclosures based on the classes of assets and liabilities related to the temporary differences.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax liabilities are recognized for all taxable temporary differences and it is probable that temporary differences will not reverse in the foreseeable future. Both the Deferred tax assets and liabilities are reviewed at each reporting date considering the probability of benefit or detriment realizable.

3.5 Provision for expenses

Provision for expenses is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate of the amount can be made.

3.5.1 Provision for diminution in value of investment and margin loan

Provision for diminution in value of investment and margin loan have been kept in accordance with Bangladesh Securities Exchange Commission - RBCA guidelines 2019, directive no. BSEC/SMMID/NE/2023/1690 dated: 28 March 2024, directive no. BSEC/SRI/NE/2020/333 dated: 27 March 2023 along with policy manual of IDLC Securities Limited.

3.6 Employee benefits

IDLCSL operates a contributory provident fund scheme for its permanent employees. Provident fund is administered by a Board of Trustees and is funded by equal contributions both by the employees and the Company at a predetermined rate. The contributions are invested separately from the Company's asset.

Employees are entitled to gratuity benefit after completion of minimum years of service with the Company.

All of its permanent employees are under coverage of group life & hospitalization insurance scheme.

3.7 Revenue recognition

Revenue is recognized only when it meets the following five steps model framework as per IFRS 15: "Revenue from Contracts with Customers":

a) identify the contract (s) with a customer(s);

b) identify the performance obligations in the contract;

c) determine the transaction price;

d) allocate the transaction price to the performance obligations in the contract;

e) recognize revenue when (or as) the entity satisfies a performance obligation.

Interest income from loans and other sources is recognized on an accrual basis of accounting.

a. Brokerage commission

Brokerage commission is recognized as income when selling or buying order executed.

b. Interest income from margin loan

Interest Income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective parties. Income is recognized on monthly basis and applied to the customers' account on quarterly basis.

c. Dividend income and gain/(loss) on sale of marketable securities

Dividend income is recognized when right to receive or payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized or loss is incurred.

3.8 Related party disclosure

As per International Accounting Standard (IAS) 24: "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in note 41.

3.9 Events after the reporting date

Events after the reporting date that provides additional information about Company's financial position at the reporting date are reflected in the financial statements. Events after the reporting date that are material but not adjusting event are discussed in the notes when material.

3.10 Application of IFRSs and IASs

The Financial Statements have been prepared in compliance with requirement of IASs/IFRSs as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. IDLCSL applied following IASs and IFRSs:

Name of the IAS	IAS No	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	N/A
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied

Name of the IFRS	IFRS No.	Status
Share Based payment	2	N/A
Business combination	3	N/A
Non-current assets held for sale and discontinued operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied
Operating Segments	8	N/A
Financial Instruments	9	Applied*
Consolidated Financial Statements	10	N/A
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	N/A
Revenue from Contracts with Customers	15	Applied
Leases	16	Applied
Insurance contracts	17	N/A

N/A= Not Applicable

* Except for accounts receivable

3.11 Financial Risk Management

The Company has exposure to the following risks from its use of financial instruments:

** Credit risk

** Market risk

** Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework.

3.11.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loans and advances to customers and investment securities. These loans and advances are fully backed by the securities held by the customer.

With respect to credit risk arising from the other financial assets of the Company, the maximum exposure is equal to the carrying amounts of the financial assets.

3.11.2 Market risk

The Company's activities may give rise to risk at the time of settlement of transactions and trades. Market risk is the risk of losses due to failure of entity to honor its obligations to deliver cash, securities or other assets as contractually agreed.

For such transactions the Company only allows the purchase of tradable securities if the customer has adequate cash/purchase power beforehand.

3.11.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they falls due. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

		Notes	Amount in BDT As at 31-Dec-25	 31-Dec-24
4	**Property, plant and equipments**			
	A. Cost :			
	Opening balance		171,745,934	135,341,810
	Addition during the period		5,448,519	42,639,207
			177,194,453	**177,981,017**
	Disposal for the period		(8,983,506)	(6,235,083)
			168,210,947	**171,745,934**
	B. Accumulated depreciation:			
	Opening balance		109,549,849	106,938,533
	Charged for the year		8,752,164	8,314,089
			118,302,013	**115,252,622**
	Disposal for the year		(8,631,986)	(5,702,772)
			109,670,027	**109,549,849**
	C. Written down Value (A-B)		**58,540,920**	**62,196,086**
	A schedule of property, plant and equipment is given in **Annexure - A**.			
5	**Intangible assets**			
	A. Cost:			
	Opening balance		7,054,386	7,054,386
	Addition during the year		-	-
			7,054,386	**7,054,386**
	B. Accumulated amortization			
	Opening balance		7,001,686	6,959,845
	Amortization for the year		41,841	41,841
			7,043,528	**7,001,686**
	C. Written down value (A-B)		**10,858**	**52,700**
	A schedule of Intangible assets is given in **Annexure - A**.			
6	**Right-of-use-assets**			
	A. Cost:			
	Opening balance		109,433,176	110,653,771
	Addition during the year		8,898,682	8,658,251
			118,331,858	**119,312,022**
	Disposal for the year		(81,008,420)	(9,878,845)
			37,323,438	**109,433,176**
	B. Accumulated depreciation:			
	Opening balance		81,223,761	72,785,268
	Charged for the year		18,779,673	18,317,339
			100,003,434	**91,102,607**
	Disposal for the year		(81,008,420)	(9,878,845)
			18,995,014	**81,223,761**
	C. Written down value (A-B)		**18,328,424**	**28,209,415**
	A schedule of Right-of-use-assets is given in **Annexure - A**.			
7	**Investment in Stock Exchanges**			
	Dhaka Stock Exchange PLC. (DSE)	(Note: 7.1)	11,418,750	11,418,750
	Chittagong Stock Exchange PLC. (CSE)	(Note: 7.2)	2,588,250	2,588,250
			14,007,000	**14,007,000**
7.1	**Dhaka Stock Exchange PLC. (DSE)**			
	Purchase of DSE membership from Mehnaz Mannan & Co.		11,193,750	11,193,750
	Share transfer stamp duty		225,000	225,000
			11,418,750	**11,418,750**

		Amount in BDT	
		As at	
	Notes	31-Dec-25	31-Dec-24
7.2	**Chittagong Stock Exchange PLC. (CSE)**		
	Purchase of CSE membership from Technohaven Securities Limited	2,537,250	2,537,250
	Share transfer stamp duty	51,000	51,000
		2,588,250	**2,588,250**

This represents the amount paid for purchasing membership of Dhaka Stock Exchange PLC. (DSE) and Chittagong Stock Exchange PLC. (CSE) including stamp duty for transferring shares.

Stock Exchange	Types of Shares	Number of shares	Face value (Taka)
Dhaka Stock Exchange	Floated (53.33%)	2,886,042	28,860,420
	Blocked (46.67%)	2,525,287	25,252,870
		5,411,329	**54,113,290**

Stock Exchange	Types of Shares	Number of shares	Face value (Taka)
Chittagong Stock Exchange	Floated (53.33%)	1,714,932	17,149,320
	Blocked (46.67%)	1,500,565	15,005,650
		3,215,497	**32,154,970**

As per the provision of the Exchanges Demutualization Act, 2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, DSE allotted total 5,411,329 ordinary Shares at face value of Tk.10.00 each and CSE allotted total 3,215,497 ordinary shares at face value of Tk.10.00 each against the membership respectively.

8 Investments in Bond

Investment in Zero Coupon Bond		-	30,588,501
Investment in Bangladesh Bank Treasury Bond (Non-current)	(Note: 8.1)	3,911,087,100	3,253,722,360
Interest capitalized during the period		-	6,527,778
		3,911,087,100	**3,290,838,639**
8.1 Investment in Bangladesh Bank Treasury Bond- Non-current portion		3,911,087,100	3,253,722,360
Investment in Bangladesh Bank Treasury Bond- current portion**		-	-

** Current and Non-current segregation of Treasury bond is done based on remaining tenure of maturity. As of **31 December 2025**, there is no maturity of investment in Treasury Bond in the next 12 month.

9 Deferred tax assets

Deferred tax asset for 2025 is arrived at as follows:

	Taka		
	Carrying Amount	Tax base	Deductable / (Taxable) Temporary Difference
As on 31 December 2025			
Assets:			
Fixed assets net of depreciation	40,690,935	58,272,565	17,581,630
Adjustment of permanent difference	(383,904)		383,904
Right of Use Asset	18,328,424	-	(18,328,424)
Capital loss from sale of securities in Capital Market:	**53,035,396**	**-**	**53,035,396**
Carry forwarded from 2024	53,052,090	-	-
Add: Capital loss/(gain) in December 31 2025	(16,694)	-	-
Liabilities:			
Provision for gratuity	60,264,049	-	60,264,049
Lease Liability	19,059,108	-	19,059,108
Total	**190,994,008**	**58,272,565**	**131,995,663**
Applicable tax rate (For fixed assets net of depreciation & provision for gratuity)			27.50%
Applicable tax rate (for Capital loss from sale of securities)			15%
Deferred tax assets as on 31 December 2025			29,669,383
Deferred tax assets as on 31 December 2024			32,588,424
Deferred tax income/(Expense) accounted as on for 31 December 2025			**(2,919,041)**

		Notes	Amount in BDT As at 31-Dec-25	31-Dec-24
10	**Advances, deposits and prepayments**			
	Advances and prepayments	(Note: 10.1)	42,315,553	40,648,468
	Security deposit	(Note: 10.2)	671,750	571,750
			42,987,303	**41,220,218**
10.1	**Advances and prepayments**			
	Advances	(Note: 10.1.1)	41,543,589	40,044,272
	Prepayments	(Note: 10.1.2)	771,964	604,196
			42,315,553	**40,648,468**
10.1.1	**Advances**			
	Advances for Expenses		758,952	-
	Advances for services /to suppliers		40,784,637	39,598,394
	Advance to Bloomberg Finance L.P.		-	445,878
			41,543,589	**40,044,272**
10.1.2	**Prepayments**			
	Insurance premium	(Note: 10.1.2.1)	771,964	604,196
			771,964	**604,196**
10.1.2.1	**Insurance premium**			
	Group life		83,404	86,602
	Hospitalization		288,605	248,551
	Office insurance		399,954	269,043
			771,963	**604,196**
10.2	**Security deposit**			
	Security deposit at CDBL		100,000	100,000
	Security deposit at CSE		25,000	25,000
	Security Deposit for DOHS Branch		180,000	180,000
	Security Deposit for Sylhet Branch		200,000	100,000
	Security Deposit for Head Office		66,750	66,750
	Security Deposit for Bogura Digital Booth		100,000	100,000
			671,750	**571,750**
11	**Investment in marketable securities**			
	Investment in shares available for sale	(Note: 11.1)	574,603,636	628,175,284
	Investment in shares (Strategic Investment)	(Note: 11.2)	25,080,501	25,080,501
	Investment in non-tradeable shares	(Note: 11.3)	49,999,976	49,999,976
			649,684,113	**703,255,761**

11.1 Investment in shares available for sale

The investments in shares are categories as financial assets held for trading as per IFRS 9. The details of the investments are as follows:

Business Segments	No. of Shares	Total Cost of Shares as on 31.12.2025 (Taka)	Market price as on 31.12.2025 (Taka)
Food & Allied	354,930	170,487,353	88,235,598
Bank	526,338	17,990,942	33,211,928
Telecommunication	434,267	151,182,579	111,997,459
Pharmaceuticals & Chemicals	499,882	186,001,661	179,001,936
Bond	500,000	48,941,100	54,848,850
	2,315,417	**574,603,636**	**467,295,771**

All investment in marketable securities are valued on aggregate portfolio basis, at cost value, at the balance sheet date market price for securities not listed as on reporting date, has shown at cost for calculation purpose.

As at balance sheet date, the aggregate portfolio value at cost price was BDT 574,603,636 and at market price was BDT 467,295,771 therefore if the reporting entity was recognized the unrealized gain/(loss) on portfolio then it would recognize BDT (107,307,864) in the statement of profit or loss and other comprehensive income . Whether as per FID circular No. 08 dated 3 August 2002 of Bangladesh Bank (The Central Bank), IDLC Finance PLC., the Parent Company of reporting entity, recognizes its aggregate portfolio on cost value no realized gain/(loss) is recognized. So the reporting entity as a wholly owned subsidiary of the IDLC Finance PLC., follows the similar accounting policy for recognizing the investment in securities in stock exchanges.

11.2 Investment in shares available for sale (Strategic Investment)

The investments in shares are categories as financial assets held for trading as per IFRS 9. The details of the investments are as follows:

Business Segments	No. of Shares	Total Cost of Shares as on 31.12.2025 (Taka)	Market price as on 31.12.2025 (Taka)
Bank	130,092	6,108,018	9,234,874
Telecommunication	23,500	9,090,151	6,060,650
Pharmaceuticals & Chemicals	44,049	9,882,333	8,748,132
	197,641	**25,080,501**	**24,043,656**

All investment in marketable securities are valued on aggregate portfolio basis, at cost value, at the balance sheet date market price for securities not listed as on reporting date, has shown at cost for calculation purpose.

As at balance sheet date, the aggregate portfolio value at cost price was BDT 25,080,501 and at market price was BDT 24,043,656 therefore if the reporting entity was recognized the unrealized gain/(loss) on portfolio then it would recognize BDT (1,036,846) in the statement of profit or loss and other comprehensive income . Whether as per FID circular No. 08 dated 3 August 2002 of Bangladesh Bank (The Central Bank), IDLC Finance PLC, the Parent Company of reporting entity, recognizes its aggregate portfolio on cost value no realized gain/(loss) is recognized. So the reporting entity as a wholly owned subsidiary of the IDLC Finance PLC., follows the similar accounting policy for recognizing the investment in securities in stock exchanges.

		Notes	Amount in BDT As at 31-Dec-25	31-Dec-24
11.3	**Investment in non-tradeable shares**			
	Jayson Pharmaceuticals Limited(1,923,076 shares @ Taka 26 each)		49,999,976	49,999,976
			49,999,976	**49,999,976**
12	**Accounts receivable**			
	Receivable from DSE	(Note: 12.1)	113,683,165	7,399,450
	Receivable from CSE	(Note: 12.2)	3,414	275,611
	Receivable from clients (broker)		5,731,793	6,334,926
	Receivable from sale of shares		1,783,331	7,139
	Interest receivable	(Note: 12.3)	27,968,276	2,174,499
	Interest receivable from Treasury Bond		140,680,731	118,358,276
	Dividend receivable		6,848,057	7,793,487
	Dividend receivable (Strategic Investment)		528,588	484,539
	Other receivable		1,876,079	2,038,758
			299,103,434	**144,866,685**
12.1	**Receivable from DSE**			
	Sale for broker		111,899,834	7,399,450
	Sale for dealer		1,783,331	-
			113,683,165	**7,399,450**

This balance has been resulted from sale of shares through Dhaka Stock Exchange PLC. (DSE).

12.2	**Receivable from CSE**		
	Sale for broker	**3,414**	**275,611**

This balance has been resulted from sale of shares through Chittagong Stock Exchange PLC. (CSE).

12.3	**Interest receivable**		
	The interest has been accrued from Fixed Deposit Receipt (FDR).	**27,968,276**	**2,174,499**
13	**Margin loan to clients**		
	Opening balance	400,691,231	1,052,906,051
	Addition/(Release) during the year	(123,311,970)	(652,214,820)
		277,379,261	**400,691,231**

					Amount in BDT	
					As at	
				Notes	31-Dec-25	31-Dec-24
14	**Short Term Investments**					
	Fixed Deposit Receipt (FDR)			(Note: 14.1)	**544,373,250**	**455,280,000**
14.1	**Fixed Deposit Receipt (FDR)**					
	Name of the Bank/NBFI					
	IDLC Finance PLC.				514,373,250	425,280,000
	Standard Chartered Bank				-	15,000,000
	City Bank PLC.				30,000,000	15,000,000
					544,373,250	**455,280,000**
	FDR kept under lien with The City Bank PLC as security for Overdraft.					
15	**Cash and cash equivalents**					
	Cash in hand				95,000	95,000
	Cash at bank			(Note: 15.1)	825,520,436	924,676,537
					825,615,436	**924,771,537**
15.1	**Cash at bank**					
	Name of the Bank	**Branch**	**Type**	**A/C No.**		
	Standard Chartered Bank (CCA)	Dhaka Main	CD	01-3066347-02	58,803,428	32,416,873
	Dhaka Bank PLC. (CCA)	Foreign Exchange	SND	2031520000018	33,369,224	318,310,988
	Brac Bank PLC. (CCA)	R.K Mission Road	SND	2017498700002	622,446,125	442,443,948
	EXIM Bank PLC.	Shantinagar	SND	11313100024301	-	2,618,577
	EXIM Bank PLC.	Shantinagar	SND	0113000105108	-	106,952
	NCC Bank PLC. (Strategic Inv.)	NCC Bank Bhaban	SND	0103-0325000384	103,787	56,687
	Standard Chartered Bank	Dhaka Main	SND	02-3066347-03	103,868	100,957
	Standard Chartered Bank	Dhaka Main	SND	02-3066347-01	101,261	10,515
	Standard Chartered Bank	Dhaka Main	CD	01-3066347-01	1,476,083	998,838
	Standard Chartered Bank	Dhaka Main	CD	01-3066347-05	166,110	60,627
	Dhaka Bank PLC.	Foreign Exchange	SND	2031500002092	15,395,403	124,847,570
	City Bank PLC.	Gulshan Avenue	SND	3103775792001	601,174	1,412,000
	NCC Bank PLC. (G-Sec)	NCC Bank Bhaban	SND	0103-0325000946	114,615	103,895
	Brac Bank PLC.	R.K Mission Road	SND	2017498700001	85,433,420	1,188,110
	Dhaka Bank PLC.	Foreign Exchange	CD	2031750000754	50,000	-
	Brac Bank PLC. (Margin Loan)	Motijheel	SND	2017498700003	7,355,938	-
					825,520,436	**924,676,537**
16	**Share capital**					
	Authorised capital				**2,000,000,000**	**2,000,000,000**
	20,000,000 shares of Taka 100 each					
	Issued, subscribed & paid up capital :				**2,000,000,000**	**2,000,000,000**
	The issued, subscribed and paid-up capital of Taka 2,000,000,000 is divided into 20,000,000 ordinary shares of Taka 100 each. Details are as follows:					
	IDLC Finance PLC.					
	19,999,992 shares of Tk. 100 each fully paid up				1,999,999,200	1,999,999,200
	Mr. Asif Saad Bin Shams					
	8 shares of Tk. 100 each fully paid up				800	800
					2,000,000,000	**2,000,000,000**
17	**Capital reserves**					
	Capital reserve on net profit after tax of last year			(Note: 17.1)	**177,984,840**	**147,877,677**
17.1	**Capital reserve on net profit after tax of last year**					
	Opening balance				147,877,677	123,858,918
	Addition during the year				30,107,163	24,018,759
					177,984,840	**147,877,677**

		Notes	Amount in BDT As at 31-Dec-25	31-Dec-24
	Refer to clause (i) of (e) of Part B [rule (1) (b), rule 5(2)] of the Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy), Rules, 2019, capital reserve balance as of December 31, 2025 comprises of provision kept @ 10% of profit after tax for the years 2018 - 2024.			
18	**Retained earnings**			
	Opening balance		2,486,132,566	2,309,079,691
	....% cash dividend for the year 2025		-	(100,000,000)
	Net profit for the year		351,099,800	301,071,634
	Transfer to capital reserve		(30,107,163)	(24,018,759)
			2,807,125,203	**2,486,132,566**
19	**Lease liabilities**			
	Opening Balance		33,806,166	44,303,596
	Add: Addition during the period		10,647,119	12,623,039
			44,453,285	**56,926,635**
	Less: Adjustment during the period		25,394,177	23,120,469
			19,059,108	**33,806,166**
	Lease liabilities			
	Non-Current		8,762,118	12,712,351
	Current		10,296,991	21,093,815
			19,059,108	**33,806,166**
20	**Accounts payable**			
	Payable to clients	(Note: 20.1)	717,836,488	621,321,678
	Payable to DSE	(Note: 20.2)	1,535,070	8,682,495
	Payable to CSE	(Note: 20.3)	58,298	-
	Deferred liability - employees' gratuity	(Note: 20.4)	60,264,049	74,070,438
	Other payable	(Note: 20.5)	167,177,138	159,374,856
			946,871,043	**863,449,468**
20.1	**Payable to clients**			
	Broker		716,053,157	621,321,678
	Dealer		1,783,331	-
			717,836,488	**621,321,678**
	This balance represents the clients' sale proceeds of shares and deposits against share purchase which is currently lying with the company's bank A/C.			
20.2	**Payable to DSE**			
	Purchase for broker		1,531,880	8,682,495
	Purchase for dealer		3,190	-
			1,535,070	**8,682,495**
	This balance has been resulted from purchase of shares through Dhaka Stock Exchange PLC. (DSE).			
20.3	**Payable to CSE**			
	Purchase for broker		**58,298**	**-**
	This balance has been resulted from purchase of shares through Chittagong Stock Exchange PLC. (CSE).			
20.4	**Deferred liability - employees' gratuity**			
	Opening balance		74,070,439	62,109,972
	Addition during the year		5,118,120	18,335,153
			79,188,559	**80,445,125**
	Payment during the year		(18,924,510)	(6,374,687)
			60,264,049	**74,070,438**
20.5	**Other payable**			
	Payable to CDBL		118,534	14,973
	Payable to welfare fund		1,239,684	1,475,206
	Payable to Foreign Broker against Commission sharing		95,133	131,339
	Miscellaneous payable		143,698,303	153,754,185
	Interest suspense		21,877,735	3,996,153
	Payable to DSE		4,750	3,000
	Security Deposit - Received from Tenant		143,000	-
			167,177,138	**159,374,856**

		Notes	Amount in BDT As at 31-Dec-25	31-Dec-24
21	**Liabilities for expenses**			
	Audit fee		178,250	187,000
	Legal & professional fee		4,355,611	1,456,861
	Office rent		1,213,926	1,146,352
	Utilities		1,155,754	572,439
	Office maintenance		1,762,508	519,432
	Salaries & allowances		50,309,970	50,773,311
	Motor vehicle expenses		20,910	49,750
			58,996,929	**54,705,145**
22	**Provision for income tax**			
	Provision			
	Balance at January 1		1,760,940,534	1,586,582,447
	Less : Adjustment during the year		254	-
			1,760,940,280	**1,586,582,447**
	Add : Provision made during the year		236,069,801	174,358,087
			1,997,010,082	1,760,940,534
	Less : Release of previous year's excess provision settlement of previous year's tax liability		-	-
	Balance at December 31		**1,997,010,082**	**1,760,940,534**
	Advance Tax			
	Balance January 1		1,469,634,407	1,348,632,945
	Add: Payment made during the period			
	Paid during the year under sections 153,154,173		43,133,458	21,559,036
	Tax deducted at source	(Note: 22.1)	98,830,231	99,442,426
	Others		-	-
			141,963,689	**121,001,462**
			1,611,598,096	1,469,634,407
	Less: Adjustment during the year		-	-
			1,611,598,096	**1,469,634,407**
	Net balance at December 31		**385,411,985**	**291,306,127**
22.1	**Tax deducted at source**			
	The amount has been deducted by Dhaka Stock Exchange PLC. (DSE) & Chittagong Stock exchange PLC. (CSE) from the transaction amount as per section 137 of the Income Tax Act 2023.			
	Dhaka Stock Exchange PLC.			
	For broker		26,661,210	40,041,984
	For dealer		24,137	353,218
			26,685,347	**40,395,203**
	Chittagong Stock exchange PLC.			
	For broker		385,408	415,349
			385,408	**415,349**
	Total tax deducted on turnover as per section 137		**27,070,755**	**40,810,552**
	Tax deducted at source on bank interest and dividend income		71,759,477	58,631,874
			98,830,231	**99,442,426**
23	**Provision for investments**			
	Provision for proprietary investments	(Note: 23.1)	215,000,000	160,000,000
	Provision for other investments	(Note: 23.2)	49,999,976	49,999,976
			264,999,976	**209,999,976**
23.1	**Provision for proprietary investments**			
	Opening balance		160,000,000	190,000,000
	Provision taken/(release) during the year		55,000,000	(30,000,000)
			215,000,000	**160,000,000**

		Notes	Amount in BDT As at 31-Dec-25	 31-Dec-24
23.2	**Provision for other investments**			
	Opening balance		49,999,976	49,999,976
	Provision for the year		-	-
			49,999,976	**49,999,976**
24	**Provision for margin loan and others**			
	Provision for margin loan	(Note: 24.1)	6,315,090	7,506,754
	Provision for others	(Note: 24.2)	4,022,307	3,193,816
			10,337,397	**10,700,570**
24.1	**Provision for margin loan**			
	Opening balance		7,506,755	12,534,107
	Provision for the year		(1,191,665)	(5,027,353)
			6,315,090	**7,506,754**

General Provision 1% kept on maximum allowed Margin Loan as per Bangladesh Securities & Exchange Commission (Margin) rules 2025, Moreover, we kept 1% General Provision on unclassified Loan segment, 2% provision on margin call segment and 10% provision on forced sell segment subject to the IDLCSL Board approval.

