

Designing Tomorrow's Landscapes



Annual Report
2023



DESIGNING TOMORROW'S LANDSCAPES

For us at IDCOL, designing tomorrow's landscape is not just a statement of intent but a reality on the ground, illustrated by the company's relentless drive to create an all-round socio-economic impact. Being a pioneering development finance institution of Bangladesh with a vibrant track record of contributing to the country's progress and shared prosperity, we are driven by the prospects of today and the potential of tomorrow.

Contributing to the development agenda of Bangladesh has fuelled our own growth journey too. This is reflected in the Company's paid-up capital expanding significantly from BDT 1 lakh back in 1997 when the Company commenced operations, to BDT 838 crore at the end of 2023, with an equity contribution of BDT 35 crore from the Government of Bangladesh till date, and the balance being generated from retained earnings of the Company.

With a significant presence across the industry spectrum through providing low-cost, long-term financing to many core sectors of the economy, we are committed to building our development finance platform anchored on innovation, sustainability, resilience, inclusivity and growth.

Bangladesh's rapid economic expansion and urbanisation present both opportunities and challenges. Investing in green infrastructure, energy efficient and renewable energy projects can reduce environmental impacts while fostering economic resilience. Similarly, promoting infrastructure projects in the public and private sectors through our full range of financing solutions ensures broad-based growth, vital for bridging development gaps.

Thus, in addition to serving the pressing needs of the country, we also pursue diversification into new, upcoming and country-relevant sectors, such as grid-tied solar and solar rooftop projects, infrastructure backward linkage projects, energy-efficiency projects, financing of economic zones, etc. Driven by the promise of the future, we have also identified other promising sectors, such as wind power, social infrastructure, waste management, roads & highways, etc., to tap into in the upcoming years.

We are looking forward to expanding our advisory services in Africa, especially after our early success in the Malawi SHS (Solar Home System) project and also engagement with a new project comprising the roll-out of SHS program in Ethiopia during the year.

Ultimately, designing tomorrow's landscape requires foresight, a forward-thinking approach and holistic impact that harmonises economic development with social equity and environmental sustainability. For us at IDCOL, we strongly believe we can lead this transformative journey, fostering a prosperous, equitable and sustainable future for all.

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You can also download a copy of this report from our website:
https://idcol.org/annual_report/IDCOL_Annual_Report_2023.pdf



We invite you to download a digital copy of this Annual Report by scanning this QR code on your smart device.

LETTER OF TRANSMITTAL

All Shareholders,

Subject: Annual Report for the year ended on December 31, 2023

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements including the Balance Sheet, Profit and Loss Account, Statement of Changes in Equity and Statement of Cash Flows for the year ended on December 31, 2023 along with notes thereon for your reference and record.

Yours sincerely,



(M. Maftun Ahmed)
Company Secretary

NOTICE OF THE 27TH ANNUAL GENERAL MEETING



The Twenty-seventh Annual General Meeting of the Shareholders of Infrastructure Development Company Limited will be held on **Wednesday, 6th November 2024 at 7:00 p.m. at Board Room (Level-1), InterContinental Hotel, 1 Minto Road, Dhaka.**

Agenda for the meeting are:

1. To consider and adopt Board of Director's report of the Company and the Accounts of the Company with Auditor's Report thereon for the year ended on 31 December 2023.
2. To declare dividends of the Company for the FY 2023.
3. To consider increase of Company's paid-up capital to Tk.888 crore.
4. To elect Director(s) in place of those retire in accordance with the regulations 79, 80 and are eligible for re-election in accordance with the regulation 81 of schedule I to the Companies Act, 1994.
5. To appoint auditor(s) and fix up their remuneration for the FY 2024.
6. Any other business.

You are requested to kindly attend the meeting.

By order of the Board of Directors

A handwritten signature in black ink, appearing to read 'M. Maftun Ahmed', is written over a horizontal line.

(M. Maftun Ahmed)
Company Secretary

OUR INTEGRATED REPORT

Embracing Integrated Reporting

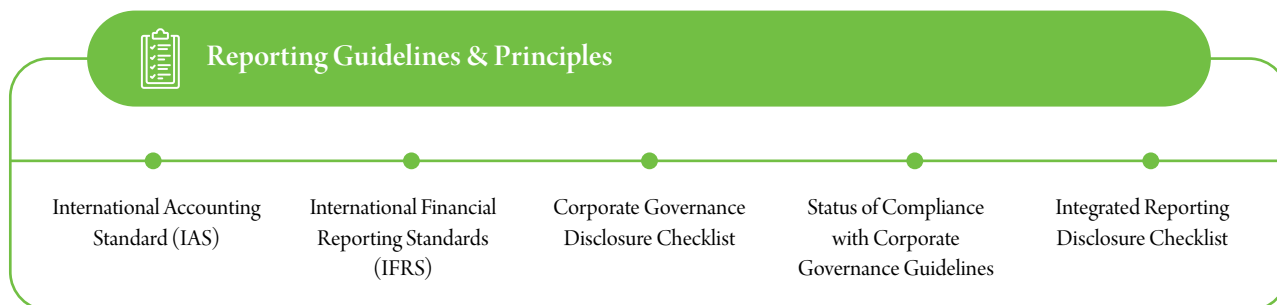
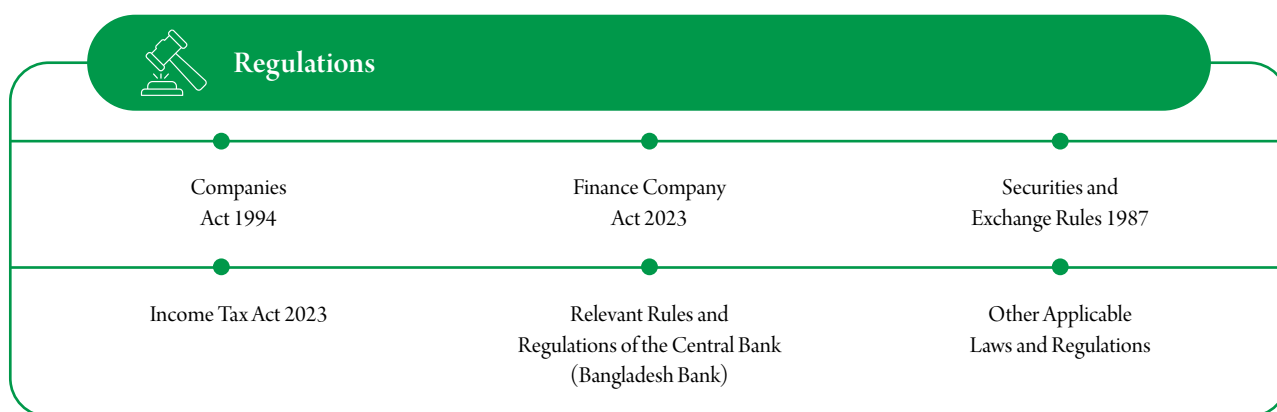
IDCOL believes Integrated Reporting is a strategic management tool to provide a holistic view of its value creation as a fundamental entity in socio-economic progress and sustainable development of the country. The aim of IDCOL's integrated reporting practices is to illuminate its value creation process, commitment and prospects to all the stakeholders, including its Development Partners, for informed assessment of IDCOL's role within the socio-economic, environmental and regulatory context.

In short, Our Annual Integrated Report of 2023 aims to provide relevant, consistent and comparable information on the efforts made by

the organization for promoting a bright and sustainable future within the industry and beyond. Additionally, it describes how IDCOL is contributing towards social progress, environmental sustainability, and economic development for a better tomorrow.

Scope and Reporting Boundary

Our 2023 Integrated Report covers the period from 01 January 2023 to 31 December 2023. Data presented in this report pertain to the Company and are extracted from the audited financial statements of FY 2023 along with relevant comparative information. In preparation of the report, we have committed to comply with the following:



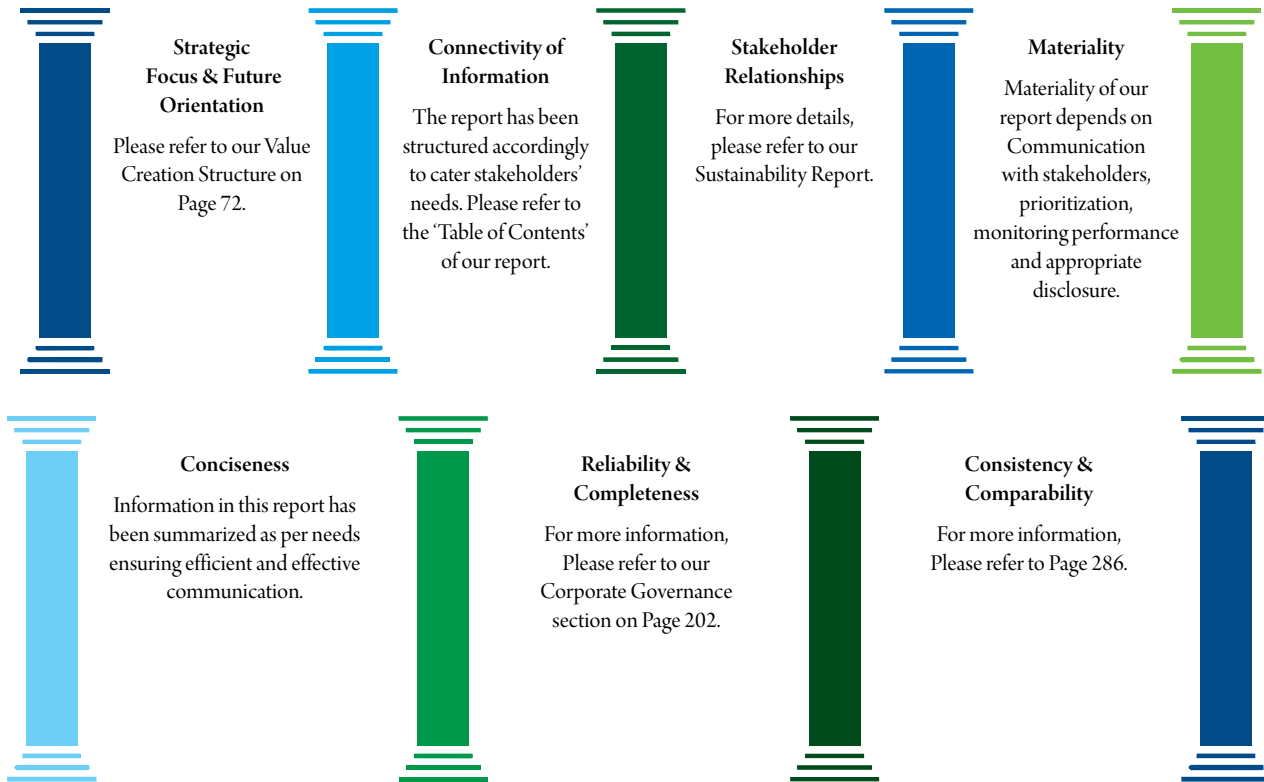
We have presented the Annual Integrated Report by adopting the guidelines issued by the Institute of Chartered Accountants of Bangladesh (ICAB) in the form of 'Integrated Reporting Checklist', which conforms to integrated reporting framework outlined by International Integrated Reporting Council (IIRC). Our Annual Integrated Report considers the following seven principles as pillars of our integrated reporting practice.

Our Major Stakeholders

Our integrated report covers information relating to our performance, risks, opportunities, and outcomes having an influence on our major stakeholders. The purpose of this report is to fulfill the information needs of our internal and external stakeholders.

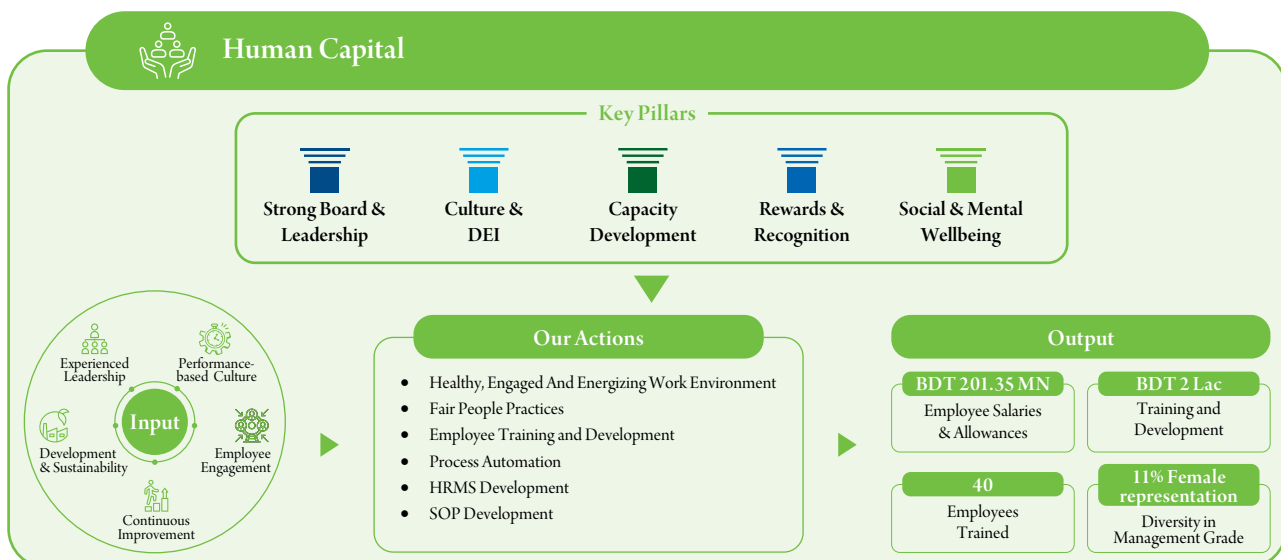


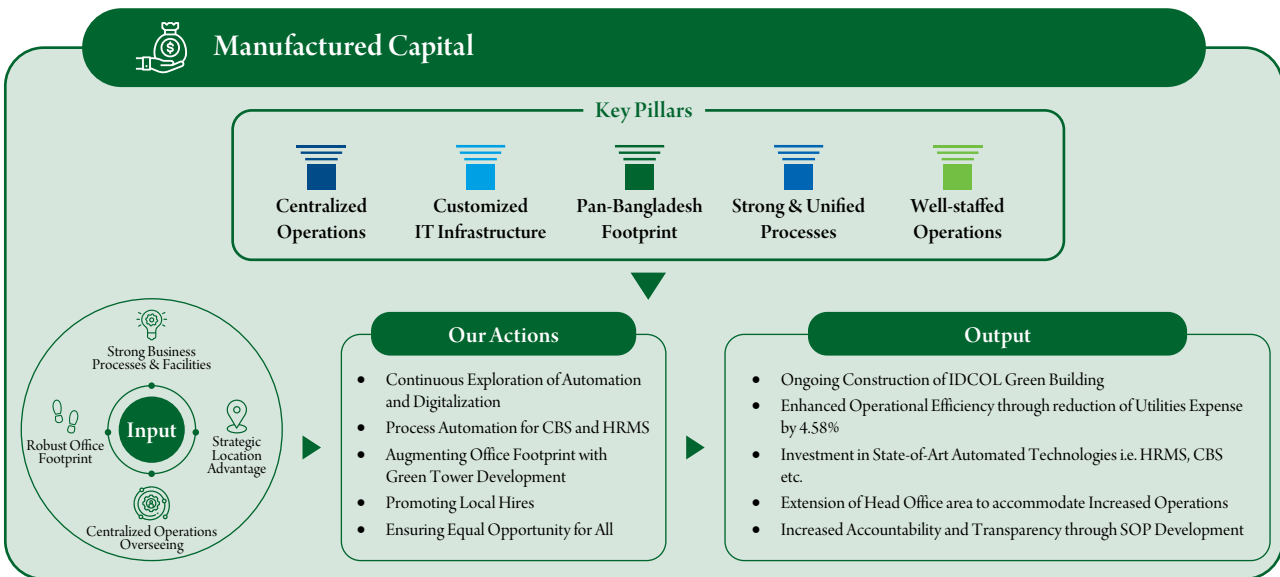
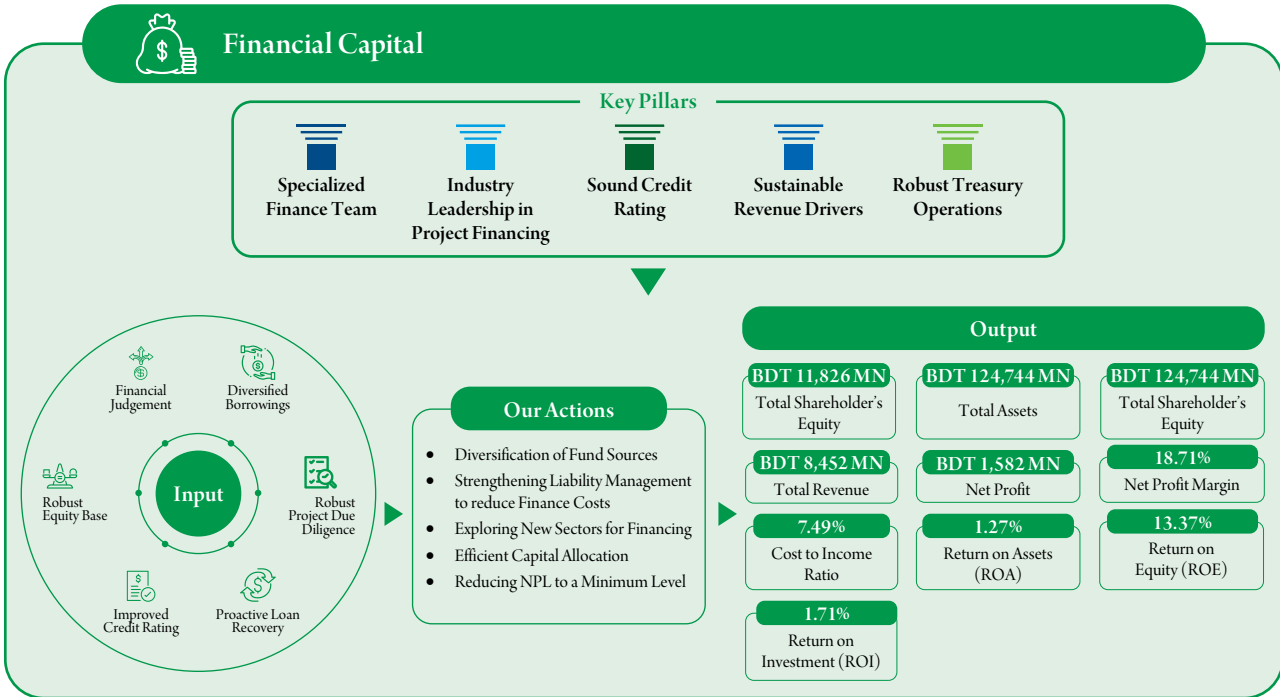
Source of Our Value-creating Integrated Report

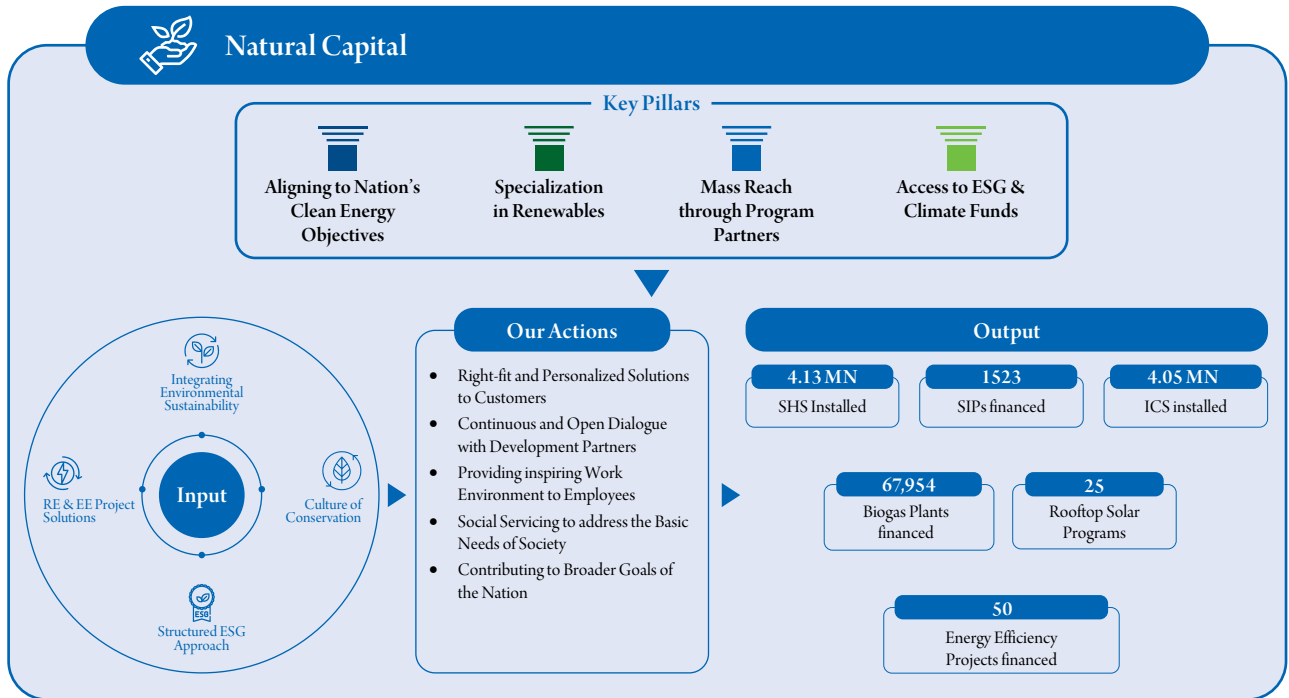
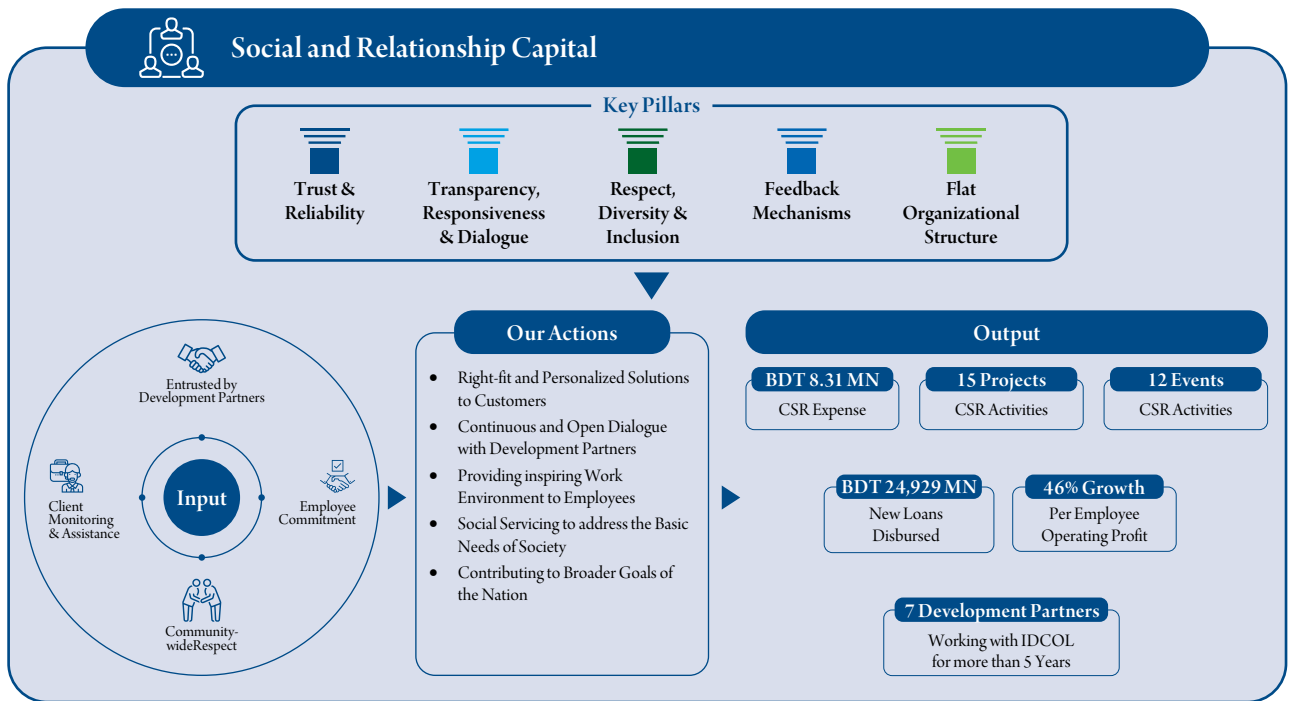


Our Integrated Report is anchored on key pillars that shape our business model and drive value creation for all stakeholders. These pillars are underpinned by our value-creating capitals: Financial, Manufactured, Intellectual, Human, Social & Relationship, and Natural capital. Each capital plays a vital role in guiding our strategic objectives, fostering sustainable growth, and enhancing stakeholder engagement. By efficiently

managing and leveraging these capitals, we aim to deliver long-term value, ensuring responsible and resilient business practices that contribute to economic, social, and environmental sustainability. This integrated approach strengthens our ability to adapt, innovate, and thrive in a dynamic business landscape.







Non-financial information disclosed as part of our Integrated Report has been extracted from internally maintained records reported for the statement of financial position, unless otherwise noted that it has been derived from any other reliable source.

We also acknowledge adherence to the guidelines issued by the Global Reporting Initiative (GRI)-G4 Framework for meeting the sustainability requirements, as elaborated in our Sustainability Report. Our corporate governance practices have been reported considering the current corporate governance practice of IDCOL with consultancy support from our external consultant i.e. PwC Bangladesh.

Our Annual Integrated Report comprises of activities that have been carried out within the geographical boundaries of Bangladesh, as IDCOL does not have operation or subsidiary in other countries. Furthermore, there have not been any significant changes to the scope, boundary and reporting basis since the last reporting date as of December 31, 2023.

Increased Reliability through External Assurance

For the reporting period under consideration, IDCOL has obtained external assurance on the following reports in the reporting sections by well-known assurance providers:

Sl.	Description of the Report	External Assurance
1.	Financial Statements Audit	Hoda Vasi Chowdhury & Co. Chartered Accountants
2.	Financial Statements Comprehensive Audit & Classification of Loans Audit	Bangladesh Bank
3.	Financial Statements of various Donor Funded Projects Audit	Hoda Vasi Chowdhury & Co. Chartered Accountants
		Foreign Aided Project Audit Directorate (FAPAD)
		Office of the Comptroller & Auditor General (OCAG), Bangladesh
4.	Procurement Audit	The World Bank
		FAPAD
		Bangladesh Bank
5.	Environmental Audit	Development Partners (The World Bank, ADB, JICA, KfW, AFD, GCF etc.)
6.	Entity Credit Rating	Credit Rating Agency of Bangladesh (CRAB)
7.	Income Tax Assessment	Large Taxpayers Unit (LTU), National Board of Revenue
8.	Tax and VAT Consultancy	Mosharaf Hossain & Associates

Comparability and Materiality

Annual Integrated Report of IDCOL presents information on the same basis as 2022 Integrated Report with respect to measurement methodology and applicable timeframe. The report aims to provide all the material information on business model, strategy, performance, governance and prospects in a balanced and concise manner to cater to the information needs of our stakeholders. The report has been developed with a continuous focus on the improvement of communication with our stakeholders on critical aspects that are likely to influence the social, economic and geographic environments in which IDCOL operates.

Creating Value towards SDGs

Being a govt owned NBF, IDCOL is impacting the Sustainable Development Goals (SDGs) mostly through business nature and social outreach. IDCOL's relevance to SDG goals is depicted in the following image



Availability of the Annual Report

The hard copy of the annual report is sent to all the shareholders, prior to holding the Annual General Meeting, giving a due period of notice. In addition, as an effort to improve sustainability through reduction of carbon

footprint, our report has been made available on the company website <http://www.idcol.org> for catering the information needs of all the stakeholders. Our report can also be accessed from the QR code given along with. We have also taken effort to make our e-report user friendly by incorporating interactive features to the contents for easy navigation.

Navigating Through this Report

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Responsibility over the Integrity of the Integrated Report

I, on behalf of the board, acknowledge the responsibility to ensure the integrity of the disclosure made in the 2023 Integrated Report which comprise the discussion, analysis and disclosures pertaining to stewardship, to be read in

conjunction with the audited financial statements. The integrated report, incorporated in this annual report has been prepared in accordance with the IIRC's international reporting framework and addresses the material issues pertaining to the long-term sustainability of the organization and presents fairly the integrated performance of IDCOL and the impacts thereof.



Mr. Alamgir Morshed
Executive Director & CEO



COMPANY OVERVIEW

COMPANY INFORMATION



Registered Office

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8 Panthapath, Kawran Bazar,
Dhaka-1215, Bangladesh
G.P.O Box -619, Bangladesh



Fax

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Telephone

9102171-8, +8809666743265
16653 (Call Center for REP)



Website

www.idcol.org



Auditors

Hoda Vasi Chowdhury & Co.
Chartered Accountants



E-mail

contact@idcol.org



Business Hours

10 am to 6 pm
Sunday to Thursday

EXTERNAL LEGAL PANEL

- Syed Ishtiaq Ahmed & Associates
- Tanjib-ul-Alam & Associates
- The Lawyers & Jurists
- DFDL Bangladesh
- Abdur Razzaque & Associates
- Rahman's Chambers
- Bhuiyan Islam & Zaidi
- Lex Juris
- Law Valley
- Sadat Sarwat & Associates
- The Juris Council
- Farooq & Associates
- Legal Sanctuary
- Rouf & Associates
- Fiat Justitia
- Bakiruddin Bhuiyan & Associates
- Sattar & Co.
- A S & Associates

BANKERS

- Bangladesh Bank
- Janata Bank PLC
- Agrani Bank PLC
- Prime Bank PLC
- Commercial Bank of Ceylon PLC
- The City Bank PLC
- Eastern Bank PLC
- Islami Bank of Bangladesh PLC
- National Bank Limited
- NCC Bank PLC
- Dhaka Bank PLC
- Standard Chartered Bank
- IFIC Bank PLC
- Bangladesh Development Bank PLC



IDCOLOfficial



idcolbangladesh



IDCOLBangladesh



idcol_bangladesh

VISION, MISSION & CORE VALUES



VISION

To help ensure economic development of the country and improve standard of living of the people through sustainable and environment friendly investments.



MISSION

To catalyze and optimize private sector participation in promotion, development, and financing of infrastructure as well as renewable energy, and energy-efficient projects in a sustainable manner through public-private partnership initiatives.



CORE VALUES



Global Standard and Competence

IDCOL is committed to deliver financial services to the clients while maintaining global standards and competence.



Transparency and Integrity

IDCOL believes in maintaining transparency and integrity in all activities performed by the Company.



Social Responsibility

IDCOL is dedicated to perform as a development financial institution that articulates social responsibility.

CODE OF CONDUCT AND ETHICS



IDCOL's code of conduct outlines the essential guidelines that employees must follow to maintain the highest standards of ethics and professionalism. The conduct includes, but is not limited to, the following-

1. Employees must adhere to all prevailing IDCOL policies, processes, practices, standards and relevant legislation.
2. Employees must demonstrate integrity, discipline, loyalty and competency in performing their duties.
3. IDCOL has a firm stance against all types of money laundering, fraud, corruption and other illegal practices. Employees must exercise requisite diligence in detecting and reporting any suspicious activities.
4. Employees must maintain strict confidentiality of the company's unpublished and sensitive information and refrain from unauthorized disclosure.
5. Employees must utilize their best judgment and all available information when making decisions and taking action.
6. Employees must contribute to a respectful, inclusive, and harassment-free workplace. Discrimination, harassment and inappropriate behaviours will not be tolerated.
7. Responsible employees must provide adequate attention to ensure the health and safety measures for the employees.

IDCOL expects all employees to uphold these principles and integrate them into their daily actions.

PERFORMANCE AT A GLANCE



FY 2023		FY 2022
BDT 8,452 mn	Revenue	BDT 8,877 mn
BDT 6,634 mn	Interest income	BDT 5,203 mn
BDT 4,161 mn	Net interest income	BDT 3,797 mn
BDT 5,531 mn	Operating profit	BDT 6,988 mn
BDT 448 mn	Operating expense	BDT 484 mn
BDT 5,531 mn	Profit before provision and taxes	BDT 6,988 mn
BDT 1,582 mn	Net profit after Tax	BDT 1,350 mn
18.71%	Net profit margin	15.21%
7.49%	OPEX as % of Operating Income	6.47%
BDT 124,744 mn	Total asset	BDT 106,623 mn
BDT 92,022 mn	Loans & advances	BDT 74,026 mn



FY 2023

FY 2022

BDT 24,929 mn

Disbursements

BDT 9,100 mn

BDT 11,826 mn

Shareholder's equity

BDT 10,945 mn

1.27%

Return on Asset (ROA)

1.27%

13.37%

Return on Equity (ROE)

12.33%

1.71%

Return on Investment (ROI)

1.82%

18.87

Earning Per Share

16.11

11.92%

Non-Performing Loan

10.19%

403

No of Employees

411

BDT 2,383 mn

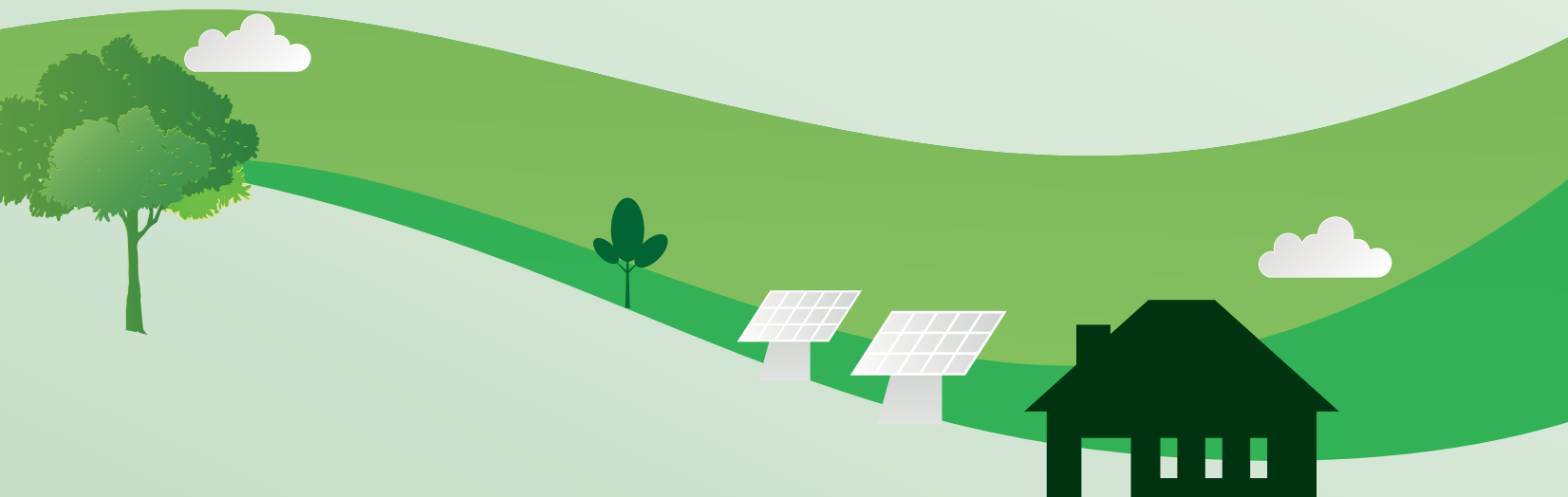
Contribution to national exchequer

BDT 1,495 mn

AA1/ST-1

Credit rating

AA1/ST-1

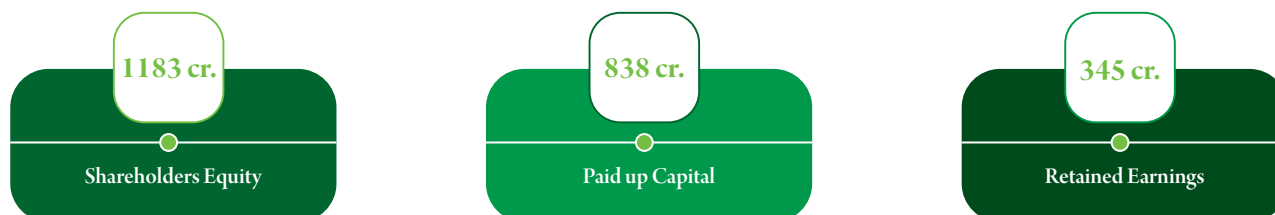




STEWARDSHIP

REPRESENTATION IN IDCOL BOARD

IDCOL is committed to ensure that the board is comprised of members as per the criteria mandated by the government and members of the board bring diverse background, expertise and experience on the table for the betterment of the company. IDCOL is managed by a nine-member independent Board of Directors comprising five senior government officials and three prominent entrepreneurs from the private sector nominated by the government and a full-time Executive Director & Chief Executive Officer.



The following table lists current directors of IDCOL Board.

Director's Name	No. Of Shares (Own)	Total Face Value of Shareholdings (In BDT)
1. Mr. Md. Shahriar Kader Siddiky, Chairman	450	45,000
2. Mr. Md. Habibur Rahman, Director	50	5,000
3. Dr. Md. Khairuzzaman Mozumder, Director	50	5,000
4. Secretary, Chief Adviser's Office, Director	50	5,000
5. Mr. Farid Aziz, Director	50	5,000
6. Ms. Nihad Kabir, Director	50	5,000
7. Mr. Abdul Haque, Director	50	5,000
8. Mr. A. K. M. Nurul Fazal Bulbul, Director	50	5,000
9. Mr. Alamgir Morshed, Executive Director & CEO	50	5,000

Shareholding Structure of IDCOL

Being a government-owned entity, the majority (99.99%) of outstanding shares of IDCOL are held by the Economic Relations Division (ERD), Ministry of Finance. Alongside, according to the Articles of Association, directors of IDCOL Board have to hold a minimum number of shares to maintain their directorship in the entity. ERD also nominates senior government officials as shareholders other than the directors of IDCOL Board from time to time. The current shareholding structure of IDCOL Board is given below:

SL. No.	Name of Shareholders	No. of shares	Paid-up Capital in BDT	Percentage
1	Economic Relations Division (ERD), Ministry of Finance, Government of the People's Republic of Bangladesh	83,799,000	8,379,900,000	99.9988067%
2	Mr. Md. Shahriar Kader Siddiky, Secretary, Economic Relations Division (ERD), Ministry of Finance	450	45,000	0.0005370%
3	Principal Secretary of Chief Advisor, Chief Adviser's Office	50	5,000	0.0000597%
4	Mr. Md. Habibur Rahman, Former Senior Secretary, Power Division	50	5,000	0.0000597%
5	Dr. Md. Khairuzzaman Mozumder, Secretary, Finance Division, Ministry of Finance	50	5,000	0.0000597%
6	Secretary, IRD and Chairman, National Board of Revenue, Ministry of Finance	50	5,000	0.0000597%
7	Mr. Md. Selim Uddin, Secretary, Ministry of Commerce	50	5,000	0.0000597%
8	Secretary, Chief Adviser's Office	50	5,000	0.0000597%
9	Mr. Farid Aziz, Additional Secretary, WB Wing, Economic Relations Division (ERD), Ministry of Finance	50	5,000	0.0000597%
10	Ms. Nihad Kabir, Barrister-At-Law, Senior Partner, Syed Ishtiaq Ahmed & Associates	50	5,000	0.0000597%
11	Mr. Abdul Haque, Managing Director, Haq's Bay Automobiles Ltd.	50	5,000	0.0000597%
12	Mr. A. K. M. Nurul Fazal Bulbul, Vice-chairman, Central Depository Bangladesh Limited (CDBL)	50	5,000	0.0000597%
13	Mr. Alamgir Morshed, Executive Director and CEO, IDCOL	50	5,000	0.0000597%
	Total	83,800,000	8,380,000,000	100.00%



CHAIRMAN'S PROFILE



Mr. Md. Shahriar Kader Siddiky

Secretary,
Economic Relations Division,
Ministry of Finance and Chairman, IDCOL

Mr. Md. Shahriar Kader Siddiky joined Economic Relations Division as the Secretary on 23 November 2023. Prior to that, he was an Additional Secretary in the Economic Relations Division (ERD).

Mr. Md. Shahriar Kader Siddiky is a member of the 11th batch of BCS (Administration) Cadre. He joined as Assistant Commissioner in 1993. Later, he worked as AC (Land) and First-Class Magistrate in various places of Bangladesh. Besides, he worked in different Ministries including Cabinet Division, Ministry of Public Administration and Economic Relations Division, Ministry of Finance. He also served in Bangladesh Embassy in Kuwait.

Since April 2019, Mr. Md. Shahriar Kader Siddiky is leading the Asia Wing of Economic Relations Division, Ministry of Finance, Bangladesh and is looking after economic affairs of Bangladesh for Asian region including World Bank, China, India and Republic of Korea. He is also looking after the World Bank Wing of ERD since November 2022.

Mr. Siddiky got his Masters in Management in 1990. He completed the Chartered Accountancy course in the year 1993.

As a career civil servant, Mr. Siddiky has undertaken extensive training in public sector management and has participated in numerous international workshops in different countries and UN bodies. His goal is to continue to enact positive change in the public sector of Bangladesh by promoting better services for the people of Bangladesh.

Mr. Siddiky represented at Asian Infrastructure Investment Bank's (AIIB) Board of Directors as Director from the Constituency 3 (Bangladesh, Malaysia, Maldives, Nepal, Philippines and Thailand). Currently he represents at the Board of Directors of New Development Bank as Director from Bangladesh. Mr. Siddiky is also a Board member of Infrastructure Investment Facilitation Company (IIFC).

Recently he received the prestigious order of Diplomatic Service Merit (Heungin Medal) from the Republic of Korea for his outstanding and meritorious service rendered to promoting friendly relations between the Republic of Korea and the People's Republic of Bangladesh.

In his personal life, Mr. Siddiky is happily married and proud father of one son and one daughter.

EXECUTIVE DIRECTOR & CEO'S PROFILE



Mr. Alamgir Morshed

Executive Director and CEO, IDCOL

Mr. Alamgir Morshed joined Infrastructure Development Company Limited as the Executive Director and CEO on March 27, 2022. Under his leadership IDCOL continues to flourish and strengthen its position as the leading financial institution supporting the growth of renewable energy, energy efficient and infrastructure projects. During his tenure IDCOL won numerous prestigious local and international awards.

Prior to this appointment, Mr. Morshed was the MD & Head of Financial Institutions at Standard Chartered Bank (SCB) Bangladesh.

Mr. Morshed started his career as a Trainee Dealer at SCB Bangladesh in 1995 and over the span of 26 years of his illuminated career with the bank he held various senior management positions. He headed the Commercial Banking Division of SCB Bangladesh where he raised financing for country's first solar plant and earned the bank Finance Asia's Best Deal Award. As the Head of Global Banking (GB) and FI, he developed a sustainable GB strategy which ensured strong financing performance for the bank even during challenging business environment. He transformed the FI division of the bank through business diversification and expansion of public sector portfolio. Under his leadership, the FI division of the bank introduced structured & bilateral funding facilities, digital payment & cash management solutions to support banks, NBFIs and MFIs as well as alternative financing solutions through engagement of ECAs, DFIs, DOs, and Impact Funds for funded and non-funded risk participation. He also chaired the Sustainable Finance Committee of the bank.

Mr. Morshed also led the Global Markets Division of the bank for a significant part of his career leading the bank's ALM, FOREX Trading, Debt Capital Markets and Corporate Finance functions. As the Co-Head of Wholesale Banking (WB) Division, he introduced a country WB strategy which provided significant growth and client return on risk-weighted assets. In July 2014, he assumed the role of MD and Head of Financial Markets at the bank and pioneered the development of bank's FM franchise. For his contribution, Mr. Morshed is regarded as one of the leading thought leaders of FX and DCM.

Mr. Morshed comes with industry leading expertise in stakeholders' relationship management, business development, financial & credit risk management and frequently shares his seasoned banking experience in various forums as a keynote speaker. He played an active role in the S&P Sovereign Rating Advisory for Bangladesh. He has been a key contributor to Bangladesh Foreign Exchange Dealers Association (BAFEDA) and a member of Bangladesh Bank Authorized Dealers Forum and Syllabus and Exam Review Committee, Institute of Bankers, Bangladesh (IBB). He attended various trainings on leadership at prestigious institutions, including Said Business School – Oxford University and INSEAD Singapore.

Mr. Morshed holds an MBA from the Institute of Business Administration, University of Dhaka. Prior to this, he completed his Bachelor in Commerce from the University of Dhaka.



CHAIRMAN'S STATEMENT





STAYING THE COURSE

Amid global and domestic challenges, IDCOL demonstrated its commitment to Bangladesh through actions tailored to bolstering long-term development and strengthening resilience.”

Md. Shahriar Kader Siddiky
Chairman

On behalf of the Board of Directors of IDCOL, I take pleasure in presenting the Annual Report and Audited Financial Statements of the Company for the year ended 31 December 2023.

During the year in review, the volatile global economic and geopolitical circumstances intensified due to more extreme weather events, food crises, the collapse of a few major banks, the ongoing war in Ukraine, and the emergence of a major war and humanitarian crisis in West Asia that threatens to spill-over and engulf a wider region in the middle east. This instability was aggravated by adverse financial factors, such as high inflation and elevated sovereign debt that were observed in many emerging markets of the world.

Bangladesh faced a historic shift too, with the recent change in the political landscape of the country. Led by Nobel Laureate Professor Muhammad Yunus, the current interim administration is committed to stabilize the economy and set it on the path of recovery and long-term growth. It is clear that Bangladesh's development agenda is facing a crucial turning point which needs to be addressed with urgency. IDCOL stands by Bangladesh in this hour of need.

We are guided by our vision which is based on the principles of steadfast development and responsible stewardship. We are committed to a peaceful, progressive and inclusive Bangladesh where sustainable development benefits everyone. Our role as a leading financier is relevant now more than ever as we look to support the government in exploring outcome-driven solutions to the prevalent challenges. We are purposeful in focusing on the essential facets of economic recovery, tackling inequality, building societal resilience, and ushering in a new era of transformation and growth.

NETWORK EFFECTS: BENDING THE ARC OF DEVELOPMENT

For over 26 years, IDCOL has been contributing to the country's sustainable development agenda. By investing in the priority sectors, we create better living conditions through a vibrant economy. In this annual report, we have tried to give insight into the development effects of our projects and report on our ongoing efforts regarding the important issues of climate protection, infrastructure creation, market and sector development, employment and inclusion, etc. We also put a spotlight on our material ESG topics, as well as on our efforts to mobilize private finance for the SDGs and other impacts.

As a market leader in private-sector energy and infrastructure financing, we serve as a hub for knowledge exchange and collaboration. Through our extensive network of sector experts, development practitioners, policy analysts and technocrats, we facilitate best practices and innovative solutions and provide the most optimal outcomes to our clients. This knowledge dissemination fosters capacity building and empowers our stakeholders to tackle development challenges more effectively, cultivating a network effect of collective learning, growth, progress and impact.

We act as a catalyst for investment and economic growth by providing technical assistance, right financing solutions and risk mitigation, thus responsibly mobilizing and deploying capital and enabling private sector investment and participation in projects that promote the SDGs and foster a positive socio-commercial impact. This helps create new partnerships and opportunities, leading to productivity gains, job creation and economic diversification, thus amplifying the original impact of our interventions.



Our influence extends beyond economic realms to social and environmental domains too. Through our policy advice, advocacy efforts and project planning and execution support, we drive the adoption of best practices, social inclusion and environmental sustainability. As the government, businesses and civil society align to these principles, a network effect of positive social and environmental outcomes emerge, fostering resilience, equity and a just environmental transition.

Thus, at the core of IDCOL's value proposition is to bend the arc of development through cascading sustainable growth and prosperity for all layers of society. We contribute to a renewed and inclusive economy that embodies regeneration and renewal. We hold this to be the transformative change required to realize a prosperous, future-facing and resourceful Bangladesh.

COMMITTED TO REBUILDING THE COUNTRY

Infrastructure has a very material multiplier effect on the economic and social spheres of development. The growth foundations of developed and even large emerging economies are built on infrastructure. Similarly, the growth aspirations of Bangladesh can be met via fast-tracked infrastructure development.

Infrastructure financing is a big part of IDCOL's identity. We specialize in the long-term financing of large and mid-sized infrastructure projects across our key focus sectors of power & energy, ports, ICT and telecommunications, roads and bridges, social infrastructure and backward linkage projects.

Infrastructure has a deep socio-economic imperative and infrastructure development will be prioritized in resetting the economic trajectory. We at IDCOL are committed to infrastructure finance with the stated objective of financing large and medium-scale projects. Our total loan portfolio under the infrastructure stood at BDT 74,908 mn in 2023, constituting 25% of IDCOL's total loan portfolio, up from BDT 59,870 mn in the prior year period.

During the year in review, we supported the financial closure of 12 projects with a total disbursement of BDT 2,050 crore.

THE CLIMATE SUSTAINABILITY IMPERATIVE

Bangladesh is facing significant climate vulnerabilities that threaten its economy and livelihoods, as highlighted in a recent World Bank report. The country is increasingly exposed to extreme weather events, rising sea levels, and erratic rainfall, resulting in annual losses worth billions of dollars. Bangladesh and adjoining areas witnessed record high temperatures this summer, affecting lives and livelihoods. The current flood situation in Feni and Cumilla is alarming and reflects a climate disaster whose impacts, if left unchecked, will only worsen in the future.

To address these challenges, it is crucial to prioritize climate adaptation strategies. A multifaceted approach is necessary, including strengthening infrastructure, promoting sustainable development and increasing climate sustainable financing. By implementing these strategies, Bangladesh can build resilience against climate change, safeguarding its resources and ensuring a sustainable future.

IDCOL plays a crucial role in financing renewable energy and energy efficiency projects, contributing to the attainment of objectives in climate change and sustainable development. At IDCOL, we have made it a priority to support projects and programs in adapting to the adverse effects of climate change. This is at the heart of our climate sustainability focus as we lay greater emphasis on the impact of our financed projects on the built environment and assess incentivization opportunities in emission offsets.

Since 2003, in collaboration with the government and numerous multilateral development banks, bilateral development partners and IDCOL financing initiatives, we supported various renewable energy and energy efficiency projects across the country.

With a loan portfolio of BDT 17,244 mn, IDCOL's renewable energy department is at the forefront of the clean energy transition in Bangladesh. The division holds 19% of the company's total loan portfolio and has an external credit line of USD 278 mn+. The division houses several sub-segments that provide specialized financing for utility-scale solar grid-tied projects, rooftop solar projects, solar irrigation pumps, cookstoves under the Improved Cook Stoves (ICS) program, biogas and bio-fertilizer projects, solar minigrid projects, solar home systems, etc.

At present, only 1,313 MW is generated from renewable sources as per the National Database of Renewable Energy, representing less than 5 percent of the total installed capacity for electricity production. From its experience as the largest local financier in power sector projects in Bangladesh, IDCOL is now looking forward to financing these renewable energy-based utility-scale projects to contribute to the country's renewable energy.

Under the rooftop solar project, IDCOL has a target to finance a total capacity of 400 MWp by 2025. Until now, financing has been approved for a total of 39 projects with a cumulative capacity of 87.05 MWp and 25 projects, with a total capacity of 43.23 MWp being under operation.

Among the other sub-segments of the renewable energy division, IDCOL has financed a total of 26 solar minigrid projects, 67,954 biogas plants and 4.13 million SHS installations to enhance the non-conventional power generation capacity. Additionally, the Company has approved financing for a total of 5 new projects with a combined capacity of 209 MW and is currently charting the financing of a total of 1,065 MW projects expected to be commissioned by 2026.

These projects, including solar rooftop installations, grid-tied solar parks and waste-to-energy projects generate clean electricity, reduce greenhouse gas (GHG) emissions and mitigate air pollution compared to conventional fossil fuels.

I am proud to share a major highlight of the year comprising IDCOL facilitating the country's first-ever revenue from carbon credits. Readers would recall that in 2006, the Company had registered its maiden clean development mechanism (CDM) project with the UNFCCC (United Nations Framework Convention on Climate Change). Since then, the company has sold a whopping 2.53 million carbon credits, garnering US\$ 16.25 million, equivalent to BDT 170 crore (at current exchange rates). Most of this impressive carbon credit revenue came from the ICS program, while the balance was generated from our SHS program.

Sustainable impact of our key programs

Program	Installation	Impact
Solar Home System	4.13 mn	Replaces 11 million kerosene lamps equivalent to 3.31 million tons of kerosene
Solar Irrigation Pump Program	1,523	Replaces 16,806 diesel pumps and reduces 48,736 tons CER (CO ₂)/GHG emissions per year
Improved Cook Stove Program	4.05 mn	Saves 7.7 million tons of fuel wood per year, reducing CO ₂ emissions of 6.1 million tons per annum
Biogas and Bio-fertilizer Program	67,954	Saves 65,000 tons of firewood each year and reduces 264,270 tons CER (CO ₂)/GHG emissions per year
Rooftop Solar Program	25	Facilitates 43.23 MWp electricity generation and reduces 13,489.25 tons CER (CO ₂)/GHG emissions per year
Solar Minigrid	26	Enables 29,300 tons of CO ₂ reduction

STRATEGICALLY EXPANDING OUR CROSS-BORDER SERVICES

In December 2023, IDCOL signed a contract with the Ministry of Water & Energy, Government of Ethiopia, for providing advisory services on SHS (Solar Home System) program implementation.

In recent years, IDCOL has been expanding its cross-border strategic advisory service activities. As part of this focus, the company is now well-placed to support the government of Ethiopia to roll out the SHS intervention based on its experience of implementing the program in both Bangladesh and Malawi.

The World Bank has extended USD 10 million to the Ministry of Water & Energy for creating 750,000 new connections through solar off-grid standalone solutions under the "Access to Distributed Electricity and Lighting in Ethiopia" (ADELE) project. IDCOL will support the Ministry to incentivize market expansion into deep rural areas of the country and foster innovation by channeling grant support.

This is the second such project being executed by IDCOL after the Malawi project. Just to help recall, IDCOL is currently providing consultancy services to the Ministry of Energy in Malawi for the World Bank-funded Off-Grid Market Development Fund. The fund has achieved significant progress so far, with 17,528 solar home systems already installed in remote rural areas of Malawi as on end-2023. The goal is to increase the number to at least 70,000 SHS by the end of the current year. With IDCOL's support, Malawi has become the fastest-growing off-grid energy market in all of East Africa.

Thus, through our commitment to sustainable, inclusive and impact-driven development, we have contributed to improving the quality of life for people not just in Bangladesh, but also in other developing nations such as Malawi and now Ethiopia.

PARTICIPATION IN THE GREEN GROWTH OPPORTUNITY

Bangladesh exhibits strong potential for environment-friendly projects to support its green transition. For instance, renewable energy comprises a low 1% share of the country's total energy portfolio. Raising this portion will have many positive implications with respect to energy as well as environmental security.

At IDCOL, through our Industrial and Energy Efficiency Financing division, we are trying to address the hurdles to support green and environment-friendly investment. We are enthused by the contribution of the division in the past, which is a source of encouragement for the

future. The division accomplished a 4.26% growth in the loan portfolio in the last five years, standing at BDT 2,082 crore at the close of 2023, which constitutes 23% of IDCOL's total loan portfolio. We have financed 39 projects to date across our key market segments of spinning and textiles, RMG, cement, pharmaceuticals and so on.

BECOMING STRONGER EVERYDAY

As mentioned earlier, building organizational capacity to ensure we do not miss out on future opportunities is a significant focus area of the Board. A lot of management time and attention is being allotted to explore ways to bolster our HR practices and create a facilitative environment where learning and training are top priorities. Some of the key training programs organized during the year were in the fields of advanced project management, risk-based internal auditing and income tax management, among others.

Streamlining the workforce is a crucial objective to build stronger foundations for future growth. In this regard, we took the initiative to develop technology-centric solutions to centralize our core HR processes, including benefits administration and payroll. This is being made possible through the implementation of SAP's HRMS or human resource management system. HRMS was soft launched during the year, with a full-fledged launch expected in 2024. Concurrently, we are also developing and refining the HR manual and standard operating procedures (SOPs) to ensure alignment with best practices. CBS or core banking system is also under implementation that will revolutionise our back-office operations and improve our daily processes through efficiency enhancement, etc.

Community empowerment through our people and skills is an important part of our identity and we strive to create a bridge with the community, identifying ways to foster an impact. For example, we organized a financial literacy workshop, taking a step forward in promoting financial literacy on Financial Literacy Day 2023. IDCOL officials shared valuable insights on savings and investment practices and even the importance of foreign remittance being accessed through legal channels. The seminar was organized at IDCOL's head office on 6 March 2023.

PERFORMANCE UPDATE FOR THE YEAR 2023

At the end of another challenging year, I am proud that IDCOL has achieved satisfactory performance. It has proven once again that the organization is ready, willing and sufficiently capacitated to tackle the numerous developmental challenges facing Bangladesh and create a pathway for sustainable growth and opportunity.

During the year in review, IDCOL's net interest income increased by 9.5% to BDT 4,161 mn on the back of healthy growth in interest income





that rose from BDT 5,203 mn in 2022 to BDT 6,634 mn in 2023. Strong cost control initiatives enabled the company to lower its total operating expenses which declined to BDT 447 mn, registering a moderation of 7.4% YoY.

The company's financial position strengthened considerably during the year with growth in key metrics on the asset and liability side. The asset base swelled by 17% to BDT 124,744 mn, while shareholders' equity rose by 8.06% to BDT 11,826 mn during the year. The loan portfolio rose by a significant 24.31% to BDT 92,022 mn in 2023. Disbursements made during the year also witnessed a sharp growth of 173.93% to BDT 24,929 mn, up from BDT 9,100 mn in 2022. Growth in disbursement was supported by our strong liability management program that saw borrowings growing by 17.24% to BDT 98,786 mn in 2023, which attests to our ability to source funds despite extraneous and liquidity challenges.

I must also mention that diligent efforts by the team in credit recovery yielded success with the company being able to recapture dues that were outstanding since long. This had a direct positive impact on our financials, as the release of loan loss provisions supported the decline in provisions kept aside for outstanding dues and boosted net profit.

Provisions declined from BDT 4,737 mn in 2022 to BDT 2,345 mn in 2023, which pushed up net profit from BDT 1,350 mn in 2022 to BDT 1,582 mn during the year, representing a 17.17% rise. This resulted in earnings per share (EPS) going up from BDT 16.11 to BDT 18.87 in 2023. Further, through sustained efforts in recovery, we see easing pressure in our NPL book that will likely lower the need for incremental provisions, which should have a positive contribution to future profitability.

Steady management of equity capital together with sustained growth profitability over the years has positively impacted our ROE (return on equity) which has increased from 12.33% in 2022 to 13.37% during the year. ROA (return on assets) and ROI (return on investment) stood at 1.27% and 1.71%, respectively, for the year.

Maintaining sound financial health is critical for IDCOL from the point of view of not only financial system stability but also continued strength in the overall development agenda of the country, not to mention its reputation in the international financial community. It is crucial thus that we maintain a steady financial and risk profile to sustain our credit ratings which is a key metric assessed by our financial partners and others. The Credit Rating Agency of Bangladesh has assigned a long-term credit rating of "AA-1" and a short-term rating of "ST-1" with a stable outlook that is valid till 30 June 2025.

Overall, it was a satisfactory year, both operationally and financially, and it has laid the foundation for strong growth in the years ahead that will help counter the near to mid-term challenges facing the country today.

MY KEY BELIEF

As the economist and philosopher Amartya Sen stated, "Poverty is not just a lack of money; it is not having the capability to realize one's full potential as a human being." It is incumbent upon us to rekindle hope. As development practitioners, we are responsible for transforming this untapped human potential into a source of peace and prosperity that is key for Bangladesh's future.

Assessing the current environment that is a major change for the country, our role becomes even more important. Development efforts must continue to put recovery back on track to ensure Bangladesh does not squander its precious economic potential. This is our century of growth

and development and we at IDCOL are devoted to leading the country's redevelopment to realize the aspirations and ambitions of the people.

TOWARDS RECOVERY AND GROWTH

We at IDCOL have always focused on building a future-fit organisation that is ever relevant to its customers. In this regard, we have prioritised the identification of risk and charting plans and solutions that help mitigate these risks.

One of the key risks facing the company is graduation out of the LDC bracket in which scenario we may not be able to access low-cost loans. We have always been aware of this and have focused on developing our loan portfolio in a manner that ensures diversification and the lowest possible debt cost. Over our longstanding presence, we have accumulated rich experience and developed strong relationships that will be useful to sustain a business-as-usual case even in the future. Further, LDC graduation brings in positive impact for the overall economy that will open up our business to new opportunities.

While loan diversification is work-in-progress, what we are also looking at is diversification of our asset base that is currently concentrated on the power and energy sector. As the economy opens up and transitions on the path of maturity, a natural consequence would be the emergence of new businesses and opportunities. Capital funding would be a prerequisite and this is where we could come in with our experience and expertise. Already, we have undertaken a comprehensive feasibility study that has identified healthcare, electric vehicles (EV) and education as promising sectors for the future. We will focus on these areas that will not only contribute to our asset book but will also ensure effective diversification.

Undoubtedly, NPL is a cause of concern. While the increase in credit outstanding is due to several factors such as growth of the loan book, stress at customers' end, intentional default, etc., we are working hard in loan recovery. This is happening through direct attention of the top management in customer discussions, through creating teams for specific customer follow-ups, and also through legal recourse. We are scrutinising and evaluating legacy accounts for developing optimal exit strategies. Any recoveries will directly contribute to our profitability and will also lower the need for provisions that will have an indirect profit contribution too.

The BDT has witnessed significant devaluation against the USD. There is a perception that a scenario of rising interest rates and further currency depreciation could exert pressure on our financials. However, this is untrue as both our borrowings and lending are denominated in the same currency, thus eliminating the exchange rate risk. The cost of funds is relatively lower in our case too, which leaves a positive spread for IDCOL.

The current government administration is expected to pave the way for a new growth trajectory through reforms, which will positively impact the economy. At IDCOL, we specifically look to achieve the following in the current year and over the near to mid-term:

Capitalizing on Government Priorities: The current Government is likely to prioritize sustainable finance, IDCOL expects an increased demand for financing in renewable energy and energy efficiency projects. We are prepared to align our offerings with these emerging opportunities.

Leveraging Development Partner Relationships: Several development partners and development finance institutions are expressing interest in funding opportunities for Bangladesh. IDCOL aims to leverage its long-standing relationships with these partners, positioning itself as a preferred implementing agency.



Exploring Diverse Funding Sources: To diversify funding sources, IDCOL is analyzing the feasibility of issuing green bonds in Bangladesh. Additionally, we are exploring a range of alternative funding options from sovereign and non-sovereign sources to bolster our financial resilience.

Sector Feasibility Analysis: A comprehensive feasibility study has identified healthcare, electric vehicles (EV), and education as promising sectors for growth. IDCOL will focus on these areas, identifying their funding requirements and potential for significant impact.

Loan Portfolio Diversification: IDCOL prioritizes reducing concentration in the power and energy sector and will actively seek to diversify our loan portfolio, exploring funding opportunities in new age sectors. Access to resources such as Green Climate Fund (GCF) financing will facilitate our expansion into these areas.

Enhancing Asset Quality: IDCOL is committed to improving asset quality by evaluating legacy accounts and developing optimal exit strategies for the struggling loan accounts. Our recovery measures will be pointed to expedite recovery of classified loans with the guidance of the Board.

CONCLUDING REMARKS

We are on a continuing path, as we face 21st-century challenges that require innovation, cooperation, and adaptability. IDCOL remains committed to the development aspirations of our citizens and will strengthen relationships with partners based on collaboration and sustainability. As a force for positive change, IDCOL aims to transform challenges into opportunities for socioeconomic development, invest in human capital, and promote sustainable practices, contributing to our shared goals of growth and prosperity.

I wish to convey my profound gratitude to our esteemed shareholders for their unwavering support, steadfast commitment, and enduring trust

in IDCOL. I would like to extend my sincere appreciation to the Board of Directors whose invaluable support and guidance have been key to setting the strategic direction and ensuring a motivated team committed to achieving goals and objectives.

I express my heartfelt thanks to the management and all employees for their exemplary response and dedication, which have led to favourable outcomes in a challenging operating environment.

In conclusion, I offer my sincere thanks to the members of the Board, and to all our other stakeholders for supporting with good guidance. We look forward to working with the new government led by the Noble Laureate Prof. Muhammad Yunus and doing everything possible to contribute to regaining economic momentum. As we move forward, we renew our commitment to working to build a Bangladesh where prosperity, dignity, inclusion and opportunity are within the reach of all. Together, we can shape a more equitable future. For this, we remain on course.

Thank you once again.

Md. Shahriar Kader Siddiky
Chairman, IDCOL



EXECUTIVE DIRECTOR & CEO'S PERFORMANCE REPORT





MAKING IMPRESSIVE PROGRESS

IDCOL is a unique financial institution contributing to the socio-economic development of Bangladesh through its investment in Renewable Energy, Energy-Efficiency and Infrastructure projects.

Alamgir Morshed
Executive Director & CEO

2023 was a year in which we were reminded of how fragile the world is. Although COVID-19 was no longer a pandemic, we continued to experience its lingering effects. At the same time, geopolitical tensions continued to simmer and inflation impacted the quality of life for many. Before the close of the year, COP28 underlined the urgency in managing climate change. In other words, it was a challenging 12 months for everyone.

Yet, IDCOL was prepared for it. For us, impact creation is foremost. Our success depends on the solidity of our stakeholder relations and we have focused on this by not only being more customer-centric but also through a more pervasive adoption of impact finance principles and sustainability initiatives. The objective is for us to become one with the nation's life journey.

Resourceful and resilient, we surpassed our previous year's performance to achieve another commendable year, with total loan portfolio of BDT 92,022 mn that was up by 24.31 percent YoY. Net interest income expanded to BDT 4,151 mn, up from BDT 3,797 mn in 2022, and net profit after tax rose to BDT 1,582 mn, up from BDT 1,350 mn in the prior year. Both key metrics thus registered sound growth. These results were achieved along with a strengthened environmental, social and governance (ESG) base, which made them even more meaningful.

SPOTLIGHT ON 2023 – DELIVERING AGAINST THE ODDS

Reflecting on this past year, I am satisfied how our development finance impact continued to stay relevant to Bangladesh, with the nation being at an important junction in its journey. The country registered a GDP growth of 5.82 percent in 2023-24, up from 5.8 percent in 2022-23, as per the provisional data of Bangladesh Bureau of Statistics. This is a credible growth standard by any measure.

IDCOL, as a leader in infrastructure and project finance, provides a comprehensive array of financing solutions for privately-owned infrastructure projects. Determining further opportunity in the space, the company has broadened its infrastructure financing scope to include social and tourism projects too, as well as industries related to infrastructure backward linkages. The company also offers concessional financing assistance to projects that materially contribute to environmental protection and pollution mitigation.

IDCOL is the pioneer in renewable energy in Bangladesh, especially mass scale off-grid renewable energy. Starting with the Solar Home System (SHS) program back in 2003, the project portfolio now comprises nation-wide SHS installations, domestic biogas, solar irrigation, solar mini-grid, solar rooftop, large grid-tied projects, biomass and biogas-based electricity plants. Further, the industrial and energy efficiency finance unit is yet another segment offering financing solutions to the private sector comprising energy-efficient technological innovations under eligible industrial sub-sectors.

Such a foundation has enabled us to create a springboard for growth, especially when one considers the company achieving a 173.93% increase in disbursements during the year, amounting to BDT 24,929 million. Drawdown in 2023 from existing credit lines was at all-time high as well, reaching BDT 21,082 million as compared to BDT 6,847 million in 2022, indicating a 207.90% growth. There was utilisation of newly secured credit lines too, that is from ADB and AIIB during the year, which was executed primarily for financing infrastructure projects in the public-private partnership (PPP) domain. These are in sectors such as bio-electricity, economic zones, cement, hotels and tourism, steel, pharmaceuticals, spinning and knitting and renewable energy that are not only large employment generators but also contribute to export income and also towards self-sufficiency in key growth resources.



We are also proud of Bangladesh's growing footprint in the global carbon credit market, with IDCOL opening the doors to this by facilitating the country's first-ever revenue from carbon credits. The company earned a handsome US\$ 16.25 million carbon credit revenue from its Improved Cook Stoves (ICS) program. A small portion of this revenue was also generated from Solar Home System (SHS) program, both being registered with the UNFCCC's Clean Development Mechanism (CDM), making them eligible for carbon credits.

Another achievement comprised IDCOL spreading its wings wider in the international markets. In December 2023, the company signed an agreement with the Government of Ethiopia for providing advisory services in SHS implementation. IDCOL will support the government to incentivise market expansion into rural hinterlands and foster innovation by channeling grant support. This comes at a time when the World Bank has extended a US\$ 10 million financing support to the government for creating 750,000 new connections through solar off-grid standalone solutions under the Access to Distributed Electricity and Lighting in Ethiopia (ADELE) project. Our SHS intervention will advance energy access through sustainable distributed solar solutions in the country.

INVESTMENT DIVISION: SHAPING TOMORROW WITH STRATEGIC INVESTMENT

IDCOL's IFU had a good run in 2023, with the segment disbursing BDT 5,070 mn during the year. It financed projects in many sectors such as cement, glass industries, spinning and knitting, and hotels and tourism. One of the major projects of the year comprised the company's BDT 650 million loan disbursement to facilitate the establishment of the production unit in the cement industry. Besides, the unit disbursed a BDT 1,960 million loan to support the establishment of a 510 MT per day glass manufacturing facility in Hobiganj. Another achievement includes the disbursement of a BDT 2,000 million loan to support the development of a 26-story hotel in Dhaka, contributing to the growth of the hospitality industry. IDCOL also approved a US\$ 20 million loan for an RMG factory.

In 2023, PPP achieved many notable milestones, disbursing a sum total of BDT 11,150 million during the year. The division catered to the needs of numerous core sectors such as cement, spinning and knitting, infrastructure backward linkages and economic zones. Few key projects included a BDT 5,000 million loan agreement signed with a steel major for the expansion of their green steel plant. The project is a step towards accelerating infrastructure development and promoting green steel manufacturing and reducing the carbon footprint of the factory. The other major project comprised long-term financing of BDT 3,500 million to a cement company for installation of energy-efficient technology. The division was also involved in two economic zone projects. A USD 35 million term loan facility was also granted for setting up an export-oriented spinning mill.

Under IEEF, IDCOL provides customised financing solutions to private sector energy-efficiency projects. In a noteworthy development of the year, IDCOL financed its first green building project, which was also the first financing of such an asset in the realty sector. The company also financed for the procurement of energy-efficient equipment for a university. IEEF was also engaged in the financing of 1 of only 2 offshore LNG terminals in the country. In energy and gas, the company has financed the country's largest private sector petroleum refinery plant.

RENEWABLE ENERGY DIVISION: CONTRIBUTING TO CLEAN AND RELIABLE ENERGY

IDCOL's Renewable Energy Division, through its various programs and focus areas, is committed to contribute to Bangladesh's clean development goals and being commended for our work is a tremendous source of encouragement. I am happy to note that IDCOL won the 'IJGlobal

Awards 2024' in the "Development Finance Institution of the Year - APAC" category for its contribution as a DFI in the APAC region, especially for the impact of its Solar Irrigation Pump and Improved Cook Stove programs.

Commencing operations in 2019, this segment is guided by the vision of growing the share of renewable energy. The scope is significant when one considers that currently, only 1,313 MW is generated from renewable sources, representing under five percent of the total installed capacity (National Database of Renewable Energy). The sector's potential is evident in our loan portfolio that has zoomed from nil to BDT 387 crore in just about five years. The company is still at a vantage point as we are harnessing our experience as Bangladesh's largest local financier of power sector projects to now put the spotlight on financing renewable energy-based utility scale projects.

Under grid-tied utility-scale solar projects, IDCOL has already approved financing of five projects totalling 209 MW capacity. At present, we are developing a total of 1,065 MW projects that are expected to be installed with our financing participation within 2026.

IDCOL's SRT program provides financing for large-scale industrial rooftop projects, with key target sectors comprising RMG & textiles, jute, pharmaceuticals, power & energy, etc. Since the launch of the program in 2017, it has been showing sound prospects due to its numerous benefits, such as cost savings, simple implementation, eco-friendliness, low maintenance, etc.

IDCOL has a target to finance a total 400 MWp capacity by 2025. Until now, financing has been approved for a total of 39 projects with a cumulative capacity of 87.05 MWp. 25 projects with 43.23 MWp capacity are now in operation.

IDCOL's SHS program has been acclaimed as the largest off-grid electrification program in the world. Till date, the company has installed about 4.13 million SHSs in remote mofussil areas, ensuring solar electricity supply to over 18 million people.

Estimates suggest that there are about 1.24 million diesel-run pumps in Bangladesh that consume one million tons of diesel annually. Given the energy shortage and fluctuating fuel prices, solar energy-based irrigation pumps can be an environment-friendly solution.

IDCOL's SIP program provides irrigation facilities to off-grid areas, thereby reducing dependency on fossil fuels. Till date, the company has provided financial assistance for the installation of 1,523 SIPs that are operational and has a target to finance 10,000 SIPs by 2030.

The ICS or Improved Cook Stoves program envisages reducing GHG emissions by reducing the use of cooking fuels that cause air pollution and has a substantial health impact. Under ICS, IDCOL has achieved 4.05 million installations, with 18.48 million beneficiaries being covered in 61 districts. These are contributing to clean and reliable energy and improved human health. The environmental impact has been significant too, with 1.22 tons of CO₂ emission reduction achieved per year per ICS.

IDCOL has been implementing its Biogas and Bio-fertiliser program for households since 2006 with support from the World Bank, KfW Development Bank and SNV Netherlands Development Organization. Almost 68,000 biogas plants were erected till December 2023 that provide clean energy to around 306,000 beneficiaries.

UNDAUNTED – OUR ATTITUDE AGAINST THE CHALLENGES

The business encountered a number of challenges in 2023. While some of these were external, a few are sector-specific too, such as complexity in financial closure for large projects. During the year, IDCOL achieved 90% of the disbursement projected at the start of the year. The deficit is due to the inherent challenges of financing large projects. The balance will likely get carried over to the current year.

Total NPL stood at BDT 10,970 million comprising 11.92% of our overall outstanding credit at the end of 2023. This is regrettably high and the management, under the supervision of the Board, is doing everything possible to accelerate recovery, such as increasing engagement with default parties and even initiating legal proceedings. In 2022, NPL was 10.17%, with the current rise due to the downgrade of a large loan and an increase in the classification status of SHS loans.

Out of the total NPL, NPL without SHS stands at a more tolerable 6.23% and NPL without SHS and brick kiln portfolio stands at 3.89%. The major contributing factor of our NPL book is the SHS program that had a non-performing loan portfolio of BDT 5,240 million at 2023 end. While the program was an administrative priority, it has registered an underwhelming performance with plummeting end-user support and installations. It is likely that the simultaneous implementation of several competing on- and off-grid energy access projects and lack of regulatory oversight alongside withdrawal of subsidy made SHS uncompetitive. Similar is the case with the brick kiln program as loan waivers distorted the operating model of the business.

Discussions are underway with a major SHS implementation partner that will most likely lead to recoveries in the current year. In addition, the company is also in active discussion and engagement with other partners to boost collections.

FOCUSED ON DIGITISATION: PREPARING FOR OUR NEXT-GENERATION WORKFORCE

We have continuously invested in enabling our people to realise their full potential. As we seek to become an agile and resilient next-generation NBF, we are intensifying efforts to transform the way we work, especially to create a mindset in which everyone feels empowered to contribute to unlocking the company's full growth potential. Technology is becoming an indispensable part of our HR practices and we are focusing on digitisation through the implementation of HRMS and CBS software that will streamline operations and enable productivity gains.

We remain committed to a well-balanced workplace, where employees are provided with a challenging, rewarding and fulfilling career. Our focus on DEI (Diversity, Equality and Inclusion) are central in our endeavour to nurture a future-facing culture of our next-generation workforce.

MULTIDECADE OPPORTUNITIES: THE GOLDEN ERA FOR DFIs

It is undoubted that climate change will trigger many social and economic challenges. It will create outmigration and will have a disproportionate impact on those at the lower rungs of the economic ladder. Climate protection is thus a pressing need.

IDCOL is implementing energy-efficiency projects with US\$ 256.48 million GCF financing and has a promising pipeline of future projects. The company is the first Direct Access Entity (DAE) from Bangladesh for financing climate change mitigation or adaptation projects to be implemented in the country. The fund is first of its kind to enter Bangladesh through IDCOL. Under GCF, IDCOL has 3 projects in different stages of approval.

The company can also leverage a significant portion of the US\$ 430.5 million Bangladesh Renewable Energy Facility (committed by EIB

and EU) to support renewable energy installations. Additionally, it can also access substantial resources from the World Bank's US\$ 25 billion commitment (FY2021-25) and the ADB's cumulative US\$ 100 billion commitment (2019-2030) for green financing.

This comprehensive access to international funding positions IDCOL as a key driver in contributing to the country's climate adaptation journey.

PREPARING FOR THE FUTURE: WITH COURAGE AND CONFIDENCE

In the future IDCOL may not have access to low-cost funds it currently does. In this context, an external consultant has been appointed under the TA program of ADB to identify new sources of funds. They have already done a feasibility study on green bond issuance and will explore other options as well, such as equity and mezzanine debt.

Though IDCOL now operates under a very low funding cost regime, the cost of funding for new sources such as green bonds will be comparatively high. Yet, the company will have a mix of both low-cost and high-cost funds in the mix and the portion of high-cost funds will be relatively low, thereby enabling the total cost of funds to be at a minimum level.

Currently, IDCOL has US\$ 1,207 million under its existing credit lines, which is expected to be utilised by 2027. We are reaching out to different DFIs to explore new sources of funds and are also exploring new sovereign and non-sovereign funding sources.

ACKNOWLEDGEMENTS

In concluding my statement, I would like to thank the Board of Directors for their invaluable guidance and unwavering commitment to our mission. Their visionary leadership has been pivotal in steering our organization toward success. I would also like to thank the MANCOM for their assistance, which has been crucial in implementing our strategic initiatives. Together, their collaboration has created a strong foundation for our continued growth. A heartfelt thanks to all employees across the business too for their commitment and positive spirit. Thank you for your dedication to the company and your individual contributions that have collectively facilitated our growth and transformation.

It would be remiss to not acknowledge all our external stakeholders who have also been instrumental in the company's ongoing journey of value creation. On behalf of IDCOL, I would like to thank our clients, financial partners and communities for their equally valuable contributions. We look forward to strengthening our relationships as we progress into the next phase of IDCOL's evolution.

Together with everyone, we are committed to design tomorrow's landscape in our journey towards a shared future.

Best wishes to all.

Alamgir Morshed
Executive Director & CEO, IDCOL

DIRECTORS' REPORT

Dear Valued Members,

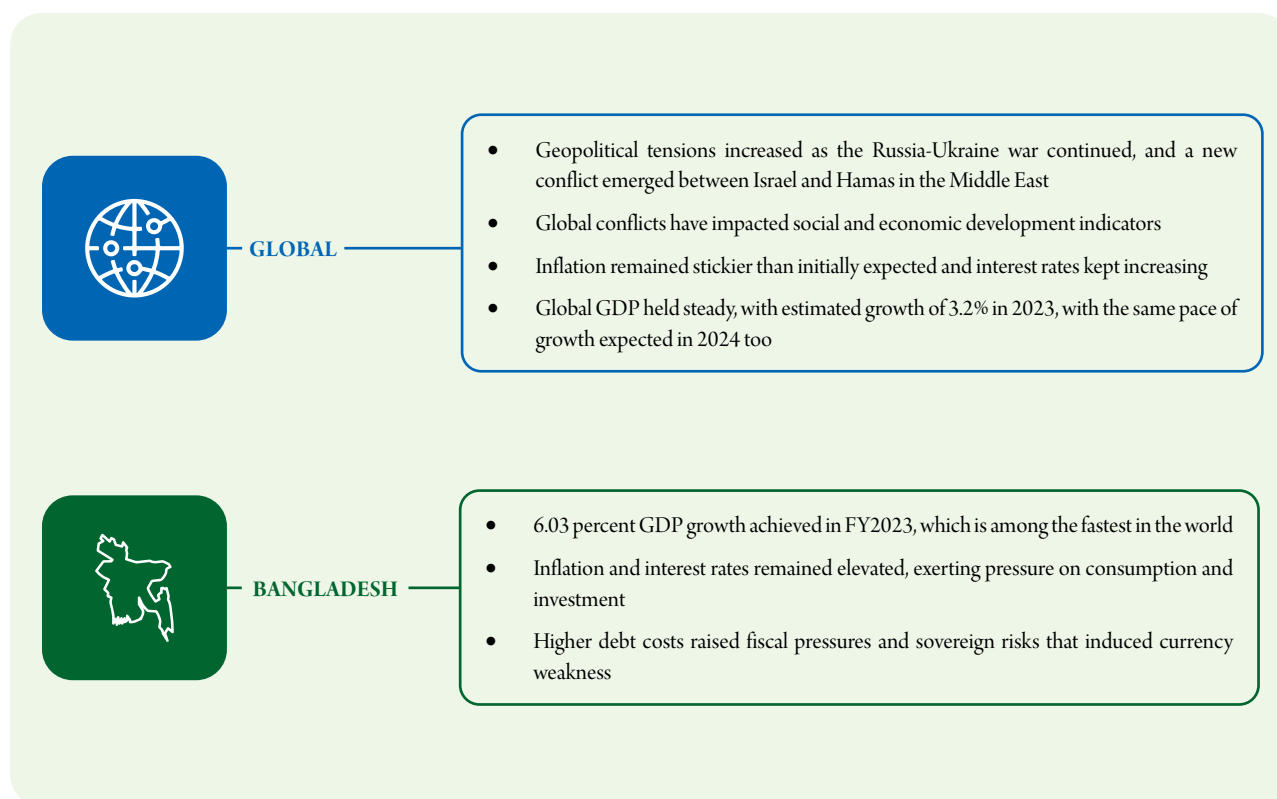
On behalf of the Board of Directors of IDCOL, I take pleasure in presenting the Directors' Report and Auditor's Report, together with the company's Audited Financial Statements for the fiscal year ended 31 December 2023.

IDCOL accomplished sound performance in 2023, with growth achieved across most major financial and operational metrics. While net interest income or NII rose by 9.59% to BDT 4,161 mn during the year, net profit after tax also increased by 17.17% to BDT 1,582 mn in 2023. Contribution of major divisions of the company to this financial performance was mostly

uniform, with the largest contributor being the PPP and Infrastructure Financing arm of the company. This was driven by the concerted efforts of the team in identifying key projects and facilitating sustainability, impact and ESG analysis and creating the right funding model for achieving successful financial closure. Further, release of provisions from loan recovery also aided profit growth.

The long-term business outlook continues to remain optimistic despite the macro challenges. The optimism nevertheless spawns from a development deficit that will require significant investment in infrastructure, energy, and other core economy sectors for recovery and onward progress.

Key trends in our operating environment



Global Economy¹

The global economy grew by an estimated 3.2 percent in 2023 and is projected to continue at the same pace in 2024 and 2025. The pace of expansion is low by historical standards, owing to continued high borrowing costs, withdrawal of fiscal support, lingering effects of the

COVID-19 pandemic and geopolitical challenges including Russia's invasion of Ukraine and the war between Israel and Hamas that threatens to spill over to the wider region. Global headline inflation is expected to moderate from an annual average of 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies.

¹Source on "Global Economy": IMF World Economic Outlook, April 2024, <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>

Bangladesh Economy

Bangladesh's economy started to rebound strongly from the shock of the COVID-19 pandemic, achieving real GDP growth rates of 6.94 percent and 7.10 percent in FY21 and FY22, respectively. However, the economy faced multidimensional challenges stemming from global economic uncertainties and intense pressure on the balance of payments (BoP) front, leading to a sharp exchange rate depreciation. These developments hindered growth momentum and resulted in persistently high inflation in FY23. Bangladesh Bureau of Statistics (BBS) has nevertheless provisionally estimated a reasonably high real GDP growth rate of 6.03 percent for FY23, considering the global and domestic economic developments.

Despite ongoing challenges, the new interim government's policy reform and institutional reform initiatives are giving hope for positive changes in the economic sector. With the concerted efforts of Bangladesh Bank, the government and other stakeholders, stability in the foreign exchange market and improvements in corporate governance and non-performing loans management are also anticipated.

Market shifts and dynamics and IDCOL's response

The government and private sector is focused on removing hurdles to inclusive economic growth and job creation through priority interventions that are expected to propel economic growth and social development indicators. Key shifts being observed include:

- **Effective risk management is becoming increasingly important in an uncertain world**

IDCOL operates within a challenging risk landscape characterised by socioeconomic and geopolitical instability. Prudent risk management is required to mitigate potential threats to our business and maintain our strategic resilience. This extends to low-likelihood risks, which can be immediate and impactful, as demonstrated by the global pandemic and the geopolitical wars.

- **Digitalisation increases the risk of cyberthreats**

As technology becomes more entrenched in business, we face increasing vulnerability to cyberattacks and data misuse. Thus, it is imperative on our part to invest in technology and cybersecurity. Further, business integration through technology is also critical and we are implementing Human Resources Management System (HRMS) and also Core Banking System (CBS) through reputed domestic vendors. Upon implementation of the systems, IDCOL will be technologically advanced with cutting-edge data integration and automation.

- **Environmental shocks and natural resources dependency continue to escalate**

The natural environment is increasingly under strain due to the effects of climate change. At the same time, our demands on natural resources are increasing to meet the needs of a growing global population and to absorb the waste products we produce. These demands impact food security and industries worldwide due to resource scarcity, extreme weather events and waste and biodiversity crises. We are committed to our key agricultural interventions to support growing farm productivity and food security for the nation.

- **Skills shortages and emigration intensify the competition for talent**

A shortage of skills and material emigration rates in Bangladesh shows increasing competition in the job market. In this context, alignment with company purpose, a focus on holistic wellbeing, and growth opportunities

are becoming an essential part of our employee value proposition to attract and retain talent.

- **Doing good as a business remains non-negotiable**

Upholding good governance, ethical leadership and regulatory compliance are essential to protect our reputation and balance the needs and expectations of all our stakeholders.

As per Monetary Policy Review FY2022-23, Bangladesh Bank decided to increase its policy rates by 25 basis points, the repo rate to 6 percent from 5.75 percent, and the reverse repo rate to 4.25 percent from 4 percent as a part of policy stance. Bangladesh Bank is also taking necessary measures to gradually move towards a market-based, flexible, and unified exchange rate regime (within a 2.00 percent variation) by the end of FY23.

The reserve money (RM) growth, the operating target of Bangladesh Bank's monetary policy, moved below the programmed path during the first quarter and above the programmed path during the second quarter of FY23 due to huge liquidity support in the market to avoid the liquidity crunch. The reserve money growth declined after December 2022 and remained below the programmed line in March 2023 due to the relative strength of the negative growth of Bangladesh Bank's net foreign assets and the positive growth of net domestic assets.