	General Provision		
	Unclassified	1,260,907	5,790,646
	Margin Call Segment	2,399,204	1,310,143
	Forced Sell Segment	2,654,979	405,965
		6,315,090	**7,506,754**
24.2	**Provision for others**		
	Opening balance	3,193,816	2,088,758
	Provision for the year**	828,491	1,105,058
		4,022,307	**3,193,816**

**The management of IDLCSL has been kept this Specific provision against probable operational losses & doubtful receivables.

		Notes	Amount in BDT For the year ended 31-Dec-25	 31-Dec-24
25	**Brokerage commission**			
	Brokerage commission from Dhaka Stock Exchange (DSE)		236,685,288	259,419,479
	Brokerage commission from Chittagong Stock Exchange (CSE)		3,352,987	2,289,703
			240,038,275	**261,709,182**
26	**Brokerage commission expense**			
	Howla charges	(Note: 26.1)	17,780	22,881
	Laga charges	(Note: 26.2)	18,115,418	20,589,274
	Charges on corporate/bank guarantee		3,060,677	3,069,063
	International market development fees		2,051,415	2,844,794
	Local Market Development Fees		717,580	618,202
			23,962,870	**27,144,214**
26.1	**Howla charges**			
	Dhaka Stock Exchange		16,459	22,306
	Chittagong Stock Exchange		1,321	575
			17,780	**22,881**
26.2	**Laga charges**			
	Dhaka Stock Exchange		17,782,318	19,736,161
	Chittagong Stock Exchange		333,101	853,113
			18,115,418	**20,589,274**

		Notes	Amount in BDT For the year ended 31-Dec-25	31-Dec-24
27	**Interest income**			
	Interest on FDR		61,987,746	108,025,198
	Bank interest		71,249,387	29,659,301
	Interest on margin loan		37,355,219	111,424,198
			170,592,351	**249,108,697**
28	**Interest expenses**			
	Interest on short-term loan		-	23,334
	Interest on overdraft		286,088	153,628
	Interest on lease rent		2,644,928	3,964,788
			2,931,016	**4,141,750**

Standard Chartered Bank approved an overdraft facility in favor of IDLC Securities Limited for amount of Taka 150,000,000 at 10.50% per annum interest rate vide sanction letter ref# 08C/11010527/BDCDU dated 14 January 2025. For security purpose, IDLC Securities Limited has to maintain FDR amount of Taka 15,000,000 kept under lien with The City Bank PLC against overdraft facility. Standard Chartered Bank may revise the interest rate time to time at the discretion of the bank as per the clause no. 03 of the sanction letter. Dhaka Bank PLC approved an overdraft facility in favor of IDLC Securities Limited for amount of Taka 400,000,000 at minimum 4% spread between SND interest rate & lending rate vide sanction letter ref# DBPLC/FEX/CR/2024/356 dated 10 December 2024.

29	**Net investment income**			
	Capital gain/(loss) from sale of securities		16,694	(51,176,739)
	Capital gain/(loss) from sale of securities (Strategic Investment Fund)		-	270,548
	Dividend income		42,390,200	50,986,882
	Dividend Income (Strategic Investment Fund)		1,349,228	1,272,580
	Income from Zero Coupon Bond		883,721	5,682,531
	Income from Treasury Bond		448,531,146	84,931,470
	Gain/(loss) from sale of Govt. T-Bill		-	21,915
	Interest Income from Govt. T-Bill		-	121,043,875
			493,170,989	**213,033,062**
30	**Other operating income**			
	Account opening fee		471,000	543,000
	BO account maintenance fee		1,029,900	1,876,000
	Transmission fee		77,540	192,594
	Demate & remate fee		20,168	27,135
	Pledge unpledge & others fee		3,207	3,207
	IPO service charge		-	25,015
	Wealth certificate		22,000	19,000
	Cheque dishonour charge		92,000	126,000
	Confiscate service charge		2,515	67,340
			1,718,331	**2,879,291**
31	**Salaries & allowances**		**151,839,596**	**181,035,453**

Salaries & allowances includes key management compensation of BDT 22,443,297 (2024: BDT 22,640,008). Key management personnel comprises the Management Committee, including the Managing Director who exercise significant authority and play strategic role in the company.

32	**Rent, taxes, insurance, electricity, etc.**			
	Rent, rates & taxes	(Note: 32.1)	2,986,124	2,596,630
	Service charge		3,500,313	3,594,057
	Office maintenance		11,403,338	10,502,984
	Office insurance		495,677	431,003
	Repair & maintenance		1,195,775	582,539
	Utilities		6,514,680	6,423,655
			26,095,907	**24,130,868**

		Notes	Amount in BDT For the year ended 31-Dec-25	 31-Dec-24
32.1	**Disclosure related to rent rates and taxes**			
	Actual rent expenses		29,618,528	26,717,071
	Less: Reclassification of rent expenses (as per IFRS 16: Leases)		26,632,404	24,120,441
	Rent expenses as reported		**2,986,124**	**2,596,630**
33	**Legal expenses**			
	Renewal & registration		743,255	481,758
	Subscription & fees		710,796	609,305
	Legal & professional fees		3,576,372	3,444,680
			5,030,423	**4,535,743**
34	**Postage, stamp, telecommunication, etc.**			
	Postage and courier		107,485	74,682
	Telephone expenses		1,738,959	1,457,523
	Government fees & stamp duty		37,118	31,353
	Internet connectivity charges		4,624,555	4,246,820
			6,508,117	**5,810,378**
35	**Stationery, printing, advertisements, etc.**			
	Printing & stationeries		1,728,744	1,675,212
	Advertisement		201,600	322,653
	Selling Expense		994,984	1,000,159
	Corporate Social Responsibility		406,000	-
	Branding & marketing expenses		5,107,883	2,200,674
	Business promotional expenses		1,559,517	1,004,320
			9,998,728	**6,203,018**
36	**Directors' fee & meeting expenses**			
	Directors' fees		**460,000**	**308,000**
37	**Other expenses**			
	Staff training		238,006	93,277
	Medical and welfare expenses		746,363	707,034
	Entertainment		398,086	1,296,686
	Motor vehicle expenses		1,544,535	1,986,864
	Newspapers & periodicals		26,857	30,529
	Travelling and conveyance		903,885	838,033
	Employees' group insurance premium		503,624	501,007
	Employees' hospitalization insurance premium		1,691,576	1,433,716
	Software maintenance		1,990,538	5,507,866
	CDBL transaction fee		51,152	342,159
	Bank charges		720,443	1,040,734
			8,815,065	**13,777,905**
38	**Other non-operating income**			
	Miscellaneous income		1,342,311	223,665
	Gain/(Loss) on disposal of fixed assets		1,222,361	(898)
			2,564,672	**222,767**

39 Number of employees

The number of employees for the whole year who received a total remuneration of Taka 36,000 or above were 154 on 31 December 2025 which was remained same compared to 2024.

40 Events after the reporting period

40.1 Dividend for the year 2025

The Board of Directors of IDLC Securities Limited, at its 135th Board Meeting to be held on 15th March 2026, will consider the recommendation of dividend, if any, for the year ended 31 December 2025 at the same meeting in which the financial statements of the Company will be approved.

41 Related Party Transaction

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with and without common Directors and key management positions. The company has entered into transaction with other related entities in normal course of business that fall within the definition of related party as per International Accounting Standard 24 : "Related Party Disclosures." Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials and do not involve more than a normal risk.

Name of the related party	Relationship	Nature of transaction	Transaction during year	Closing balance as on 31.12.2025	Closing balance as on 31.12.2024
IDLC Finance PLC.	Parent Company	Term Deposit	(10,530,000)	414,750,000	425,280,000
Mohammed Jamal Uddin	Vice-Chairman	BO Account	(150)	34,068	34,218
Nurul Karim Patwery	Director	BO Account	11,097	15,954	4,858

42 Capital Adequacy Ratio (CAR) :

Computation of capital adequacy ratio (CAR) as per [rule – 4 (2)] of the Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy), Rules, 2019 :

Capital Adequacy Ratio (CAR) = $\frac{\text{Total capital (TC)*}}{\text{Total Risk Requirement (TRR)*}}$ X 100

Maintained a mandatory Capital Adequacy Ratio minimum 120% or 1.20 times as per [rule – 4 (3) (a)] of the Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy), Rules, 2019.

Capital Adequacy Ratio (CAR) of IDLCSL = $\frac{5,027,977,713}{138,070,997}$ X 100

= 3,641.59% or 36.42 Times

*Details calculation of Total capital (TC) & Total risk requirement (TRR) are in Table-1 & 2

Where

a) Total capital (TC) = Core Capital + Supplementary Capital;

b) Total Risk Requirement (TRR) = Operation Risk Requirement (ORR) + Position Risk Requirement (PRR) + Counterparty Risk Requirement (CRR) + Underwriting Risk Requirement (URR) + Large Exposure Risk Requirement (LERR)+ Liability Risk Requirement (LRR)

Table - 1

	Area of Risk	Value of the risk factor
a.	Core Capital	4,985,110,043
b.	Supplementary Capital	42,867,670
	Total Capital (TC) (a+b)	**5,027,977,713**

Table - 2

	Area of Risk	Value of the risk factor
a.	Operation Risk Requirement (ORR)	36,178,751
b.	Position Risk Requirement (PRR)	70,021,353
c.	Counterparty Risk Requirement (CPRR)	22,190,341
d.	Underwriting Risk Requirement (URR)	-
e.	Large Exposure Risk Requirement (LERR)	9,078,409
f.	Liability Risk Requirement (LRR)	602,143
	Total Risk Requirement (TRR) (a+b+c+d+e+f)	**138,070,997**

43 Date of authorisation

The Board of director has authorised these financial statements for issue on 15 March 2026.

IDLC Securities Limited

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2025

Annexure-A

(Amount in BDT)

Particulars	Cost				Rate %	Depreciation				Written Down Value as on 31.12.2025
	Balance as on 01.01.2025	Addition during the period	Disposal/ adjustment during the period	Balance as on 31.12.2025		Balance as on 01.01.2025	Charged during the period	Disposal/ adjustment during the period	Balance as on 31.12.2025	
Land	17,860,843		-	17,860,843	-	-	-	-	-	17,860,843
Building	20,076,823		-	20,076,823	2.50%	41,827	501,921	-	543,747	19,533,075
Computer peripherals	27,269,419	2,512,500	-	29,781,919	20.00%	19,215,233	2,858,482	-	22,073,715	7,708,203
Office equipment	27,518,549	301,950	(2,035,580)	25,784,919	20.00%	24,641,930	947,282	(2,034,346)	23,554,867	2,230,052
Electrical equipment	21,668,467	801,683	(1,065,665)	21,404,484	20.00%	17,815,477	1,255,405	(1,044,223)	18,026,658	3,377,826
Motor Cycle	2,716,000	1,000,000	(500,000)	3,216,000	25.00%	2,061,595	524,145	(499,990)	2,085,750	1,130,250
Motor Car	11,688,769		(5,000,000)	6,688,769	12.50%	9,240,878	507,098	(4,681,818.24)	5,066,157	1,622,612
Office decoration	26,623,337	172,272	-	26,795,609	20.00%	23,003,840	1,244,815	-	24,248,655	2,546,954
Furniture & fixtures	13,247,363	253,116	(175,287)	13,325,191	12.50%	10,976,610	562,069	(175,217)	11,363,462	1,961,730
Telephone and telex	2,614,931	306,999	(69,999)	2,851,931	33.33%	2,212,828	260,206	(59,428)	2,413,607	438,324
Curtain & carpet	461,434	100,000	(136,974)	424,459	33.33%	339,633	90,741	(136,964)	293,409	131,050
Balance as on 31 December 2025	**171,745,934**	**5,448,519**	**(8,983,506)**	**168,210,947**		**109,549,849**	**8,752,164**	**(8,631,986)**	**109,670,027**	**58,540,920**
Balance as on 31 December 2024	**135,341,810**	**42,639,207**	**(6,235,083)**	**171,745,933**		**106,938,533**	**8,314,089**	**(5,702,772)**	**109,549,849**	**62,196,086**

Particulars	Cost				Rate %	Depreciation				Written Down Value as on 31.12.2025
	Balance as on 01.01.2025	Addition during the period	Disposal/ adjustment during the period	Balance as on 31.12.2025		Balance as on 01.01.2025	Charged during the period	Disposal/ adjustment during the period	Balance as on 31.12.2025	
IT Software & Development	7,054,386	-	-	7,054,386	33.33%	7,001,686	41,841	-	7,043,528	10,858
Balance as on 31 December 2025	**7,054,386**	**-**	**-**	**7,054,386**		**7,001,686**	**41,841**	**-**	**7,043,528**	**10,858**
Balance as on 31 December 2024	**7,054,386**	**-**	**-**	**7,054,386**		**6,959,845**	**41,841**	**-**	**7,001,686**	**52,700**

Right-of-use assets

Particulars	Cost				Rate %	Depreciation				Written Down Value as on 31.12.2025
	Balance as on 01.01.2025	Addition during the period	Disposal/ adjustment during the period	Balance as on 31.12.2025		Balance as on 01.01.2025	Charged during the period	Disposal/ adjustment during the period	Balance as on 31.12.2025	
Office Space	109,433,176	8,898,682	(81,008,420)	37,323,438		81,223,761	18,779,673	(81,008,420)	18,995,014	18,328,424
Balance as on 31 December 2025	**109,433,176**	**8,898,682**	**(81,008,420)**	**37,323,438**		**81,223,761**	**18,779,673**	**(81,008,420)**	**18,995,014**	**18,328,424**
Balance as on 31 December 2024	**110,653,771**	**8,658,251**	**(9,878,845)**	**109,433,176**		**72,785,268**	**18,317,339**	**(9,878,845)**	**81,223,761**	**28,209,415**

IDLC Investments Limited

Management Committee



Mesbah Uddin Ahmed

Managing Director

Mesbah Uddin Ahmed is a seasoned banker having over 31 years of experience in the Banking and corporate sector. Prior to his current role, Mr. Ahmed had led the IDLC Corporate business from 2015 to 2022 and Consumer and Wealth Management business from later 2022 to 2024.He is a highly experienced leader with a successful track record in Corporate Banking, Structured Finance, Credit Risk Management, Investment Banking, and Sales/marketing activities for private enterprises especially in Banks and FIs. He completed his MBA from London Institute of Technology and Research (LITR) and M.Com in Finance & Banking from University of Dhaka.



Mohammad Masud Karim Majumder, FCA

Group Chief Financial Officer (CFO)

Mr. Md. Masud Karim Majumder took over the role of Group CFO of IDLC in 2016. . Mr. Majumder is a Fellow Chartered Accountant (FCA) with around two decades of corporate experience. His areas of expertise spans over Financial Planning and Control, Budgeting, Corporate and Financial Reporting, Strategic Planning and Taxation. Prior to that, he was working in KPMG Bangladesh as an Audit Supervisor. Mr. Majumder completed his Bachelor of Commerce (Honors) and Masters in Finance from the University of Dhaka.



Abul Fazal Mohamed Rubayat FCS FCMA (UK) CGMA (USA) FCPA (AUS)

Group Chief Corporate Affairs Officer & Group Company Secretary

Mr. Rubayat has over 22 years of experience in the corporate & financial sectors both in local and multinational companies. Before joining IDLC, Mr. Rubayat held various key positions in CEAT, Zuellig Pharma, Heidelberg Cement, and Sanofi. As a seasoned corporate and financial professional, his areas of expertise spans across Secretarial practices, Accounts maintenance, Group reporting, Tax and VAT planning, Treasury function, Statutory, and other regulatory compliance. Mr. Rubayat is a Fellow Member of the Institute of Chartered Secretaries of Bangladesh. He also holds Associate Membership of different prestigious foreign professional institutes. Mr. Rubayat completed his MBA in Accounting and Information System from the University of Dhaka, Legislative Law Bachelor from National University, and is also a Certified Income Tax Practitioner from National Board of Revenue



Abul Ahsan Ahmed

Chief Operating Officer

Senior capital market professional with over 21 years of experience in Bangladesh's capital market, possessing extensive expertise in portfolio management, sales, regulatory compliance, product innovation, and corporate governance. He has a proven track record in managing large-scale discretionary and non-discretionary portfolios, launching innovative investment products, and contributing as COO of the company. He holds an MBA with a major in Finance and brings strong analytical, strategic, and leadership capabilities in driving sustainable growth and regulatory compliance within the capital market industry.



Md. Rashiduzzaman

Head of Investment Banking

Mr. Rashid joined the Investment Banking team of IDLC in 2011. He has worked on several groundbreaking transactions including the biggest IPO of Robi-Axiata and the largest ever telecom M&A, the merger of Robi Axiata with Airtel Bangladesh. He has also played an instrumental role in the largest acquisition in pharmaceutical sector, Acquisition of Sanofi Bangladesh by Beximco Pharma. Rashid is a CFA and FRM charterholder. He has completed BBA (Major in Finance) from University of Dhaka and Executive MBA from Institute of Business Administration (IBA), University of Dhaka.



Nastaran Tasnim, FCA

In-Charge, Finance & Admin

Ms Nastaran Tasnim is a Fellow Chartered Accountant (FCA) with over a decade of corporate experience. Her areas of expertise spans over financial management and planning, financial reporting, budgetary control, taxation, corporate affairs; honed through working under various capacities at IDLC, Standard Chartered Bank and KPMG Bangladesh. She is a business graduate from North South University.



Nabeel Muhammad Mosharraf

Head of Operations

Mr. Nabeel Muhammad Mosharraf has been serving as the Head of Operations at IDLC Investments Limited since April 2022. He is currently also acting as the Head of Risk & Analytics and serves as the Chief Anti-Money Laundering Compliance Officer (CAMLCO) of IDLC IL. With over a decade of experience in the investment banking sector, he has developed strong expertise in operational management, process optimization, risk oversight, and regulatory compliance.

He began his career in 2009 as a Junior Officer in the then Merchant Banking Division of IDLC Finance PLC. Mr. Nabeel holds an MBA with a major in International Business from the University of Dhaka and a BBA in Finance and Accounting from Southeast University.

IDLC Investments Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS



Md. Khalilur Rahman
Chairman

The Directors are pleased to present the Directors' Report together with the audited financial statements for the year ended December 31, 2025, and the auditor's report, in accordance with the Companies Act, 1994 and the Corporate Governance Code of the Bangladesh Securities and Exchange Commission. This report provides a review of the capital market environment, the Company's performance, and other key matters.

IDLC Investments Limited is a full-service investment bank offering a range of capital market solutions, including investment banking (issue management, underwriting, and corporate advisory), structured finance, discretionary portfolio management, and margin lending. Our approach combines strong in-house research with disciplined execution to support clients across the lifecycle of corporate finance and investment needs.

We remain committed to delivering high-quality, client-focused services to both domestic and non-resident Bangladeshi (NRB) investors, supported by rigorous compliance and ethical standards. As one of Bangladesh's leading merchant banks, the Company continues to build long-standing relationships and provide tailored financial solutions.

During the year, IDLC Investments Limited received multiple international recognitions for excellence in capital market services. These include the Euromoney Awards for Excellence designation as Best Investment Bank in Bangladesh 2025, FinanceAsia Country Awards 2025, and the International Finance Award 2025 for Most Innovative Treasury Bill & Bond Service Provider, underscoring the Company's consistent delivery of innovative and client-centric solutions. Additionally, we received the International Banker Award – Best Investment Bank of the Year Bangladesh in 2025.

Business highlights:

Investment banking:

For over two decades, IDLC Investments Limited has remained at the forefront of Bangladesh's investment banking sector, navigating market cycles with resilience, innovation, and disciplined execution. Established in 1998, the Investment Banking team of IDLC Investments Limited (IDLCIL) has built a strong track record of providing tailored, regulatory-compliant, and value-driven solutions to meet clients' strategic and financing needs. With a lean yet highly experienced team, IDLCIL continues to be recognized as a leading investment bank in the country, offering services across IPOs, RPOs, rights issues, underwriting, M&A, private equity advisory, corporate advisory, equity valuation, and trusteeship.

As of December 31, 2025, Investment Banking team has successfully floated a total of 13 IPOs, 1 RPO, and 2 Rights Issues, collectively raising BDT 21,789 mn. The team has also provided underwriting

services to more than 60 issuers to date, reflecting its continued contribution to capital market depth and issuer confidence. During the year, the Investment Banking team maintained BDT 28.0 billion under trusteeship, underscoring its strong fiduciary capabilities and long-standing client relationships.

Despite continued macroeconomic pressures and subdued primary market activity, IDLC Investments Limited completed a landmark transaction in 2025 by structuring and executing the Rights Issue of Berger Paints Bangladesh Limited. This transaction stood out as the only equity capital market deal of the year among listed companies, setting a market benchmark through its sophisticated structuring approach that successfully preserved shareholder value, ensured price stability, and upheld minority shareholder protection. The transaction further reinforced the team's ability to innovate within regulatory frameworks and deliver value-driven solutions even during periods of market stress.

The M&A landscape remained largely unchanged in 2025, with no transaction closures amid ongoing economic uncertainty. However, IDLC Investments Limited made strategic progress by securing private equity and M&A mandates from one of Bangladesh's largest FMCG conglomerates, positioning the Company favorably for future deal execution once market conditions normalize. These mandates reflect sustained client confidence in IDLCIL's advisory capabilities and transaction expertise.

A key differentiator of IDLC Investments Limited in 2025 was its continued emphasis on Islamic, low-cost, and green financing solutions, reflecting a "blue ocean" strategy focused on expanding access to competitively priced and sustainability-aligned capital. Through structuring multiple Shariah-compliant and environmentally responsible financing solutions, the team broadened its addressable client base while aligning with national sustainability objectives and evolving investor preferences.

In parallel, IDLC Investments Limited undertook extensive IPO-readiness and preparatory advisory engagements for a growing pipeline of prospective issuers. Although the primary market remained largely dormant, these engagements resulted in several transaction-ready mandates. The introduction of the revised IPO regulations on 30 December 2025 validated this forward-looking approach, with a number of pipeline mandates now advancing for the next phase. This positions IDLC Investments Limited to efficiently convert preparatory advisory work into live IPO and capital market transactions in the subsequent period.

Looking ahead, IDLC Investments Limited remains cautiously optimistic as regulatory reforms, improving macroeconomic stability, and renewed investor confidence are expected to gradually revive capital market activity. The team remains committed to identifying emerging opportunities, deepening its advisory capabilities, and delivering innovative investment banking solutions that meet the evolving needs of clients, while continuing to uphold its legacy as one of Bangladesh's most trusted and resilient investment banking institutions.

Structured Finance Department (SFD)

Since its inception in the year 2000, IDLC's Structured Finance Department has been a provider of customized financial services including fund raising and advisory services to help clients in achieving accelerated business growth. The department has a dedicated team proficient in providing services through loan documentation and disbursement, overseeing project implementation, and loan repayments for syndication project financings. The team's strong relationship with Bangladesh Bank and the Bangladesh Securities and Exchange Commission helps ensure quick regulatory approvals, while their growing connections with corporate clients and the treasury and FAD units of banks and NBFIs support successful fund raising for their deals.

Structured finance has been actively involved in raising funds for various infrastructure, hospitality, and industrial projects. IDLC SFD have successfully arranged debt syndications totaling USD 140 mn and BDT 29,250 mn, securing large-scale financing for projects like Le Meridien Dhaka, City Economic Zone (World Bank Fund), and BSRM Steel Mills. In addition, SFD raised BDT 85,440 mn in bonds for banks, including significant bond issuances such as BDT 5,000 mn for Pubali Bank PLC, BDT 5,000 mn for NCC Bank PLC, and BDT 5,000 mn for Trust Bank PLC. SFD arranged structured financing transactions aggregating BDT 9,800 mn for corporate clients. This includes Preference Share issuances totaling BDT 3,500 mn and seven Commercial Paper issuances amounting to BDT 6,300 mn. Among these, the team successfully raised BDT 1,770 mn for City Auto Rice and Dal Mills Limited (Zero Coupon Bond), BDT 1,000 mn for Confidence Power Holdings Limited (Preference Share), and BDT 1,000 mn for concerns of DBL Group (Preference Share), supporting long-term capital formation across manufacturing and industrial sectors.