Update: Adopting a tighter monetary stance in FY24

The MPS for H2FY24 outlines a strategy to navigate the dynamic global challenges of geopolitical escalations, disrupted supply chains and altered trade dynamics and aims to preserve Bangladesh's economic trajectory even amidst the pressures.

Notably, despite a recent moderation in core inflation (excluding food and fuel), the headline Consumer Price Index (CPI)-based inflation remains high. Considering the shifts in broad and reserve money and public and private sector credit, together with the central bank's policy priorities, maintaining a tighter monetary stance in H2 FY24 has been deemed prudent. This is intended to control inflation while ensuring adequate funding for the more productive sectors.

In light of the prevailing economic conditions, Bangladesh Bank's monetary policy committee decided to adjust policy rates in the following manner:

- Policy rate will be increased by 25 basis points to 8.00 percent from 7.75 percent. Additionally, to refine liquidity management, the Standing Lending Facility (SLF) rate will be reduced by 25 basis points to 9.50 percent from 9.75 percent, and the Standing Deposit Facility (SDF) rate will be increased by 75 basis points to 6.50 percent from 5.75 percent, reducing the policy rate corridor from ± 200 basis points to ± 150 basis points.

Since mid-2022, BDT has been depreciating vs. USD, a trend attributed to a BoP deficit leading to reduction in foreign exchange reserves. This currency weakening has contributed to domestic inflation, as the cost of imports has risen. In response to the challenges, there is a call for a gradual shift towards a market-based exchange rate system that can stabilize the exchange rate and prevent further depletion of foreign exchange reserves.

Bangladesh Bank is thus contemplating a crawling peg system, which would be linked to a carefully selected basket of currencies and operate within a predefined exchange rate corridor. By setting a competitive equilibrium exchange rate at the midpoint of this corridor, the central bank would establish a stable benchmark while retaining the flexibility to intervene in the market.





The agriculture sector maintained a spirited performance, with growth remaining largely stable at 3.05% in FY22 (3.17 percent in FY21). The industry sector attained a robust growth of 9.86 percent in FY22, driven by 11.41 percent growth in the manufacturing sector, which was due to supportive policy measures, including fund allocation through stimulus packages and various refinance schemes of the central bank and the government. Construction activities remained buoyant too, with 8.71 percent growth in FY22 (8.08 percent in FY21).

Service sector activities sustained its upward trajectory and posted a higher growth of 6.26 percent in FY22 (5.73 percent growth in FY21). Within the sector, transportation and storage, accommodation and food services, financial and insurance activities and real estate were the major growth contributors.

Price and inflation

Domestic headline inflation intensified and remained more than 8 percent during August-April, FY23. Both food and non-food inflation momentum interplayed with the headline inflation dynamics. The high domestic inflation trajectory was attributed mainly to a series of adverse supply shocks, both global and domestic, and the continuing pass-through of higher import costs. Bangladesh Bank has taken several policy initiatives to control inflation, including tightening policy rates. Nevertheless, the inflation scenario remained unfavourable during July-December 2022, ranging between 7.48-9.52 percent. The headline inflation reached 9.52 percent in August 2022, the highest after 2011, and this acceleration came from a broad-based positive price momentum.

Remittance

Remittance inflow grew by a moderate rate of 4.8 percent to USD 16.0 billion in July-March period of FY23 after a decline in FY22. This positive growth of remittance inflows and subsided trade deficit together resulted in a decline in current account deficit to USD 3.64 billion in the first nine months of FY23. The current account deficit was as high as USD 14.3 billion during the same period of FY22. Although Bangladesh Bank took several supportive policies to revitalize the remittance inflows, official remittances inflows have yet to keep pace with the high growth of overseas employment in FY22 and FY23.

The deceleration in remittance inflow growth originated mainly from a decline in remittance inflows from the Gulf region, which accounts for half of the total remittances and most of the overseas employment in Bangladesh. Despite strong positive growth of remittance from the UAE (up 74 percent), remittance inflows from the Gulf region declined by 0.78 percent in the first nine months of FY23, while remittance from the Euro region and the USA increased by 22.4 percent and 11.34 percent, respectively.

Forex market

To reduce the demand-supply gap in the foreign exchange market and restrain any abrupt depreciation, Bangladesh Bank continued selling foreign currency, which resulted in the erosion of the official foreign exchange reserve. Moreover, the turning of the financial account balance to a deficit heightened the pressure on foreign exchange reserve. During the first nine months of FY23, the central bank's net sales of foreign currencies

amounted to USD 10.92 billion. Consequently, foreign exchange reserves plummeted to USD 31.14 billion at the end of March 2023, from USD 41.83 billion at the end of June 2022. Nonetheless, this reserve was sufficient to pay import bills for 5.3 months considering the current trend of imports. The government and the central bank have already taken several policy measures to reduce the pressure on the BoP and increase foreign exchange reserves.

Outlook and the path ahead ²

The global economy has undergone significant challenges in recent years. Many of the challenges converge, including overlapping aftershocks of the pandemic, elevated levels of inflation, energy crisis and elevated rates leading to increased operational and funding costs as well as tight financial conditions. Understandably, consumer and investor confidence remain subdued globally.

Though Bangladesh has its own set of challenges, including higher inflation, depletion of foreign exchange reserves, pressure on the exchange rate, etc., the economy's sheer resilience will enable it to overcome the hurdles. The government's response in recent years to manage the balance of payments with import controls and the use of forex reserves and to control inflation through budgetary subsidies has helped in a way to stabilise the economy. Other key measures include protecting GDP growth and investments through a strong grip over interest rates, increase of fiscal deficits, and liberal use of central bank financing, among others.

The government also continues to seek mainly concessional external borrowing, especially to finance infrastructure projects. With the government's reduced reliance on national savings certificates without increased recourse to bank credit, domestic public debt declined from 22.5% of GDP to 22.1%. Several reforms being implemented— notably automation in revenue administration, such as electronic tax filing and payment of return, tax deduction at sources and implementing a new income tax law—should ensure fiscal and debt sustainability. Furthermore, increasing the ratio of revenue-to-GDP will be critical to support the much-needed social, development and climate spending.

It is expected that these measures will improve the overall economic conditions, with GDP growth expected in the 5.5-6 percent range in FY2023-24 and at least over the near-term.

Infrastructure Financing:

IDCOL being the prominent large sector infrastructure financier has further expanded its capabilities by creating three units under its investment wing namely Infrastructure Finance (IF), Industrial and Energy Efficiency Finance (IEEF), and Public Private Partnership (PPP) for meeting growing customer demand and offer improved services. During the year 2023, PPP unit made the highest portion of disbursement (BDT 1,115 crore) among the three units comprising 54% of investment team's portfolio in sectors like Infrastructure Backward Linkage, Economic Zone, Cement etc. IEEF unit disbursed BDT 427 crore with lions' portion of financing made in Education sector and pharmaceutical sector respectively. The majority of the BDT 507 crore in disbursements made by the IF unit went toward the glass and hotel and tourism industries.

²Source on "Bangladesh Economy": Monetary Policy Review 2022-23

https://www.bb.org.bd/pub/halfyearly/monetaryprev/monetary_policy_review_2022_23.pdf



No. of Projects Financed till date

96



Total Disbursed till date

BDT 13,587 Cr.



No. of Projects Financed during 2023

13



Total Disbursed during 2023

BDT 2,050 Cr.

Key footprints in Infrastructure Financing



Power Plants

Approved and Financed the Installation of the country's 31% Private Sector Electricity Generation



ICT & Telecom

Extended USD 116 million investment in ICT and Telecom sector



Port

Provided financing to the 1st private sector land port and river port of the country with an annual 268,000 TEUS export container capacity



Infrastructure Backward Linkage

More than BDT 1,500 crore to Infrastructure Backward Linkage Industries



Green Building

Financing extended to two Green Building projects



Hotel and Tourism

Financed more than BDT 500 crore in the development of Hotel and Tourism sector



Economic Zone

More than BDT 600 crore financing approved for 4 Economic Zones



LNG Terminals

Invested in country's 1 of the only 2 Offshore LNG Terminals



Healthcare Sector

Financed 1* PPP project in Healthcare sector and a tertiary hospital



Green Bricks Program

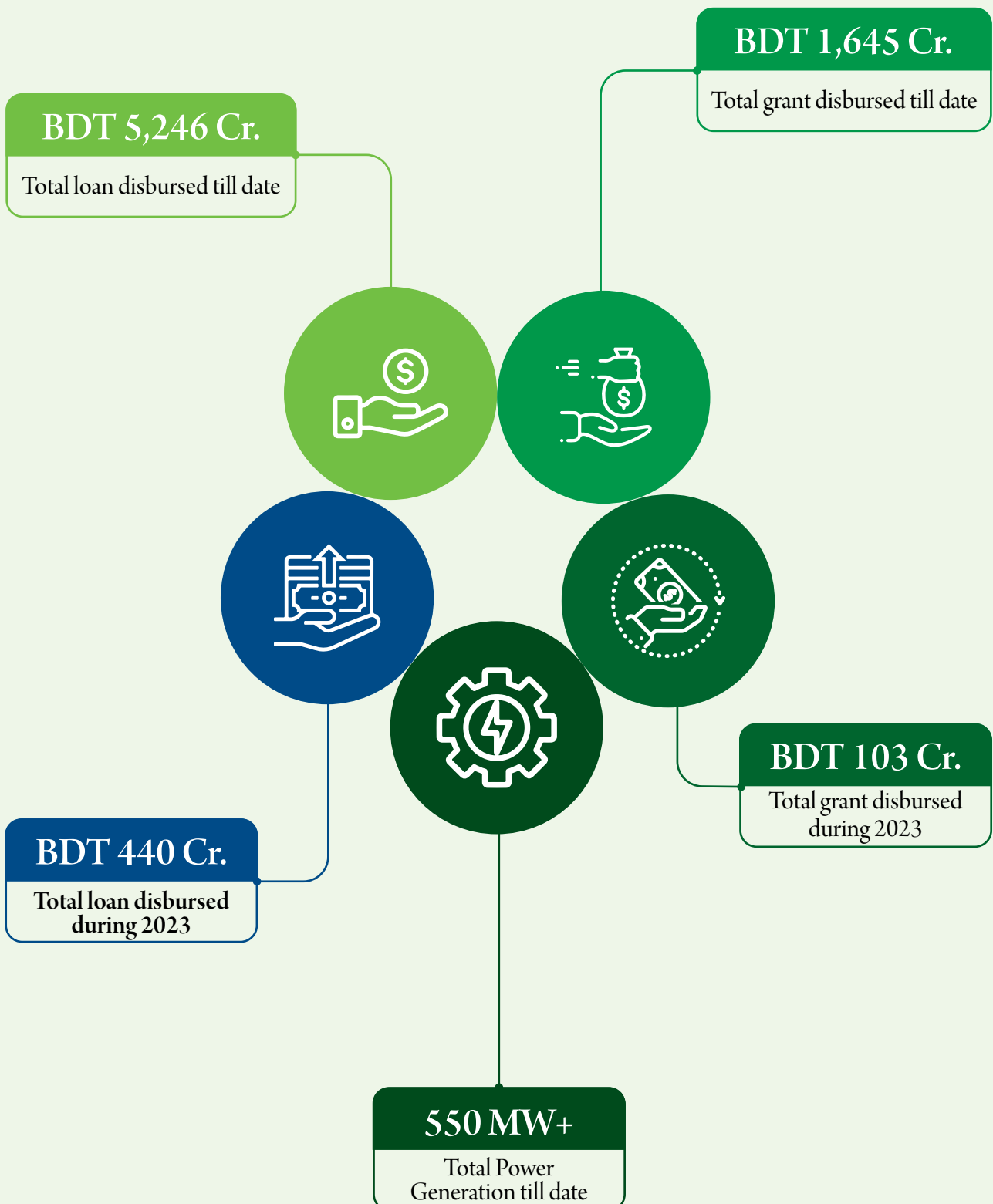
BDT 224 crore financing approved under Green Bricks Program



Renewable Energy Initiatives:

IDCOL is the pioneer in promoting mass scale off-grid renewable energy solution in Bangladesh. From its experience as the largest local financier in power sector projects in Bangladesh, IDCOL is now looking forward to financing these renewable energy-based utility scale projects to contribute at the country's renewable energy targets.

During 2023, IDCOL's Renewable Energy Department made new disbursements of BDT 440 crore out of which Solar Grid-tied disbursed BDT 330 crore with a view to increasing the contribution of private sector in power generation. Additionally, Solar Rooftop segment made disbursement of BDT 105 crore to large industries with the idea of generating power availing the net metering benefits and reducing GHG emissions and remaining BDT 4.7 crore was directed towards solar irrigation and bioelectricity projects.



Notable Achievements in Renewable Energy



Solar IPPS: 209 MW

To finance more than 1,000 MW by 2026 to contribute to GoB's goal to generate 40% energy from RE



Solar Rooftop: 87 MW

To finance 400 MW by 2025 to contribute to private sector power generation through Net Metering Benefits



Solar Irrigation: 1,523 Pumps

Generating 42 MW electricity by replacing 16,806 diesel pumps and benefitting more than 70,000 people



Improved Cook Stoves: 4.05 Million

Providing clean energy solution to 18.48 million people by 1.22 tons/ICS/year CO2 emission reduction



Biogas Plants: 67,954 Plants

Benefitting 306,000 people through annual 65,000 tons firewood savings and 58,000 tons fertilizer savings



Solar Minigrids: 26 projects

Generating 5.06 MW electricity to provide coverage to 16,000 people in off-grid areas



Solar Home System: 4.13 Million

187 MW power generation to provide electricity to 18 million people in rural areas of the country



Solar BTS: 138 Telecom BTS

Providing uninterrupted power solution to Telecom BTS for ensuring continuous voice and data connectivity

Green Climate Fund:

Established by the United Nations Framework Convention on Climate Change (UNFCCC) and serving the Paris Agreement, the Green Climate Fund (GCF) is the world's largest climate fund. During the 17th Board

meeting of the Green Climate Fund (GCF) on July 6, 2017, IDCOL was approved as the first Direct Access Entity (DAE) from Bangladesh, allowing it to finance climate change mitigation and adaptation projects in the country.

1st

Direct Access Entity of Bangladesh

USD 250M Per Project

Eligible for managing Senior Loan and Grant

This fund, the first of its kind to enter Bangladesh through IDCOL, will be directly allocated to private or public sector entities, as well as through private sector banks or financial institutions. Initially, IDCOL was accredited for the "Senior Loan" funding instrument, making it eligible to receive up to USD 250 million for each GCF project. On July 7, 2019, IDCOL upgraded its accreditation status to access grants of up to USD 250 million per project.

Advisory Services:

IDCOL has been providing advisory services both in Bangladesh and abroad since 2014, leveraging its expertise in renewable energy, climate financing, project financing, financial analysis, financial modelling, and project management. In 2023, IDCOL has been awarded five advisory assignments and provided training to 1600+ professionals under its capacity building program.

12

Assignments till date

179

Professionals

Received support from Experience Sharing

1600+

Professionals

Trained under capacity Building Program



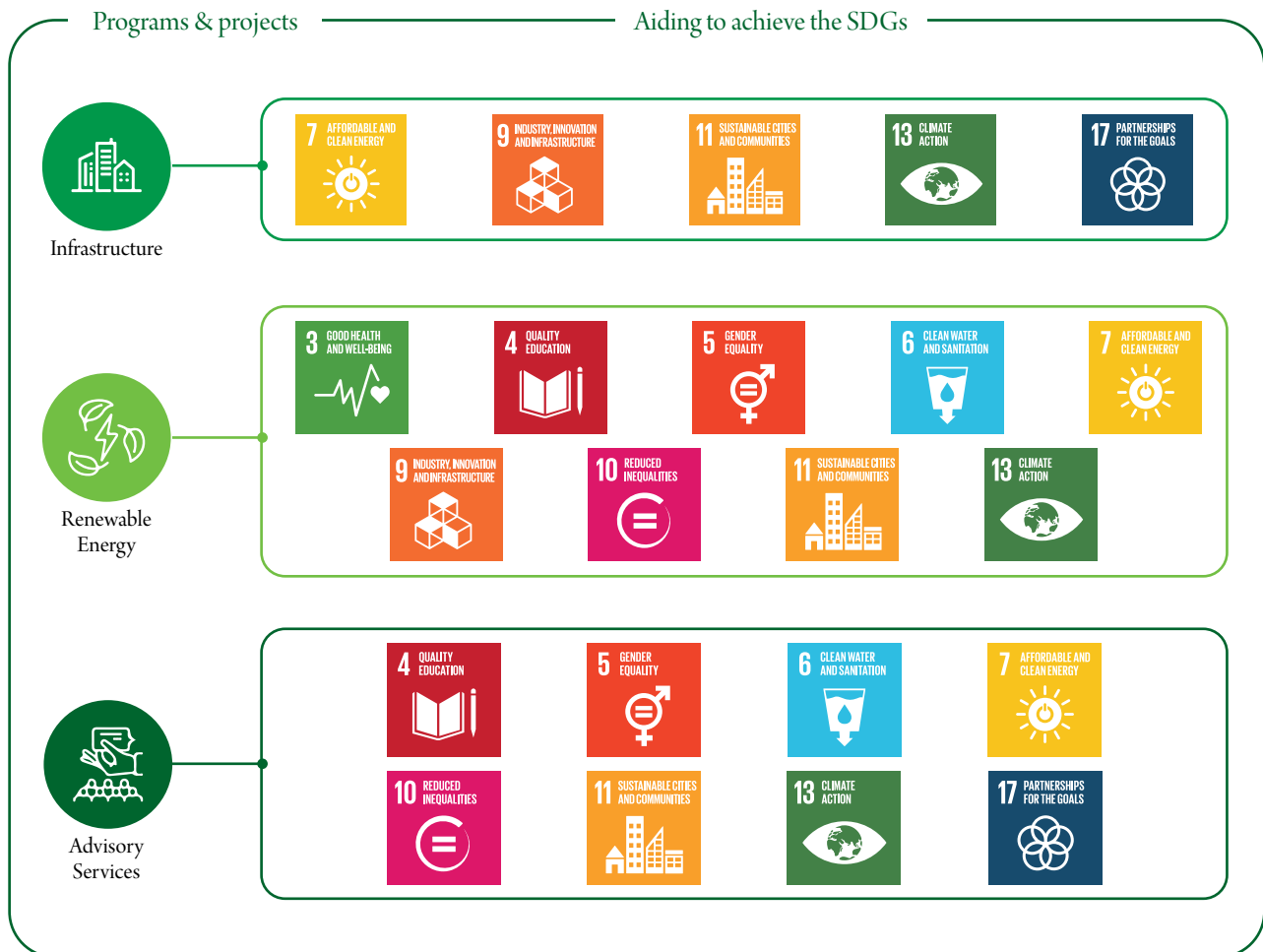
As the fund manager of the Malawi Off-Grid Market Development Fund (OGMDF), IDCOL has been assisting the government of Malawi's Ministry of Energy to develop the solar market. IDCOL will operationalize the USD 20 million financing window to address the challenges of scaling up the off-grid market by providing debt financing as working capital support, grant facility to provide end-user subsidy and Market Catalyst Fund to support the local companies.

The company is working with the Ministry of Water & Energy, the Government of Ethiopia, for providing advisory services on implementation of Solar Home System program. The World Bank has extended USD 10 Million to the Ministry of Water and Energy for creating 750,000 new connections through solar off-grid standalone solutions under the Access to Distributed Electricity and Lighting in Ethiopia (ADELE) project.

IDCOL has been advising Skills for Employment Investment Program (SEIP) project under Finance Division to develop a business plan for renewable energy sector skill development in Bangladesh. SEIP project was launched in 2014 with support from ADB to support the long term and comprehensive skills development efforts in Bangladesh. As of 31 December 2023, IDCOL has completed training of 175 trainees in 7 batches on IC, Rooftop Solar etc.

Advisory Services Unit hosted two experience-sharing visits to Bangladesh in 2023, which is noteworthy. The unit welcomed a nine-member team from Ethiopia, which included representatives from the Ethiopian government, GIZ, and SNV, for an experience-sharing session on clean cooking and renewable energy. The delegates visited Solar Home System (SHS) and Improved Cooking Stove (ICS) households in the Jessore region. A 10-member delegation from Uganda also visited IDCOL to learn about renewable energy initiatives.

Relevance of IDCOL's activities in impacting the SDGs:



Operating Performance in Brief:

In 2023, IDCOL successfully managed the difficulties of a tough global economic landscape marked by high inflation, escalating foreign exchange rates, and rising policy rates. Despite these conditions, IDCOL's financial performance was relatively resilient. With all time high disbursement made in 2023, IDCOL achieved 174% YoY growth in disbursements made during the year which aided total reported interest income to rise at BDT 6.63 billion which was 28% higher than the previous year. Net interest income also grew by 10% during the year.

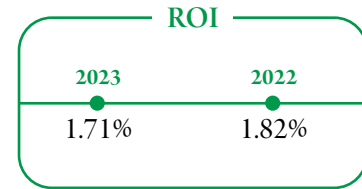
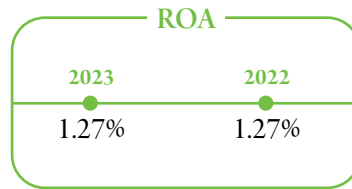
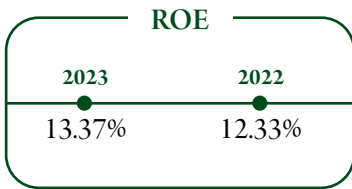
In FY 2023, IDCOL also felt the impact of increasing global policy rate for which it faced a significant 76% increase in interest expenses due to higher policy rates for foreign currency borrowings and increased fund drawdowns from Development Partner funds through the Government of Bangladesh. Despite this, IDCOL managed to reduce total operating expenses by 7%, achieving a low cost-to-income ratio of 7.49%, one of the lowest in the industry.

This year IDCOL managed to report an all-time high disbursement of BDT 24.93 billion, took its overall loan portfolio to a record BDT 92.02

billion by the end of this year. Despite challenging global conditions, IDCOL maintained stringent approach in selecting clients and credit evaluation throughout the year.

IDCOL consistently approaches its debt repayments and credit operations with caution, and it will maintain this careful approach by continually evaluating the overall operating environment. The focus will remain on assessing customer quality and repayment ability when making credit decisions.

The company experienced a de-growth of 50% in incremental provision during the year while total tax expense grew by 78% eventually resulting in a 17% rise in net profit to BDT 1.58 billion at the end of 2023. The net interest margin increased by 15%, and the profit margin grew by 23%. Despite a tough global economic climate, IDCOL's financial performance remained solid, with a return on assets (ROA) of 1.27% and a return on equity (ROE) of 13.37%.

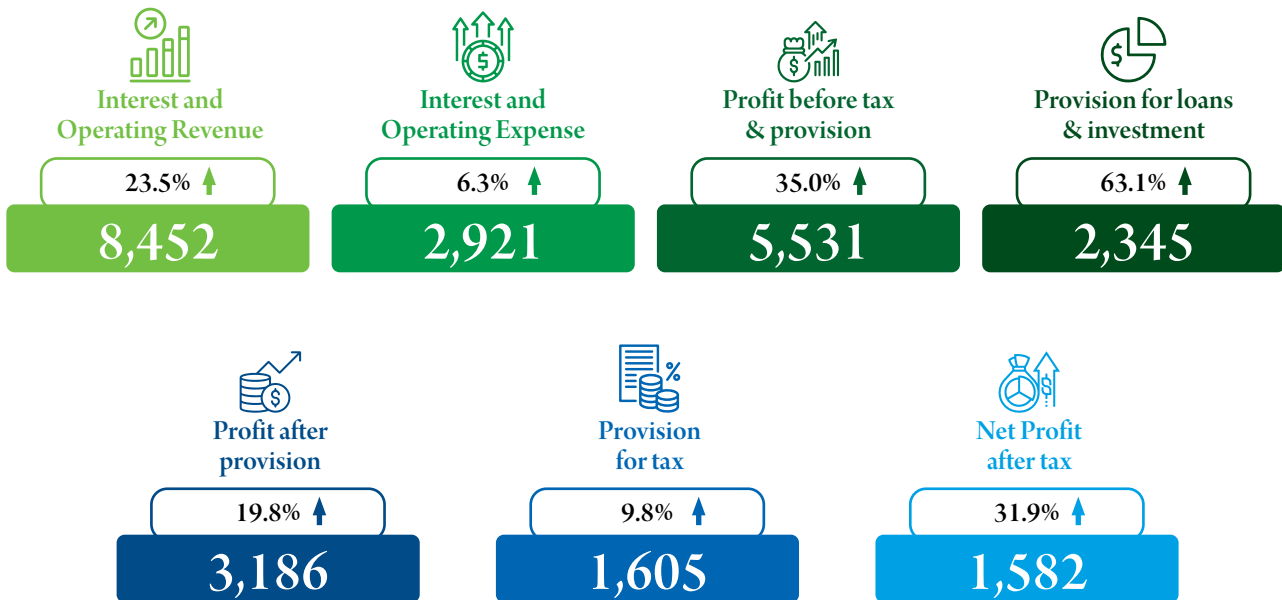


Comparison of Actual and Budgeted Performance of IDCOL:

The actual interest revenue grew by 7.24% compared to the budget of FY 2023 while operating revenue rose significantly driven by the exchange gain resulting in 23.50% higher Interest and Operating Revenue than the proposed budget for the FY2023. The company achieved outstanding

performance, reaching approximately 90% of its disbursement target for the year. Similarly, the actual interest and operating expenses are 6.30% higher than the budgeted figure. The actual profit before tax and provision for the reporting period is BDT 5,531 mn, which is 35.0% higher; eventually net profit after tax grew by 31.90% than the budgeted figure with a moderate increase in provision for tax by 9.80%.

Actual Vs Budgeted Performance of IDCOL 2023



Status of IDCOL loans

As of December 2023, the overall collection rate of IDCOL loans was around 93% against cumulative instalment due. Classified loans as a percentage to the total outstanding loan was 11.92% as on 31 Dec'23. Notably, Classified loans without considering SHS portfolio is 6.22% during the reporting period. The classified loan accounts were closely monitored, and necessary actions had been taken against defaulters to recover the outstanding amount. Recovery measures include frequent

follow-ups, inspections, legal actions, monthly monitoring meetings and seeking guidance from the IDCOL board.

Credit Rating

IDCOL's credit rating is conducted by the Credit Rating Agency of Bangladesh (CRAB), which has assigned the Company "AA1" rating for the long-term and "ST-1" rating for the short term. This implies that IDCOL has strong capacity with regard to timely repayment of its financial obligations with very low credit risks.





Directors' Responsibilities in the Preparation of Financial Statements

The Company Law requires the Directors to prepare financial statements for each financial year that provide a true and fair view on the state of affairs and on the profit or loss of the Company at the end of each financial year. The Directors are responsible for preparing the Company's financial statements in accordance with the applicable laws and regulations. They select appropriate accounting policies, apply them consistently, make judgments and estimates that are reasonable and prudent and state whether applicable accounting standards have been followed. The Board confirms that the financial statements have been prepared under the applicable laws and regulations and as per the requirements of regulatory authorities. At the same time, the Board provides the auditors unambiguous instruction about whatever steps and actions they need to take so that they can prepare an independent audit report, free of any bias or pressure.

Going Concern

The financial statements have been prepared on a going concern basis, assuming that the Company is able to continue as a viable entity for the foreseeable future and that there is no uncertainty or ambiguity going forward.

Directors' Statement Pursuant to the Disclosure and Transparency

To the best of their knowledge and belief and according to the information and explanations obtained by them, our Directors make the following statements:

- That in the preparation of the annual accounts for the year, which ended 31 December 2023, the applicable accounting standards have been followed, along with proper explanations relating to material departures, if any;
- That such accounting policies have been adopted and applied consistently and the judgment and estimates have been made on that basis are reasonable and prudent so as to give a true and fair picture of the state of affairs of the Company as on 31 December 2023, and of the profit of the Company for the year, which ended on that date;
- That proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1994, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- That the annual accounts have been prepared on a going concern basis.

Integrated Reporting

The Annual Report 2023 of IDCOL has been presented as an integrated report in accordance with the international <IR> reporting framework of the Value Reporting Foundation and on a basis that is consistent over time. It provides an insight into the nature and quality of IDCOL's relationship with its key stakeholders by providing transparency, accountability and its value delivery approach to stakeholders. It also includes all matters without material error and incorporates the efforts the Company has taken towards ensuring economic prosperity, environmental sustainability and social well-being of the country towards a brighter future for all.

Director's Meeting & Attendance

From 01 January to 31 December 2023, a total of 11 (eleven) Board meetings were held. During this period, the aggregate attendance of

the directors recorded was more than 95 percent. The core activities of the Board were carried out in scheduled meetings of the Board and its Committees. Those meetings were timed to link to key events in the Company's corporate calendar and regular reviews were conducted of specific business areas. Additional meetings and conference calls were arranged to consider matters which required decisions outside the scheduled meetings.

Corporate Governance

IDCOL has meticulously followed the rules of good corporate governance ever since it was founded more than 25 years ago. To reaffirm its dedication to good practices, the Board places a high value on responsibility, transparency, and honesty. In addition, the Board continues to be dedicated to steering the Company's strategic development and upholds the idea of shared accountability for its success. The Annual Report includes a separate, comprehensive report on corporate governance.

Contribution to the National Exchequer and the Economy

During the year 2023, the Company contributed a total of BDT 1,605 million as corporate tax, BDT 44 million as Tax Deducted at Source (TDS) and BDT 28 million as VAT and BDT 700 million as dividend to the Government. Consequently, an amount of BDT 2,382 million was deposited to the national exchequer. IDCOL has been awarded the highest Taxpayer's Award in FY 2013-14, FY 2014-15, FY 2016, FY 2017, FY 2018, FY 2020, FY 2021, FY 2022 and FY 2023.

Auditors

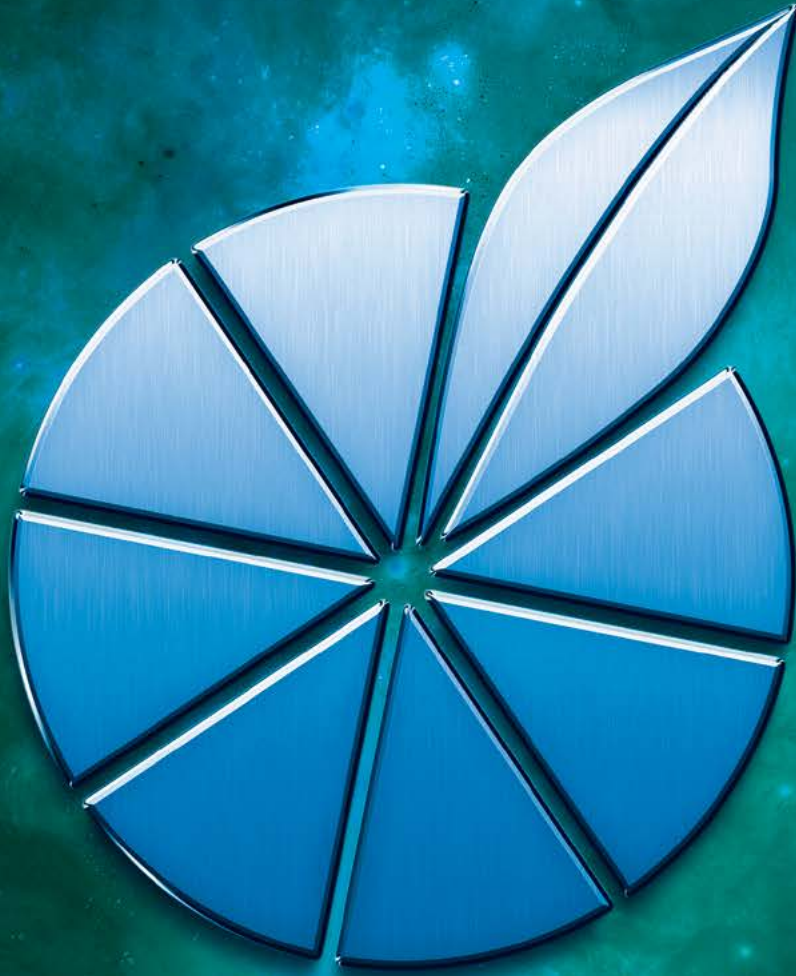
M/S Hoda Vasi Chowdhury & Co, Chartered Accountants, have been appointed as auditors for the Company's accounts for the year starting from January 2023 to December 2023. The Financial Institutions Act, 1993, stipulated that an auditor of a financial institution cannot be appointed for more than three consecutive years. Section 210 (10) of the Companies Act, 1994 also gives authority to shareholders of the Company to fix the auditor's remuneration. Hence, the Board recommended appointing M/S Hoda Vasi Chowdhury & Co, Chartered Accountants, as the auditor of IDCOL.

Acknowledgement

I extend my heartfelt gratitude to our esteemed shareholders for their unwavering support, commitment and faith towards IDCOL. Also, my appreciation goes to the Board members for their acumen, expertise and wisdom which have been instrumental in guiding the company towards the right track. I am grateful to our financing partners and clientele base for their confidence in IDCOL, continued support and tremendous cooperation. I also want to thank our management team and all the employees of the company for their perseverance, devotion, integrity, and hard work in elevating IDCOL to the status of a prominent development financial institution in Bangladesh.

By order of the Board,

Mr. Md. Shahriar Kader Siddiky
Chairman, IDCOL Board



ABOUT IDCOL

FROM STEPPING STONES TO MILESTONES



► **14 MAY**

Incorporation of the Company

► **14 NOV**

Signing of Project Agreement for USD 225 million with the International Development Association (IDA) under Private Sector Infrastructure Development Project (PSIDP)

► **11 APR**

Financing of the 1st Independent Power Plant (IPP) Project 450 MW Meghnaghat Power Ltd.

► **01 JAN**

Commencement of the Solar Home System (SHS) Program

1997

1998

2001

2002

2003

2004

► **05 JAN**

Licensing from Bangladesh Bank as an NBF

► **16 JUL**

Signing of Project Agreement with the International Development Association (IDA) under Rural Electrification and Renewable Energy Development Project (REREDP)

► **14 DEC**

Financing of the 1st ever Satellite Earth Station project in Bangladesh

► **16 JUL**

Signing of Financing Agreement for USD 7 million with the Global Environmental Facility (GEF) under the REREDP



▶ **05 JAN**

Financing of the 1st ever land ports operated through the private sector on Build, Operate and Transfer (BOT) arrangement

▶ **02 DEC**

Launching of Shonchalok Facility for the Information and Communication Technology (ICT) sector

▶ **01 APR**

Opening of the 1st Regional Office under the SHS Program

▶ **12 APR**

Financing of the 1st Solar Based Mini-Grid Project

2005

▶ **06 SEP**

Inauguration of the installation of 50,000 SHSs by the Honorable Prime Minister

2006

2007

▶ **30 NOV**

Signing of Financing Agreement for USD 165 million with the Asian Development Bank (ADB) under Public Private Infrastructure Development Facility (PPIDF)

2008

2009

▶ **26 NOV**

Signing of Financing Agreement for USD 18 million with the Islamic Development Bank under Improving Rural Households Livelihood through Solar Energy Project

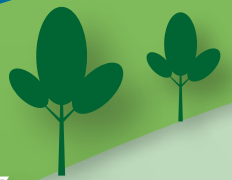
2010

▶ **20 DEC**

Financing of the 1st Solar Based Irrigation Project

▶ **26 DEC**

Signing of Financing Agreement for EUR 25 million with KFW-German Financial Cooperation under Renewable Energy Project



▶ **18 FEB**

Celebration of the installation of 1 million new Solar Home Systems and 20,000 Biogas plants with the Honorable Prime Minister

▶ **05 NOV**

Celebration marking the installation of 3 million Solar Home Systems with the Honorable Prime Minister

▶ **13 JUN**

Installation of 4 million SHS under IDCOL SHS Program

▶ **30 NOV**

Financing the first PPP Project in Healthcare Sector of Bangladesh-Sandor Dialysis Services Bangladesh Private Ltd.

2012

2013

2014

2015

2016

2017

▶ **12 MAY**

Celebration of the installation of 2 million Solar Home Systems and launching of the installation of 1 million Improved Cooked Stoves (ICS) Project with the Honorable Prime Minister

▶ **02 APR**

Received the first ever CDM fund in Bangladesh under the United Nations Framework Convention on Climate Change (UNFCCC)

▶ **06 JUL**

Received Global Climate Fund (GCF) accreditation

▶ **30 MAR**

Installation of 50,000 biogas plants under IDCOL Biogas & Bio-fertilizer Program

▶ **MAY-JUNE**

Received approval of two Project Preparation Facility (PPF) grant supports from GCF for separate project/program amounting to USD 701,273.00

▶ **09 NOV**

Inauguration of first ever grid integration of solar irrigation pump

▶ **31 DEC**

Became the Highest Fund Arranger (USD 190 m) in Bangladesh for private sector projects

▶ **31 DEC**

Installation of 2 million ICS under IDCOL ICS Program

▶ **25-FEB**

Signed participation agreement with Bangladesh Bank for utilizing 'Technology Development/Up-gradation Fund' of BDT 1,000 crore for Export Oriented Industrial sectors.

▶ **JAN**

Supported Bangladesh to earn its first ever revenue from carbon credits

▶ **22-DEC**

Signed a contract with the Ministry of Water & Energy, Government of Ethiopia for providing advisory services on Solar Home Systems implementation

2019

2018

2020

2021

2022

2023

▶ **22 FEB**

Financing its 1st Solar Rooftop Project with a target of financing 300 MWp Solar Rooftop Projects by 2025

▶ **15 OCT**

Financing its 1st Utility Scale Power Project with 8 MW (AC) capacity

▶ **15 JUN**

Signing of IDCOL's first credit facility with the Agence Française de Développement (AFD), France for EUR 100 million to finance energy efficient, renewable energy and environment friendly projects

▶ **26-APR**

Signed loan agreement for USD 200 million with Asian Infrastructure Investment Bank (AIIB) for financing infrastructure projects in Bangladesh

▶ **14-MAY**

Celebration of silver Jubilee

▶ **1-JUN**

Signing of contract with Ministry of Energy, Government of Malawi for "Consultancy Services for the Fund Manager for Off-Grid Market Development Fund"

AWARDS & RECOGNITIONS

RECEIVED DURING 2023





Asian Power Awards 2023 for Solar Power Project of the Year-Bangladesh' category for the Solar Irrigation Pump Projects



Certificate of Merit in SAFA Best Presented Annual Report Awards 2022 under the Public Sector category by South Asian Federation of Accountants (SAFA)



Karlsruhe Sustainable Finance Awards 2023 in the 'Outstanding Sustainable Project Financing' category.

1

Best Corporate Award 2022 under the "Non-bank Financial Institutions" category by The Institute of Cost and Management Accountants of Bangladesh (ICMAB)

2

FinanceAsia Awards 2023 under the 'Best Sustainable Bank' category in Bangladesh

3

1st Position in the 23rd National Award for Best Presented Annual Report under the "Public Sector category" by Institute of Chartered Accountants of Bangladesh (ICAB)

4

1st Position in the Highest Taxpayer Award under "Non-Bank Financial Institution" category by National Board of Revenue (NBR) for the Tax Year 2022-2023

5

IJGlobal ESG Awards 2023 as "Development Finance Institution of the Year" for the Asia Pacific region

6

World Business Outlook Awards 2023 for Best Private Sector Energy and Infrastructure Financing Company in Bangladesh 2023 and for Most Sustainable Financing Company in Bangladesh 2023

TROPHY CORNER



SAFA Best Presented Annual Report Awards under the Public Sector Entities category



National Awards for Best Presented Annual Report under the “Public Sector category”



for 2015,2016,2017,2018,2020,2021



by Institute of Chartered Accountants of Bangladesh (ICAB) for 2015,2016,2017,2018,2020,2021

TROPHY CORNER



Best Corporate Awards under the “Non-bank Financial Institutions” category by The Institute of Cost and Management Accountants of Bangladesh (ICMAB) for 2014,2015,2019



Highest Taxpayer Awards and certificates of appreciation under “Non-Bank Financial Institution” category By National Board of Revenue (NBR) and Large Tax Payers Unit (LTU), Dhaka of National Board of Revenue (NBR)



Asian Power Awards under the “Solar Power Project of the Year-Bangladesh” category by the Asian Power Magazine during 2022,2020,2014.



for the Tax Year 2021-2022,2020-2021,2019-2020,2018-2019,2015-2016,2014-2015

TROPHY CORNER



IJGlobal Awards 2021 as the Institution of the year in the “Public Sector Institution” category in the Asia-Pacific region



Green Leaders of Bangladesh 2022 Award by Greentech Foundation Bangladesh



Canada Business Award 2012 under the Best Green Company of Bangladesh category by Canada BD Chamber of Commerce and Industry (CBCCI)



ARE Awards 2020 under the “Multilateral / International Organization” category for the Solar Mini-Grid projects by the Alliance for Rural Electrification (ARE)



Karlsruhe Sustainable Finance Awards under the “Outstanding Sustainable Project Financing” category for the Solar Irrigation Pump Projects by the European Organization for Sustainable Development (EOSD) during 2020,2014,2013



Financial Innovation Awards 2019 under the “Best Sustainable Finance Initiative” category for the IDCOL Solar Irrigation Pump Project by the London Institute of Banking and Finance (LIBF)

EVENTS & ACHIEVEMENTS

Celebrating Milestones

Supported Bangladesh in earning its first-ever revenue from carbon credits



Bangladesh earned its first-ever revenue from carbon credits. In 2006, IDCOL registered its maiden clean development mechanism project with the United Nations Framework Convention on Climate Change. Since then, IDCOL has sold a whopping 2.53 million carbon credits, raking in \$16.25 million, equivalent to BDT 170 crore at current exchange rates. Most of this impressive carbon credit revenue came from Improved Cook Stoves (ICS) program, while the remaining amount was generated from the Solar Home System (SHS) program.

IDCOL celebrated the milestone of 26 years



For the occasion of its 26th anniversary, IDCOL organized a celebratory event at its Head Office with all the Head Office officials on May 24, 2023. All the regional office employees across Bangladesh took part virtually. The event was full of reminiscences of stories, and achievements of the entire IDCOL family towards its 26 years' milestone.

Engaging Events with IDCOL Board of Directors

IDCOL congratulated Md. Shahriar Kader Siddiky on his appointment as the secretary of the Economic Relations Division, Ministry of Finance



IDCOL congratulated Md. Shahriar Kader Siddiky on his appointment as the Secretary of Economic Relations Division, Ministry of Finance on November 27, 2023. He also served as a director and now, serves as the chairman of IDCOL.

IDCOL welcomed the new secretary of the Finance Division, Ministry of Finance



IDCOL exchanged greetings and congratulated Dr. Md. Khairuzzaman Mozumder on his appointment as the Secretary of the Finance Division, Ministry of Finance in September 2023. He is serving as a Director of IDCOL.

IDCOL the then Chairman inaugurated Rooftop solar project financed by IDCOL



IDCOL financed a 3.3 MWp Rooftop Solar project of Walton Hi-Tech Industries PLC. The project's inauguration ceremony took place at Walton's cutting-edge manufacturing plant in Chandra on November 11, 2023. Ms. Sharifa Khan, Senior Secretary of the Economic Relations Division (ERD) and the then Chairman of IDCOL, presided over the event and officially inaugurated the project. In attendance were Mr. Alamgir Morshed, Executive Director & CEO, IDCOL, Mr. Shamsul Alam, Chairman of WALTON, Mr. Michael Sumser, Country Director of KfW for Bangladesh & Nepal, Mr. Md. Enamul Karim Pavel, Head of Renewable Energy at IDCOL, Mr. M. Maftun Ahmed, Company Secretary of IDCOL, along with officials from both IDCOL, KfW and Walton.

The then Chairman of IDCOL visited IDCOL financed projects



Ms. Sharifa Khan, the then Chairman of IDCOL and Secretary of the Economic Relations Division, visit some of our financed projects in Panchagar district- 10 MW Solar IPP Project of Sympa Solar, 300 cm Commercial Biogas Project of Kazi & Kazi Tea Estate, Solar Irrigation Pump Project of NPolly and A Domestic Biogas Plant on September 15, 2023. Accompanying Ms. Sharifa Khan were IDCOL management committee members, along with other officials from IDCOL, district, and upazila offices.



Meetings, Dialogues, Workshop, Conferences

IDCOL participated in GCF Integrity Forum 2023



IDCOL participated in Green Climate Fund (GCF) Integrity Forum in Bangkok, Thailand on September 13 – 15, 2023. Organized by the GCF Independent Integrity Unit (IIU), this conference brought together integrity professionals from Direct Access Entities around the world to share best practices, engage in peer learning, and network with experts. Mr. Nazirul Azam Biswas, Management Trainee, Green Climate Unit, IDCOL participated in the Forum this year.

IDCOL organized ‘New Financing Solutions for Energy Efficiency Interventions’ event



An event titled “New Financing Solutions for Energy Efficiency Interventions” was held at Hotel InterContinental, Dhaka on February 19, 2023 (Sunday). The event highlighted new financing solutions for IDCOL. In addition to long-term concessional BDT loans, IDCOL will be able to offer long-term fixed-rate EURO and USD loans in association with KfW and GCF.

IDCOL at Bangladesh Industry Conference



Mr. Alamgir Morshed, Executive Director & CEO, IDCOL participated as the panelist at Bangladesh Industry Conference organized by Marsh McLennan at the Intercontinental, Dhaka on August 9, 2023.

IDCOL participated in a session organized by BIBM & GIZ



Mr. Alamgir Morshed, Executive Director & CEO, IDCOL, was a distinguished panelist at the plenary session on “Mobilizing Sustainable Finance through Capital Market” during the GIZ conference organized by Bangladesh Institute of Bank Management (BIBM) with support from GIZ on October 1, 2023.

IDCOL participated in seminar on green investment in tourism sector



IDCOL had the privilege to participate in a seminar on “Green Investment and its Impact on the Tourism Industry” at the Peninsula Chittagong on September 27, 2023. Our Deputy CEO and CFO, Mr. S M Monirul Islam, shared invaluable insights on the vital role of sustainable and green financing in the tourism sector.



IDCOL participated at Energy Conference 2023 organized by BUET



IDCOL participated at the Energy Conference 2023 organized by BUET on December 15, 2023. Mr. S. M. Monirul Islam, Deputy CEO & CFO, IDCOL graced the event as one of the panelists. He discussed IDCOL's role in energy financing as well as collaborations with BUET.

IDCOL organized annual review meeting & planning workshop 2023 for Improved Cook Stove (ICS) program



IDCOL organized the Annual Review Meeting & Planning Workshop 2023 for Improved Cook Stove (ICS) program on July 21-23, 2023 at The Palace Luxury Resort, Bahubal, Habiganj. Officials from IDCOL & head of respective Partner Organizations of ICS Program were present at the event.

IDCOL organized half-yearly progress review meetings



IDCOL organized two progress review meetings for the Investment Department & Renewable Energy Department on July 8 and July 13, 2023 respectively.

IDCOL organized two “Leaders for Tomorrow” workshops



IDCOL organized two workshops titled “Leaders for Tomorrow” to provide leadership training to IDCOL’s officials and management members on 25-26 May 2023. The first workshop took place at Basecamp, Gazipur with Management Trainee Officers, Senior Officers, and Assistant Managers. The second workshop took place at the Holiday Inn with the Unit Heads and Management Committee members of IDCOL.

Panelist at Bangladesh Business Summit 2023



Mr. Alamgir Morshed, Executive Director & CEO of IDCOL attended the “Bangladesh Business Summit 2023” on March 11, 2023, as a Panelist at Bangabandhu International Conference Center, where industry leaders gathered to discuss “Developing Long Term Finance Markets to Support New Growth Opportunities”.

Talk show at the Business Standard



Mr. Alamgir Morshed, Executive Director & CEO of IDCOL, recently appeared on The Business Standard’s Corporate Talk program where he discussed IDCOL’s mission to promote sustainable development and long-term financing in Bangladesh on March 17, 2023. It was a great opportunity to highlight IDCOL’s impact and vision for the future.

Talk show at ATN news



IDCOL’s Head of Renewable Energy, Mr. Md. Enamul Karim Pavel, discusses the challenges and opportunities of Rooftop Solar in Bangladesh on ATN News’ talk show ‘রুফটফ সোলার: চ্যালেঞ্জ ও সম্ভাবনা’ on May 21, 2023.

Awards, Appreciation & Accolades

ICAB National Award for Best Presented Annual Reports -2022

IDCOL received 23rd ICAB National Award for Best Presented Annual Reports -2022. It won Gold Award (first position) under public sector category. The competition was based on an independent evaluation of the Review Committee for Published Accounts & Reports (RCPAR) of Council-ICAB and due recommendation of the Jury Board.

ICMAB Best Corporate Award-2022

IDCOL won the ICMAB Best Corporate Award 2022. The company received bronze award under “Non-Bank Financial Institution (NBF1)” category. The award was given based on the publicly disclosed information in the Annual Report for the FY 2022 as well as other performance indicators including capital adequacy, asset quality, earning quality, profitability, management efficiency, external credit rating, corporate governance, contribution to the national exchequer, regulatory compliance etc.

Highest taxpayer Award from NBR for FY 2022-2023

IDCOL was awarded 1st Position under the Non-Bank Financial Institution category for the Tax Year 2022-2023. NBR also presented Tax Cards in favour of Md Shahriar Kader Siddiky, chairman of IDCOL & Alamgir Morshed, executive director and CEO of IDCOL.

SAFA Best Presented Annual Report Award 2022



IDCOL received SAFA Best Presented Annual Report Award 2022 within the Public Sector category securing the esteemed ‘Certificate of Merit’ during the evaluation conducted by Safa’s Committee for Improvement in Transparency, Accountability & Governance.

Karlsruhe Sustainable Finance Awards 2023



IDCOL won Karlsruhe Sustainable Finance Awards 2023. The award, given by European Organization for Sustainable Development (EOSD), aims to recognize success in the financing of exemplary projects that benefit local communities, support local economic development and contribute to environmental protection.

Contract Signing Ceremonies

Signing ceremony between AIIB and IDCOL for the Bangladesh Rampura-Amulia-Demra (RAD) Express



A Loan Agreement signing ceremony between Asian Infrastructure Investment Bank (AIIB) and IDCOL were held at AIIB Head Quarters in Beijing for the Bangladesh Rampura-Amulia-Demra (RAD) Express Elevated Highway project on July 27, 2023.

A signing ceremony with BSRMSL for BDT 5000 million loan agreement



IDCOL, the largest BDT lender of the loan facility, has signed a BDT 5000 million loan agreement with BSRM Steels Limited (BSRMSL) to support the expansion of an environmentally friendly steel plant in Bangladesh on October 17, 2023. The total facility amount is USD 108 million syndicated term loan facility and BDT 8,000 million bilateral term loan facilities. Other lenders of the facilities are JICA, Standard Chartered Bank, Exim Bank India, BRAC Bank, Eastern Bank, Prime Bank and The City Bank.

Signing ceremony with BRAC University for BDT 450 crore long-term loan



A signing ceremony was held between IDCOL and BRAC University on 18 January 2023 at BRAC Centre, Mohakhali, for a long-term loan facility. Under this Facility, BRAC University will avail long-term financing of up to BDT 450 crore from IDCOL to construct its iconic state-of-the-art campus at Merul Badda, Dhaka. Mr. Alamgir Morshed, CEO & Executive Director, IDCOL and Ms. Tamara Hasan, Chairperson, Board of Trustees, BRAC University, signed on behalf of their respective organizations.

Signing ceremony with Premier Cement Mills Plc to provide long-term financing of BDT 350 crore



IDCOL extended BDT 350 crore long-term loan to Premier Cement Mills PLC, on 25 May 2023 and in this regard, a loan agreement has been signed between IDCOL and Premier Cement Mills PLC at Dhaka's Pan Pacific Sonargaon Hotel. Under this facility, IDCOL is providing long-term financing to expand the capacity of Premier Cement Mills PLC through a Vertical Roller Mill (VRM) facility. This technology is the most energy-efficient in the cement manufacturing industry.

Signing ceremony with Esquire Knit Composite Ltd to provide long-term financing of up to BDT 750 million



A signing ceremony was held between Infrastructure Development Company Limited (IDCOL) and Esquire Knit Composite Ltd. on 14 February 2023 at the latter's head office located in Tejgaon I/A, Dhaka, for a Long-Term Loan Facility. Under this Facility, Esquire Knit Composite Ltd. will avail long-term financing of up to BDT 750 million from IDCOL for their capacity expansion. Mr. Alamgir Morshed, CEO & Executive Director, IDCOL and Mr. Md. Ehsanul Habib, Managing Director, Esquire Knit Composite Ltd., signed on behalf of their respective organizations.

IDCOL and SREDA collaborating to create a better environment



IDCOL and SREDA are collaborating to create a better environment for implementing energy efficiency measures in Bangladesh, with USD 1.13 million TA support from the Green Climate Fund (GCF). An agreement was signed in this regard on October 10, 2023.

IDCOL has extended significant financing to Sirajganj Economic Zone Limited (SEZL)



IDCOL has extended significant financing to Sirajganj Economic Zone Limited (SEZL) for the development of a 1035 acres Economic Zone, marking the largest private economic zone in Bangladesh in November 2023. IDCOL's approval of BDT 1725 million in debt financing demonstrates its commitment to supporting large-scale infrastructure projects in the private sector. To date, IDCOL has already disbursed BDT 725 million for the implementation of onsite and off-site facilities for SEZL.

Advisory Service

IDCOL signed a contract with the Ministry of Water & Energy, Government of Ethiopia



IDCOL signed a Contract with the Ministry of Water & Energy, Government of Ethiopia on December 22, 2023 at Addis Ababa for providing Advisory Services on Solar Home System program implementation. Dr. Engr. Sultan Welle Ahmed, State Minister for Energy Development of Government of Ethiopia and Shibli Mohammad Faiz, VP & Unit Head, Advisory Services of IDCOL signed the Contract on behalf of the respective parties. The World Bank has extended USD 10 Million to the Ministry for creating 750,000 new connections through solar off-grid standalone solutions under the Access to Distributed Electricity and Lighting in Ethiopia (ADELE) project. IDCOL will support the Ministry to incentivize market expansion into deep-rural areas and innovation by channeling grant support.

IDCOL organized an experience sharing program for delegation from Ethiopia



IDCOL provides advisory support for implementation/replication of Renewable Energy projects/programs outside Bangladesh. IDCOL organized an experience sharing program on Renewable Energy and Clean Cooking for a 9-member delegation from Ethiopia on September 11 and 13, 2023. Officials from Government of Ethiopia, GIZ and SNV participated in the program.

IDCOL arranged a gala dinner in honor of the Ethiopian delegation



IDCOL arranged a gala dinner in honor of the delegation on September 17, 2023. Ms. Sharifa Khan, Secretary, Economic Relations Division, Government of Bangladesh and Chairman, IDCOL graced the gala dinner as Chief Guest. IDCOL management committee members were present during the event.

Government of Malawi signed agreements with solar companies under IDCOL managed Off-Grid Market Development Fund (OGMDF)





IDCOL has been assisting the Ministry of Energy of the Government of Malawi as the Fund Manager of Off-Grid Market Development Fund (OGMDF) to scale up the off-grid solar market in Malawi's rural areas. IDCOL has operationalized the USD 20 million financing window by providing debt financing as working capital assistance, RBF grant facilities to give end-user subsidies, and Market Catalyst Fund to promote the local businesses. On September 21, 2023, Government of Malawi signed agreements with five off-grid solar companies that will avail loans and grants from the Fund.

IDCOL organized a site visit for World Bank team in Malawi



IDCOL organized a site visit on September 19, 2023 in OGMDF financed households in TA Chiseka. The visit team comprised of the mission team of The World Bank, representatives from Ministries of Finance and Energy and Yellow Malawi's Group CEO Mike Heynik.

IDCOL organized an experience sharing program for a high-level delegation from Uganda



Infrastructure Development Company Limited (IDCOL) provides advisory support for implementation/ replication of Renewable Energy projects/ programs outside Bangladesh. IDCOL organized an experience sharing program on Renewable Energy for a 10-member high-level delegation from Uganda during September 16-26, 2023.

IDCOL presented THE NNNF fund in Verasol stakeholders meeting at GIZ Malawi



GIZ in collaboration with The Renewable Energy Industries Association of Malawi (REIAMA) organized a workshop with Verasol Distributors on August 3, 2023, at GIZ Head Office based in Lilongwe, Malawi. IDCOL being the lead Fund Manager of Malawi Off-Grid Market Development Fund or Ngwee Ngwee Ngwee Fund (NNNF), was invited to join the plenary session and present the current status and way forward of the fund. Representatives from The World Bank, Ministry of Energy (MoE), KfW, EnDev etc. were also present. Notably, IDCOL is managing a World Bank supported USD 20 million fund comprising debt and RBF grant on behalf of MoE under Malawi Electricity Access Project (MEAP) for increasing electricity access in Malawi. Mr. Shadman Bin Zahir, Manager (Investment), Renewable Energy, IDCOL presented the current status and way forward of the NNNF fund in the event.

Project Site visit with Foreign Delegates

Government of Malawi parliamentary committee visited IDCOL managed Off-Grid solar



A Government of Malawi Parliamentary Committee and high-ranking officials from Ministry of Energy have visited households in Luzi, Rumphi district from the Northern region where OGMDF financed Solar Home Systems (SHS) were installed by Perennial Holdings Limited (Yellow Solar) in October 2023. IDCOL has been assisting the Ministry of Energy of the Government of Malawi as the Fund Manager of Off-Grid Market Development Fund (OGMDF) to scale up the off-grid solar market in Malawi's rural areas.

Visit to RE projects by German delegates in Jhenaidah



Mr. Stephan Opitz, Member of the Management Committee, KfW Development Bank; Mr. Michael Sumser Hellstern, Director, KfW Bangladesh visited one the IDCOL Solar Irrigation Pumps at Kaliganj, Jhenaidah on March 16, 2023. The visit was accompanied by IDCOL Officials and Wave Foundation, the project sponsor.

Ethiopian delegates visited IDCOL financed projects



Delegates from Ethiopia visited Solar Home System (SHS) and Improved Cook Stove (ICS) households and Solar Irrigation Pump (SIP) project sites in the Jashore region on September 11 and 13, 2023. Notably, IDCOL has supported more than 160 professionals from 16 delegations around the world.

Training Session

IDCOL organized a roundtable discussion under ICS program in association with Bonik Barta



IDCOL organized a roundtable with Bonik Barta on 'Achieving 100% Clean Cooking in Bangladesh: The Role of IDCOL ICS Program' held at a local hotel in December 2023. The event brought together experts, development partners, and public/private sectors, emphasizing the significant role small initiatives like ICSs play in achieving big milestones.

IDCOL organized a training session on wind power in Bangladesh scenario for EPC companies



To develop the skills and expertise of Engineering, Procurement and Construction companies and build their capacity to design & prepare feasibility of wind power projects in the country. IDCOL organized a three-day long intensive training course at its Head office on June 11-13, 2023.

IDCOL introduced anti-money laundering software solution



Combating money laundering & terrorist financing has become a primary issue in today's global financial landscape. The demand for comprehensive Anti-Money Laundering (AML) compliance procedures grows in tandem with the number and complexity of financial transactions. This has led to the development of sophisticated AML software solutions designed to help financial institutions detect, prevent and report money laundering activities effectively. On August 9, 2023, IDCOL digitized its "AML_CFT Compliance Solution" as an initiative to be more vigilant in keeping up the AML Compliance more effectively and efficiently.

IDCOL organized Financial Literacy Workshop



IDCOL took a step forward in promoting financial literacy on Financial Literacy Day 2023. IDCOL officials shared insights on the importance of foreign remittance through legal channels in a recently organized seminar. The seminar was organized at IDCOL head office on March 6, 2023.

IDCOL organized Total Fitness Seminar



IDCOL, in collaboration with the Quantum Foundation, hosted an inspiring “Total Fitness Seminar” on August 24 and 27, 2023, at the IDCOL head office. The sessions were dedicated to enhancing both physical fitness and mental well-being.

IDCOL organized “training on fire safety”



In association with the Fire Service & Civil Defense Authority, IDCOL organized “Training on Fire Safety”. This highly informative session took place on November 4, 2023, catering specifically to the diligent staff members under our esteemed Administrative Unit.

National and International Events

International Women’s Day 2023



IDCOL celebrated International Women’s Day with all our female colleagues over a wonderful lunch on June 8, 2023. IDCOL recognizes the invaluable contributions of women in the organization and beyond, and it stands committed to gender equality and women’s empowerment.

IDCOL participated in Poribesh Mela 2023



IDCOL participated in Poribesh Mela 2023, organized by the Department of Environment. The event took place at Sher-e-Bangla Nagar on June 4, 2023. IDCOL’s participation in the Poribesh Mela provided it with a valuable opportunity to highlight its commitment to environmental sustainability and showcase renewable energy and energy efficiency projects.

Corporate Social Responsibility events

IDCOL recognized the academic excellence of outstanding students and awarded an integrity award to its employees



IDCOL distributed food to underprivileged children



IDCOL has contributed to SWID Bangladesh



IDCOL handed over a portable X-RAY machine to Kumudini Hospital



IDCOL holds reception for Bangladesh national women's football team



IDCOL contributed to Hepatitis B vaccination program for the employees of Economic Relations Division (ERD)



IDCOL supported physically disabled individual



IDCOL organized a tree plantation initiative at the National Institute of Burn & Plastic Surgery

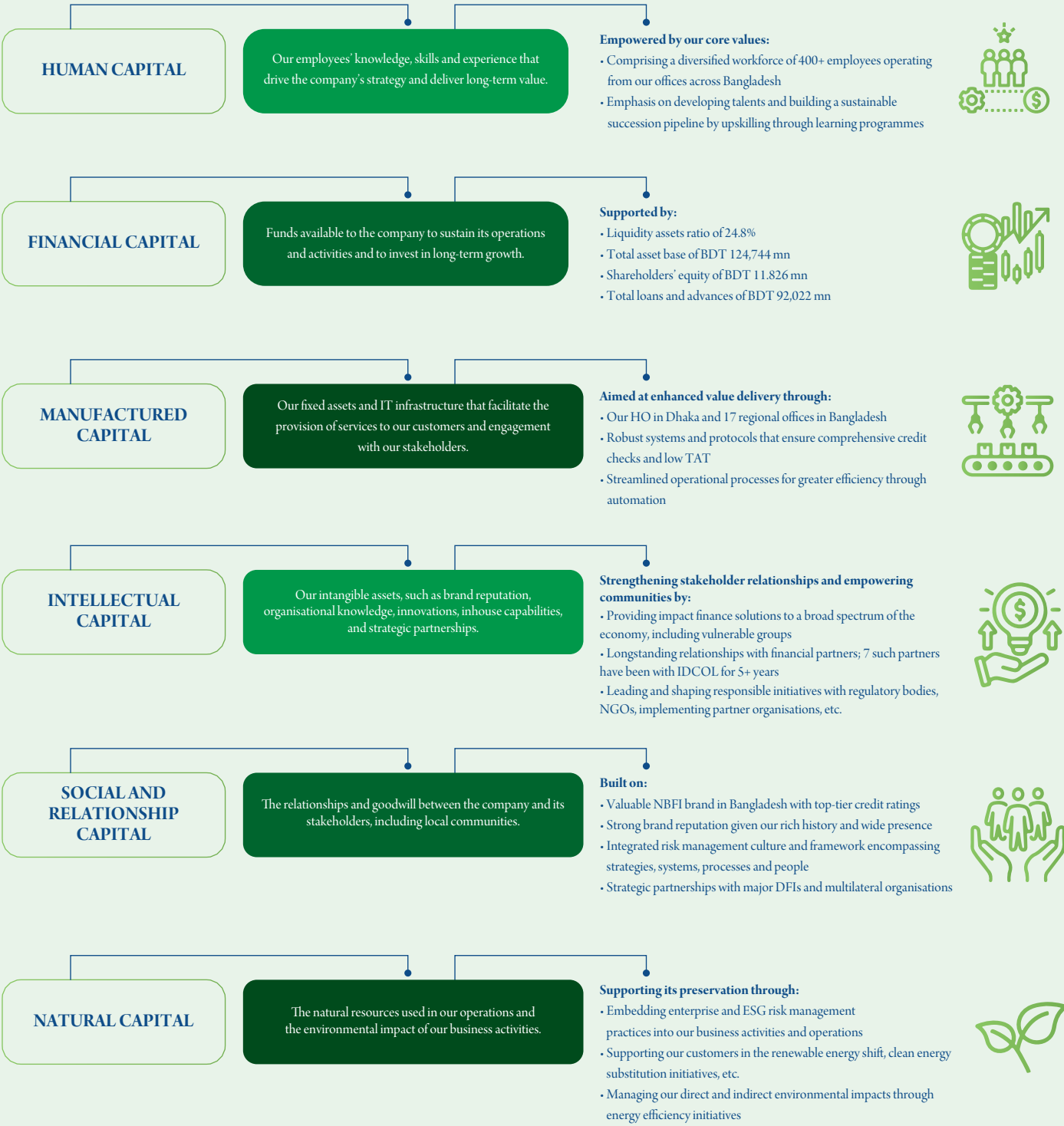




VALUE CREATION STRUCTURE



OUR CAPITALS





OUR FOCUS AREAS

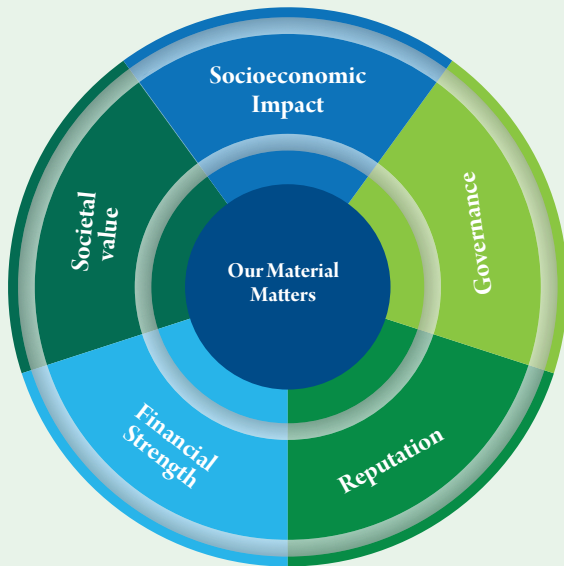
BUSINESS ENABLERS

Empowered by our core values:

- Comprising a diversified workforce of 400+ employees operating from our offices across Bangladesh
- Emphasis on developing talents and building a sustainable succession pipeline by upskilling through learning programmes

Empowered by our core values:

- Proactive customer engagement
- Distinguished financial partners
- Growing presence outside Bangladesh
- Reconstituted Board



SDGs WE IMPACT



OUTCOMES, 2023

HUMAN CAPITAL

- BDT 201.35 mn paid in salaries and employee allowances
- Revenue per employee rose by 23.35% YoY to BDT 20.97 mn

FINANCIAL CAPITAL

- Net profit of BDT 1,582 mn, up 17.59% YoY
- EPS up by 17.17% YoY to BDT 18.87
- ROE of 13.37%
- ROI of 1.71%

MANUFACTURED CAPITAL

- 4.58% reduction achieved in electricity and utility expenses
- Achieved expansion at HO
- Investment in IDCOL green building office tower that is expected to be completed by 2026

INTELLECTUAL CAPITAL

- Near to 100% of employees provided training
- BDT 1.6 mn invested in IT modernisation
- Automated bank-to-bank transfers through RTGS, thus enhancing efficiency
- 100+ employees with 10+ years of service record

SOCIAL AND RELATIONSHIP CAPITAL

- BDT 8.31 mn CSR spend
- Several projects and events conducted as part of CSR
- 1,159 trees planted
- BDT 24,929 mn new loans disbursed

NATURAL CAPITAL

- Mobilised BDT 3,806 mn in green and sustainable finance
- Significant impact achieved across various programs, including SHS, ICS, SIP, etc.

OUR CAPITALS

HUMAN CAPITAL

Fostering a winning team culture



Necessary inputs

- Meritocratic and performance-based culture
- Experienced and diverse Board and leadership team
- Employee engagement activities organised on continuous basis, such as annual retreat, offsites, etc.
- Focused on impact, transformation, local development and sustainability
- Drive for continuous process and efficiency enhancement

Challenges in securing these inputs

There are increasing competitive pressures in attracting and retaining top skills and diverse talent within the financial services sector. This pressure has been heightened by various issues, including changing skillsets needed for the complex and dynamic nature of the industry, new workplace dynamics and declining availability of certain skills compounded by emigration of talent from the country. The existing human resources of IDCOL have good reputation, skills and expertise in their respective domains, thus creating demand for these resources in the market, which will be difficult to retain. Yet, the company remains committed to preserve its talent through robust HR processes, practices, etc.



Actions to enhance capital

We continue to resource the company with a capable, engaged and productive workforce and are committed to ensuring career and professional security of those who work with us. Our activities and investments in attracting and retaining talent, providing a healthy, engaged and energising work environment, promoting employee training and development, ensuring fair people practices and encouraging local employment opportunities provide the foundation for optimising value creation. We are further bolstering our human capital through a focus on process automation, HRMS software implementation and SOP development.



Key trends

Workforce (nos)

2020	2021	2022	2023
426	423	411	403

Revenue / employee (BDT mn)

2020	2021	2022	2023
7.47	9.40	17.00	20.97



PEOPLE – OUR HUMAN CAPITAL

Everything we do depends on the wellbeing, skills, expertise, productivity, motivation and behaviour of our leadership team, employees and service providers.



Ideas and innovation



Rewards and compensation



Friendly work environment



Equal opportunity



Social and mental wellbeing

Key impacts, 2023

BDT 201.35 mn spent on employee salaries and allowances

BDT 0.2 mn invested in training and development

40 employees trained

Diversity: 89% men and 11% women in management grade

Augmented employee skillsets, wellbeing and development capabilities

Focused on enhancing employee engagement

Leadership and culture initiatives to support employees through the changing work environment

Mapping with the SDGs





FINANCIAL CAPITAL

Sustaining a robust fiscal profile



Key pillars of our financial capital

Specialist finance team



One-stop solutions provider in long-term financing



Industry leader in infrastructure, energy efficiency and renewable energy financing



Sound credit ratings – “AA-1” and “ST-1” with “Stable” outlook

Necessary inputs

- Financial judgement based on prudence, conservatism and long-term thinking
- Robust equity base with a 9.08% CAGR over last 5 years
- Borrowings diversification to broad-base fund sources and optimise credit cost
- Improve credit rating to enhance market standing and credibility
- Apply stringency in project analysis, borrower selection, financial modelling and credit surveillance
- Proactive recovery against defaults, with measures including frequent follow-ups, inspections, legal actions, monthly monitoring meetings and guidance from the Board

Challenges in securing these inputs

Sovereign credit ratings are an important parameter in guiding the credit decisions of international DFIs, multilateral agencies, etc. Further, Bangladesh is expected to graduate out of LDC status by 2026, thus necessitating recovery and acceleration in economic growth. Despite the extraneous challenges, IDCOL's fundamentals remain strong due to several factors such as longstanding relationships with reputed DFIs, availability of credit lines, specialist sectoral experience, etc. Further, significant rebuilding efforts required for getting the economy back on track makes it imperative for IDCOL to continue to utilise its experience and expertise in development finance for the benefit of the country.



Actions to enhance capital

Diversification of fund sources is an ongoing area of focus as we continue to strengthen our liability management program to drive efficiency in credit costs. We are also simultaneously appraising new financing opportunities in areas that are important for Bangladesh, for instance sectors engaged in the green transition and climate change. We are also putting concerted effort in capital allocation to ensure we meet our NIM expectations, especially amid an environment of rising credit costs. Reducing classified loans through accelerated recovery efforts is a sphere of focus too, directly stewarded by the Board and MANCOM.



Key trends

Total assets (BDT mn)

2020	2021	2022	2023
98,201	100,129	106,623	124,744

Total loans and advances (BDT mn)

2020	2021	2022	2023
79,127	75,142	74,026	92,022

Total disbursements (BDT mn)

2020	2021	2022	2023
21,944	5,800	9,200	24,929

Shareholders' equity (BDT mn)

2020	2021	2022	2023
9,229	10,095	10,945	11,826



VALUE CREATION: OUR FINANCIAL CAPITAL

Our financial capital is the lifeblood of IDCOL with its components collectively providing the foundation to ensure the company has sufficient capital and liquidity for operational sustenance and value creation.



Longstanding experience in financial re/structuring and closure



Demonstrated track record of commercial success in lending operations



Numerous revenue drivers, including from sale of carbon credits for certified projects and fee income from project financing, advisory services, etc.



Robust treasury operations with skilled team

Key impacts, 2023

BDT 11,826 mn shareholders' equity, registering a 9.08% 5-year CAGR

Total assets of BDT 124,744 mn, recording 8.24% 5-year CAGR

BDT 92,022 mn loan portfolio, showing a 7.54% 5-year CAGR

BDT 8,452 mn total revenue, exhibiting a 11.97% 5-year CAGR

BDT 1,582 mn net profit, showing a 3.5% 5-year CAGR

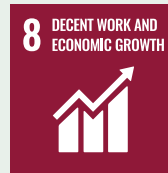
18.71% net profit margin, up from 15.21% in 2022

Cost-to-income of 7.49%

1.27% return on assets, maintaining pace with the last year

13.37% and 1.71% ROE and ROI, respectively

Mapping with the SDGs





MANUFACTURED CAPITAL

Advancing operational excellence



Key pillars of our manufactured capital

Centralised operations



Customised IT infrastructure



Pan-Bangladesh office footprint

Necessary inputs

- Robust office footprint that helps build a high-quality NBFi organisation
- Strong business processes and facilities that enable us to ensure smooth and streamlined operations
- Focus on strategic location of our office footprint that facilitates exploration of new opportunities that are conducive for long-term growth
- Centralised operations enable us to enhance efficiency and remain agile to customer and stakeholder needs

Challenges in securing these inputs

Due to the unique nature of our business and unconventional products and services, IT infrastructure development is quite challenging. However, our specialist IT team has developed indigenous MIS and modules customised to our requirements that help speed up operational processes. This apart, other functional units have also developed operational manuals and guidelines as per their own work patterns. Going forward, the company is working to adopt full-fledged CBS and HRMS systems to enhance enterprise digitalisation and attain higher efficiency.



Actions to enhance capital

We are continuously exploring automation and digitalisation to unlock operational gains that will help improve our processes, staff coordination and decisionmaking across our offices. For example, we are investing in process automation for CBS and HRMS. IDCOL green building tower is also under development that will further augment our office footprint. We will also ensure optimal utilisation of space to lower overhead costs, improve efficiency, etc. We also seek to ensure local hiring in all our staffing efforts, thus providing employment opportunities within our office catchment. Further, we provide equal opportunity to all, based on merit, qualifications and performance.



Key trends

Physical infra investment (BDT mn)

2020	2021	2022	2023
6.7	10.6	23.6	61.3

Investment in IT infra (BDT mn)

2020	2021	2022	2023
1.4	1.3	10.8	1.6



OFFICE FOOTPRINT – OUR MANUFACTURED CAPITAL

Our manufactured capital comprises our office infrastructure, including our HO in Dhaka and 17 regional offices that enable us to create an ecosystem that serves as the backbone of IDCOL's day-to-day operations.



Strong and unified processes and systems



Well-staffed operations



Key facilities in offices that provide staff convenience and comfort

Key impacts, 2023

Ongoing construction of IDCOL green building tower

4.58% reduction in utility and electricity expenses, demonstrating operational efficiency

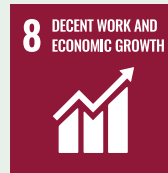
Investment in HRMS solution for process improvements, etc.

Significant investment in the development of Core Banking Solution (CBS) as part of process automation

Extension of head office area

SOP development for all departments that will ensure transparency and accountability

Mapping with the SDGs



INTELLECTUAL CAPITAL

Enhancing our competitive positioning



Key pillars of our intellectual capital

Reputation, goodwill and credibility



Specialist experience in development finance




Long-term project financing expertise and acumen in monitoring and advisory service throughout the project cycle

Necessary inputs

- Learning and training through prioritisation of staff development
- Code of conduct that sets behavioural and operating expectations
- Policies and processes that pre-empt any untoward incidents and guides disciplinary action against any defalcations or malpractices
- Reputation management through constant dialogue with stakeholders as well as through contingency planning

Challenges in securing these inputs

Managing operational continuity and protecting brand reputation are key against challenges. In this context, IDCOL continued to focus on execution against its organisational objectives. The company also activated contingency planning measures to ensure operational sustenance, while also maintaining dialogue with all stakeholders. This helped in further building organisational resilience and stakeholder trust.



Actions to enhance capital

IDCOL's brand identity is the most valuable intangible asset the company possesses. Historically, the brand identity is built on IDCOL being the country's premier NBF1 to operate in harmony with the needs and expectations of the nation. Today, the company stands as an inclusive organisation committed to support the development financial needs of the country. The success of IDCOL's unique model revolves around a strong culture of ethics and integrity, wherein all employees fully align with the code of conduct and all policies. Further, strong marketing activities and social media presence helps promote the company to a wider audience.



Our intellectual capital partners



Building a better working world



An S&P Global Company



INFOTECH LTD



reddot design award



KNOWLEDGE – OUR INTELLECTUAL CAPITAL

Our intellectual capital comprises our mostly intangible assets, including our knowledge and knowhow, reputation and market standing, processes and systems and culture and ethics that form the basis of our competitive positioning.



Longstanding track record and relationships with major global DFIs, etc.



Strong knowledge management activities



Effective marketing strategies

Key impacts, 2023

Automated bank-to-bank transfers through BD RTGS platform

e-KYC process that has enhanced efficiency

100+ long-tenured employees from various grades with service record of 10+ years

Almost 100% of the organisation was covered through learning and training programs

BDT 1.6 mn invested in IT systems upgrade and modernisation

17 awards received in the past 2 years, indicating external endorsement for various facets of the organisation

Mapping with the SDGs



SOCIAL AND RELATIONSHIP CAPITAL

Creating a conducive multi-stakeholder approach



Key pillars of our social and relationship capital

Trusted and reliable implementing agency of global development partners



Transparency, responsiveness and dialogue in stakeholder dealings

Necessary inputs

- Trust of our customers in our ability to cater to their requirements and expectations
- Faith of our financial partners in our ability to formulate well-judged capital allocation strategies and earning them a fair commercial return
- Belief of our employees in our collective efforts in finance-led impact creation
- Respect of the wider community through our social citizenship initiatives


Challenges in securing these inputs

Trust is the most important asset for a financial services company. While the trust of financial partners is anchored on judicious fund deployment, yield and recovery (in case of default), customer/implementation partner trust is contingent on the right financing model and reasonable cost of credit. Further, societal expectations are also high for corporates to cater to the basic needs of communities. IDCOL's pedigree and track record is a demonstration of its ability to serve the diverse needs of stakeholders, especially with the company's engagements and interventions being long-term in nature.



Actions to enhance capital

We provide right-fit and personalised solutions to our customers, which enable us to remain their partner in progress. Through this approach, we also contribute to the broader goals of the nation. We maintain a continuous and open dialogue with our financial partners, many of whom are distinguished globally. We strive to improve Bangladesh's reputation in the international community. We provide an inspiring work environment to our employees, encouraging collaboration and suitable R&R. We have several programs in social service too that address the basic needs of society, including healthcare, education, environmental protection, etc.



Key trends

New customers onboarded (nos)

2020	2021	2022	2023
22	10	18	23

CSR Expense (BDT mn)

2020	2021	2022	2023
3.49	4.65	10.75	8.31



CONNECTIONS – OUR SOCIAL AND RELATIONSHIP CAPITAL

Our social and relationship capital constitutes our customer relationships that serve as an enabler of business growth, as well as the ties with the wider community that fortify our reputation as a responsible corporate.



Culture of respect, diversity and inclusion in all aspects of our work



Feedback mechanisms



Open door policy for employees with a relatively flat organisational structure

Key impacts, 2023

BDT 8.31 mn CSR spend

15 projects and 12 events conducted as part of CSR activities

1,159 trees planted

7 financial partners who have been with IDCOL for 5+ years

46% growth in per employee operating profit contribution in past 3 years

BDT 24,929 mn new loans disbursed

Mapping with the SDGs



Our development partners





NATURAL CAPITAL

Ensuring responsible environmental stewardship



Key pillars of our natural capital

Alignment with the nation's objectives in clean transition

Specialist ability in financing renewable energy projects

Necessary inputs

- Culture of conservation in everyday actions
- Projects and programs, especially in our Renewable Energy and Energy Efficiency divisions, that actively contribute to environmental and natural conservation
- Commitment to integrate environmental sustainability in all lending decisions
- Focus on enhancing ESG impact through a structured approach

Challenges in securing these inputs

Climate action is a prioritised enunciation for many countries and governments of the world, yet there is little action on the ground. This is evident in the climate-related disasters seen in many parts of the world. Bangladesh is a signatory to the Paris Agreement that seeks to limit temperature increase. Though some action has been taken, yet the country has a long way to go. IDCOL is undertaking both internal and external efforts, comprising conservation awareness within the organisation, and externally through its projects such as Grid-tied Solar Energy Program, Solar Home System (SHS) Program, Solar Irrigation Program (SIP), Improved Cook Stoves (ICS) Program, etc.



Actions to enhance capital

IDCOL has approved the financing of 5 grid-tied projects totalling 209 MW capacity and is currently developing 1,065 MW projects expected to be installed with the company's financing participation within 2026. Further, under the Industrial Rooftop Program, IDCOL has a target to finance a total of 400 MWp by 2025. As part of the company's climate action and renewable energy activities, it has been declared the first accredited entity of GCF under which USD 256 mn credit line has been signed. The company has also been able to venture abroad in countries in Africa such as Malawi and Ethiopia to partner with the governments in renewable energy projects. This is a stepping stone in its international plans. Further, it is also exploring new and emerging areas, such as electric vehicles (EVs) financing, etc. Additionally, environmental conservation is a key pillar of the company's CSR activities and includes tree plantation programs, etc.



Key trends

Renewable Energy loan portfolio (BDT mn)

2020	2021	2022	2023
16,437	16,020	13,794	17,244

% of total loan portfolio

2020	2021	2022	2023
20.77%	21.32%	18.63%	18.74%

Energy Efficiency loan portfolio (BDT mn)

2020	2021	2022	2023
8,117	12,161	15,670	21,681

% of total loan portfolio

2020	2021	2022	2023
10.26%	16.18%	21.17%	23.56%



CONSERVATION – OUR NATURAL CAPITAL

Whilst making continuous progress towards our environmental impact, we strive to lead by example in presenting ourselves as a responsible environmental steward.



Mass reach through
program partners



Strong relations with DFIs
focused on climate and ESG funds

Key impacts, 2023

4.13 mn units installed under Solar Home System Program, replacing 11 mn kerosene lamps equivalent to 3.31 mn tons (MT) of kerosene

1,523 pumps installed under Solar Irrigation Pump Program, replacing 16,806 diesel pumps corresponding to 48,736 tons CER (CO₂)/GHG emissions reduction per year

4.05 mn cookstoves installed under Improved Cook Stove Program, saving 7.7 MT of fuel wood per year, reducing CO₂ emissions of 6.1 MTPA

67,954 units installed under Biogas and Bio-fertilizer Program, saving 65,000 tons of firewood each year or 264,270 tons CER (CO₂)/GHG emissions reduction per year

25 units installed under Rooftop Solar Program, equivalent to 43.23 MWp electricity generation or 13,489.25 tons CER (CO₂)/GHG emissions reduction per year

26 units installed under Solar Minigrid, enabling 29,300 tons of CO₂ reduction

50 energy-efficient projects financed till date; BDT 1,406 crore in energy efficient equipment

Mapping with the SDGs

3 GOOD HEALTH AND WELL-BEING



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION

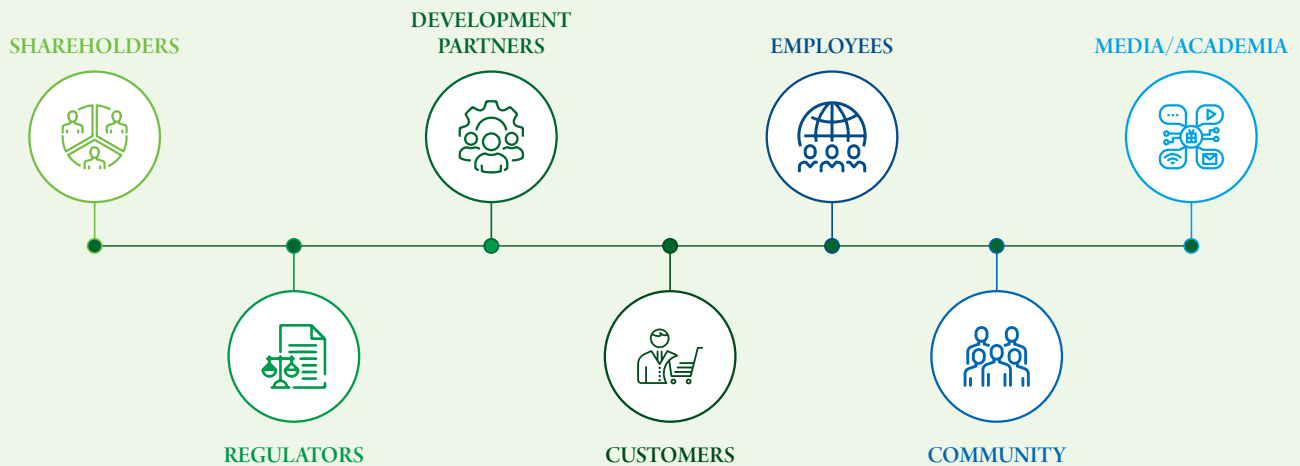


STAKEHOLDER ENGAGEMENT

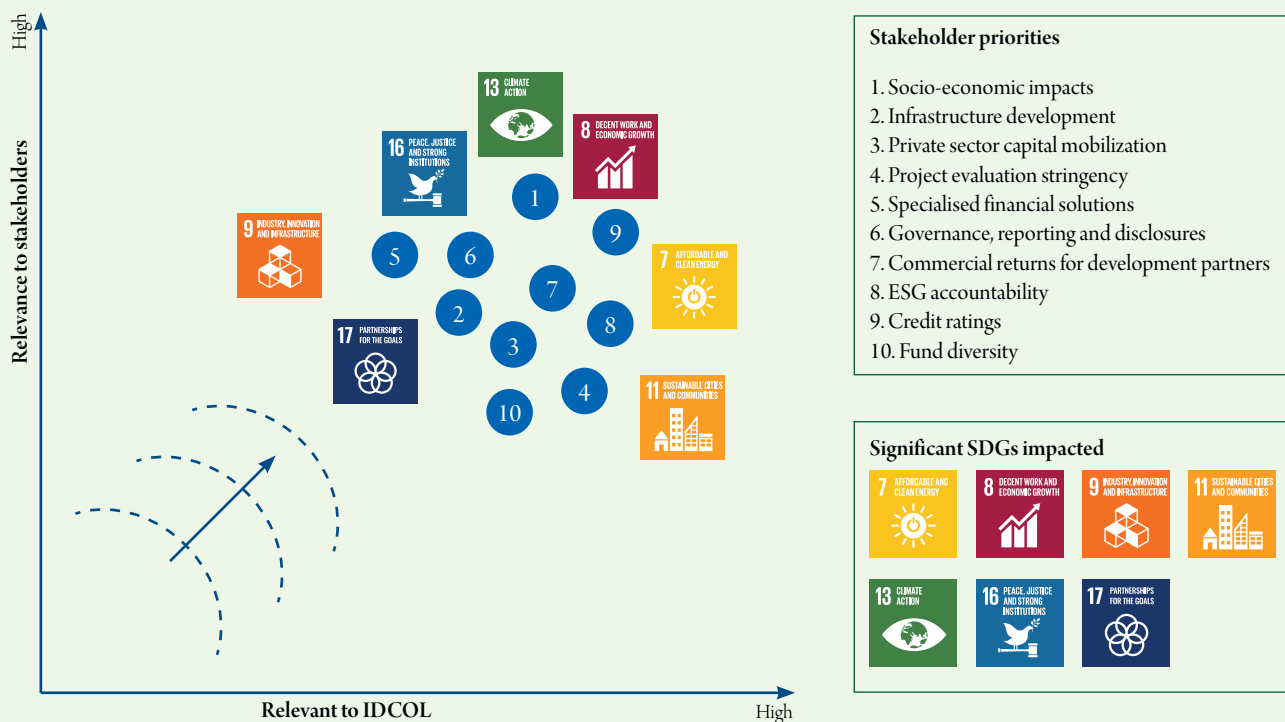
At IDCOL, in keeping with our approach to responsible business conduct, we strive to enhance our relationships with external and internal stakeholders. Through these engagements, the company seeks to understand evolving stakeholder priorities amidst the backdrop of

the rapidly changing macroeconomic environment. This ensures that expectations and concerns are integrated into the company's strategy, operations and forward plans in order to ensure sustained value creation for all stakeholders over time, including the short, medium and long term.

IDCOL's Key Stakeholders



Stakeholder Engagement Approach





SHAREHOLDERS

As a public sector DFI, IDCOL's principal shareholder is the Economic Relations Division (ERD), Ministry of Finance, Government of Bangladesh, accounting for 99.99% stake in the company.

Methods of Engagement

- Annual General Meeting (AGM)
- Annual Report
- Operational/ project updates
- E-mail
- Website
- Board and committee meetings
- Offsites

Key Expectations

- Capital position
- Risk and governance framework
- Board composition
- Source and cost of funds
- Portfolio quality
- Self-sustaining financial model

IDCOL's Response

- Proven business model with established growth strategy
- Continuous deposit of tax to govt. exchequer
- Low-cost borrowings
- Market leader in infrastructure and renewable energy financing
- Strong corporate governance

Value Created in 2023

- BDT 124,744 mn total assets
- BDT 92,021 mn total loans and advances
- 1.27% return on assets
- 1.71% return on investment
- 13.37% return on equity
- BDT 1,648.72 mn tax deposited to govt. exchequer

IDCOL's overall contribution to the National Economy:



14,390 Mn

Income Tax Payment



8,029Mn

Stock Dividend



3,710 Mn

Cash Dividend

SDGs IMPACTED



REGULATORS

IDCOL is a Government-owned Non-Bank Financial Institution (NBFI) owned by the Economic Relations Divisions (ERD) of the Ministry of Finance (MoF), regulated and licensed under Bangladesh Bank. The company is also under the jurisdiction of Large Taxpayers Unit of the National Board of Revenue (NBR).

Methods of Engagement

- Directives and circulars
- Audits and inspections
- Annual Report
- Regulatory submissions
- Meetings and discussions

Key Expectations

- Organisational stability
- Governance compliance
- Mandatory filings
- Capital position
- AML/CFT disclosures

IDCOL's Response

- Conducting business in compliance with all applicable regulatory requirements
- Going beyond compliance to embrace best practices in operations
- Received highest tax-payer award under NBFI category in FY2013-14, FY2014-15, FY2016, FY2017, FY2018, FY2020, FY2021, FY2022 and FY2023

Value Created in 2023

- Fulfilled all disclosure requirements
- Compliant with all regulatory requirements
- BDT 1,648.72 mn tax deposited to govt. exchequer

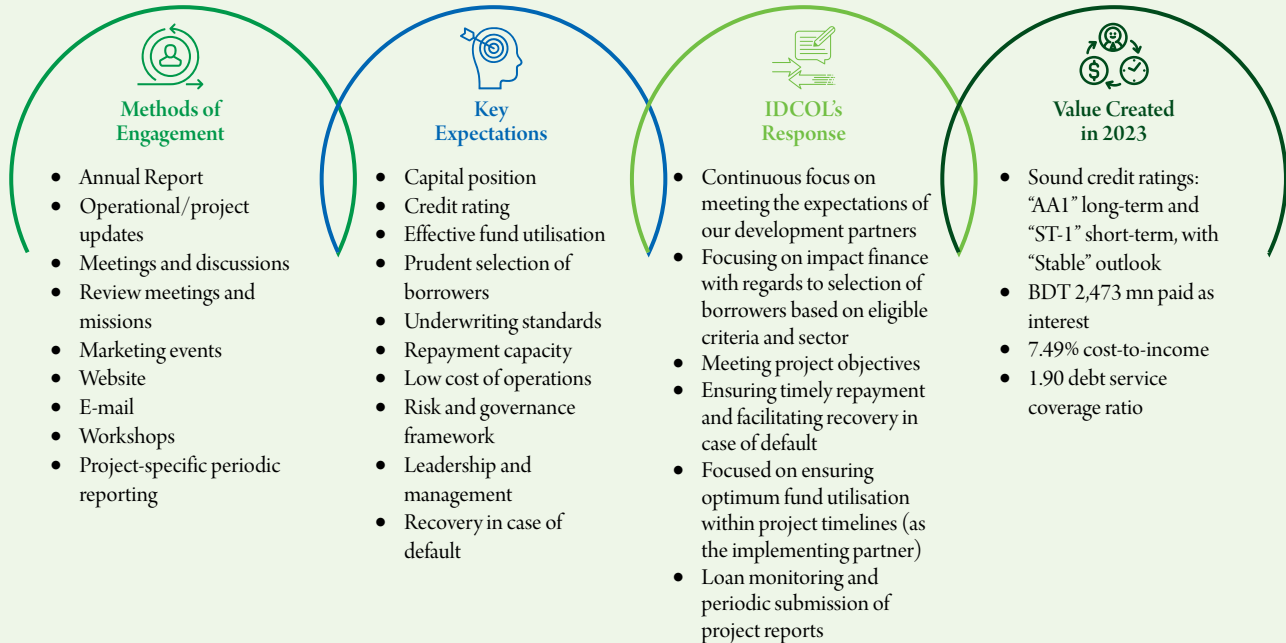
SDGs IMPACTED





DEVELOPMENT PARTNERS

IDCOL has strong relationships with major global development partners comprising multilateral development banks and development financial institutions. IDCOL's funding is derived from both sovereign and non-sovereign sources. Funding from sovereign is from GoB via MoF under which IDCOL enters into separate subsidiary loan agreement and subsidiary grant agreement with ERD under MoF. For non-sovereign sources borrowing, IDCOL enters into direct financing agreements with relevant development partners.

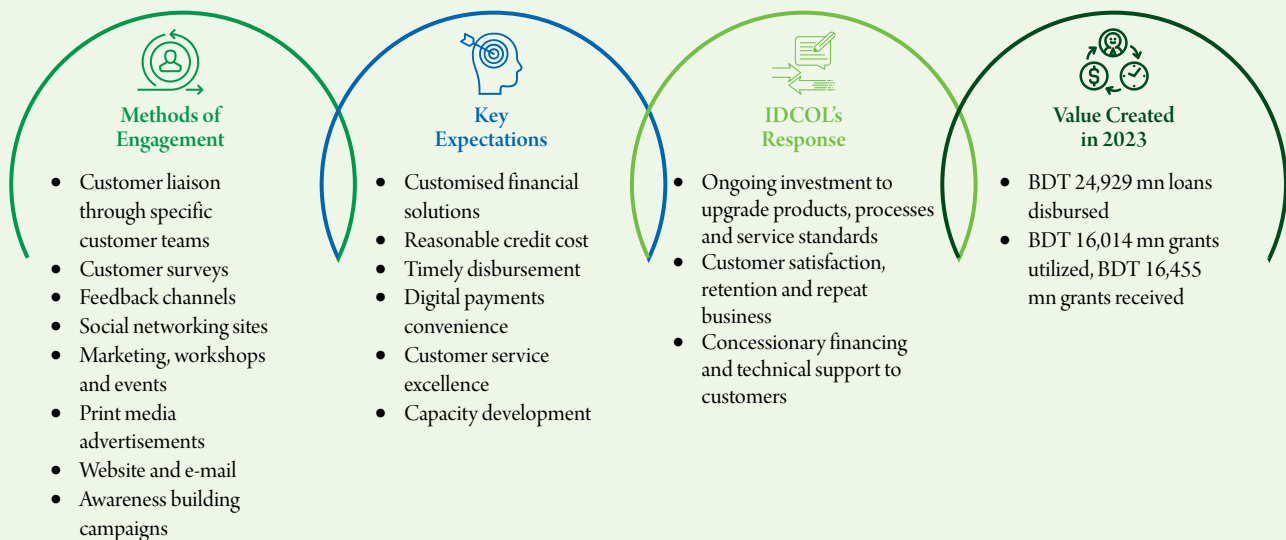


SDGs IMPACTED

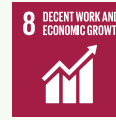


CUSTOMERS

IDCOL's customer base consists of those in the core sectors of the economy, such as RMG, textiles, power & energy, cement, telecom, utilities, hotels & hospitality, pharmaceuticals, etc. The company's customers also comprise non-government organizations, micro-finance institutions, societies, foundations, private entities, etc.



SDGs IMPACTED



EMPLOYEES

IDCOL's 403 strong employee base comprise specialist teams with deep domain expertise. They are instrumental in enabling the company to meet its goals and objectives.

Methods of Engagement

- Team meetings and briefings
- Management meetings
- Performance appraisals
- Internal communications
- Training activities
- Rewards and recognition (R&R)
- Company events, such as team-building programs, offsite meetings, annual retreat, townhall, festival celebrations, etc.

Key Expectations

- Culture and diversity
- Professional development opportunities
- Career stability
- Benchmarked compensation and rewards
- Exposure to challenging projects and growth opportunities
- Equal and fair opportunity

IDCOL's Response

- Impact financing facilitates social development
- Deliver on employee expectations to safeguard their financial well-being and strengthen their commitment.

Value Created in 2023

- 32 new recruits
- BDT 15 mn performance bonus
- Employee engagement events, including annual retreat and offsite events
- 29 employees promoted to senior positions/ designations

SDGs IMPACTED



COMMUNITY

Cognisant of our social responsibility, our community sphere comprises key interest groups, vulnerable communities and the society at large.

Methods of Engagement

- CSR initiatives
- Employee volunteering
- Customer awareness programs
- Advertisements
- Marketing campaigns
- Print media

Key Expectations

- Assistance to solve specific challenges
- Continuous support to vulnerable communities
- Expectation of high standards of conduct in all community activities
- Environment and socially responsible financing

IDCOL's Response

- Meeting the needs of the society at large
- Focus on impact financing as a cascading positive effect on proximate communities
- Responsible ESG financing

Value Created in 2023

- BDT 8.31 mn spend in CSR activities
- Scholarship provided to 26 students and 33 athletes.
- 414 persons got vaccinated for Hepatitis-B
- 1,159 trees planted throughout the year
- 5 houses were financed under Ashrayan 2 project.



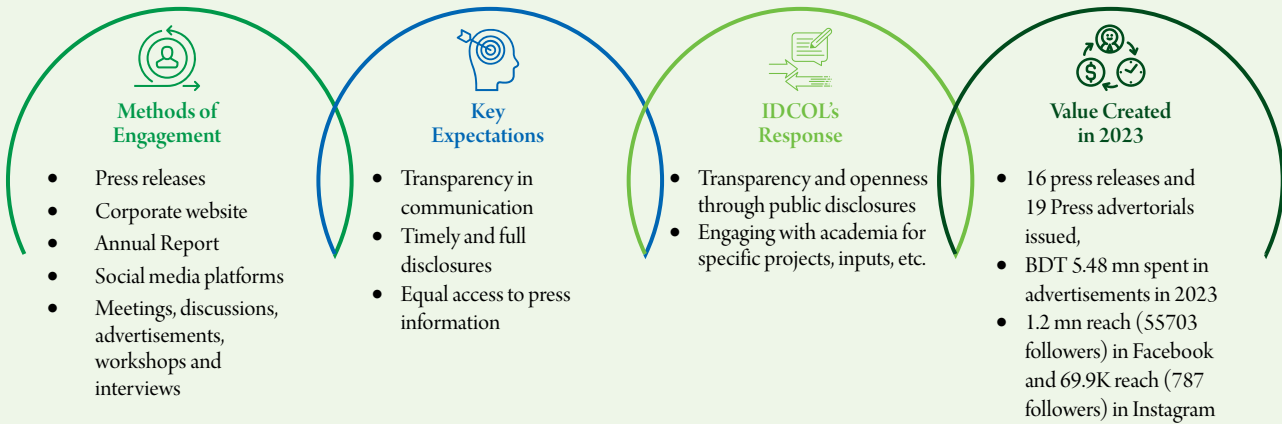


SDGs IMPACTED



MEDIA/ACADEMIA

We have positive relations with the media and other press agencies and also distinguished members of the academic world.



SDGs IMPACTED

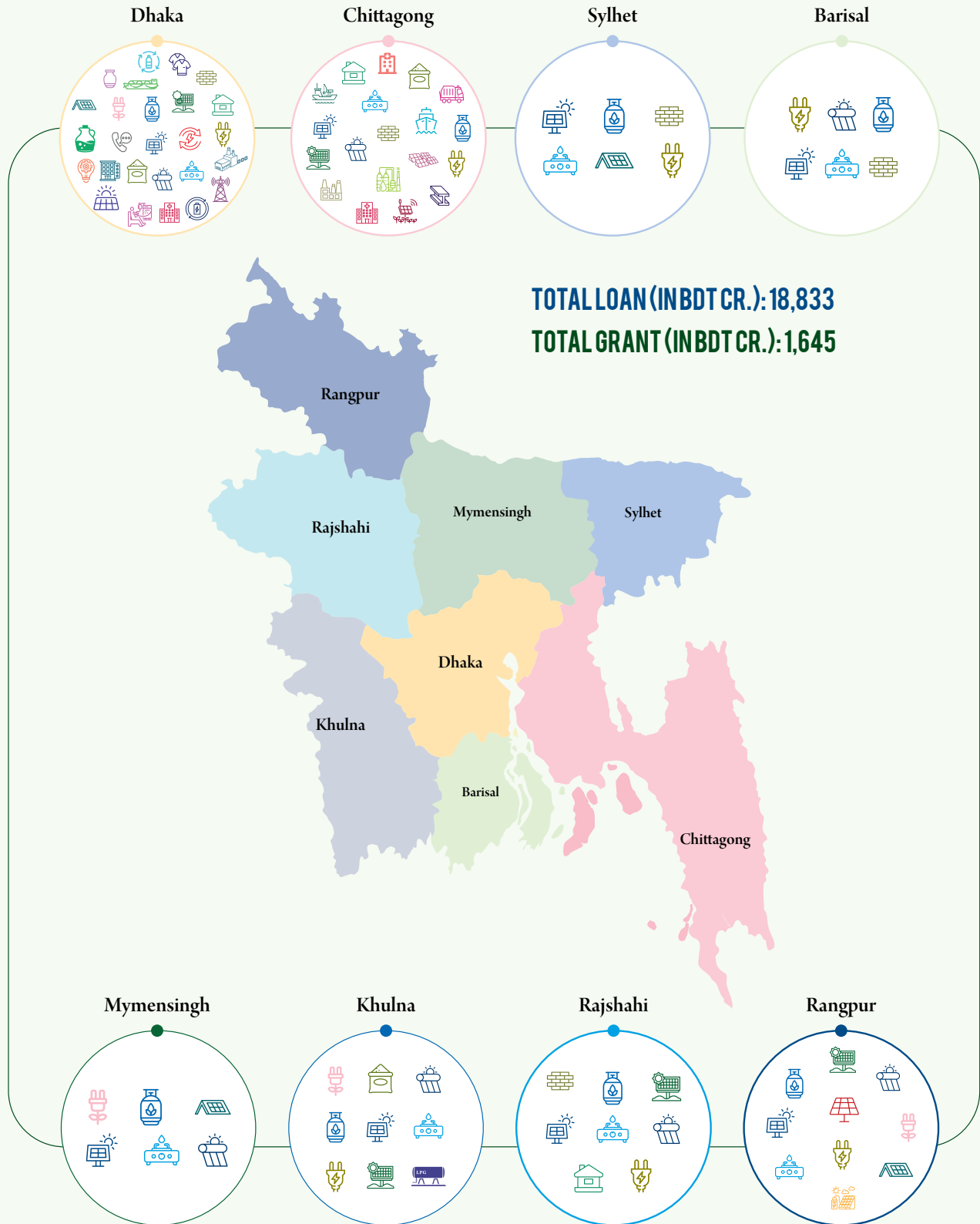


TOGETHER FOR TOMORROW

Financing Sustainable & Inclusive Growth



OUR FOOTPRINT



□ No. of Plants / Projects □ Disbursement Amount (in Cr.)

Programs & Projects	Divisions																	
	Barishal		Chattogram		Dhaka		Khulna		Mymensingh		Rajshahi		Rangpur		Sylhet		Total	
Solar Home Systems (SHS)	691,905	762.66	930,281	1,020.51	745,052	816.38	361,249	396.20	356,034	286.22	261,270	295.17	268,464	576.59	522,117	391.29	4,136,371	4,545.03
Improved Cook Stoves (ICS)	100,796	7.52	151,195	11.28	266,477	19.88	951,085	70.96	178,428	13.31	1,336,994	99.76	880,154	65.67	189,629	14.15	4,054,758	302.54
Biogas	586	0.70	6,192	7.36	15,905	18.91	11,452	13.61	8,972	10.67	11,747	13.96	10,968	13.04	2,132	2.53	67,954	80.78
Battery Recycling	-	-	-	-	1	19.27	-	-	-	-	-	-	-	-	-	-	1	19.27
Solar Grid-tied	-	-	-	-	-	-	-	-	-	-	-	-	2	394.14	-	-	2	394.14
Solar Irrigation Program (SIP)	-	-	2	0.11	5	0.47	453	65.31	-	-	127	12.80	936	128.76	-	-	1,523	207
Bio-electricity	-	-	-	-	1,010	25.20	30	0.31	350	4.47	-	-	500	11.16	-	-	1,890	41.14
Solar Mini-grid (SMG)	5	18.13	3	7.84	7	14.08	1	2.29	1	2.64	6	13.78	3	6.04	-	-	26	64.80
Solar Rooftop (SRT)	-	-	1	30.12	19	200.46	-	-	3	12.23	-	-	1	14.20	1	7.05	25	264.06
Auto Brick Kiln	1	38.42	1	15.14	3	75.44	-	-	-	-	2	15.59	-	-	1	47.73	8	192.33
Cement	-	-	1	73.40	3	700.38	1	285.94	-	-	-	-	-	-	-	-	5	1,059.72
Economic Zone	-	-	-	-	3	420.98	-	-	-	-	1	72.50	-	-	-	-	4	493.48
Port	-	-	1	125.45	1	213.25	-	-	-	-	2	8.68	-	-	-	-	4	347.38
Power & Energy	365	925.94	621	1,312.78	1,388	2,074.60	215	159.34	-	-	124	385.41	151	757.92	265	509.00	3,129	6,124.99
Garments	-	-	-	-	8	731.22	-	-	1	40.58	-	-	-	-	-	-	9	771.80
Telecommunication	-	-	-	-	10	938.42	-	-	-	-	-	-	-	-	-	-	10	938.42

Programs & Projects	Divisions Chattogram	
	Solar BTS	4
Steel & Rerolling Mills	2	674.96

Other major footprints:

Dhaka					
CNG Refuelling	1	3.29	Dialysis Center	1	8.98
Bottle Recycling	1	25.42	Electrical & Electronics Manufacturing	2	39.61
LNG	1	50.00	Solar & Light Manufacturing	1	50.00
Commercial Building	1	91.28	Pharmaceuticals	1	150.00
Ceramics	1	162.46	Edible Oil	1	246.52
Educational Institution	1	450.00			

Chattogram					
Dredging	1	7.00	Hospital	1	21.31
Waste Management	1	26.18	Petroleum Refinery	1	71.42
Shipping Company	1	400.00			

Khulna	
LPG	1 90.00

Sylhet	
Glass Industries	1 196.22

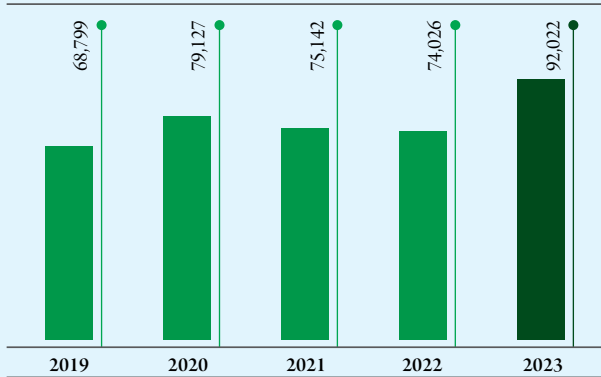
PROGRAMS AND PROJECTS OF IDCOL

IDCOL promotes and finances a diverse range of projects and programs to help ensure economic development of the country and improve the standard of living of the people through sustainable and environment-friendly investments. The aim is to catalyze and optimize private sector participation in promotion, development, and financing of infrastructure, renewable energy and energy efficient projects in a sustainable manner. Apart from that, IDCOL offers a diverse range of financial and advisory products in its core business areas along with extending grant and/or commercial/concessionary credit, advisory services and capacity development.

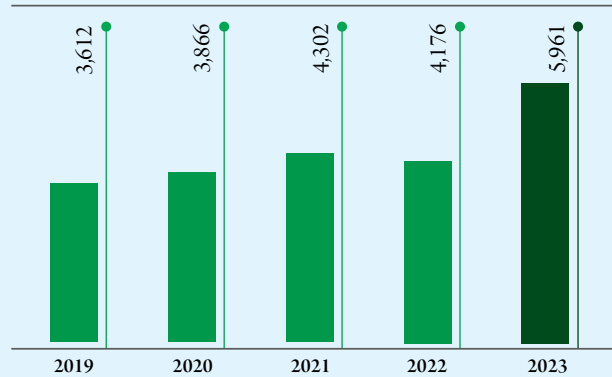
Business Areas



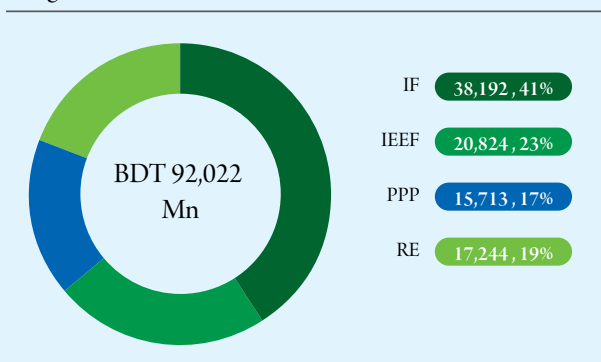
Loan Portfolio (in BDT Mn)



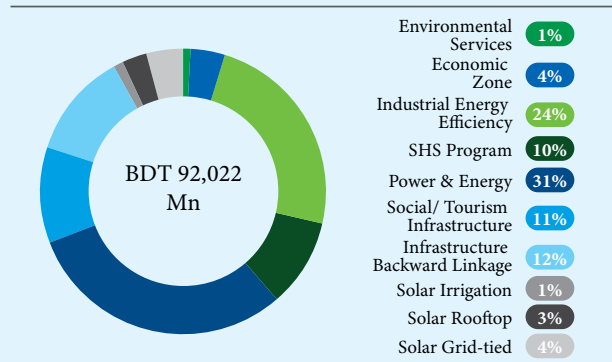
Interest Income (in BDT Mn)



Program-wise Loan Portfolio



Sector-wise Loan Portfolio



Unfolding Our Blueprint



INVESTMENT DEPARTMENT



Long-term Local & Foreign
Currency Loans



Short-term Local
Currency Loans



Debt and Equity
Arrangement



Agency Operations

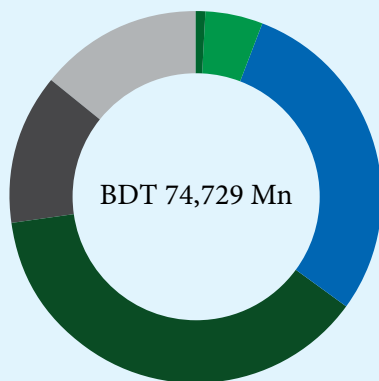


Concessional & Market-based
Financing



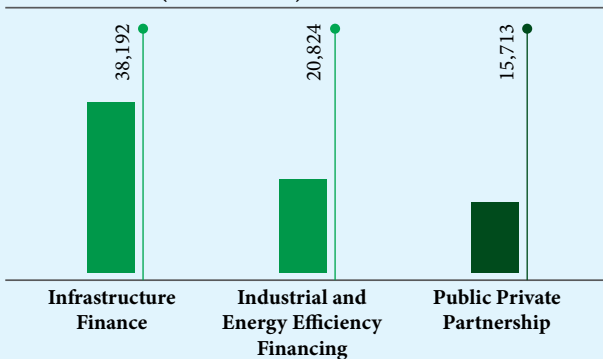
Capacity Building

Sector-wise Portfolio

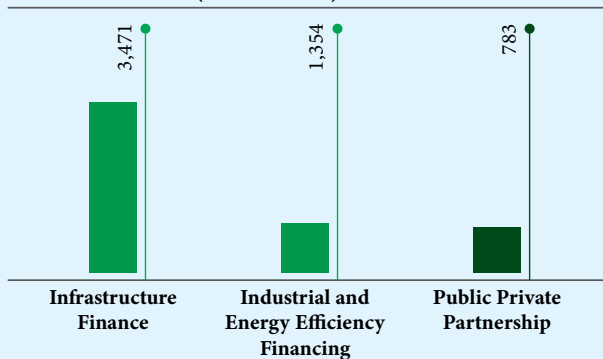


Environmental Services	1%
Economic Zone	5%
Industrial Energy Efficiency	29%
Power & Energy	38%
Social/ Tourism Infrastructure	13%
Infrastructure Backward Linkage	14%

Loan Portfolio (in BDT Mn)



Interest Income (in BDT Mn)



INFRASTRUCTURE FINANCE

Financing Large to Medium Scale Infrastructure Projects



113 MW HFO fired power plant of Confidence Power Bogura Ltd.

Key Focus Sectors



Power & Energy



Ports



ICT & Telecom



Roads & Bridges



Social
Infrastructure



Infra Backward
Linkage

SDGs Covered



Key Portfolio Highlights

USD 830M

Total Investment

42%

of IDCOL's Total Loan Portfolio

BDT 38,192M

Total Loan Portfolio

USD 1,020M

Total Syndication Arrangement

50

Projects Financed Till Date

USD 993M

External Infrastructure Credit Line

6.07%

Non-performing Loans

FY 2023 in Numbers

4

PROJECTS FINANCED

507 cr.

TOTAL DISBURSEMENT

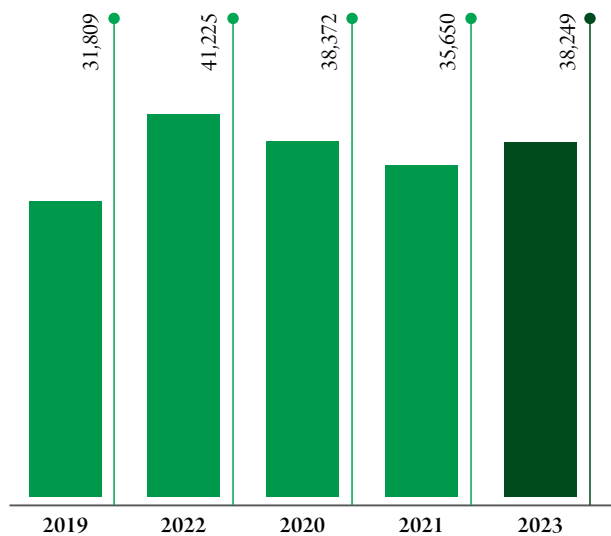
USD 50 Million

TOTAL FINANCING APPROVAL

USD 63 Million

TOTAL SYNDICATION ARRANGEMENT

Loan Portfolio (in BDT Million)



PUBLIC-PRIVATE PARTNERSHIP

Partnering for Progress and Growth



Environment Friendly Steel Manufacturing Plant of BSRM Steels Ltd.

Key Focus Sectors



Infra Backward Linkage



Economic Zone



ICT & Telecom



LNG Terminals



Social Infrastructure



Power & Energy

SDGs Covered



Key Portfolio Highlights

USD 177MTotal
Investment**17%**of IDCOL's
Total Loan Portfolio**BDT 15,835M**Total Loan
Portfolio**BDT 6,980M**Total Syndication
Arrangement**15**Projects Financed
Till Date**USD 993M**External Infrastructure
Credit Line**Nil**Non-performing
Loans

FY 2023 in Numbers

5

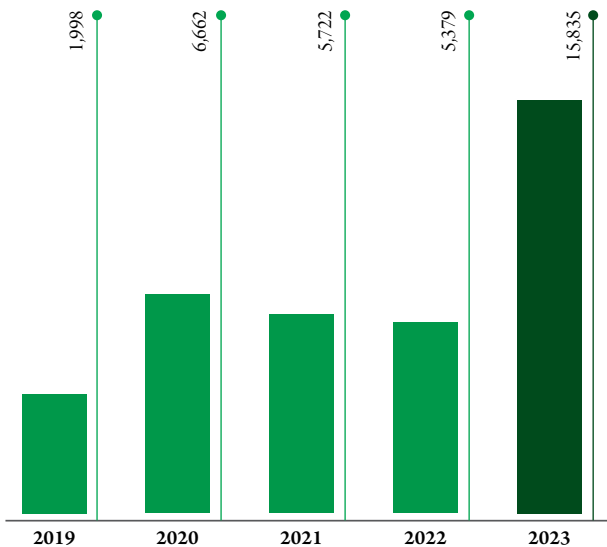
PROJECTS FINANCED

BDT 1,115 cr.TOTAL
DISBURSEMENT**BDT 78 Cr.**

INTEREST INCOME

BDT 420 Cr.FINANCING APPROVED
FOR 2 PROJECTS

Loan Portfolio (in BDT Million)



INDUSTRIAL AND ENERGY EFFICIENCY

IDCOL is supporting the GoB's target of achieving 20% energy conservation by 2030 compared to the 2013 level



New Campus of BRAC University located at Progati Sarani, Merul Badda, Dhaka

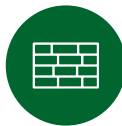
Key Focus Sectors



EE Equipment



Green Building



Green Bricks



Social Infrastructure



Power & Energy



Ports

SDGs Covered



7 AFFORDABLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION

Key Portfolio Highlights

USD 286MTotal
Investment**23%**of IDCOL's
Total Loan Portfolio**BDT 20,824M**Total Loan
Portfolio**4%**Portfolio
CAGR**BDT 1,406 cr.**Financed in EE Equipment
Till Date**50**Projects Financed
Till Date**USD 440M**External Energy Efficiency
Credit Line

FY 2023 in Numbers

3

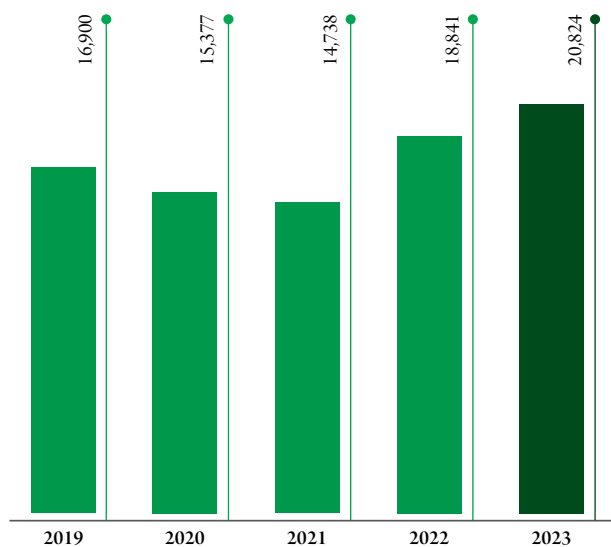
PROJECTS FINANCED

BDT 428 cr.TOTAL
DISBURSEMENT**BDT 135 Cr.**

INTEREST INCOME

BDT 210 Cr.FINANCING APPROVED
FOR 2 PROJECTS

Loan Portfolio (in BDT Million)





NOTABLE ACHIEVEMENTS

Financed Installation of 31% Private Sector Electricity Generation



IDCOL has supported in achieving the GoB's vision of Electricity for All by 2021. IDCOL has till date approved financing for 31 private sector power projects and captive projects with an aggregate installed capacity of 3,891 MW. IDCOL has facilitated the installation of 31% of the country's total private sector electricity generation capacity by investing equivalent to USD 625 million in both USD and BDT loans.

BDT 2,082 crore current loan portfolio of IEEF in 39 projects with BDT 1,406 crore financed in Energy Efficiency Equipment

The three key segments of Industrial and Energy Efficiency Financing comprising Energy Efficiency Equipment (EEE), Green Brick Program and Green Building total to BDT 2,082 loan portfolio under 39 projects which is 23% of IDCOL's total loan portfolio as on 31 December 2023.

A relatively new focus segment of IDCOL, energy-efficient equipment financing is growing rapidly with around BDT 1,406 crore financing extended to different industrial sectors.



IDCOL has financed its 1st Green Building project, also the 1st financing in the real estate sector, an energy efficient commercial building titled "FORUM" developed by Shanta Holdings Ltd. During FY 2022, IDCOL also approved BDT 450 crore as credit facility for financing its 1st green building project in the social infrastructure sector which is being implemented by BRAC University. IDCOL disbursed BDT 250 crore for procurement of energy efficient equipment and development of civil structures for the new campus of the university located in Progoti Sarani, Dhaka during FY 2023.

IDCOL extended financing of more than BDT 772 crore in 9 projects to spinning, textile and RMG sector to promote use of energy efficient equipment under JICA, AFD and GCF credit lines . The financing of energy efficiency equipment contributes to 10,129/year ToE Savings and 35,968 MWH/year energy savings every year.



To support the government's initiative to gradually replace the country's polluting FCK based brick sector with energy efficient and environment friendly ones, IDCOL launched its 'Green Brick Program' in 2013 for setting up modern brick kilns using latest state of the art technology. Since then, IDCOL has been providing long term concessionary financing to encourage potential sponsors to set up environmentally friendly brick kilns.



In this regard, IDCOL approved around BDT 224 crore in financing for 7 tunnel kiln and 1 HHK brick projects, with an aggregate daily production capacity of 1.14 million bricks. Till date, more than BDT 192 crore financing has been extended in the sector. IDCOL has also collaborated with Frankfurt School of Finance & Management GmbH (Frankfurt School) under the project, 'Technical assistance (TA) for Financing Brick Kiln in Bangladesh' supported by United Nations Environment Program (UNEP) through funding from the Climate and Clean Air Coalition (CCAC).

Supporting the replacement of Traditional Ball Mills with Energy Efficient Vertical Roller Mills (VRM) in Cement Sector



IDCOL, to date, has provided financing of more than BDT 1,060 crore in 5 projects to support the replacement of traditional ball mills with energy efficient VRM and Clinker Feeding Systems in Cement sector under JICA and AFD credit lines as well as Company Fund.

More than BDT 1,500 crore to Infrastructure Backward Linkage Industries



IDCOL expanded its investment horizon to include infrastructure backward linkage projects. IDCOL has financed the procurement of 20 marine cargo vessels with an aggregate capacity of 3500 MT, the establishment of a 4,30,248 MT per annum production capacity billet manufacturing plant and light engineering, ceramic and cement projects. IDCOL has also approved BDT 500 crore in financing for the production capacity expansion of a leading steel manufacturing company.

Extended USD 116 million Investment to ICT & Telecom Sector



ICT & Telecom sector has received IDCOL's 3rd highest investment among infrastructure sectors with an aggregate investment of equivalent to USD 116 million in both BDT and USD loans. IDCOL has extended financing to mobile telecom & PSTN operators; NTTN, ANS, BWA, IGW and ICX service providers etc.

Supported Port Projects with 22% Export Container Handling Capacity



IDCOL extended financing to the 1st private sector land port and river port of the country. Port projects financed by IDCOL cumulatively handles 268,000 TEUs export container capacity per annum. This accounted for 22% of the total annual export container capacity of the country during the time of financing.

More than BDT 600 crore financing approved for 4 Economic Zones



IDCOL has set its footprints in a new sector- Economic Zones (EZ) by approving an aggregate financing of BDT 600 crore to 4 EZs – including the country's largest private sector EZ. IDCOL has extended a cumulative financing of BDT 494 crore to this sector till date.

Presence in the Hotel and Tourism Sector with BDT 500 crore investment



IDCOL diversified its portfolio and made investment exceeding USD 30 million (20 million in USD and 3000 million in BDT) towards the establishment of two 5-Star hotels in Dhaka with a view to promoting the hotel and tourism sector.

Invested in country's 1 of the only 2 Offshore LNG Terminals



IDCOL invested in 1 of the only 2 offshore LNG Terminals of the country with a capacity of 500 MMCFD (million cubic feet per day) in Maheshkhali, Cox's Bazar. In gas and other fuel related infrastructure, IDCOL has also financed the largest private sector petroleum refinery plant with a 10,000 barrel per day refining capacity and a 7,000 MT LPG storing and bottling plant.

Provided financing in Healthcare Sector



IDCOL financed the 1st Healthcare PPP project that provides low-cost dialysis services to the underprivileged and affordable dialysis to general patients. IDCOL also provided BDT 150 million financing for the establishment of a tertiary hospital in Chattogram.

FY 2023 IN FOCUS



Agreement signing ceremony between BSRM Steels Ltd. and Syndicate Partners to support the expansion of an environmentally friendly steel plant at Mirsharai, Chattogram. The total facility amount is USD 108 million syndicated term loan facilities and BDT 8000 million bilateral term loan facilities. IDCOL is the largest BDT lender in the loan facility, approving a financing of BDT 5,000 million and providing financing of BDT 3,750 million as of 31 December 2023.



IDCOL extended \$20 million long-term loan to Dhaka RAD Elevated Expressway Company Limited (DREECL), an SPV (Special Purpose Vehicle) formed to implement the PPP project Improvement of Hatirjheel (Rampura Bridge)-Shekherjaiga-Amulia-Demra Road (with link to Tarabo and Chittagong Road). The signing ceremony was hosted by AIIB in its headquarters in Beijing. The total cost of the project is estimated to be USD 261 million, of which USD 193 million will come from the syndication of IDCOL, AIIB, Bank of China and DBS Bank.



Disbursed BDT 250 crore to BRAC University of BDT 450 crore approved for its new campus located at Merul Badda area



IDCOL approved USD 35 million term loan facility to Karim Tex Ltd. for setting up an export-oriented spinning mill at Kalampur, Dhamrai, Dhaka. IDCOL disbursed USD 21.5 million in the project in FY 2023.



IDCOL extended BDT 350 crore loan to Premier Cement Mills PLC to expand their capacity through a VRM facility



Disbursed BDT 196 crore loan to Akij Glass Industries to set up a 510 MT/per day glass manufacturing facility at Hobiganj



FY 2023 IN FOCUS



Approved \$20M loan to Vintage Denim Apparels Ltd., a LEED Gold Certified RMG factory



IDCOL organized an event titled “New Financing Solutions for Energy Efficiency Interventions” on 19 February 2023 highlighting new financing solutions for energy efficiency interventions. In addition to long-term concessional BDT loans, IDCOL will be able to offer long-term fixed-rate EURO and USD loans in association with KfW and GCF. Representatives from the Central Bank, KfW and various local industries were present in the event. IDCOL has already financed/approved more than Tk 2,500 crore in RMG, textile, cement, steel, and commercial/industrial building sectors for energy efficient machinery and equipment.



Disbursed BDT 200 crore loan to Bengal Hotels & Resorts Ltd. to develop a 26-storied hotel in Dhaka



IDCOL approved financing of BDT 172.50 crore to Sirajganj Economic Zone, the largest private sector economic zone with 1035.93 acres of land. It is expected to be one of the largest manufacturer’s hub in Bangladesh creating jobs for more than 500,000 people. Its enhanced connectivity to the northern part of the country by road, river, rail, and air links and neighboring countries like India, Nepal, and Bhutan by the Burimari, Hili, and Banglabandha land ports makes it the most lucrative green economic zone in the country.

FY 2023 IN FOCUS



IDCOL extended BDT 150 crore loan to Acme Laboratories for financing procurement of EE equipment



IDCOL extended BDT 80 crore loan to Bay Economic Zone Ltd., a concern of Bay Group



Disbursed BDT 65 crore loan to Crown Cement PLC to set up their 6th production unit at Munshiganj



Extended BDT 62 crore loan to Esquire Knit Composite PLC for their energy efficient capacity expansion

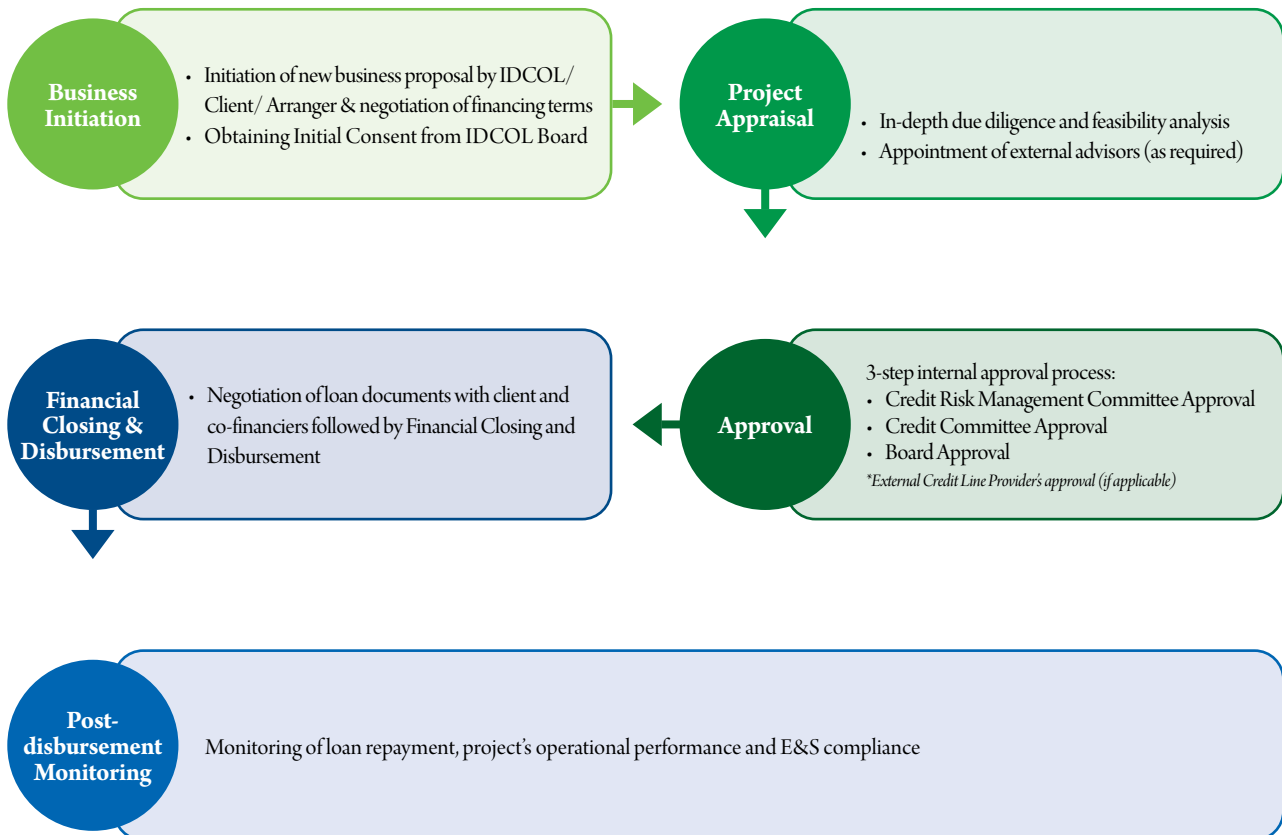


IDCOL approved BDT 70.00 crore term loan facility to finance the expansion of the denim production capacity of Denim Expert Limited at Karnaphuli EPZ, North Patenga, Chattogram.

Business Model: Infrastructure, Industrial & Energy Efficiency & PPP

Infrastructure and PPP projects of IDCOL are financed by the three business units of the Investment Department - Infrastructure Finance (IF), Public Private Partnership (PPP) and Industrial & Energy Efficiency Finance (IEEF). These units work independently with individual focus

areas but has a unified target of facilitating financing of infrastructure & PPP projects in the country. Both external infrastructure credit lines and own funds are utilized for financing the eligible projects as per IDCOL's Lending Policy.



A new financing proposal is initiated through the interaction between IDCOL and Client/ Arranger. IDCOL negotiates the key financing terms with the Client for eligible projects and obtains Initial Consent from its Board. All the project proposals go through stringent in-house appraisal with third-party advisors appointed as required to help assess the feasibility of a project. Once the due diligence is completed by the business unit, a project has to pass through a three-tier internal approval process. Once all approvals are obtained, the loan agreements are negotiated with the client which is followed by financial closing and disbursement. For projects that are financed utilizing external credit lines, it might be required to obtain an additional approval from the credit line provider. IDCOL monitors the performance of the loans post-disbursement - especially to ensure regular loan repayment and compliance with environmental and social standards.

Diversifying the Investment Portfolio.

The loan portfolio of investment segment stood at over BDT 53.90 billion as of December 2023 – contributing around 59% of the organization's total loan portfolio. The portfolio composition has been historically skewed towards the power sector – representing IDCOL's expertise in power project financing. However, in recent years IDCOL has been focused on diversifying its portfolio by adding new sectors to minimize concentration risk. Apart from power, IDCOL has successfully included social infrastructure, hotel and tourism, economic zones, gas & other

fuel-based infrastructure, infrastructure backward linkage - sectors to its portfolio mix.

IDCOL's sectoral outlook has a substantial impact on private sector development. By leveraging its sectoral competencies and utilizing emerging opportunities across sectors in Bangladesh, IDCOL can continue the growth trajectory it has charted in recent years. In 2024, IDCOL aims to increase its infrastructure and energy efficiency exposures. In the area of energy efficiency, IDCOL may deepen its expansion into cement, textiles, RMG under the industrial component as it has the support of concessionary funding line. In 2023, IDCOL secured credit line from KfW which will be used in upcoming energy efficiency projects in the upcoming years. Although the power portfolio is likely to undergo a reduction in share over the mid-term due to the phasing out of fossil fuel-based investments, IDCOL is aiming to prioritize financing combined cycle gas-based power plants in line with broader development plans.

Emerging Areas of Investment

IDCOL is considering tapping into opportunities in emerging areas of importance that complement its development mandate as well as offer commercial scope in Bangladesh, subject to further feasibility studies. The following areas are currently being explored for profitable business opportunities.



Social Infrastructure

Given the need to upgrade health infrastructure in Bangladesh as well as frailties in the healthcare system exposed due to the pandemic, IDCOL may consider a strategic presence in this sector which currently sees robust private sector involvement. The demands of the education infrastructure may also warrant a closer look. Both these areas are amenable to PPP structures for financing subject to suitable project development and design by the private sector.



Electric Vehicles

An upcoming area in sustainable financing, electrification of vehicles is a worldwide phenomenon to reduce the burden of emissions caused by fossil fuel operated vehicles. IDCOL has already initiated groundwork of demand assessment of enterprises for EV and may consider financing EV manufacturing and other allied support infrastructure in the mid-term.



Climate Change Financing

Climate finance flows through established funds and agencies is expected to accelerate in the mid-term. IDCOL is already supporting implementation of projects under GCF and can leverage its expertise to explore opportunities for climate change financing in other areas as well such as transportation and green building infrastructure. Closer association with GCF as well as other DPs such as the ADB who offer climate related financing and understanding of their concessional instruments, including low-interest and long-tenor project loans, lines of credit, equity investments and risk mitigation products such as guarantees, as well as any grant-based capacity-building interventions will help to sustain these investments further.

Sectoral Opportunities

Growing Infrastructure Landscape

Bangladesh is ranked among the fastest growing economies in the world with its economy steadily growing at annual rate of above 6% since 2009. Despite the aftereffects of Russia-Ukraine War, Global Recession, etc., Bangladesh's economy rose by 6.50% in FY 2023. HSBC report titled "The World in 2030: Our long-term projections for 75 countries" says Bangladesh is poised to become the 20th largest economy in the world by 2037 from the current 35th position. To keep up the economy's present growth rate and attain ambitious vision of the GoB, increased investment is envisaged in all major sectors of infrastructure. This creates an opportunity for IDCOL as it specializes in financing private sector infrastructure projects.

Experience and Skilled Work Force

IDCOL has developed three dedicated business units that have skilled professionals with in-depth expertise and knowledge in their relevant sectors and the ability to effectively promote IDCOL's product offerings to the market to take this segment forward.

New Roles and Responsibilities

Apart from its regular lending operations, IDCOL has been focusing on loan arrangements and subsequent agency operations – which add to the market presence and are good source of fee income.

Long-term Financing in Local and Foreign Currencies

The external infrastructure credit lines have enabled IDCOL to extend long term financing in both local and foreign currency (USD) to eligible infrastructure & PPP projects. IDCOL has successfully utilized this unique advantage and positioned itself as a credible long-term financier in the local market. This has created a unique market position and brand image for IDCOL.

Bangladesh is one of the handful of countries that have been able to sustain a GDP growth rate above 6% over the past decade, prior to the pandemic. For achieving such high growth, we also had to increase our energy consumption, historically which has been dominated by fossil fuel. In addition to sustainable economic growth, the government has ensured that our national objectives are aligned with the Sustainable Development

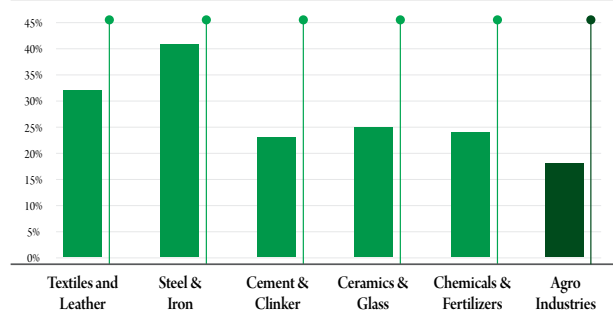
Goals. As a part of this integration and IDCOL being the catalyst, is committed to invest heavily in Energy Efficient projects. At IDCOL we believe the investments we make today will shape the economy of tomorrow, will set a trend in the industry. Among the thousands of opportunities we see, in the following we list only a few we are keenly interested in capitalizing.



Increasing Shifting Towards Energy Efficiency

The fast-paced economic growth in the recent years has transitioned Bangladesh into one of the largest energy consuming countries in the South Asian region. This also makes Bangladesh highly prone to a prime victim of the effects of climate change. To address this, the GoB has set an ambitious target of achieving 20% energy efficiency by 2030 across industrial, residential and commercial sectors. There is significant energy efficiency potential in the industrial sector in Bangladesh. Furthermore, it was reported by International Finance Corporation (IFC) that Bangladesh has USD 172 billion of climate-smart investment opportunity from 2018 to 2030 in energy efficiency and green building sector (Source: IFC Bangladesh Factsheet). Among other sectors, green buildings, transport infrastructure and climate-smart urban wastewater hold the most potential. We are glad to inform you that IDCOL has already successfully invested in these sectors.

Energy Efficiency Potential Across Different Sectors



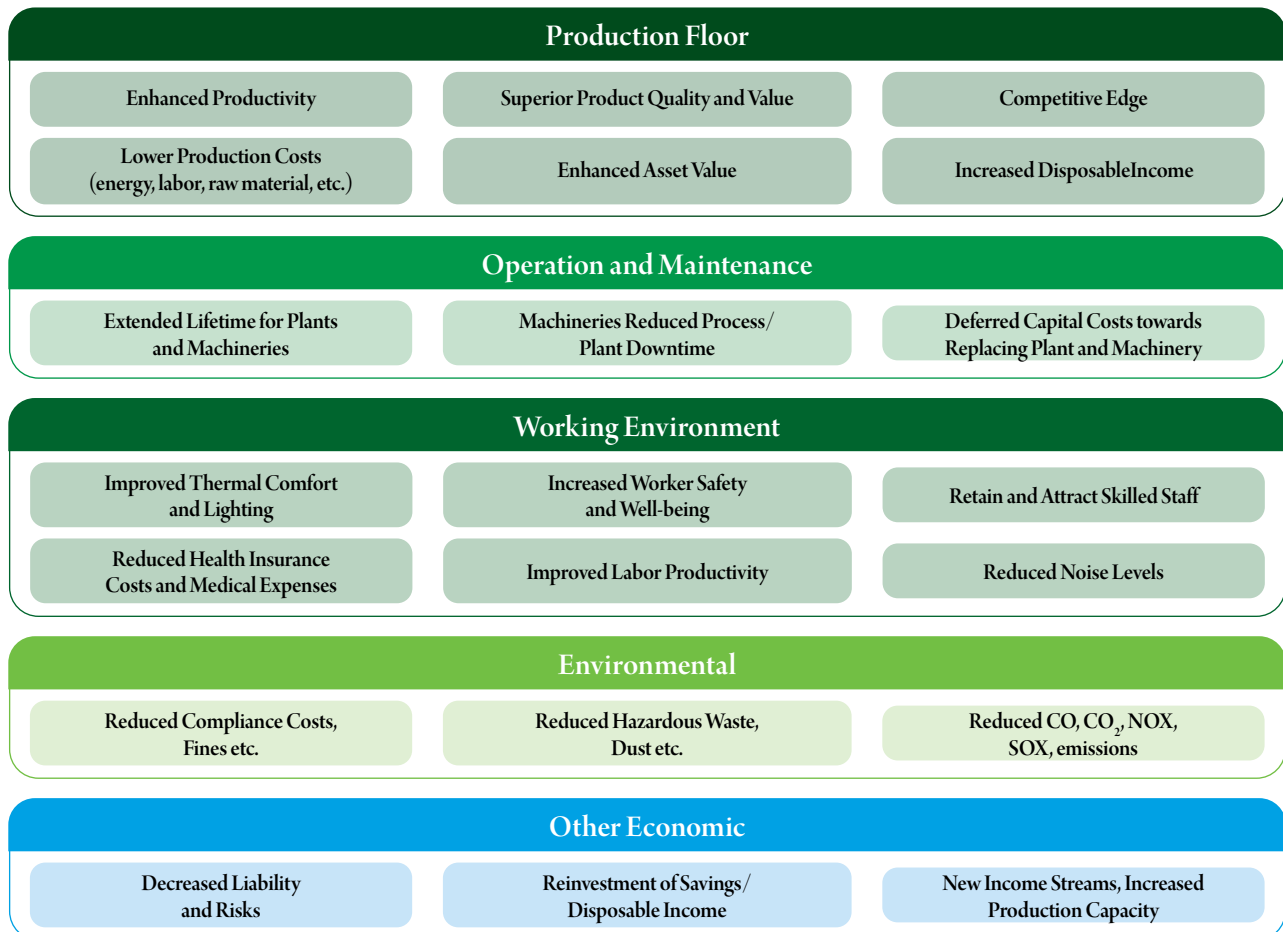
Providing Advisory Services to Implement Energy Efficient Projects

As the pioneer to invest in energy efficient projects in Bangladesh, IDCOL has already built an extensive expertise in implementation and monitoring the energy efficient projects. Hence, IDCOL can provide advisory services and extending support to interested stakeholders, at home and abroad, in implementing and monitoring energy efficient projects.



Benefits of Adopting Energy Efficiency Equipment's to Meet the Sustainable Development Goals in Bangladesh

The UN and its partners in Bangladesh are working towards achieving the Sustainable Development Goals: 17 interconnected goals which address the major development challenges faced by people in Bangladesh and around the world. IDCOL, through its financing solutions to adopt the energy efficiency equipment, has set its footprints to move the country forward in achieving the SDGs. The impacts of adopting energy efficiency equipment's which benefits to achieve the SDGs are as below:



Ability to Extend Long-term Concessional Financing

Tapping into the energy efficiency market requires innovative and commercial financing instruments that can be mobilized by private sector investment. IDCOL has access to external credit lines and is able to extend

long-term concessional financing to only promote energy efficiency programs. The low-cost financing can play a vital role in unlocking this market segment and encouraging individuals and industries to adopt energy efficiency.

Focus Sectors for EE Equipment Financing



Spinning & Textile



RMG



Cement



Glass



API



Steel



Food Processing



Chemicals

Risks and Mitigations



Implementation Risk

One of the major risks faced by IDCOL in financing large-scale, capital-intensive infrastructure projects is the risk of their implementation. To minimize the risk, projects from sponsors with good track-record are prioritized and detailed appraisal is undertaken by experienced to ensure the feasibility of the project.



Concentration Risk

Due to limited investment opportunities in different private sector infrastructure & PPP projects that meet IDCOL's stringent eligibility criteria, IDCOL has developed significantly higher exposure in the power sector. This exposed the portfolio to concentration risk. However, this risk is being gradually mitigated by diversification into new eligible sectors.



Retention of Key Employees

Retention of key employees is an internal risk factor for IDCOL as there is huge market demand for the expertise and skill set that can be acquired through working here. To address this risk and to keep its employees motivated, IDCOL ensures employee satisfaction by ensuring opportunity for learning and growth for all employees.



Adopting a New Segment

Considering the high potential, energy efficiency has become a new arena of focus for IDCOL- especially the industrial energy efficiency segment. As IDCOL quickly shifts towards capturing these new segments, the workforce faces the challenge of adequately preparing themselves with the knowledge and insight necessary to assess the feasibility of projects across various sectors. At IDCOL we firmly believe in adopting a proactive approach to be able to deal with risks and uncertainties. As a mitigation measure, IDCOL promotes training and capacity development for its employees to develop knowledge and understanding of the sectors.



High Exposure to Specific Industries

IDCOL is committed to mobilize funds for Energy Efficient projects. As our portfolio grows in energy efficiency, there is risk of having high exposures in specific sectors which are more inclined towards this shift. As per Energy Efficiency and Conservation Master Plan up to 2030 by SREDA, 47.8% of the country's total energy is consumed by the industrial sector of which the textile and RMG sector alone takes up approximately 38%. To address the risk of exposure, IDCOL is focusing on diversifying into new sectors and promoting energy efficiency equipment and practices.



RENEWABLE ENERGY DEPARTMENT



Concessionary
Financing & Grant
Support

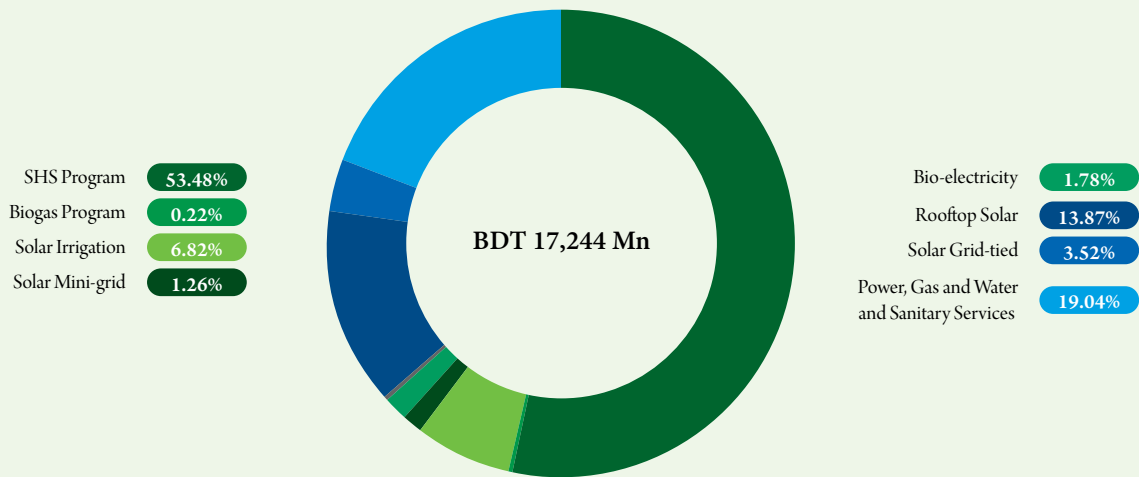


Technical
Assistance



Capacity
Building

Loan Portfolio



BDT 35 Cr.

Interest Income

19%

IDCOL's
Total Loan Portfolio

USD 278M+

External Credit
Line

Focus Sectors



Solar Home
System



Rooftop
Solar



Solar
Grid-tied



Biogas Power
Project



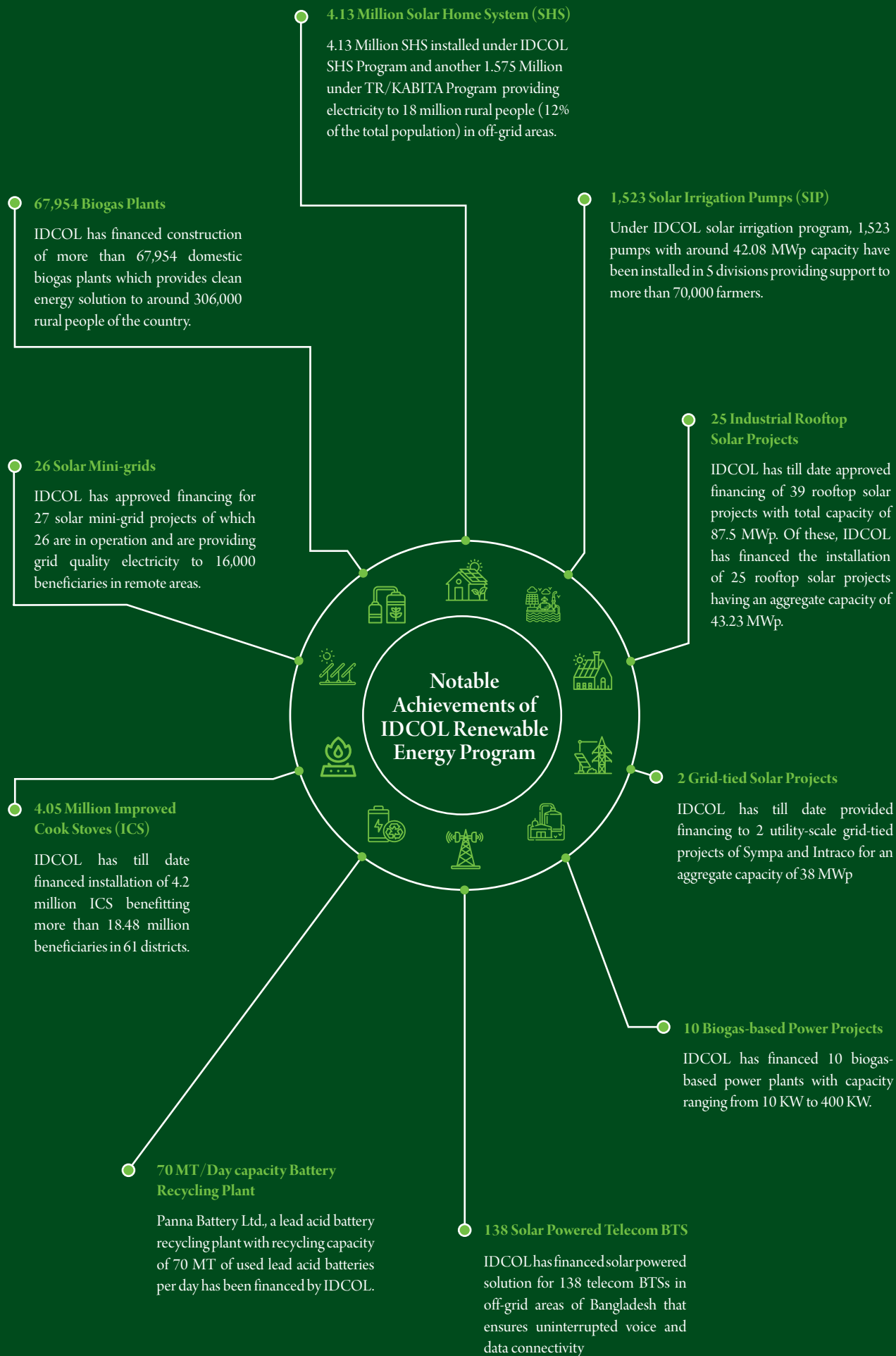
Solar
Mini-grid



Solar Irrigation
Pump



Biogas
Plant

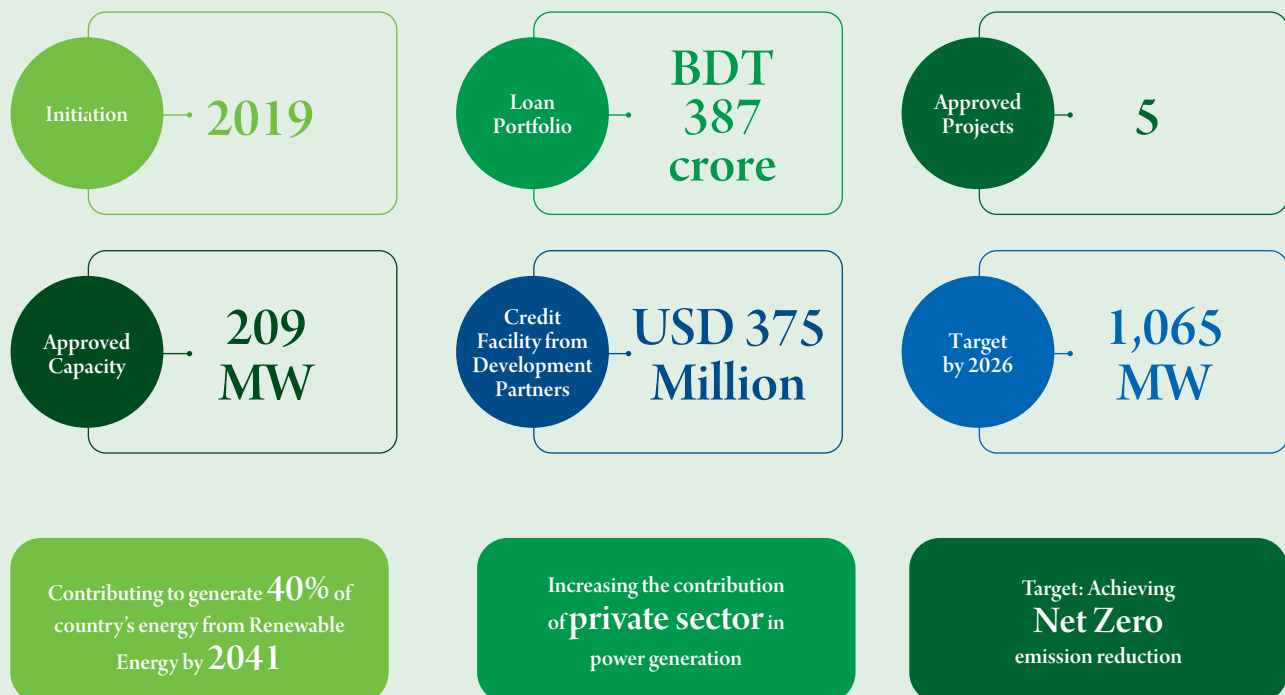


UTILITY-SCALE SOLAR GRID-TIED

Transforming Bangladesh by Generating Reliable and Clean Electricity



100 MWp Utility-Scale Solar PV Project of Energon Renewables Ltd. at Bagerhat



Focused SDGs



Approved financing to Energon Renewables, country's 2nd largest Solar Park with a 100 MW (AC) capacity located at Mongla, Bagerhat

Bangladesh is onset to become an upper-middle income country within 2031 and high-income country within 2041, where electrical energy will play pivotal role. Till now, the country's energy has been heavily dependent on natural gas (around 48%). However, production of gas from the existing gas fields will keep declining in future due to depletion of reserves. Due to this, the country is increasingly getting reliant on import based Liquefied Natural Gas supply.

Worldwide, focus has been on energy transition that reflects on shift from fossil-based systems to produce and consume electricity (e.g. oil, natural gas and coal) to renewable energy-based sources (e.g. wind, solar and lithium-ion batteries). Renewable Energy based generation capacity comes with its own benefits, like clean energy generation and locking at affordable cost of electricity.

Fuel/Resource	Installed Capacity	Share
Coal	5412 MW	18.39%
Gas	11708 MW	39.77%
HFO	6492 MW	22.05%
HSD	490 MW	1.66%
Imported	1160 MW	3.94%
Renewable	1373.89 MW	4.67%
Captive	2800 MW	9.51%
Total	29436 MW	

According to the revised Nationally Determined Contributions (NDCs) submitted to The United Nations Framework Convention on Climate Change (UNFCCC) ahead of COP26 held in November 2021, Bangladesh has set a goal of generating more than 4.1 GW of electricity from renewable energy sources by 2030 and solar power will account for more than half of the energy, at 2.28 GW. In addition to this, the country aims to procure 40% of electricity from renewables within 2041 as laid out in the Bangladesh Delta Plan 2100 and Perspective Plan of Bangladesh 2021-2041. Notably, Bangladesh is expected to have around 60 GW of total generation capacity. This actually implies a shift from fossil fuel-based generation capacity to either solar or wind power-based generation capacity.

At present, only 1,313 MW are generated from renewable sources as per the data of National Database of Renewable Energy, representing just less than 5% of the total installed capacity for electricity production.

Technology	Off-grid (MW)	On-grid (MW)	Total (MW)
Solar	373.82	705.99	1079.82
Wind	2	60.9	62.9
Hydro	0	230	230
Biogas to Electricity	0.69	0	0.69
Biomass to Electricity	0.4	0	0.4
Total	376.91	996.89	1373.81



From its experience as the largest local financier in power sector projects in Bangladesh, IDCOL is now looking forward to financing these renewable energy-based utility scale projects to contribute at the country's renewable energy targets. Among all renewable resource, solar is the most promising renewable resources for Bangladesh. The installation of utility-scale solar power plants will contribute to maximum capacity enhancement for the Government in terms of electricity generation through renewable

resources, along with other sources like roof-based solar systems and electric vehicles. Thus, IDCOL is considering financing such projects, which apart from enhancing the generation capacity of the country, will also contribute to combating global climate change issues.

IDCOL has already approved financing of 5 projects totaling 209 MW capacity and is currently developing a total of 1,065 MW projects that are expected to be installed with IDCOL's financing participation within 2026.



Financed 8 MW (AC) Solar Grid-tied Project of Sympa Solar Power Ltd. located at Tetulia, Panchagarh



Provided USD 30 million financing to Intraco Solar Power Ltd. for implementation of a 30 MW (AC) project located at Lalmonirhat

IDCOL offers debt financing to sponsors of such projects. The attractive features such offerings are as follows:

1. Long term tenor of financing: IDCOL can offer very long-term financing as per the project's financials including initial breathing time. This offers convenience in completion of the projects.
2. Attractive Interest Rates: IDCOL can offer interest rates at attractive rates that are competitive in the global financing scenario. Interest rates do vary from project to project and fund sources, but it remains competitive considering that these are renewable energy interventions.
3. Flexibility of financing: IDCOL is ready to disburse the loans at any stage of the project upon completing due diligence. This may include disbursements at the initial stage of construction and after completion of construction.
4. Financing Currency: IDCOL offers the loans at US Dollars, Bangladeshi Taka and Euros as per the needs of the project.

NEW SOLAR PLANT READY TO GENERATE POWER

Established on 214 acres of land along the banks of Jamuna

Location
Soydabad Sirajganj

To be connected to national grid within June

Capacity
68MW

Project cost
\$87.7 million

Electricity price
€10.20 per kilowatt-hour

CONSTRUCTION UPDATE

95% Construction Works Completed	27,000 Pillars Installed	150,000 Solar Panels Being Placed	Other installations Control building, officer dormitory, rest house, security building
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IDCOL is financing a 68 MW Solar Park occupying 214 acres of land along the banks of the Jamuna River, in Soydabad, Sirajganj. The new power plant has been established through a collaborative investment effort between China and Bangladesh and is operated by the Bangladesh-China Renewable Energy Company (Pvt) Limited (BCRECL). Around 95% of

the construction work has already been completed, with 27,000 pillars installed, on which 150,000 solar panels are being placed.

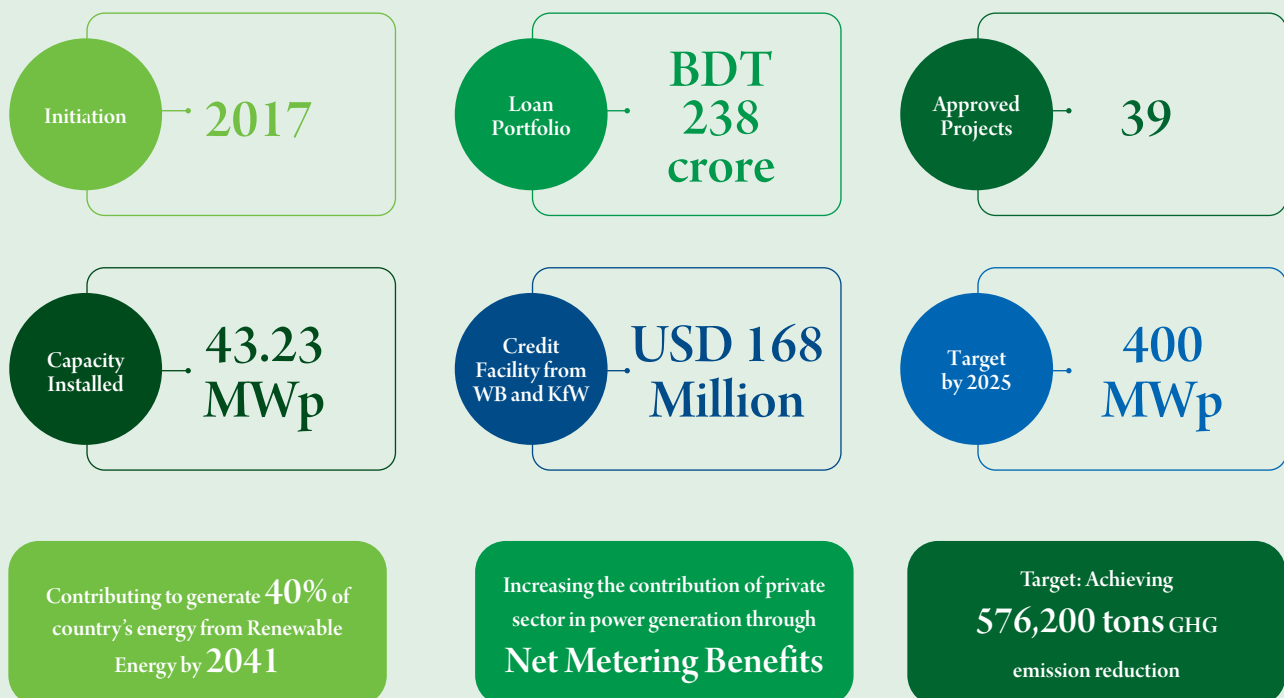
Alongside this, IDCOL is currently developing a total of 1,065 MW projects that are expected to be installed with IDCOL's financing participation within 2026.

IDCOL ROOFTOP SOLAR PROGRAM

Transforming Bangladesh by financing Large-Scale Industrial Rooftop Projects



2.4 MWp rooftop solar project of Janata Jute Mills Ltd.



Focused SDGs



Focus Sectors



RMG &
Textiles



Pharmaceuticals



Jute
Mills



Power &
Energy



FMCG



Industrial
Park

Bangladesh has made significant strides in renewable energy initiatives. The target is to produce 40% of energy from renewable sources by 2041. The country is a good recipient of solar irradiation, which is conducive to achieving the target. Yet the challenge for implementing the target is the scarcity of usable lands for such project as Bangladesh is a densely populated country. Notably, installation of 1 (one) MWp solar power plant requires about 3 acres of land. Considering the scarcity of land, Rooftop Solar Projects can be an effective component towards the shift to renewable energy. Under such arrangement, unused roof space on buildings across the country can be converted to space for generating electricity. IDCOL's target is to implement such projects with industries as the projects can be implemented at large scale and maintain quality.

Since the launching of IDCOL Rooftop Solar Program in 2017, it has been showing great prospects at overcoming the challenge and has already

come into prominence. The product has already been able to attract industry players due to its numerous benefits such as cost savings, simple implementation, eco-friendliness, low maintenance etc. Especially, due to recent hike in energy price, solar rooftop has emerged as a lucrative solution. Per unit cost of solar rooftop is approximately BDT 6.50 whereas REB electricity is BDT 9.35 per unit and gas generated electricity costs nearly BDT 11 per unit. Solar rooftop systems can be a cost cutting measure to reduce industrial electricity cost. Moreover, IDCOL is equipped with in-house technical and monitoring team who provide support to clients throughout the loan tenor.

IDCOL has a target to finance a total capacity of 400 MWp by 2025. Until now, financing has been approved for a total of 39 projects with cumulative capacities of 87.05 MWp and 25 projects with capacities of 43.23 MWp are now in operation.

Offered Services

Concessionary
Financing

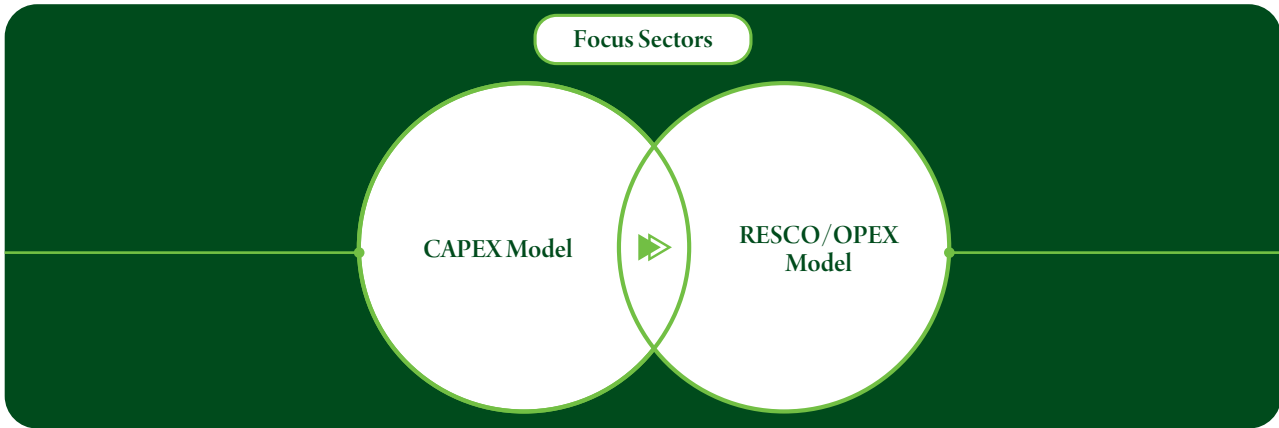
Technical
Assistance &
Capacity Building

Net Metering
Benefits

Performance
Monitoring &
Support

IDCOL extends 80% of the project cost as long-term concessional loan while the remaining 20% is injected by the sponsors as equity. The loan tenor is 10 years, and the interest rate is 5.00% to 5.50% p.a. Till date, IDCOL is sourcing the required fund from the World Bank, KfW and its own sources for financing rooftop solar projects. Along with the financing support, IDCOL extends its support in the way of capacity development by sharing the potential, arranging various training programs, monitoring installation and project performance on a continuous basis.

The GoB has already enacted the Net Metering Policy in 2018 that allows excess electricity from rooftop-top system to adjust against the grid electricity which ensures optimum use of the generated electricity and increases investment viability of such systems. In addition, electricity from such sources helps promote green credentials for industries.



IDCOL finances solar rooftop projects under two business models: (i) the CAPEX model and (ii) the RESCO or OPEX model.

CAPEX Model: In this model, the owner of the roof owns the rooftop PV assets and invests the required equity and arranges finance. The benefit of the borrower here comes from saved electricity generated through captive consumption of solar energy and saved electricity bills. Besides, any excess electricity after self-consumption that is generated from the system may be supplied to the distribution grid, and in exchange the owner can either import equal amount of electricity from the grid or receive price of net amount of exported electricity as per the net metering guidelines.

RESCO/OPEX Model: In this model, a third-party Renewable Energy Service Company (RESCO) leases out rooftop space from a roof-owner known as off-taker to install the solar system, generate and sell entire electricity generation to the off-taker under a power purchase agreement executed between the RESCO and the off-taker. In this case, the rooftop PV assets are owned, and the required financing is arranged as equity and loan by the RESCO.





Notable Disbursements during 2023



5.00 MWp rooftop solar project of Transcom Beverage Ltd.



3.32 MWp rooftop solar project of Walton Group



991.44 kWp rooftop solar project of RANCON Infra. and Engineering Ltd.



1.49 MWp rooftop solar project of Naafco Pharmaceuticals Ltd.



2.00 MWp rooftop solar project of Akij Polymer Industries Ltd.



2.67 MWp rooftop solar project of Hatil Complex Ltd.



3.10 MWp rooftop solar project of Rising Industries Ltd.



428.22 kWp rooftop solar project of K. A. Design Ltd.

2023 at a glance



IDCOL recently signed a long-term loan facility agreement of Tk5.79 crore with RANCON Infrastructures & Engineering Ltd (RIEL) to finance their second rooftop solar project. Under the Project, RIEL will install 1.0 MWp solar PV system on the factory rooftops of RANCON Electronics Ltd (REL) and RANCON Auto Industries Ltd (RAIL) located at Boro Bhabanipur of Gazipur's Kashimpur.



IDCOL signed Term Loan facility agreement with Rising Industries Ltd. (RIL) a sister concern of Rising Group to finance a 3.10 MWp rooftop solar project at Nayadingi, Satoria, Manikgonj. IDCOL provided BDT 14.50 crore as concessionary loan and technical support for implementing the project during FY 2023.



Agreement signing ceremony of setting up a 3.23MWp rooftop solar project on the rooftop of Comptex Bangladesh Ltd, a concern of Robintex Group, in Rugganj of Narayanganj



Inauguration ceremony of Walton Hi-Tech Industries' 3.3 MWp rooftop solar project in its headquarters. The plant is expected to meet about 7.86 per cent of the total daily electricity demand of Walton Headquarters. IDCOL Chairman and Economic Relation Division's Senior Secretary Sharifa Khan inaugurated the project.

Major Highlights of the Program

Energy Security

Solar is a sustainable source of electricity which helps ensure alternative source of electricity for the industry owners and thus helps towards ensuring energy security.

Project Benefits

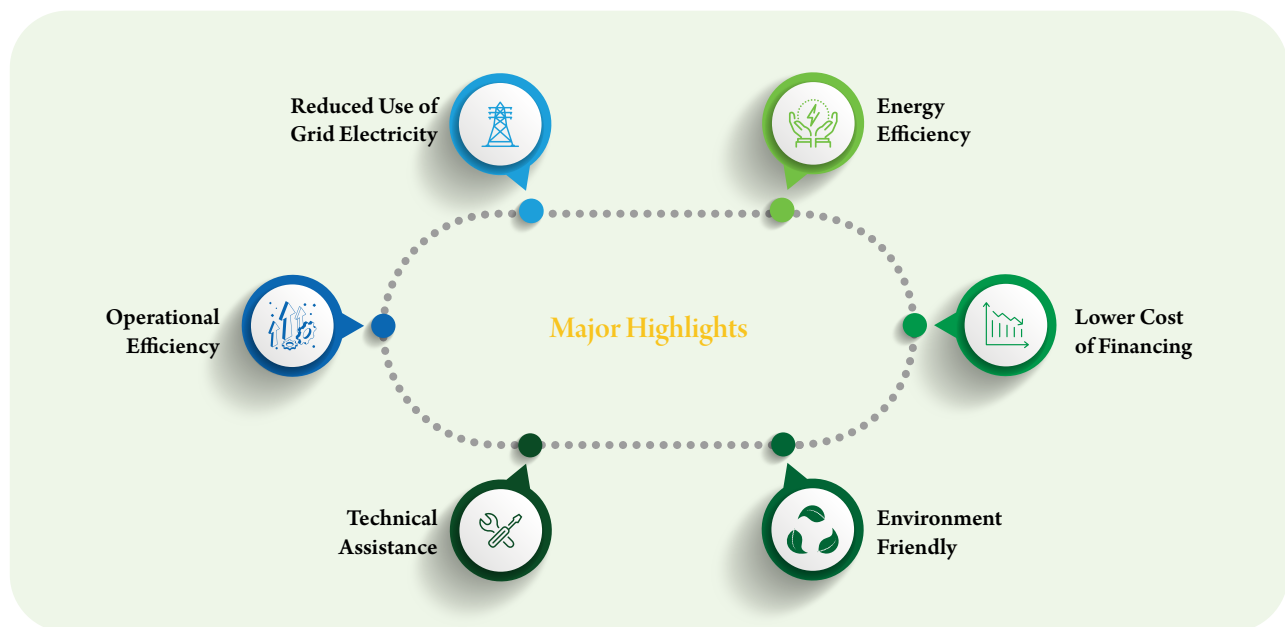
Rooftop solar projects are easy to implement, and the installed equipment requires minimum maintenance. Therefore, industries can enjoy environmentally friendly and cost-effective power solutions without having to worry about technical complexities.

Green Initiative

Using rooftop solar based power solution enhances green credentials for industries.

Financial Benefits

Rooftop solar is cheaper than grid electricity. Once connected through the Net Metering, the beneficiary will be able to feed excess electricity to the grid which will be adjusted against the grid electricity bills. Given the costs of solar PV based system, rooftop solar projects have payback period of 5-6 years.



784 kWp solar PV system of Nawab Auto Rice and Feed Mills located at Chapai Nawabganj

IDCOL's financing of a commercial floating solar project with a capacity of 784 kWp, the first large-scale grid-connected floating solar PV system in Bangladesh. The floating solar project is located on the water surface of a pond situated on the premises of Nawab Auto Rice and Feed Mills in Chapai Nawabganj. With the aim of setting a precedent for pressing issues such as land scarcity and clean energy, the project was implemented to inspire similar initiatives fostering the growth of floating solar technology.

Concessionary Financing and Technical Support

The attractive features of IDCOL Rooftop Solar program include concessionary financing with attractive terms as well as technical and monitoring support. As part of its due diligence, IDCOL reviews technical design & equipment selection, conducts project cost verification, and monitors project performance during project operation period. The Technical Standard Committee (TSC) of IDCOL has established a pool of experts under the program who work as Independent Engineers and conduct technical review of the projects during project appraisal, construction and due diligence stages. Notably, these experts are also the leading solar energy experts of the country.