Product list

- Debt Syndication (Local & Foreign Currency)
- Working Capital Syndication
- Agency & Trusteeship
- Zero Coupon Bonds, Coupon Bearing Bonds & Convertible Bonds
- Balance Sheet Restructuring
- Arrangement of Private Equity & Preference Shares
- Commercial Paper
- Corporate Advisory for Mergers & Acquisitions and Joint Venture Making
- Preparation of Feasibility Study

As a leading participant in Bangladesh's Debt Capital Market, IDLC Structured Finance Department (SFD) continued to play a significant role in strengthening both banking regulatory capital and corporate financing during 2025. During the year, SFD arranged the major portion of NCC Bank PLC's BDT 5,000 mn Tier-2 Subordinated Bond, successfully completed fund raising for Pubali Bank PLC's BDT 5,000 mn Subordinated Bond, acted as Placement Agent for Trust Bank PLC's BDT 2,500 mn 8th Subordinated Bond, and received the mandate to arrange City Bank PLC's BDT 12,000 mn 5th Subordinated Bond, reflecting strong client confidence in SFD's execution capabilities. In the corporate segment, SFD completed BDT 1,770 mn fund raising through a Zero Coupon Bond for City Auto Rice and Dal Mills Limited, arranged the major portion of BDT 2,000 mn Preference Share issuances for Confidence Power Holdings Limited and BDT 2,000 mn for concerns of DBL Group, and structured BDT 2,100 mn financing for Rancon Motor Bikes Limited and Rancon Auto Industries Limited, supporting long-term capital formation across the manufacturing, power, and automotive sectors. Through these transactions, SFD reinforced its leadership in delivering regulatory-compliant, innovative, and sustainable financing solutions, contributing meaningfully to the resilience and growth of Bangladesh's financial system. These achievements also helped IDLC earn recognition as "Bangladesh's Best Investment Bank for Debt Capital Markets" at the Euromoney Awards for Excellence 2025, underscoring its market-leading position and execution excellence.

With a focus on providing innovative financial products, IDLC-SFD has

arranged zero-coupon bonds, preference shares, subordinated bonds, and other debt instruments, catering to the unique needs of each client. Our key strength lies in our ability to design the best financial solutions tailored to each project's requirements, while leveraging our strong coordination with stakeholders and regulatory authorities. This approach has enabled us to secure significant funding for landmark projects, ensuring growth and continuous value creation for our clients. Through our comprehensive advisory and financing services, IDLC-SFD remains committed to driving financial innovation and excellence in Bangladesh's capital market.

Discretionary portfolio management (DPM):

IDLC Investments Limited is a well-established fund management institution in Bangladesh with a strong track record across market cycles. Discretionary Portfolio Management (DPM) remains a core component of our portfolio management offerings, delivering research-based investment solutions to institutional investors, high-net-worth individuals (HNWIs), and retail clients since 2007.

Our suite of structured and diversified investment solutions includes:

- **MAXCAP** – Designed for HNWIs and institutional investors seeking customized portfolio strategies
- **Profit-Loss Sharing Scheme** – A partnership-based investment structure aligning client and manager interests
- **Capital Protected Scheme** – Structured for investors prioritizing downside protection and capital preservation
- **Portfolio Advisory Services** – Primarily catering to institutional clients with tailored advisory mandates

Our investment philosophy is grounded in long-term value creation and disciplined risk management, with portfolio construction aligned to each client's risk-return objectives. Investment decisions are supported by comprehensive fundamental research, focusing on businesses with sound governance, resilient operating models, sustainable growth prospects, and consistent performance. Depending on market conditions, portfolios are also tactically allocated to fixed-income instruments such as Treasury bonds, Treasury bills, and zero-coupon bonds to enhance risk-adjusted returns. This balanced and research-driven approach continues to support consistent alpha generation for our clients.

Throughout 2025, our discretionary portfolios were actively managed with a balanced mix of Bangladesh Treasury securities and fundamentally strong equities. The capital market remained fragile amid continued political transition and policy uncertainty; weak liquidity and subdued investor participation kept equity prices under pressure for most of the year, even as valuation levels became increasingly attractive.

In this context, the Government's 7th Bangladesh Government Investment Sukuk (planned for December 2025) gained notable investor interest and served as a defensive allocation within client portfolios, offering Shariah-compliant, sovereign-backed cash flows at a time when equity risk premia were elevated.

The improved demand-supply dynamics in Investment Sukuk further strengthened our conviction to design our first Shariah-compliant investment scheme in 2026. Looking ahead, the market pulse in 2026 will depend largely on the macroeconomic initiatives of the next elected government, including policy consistency on inflation control, exchange-rate reforms, and capital market confidence-building measures.

Non-Discretionary Portfolio Management / Margin Loan:

The Non-Discretionary Portfolio Management division provides margin lending facilities to eligible clients under a structured and risk-controlled framework. IDLC Investments Limited introduced its margin lending product, CAP INVEST, in 2004, and since then has played a significant role in supporting market liquidity and investor participation in Bangladesh's capital market.

The CAP INVEST facility offers financing to qualified investors for the purchase of approved listed securities, as determined by the Margin Loan Committee of IDLC Investments Limited, against client-provided equity as collateral. The facility allows investors to enhance their market exposure through prudent use of leverage. Clients may also choose to operate their portfolios using only their own funds, without availing margin financing, while remaining under the same product and operational framework.

We remained cautious on margin lending throughout 2025, prioritising capital preservation and portfolio quality in a depressed market. By year-end, the market's valuation multiple remained near multi-year lows (DSE P/E around the high-8x to ~9x range), underscoring both the depth of the correction and the potential upside once confidence returns.

Accordingly, we strategically reduced our margin loan basket during the year and brought legacy bad loans into the clearing and recovery process. In parallel, we are actively incorporating the new Margin Rules published by BSEC in November 2025, which replaced the older framework and emphasise stronger eligibility, documentation, and margin preservation requirements. Our ongoing system development is expected to enhance investor protection during periods of heightened volatility and improve the overall quality of the client base. As the market recovers, we expect the margin loan business to expand gradually on a risk-adjusted basis.

Risk management:

Risk management remained a key area of focus, guided by a cautious and structured approach. IDLC Investments Limited pioneered the adoption of mark-to-market (MTM) practices in the Bangladesh capital market, strengthening the protection of client equity in adverse market conditions.

In 2025, the key risk management priorities were (i) recovery of sponsor/director-related exposures and (ii) rapid integration of reform measures introduced during the interim government's broader financial sector and capital market restructuring. Notably, the authorities progressed with the consolidation of five Shariah-based banks, while the Dhaka Stock Exchange published a list of 30 closed/non-operational companies–both of which required timely client communication, watchlist updates, and closer monitoring of collateral quality.

The newly issued Margin Rules also triggered significant system and policy upgrades that require cautious measurement from a risk perspective. During the year, we strengthened internal guardrails by issuing guidelines for maximum allowable exposure in a single stock and a single sector, and we continue to refine stress-testing and monitoring tools. Further enhancements aligned with ongoing policy revamps are planned to be rolled out in the first half of 2026.

Financial highlights:

During the year 2025 the company attained an operating income of BDT 599.85 mn, which was BDT 451.21 mn in 2024 attaining 32.94% growth over the year. Consequently, the Company registered a profit after tax of BDT 282.48 mn with 36.14 % growth over last year. Despite turbulence capital market and economy. The following table demonstrates the breakdown of revenue streams from different products.

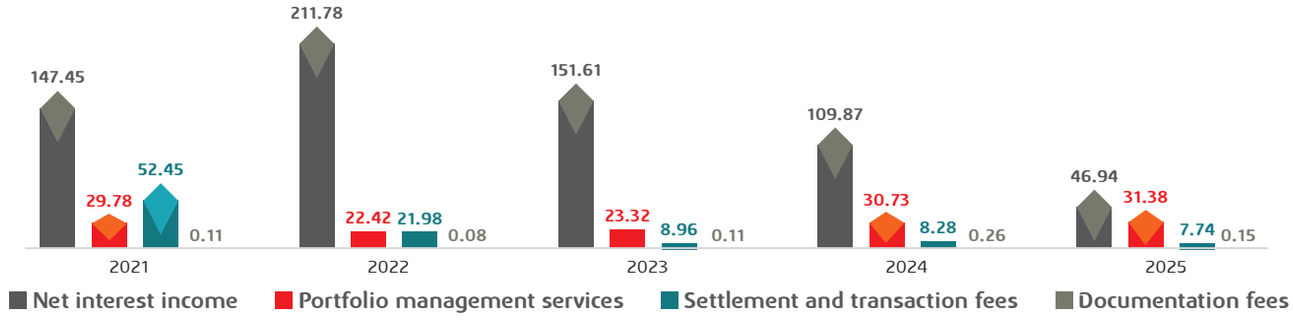
1. Portfolio Operations:

BDT mn

Operational Income	2021	2022	2023	2024	2025
Interest income	147.45	211.78	151.61	109.87	46.94
Portfolio management services	29.78	22.42	23.32	30.73	31.38
Settlement and transaction fees	52.45	21.98	8.96	8.28	7.74
Documentation fees	0.11	0.08	0.11	0.26	0.15
Revenue from Portfolio Operations	229.80	256.26	184.01	149.13	86.21

Revenue from portfolio operations

BDT mn



In the year 2025, as Interest income reduced at BDT 46.94 mn from a BDT 109.87 mn of 2024 due to reduce of margin loan. Thus, overall revenue from portfolio operations has been decreased by 42.19%.

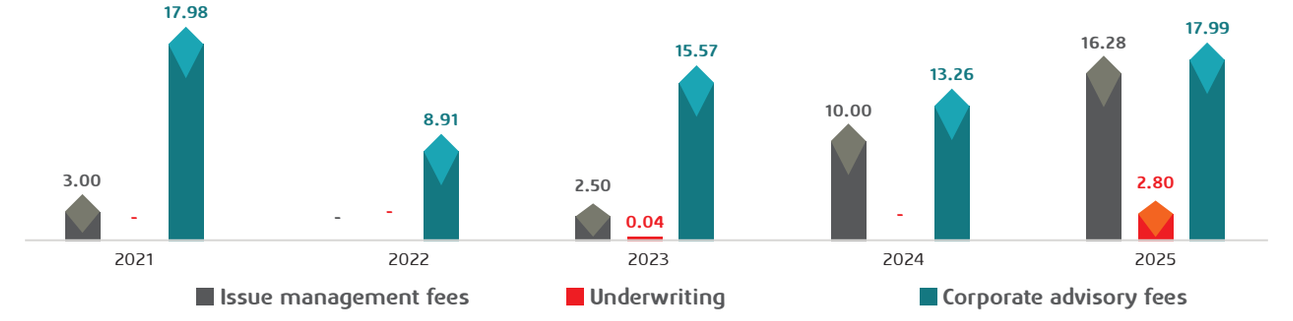
2. Investment banking:

BDT mn

Investment Banking	2021	2022	2023	2024	2025
Issue management fees	3.00	-	2.50	10.00	16.28
Underwriting	-	-	0.04	-	2.80
Corporate advisory fees	17.98	8.91	15.57	13.26	17.99
Revenue from Investment Banking	20.98	8.91	18.11	23.26	37.07

Revenue from Investment Banking

BDT mn



Revenue from investment banking stood at BDT 37.07 mn in 2025 whereas 23.26 mn in 2024 result in 59.34% growth.

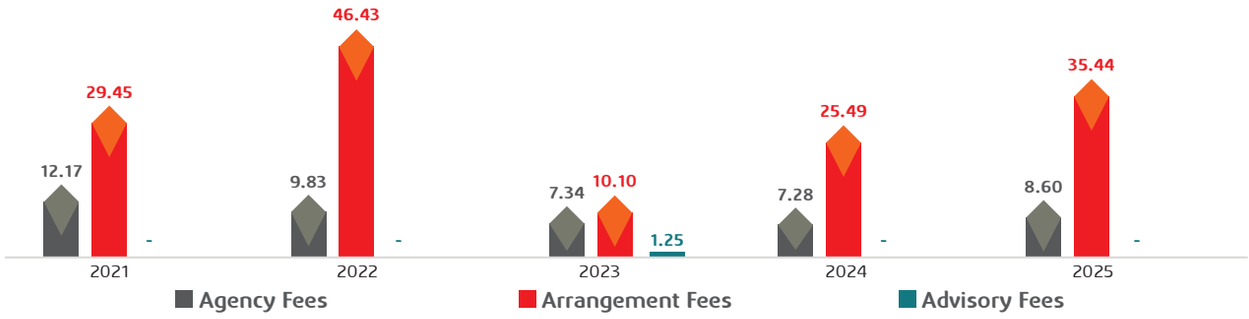
3. Structured Finance:

BDT mn

Structured Finance	2021	2022	2023	2024	2025
Agency Fees	12.17	9.83	7.34	7.28	8.60
Arrangement fees	29.45	46.43	10.10	25.49	35.44
Advisory Fees	-	-	1.25	-	-
Revenue from Structured Finance	41.61	56.26	18.69	32.77	44.04

Revenue from Structured Finance

BDT mn



Revenue from Structured Finance stood at BDT 44.04 mn in 2025 whereas 32.77 mn in 2024 result in 34.38% growth.

4. Investment income:

In 2025, Bangladesh's capital market remained volatile and confidence driven, reflecting political transition, cautious liquidity conditions, and weak risk appetite. The DSEX closed the year at 4,865, down 351 points or 6.73 percent from the prior year, despite sharp intra year swings where the index touched a high of 5,636 on 7 September and a low of 4,615 on 28 May. A short lived sentiment rally in July lifted the DSEX by 605 points, a 12.5 percent gain for the month, but the momentum faded as participation remained fragile. Trading activity stayed subdued, with average daily turnover falling 18 percent year on year to Tk 5.2 bn, although turnover also showed extreme valuations became increasingly compelling, with the market price earnings ratio easing to about 8.59 by December 2025, yet low valuation alone was not enough to bring back meaningful inflows.

The interim government and the reconstituted regulator materially shaped market behavior through reform and enforcement. During the year, the authorities formed task forces and focus groups, introduced new margin loan and mutual fund rules, advanced updated initial public offering regulations, reduced the annual BO account maintenance fee to Tk150, and took punitive actions against alleged market misconduct. These initiatives strengthened the reform narrative and improved market hygiene, but they also contributed to short term caution as participants adjusted to tighter discipline and shifting policy signals.

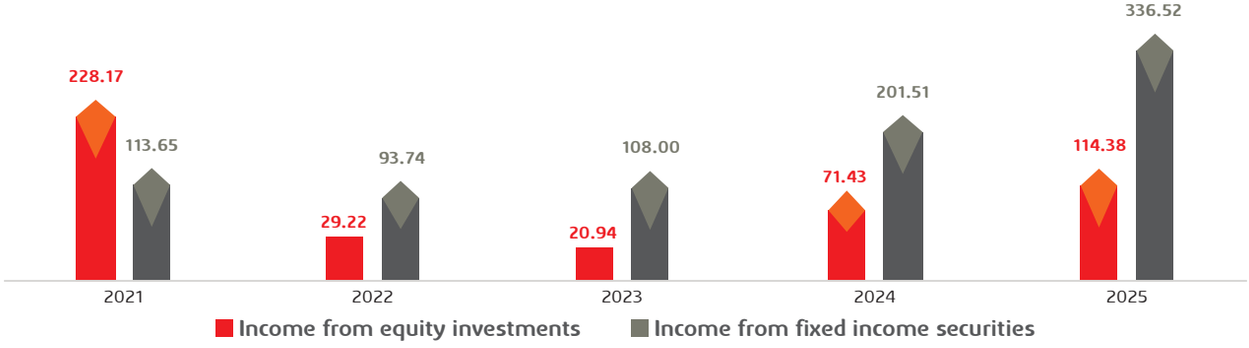
The macro and rates backdrop also influenced asset allocation. As liquidity improved and government bank borrowing eased, Treasury bill yields moved into single digits by late September, with the 91 day, 182 day, and 364 day bills around 9.90 percent, 9.78 percent, and 9.68 percent respectively, reinforcing fixed income as an attractive risk adjusted alternative during equity uncertainty. We actively managed duration in line with rate movements and maintained diversification limits to control concentration risk, with the goal of delivering stronger risk adjusted performance as reforms and macro stabilization gradually rebuild investor confidence.

BDT mn

Investment Income	2021	2022	2023	2024	2025
Income from equity investments	228.17	29.22	20.94	71.43	114.38
Income from fixed income securities	113.65	93.74	108.00	201.51	336.52
Total Investment Income	341.81	122.96	128.94	272.94	450.90

Investment Income

BDT mn



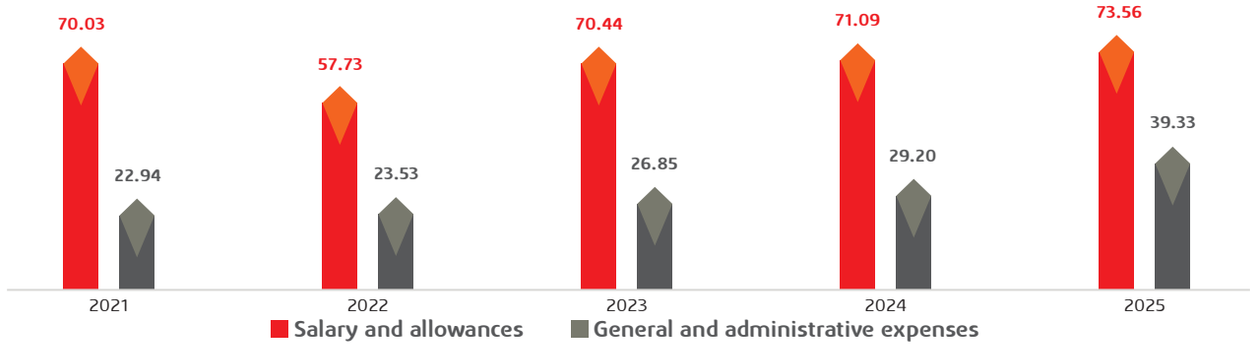
5. Operational expenses:

BDT mn

Operational expenses	2021	2022	2023	2024	2025
Salary and allowances	70.03	57.73	70.44	71.09	73.56
General and administrative expenses	22.94	23.53	26.85	29.20	39.33
Total Operational Expenses	**92.97**	**81.26**	**97.28**	**100.30**	**112.88**

Operational Expenses

BDT mn



The Company incurred a total cost of BDT 112.88 mn during 2025, under which 65.16% was incurred on salary and allowances and the rest was for general and administrative purposes 34.84%.

Human resource development:

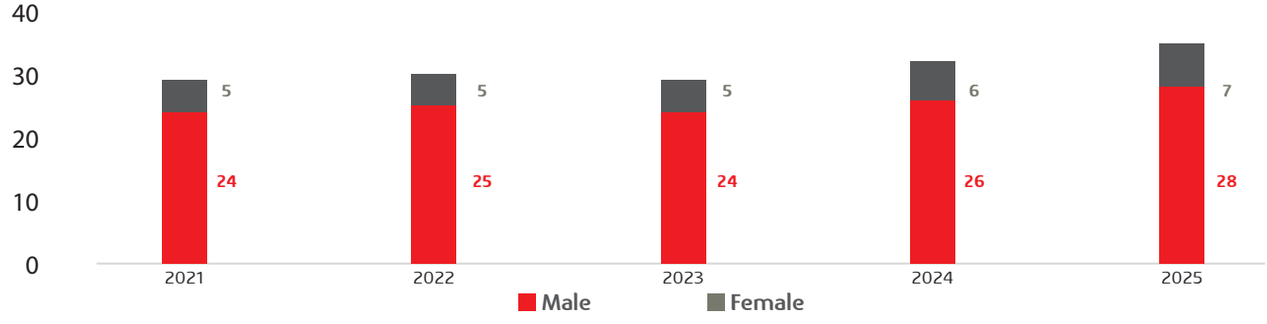
Human Capital is fundamental to IDLCIL's sustained growth. Our people shape performance and support the long-term direction of the Company. We maintain a merit-based environment where accountability and equal opportunity guide our human resource practices. Clear responsibilities and coordinated efforts enable the organization to meet its objectives effectively. During the year, employees participated in managerial and technical training programs to strengthen capability and support evolving business needs. We continue to invest in talent development to ensure our workforce remains prepared for future challenges. In the year 2025, 48 participants were trained in local and customized training programs for total 270.8 hours.

Number of permanent employees:

BDT mn

No. of employees	2021	2022	2023	2024	2025
Male	24	25	24	26	28
Female	5	5	5	6	7
Total	**29**	**30**	**29**	**32**	**35**

No. of employees



Outlook and strategies:

Bangladesh is progressing toward graduation from the United Nations Least Developed Country category by 2026, with long-term ambitions of achieving upper-middle-income status. In the near term, however, economic activity remains subdued as the economy adjusts to tighter financial conditions and structural imbalances.

"Inflation moderated in 2025 after a prolonged period of pressure, supported by restrictive monetary policy and easing liquidity conditions. Treasury bill yields moved into single digits during August–September 2025, signaling improved liquidity and gradual normalization in the money market. While challenges related to foreign exchange reserves, banking sector asset quality, and private investment persist, fiscal restraint and policy continuity are expected to support macroeconomic stability".

Reviving confidence in the capital market remains a key policy priority. The government and regulators have taken steps to strengthen market discipline through revised margin lending rules, stricter enforcement actions, identification of non-operational listed companies, and ongoing reforms in IPO and mutual fund regulations. Sustained progress on governance, quality listings, and institutional participation will be critical to restoring depth and liquidity in the market.

Against this backdrop, IDLC Investments Limited will continue to pursue a disciplined and opportunity-driven strategy:

1. Selectively build exposure to fundamentally strong and undervalued equities while positioning for a gradual recovery in margin lending as market confidence improves.

2. Maintain an active intermediary role to facilitate value-oriented transactions amid evolving liquidity conditions.

3. Develop innovative and sustainable financing and investment solutions aligned with client needs and regulatory developments.

4. Expand portfolio management and advisory services, with a focus on long-term wealth creation and capital preservation.

5. Strengthen risk management through active monitoring of leverage, liquidity, and portfolio exposures, ensuring flexibility in response to changing market conditions.

Books of accounts:

IDLC Investments Limited has maintained accurate and up-to-date financial records. Consistent accounting policies have been applied in the preparation of the financial statements. The accounting estimates are made using sound and reasonable judgment. The financial statements have been prepared in accordance with the applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) in Bangladesh, with any deviations from these standards properly disclosed. The financial statements, as prepared by the management of IDLC Investments Limited, accurately reflect its financial position, operational results, cash flows, and changes in equity.

Internal control:

The Board of Directors acknowledges its responsibility for maintaining a sound internal control system to safeguard shareholders' investments and the company's assets. The internal control framework is designed to manage risks and provide reasonable assurance that the financial reporting is reliable, operations are effective and efficient, and compliance with laws and regulations is achieved. The internal control system is regularly reviewed and monitored to ensure its effectiveness and address any identified deficiencies.

Distribution of profit for 2025:

The Company reported a profit of BDT 282,484,834 in the year 2025. Considering the company's Investment opportunities, growth potentials, comparative cost benefit analysis of paying dividend and overall better tax management, the board of IDLC Investments Limited has proposed not to distribute dividend to the shareholders of the company for 2025.

Appointment of Auditors:

In terms of Article 18.2 of the Articles of Association of the Company, the Company shall at each annual general meeting, appoint an auditor or auditors to hold office until the next annual general meeting. The Auditors of the Company, A. Quasem & Co., Chartered Accountants, has completed the third year as Auditor of the Company. As per BSEC restriction on re-appointment of same auditor for more than three consecutive years for a listed Company, the existing auditor will not be eligible for re-appointment as auditors of IDLC Group for the year 2026. Following that, we will appoint the same auditor as will be selected for the IDLC Group, so that the auditor can consolidate the Group Financial statements without any review of other auditors' work.

Going concern:

There are no significant doubts upon the IDLC Investments Limited's ability to continue as a going concern.

Appreciation from the chairman:

I would like to thank my Board colleagues for their continued support, and on their behalf, I would like to express my heartiest gratitude to the entire team of IDLC Investments Limited. They were called upon to embrace some major challenges while concurrently maintaining the highest standards of service to our clients. They met the challenges and we thank each of them for their extraordinary performance in this year.

In conclusion, on behalf of the Board, I would like to thank our loyal clients and honorable shareholders for their continued faith and support. Taking this opportunity, the members of the Board would also like to thank the Bangladesh Securities and Exchange Commission, Dhaka and Chittagong stock exchanges and Central Depository Bangladesh Limited who continued to remain our partners in our journey of growth.

For and on behalf of the Board of Directors,



Md. Khalilur Rahman
Chairman
IDLC Investments Limited

Independent Auditor's Report
TO THE SHAREHOLDERS OF IDLC INVESTMENTS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IDLC Investments Limited (the "Company") which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Companies Act, 1994 and other applicable laws and regulations as explained in note 3.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs, the Companies Act, 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectives of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or condition that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to case to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules 2020, we also report the following:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

ii. In our opinion, proper books of account as required by law have been kept by the Company's so far as it appeared from our examination of those books;

iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns.



A. Qasem & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-129

Md. Sirajul Haque FCA
Partner
Enrolment No: 1172
DVC: DVC: 2603151172AS505417
Dhaka, 15 March 2026

IDLC Investments Limited

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

Particulars	Notes	31-Dec-25	31-Dec-24
		Amount in BDT	
ASSETS			
Non-current assets			
Property, plant and equipment	5	9,096,157	5,420,335
Intangible assets	6	244	244
Right-of-use assets	7	-	5,450,487
Investments in bond	8	2,075,633,267	1,811,052,945
Deferred tax asset	9	9,122,960	13,965,657
		2,093,852,628	**1,835,889,669**
Current assets			
Investment in securities	10	1,422,001,164	1,077,594,182
Margin loans to portfolio clients	11	516,009,213	841,881,433
Account receivables	12	138,910,557	86,853,644
Cash and cash equivalents	13	986,300,984	445,220,052
Advances, deposits and prepayments	14	60,312,100	60,455,000
		3,123,534,018	**2,512,004,311**
Total assets		**5,217,386,646**	**4,347,893,980**
Equity and liabilities			
Equity			
Share capital	15	2,200,000,000	2,200,000,000
Capital reserve	15.1	126,800,453	106,050,356
Retained earnings	16	1,479,050,477	1,217,315,740
		3,805,850,930	**3,523,366,095**
Non-current liabilities			
Lease liabilities	17	-	-
Deferred liabilities - gratuity payable	18	27,344,116	17,588,596
		27,344,116	**17,588,596**
Current liabilities			
Lease liabilities	17	-	8,488,630
Portfolio investors' fund	19	707,758,092	259,979,024
Account payables	20	177,284,680	140,866,872
Liabilities for expenses	21	33,442,104	28,071,586
Provision for diminution in value of investments	22	93,803,053	39,303,053
Provision for margin loan and operation	23	244,306,584	203,715,021
Provision for income tax	24	127,597,087	126,515,103
		1,384,191,600	**806,939,289**
Total equity and liabilities		**5,217,386,646**	**4,347,893,980**

The annexed notes 1 to 38 and "Annexure A & B" are the integral part of the financial statements.
See the annexed report of even date

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-129

Md. Sirajul Haque FCA
Partner
Enrolment No: 1172
DVC: DVC: 2603151172AS505417
Dhaka,15 March 2026

M. Jamal Uddin
Director

Nurul Karim Patwery
Director

Mesbah Uddin Ahmed
Managing Director

Asif Saad Bin Shams
Director

Abul Fazal Mohamed Rubayat
Company Secretary

IDLC Investments Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

		Amount in BDT	
Particulars	**Notes**	**31-Dec-25**	**31-Dec-24**
Operating income			
Interest income	25	46,944,380	109,865,080
Income from portfolio management services	26	31,380,714	30,727,478
Settlement and transaction fees	27	7,737,761	8,275,983
Documentation charges	28	147,000	263,000
Income from investment banking & SFD	29	63,168,543	30,263,386
Investment income	30	368,936,028	222,295,474
Other income	31	81,964,053	50,639,916
		600,278,479	**452,330,317**
Operating expense			
General and administrative expenses	32	(105,727,552)	(93,340,855)
Depreciation	Annexure-A	(7,154,507)	(6,954,381)
Finance cost		(431,302)	(1,122,277)
		(113,313,361)	**(101,417,514)**
Profit before provision and Tax		**486,965,118**	**350,912,804**
Provision released/(charged) for diminution in value of investments	22	(54,500,000)	(10,000,000)
Provision released/(charged) for operation	23.2	(500,000)	(50,285,569)
Provision released/(charged) on margin loan	23.1	(40,091,562)	6,741,171
Total Provision released/(charged) during the year		**(95,091,562)**	**(53,544,398)**
Profit before income tax		**391,873,556**	**297,368,406**
Provision for income tax			
Current tax	24	(104,546,026)	(88,713,211)
Deferred tax income/(expense)	33	(4,842,696)	(1,154,221)
		(109,388,722)	**(89,867,432)**
Net profit		**282,484,834**	**207,500,974**
Other comprehensive income		-	-
Total comprehensive income		**282,484,834**	**207,500,974**

The annexed notes 1 to 38 and "Annexure A & B" are the integral part of the financial statements.
See the annexed report of even date

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-129

Md. Sirajul Haque FCA
Partner
Enrolment No: 1172
DVC: DVC: 2603151172AS505417
Dhaka,15 March 2026

M. Jamal Uddin
Director

Nurul Karim Patwery
Director

Mesbah Uddin Ahmed
Managing Director

Asif Saad Bin Shams
Director

Abul Fazal Mohamed Rubayat
Company Secretary

IDLC Investments Limited

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

Particulars	Amount in BDT			
	Share Capital	Retained Earnings	Capital Reserve	Total Equity
Balance as on 01 January 2025	**2,200,000,000**	**1,217,315,740**	**106,050,356**	**3,523,366,095**
Net profit for the year	-	282,484,834	-	282,484,834
Transfer to capital reserve	-	(20,750,097)	20,750,097	-
Balance as on 31 December 2025	**2,200,000,000**	**1,479,050,477**	**126,800,453**	**3,805,850,930**
Balance as on 01 January 2024	**2,200,000,000**	**1,138,372,743**	**87,492,378**	**3,425,865,121**
Net profit for the year	-	207,500,974	-	207,500,974
5 % Cash dividend for 2023	-	(110,000,000)	-	(110,000,000)
Transfer to capital reserve	-	(18,557,978)	18,557,978	-
Balance as on 31 December 2024	**2,200,000,000**	**1,217,315,740**	**106,050,356**	**3,523,366,095**

The annexed notes 1 to 38 and "Annexure A & B" are the integral part of the financial statements

M. Jamal Uddin
Director

Asif Saad Bin Shams
Director

Mesbah Uddin Ahmed
Managing Director

Nurul Karim Patwery
Director

Abul Fazal Mohamed Rubayat
Company Secretary

IDLC Investments Limited

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

Particulars		Amount in BDT 31-Dec-25	31-Dec-24
A	**Cash flow from operating activities**		
	Net profit during the year	**282,484,834**	**207,500,974**
	Item not involving in movement of cash:		
	Depreciation on property, plant and equipment	7,154,507	6,954,381
	Loss/(gain) on disposal of fixed asset	-	(15)
	Provision for diminution in value of investments	54,500,000	10,000,000
	Provision (release)/charged for margin loan and operations	40,591,563	33,855,431
	Provision for income tax	104,440,422	88,713,212
	Liabilities for expenses	5,370,518	(44,898)
	Decrease/(increase) in deferred tax assets	4,842,697	1,154,221
	Increase/(decrease) in lease liabilities	(8,488,630)	(6,634,185)
	Increase/(decrease) in deferred liabilities - gratuity payable	9,755,520	182,837
	Cash generated from operating activities before changes in working capital	**218,166,597**	**134,180,983**
	Changes in working capital:		
	Decrease/(increase) in account receivables	(52,056,913)	584,319
	Decrease/(increase) in advances, deposits and prepayments	142,900	(65,000)
	Decrease/(increase) in short term investments	-	-
	Increase in advance income tax (AIT)	(103,358,437)	(84,613,971)
	Increase/(decrease) in account payables	36,417,808	(4,576,804)
		(118,854,642)	**(88,671,456)**
	Net cash flow from operating activities (A)	**381,796,789**	**253,010,502**
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(5,379,841)	(2,124,344)
	Sale proceed of property, plant and equipment	-	422,280
	Purchase of marketable securities	(344,406,982)	126,202,263
	Purchase of T. bill & bond	(264,580,322)	(1,068,706,482)
	Margin loan realized from portfolio clients	325,872,220	543,677,398
	Net cash (used in)/flow from investing activities (B)	**(288,494,925)**	**(400,528,884)**
C.	**Cash flows from financing activities**		
	Dividend paid for the year	-	(110,000,000)
	Receipt/(repayment) of portfolio investors' fund	447,779,068	25,567,342
	Net cash from/(used in) financing activities (C)	**447,779,068**	**(84,432,657)**
	Net cash surplus for the year (A+B+C)	**541,080,932**	**(231,951,039)**
	Cash and bank balance at the beginning of the year	445,220,052	677,171,091
	Cash and bank balance at the end of the year	**986,300,984**	**445,220,052**
	Cash and bank balance:		
	Cash at bank	986,300,984	445,220,052
	Fixed deposits	-	-
		986,300,984	**445,220,052**

The annexed notes 1 to 38 and "Annexure A & B" are the integral part of the financial statements.

M. Jamal Uddin
Director

Asif Saad Bin Shams
Director

Mesbah Uddin Ahmed
Managing Director

Nurul Karim Patwery
Director

Abul Fazal Mohamed Rubayat
Company Secretary

IDLC Investments Limited

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

1 Company and its activities

1.1 Background and legal status

IDLC Investments Limited (the "Company") is a private limited company incorporated on 19 May 2010 under the Companies Act, 1994 having its registered office at D R Tower (4th floor), 65/2/2, Bir Protik Gazi Golam Dostogir Road, Purana Paltan, Dhaka-1000, Bangladesh. It is a wholly owned subsidiary of IDLC Finance PLC. since inception. The Company received Merchant Banking License (license no. MB-67/2011) from Bangladesh Securities and Exchange Commission (BSEC) on 12 June 2011 and commenced its operation on 16 August 2011.

1.2 Principal activities and nature of operation

IDLC Investments Limited provides high standard of professional and personalized services to its local and Non Resident Bangladeshi (NRB) clients. The company's principal activity includes the following:

i. Investment banking (issue management, underwriting of shares, and corporate advisory);

ii. Discretionary portfolio management;

iii. Non-discretionary portfolio management;

iv. Own portfolio management, etc.

v. Structured Finance (arrangement fees)

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994 and other applicable laws and regulations.

2.2 Other regulatory compliance

As required, IDLC Investments Limited also complies with the applicable provisions of the following major laws and regulations:

- The Income Tax Act, 2023;
- The Income Tax Rules, 1984;
- VAT and Supplementary Duty Act 2012;
- The Bangladesh Labour Act 2006 and Bangladesh Labor Rules 2015;
- Negotiable Instrument Act, 1881;
- Securities and Exchange Rules, 1987;
- Securities and Exchange Commission Act, 1993;
- Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules, 1996; and Other applicable laws and regulations.

2.3 Basis of measurement

These financial statements have been prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRS).

2.4 Components of financial statements

-Statement of Financial Position

-Statement of Profit or Loss and Other Comprehensive Income

-Statement of Changes in Equity

-Statement of Cash Flows

-Notes to the Financial Statements

2.5 Functional and presentation currency

The financial statements are presented in Bangladeshi Taka (BDT) currency, which is the functional currency of the company. All financial information presented in Taka has been rounded off to nearest BDT except as stated otherwise.

2.6 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed ongoing basis. Revision of accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the following notes:

Note: 5	Depreciation on property, plant and equipment.
Note: 9	Deferred tax assets
Note: 12	Accounts receivables
Note: 20	Accounts payables
Note: 21	Liabilities for expenses
Note: 24	Provision for income tax

2.7 Going concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.8 Reporting period

The financial period of the Company is similar to calendar years covers one year from 01 January to 31 December and is being followed consistently.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Property, plant and equipment

3.1.1 Recognition and measurement

Property, plant and equipment are stated at cost less accumulated deprecation. The cost of the property, plant and equipment includes purchase price/construction cost and other directly attributable costs of bringing the property, plant and equipment to working conditions for their intended use.

3.1.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment are recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit and loss account as incurred.

3.1.3 Depreciation & Amortization

Depreciation on property, plant and equipment is charged using straight-line method over their estimated useful lives. Depreciation rates are as follows:

Nature of Assets	Rate of Depreciation
Curtain and carpets	33.33%
Electrical equipment	20.00%
IT software and development	33.33%
Furniture and fixture	12.50%
Office decoration	20.00%
Office equipment	20.00%
Telephone and telex	33.33%
Motors vehicles (Bike)	25.00%
Motors vehicles (Car)	12.50%
Right of use assets	Lease term

Depreciation on all items of property, plant and equipment is calculated and charged from the date of putting the assets in to use irrespective of the value and purchase/ acquisition date of the property, plant and equipment.

3.2 Intangible assets

3.2.1 Recognition and measurement

Intangible assets viz computer software those are acquired by the Company and which have finite useful lives, are measured at cost less accumulated amortization and impairment loss, if any.

3.2.2 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates.

3.2.3 Amortization

Amortization is calculated using the straight line method to write down the cost of intangible assets to their residual values over their estimated useful lives based on the management's best estimates; i.e. 3 years (33.33%).

3.3 Impairment

The carrying value of the Company's assets other than inventories, are reviewed at closing date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the profit and loss account.

3.4 Leases- IFRS 16

The company applied IFRS 16- Leases for its rental properties/office space. Accordingly it recognizes Right of use asset, lease liabilities in the statement of financial position and depreciation expenses as well as interest expenses in the statement of profit or loss and other comprehensive income.

Right of Use Assets (Rou)

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost at the amount of lease liability plus initial direct costs incurred by the company and depreciated using straight line method, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liabilities.

Lease Liabilities

The lease liabilities are initially measured at the present value of the lease payments to be made over the lease term, using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liabilities are subsequently increased by the interest cost on the lease liabilities and decreased by lease payment made.

3.5 Financial instruments

3.5.1 Financial assets

As per IFRS 9: ""Financial Instruments"", Financial Assets are classified as either: (i) Amortised cost, (ii) Fair value through profit or loss or (iii) Fair Value through other comprehensive income. In case of valuation of investment in government bonds (Note-6), we have followed amortised cost method, as it meets both of the following assessment criteria:

i) Business model assessment: The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and

ii) Contractual cash flow assessment: The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding on a specified date.

Financial assets currently being used by the Company are as follows:

(i) Cash and cash equivalents

Cash and cash equivalents comprise of Cash at Bank and Fixed Deposit Receipt (FDR) which are available for use by the Company without any restriction.

(ii) Accounts receivables

Accounts receivables represent the amounts due from clients for rendering services, due from brokers, accrued interest from T-Bond and Bill, dividend etc. These are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost and any subsequent impairment losses against those, recognized as provision in the profit or loss and other comprehensive income in the respective year.

(iii) Investments

The company's investments consist of investment in marketable securities, non marketable securities, treasury bond, treasury bill and zero coupon bond. T-Bond and Zero Coupon bonds are initially recognised at cost; however, T-Bond is subsequently measured using IFRS-9, while Zero Coupon bonds are measured on a straight-line basis.

Investment in marketable securities is measured at cost on portfolio basis. Changes between closing market price at 31 December 2023 and the respective cost price on portfolio have been considered as unrealized loss or gain and charged to profit or loss and other comprehensive income as per BSEC regulation. A security which is not listed at stock exchange as on the reporting date then the price is shown at cost.

3.5.2 Financial liabilities

The Company initially recognizes financial liabilities on the date that is originated. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities obliged by the Company are as follows:

(i) Account payables

Account payables represent the amounts due to parties for receiving services. These are recognized at cost which is the fair value on that date.

(ii) Liabilities for expenses

Liabilities for expenses represent the amounts due to various parties for receiving services. These are initially recognized at cost which is also the fair value on that date.

3.6 Taxation

3.6.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any, in accordance with provisions of Income Tax Act 2023. It is measured using tax rates enacted or substantively enacted at the reporting date. Applicable tax rate for the Company for the year 2023 will be declared by Finance Act 2023. For the purpose of these financial statements, management has assumed that the existing tax rates will be applicable for Income year 2023 as well, which are mentioned below:

Regular business tax rate	Rates
Merchant Bank	27.50%

Other business tax rate:	Rates
Dividend income	20.00%
Capital gain on sale of fixed assets	15.00%
Capital gain on Treasury Bond	15.00%
Capital gain on sale of marketable securities	15.00%

The Company's existing accounting policy for uncertain income tax treatments is consistent with the requirements of IFRIC 23 Uncertainty over Income Tax Treatments, which became effective on 1 January 2019. We already accounted for uncertainty of taxes and further disclosure is not required.

3.6.2 Deferred tax

The Company accounts for deferred tax as per International Accounting Standard (IAS) 12: "Income Taxes". Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the date of reporting of the financial statements.

The Company provides disclosures based on the classes of assets and liabilities related to the temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax liabilities are recognized for all taxable temporary differences and it is probable that temporary differences will not reverse in the foreseeable future. Both the Deferred tax assets and liabilities are reviewed at each reporting date considering the probability of benefit or detriment realizable.

3.7 Revenue recognition

Revenue is only recognised when it meets the following five steps model framework as per IFRS 15: "Revenue from Contracts with Customers

a) identify the contract (s) with a customers;

b) identify the performance obligations in the contract;

c) determine the transaction price;

d) allocate the transaction price to the performance obligations in the contract;

e) recognise revenue when (or as) the entity satisfies a performance obligation.

Interest income from margin loans and other sources is recognised on an accrual basis of accounting.

3.7.1 Interest income

Interest income is recognized on the loan balance of portfolio clients on monthly accrual basis and charged to clients' balance on quarterly basis.

3.7.2 Portfolio management fees

Portfolio management fees are recognized on the market value of the clients' portfolio on monthly accrual basis and charged to clients' balance on quarterly basis.

3.7.3 Issue management, corporate advisory and arrangement fees

Issue management, corporate advisory and arrangement fees are recognized according to the stages of completion of services as agreed and defined in Issue management, corporate advisory and arrangement agreement between company and client.

3.7.4 Dividend income and profit or loss on sale of securities

Dividend is accounted for as income when right to receive is established whereas profit or loss arising from the sale of securities is accounted for only when the securities are sold/offloaded.

3.8 Provision

A provision is recognized in the accounts when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

3.8.1 Provision for diminution in value of investment and margin loan

Provision for diminution in value of investment and margin loan have been kept in accordance with Bangladesh Securities Exchange Commission - RBCA guidelines 2019, directive no. BSEC/SMMID/NE/2023/840 dated: 22 October 2023, directive no. BSEC/SRI/NE/2020/333 dated: 27 March 2023 along with policy manual of IDLC Investment Limited.

3.8.2 Provision for operation

The company make provision against account receivables based reliability of probable estimate that future economic benefit will not flow.

3.9 Employee benefits

The company maintains defined benefit plan for its eligible permanent employees. Employee provident fund and gratuity plan are considered as defined benefit plan as it meets the recognition criteria. The company's obligation is to provide the agreed benefits to employees as per condition of the fund. The eligibility is determined according to the terms and conditions set in the service rules of the company. The provident fund is recognized under Income Tax act 2023.

3.10 Related party disclosure

As per International Accounting Standard (IAS) 24: "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in note 35.

3.11 Events after the reporting date

Events after the reporting date that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Events after the reporting date that are not adjusting event are disclosed in the notes when material.

3.12 Status of compliance of International Accounting Standards and International Financial Reporting Standards

IDLC Investments Limited applied following IAS and IFRS:

Name of the IFRS	No.	Status
Share Based payment	2	N/A
Business combination	3	N/A
Non-current assets held for sale and discontinued operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	N/A
Operating Segments	8	Applied
Financial Instruments	9	Applied*
Consolidated Financial Statements	10	N/A
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	Applied
Revenue from Contracts with customers	15	Applied
Leases	16	Applied
Insurance contracts	17	N/A

Name of the IAS	No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	N/A
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	N/A
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Interests in Joint Ventures	31	N/A
Earnings per share	33	N/A
Interim Financial Reporting	34	Applied
Impairment of Assets	36	N/A
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A

4 Financial Risk Management

The Company has exposure to the following risks from its use of financial instruments:

** Credit risk

** Market risk

** Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework.

4.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loans and advances to customers and investment securities. These loans and advances are fully backed by the securities held by the customer.

With respect to credit risk arising from the other financial assets of the Company, the maximum exposure is equal to the carrying amounts of the financial assets.

4.2 Market risk

The Company's activities may give rise to risk at the time of settlement of transactions and trades. Market risk is the risk of losses due to failure of entity to honor its obligations to deliver cash, securities or other assets as contractually agreed.

For such transactions the Company only allows the purchase of tradable securities if the customer has adequate cash/purchase power beforehand.

4.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they falls due. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

		Notes	Amount in BDT As at 31-Dec-25	 31-Dec-24
5	**Property, plant and equipment**			
	A. Cost			
	Opening balance		38,500,784	37,097,029
	Add: Addition during the year/period		5,379,841	2,124,344
			43,880,625	39,221,373
	Less: Disposal during the year/period		-	720,589
			43,880,625	**38,500,784**
	B. Accumulated depreciation			
	Opening balance		33,080,449	31,874,879
	Add: Charged during the year/period		1,704,019	1,503,894
			34,784,468	**33,378,773**
	Less: Disposal during the year/period		-	298,324
			34,784,468	**33,080,449**
	C. Written down value (A-B)		**9,096,157**	**5,420,335**
	A schedule of property, plant and equipment is given in **Annexure-A**.			
6	**Intangible assets**			
	A. Cost			
	Opening balance		2,068,954	2,068,954
	Add: Addition during the year/period		-	-
			2,068,954	**2,068,954**
	B. Accumulated amortization			
	Opening balance		2,068,710	2,068,710
	Add: Charged during the year/period		-	-
			2,068,710	**2,068,710**
	C. Written down value (A-B)		**244**	**244**
7	**Right-of-use assets**			
	A. Cost			
	Opening balance		38,153,412	38,153,412
	Add: Addition during the year/period		-	-
			38,153,412	38,153,412
	Less: Disposal during the year/period		38,153,412	-
			-	**38,153,412**
	B. Accumulated depreciation			
	Opening balance		32,702,924	27,252,437
	Add: Charged during the year/period		5,450,487	5,450,487
			38,153,412	**32,702,924**
	Less: Disposal during the year/period		38,153,412	-
			-	32,702,924
	C. Written down value (A-B)		**-**	**5,450,487**
	IDLC Investments Limited lease agreement for its office premises expired on 31 December 2025. The lease has subsequently been extended for a further period of two (2) years from 01 January 2026 to 31 December 2027 under mutually agreed terms and conditions with the lessor. Lease payments during the extended period will be recognized in the statement of profit or loss in accordance with the applicable accounting standards.			
	A schedule of right-of-use assets is given in **Annexure-A**.			
8	**Investments in Bond and Bill**			
	Investment in zero coupon bond	8.1	580,294,250	845,896,991
	Investment in Govt.Treasury Bond	8.2	1,355,339,017	965,155,954
	Investment in Treasury Bill	8.3	-	-
	Investment in Subordinate Bond	8.4	140,000,000	-
			2,075,633,267	**1,811,052,945**

		Amount in BDT	
		As at	
	Notes	31-Dec-25	31-Dec-24
8.1	**Investment in zero coupon bond**		
	Opening balance	845,896,991	203,187,304
	Add: Interest capitalized during the period	82,154,042	57,383,616
		928,051,033	**260,570,920**
	Add: Investment during the year/period	25,276,552	799,492,738
		953,327,585	**1,060,063,658**
	Less: Scrip matured	373,033,334	214,166,667
		580,294,251	**845,896,991**

IDLC Investments Limited made investment in non-convertible zero coupon bond issued by IDLC Finance PLC. Renata Limited, Sajida Foundation and City Auto Rice and Dal Mills, CDIP for face value of 28.75 mn, 102.20 mn, 242.00 mn, 250.00 mn and 30.60 mn respectively.