SOLAR IRRIGATION PUMP

A New Way of Agriculture in Bangladesh



An innovative, economic and environment friendly solution

Initiation

2012

Installation

1523
SIPs

Beneficiaries

70,000

Coverage
of Lands

28,921
Hectors

Replacement
of
Diesel Pumps

16,806

Electricity
Generation

42.08
MWp

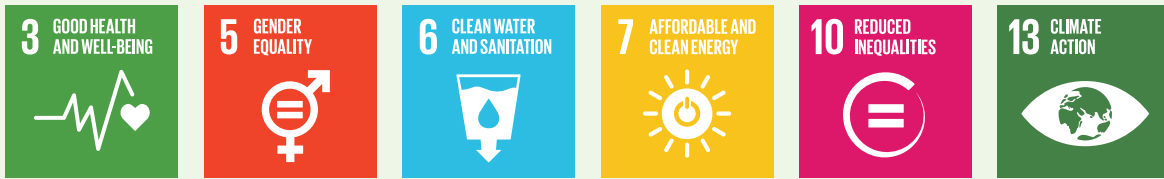
Financed 74% of total SIP
capacity (60.38 MWp)
of the country

GHG emission reduction:
48,736 ton/year

Reducing GoB's burden of
fuel and energy
subsidy



Focused SDGs



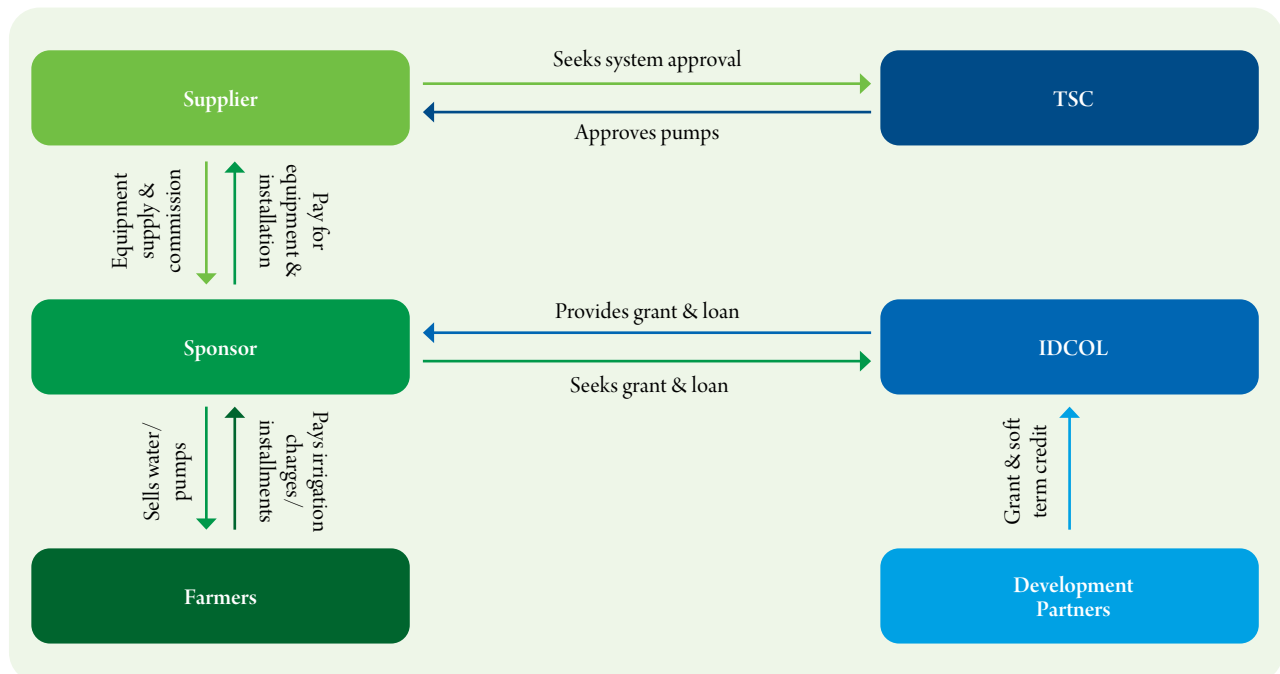
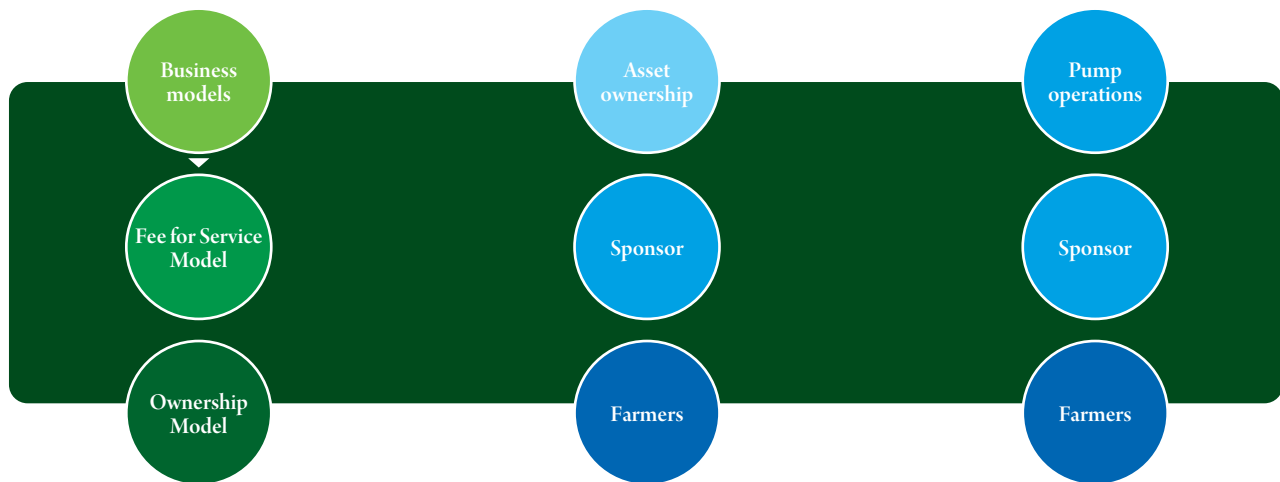
Agricultural sector is one of the most crucial contributors to Bangladesh's economy in terms of employment, food security and GDP growth. There are about 1.24 million diesel run pumps currently operating in Bangladesh using 1 million tons of diesel per year. Given the energy shortage and fluctuating price of petroleum products, solar energy-based irrigation pump can be an environment-friendly solution to address these challenges.

Solar based irrigation system is an innovative, economic and environment friendly solution for the agro-based economy of Bangladesh. IDCOL Solar program is intended to provide irrigation facilities to off-grid areas and thereby reduce dependency on fossil fuel. Till date, IDCOL has provided

financial assistance for installation of 1,523 solar irrigation pumps which are already in operation. Moreover, IDCOL has a target to finance 10,000 solar irrigation pumps by 2030.

Program Structure

IDCOL currently follows 'fee for service' model where farmers avail irrigation services from the pump by paying an agreed fee. IDCOL is also in the process of exploring 'ownership model' where farmers will be the owners of pumps instead of availing irrigation services. Hence, based on the "asset ownership" and "role in pump operations" two different business models have been developed as follows:



Key Highlights of the Program

Partner Network Development

IDCOL currently has about 29 sponsors under its solar irrigation program. These sponsors have a dedicated work force and have engaged local human resources for implementing the program.

Geographic Coverage and Capacity Development

IDCOL solar irrigation program has presence in 5 divisions of the country and is covering 18 out of 64 districts in those divisions. IDCOL is currently working in 58 upazila of these 18 districts. IDCOL has a plan to expand program activities to all the sub-districts of the country. Under the program, IDCOL trained more than 9,000 farmers, operators, and sponsors' officials.

Product Development

In 2011, there were only 6 suppliers under the program which gradually increased to 27 to cater on the created demand for solar irrigation pumps. With the increased number of suppliers, multiple pumps of different country origins have been introduced under the program. The introduction of new ranges of products allowed pump price to reduce by about 68% than the prices during first phase of the program.



Reduction of CO₂ Emission

A single irrigation pump can replace about 8-10 diesel pumps and thus can reduce emission of CO₂ of about 32 tons per year. With successful implementation of IDCOL's 10,000 solar irrigation pumps, around 0.5 million tons of CO₂ emission will be reduced per annum.

Increased Productivity and Household Income

Having the opportunity to irrigate the fields on time leads to increased productivity, reduction of cultivation cost and ultimately boost yield of the farmers. With proper irrigation system, farmers can harvest vegetables more than twice during this season which was not possible before. Moreover, farmers have enough free time to do some other work. All these have helped improve their household income.

Target

Setting Up 10,000 SIPs by 2030

FY 2023 IN FOCUS



IDCOL won the IJGlobal Awards 2023 as the "Development Finance Institution of the Year" for its contribution in SIP in Bangladesh



National stakeholder workshop on "Groundwater Irrigation in Bangladesh: Changing Modalities, Resultant Policies"



National stakeholder workshop on "Groundwater Irrigation in Bangladesh: Changing Modalities, Resultant Policies"

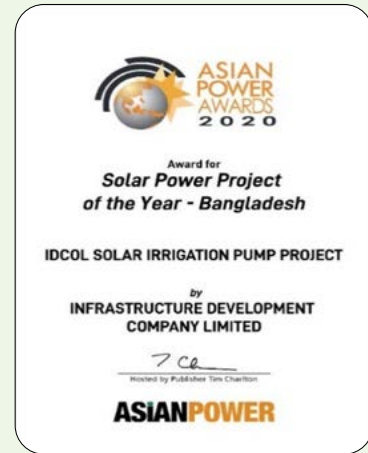




Financial Innovation Award for being the Best Sustainable Finance Initiative



Karlsruhe Sustainable Finance Award in the category of Outstanding Sustainable Project Financing



Asian Power Awards in the category of Solar Power Project of the Year

Recognizing the contribution

Solar-powered irrigation systems are gaining popularity owing to IDCOL's cost-effective financing and innovative business models. In recognition of this innovation, IDCOL won the Financial Innovation Award (FIA) 2019, given by The London Institute of Banking and Finance (LIBF) for IDCOL Solar Irrigation Program. In addition, IDCOL also won the prestigious Karlsruhe Sustainable Finance Awards 2020 in the "Outstanding Sustainable Project Financing" category for implementing Solar Irrigation Pump (SIP) Project in Bangladesh. In the same year, IDCOL won the prestigious Asian Power Awards 2020 in the "Solar Power Project of the Year-Bangladesh" category for implementing Solar Irrigation Pump (SIP) Project in Bangladesh. Besides, IDCOL also won The Global

Economic Awards 2022 in the 'Best Green Initiative (Renewable Energy)-Bangladesh' category for implementing solar irrigation pump project.

Women Empowerment

The rural women actively help their husband in agriculture especially during land preparation and seed sowing as these has become less burdensome due to solar irrigation pumps. Women can now participate more actively in income-generating and social activities, which gives them a sense of empowerment. IDCOL is currently working with United Nations Environment Programme (UNEP) for implementing project "The EmPower – Women for Climate Resilience" in Bangladesh. This project focuses on women's entrepreneurship development and livelihood improvements through renewable energy.



Lessen the Government's Burden of Fuel Subsidy

Through the replacement of diesel pumps, the program also reduces government's burden of fuel subsidies for the agriculture sector as well as

for diesel imports, enabling increased public investment in other sectors such as health and education.

Events and Workshops



A National stakeholder workshop on "Beyond Diesel: Navigating an Equitable and Sustainable Irrigation Landscape in Bangladesh" was organized in collaboration with Infrastructure Development Company Limited (IDCOL), NGO Forum, CGIAR initiative "Transforming Agrifood System in South Asia" (TAFSSA) and International Water Management Institute (IWM). This is under the "Solar Irrigation for Agricultural Resilience" (SoLAR) project funded by Swiss Agency for Development and Cooperation (SDC).

Partnering with Development Partners

Solar Irrigation Project has been supported by development partners like The World Bank, KfW, GPOBA, JICA, USAID, ADB, IWM and Bangladesh Climate Change Resilience Fund (BCCRF). The program facilitated partnership of IDCOL with many development partners than any other project implemented by IDCOL.



Lessen the Government's Burden of Fuel Subsidy

The TSC now requires testing of solar pumps before providing approval. With the requirements of such testing going up, IDCOL established a technical monitoring facility which consists of necessary equipment and resources for carrying out tests of solar irrigation pumps at the laboratory as well as at the fields.

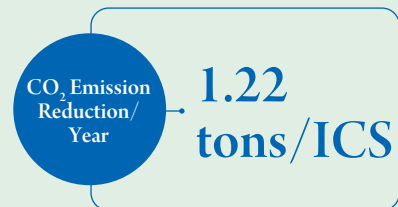
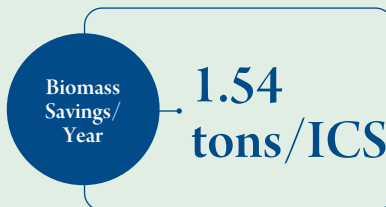
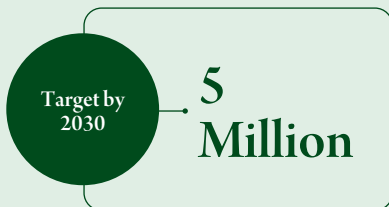
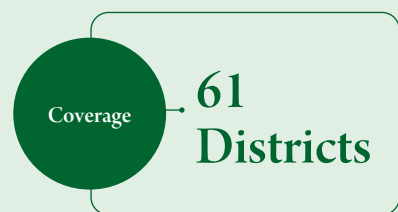
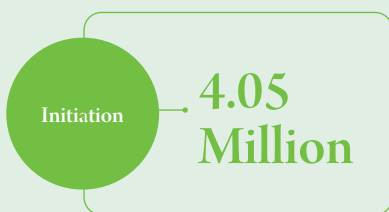


IMPROVED COOK STOVES (ICS)

Reducing GHG Emission and Indoor Air Pollution



Healthier Homes through Improved Cookstoves

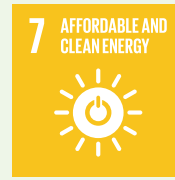


Reducing **GHG emission** by reducing use of cooking fuel

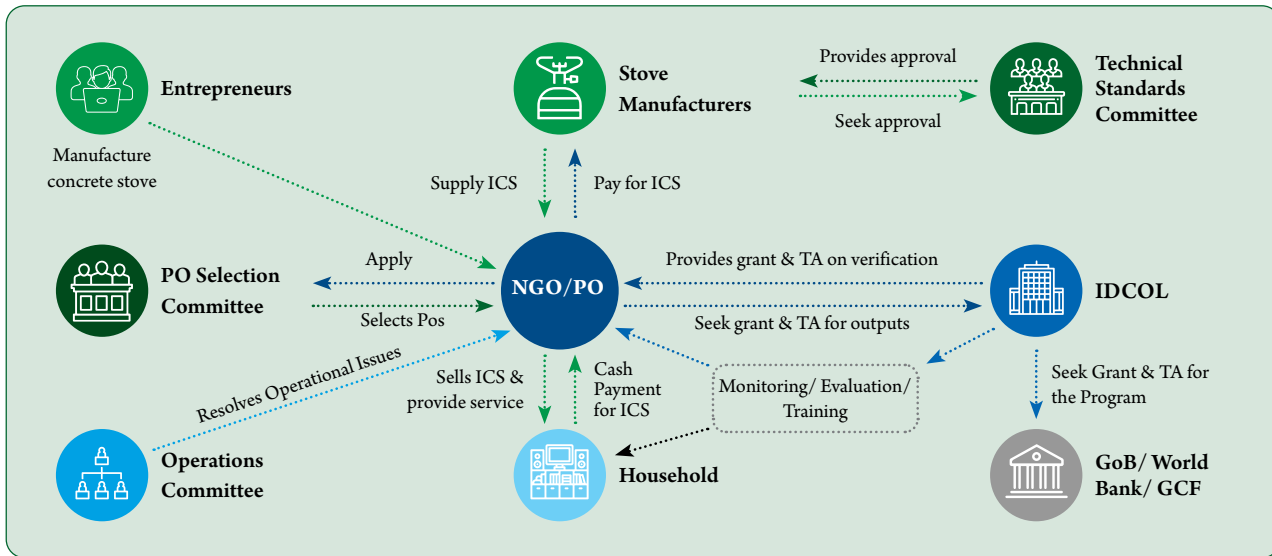
Reducing **IAP** which substantially affects women and children

Building capacity and mass awareness for achieving **100% ICS coverage by 2030**

Focused SDGs



Program Structure

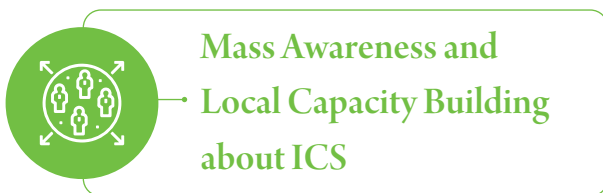


The program is being implemented by a dedicated Project Management Unit (PMU) whereas IDCOL Board is responsible for oversight, policy guidance and monitoring of the PMU. The key players in the structure of the program are the donors, IDCOL, POs, stove manufacturers, households, technical standard committees, entrepreneurs etc. The overall program structure is shown in the figure above.

IDCOL undertook R&D initiatives with BUET to upgrade the stoves under the program from Tier 1 ($\geq 15\%$) to Tier 3 ($\geq 35\%$) level of thermal efficiency. Now, all the stoves being disseminated under the

Program are Tier 3 stoves which can be produced in decentralized Upazila level production centers using local resources. With increases in thermal efficiency, the stoves burn lesser amount of fuel and therefore, GHG Emission and IAP decrease significantly. During March 2022, IDCOL conducted an extensive Indoor Air Pollution (IAP) study by Berkeley Air Monitoring Group (BAMG) in partnership with International Centre for Diarrheal Disease Research, Bangladesh (ICDDR,B) where it was found that ICS reduces Kitchen Concentration of Particulate Matter (PM_{2.5}) and Personal Exposure of Carbon Monoxide (CO) emission by more than 85%.

Opportunities of ICS Program



IDCOL's ICS Program with a network of 76 POs will establish a strong base which includes local capacity building and mass awareness for achieving 100% coverage of Improved Cook Stove (ICS) by 2030 as per Bangladesh Government's Country Action Plan for Clean Cookstoves. With 85% population living in the rural areas, Bangladesh has a great market potential for ICS, more than 30 million households. IDCOL ICS Program has a target of disseminating ICS in 5 million households of which 4.05 million ICS has already been installed.



With installation of 5 million cookstoves, IDCOL ICS Program will save 7.7-million-ton fuel wood per year and reduce emissions of 6.1-million-ton CO₂ emissions per year. The program will create mass awareness on ICS and local capacity which will significantly contribute towards achieving the government's target of 30 million stoves. These 30 million stoves will save 46.2 million tons of fuel wood and reduce emissions of 36.6-million-ton CO₂ emission per year.



Achieving Sustainable Development Goals (SDGs)

The ICS program of IDCOL directly contributed towards achieving several SDGs. Contribution towards SDG 7 (affordable and Clean Energy) is being made through installation of energy efficient equipment, green building, and stoves with higher thermal efficiency.

The women who use ICS need less time for collecting fuel and cooking which enables them to look after education of the children and to do economic activities which helps SDG 4 (Quality Education) and SDG 5 (Gender Equality).

An Indoor Air Pollution study (IAP) conducted under the ICS program showed that ICS reduces Kitchen Concentration of Particulate Matter (PM_{2.5}) and Personal Exposure of Carbon Monoxide (CO) emission by more than 85%, compared to traditional stoves. Reducing IAP is directly contributing towards SDG 3 (Good Health and Well Being) and SDG 13 (Climate Action). As per the World Bank, ICS program is estimated to reduce GHG emissions by 2.890 MtCO₂eq with a total lifetime emission reduction of 10.526 MtCO₂eq.



Supported Bangladesh in Earning its First-ever Revenue from Carbon Credits

Bangladesh earned its first-ever revenue from carbon credits. In 2006, IDCOL registered its maiden clean development mechanism project with the United Nations Framework Convention on Climate

Change. Since then, IDCOL has sold a whopping 2.53 million carbon credits, raking in \$16.25 million, equivalent to BDT 170 crore at current exchange rates. Most of this impressive carbon credit revenue came from Improved Cook Stoves (ICS) program, while the remaining amount was generated from Solar Home System (SHS) program.

How IDCOL Does Carbon Trading



Finances renewable energy projects



Solar Home System and improved cookstove programmes registered as CDM projects



Each ICS emits 1m less tonnes of CO₂ annually

How Bangladesh Benefits From Carbon Credit Trading



Idcol has sold **2.53M** carbon credits



It earned **\$16.25M** (Tk170cr)



Revenue mostly from improved cook stoves, solar home systems



They cut CO₂ emissions by **65,603 TONNES** between Jan 2018 and Mar 2020



Lack of Awareness among the End-users about ICS

Despite the numerous demerits, the households in Bangladesh are comfortable using traditional stoves. As traditional stoves users can make the clay-based stoves by themselves, they do not want to spend money to buy a new cookstove. This behavioral shift is a primary challenge and to address this, the program considers awareness raising and demand creation activities as the most important aspect of the program. IDCOL provides the demand creation incentives under the program to support POs in conducting these activities.



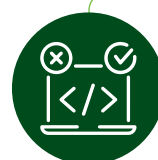
Scarcity of Skilled Staffs for ICS Program

A significant portion of sales employees earlier did not consider their work as a respectable profession and therefore, POs faced high rates of employee turnover. Through training and capacity building activities, the program has ensured availability of skilled masons and technicians. IDCOL also provides regular training on promotional activities to motivate the sales force of the PO.



Stove Usage Level

Despite the numerous demerits, the households in Bangladesh are comfortable using traditional stoves. As traditional stoves users can make the clay-based stoves by themselves, they do not want to spend money to buy a new cookstove. This behavioral shift is a primary challenge and to address this, the program considers awareness raising and demand creation activities as the most important aspect of the program. IDCOL provides the demand creation incentives under the program to support POs in conducting these activities.



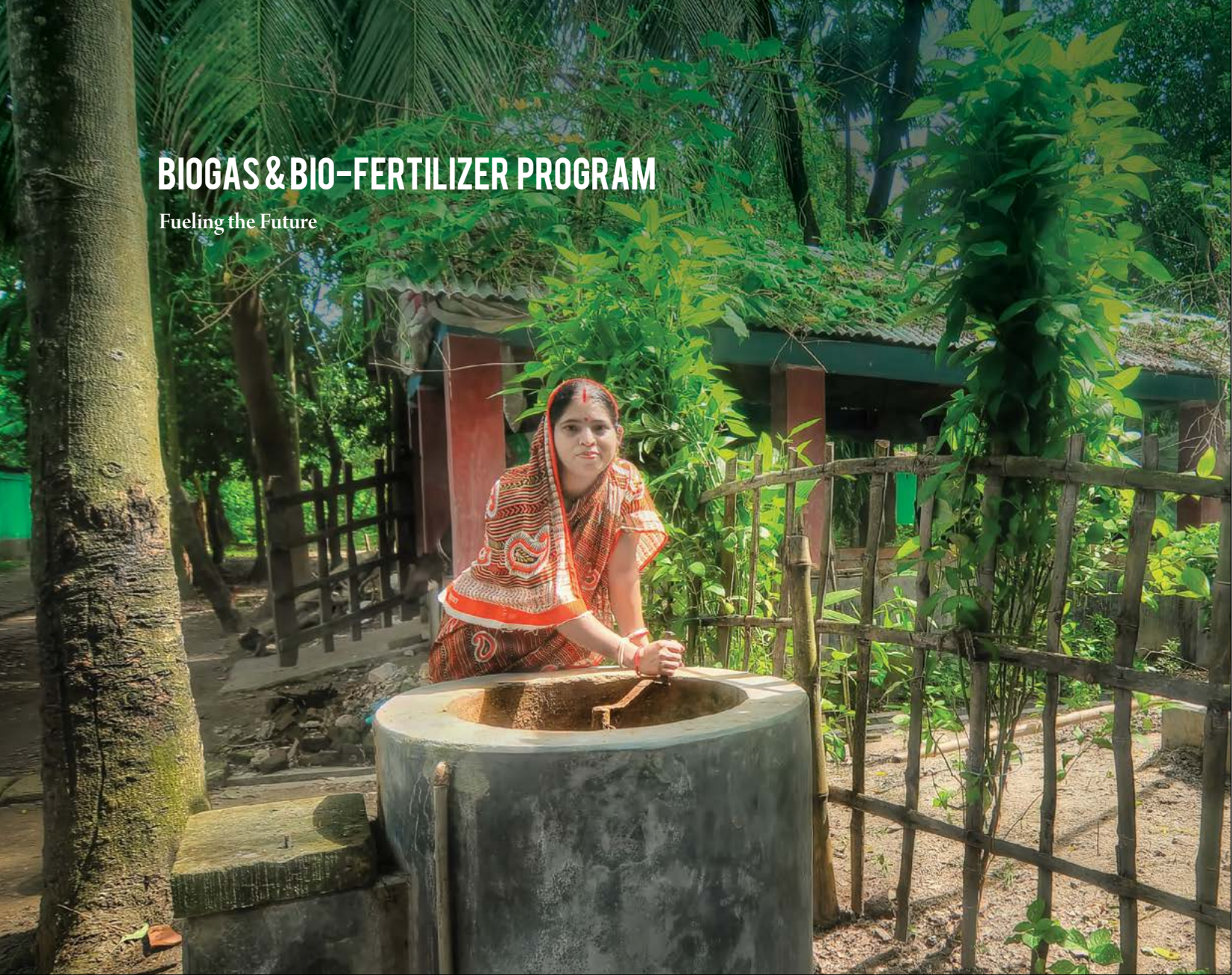
Lack of International Standard Testing Facilities for Cookstoves

There are a couple of testing labs in Bangladesh but none of these are ISO certified or internationally recognized for testing of cook-stoves. IDCOL undertook initiatives to establish testing facilities for cookstoves in Bangladesh and established a technical monitoring facility for testing cookstoves in its own premises. IDCOL established an ISO compliant Cookstove Testing Facility at BUET premises which is essential to measure the impact of ICS in Bangladesh compared to the global standard.

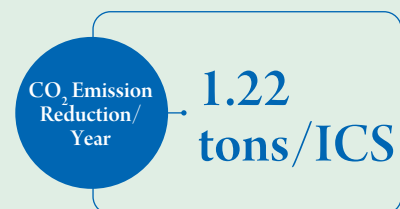
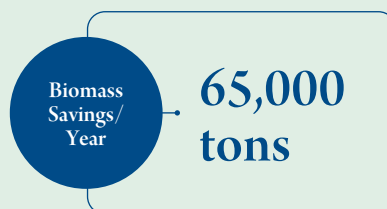
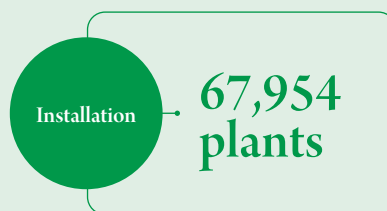
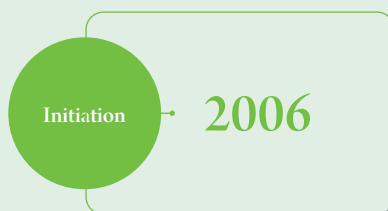


BIOGAS & BIO-FERTILIZER PROGRAM

Fueling the Future



Helping households of Bangladesh since 2006



Financed more than **70%** of the total biogas plants in Bangladesh

Providing **low-cost, clean energy** solution to poultry and dairy industry

Establishing a sustainable and commercial biogas sector to achieve **~1 million** biogas plant market

Focused SDGs



Bangladesh is considered to be a country with high potential in dissemination of biogas technology. Majority of households in Bangladesh use traditional biomass fuels such as fuel wood, dung, and agricultural residues for cooking in low-efficiency stoves. Based on a survey by the Bangladesh Bureau of Statistics (BBS), about 952,000 households own more than 5 heads of cattle which indicates a market for approximately 1 million biogas plants.

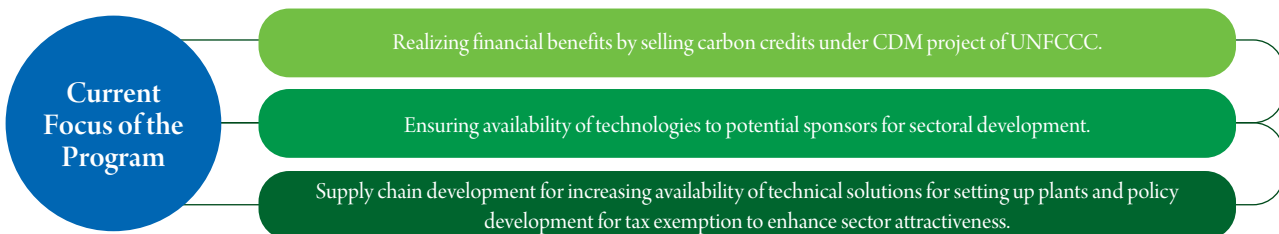
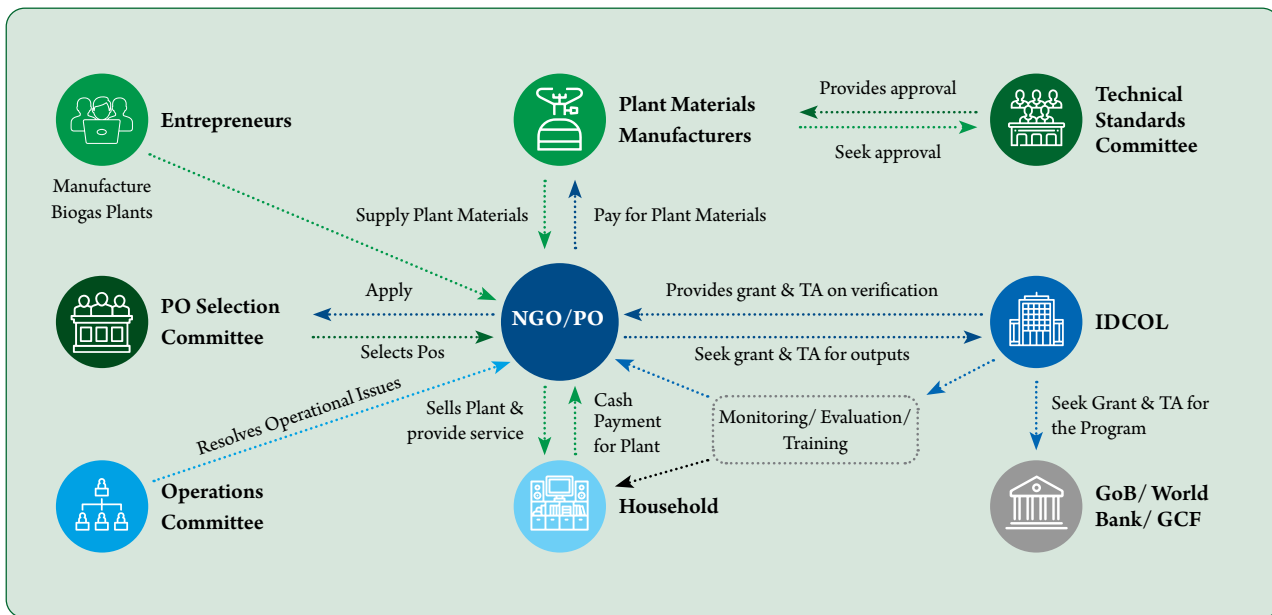
Realizing the potential of this segment, IDCOL has been implementing its Biogas & Bio-fertilizer Program for households

in Bangladesh since 2006 with support from the World Bank, KfW Development Bank and SNV Netherlands Development Organization. IDCOL has registered the program as a CDM project under UNFCCC. The objective of the program is to develop and disseminate biogas plants with the ultimate goal of establishing a sustainable and commercial biogas sector in Bangladesh. Almost 68,000 biogas plants have been constructed till December 2023 through Participating Organizations (POs). These plants provide clean energy solution to around 306,000 beneficiaries.

Program Structure

IDCOL currently promotes and finances biogas plants in the rural areas of Bangladesh through its partners which comprises of NGOs, MFIs and private entities known as POs. The POs identify project areas and potential customers, extend microcredit, procure appliances from IDCOL approved suppliers, construct the plants and provide maintenance and after-sales supports. An independent PO Selection Committee has the responsibility for selection of POs under the program.

Technical Standards Committee finalize and upgrade the design of biogas plant and its technical standards, specification of raw materials to be used, set technical standards of appliances and give approval of those. Chaired by the ED and CEO of IDCOL and consisting of program-in-charges from all POs and representatives from IDCOL, the Operations Committee regularly meets to look after the operational aspects of the program. The basic program structure is as follows:



Biogas based Power Projects



400 kW Biogas based Electricity Project at Satghoria, Halodia, Louhajung, Mumshiganj

Biomass based Power Projects

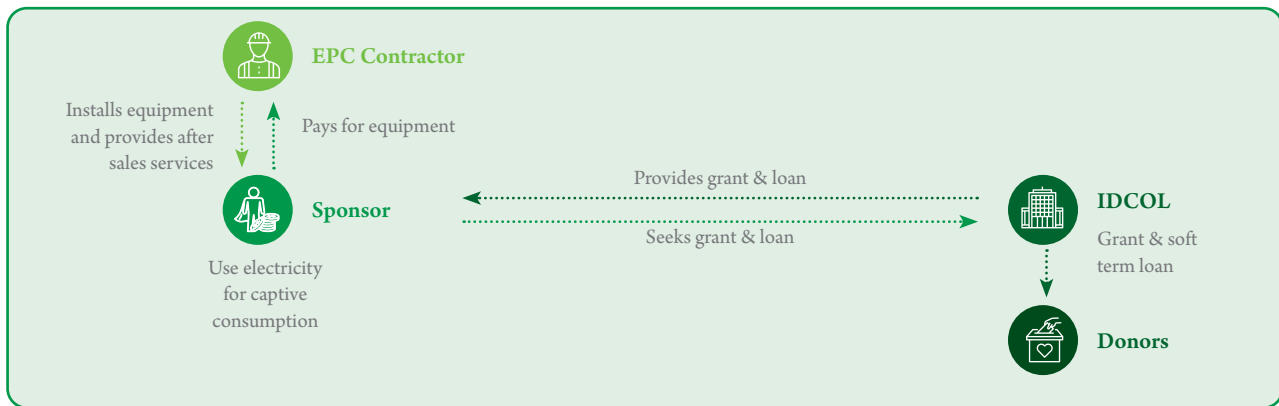
IDCOL financed a 250 kW Biomass based power plant of Dreams Power Private Limited (DPPL) at Kapasia, Gazipur. The plant uses locally available agricultural residues i.e., rice husk as fuel for power generation. At the time of establishment in an off-grid area, the plant supported 300 households and commercial entities of that area by supplying grid-quality electricity.

IDCOL financed a 400-kW rice husk gasification-based power generation facility along with a precipitated silica plant at Chilarong, Thakurgaon Sadar, Thakurgaon. IDCOL provided concessionary loans to Sustainable Energy & Agro-resource Limited (SEAL), the Project Sponsor, for setting up the plant. The plant uses locally available agricultural residues i.e., rice husk as fuel for power generation. With the annual silica production capacity of 918 tonne, the plant generates electricity which is supplied to the adjacent silica production plant with a captive consumption of 75kW, nearby poultry hatchery with capacity requirement of 300 kWp and thirty irrigation pumps (10kW each) and/or numerous rice mills in the area.



400-kWp rice husk gasification-based power plant of SEAL

Program Structure



Benefits of Biogas & Bio-fertilizer Program



Cost Savings

By providing gas for cooking purposes, the program has lowered the usage of firewood by approximately 65,000 tons per year which results in an annual savings of BDT 45 Cr. Decrease in the use of traditional stoves burning biomass reduce household air pollution. Biogas plants constructed under the program generate around 403,000 tons of organic fertilizer each year – “Bio-slurry” and save approximately 58,000 tons of chemical fertilizer worth BDT 148 Cr. Bio-slurry is also an excellent food source for fish.



Employment Creation

The program has led to creation of direct and indirect jobs at different levels, such as quality inspectors, masons, supervisors and loan recovery agents. Furthermore, it has developed small-scale support industries which are directed towards manufacturing appliances and stoves for biogas users.



Reduction of CO₂ Emission

These projects involve production of biogas as end product of anaerobic digestion- a process through which energy stored in organic matter is converted into biogas. The produced gas is then used in industries or manufacturing plants for running machinery or for generating electricity. Through this process, the carbon emitting fuel is replaced with cleaner sources of energy. Implementation of such projects also reduces potential environmental hazards resulting from improper disposal of poultry, dairy and agriculture wastes.



Alternative Source of Energy

By producing electricity from poultry litter/cow-dung, biogas-based power projects reduce dependency on fossil fuel and provide opportunities for saving electricity bills and diesel consumption. This gives access to grid quality electricity at low cost.



Risks and Mitigations



Overcoming Technical Challenges

The operational biogas-based power projects provided the base case and detailed understanding of such projects. Nine projects have been operational for more than a year and they have provided opportunities for improvement in system design and other related aspects. Learning from previous projects provides valuable input in this regard. Notably, IDCOL is currently expediting new technologies to mitigate the challenges that have been observed in the operational projects. The implementation of these technologies is expected to bring about necessary solutions to make these projects more viable and sustainable.



Lack of Awareness

These projects require skilled manpower for plant operation and maintenance. In addition, the availability of the technology is yet to be adequately distributed among potential sponsors e.g. poultry/dairy farms.



Lack of Research and Development

Lack of experience in research and development for bio energy is another issue that needs to be addressed to overcome the challenges of these projects. The operational biogas-based power projects have already identified some major challenges, which can be used as base case, and further R&D can be initiated based on these cases.



Lack of Suppliers

Only a handful of suppliers are providing technical solutions, limiting options for sponsors. As a result, a limited number of technical experts in the industry who can provide technical support for these projects is not able to offer new adaptable options for technologies in this sector. IDCOL is encouraging other engineering institutions to provide technical consultancy services under biogas-based power projects.



Government Support

To make these projects more financially viable and sustainable, the major equipment of these projects needs to be more cost effective. In this regard, the government may exempt Tax and VAT for the equipment such as biogas generator, water separator and other machinery. It is also required to encourage the participation of the potential suppliers in this sector by exempting tax and VAT on the imported equipment used under such projects. Moreover, for expediting the success of these projects, the government may encourage the poultry/dairy farms in undertaking biogas-based electricity projects.



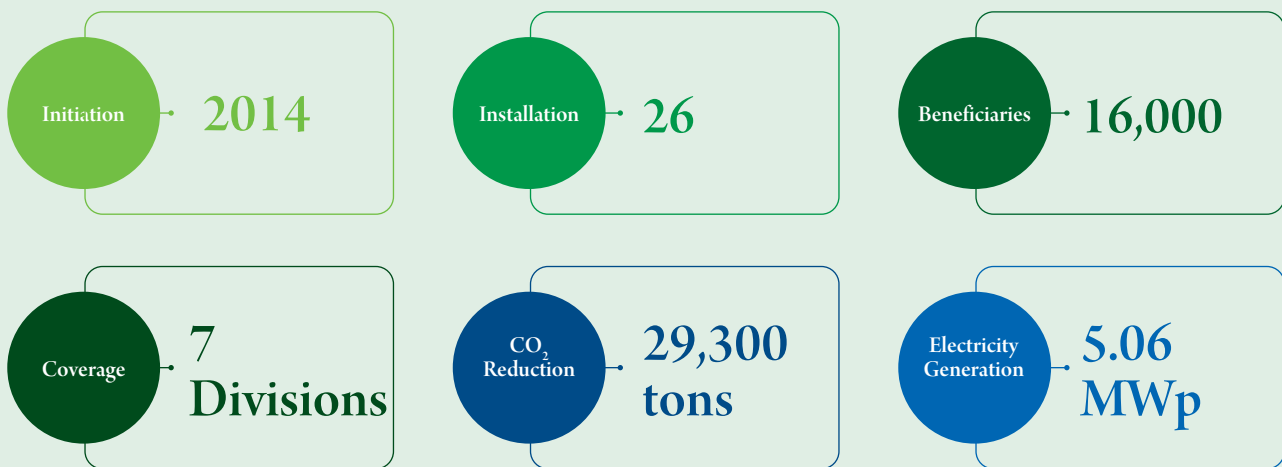
A happy customer with domestic biogas plant

SOLAR MINIGRID

Powering Progress: Enabling Productive Electricity in Off-Grid Bangladesh



Solar mini-grid installed in Monpura Island



16,298 connections providing electricity to 73.5% of households in off-grid areas

Achieving 30,446 CO₂ emission reduction by FY 2034



Focused SDGs

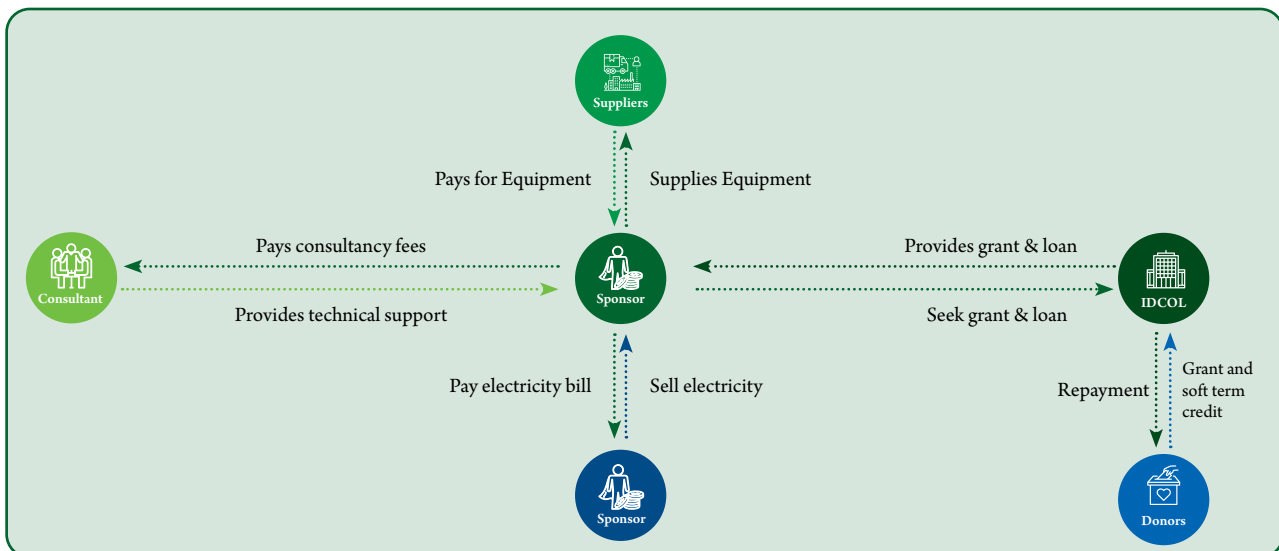


A large portion of the population of Bangladesh lives in remote rural areas, far away from existing grid line and sometimes are, isolated from the mainland by river or sea. As such, it was challenging to reach out to those population with grid electricity. In this backdrop, solar mini-grids implemented by the private sector under IDCOL financing provided access to grid quality electricity for 24x7 to these rural population and played an important role to complement the commitment of the GoB to ensure Electricity for all by 2021. Located in river and sea islands, 26 IDCOL solar mini-grids have not only provided improved electricity services to

the rural inhabitants but also encouraged huge economic activities which otherwise is not possible to be served by Solar Home Systems (SHS).

IDCOL extended 50% of the project cost as grant and 30% as long-term concessionary loan to the private sector sponsors so that they can offer electricity services to the rural people at an affordable tariff. The remaining 20% of the project cost was put in as equity by the sponsors. IDCOL sources the required financing from the World Bank, KfW, GPOBA, JICA, USAID, ADB and DFID to implement these solar mini-grids.

Program Structure



The figure above illustrates the structure of a typical mini-grid project. The prominent features of solar mini-grid projects are as follows:

- The sponsor is responsible for identifying suitable site, to procure equipment from suppliers, to ensure installation and commission of the plant and after implementation, to sell electricity to end-customers at a specific tariff.
- The sponsor is required to retain a technical consultant for providing design, supervision and other technical support to the sponsor. However, if a sponsor has adequate technical capacity, it may not need to engage such technical consultant.
- IDCOL provides soft loan, grant, and technical as well as project development supports to the sponsors.
- The suppliers supply and install the required equipment and machineries e.g. solar PV panel, inverter, batteries, generator, pole and pole fittings, cable, etc. at site.



250 kWp Solar Mini-grid project implemented by Solar Electro BD

Benefits of the Program



100 kWp Solar Mini-grid Project of PGEL: the first mini-grid project of Bangladesh established in 2010 and financed by IDCOL

Partner Network Development

IDCOL currently has 20 sponsors under solar mini-grid projects which have dedicated workforce to run these plants. Currently, 26 solar mini-grid projects are operational in river and sea-islands in 7 divisions of the country.

Sustainable Business Model

IDCOL has developed a business model that ensures affordable electricity tariff for customers as well as reasonable return for the sponsors under solar mini-grid projects with minimum return on equity being 13%-15% and payback period being 7-8 years. Besides, sponsors using prepaid metering system ensures 100% collection efficiency. Prepaid meter helps them better monitor their energy consumption and motivates them for energy conservation, thus reducing wastage. IDCOL also directs the sponsors to promote use of energy efficient appliances to reduce the monthly electricity bills for consumers.

Enlistment of New Suppliers

IDCOL solar mini-grid projects encouraged several suppliers to start manufacturing of 2V battery. Besides, few local suppliers have emerged that are capable to provide installation and commissioning services to these projects.

Establishing Regulatory Framework

IDCOL is pursuing the government to establish a regulatory framework to safeguard private sector investments in solar mini-grids. Previously, IDCOL and SREDA successfully facilitated through Department of Environment to mark solar mini-grid projects in 'Green' category (all power projects were marked as red category by the Department of Environment).

Promoting Use of Energy Efficient Appliances

IDCOL arranges training to raise awareness among customers about the benefits of using energy efficient appliances. Besides, IDCOL encouraged different manufacturers to keep energy efficient appliances available in the vicinity of solar mini-grid areas. Use of such appliances not only enables the customers to afford maximum electricity benefits but also allows the projects to serve more customers with the electricity saved.

Economic Impact Created by Solar Mini-Grids

Being a reliable source of electricity, solar mini-grids have successfully contributed towards the creation of a vibrant economy in rural areas. Under the projects, about 14,445 connections have been made so far of which 73.5% are households and the remaining 26.5% are commercial entities engaged in different income generating activities and other productive uses. Customer of such categories include shops, workshops (steel, furniture, carpentry), rice mills, sawmills, irrigation pumps, ice factories, telecommunication towers, electrical vehicle charging stations, hospital/clinic, other factories (puffed rice mill, bakery, oil pressing mills), resorts/restaurants, schools, mosque, madrasahs, etc. Many entrepreneurs have been created in these areas because of successful mini-grid interventions. The total number of connections under solar mini-grids are expected to be 20,538 which are estimated to provide electricity access to more than one lac rural population.



228 kWp Solar Mini-grid project implemented by Super Star Group

Reduction of CO₂ Emission

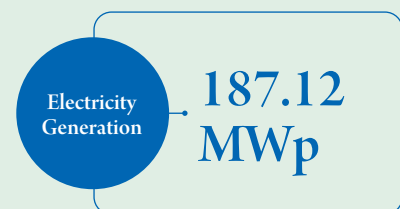
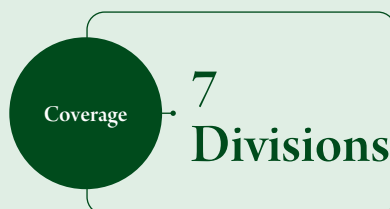
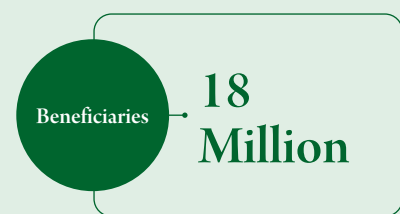
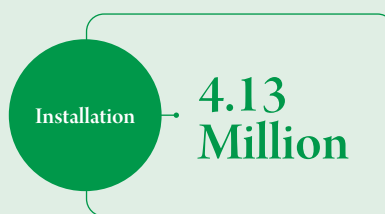
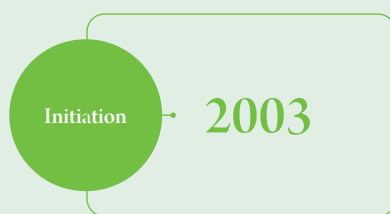
The solar mini-grid projects contribute towards CO₂ emission reduction target of the country by replacing need for diesel-based power generation units. A typical solar mini-grid plant of 250 kWp capacity may cater to energy needs of about 750 customers including households, offices, shops, mosques, madrasahs, etc. Considering kerosene consumption per customer per month of about 2.70 liters while CO₂ emission factor from per liter of kerosene is about 2.41 kg/liter, CO₂ emission reduction from a solar mini-grid is estimated to be about 58.6 tons in a year and 1,171 tons in 20 years.

SOLAR HOME SYSTEMS

Empowering Households by Ensuring Electricity for All



Providing electricity to households in rural off-grid areas



Financed **74%** of country's total Solar Home Systems

3.31 million tons of kerosene savings worth **USD 411 million**

Providing grid-quality electricity to country's **12%** population

Focused SDGs

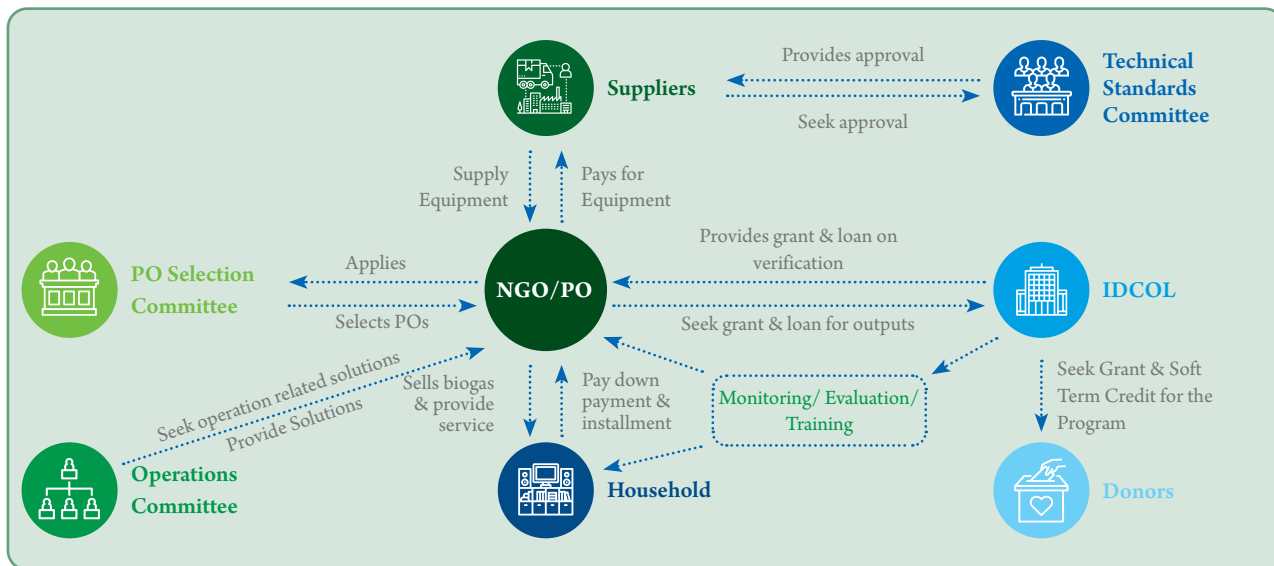


IDCOL started SHS program in January 2003 to fulfill basic electricity requirement of the off-grid rural people of Bangladesh. IDCOL SHS program has been acclaimed as the largest off-grid electrification program in the world. Till date, about 4.13 million SHSs have been installed under the program in the remote areas which enabled people to obtain electricity far sooner than would have been possible through grid electricity. Thus, the program has ensured supply of solar electricity to 18 million people i.e., 12% of the country's total population who previously used kerosene lamps for lighting purposes.

IDCOL, through its 56 Participating Organizations (POs) which are non-government organizations, micro-finance institutions, societies, foundations, and/or private entities, implemented the program. IDCOL provided subsidies and concessionary credit to the POs. IDCOL also provided promotional support and necessary training to ensure quality of the program. Till December 2020, IDCOL disbursed USD 504.5 million (BDT 4172.7 crore) as credit and channeled USD 96.62 million (BDT 704.2 crore) as grant to all the POs under the program.

Program Structure

IDCOL has developed a unique model for the dissemination of SHS. The model has been proved effective and accepted by the beneficiaries under the program. It introduced ownership model through micro-finance/cash sale rather than fee-for-service model. The figure shows the basic structure of the SHS program.



Installation of Renewable Energy Systems Under TR/KABITA Program

Based on IDCOL's experience in implementing various renewable energy programs and projects, particularly the globally acclaimed "Solar Home System (SHS) program" through its POs, a decision was taken in a meeting held at the honorable Prime Minister's Office on 23 February 2016 to involve IDCOL in TR/KABITA Program.

Accordingly, on 3 April 2016, the Ministry of Disaster Management and Relief (MoDMR) issued a guideline under which IDCOL, and its POs have been implementing the program since the last part of FY 2015-16.

Under the TR/KABITA program, a total of about 1.575 million renewable energy systems have been installed till December 2020 through IDCOL POs. IDCOL has a dedicated team for monitoring the installation and maintenance of solar projects under TR/KABITA Program. This team works from 17 regional offices of IDCOL across the country.

IDCOL also has a dedicated Call Centre which remains open every day from 8 AM to 9 PM except for Fridays and other government holidays to ensure customer service regarding any technical problem and after sales service. Dedicated short code (16653) has been taken for the Call Centre. Call center agents receive complaints from the customers and forward to the respective PO for resolving those. An integrated software is being used for recording, managing and tracking status of these complaints.



Benefits of the Program

Bangladesh Institute of Development Studies (BIDS) conducted impact assessment of IDCOL SHS Program which has identified some interesting impacts of the program on rural community. These are discussed below.

Study Hours and Schooling

According to BIDS, easy access to electricity ensures that students in SHS households in the off-grid rural areas benefit from longer study hours – which substantially increase the number of completed school years in comparison to their counterparts in non-SHS households. This is expected to offer them better job opportunities in the future and raise their living standard in general.

Safety and Amenities

BIDS study also revealed that SHS households enjoy higher safety, comfort and convenience compared to non-SHS households. For instance, SHS user household members have higher sense of security at nighttime by replacing kerosene lamps with SHS light. In addition, the SHS households have access to various electronic appliances i.e. TV, radio, fan, mobile charger.



Weaving handicraft at night with the help of SHS



Studying at night with help of SHS

Impact on Health

SHS household member also suffer less from several types of preventable illness such as general ailment, respiratory diseases, and GI illness. Moreover, adoption of SHS was found to have an adverse effect on recent fertility which consequently has a positive effect on population control of our country.

Benefits for Women

Women are one of main target beneficiaries of the SHS program. SHS has a positive influence on women's mobility, general and economic decision-making. Women are found to use more time for tutoring children, watching TV, socializing, visiting friends and neighbors with the adoption of SHS.

Employment Generation

The program has contributed towards development of local support industries and creation of more than 75,000 direct or indirect jobs. It has successfully created and enhanced working opportunities for women and contributed to improving their living standards and social status in rural areas. Solar electricity also benefits small business as they can enjoy extended operating hours and earn more revenue.

Kerosene Saving

The program has so far saved consumption of 3.31 million tons of kerosene worth USD 411 million (considering USD 0.30 per liter). The already installed 4.13 million SHS will save consumption of another 3.6 million tons of kerosene worth USD 1,300 million in the next 15 years. Therefore, total saving in terms of reduction in kerosene use is almost 3 times of IDCOL's total credit investment. This also reduces CO₂ emission and creates a positive effect on health as households now suffer less from respiratory diseases. An integrated software is being used for recording, managing, and tracking status of these complaints.

OTHER RENEWABLE ENERGY PROJECTS



Solar powered BTS of Grameenphone

IDCOL has financed BDT 23 crore in solar powered solution for 138 telecom BTSs in off-grid areas of Bangladesh. With over 3,000 BTSs located in off-grid areas, many of which suffer from frequent power outages, solar

powered solutions provide a novel approach to provide continuous power to telecom BTSs, ensuring uninterrupted voice and data connectivity.



Panna Battery Ltd., a lead acid battery recycling plant with recycling capacity of 70 MT of used lead acid batteries per day has been financed by IDCOL.

Recycling of batteries extracts lead from scrap battery repeatedly for reusing in new battery production. Thus, the recovery of lead decreases the lead dispersion in the environment and preserves the mineral reserves for the future. The recycled lead can be used to meet the increasing demand of raw materials in the local battery industry. Manual



recycling methods release large amounts of lead into the environment. Hence, such environment friendly recycling plant will ensure the reduction of the release of the harmful chemicals into the air. IDCOL has financed Panna Battery Ltd., a lead acid battery recycling plant with recycling capacity of 70 MT of used lead acid batteries per day.



ADVISORY SERVICES



12

Assignments till date

179

PROFESSIONALS

Received support from Experience Sharing

1600+

PROFESSIONALS

Trained under Capacity Building Program

Array of Advisory Services



Financial Advisory



Government Advisory



Project Advisory



Policy Reform



Climate Consulting



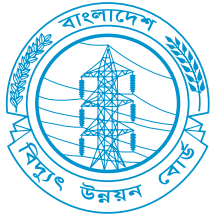
Transaction Advisory



Capacity Building

IDCOL has enriched its service offerings by providing advisory services in the country and abroad since 2014 by utilizing its expertise in Renewable Energy, Climate Finance, Project Finance, Financial Analysis, Financial Modeling and Project Management experience. In Bangladesh, IDCOL works closely with government entities and regulators to advise and assist in formulating policy, developing regulatory and institutional frameworks that support private investment and public-private partnerships in renewable energy and infrastructure development. Outside of Bangladesh, IDCOL provides advisory support for implementation and replication of IDCOL's renewable energy and infrastructure projects and programs.

Cientele Base



Food and Agriculture Organization of the United Nations



2023 in Focus



IDCOL is working with the Ministry of Water & Energy, the Government of Ethiopia, for providing advisory services on implementation of Solar Home System program. The World Bank has extended USD 10 Million to the Ministry of Water and Energy for creating 750,000 new connections through solar off-grid standalone solutions under the Access to Distributed Electricity and Lighting in Ethiopia (ADELE) project. IDCOL is supporting the Ministry as the Grant Administration Support Consultant to incentivize market expansion into deep-rural areas and innovation by channeling grant support.

IDCOL signed the contract with the Ministry of Water & Energy, the Government of Ethiopia on 22nd December 2023 at Addis Ababa.






IDCOL has been providing support to the Ministry of Energy of the Government of Malawi as the Fund Manager of the Malawi Off-Grid Market Development Fund (OGMDF) to develop the solar market. IDCOL will operationalize the USD 20 million financing window to address the challenges of scaling up the off-grid market by providing debt financing as working capital support, grant facility to provide end-user subsidy and Market Catalyst Fund to support the local companies. The Fund, supported by The World Bank under the Malawi Electricity Access Project, targets to electrify 200,000 new households in remote rural communities. The Solar Home Systems (SHSs) will provide affordable electricity to underserved and hard-to-reach segments of the population, by engaging the local off-grid solar companies in Malawi. On March 10, 2023, in Lilongwe, the capital of Malawi, Mr. Ibrahim Matola, Minister of Energy for the Government of Malawi, officially inaugurated the Fund. The session was attended by Mr. Hugh Ridell, the Country Manager of The World Bank in Malawi, as well as high-ranking representatives of the Ministry, The World Bank, and private sector stakeholders. IDCOL representative delivered the keynote paper addressing various features of the Fund on behalf of the Fund Management. During the program, the businesses also showed solar products that would be used in the project.




IDCOL has been advising Skills for Employment Investment Program (SEIP) project under Finance Division to develop a business plan for renewable energy sector skill development in Bangladesh. SEIP project was launched in 2014 with support from ADB to support the long term and comprehensive skills development efforts in Bangladesh. Tranche 1 and Tranche 2 addressed the skills requirements of nine industry sectors through implementation of market responsive inclusive skills training programs. Under Tranche 3 of the project, SEIP is focusing on identifying and developing skills requirement of the Renewable Energy sub-sector. IDCOL has completed the analysis and submitted a business plan as per requirement of the assignment. IDCOL estimated that up to 16,698 new jobs may be created in the RE sector by 2030. As per the stipulation of the business plan, IDCOL aims to impart training to 425 trainees on various renewable energy technologies through various training institutes. As of 31 December 2023, IDCOL has completed training of 175 trainees in 7 batches on IC, Rooftop Solar etc.



BANGLADESH ADVANCING DEVELOPMENT AND GROWTH THROUGH ENERGY (BADGE) PROJECT
Advancing energy security and resilience in Bangladesh

Energy security and access continue to play a crucial role in Bangladesh's ability to meet its economic growth targets and sustain rising living standards. USAID, in collaboration with the U.S. government, manages a Office, continues to work with the Government of Bangladesh (GOB) and the private sector to create a more welcoming business and investment environment and a more level-playing field for both local and international companies in the energy sector.

In light of the above, USAID Bangladesh's flagship clean energy project—Bangladesh Advancing Development and Growth through Energy (BADGE)—is working to improve energy security and resilience in Bangladesh by improving access to affordable, reliable, and sustainable energy systems, and promoting transparent and efficient energy markets. By supporting the deployment of advanced and clean energy systems, provision of transportation and base-load procurement for energy, and increased participation in regional energy trade and cooperation—all avenues by high-performing energy institutions—the energy sector in Bangladesh will contribute to the sustainable development goals of achieving prosperity, well-being, and resilience of its citizens.



In June 2021, USAID launched the Bangladesh Advancing Development and Growth through Energy (BADGE) project with an objective to improve energy security and resilience in Bangladesh by improving access to affordable, reliable, and sustainable energy systems, and promoting transparent and efficient energy markets. Tetra Tech Inc. is the implementing entity of the BADGE project which will mobilize \$17.2 million of technical assistance to support Bangladesh's energy sector transformation. IDCOL, in association with Ahsanullah University of Science and Technology (AUST), is selected for supporting USAID BADGE project activities. The Request For Application (RFA) sought grant applications from local organizations and community groups, private companies, entrepreneurs, non-profit, academia and Research & Development institutions working in the area of energy access, clean energy, energy efficiency, improving quality and reliability of supply and modern energy services to support achieving results of BADGE project.



**Food and Agriculture
Organization of the
United Nations**

In September 2020, Green Climate Fund (GCF) approved a Readiness Proposal for strengthening Bangladesh's NDA Secretariat for enhancing pipeline implementation and private sector engagement in effective climate action. Food and Agriculture Organization (FAO) was the implementation entity of the project. In this regard, FAO intended to engage consultant(s) to develop background paper which will review and analyze the existing micro, small and medium enterprises (MSMEs), particularly in textile, agriculture and food industry, energy, waste and industrial processes and product use sectors on existing barriers and risks towards engagement in climate actions and investments. The background paper will ultimately guide the discussions of a national stakeholder dialogue with MSMEs and public entities in their role toward sustainable climate actions and investments. IDCOL has been selected for a consultancy assignment with FAO to develop a background Paper and facilitate a national stakeholder dialogue on private sector MSMEs engagement in climate actions.

Training & Capacity Building Program

Training of more than 1600 professionals

Since 1999, IDCOL has been organizing various workshops, seminars and training courses for the capacity development of its industry stakeholders. So far, IDCOL has arranged 25 Project Finance, 20 Financial Modeling, 2 Financing Power Projects training courses and various capacity development workshops such as Investment in Energy Efficient Brick Project, Financing Utility Scale Solar Project, and Industrial Energy Efficiency etc. Till date, more than 1600 professionals have been trained under its Training and Capacity Building Program of IDCOL. IDCOL officials have also trained in workshops arranged in foreign countries i.e. Singapore, Indonesia, North Cyprus, Sudan, Uganda, Iran and Cambodia.

Experience Sharing Program

Supported more than 179 professionals from over 18 delegations from around the world

Several emerging countries all over the world are interested to replicate IDCOL renewable energy model in their respective countries. Considering the huge demand in international market, IDCOL has started providing advisory services and on the job training on rural electrification and renewable energy program implementation to different countries. So far, IDCOL supported more than 179 professionals from over 18 delegations from around the world including Uganda, Sudan, Rwanda, Guinea, Ethiopia, Mali, Gambia, Niger, Senegal, Mauritania, Cambodia, Pakistan, Afghanistan, Myanmar, Nepal, Thailand, UK, and Switzerland for implementing similar projects/programs in their country.

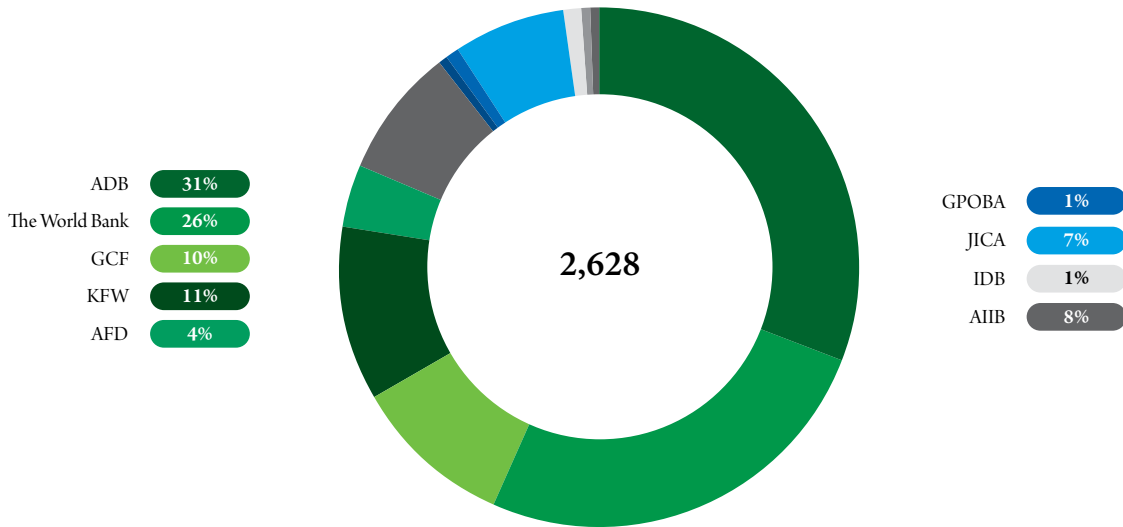


Notably in 2023, the Advisory Services Unit hosted two experience sharing visits in Bangladesh. The unit hosted an experience sharing program on Renewable Energy and Clean Cooking for a 9-member delegation from Ethiopia which included officials from Government of Ethiopia, GIZ and SNV. The delegates visited Solar Home System (SHS) and Improved Cooking Stove (ICS) households in the Jessore region. A 10-member delegation from Uganda also visited IDCOL to learn about renewable energy initiatives. The delegation was led by the Permanent Secretary to Treasury and included officials from the Government of Uganda, Uganda Bankers Association and Board Directors of Uganda Energy Credit Capitalization Company (UECCC).

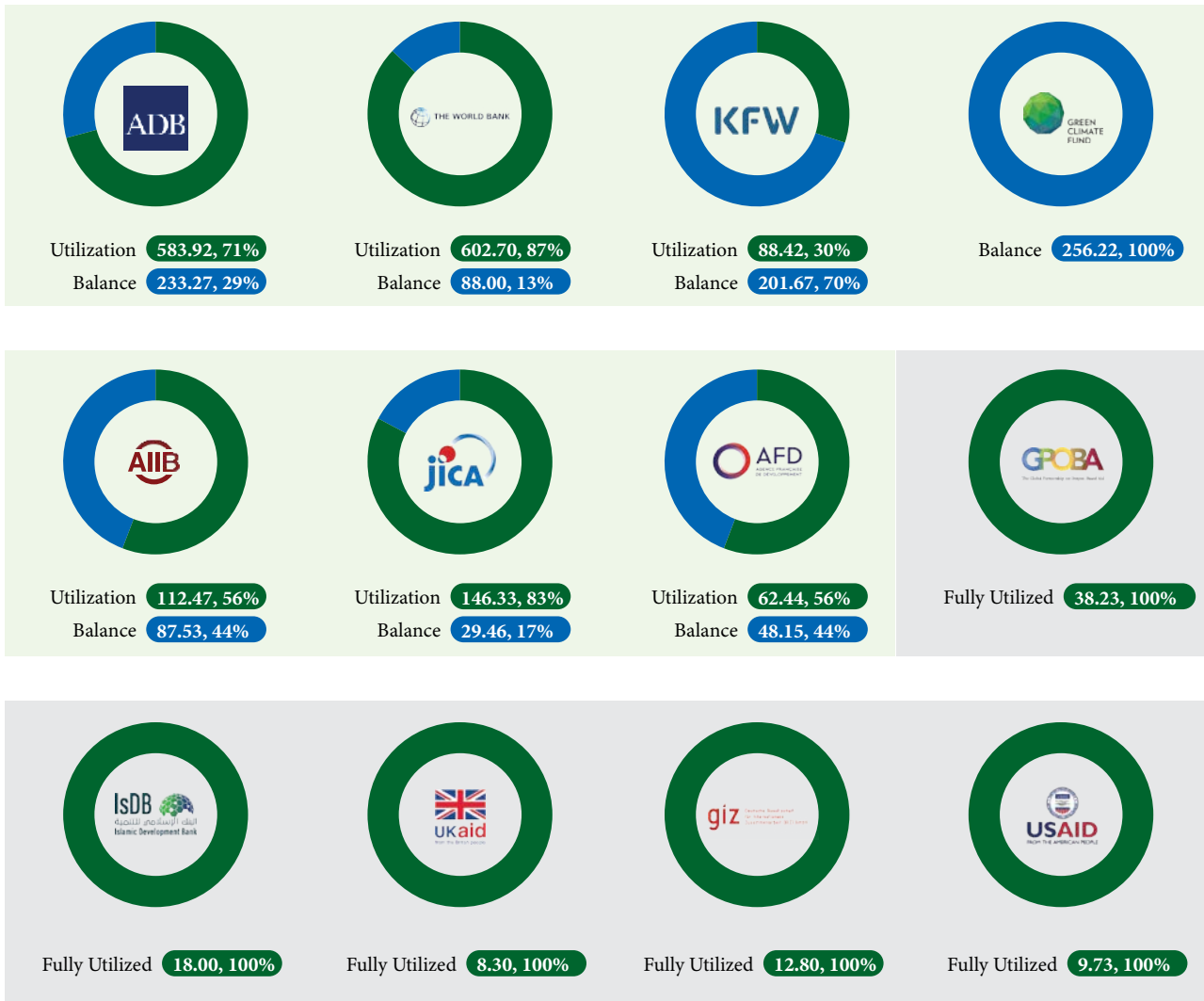


IDCOL'S CREDIT LINE

Amount in USD Million



Active Completed



CREDIT LINE AVAILABILITY

Total Available Credit Line:

Amount in BDT Crore

11,049

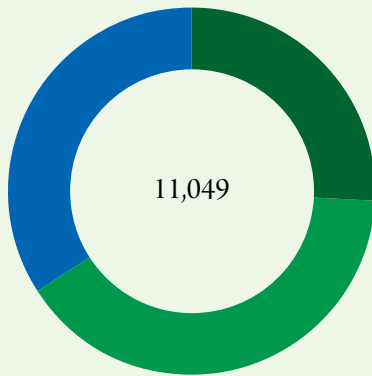
Loan

10,660

Grant

389

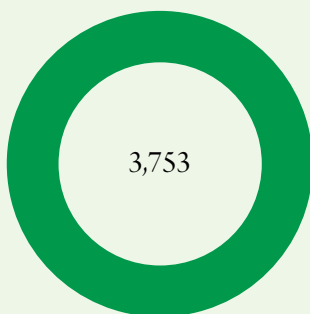
Program-wise Credit Lines



Renewable Energy	2,872	26%
Energy Efficiency	4,423	40%
Infrastructure	3,753	34%

Program-wise Loan & Grant Availability

Infrastructure



Grant

6

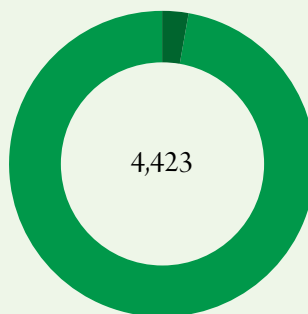
0%

Loan

3,748

100%

Energy Efficiency



Grant

116

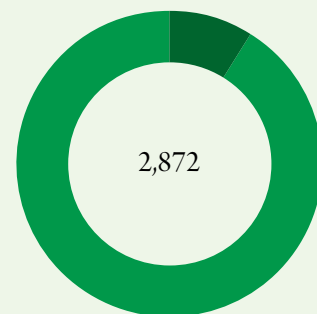
3%

Loan

4,307

97%

Renewable Energy



Grant

267

9%

Loan

2,605

91%






Active Credit Lines Availability as on 31 December 2023

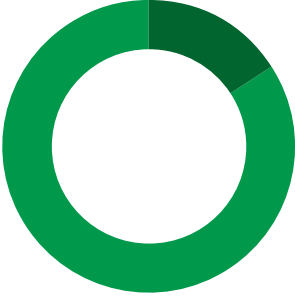
Partners

Focus Sector



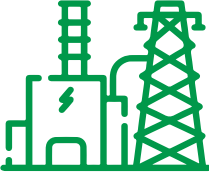
Allocation:
USD 278 MN

2022-2027




Utilized Available

16% 84%

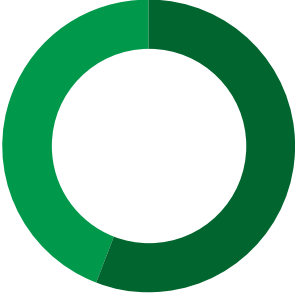


Infrastructure




Allocation:
EUR 101 MN

2020-2026




Utilized Available

56% 44%

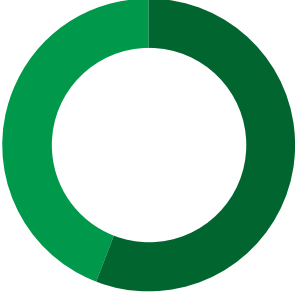


Energy Efficiency



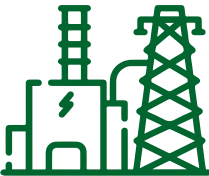
Allocation:
USD 200 MN

2022-2027



Utilized Available

56% 44%



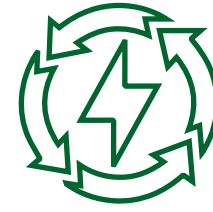
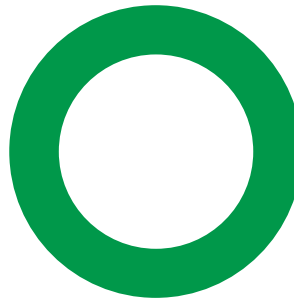
Infrastructure

Partners

Focus Sector



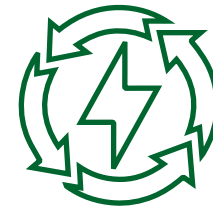
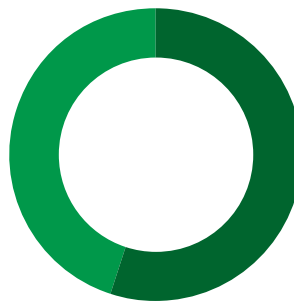
Allocation:
USD 256.50 MN
2022-2027



Energy Efficiency



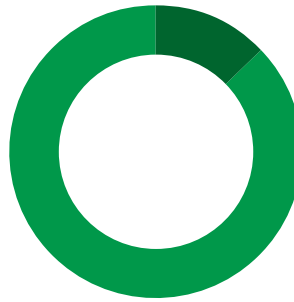
Allocation:
JPY 9,897 MN
2019-2027



Energy Efficiency



Allocation:
EUR 211 MN
2018-2028



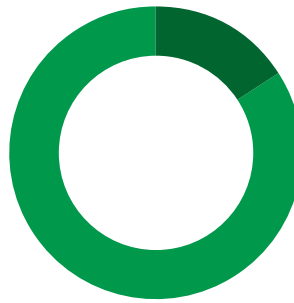
Energy Efficiency



Renewable Energy

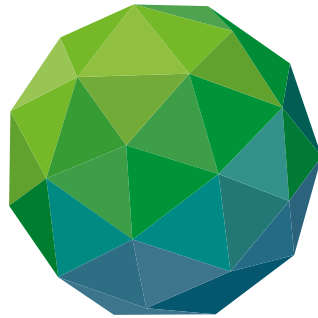


Allocation:
USD 108 MN
2019-2025



Renewable Energy





GREEN CLIMATE FUND

6 July 2017
Accredited on

1st
Direct Access Entity
of Bangladesh

USD 250M per Project
Eligible for managing Senior
Loan and Grant

1
of the 128 globally GCF-accredited
entities

1st of its Kind
Project Preparation Facility (PPF)
Support for Bangladesh

USD 256.48M
Loan and TA under 1st FAA

1st FAA
Signed on 20 July 2022

3 Projects
in Different Stage of Approval

Green Climate Fund (GCF) – a critical element of the historic Paris Agreement - is the world's largest climate fund, mandated to support developing countries raise and realize their Nationally Determined Contributions (NDC) ambitions towards low-emissions, climate-resilient pathways. Climate change offers businesses an unprecedented chance to capitalize on new growth and investment opportunities that can protect the planet as well. As the world's largest climate fund, GCF accelerates

transformative climate action in developing countries through a country-owned partnership approach and use of flexible financing solutions and climate investment expertise.

IDCOL and GCF will jointly mobilize concessionary fund for both public and private sector to address the needs of Bangladesh in combating the impacts of climate change.

IDCOL: Bangladesh's 1st Accredited Entity of GCF

In the 17th Board meeting of GCF held on 6th July 2017, IDCOL was approved to become the 1st Direct Access Entity (DAE) from Bangladesh for financing climate change mitigation or adaptation project to be implemented in Bangladesh. The fund is first of its kind to enter Bangladesh through IDCOL which will be channeled directly to private/public sector entity or through private sector banks or financial institutions. Primarily, IDCOL was accredited for the funding instrument of "Senior Loan" and eligible to receive up to USD 250 million for each GCF project. Later, on 7th July 2019, IDCOL upgraded its accreditation status to access "Grant" of up to USD 250 million per project.

As an accredited entity, IDCOL will be able to access the GCF fund directly for any climate change mitigation/adaptation project to be implemented in Bangladesh. IDCOL will be able to channel the fund directly to private/public sector entity or through private sector banks and financial institutions.

As of 12th September 2018, IDCOL has successfully executed the Accreditation Master Agreement (AMA) with GCF. Subsequently, project specific Funded Activity Agreement (FAA) will be executed for each approved project proposal of IDCOL under the AMA.

Approval and Signing of Country's 1st Concessional Credit Line Under GCF

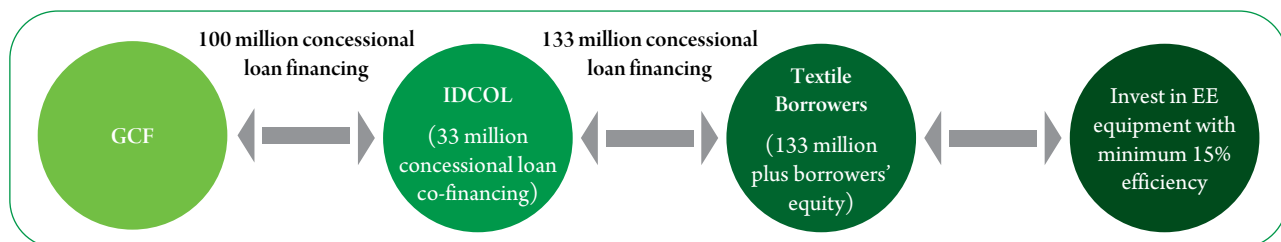
On 10 November 2020, IDCOL received approval of its first GCF funding proposal titled "Promoting private sector investment through large-scale adoption of energy-saving technologies and equipment for textile and readymade garments sectors of Bangladesh". At the time of approval, this was also the highest approved funding proposal for any DAE of GCF, accredited globally. Subsequently, on 20 July 2022, the Green Climate Fund (GCF) and IDCOL entered into a Funded Activity Agreement (FAA) to undertake a significant energy-saving project specifically tailored for Bangladesh's textile and garment industries. The signing ceremony was held online. The signing marks the arrival of the first concessional GCF credit line for Bangladesh, as well as the first private sector financing of GCF in the country.

with 5 years grace period) and USD 6.48 million as Technical Assistance (Grant) for creation of enabling environment, market awareness and capacity building of the relevant stakeholders. The rest of the amount will be co-financed by IDCOL and other implementing partners.

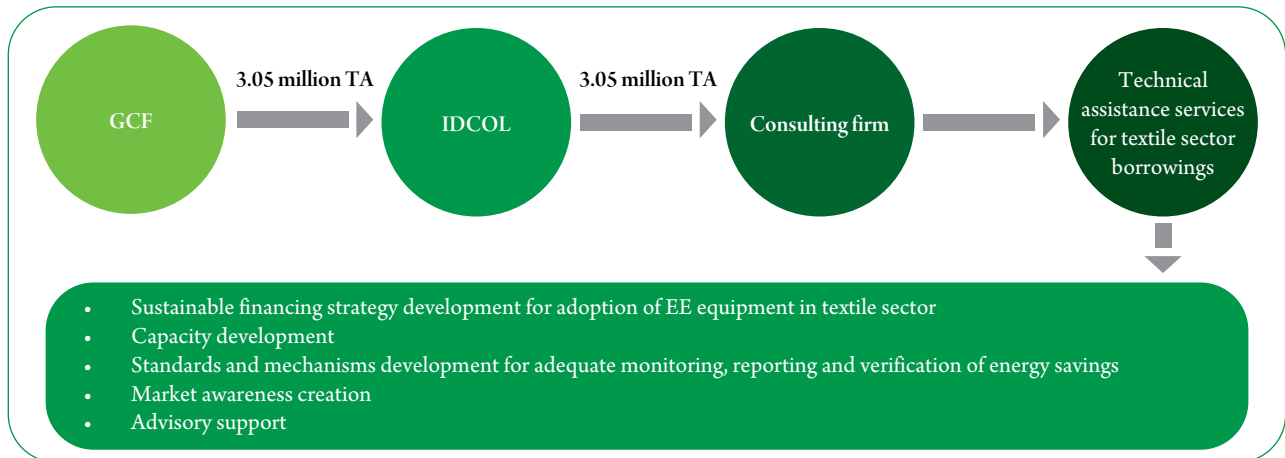
This program, valued at USD 340.5 million, stands as the GCF's most substantial contribution to a private sector project in a single country. The approved GCF financing for the project amounts to USD 256.48 million, including USD 250 million in the form of concessional loan (tenor 20 years

This program aims to offer both financial and technical support to textile and garment producers, enabling them to shift towards energy-efficient equipment and advanced technologies. By adopting these measures, the program seeks to reduce 14.53 million tons of CO₂ emissions, safeguard jobs, and promote growth in this crucial economic sector. Importantly, it will also play a pivotal role in encouraging private sector investment. The program will work towards motivating local financial institutions to develop scalable lending and investment models that promote climate mitigation and sustainable development within the sector. This integrated approach emphasizes the importance of aligning economic growth with environmental sustainability for a resilient and prosperous future. The approved program comprises of five interrelated components.

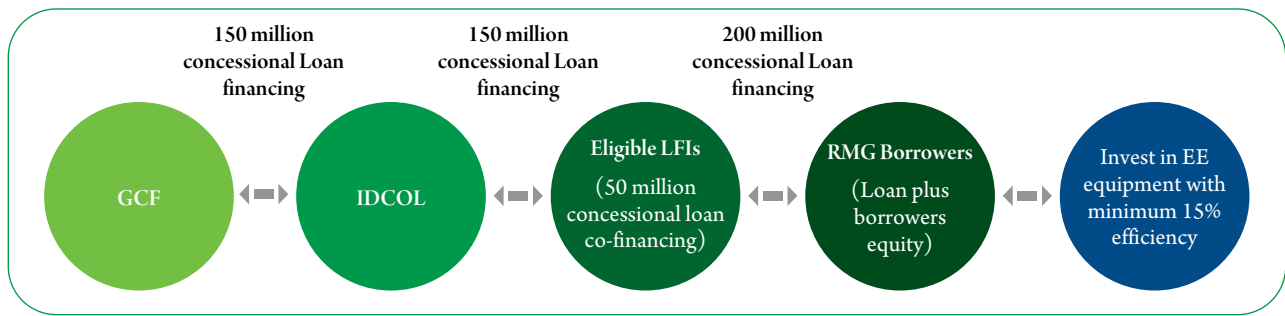
Component 1: Under this component, IDCOL, as an executing entity, will aim at offering concessional loans to the end borrowers who are in these case the private textile manufacturing entities for adoption of Energy Saving Equipment & Technology.



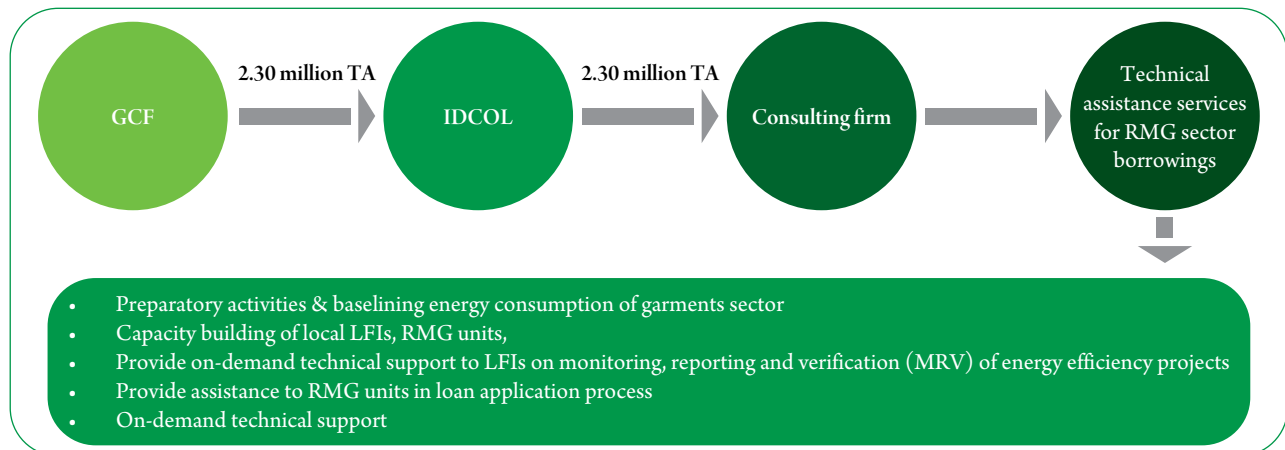
Component 2: IDCOL through a consulting firm will provide technical assistance services for developing enabling environment for EE investment in textile sector using the technical assistance provided by GCF.