8.2	**Investment in Govt. Treasury Bond**		
	Opening balance	965,155,954	51,250,110
	Add: Investment during the year/period	481,471,286	1,069,534,841
		1,446,627,240	1,120,784,951
	Less: Encashment during the year/period	91,288,223	155,628,997
		1,355,339,017	965,155,954
8.3	**Investment in Treasury Bill**		
	Opening balance	-	487,909,050
	Add: Investment during the year/period	-	2,343,698,791
		-	2,831,607,841
	Less: Encashment during the year/period	-	2,831,607,841
		-	**-**
8.4	**Investment in Subordinate Bond**		
	Opening balance	-	-
	Add: Investment during the year/period	140,000,000	-
		140,000,000	-
	Less: Encashment during the year/period	-	-
		140,000,000	**-**

IDLC Investments Limited made investment in Subordinate bond issued by Bank Asia and Pubali Bank Ltd for face value 40.00 mn and 100.00 mn respectively

9 Deferred tax asset

Deferred tax assets is arrived at as follows:

	Amount in BDT		
	Carrying Amount	Tax base	Taxable/ (deductible) temporary difference
As on 31 December 2025			
Property, plant and equipment	9,096,401	14,080,819	(4,984,418)
*Difference for vehicle	(845,867)	-	(845,867)
Gratuity provision (net of payment)	(27,344,116)	-	(27,344,116)
Right-of-use assets	-	-	-
Lease liability	-	-	-
Realized loss on investments	-	-	-
Net taxable temporary difference			(33,174,401)
Applicable tax rate			27.50%
Applicable tax rate for capital gain/(loss) from capital market			15.00%
Deferred tax - assets			**9,122,960**

	Amount in BDT		
	Carrying Amount	Tax base	Taxable/ (deductible) temporary difference
As on 31 December 2024			
Property, plant and equipment	5,420,579	11,167,966	(5,747,387)
*Difference for vehicle	(447,249)	-	(447,249)
Gratuity provision (net of payment)	(17,588,596)	-	(17,588,596)
Right-of-use assets	5,450,487	-	5,450,487
Lease liability	(8,488,630)	-	(8,488,630)
Realized loss on investments	(26,050,943)	-	(26,050,943)
Net taxable temporary difference			(52,872,317)
Applicable tax rate			37.50%
Applicable tax rate for capital gain/(loss) from capital market			15.00%
Deferred tax - assets			**13,965,657**

* This represents the permanent difference related to Motor cars, not plying for hire, owned by IDLCIL. As per the provisions of Income Tax Act, 2023, depreciation on such cars is allowed only up to certain limit of cost (currently BDT 3 mn per car) of such cars for tax purpose. Difference for vehicle represents the amount of depreciated cost exceeding such limits.

		Amount in BDT	
		As at	
	Notes	31-Dec-25	31-Dec-24
10 Investment in securities			
Investment in marketable securities	10.1	1,279,845,309	933,214,855
Bank Asia 1st Perpetual Bond		50,000,000	50,000,000
Investment in DPM PLS scheme		6,155,879	8,379,351
Investment in non marketable securities*		85,999,976	85,999,976
		1,422,001,164	**1,077,594,182**

* IDLCIL invested BDT 49,999,976/- to Jayson Pharmaceuticals Limited and BDT 36,000,000/- to Akij Takaful Life Insurance PLC as private placement at 2018 and 2024 respectively.

10.1 Investment in marketable securities

Sector-wise details of marketable securities holding position as at 31 December 2025 is given below:

Name of industry	Cost price	Market price
Bank	481,192,771	571,938,339
Miscellaneous	482,646,870	602,047,618
Food & Allied	24,999,945	21,131,000
Pharmaceuticals and Chemicals	291,005,723	292,368,287
	1,279,845,309	**1,487,485,244**

All investment in marketable securities are valued on aggregate portfolio basis, at cost value, at the balance sheet date market price for securities not listed as on reporting date, has shown at cost for calculation purpose.

As at balance sheet date, the aggregate portfolio value at cost price was BDT 1,279,845,309 and at market price was BDT 1,487,485,244 therefore if the reporting entity was recognized the unrealized gain on portfolio then it would recognize BDT 207,641,016 in the statement of profit or loss and other comprehensive income . Whether as per FID circular No. 08 dated 3 August 2002 of Bangladesh Bank (The Central Bank), IDLC Finance PLC, the Parent Company of reporting entity, recognizes its aggregate portfolio on cost value no unrealized gain is recognized. So the reporting entity as a wholly owned subsidiary of the IDLC Finance PLC, follows the similar accounting policy for recognizing the investment in securities in stock exchanges.

11 Margin loans to portfolio clients		
Opening balance	841,881,433	1,264,080,706
Add: Loan disbursed during the year/period	605,798,279	1,030,418,978
	1,447,679,711	2,294,499,684
Less: Loan reimbursed/adjustment during the year/period	931,670,499	1,452,618,251
	516,009,213	**841,881,433**

		Notes	Amount in BDT As at 31-Dec-25	 31-Dec-24
12	**Account receivables**			
	Receivable from corporate advisory		33,453,425	36,821,726
	Receivable from portfolio advisory services		42,473	42,473
	Receivable from issue management fees		2,000,000	2,000,000
	Receivable from Arrangement Fees		12,497,500	2,800,000
	Receivable from brokers		5,610,067	7,085,668
	Receivable for Applied Charge		21,768,791	-
	Receivable from Agency Fees		37,500	-
	Accrued Income from treasury bond		44,515,578	28,483,528
	Accrued Income from Subordinate Bond		1,924,125	-
	Receivable on SND interest		5,619,831	-
	Other receivables		11,441,268	9,620,249
			138,910,557	**86,853,644**
13	**Cash and cash equivalents**			
	Cash at bank	13.1	986,300,984	445,220,052
			986,300,984	**445,220,052**
13.1	**Cash at bank**			
	Name of the bank			
	Standard Chartered Bank		5,700,515	1,167,097
	Commercial Bank of Ceylon		632,345	121,032
	One Bank PLC.		143,411	141,116
	NRB Bank PLC.		46,337	46,827
	NCC Bank PLC. (CCA)		965,996,608	171,104,940
	Jamuna Bank PLC.		31,792	33,026
	BRAC Bank PLC.		725,933	2,737,067
	City Bank PLC.		515,788	1,051,040
	Dhaka Bank PLC.		12,508,255	268,817,907
			986,300,984	**445,220,052**
14	**Advances, deposits and prepayments**			
	Opening balance		60,455,000	60,390,000
	Add: Addition during the year		1,862,489	200,000
			62,317,489	60,590,000
	Less: Adjustment during the year		2,005,389	135,000
	Closing balance		**60,312,100**	**60,455,000**

**As per management decision IDLCIL given advance to Jayson Pharmaceuticals Limited (BDT 60 mn) as private placement at 2018.

15	**Share capital**			
	Authorized Capital			
	30,000,000 ordinary shares of BDT 100 each		**3,000,000,000**	**3,000,000,000**
	Issued, subscribed & paid up capital		**2,200,000,000**	**2,200,000,000**

The issued, subscribed and paid-up capital of BDT 2,200,000,000 is divided into 22,000,000 ordinary shares of BDT 100 each. Details are as follows:

IDLC Finance PLC			
21,999,999 shares of BDT 100 each fully paid up	2,199,999,900	2,199,999,900
Mr. Asif Saad Bin Shams		
1 share of BDT 100 each fully paid up	100	100
	2,200,000,000	**2,200,000,000**
15.1 Capital Reserve		
Opening balance	106,050,356	-
Addition during the year	20,750,097	106,050,356
	126,800,453	**106,050,356**

Refer to clause (i) of (e) of Part B [rule (1) (b), rule 5(2)] of Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019, provision kept @10% of profit after tax of last year as 'capital reserve'. To apply the said rules, (10% of NPAT 2024 has been transferred to capital reserve)

		Notes	Amount in BDT As at 31-Dec-25	31-Dec-24
16	**Retained earnings**			
	Opening balance		1,217,315,740	1,138,372,743
	Net profit for the year		282,484,834	207,500,974
	Transfer to capital reserve		(20,750,097)	(18,557,978)
	5% Cash dividend for the year 2023		-	(110,000,000)
			1,479,050,477	**1,217,315,740**
17	**Lease liabilities**			
	Opening balance		8,488,630	15,122,815
	Add: Addition during the year		-	-
			8,488,630	15,122,815
	Less: Adjustment during the year		8,488,630	6,634,185
	Closing balance	17.1	**-**	**8,488,630**
17.1	**Portion of lease liabilities**			
	Current portion of lease liabilities		-	8,488,630
			-	**8,488,630**
18	**Deferred liabilities - gratuity payable**			
	Opening balance		17,588,596	17,405,760
	Add: Provision for the period/year		1,182,168	3,502,701
	Transfer from IDLCFL		8,837,682	-
			27,608,446	20,908,460
	Less: Released during the period/year		264,330	3,319,864
	Closing balance		**27,344,116**	**17,588,596**
19	**Portfolio investors' fund**			
	Opening balance		259,979,024	234,411,682
	Add: Deposit and share sold by clients		15,277,359,969	15,759,605,030
			15,537,338,993	15,994,016,712
	Less: Purchase of share and withdraw by clients		14,829,580,901	15,734,037,688
			707,758,092	**259,979,024**
	Portfolio investor's fund represents the unutilized balance of the IDLC Investments Limited's clients portfolio.			
20	**Account payables**			
	Clients sales payable		10,873,520	15,810,376
	Broker payables		386,485	1,861,723
	Other payables	20.1	166,024,675	123,194,773
			177,284,680	**140,866,872**
20.1	**Other payables**			
	IDLCIL employees' welfare fund		588,832	527,737
	IDLCIL employees' provident fund		404,460	-
	Others		345,044	1,188,911
	Interest suspense		164,686,339	121,478,125
			166,024,675	**123,194,773**
21	**Liabilities for expenses**			
	Salary and allowance		23,255,093	23,452,818
	CDBL charges		215,178	28,115
	Office rent		743,328	1,131,151
	Office maintenance		89,242	88,090
	Legal and professional fees		802,489	394,239
	Accruals for expenses		1,070,060	78,140
	Car maintenance		43,700	16,375
	Other Expenses		7,223,014	2,882,658
			33,442,104	**28,071,586**

		Notes	Amount in BDT As at 31-Dec-25	 31-Dec-24
22	**Provision for diminution in value of investments**			
	Opening balance		39,303,053	29,303,052
	Add: Charged during the year		55,000,000	10,000,000
			94,303,053	39,303,052
	Less: Released during the year		500,000	-
			93,803,053	**39,303,053**
23	**Provision for margin loan and operation (A+B)**		**244,306,584**	**203,715,021**
23.1	**Provision for margin loan (A)**			
	Opening balance		10,209,617	16,950,789
	Add: Provision kept against required for the year		40,091,562	-
	Add: Transfer from operation		54,312,955	-
			104,614,135	16,950,789
	Less: Provision released during the year		-	6,741,171
			104,614,135	**10,209,617**
23.1.1	General Provision		2,498,919	6,224,435
	Specific Provision		102,115,216	3,985,182
			104,614,135	**10,209,617**
23.2	**Provision for operation (B)**			
	Opening balance		193,505,404	152,908,801
	Add: Provision kept against required for the year		500,000	50,285,569
			194,005,404	**203,194,371**
	Less: Write off during the year		-	9,688,967
	Less: Transfer to margin loan		54,312,955	-
			139,692,449	**193,505,404**
24	**Provision for income tax**			
	Provision			
	Opening balance		929,235,313	840,522,102
	Add: Provision made during the year		104,546,026	94,377,214
			1,033,781,339	**934,899,316**
	Less: Adjustment made during the year		-	5,664,002
			1,033,781,339	**929,235,313**
	Less: Settlement of previous year's tax liability		105,604	-
	Closing balance		**1,033,675,735**	**929,235,313**
	Advance tax			
	Opening balance		802,720,211	718,106,240
	Add: Payment made during the year:			
	Under sections 154 and 173 of ITA 2023		60,730,180	59,110,680
	Deduction at source		28,792,985	16,561,851
	Others		13,835,273	14,605,443
			103,358,437	90,277,974
			906,078,648	**808,384,213**
	Less: Adjustment made during the year		-	5,664,002
	Closing balance		**906,078,648**	**802,720,211**
	Net closing balance		**127,597,087**	**126,515,103**

		Notes	Amount in BDT For the year ended 31-Dec-25	 31-Dec-24
25	**Interest income**			
	Income from Cap Invest clients		46,944,380	109,865,080
			46,944,380	**109,865,080**
26	**Income from portfolio management services**			
	Income from DPM clients		27,660,540	26,376,018
	Income from Cap invest clients		3,720,174	4,351,460
			31,380,714	**30,727,478**
27	**Settlement and transaction fees**			
	Income from DPM clients		1,114,385	1,425,753
	Income from Cap invest clients		7,214,226	7,441,259
			8,328,611	**8,867,012**
	Less: CDBL expenses		590,850	591,030
			7,737,761	**8,275,983**
28	**Documentation charges**			
	Income from DPM clients		100,500	213,500
	Income from Cap invest clients		46,500	49,500
			147,000	**263,000**
29	**Income from investment banking and SFD**			
	Issue management		16,282,032	10,000,000
	Underwriting		2,800,000	-
	Corporate advisory		17,986,511	13,263,386
	Arrangement fees - SFD		25,600,000	7,000,000
	Agency Fees - SFD		500,000	-
			63,168,543	**30,263,386**
30	**Investment income**			
	Capital gain/(loss) on investments	30.1	59,694,711	18,813,293
	Capital gain/(loss) on treasury bond		7,418,138	(859,159)
	Dividend income from marketable securities		54,690,084	52,614,095
	Income from zero coupon bond		82,154,040	57,383,616
	Income from treasury bill		-	59,681,550
	Income from Subordinate Bond		1,924,125	-
	Income from treasury bond		163,054,931	34,662,080
			368,936,028	**222,295,474**
30.1	**Capital gain/(loss) on investments**			
	Sale price		502,146,992	831,003,960
	Less: Cost of investment		442,452,282	812,190,667
			59,694,711	**18,813,293**
31	**Other income**			
	Interest income on SND accounts		71,004,356	31,346,654
	Interest income on fixed deposit receipt		9,550,000	19,069,787
	Gain on disposal of fixed asset		-	15
	Income from DPM-PLS Scheme		505,879	(245,713)
	Other charges		903,819	469,174
			81,964,053	**50,639,916**
32	**General and administrative expenses**			
	Salary and allowances	32.1	73,555,049	71,093,749
	Statutory audit fees		143,750	115,000
	Other professional fees		2,279,721	2,227,711
	Postage and courier		86,604	106,215
	Renewal and registration		519,917	560,603

		Amount in BDT	
		For the year ended	
	Notes	31-Dec-25	31-Dec-24
Director's remuneration		322,000	286,000
Printing and stationery		401,798	702,522
Promotional expenses		5,396,190	353,634
Motor vehicle expenses		862,949	822,629
Insurance		713,262	643,477
Travel and conveyance		1,881,893	776,971
Training and developments		195,784	231,789
Entertainment		3,072,908	1,903,364
Other operational expenses		5,600,045	3,523,535
Office rent, maintenance and services	32.2	10,695,683	9,993,654
		105,727,552	**93,340,855**

32.1 Salary and allowances

Salary and allowances	70,053,996	65,732,500
Gratuity	1,182,168	3,502,701
Provident fund (Company's contribution)	2,318,885	1,858,548
	73,555,049	**71,093,749**

** Salaries & allowances includes key management compensation of BDT 22,353,524 (2024: BDT 18,825,923). Key management personnel comprises the Management Committee, including the Managing Director who exercise significant authority and play strategic role in the Company.

32.2 Office rent, maintenance and services

Office rent	32.2.1	3,423,317	3,066,196
Office maintenance		3,469,381	3,324,367
Office services		1,440,904	1,379,144
Office utilities		1,559,602	1,427,665
Telephone & telex		302,448	286,836
IT maintenance		500,031	509,446
		10,695,683	**9,993,654**

32.2.1 Office rent

Actual rent expenses	12,343,249	10,822,658
Less: Reclassification of rent expenses (as per IFRS 16: Leases)	8,919,932	7,756,463
Rent expenses as reported	**3,423,317**	**3,066,196**

33 Deferred tax income/(expense)

Closing balance of deferred tax asset	9,122,960	13,965,657
Opening balance of deferred tax asset	13,965,657	15,119,878
	(4,842,696)	**(1,154,221)**

34 Average effective tax rate

The average effective tax rate is calculated below as per International Accounting Standard (IAS) 12: "Income Taxes".

Tax expenses (A)	109,388,722	89,867,432
Accounting profit before tax (B)	391,873,556	297,368,406
Average effective tax rate (A÷B)	**27.91%**	**30.22%**

Reason for changes in Average effective tax rate:

The effective tax rate of IDLC Investments Limited decreased compared to the previous year, mainly due to the reduction in the corporate tax rate from 37.50% to 27.50%. During the current year, profit before tax increased by BDT 94.53 mn. Despite the reduction in the tax rate, the increase in profit before tax resulted in an overall increase in tax expense of BDT 19.52 mn. In addition, tax savings were realized from reduced tax rates applicable to certain income streams, ranging from 0% to 20%, including exempted investment income, dividend income, capital gains, and settlement of prior years' tax claims. As a result, the average effective tax rate for the year stood at 27.91%.

		2025		2024	
		%	BDT	%	BDT
34.1	**Reconciliation of effective tax rate:**				
	IDLC Investments Limited				
	Profit before income tax as per profit and loss account		391,873,556		297,368,406
	Income tax as per applicable tax rate	27.50%	107,765,228	37.50%	111,513,152
	Net inadmissible expenses	7.35%	28,783,707	6.63%	19,710,390
	Tax savings from reduced tax rates (ranging from 0% to 20% for exempted investment income, dividend income, capital gains, settlement of previous years tax claims)	-8.17%	(32,002,909)	-14.30%	(42,510,331)
	Effect of deferred tax	1.24%	4,842,696	0.39%	1,154,221
	Reported average effective tax rate & total tax expenses	**27.91%**	**109,388,722**	**30.22%**	**89,867,432**

35 Related party transaction

Name of the related party	Relationship	Nature of transaction	Balance as on 01.01.2024	Addition	Adjustment	Balance as on 31.12.2025
IDLC Finance PLC.	Parent company	Payable to IDLC Finance PLC.	-	15,225,266	15,225,266	-
		Receivable from IDLC Finance PLC.	-	9,424,994	9,424,994	-
		ZCB	81,689,286	3,947,024	57,500,000	28,136,310
		FDR	-	278,818,333	278,818,333	-
IDLC Asset Management Limited	Related Party	Payable to IDLC AML	-	12,800,434	12,800,434	-
IDLC Securities Limited	Related Party	Receivable from IDLCSL	-	1,380,260	1,380,260	-
		Payable to IDLCSL	-	2,118,314	2,118,314	-

36 Number of employees

The number of employees for the whole year who received a total remuneration of Tk 36,000 or above were 35 which was 32 on 31 December 2025

37 Events after the reporting period

37.1 Dividend declaration for 2025

The Board of Directors of IDLC Investments Limited, at its 102nd Board Meeting held on 15 March 2026, approved the financial statements for the year ended 31 December 2025 and decided not to recommend any dividend for the said year

38 Date of authorisation

The Board of director has authorised these financial statements for issue on 15 March 2026.

M. Jamal Uddin
Director

Asif Saad Bin Shams
Director

Mesbah Uddin Ahmed
Managing Director

Nurul Karim Patwery
Director

Abul Fazal Mohamed Rubayat
Company Secretary

IDLC Investments Limited

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2025

Annexure-A

(Amount in BDT)

Particulars	Cost				Rate %	Depreciation				Written Down Value as at 31.12.25
	Balance as at 01.01.25	Addition during the year	Disposal/ adjustment during the year	Balance as at 31.12.25		Balance as at 01.01.25	Charged during the year	Disposal/ adjustment during the year	Balance as at 31.12.25	
Curtain & Carpet	1,262,792	150,831	-	1,413,623	33.33%	1,082,224	110,997	-	1,193,221	220,402
Electrical Equipment	3,431,027	169,781	-	3,600,808	20%	3,222,930	75,211	-	3,298,141	302,667
Furniture & Fixture	4,539,660	248,398	-	4,788,058	12.50%	3,972,884	132,215	-	4,105,099	682,959
Office Decoration	3,342,668	-	-	3,342,668	20%	3,258,639	23,916	-	3,282,555	60,113
Office Equipment	11,885,996	1,005,071	-	12,891,067	20%	9,870,503	678,380	-	10,548,883	2,342,184
Motor Vehicles (Bike & Car)	12,711,181	3,760,761	-	16,471,942	25 & 12.5%	10,401,955	635,978	-	11,037,933	5,434,009
Telephone & Telex	1,327,459	45,000	-	1,372,459	33.33%	1,271,313	47,322	-	1,318,635	53,824
Balance as at 31 December 2025	**38,500,784**	**5,379,841**	**-**	**43,880,625**		**33,080,449**	**1,704,019**	**-**	**34,784,468**	**9,096,157**
Balance as at 31 December 2024	**37,097,029**	**2,124,344**	**720,589**	**38,500,784**		**31,874,879**	**1,503,894**	**298,324**	**33,080,449**	**5,420,335**

Right-of-use assets -2025

(Amount in BDT)

Particulars	Cost				Rate %	Depreciation				Written Down Value as at 31.12.25
	Balance as at 01.01.25	Addition during the year	Disposal/ adjustment during the year	Balance as at 31.12.25		Balance as at 01.01.25	Charged during the year	Adjustment during the year	Balance as at 31.12.25	
Office Space	38,153,412	-	38,153,412	-		32,702,924	5,450,487	38,153,412	-	-
Balance as at 31 December 2025	38,153,412	-	38,153,412	-		32,702,924	5,450,487	38,153,412	-	-
Balance as at 31 December 2024	**38,153,412**	**-**	**-**	**38,153,412**		**27,252,437**	**5,450,487.40**	**-**	**32,702,924**	**5,450,487**
Grand total as at 31 December 2025	**76,654,196**	**5,379,841**	**38,153,412**	**43,880,625**		**65,783,373**	**7,154,507**	**38,153,412**	**34,784,468**	**9,096,157**
Grand total as at 31 December 2024	**75,250,441**	**2,124,344**	**720,589**	**76,654,196**		**59,127,316**	**6,954,380.91**	**298,324**	**65,783,373**	**10,870,822**

Details of disposals/adjustment for - 2025

Asset Category	Cost	Accumulated depreciation	Book value	Sale price/ adjustment	Profit/(loss) on disposal	Mode of disposal	Buyer
Curtain & Carpet	-	-	-	-	-	As per policy of the company	Employees/Outsider
Electrical Equipment	-	-	-	-	-	As per policy of the company	Employees/Outsider
Telephone & Telex	-	-	-	-	-	**As per policy of the company**	**Employees/Outsider**
Total 2025	**-**	**-**	**-**	**-**	**-**		
Total 2024	**720,589**	**298,324**	**422,265**	**422,280**	**15**		

STATEMENT OF SEGMENT REPORTING

Accounting policy

Annexure-B

As per IFRS 8 "Operating Segments", an operating segment is a component of an entity:

(i) That engages in business activities from which it may earn revenues and incur expenses (include revenues and expenses relating to transactions with other components of the same entity);

(ii) Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performances, and

(iii) For which discrete financial information is available.

The IDLCIL identifies segment based on its business segment. Business segment comprises Investment Banking, Margin loan operation, Discretionary portfolio management retail fund, IL's own investment and Treasury/ Equity under Merchant Banking. The Merchant Bank reviews the segments at the end of each reporting period to identify which of its segments are reportable and disclose the related information for those reportable segments accordingly.

Segmental operating profit and loss

There are some operating segments mainly Margin loan operation & IL's own investment and Treasury/ Equity on standalone basis as on 31 December 2025. Each operating segment is reportable as per latest evaluation in accordance with IFRS 8: Operating segments.

IDLC Investments Limited

For the year ended 31 December 2025

Particulars	Margin loan operation	IL's own investment, IB, SFD, DPM & Treasury/ Equity	Total
Total external revenue	80,821,977	524,098,210	604,920,187
Inter segment revenue /(expenses)	(68,903,314)	64,261,605	(4,641,708)
Total segment revenue	**11,918,663**	**588,359,816**	**600,278,479**
Total segment operating expenses and provision	(61,964,863)	(146,440,059)	(208,404,923)
Segment profit/(loss) before tax	**(50,046,200)**	**441,919,756**	**391,873,556**

IDLC Investments Limited

For the year ended 31 December 2024

Particulars	Margin loan operation	IL's own investment, IB, SFD, DPM & Treasury/ Equity	Total
Total external revenue	38,730,825	303,734,413	342,465,238
Inter segment revenue /(expenses)	-	108,742,803	108,742,803
Total segment revenue	**38,730,825**	**412,477,215**	**451,208,040**
Total segment operating expenses and provision	62,434,727	91,404,907	153,839,634
Segment profit/(loss) before tax	**(23,703,902)**	**321,072,308**	**297,368,407**

The necessary information regarding assets and liabilities of operating segments are not separable and individually identifiable and so the assets and liabilities of the respective segments have not been presented here.