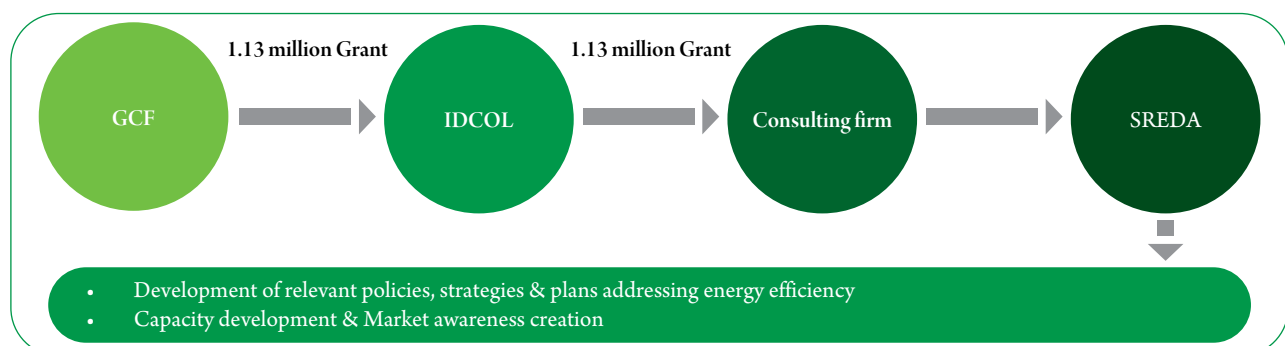
Component 3: Under this component, IDCOL will aim at offering concessional loans to eligible Local Financial institutions (LFIs) as per the criteria of GCF and LFIs will channel these funds the end borrowers who are in this case the private RMG manufacturing entities.



Component 4: IDCOL through a consulting firm will provide technical assistance services for developing enabling environment for EE investment in RMG sector using the technical assistance provided by GCF.



Component 5: Under this component, IDCOL using GCF Technical Assistance (TA) from GCF through a consulting firm will assist SREDA in strengthening regulatory and institutional framework at the national level to overcome the operational constraints related to implementing EE&C in the country.



IDCOL: Bangladesh's 1st Accredited Entity of GCF

April 18, 2023

IDCOL requested for the first disbursement of USD 672,825 grant under the FAA.

October 10, 2023

IDCOL signed implementation agreement with SREDA for strengthening the regulatory & institutional framework at the national level to overcome the operational constraints related to implementing EE&C in the country. Deloitte India will assist SREDA in this regard.

October 24, 2023

IDCOL has entered into an agreement with E&Y India, for implementing of the activities under Component 2 of the program. IDCOL is enabling environment for Energy Efficiency (EE) investment in textile sector with the technical assistance of E&Y India using GCF grant financing.

December 31, 2023

The procurement of an international consulting firm for implementation of for developing enabling environment for EE investment in RMG sector (Component 4) is going on.

Participating in the GCF Integrity Forum



IDCOL participated in the GCF Integrity Forum in Bangkok, Thailand. Organized by the GCF Independent Integrity Unit (IIU), this conference brought together integrity professionals from Direct Access Entities (DAE) around the world to share best practices, engage in peer learning, and network with experts.

Assistance in the Development of a Concept Note and Funding Proposal

IDCOL, as the Direct Access Entity (DAE) to GCF, can receive grant support through the Project Preparation Facility (PPF) by submitting a concept note with high potential. IDCOL has successfully executed 03 PPFs worth USD 1 million, which is a pioneering achievement for Bangladesh. Through the support of the PPF, IDCOL can facilitate the access of both public and private sector stakeholders to the GCF by developing a robust funding proposal.

The PPF has been availed for the support of one or more of the following activities:

1. Pre-feasibility and feasibility studies as well as project design.
2. Environmental, social and gender assessment.
3. Risk assessment of the proposed project.
4. Identification of program or project level indicators.
5. Pre-contract services, including the revision of tender documents.
6. Advisory services and/or other services to financially structure a proposed activity.
7. Other activities such as workshops and consultations, etc.

IDCOL currently has a strong pipeline of climate change projects focused on both adaptation and mitigation. These projects encompass a range of

sectors and highlight the significance of climate resilience and sustainable development. Some notable projects include:

- Climate-resilient sustainable coastal forestry in Bangladesh
- Scaling up solar powered irrigation to ensure food security and enhance resilience to climate change in Bangladesh.
- Scaling Up of Grid-Tied Solar IPP Projects in Bangladesh Phase I, etc.

These initiatives demonstrate IDCOL's commitment to addressing climate change and promoting sustainable practices across different sectors.

IDCOL strives to provide support for national priority projects and programs outlined in key climate change documents at the national level. These documents include the GCF country program, National Adaptation Plan, National Determined Contribution, Mujib Climate Prosperity Plan, and other relevant national strategies and plans. By aligning with these initiatives, IDCOL ensures its efforts are in line with the country's overarching climate change objectives and contributes to sustainable development in Bangladesh. As a market leader in private sector infrastructure investment, IDCOL is looking forward to financing more and more sustainable investments and creating a market for energy efficient projects considering the increasing move towards green financing, its relevance in attaining the SDGs and positive impact on keeping the environment safe

IDCOL MANAGEMENT



STANDING FROM LEFT:

M. Maftun Ahmed

Company Secretary

Nazmul Haque

Chief Investment Officer

Mohammed Javed Emran

Chief Risk Officer



SITTING FROM LEFT:

Md. Enamul Karim Pavel

Head of Renewable Energy

Alamgir Morshed

Executive Director and CEO

S. M. Monirul Islam

Deputy CEO & CFO



PROFILE OF IDCOL MANAGEMENT



Mr. S. M. Monirul Islam
Deputy CEO and CFO

Mr. S. M. Monirul Islam has joined IDCOL in 1998 and is one of the key members of IDCOL Management Committee working to establish IDCOL as the prime private sector infrastructure financier since its inception. In addition to industry leading specialization in financial management, Mr. Islam is an expert in negotiating and arranging funds from the government and various development partners. He has been managing, apart from the company's own resources, about USD 1.5 billion of development funds, in the forms of credit and grant, raised from development partners like the World Bank, Asian Development Bank (ADB), the French Development Agency (AFD), German Development Bank (KfW), Japan International Cooperation Agency (JICA), United Nations Environment Programme (UNEP), Green Climate Fund (GCF), Asian Infrastructure Investment Bank (AIIB), International Water Management Institute (IWMI), etc.

Mr. Islam has been trained, home and abroad, on financial reporting, financial management, project financing, anti-money laundering and combating terrorism financing (AML & CFT), asset-liability management (ALM), micro-finance, procurement and ICT. Mr. Islam has led several delegations to different overseas forums, events and represented the organization as well as the country. As a keynote speaker, he addressed a number of national and international seminars and workshops. Mr. Islam is a key person in designing and implementing promotion and capacity building initiatives under the development programs of the organization.

Apart from financial management, currently, Mr. Islam heads the advisory services functions of IDCOL. Under his leadership the advisory services unit has rebranded itself and is currently working on various local and foreign projects especially in Sub-Saharan countries like Tanzania, Malawi, Ethiopia etc. Besides, he oversees the operational activities of the organization which include procurement, administration, human resource management, and information technology.



Mr. Nazmul Haque
Chief Investment Officer

Since his joining in 2003, Mr. Nazmul Haque has been a core part of IDCOL's management team that transformed the company from a small fund manager to the country's premier infrastructure financier. Mr. Haque currently leads IDCOL's infrastructure, industrial & energy efficiency, and PPP financing activities. As of December 2022, he managed more than 81% of the company's loan portfolio which contributed 77% to company's total revenue in 2022.

Mr. Haque has significant expertise and experience in structuring, financing, and raising funds for complex infrastructure projects in sectors like power, telecom, toll roads, ports, ICT, social infrastructure etc. Many of the projects he financed were first of its kind in Bangladesh and vital for the sustainable development of the country. Mr. Haque also played a major role in developing IDCOL's large renewable energy interventions.

Mr. Haque plays a key role in arranging funds for IDCOL from various bilateral and multilateral development agencies for on-lending to eligible projects. He has been a catalyst in sourcing more than USD 1.0 billion credit line from ADB, AIIB, JICA, KfW and AFD till date and currently is in negotiation with multiple other DFIs.

The dedicated Advisory Unit of IDCOL was launched in 2015 under his dynamic leadership which now provides local and cross-border consulting services. As a key resource person of IDCOL, he conducted many local and international training and capacity building programs and trained more than 1500 participants on Project Finance, Financial Modeling, Renewable Energy Finance and Public Private Partnership (PPP). Mr. Haque represented IDCOL at various local and international platforms and presented papers in many seminars and conferences in Asia, Europe, North America, and Africa.

Mr. Haque has duly completed his master's degree in public administration from the esteemed Kennedy School of Government, Harvard University. A summa cum laude in his class, he previously completed his MBA from North South University. Mr. Haque also completed certification program on 'Project Finance' from IP3 Institute, USA and 'Sustainable Energy Finance' from Frankfurt School of Finance & Management.



Mr. Md. Enamul Karim Pavel
Head of Renewable Energy

Mr. Md. Enamul Karim Pavel joined IDCOL in 2004 and is pioneer in implementation of IDCOL's renewable energy projects and programs. Under his dynamic leadership, the renewable energy team is working to develop and promote various renewable energy technologies and business models which are first of its kind in Bangladesh.

An expert in financial modeling and project financing, Mr. Pavel was a key resource person of corporate advisory trainings offered by IDCOL. He also conducted several trainings on renewable energy technologies for officials and practitioners of a number of African and Asian countries. Mr. Pavel is also working as a consultant in various advisory services projects being implemented in Sub-Saharan countries like Tanzania, Malawi etc.

Before joining IDCOL, Mr. Pavel worked as a civil servant in different administrative positions of the Government of Bangladesh and as a Marine Engineer in Bangladesh Shipping Corporation. He completed BSc. in Marine Engineering from Marine Academy, Chittagong and MBA (Finance) from Institute of Business Administration (IBA), University of Dhaka.



Mr. Mohammed Javed Emran
Chief Risk Officer

As Chief Risk Officer, Mr. Mohammed Javed Emran joined IDCOL in 2017 and has been instrumental in establishing a risk management culture throughout the company. Under his leadership, Risk & Special Management Department of IDCOL gained momentum and new dimensions through Credit Risk Management Unit, Compliance Unit, Legal Unit and Special Asset Management Unit were introduced.



Mr. Emran, who has over 20 years of experience in the banking industry, stepped into his career at Dhaka Bank Limited as a Management Trainee Officer. Over the course of his long career, he held different positions at banks like The City Bank Limited and Trust Bank Limited focusing on Syndication & Structured Finance Unit. He worked as the Head of Syndication & Structured Finance Unit at Trust Bank Limited prior to joining IDCOL.

Mr. Emran completed his MBA (Finance) from the Institute of Business Administration (IBA), University of Dhaka. He has also obtained BSS and MSS in Economics. Notably, he is a Certified Expert in Risk Management (CERM), a designation awarded jointly by the BIBM and the Frankfurt School of Finance and Management. He is a Certified Expert in Anti-Money Laundering and Financial Crime (CEAF), a Certified Expert in Electronic Banking (CEEB) and a Certified Expert in Trade Service (CETS). Mr. Emran has participated in a variety of trainings, workshops, and national and international conferences all around the world.



Mr. M. Maftun Ahmed
Company Secretary

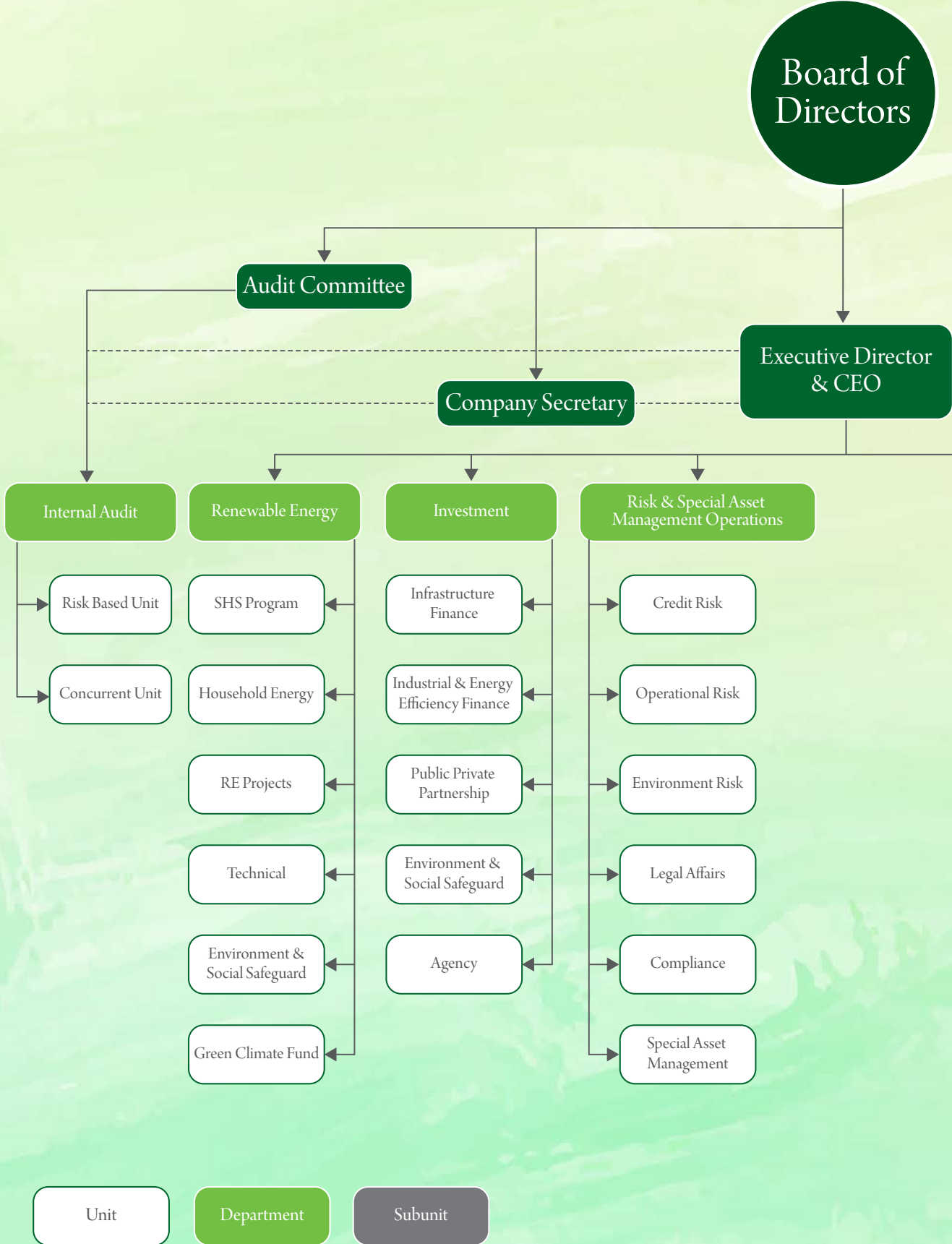
Mr. M. Maftun Ahmed, a key member of IDCOL Management, joined the company in 2011. Before joining IDCOL, Mr. Ahmed served as Company Secretary at Infrastructure Investment Facilitation Company (IIFC) from 2001 to 2011.

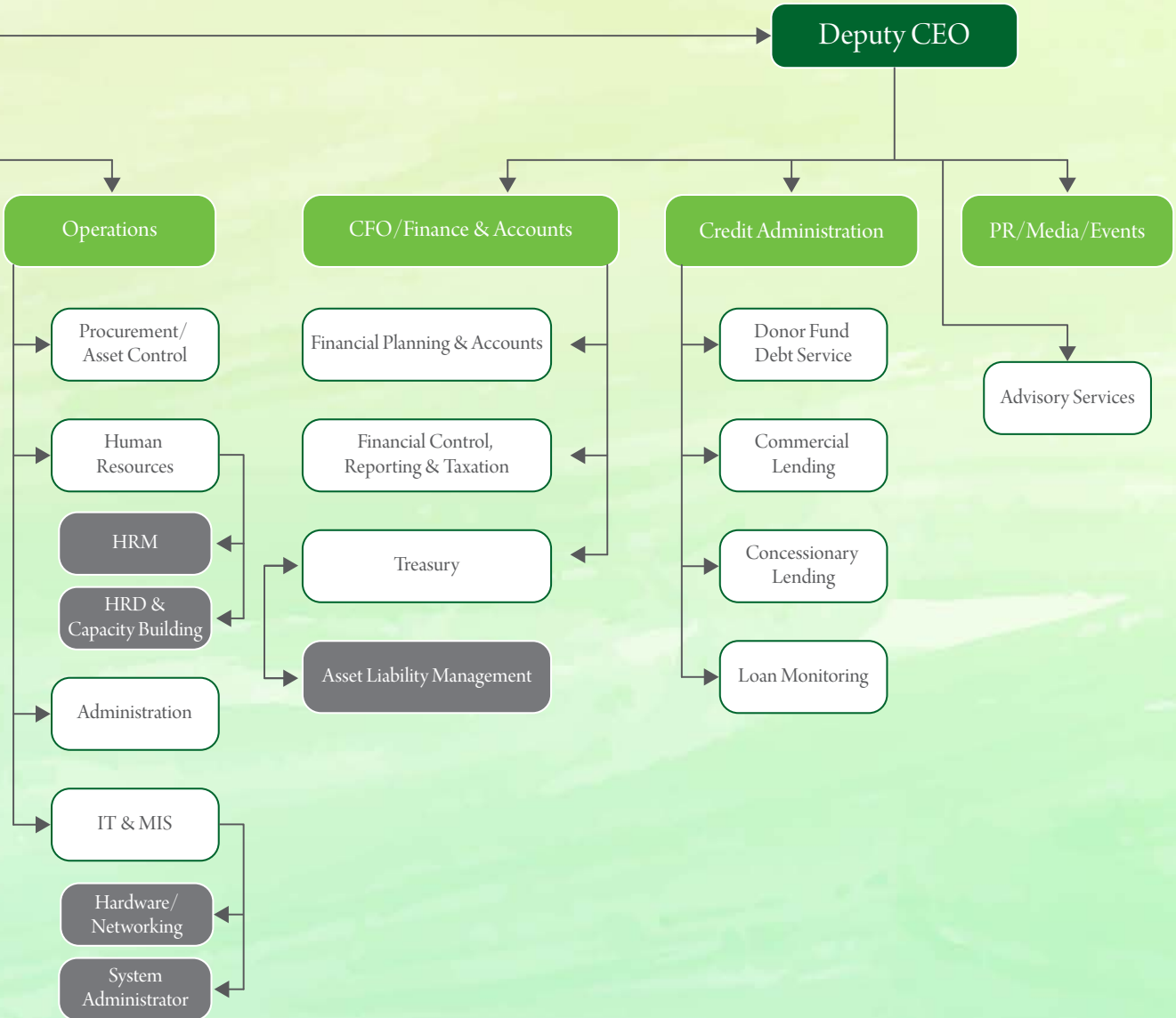
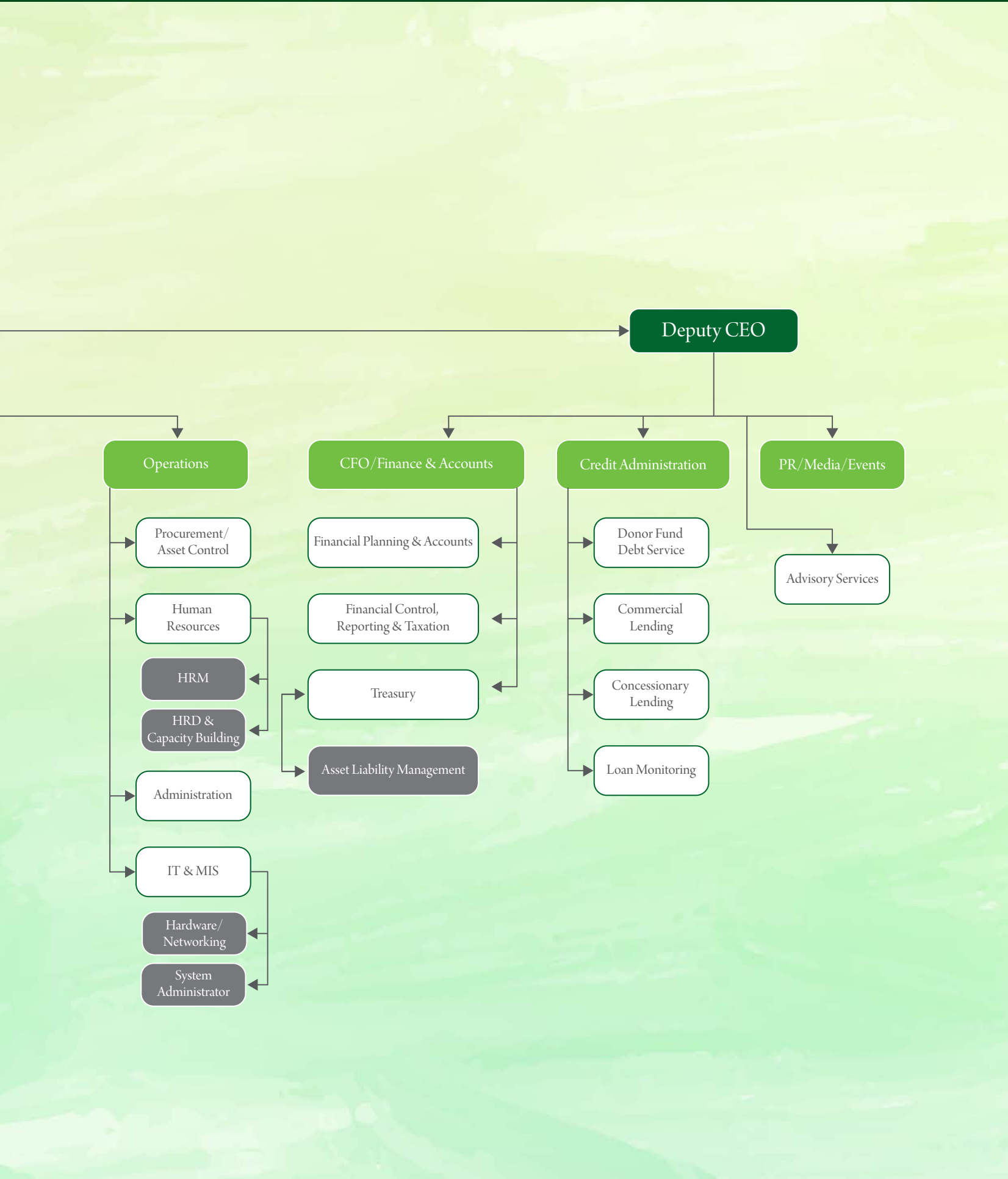
Mr. Ahmed comes with vast experience in corporate affairs and people management as he has worked in different organizations over the years. As spokesperson of IDCOL board, he is responsible for organizing the board and other statutory meetings of the company and performing all the company affairs under the Companies Act 1994. He is also responsible for supervising compliance of different directives and regulations required by the Board of Directors. In addition, he liaises with various regulatory bodies i.e. Bangladesh Bank, Auditors and Registrar of Joint Stock Companies, etc. on behalf of IDCOL. He also oversees and manages the overall internal and external compliance issues and human resource management function of the company.

Mr. Ahmed completed his M.Com (Accounting) from University of Rajshahi in 1997. He completed MBA (Finance & Banking) from a private university in 2009. In addition, he obtained MAAT from the Association of Accounting Technicians of Bangladesh in 2009.



ORGANOGRAM





INVESTMENT DEPARTMENT



STANDING FROM LEFT:

Name	Designation
Taskeen Ahmad	Senior Officer, Infrastructure Finance
Asif Asgar	Assistant Manager, Industrial & Energy Efficiency Finance
Hamim Sejdah Mugdho	Senior Officer, Infrastructure Finance
Md. Rasedul Islam	Assistant Manager, Environment and Social Safeguard (Investment)
Khandker Nasrum Min-Allah	Unit Head, Infrastructure Finance
Nazmul Haque	Chief Investment Officer
Farhan Sadique	Senior Officer, Public Private Partnership
Md. Tahmid Tazwar Samin	Management Trainee Officer, Environment and Social Safeguard (Investment)
Asif Hossain	Senior Officer, Public Private Partnership
Towfiq Rahman	Senior Officer, Industrial & Energy Efficiency Finance



SITTING FROM LEFT:

Name	Designation
Mashiath Khurshid	Senior Officer, Public Private Partnership
A.S.M. Arman Shajjad	Assistant Manager, Industrial & Energy Efficiency Finance
Md. Shahalam Khan	Manager, Infrastructure Finance
Charles Amit Mohonto	Manager, Public Private Partnership
Md. Aqil Ahmed	Unit Head, Public Private Partnership
Raihan Uddin Ahmed	Unit Head, Environment and Social Safeguard (Investment)
Tanvir Ebne Bashar	Unit Head, Industrial & Energy Efficiency Finance
Alvi Mohammed Iqbal	Manager, Industrial & Energy Efficiency Finance
Ashraf Zahin Haque	Manager, Industrial & Energy Efficiency Finance



RENEWABLE ENERGY DEPARTMENT



STANDING FROM LEFT:

Name	Designation
Ziad Husain Zami	Management Trainee Officer, RE Projects
Md Shakhawat Hossain	Officer, RE Projects
Riyadh-Bin- Shahid	Manager, Technical
Md. Noor Hasan	Site Engineer, IDCOL Green Building Project
Fahim Mashroor	Management Trainee Officer, RE Projects
Md. Sabbir Hossain	Senior Officer, Green Climate Fund
Hasan Jubair	Senior Officer, Environment (RE)
Mushfiqur Rahman	Assistant Manager, RE Projects
Nazirul Azam Biswas	Senior Officer, Green Climate Fund
Tafannum Humayra	Management Trainee Officer, RE Projects
Wakil Ahmed Arnob	Senior Officer, RE Projects
A K Abdullah Al Atique	Senior Officer, Biogas & Bio-fertilizer Program
Zarif Tazwar	Management Trainee Officer, RE Projects
Prangon Ahmed	Management Trainee Officer, RE Projects
Muntasir-Al-Khaledunnabi	Officer, Technical
M H Polash	Project Engineer, IDCOL Green Building Project

SITTING FROM LEFT:

Name	Designation
Sandip Kumar Ghosh	Assistant Vice President, RE Projects
G M Ashraful Islam Arafat	Assistant Vice President, RE Projects
Asif Shahriar	Assistant Vice President, SHS Program



Name	Designation
Md. Abdullah Hell Baki	Senior Assistant Vice President, ICS Program
Rashed Rahman Khan	Senior Assistant Vice President, Biogas and Bio-fertilizer Program
Mafruda Rahman	Senior Assistant Vice President & Unit Head, Green Climate Fund
Md. Enamul Karim Pavel	Head of Renewable Energy
Md. Serajul Hossain	Senior Vice President & Unit Head, RE Projects
Rasel Ahmed	Senior Assistant Vice President, RE Projects
Md. Abdullah Al Matin	Assistant Vice President, RE Projects
Md. Imran Hossain	Senior Assistant Vice President, RE Projects
Md. Ashaduzzaman	Assistant Vice President, RE Projects
Molla Anisur Rahman	Assistant Vice President, SHS Program
Joydev Saha Joy	Manager, RE Projects
Shadman Bin Zahir	Assistant Vice President, RE Projects

NOT IN THE PICTURE:

Name	Designation
Md. Wahidur Rahman	Unit Head, Technical
Dr. Ahmedul Hye Chowdhury	Unit Head, Environment and Social Safeguard (Renewable Energy)
Sanjidaa Hoque	AVP, ICS Program
Md. Mahmudur Rahman Sayem	Senior Officer, RE-Technical
Abir Hossain	Senior Officer, RE Projects
Mashiur Rahman	Officer, Technical Monitoring Facility
Ananna Rahman Sharmi	Officer, RE Projects
Md. Borhan Uddin	Junior Officer, Technical
Atiqul Islam	Junior Officer, Technical



FINANCE & ACCOUNTS DEPARTMENT



STANDING FROM LEFT:

Name	Designation
Md. Monirul Haque	Senior Officer, Treasury
Raisul Islam	Senior Officer, Financial Reporting, Control and Taxation
Md. Imran Khan Basir	Senior Officer, Accounts and Financial Planning
Mithila Nag	Management Trainee Officer, Financial Reporting, Control and Taxation
Mohammad Ikhteder Uddin Mahir	Assistant Manager, Treasury
Abir Ahmed Rabbi	Management Trainee Officer, Accounts and Financial Planning



SITTING FROM LEFT:

Name	Designation
Rufaiya Zabin	Assistant Manager, Accounts and Financial Planning
Shek Mijanur Rahman	Unit Head, Accounts and Financial Planning
S. M. Monirul Islam	Deputy CEO & CFO
Md. Imrul Hasan	Unit Head, Financial Reporting, Control, Taxation and Treasury
Sadia Sharmin Bristy	Manager, Treasury
Becky Christopher Rozario ACMA, ACCA	Manager, Financial Reporting, Control and Taxation

NOT IN THE PICTURE:

Name	Designation
Md. Zahangir Alam	Senior Officer, Accounts and Financial Planning



CREDIT ADMINISTRATION DEPARTMENT



STANDING FROM LEFT:

Name	Designation
Shafiul Azam Shuvo	Senior Officer, Credit Administration
Mohammad Abir Chowdhury	Manager, Credit Administration
Rupak Bhakta	Senior Officer, Credit Administration
Md. Adil Hossain	Senior Officer, Credit Administration



SITTING FROM LEFT:

Name	Designation
Zabir Ibne Raquib	Vice President, Credit Administration
S. M. Monirul Islam	Deputy CEO & CFO
Farhan Reza	Unit Head, Credit Administration
Junaed Tazdik	Senior Assistant Vice President, Credit Administration

NOT IN THE PICTURE:

Name	Designation
Rezwana Ali Tanima	Manager, Credit Administration



RISK & SPECIAL ASSET MANAGEMENT DEPARTMENT



STANDING FROM LEFT:

Name	Designation
Md. Rifat Bin Rahman	Assistant Vice President, Compliance
Zeesha Samah	Manager, Compliance
G.M. Shahed Rabbi	Senior Officer, Credit Risk Management
Md. Kadirul Islam	Senior Officer, Special Asset Management
Shahrukh Kabir Bhuiya	Management Trainee Officer, Legal Affairs
Khondker Ajwad Hossain	Manager, Credit Risk Management
Sabbir Ahmed	Officer, Special Asset Management
Abul Hasanat	Senior Officer, Special Asset Management



SITTING FROM LEFT:

Name	Designation
Tanvir Ahmed	Assistant Vice President, Legal Affairs
Nadia Shahrin	Assistant Vice President, Credit Risk Management
Sajjad Hossain Chowdhury	Unit Head, Credit Risk Management
Mohammed Javed Emran	Chief Risk Officer
Md. Shaikat Azad	Unit Head, Compliance
Kazi Ibrahim Md. Adnan	Unit Head, Legal Affairs
Bibi Ayesha Begum	Manager, Compliance
F. M. Anwarul Kabir	Unit Head, Special Asset Management



OPERATIONS DEPARTMENT



STANDING FROM LEFT:

Name	Designation
Syeda Redhima Muskan	Junior Officer, Administration
Md. Junayet Hossan	Junior Officer, Administration
Md. Rezaur Rahman	Senior Officer, Administration
Fairooz Nawar Bushra	Management Trainee Officer, IT and MIS
Ashequr Rahaman	Senior Officer, IT and MIS
Sudipto Khatib	Manager, Procurement
Nipa Akter	Junior Officer, Administration
Mahmud Imran Solaiman	Junior Officer, PS to CEO



SITTING FROM LEFT:

Name	Designation
Raisa Rahman	Manager, HR
Ashrafuzzaman Khan	Unit Head, Administration
S. M. Monirul Islam	Deputy CEO & CFO
Tahmina Shafiq	Unit Head, HR
Mohammad Rashedul Islam	Unit Head, IT and MIS
Shuvendu Sarkar	Manager, HR

NOT IN THE PICTURE:

Name	Designation
Md. Abu Taleb	Senior Officer, Procurement
Md. Kawsar Hossain Robin	Senior Officer, IT and MIS



INTERNAL AUDIT DEPARTMENT



STANDING FROM LEFT:

Name	Designation
Mohammad Abdul Hannan	Officer, Risk Based Audit
Md. Altab Hossain	Officer, Risk Based Audit
S. M. Nahidul Islam	Officer, Concurrent Audit
Salah Uddin Ahmmed	Officer, Concurrent Audit

SITTING FROM LEFT:

Name	Designation
Rezoan Al Mahmud Suzan	Assistant Vice President, Risk Based Audit
Chandra Shekhor Mondal	Senior Officer, Concurrent Audit

CORPORATE ADVISORY & PR/MEDIA/EVENTS DEPARTMENT



STANDING FROM LEFT:

Name	Designation
Md. Sazzad Hossain	Manager, Advisory
Shafqat Shahadat Choudhury	Senior Officer, Advisory
Syed Salvin Shahriar	Management Trainee Officer, PR/Media/Events

SITTING FROM LEFT:

Name	Designation
Mohammad Nazmul Haque Faisal	Unit Head, PR/Media/Events
S. M. Monirul Islam	Deputy CEO & CFO
Mukaddim Sarwar	Senior Assistant Vice President, PR/Media/Events

NOT IN THE PICTURE:

Name	Designation
Shibli Mohammad Faiz	Unit Head, Advisory





MANAGEMENT DISCUSSION
AND ANALYSIS

ORGANIZATIONAL HIGHLIGHTS

Sl. No.	Particulars		2023	2022	% Change
1	Paid-up capital	BDT million	8,380	7,880	6.35%
2	Total capital	BDT million	12,647	11,562	9.39%
3	Surplus/(shortage) capital	BDT million	6,079	5,992	1.44%
4	Total Assets	BDT million	124,744	106,623	17.00%
5	Total deposits	BDT million	N/A	N/A	-
6	Total loans & advances	BDT million	92,022	74,026	24.31%
7	Total contingent liabilities and commitments	BDT million	-	-	-
8	Loans to deposit ratio (total loans/total deposits)	%	N/A	N/A	-
9	% of classified loans against total loans	%	11.92	10.19	16.98%
10	Profit after tax and provision	BDT million	1,582	1,350	17.17%
11	Classified loans, advances and leases during the year	BDT million	10,970	7,540	45.48%
12	Provisions kept against classified loans, advances and leases	BDT million	7,578	4,059	86.69%
13	Provision surplus/(deficit) against classified loans, advances and leases	BDT million	33	2,333	-98.58%
14	Cost of fund	%	3.50	2.71	29.15%
15	Interest earning assets	BDT million	116,253	104,126	11.65%
16	Non-interest earning assets	BDT million	8,492	2,497	240.09%
17	Return on investment (ROI)	%	1.71	1.82	-5.82%
18	Return on asset (ROA)	%	1.27	1.27	0.00%
19	Income from investment	BDT million	33	41	-20.31%
20	Operating profit per share	in BDT	66.01	83.39	-20.84%
21	Earnings per share	in BDT	18.87	16.11	17.15%
22	Price earning ratio	Times	N/A	N/A	-

KEY OPERATING & FINANCIAL HIGHLIGHTS



FINANCIAL PERFORMANCE (BDT MILLION)

	2023	2022	2021	2020	2019
Total assets	124,744	106,623	100,129	98,201	90,876
Total liabilities	112,918	95,678	90,034	88,972	82,523
Long-term investment	250	333	417	700	500
Short term investment	23,981	29,766	19,684	7,979	12,713
Loan and advances	92,022	74,026	75,142	79,127	68,799
Net current assets	14,785	15,748	20,426	15,455	20,014



OPERATIONAL PERFORMANCE (BDT MILLION)

	2023	2022	2021	2020	2019
Total revenue	8,452	8,877	5,291	4,482	5,378
Operating income	5,979	7,471	4,377	3,705	4,551
Operating expenses	448	484	400	523	538
Financial expenses	2,473	1,406	914	777	827
Operating Profit	5,531	6,988	3,977	3,182	4,013
Net profit after tax	1,582	1,350	1,097	1,535	1,378
Operating profit per share*	66.01	83.39	47.45	37.97	47.88



FINANCIAL RATIOS (BDT MILLION)

	2023	2022	2021	2020	2019
Debt equity ratio (Times)	8.35	7.70	8.11	8.93	9.09
Debt ratio (%)	79.19	79.02	81.81	83.88	83.57
Debt Service Coverage Ratio (times)	1.90	3.65	3.11	3.37	2.60
Cost to income ratio	7.49	6.47	9.15	14.12	11.82
Financial expense coverage ratio (times)	3.24	5.97	5.35	5.09	5.85
Current ratio (Times)	1.93	2.07	9.36	12.84	15.19
Return on assets (%)	1.27	1.27	1.10	1.56	1.52
Return on Investment (%)	1.71	1.82	1.45	1.92	1.99
Return on shareholders' equity (%)	13.37	12.33	10.86	16.63	16.50
Profit margin (%)	18.71	15.21	20.73	34.24	25.63
Earnings per share (BDT)*	18.87	16.11	13.09	18.32	16.45
Non-performing loans (%)	11.92	10.19	5.74	1.53	4.54



EQUITY STATISTICS (BDT MILLION)

	2023	2022	2021	2020	2019
Number of shares (No.)	83,800,000	78,800,000	73,800,000	71,500,000	65,000,000
Paid up capital (BDT mn)	8,380	7,880	7,380	7,150	6,500
Total shareholders equity (BDT mn)	11,826	10,945	10,095	9,229	8,353
Net asset value per share (BDT)*	141.12	130.60	120.46	110.13	99.67

PERFORMANCE REVIEW BY THE MANAGEMENT



OPERATIONAL PERFORMANCE 2023 vs 2022



REVENUE

8,452 mn
8,877 mn | -5%



INTEREST
INCOME

6,634 mn
5,203 mn | 28%



NET INTEREST
INCOME

4,161 mn
3,797 mn | 10%



OPERATING
EXPENSE

455 mn
484 mn | -7%



PROFIT BEFORE
PROVISION AND TAX

5,531 mn
6,988 mn | -21%



NET PROFIT
AFTER TAX

1,582 mn
1,350 mn | 17%



PROFIT
MARGIN

18.71%
15.21% | 23%



COST TO INCOME
RATIO

7.49%
6.47% | 16%



FINANCIAL PERFORMANCE 2023 vs 2022



TOTAL ASSET

124,744 mn
106,623 mn | 17%



LOAN
PORTFOLIO

92,022 mn
74,026 mn | 24%



DISBURSEMENTS

24,929 mn
9,101 mn | 174%



RETURN ON
ASSETS

1.27%
1.27% | -----



RETURN ON
INVESTMENT

1.71%
1.82% | -6%



EQUITY

11,826 mn
10,945 mn | 8%



RETURN ON
EQUITY

13.37%
12.33% | 8%



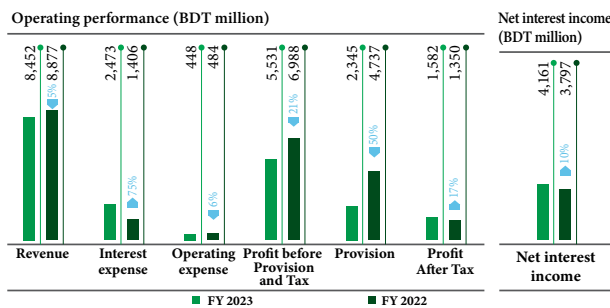
EPS

18.87
16.11 | 17%



Operating performance analysis

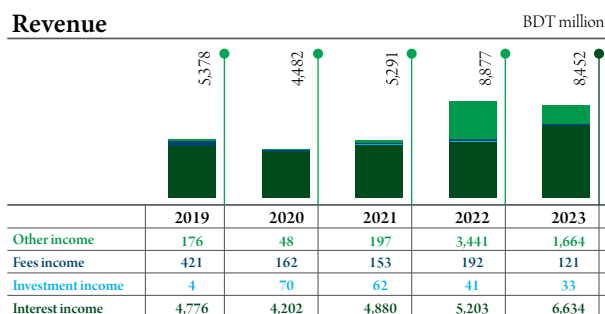
During 2023, IDCOL operated in an environment marked by global inflation picking up to levels not seen in decades which affected its overall business environment. In addition, the significant increase in the foreign exchange rate and policy rates posed major concern throughout the year. However, the financial performance of IDCOL remained quite satisfactory despite the overall stress in the economy and the consequent challenging financial environment. Notably, during the year, IDCOL reported revenue amounting to BDT 8.45 billion which was BDT 8.88 billion in the prior year. In addition, net interest income was BDT 4.16 billion which was 10 percent higher than the previous year. Profit before provision and tax was BDT 5.53 billion which was BDT 6.99 billion a year earlier. Finally, profit after tax was BDT 1.58 billion which was 17 percent higher than FY 2022.



Revenue

During FY 2023, IDCOL reported total revenue of BDT 8.45 billion which included interest income of BDT 6.63 billion, investment income of BDT 32.69 million, fees and commission income of BDT 1.21 billion, and other operating income of BDT 1.66 billion (grant income BDT 7.57 million, gain on disposal of fixed assets BDT 1.31 million, LPC and recovery income BDT 29.53 million and net exchange gain BDT 1.63 billion).

During the reporting period, interest income increased by 27 percent mainly due to new disbursements made in the year. On the other hand, IDCOL reported fees and commission income of BDT 120.82 million during the year. Notably, during the previous fiscal year i.e. FY 2022, IDCOL received a one-off prepayment fee of BDT 118.31 million from a large infrastructure borrower. As a result, fees and commission income were relatively higher in the previous year compared to the current year. Besides, other operating income decreased by 52 percent during the reporting period mainly due to the less exchange gain reported during the year compared to the previous year. Notably, IDCOL's foreign currency denominated assets are higher than the foreign currency denominated liabilities. As a result, exchange gain arises if BDT depreciates against the foreign currency. Due to the fluctuations of foreign currency exchange rates over the years, IDCOL reported de-growth in net exchange gain of BDT 1.68 billion during year (exchange rate: BDT 85.8/USD in FY 2021, BDT 101/USD in FY 2022 and BDT 107/USD in FY 2023). As a result, other operating income decreased by 52 percent during the year.

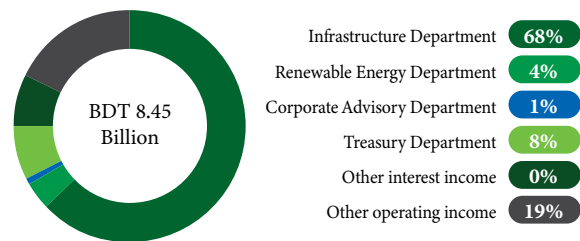


While the interest income saw significant growth during the year, due to the decrease of net exchange gain and total fees income, total revenue was reported BDT 8.45 billion compared to the previous year's reported total revenue of BDT 8.88 billion.

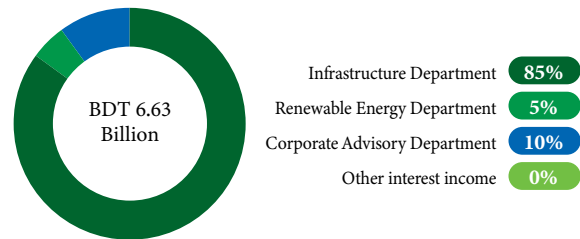
Department wise income analysis

IDCOL has two main income generating business departments mainly Infrastructure Department and Renewable Energy Department. In addition, income is also generated from the Treasury Unit and the Advisory Unit. This section discusses about the department wise income generation during the year.

Department wise Total Revenue



Department wise interest income



Infrastructure Department

Infrastructure Department comprises three subunits namely Infrastructure Finance (IF) unit, Industrial & Energy Efficiency Finance (IEEF) unit and Public Private Partnership (PPP). During the year, interest income from the Infrastructure Departments was BDT 5.61 billion which was 42 percent than the previous year. Notably, new disbursements amounting BDT 20.49 billion was made under the Infrastructure Department which was 155 percent higher than the previous year. Due to this significant growth in disbursement, interest income from Infrastructure Finance (IF), Industrial & Energy Efficiency Finance (IEEF) and Public Private Partnership (PPP) has increased by 47 percent, 22 percent and 60 percent respectively.

Notably, during FY 2022, IDCOL received a one-off prepayment fee of BT 118.31 million from a large borrower. As a result, non-interest income from infrastructure departments was relatively higher in the previous period than the current period.

Overall total income from the infrastructure department stood at BDT 5.73 billion during the reporting period, a growth of 37 percent on the previous year.

Particulars	BDT million		
	2023	2022	Growth
Interest income on IF unit	3,471	2,357	47%
Interest income on IEEF unit	1,354	1,108	22%
Interest income from PPP unit	783	490	60%
Total interest income from Infrastructure Department (A)	5,608	3,954	42%

Particulars	BDT million		
	2023	2022	Growth
Investment Income	33	41	-20%
Fees income from project finance	69	179	-61%
Other operating income	19	22	-15%
Non-interest income from Infrastructure Department (B)	120	242	-50%
Total income from Infrastructure Department (C=A+B)	5,728	4,196	37%

Renewable Energy Department

Renewable Energy Department finances various Renewable Energy based projects mainly solar grid tied projects, solar rooftop projects, biogas and bio-electricity projects, solar irrigation projects, solar mini grid projects, etc. During the year, Renewable Energy Department saw a sharp growth of 59 percent in the total interest income. Interest income from solar grid-tied projects and interest income from solar rooftop projects increased by 275 percent and 172 percent respectively. Notably, an amount of BDT 3.30 billion was disbursed to solar grid-tied projects and an amount of BDT 1.06 billion was disbursed to solar rooftop projects during the period. In addition, interest income from solar irrigation projects has increased by 3 percent. However, interest income from biogas and bio-electricity and other renewable energy projects decreased by 52 percent and 41 percent respectively. On the other hand, during FY 2022, IDCOL recovered an amount of BDT 93.38 million from a written off loan. As a result, non-interest income was higher in FY 2022 compared to the current year.

Overall total income from the Renewable Energy Department was BDT 357 million during the reporting period, which was 11 percent higher than the previous year.

Particulars	BDT million		
	2023	2022	Growth
Interest income on Solar grid-tied projects	156	42	275%
Interest income on Solar Rooftop projects	96	35	172%
Interest income on Bio-electricity and other RE projects	22	23	-7%
Interest income on Biogas projects	1	3	-52%
Interest income on Solar Irrigation projects	59	100	-41%
Interest income on Solar mini-grid projects	18	17	3%
Total interest income from Renewable Energy Department (A)	351	220	59%
Non-interest income from Renewable Energy Department (B)	6	100	-94%
Total income from Renewable Energy Department (C=A+B)	357	321	11%

Corporate Advisory Department

During the reporting period, fees income from the Corporate Advisory Department was BDT 52 million, a sharp increase of 286 percent from the previous year. Out of this total, an amount of BDT 48 million was related to fees from Malawi project and BDT 4 million was related to other assignments. Notably, IDCOL is providing advisory services to Malawi and Ethiopia which will generate income in the coming years.

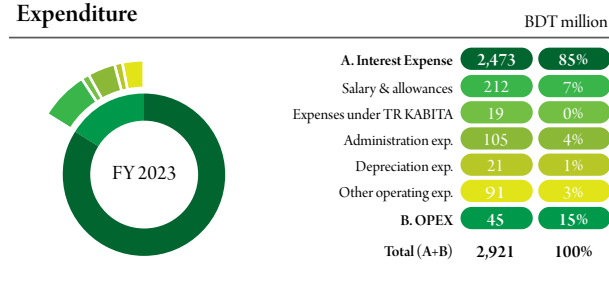
Particulars	BDT million		
	2023	2022	Growth
Fees income from corporate advisory	52	13	286%

Expenditure

Total expenditure consisted of interest on borrowings from GoB (under WB, ADB, IDB, JICA, AFD, AIIB and KfW funded projects) of BDT 2.47 billion and operating expenses of BDT 447.52 million. Operating expenses included administrative expenses of BDT 315.93 million,

depreciation expenses of BDT 21.21 million and other operating expenses of BDT 110.37 million. Overall, company's total expenditure for FY 2023 has increased by 54.60 percent over the total expenditure for FY 2022 mainly due to increase in interest expense on borrowings resulting from new withdrawals from credit lines amounting BDT 2.11 billion crore and increase in foreign currency borrowings rate (5.89 percent in FY 2023 and 4.01 percent in FY 2022). Notably, due to efficient operations management by the company, operating expenditure decreased by 7 percent.

Expenditure



The cost to income ratio stood at 7.49 percent by the end of FY 2023 which was one of the lowest in the entire industry.

Provision for loans and advances, investments and others

During the year, a cumulative provision of BDT 10.56 billion has been maintained against outstanding loans & advances, investment, and others as of 31 December 2023. Out of which an amount of BDT 8.88 billion has been maintained as statutory provision for loans & advances. Besides, an amount of BDT 33.12 million has been maintained as voluntary provision for loans & advances, as per the instruction of IDCOL Board towards building a reserve against Loans under IDCOL SHS program. In addition, an amount of BDT 1.64 billion has been provisioned as provision against the short-term investment maintained with several NBFIs as recommended by Bangladesh Bank for potential default risk. Moreover, an amount of BDT 0.34 million has also been maintained as provision against other assets and off-balance items liabilities.

Notably, an amount of BDT 8.52 billion was maintained as provision at the end of FY 2022 out of which an amount of BDT 308.47 million was later used in FY 2023 for writing off loan accounts under IDCOL SHS program against waiver application, leaving the remaining balance of BDT 8.21 billion (statutory provisions of BDT 4.81 billion and provision for SHS loans of BDT 2.20 billion for loans, provision against short term investment of BDT 1.20 billion, and provision against other assets and off-balance sheet items of BDT 0.50 million). Therefore, an incremental provision of BDT 2.35 billion was made during the year to reach the cumulative provision to BDT 10.56 billion at the end of FY 2023.

Tax expenses

During the previous reporting period i.e. FY 2022, loans and advances amounting BDT 1.73 billion under SHS program were written off against waiver application. As a result, during that year, IDCOL adjusted the income tax which had been already paid against the written off loans in the previous fiscal years. As a result, tax expenses were 78 percent lower in the previous year compared to the current year.

Net profit after tax

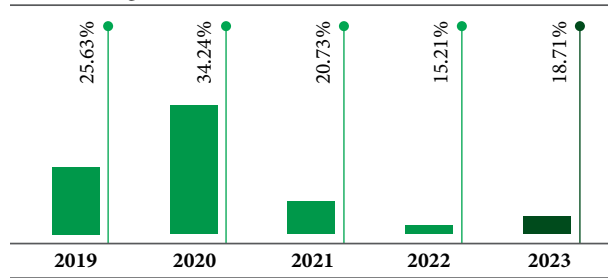
By the end of FY 2023, net profit of IDCOL stood at BDT 1.58 billion which was 17 percent higher than the previous year. Increased interest



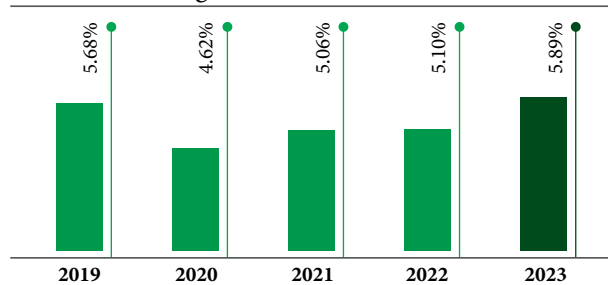
income, decreased operating expenses and decreased incremental provision were the main reasons for this increment.

IDCOL reported profit margin of 18.71 percent in FY 2023 which was 15.21 in the prior period. On the other hand, net interest margin stood at 5.89 percent, a 15 percent increment from the previous year. Besides, cost to income ratio was 7.49 percent which was one of the lowest in the entire industry.

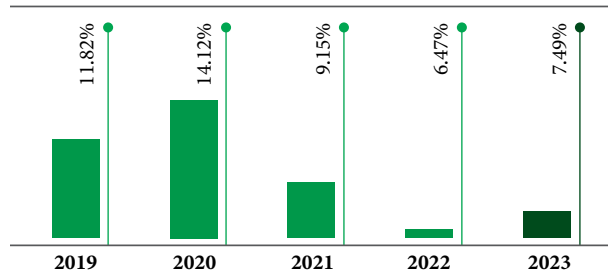
Profit Margin



Net Interest Margin



Cost to income ratio



Financial position analysis

At the end of FY 2023 IDCOL's Balance Sheet included total assets of BDT 124.74 billion, liabilities of BDT 112.91 and equity of BDT 11.83 billion. In this challenging time IDCOL oversaw a sharp growth in its loan portfolio of 24.31 per cent and total assets size grew by 17%.

Assets

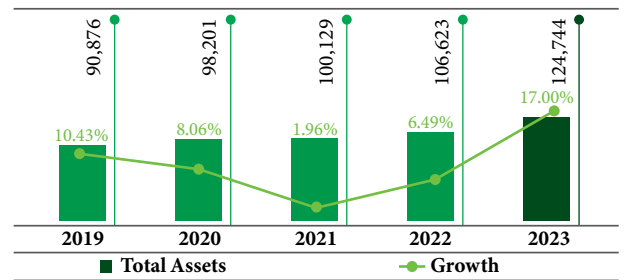
Total assets size as of 31 December 2023 stood at BDT 124.74 billion which consisted of cash and cash equivalents of BDT 30.97 billion, investment BDT 250 million, loans and advances BDT 92.02 billion, fixed assets BDT 161 million and other assets BDT 1.35 billion.

BDT million

Particulars	2023	2022	Growth
Assets	124,744	106,623	17%
Cash and cash equivalents	30,967	30,944	0%
Investment	250	333	-25%
Loans and advances	92,022	74,026	24%
Fixed assets	161	134	20%
Other assets	1,345	1,185	13%

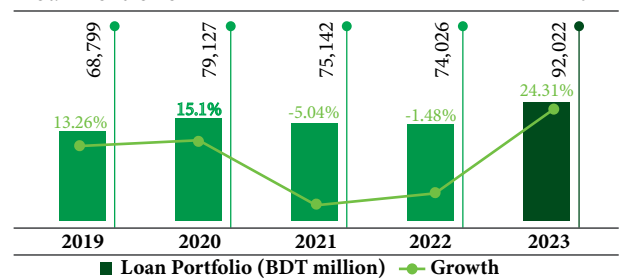
Overall, the size of the total asset has shown a growth rate of 17 percent reaching BDT 124.74 billion in 2023 from BDT 106.62 billion in 2022. Loans and advances, fixed assets and other assets have increased by 24 percent, 20 percent and 13 percent respectively.

Total Assets

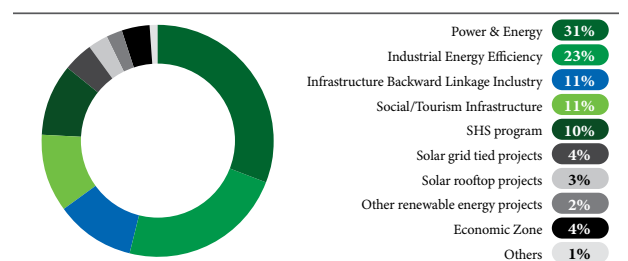


The loan portfolio of IDCOL has been very consistent in demonstrating impressive growth over the years. Overall, the loan portfolio balance saw a growth of 24 percent compared to the previous year. The following graphs show historical the total loan portfolio balance, sector and department wise loan portfolio during FY 2023.

Loan Portfolio

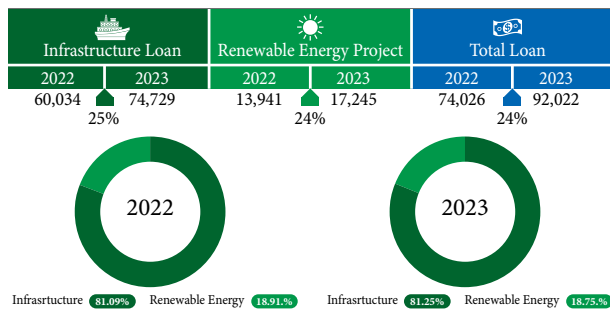


Sector wise Loan Portfolio



In sector wise loan portfolio, power sector contributed 31 percent of total exposure. Kushiara Power Company Ltd., Confidence Power Rangpur Ltd., Confidence Power Bogra Ltd., Regent Energy and Power Ltd., Feni Lanka Power Ltd. etc. were some of the power related loan accounts of IDCOL. After the power sector, Industrial and Energy Efficiency was the second largest sector of IDCOL loan exposure. It contributed 24 percent of total loan exposure. BRAC university, SKS edible oil, Seven Circle Bangladesh Ltd., Meghna Cement Mills Ltd. were some of the Industrial and Energy Efficiency related loan accounts. Social/Tourism Infrastructure and Infrastructure Backward Linkage Industry sector contribute 11 percent each to total loan portfolio. BSRM Steels Ltd., Crown Cement PLC, City Navigation Ltd., Bengal Hotels and Resorts Ltd. were some of the Social/ Tourism Infrastructure and Infrastructure Backward Linkage Industry sector related loan accounts. Solar grid-tied projects contributed 4 percent of the total loan portfolio. Intraco Solar Power Ltd., Sympa Solar Power Ltd. were solar grid tied related loan accounts. Solar rooftop projects contributed 3 percent of total loan portfolio. GPH Renewable Energy Ltd.,

Loan Portfolio (BDT Million)

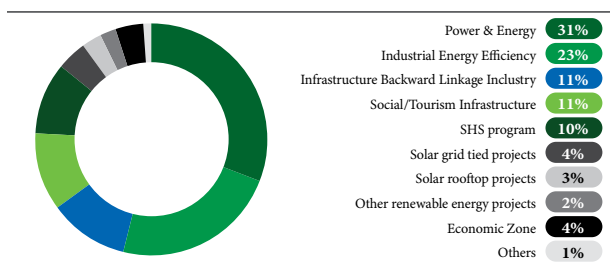


Thai-Foils & Polymer Industries Ltd, Transcom Beverages Ltd., Rising Industries Ltd., Walton Hi-Tech Industries PLC etc. were some of the solar rooftop related loan accounts. Economic zone contributed 4 percent of total loan portfolio. Meghna Industrial Economic Zone Ltd., DBL Industrial Park Ltd., Bay Economic Zone Ltd. and Sirajganj Economic Zone Ltd. were economic zone related loan accounts. Other renewable energy projects e.g. solar irrigation projects, solar mini-grid projects, biogas and bioelectricity projects etc. contributed 2 percent to total loan portfolio. Finally, other sectors namely environmental service, IT & Telecommunication, ports etc. contributed 1 percent to total loan portfolio.

Disbursement

This year IDCOL managed to report an all-time high disbursement of BDT 24.93 billion, took its overall loan portfolio to a record BDT 92.02 billion by the end of the year.

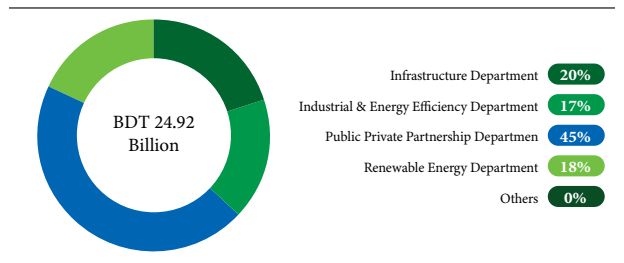
Sector wise Loan Portfolio



Disbursement of BDT 3.23 billion to Intraco Solar Power Ltd. under Renewable Energy Department, BDT 3.75 billion to BSRM Steels Limited under PPP department, BDT 3.50 billion to Premier Cement Mills Ltd.

under PPP department, BDT 2.37 billion to Karim Tex Ltd. under PPP department, BDT 2.50 billion to BRAC University under Industrial and Energy Efficiency Finance department, BDT 2.00 billion to Bengal Hotels and Resorts Ltd. under Infrastructure Finance department, BDT 1.50 billion to ACME Laboratories Ltd. under Industrial and Energy Efficiency Finance department, BDT 1.30 billion to various Solar Rooftop Projects (e.g. Thai Foils and Polymer Industries Ltd., Transcom Beverages Ltd., WALTON Hi-Tech Industries Plc., Rising Industries Ltd., Jules Power Ltd. etc.) under Renewable Energy Department are some of the examples of disbursements made during the reporting period. The following graphs depict the department wise and sector wise disbursement analysis for FY 2023.

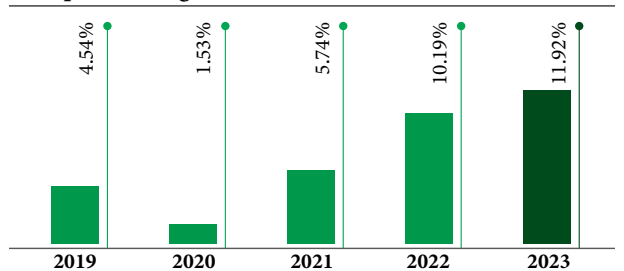
Department wise disbursement analysis for FY 2023



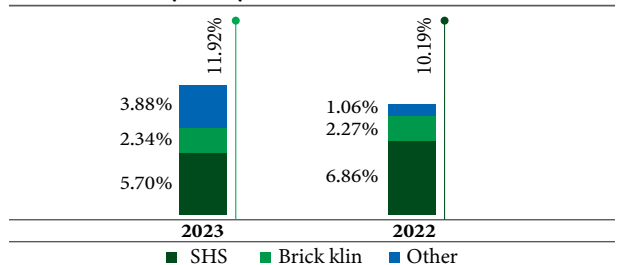
Non performing loans

On the contrary to that, percentage of non-performing loans (NPL) has increased to 11.92 percent compared to 10.92 percent in previous fiscal year. The amount of non-performing loans stood at BDT 10.97 billion in FY 2023 which was BDT 3.43 billion higher than the prior year. It is to be mentioned that, out of the total classified loans, an amount of BDT 5.24 billion was related to SHS program portfolio and an amount of BDT 2.15 billion was related to the brick manufacturing projects portfolio. Notably, these were Government priority development sectors and due to certain setbacks, loans under these portfolios were struggling. The percentage of NPL without considering IDCOL SHS program was 6.23 percent (FY 2023: BDT 5.73 billion, FY 2022: BDT 2.46 billion) and the percentage of NPL without considering both the SHS and brick manufacturing programs stood at 3.88 percent (FY 2023: BDT 3.58 billion, FY 2022: BDT 782.3 million). Notably, IDCOL has already taken necessary initiatives to reduce the rate of NPL in the coming years.

Non performing loans



NPL Sensitivity analysis

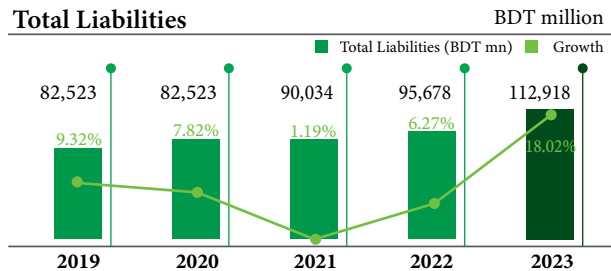




Liabilities

Total liabilities size as of 31 December 2023 stood at BDT 112.92 billion which consisted of long term borrowing of BDT 98.79 billion and other liabilities of BDT 14.13 billion.

Particulars	BDT million		
	2023	2022	Growth
Liabilities	112,918	95,678	18%
Borrowings	98,786	84,258	17%
Other liabilities	14,132	11,420	24%

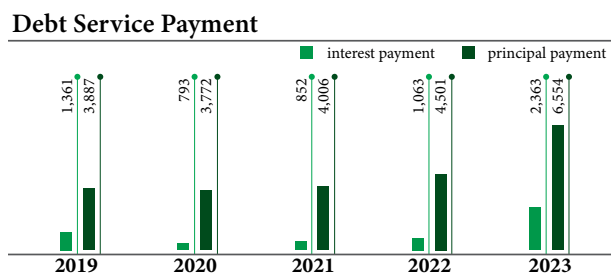


Balance of long term borrowings from various Development Partner funded projects stood at BDT 98.79 billion, which was BDT 74.03 billion in the previous year. During the year, IDCOL withdrew an amount of BDT 21.08 billion from the Government under various Development Partner funded projects which resulted in an increase of long term borrowing balance of 17 percent. On the other hand, other liabilities have increased by 24 percent as well mainly due to the increase of provision requirements for loans and advances by 24 percent and provision for income tax by 74 percent. Overall, total liabilities balance by the end of FY 2023 moved to BDT 112.92 billion from BDT 95.68 billion. Development Partner wise drawdown summary for FY 2023 and FY 2022 is given in the following table.

Particulars	BDT million	
	2023	2022
The World Bank	545	760
Asian Development Bank (ADB)	6,673	3,460
Japan International Cooperation Agency (JICA)	4,653	1,603
French Development Agency (AFD)	4,393	681
Asian Infrastructure Investment Bank (AIIB)	3,250	-
German Development Bank (KfW)	745	343
Bangladesh Bank	822	-
Total	21,083	6,847

Debt service performance

IDCOL is always prudent in repaying its debt obligations. As on 31 December 2023, IDCOL paid all the due debts as per the financing agreements with the Govt. and the Development Partners. During the reporting period, the company made debt service payment of BDT 8.92 billion to the Govt. which includes interest payment of BDT 2.36 billion and principal payment of BDT 6.55 billion. Five-year debt service payment summary is as follows:

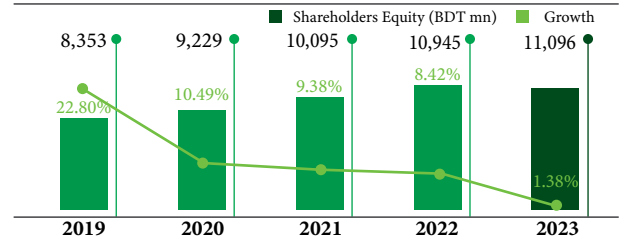


Equity

Total equity size as of 31 December 2023 stood at BDT 11.83 billion which consisted of share capital of BDT 8.38 billion and retained earnings of BDT 3.45 billion.

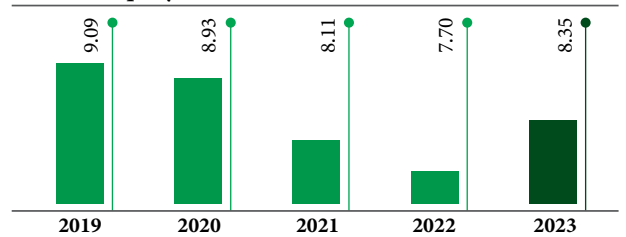
Particulars	BDT million		
	2023	2022	Growth
Equity	11,826	10,945	8%
Share capital	8,380	7,880	6%
Retained earnings	3,446	3,065	12%

Shareholders Equity



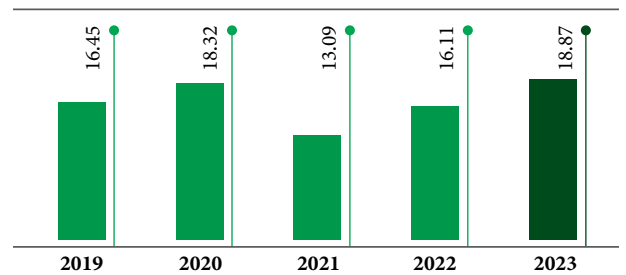
In line with the asset size of the firm, equity share of the shareholders has increased accordingly from BDT 10.95 billion in 2022 to BDT 11.10 billion in 2023. Since the shareholder's equity saw a growth of 1 percent, debt to equity ratio also saw a growth of 8.44 percent. The company issued bonus shares of 5 million and paid a cash dividend of BDT 700 million to the Government exchequer out of its retained earnings. Debt to equity ratio was 8.35 compared to 7.70 in FY 2022.

Debt to Equity Ratio

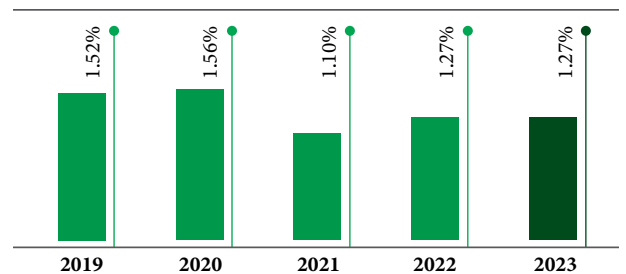


Considering the overall financial environment of both the country and the world in 2023 and the consequent overall tension in the economy, IDCOL's financial performance remained quite favorable. In 2023, return on assets stood at 1.27 percent which was the same a year earlier. Besides, IDCOL reported Return of Investment (RoI) of 1.71 percent and Return on Equity (RoE) of 13.37 percent which was 1.82 percent and 12.33 percent respectively in 2022. Adjusted EPS has decreased from BDT 16.11 in 2022 to BDT 18.87 in 2023.

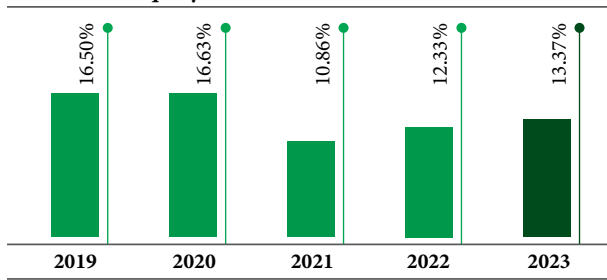
EPS



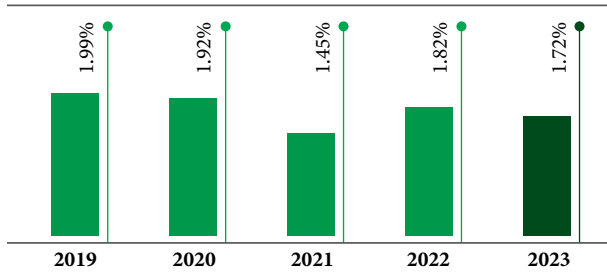
Return on Assets



Return on Equity



Return on Investment



Cash flow analysis

Particulars	BDT million		
	2023	2022	Growth
Net cash flows from/ (used in) operating activities (A)	(15,236)	2,216	-787%
Net cash flows from/ (used in) investing activities (B)	24	55	-56%
Net cash flows from/ (used in) financing activities (C)	13,828	1,846	649%
Net increase/(decrease) in cash and cash equivalents (D=A+B+C)	(1,383)	4,118	-134%

Particulars	BDT million		
	2023	2022	Growth
Effects of exchange rate changes on cash and cash equivalents (E)	1,406	3,547	-60%
Cash and cash equivalents at the beginning of the year (F)	30,944	23,280	33%
Cash and cash equivalents at the end of the year (G=D+E+F)	30,967	30,944	0%

Cash generated from operating activities before changes in operating assets and liabilities stood at BDT 2.8 billion, which was 27 percent higher than the previous year mainly due to increased cash inflow from interest income and other operating activities. However, during FY 2023, IDCOL disbursed an amount of BDT 24.93 billion to various infrastructure and renewable energy projects. As a result, the net cash outflow used in operating activities stood at BDT 15.23 billion compared to the previous year's cash inflow of BDT 2.22 billion.

Net cash flow from investing activities stood at BDT 24.29 million from BDT 55.01 million mainly due to procuring fixed assets for strengthening its administrative and logistics operations.

Cash dividend amounting BDT 700 million was paid to the Government exchequer during the year. In addition, drawdown amounting BDT 21.08 billion was made from various Development Funded Projects. Moreover, loan amounting BDT 6.55 billion has been made to the Government. For the abovementioned reasons, net cash inflow from financing activities stood at BDT 13.83 billion compared to the prior year's 1.84 billion.

The effects of exchange rate changes on cash and cash equivalents stood at BDT 1.41 billion, which was BDT 3.55 billion in the previous year. Overall, balance of cash and cash equivalents stood at BDT 30.97 billion compared to BDT 30.94 billion in FY 2022- an increase of 0.07 percent. Balance of cash and cash equivalents remains strong, at 28 percent of total liability and 196 percent of total current liability, to tackle any unpredictable liquidity shocks with ease.



HORIZONTAL ANALYSIS

BALANCE SHEET

For the Last 5 Years

Particulars	2023 Taka	2022 Taka	2021 Taka	2020 Taka	2019 Taka
Property and Assets					
Cash	217%	8%	10%	178%	100%
Cash in Hand	25%	0%	40%	46%	100%
Balance with Bangladesh Bank	217%	8%	10%	178%	100%
Balance with other banks and Financial Institutions	146%	163%	126%	77%	100%
Inside Bangladesh	146%	163%	126%	77%	100%
Outside Bangladesh	0%	0%	0%	0%	0%
Money at call and Short Notice	0%	0%	0%	0%	0%
Investment	50%	67%	83%	140%	100%
Government	0%	0%	0%	0%	0%
Others	50%	67%	83%	140%	100%
Loans and advances	134%	108%	109%	115%	100%
Loans, cash credit, overdraft etc.	134%	108%	109%	115%	100%
Bill purchased and discounted	0%	0%	0%	0%	0%
Fixed assets including land, Building, Furniture and Fixtures	118%	98%	83%	85%	100%
Other assets	82%	72%	72%	95%	100%
Non-banking assets	0%	0%	0%	0%	0%
Total Assets	137%	117%	110%	108%	100%
Liabilities and Capital					
Liabilities					
Borrowings from Bangladesh Bank ,Other Banks and Financial institutions	130%	111%	108%	108%	100%
Term deposits	0%	0%	0%	0%	0%
Other liabilities	215%	174%	124%	100%	100%
Total Liabilities	137%	116%	109%	108%	100%
Shareholders' Equity					
Paid up capital	129%	121%	114%	110%	100%
Statutory reserve	0%	0%	0%	0%	0%
Retained earnings	186%	165%	147%	112%	100%
Total Shareholder's Equity	142%	131%	121%	110%	100%
Total Liabilities and Shareholder's Equity	137%	117%	110%	108%	100%

PROFIT AND LOSS ACCOUNT

For the Last 5 Years

Particulars	2023 Taka	2022 Taka	2021 Taka	2020 Taka	2019 Taka
Operating income					
Interest income	139%	109%	102%	88%	100%
Less: Interest expenses on deposits & borrowings	299%	170%	110%	94%	100%
Net interest	105%	96%	100%	87%	100%
Income from investment	840%	1055%	1594%	1809%	100%
Fees, Commission & brokerage	29%	46%	36%	39%	100%
Other operational income	943%	1951%	111%	27%	100%
Total operating income	131%	164%	96%	81%	100%
Operating expenses					
Salary and allowances	121%	151%	120%	141%	100%
Rent, taxes, insurance, electricity etc.	181%	133%	161%	128%	100%
Legal expenses	224%	25%	16%	46%	100%
Postage, stamp, telecommunication etc	398%	357%	325%	262%	100%
Stationary, printing, advertisement	176%	220%	85%	158%	100%
CEO's salary and fees	64%	62%	54%	91%	100%
Director's fees	142%	148%	156%	152%	100%
Audit fees	220%	210%	210%	210%	100%
Depreciation, repairs and maintenance	93%	119%	112%	124%	100%
Other expenses	38%	56%	49%	73%	100%
Charges on loan losses	0%	0%	0%	0%	0%
Total operating expenses	83%	90%	74%	97%	100%
Profit/(Loss) before provision & Tax	138%	174%	99%	79%	100%
Provision for loans and advances	143%	288%	84%	47%	100%
Net profit/(loss) before Tax	135%	95%	110%	102%	100%
Tax expenses	162%	91%	151%	88%	100%
Net profit/(loss) after tax	115%	98%	80%	111%	100%
Earning per share (EPS)	115%	98%	80%	111%	100%



VERTICAL ANALYSIS

BALANCE SHEET

For the Last 5 Years

Particulars	2023 Taka	2022 Taka	2021 Taka	2020 Taka	2019 Taka
Property and Assets					
Cash	2.42%	0.10%	0.14%	2.51%	1.53%
Cash in Hand	0.00%	0.00%	0.00%	0.00%	0.00%
Balance with Bangladesh Bank	2.42%	0.10%	0.14%	2.51%	1.53%
Balance with other banks and Financial Institutions	21.53%	28.09%	23.11%	14.51%	20.27%
Inside Bangladesh	21.53%	28.09%	23.11%	14.51%	20.27%
Outside Bangladesh	0.00%	0.00%	0.00%	0.00%	0.00%
Money at call and Short Notice	0.88%	0.83%	0.00%	0.00%	0.00%
Investment	0.20%	0.31%	0.42%	0.71%	0.55%
Government	0.00%	0.00%	0.00%	0.00%	0.00%
Others	0.20%	0.31%	0.42%	0.71%	0.55%
Loans and advances	73.77%	69.43%	75.05%	80.58%	75.71%
Loans, cash credit, overdraft etc.	73.77%	69.43%	75.05%	80.58%	75.71%
Bill purchased and discounted	0.00%	0.00%	0.00%	0.00%	0.00%
Fixed assets including land, Building, Furniture and Fixtures	0.13%	0.13%	0.11%	0.12%	0.15%
Other assets	1.08%	1.11%	1.18%	1.57%	1.80%
Non-banking assets	0.00%	0.00%	0.00%	0.00%	0.00%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Liabilities and Capital					
Liabilities					
Borrowings from Bangladesh Bank ,Other Banks and Financial institutions	79.19%	79.02%	81.81%	83.88%	83.57%
Term deposits	0.00%	0.00%	0.00%	0.00%	0.00%
Other liabilities	11.33%	10.71%	8.11%	6.72%	7.24%
Total Liabilities	90.52%	89.74%	89.92%	90.60%	90.81%
Shareholders' Equity					
Paid up capital	6.72%	7.39%	7.37%	7.28%	7.15%
Statutory reserve	0.00%	0.00%	0.00%	0.00%	0.00%
Retained earnings	2.76%	2.87%	2.71%	2.12%	2.04%
Total Shareholder's Equity	9.48%	10.26%	10.08%	9.40%	9.19%
Total Liabilities and Shareholder's Equity	100.00%	100.00%	100.00%	100.00%	100.00%

PROFIT AND LOSS ACCOUNT

For the Last 5 Years

Particulars	2023 Taka	2022 Taka	2021 Taka	2020 Taka	2019 Taka
Operating income					
Interest income	78.49%	58.61%	92.23%	93.74%	88.82%
Less: Interest expenses on deposits & borrowings	29.26%	15.83%	17.27%	17.35%	15.38%
Net interest	49.23%	42.77%	74.96%	76.39%	73.44%
Income from investment	0.39%	0.46%	1.17%	1.57%	0.07%
Fees, Commission & brokerage	1.43%	2.16%	2.88%	3.62%	7.83%
Other operational income	19.69%	38.77%	3.72%	1.07%	3.28%
Total operating income	70.74%	84.17%	82.73%	82.65%	84.62%
Operating expenses					
Salary and allowances	2.38%	2.82%	3.77%	5.23%	3.09%
Rent, taxes, insurance, electricity etc.	0.13%	0.09%	0.18%	0.17%	0.11%
Legal expenses	0.92%	0.10%	0.11%	0.35%	0.64%
Postage, stamp, telecommunication etc	0.05%	0.05%	0.07%	0.07%	0.02%
Stationary, printing, advertisement	0.13%	0.16%	0.10%	0.23%	0.12%
CEO's salary and fees	0.12%	0.11%	0.16%	0.33%	0.30%
Director's fees	0.04%	0.04%	0.06%	0.07%	0.04%
Audit fees	0.01%	0.01%	0.01%	0.01%	0.00%
Depreciation, repairs and maintenance	0.25%	0.31%	0.49%	0.64%	0.43%
Other expenses	1.26%	1.78%	2.61%	4.57%	5.25%
Charges on loan losses	0.00%	0.00%	0.00%	0.00%	0.00%
Total operating expenses	5.29%	5.45%	7.57%	11.67%	10.00%
Profit/(Loss) before provision & Tax	65.44%	78.72%	75.16%	70.99%	74.62%
Provision for loans and advances	27.75%	53.37%	26.13%	17.21%	30.58%
Net profit/(loss) before Tax	37.70%	25.35%	49.03%	53.77%	44.04%
Tax expenses	18.98%	10.15%	28.30%	19.53%	18.40%
Net profit/(loss) after tax	18.71%	15.21%	20.73%	34.24%	25.63%



CAPITAL ADEQUACY AND MARKET DISCIPLINE (CAMD)

1. SCOPE OF APPLICATION:

Qualitative Disclosures	
a) The name of the entity to which this guideline applies	Infrastructure Development Company Limited (IDCOL)
b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group: (i) that are fully consolidated (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted)	IDCOL has no subsidiary companies.
c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group	Not applicable for IDCOL
d) 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 for IDCOL

2. CAPITAL STRUCTURE:

Qualitative Disclosures	
Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or Tier 2.	<p>Tier 1 capital consists of Paid up capital, Non-repayable share premium account, Statutory reserve, General reserve, Retained earnings, Minority interest in subsidiaries, Non-cumulative irredeemable preference shares, Dividend equalization account.</p> <p>Tier 2 capital consists of General Provision up to a limit of 1.25% of Risk Weighted Asset (RWA) for Credit Risk, 50% Revaluation Reserve for Fixed Assets, 45% Revaluation Reserve for Securities and All Other Preference Shares.</p> <p>The calculation of Tier 1 capital, and Tier 2 capital, shall be subject to the following conditions:</p> <p>a) The amount of Tier 2 capital will be limited to 100% of the amount of Tier 1 capital.</p> <p>b) 50% of revaluation reserves for fixed assets and 45% of revaluation reserves for securities eligible for Tier 2 capital.</p>

Amount in Crore (BDT)

Particulars	Consolidated
1. Tier-1 (Core Capital)	
Paid-up Capital	838.00
Statutory Reserve	0.00
Non-repayable Share premium account	0.00
General Reserve	0.00
Retained Earnings	344.62
Minority interest in Subsidiaries	0.00
Non-cumulative irredeemable preference shares	0.00
Dividend Equalization Account	0.00
Total Eligible Tier-1 Capital	1,182.62
2. Tier-2 (Supplementary Capital)	
General Provision (Unclassified loans up to specified limit + SMA+ off Balance Sheet exposure)	82.11
Assets Revaluation Reserves up to 50%	0.00
Revaluation Reserves for Securities up to 45%	0.00
Revaluation reserve for Equity Instruments up to 10%	0.00
All other preference shares	0.00
Total Eligible Tier-2 Capital	82.11
3. Other Applicable Deductions from Capital	0.00
4. Total Eligible Capital	1,264.72

3. CAPITAL ADEQUACY:

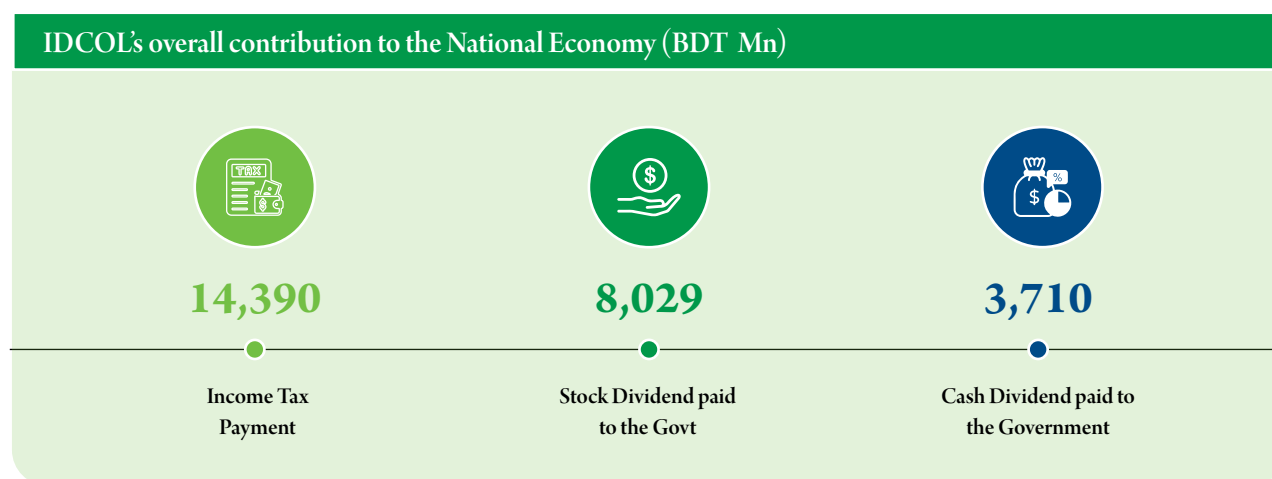
Qualitative Disclosures	
<p>A summary discussion of the FI's approach to assessing the adequacy of its capital</p>	<p>Minimum capital requirements</p> <p>Under the section 6 of FI Act 1993 Bangladesh Bank shall prescribe the minimum capital of every financial institution. And as per the Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions (DFIM Circular No. 14/2011) that has come into force from January 01, 2012; FIs are required to maintain a CAR of minimum 10%.</p> <p>To be noted that IDCOL being a state-owned development financial organization has a goal to ensure economic prosperity through sustainable and environment friendly investments in the infrastructure and renewable energy sectors of Bangladesh. And to achieve the development objective of the Government, IDCOL is exempted from several sections of FI Act 1993; i.e. minimum capital requirement for FIs (section 6). Nevertheless IDCOL currently maintains the minimum capital prescribed under section 6 sub-section (1) and DFIM Circular No. 14/2011.</p>
	<p>Capital calculation approach</p> <p>With regard to regulatory capital computation approaches (Minimum Capital Requirement) the FI is following the prescribed approach of Bangladesh Bank. Below are risk wise capital computation approaches that IDCOL is currently applying:</p> <ol style="list-style-type: none"> 1. Credit Risk - Standardized Approach (SA) 2. Market Risk - Standardized Approach (SA) 3. Operational Risk - Basic Indicator Approach (BIA)
	<p>Capital of the FI</p> <p>Nevertheless IDCOL is exempted from the minimum capital requirement of Bangladesh Bank, in parallel to business growth, IDCOL has so far managed to maintain its capital more than the prescribed minimum capital requirement of Bangladesh Bank.</p>
	<p>Below are few highlights:</p> <ul style="list-style-type: none"> - Currently Bangladesh Bank prescribed Minimum Capital Adequacy Ratio (MCR) is 10%, whereas as on December, 2023 the CAR of the FI was 19.25% - During the same period Minimum Capital Requirement (MCR) of the FI was BDT 656.86 crore and eligible capital was BDT 1264.72 crore; i.e. the FI hold BDT 607.86 crore surplus capital.

Quantitative Disclosures:

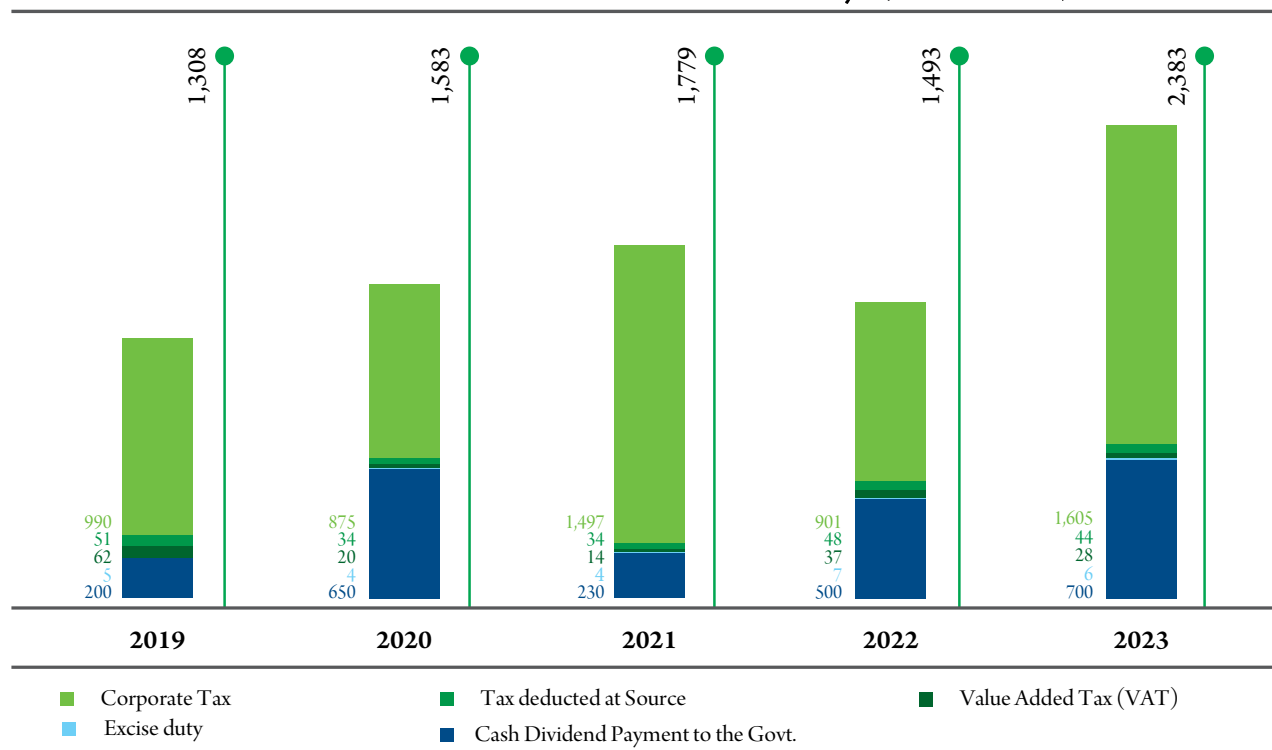
Risk Category	Amount in Crore (BDT)
Details of Risk Weighted Assets (RWA)	Consolidated
Credit Risk	
On- Balance sheet	5,791.14
Off-Balance sheet	0.00
Total Credit Risk	5,791.14
Market Risk	0.00
Operational Risk	777.50
Total RWA	6,568.64
Detail of Risk Wise Minimum Capital Requirement (MCR)	
Credit Risk	
On- Balance sheet	579.11
Off-Balance sheet	0.00
Total Credit Risk	579.11
Market Risk	0.00
Operational Risk	77.75
Total Minimum Capital Requirement	656.86
Total Maintained Capital	1,264.72
Total Capital Surplus	607.86
Detail of Tier wise Capital of the FI	
Tier-1 Capital	1,182.62
Tier-2 Capital	82.11
Total Capital	1,264.72
CAR on Total Capital basis (%) [Total capital/ RWA]	19.25%
CAR on Tier 1 Capital basis (%) [Tier 1 capital/ RWA]	18.00%

CONTRIBUTION TO NATIONAL ECONOMY

IDCOL, being a responsible stakeholder of the Government, contributes significantly to boosting national revenue collection. Over the years, IDCOL has built its reputation to be one of the highest tax paying institutions and contributed directly towards the development of the country. During the last decade, IDCOL has established itself as one of the highest taxpayers in the NBFI industry. One of the key priorities of IDCOL is to contribute to the government's development vision that envisages the country to graduate to a middle-income nation within this decade and a developed nation in the coming days. IDCOL made a handsome contribution to the national exchequer in the form of cash dividend payment to the Government, corporate tax, Value Added Tax (VAT) and excise duty payment, Tax and VAT collection at source etc. and added value to the economy in the form of distributing stock dividend to the government

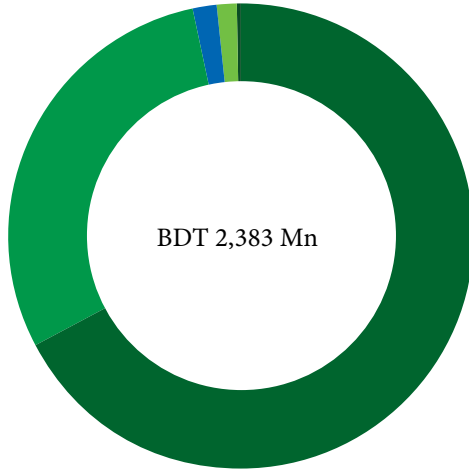


IDCOL's Contribution to National Economy (BDT Mn)



During the year 2023, the Company contributed a total of BDT 1.60 billion as corporate tax, BDT 44.19 million as Tax Deducted at Source (TDS), BDT 28.44 million as VAT, BDT 5.66 million as Excise Duty. Besides, IDCOL paid BDT 700 million as cash dividend to the Government. Consequently, an amount of BDT 2.38 billion was deposited to the national exchequer during the year.

Segment Wise Contribution during FY 2023



Corporate Tax	67.34%
Dividend to the Govt.	29.38%
Tax deducted at Source (TDS)	1.85%
Value Added Tax (VAT)	1.19%
Excise Duty	0.24%

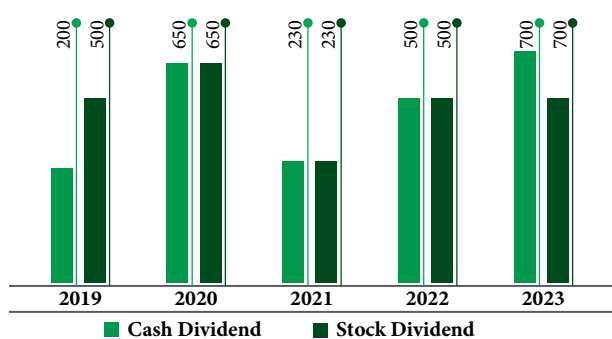
IDCOL has been awarded the Highest Taxpayer's Award in FY 2013-14, FY 2014-15, FY 2016, FY 2017, FY 2018, FY 2020, FY 2021, FY 2022 and FY 2023 by the National Board of Revenue under Non-Bank Financial Institutions category. In addition, the company has been awarded Certificate of Appreciation by Large Taxpayers Unit (LTU), Dhaka for significantly contributing to tax collection during FY 2019-2020, FY 2020-2021 and FY 2021-2022.



The National Board of Revenue recognized IDCOL as the Highest Taxpayer under Non-Bank Financial Institution category for Assessment Year 2022-2023.

In 1997, IDCOL started its journey as a government owned non-bank financial institution with an initial paid-up capital of BDT 1 lac only. The company's paid-up capital stands at BDT 838 crore as on 31 December 2023, with an equity contribution of BDT 35 crore from the Government of Bangladesh (GoB) till date and the remaining being generated from the retained earnings of the company. IDCOL has been consistently aiding the development of emerging economy of Bangladesh by paying dividend to the government every year. Since the beginning, IDCOL has paid cumulative cash dividend of BDT 3.71 billion and cumulative stock dividend of BDT 8.03 billion from its profit.

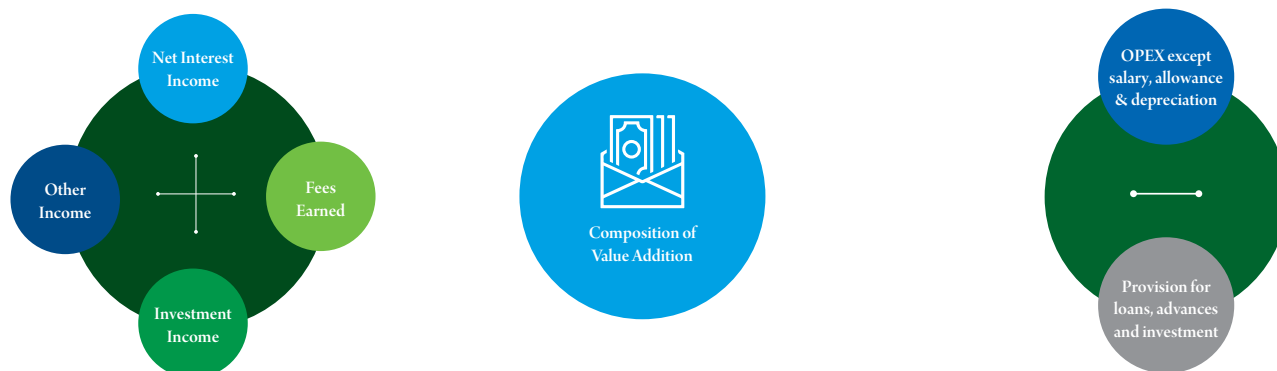
Dividend Paid to Govt. (BDT Mn)



VALUE ADDED STATEMENT

For the year ended December 31, 2023

Value added is the wealth IDCOL has created through extending loans and various services. The value added statement shows the way total worth has been created and how the same was distributed to meet various obligations and reward those responsible for its creation. A portion also retained in the business for continued operation and expansion of IDCOL.

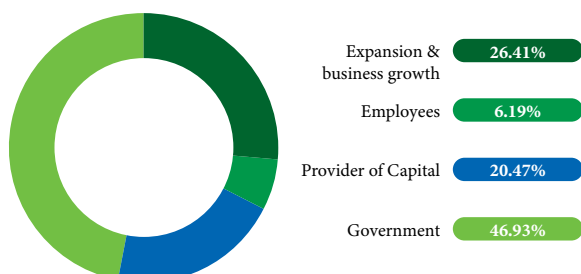


Particulars	2023		2022	
	Amount (Taka)	%	Amount (Taka)	%
Value added				
Net interest income	4,161,064,998	121.70%	3,796,958,019	149.62%
Fees earned	120,824,414	3.53%	192,027,382	7.57%
Investment income	32,685,185	0.96%	41,018,519	1.62%
Other income	1,664,231,863	48.68%	3,441,399,013	135.61%
Operating expense except salary & allowances, depreciation	(214,639,736)	-6.28%	(196,324,907)	-7.74%
Provision for loan, advances, investments and others	(2,345,154,834)	-68.59%	(4,737,392,457)	-186.68%
Total value added by the company	3,419,011,891	100.00%	2,537,685,569	100.00%
Distribution of Value added				
Employees				
As salary & allowances	211,667,671	6.19%	260,014,145	10.25%
Provider of Capital				
Dividend to ordinary shareholders	700,000,000	20.47%	500,000,000	19.70%
Dividend to preference shareholders	-	0.00%	-	0.00%
Government				
Income tax	1,604,523,634	46.93%	900,711,580	35.49%
Expansion and business growth				
Retained earnings	881,607,858	25.79%	849,793,069	33.49%
Depreciation & amortization	21,212,728	0.62%	27,166,775	1.07%
Total distribution	3,419,011,891	100.00%	2,537,685,569	100.00%

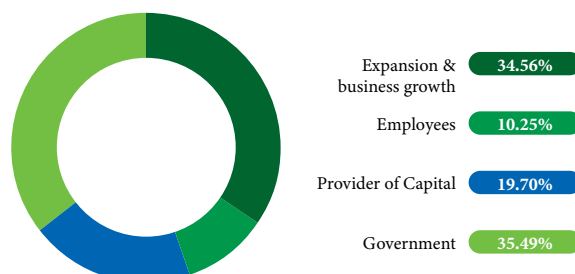
Distribution of Value Added in 2023 and 2022

	2023	2022
Expansion & business growth	26.41%	34.56%
Employees	6.19%	10.25%
Provider of Capital	20.47%	19.70%
Government	46.93%	35.49%

2023



2022



ECONOMIC VALUE ADDED (EVA) 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.

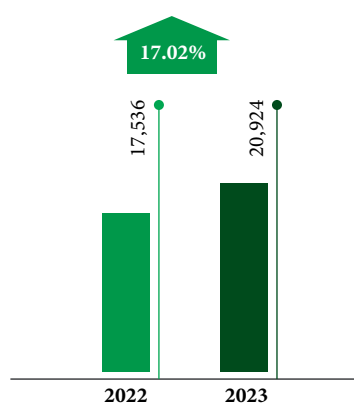
EVA has been calculated by the following formula:

$$\text{EVA} = \text{Net Operating Profit} - \text{Taxes} - \text{Cost of Capital}$$

Particulars	Amount in BDT	
	2023	2022
Net operating profit	5,531,286,326	6,987,897,106
Tax expense	1,604,523,634	900,711,580
Net operating profit after tax (NOPAT)	3,926,762,692	6,087,185,526
Charges for capital		
Capital employed	20,923,803,045	17,536,024,021
Average cost of capital (%)	3.50%	2.71%
Capital Charge	732,333,107	475,226,251
Economic Value Added	3,194,429,585	5,611,959,275
Capital employed as on 31 December, 2023		
Shareholder's equity	11,826,160,483	10,944,552,625
Accumulated provision for doubtful accounts and future losses	10,556,786,926	8,520,106,056
Average shareholders' equity	20,923,803,045	17,536,024,021

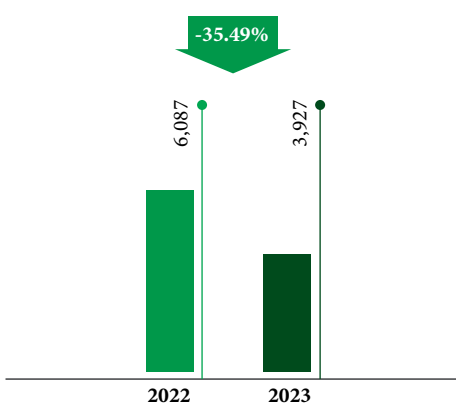
Average Shareholders' Equity

BDT in million



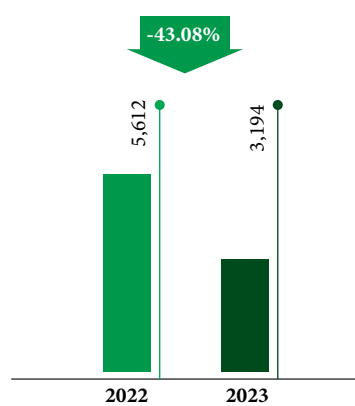
Net Operating Profit After Tax (NOPAT)

BDT in million



Economic Value Added (EVA)

BDT in million



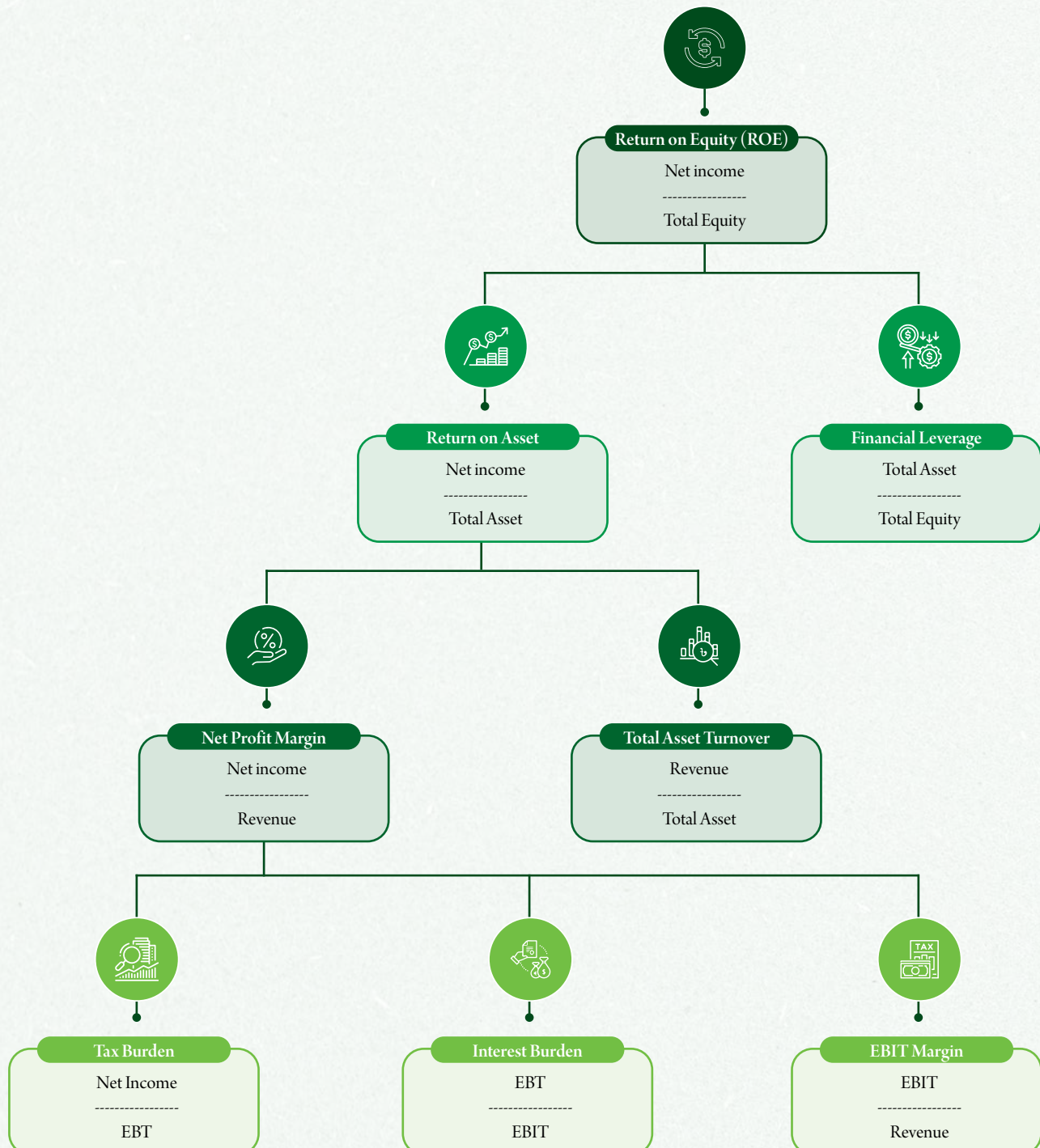
Key Ratios	2018	2019	2020	2021	2022	2023
EVA/Operating income	43.35%	62.19%	57.68%	52.13%	75.11%	53.43%
EVA/Avg. Shareholder's equity	13.15%	23.58%	16.26%	15.71%	32.00%	15.27%
Net profit after tax/operating income	22.30%	30.29%	41.43%	25.06%	18.07%	14.24%



FIVE FACTOR DUPONT ANALYSIS

During FY 2023, IDCOL reported Return on Equity (ROE) of 13.37 percent which was 12.33 percent in the previous year. 5 step DuPont analysis is an extended decomposition of ROE to better understand the operational performance and know which factors affect the ROE of the

company. Generally, ROE can be broken down into Net Profit Margin (NPM), Asset Turnover and Financial Leverage. EBIT margin, tax effect and interest burden together constitute NPM.



DuPont Breakdown	2023	2022	2021	2020	2019
ROE (A= B*C*D)	13.37%	12.33%	10.86%	16.63%	16.50%
Financial Leverage (B)	10.55	9.74	9.92	10.64	10.88
Total Asset Turnover (C)	6.78%	8.33%	5.28%	4.56%	5.92%
Net Profit Margin (D= P*Q*R)	18.71%	15.21%	20.73%	34.24%	25.63%
Tax Burden (P)	49.64%	59.98%	42.28%	63.68%	58.21%
Interest Burden (Q)	56.30%	61.55%	73.96%	75.61%	74.12%
EBIT Margin (R)	66.96%	41.19%	66.30%	71.12%	59.42%

Financial leverage: IDCOL consistently managed a balanced capital structure with lower leverage over time, suggesting the strength of its asset size and increasing stability in its equity base throughout the year. Total asset base has increased by 17.00 percent and total shareholder's equity base has increased by 8.06 percent resulting in an increase of financial leverage by 8.32 percent compared to the previous year.

Total asset turnover: During the reporting period, the company has managed to disburse an amount of BDT 24.93 billion resulting in a sharp 24.31 percent increase in total loan portfolio. Due to this significant increase, total interest income has also increased by 27.51 percent. However, other operating income has decreased by 51.64 percent which ultimately resulted in a decrease in IDCOL's revenue by 4.79 percent compared to FY 2022. Due to the strong growth of total asset base and decrease in total revenue, total asset turnover has decreased by 18.61 percent during FY 2023.

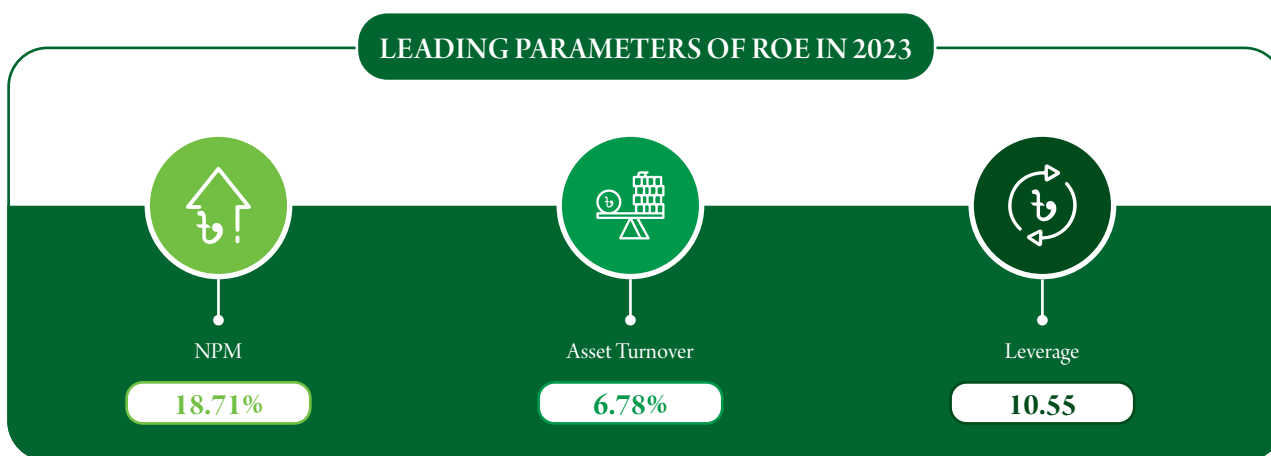
Net profit margin: During FY 2023, IDCOL reported net profit after tax of BDT 1.58 billion which was 17.17 percent higher than the prior year. Net profit after tax has increased mainly due to increased interest income, decreased operating expenses and decreased incremental provision. On the other hand, even if IDCOL has managed to increase interest income by 27.51 percent during the year, due to the decrease in fees income and other operating income, total revenue has decreased by 4.79 percent compared to FY 2022. Ultimately, since IDCOL has managed to increase the net profit after tax by 17.17 percent, net profit margin was 18.71 percent which was 15.21 percent in the prior year (23.01 percent increase).

Tax burden: During the year, IDCOL reported incremental provision of BDT 2.35 billion which was BDT 4.74 billion in the previous year. As a result, earnings before tax have increased by 41.57 percent. Notably, during FY 2022, loans and advances amounting BDT 1.73 billion were written off and IDCOL adjusted the income tax which had been paid earlier against those written off loans in the previous fiscal years. As a result, tax expenses were 78.14 percent lower in the previous year compared to the current year. Ultimately, tax burden ratio was 49.64 percent, a degrowth of 17.24 percent than the previous year.

Interest burden: As mentioned, earnings before taxes has increased by 41.57 percent during the year. On the other hand, IDCOL reported earnings before interest and taxes of BDT 5.66 billion during the year which was BDT 3.66 billion a year earlier (54.78 percent increase). Notably, interest expense has increased by 75.93 percent during the year due to new withdrawals from credit lines amounting BDT 2.11 billion and increase in foreign currency borrowings rate (5.89 percent in FY 2023 and 4.01 percent in FY 2022). As a result, the interest burden ratio of IDCOL for the year was 56.30 percent which was 61.55 percent in the prior year (8.53 percent decrease).

EBIT margin: Overall, earnings before interest and taxes have increased by 54.78 percent and total revenue has decreased by 4.79 percent resulting in an increase of EBIT margin by 62.56 percent.

In summary, because of IDCOL's better asset utilization efficiency, almost all other indicators performed seemingly well to generate a decent return for the equity holders of the company. In FY 2023, IDCOL's ROE was 13.37 percent, a growth of 8.43 percent compared to the previous year.

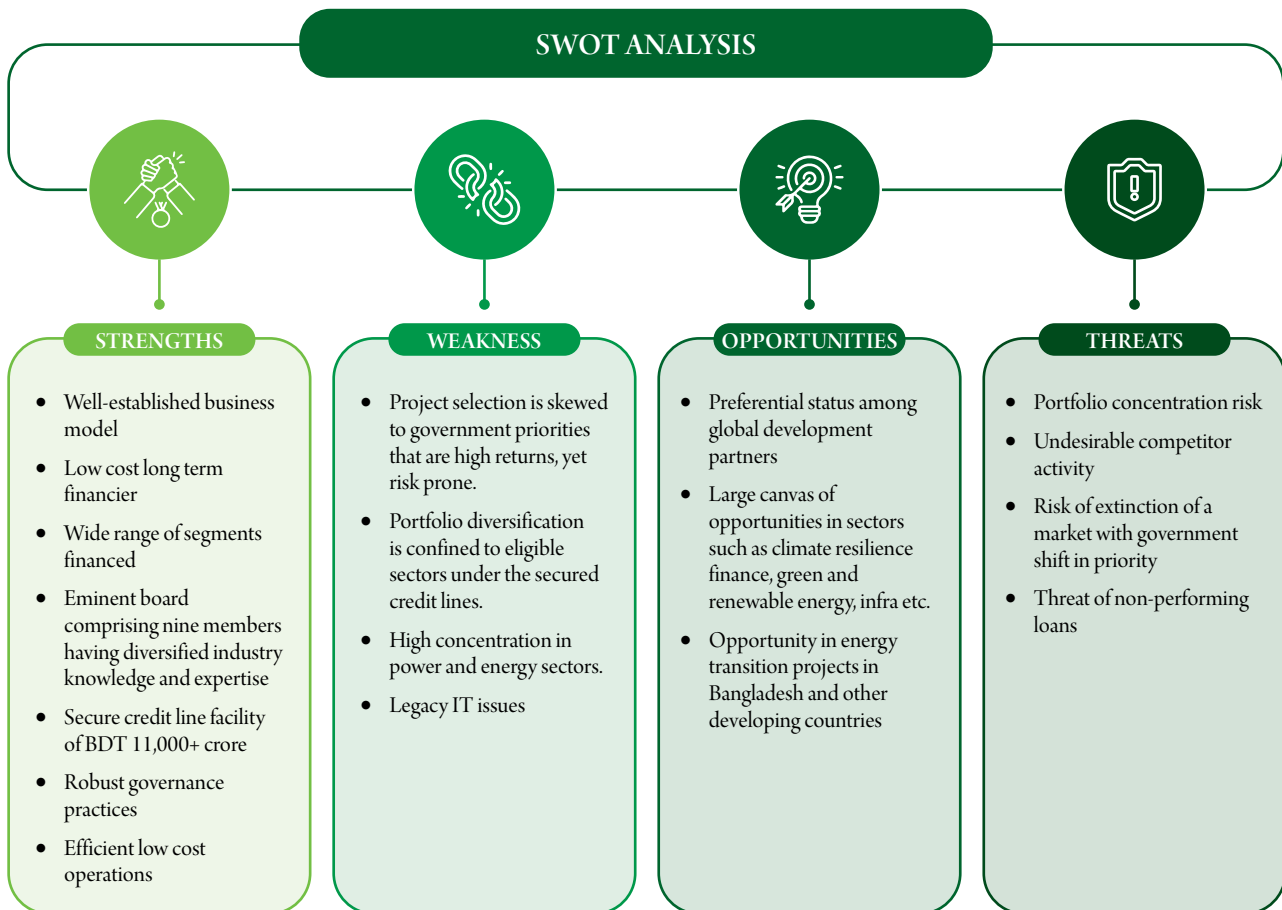


SWOT ANALYSIS

IDCOL, being a government-owned non-bank financial institution (NBF) and securing the trust of the development partners of Bangladesh in its journey of economic growth and prosperity, has emerged as a leading financier of the country with high-quality human capital and an inclusive business model to meet the growing expectations of all stakeholders. Bangladesh is experiencing both possibilities and challenges because of its rapid economic growth and urbanization. Reducing environmental impact and promoting economic resilience can be achieved through

investing in green infrastructure, efficient renewable energy projects, and green buildings where IDCOL is a prominent financier. Also, IDCOL focuses on diversification into new, emerging, and nationally significant areas in addition to meeting the urgent requirements of the nation.

IDCOL has portrayed its SWOT analysis and focuses to amplify its strengths, mitigate weaknesses, capitalize on opportunities, and stave-off threats.



Strengths:

- Pioneer of low-cost long term financing in the industry. With specialized business know-how and access to low-cost funds, IDCOL ensures low-cost long term credit access for its customers that no one can offer in the industry.
- Distinctive services, such as financing in Energy Efficient Equipment, Renewable Energy, Climate Financing and Advisory Services that are not widely available in the industry.
- Marked global footprint through venturing into African countries like Malawi and Ethiopia by providing specialist advisory services for market development and capacity building in off-grid energy sectors.

- Board members from enriched and diversified background comprising five top government officials, three prominent private sector entrepreneurs, and a full-time ED & CEO with extensive experience and industry knowledge. Further, visionary leadership helps steer IDCOL towards best practices in corporate governance.
- Availability of credit line facility of BDT 11,000+ crore out of which BDT 10,660 crore is loan and BDT 389 crore is grant.
- Rigorous scrutiny before loan approval and disbursement, reflecting strong internal controls that ensure robust asset quality.
- Efficient management of operational activities with lowest cost to income ratio in the industry reflecting improved resource management.

Weaknesses:

- Due to unique business nature and unconventional products and services, process automation is quite challenging with the existing IT setup.
- Portfolio diversification is confined to eligible sectors under the secured credit lines.
- High concentration in power sector (31%) and energy sector (24%) which IDCOL is eventually trying to diversify.
- IDCOL finances mostly unconventional projects based on the development priorities of the government, such as infrastructure financing, energy efficiency and renewable energy, which entails higher potential returns as well as higher risk.
- Existing human resources of IDCOL have good reputation, skills and expertise in their respective domains, thus creating demand for those resources in the market. Hence, talent retention is a challenge.

Opportunities:

- IDCOL is the first choice as project implementing agency of several global development partners. Hence there remains opportunity of new avenues of credit lines for promoting infrastructure, energy

efficiency, renewable energy financing as well as sustainable new edge financing, among others.

- Growing demand and awareness about green, sustainable and climate-resilience financing among stakeholders, such as suppliers and buyers.
- Untapped market for advisory services and specialised financing solutions opening up the scope for capacity development in unconventional energy sources, infrastructure financing, and sustainable and climate-focused financing.

Threats:

- IDCOL operates in a niche market and hence peer threat prevails. Emergence of new competitors with aggressive practices may reduce IDCOL's market share.
- As IDCOL works with new and innovative products, risk of extinction of a market or a product prevails; if the priorities of the government change, the market may become saturated, or the product may become obsolete.
- The threat of non-performing loans is a significant concern for IDCOL as it poses risk to the financial health, liquidity situation eventually economic disruption as a whole.



TOGETHER FOR SMART TOMORROW

IDCOL believes our true achievement is when we empower sustainable growth through green financing and help the world to breathe with us.



GREEN
CONSTRUCTION
PROJECT



INDUSTRIAL
ENERGY EFFICIENT
EQUIPMENT



POWER PLANT
PROJECTS



ECONOMIC
ZONES



OFFSHORE
LNG TERMINAL



ROOFTOP
SOLAR PROJECT



CORPORATE
GOVERNANCE

DIRECTORS' RESPONSIBILITY

IDCOL's business sustainability is based on the relationships that we have built with our valuable shareholders and stakeholders throughout the years. The company is committed to ensure high standards of corporate governance and has a corporate governance framework which supports long-term performance and sustainability as well as protects and enhances stakeholders' interests of the company. The company believes that effective governance is achieved through a culture of transparency and openness across the organization.

IDCOL is led by top government officials adorning its board who are involved with high level policy making of the government. Under their visionary leadership and focus on public and private sector infrastructure development, IDCOL has been a profitable venture for over two decades. Their stewardship and foresightedness have cemented a strong foothold for IDCOL and established it as a good governance practicing organization.

Major responsibilities of IDCOL Board of Directors (BoD)



Matters reserved for the decision of the board and the delegated authorities

As per the memorandum of IDCOL, roles of the chairman and CEO is separated, and one person cannot play dual role. The board discharges some of its responsibilities directly and delegate certain other responsibilities to its committees to assist it in carrying out its function of ensuring independent oversight. Certain matters are reserved to the Board for approval under the Delegation of Authority Policy, including decisions relating to company strategy and major policies, equity raisings, guarantees, external debt facilities and other transactions of various types involving amounts over specified limits or with the potential to have a

material impact on the company. The matters reserved for the Board also include the selection and appointment process of the Company's Chief Executive Officer, and the approval of other key executive appointments, as well as planning for executive succession.

The Delegated Authority sets out those matters the Board has passed on to management to efficiently operate the business. The Board delegated authority for the operational management of the organization to the Chief Executive Officer (CEO) for further delegation by him in respect of matters that are necessary for the effective day to day running and management of the business. The board holds the CEO accountable in discharging his/her delegated responsibilities. Delegations are made within the broader corporate governance framework and IDCOL's standards of business governance.

Board Key Roles and Responsibilities

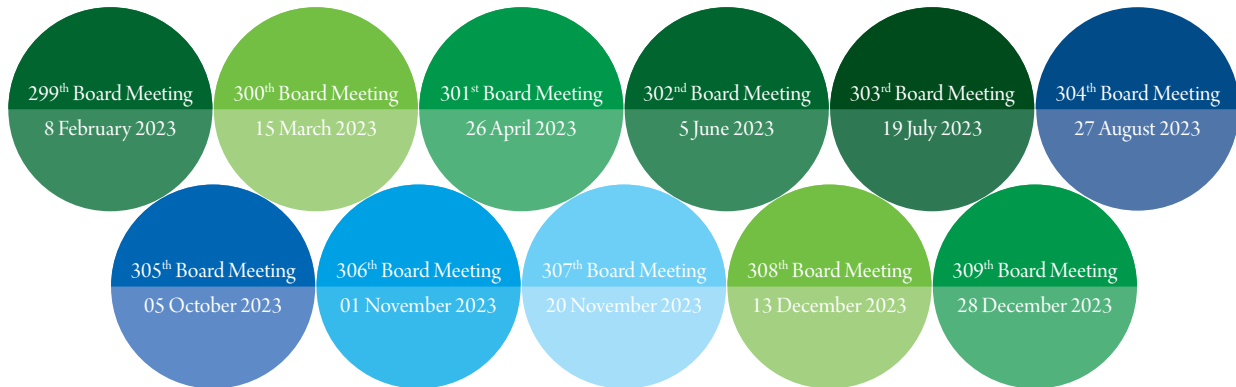




Board Meetings 2023

From 01 January to 31 December 2023, a total of 11 (eleven) Board meetings were held. During this period, the aggregate attendance of the directors recorded was more than 95 percent. The core activities of the Board were carried out in scheduled meetings of the Board and its Committees. Those meetings were timed to link to key events in the

Company's corporate calendar and regular reviews were conducted of specific business areas. Additional meetings and conference calls were arranged to consider matters which required decisions outside the scheduled meetings.



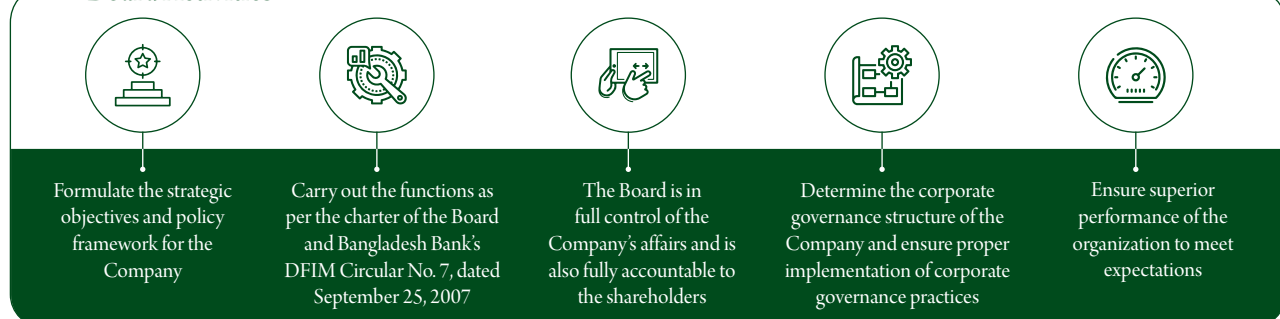
Board Attendance

Name of the Director's	Board Meetings										
	299th	300th	301st	302nd	303rd	304th	305th	306th	307th	308th	309th
Ms. Sharifa Khan, Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Md. Shahriar Kader Siddiky, Chairman											✓
Mr. Md. Shahriar Kader Siddiky, Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Ms. Fatima Yasmin, Director	✓	✓	✓	✓	✓	✓	✓				
Mr. Mohammad Salahuddin, Director	✓	✓		✓		✓		✓	✓	✓	✓
Dr. Md. Khairuzzaman Mozumder, Director							✓	✓	✓	✓	✓
Mr. Md. Mostafizur Rahman, Director											✓
Mr. A.K.M. Nurul Fazal Bulbul, Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Habibur Rahman, Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Nihad Kabir, Director	✓	✓	✓	✓	✓	✓	✓		✓	✓	
Mr. Abdul Haque, Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Alamgir Morshed, ED & CEO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

The board meeting procedure of IDCOL is structured in a way that helps the members to maintain the continuation in the flow. The presence of four (4) members is mandatory for conducting a meeting. IDCOL's board meetings follow agendas, and any pertinent information is disseminated before the meeting so that members have an opportunity to review information and make informed decisions. Topics are introduced by the chair or committee chairs and are then opened for

discussion and debate for all members. Meeting attendees should follow protocol to ensure that everyone has an opportunity to voice an opinion without the meeting dragging on excessively. If items take too long to get to a resolution, they are postponed, to respect all board members' time. IDCOL's board of directors are committed to devote sufficient time to discharge their responsibilities and considerably more for those who chair or are members of multiple committees.

Board Activities



Appointment, retirement, and re-election of Directors

As a government owned organization IDCOL has no authority over the appointment of the board member of its own. The board members are appointed based on the government directives. It mandated to allow 9 members in the board including the Chairman and the Chief Executive Officer. In the annual general meeting, it is mandatory for 50% of the board members to resign from the post and those members may be re-elected at the vote of the members for next one year.

Director Induction

All new directors and chairman receive an extensive, formal, and tailored introduction program which enable them to function effectively and grow a deep understanding about our business and market. Each induction typically consists of a board meeting with present Chairman, present directors, directors to be retired, as well as the members of the management committee. The induction program is completed within the first month of the director's appointment. The total process is regularly reviewed and considered the director's feedback to ensure that improvement is taking place.

Ongoing Development Plan

A well informed, effective, and functional board requires not only a thorough induction or information sharing for directors to quickly understand the business but also a well-managed process of ongoing engagement and training for further development. Since the directors of IDCOL are nominated by the government, the necessity of mandatory training to ensure each director's contribution to the board remains well informed to the government. But the government always makes sure that at least one director has thorough knowledge and expertise in finance and

accounting to provide guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting.

Board Effectiveness

An effective Board of Directors is the heart of the governance structure of a well-functioning and well governed company, acting as the ultimate internal monitor. Ideally, the Board guides long-term corporate strategy, puts the key agents in place to implement it, and monitors performance against the strategy set out. However, since the company's directors are directly appointed by the government, the responsibility of evaluating them is beyond the jurisdiction of IDCOL.

Remuneration of the CEO

To strengthen the foundation of IDCOL and bolster stakeholder confidence, the board of directors conducts performance appraisal of CEO which then be reflected in the performance bonus and increment assessment. The remuneration of the CEO is approved by the Bangladesh Bank as recommended by the Board in compliance with DFIM Circular No. 02, dated 25 March 2015 of Bangladesh Bank.

Committees of the Board

The IDCOL Board may form special Committees comprising Board members or any other members from outside of the Company for special purposes. The board places significant reliance on its committee by delegating a broad range of roles and responsibilities. It therefore remains crucial that effective links are in place between the committees and the board. Mechanisms are in place to facilitate those linkages, including ensuring that there are no gaps or unnecessary duplications between the remit of each committee. The following figure depicts the existing committees of the IDCOL Board.

Members of the respective committees



Audit Committee

- Dr. Md. Khairuzzaman Mozumder, Chairman
- Mr. Md. Habibur Rahman, Member
- Ms. Nihad Kabir, Member
- Mr. Abdul Haque, Member
- Mr. A. K. M. Nurul Fazal Bulbul, Member



Credit Committee

- Mr. Md. Habibur Rahman, Chairman
- Dr. Md. Khairuzzaman Mozumder, Director
- Mr. Mohammad Salahuddin, Member
- Ms. Nihad Kabir, Member
- Mr. Abdul Haque, Member
- Mr. A. K. M. Nurul Fazal Bulbul, Member
- Mr. Alamgir Morshed, Executive Director and CEO



Organization Committee

- Mr. Md. Shahriar Kader Siddiky, Chairman
- Dr. Md. Khairuzzaman Mozumder, Director
- Mr. Farid Aziz, Director
- Mr. Md. Habibur Rahman, Director
- Ms. Nihad Kabir, Director
- Mr. Alamgir Morshed, Executive Director and CEO

Audit Committee

The audit committee of IDCOL consists of five (5) members of IDCOL board of directors whose responsibilities include helping auditors remain independent of management.

Monitoring the integrity of the financial statements, reviewing internal financial control, and internal audit function as well as recommending the appointment

or replacement of external auditors is also part of their responsibilities.

The committee assures the independence of IDCOL's internal control functions and audit activities in compliance with the requirements established in developing Credit Agreement, Agency and Administration Agreement, various Project Agreements and Boards' decisions.





Credit Committee

The Credit Committee of IDCOL consists of seven (7) members who are primarily responsible for reviewing all project appraisal reports before submission to the Board for approval.

The Committee reviews loan proposals and makes necessary recommendations to the Board. The approval of this Committee is mandatory before these documents are submitted to the Board for final approval. The Credit Committee analyzes the credit proposal to see whether the proposal is consistent with IDCOL's credit policies and credit norms, guidelines/regulations of Bangladesh Bank, relevant laws etc. and has been presented by following all the required formalities. The Committee, in the light of its analysis, considers the positive and negative sides of the proposal and shall give its opinion/recommendation.

The Credit Committee also makes recommendations for pricing of all IDCOL loans. Besides, the Committee also provides guidance to the IDCOL Board about IDCOL's role as lender of last resort in private sector infrastructure projects implemented in Bangladesh. It is to be mentioned here that the Credit Committee only give recommendations /opinion about a proposal; however, credits will be finally approved by the IDCOL Board.

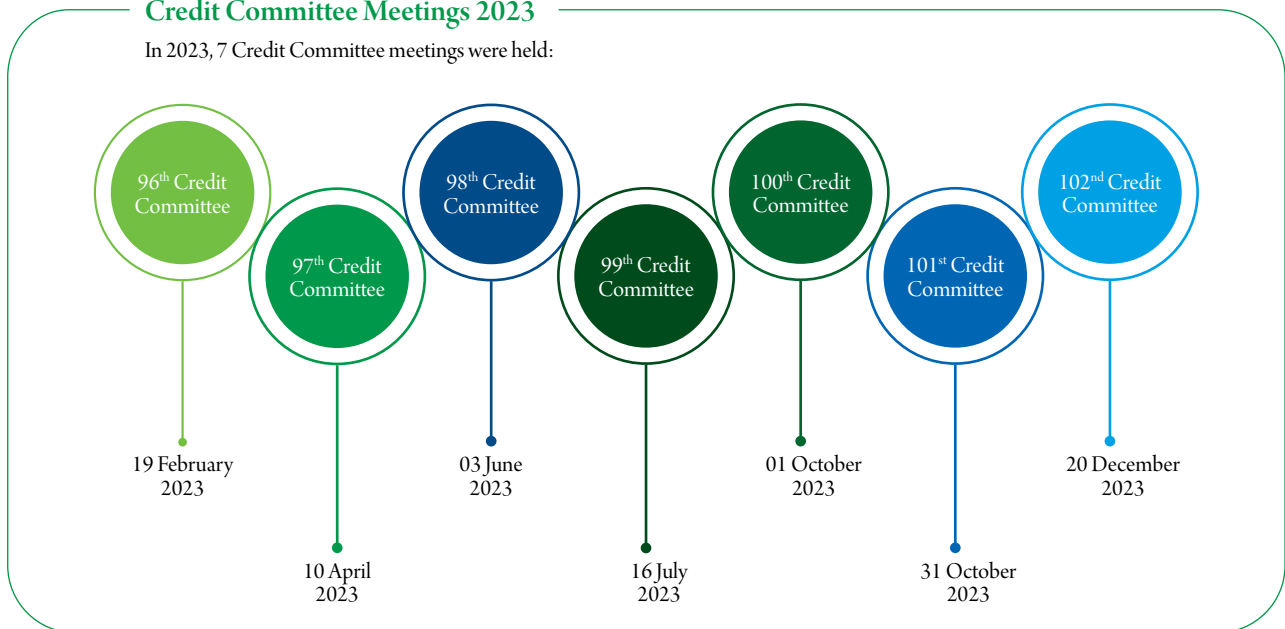
- A rich supply of high caliber employees with the capability to lead the business now and in the future.
- Diversity of employees to reflect the available talent in the marketplace and consumer demographics.
- Training and development that will equip employees with the skills and knowledge to perform their duties efficiently.
- A high-performance culture and employee engagement that will drive the organization to success.
- A level and composition of reward and recognition for employees that will attract, retain, and motivate employees with the requisite skills and expertise towards high performance and is linked to Company and individual performance.
- The committee will guide, advise, review, and recommend initiatives related to corporate matters within the following areas:
 - Organization Structure (Organogram)
 - Staff Manual
 - Compensation
 - Human Resource Development
 - Performance Management
 - Succession Plan
 - Other matters that may be delegated by the Board from time to time.

Organization Committee

Organization committee of IDCOL consists of six (6) members whose primary responsibility is to oversee the overall human resource strategies, policies, and guidelines of the organization, which is designed to provide:

Credit Committee Meetings 2023

In 2023, 7 Credit Committee meetings were held:



Organization Committee and Audit Committee Meetings 2023





IDCOL board regularly reviews corporate governance arrangements and practices to ensure they reflect developments in regulation, market practice and stakeholder expectations. In addition to that, the board of directors to the best of their knowledge hereby confirm that IDCOL's

financial statements for FY 2023 have been prepared in compliance with all the applicable governing acts, rules, and regulations of relevant regulatory bodies.

On behalf of the board of directors,

Md. Shahriar Kader Siddiky
Chairman, IDCOL

STATUS OF COMPLIANCE WITH CORPORATE GOVERNANCE GUIDELINES

Status of compliance with the conditions imposed by the Securities and Exchange Commission's notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued a notification regarding compliances on Corporate Governance for listed

companies. Notably, IDCOL is not yet listed with any stock exchange so this notification does not apply. However, IDCOL voluntarily complies with many of the requirements. The status report on compliance with those conditions is furnished below:

Condition No	Title	Status		Remarks
		Complied	Not Complied	
1	Board of Directors			
1(1)	The number of Board members shall not be less than 5 (five) and more than 20 (twenty);	✓		
1(2)(a)	At least one-fifth (1/5) of the total number of directors shall be Independent Directors (ID);			Not Applicable
1(2)(b)(i)	IDs do not hold any share or holds less than 1% shares of the total paid-up shares of the Company;			"
1(2)(b)(ii)	ID is not a sponsor and not connected with any sponsor or director or nominated director or shareholder 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 and his or her family members shall not hold above mentioned shares;			"
1(2)(b)(iii)	ID has not been an executive of the company in immediately preceding two financial years;			"
1(2)(b)(iv)	ID does not have any pecuniary or otherwise relationship with the company or its subsidiary/associated companies;			"
1(2)(b)(v)	ID is not a member or TREC holder, director or officer of any stock exchange;			"
1(2)(b)(vi)	ID 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;			"
1(2)(b)(vii)	ID is/was not a partner or an executive of company's audit firms engaged in Statutory Audit or Internal Audit or Special Audit or Compliance Certification of the Codes during preceding three years;			"
1(2)(b)(viii)	ID shall not be independent director in more than five listed companies;			"
1(2)(b)(ix)	ID has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or NBFIs;			"
1(2)(b)(x)	ID has not been convicted for a criminal offence involving moral turpitude;			"
1(2)(c)	Appointment of ID shall be done by Board and approved by shareholders in the AGM;			"
1(2)(d)	The position of IDs cannot remain vacant for more than ninety days;			"
1(2)(e)	The tenure of office of an ID shall be for Three years, which may be extended for One tenure only;			"
1(3)(a)	ID shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, corporate laws, regulatory requirements and can make meaningful contribution to the business;			"
1(3)(b)(i)	ID is a Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of One Hundred million or any listed company or a member of any national or international chamber of commerce or business association			"
1(3)(b)(ii)	ID is/was a Corporate Leader as top level executive as adopted by the code and a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;			"
1(3)(b)(iii)	ID was Former official of government in the position not below 5th Grade of the national pay scale and educational background of bachelor degree in economics or commerce or business or law;			"

Condi- tion No	Title	Status		Remarks
		Complied	Not Complied	
1(3)(b)(iv)	ID is/was University Teacher who has educational background in Economics or Commerce or Business Studies or Law;			"
1(3)(b)(v)	ID is/was a professional or an advocate practicing in the HCD of Bangladesh Supreme Court or a CA,CMA, CFA, CCA, CPA and CS or equivalent qualification;			"
1(3)(c)	The ID shall have at least Ten years of experiences in any field mentioned in clause (b);			"
1(3)(d)	Special cases for relaxing qualifications or experiences with prior approval of the Commission;			"
1(4)(a)	Chairman of the Board and the Chief Executive Officer of the companies is different individuals having clearly defined their respective roles and responsibilities by Board;	✓		
1(4)(b)	Chairperson of the Board and the MD and/or CEO of the company shall be different individuals;	✓		
1(4)(c)	Chairperson elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board clearly defined respective roles for Chairman and the Managing Director;	✓		
1(4)(e)	In absence of Chairman, the remaining members may elect one from non-executive directors as Chairperson for that particular Board's meeting;	✓		
1(5)(i)	An industry outlook and possible future developments;	✓		
1(5)(ii)	Segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;			Not Applicable
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		
1(5)(vi)	A detailed discussion and statement on related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			Not Applicable
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			"
1(5)(ix)	An explanation on any significant variance between Quarterly Financial performances and Annual Financial Statements;			No such event occurred
1(5)(x)	A statement of Directors remuneration;	✓		
1(5)(xi)	A statement on fair preparation of the financial statements by the management of the issuer company;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement with regard to the protection of minority shareholders from abusive actions of controlling shareholders;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern;	✓		
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;	✓		
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		
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;			Not Applicable



Condition No	Title	Status		Remarks
		Complied	Not Complied	
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5)(xxiii)(a)	Parent /Subsidiary /Associated Companies and other related parties (name wise details);			Not Applicable
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)(a)	A brief resume of the director;	✓		
1(5)(xxiv)(b)	Nature of expertise in specific functional areas;	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and membership of board committees;	✓		
	A Management's Discussion and Analysis signed by CEO or MD;			
1(5)(xxv)(a)	Presenting detailed analysis of accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	Presenting detailed analysis of changes in accounting policies and estimation, if any;	✓		
1(5)(xxv)(c)	Presenting detailed analysis of 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)	Presenting detailed analysis of compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	Presenting detailed analysis of briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	Presenting detailed analysis of risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	✓		
1(5)(xxv)(g)	Presenting detailed analysis of 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) disclosed as per Annexure-A;	✓		
1(5)(xxvii)	The report and compliance certificate disclosed as per Annexure-B and Annexure-C;			Not Applicable
1(6)	Conducting Board meetings and recording the minutes of the meetings and keeping required books and records in line BSS as adopted by the ICSB;	✓		
1(7)(a)	Code of conduct, based on the recommendation of the NRC for the Chairman of the Board, other board members and Managing Director of the company;	✓		
1(7)(b)	Code of conduct as determined by the NRC shall be posted on the website of the company;	✓		
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Composition of the Board of the subsidiary company;			Not Applicable
2(b)	Independent director of the holding company on the Board of the subsidiary company;			"
2(c)	Review of minutes of the subsidiary company's Board meeting by the holding company's Board;			"
2(d)	Statement as to the review of minutes of Subsidiary company by the holding company's Board;			"
2(e)	Review of financial statements of Subsidiary company by the Audit Committee of the holding 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)(a)	The Board shall appoint a MD or CEO, CS, CFO and HIAC;	✓		
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;	✓		
3(1)(d)	Respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	Removal of the MD or CEO, CS, CFO and HIAC with approval of the Board and immediate dissemination to BSEC and stock exchange(s);			Not Applicable

Condition No	Title	Status		Remarks
		Complied	Not Complied	
3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board;	✓		
3(3)(a)(i)	Certification of CEO and CFO as to the review of financial statements with declaration that there is no materially untrue and misleading statement;			Not Applicable
3(3)(a)(ii)	Certification of CEO and CFO as to the true and fair view of the financial statements and affairs of the Company's per applicable laws;			"
3(3)(b)	Certification of CEO and CFO that to the best of their knowledge and belief there was no fraudulent, illegal transactions during the year;			"
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report;	✓		
4	Board of Directors' Committee			
4(i)	Board Audit Committee (BAC);	✓		
4(ii)	Nomination and Remuneration Committee;			Not Applicable
5	Audit Committee			
5(1)(a)	BAC as a sub-committee of the Board;	✓		
5(1)(b)	BAC shall assist the Board of Directors as to the the financial statements reflect true and fair view of the state of affairs of the company;	✓		
5(1)(c)	BAC is responsible to the Board. The duties of the BAC is clearly set forth in writing;	✓		
5(2)(a)	BAC is composed of 3 (three) members;			Not Applicable
5(2)(b)	The Board appointed members of BAC who are non-executive directors and Chairperson is an ID;	✓		
5(2)(c)	All members of BAC are "financially literate" and 1 (one) member have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	Filling of casual vacancy in the BAC;			"
5(2)(e)	The CS shall act as the Secretary of the Committee;	✓		
5(2)(f)	The quorum of the BAC meeting have not constitute without ID;			"
5(3)(a)	The Board of Directors select 1 (one) ID as the Chairman of BAC;			"
5(3)(b)	Election of Chairman of the particular meeting in absence of regular Chairperson of BAC recording the reasons of such absence in the minutes;			"
5(3)(c)	Chairman of the BAC shall remain present in the AGM;	✓		
5(4)(a)	BAC conducted four meetings in the financial year:	✓		
5(4)(b)	The quorum of the meeting of BAC constituted in presence of either two members including ID or two third of the members, whichever was higher;	✓		
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	Review with the management, the quarterly and half yearly financial statements before submission to the Board for approval;			Not Applicable
5(5)(h)	Review the adequacy of internal audit function;			"
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management;			"
5(5)(k)	Review Management Letters or 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 IPO or RPO or Rights Share Offer have been utilized per the purposes stated in relevant offer document or prospectus approved by the Commission;			Not Applicable
5(6)(a)(i)	The BAC shall report on its activities to the Board;	✓		
5(6)(a)(ii)(a)	The BAC shall immediately report to the Board if any report on conflicts of interests;	✓		





Condition No	Title	Status		Remarks
		Complied	Not Complied	
5(6)(a)(ii)(b)	The BAC shall immediately report to the Board if any suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	✓		
5(6)(a)(ii)(c)	The BAC shall immediately report to the Board if any suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	✓		
5(6)(a)(ii)(d)	The BAC shall immediately report to the Board if any other matter which the Audit Committee deems necessary;	✓		
5(6)(b)	If any material impact on the financial condition and results of operation, unreasonably ignored by the management;	✓		
5(7)	Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii);	✓		
6	Nomination and Remuneration Committee (NRC)			
6(1)(a)	Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;			Not Applicable
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);			Not Applicable
6(2)(a)	The Committee shall comprise of at least three members including an independent director;			"
6(2)(b)	All 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;			"
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)(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;			"
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;			"
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)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			"
6(5)(b)(i)(a)	NRC shall oversee, formulate & recommend to the Board regarding 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	Status		Remarks
		Complied	Not Complied	
6(5)(b)(i)	NRC shall oversee, formulate & recommend to the Board regarding the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;			"
6(5)(b)(i)(c)	NRC shall oversee, formulate & recommend to the Board regarding 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)	NRC shall oversee & make report with recommendation to the Board regarding devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			"
6(5)(b)(iii)	NRC shall oversee & make report with recommendation to the Board regarding 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)	NRC shall oversee & make report with recommendation to the Board regarding formulating the criteria for evaluation of performance of independent directors and the Board;			"
6(5)(b)(v)	NRC shall oversee & make report with recommendation to the Board regarding identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;			"
6(5)(b)(vi)	NRC shall oversee & make report with recommendation to the Board regarding 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			
	The issuer Company shall not engage its external or statutory auditors -			
7(1)(i)	- to perform the appraisal or valuation services or fairness opinions of the company.	✓		
7(1)(ii)	- to perform the financial information systems design and implementation of the company.	✓		
7(1)(iii)	- to perform book-keeping or other services related to the accounting records or financial statements of the company.	✓		
7(1)(iv)	- to perform broker-dealer services of the company.	✓		
7(1)(v)	- to perform actuarial services of the company.	✓		
7(1)(vi)	- to perform internal audit services or special audit services of the company.	✓		
7(1)(vii)	- to perform any service that the Audit Committee determines of the company.	✓		
7(1)(viii)	- to perform audit or certification services on compliance of corporate governance as required under condition No. 9(1) of the company.	✓		
7(1)(ix)	- to perform any other service that creates conflict of interest of the company.	✓		
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;	✓		
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;	✓		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange;			Not Applicable
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)	Compliance Audit certification and its disclosure in the Annual Report;			Not Applicable
9(2)	Compliance certification professional shall be appointed by the shareholders in the AGM;			"
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;			"



STATEMENT OF COMPLIANCE WITH THE GOOD GOVERNANCE GUIDELINE ISSUED BY BANGLADESH BANK

Bangladesh Bank requires the Financial Institutions to comply with the guidelines on Corporate Governance as per the DFI M Circular no. 7 dated 25 September 2007 taken appropriate steps to comply with the guidelines and implemented the same. Status report on compliance with those guidelines is given below:

Condition No.	Particular	Complied status (put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
01	Responsibilities and authorities of Board of Directors the responsibilities of the Board of Directors are mainly related to and developing strategy. Those are as:			
	A. Work Planning and Strategic Management			
	i. The Board shall determine the vision/ mission of the Company. Board shall also determine the strategy and work plan for enhancement of institutional efficiency and other policy matters on annual basis. The Board shall make necessary amendments on the strategy on quarterly basis.	✓		
	ii. The Board shall have its analytical review to be incorporated in the Annual Report as regard to the success or failure in achieving the target as set out in the annual work plan and inform the same to the shareholders in the Annual General Meeting (AGM).	✓		
	iii. The Board shall determine the Key Performance Indicators for chief executive along with other top-level executives and re-assess on half yearly basis.	✓		
	B. Formation of Sub-committee			
	For making timely decision, Executive Committee and Audit Committee can be formed. No alternative director shall be included in this committee.	✓		
	C. Financial Management			
	i Annual budget acid statutory financial reports shall be authorized by the Board of Directors.	✓		
	ii. The Board shall review company's statement of income and expense, statement of loan/lease, liquidity requirement, capital adequacy of provision, action taken for legal cases and recovery of default loan.	✓		
	iii. The Board shall approve the procurement policy and shall accordingly approve the delegation of power for making such expenditure. The maximum delegation of power shall rest on the CEO and top management. However, decision relating to purchase of land, building, and vehicle shall remain with the Board.	✓		
	iv. Bank account of the Company shall be operated by a group constituted from amongst the Management which must be approved by the Board and having dual signatures (As amended through circular number 09, dated October 08, 2007).	✓		
	D. Loan/Lease/Investment Management			
	i. The policies, strategies, procedures etc. in respect of loan appraisal of loan/ lease/ investment proposal sanction, disbursement, recovery, rescheduling, and write-off shall be made with the Board's approval under the purview of the existing laws, rules and regulations. The Board shall specifically delegate the power of sanction of loan/lease/ investment and such delegate should desirably be made among the CEO and other top management of the company.	✓		
	ii. No Director shall interfere directly or indirectly in the process of loan approval	✓		
	iii. Core Risk Management Guidelines shall be approved by the Board of Directors of the Company.	✓		

Condition No.	Particular	Complied status (put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
E. Risk Management				
	Approval shall be taken from Board of Directors for syndicate loan/lease/investment and large loan, lease or investment.	✓		
F. Internal Control & Compliance				
	Audit Committee shall be formed for effective implementation of an integrated internal control system of the Company and for keeping loan/ lease/ investment quality at a desired level. Board Audit Committee shall review the report provided by the Internal Control & Compliance Department, the external auditor and the Bangladesh Bank shall make comments thereon.	✓		
G. Human Resources Management (HRM)				
	Polices relating to recruitment, promotion, transfer disciplinary and punitive measures, HR development etc. and service rule shall be framed and approved by the Board. The Chairman or the Board shall no way involve themselves or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the service rules. No member of the Board shall be included in the selection committees for recruitment and promotion of different levels except the position MD, DMD and GM or equivalent.	✓		
H. Appointment of Managing Director and Increase of Salaries & Allowances				
	Board of Director shall appoint a competent Managing Director with approval of the Bangladesh Bank. Board shall approve any increment of salaries and allowance of the Managing Director.	✓		
01	Benefit to the Chairman			
	Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle in ,the business-interest of the company subject-to the approval of the Board.	✓		
02	Responsibilities and Duties of Chairman			
	i. Chairman shall not personally possess the jurisdiction to apply policy making or executive or operational and routine affairs of the Company.	✓		
	ii. The Minutes of the Board meetings shall be signed by the Chairman.	✓		
	iii. Chairman shall sign-off the personal for appointment of Managing Director and revision of his salaries & allowances.	✓		
03	Responsibilities of Managing Director			
	The Managing Director or Chief Executive officer of the company or whatsoever be called, shall work under the following area:			
	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.	✓		
	ii. Managing Director shall ensure compliance of Financial Institution Act 1993 and other relevant circulars of Bangladesh Bank and other regulatory authorities.	✓		
	iii. All recruitment /promotion /training, except recruitment/promotion/training of DMG & GM (as equivalent to EVP) shall be vested upon the Managing Director. He shall act such in accordance with the approve HR policy of the Company.	✓		
	iv. Managing Director may re-schedule job responsibilities of employees.	✓		
	v. Managing Director shall sign all the letters/ statements/ relating to compliance of policies 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.	✓		

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Board sets out the responsibility of the management in establishing adequate internal control over financial reporting

Management of IDCOL is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by or under the supervision of the ED & CEO and the Deputy CEO & CFO and effected by the Board of Directors, the Management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as adopted by ICAB and other applicable rules and regulations. It includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions related to operations;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS as adopted by ICAB and our receipts and expenditures are made only in accordance with authorizations of our management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.



Alamgir Morshed
Executive Director and CEO

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management evaluated, under the supervision of and with the participation of the ED & CEO and Deputy CEO & CFO, the effectiveness of our internal control over financial reporting as of 31 December 2023.

Based on that evaluation, management concluded that, as of 31 December 2023, internal control over financial reporting was effective. Also, based on the results of our evaluation, management concluded that there were no material weaknesses that have been identified in internal control over financial reporting as of 31 December 2023.

Our internal control over financial reporting as of 31 December 2023 has been audited by Hoda Vasi Chowdhury & Co. Chartered Accountants, who also audited our Financial Statements for the year ended 31 December 2023. The Auditor also assesses the effectiveness of our internal control and determines the degree and extent of reliance on internal control system.



S.M. Monirul Islam
Deputy CEO & CFO

AUDIT COMMITTEE REPORT

IDCOL's Audit Committee is a sub-committee of The Board and was formed in compliance with Bangladesh Bank guidelines and international best practices on Corporate Governance with a view to provide independent oversight of the Company's financial reporting, non-financial corporate disclosure, effectiveness of internal control system etc. as set out in the Audit Committee Charter.

The board audit committee consists of five members of IDCOL board of directors whose responsibilities include helping auditors remain independent of management.

Objective of the Audit Committee

By effectively carrying out its functions and responsibilities, the audit committee helps to ensure that management properly develops and

adheres to a sound system of internal controls, that procedures are in place to objectively assess management's practices and internal controls, and that the outside auditors, through their own review, objectively assess the company's financial reporting practices. The objective of the committee is to assist the Board in fulfilling its corporate governance responsibilities, particularly:



Ensuring the reliability and integrity of information for inclusion in company's financial statements



Compliance with legal and regulatory obligations, including audit, accounting, tax and financial reporting obligations



Establishing the integrity of company's internal control framework;



Safeguarding the independence of the external and internal auditors



Confirming that the management has selected accounting policies that are in line with applicable accounting standards



Reviewing interim financial releases i.e., quarterly and half yearly unaudited financial statements and recommend the same to the Board of Directors for approval.

The engagement partner of the external audit firm is invited to attend each Annual General Meeting and to be available to answer shareholders questions about the conduct of the audit and the preparation and content of the auditor's report.

Composition of the Board Audit Committee

The Board Audit Committee consists of five Directors of the Company and the chairman and members of the Audit Committee are appointed



by the board. In order to fulfill a quorum, at least two members of the committee must be present in the meeting. The Committee comprises the following members as of the date of this report:

Mr. Dr. Md. Khairuzzaman Mozumder (Secretary of Finance Division, Ministry of Finance), is the Chairman of the Audit Committee, possessing of vast experience. Four other members are Mr. Md. Habibur Rahman (Senior Secretary, Power Division, Ministry of Power, Energy & Mineral Resources), Ms. Nihad Kabir (Advocate, Supreme Court of Bangladesh), Mr. Abdul Haque (Renowned Business Person) and Mr. A. K. M. Nurul Fazal Bulbul (Reputed Business Person). They also possess significant experience in finance, accounting, legal affairs, compliance and audit. All the members of the Committee are financially literate.

The Chief Executive Officer (CEO), Deputy CEO and Chief Financial Officer (CFO), Head of Internal Control & Compliance (HICC), representatives of the external auditors and representatives of the Bangladesh Bank (BB) are invited to attend the Committee Meetings.

Audit Committee Charter

Purpose

The Committee will represent and assist the Board in fulfilling its oversight responsibility to the shareowners relating to the integrity of the company's financial statements and the financial reporting process, the systems of internal accounting and financial controls, the internal audit function, the annual independent audit of the company's financial statements, the company's compliance with legal and regulatory requirements, and its ethics programs as established by management and the Board.

The Committee shall also oversee the independent auditors' qualifications and independence. The Committee will evaluate the performance of the Company's internal audit function (responsibilities, budget and staffing) and the Company's independent auditors. In so doing, it is the responsibility of the Committee to act independently while maintaining free and open communication between the Committee, the independent auditors, the internal auditors and management of the Company.

The Committee shall also oversee the Company's risk management process to ensure that Company has proper risk management culture and risk control mechanism in line with Internal Control and Compliance Framework Guidelines as well as various circulars issued by the Bangladesh Bank.

Authority

The Committee is established by, and reports to, the Board. The Committee's functions and powers are as set out in this Charter or otherwise delegated to it by the Board, in accordance with the Company's Constitution.

The Committee's primary role is to review and make recommendations to the Board. The Board may, however, delegate certain other matters to the Committee from time to time.

The Committee shall periodically assess the adequacy of this Charter and shall report the results of such review to the Board and, if considered appropriate, make recommendations to the Board to amend the Charter.

Meetings and Structure

The Committee will meet as often as deemed necessary or appropriate in its judgment and at such times and places as the Committee shall determine, taking into account requests from any Committee member, the Executive Director and CEO or the Company Secretary.

Two members of the Committee shall constitute a quorum. The Chairman of the Committee shall be responsible for finalizing the agenda, presiding over meetings and coordination of reporting to the Board. In the absence of the Chairman of the Committee, the responsibilities of the Chairman may be performed by any other member of the Committee.

The Company Secretary or designate will act as Secretary of the Committee and will attend meetings of the Committee, as required.

Responsibilities and duties

The primary responsibility of the Committee is to oversee the company's financial controls and reporting processes on behalf of the Board and report the results of its activities to the Board. Management is responsible for preparing the company's financial statements, and the independent auditors are responsible for auditing those financial statements. The Committee in carrying out its responsibilities will also examine if its policies and procedures are flexible, in order to best react to changing conditions and circumstances. The Committee will take the appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices, and ethical behavior.

The following shall be the principal recurring processes of the Committee in carrying out its oversight responsibilities. The Committee may perform such other duties and responsibilities as are consistent with its purpose and as the Board or the Committee deems appropriate.





1. **Independent Auditors:** The Committee will have a clear understanding with management and the independent auditors that the independent auditors are ultimately accountable to the Committee and the Board. The Committee shall have the sole authority and responsibility to hire, evaluate and, where appropriate, replace independent auditors and, in its capacity as a Committee of the Board, shall be directly responsible for the appointment, compensation and general oversight of the work of the independent auditors. The Committee shall discuss the auditors' qualifications and independence from management and the company, including whether the auditors' performance of permissible non-audit services is compatible with their independence. This process will include, at least annually, the Committee's receipt of a report by the independent auditors describing their internal control procedures, and any material issues raised by the most recent internal quality-control review, or inspections by the independent auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues; and (to assess the auditors' independence) receipt of a report on all relationships between the independent auditors and the Company, or persons in a financial reporting oversight role at the Company, that may reasonably be thought to bear on independence.
2. **Audit Services:** The Committee shall discuss with the internal auditors and the independent auditors the overall scope and plans for their respective audits including their respective responsibilities and the adequacy of staffing and compensation. The Committee shall approve in advance audit engagement fees and the terms of audit services to be provided by the independent auditors.
3. **Review of Annual Audited Financial Statements:** The Committee shall meet and review with management and the independent auditors regarding the financial statements to be included in the Company's Annual Report, including (a) the clarity of the disclosures in the financial statements; and (b) the Company's disclosures on critical accounting policies.

The Committee will review and discuss with the independent auditors the matters required to be communicated to the Committee by the independent auditors under auditing standards established from time to time, including any difficulties the independent auditors encountered in the course of their audit work, including any restrictions on the scope of the auditors' activities or on access to requested information, and any significant disagreements with management, and management's response to such difficulties. The

Committee will also review and discuss with management and the independent auditors the annual report on internal controls by the executive management, and the report on the effectiveness of the Company's internal controls prepared by the independent auditors.

Based on these reviews, the Committee will make a recommendation to the Board as to whether the audited financial statements should be included in the Company's Annual Report.

4. **Risk Oversight:** The Committee will oversee risks related to the Company's financial statements, the financial reporting process, accounting and legal matters. The Committee will oversee the internal audit function, the Company's ethical compliance programs and the Company's quality, safety, environmental assurance and information technology security programs. The Committee will periodically receive reports on and discuss governance of the Company's risk management process and will review significant risks and exposures identified to the Committee by management, the internal auditors or the independent auditors (whether financial, operating or otherwise), and management's steps to address them.
5. **Complaint Procedures:** The Committee shall establish and oversee procedures for handling complaints regarding accounting, internal accounting controls, auditing, and procedures for confidential, anonymous submission of concerns by employees regarding accounting and auditing.
6. **Compliance Programs:** The Committee shall periodically review and discuss with management, the internal auditors, and the independent auditors the overall adequacy and effectiveness of the Company's legal, regulatory and ethics and compliance programs
7. **Investigative Authority:** In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company.

Outside Advisors

The Committee shall have the authority, to the extent it deems necessary or appropriate, to appoint, retain, dismiss or replace independent advisors to assist it in fulfilling its responsibilities. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any advisors employed by the Committee.

Inclusion of Bangladesh Bank Directives

All kinds of circular, directives and guidelines provided by Bangladesh Bank from time to time related to this matter will be part of the Charter.



Activities of the Audit Committee in the Year 2023

The audit Committee carried out among others the following activities in the year 2023:

Discussed with the external auditors and management prior to finalization of financial statements of IDCOL for the year ended December 31, 2022;	Reviewed draft audited financial statements of IDCOL for the year ended December 31, 2022 along with the auditor's report thereon;	Reviewed the proposal of external auditors for appointment and recommended the same to the board	Reviewed Quick Summary Report of Bangladesh Bank based on Statement of Loan/Lease Classification and Provision as of 31 December 2022
Reviewed Audit Plan of Internal Audit Department for the year 2023	Reviewed the internal audit reports issued by the Internal Audit Department during the year 2023	Reviewed the Management Letter issued by external auditors, Hoda Vasi Chowdhury & Co. Chartered Accountants, on annual audit of financial statements of IDCOL for the year ended December 31, 2022	Reviewed the departmental activities of the company
Reviewed the report on the non-performing / default clients	Reviewed the report on business operations	Reviewed the revised annual budget of the company	Reviewed the quarterly financial statement of the company
			Reviewed the overdue status of company's portfolio

The Committee concurs with and accepts the audit report on the financial statements and has recommended for approval thereof to the Board. The Board has subsequently approved the financial statements, which will be open for discussion at the forthcoming Annual General Meeting.

The Audit Committee and Internal Audit

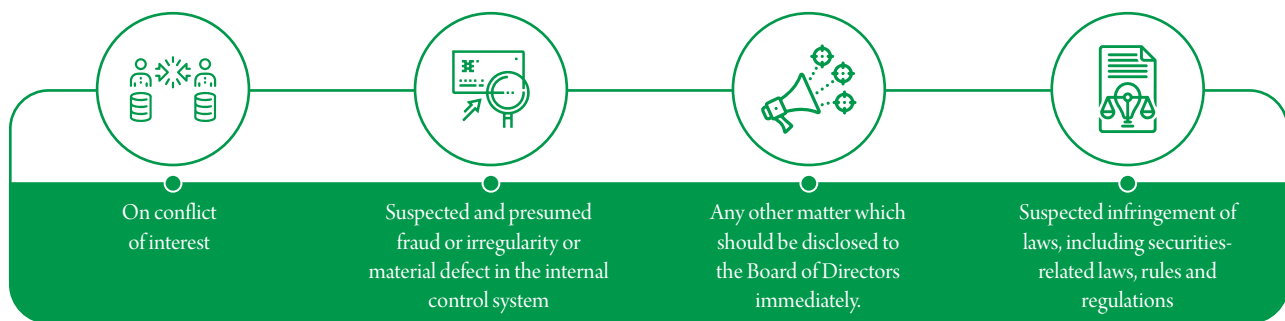
IDCOL's Internal Audit Department is tasked with reviewing the company's system of internal controls including the conduct of regular audits of all operational units. Internal Audit Department is operationally independent in that its members are not involved in the company's operational activities and that the Head of Internal Audit, in addition to his direct reporting, also has direct access to the Audit Committee and the Chair of the board.

The Audit Committee is responsible for approving the annual audit plan of IA and reviewing the plan's subsequent implementation. The internal audit reports or summaries thereof prepared by the IA Department are reviewed on a regular basis by the Committee.

The Audit Committee restructured the Internal Audit Department by renaming it as 'Internal Control & Compliance (ICC) Department' and added a new unit named as 'Compliance Unit'. The existing two units operated under the Internal Audit Department- Risk Based Audit Unit and Concurrent Audit Unit will also be operated under the newly formed ICC Department.

Reporting of the Audit Committee

The Audit Committee reports directly to the Board of Directors and the Audit Committee shall immediately report to the Board of Directors in the following cases:



Relevant issues have been reported to the Board of Directors where applicable during the year ended 31 December 2023.

Mozumder
 Dr. Md. Khairuzzaman Mozumder
 Chairman, Audit Committee
 12 September 2024

REPORT ON INTERNAL CONTROL

Whilst the Board acknowledges that total elimination of risks is not possible, the system of internal controls that is in place is designed to manage risks in meeting the IDCOL's business objectives. The system can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

INTRODUCTION

The Board of Directors recognizes the importance of a sound internal control system with a view to ensuring good corporate governance practice thereby safeguard the shareholders' investments and the Company's assets. The system of internal control that we have in place enables us to drive our business operations in a more efficient and effective manner and ensures sound financial reporting and control procedures, as well as compliance with the relevant laws and regulations.

The following statement on internal control has been prepared in accordance with the regulatory requirements not only to comply with the regulatory requirements but also to articulate the practical internal control effectiveness to the existing and potential stakeholders.

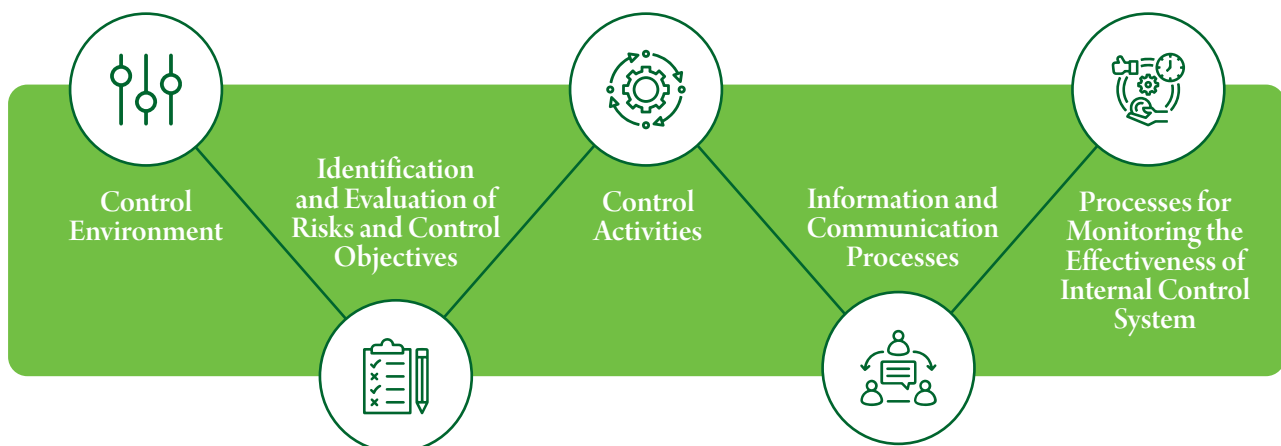
RESPONSIBILITY

The Board affirms its overall responsibility for the IDCOL's system of internal control and risk management, and for reviewing the adequacy and

integrity of these systems. However, in view of the inherent limitations in any system, such system of internal control is designed to manage rather than to eliminate risks that may impede the achievement of the Company's objectives. The system can therefore only provide reasonable and not absolute assurance against material misstatements, frauds or losses. The system of internal control covers risk management and financial, organizational, operational and compliance controls. The Board confirms that there is an on-going process of identifying, evaluating and managing significant risks by the management. This process has been put in place for the year and is reviewed periodically by the Board through its Audit Committee which is supported by the Internal Auditors.

While the 'tone at the top' is set by the Board, it is the role of the management to implement the policies adopted by the Board. In fulfilling its responsibilities, management identify and evaluate the risks faced by the Company - for consideration by the Board - and design, implement and monitor an appropriate system of internal control.

DESCRIPTION OF THE INTERNAL CONTROL SYSTEM



Control Environment

The control environment sets the tone of an organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure. Control environment factors include the integrity, ethical values and competence of the company's people; management's philosophy and operating style; the way management assigns authority and responsibility, and organizes and develops its people; and the attention and direction provided by the Board of directors.

Identification and Evaluation of Risks and Control Objectives

Naturally, Company faces a variety of risks from various sources that are assessed. A precondition to risk assessment is establishment of objectives, linked at different levels and internally consistent. Risk assessment is the identification and analysis of relevant risks to achievement of objectives, forming a basis for determining how the risks should be managed. Because economic, industry, regulatory and operating conditions will continue to change. Mechanisms are needed to identify and deal with the special risks associated with change.

Control Activities

Control activities are the policies and procedures that help ensure that management directives are carried out. They help ensure that necessary actions have been taken to address risks to achievement of the entity's objectives. Control activities occur throughout the organization, at all levels and in all functions. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.

Information and Communication Processes

Pertinent information must be identified, captured and communicated in a form and time frame that enables people to carry out their responsibilities.

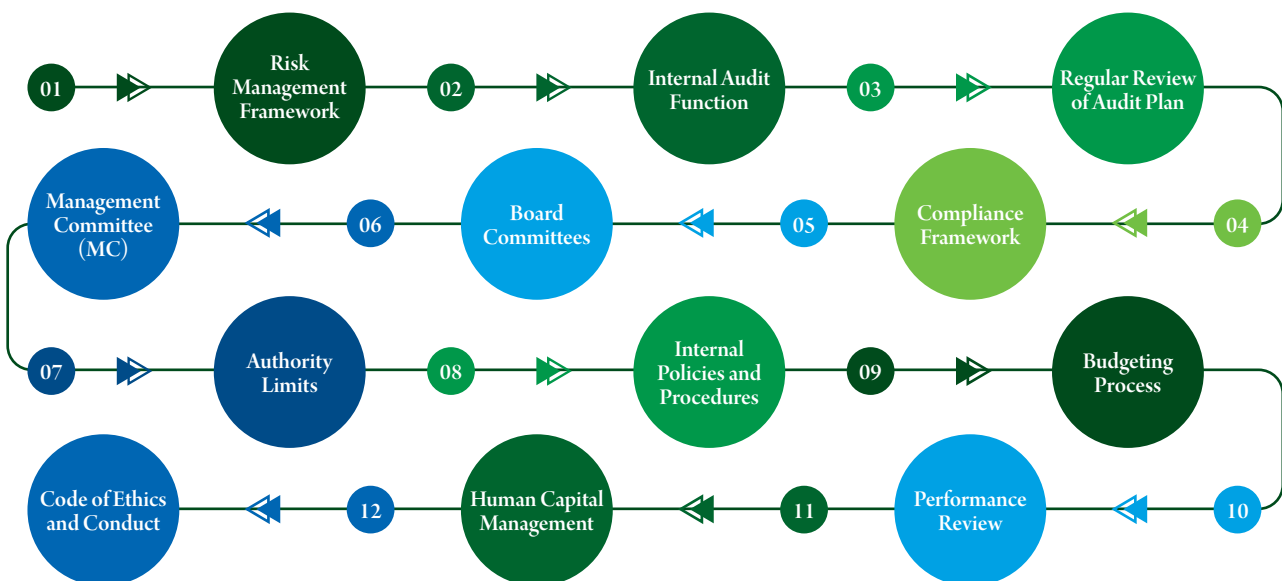
Information systems produce reports, containing operational, financial and compliance-related information, that make it possible to run and control the business. They deal not only with internally generated data, but also information about external events, activities and conditions necessary to informed business decision-making and external reporting. Effective communication must also occur in a broader sense, flowing down, across and up the organization. All personnel must receive a clear message from top management that control responsibilities must be taken seriously. They must understand their own role in the internal control system, as well as how individual activities relate to the work of others. They must have a means of communicating significant information upstream. There also needs to be effective communication with external parties, such as customers, suppliers, regulators and shareholders.

Processes for Monitoring the Effectiveness of Internal Control System

Internal control systems need to be monitored, a process that assesses the quality of the system's performance over time. This is accomplished through ongoing monitoring activities, separate evaluations or a combination of the two. Ongoing monitoring occurs in the course of operations. It includes regular management and supervisory activities, and other actions personnel take in performing their duties. The scope and frequency of separate evaluations will depend primarily on an assessment of risks and the effectiveness of ongoing monitoring procedures. Internal control deficiencies are reported upstream, with serious matters reported to top management and the Board.

Internal Control Process

The key processes that the Board has established in reviewing the adequacy and integrity of IDCOL's system of internal controls include the following:



Risk Management Framework

The risk management process seeks to identify measure, monitor and control risk. It also seeks to ensure that risk exposures are adequately managed and that the expected returns compensate the risks taken.

This process is regularly reviewed through its Credit Risk Management Committee (CRMC) consisting of the senior management of IDCOL which ensures the proper management of risks and takes the appropriate measures to mitigate any identified weaknesses in the control environment.



For effective risk management, a set of tools has clearly been identified and embedded organization wide so as to minimize and better mitigate the risks generated from business activities. These tools are reviewed regularly and updated constantly to ensure consistency with the vision and mission of the organization.

In order to define and create additional risk identification centers, the Risk and Special Asset Management (SAM) Unit in IDCOL has been segregated in four units namely Credit Risk Management (CRM) Unit, Compliance Unit, Special Asset Management (SAM) Unit and Legal Unit. Each unit has a defined and unique set of risk identification methodology.

Overall, in conjunction with the CRM, SAM, Compliance and legal unit, IDCOL is continuously striving to minimize risk so as to retain Company goal. From pre-approval stage to the disbursement of each tranche of fund, the vital input of all units strengthens the risk management framework embedded throughout IDCOL.

Internal Audit Function

The Internal Audit Department performs regular review of IDCOL's operational processes and system of internal controls through its two units; Risk Based Audit Unit & Concurrent Audit Unit. The Internal audit department adopts a risk-based approach in determining the auditable units and frequency of audits.

Regular Review of Audit Plan

The results of the audits conducted by the Internal Audit Department are reported to the Board Audit Committee. The follow-up actions and the review of the status of actions taken as per the auditors' recommendations are carried out by the management via various management committees.

The Audit Committee holds regular meetings to deliberate on the findings and recommendations for improvement highlighted by both the internal and external auditors as well as the regulatory authorities. The minutes of the meetings of the Audit Committee are subsequently tabled to the respective Boards for notation. The copy of the minutes of the meetings of the Audit Committee is also sent to Bangladesh Bank regularly within the stipulated time.

Further details of the activities undertaken by the Audit Committee of the Company are set out in the Audit Committee Report.

Compliance Framework

Compliance risk in IDCOL is defined as the risk of impairment to IDCOL's reputation and financial condition from failure to meet laws and regulations, internal policies and expectations of stakeholders.

Company's state of compliance with laws, regulations and internal policies and procedures are reported to Credit Risk Management Committee (CRMC). In addition, IDCOL has in place a reporting process wherein any incident affecting the reputation of IDCOL is escalated to the senior management immediate after the occurrence of the incident. The escalation process ensures the adequate oversight and guidance is provided by the Board in managing reputational risk.

Compliance in collaboration with the business operating units continuously assesses and recommends improvements to control by carrying out root cause analysis on common incidences of non-compliance, negligence and fraud.