IDLC Asset Management Limited

Management Committee



Syed Javed Noor

Member

Mr. Syed Javed Noor took over the role of Additional Managing Director of IDLC FL in 2024. Mr. Javed has over 25 years of experience in the Banks and Financial Institutions including Southeast Bank, Standard Chartered Bank and HSBC. During his long career, he has worked in most of the functional areas of the Banking industry. Mr. Javed is an MBA from the Institute of Business Administration, University of Dhaka, and Master of Pharmacy from the same University.



Kazi Mashook ul Haq

Managing Director

Mr. Kazi Mashook ul Haq is a seasoned professional with over 16 years of Capital Market experience. His areas of expertise spans over Strategic Planning, Digital Transformation, Operations & Finance, Customer Experience and Regulatory Compliance. He continuously remains active on developing Bangladesh's mutual fund industry, especially through improving retail participation and institutionalization of the market. He received his undergraduate degree in Civil Engineering from BUET and completed his Masters of Business Administration (MBA) with a major in Finance from IBA, Dhaka University.



Abul Fazal Mohamed Rubayat FCS FCMA (UK) CGMA (USA) FCPA (AUS)

Group Chief Corporate Affairs Officer and Group Company Secretary

Mr. Rubayat has over 22 years of experience in the corporate & financial sectors both in local and multinational companies. Before joining IDLC, Mr. Rubayat held various key positions in CEAT, Zuellig Pharma, Heidelberg Cement, and Sanofi. As a seasoned corporate and financial professional, his areas of expertise spans across Secretarial practices, Accounts maintenance, Group reporting, Tax and VAT planning, Treasury function, Statutory, and other regulatory compliance. Mr. Rubayat is a Fellow Member of the Institute of Chartered Secretaries of Bangladesh. He also holds Associate Membership of different prestigious foreign professional institutes. Mr. Rubayat completed his MBA in Accounting and Information System from the University of Dhaka, Legislative Law Bachelor from National University, and is also a Certified Income Tax Practitioner from National Board of Revenue



Kazi Umme Sumaiya, CFA

Head of Fund Management & Business Strategy

Ms. Kazi Umme Sumaiya is a seasoned investment professional with over a decade of experience in equity research, portfolio construction, and fund management. As Head of Fund Management and Business Strategy, she leads the design and execution of investment strategies while driving business growth through data-driven decision-making and strategic planning. In addition to overseeing fund performance, she is responsible for process optimization and automation initiatives that enhance operational efficiency, strengthen governance, and support scalable growth across the organization. Ms. Sumaiya earned the CFA Charter in 2019 and holds both an MBA and a BBA in Finance from the University of Dhaka.



Ahmad Ibn Arif

Chief Marketing Officer

Ahmad Ibn Arif brings over 11 years of experience across marketing agencies and communication technology. He began his career as a copywriter, later transitioning into strategic planning, and eventually moving into a tech product manager role focused on communication technology products. Throughout his journey, he has worked with leading FMCG brands in Bangladesh, contributing to brand building and marketing communications, while also delivering effective communication solutions across both local and international markets as a tech product owner. Overall, he combines agency experience with technology-driven expertise to drive impactful marketing and communication strategies.



Mohammad Asrarul Haque

Head of Research

Mohammad Asrarul Haque has been serving as Head of Research at IDLC Asset Management since October 2023. With over 11 years of experience in leading financial institutions in related field, he leads research and investment analysis, supporting fund management with actionable insights. He holds a Bachelor's degree in Finance from the University of Dhaka, pursued an MS in Economics from North South University, and has completed CFA Level I.



Nastaran Tasnim, FCA

In-Charge, Finance & Admin

Ms Nastaran Tasnim is a Fellow Chartered Accountant (FCA) with over a decade of corporate experience. Her areas of expertise spans over financial management and planning, financial reporting, budgetary control, taxation, corporate affairs; honed through working under various capacities at IDLC, Standard Chartered Bank and KPMG Bangladesh. She is a business graduate from North South University.

IDLC Asset Management Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS



Mohammad Mostafizur Rahman
Chairman

Dear Shareholders,

With immense pleasure, the Board of IDLC Asset Management Limited (IDLC AML) is presenting the Directors' Report, the audited financial statements of the Company for the year ended December 31, 2025 and the Auditor's Report thereon in compliance with the Companies Act, 1994, and the guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC).

IDLC Asset Management Limited (IDLC AML) is IDLC's capital market subsidiary which has just completed ten years of operations. To realize the vision of being the best financial brand in the country, the management of IDLC entered into the asset management industry to serve the investment needs of investors and the financial community at large. Considering the diverse investment needs and risk preferences of the investors, IDLC AML has launched four mutual funds and one venture capital fund. In its constant effort towards product and service innovation in the asset management industry of Bangladesh, IDLC AML introduced IDLC Systematic Investment Plan (IDLC SIP) with the benefit of insurance coverage in 2018, the first of its kind in Bangladesh. Moreover, the company launched the first debt mutual fund in Bangladesh in 2021 and also pioneered in launching a full-fledged online onboarding platform in 2020 for its investors.

Market and Industry Overview

The asset management industry in Bangladesh is still at an evolving stage. Asset Management Companies mobilize funds from institutions and individuals and manage the assets to generate superior risk adjusted return. At present, mutual funds and alternative investment options are the main investment vehicles available in the industry.

The asset management industry is cyclical in nature. However, globally mutual fund is one of the most preferred investment tools for long term investors. The structural improvement in the market and investors' growing awareness of professional approach to investment in the last few years are promising signs for the industry as it is expected to increase the demand for professional asset management services. We believe that IDLC group's brand recognition, technology and process at our disposal coupled with the strong presence of IDLC Investments Limited and IDLC Securities Limited in their respective business lines in the capital market will help us offer innovative professional asset management services to investors as well as contribute to the overall development of the asset management industry of the country, with a greater satisfaction to our existing and future potential customers.

Currently, the industry is dominated by the government-owned ICB and a handful of private players. There are 91 open-end mutual funds and 35 closed-end mutual funds currently operating in the market. The size of total assets under management (AUM) was approximately BDT 126 bn. The industry is still focused on institutional clients. IDLC AML plans to generate significant effort to mobilize the savings of the individuals to help them achieve their financial goals. It also aims to popularize the concept of mutual fund among retail investors. The company is fully committed to investing in people and relevant processes, developing products with game-changing features, deploying sales and marketing networks that would define industry standards, bringing technological innovation for the seamless journey of the customers, and installing a complete customer care setup, etc. and thus always ready to go the extra mile to serve the customers. We believe IDLC AML would be able to generate optimal risk-adjusted return on its assets under management by deploying its fundamental analysis-driven strategy and expertise that has proven to be spectacularly successful in managing IDLC's own capital market investments.

Overview of Financial Performance

2025 was a dynamic year, marked by shifting investor sentiment between optimism and caution amid major regulatory changes, an improving economic outlook, and renewed confidence in recovery & reform efforts under the newly formed interim government, and the anticipation of upcoming national elections. Several external indicators improved.

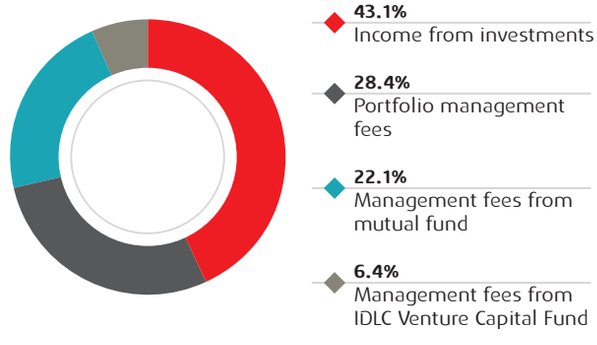
Remittance inflows during Jan-Dec 2025 grew 22.0% YoY, marking the highest annual remittance receipts in the country's history. Strong remittance eased dollar liquidity pressures, enabling Bangladesh Bank to continue purchasing dollars through auctions to stabilize the exchange rate. Consequently, Foreign exchange reserve increased by USD 7.2 billion (as per IMF BPM 6) during 2025. Bangladesh Bank revised loan classification and provisioning rules to prepare for IFRS 9 adoption by 2027, aiming for global alignment. Inflation showed signs of easing during the year. As reforms gained traction and key indicators strengthened, Bangladesh made steady progress toward building a more stable and resilient economy.

It was a challenging year for the asset management industry in Bangladesh. Bangladesh capital market experienced a significant contraction, with the DSEX falling 6.73% to 4,865 and the DS30 declining 4.44% to 1,853. Daily average turnover dropped 18% to BDT 521 crore, while the market capitalisation-to-GDP ratio slipped to 12.21% and the P/E ratio edged down to 8.59, reflecting weakened investor confidence. The year saw major volatility, with the index peaking at 5,636 points and hitting a low of 4,615 points, alongside sharp fluctuations in turnover. Investor participation declined. The downturn was driven by political and economic uncertainty, deteriorating law and order, strict margin loan rules, zero IPO listings, and regulatory chaos. In response, regulators introduced reforms including new margin and IPO rules, reduced BO fees, and formed committees to revive listings and strengthen market governance.

IDLCAML, due to its diverse product offerings, is well positioned to generate better risk adjusted return for investors across different economic cycles. On one side, the company is being able to generate better return amidst the current interest scenario through the Debt Fund, IDLC Income Fund. On the other side, investors in Equity Funds are being able to implement the strategy of taka cost averaging through IDLC Systematic Investment Plan (IDLC SIP).

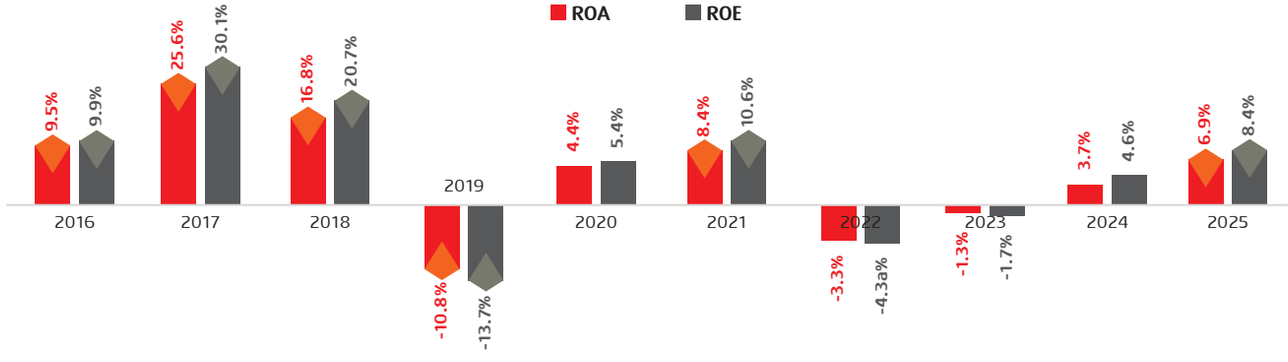
The company has generated an operating revenue of BDT 174.7 mn in 2025. Out of this, 43.1% came from investment income, 28.4% came from portfolio management fee, 22.1% from management fees from mutual funds and rest 6.4% from venture capital fund management fee, which are very much in line with the business strategies of IDLC Asset Management Limited. However, after paying off for operating expenses, the company made a profit before tax of BDT 59.46 mn in 2025. After deducting for tax payable to the government exchequer, IDLC AML booked an after tax profit of BDT 30.20 mn. During 2025, the company's ROE stood at 6.8% and ROA stood at 8.4%.

Operational Revenue



Particulars (BDT Mn)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating revenue	-	19.9	101.9	92.5	43.3	83.3	149.8	71.7	62.3	63.5	174.7
Profit before tax	-	15.3	51.2	46.3	(20.0)	23.6	55.2	(12.2)	(2.5)	12.1	59.5
Net profit after tax	-	10.4	39.1	34.5	(26.8)	14.4	36.0	(15.2)	(5.8)	15.9	30.2
Total Assets	**100.4**	**119.0**	**186.5**	**225.2**	**271.7**	**386.0**	**467.5**	**447.2**	**434.7**	**425.7**	**507.3**
Total shareholders' equity	**100.0**	**110.4**	**149.5**	**184.0**	**207.5**	**321.9**	**357.9**	**342.7**	**336.9**	**350.9**	**371.9**

Return Ratios



Roadmap to 2026

IDLC AML remains committed to customer-focused innovation and exceptional service in 2026. We aim to solidify our leadership in the asset management industry by expanding our retail clientele with a wider array of investment products. Additionally, we'll prioritize seamless investment solutions, making the customer experience more convenient and accessible. Our focus for this year would be on:

- To create awareness among retail investors about the benefits of IDLC SIP, as we believe this is one of the optimal ways of creating wealth through investment in the capital market
- To explore new product opportunities to encourage more retail participation in the capital market of the country
- To explore opportunities to build up the company's presence in the nascent Venture Capital industry of Bangladesh
- To construct an extensive sales, distribution and marketing channel to broaden the customer base
- To develop and deploy IT and network infrastructure capable of facilitating the realization of values of business
- To enhance efficiency at all levels of business operations
- To ensure highest customer satisfaction with best-in-class customer experience
- To up-skill the human resources of IDLC AML

Books of accounts

IDLC Asset Management Limited has maintained proper books of account in accordance with applicable laws and regulatory requirements. The financial statements have been prepared by consistently applying appropriate accounting policies, and the accounting estimates contained therein are based on prudent and reasonable judgment. The statements have been prepared in compliance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted and applicable in Bangladesh, and any departure from such standards has been adequately disclosed. In the opinion of Management, the financial statements present fairly, in all material respects, the financial position of the Company as at the reporting date, together with its financial performance, cash flows, and changes in equity for the year then ended.

Internal control

The Company maintains a robust system of internal control, appropriately designed to safeguard assets, ensure the accuracy and reliability of financial reporting, promote operational efficiency, and ensure compliance with applicable laws and regulations, and such controls have been effectively implemented and continuously monitored.

Distribution of profit for 2025

The Company reported a net profit of BDT 30.2 mn for the year 2025. After careful consideration of the Company's investment pipeline, future growth prospects, capital allocation priorities, and a comparative cost–benefit analysis of dividend distribution vis-a-vis overall tax efficiency, the Board of Directors of IDLC Asset Management Limited has decided not to declare any dividend for the year 2025. This decision reflects the Board's strategic focus on reinvesting earnings to strengthen the Company's capital base and support sustainable long-term growth.

Appointment of auditors

In accordance with Clause 132 of the Articles of Association of the Company, the shareholders are required to appoint an auditor at each Annual General Meeting (AGM) to hold office until the conclusion of the next AGM. A. Qasem & Co., Chartered Accountants, has completed three consecutive years as the Statutory Auditor of the Company. In compliance with the Bangladesh Securities and Exchange Commission (BSEC) directive, which restricts the re-appointment of the same audit firm for more than three consecutive years in the case of a listed company, the existing auditor shall not be eligible for re-appointment for the financial year 2026. Accordingly, the Board will place before the shareholders, at the forthcoming AGM, the proposal for appointment of a new eligible audit firm for the ensuing year in accordance with applicable laws and regulations. The Company will also ensure that the appointment process facilitates efficient consolidation of the financial statements at the IDLC Group level while maintaining full regulatory compliance.

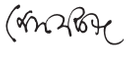
Going concern

Based on Management's assessment, there are no material uncertainties that may cast significant doubt upon IDLC Asset Management Limited's ability to continue as a going concern. The Company's strong market position, consistent growth in business operations, ongoing product innovation and diversification, and sustained customer confidence collectively support the appropriateness of the going concern basis in the preparation of these financial statements.

Appreciation

In conclusion, on behalf of the Board, I convey our sincere appreciation to our valued clients and respected shareholders for their continued trust and confidence in IDLC Asset Management Limited. Their steadfast support, together with the commitment, integrity, and professionalism of our management team, has been fundamental to our sustained growth and performance.

We also express our gratitude to the Bangladesh Securities and Exchange Commission, Bangladesh Bank, the Dhaka and Chittagong Stock Exchanges, Central Depository Bangladesh Limited, the Trustees, Custodians, and all other stakeholders for their ongoing guidance and cooperation, which remain integral to our continued progress and long-term success.



Mohammad Mostafizur Rahman
Chairman
IDLC Asset Management Limited

Independent Auditor's Report

TO THE SHAREHOLDERS OF IDLC ASSET MANAGEMENT LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IDLC Asset Management Limited (the "Company") which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2025 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Companies Act, 1994 and other applicable laws and regulations as explained in note 3.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs, the Companies Act, 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules 2020, we also report the following:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;

iii) The Company's statement of financial position and statement of profit or loss and other comprehensive income together with annexed note dealt with by the report are in agreement with the books of account and returns.



A. Qasem & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-129

Md. Sirajul Haque FCA
Partner
Enrolment Number: 1172
DVC: 2603151172AS180181
Dhaka, 15 March 2026

IDLC Asset Management Limited

STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

Particulars	Notes	31-Dec-25	31-Dec-24
		Amount in BDT	
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	3,173,818	4,163,401
Intangible assets	5	104,495	152,962
Right-of-use assets	6	6,436,908	11,764,004
Net plan assets - employees' gratuity fund	7	2,866,587	5,362,868
Deferred tax asset	8	1,274,724	543,281
		13,856,532	**21,986,516**
Current Assets			
Investments	9	399,567,942	301,787,479
Account receivables	10	21,789,166	20,341,501
Advance income tax	11	29,763,936	23,660,327
Cash and cash equivalents	12	42,293,695	57,894,875
		493,414,739	**403,684,182**
Total Assets		**507,271,271**	**425,670,698**
EQUITY AND LIABILITIES			
Equity			
Share capital	13	250,000,000	250,000,000
Retained earnings		121,864,961	100,910,464
		371,864,961	**350,910,464**
Liabilities			
Non-Current Liabilities			
Leased liabilities - Non current portion		1,284,831	7,077,912
		1,284,831	**7,077,912**
Current Liabilities			
Provision for expenses	14	20,674,209	6,465,081
Leased liabilities - Current portion		5,793,082	5,215,449
Provision for diminution value of investments	15	40,250,563	17,775,294
Provision for income tax	16	67,403,625	38,226,498
		134,121,479	**67,682,321**
Total Liabilities		**135,406,310**	**74,760,233**
Total Equity and Liabilities		**507,271,271**	**425,670,698**

The annexed notes 1 to 29 and "Annexure A" are the integral part of the financial statements.

Mohammad Mostafizur Rahman
Chairman

Mir Tariquzzaman
Director

Indrajit Mallick
Director

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-129

Md. Sirajul Haque FCA
Partner
Enrolment Number: 1172
DVC: 2603151172AS180181
Dhaka, 15 March 2026

Kazi Mashook ul Haq
Managing Director

Abul Fazal Mohamed Rubayat
Company Secretary

IDLC Asset Management Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December, 2025

Amount in BDT

Particulars	Notes	31-Dec-25	31-Dec-24
Operating Income (a)			
Portfolio management fees	17	49,607,775	10,839,657
Management fees from mutual fund	18	38,664,566	35,330,940
Management fees from IDLC Venture Capital Fund I		11,176,082	10,590,401
Income from investments	19	75,283,643	6,786,649
		174,732,066	**63,547,647**
Operating Expenses (b)			
General and administrative expenses	23	89,827,536	65,235,446
Depreciation and amortization	Annexure-A	7,003,201	7,419,901
		96,830,737	**72,655,348**
Operating Profit / (Loss) for the year (a - b)		**77,901,329**	**(9,107,701)**
Interest income	20	4,883,558	7,915,452
Interest expenses	24	(1,049,547)	(2,038,894)
Miscellaneous Income	21	201,642	8,268,314
Profit/ (Loss) before provisions		**81,936,982**	**5,037,171**
Provision (charged) / released for diminution value in investments	22	(22,475,269)	7,081,034
Profit/ (Loss) before provision for income tax		**59,461,713**	**12,118,205**
Provision for income tax			
Current tax	16	(29,177,128)	(5,778,586)
Deferred tax income/ (expense)	26	(35,811)	(1,798,714)
Provision release against income tax		-	11,353,234
		(29,212,939)	**3,775,934**
Profit/ (Loss) for the year		**30,248,775**	**15,894,139**
Other comprehensive income / (loss) - Plan Assets Remeasurement Loss	7.3	(1,794,277)	(1,884,995)
Total comprehensive income for the year		**28,454,498**	**14,009,144**

The annexed notes 1 to 29 and "Annexure A" are the integral part of the financial statements.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-129

Md. Sirajul Haque FCA
Partner
Enrolment Number: 1172
DVC: 2603151172AS180181
Dhaka, 15 March 2026

Mohammad Mostafizur Rahman
Chairman

Mir Tariquzzaman
Director

Indrajit Mallick
Director

Kazi Mashook ul Haq
Managing Director

Abul Fazal Mohamed Rubayat
Company Secretary

IDLC Asset Management Limited

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December, 2025

Particulars	Amount in BDT		
	Share capital	Retained earnings	Total equity
Balance as at 01 January 2025	**250,000,000**	**100,910,464**	**350,910,464**
Total comprehensive income for the Year			
Profit during the Year	-	30,248,775	30,248,775
Other comprehensive income/(loss) - Plan Assets Remeasurement Loss	-	(1,794,277)	(1,794,277)
Declared Dividend during the Year	-	(7,500,000)	(7,500,000)
Balance as at 31 December 2025	**250,000,000**	**121,864,961**	**371,864,961**
Balance as at 01 January 2024	**250,000,000**	**86,901,320**	**336,901,320**
Total comprehensive income for the year			
Profit during the Year	-	15,894,139	15,894,139
Other comprehensive income/(loss) - Plan Assets Remeasurement Loss	-	(1,884,995)	(1,884,995)
Balance as at 31 December 2024	**250,000,000**	**100,910,464**	**350,910,464**

The annexed notes 1 to 29 and "Annexure A" are the integral part of the financial statements.

Mohammad Mostafizur Rahman
Chairman

Mir Tariquzzaman
Director

Indrajit Mallick
Director

Kazi Mashook ul Haq
Managing Director

Abul Fazal Mohamed Rubayat
Company Secretary

IDLC Asset Management Limited

STATEMENT OF CASH FLOWS

For the year ended 31 December, 2025

Amount in BDT

	Particulars	31-Dec-25	31-Dec-24
A.	**Cash flow from operating activities**		
	Profit/ (Loss) during the year	**28,454,498**	**14,009,144**
	Items not involving in movement of cash:		
	Provision (charged)/ released for diminution value in investments	22,475,269	(7,081,034)
	Net plan assets - employees' gratuity fund	2,496,281	(5,362,868)
	(Increase) / Decrease in deferred tax assets	(731,443)	1,170,382
	Increase in current tax liability	29,177,128	(29,294,793)
	Income tax paid during the year	(6,103,609)	19,026,608
	(Decrease)/ increase in leased liabilities	(5,215,449)	11,173,725
	Depreciation and amortization	7,003,201	7,419,901
		77,555,875	**11,061,065**
	Changes in working capital:		
	Decrease/ (increase) in account receivables	(1,447,665)	(2,647,197)
	Increase/ (decrease) in provision for expenses	14,209,128	2,203,738
		12,761,463	**(443,459)**
	Net cash flow from/ (used in) operating activities (A)	**90,317,338**	**10,617,606**
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(647,083)	(16,946,255)
	Proceeds from sale of property, plant and equipment	9,028	200,466
	(Purchase)/ sale of investments	(97,780,463)	(50,072,248)
	Net cash flow from/ (used in) investing activities (B)	**(98,418,518)**	**(66,818,037)**
C.	**Cash flows from financing activities**		
	Dividend Paid during the year	(7,500,000)	-
	Net cash flow from/ (used in) financing activities (C)	**(7,500,000)**	**-**
D.	**Net cash surplus / (deficit) for the year (A+B+C)**	**(15,601,180)**	**(56,200,430)**
E.	**Cash and cash equivalents at the beginning of the year**	**57,894,875**	**114,095,306**
F.	**Cash and cash equivalents at the end of the year**	**42,293,695**	**57,894,875**

The annexed notes 1 to 29 and "Annexure A" are the integral part of the financial statements.