To mitigate compliance risk, briefings as well as various awareness and learning initiatives are conducted to ensure continuous compliance with existing controls and to embed a compliance culture within the entity.

Board Committees

Specific responsibilities have been delegated to the relevant Board Committees, all of which have written terms of references. These committees have the authority to examine and/or consider all matters within their scope of responsibilities and make recommendations to the

Board for approval, if such is required. The Board Committees are as follows:

- Organization Committee;
- Audit Committee; and
- Executive Committee.

Management Committee (MC)

The Management Committee, comprising key management personnel of IDCOL and chaired by the CEO & ED, manages the strategic direction and provides strategic guidance to the functional units. Being a forum where all strategic and operational matters are discussed, the MC meets regularly and special meetings are convened to discuss urgent issues.

Authority Limits

Delegation of authority including authorization limits at various levels of management are documented and designed to ensure accountability and responsibility.

Internal Policies and Procedures

Policies, procedures and processes governing IDCOL's operations are documented and are made available to employees. These policies, procedures and processes are reviewed and updated to cater to changes in laws and regulations as well as changes to the business and operational environment. Furthermore, a review of the policies, procedures and processes are also carried out to ensure that appropriate controls are in place to manage operational risks.

There is clear procedure for investment appraisals including equity investment and capital expenditure.

Budgeting Process

A detailed budgeting process is established to prepare budgets and business plans annually for approval by the Board. The budget and business plans as well as strategic initiatives are discussed by the senior management and the Board at an annual business planning and budgetary session.

A reporting system on actual performance against approved budgets is in place and significant variances are followed up by the Management and reported to the Board.

Performance Review

Regular and comprehensive information is shared by the Management for monitoring of their performance against the strategic business plan approved by the Board, covering all key financial and operational indicators as well as key strategic initiatives undertaken by IDCOL during the year.

The Management Committee and the Board receive and review the monthly accounts and financial information reports at their monthly or regular meetings.

Human Capital Management

IDCOL acknowledges that one of the key constituents of any internal control system is its people and that our system of internal controls is dependent on the responsibility, integrity and judgment that people apply to their work.

Hence, IDCOL has in place policies and procedures that govern recruitment and appointment, performance management, talent management, succession planning, compensation and reward as well as policies and procedures that govern discipline, termination and dismissal.

Code of Ethics and Conduct

The Code of Ethics and Conduct sets out the standards of services and ethical business practices, and aims to maintain confidence in the security and integrity of the business practices. It is a requirement that all employees of IDCOL understand and observe the Code.



STATEMENT ON FINANCIAL STATEMENTS BY CEO AND CFO

The financial statements of the Infrastructure Development Company Limited (IDCOL) are prepared in compliance with International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS) and other applicable laws, rules and regulations.

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. The form and substance of transactions and the Company's state of affairs reasonably presented. To ensure this, the Company has taken proper and adequate care in installing a system of internal control and accounting records. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed. 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. However, there are inherent limitations that should be recognized in weighing the assurance provided by any system of internal controls and accounting.

In this regard, we also certify to the Board that-

- We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 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.
- There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.
- Proper books of account as required by law have been kept by the Company.
- The expenditure incurred was for the intended purposes of the Company's business and projects.
- Adequate provisions have been made for loans and advances and other assets which are, in our opinion, doubtful of recovery.



Alamgir Morshed
Executive Director and CEO



S. M. Monirul Islam
Deputy CEO & CFO

CORPORATE GOVERNANCE DISCLOSURE CHECKLIST

Particulars		Remarks
1	BOARD OF DIRECTORS, CHAIRMAN AND CEO	
1.1	Company's policy on appointment of directors disclosed.	203-207
1.2	Adequate representation of non-executive directors i.e. one third of the board, subject to a minimum of two	19-21
1.3	At least one independent director on the board and disclosure / affirmation of the board on such director's independence.	N/A
1.4	Chairman to be independent of CEO	20-21
1.5	Responsibilities of the Chairman of the Board appropriately defined and disclosed. Disclosure of independence of Non-Executive Directors	203-207
1.6	Existence of a scheme for annual appraisal of the board's performance and disclosure of the same.	203-207
1.7	Disclosure of policy on annual evaluation of the CEO by the Board.	203-207
1.8	Disclosure of policy on training (including details of the continuing training program) of directors and type and nature of training courses organized for directors during the year Existence of a scheme for annual appraisal of the board's performance	N/A
1.9	At least one director having thorough knowledge and expertise in finance and accounting to provide guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting.	20-21
1.10	Disclosure of number of meetings of the board and participation of each director (at least 4 meetings are required to be held)	203-207
1.11	Directors issue a report on compliance with best practices on Corporate Governance that is reviewed by the external auditors	32-40
2	VISION / MISSION AND STRATEGY	
2.1	Company's vision / mission statements are approved by the board and disclosed in the annual report.	14
2.2	Identification of business objectives and areas of business focus disclosed	1
2.3	General description of strategies to achieve the company's business objectives	22-31, 42-53
3	AUDIT COMMITTEES	
3.1	Appointment and Composition	205-207, 217-220
3.1.1	Whether the Audit Committee Chairman is an independent Non - Executive Director and Professionally Qualified	
3.1.2	Whether it has specific terms of reference and whether it is empowered to investigate / question employees and retain external counsel	217-220
3.1.3	More than two thirds of the members are to be Non-Executive Directors	19
3.1.4	All members of the audit committee to be suitably qualified and at least one member to have expert knowledge of finance and accounting.	203-207, 20-21
3.1.5	Head of internal audit to have direct access to audit committee	221-223
3.1.6	The committee to meet at least four times a year and the number of meetings and attendance by individual members disclosed in the annual report.	N/A
3.2	Objectives & Activities	217-220
3.2.1	Statement on Audit Committee's review to ensure that internal controls are well conceived properly administered and satisfactorily monitored	217-220
3.2.2	Statement to indicate audit committees role in ensuring compliance with Laws, Regulations and timely settlements of statutory dues	217-220
3.2.3	Statement of Audit committee involvement in the review of the external audit function	217-220





Particulars		Remarks
	* Ensure effective coordination of external audit function	217-220
	* Ensure independence of external auditors	
	* To review the external auditor's findings in order to be satisfied that appropriate action is being taken	
	* Review and approve any non-audit work assigned to the external auditor and ensure that such work does not compromise the independence of the external auditors.	
	* Recommend external auditor for appointment/ reappointment	
3.2.4	Statement on Audit committee involvement in selection of appropriate accounting policies that are in line will applicable accounting standards and annual review.	217-220
3.2.5	Statement of Audit Committee involvement in the review and recommend to the board of directors, annual and interim financial releases	217-220
3.2.6	Reliability of the management information used for such computation	217-220
4	INTERNAL CONTROL & RISK MANAGEMENT	
4.1	Statement of Director's responsibility to establish appropriate system of internal control	203-207, 221-223
4.2	Narrative description of key features of the internal control system and the manner in which the system is monitored by the Board, Audit Committee or Senior Management	221-223
4.3	Statement that the Directors have reviewed the adequacy of the system of internal controls	221-223
4.4	Disclosure of the identification of risks the company is exposed to both internally & externally	229-234
4.5	Disclosure of the strategies adopted to manage and mitigate the risks	229-234
5	ETHICS AND COMPLIANCE	
5.1	Disclosure of statement of ethics and values, covering basic principles such as integrity, conflict of interest, compliance with laws and regulations etc.	39-40
5.2	Dissemination / communication of the statement of ethics & business practices to all directors and employees and their acknowledgment of the same	39-40, 221-223
5.3	Board's statement on its commitment to establishing high level of ethics and compliance within the organization	39-40, 221-223
5.4	Establishing effective anti-fraud programs and controls, including effective protection of whistle blowers, establishing a hot line reporting of irregularities etc.	192-193, 228-234
6	REMUNERATION COMMITTEE	
6.1	Disclosure of the charter (role and responsibilities) of the committee	208-213
6.2	Disclosure of the composition of the committee (majority of the committee should be nonexecutive directors, but should also include some executive directors)	
6.3	Disclosure of key policies with regard to remuneration of directors, senior management and employees	317-318
6.4	Disclosure of number of meetings and work performed	204-207
6.5	Disclosure of Remuneration of directors, chairman, chief executive and senior executives.	317-318
7	HUMAN CAPITAL	
7.1	Disclosure of general description of the policies and practices codified and adopted by the company with respect to Human Resource Development and Management, including succession planning, merit based recruitment, performance appraisal system, promotion and reward and motivation, training and development, grievance management and counseling.	262-272
7.2	Organizational Chart	162-163
8	COMMUNICATION TO SHAREHOLDERS & STAKEHOLDERS	
8.1	Disclosure of the Company's policy / strategy to facilitate effective communication with shareholders and other stake holders	32-40
8.2	Disclosure of company's policy on ensuring participation of shareholders in the Annual General Meeting and providing reasonable opportunity for the shareholder participation in the AGM.	6-11, 54-71
9	ENVIRONMENTAL AND SOCIAL OBLIGATIONS	
9.1	Disclosure of general description of the company's policies and practices relating to social and environmental responsibility of the entity	235-256
9.2	Disclosure of specific activities undertaken by the entity in pursuance of these policies and practices	



RISK
MANAGEMENT

STATEMENT OF THE CHIEF RISK OFFICER

In 2023, Infrastructure Development Company Limited (IDCOL) confronted a series of formidable challenges, both domestically and globally. The year unfolded against the backdrop of heightened economic uncertainties, aggravated by volatile market conditions. However, the most pressing challenges stemmed from internal economic dynamics, characterized by surging inflation rates, currency volatility, and dwindling foreign reserves.

IDCOL, like all the other financial institutions was also directly and indirectly impacted by the challenges, and was successfully able to navigate its way around, above and beyond the uncertainties to attain and reach sustained growth of the assets by keeping the risks inherited from business well within the tolerable limits.

Mentionable that, inflation surged to unprecedented levels, with average inflation reaching 9.94 percent in May, marking the highest spike in a decade. Moreover, the exchange rate of the Bangladeshi Taka plummeted to new lows against the US dollar, hitting Tk 111 in the formal market by November 2023. Despite efforts by some banks offering Tk 124 per greenback to bolster remittances and alleviate ongoing foreign currency shortages, the Taka's depreciation persisted. Compounding these challenges, Bangladesh's foreign currency reserves nosedived to \$19.17 billion by December, significantly lower than the record high of \$46.4 billion reached in 2020-21.

Amidst these adversities, IDCOL's commitment towards infrastructure development remained unwavering. The loan portfolio of IDCOL grew by approximately 24% from around BDT 7,402 crore to around BDT 9,202 crore. IDCOL embarked on projects totaling over 150 megawatts of renewable energy capacity and also financed some notable projects across the country which will have a positive impact in the economy of the country within a short time.

IDCOL's structured risk management framework is designed and adopted in such a manner that it is enabled to incorporate and act upon changes in the micro and macro scale to strike a balance between risk and return, ensuring the continued growth and stability of our portfolio. Through meticulous risk assessment and adaptation, we successfully navigated the complex economic terrain, positioning IDCOL for continued growth and resilience in the face of uncertainty.

Faced with challenges, IDCOL adopted multiple strategies to ensure asset quality while maximizing returns. Through policy development, committee formation and deepening governance aspects, IDCOL was successful to keep the risk boundaries intact well within its appetite. By pro-actively developing multiple committees to enhance monitoring and micro managing each and every obligor that is perceived to be susceptible to adverse effects of the turbulent economic factors, the asset book of the company was kept ashore. IDCOL developed mechanisms and policies to enhance governance which in-turn enabled the company to actively monitor enabling identification and measurement of foreseeable and unforeseen risks of clients affected.

As part of close monitoring of the portfolio, the company also started to imprint and embed enhance risk management mechanisms at enterprise level by adopting technologically advanced state of the art Core Banking System. Once implemented, the holistic system will also add value by enabling the company to identify any anomaly in a timely manner to better address risks arising from the scenario.

In addition to management of asset size and quality, IDCOL also strived to contribute to the economy to lend a helping hand to the GoB to contribute to bringing back stability in the forex arena. IDCOL could manage to sign deals with AIIB and ADB to bring USD 35 million to the country having a direct positive impact on the forex reserves.

Globally, during the last few decades, corrupt financial practices were increasingly being monitored in many countries. At IDCOL, tackling money laundering and terrorism financing are considered key issues and is a crucial part of the risk management division. IDCOL strives to eradicate money laundering and terrorism financing through a holistic approach of awareness, prevention, and enforcement ensured through strict compliance, robust processes, and technology. IDCOL acquired and adopted state of the art screening software enabling the company to assess each and every client individually to ensure eradication of money laundering and terrorist financing.

Risk Management at IDCOL is proven over the past few years enabling the institution to continue its pursuit of financial stability and excellence. Our risk management framework once again has proven to be instrumental. Moreover, the governance architecture at IDCOL undergoes perpetual scrutiny and refinement, ensuring its resilience and efficacy. This framework delineates roles, demarcates responsibilities, and endows authority across the organization, fostering vigilant oversight at every level. The Board of Directors and Senior Management consistently scrutinize and endorse IDCOL's risk management framework, fortifying it with enriched policies, standards, processes, and controls.

As a preeminent Non-Bank Financial Institution (NBFI) in Bangladesh, IDCOL directs its focus towards financing ventures in renewable energy, infrastructure, and energy efficiency domains, aligning seamlessly with the government's developmental mandates. Our endeavors are directed towards nurturing a resilient capital base vis-à-vis aggregate risk exposure, in consonance with strategic, financial, and regulatory imperatives.

In conclusion, effective risk management is indelibly etched into the fabric of IDCOL, serving as a wall against fiscal vulnerabilities. Through relentless refinement of our risk management arsenal, IDCOL fortifies its resilience to enhance shareholder's return and maximize value to ensure goal congruency.



Mohammed Javed Emran
Chief Risk Officer

RISK MANAGEMENT REPORT

At Infrastructure Development Company Limited (IDCOL), we grasp the pivotal role of astute risk management in propelling our success as a financial institution. The Risk Management functions stands as the linchpin in fortifying these capabilities within IDCOL, harmonizing with the risk and control endeavors of other pivotal functions such as Legal and Compliance in addition to Credit and Operational risk. Acknowledging that risk management is an iterative journey woven into the very fabric of our organizational DNA, IDCOL is steadfast in identifying and mitigating both intrinsic and extrinsic factors that could potentially impede our earnings and capital. This is executed through meticulous management of exposures and processes, judiciously kept within the bounds of our predefined risk appetite thresholds.

Our modus operandi in risk management at IDCOL encompasses the prudent curation of exposure concentrations, preemptive measures to mitigate potential losses arising from stress events, and meticulous oversight to ensure the sufficiency of all financial reservoirs. Moreover, nurturing robust inter-departmental communication channels, delineating well-structured processes, and fostering a culture of cohesive teamwork in decision-making across all organizational strata, engenders an ecosystem conducive to risk management. These measures not only fortify IDCOL's resilience in navigating organizational risks but also fortify our financial stability, ultimately culminating in the enhancement of shareholder value. Being a financial institution, IDCOL is exposed to multiple risks, mitigation of which, is of utmost important to ensure goal congruency. Below are some risks IDCOL is exposed to and methods followed by the risk management units for mitigation and monitoring of the same.

Credit Risk



The risk of a borrower defaulting on debt stems from various factors, including the diversion of funds, financial constraints, inappropriate product selection, excessive financing, and deliberate & Non deliberate non-payment by the borrower.

Mitigation

- In depth analysis along with detailed financial modelling to ensure majority of risks are identified and mitigated by addressing and considering any adverse situation along with local and global economic condition.
- Development of time appropriate risk appetite to ensure consideration of micro and macro conditions.
- Development of guidelines and policies to imprint governance and ensure proper monitoring.
- Stress testing under multiple scenario to prepare and protect from factors having adverse effects.

Monitoring

- Regularly visiting clients and gathering market feedback,
- Periodically reviewing financial statements, examining industry reports, implementing an early alert reporting process.
- Conducting periodic reviews of clients at risk, and analyzing portfolios through monitoring Portfolio at Risk (PAR) and Non-Performing Loans (NPL).

Recovery Risk



Insufficient recovery from defaulters due to double financing, collateral devaluation, repossessing complexities, and low owner net worth.

Mitigation

- Assessing the Personal Net Worth (PNW) of owners, setting befitting covenants, securing strong group support, conducting collateral visits, verifying possession status, displaying signboards on mortgaged properties, negotiating terms, collecting from write-off accounts, and resorting to litigation when necessary are essential steps in managing loan recovery processes.

Monitoring

- Gathering updated documents during repeat financing, obtaining recent Personal Net Worth (PNW) statements, conducting valuations, rechecking collateral during refinancing, and analyzing Non-Performing Loan percentage (NPL%).
- Portfolio at Risk (PAR), and provision coverage are crucial steps in minimizing recovery risks.





Concentration Risk



Concentration risk arises from over-reliance on a specific client, group, region, or sector. If such concentrated entities face default or if the concentrated sector or region is adversely impacted by geopolitical factors or regulatory changes, it can significantly affect the lender's portfolio

Mitigation

- Maintaining exposure cap to a single group within acceptable limits.
- Maintaining industry specific exposure within tolerable limits as set forth by the board from time to time.

Monitoring

- Conducting monthly reviews of sanction, disbursement, and portfolio performance, along with monthly business reviews, periodic assessments of large borrowers, evaluations of top sectorial exposure, and stress testing are essential components of robust loan portfolio management and risk mitigation strategies

Liquidity Risk



Inability to carry out necessary funding transactions due to asset liability mismatch. Arises from tenor mismatch of assets and liabilities.

Mitigation

- Build resilience by adoption of guidelines and policies to protect the interest of the institution and the stakeholders.
- Develop reserves as guided by the central bank to protect the organizations in case of any adverse economic condition.
- Assign tasks to specific teams to monitor market changes to ensure prompt action.
- Maintaining fund deposits with Banks with acceptable parameters.

Monitoring

- Conducting monthly reviews of sanction, disbursement, and portfolio performance, along with monthly business reviews, periodic assessments of large borrowers, evaluations of top sectorial exposure, and stress testing are essential components of robust loan portfolio management and risk mitigation strategies

Operational Risk



Risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events.

Mitigation

- Process streamlining and constant development of operating procedures.
- Constant training for employees.
- Development of awareness programs to embed governance company wide.

Monitoring

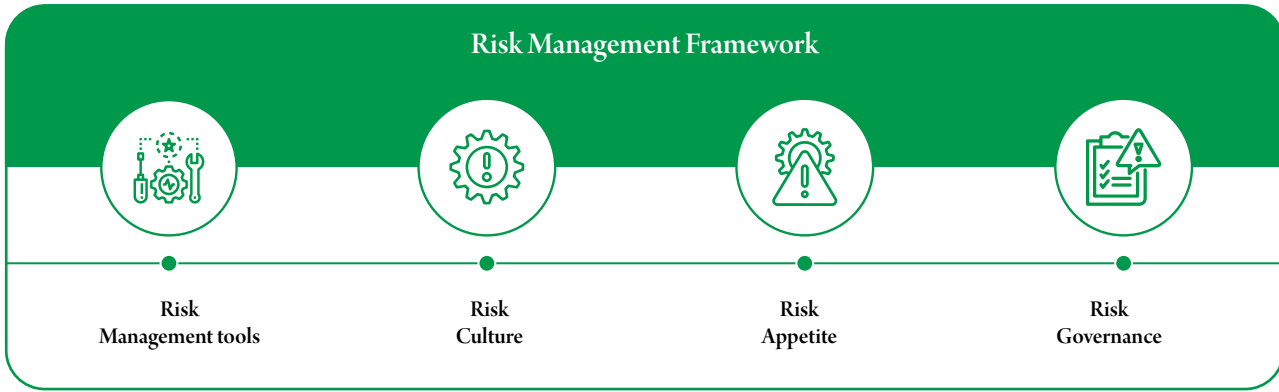
- Review of SOPs to identify gaps and improvise to eliminate and lapse.
- Maintenance of Risk Control Self-Assessment and loss data templates.

Risk Management Framework

The Risk Management Framework of Infrastructure Development Company Limited (IDCOL) stands as a cornerstone, enabling the adept management of financial and non-financial risks, while maximizing risk-adjusted returns.

This framework operates in alignment with regulatory compliance and international best practices in leverage, governance, and risk management, ensuring the resilience of IDCOL in an ever-evolving landscape. Forward-

looking in nature, the framework anticipates economic, business, and credit conditions, empowering IDCOL to proactively manage its portfolio. Central to this framework is its role in identifying, assessing, and mitigating risks in a timely and prudent manner, facilitating continuous monitoring to safeguard against potential financial losses, uphold the company's reputation, and ensure compliance with regulatory mandates. At IDCOL, the core components of the risk management framework include robust Risk Management Tools, a pervasive Risk Culture, defined Risk Appetite, and effective Risk Governance structures.



Risk Management tools:

In IDCOL, our risk management arsenal comprises a robust suite of tools designed to systematically identify, assess, measure and mitigate risks across our operations. These tools encompass four fundamental pillars: Measurement, Monitoring, and Reporting; Guidelines, Standards, and Processes; Policies and Limits; and Stress Testing.

Through sophisticated measurement techniques, continuous monitoring practices, and transparent reporting mechanisms, we effectively quantify, track, and communicate risks to stakeholders. Adhering to industry

best practices and regulatory guidelines, our guidelines, standards, and processes establish clear frameworks and controls for risk identification and mitigation, ensuring consistency and compliance. Additionally, our meticulously crafted policies and limits, guided by our risk appetite, provide parameters for risk-taking activities and delineate accountability. Moreover, stress testing serves as a proactive measure, enabling us to evaluate our resilience to adverse scenarios and anticipate potential vulnerabilities. By integrating these tools into our risk management framework, IDCOL enhances its risk management capabilities, fosters informed decision-making, and safeguards the interests of our stakeholders.



Guidelines, standards, and processes

Guidelines, standards, and processes play a pivotal role as risk management tools within IDCOL, providing a structured framework for identifying, assessing, and mitigating risks across our operations. With an internal Credit Risk Management guideline in place, IDCOL ensures prudent lending practices and effective credit risk assessment procedures. Moreover, our adherence to the Financial Institution Act and other relevant regulatory circulars underscores our commitment to robust risk governance and compliance. In line with our dedication to combat money laundering and terrorist financing, IDCOL follows stringent Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) guidelines. Leveraging a software-based approach for customer screening enhances our ability to detect and mitigate potential risks associated with financial crime. Additionally, IDCOL's ongoing initiative to implement a Core Banking Solution reflects our commitment to enhancing operational efficiency and risk management capabilities. Through the adoption of these guidelines, standards, and processes, IDCOL strengthens its risk management practices, ensures regulatory compliance, and safeguards the interests of our stakeholders.

Policies and limits

Policies and limits form integral components of IDCOL's risk management framework, integrating industry best practices and regulatory requirements. These policies are meticulously aligned with IDCOL's risk appetite, establishing parameters and controls for the operations of both IDCOL and its subsidiaries. Key risk policies undergo scrutiny and approval by the Board of Directors, ensuring alignment with strategic objectives and overall risk tolerance. Management-level risk policies and instruction manuals, including those governing credit processes and new product initiatives, are subject to approval by senior executive management and/or key risk committees. These limits serve to control risk-taking activities within predetermined tolerances set by the Board and senior executive management. They also delineate accountability for key tasks within the risk-taking process and establish conditions under which transactions may be approved or executed, ensuring prudent risk management practices throughout IDCOL's operations.

Stress testing

Stress testing stands as a vital risk management tool within IDCOL's operational framework, enabling a comprehensive evaluation of our



resilience to adverse scenarios and potential shocks. Through stress testing, we subject our balance sheet, financial projections, and risk exposures to extreme and hypothetical scenarios, assessing our ability to withstand and navigate through challenging circumstances. By simulating adverse economic conditions, market disruptions, and other potential stressors, we gain valuable insights into vulnerabilities within our operations and identify areas for strategic enhancement. These stress tests serve as a proactive measure, allowing us to anticipate and mitigate risks before they materialize, thereby strengthening our overall risk management capabilities. Additionally, stress testing facilitates informed decision-making and strategic planning, enabling IDCOL to adapt and respond effectively to evolving market conditions and emerging risks, ultimately safeguarding the interests of our stakeholders and ensuring the long-term sustainability of our organization.

Measurement, monitoring and reporting

Measurement, monitoring and reporting serve as indispensable risk management tools within IDCOL, ensuring proactive identification, assessment, and mitigation of risks across our operations. Through robust measurement mechanisms, we quantitatively evaluate the likelihood and potential impact of various risks, enabling us to prioritize and allocate resources effectively. Continuous monitoring allows us to track key risk indicators and detect emerging threats in real-time, facilitating timely interventions and corrective actions. Moreover, our comprehensive reporting framework provides stakeholders with transparent and timely insights into our risk profile, mitigation strategies, and performance against established risk metrics. By leveraging measurement, monitoring, and reporting as integral components of our risk management approach, IDCOL strengthens its resilience, enhances decision-making, and fosters trust and confidence among stakeholders.

Risk Culture:

In the ever-changing world of finance, navigating risk effectively is crucial for any organization's stability and growth. At IDCOL, fostering a strong risk culture isn't just a formality; it's a core principle woven into the fabric of our operations. We recognize that success hinges not only on seizing opportunities but also on proactively mitigating potential threats. This commitment permeates every level, empowering each team member to play a vital role in safeguarding IDCOL.

Shared Responsibility: Building a Collaborative Risk Management Approach

Our risk culture thrives on collaboration, with every employee actively involved in identifying, assessing, and managing risks. It goes beyond simply memorizing policies. We strive to cultivate a deep understanding of potential risks associated with our activities. Through comprehensive training programs, we equip our team members with the knowledge and tools necessary to recognize and address risk factors within their specific areas of expertise. This empowers them to make informed decisions and contribute significantly to the overall risk management framework.

Transparency and Accountability: Fostering a Culture of Trust

Transparency, accountability, and integrity are the cornerstones of our risk culture. Open communication is paramount, ensuring employees at all levels feel empowered to raise concerns or report potential risks. This fosters an environment where mistakes are viewed as learning opportunities and addressed constructively. We believe that accountability empowers individuals to take ownership of their responsibilities and contribute effectively to risk mitigation strategies.

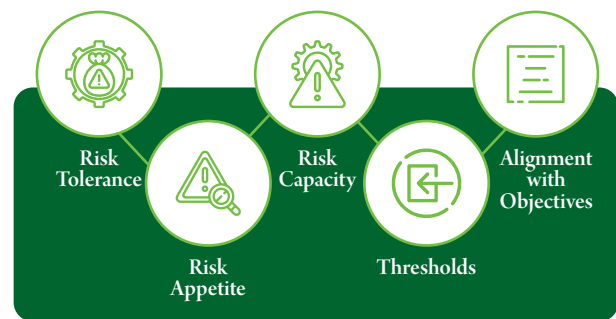
Integrating Risk Awareness into Every Decision

Making informed decisions is crucial for navigating the complexities of the financial world. IDCOL integrates risk awareness and mitigation strategies into every decision-making process. This comprehensive approach ensures that potential risks are not only identified but also carefully evaluated and addressed before any action is taken. Our risk management framework provides a structured process for prioritizing risks, enabling us to allocate resources efficiently and make strategic decisions that promote sustainable growth.

The Benefits: Safeguarding Stakeholders and Ensuring Stability

By nurturing a robust risk culture, IDCOL reaps significant benefits. Firstly, it strengthens our ability to safeguard the interests of our stakeholders. Responsible risk management ensures the security of funds entrusted to us and fosters a climate of trust with our clients, investors, and partners. Secondly, it contributes significantly to IDCOL's financial stability. By proactively addressing risks, we minimize the potential for financial losses and safeguard the institution's long-term well-being.

Risk Appetite:



At IDCOL, the risk appetite statement is a foundational pillar of our risk management framework, encapsulating our approach towards risk-taking in the pursuit of our strategic objectives. We define our risk tolerance as the maximum level of risk exposure we are willing to accept, considering various factors such as financial stability, regulatory compliance, and operational resilience. This ensures that we maintain a prudent balance between risk and reward in our business activities.

Simultaneously, the risk appetite reflects IDCOL's willingness to capitalize on opportunities that align with the strategic goals of the institution demonstrating the commitment to growth and innovation. IDCOL acknowledge its risk capacity, recognizing its ability to absorb and manage potential losses without compromising our core mission and values.

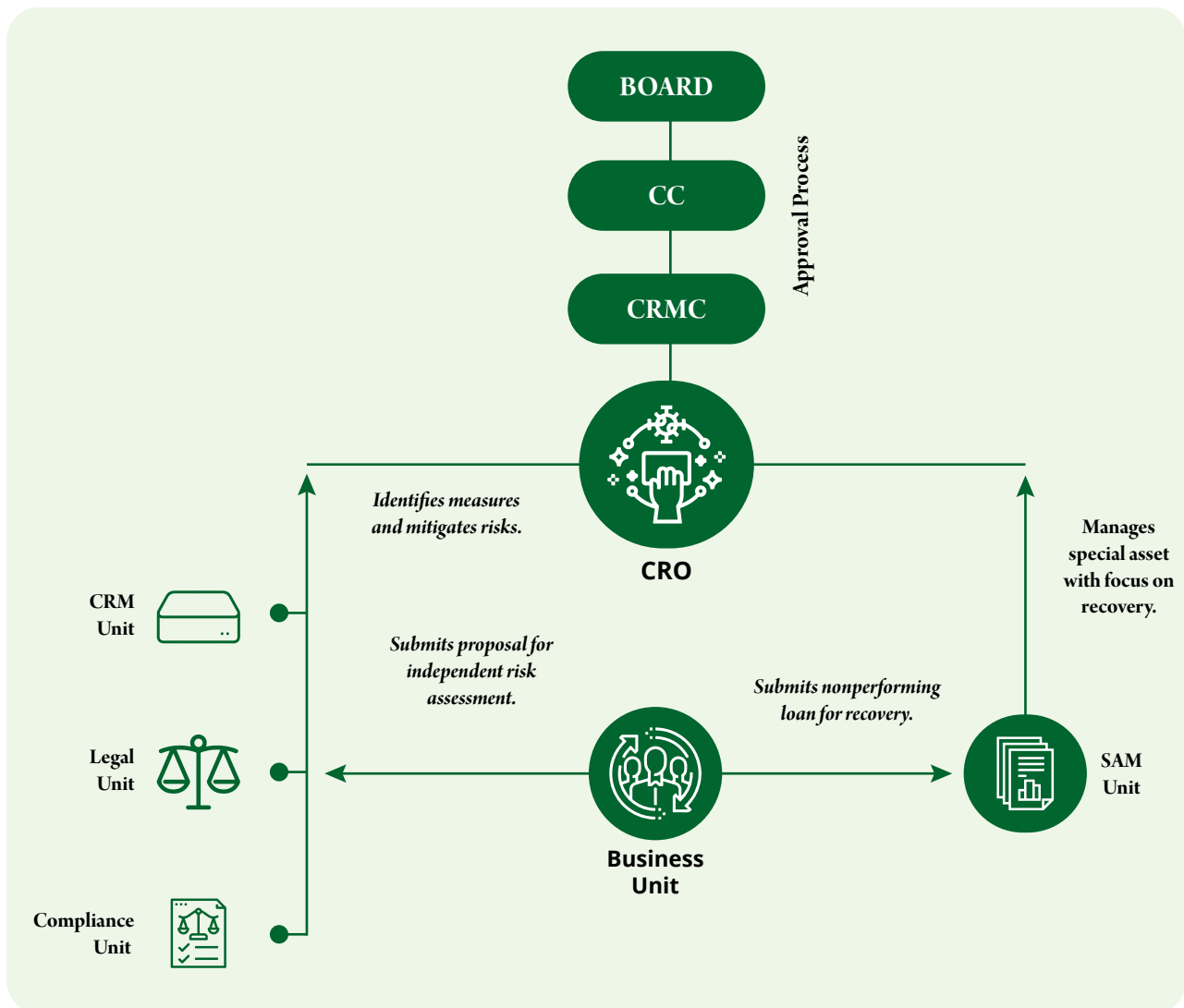
The risk appetite statement serves as a guiding beacon for the management and employees, providing clear parameters for decision-making and risk management practices. It ensures that risk-taking behaviors are aligned with organizational objectives, fostering a culture of accountability and transparency. Risk appetite is impetus to articulate the risk philosophy to stakeholders, including shareholders, regulators, and partners. It underscores the commitment to responsible risk management and governance, enhancing trust and confidence.

As IDCOL navigates in an increasingly complex and dynamic business environment, the risk appetite statement remains a cornerstone of risk management strategy, guiding IDCOL towards sustainable growth and success.

Risk Governance:

At IDCOL, risk governance is paramount to effective risk management, encompassing systems, policies, and procedures aligned with strategic objectives. Each employee bears individual responsibility for risk management, with performance evaluations tied to risk-related Key Performance Indicators (KPIs). Standard operating procedures are implemented across teams for collective oversight, ensuring risks are identified, measured, and mitigated at every level. Close monitoring and reporting enable proactive risk management, adapting measures to evolving operational risks. The Board and management actively participate in risk oversight, with the Risk Management function, led by

the Chief Risk Officer, overseeing a comprehensive risk management framework. Risk governance involves defining roles, segregating duties, and assigning authority for risk approval and oversight. Risk Management Forum and Committee reviews strategic decisions, while a specialized Special Asset Management Unit addresses non-performing loans. Business functions incur risks, with risk management units providing independent assessment under the Risk Management Framework. Credit proposals undergo rigorous evaluation by the Credit Risk Management Committee and Board, with ultimate authority for approval resting with the Board. Through these measures, IDCOL upholds towering standards of risk governance, ensuring a robust risk management culture and safeguarding stakeholder interests.



The "Three Lines" model epitomizes a ubiquitous paradigm in risk management entrenched within the institution:

First Line (Business Units):

The Business Units represent the frontline in the risk management framework, embodying the first line of defense within the financial institution. Charged with the responsibility of owning the risks associated with their respective business activities, these units exercise astute business judgment to evaluate and navigate potential risks. They play a crucial role in ensuring that all activities conducted fall within the Bank's predefined risk

appetite and are in compliance with established risk management policies. By actively engaging with risk management protocols and adhering to best practices, the Business Units contribute to the institution's overall risk management objectives and safeguard its financial stability and reputation

Second Line (Risk Management and Compliance):

Entrusted with oversight and guidance, the risk management and compliance echelon fortifies the organizational bulwark. They promulgate policies, frameworks, and mandates, ensuring the judicious identification, vigilance, and mitigation of risks permeating throughout the enterprise.

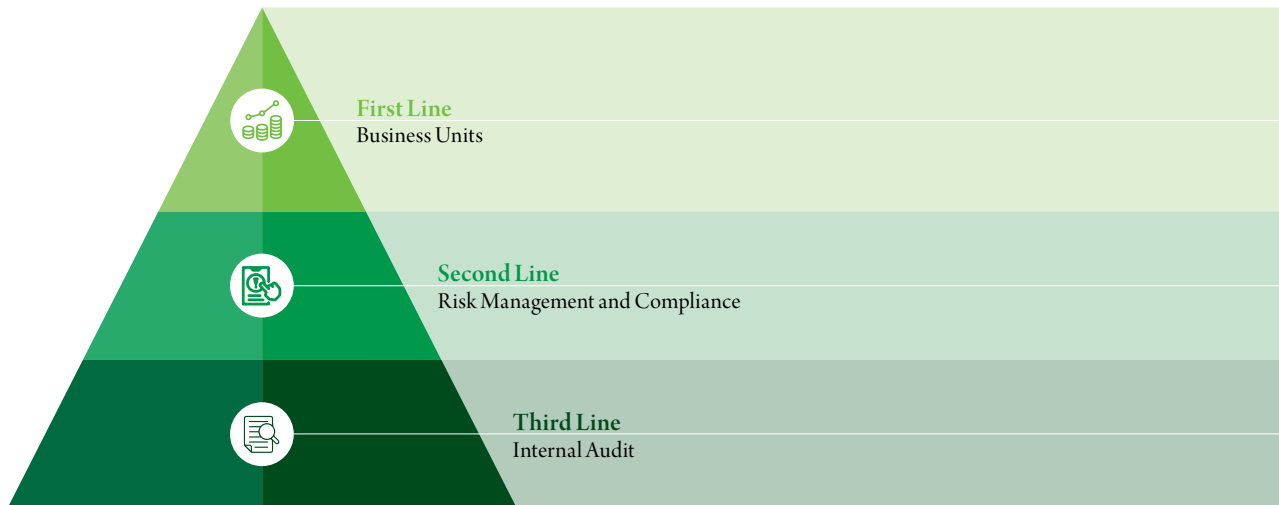




Third Line (Internal Audit):

As the sentinel of assurance, internal audit stands as the veritable bastion of impartial scrutiny. It undertakes dispassionate evaluations of risk

management efficacy and control robustness, ensuring fidelity to internal edicts, regulatory imperatives, and industry benchmarks.



In order to cultivate a proactive risk management culture and integrate risk management at the enterprise level, the Risk and Special Asset Management Unit has been subdivided into four distinct units. Each unit is entrusted with specific segments of the framework to ensure the thorough and proficient identification, measurement, and mitigation of risks. As part of our ongoing commitment to enhancement, IDCOL is also in the process of establishing a dedicated unit, namely the Operational Risk Management Unit. This unit will concentrate on identifying, quantifying, and mitigating inherent risks within the operational processes undertaken by IDCOL as a financial institution.

The Credit Risk Management Unit

The Credit Risk Management Unit oversees the evaluation of Credit Risks as well as all other risks stemming from IDCOL's lending activities. IDCOL has meticulously tailored its credit assessment procedures to adhere to global standards and the regulatory requirements stipulated by the central bank, enabling us to adeptly identify, quantify, and mitigate both financial and non-financial risks in a judicious manner. In our pursuit of continuous improvement, IDCOL has enlisted the expertise of global consultants to refine our risk assessment mechanisms, minimizing the likelihood of oversight.

Furthermore, leveraging the robust risk management framework entrenched within IDCOL, we systematically address a spectrum of issues ranging from credit risk to environmental risk. Our organizational structure delineates clear responsibilities across various stages of the business cycle—from origination to assessment, approval, documentation, disbursement, and recovery—ensuring enhanced risk management, internal control, transparency, and accountability.

The Credit Risk Management team maintains vigilant oversight over facilities and projects throughout their implementation phase and repayment period. Management at IDCOL conducts periodic reviews of reports, charting a course of action to bridge any gaps arising from micro or macro-economic factors. This proactive approach underscores our commitment to prudent risk management and strategic decision-making.

The Legal Unit

The stable portfolio growth of IDCOL has developed a need for constant legal assistance and services, and to cater for such, IDCOL has its own in-house team of law counsel alongside its rich panel of external law firms.

The Legal Affairs Unit works closely across the institution by providing legal advice and guidance on a varied range of issues. The Unit is an

integral part of IDCOL's operations, and its role has become increasingly important considering the growing complexity of financial regulation and the need for a financial institution to comply with multiple and often conflicting regulatory and statutory regimes. The Unit ensures that the bank operates within the bounds of the law, maintains IDCOL's reputation and integrity, and enables IDCOL to achieve its strategic objectives while managing legal risks effectively.

Handling a variety of legal matters, including legal due diligence, management of finance & security documents, statutory & regulatory compliance, dispute resolution, risk management, and corporate governance, the legal unit is an integral part of risk management. Overall, the in-house legal team plays a critical role in ensuring that IDCOL operates in the complex compliance arena to provide legal congruency to the institution's business objectives.

Compliance Unit

Compliance unit binds the entire operation of IDCOL between the central bank of Bangladesh and all other regulatory body with IDCOL as it drives all the directives and updates, guidance, and circulars towards the organization. The compliance unit is a risk management unit, solely devoted to safeguarding all day-to-day operations including transactions of the institution are in accordance with the guidelines, policies and standards set forth by regulatory authorities. In addition to submission of reports to the central bank monthly, quarterly, and annually, compliance with Money Laundering act and Anti-Terrorism act, is also a major role of the compliance unit.

Special Asset Management Unit

With the growing portfolio, adverse market scenario, increased competition and everchanging micro and macro economic factors, a specialized unit has been devised to better address loans that have not been repaid in a defined timeline. The fundamental task of the special asset management unit is to take necessary measures to reduce recovery risk.

Risk Management at IDCOL is continuously evolving to adopt better to the market conditions to ensure identification, measurement, and mitigation of risk to reach the heights of maximized risk adjusted return for all stake holders. The institution is assertive and strongly believes that the proven risk management systems will act in a prudent manner to encompass any scenario and fetch best possible results.



SUSTAINABILITY
REPORT

IDCOL'S CONTRIBUTION TOWARDS GREEN FINANCING

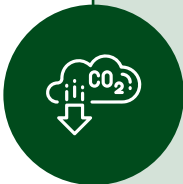
As per ADB working paper series no. 892, the key green energy projects in Bangladesh include the Solar Home System (SHS), Solar Mini-Grids (SMG), Solar Irrigation Pumps (SIP), Biogas Plants, and Hydropower Plants. Established with the objective of scaling up private sector participation in renewable energy and infrastructure development, IDCOL has been playing a pioneering role for decades in the development of these critical renewable energy solutions to reduce the national carbon footprint and diversify the use of energy sources enhancing the country's energy security and sustainability. According to SREDA, about 1,378.56 MW of electricity in Bangladesh comes from renewable energy sources, about 4.47% of the total electricity generation. Of this, IDCOL accounts for 235.31 MW of electricity generation from renewable energy sources which is around 17% of the total RE power generation.

IDCOL's green financing efforts are not limited to electricity generation using green energy projects rather it pledges to commit financial and knowledge capital to environment-friendly projects, products, and services that encourage sustainable development of the economy. It has signed a participation agreement with Bangladesh Bank for utilizing the 'Refinance Scheme for Green Products/Projects/Initiatives' to the tune of Tk 4.0 billion. Under this fund, refinance facilities will be extended to its clients for adopting various environment-friendly and renewable energy and related initiatives. IDCOL is also enlisted as a Participating Financial

Institution (PFI) under the Sustainable Finance Department (SFD) of Bangladesh Bank. A full-fledged team under the Household Energy Unit of the Renewable Energy Department looks after countrywide dissemination of the ICS Program.


IDCOL has already developed significant in-house capacity for the technology and financing of energy-efficient brick kilns within the Industrial and Energy Efficiency Unit. It is also working with the Frankfurt School of Finance & Management GmbH (Frankfurt School) under the project, 'Technical assistance (TA) for financing brick kiln in Bangladesh' supported by UNEP through funding from the Climate and Clean Air Coalition (CCAC).

IDCOL, as a partner of the GoB, has contributed to achieving SDGs of the government through environment-friendly investments in various industries such as Cement, Spinning & Textiles, RMG and Oil Refinery that use Energy Efficient Equipment, Green Building & Green Brick projects, Solar Home System (SHS), Solar Irrigation Pump, Solar Mini-Grid, Rooftop Solar Program, Biogas based electricity, Biogas & Bio-fertilizer program, Grid-tied Solar projects, Improved Cook Stoves by sourcing fund from different development partners like The World Bank, ADB, AFD, AIIB, JICA, KfW, SNV Netherlands, DFID, USAID, GPOBA, IWMI, UNEP etc. Each of these projects contributes towards green financing by –



REDUCTION

Reducing emission of Greenhouse Gas and other Environmental Hazards



PROMOTION

Increasing Household access to Low-carbon Energy in rural areas



GROWTH

Promoting use of Energy Efficiency Equipment and Green Technologies



Environmental and Social Compliance

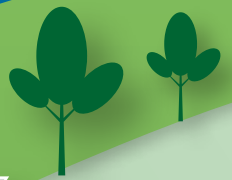
IDCOL has established a robust, structured methodology for funding sustainable infrastructure projects, supporting Bangladesh's transition towards a greener and more resilient economy. The organization operates through two primary divisions: the Renewable Energy Department and the Investment Department, each focusing on distinct areas of sustainable development.

The Renewable Energy Department prioritizes funding for renewable energy initiatives. This includes utility-scale solar grid-tied projects that contribute to the national grid, solar rooftop installations, and biogas-based power generation projects, which harness organic waste to generate electricity. Other projects, such as battery recycling facilities, are vital in reducing environmental waste from energy storage systems. Additionally, IDCOL supports Solar Home System (SHS) initiatives and Solar Irrigation Projects (SIP), which are crucial in rural electrification and sustainable agriculture. Solar Mini Grid projects bring energy access to off-grid areas, while the organization also facilitates energy-saving projects under the Green Climate Fund (GCF), further emphasizing its commitment to sustainability.

The Investment Department focuses on financing broader infrastructure and energy-efficient ventures. It supports private electricity generation projects, ports and terminals, and healthcare infrastructure, all of which are essential to the country's economic and social development. This department also invests in PPP-based economic zones, fostering public-private partnerships to spur industrial growth. Projects like green brick kilns and central waste treatment plants reflect IDCOL's emphasis on sustainable industrial practices. Moreover, the department funds energy-efficient equipment, enhancing productivity while reducing energy consumption.

Together, these departments ensure that IDCOL plays a pivotal role in promoting sustainable, eco-friendly infrastructure development in Bangladesh, aligned with global environmental standards and the country's economic objectives.

The following sections provide more information on the structured methodology that IDCOL has created.



A Snapshot of IDCOL's Contribution in Green Financing

Household Biogas Plants

67,954 biogas plants providing clean energy solution to rural areas and reducing in-house air pollution. Also, the Biogas plant is a rich source of organic fertilizer.

02



Improved Cook Stoves (ICS)

Roughly 4.05m ICS have been installed Aiming to create a sustainable market for high-efficiency cook stoves reducing GHG emissions and indoor air pollution.

04



01

Solar Irrigation Pumps

1,523 solar irrigation pumps benefitting more than 70,000 farmers by providing irrigation facility in off-grid areas and reducing dependency on fossil fuel.



03

Biogas based Power Plants

10 biogas-based power plants of 10 kW to 400 kW capacity aiming to reduce environmental hazards related to improper disposal of wastes and create market for bio-waste to generate electricity.



05

Green Building & Green Brick Program

Financing 2 energy efficient Green Building projects worth more than BDT 540 crore. ~BDT 224 crore financing has been approved for 7 tunnel kiln and 1 HHK brick projects under Green Brick program.



Energy Efficiency Equipment

Financed BDT 1,406 crore in 39 Energy Efficient Equipment projects comprising cement, spinning & textile, RMG and oil refinery industries.

06



Solar Home Systems (SHS)

~4.13 million Solar Home System (SHS) have been installed for providing better quality solar electricity, reducing extra lighting hours and ensuring easy access to electricity in off-grid areas.

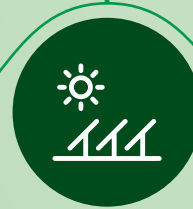
08



Utility-Scale Solar Grid-tied

Financing approval of 5 projects with an aggregate capacity of 209 MW to achieve the country's goal to generate 40% of energy by 2041 from RE sources.

10



07

Solar Minigrid Projects

26 solar PV based Mini-grids in off-grid areas providing grid-like electricity to more than 16,000 beneficiaries.



09

Rooftop Solar Project

25 industrial rooftop solar projects are in operation generating grid-like electricity to support the GoB's objective of shifting towards renewable energy power.





ESG Guidelines

IDCOL is committed to maintaining the environmental and social compliances with the standards set by the Department of the Environment and Bangladesh Bank. In addition, to fund sustainable projects, IDCOL adheres to the guidelines established by development partners like the World Bank, Asian Development Bank (ADB), GCF, JICA, KfW, AIIB, AFD and others. IDCOL has created the Environmental and Social Safeguards Framework (ESSF) and Environmental and Social Management Framework (ESMF) for infrastructure and renewable energy projects, respectively. The Environmental and Social Management System (ESMS) guideline is also used to evaluate utility-scale and rooftop solar grid-tied projects according to the applicable legal requirements and industry best practices.

The earlier recommendations made by IDCOL, including ESSF, ESMF, and ESMS, have been combined into a single framework called the Harmonized Environmental and Social Safeguards Framework, which was established in 2022.

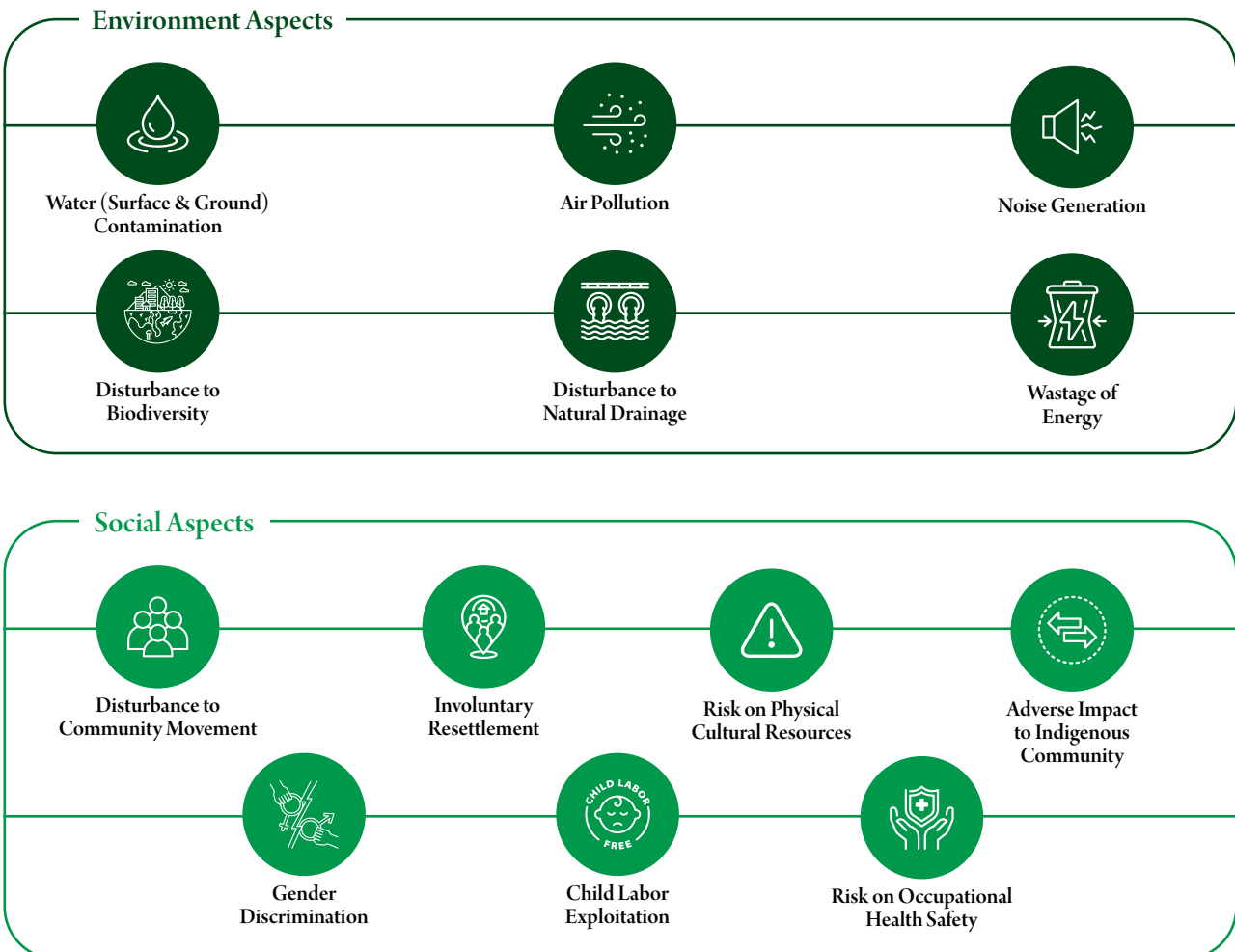
Environmental and Social Safeguards Policy

To promote sustainable development, IDCOL thinks that it is important to take environmental, health/safety, and social factors into account while developing infrastructure, PPPs, and renewable energy sources. To accomplish the, IDCOL is dedicated to:

- 1 Environmental, Health, and Safety Considerations**
 Mainstream environmental, health/safety and social (E&S) considerations in appraising and financing infrastructure, energy efficiency, PPP and renewable energy projects to avoid/minimize adverse impacts and risks to the environment and people that may be affected.
- 2 Compliance with E&S Policies and Legislation**
 Ensure compliance with all relevant E&S policy and legislative requirements and laws of the lands with which it engages and remain responsive to the E&S requirements of international best practices.
- 3 Land Acquisition and Resettlement**
 Where land acquisition and/or resettlement is unavoidable, either compensation of the replacement value of such acquired land/property will be paid before displacement from the project site or resettlement will be made with land having equal value and quality together with other facilities such as housing and basic infrastructure facilities.
- 4 Protection of Vulnerable Groups**
 Ensure protection of vulnerable groups, such as the economically and socially disadvantaged, women, and children, physically handicapped and Ethnic Minorities/ Indigenous Peoples and take appropriate measures to restore their livelihood as relevant.
- 5 Adherence to Prohibition Lists**
 Ensure adherence to prohibition list of Bangladesh Bank and respective development partners for financing projects.

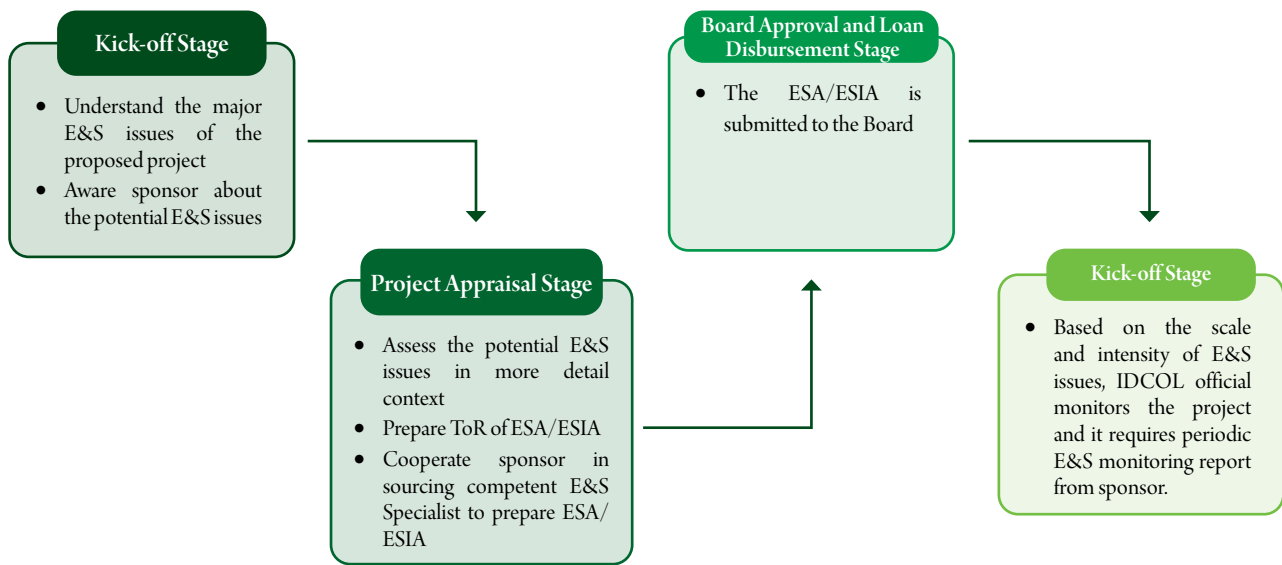
Major Environmental & Social Focus Areas

IDCOL primarily focuses on the following environmental and social aspects



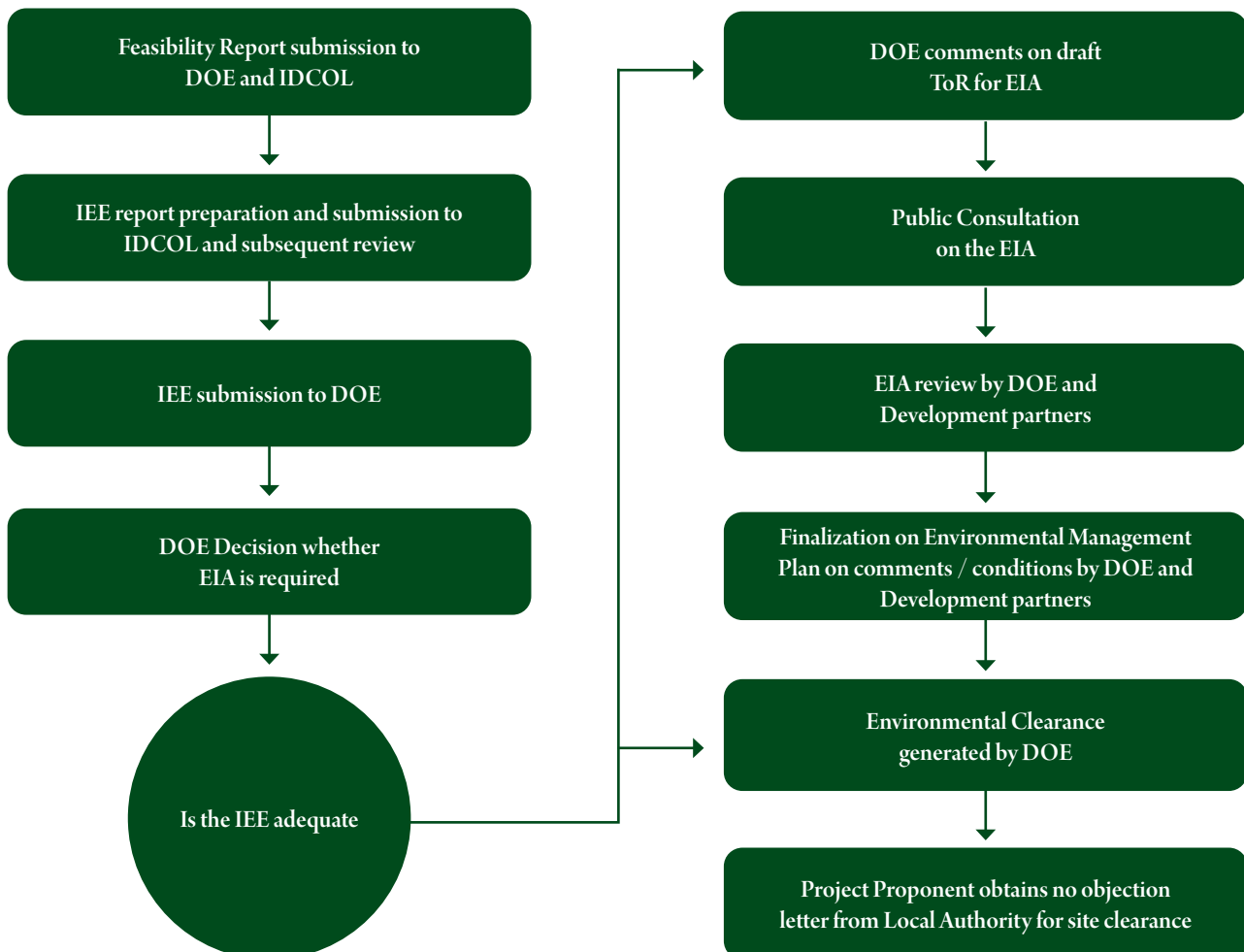
Implementation of Environmental and Social Compliance in Renewable Energy Projects Cycle

There are primarily four stages in the project cycle. Each stage requires specific attention to E&S issues as has been detailed in the following table.

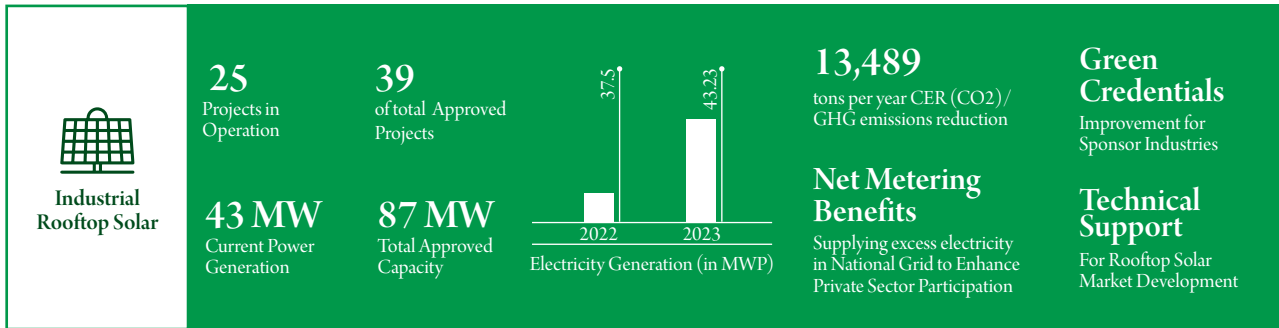


The figure below gives an idea of how environment and social impact assessments are carried out to address environmental and social

compliance issues in a project, under effective environmental clearance approaches in IDCOL and Department of Environment (DoE).



E&S Impact of Renewable Energy Programs financed by IDCOL



SDGs Covered



Future Focus


- Financing energy generation of 400 MWp by FY 2025.
- Assisting the GoB to reach the target of 635 MW (17.3%) of power generation as per PSMP.
- Achieving 576,200 tons GHG emission reduction target.
- Diversifying the solar rooftop portfolio by including clients from sectors like RMG, Textiles, Pharmaceuticals, Hotels and Resorts, Jute Mills etc.
- Developing the market in RMG and Textiles to utilize 42 million sq. feet rooftop space of 1,500 members of BTMA.
- Reducing the GHG emission of textiles sector which accounts for 38% of the total emission.

Many of the industries and factories in Bangladesh are suitable for installing rooftop solar projects. These solar projects not only generate electricity, but also help reduce greenhouse gas (GHG) emissions and air pollution, in comparison to conventional fossil fuels. Additionally, solar rooftop projects will make a significant contribution towards achieving the target of generating 40% of the country's electricity from renewable energy sources by 2041.

Rooftop solar systems have the potential to create safety risks for workers or maintenance personnel

accessing the roof. However, IDCOL, in collaboration with the proponent, ensures that installation and maintenance personnel receive proper training and follow the safety protocols. They also implement fall protection systems and other safety measures for rooftop access, such as installing safety pathways with guardrails and requiring the use of personal protective equipment, including safety harnesses, helmets, goggles, and safety shoes. IDCOL conducts periodic monitoring of rooftop solar projects to ensure proper environmental and social compliance of the solar rooftop projects.





Solar Irrigation Pump

<p>1,523 Pumps Installed</p> <p>42 MW Total Electricity Generation</p> <p>Replaced 16,806 Diesel Pumps</p>	<p>48,736 tons per year CER (CO₂)/GHG emissions reduction</p> <p>27 Suppliers Supply Chain Development</p> <p>9,000+ Farmers Provision of Capacity Building Training</p>	<p>30,460 Hectors Land covered through installed pumps</p> <p>60,900+ Farmers Being benefitted through the program</p> <p>Reducing Subsidy Burden of fuel and energy subsidy</p>
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SDGs Covered

3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



10 REDUCED INEQUALITIES



13 CLIMATE ACTION



Future Focus

- Setting up 10,000 SIPs by 2030.
- Increasing GHG emission reduction by 0.5 million tons/year.
- Working with UNEP for implementing “The EmPower – Women for Climate Resilience” project.
- Establishing state-of-art standard for SIPs using technical monitoring facilities.
- Working with bodies like NGO Forum, TAFSSA, and IWMI for improving modalities and policies of groundwater irrigation program.

Impact: Construction and Operational Phase

Negative Ecosystem impact won't happen in most situations. Yet, depending on the project site, a moderate change in land use, including tree clearance, may be necessary

Overuse of water may influence hydrology

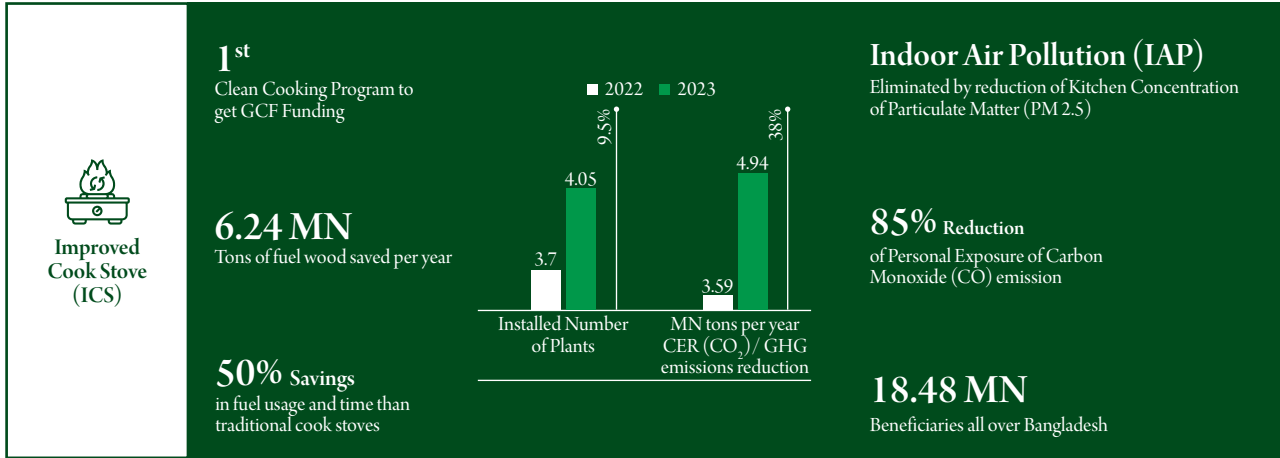
Mitigation Measures

A unique environmental and social screening template that IDCOL has devised includes most of the pertinent factors. IDCOL has placed a strong emphasis on the project's preparation of an appropriate method for pumping up water and the adoption of a plan that draws on experience in the local region and the findings of hydrological studies. An expert did a survey for IDCOL on the accessibility of water in several prospective locations.

Achievements

The implementation of SIP projects can potentially uplift the living standards of farmers as they pay 20% to 25% less for irrigation as compared to their counterparts who use diesel pumps, according to a sample survey by IDCOL. The reduction in cost allows them to earn more profits from their agricultural activities, which in turn contributes to a 57% increase in their overall income, helping them meet daily expenses.





- Future Focus**
- Establishing 5 million ICS by FY 2024
 - Realizing financial benefits by selling CERs under CDM project of UNFCCC.
 - Achieving 100% ICS coverage by 2030 as per Bangladesh Country Action Plan for Clean Cook Stoves
 - Reaching the target of saving 7.7-million-ton fuel wood per year and reducing emissions of 6.1-million-ton CO₂ per year
 - Conducting awareness raising and demand creation activities at mass scale to support 100% ICS coverage as per BCAP
 - Developing action plans for establishing ISO certified technical monitoring and testing facility



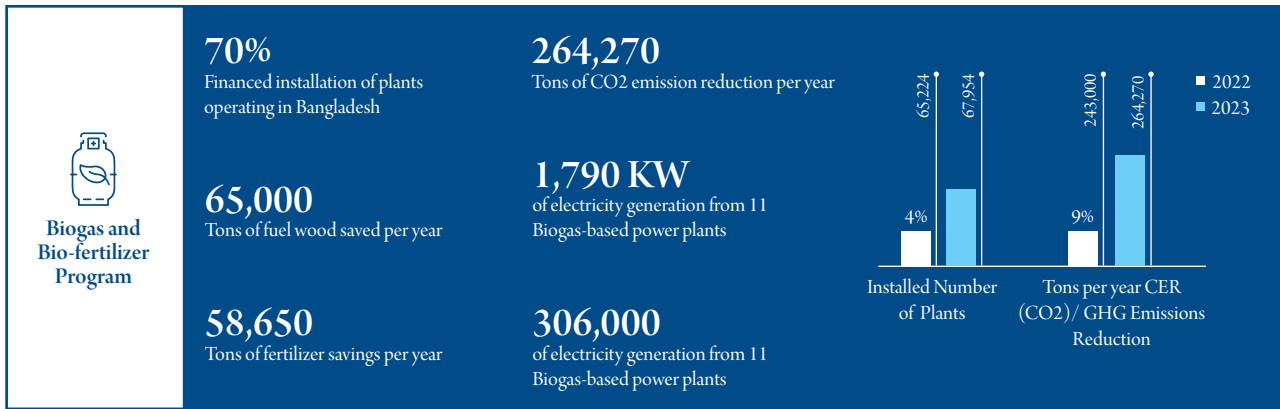
Mitigation Measures

IDCOL has required basic environmental and health compliance of manufacturing, operation, and maintenance of ICS.

Achievements

The IDCOL Improved Cook Stove (ICS) Program was created expressly with Bangladeshi women in mind, giving them better cooking alternatives. Because it lowers indoor air pollution, it has a direct impact on women's health and wellbeing. The time and fuel savings from ICS will help people live more comfortably and in hygienic and comfortable settings.





SDGs Covered



Future Focus

- Establishing 100,000 biogas plants by FY 2029
- Realizing financial benefits by selling CERs under CDM project of UNFCCC.
- Establishing a sustainable and commercial biogas sector to achieve ~1 million biogas plants market.
- Ensuring availability of technologies to potential sponsors for sectoral development.
- Supply chain development for increasing availability of technical solutions for setting up plants and policy development for tax exemption to enhance sector attractiveness.

Mitigation Measures

Wastewater will be digested in the system and the environmental load will be reduced. However, improper slurry management may cause water pollution.


IDCOL has required the project proponent to install sufficient facilities and conduct the proper maintenance. Besides, IDCOL has also required the project proponent to install sufficient facilities and conduct the proper maintenance.



Achievements

Additionally, biogas plants are a rich source of organic fertilizer, reducing the need for 58,650 tons of chemical fertilizer.





SOLAR HOME SYSTEMS (SHS)

<p>4.13 Million SHSs Installed</p> <p>74% of the total SHS installed till date in Bangladesh</p> <p>187.12 MWp Approx. Electricity Generation</p>	<p>1.25 MN tons CER (CO₂)/GHG Emissions Reduction</p> <p>11 MN Kerosene Lamps Replaced resulting in</p> <p>3.31 million tons Kerosene Savings worth USD 411 MN</p>	<p>18 MN Providing 24*7 Grid-quality Electricity</p> <p>12% of the total population</p> <p>75,000+ Employment Generation in Local Support Industries</p>
		<p>Increased Number of Completed School Years for households having SHS</p>

SDGs Covered



Future Focus

- Reaching the target of 6.91 million tons kerosene savings worth USD 1,711 million by FY 2035.
- Realizing financial benefits by selling CERs under CDM project of UNFCCC.
- Leveraging IDCOL's experience of SHS implementation in sub-Saharan countries of Africa i.e. Tanzania, Malawi etc.
- Monitoring and maintenance of SHS installed under TR/KABITA program.
- Providing after sales service to customers through call center for enhancing the longevity of installed systems.

Impact: Construction and Operational Phase


Improper handling of expired batteries can cause environmental degradation and pose a threat to human health and safety

Substantial danger of environmental and health safety issues during lead-acid battery manufacture

Mitigation Measures

IDCOL has created a set of policy recommendations regarding the disposal of warranty expired batteries. It is crucial for customers, POs, and manufacturers to strictly adhere to these guidelines. To ensure proper handling of expired batteries, IDCOL has introduced a tracking system. The organization has deployed several solar inspectors across the nation, covering several regional offices. POs and recyclers are financially rewarded for properly recycling used batteries. In addition to the DOE criteria, IDCOL has mandated that all battery suppliers and recyclers under the SHS program comply with ISO 14001:2015 and ISO 45001:2018. Currently, 17 battery providers and 4 recyclers of expired batteries have conformed to these rules.



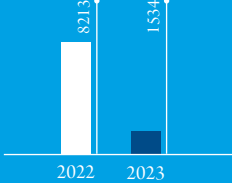


SOLAR MINI GRID

26
Installed in Remote Areas

5 MW
Approx. Electricity Generation

16,298
Total Connections Installed



Year	Emissions Reduction (Tons)
2022	8213
2023	1534

435%
Tons per year CER (CO₂)/GHG emissions reduction

16,000
Beneficiaries
Providing 24*7 Grid-quality Electricity

58.6 Tons
CO₂ emission reduction per mini-grid/year

74% Households
in off-grid areas i.e. river and sea islands of Bangladesh

Development of Support Industries along with 2V Battery Industries
Associated with Installation and Commissioning

SDGs Covered

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



7 AFFORDABLE AND CLEAN ENERGY



10 REDUCED INEQUALITIES



13 CLIMATE ACTION



Future Focus

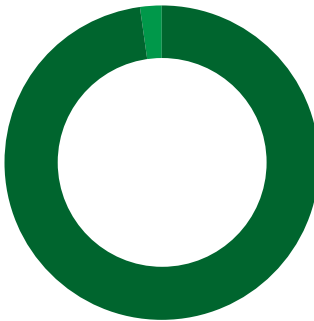
- Achieving 30,446 tons CO₂ emission reduction by FY 2034
- Reaching the target of 20,538 connections to provide electricity access to more than one lac rural people
- Promoting the usage of prepaid metering system and energy efficient home appliances among mass people
- Assisting in policy implementation to mark solar mini-grids as Green by the Department of Environment.

Impact: Construction and Operational Phase

Mini-grid requires a considerable piece of land, there is scope of disturbance to site specific ecosystem in the Project area

Due to the operation of diesel fueled back-up generator there could be temporal noise concern

Mitigation Measures



- Projects with ESIA and ESMP
- Projects without ESIA and ESMP

- To counteract any negative effects, IDCOL has mandated that the project sponsor create a thorough environmental impact study (ESIA). In this context, IDCOL has unveiled a carefully crafted ToR for ESIA and monitoring effect mitigation based on an Environmental and Social Management Plan (ESMP).
- Compliance with applicable environmental, health, and social regulations of 26 active mini-grid projects.

Achievements

Shops, workshops (steel, furniture, carpentry), rice mills, sawmills, irrigation pumps, ice factories, telecommunication towers, electrical vehicle charging stations, hospitals/clinics, other factories (puffed rice mill, bakery, oil pressing mills), resorts/restaurants, schools, mosques, madrasahs, etc. are just a few examples of the types of businesses that fall under these categories for mini-grid connections



Utility-scale Solar Grid-tied Projects

Grid-tied solar projects are an integral part of the renewable energy landscape, utilizing sunlight to generate electricity during the day and feeding it directly into the national grid. This enhances the grid's overall capacity, helping to meet the growing energy demands of end users, while also contributing to the reduction of reliance on fossil fuels. In Bangladesh, organizations like IDCOL have played a pivotal role in advancing the country's energy transition by investing in environmentally sustainable grid-tied solar projects. These efforts align with the broader objectives of the Sustainable Development Goals (SDGs), particularly SDG 7, which aims for affordable, reliable, sustainable, and modern energy for all.

Despite the numerous environmental benefits of solar energy, large-scale grid-tied solar projects often require substantial land areas. This can lead to potential challenges, such as the loss of natural habitats, agricultural lands, and the displacement of local communities. In recognition of these concerns, IDCOL adopts a proactive approach to mitigate

negative environmental and social impacts. The organization conducts a comprehensive environmental and social impact assessment (ESIA) for each project before any activity is initiated. This assessment helps identify and address potential risks, ensuring that the projects are sustainable and socially responsible.

To further mitigate potential conflicts, IDCOL follows a fair and transparent land acquisition process. Using the willing buyer-willing seller method, the organization ensures that landowners are adequately compensated, and those who may be displaced receive appropriate resettlement assistance. In Bangladesh, these solar grid-tied projects are strategically implemented on barren, non-agricultural lands, ensuring that fertile lands are preserved for food production and natural habitats are minimally affected. By focusing on infertile or underutilized lands, IDCOL maximizes the use of available space while minimizing adverse environmental and social impacts.



E&S Impact of Notable Infrastructure Projects financed by IDCOL

IDCOL plays a vital role in driving sustainable economic growth by providing long-term financing for large-scale infrastructure projects. Through its innovative financing models, IDCOL supports private sector participation in infrastructure development, fostering economic development and environmental sustainability across Bangladesh. The following presents the environmental and social impact of notable infrastructure and corporate projects financed by IDCOL.



IDCOL's Contribution to SDG through Infrastructure Financing

3 GOOD HEALTH AND WELL-BEING	6 CLEAN WATER AND SANITATION	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	17 PARTNERSHIPS FOR THE GOALS
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Power Plants



Impact

Power plants can cause severe hazardous impacts on ambient soil, air, water, and noise level due to gaseous emission, spillage & excessive noise generation. Excessive extraction of ground and surface water may harm the hydrology. Health and safety hazards may occur to workers and surrounding community peoples.



Mitigation Measures

To address the possible adverse impacts, preparation of a detailed environmental and social impact assessment (ESIA) including environmental and social management plan (ESMP) with proper mitigation measures is required for every assessed impact. The ESMP is part of loan covenants and ensures that the project proponents must monitor and mitigate the negative impacts, as necessary.



Achievements

IDCOL has approved financing of 31 power plant projects contributing 3,128 MW electricity to national power grid to support the nation's vision of ensuring electricity for all citizens. Thus far, IDCOL has invested more than USD 690 million in this sector.



Hotels and Tourism

Impact

Possible environmental pollution due to generation of solid wastes and liquid discharges, gaseous pollutants emission from generators, cooling units and kitchens. Hotels management also includes risk of fire accidents, health safety hazards and increase in surrounding traffic volume.

Mitigation Measure

IDCOL requires maintaining an Environmental and Social Management Plan addressing potential environmental impacts as well as social issues. The plan also addresses the occupational and community health safety measures to be implemented by the client during both construction and operation phase of the project.

Achievements

More than 3 MN KW energy is being saved through the financing provided to a leading hotel chain in the Hatirjheel area of the capital.



Infrastructure Backward Linkage



Impact

Cement manufacturing process includes unloading of clinkers and other raw materials using river jetty, mixing of raw materials, and storing the produced cement. Air pollution due to emission of exhaust gases and particulate matters, water intake for production process, and noise pollution may occur in the project site. Project operations may cause severe occupational health and safety hazards to the employees and community residences as well.



Mitigation Measure

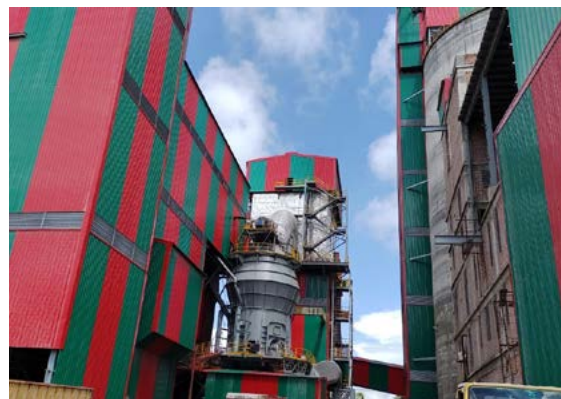
To mitigate identified adverse impacts on surrounding environment, IDCOL has required key environmental and health compliance of manufacturing, operation, and maintenance of the project. IDCOL also required proper management and control of emission of gaseous pollutants and recycling of possible solid wastes.



Achievement

The use of energy efficient VRM reduced energy and water consumption by 1/3rd in the financed cement (S) projects. Besides, IDCOL's financing in a leading cement industry is expected to save 18.51 kW energy per metric ton of cement production compared to the industry average while also reducing exhaust heat emission.

Apart from this, IDCOL's energy efficiency financing in glass, ceramics and steel industries also saves 31% of water consumption and more than 11,500 MT CO₂ emission every year.



Economic Zones



Impact

Economic zones project requires purchasing vast amount of land, mostly from individual owners. Land development causes change in land use, soil quality and affect nearby natural waterbodies. Ambient environmental degradation occurs from various types of industrial operations. Social issues including occupational health safety and community health safety components might also be affected by economic zone developments.



Mitigation Measure

The ESIA prepared for the economic zones has assessed and identified possible negative impacts on surrounding physical environment and community during site preparation, construction and operation phase of the project. To address the identified adverse impacts, required mitigation measures and monitoring requirements on Environmental and Social Management Plan (ESMP) has been included.



IDCOL has provided financing approval to 4 EZs till date



Achievement

Export oriented industries like leather & leather products, printing & packaging, light mechanical, ICT, Cargo/ Warehouses will be established in the economic zones which will create more than 500,000 fresh jobs as well as bring in foreign investment for the private sector of Bangladesh.



Healthcare Facilities

Impact

Possible infectious solid waste, microbiology waste, chemicals and liquid medical waste might generate severe health hazard inside the medical center as well as outside environment.

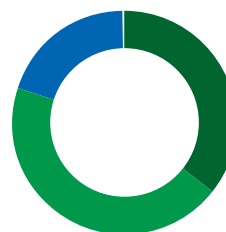
Mitigation Measure

Ensured enforcement of related Health Safety Standards applicable for the healthcare facilities. Proper management of medical waste is the major priority of IDCOL during financing healthcare projects.

Achievements

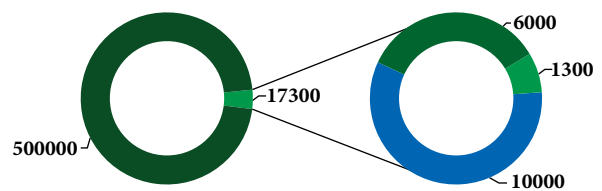
IDCOL financed healthcare projects provide healthcare facility with 200 beds including state-of-art technologies to ensure superior healthcare. Besides, the financing also provides 59,218 subsidized hemodialysis sessions annually.

Enhanced power generation in captive power plants by optimizing generator use and minimizing exhaust heat emissions



City Edible Oil Ltd. 17.6
City Seed Crushing Ltd. 22
Samuda Power Ltd. 9.78

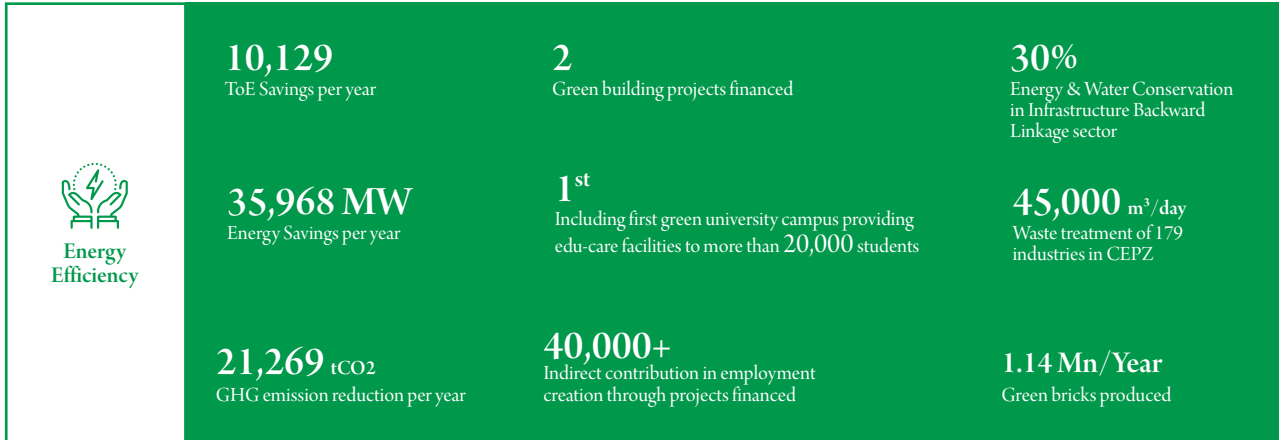
Employment creation by leading PPP projects financed by IDCOL



E&S Impact of Notable Energy Efficiency Projects of IDCOL

IDCOL's green financing initiatives go beyond infrastructure development and renewable energy projects, encompassing a broader commitment to supporting environmentally sustainable ventures. The organization is dedicated to investing both financial resources and intellectual capital in projects, products, and services that promote energy efficiency practices. Aimed at fostering the long-term sustainable development of the economy,

IDCOL actively seeks to encourage innovations in energy efficiency, waste management, and climate-resilient infrastructure, ensuring that its financing portfolio supports not only renewable energy but also the broader goals of environmental preservation and a low-carbon future for Bangladesh. Some of these key projects financed and their holistic environmental and social impact are illustrated below.



SDGs Covered



Future Focus

- Achieving 20% energy efficiency by FY 2030.
- Utilizing USD 270 million+ available energy efficiency credit lines.
- Tapping into the USD 120 billion worth energy efficiency and green building sector with long-term concessional financing.
- Training and capacity development of employees in EE sector.
- Shifting focus from Textile and RMG to other sectors for diversification.





Edu-care Facilities

Impact

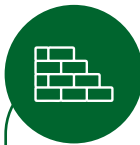
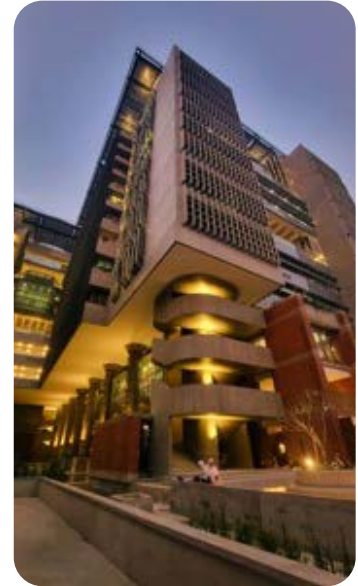
Establishing educational institution requires large scale land purchase in urban or suburban regions and attracts population influx in the community. Moreover, generation of solid and liquid wastes affecting surface and ground water sources, air pollution from generator and HVAC operation, noise pollution and increase in traffic volume affecting accessibility of surrounding community. Potential occupational and community hazards may occur from the project operations.

Mitigation Measure

IDCOL has ensured that an environmental and occupational management plan included in loan covenants that enforces the project proponents to monitor and mitigate and where possible eliminate any adverse negative impacts and potential hazards generated from the project.

Achievements

IDCOL has financed in new campus of BRAC University which contains a total floor area of 114,810 sq. meter. The campus has opened for classes from January 2024. One of the largest social infrastructure projects of Bangladesh, it is able to facilitate the higher education requirements of around 20,000 students. It holds the distinction of being the first green university campus boasting state of the art renewable energy and efficiency.



Green Bricks Program

Brick kiln may affect physical resources through soil extraction from nearby rivers and fertile lands. Land erosion may occur along the uncovered space due to soil removal and excavation and water through runoff and sedimentation. The smoke and dust from the plant may cause air pollution. The smoke and dust may include hazardous substances and cause health disturbance to the workers. As per the data by World Bank, the brick sector in Bangladesh burns about 203 tons of coals and emits about 576 tons of CO2 for manufacturing 1 million bricks. With about 17 billion bricks produced annually, the industry's annual CO2 emissions is estimated to be 9.8 million tons. For the auto-brick industry, IDCOL has already financed USD 20.5 million to 8 different projects.

IDCOL is closely working with various stakeholders, such as Climate & Clean Air Coalition under the United Nations Environment Program, Department of Environment, and various foreign and local kiln suppliers, to develop a sustainable and future oriented auto-brick sector in Bangladesh.



IDCOL financed a PET bottle recycling plant with a monthly production capacity of 540 metric tons at Rupganj, Narayanganj. The Project collects discarded PET bottles from various sources and recycles the discarded PET bottles to produce food grade and fiber grade resins. Food grade PET resins can be used for producing various types of packaging materials for food products whereas fiber grade PET resins can be used in RMG sector. Estimated production capacity of the project is 12,698 MT/year (or 1,764 kg/hour).