Mohammad Mostafizur Rahman
Chairman

Mir Tariquzzaman
Director

Indrajit Mallick
Director

Kazi Mashook ul Haq
Managing Director

Abul Fazal Mohamed Rubayat
Company Secretary

IDLC Asset Management Limited

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

1. Company and its activities

1.1 Legal status and nature of the company

IDLC Asset Management Limited (the "Company") was incorporated in Bangladesh on 19 November 2015 vide registration # C-127068/2015 as a private company limited by shares, under the Companies Act, 1994. The registered office of the Company is situated at Symphony (Level – 04), Plot # SE (F): 9, Road # 142, Gulshan Avenue, Bir Uttam Mir Shawkat Sarak, Dhaka 1212. It is a subsidiary Company of IDLC Finance PLC. that holds 99.99% ownership of the company. The company received the following licenses from Bangladesh Securities and Exchange Commission:

Sl.	Nature of Business	License No.	Issue Date	Applicable Rules
01	Asset Manager	BSEC/Asset Manager/ 2016/25	June 07, 2016	Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 & 2025
02	Fund Manager	AIFM-13/2018	July 16, 2018	Bangladesh Securities and Exchange Commission (Alternative Investment) Rules, 2015

1.2 Principal activities and nature of operation

IDLC Asset Management Limited provides high standard of professional services to its individual and institutional clients through mutual funds, portfolio management and other services. The company's principal activities include the following:

i. Asset management through mutual funds for retail and institutional clients;

ii. Portfolio management services for institutional clients;

iii. Alternative investment in private equity, venture capital and other related investment opportunities;

iv. Corporate advisory services, etc.

2. Basis of preparation and significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) covering International Accounting Standards (IAS), the Companies Act, 1994 and other applicable laws and regulations of Bangladesh.

2.2 Other regulatory compliance

As required, IDLC Asset Management Limited also complies with the applicable provisions of the following major laws/ statutes:

-The Income Tax Act, 2023;

-TDS Rules, 2023;

-Negotiable Instruments Act, 1881;

-Securities and Exchange Rules, 1987;

-Securities and Exchange Commission Act, 1993;

-The Bangladesh Labour Act,2006;

-The Value Added Tax and Supplementary Duty Act, 2012;

-Securities and Exchange Commission (Mutual Fund) Rules, 2001 (Amended in 2013);

-Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2025 ;

-Bangladesh Securities and Exchange Commission (Alternative Investment) Rules, 2015 ;

-Other applicable laws and regulations;

2.3 Basis of measurement

These financial statements have been prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs).

2.4 Components of financial statements

-Statement of Financial Position

-Statement of Profit or Loss and Other Comprehensive Income

-Statement of Changes in Equity

-Statement of Cash Flows

-Notes to the Financial Statements

2.5 Functional and presentational currency

These financial statements are presented in Bangladeshi Taka (BDT) which is the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest integer.

2.6 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the following notes:

Note: 4	Depreciation on property, plant and equipment.
Note: 8	Deferred tax Assets
Note: 10	Accounts receivables
Note: 14	Provision for expense
Note: 15	Provision for income tax

2.7 Going concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason, the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the company provide sufficient funds to meet the present requirements of its existing businesses and operations.

3. Significant accounting policies

3.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and after due compliance with the International Financial Reporting Standards (IFRSs), the Companies Act, 1994 and other applicable laws and regulations.

3.2 Property, plant and equipment

3.2.1 Recognition and measurement

Property, plant and equipment are stated at cost, less accumulated depreciation in compliance with IAS-16: Property Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use.

3.2.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the profit or loss and other comprehensive income account as incurred.

3.2.3 Depreciation

Depreciation on property, plant and equipment is charged using straight-line method over their estimated useful lives. Depreciation rates are as follows:

Nature of assets	Rate of depreciation	
Curtain and carpets	33.33%	p.a.
Electrical equipment	20.00%	p.a.
Furniture and fixture	12.50%	p.a.
Office decoration	20.00%	p.a.
Office equipment	20.00%	p.a.
IT equipment	20.00%	p.a.
Telephone and telex	33.33%	p.a.
Motors vehicles	25.00%	p.a.

Depreciation on all items of property, plant and equipment is calculated and charged from the date of putting the assets in to use irrespective of the value and purchase/ acquisition date of the property, plant and equipment.

3.3 Intangible assets

3.3.1 Recognition and measurement

Intangible assets viz computer software those are acquired by the Company and which have finite useful lives, are measured at cost less accumulated amortization and impairment loss, if any.

3.3.2 Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates.

3.3.3 Amortization

Amortization is calculated using the straight line method to write down the cost of intangible assets to their residual values over their estimated useful lives based on the management's best estimates.

3.4 Impairment

The carrying value of the Company's assets other than inventories, are reviewed at closing date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the profit and loss account.

3.5 Financial Instruments

3.5.1 Financial Assets

Financial assets of the company include cash and cash equivalents, accounts receivables and other receivables. The company initially recognizes receivable on the date they are originated. All others financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

3.5.1.1 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits when it has a short maturity of three months or less from the date of acquisition.

3.5.2 Financial liabilities

The company initially recognizes financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

These are recognized when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

3.5.2.1 Accounts payable and other payables

Accounts payable and other payables are recognized when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the group of resources embodying economic benefits.

3.6 Investments

Investment in marketable ordinary shares has been shown at cost, on an aggregate portfolio basis. Investment in non-marketable shares has been valued at cost. Full provision for diminution in value of shares as on closing of the year on an aggregate portfolio basis is made in the financial statements as required by Bangladesh Bank DFIM circular No. 02 dated January 31, 2012.

As per IFRS 9: ""Financial Instruments"", Financial Assets are classified as either: (i) Amortised cost, (ii) Fair value through profit or loss or (iii) Fair Value through other comprehensive income. In case of valuation of investment in government bonds, we have followed amortised cost method, as it meets both of the following assessment criteria:

i) Business model assessment: The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and

ii) Contractual cash flow assessment: The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding on a specified date.

3.7 Taxation

3.7.1 Current tax

Provision for income tax is made on the basis of company's computation based on the best estimate of taxable profit in accordance with the Income Tax Act, 2023.

3.7.2 Deferred tax

Deferred tax is calculated as per International Accounting Standard (IAS) 12 "Income Taxes". Deferred tax is recognized on difference between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences.

3.8 Revenue recognition

3.8.1 Portfolio management fees

Portfolio management fees are recognized on the market value of the clients' portfolio on daily accrual basis and charged to clients' balance on quarterly basis.

3.8.2 Venture capital fund management fees

As per the Securities and Exchange Commission (Alternative Investment) Rules, 2015, the fund shall pay a management fee to the Asset Management Company.

3.00 percent per annum of the weekly average NAV accrued and payable half yearly at the end of the period.

3.8.3 Dividend income and profit or loss on sale of securities

Dividend is accounted for as income when right to receive is established whereas profit or loss arising from the sale of securities is accounted for only when the securities are sold/offloaded.

3.8.4 Mutual fund management fees

As per the Securities and Exchange Commission (Mutual Fund) Rules, 2001, the Fund shall pay a management fee to the Asset Management Company –

a. 2.50 percent per annum of the weekly average NAV up to BDT 5.00 crore (Five crore Taka);

b. 2.00 percent per annum for additional amount of the weekly average NAV up to BDT 25.00 crore (Twenty Five crore Taka) over BDT 5.00 crore (Five crore Taka);

c. 1.50 percent per annum for additional amount of the weekly average NAV up to BDT 50.00 crore (Fifty crore Taka) over BDT 25.00 crore (Twenty Five crore Taka); and

d. 1.00 percent per annum for additional amount of the weekly average NAV over BDT 50.00 crore (Fifty crore Taka), accrued and payable quarterly at the end of the period.

3.8.5 Mutual fund formation fee

As per the Securities and Exchange Commission (Mutual Fund) Rules, 2001, the Fund shall pay Mutual Fund Formation fee to the Asset Management Company as mentioned in the Published Prospectus of the Fund approved by Bangladesh Securities and Exchange Commission.

3.8.6 Mutual fund pre-scheme formation fee

As per BSEC Directive vide ref no.: SEC/CMRRCD/2009 – 193/ 160 dated 28 May 2014, Asset Manager can accrue management fees from scheme of the Mutual Fund for the period starting from the registration date of the scheme to pre-trade period according to the Rule 65(2).

3.9 Provision

A provision is recognized in the accounts when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

3.10 Employee benefits

IDLC Asset Management Limited maintains defined benefit plan for its eligible permanent employees. Employee gratuity plan is considered as defined benefit plan as it meets the recognition criteria. The company's obligation is to provide the agreed benefits to employees as per condition of the fund. The eligibility is determined according to the terms and conditions set in the service rules of the company.

3.11 Leases (IFRS 16)

IDLC Asset Management Limited applied IFRS 16 for its rental properties, office space. Accordingly it recognize Right of Use (ROU) Asset, lease labilities in the statement of Financial position and depreciation expenses and interest expenses in the statement of profit or loss and other comprehensive income.

3.12 Events after the reporting date

Events after the reporting date that provide additional information about the company's position at the reporting date are reflected in the financial statements. Events after the reporting date that are not adjusting event are disclosed in the notes when material.

3.13 Application of IASs and IFRSs:

The Financial Statements have been prepared in compliance with requirement of IASs and IFRSs as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. IDLC Asset Management Limited applied following IASs and IFRSs:

Name of the IASs	No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statements of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the reporting period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	N/A
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	Applied
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Interests in Joint Ventures	31	N/A
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A

Name of the IFRSs	No.	Status
Share Based payment	2	N/A
Business combination	3	N/A
Non-current assets held for sale and discontinued operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied
Operating Segments	8	Applied
Financial Instruments	9	Applied
Consolidated Financial Statements	10	N/A
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	Applied
Revenue from Contracts with customers	15	Applied
Leases	16	Applied
Insurance contracts	17	N/A

3.14 Reporting Period:

The financial period of the Company covers one year from 01 January to 31 December.

			Amount in BDT	
			As at	
			31-Dec-25	31-Dec-24
4.0	**Property, plant and equipment**			
	A. Cost			
	Opening balance		21,138,347	20,826,788
	Add: Addition during the year		647,083	827,239
			21,785,430	**21,654,027**
	Less: Disposal/ adjustments during the year		(12,500)	(515,680)
			21,772,930	**21,138,347**
	B. Accumulated depreciation			
	Opening balance		16,974,946	14,964,450
	Add: Charged during the year		1,627,638	2,325,710
			18,602,584	**17,290,160**
	Less: Disposal/ adjustments during the year		(3,472)	(315,214)
			18,599,112	**16,974,946**
	C. Written down value (A-B)		**3,173,818**	**4,163,401**
5.0	**Intangible assets**			
	A. Cost			
	Opening balance		6,367,950	6,230,221
	Add: Addition during the year		-	137,729
			6,367,950	**6,367,950**
	Less: Disposal/ adjustments during the year		-	-
			6,367,950	**6,367,950**
	B. Accumulated amortization			
	Opening balance		6,214,988	6,184,886
	Add: Charged during the year		48,467	30,103
			6,263,455	**6,214,988**
	Less: Disposal/ adjustments during the year		-	-
			6,263,455	**6,214,988**
	C. Written down value (A-B)		**104,495**	**152,962**
6.0	**Right-of-use assets**			
	A. Cost			
	Opening balance		15,981,288	20,323,312
	Add: Addition during the year		-	15,981,287
			15,981,288	**36,304,600**
	Less: Disposal/ adjustments during the year		-	(20,323,312)
			15,981,288	**15,981,288**
	B. Accumulated depreciation			
	Opening balance		4,217,284	19,476,507
	Add: Charged during the year		5,327,096	5,064,089
			9,544,380	**24,540,596**
	Less: Disposal/ adjustments during the year		-	(20,323,312)
			9,544,380	**4,217,284**
	C. Written down value (A-B)		**6,436,908**	**11,764,004**

A schedule of Property, plant and equipment, Intangible assets and Right-of-use assets is given in **Annexure-A**.

7.0	**Net plan assets - employees' gratuity fund**			
	Fair value of plan assets	Note 7.1	9,608,698	7,751,356
	Less : Defined benefit obligation	Note 7.2	6,742,111	2,388,488
			2,866,587	**5,362,868**

		Amount in BDT	
		As at	
		31-Dec-25	31-Dec-24
7.1	**Fair value of plan assets**		
	Opening Balance	7,751,356	18,636,638
	Interest Expense	1,306,650	(250,961)
	Employer contributions	474,084	638,196
	Expense	(75,912)	-
	Adjustment	(895,965)	(123,929)
	Benefit payments from plan assets	-	(9,472,000)
	Adjustment - Other Expense	1,048,485	(1,676,588)
		9,608,698	**7,751,356**
7.2	**Defined benefit obligation**		
	Opening Balance	2,388,488	8,567,807
	Current service cost	1,531,985	278,848
	Interest expense	260,106	500,506
	Benefit payments	-	(9,472,000)
	Remeasurements due to change in financial assumptions	(2,154,130)	12,150
	Remeasurements due to change in Demographic assumptions	(75,239)	-
	Remeasurements due to experience adjustments	4,790,901	2,501,177
		6,742,111	**2,388,488**
7.3	**Remeasurement gain / (loss)**		
	Opening balance	(2,513,327)	-
	Remeasurement (loss) adjustment	(2,561,532)	(2,513,327)
		(5,074,859)	**(2,513,327)**
	Less: Deferred Tax (expense) / income	1,395,586	628,332
	Less: Remeasurement gain / (loss) booked at prior years	(1,884,995)	-
		(1,794,278)	**(1,884,995)**

8.0 Deferred tax - assets/ (liabilities)

Deferred tax asset is arrived at as follows:

	Carrying amount	Tax base	(Taxable)/ deductible temporary difference
	BDT	BDT	BDT
As at December 31, 2025			
Property, plant and equipment	3,173,818	9,451,435	6,277,617
Intangible assets	104,495	687,820	583,325
Right-of-use assets	6,436,908	-	(6,436,908)
Net plan assets - employees' gratuity fund	2,866,587	-	(2,866,587)
Lease liability	(7,077,913)	-	7,077,913
Net deductible temporary difference			**4,635,359**
Applicable tax rate			27.50%
Applicable tax rate			15.00%
Net Deferred tax - assets /(Liabilities) after Remeasurement Adjustment in OCI			**1,274,724**

Deferred tax asset is arrived at as follows:

	Carrying amount	Tax base	(Taxable)/ deductible temporary difference
	BDT	BDT	BDT
As at 31 December, 2024			
Property, plant and equipment	4,163,401	10,137,766	5,974,365
Intangible assets	152,962	796,982	644,020
Right-of-use assets	11,764,004	-	(11,764,004)
Net plan assets - employees' gratuity fund	5,362,868	-	(5,362,868)
Capital loss on investment in marketable securities	(647,079)	-	647,079
Lease liability	(12,293,361)	-	12,293,361
Net deductible temporary difference			**2,431,954**
Applicable tax rate			25.00%
Applicable tax rate			15.00%
Net Deferred tax - assets /(Liabilities) after Remeasurement Adjustment in OCI			**543,281**

		Amount in BDT	
		As at	
		31-Dec-25	31-Dec-24
9.0 Investments			
Marketable securities	Note 9.1	249,725,210	231,701,813
IDLC Asset Management Shariah Fund		5,000,000	5,000,000
IDLC Income Fund		5,000,000	5,000,000
IDLC Venture Capital Fund I		9,000,000	9,000,000
IDLC Nagorik SDG Fund		25,000,000	25,000,000
Investment in Government Securities [T-Bond]		105,842,731	26,085,666
		399,567,942	**301,787,479**

9.1 Marketable securities

Sector-wise details of marketable securities holding position is given below:

Name of industry	Cost price as at 31.12.2025	Market price as at 31.12.2025	Cost price as at 31.12.2024	Market price as at 31.12.2024
	BDT	BDT	BDT	BDT
Bank	145,269,200	156,169,382	120,784,549	144,484,159
Corporate Bond	-	-	32,569	32,800
Telecommunication	18,114,213	16,458,000	24,542,898	23,909,400
Pharmaceuticals & Chemicals	86,341,797	56,930,960	86,341,797	45,500,160
	249,725,210	**229,558,342**	**231,701,813**	**213,926,519**

All investment in marketable securities are valued on aggregate portfolio basis, at cost value, at the balance sheet date. Market price for securities not listed as on reporting date, has been shown at cost for calculation purpose.

As at the balance sheet date, the aggregate portfolio value of the reporting entity's investment in listed securities stood at BDT 249,725,210 at cost, while the market value was BDT 229,558,342, resulting in an unrealized loss of BDT 20,166,868 based on market price.

In accordance with FID Circular No. 08 dated 3 August 2002 issued by Bangladesh Bank, IDLC Finance PLC., the parent company of the reporting entity, measures and reports its investment portfolio at cost price, whereby unrealized gains or losses arising from fluctuations in market value are not recognized in the financial statements. So, the reporting entity as a wholly owned subsidiary of the IDLC Finance PLC., follows the similar accounting policy for recognizing the investment in securities listed in stock exchanges.

10.0 Account receivables		
Receivable of portfolio management fee	147,826	49,116
Receivable of management fees from mutual fund	10,261,185	8,932,194
Interest Receivable	3,677,043	1,916,630
Receivable from IDLC Balanced Fund	132,316	59,290
Receivable from IDLC Growth Fund	259,815	232,173
Receivable from IDLC Asset Management Shariah Fund	353,481	288,948
Receivable from IDLC Income Fund	316,437	212,992
Receivable from IDLC Venture Capital Fund I	5,734,751	5,433,039
Receivable from IDLC Nagorik SDG Fund	218,050	218,050
Cash Dividend Receivable	-	2,224,320
Advance to Vendor	688,263	774,748
	21,789,166	**20,341,501**

			Amount in BDT	
			As at	
			31-Dec-25	31-Dec-24
11.0	**Advance income tax**			
	Opening balance		23,660,327	42,686,936
	Addition during the year			
	Advance corporate income tax		2,298,740	812,449
	Tax deducted at source		3,804,869	3,881,089
			6,103,609	**4,693,538**
	Less : Adjustment against Prior year		-	(23,720,146)
			29,763,936	**23,660,327**
12.0	**Cash and cash equivalents**			
	Cash at Bank	Note: 12.1	42,287,232	8,837,900
	Cash at portfolio with IDLC Securities Limited		6,463	2,353,891
	Fixed deposit receipt	Note: 12.2	-	46,703,085
			42,293,695	**57,894,875**
12.1	**Cash at Bank**			
	Bank			
	BRAC Bank PLC.		41,193,203	7,287,885
	Standard Chartered Bank		57,065	5,503
	The City Bank PLC.		1,036,964	1,544,512
			42,287,232	**8,837,900**
12.2	**Fixed deposit receipt**			
	Institution			
	IDLC Finance PLC.		**-**	**46,703,085**
13.0	**Share capital**			
	Authorized Capital			
	25,000,000 ordinary shares of BDT 10 each		**250,000,000**	**250,000,000**
	Issued, subscribed and paid up capital			
	25,000,000 ordinary shares of BDT 10 each		**250,000,000**	**250,000,000**
	Details of issued, subscribed and paid-up capital are as follows:			
	IDLC Finance Ltd.			
	24,999,999 shares of BDT 10 each fully paid up		249,999,990	249,999,990
	Mr. Indrajit Mallick			
	1 share of BDT 10 fully paid up		10	10
			250,000,000	**250,000,000**
14.0	**Provision for expenses**			
	Salary and allowance		13,658,724	4,248,999
	Audit Fees Payable		115,000	115,000
	Insurance premium payable		71,498	73,626
	Professional and legal fees		337,714	64,145
	Training expenses		550,000	375,328
	Marketing and communication expenses		4,726,672	1,350,979
	Commission to Agent		18,528	15,799
	Tours & Travel		867,840	-
	Utilities and office maintenance		106,973	96,639
	IT software maintenance		94,500	94,500
	Car maintenance and others		15,000	15,000
	Printing and stationery		94,568	3,942
	Postage, stamp and telecommunication etc.		17,192	11,123
			20,674,209	**6,465,081**

			Amount in BDT	
			As at	
			31-Dec-25	31-Dec-24
15.0	**Provision for diminution value of investments**			
	Opening balance		17,775,294	24,856,328
	Add : Provision charged during the year		22,475,269	-
	Less : Provision (released) during the year		-	(7,081,034)
			40,250,563	**17,775,294**
16.0	**Provision for income tax**			
	Opening balance		38,226,498	67,521,292
	Add: Charged during the year		29,177,128	5,778,586
	Less: Released during the year		-	(35,073,380)
			67,403,625	**38,226,498**
			For the year ended	
			31-Dec-25	31-Dec-24
17.0	**Portfolio management fees**			
	IDLC Finance PLC.		48,747,932	10,277,292
	IDLC Employees Provident Fund		584,345	502,330
	American Life Insurance Company		275,498	60,035
			49,607,775	**10,839,657**
18.0	**Management fees from mutual fund**			
	IDLC Balanced Fund		9,466,615	9,010,796
	IDLC Growth Fund		12,252,279	11,270,121
	IDLC Asset Management Shariah Fund		11,225,954	9,847,682
	IDLC Income Fund		5,719,718	5,202,341
			38,664,566	**35,330,940**
19.0	**Income from investments**			
	Capital gain / (Loss)		60,524,060	(647,079)
	Dividend income from marketable securities		4,496,119	4,902,518
	Dividend income from open end Mutual Fund		350,000	350,000
	Income - Govt. Securities (T Bill)		-	383,108
	Income - Govt. Securities (T Bond)		9,913,463	715,143
	Income from Zero Coupon Bond		-	1,082,959
			75,283,643	**6,786,649**
20.0	**Interest Income**			
	Term Deposit		2,655,855	6,860,418
	Bank Deposit		1,181,159	1,055,033
	Net interest income on plan assets		1,046,544	-
			4,883,558	**7,915,452**
21.0	**Miscellaneous Income**			
	Other Income		125,034	-
	Past surplus for assumption change of net defined plan assets	Note 21.1	76,608	8,268,314
			201,642	**8,268,314**
21.1	**Past surplus for assumption change of net defined plan assets**			
	Opening Balance		-	10,068,831
	Less : Adjustment to Plan Assets as Other Expense		76,608	(1,800,517)
			76,608	**8,268,314**
22.0	**Provision (charged) / released for diminution value in investments**			
	Opening Balance of Provision for diminution value of investments		17,775,294	24,856,328
	Closing Balance of Provision for diminution value of investments		40,250,563	17,775,294
			(22,475,269)	**7,081,034**

			Amount in BDT	
			For the year ended	
			31-Dec-25	31-Dec-24
23.0	**General and administrative expenses**			
	Salary and allowances		58,567,613	45,939,480
	Statutory audit fees		115,000	115,000
	Renewal and registration		328,889	533,143
	Motor vehicle expenses		312,742	252,758
	Entertainment		80,414	133,704
	Postage, stamp and telecommunication etc.		151,810	151,874
	Tours and travel		1,527,838	410,285
	Courier and parcel expenses		11,055	2,200
	Printing and stationery		1,169,161	834,462
	Marketing and communication expenses		13,919,368	4,317,083
	Commission to Agent		7,334,512	6,850,738
	Director's remuneration		279,000	479,600
	Books and periodicals		3,310	2,850
	Donations and subscriptions		67,000	20,677
	Consultancy fees		545,000	550,000
	Training expenses		563,478	-
	Bank charges		111,213	115,687
	CDBL charges		95,312	311,146
	Repair and maintenance		749,461	609,704
	Office rent, maintenance and service etc.	Note: 23.1	3,895,361	3,605,055
			89,827,536	**65,235,446**
23.1	**Office rent, maintenance and service etc.**			
	Office rent	Note: 23.1 .1	-	-
	Office maintenance		2,704,991	2,559,006
	Office utility		1,190,370	1,046,049
			3,895,361	**3,605,055**
23.1.1	**Office rent**			
	Actual rent expenses [Inclusive VAT]		6,264,993	6,094,987
	Less: Reclassification of rent expenses (as per IFRS 16: Leases)		6,264,993	6,094,987
			-	**-**
24.0	**Interest Expenses**			
	Interest expenses (Lease liability - right-of-use Asset)		1,049,547	1,287,427
	Net interest expense on plan assets		-	751,467
			1,049,547	**2,038,894**
25.0	**Deferred tax (expense)/ income (Overall)**			
	Opening balance of deferred tax asset/ (liabilities)		543,281	1,713,663
	Closing balance of deferred tax asset/ (liabilities)		1,274,724	543,281
			731,443	**(1,170,382)**
26.0	**Deferred tax (expense) / income - (Amount need to be charged in P/L)**			
	Deferred tax (expense)/ income (Overall)		731,443	(1,170,382)
	Less : Impact of Net Plan Assets (re-measurement gain/loss) Charged in OCI		767,254	628,332
			(35,811)	**(1,798,714)**

27.0 Related party transaction

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with and without common directors and key management positions. The company has entered into transaction with other related entities in normal course of business that fall within the definition of related party as per IAS 24 Related Party Disclosures. Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials and do not involve more than a normal risk.

Name of Related Party	Relationship	Nature of transaction	Balance as at 31.12.2024	Addition	Adjustment	Balance as at 31.12.2025
IDLC Finance PLC.	Parent Company	Payable to IDLC Finance PLC.	-	3,160,054	(3,160,054)	-
		Receivable from IDLC Finance PLC.	-	147,037	(147,037)	-
		FDR Interest	514,306	2,658,855	(3,173,162)	-
		FDR	46,703,085	11,218,825	(57,921,910)	-
IDLC Investment Ltd.	Subsidiary to Parent Company	Receivable from IDLC Investment Ltd.	-	12,800,433	(12,800,433)	-
IDLC Securities Ltd.	Subsidiary to Parent Company	Payable to IDLC Securities Ltd.	-	9,334,500	(9,334,500)	-
		Receivable from IDLC Securities Ltd.	-	2,787,032	(2,787,032)	-

28.0 Number of employees

The number of employees who received total remuneration of BDT 36,000 or above during the year was 30, compared to 27 employees as at 31 December 2024.

29.0 Date of authorization

The Board of director has authorized these financial statements for issue on March 15, 2026.

IDLC Asset Management Limited

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

As at December 31, 2025

Annexure - A

Amount in BDT

A. Property, plant and equipment

Particulars	Cost				Rate in (%)	Depreciation				Written Down Value as at 31.12.2025
	Balance as at 01.01.2025	Addition during the year	Disposal / adjustment during the year	Balance as at 31.12.2025		Balance as at 01.01.2025	Charged during the year	Adjustment during the year	Balance as at 31.12.2025	
Curtain and carpet	194,038	96,337	-	290,375	33.33%	165,093	22,332	-	187,425	102,950
Electrical equipment	1,882,467	49,475	-	1,931,942	20%	1,492,794	138,445	-	1,631,239	300,703
Furniture and fixture	3,294,171	69,555	-	3,363,726	12.50%	1,954,358	287,584	-	2,241,942	1,121,785
Office decoration	5,708,181	28,716	-	5,736,897	20%	5,158,314	310,382	-	5,468,696	268,201
Office equipment	2,769,939	-	-	2,769,939	20%	2,570,989	76,167	-	2,647,156	122,783
IT equipment	6,909,085	151,000	-	7,060,085	20%	5,324,822	710,604	-	6,035,427	1,024,658
Motor vehicle	-	199,500	-	199,500	25%	-	33,250	-	33,250	166,250
Telephone and telex	380,466	52,500	12,500	420,466	33.33%	308,576	48,874	3,472	353,978	66,488
Balance as at 31 December, 2025	**21,138,347**	**647,083**	**12,500**	**21,772,930**		**16,974,946**	**1,627,638**	**3,472**	**18,599,112**	**3,173,818**
Balance as at 31 December, 2024	**20,826,788**	**827,239**	**515,680**	**21,138,347**		**14,964,450**	**2,325,710**	**315,214**	**16,974,946**	**4,163,401**

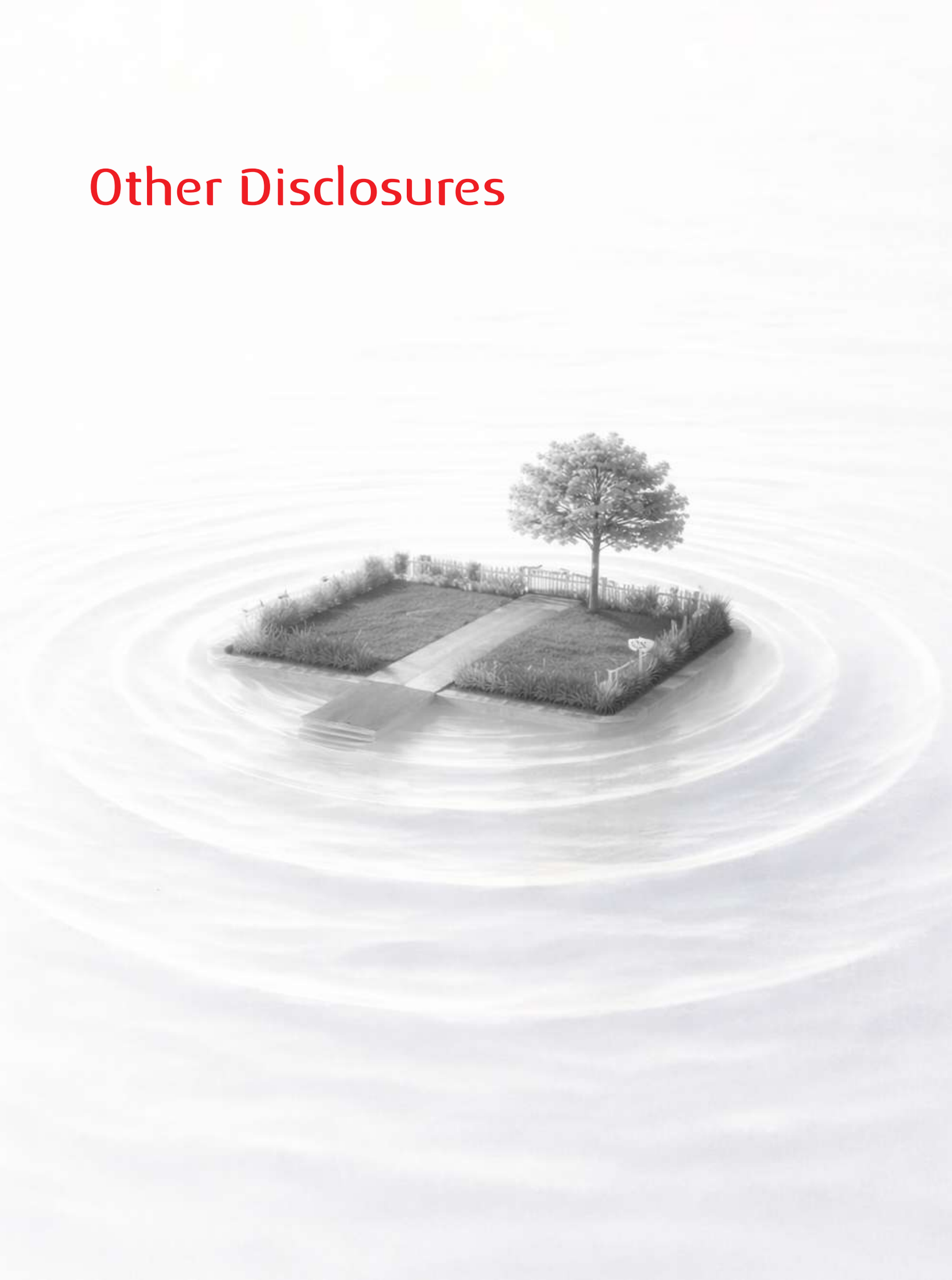
B. Intangible assets

Particulars	Cost				Rate in (%)	Amortization				Written Down Value as at 31.12.2025
	Balance as at 01.01.2025	Addition during the year	Disposal / adjustment during the year	Balance as at 31.12.2025		Balance as at 01.01.2025	Charged during the year	Adjustment during the year	Balance as at 31.12.2025	
Business software	4,127,463	-	-	4,127,463	20%	3,998,916	27,546	-	4,026,461	101,001
Office operation software	2,240,487	-	-	2,240,487	33.33%	2,216,073	20,921	-	2,236,993	3,494
Balance as at 31 December, 2025	**6,367,950**	**-**	**-**	**6,367,950**		**6,214,988**	**48,467**	**-**	**6,263,455**	**104,495**
Balance as at 31 December, 2024	**6,230,221**	**137,729**	**-**	**6,367,950**		**6,184,886**	**30,103**	**-**	**6,214,988**	**152,962**

C. Right-of-use assets

Particulars	Cost				Rate in (%)	Depreciation				Written Down Value as at 31.12.2025
	Balance as at 01.01.2025	Addition during the year	Disposal / adjustment during the year	Balance as at 31.12.2025		Balance as at 01.01.2025	Charged during the year	Adjustment during the year	Balance as at 31.12.2025	
Office Space	15,981,288	-	-	15,981,288		4,217,284	5,327,096	-	9,544,380	6,436,908
Balance as at 31 December, 2025	**15,981,288**	**-**	**-**	**15,981,288**		**4,217,284**	**5,327,096**	**-**	**9,544,380**	**6,436,908**
Balance as at 31 December, 2024	**20,323,312**	**15,981,287**	**20,323,312**	**15,981,288**		**19,476,507**	**5,064,089**	**20,323,312**	**4,217,284**	**11,764,004**
Total as at 31 December, 2025	**43,487,584**	**647,083**	**12,500**	**44,122,167**		**27,407,218**	**7,003,201**	**3,472**	**34,406,947**	**9,715,221**
Total as at 31 December, 2024	**47,380,321**	**16,946,255**	**20,838,992**	**43,487,584**		**40,625,843**	**7,419,901**	**20,638,526**	**27,407,218**	**16,080,366**

Other Disclosures



Branch Network

IDLC Finance PLC.

CORPORATE HEAD OFFICE
Bay's Galleria (1st Floor), 57 Gulshan Avenue, Dhaka 1212
Telephone: 16409
IP : +8809609994352
Facsimile: +880 (2) 883 4377, 883 5887
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DILKUSHA BRANCH
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UTTARA BRANCH
Paradise Tower (5th Floor),
Plot No. 11, Sector No. 3
Uttara Model Town, Dhaka 1230
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IP : +8809609994352
Facsimile: +880 (2) 895 9190
E-mail: idlcuttara@idlc.com

DHANMONDI BRANCH
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Telephone: 16409
IP : +8809609994352
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E-mail: idlcdhn@idlc.com

MIRPUR BRANCH
Sagufta De RM Centre (4th Floor), Holding Number: 16, 17 (Commercial Area), Main Road, Section-7, PO: Mirpur TSO, PS: Pallabi, Mirpur, Dhaka-1216
Telephone: 16409
Email: IDLCMirpur@IDLC.com

ELEPHANT ROAD BRANCH
Pearsons Tower (1st Floor), 299 Elephant Road, Dhaka 1205
Telephone: 16409
IP : +8809609994352
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57/58 Mitford Road (3rd Floor), Chowk Bazar, Dhaka 1100
Telephone: 16409
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KERANIGANJ BRANCH
Lingkon Tower (1st Floor)
Nagar Mahal Road, Nadidhara Ispahani East Aganagar, South Keraniganj, Dhaka 1310
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E-mail: idlckeranigonj@idlc.com

NARAYANGANJ BRANCH
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GAZIPUR BRANCH
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TONGI BRANCH
Sena Kalyan Commercial Complex (1st Floor) Plot No. 9/F, Tongi,
Gazipur- 1710 Telephone: 16409
IP : +8809609994352
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SAVAR BRANCH
Savar New Market (3rd Floor)
Holding No. 3, Savar Pouroshova, Savar, Dhaka 1340
Telephone: 16409
IP : +8809609994352
E-mail: idlcsavar@idlc.com

NARSINGDI BRANCH
S. K. Tower (3rd Floor), Holding No. 418, Moddho Kandapara, P.O: Narsingdi, P.S: Narsingdi Sadar, Narsingdi
Telephone: 16409
Email: IDLCNrsd@idlc.com

BHULTA BRANCH
Hazi A Aziz Super Market (2nd Floor)
Mouza: Golakandail, P.O: Bhulta, P.S.: Rupganj, District: Narayanganj 1460
Telephone: 16409
IP : +8809609994352
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Facsimile: +880 (81) 64907-8 (Ext-110), 72 881 (Ext-110)
E-mail: idlccomilla@idlc.com

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A.K. Mansion (1st Floor)
17 J.C. Guha Road, Nandankanon,
Chattogram 4100
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Facsimile: +880 (31) 612 762

CHOWMUHANI BRANCH
N S S Bhaban (2nd Floor), Feni Road,
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KUSHTIA BRANCH
Momtaz Tower (2nd Floor), 5/1 Jaliram
Agarwala Lane, Roxy Goly, Kustia 7000
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IP : +8809609994352
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JASHORE BRANCH
Rashid Center (2nd Floor), 7/A R. N. Road,
Jashore 7400
Telephone: 16409
IP : +8809609994352
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idlcjessore@idlc.com

KHULNA BRANCH
Syed Ali Hossain Tower (Ground Floor),
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BARISHAL BRANCH
L L Tower (2nd Floor), Holding No. 119,
Sadar Road, Barishal 8200 Telephone:
16409
IP : +8809609994352
E-mail: idlcbarisal@idlc.com

RANGPUR BRANCH
Paper Palace Tower (Ground Floor)
House No. 306, Road No. 1, Central Road,
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Telephone: 16409
IP : +8809609994352
E-mail: idlcrangpur@idlc.com

BOGURA BRANCH
Sairul Complex (1st Floor), Sherpur Road,
Sutrapur, Bogura 5800
Telephone: 16409
IP : +8809609994352
Facsimile: +880 (51) 698 39
E-mail: idlcbog@idlc.com

RAJSHAHI BRANCH
Sahidullah Tower – 1 (2nd Floor) 32/A
Ranibazar, Ghoramara, Boalia, Rajshahi
6100
Telephone: 16409
IP : +8809609994352
E-mail: idlcrajshahi@idlc.com

NATORE BRANCH
Lily plaza (2nd Floor), Holding No. 838.
Kanaikhali, Natore 6400
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IP : +8809609994352
E-mail: idlcnatore@idlc.com

MYMENSINGH BRANCH
Swapnaneer Tower (1st Floor), 27 C
K Ghosh Road, Mymensingh 2200
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SYLHET BRANCH
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Sylhet 3100
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IP : +8809609994352
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E-mail: idlcsyl@idlc.com

HABIGANJ BRANCH
Shankar City (1st Floor), Ram Krishna
Mission Road, Ghatia Bazar, Habiganj
3300 Telephone: 16409
IP : +8809609994352
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DINAJPUR BRANCH
Unique Plaza (1st Floor), Holding No. 367,
Nimtola, Maldhapatty, P.O: Dinajpur
Sadar, P.S: Kotowali, Dinajpur-5200
Telephone: 16409
Facsimile: 16409

Sub-branches

BRAHMANBARIA
"R A Khan Tower" (1st Floor),
Dr. Faridul Huda Road, P.O" Brahmanbaria,
P.S: Brahmanbaria, Brahmanbaria 3400

FENI
"Doctor Chisty Tower" (3rd Floor),
Holding No. 316/4,
Shahidullah Kaiser Sarak,
Feni Sadar, Feni

PABNA
"Maya Complex" (3rd Floor),
Holding No. 2767, Thanapara,
P.O: Sadar, P.S: Shalgaria, Pabna

SATKHIRA
Holding No. 0801-00 (2nd Floor),
Abul Kashem Sarak, Kamal Nagor,
P.O: Satkhira, P.S: Satkhira Sadar,
Satkhira 9400
Telephone: 16409
Email: contactcenter@idlc.com

NAOGAON
Sultan Tower (2nd Floor),
Holding No.: 2009 (New) and 2304 (Old),
Chakenayet, Rubir Moar, Ward No.: 2,
P.S: Naogaon Sadar, P.O: Naogaon-6500,
District: Naogaon
Telephone: 16409
Email: contactcenter@idlc.com

IDLC Securities Limited

HEAD OFFICE
D R Tower (4th Floor), 65/2/2 Bir Protik Gazi Golam Dastagir Road, Purana Paltan, Dhaka 1000
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Email: securities@idlc.com

DHANMONDI BRANCH
Concord Royal Court (2nd Floor), House No: 275/G (Old) 40 (New), Road: 27 (Old) 16 (New), Dhanmondi R/A, Dhaka 1209
Telephone: 16409,
IP : +8809609994352
Fax: +88-02-9102622,
Email: dhnidlcsl@idlc.com

NARAYANGONJ BRANCH
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53/3 S. M. Maleh Road,
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IP : +8809609994352
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Email: idlcslnrj@idlc.com

BOGURA DIGITAL BOOTH
Sairul Complex (2nd Floor),
Holding # 0087-00, Sherpur Road,
Sutrapur, Bogura Sadar, Bogura.
Telephone: 16409
Email: idlcslbogura@idlc.com

GULSHAN BRANCH
Symphony (Level – 04) Plot # SE (F): 9, Road # 142 Gulshan Avenue, Dhaka-1212.
Telephone: 16409,
IP : +8809609994352
Fax: +880 (2) 9883898
Email: idlcslgln@idlc.com

MOHAKHALI (DOHS) BRANCH
B. H. NIBASH, House No. B 105, (3rd Floor, North Side) Flat No. 4 (A), Road No. 8, New DOHS, Mohakhali, Dhaka 1206
Telephone: 16409,
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R N Tower (4th Floor),
Chowhatta, Sylhet
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CHATTOGRAM BRANCH
Ayub Trade Centre (6th Floor), 1269/B Sk. Mujib Road, Agrabad Commercial Area, Chattogram 4100 Telephone: 16409
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Email: idlcslgzp@idlc.com

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Monsur Complex (4th Floor),
Plot # 59/A, Road # 7, Sector # 4,
Uttara Model Town, Dhaka 1230.
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IP : +8809609994352
Email: idlcslutr@idlc.com

IDLC Investments Limited

HEAD OFFICE
D R Tower (4th Floor), 65/2/2 Bir Protik Gazi
Golam Dastagir Road, Purana Paltan, Dhaka 1000
Telephone: 16409
IP : +8809609994352
Fax: +880 (2) 957 1171
Email: merbank@idlc.com

IDLC Asset Management Limited

HEAD OFFICE
Symphony (4th floor), Plot # SE(F): 9, Road # 142,
Gulshan Avenue, Bir Uttam Mir Shawkat Sarak,
Dhaka 1212.
Contact : 16409
Fax: +88 02 9896142
Email: ContactAML@idlc.com

About IDLC Group

IDLC Finance PLC. (IDLC FL)
Public Limited Company, listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited

Type of Business	Financial Institution
Key business segments	Small Medium Enterprise (SME) financing; Corporate financing; Consumer financing including home loans, car loans & personal loans; and Wealth Management.
Former name	Industrial Development Leasing Company (IDLC) of Bangladesh Limited (Renamed on August 5, 2007)
Company incorporation number	C-14218/1992 of 1984-85
Date of incorporation	23 May 1985
Bangladesh Bank License number	BCD (Non-banking)/Dhaka/2/95 dated 07 February 1995
Number of branches	31 branches, 5 sub-branches
Tax Identification number (ETIN)	549619260951
VAT registration number	001273718-0101
Address of Corporate Head Office	Bay's Galleria (1st Floor), 57 Gulshan Avenue, Dhaka 1212.
Telephone	+880 (2) 883 4990 (Auto Hunting)
Facsimile	+880 (2) 883 4377
Contact Center	16409
Email address	contactcenter@idlc.com

IDLC Securities Limited (IDLC SL)
Wholly owned subsidiary of IDLCFPLC, Private Limited Company limited by shares

Type of Business	Brokerage House
Date of incorporation	19 April 2006
Company incorporation number	C-61319 (3328)/06
Commencement of operation	18 September 2006
BSEC license number as Broker	▸ Corporate Member: Dhaka Stock Exchange PLC. BSEC Reg No.3.1/DSE-58/2006/130
	▸ Corporate Member: Chittagong Stock Exchange PLC. BSEC Reg No.3.2/CSE-119/2006/135
BSEC license number as Dealer	▸ Dhaka Stock Exchange PLC. BSEC Reg No.3.1/DSE-58/2008/233
	▸ Chittagong Stock Exchange PLC. BSEC Reg No.3.2/CSE-119/2009/176
Tax Identification number (ETIN):	814688547577
VAT registration number:	002379539-0208
Number of branches:	9 branches, 1 booth
Address	DR Tower (4th Floor), 65/2/2, Bir Protik Gazi Golam Dostogir Road, Purana Paltan, Dhaka-1000
Telephone	+ 88 09609984352
Facsimile	+880 (2) 957 4366
Contact Center	16409
Email address	securities@idlc.com

IDLC Investments Limited (IDLC IL)
Wholly owned subsidiary of IDLC FL, Private Limited Company limited by shares

Type of Business	Merchant Bank
Key business segments	Portfolio Management, Issue Management
Company incorporation number	C-84849/10
Date of incorporation	19 May 2010
BSEC Licence number	MB-67/2011 dated 02 August 2011
Commencement of operation	16 August 2011
Tax Identification number (ETIN):	869368715769
VAT registration number:	001656972
Number of branches	NIL
Address of Registered Office	DR Tower (4th Floor), 65/2/2, Bir Protik Gazi Golam Dostogir Road, Purana Paltan, Dhaka-1000
Telephone	+ 88 09609994352
Facsimile	+880 (2) 223390171
Contact Center	16409
Email address	merbank@idlc.com

IDLC Asset Management Limited (IDLC AML)
Wholly owned subsidiary of IDLC FL, Private Limited Company limited by shares

Type of Business	Asset Management
Key business segments	Mutual Fund, Portfolio Management, Alternative Investments Fund Management, etc.
Date of incorporation	19 November 2015
Company incorporation number	C-127068/2015
Commencement of operation:	01 July 2016
BSEC licence number	BSEC/Asset Manager/2016/25 dated 07 June 2016
Tax Identification number (ETIN):	712782428191
VAT registration number:	002078126-0101
Number of branches:	NIL
Address of Registered Office	Symphony (Level – 04), Plot # SE (F): 9, Road # 142, Gulshan Avenue, Bir Uttam Mir Shawkat Sarak, Dhaka-1212.
Contact Center	16409
Email address	contactaml@idlc.com
Telephone	+88 09609984352
Facsimile	NIL

IDLC FINANCE PLC.
Bay's Galleria (1st Floor)
57 Gulshan Avenue, Gulshan-1, Dhaka-1212
Tel: +88 02 8834990, Fax: 8834377
E-mail: companysecretary@idlc.com

41st Annual General Meeting

PROXY FORM

I/We .....of.....

..... being a member of IDLC Finance PLC.

and a holder of ..... shares hereby appoint Mr./Ms. .....

of..... as my/our proxy to vote for me/us

and on my/our behalf at the 41st Annual General Meeting of the Company to be held on **Thursday, May 14, 2026, at 11: 00 A.M. (BST)** through Online Digital Platform (link https: //agmbd.live/IDLC2026), and at any adjournment thereof.

Signed this	day of May 2026	
Signature	Revenue Stamp of BDT 100	Signature
Name :		Name :
(Proxy)		(Member)
		Folio/BO ID No

NOTE :

a) This form of proxy, duly completed, must be deposited at least 72 hours before the meeting at the Company's registered office or sent scan copy through email at companysecretary@idlc.com. Proxy is invalid if not signed and stamped as explained above.

b) Signature of the shareholders should agree with the specimen signature registered with the Company and Depository Register.

IDLC FINANCE PLC.
Bay's Galleria (1st Floor)
57 Gulshan Avenue, Gulshan-1, Dhaka-1212
Tel: +88 02 8834990, Fax: 8834377
E-mail: companysecretary@idlc.com

41st Annual General Meeting

ATTENDANCE SLIP

I hereby record my attendance at the 41st Annual General Meeting of the Company being held on **Thursday, May 14, 2026, at 11: 00 A.M. (BST)** through Online Digital Platform (link: https: //agmbd.live/IDLC2026), as a holder of .....

.....

..... shares of the Company.

Signature
Name :
(Member/Proxy)
Folio/BO ID No.

NOTE :

a) This form of proxy, duly completed, must be deposited at least 72 hours before the meeting at the Company's registered office or sent scan copy through email at companysecretary@idlc.com. Proxy is invalid if not signed and stamped as explained above.

b) Signature of the shareholders should agree with the specimen signature registered with the Company and Depository Register.

IDLC Finance PLC
financing happiness

IDLC Finance PLC.
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57 Gulshan Avenue, Gulshan-1, Dhaka-1212
Tel: +88 (02) 8834990, **Facsimile:** +88 (02) 8834377
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nymphea | www.nymphea-bd.com