IDCOL financed an oil refinery project at Chittagong with a capacity of **10,000 Barrel Per Day (BPD)**. It uses Natural Gas Condensate (NGC) as raw materials and the finished products of the project are petrol/motor spirit, octane, jet fuel (JP1), high speed diesel, and liquefied petroleum gas (LPG). The project produces petroleum products of around **0.35 million MT** to reduce import dependency of Bangladesh. It is also the first petroleum factory to generate jet fuel for the country.



IDCOL financed Chittagong Waste Treatment Plant Limited (CWTP), a central effluent treatment plant at Chittagong EPZ. With a daily capacity of 45,000 cubic meters, the plant ensures that the water discharged into the environment adheres to safety standards, thus leading to a reduction in the contamination of natural water sources. IDCOL participated in the syndicated financing for setting up the central effluent treatment plant at Chittagong EPZ under a 30-year Effluent Treatment Agreement (ETA) signed with Bangladesh Export Processing Zones Authority (BEPZA). Currently, the CWTP is engaged in treating liquid effluent of 179 out of 190 industries in CEPZ.



Spinning and Textiles

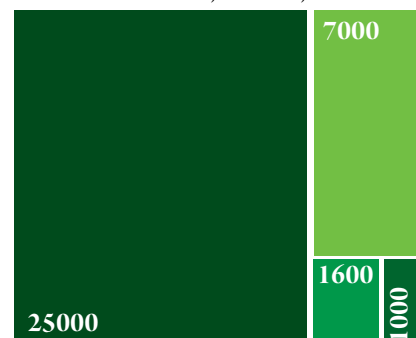
- Financed a Lead Platinum certified 100% export oriented leading fabrics produce of Bangladesh with yearly export earnings of USD 120 million along with reduced energy consumption and GHG emission.
- Invested in a knit composite project ensuring more than 90% pollution reduction and around 60% water savings through energy efficient equipment and effluent water treatment plan.
- Financed procurement of new machineries for an RMG factory reducing energy consumption by up to 25%. The sewing machines are 30%-50% more efficient than traditional belt-driven clutch motor technology. Notably, the Building Energy Management System (BEMS) of the project also achieves 40%-50% energy savings.
- Provided financing to a facility (certified as green factory) using energy efficient machineries such as sewing machines, air compressor, once-through boiler, air conditioners, LED lamps, elevators etc. which reduces the consumption of electricity significantly.



Other Energy Efficiency Projects

- Financing engagement of around 100 maritime vessels to transport raw materials from Chittagong port to all around the country and transport export goods to the ports.
- Financed an LPG facility with a total storage capacity of 7,000 MT, the plant maintains the standard of liquefied petroleum gas for end users.
- Invested in an edible oil refinery plant which supplies edible oils as per BSTI standards with a capacity of 500 metric tons per day.
- Funded one of the first hybrid captive power generation systems in Bangladesh, ultimately reducing the energy demand to the national grid.
- Financed IDCOL's first API project facility that has a capacity to produce up to 200 MT API molecule/year which will reduce the dependence on import of raw materials and other import related hassles along with saving valuable foreign currency.

Employment Creation by IDCOL's Major EE Projects





Social Safeguarding Initiatives of IDCOL

Comprehensive Stakeholder Consultation

According to IDCOL, involving stakeholders is essential for a project to receive successful funding. This ensures that appropriate consultation takes place at every level of the project cycle. The organization has given attention to consulting with small ethnic groups and indigenous people, recognizing the significance of their links to their country of origin, both historically and culturally. Indigenous people preserve long-standing customs, which are a priceless aspect of our national culture. IDCOL considers the fundamental challenges that indigenous people face, including threats to their culture and their isolation from facilities and sources of income. Therefore, the organization strives to ensure that no initiative sponsored by IDCOL will have even the slightest negative impact on these vulnerable areas.



Gender and Equality

IDCOL has been committed to gender equality, social responsibility, and environmental preservation since its founding. To ensure compliance with laws and regulations, the company has developed environmental, social, and gender principles. These principles are evaluated through the standardized ESSF screening process, which assesses the environmental and social impacts of all projects and programs. One of the key components of IDCOL's framework is a robust system for identifying and managing social and environmental risks in all initiatives. Additionally, the company has established guidelines for promoting gender equality, equity, and balance throughout each program or project. As a result, IDCOL closely monitors all its activities and initiatives to ensure that they align with its commitment to gender equality, social responsibility, and environmental preservation.

Organizational Capacity and Competency

IDCOL has gained experience in implementation by complying with the safeguards requirement of the Department of Environment (DOE), Bangladesh Bank and all respective development partners. IDCOL has established an independent Environment and Social Safeguards Unit (ESSU) to institutionalize the environmental and social management in its operation.

Training and Capacity Building of Stakeholders

From the inception, IDCOL prioritizes building the importance of awareness and capacity building of relevant stakeholders on various issues with focus on Environmental health and safety (EHS), Gender issues. Considering the response from the stakeholders, IDCOL is considering arranging such types of events on a regular basis.



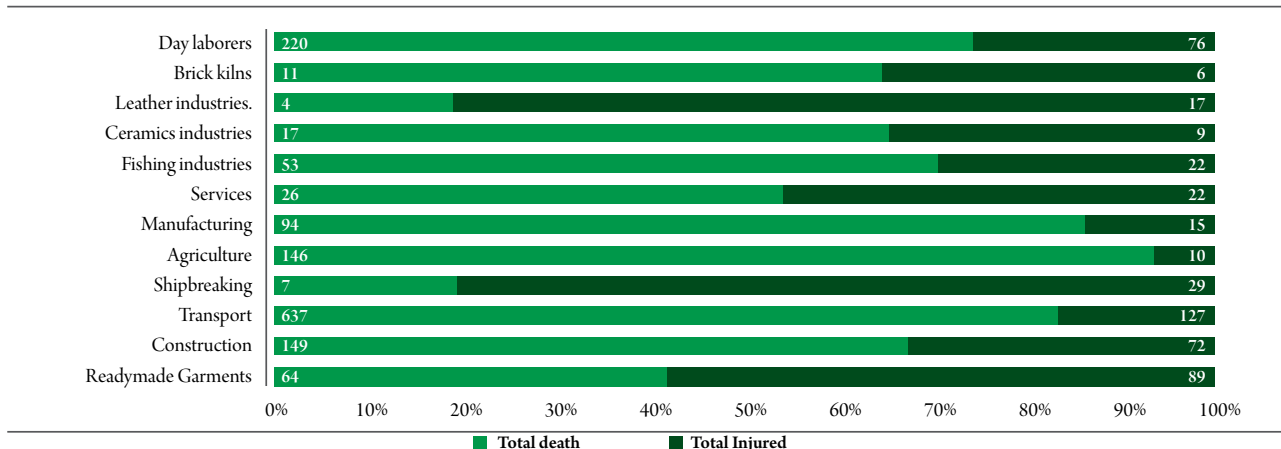
DISASTER MANAGEMENT

The geographical location, land characteristics, multiplicity of rivers and the monsoon climate render Bangladesh highly vulnerable to natural disasters. Frequent occurrences of natural disasters such as cyclones and storm surges, earthquakes, droughts, salinity intrusion and flooding are curbing the economic and infrastructural development of the country. The World Risk Report 2023 identified Bangladesh as the ninth most natural disaster-prone country among 193 countries in the world. Bangladesh also encounters manmade hazards such as fire accidents and infrastructure collapses, urban waterlogging, hazardous material spills, air pollution and food and groundwater contamination. According to the World Bank, the country experiences a severe cyclone in each three-year cycle affecting more than 70 percent of the country's population¹. Severe flooding occurs every 4-5 years cycle inundating approximately 25 percent

of the population of the country. It is also estimated that rising sea levels will inundate 17 per cent of land displacing 18 million people in coastal regions of Bangladesh within 2050.

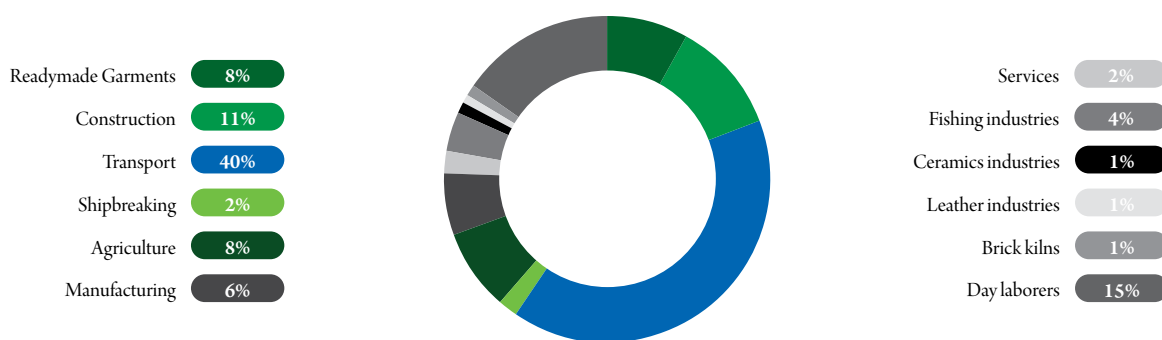
Apart from natural disasters, various manmade disasters and workplace accidents occurred in various formal and informal sectors are causing notable number of casualties. Lack of proper implementation of health and safety-related guidelines mentioned in Bangladesh Labor Act, 2006 (Amended 2018) and Bangladesh Labor Rules 2015, lack of necessary training of workers and lack of knowledge about occupational health and safety, inadequate labour inspection system and non-listing of dangerous jobs are major limitations and safety barriers that cause workplace accidents in industries of Bangladesh.

Sector-wise information for 2023



Source: Occupational Safety, Health and Environment Foundation, Bangladesh

Total Casualties by Sector for 2023



Source: Occupational Safety, Health and Environment Foundation, Bangladesh

Sustainability to infrastructure and economic development in Bangladesh faces significant challenges due to risks posed by changing climate and disasters and increase pressure on key resources required to sustain growth. Bangladesh has taken a holistic approach towards disaster management,

where emphasis has been given to building strategic, scientific and implementation partnerships with all relevant government departments and agencies, and other key nongovernment players. Significant progress has been made in terms of reducing the vulnerability of disaster risk

¹World Bank, (2018); Bangladesh Disaster Risk and Climate Resilience Program



on the people of Bangladesh, for example through an upgraded early warning system, efficient preparedness and community-based response capacity. The government has restructured and established the Disaster Management Department under the Ministry of Disaster Management and Relief as the main organ or instrument in the field for implementing and coordinating various forms of disaster management activities.

In Bangladesh, a three-step process is followed in managing disaster, which includes:

- (i) Risk Assessment,
- (ii) Risk Reduction and
- (iii) Response.

Here, the first and 2nd steps represent the risk reduction phase, and the 3rd step belongs to the Emergency Response phase as depicted in the following figure:

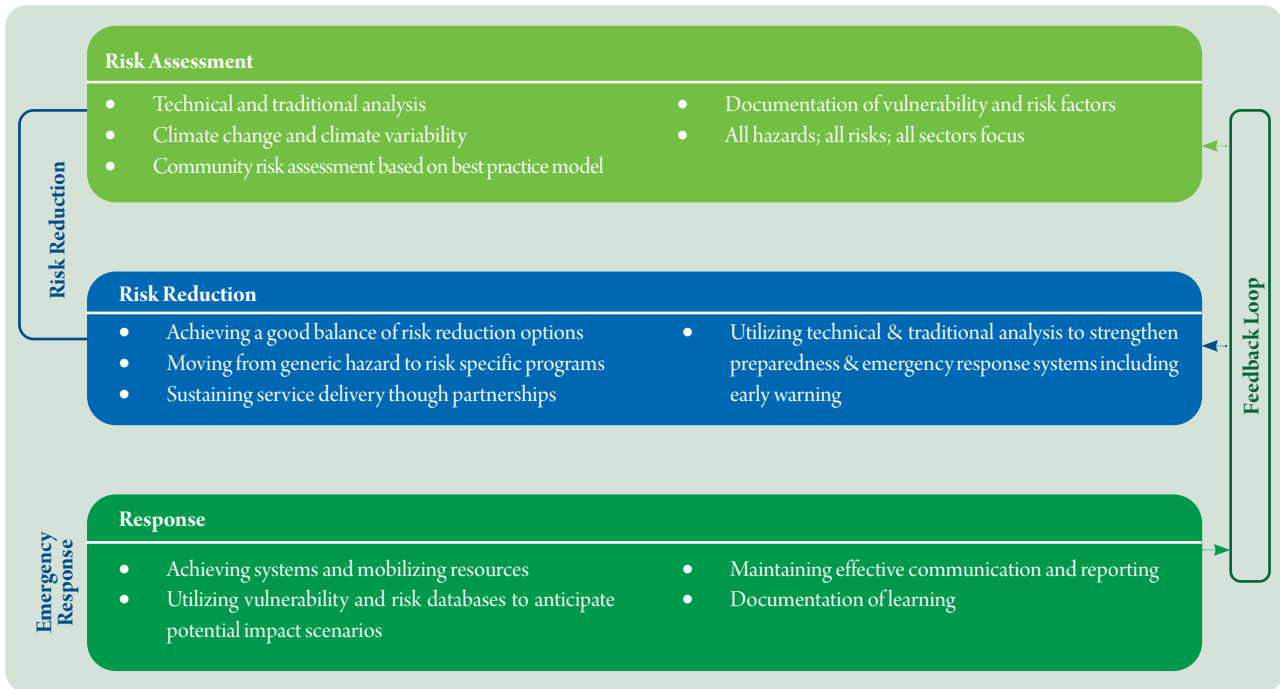


Figure: Bangladesh Disaster Management Model²

IDCOL has taken necessary steps to support damages caused by natural disasters and a separate Disaster Management Fund is operated by IDCOL on behalf of all the stakeholders. Infrastructure projects have Environmental and Social Impact Assessment phase where natural disaster risks as well as occupational health safety risks are assessed for the project site as well as the locality with supporting historical disaster occurrence data. IDCOL requires the project sponsor to consider necessary mitigation measures and emergency response plans for potential impacts from natural disasters and project-specific disasters.

Disaster Management for Projects

Infrastructure Projects

Every infrastructure project has insurance (including but not limited to machine breakdown, business interruption, third-party liability, terrorism, and sabotage etc.) for risk mitigation. Depending on the project location and its vulnerability due to climate change, necessary civil (consideration includes but not limited to landfilling, highest flood level, embankment and preparation, earthquake zoning) and technical (consideration includes but not limited to proximity to saline water, fire protection compliance, earthing and lightning protection) considerations are taken to mitigate the disaster risks. It is noteworthy to mention that requirements vary depending on the nature of the project. Moreover, to prevent

workplace accidents in infrastructure projects of IDCOL, the project requires ensuring the use of suitable personal protective equipment by workers at the workplace, undertaking training programs to improve the working environment, providing training and fire drills for the workers on occupational health and safety. IDCOL also tries to ensure that the projects provide compensation to the affected workers/employees due to workplace accidents as per regulations of Bangladesh Labor Act, 2006 (Amended 2018) and Bangladesh Labor Rules 2015.

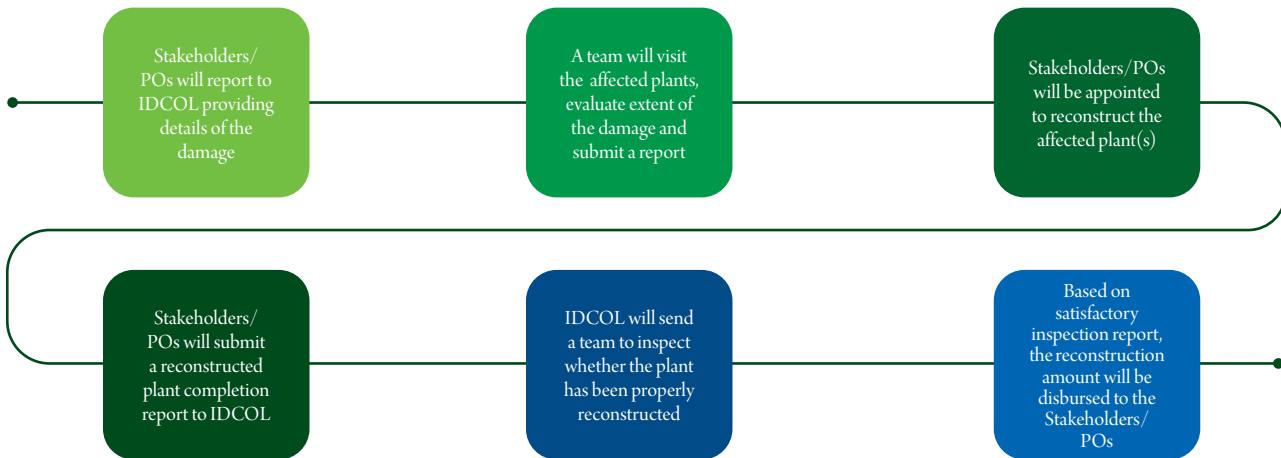
Renewable Energy Projects

The above-mentioned measures apply to renewable energy projects as well. Apart from that, for renewable energy projects, other stringent measures have been taken to protect the projects from natural disasters. Disaster management policies have also been taken into consideration to avoid disruptions in operations.

- While formalizing the technical standards of renewable energy projects the type and frequency of natural calamity is taken into consideration.
- Contingency money amounting to 2% of the project cost is to be set aside at the time of approval from the project fund to mitigate any cost overrun during the project lifetime including different types of disasters.
- IDCOL sponsors ensure the capital machinery with insurance coverage on project assets for safeguarding losses from natural calamity.

²Source: Ministry of Disaster Management & Relief, Effective Strategies for Mainstreaming DRR & CCA into Sectoral Departments/Ministries in Bangladesh

The impact of natural disaster events will be assessed through the following steps:



Disaster Management Process for Management Information Systems (MIS)

To avert the loss of data from servers and the continuation of services during disasters, it is imperative to have a disaster management process in any company. To increase the high availability of existing systems, IDCOL has set up the primary Data Center located at the Head Office building (DC-1) with full capacity of IT Operations, giving 99% IT services availability, ensuring confidentiality and integrity of IT systems for the business operations. Facilitating users and effective utilization, IDCOL has added a Disaster Recovery site located 10 km away from the Data Center (DRS) and a secondary Data Center located at Dhaka Regional Office (DC-2). DC-2 is directly connected to the Head Office through a

dark fiber rented from a renowned internet service provider of the country and has multiple servers running all important services like those running in DC-1 located in IDCOL head office. In addition to that, DRS services run on a cloud subscription basis from BDCCL, a government-owned company operating under the ICT division. The Data Center is located at Kaliakair, Gazipur and operates as the Disaster Recovery site for IDCOL.

Hence, in case of any disasters such as fire, earthquake, etc., IDCOL will retrieve all data from the backup servers located in its disaster recovery sites. It will be able to quickly access services present in head office and regional offices from one of the Disaster Recovery sites to avoid disruptions in its operations. Backup copies allow data to be restored from an earlier point in time to help the business recover from an unplanned event.



Currently, IDCOL's data backup includes:





- **Unit-wise data backup:** The IDCOL IT & MIS Team has created a secured directory in the network storage in the primary data centre (file server) for each unit/department user of IDCOL. Employees store the official data (i.e., word files, excel files, PowerPoint files, etc.) in their assigned storage directory. Secondary backup storage (backup file server) with the same configuration but a higher storage capacity of the file server is set up in the DC-2. The incremental file server data is backed up in real-time in the backup file server with a proper version-controlling system. In case of any emergency, the backed-up directory will be up and running effectively as primary from the DC-2 server. Subsequently, whilst the primary file server remains down, employees will be able to access and read data from the backup file server but modify and store the data on their individual PCs.
- **Database Backup:** IDCOL database infrastructure is designed to provide hardware and software level redundancy. IDCOL has a database service run on two different servers of the same configuration in the primary data centre (active-active mode) which directs the same data of a storage server. While one of the two active databases fails to work, the same saved data is automatically running from the other server in the primary data centre. The complete/incremental data of the primary database server is backed up in another database server (backup database server) of the DC-2. In case of any interruption in the primary data centre (DC-1), the backup database of the DC-2 will be restored within 1 to 8 hours after receiving approval from the IDCOL CEO. All applications i.e., ERP, MIS, CBS, etc. will be linked to the backup database server.

Disaster Management Plan for IDCOL's Physical Infrastructure

Disaster management is crucial for safeguarding both human lives and physical assets within an organization. For the Infrastructure Development Company Limited (IDCOL), a comprehensive approach towards disaster management, especially for its physical infrastructure, is essential. This arrangement outlines the measures in place and the strategies for enhancing disaster preparedness.

IDCOL prioritizes the safety and integrity of its physical infrastructure. The office premises, located within the UTC building, along with all operational vehicles and other fixed assets, are covered under specific insurance policies. This introductory section highlights the key components of IDCOL's disaster management framework, focusing on fire safety, structural integrity, and asset insurance.

Fire Safety Measures

IDCOL has implemented several fire safety measures to prevent and respond to fire incidents effectively:

- **Addressable Fire Alarm Systems:** These advanced systems are installed throughout the IDCOL office premises. They are capable of pinpointing the exact location of a fire, allowing for a swift and targeted response.
- **Fire Extinguishers and Hinges:** Fire extinguishers are readily available at strategic locations for immediate use. Door hinges are designed to ensure that exit routes are always accessible during emergencies.
- **Annual Fire Drills and Training:** In collaboration with the UTC Building Management Authority and the Bangladesh Fire Service and Civil Defense, IDCOL conducts yearly fire drills. These exercises ensure that all employees are familiar with evacuation procedures. Additionally, short training sessions on first aid and

basic firefighting techniques are provided to enhance on-the-spot response capabilities.

Structural Safety Assurance

Understanding the importance of structural integrity, IDCOL has taken proactive measures to ensure the safety of the UTC building. One of those is professional structural assessment. A certified professional has thoroughly assessed the structural strength of the UTC building. This assessment guarantees that the building can withstand various disaster scenarios, safeguarding both human lives and infrastructure.

Electrical Safety Assessment

Ensuring electrical safety is a critical component of IDCOL's disaster management strategy, given the potential risks associated with electrical systems in a corporate environment. This section outlines the measures IDCOL has put in place to maintain high standards of electrical safety, thereby minimizing risks and enhancing overall disaster resilience.

Regular Inspections and Maintenance

- **Systematic Evaluations:** IDCOL conducts scheduled inspections of all electrical installations within its premises to identify potential hazards and ensure compliance with the latest safety standards. These evaluations are performed by certified electrical safety professionals who use state-of-the-art diagnostic tools to assess the integrity of electrical systems, from wiring and circuit breakers to power outlets and lighting fixtures.
- **Preventative Maintenance:** To mitigate risks, IDCOL has established robust preventative maintenance practices. Upon identifying any issues during the systematic evaluations, immediate corrective actions are taken. This proactive approach prevents electrical faults that could lead to fires or other disasters, ensuring the safety and reliability of IDCOL's electrical infrastructure. Key to this process is IDCOL's team of specialized and dedicated maintenance staff, who are trained specifically to manage and rectify electrical issues, ensuring that the electrical systems operate safely and efficiently at all times.

Training and Safety Protocols

- **Employee Training:** Recognizing the importance of human factors in electrical safety, IDCOL has implemented comprehensive training programs for its staff. These programs focus on electrical safety awareness, proper handling of electrical equipment, and emergency response protocols in the event of an electrical incident. By empowering employees with knowledge and skills, IDCOL fosters a safety-conscious culture within the organization.
- **Safety Equipment:** IDCOL ensures the availability and accessibility of safety equipment specifically designed to address electrical hazards. This includes advanced circuit breakers that automatically disconnect power in case of overload or short circuit, insulation tools to protect against electrical shocks, and clearly marked emergency power-off switches to allow for rapid response in emergencies. This equipment is regularly inspected and maintained to ensure it is always in optimal working condition.

Insurance Coverage for Vehicles and Other Fixed Assets

A cornerstone of IDCOL's disaster management strategy involves comprehensive insurance coverage, extending beyond just the vehicles to include all fixed assets utilized by the organization:

- **Comprehensive Policies:** All vehicles and fixed assets operated and used by IDCOL are protected under comprehensive insurance policies. This broad coverage ensures a safety net against a wide array of potential disasters, from natural calamities to human-induced incidents.
- **Damage and Loss Compensation:** In the unfortunate event of damage or loss resulting from any disaster, the insurance ensures that IDCOL is adequately compensated. This compensation is crucial for the swift restoration or replacement of assets, minimizing disruptions to operations.
- **Operational Continuity:** The insurance of vehicles and fixed assets is a key element in maintaining operational continuity. By safeguarding against significant financial impacts, IDCOL can focus on its core activities and services even in the aftermath of a disaster.

Communication Strategy During Disasters

Effective communication is the backbone of any successful disaster management plan. IDCOL recognizes the critical importance of establishing clear and reliable channels of communication during emergencies to ensure timely and coordinated responses. This section outlines IDCOL's strategic approach to maintaining communication among all stakeholders during a disaster.

Call Tree System

- **Implementation and Structure:** IDCOL has implemented a Call Tree system as a fundamental component of its disaster communication strategy. This structured cascade communication model ensures that information is quickly and efficiently disseminated among employees. Starting from the top management, the call tree branches down through every level of the organization, ensuring that each member receives the information and instructions.
- **Regular Testing and Updates:** To maintain the effectiveness of the Call Tree system, IDCOL conducts regular tests and updates. These exercises help to confirm the accuracy of contact information and familiarize employees with the procedure, reducing the potential for communication breakdowns during actual emergencies.

Alternative Communication Channels

Recognizing the potential for primary communication systems to be compromised during disasters, IDCOL has established alternative communication channels. These include:

- **Emergency Notification Systems:** Automated systems that can send instant alerts via SMS, email, or push notifications to employees' mobile devices, providing them with critical updates and instructions.

- **Dedicated Hotlines:** For continuous access to information and support, IDCOL maintains dedicated hotlines that remain operational during emergencies, staffed by trained personnel to address concerns and relay important messages.
- **Social media and Internal Platforms:** In today's digital age, social media platforms and internal communication tools like intranets can play a crucial role in disseminating information rapidly. IDCOL leverages these tools to reach a broader audience and provide real-time updates.

Coordination with External Agencies

Effective disaster communication extends beyond internal mechanisms. IDCOL coordinates closely with external agencies, including local emergency services, disaster management authorities, and utility companies, to ensure a unified response effort. This collaboration facilitates the sharing of critical information, resource pooling, and mutual support, enhancing the overall effectiveness of disaster response.

By integrating a comprehensive communication strategy that includes a Call Tree, alternative communication channels, and coordination with external agencies, IDCOL ensures that all stakeholders are well-informed, prepared, and aligned in their response efforts during disasters.

Continuous Improvement and Monitoring

Disaster management is an ongoing process that requires continuous evaluation and improvement:

- **Regular Review of Safety Measures:** IDCOL commits to regularly reviewing and updating its disaster management plans. This includes assessing the effectiveness of current fire safety measures and structural safeguards.
- **Employee Feedback and Participation:** Employees are encouraged to provide feedback on the disaster management arrangements. Their participation in drills and training sessions is crucial for identifying areas for improvement.
- **Coordination with External Agencies:** IDCOL maintains strong relationships with the Bangladesh Fire Service and Civil Defense, as well as other relevant authorities. This collaboration ensures access to the latest safety protocols and emergency response strategies.

Overall, IDCOL's comprehensive disaster management arrangement for its physical infrastructure demonstrates a commitment to safety and resilience. By focusing on fire safety, structural integrity, and insurance coverage, IDCOL ensures a well-rounded approach to disaster preparedness. Continuous improvement and active participation by all stakeholders further strengthen this framework, making IDCOL's office premises and operational assets well-protected against a variety of disasters.

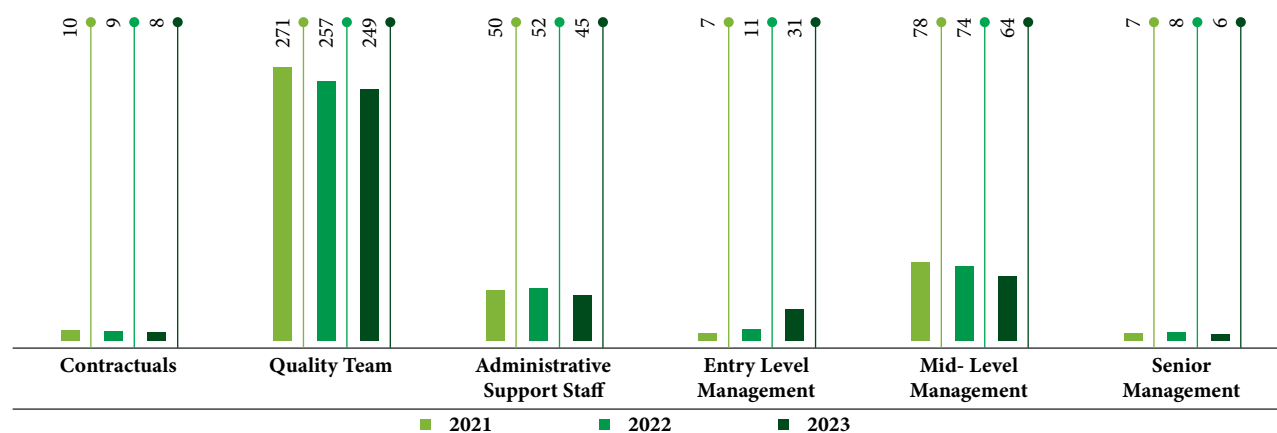
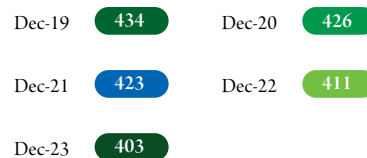
HUMAN RESOURCE MANAGEMENT

Human Capital

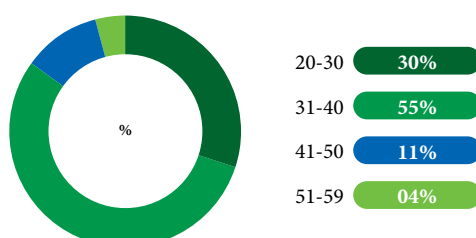
We believe our employees are the most important assets and are critical to our success. Our employees are result-oriented individuals, who uphold the values of the organization by being creative, open, respectful, ethical, and passionate. We have made a commitment to build the healthiest human system in our industry to enable them to thrive. As we work towards this, we are focused on fostering a culture in which our employees feel valued, empowered to share their views, and are able to fulfil their potential. Here talent is rewarded, ambition is stoked, and pride is earned. The way we stand up for our employees helps us to stand out from the competition.

Reflection of the Past Years

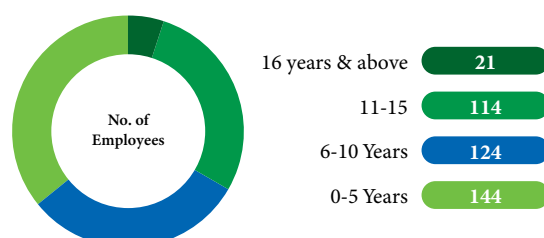
Since its inception, IDCOL HR strategy is focused on getting the right internal structures and processes in place, investing in employee development and engagement, and supporting business growth and development. Getting the right internal structures and processes in place. This increase generated a need for ensuring that the organizational structure and processes were fit to face the challenges and opportunities of the future.



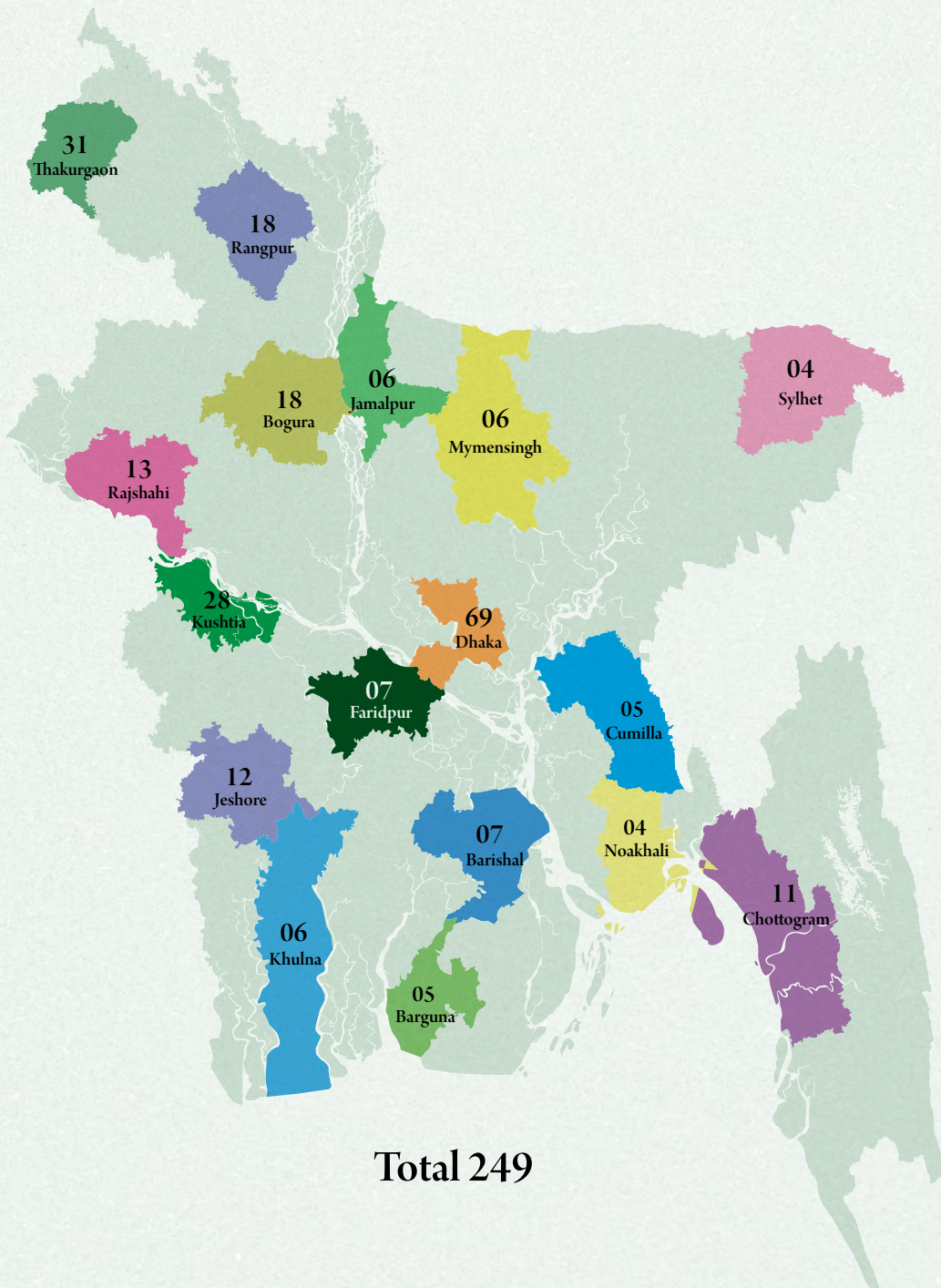
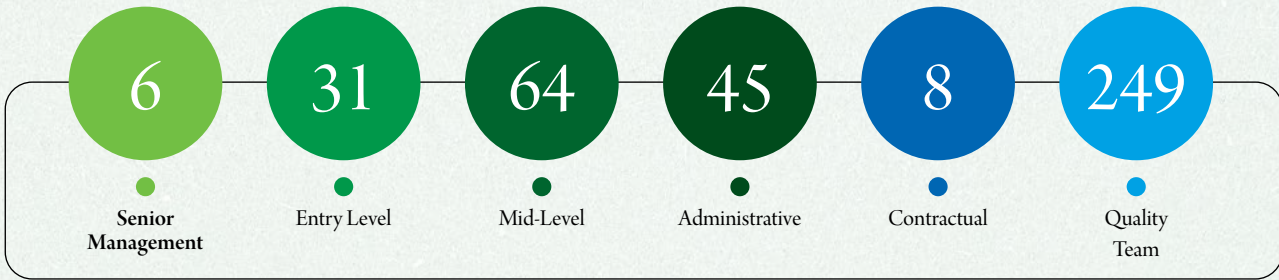
Employees by Age Group



Employees' Service Length



Employees' Level



Core Values at Work



- 

Strategically Focused

We are strategically focused towards the vision of our organization, and we work collectively for the best interests of the organization and the workforce.
- 

Zero Tolerance of Corruption and Sexual Harassment

We maintain zero tolerance policy of corruption and sexual harassment. We guide our employees to be transparent in performing tasks while respecting the security of confidential and personal information entrusted to the Company.
- 

Result Oriented

We are dedicated to quality, excellence, and continuous improvement in our job, and we work to ensure that the Company remains competitive in the market.
- 

Professionalism

We adhere to high professional standards of competency & conduct, and we act with honesty and integrity.
- 

Accountability

We take full responsibility for our assigned tasks, and we are accessible to answer anything related to our work.
- 

Respectfulness

We are strongly guided by the norms and values of our Company and here we respect individual differences.

Strategic HR Management

It is our strategy to use integrated HR instruments throughout the organization to find, bind and support our employees. Our policies are guided by organizational targets as well as social and economic changes. We aim to remain flexible, close to the market and mobile to maintain the success of our employees. Accordingly, we are also consistent while developing our employees' skills and competencies. The mainstays of our HR management are talent management, performance management, rewards management, training and development, retention management and culture management. All these aspects are interlinked and thereby contribute to the overall IDCOL HR strategy.

Highlights of our People Practices Strategy

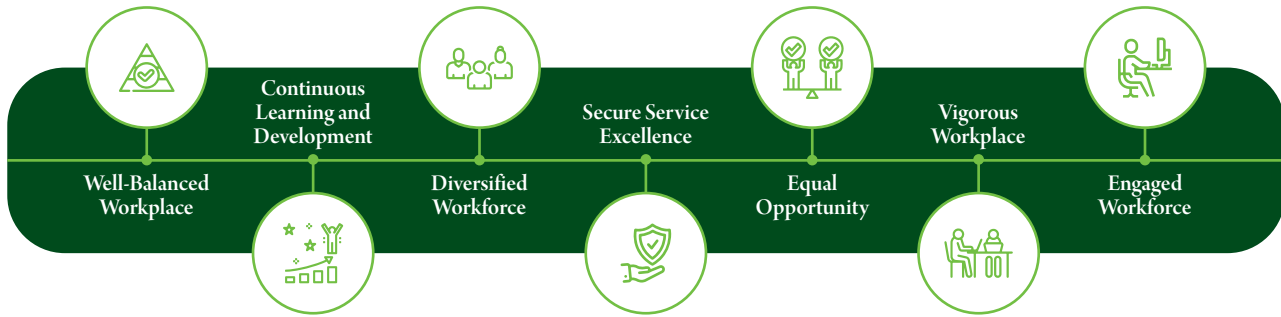
At IDCOL, we work collectively to achieve organizational excellence by collaborating standard people practices. The highlights of our people practice strategy are given below:

1. A well-balanced workplace: Here employees are provided with a challenging, rewarding, enjoyable and fulfilling career; whereas employees are assisted in balancing their career, home and personal life through supportive human resource policies and management approaches. We believe a well-balanced workplace enhances productivity, job satisfaction, and retention by creating a work environment that helps employees

balance their personal and professional lives. We make employees feel a greater sense of control and ownership over their own lives where they tend to have better relationships with management and are able to leave work issues at work. Thereby it increases Company productivity and reduces the number of conflicts among co-workers.

2. A place for continuous learning and development: We foster learning as a way of life, encourage creativity and actively promote and invest in the

skill and knowledge development of every employee. We are committed to ensure that all employees have access to learning, development and training opportunities which enable them to be suitably knowledgeable and skilled to carry out their role within the Company, and to develop their talents in ways that fit into the Company's development to meet its strategic objectives. We arrange wide range of behavioral as well as technical trainings throughout the year based on the employees' requirements.



3. A well reputed organization that ensures service excellence: We embrace best practices and ensure service excellence by effectively managing change and objectively measuring performance for continuous improvement. Service excellence needs to be one of the driving forces at the heart of the organization to deliver dependable and consistent value. It is our ongoing efforts to establish an internal framework of standards and processes that intend to engage and motivate employees to ensure better performance. We believe service excellence can be secured through delivering what is promised and dealing well with any problems and queries that arise.

4. A diversified workforce: We aim to achieve as much diversity as possible among the workforce so that homogenous groups of employees can work more productively. In order to promote such diversity, we systematically integrate all aspects of modern HR concepts. IDCOL thereby creates an attractive working environment that allows a balance between professional and personal life. IDCOL thereby creates an attractive working environment that allows a balance between professional and personal life.

5. A vigorous workplace: At IDCOL we respect the dignity of the individual and the right of employees to freedom of association. At IDCOL we leverage the dynamics of our collective skills, knowledge, and experience to achieve the best for the Company. Our employees are guided to adopt best practices, methods, and approaches in everything they do, so that we can remain competitive in the market. We take all allegations of harassment seriously, including sexual, communal etc. and

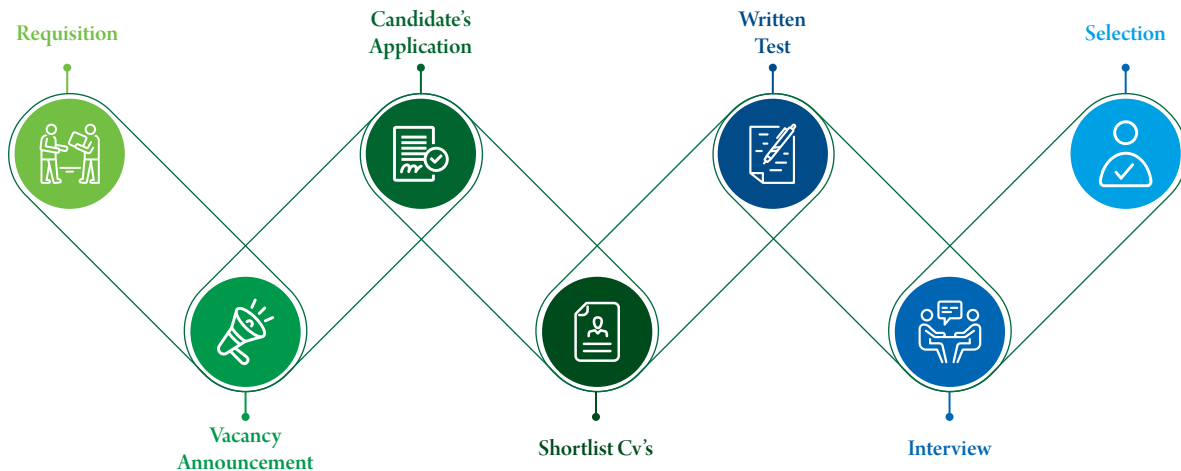
prohibit all forms of discrimination. It is our belief that creating such a work environment will enable us to attract, retain and fully engage diverse talents that lead to enhanced innovation and creativity in our services.

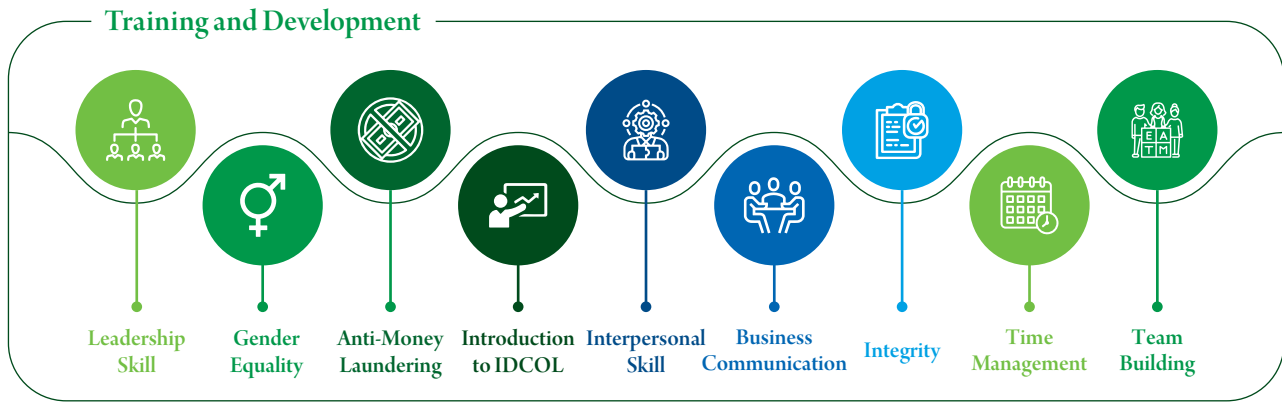
6. A place that practices equal opportunity: We are an equal opportunity employer and is committed to treating job applicants and employees equally irrespective of color, creed, race, nationality, ethnic origin, sex, and marital status. We seek to recruit, develop, and retain the most talented people from a diverse candidate pool. We do not permit any job applicant or employee to be placed at a disadvantage by requirements or conditions that have a disproportionately adverse effect on him/her, and which cannot be shown to be relevant to the job requirements. Nevertheless, we ensure equal opportunities not only in recruitment but also in career growth. Here individual performance and Company performance goes hand in hand which directly impacts the career growth of employees.

Recruitment: Right People at the Right Place at the Right Time

We believe that the successful recruitment of potential candidates is crucial in order to maintain a vibrant and proficient workforce. The flow diagram of our recruitment process is given below:

At IDCOL, we recruit employees on the sole basis of the qualifications and abilities needed for the work to be performed. In this process any direct or indirect solicitation results in the disqualification of the candidature.



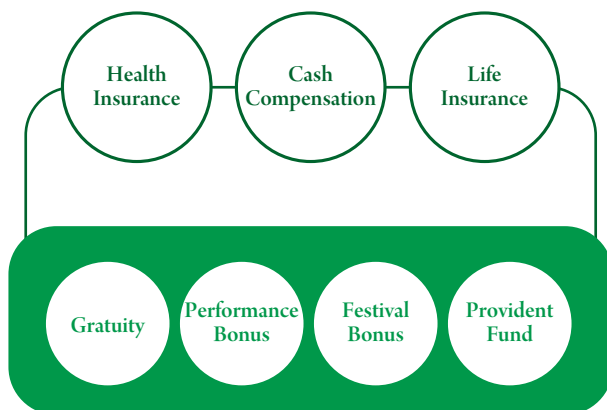


The capacity building of our employees is one of the key priorities; hence we encourage and support our employees to develop their required skills through in-house training, local training, seminars, and workshops. We also organize exposure visit programs for our employees at home and abroad and during exposure visit programs, we focus on transferring corporate specific know-how and advancing each of our employees.

Formal induction programs are arranged for newly appointed employees. They receive an overview of the Company, comprehensive guidance, and associated policies, as well as their duties. We strengthen knowledge and skill on the concepts of gender equity, inclusion, equality and mainstreaming and approaches for gender responsive planning and implementation of energy program at IDCOL. Our in-house training is customized training courses that are carefully designed to address the needs of the employees. Through the in-house training initiatives, we focus more on soft skill development of the employees. During the year, through e-learning course, all employees started to undertake mandatory training on Anti Money Laundering & Combatting Financing Terrorism.

Competitive Compensation & Benefit Package

Our total compensation package is one of the key factors to the success of our recruitment and retention activities. We are committed to a compensation framework that is balanced and performance-oriented, and which aligns the interests of both the Company and employees. Our compensation framework is designed to attract, motivate, and retain the qualified talent to succeed, while creating a tangible link between performance and pay. We provide a strong mix of direct compensation and benefits which include cash compensation, performance bonus, festival bonus, provident fund, gratuity, Leave Fare Assistance (LFA), hospitalization benefit and group life insurance benefit. The aim is to provide us with compensation & benefit package that is competitive, while ensuring that employees focus on delivering outstanding results in line with our business strategy, targets, risk awareness and corporate values.



Performance Review & Reward

Our success depends upon the performance, behavior, and commitment of our employees. Our performance review and reward approach are designed in a way that supports the achievement of our strategic objectives by balancing reward programs for sustainable performance. The review and reward strategy for our employees is based on a series of key principles: operate a thorough performance assessment process, focus on strong link between pay and performance and recognize and reward our employees for outstanding positive behavior.



Performance objectives define what our employees need to achieve, how and when, in line with business and role priorities and are set at the start of the year through dialogue between employees and supervisors. Objectives are then tracked and updated by employees throughout the year as priorities change. This approach involves frequent, holistic, and meaningful conversations throughout the year between a manager and employees. The conversations provide an opportunity to discuss progress, provide feedback and recognize behaviors, identify any support that may be needed, and address any issues that could be affecting the employee's sense of well-being.

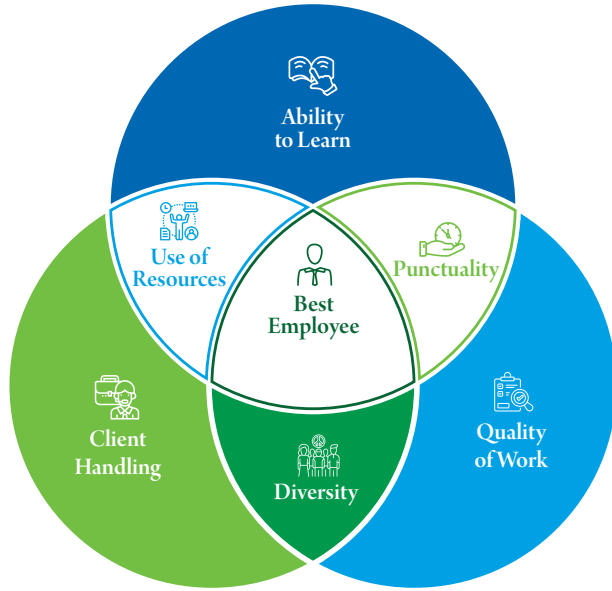
Star Performer of the Year

Rewards and recognition are designed to encourage employees whose performance is outstanding individually who contribute to the overall objectives of the organization. 'Star Performer of the Year' is being

instituted as an initiative intended to foster high performance culture covering individuals. Some of the criteria like ability to learn, quality of work, client handling, use of resources, punctuality, negotiating problems, diversity etc.

The following employees were selected as “Star Performer of the Year 2023”:

1. **Mr. Md. Imrul Hasan,**
Senior Assistant Vice President & Unit Head,
Finance and Accounts Department
2. **Mr. Kazi Ibrahim Md. Adnan,**
Assistant Vice President & Unit Head,
Risk & Special Asset Management Department
3. **Mr. Saad Feroz Mehdi,**
Assistant Manager, Investment Department
4. **Mr. Mushfiqur Rahman,**
Assistant Manager, Renewable Energy Department
5. **Mr. Chandra Shekhor Mondal,**
Officer, Internal Control & Compliance Department



National Integrity Strategy

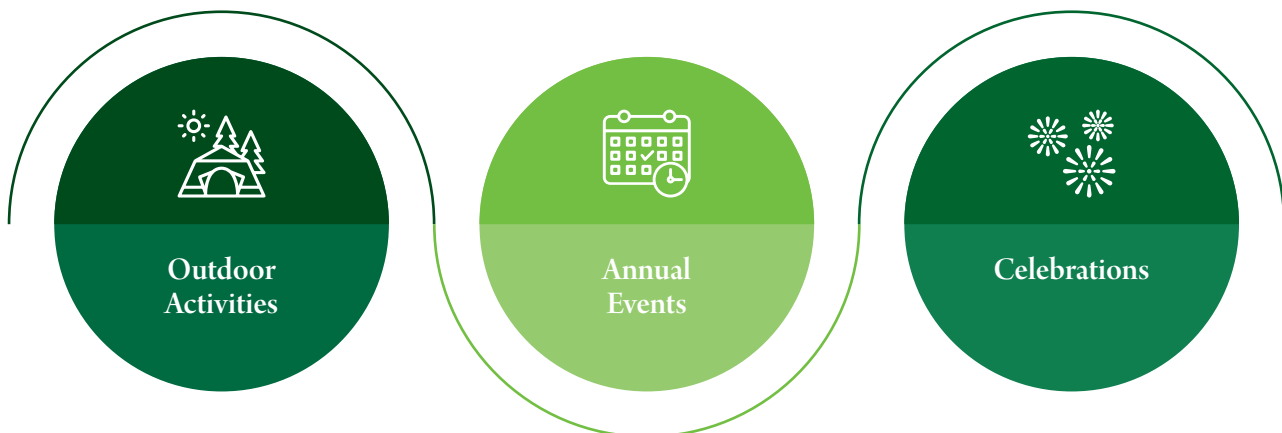
The 'National Integrity Strategy' was approved with the aim of building a golden Bengal. The concept of this strategy is 'Shukhi Shomriddho Sonar Bangla', and the aim is 'establishment of good governance in state institutions and society'. In order to implement this strategy, the National Integrity Advisory Council has been formed. As per the decision of the National Integrity Advisory Council, integrity committees have been formed at IDCOL and HR took the initiative to implement action plan of NIS. As part of that action plan, IDCOL awarded the following employees during 2021 and 2022:

Sl.	Name of Employees	Designation	Remarks
1	Mohammed Javed Emran	Chief Risk Officer	NIS Award 2021
2	Becky Christopher Rozario	Assistant Manager	NIS Award 2021
3	Mohammad Ashraful Alam	Junior Officer	NIS Award 2021
4	Raihan Uddin Ahmed	Executive Vice President	NIS Award 2022
5	Mushfiqur Rahman	Assistant Manager	NIS Award 2022
6	Md. Monju Mia	Senior Peon	NIS Award 2022

Employee Engagement Program

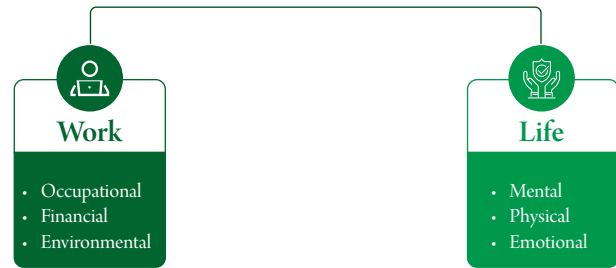
We believe successful employee engagement has a sustained and positive impact on employee attitude and behavior, and ultimately on outcomes that affect organizational success. We have a wide range of programs throughout the year, and we believe employees who are engaged with their organization will feel a sense of pride and loyalty towards it. Employees

will be great Company representatives and are likely to go the extra mile when it comes to their work or taking on responsibilities outside of their job description. Ultimately these “engaged” attitudes and behaviors will positively affect outcomes such as productivity, innovation, staff turnover, conflict, sickness levels etc. A fully engaged workforce will have positive attitude, behavior and outcome triggering and reinforcing one another.



Wellbeing and Safety

We are here to bring out the best in employees by establishing and maintaining a work environment that promotes positive well-being and healthy lifestyle choices. Our aim is to create a sustainable culture where employees have access to a range of wellbeing resources to help them remain happy and healthy and can seek help when they need it. We recognize that employees have different needs; hence we provide support to employees at every stage of their lives.



IDCOL HR Manual

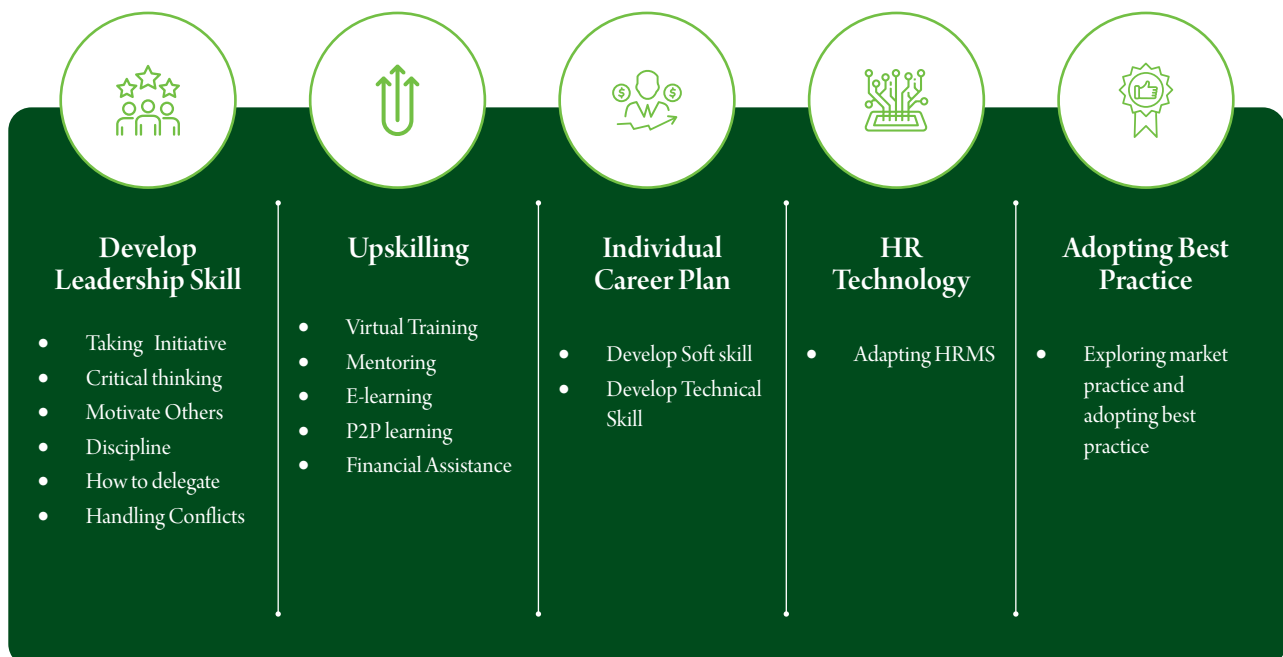
The Human Resource (HR) Manual for IDCOL permanent employees was approved by the Board on 20 November 2023. This manual serves as a comprehensive resource outlining the employment policies, practices, benefits, and services accessible to IDCOL employees. By providing insights into the employment policies and benefits applicable to permanent employees, this manual serves as an essential reference for anyone associated with IDCOL.

IDCOL Board has approved its first HR Manual, effective from 20 November 2023. The manual is designed to furnish with a comprehensive overview of IDCOL's key HR policies and procedures. We trust that this manual will serve as a valuable resource to all the permanent employees of IDCOL.

Managing into the Future

- **Develop Leadership Skills:** There are several core leadership skills that are considered important traits that help to become more effective leader. Whether it's taking the initiative, developing critical thinking skills, or learning how to motivate and empower around, one must constantly be challenging thyself to enhance one's leadership capabilities. We will focus on developing these important traits that are core leadership skills along with technical skills.

- **Upskilling:** The economy is changing fast and with the pace of technological change demands on employees continue to grow. It has become crucial to upskill the employees which is a longer-term investment in augmenting the knowledge, skills, and competencies that help employees advance their careers. When employees are offered and encouraged to take advantage of upskilling opportunities for their personal or professional growth, people metrics, such as employee engagement and retention, also go up.
- **Individual Career Plan:** We will continue to empower our employees to own their career development plan. Since careers are employee owned, manager supported and company enabled, we will support collaboration between team members, team leaders and organizational leaders to collaborate to connect individual interests, operational goals, and organizational gaps in order to determine what learning and development to pursue.
- **Updating HR Technology:** We will also focus on updating our existing HR technology in order to adapt global best practices and we will also strive to address gaps that still exist in our current system and procedures.
- **Adopting Best Practices:** As we continue to move forward, we will be looking forward to exploring the market practices and adopting best practices for the Company and this process will continue with our journey.



Gender Policy of IDCOL

In order to achieve the Company goals, IDCOL has implemented a gender policy which has been targeted to achieve the following objectives:

- a. Raise awareness and understanding of gender issues at all levels of the Company to achieve gender equity by equipping officials with appropriate skills and knowledge;
- b. Ensure organizational commitment and allocation of resources, as applicable, to ensure that the Gender Policy will be mainstreamed within the Company; and
- c. Create and maintain a conducive environment within which women's and men's needs can be openly and freely articulated and addressed.

Whistle-Blower Protection Policy

As part of its core values, IDCOL believes in maintaining transparency and integrity in all its activities. IDCOL intends to strengthen governance and establish integrity and transparency into the systems, practices, and culture of the organization. IDCOL encourages people to come forward with information concerning fraud, corruption or any willful misconducts or gross negligence or sanctionable practices (as defined in the Fraud, Corruption, and other Sanctionable Practices in code of conduct) in any of the activities of IDCOL and is committed to provide protection to persons reporting such events with genuine concerns and in good faith.

The Whistle-blower protection policy provides an avenue for raising concerns related to fraud, corruption or any sanctionable practices and to assure that persons who disclose information in this regard will be protected from retaliation, retribution, dismissal, or any other negative measures.

Code of Conduct:

Employees at IDCOL are required to abide by this CoC and adherence to this CoC, which is based on fundamental values of IDCOL, is a prerequisite for employment at IDCOL. The highlights of CoC are as follows:

A. Corporate Conduct

It is expected of the employees that they will treat the company's customers, suppliers, competitors, and other employees in an equitable manner. Nobody should take undue advantage of anyone by manipulating, concealing, abusing privileged information, misrepresenting facts, or engaging in any other unfair or unlawful behavior. Employees are expected to utilize their best judgment and all available information while making decisions.

B. Combat Money Laundering & Terrorist Financing

Money Laundering legislation criminalizes money laundering in respect of several crimes including drug trafficking, terrorism, theft, tax evasion, fraud, handling of stolen goods, counterfeiting and blackmail etc. It is also an offence to undertake and/or facilitate transactions with individuals and entities involved in criminal activities. IDCOL has firm stance against all types of money laundering and will do everything it can to prevent its financial transactions from being used for this illicit purpose.

C. Fraud, Corruption, and other Sanctionable Practices

IDCOL is committed to maintaining the highest ethical and legal standards in the organization practices and thus, ensure maintaining transparency,

integrity, and accountability. The following practices will be considered as fraud, corruption and other sanctionable practices for the purpose of this code of conduct and IDCOL policies.

A Fraudulent Practice is any dishonest act or omission, including, but not limited to a misrepresentation and abuse of position, that knowingly misleads or attempts to mislead, deceive, or attempts to deceive or otherwise delude a party to obtain a financial or other benefit/ gain, avoid an obligation or influence any party.

A corrupt practice is the act of offering, giving, soliciting of acceptance of an inducement or compensation including any gift, loan fee, payment, incentive, favor, or advantage which may influence the action of any person, contrary to the proper conduct of their duties.

The following acts will also be identified as Sanctionable Practices:

- i. Falsification of documents of accounts;
- ii. Misappropriation of funds, supplies of other assets etc.;
- iii. Impropriety in the handling or reporting of money or financial transactions;
- iv. Theft or misuse of property, facilities, or services;
- v. Accepting bribery;
- vi. Receiving or offering gratification;
- vii. Known instances of corruption, deception, or misuse of resources, etc.

Any individual found to have engaged in Fraud, Corruption and other Sanctionable Practices shall be subject to disciplinary action policy.

D. Concealment, Embezzlement, Misappropriation, or any kind of Forgery

Employees shall ensure that records, data, and information owned, collected, used, and managed by them for the Company are accurate and complete as per standard procedure. IDCOL will not allow any form of concealment, embezzlement, misappropriation, or any other unauthorized activity that exposes or may expose the Company to financial, reputational, and/or any other type of harm.

E. Confidentiality/Disclosure of information

Employees have access to information that is not generally available to the public or that is considered confidential for managerial or administrative purposes regarding IDCOL's business and stakeholders while performing the official tasks. All must maintain strict confidentiality of information entrusted to them and its stakeholders unless such disclosure is authorized. Employees shall not disclose unpublished and sensible information about the Company related to its performance, strategy, system, policies etc.

F. Compliance with CoC and Policies of IDCOL

In the course of duties, IDCOL employees must be aware of and adhere to all prevailing IDCOL policies, processes, practices, standards, relevant legislations, and regulatory requirements applicable to IDCOL and its employees. Each employee will be responsible for keeping him/herself updated at all times on possible changes of the aforesaid mandatory norms and processes.

G. Gifts and Business Courtesies

Accepting or offering presents is a frequent practice as part of maintaining business courtesy. However, one can feel obligated or give the impression of being obligated when accepting or offering presents in a business





situation. No gifts exceeding USD 100 equivalent, and cash cannot be accepted by the employees or any member of their household from any contractor, vendor, consultant, or other business contact engaged in or seeking business with IDCOL without prior permission of the competent authority.

H. Interaction and Transaction with IDCOL Regulatory Authorities, Clients, & Stakeholders

Employees are expected to comply with all current regulatory and legal requirements governing the Company's business vis-à-vis regulatory bodies and adopt endeavor to follow best industry practices. No individual is expected to know the details of all applicable laws, rules, and regulations, but individuals shall be knowledgeable about specific laws, rules and regulations that apply to their areas of duties and responsibilities.

All personnel dealing with IDCOL clients are expected to be respectful, informed about IDCOL products and services, and accurate in their representations to clients always. Employees must avoid any actual or perceived conflicts of interest in dealing with clients and stakeholders.

Employees' salary accounts must not be used under any circumstances for any illegal and unscrupulous transaction or purposes except transactions supported by direct source of funds and transactions made by the company. The Company reserves the right to monitor employee salary accounts and report any irregularities.

I. Interaction with Press, News, and Social Media

Press release interviews and other forms of communication relating to IDCOL matters with press and media are to be done and given only by authorized person of IDCOL or with prior written approval of the Management of IDCOL. All information from IDCOL shall be reliable and correct and maintain high professional and ethical standards.

J. Office Discipline & Work Environment

Employees should at all times ensure good business meeting etiquette while hosting/attending meetings to ensure successful and effective meetings. One's manners and etiquettes are not just mere actions; they are reflection of one's grooming and wellbeing in both private life and official

position, which depicts one's ability and self-confidence to maintain and build successful relationships and teams in the organization and beyond.

Employees are advised to strictly follow the HR manual with special emphasis on Office Hours, Dress Code, and Leave and are also strongly advised to ensure compliance of Mandatory Annual Leave provision through sharing the leave plan with supervisor beforehand.

K. Sexual Harassment

The Company shall not tolerate any type of sexual harassment of women at workplace. All employees shall treat each other with respect and courtesy. The Company prohibits such sexual harassment, whether at the office premises or at Company-sponsored functions, events, or programs. Should such sexual harassment occur, the Company would take appropriate corrective action to prevent its continuation or recurrence. Allegations of sexual harassment will be dealt with sensitive manner and utmost confidentiality will be preserved for both parties involved. Sexual harassment is strictly prohibited, and any individual found to have engaged in harassment shall be subject to disciplinary action policy. Sexual harassment shall include those acts that are defined as sexual harassment by the existing laws, any judgements, government order(s) etc.

L. Discrimination and Inappropriate Behaviors

IDCOL is committed to do its utmost to promote equality in its employment practice and maintain a work environment that respects individual differences. Inappropriate use of IDCOL property/tools such as PC/laptop/any other device, email or internet access must not be used to view, read, store, or share pornographic, offensive, illegal, inappropriate contents, hacking activities and circulate prohibited and/or fake information spreading rumors.

M. Health & Safety

Responsible IDCOL employees are directed to provide adequate attention to ensure the health & safety measures for the employees, such as, ensuring deployment of both physical and technical surveillance on premises to minimize possible threats to security, conduct periodic drills for a systematic approach both to prevent any security breaches as well as to promote a culture of security and safety awareness.

HR Events



Star Performer Award 2023



IDCOL recognized the academic excellence of outstanding students and awarded an integrity award to its employees



IDCOL Annual Retreat 2023



Training on Leadership with youngsters of IDCOL at Gazipur BaseCamp



Training on Leadership with the Mid Management of IDCOL at Holiday Inn.



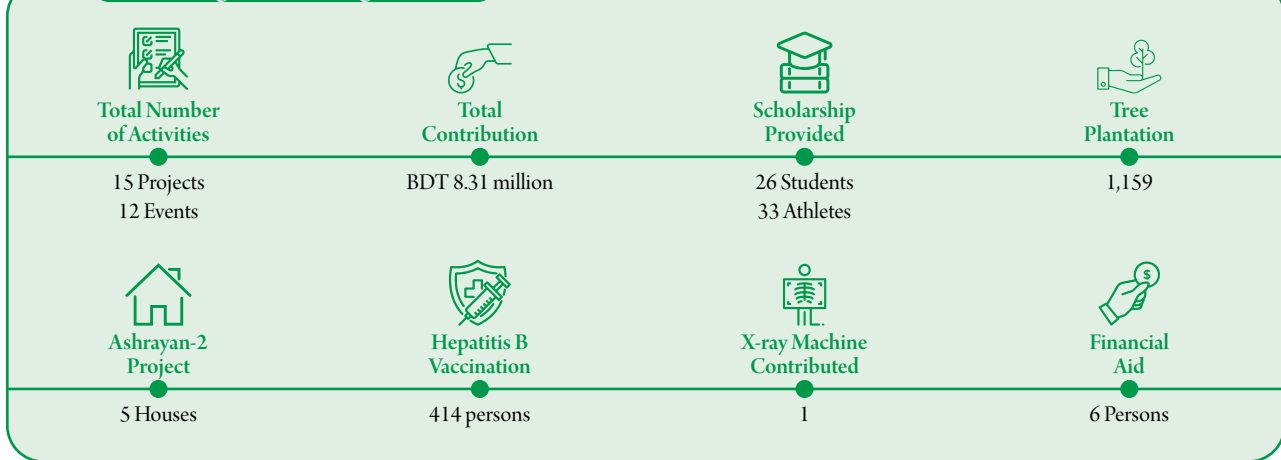
New Joiners



IDCOL celebrating the birthday of IDCOL officials

CORPORATE SOCIAL RESPONSIBILITY

CSR at a glance during FY 2023

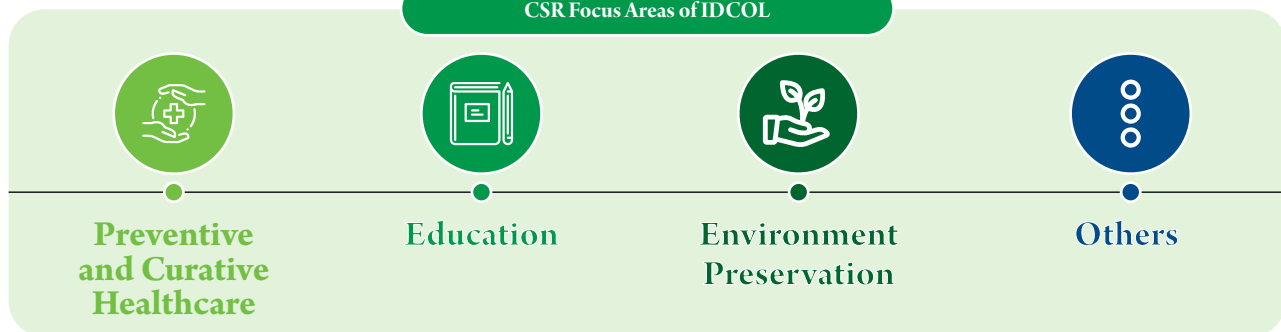


Since its inception, IDCOL has adhered to its social responsibility through making shared value and creating a sustainable impact in the society. As a responsible company, IDCOL believes that a business should use its diverse talent and resources to solve critical problems and serve the deprived people of the society. Over the years, IDCOL has advanced its commitment to better understand our societies

CSR Focus Areas of IDCOL concerns and achieve sustainable business growth. All of these efforts have a dramatic effect on its Corporate Social Responsibility (CSR) philosophy. IDCOL CSR Program, initiated in line with the guidance of Bangladesh Bank, is designed to put focus on different CSR activities and ensure transparency. IDCOL envisions to actively foster this social responsibility culture in the near future

The CSR policy focuses on the following areas

CSR Focus Areas of IDCOL



Preventive and curative healthcare: In healthcare, IDCOL aspires to deliver facilities to communities and other sections of the society in the form of assistance include grants toward costs of curative treatment of individual patients, towards costs of running hospitals and diagnostic centers engaged substantially in treatment of patients from underprivileged population segments and towards costs of preventive public health and hygiene initiatives like provision of safe drinking water, hygienic toilet facilitates for poor households and for floating population in urban areas and so forth.

Education: IDCOL wishes to contribute towards improving and facilitating the literacy levels in various sections of the society, by providing support at every stage of a child's educational cycle including but not limited to stipends for students from low income family in reputed academic and vocational training institutions, support towards upgrading

of facilitates in academic and vocational institutions substantially engaged with students and trainees from the underprivileged rural and urban population segments and engaging with students and parents leading to development of a better community, livelihood enhancement projects, etc.

Environment preservation: IDCOL wishes to develop the environment of the country through preservation of forestry which include but not limited to awareness program for the mass people about deforestation and its effect, teach people about importance of forestation in the environment and their role to save the forestation, funding research and innovations on environmentally friendly projects and land preservation.

Others: IDCOL supports different sectors like sports, women empowerment etc. in Bangladesh.





CSR Activities during the Year:

To expand and carry out social activities in a focused way, IDCOL has taken the following CSR initiatives in 2023:

Scholarship for Bangladesh National Women's Football Team

IDCOL, under its Education category of CSR, has generously provided one-time scholarships of BDT 25,000 each to 33 members of the Bangladesh National Women's Football Team. This initiative aims to empower and support the education of talented female athletes, recognizing their dedication and achievements in representing the nation on the international stage.



Through this support, IDCOL demonstrates its commitment to fostering both sports excellence and educational opportunities for women in Bangladesh.

One-Time Scholarship for Bright Minds at University of Dhaka

IDCOL, as part of its CSR initiatives under the Education category, has awarded scholarships of BDT 50,000 each to 11 outstanding undergraduate students from the Faculty of Business at the University of Dhaka.



This initiative aims to support and encourage academic excellence among promising young scholars, fostering their development and contributing to the advancement of education in Bangladesh.

Portable X-ray Machine Donation to Kumudini Hospital

IDCOL has made a significant contribution to Kumudini Hospital by providing a portable X-ray machine. This vital equipment enables the hospital to expand its diagnostic capabilities, particularly in ICU/ NICU/HDU of the hospital where it's difficult to relocate the critical patients in equipment rooms.



This donation reflects IDCOL's commitment to improving healthcare accessibility and promoting better health outcomes within the community. An amount of BDT 5.59 lac was contributed to Kumudini Hospital for procuring 1 unit of x-ray machine.

Financial Support to SWID Bangladesh for Autistic Children

IDCOL has extended financial support to SWID Bangladesh, a leading organization dedicated to supporting autistic children. Under the Preventive and Curative Healthcare category, this initiative aims to enhance the quality of life for autistic children through specialized programs and interventions.



IDCOL's contribution underscores its dedication to fostering inclusive healthcare practices and addressing the needs of vulnerable communities in Bangladesh. An amount of BDT 5 lac was contributed for this purpose.

Tree Plantation Program National Institute of Cardiovascular Diseases

In order to foster environmental sustainability, IDCOL planted 500 trees at the National Institute of Cardiovascular Diseases. An amount of BDT 5.10 lac was expensed under this initiative.

Hepatitis B Vaccination Program

IDCOL has successfully implemented a Hepatitis B Vaccination program for officials of the Economic Relations Division (ERD) and IDCOL itself.



Recognizing the importance of vaccination in preventing the spread of infectious diseases, this initiative aims to ensure the well-being and health security of its employees. An amount of BDT 3.78 lac was contributed under the vaccination program and a total number of 414 people was vaccinated.

Support for Education of ERD Employees' Children

IDCOL has exemplified its commitment to CSR by providing scholarships amounting BDT 20,000 each for 11 children of employees from the Economic Relations Division (ERD).



This initiative underscores IDCOL's dedication to fostering educational opportunities and supporting the development of the community.

Support for Employee Families through Scholarships

In a bid to foster education and support its employees, IDCOL has initiated a scholarship program aimed at encouraging the brightest children of its employees.



Under this initiative, IDCOL offered one-time scholarships of BDT 25,000 each to four deserving children of its employees.

Food Distribution to Underprivileged Children at LEEDO

IDCOL organized food distribution to underprivileged children at LEEDO, ensuring their basic needs are met.



Financial Aid for Curative Healthcare

IDCOL has extended financial assistance of BDT 10.02 lac to six individuals in need of curative healthcare support. This assistance, provided to those requiring medical intervention for either themselves or their family members, underscores IDCOL's commitment to promoting both preventive and curative healthcare.



By offering financial aid, IDCOL not only addresses immediate healthcare needs but also contributes to the overall well-being of the community it serves. Such initiatives serve as a beacon of hope for those facing health-related challenges, reflecting IDCOL's dedication to making a positive impact on individuals' lives.

As a part of its sustainability, till date IDCOL has adhered to its social responsibility through making shared value and creating a sustainable impact in the society. As a responsible company, IDCOL believes that a business should use its diverse talent and resources to solve critical problems and serve the deprived people of society.



AUDITOR'S REPORT
AND AUDITED
FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Infrastructure Development Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Infrastructure Development Company Limited (the "Company"), which comprise the balance sheet as at 31 December 2023 and the profit and loss account, statement of changes in equity and cash flow statement 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 of the Company give a true and fair view of the financial position of the Company as at 31 December 2023, 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 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 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) and the guidelines issued by 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.

Emphasis of Matter

We draw attention to note 19.1 of the financial statements, matters related to unrealised exchange gain has been disclosed. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the 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 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 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the Company.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the 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 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 scepticism 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.
- 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 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities of the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, 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 accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) the balance sheet and 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 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 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) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- (ix) taxes and other duties which were collected and deposited in the Government treasury by the Company as per Government instructions has been found satisfactory based on test checking;
- (x) 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;
- (xi) 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;



- (xii) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory; effective measures have been taken to prevent possible material fraud and forgery; and internal policies are being followed appropriately;
- (xiii) 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 have been found satisfactory;
- (xiv) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 830 person hours for the audit of the books and accounts of the Company;
- (xv) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- (xvi) the Company has complied with the 'Finance Company Act, 2023 in preparing these financial statements; and
- (xvii) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Sabbir Ahmed FCA, Partner
ICAB Enrolment No: 0770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 19 September 2024
DVC No: 2410070770AS804960





Infrastructure Development Company Limited

BALANCE SHEET

As at 31 December 2023

Particulars	Notes	Amount in Taka	
		31 December 2023	31 December 2022
Property and assets			
Cash	3		
Cash in hand		8,756	15
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		3,012,975,553	111,035,053
		3,012,984,309	111,035,068
Balance with other banks and financial institutions	4		
In Bangladesh		26,854,165,013	29,953,447,128
Outside Bangladesh		-	-
		26,854,165,013	29,953,447,128
Money at call and short notice	5	1,100,000,000	880,000,000
Investments	6		
Government		-	-
Others		250,000,001	333,333,334
		250,000,001	333,333,334
Loans and advances	7		
Loans, cash credit, overdraft etc.		92,021,594,622	74,026,460,095
Bill purchased and discounted		-	-
		92,021,594,622	74,026,460,095
Fixed assets including land, building, furniture and fixtures	8	160,738,313	133,580,753
Other assets	9	1,344,846,431	1,185,156,733
Non-banking assets		-	-
Total assets		124,744,328,689	106,623,013,110
Liabilities and capital			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	98,786,091,139	84,257,962,935
Deposit and other accounts		-	-
Other liabilities	11	14,132,077,067	11,420,497,550
Total Liabilities		112,918,168,206	95,678,460,485
Shareholders' equity			
Paid-up capital	12	8,380,000,000	7,880,000,000
Statutory reserve	12.1	-	-
Retained earnings	13	3,446,160,483	3,064,552,625
Total shareholders' equity		11,826,160,483	10,944,552,625
Total liabilities and shareholders' equity		124,744,328,689	106,623,013,110

Infrastructure Development Company Limited BALANCE SHEET (CONTINUED)

As at 31 December 2023

Particulars	Notes	Amount in Taka	
		31 December 2023	31 December 2022
Off-Balance sheet items			
Contingent liabilities			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities	39	24,029,147	24,029,147
		<u>24,029,147</u>	<u>24,029,147</u>
Other commitments			
Documentary credit and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		<u>-</u>	<u>-</u>
Total off-balance sheet items		24,029,147	24,029,147
Net asset value (NAV) per share	34	141.12	130.60

The annexed notes 1 to 42 and Annexure A, B, C, D, E, F, G, H and I form an integral part of these financial statements.

Company Secretary

Executive Director & CEO

Director

Director

Chairman

As per our report of same date.

Sabbir Ahmed FCA, Partner
ICAB Enrolment No: 0770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 19 September 2024
DVC No: 2410070770AS804960



Infrastructure Development Company Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2023

Particulars	Notes	Amount in Taka	
		2023	2022
Operating income			
Interest income	15	6,634,087,091	5,202,632,873
less: Interest on deposits, borrowings etc	16	2,473,022,093	1,405,674,854
Net interest income		4,161,064,998	3,796,958,019
Investment income	17	32,685,185	41,018,519
Commission, fees, exchange and brokerage	18	120,824,414	192,027,382
Other operating income	19	1,664,231,863	3,441,399,013
Total operating income (A)		5,978,806,460	7,471,402,933
Operating expenses			
Salaries and allowances	20	201,352,215	249,998,268
Rent, taxes, insurance, electricity etc.	21	10,891,335	8,018,157
Professional & Legal expenses	22	77,467,239	8,806,451
Postage, stamp, telecommunication etc.	23	4,530,131	4,069,014
Stationery, printing, advertisement etc.	24	11,377,853	14,206,826
Chief executive's salary and benefits	25	10,315,456	10,015,877
Directors' fees	26	2,990,049	3,115,043
Auditors' fees	27	476,346	453,663
Depreciation and repair of Company's assets	28	21,212,728	27,166,775
Other operating expenses	29	106,906,783	157,655,755
Charges on loan losses	30	-	-
Total operating expenses (B)		447,520,134	483,505,827
Profit/(Loss) before provision & Tax (C) = (A - B)		5,531,286,326	6,987,897,106
Provision for loans and advances/investment	31.7		
Provision for loans and advances		1,903,622,693	4,453,478,804
Provision for investment		441,694,416	300,000,000
Provision for others		(162,275)	(16,086,347)
Total provision (D)		2,345,154,834	4,737,392,457
Net profit/(loss) before Tax (E) = (C - D)		3,186,131,492	2,250,504,649
Tax expenses (F)	32	1,604,523,634	900,711,580
Net profit/(loss) after tax (G) = (E - F)		1,581,607,858	1,349,793,068
Appropriation			
Statutory reserve	12.1	-	-
General reserve		-	-
Retained surplus		1,581,607,858	1,349,793,068
Earnings per share (EPS)	33	18.87	16.11


The annexed notes 1 to 42 and Annexure A, B, C, D, E, F, G, H and I form an integral part of these financial statements.


Company Secretary



Executive Director & CEO


Director


Director


Chairman

As per our report of same date.


Sabbir Ahmed FCA, Partner
ICAB Enrolment No: 0770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 19 September 2024
DVC No: 2410070770AS804960



Infrastructure Development Company Limited

CASH FLOW STATEMENT

For the year ended 31 December 2023

Particulars	Notes	Amount in Taka	
		2023	2022
A. Cash flows from operating activities			
Interest received		6,359,854,529	5,104,907,219
Interest paid		(2,363,079,562)	(1,063,481,040)
Investment income received		33,333,332	41,666,667
Fees and commission received		120,824,414	192,027,382
Recovery of loan previously written off		5,292,990	5,843,176
Paid to employees and directors		(260,404,890)	(348,296,129)
Paid to suppliers		(165,902,525)	(107,748,679)
Income tax paid		(1,176,376,874)	(1,495,616,923)
Receipts from other operating activities		243,906,190	(120,290,459)
Cash generated from operating activities before changes in operating assets and liabilities		2,797,447,606	2,209,011,215
(Increase)/decrease in operating assets and liabilities			
Advances, deposits and prepayments		23,242,385	36,844,291
Accounts receivables		(9,727,055)	(9,332,723)
Loans and advances		(17,990,846,740)	(508,059,245)
Interest suspense account		(3,115,293)	226,307,079
Payables and accrued expenses		(48,009,110)	275,923,943
Unearned revenue - monitoring Fees		-	(4,865,486)
Lease liability		(4,895,507)	(9,373,570)
		(18,033,351,320)	7,444,289
Net cash flows from operating activities		(15,235,903,714)	2,216,455,504
B. Cash flows from investing activities			
Acquisition of fixed assets (excluding donor funded assets)		(58,758,120)	(26,635,971)
Acquisition of right of use asset		(4,000,000)	(1,996,533)
Settlement of investment		83,333,333	83,333,333
Disposal of fixed assets		3,719,092	311,457
Net cash flows from investing activities		24,294,305	55,012,286
C. Cash flows from financing activities			
Loan drawdown from Government of Bangladesh		21,082,558,379	6,847,282,616
Loan repayment to Government of Bangladesh		(6,554,430,175)	(4,501,191,672)
Dividend paid		(700,000,000)	(500,000,000)
Net cash flows from financing activities		13,828,128,204	1,846,090,944
D. Net increase in cash and cash equivalents (A+B+C)		(1,383,481,204)	4,117,558,734
E. Effects of exchange rate changes on cash and cash equivalents		1,406,148,331	3,547,184,910
F. Cash and cash equivalents at the beginning of the year		30,944,482,196	23,279,738,552
G. Cash and cash equivalents at the end of the year (D+E+F)		30,967,149,322	30,944,482,196
Cash and cash equivalents at end of the year			
Cash in hand (including foreign currencies)	3.1	8,756	15
Money at call and short notice	5	1,100,000,000	880,000,000
Balance with Bangladesh Bank and its agent banks	3.2	3,012,975,553	111,035,053
Balance with other banks and financial institutions	4	26,854,165,013	29,953,447,128
		30,967,149,322	30,944,482,196
Net operating cash flow per share	35	(181.81)	26.45

The annexed notes 1 to 42 and Annexure A, B, C, D, E, F, G, H and I form an integral part of these financial statements.

Company Secretary

Executive Director & CEO

Director

Director

Chairman





Infrastructure Development Company Limited

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

Particulars	Paid up Capital (Taka)	Statutory Reserve	Retained earnings (Taka)	Total shareholders' equity (Taka)
Balance as at 01 January 2023	7,880,000,000	-	3,064,552,625	10,944,552,625
Adjustment	-	-	-	-
Balance	7,880,000,000	-	3,064,552,625	10,944,552,625
Increase/Decrease of revaluation of properties	-	-	-	-
Increase/Decrease of revaluation of investment	-	-	-	-
Currency transaction differences	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-
Net profit for the year	-	-	1,581,607,858	1,581,607,858
Bonus shares	500,000,000	-	(500,000,000)	-
Cash dividend	-	-	(700,000,000)	(700,000,000)
Statutory reserve	-	-	-	-
Balance as at 31 December 2023	8,380,000,000	-	3,446,160,483	11,826,160,483
Balance as at 01 January 2022	7,380,000,000	-	2,714,759,557	10,094,759,557
Adjustment	-	-	-	-
Balance	7,380,000,000	-	2,714,759,557	10,094,759,557
Increase/Decrease of revaluation of properties	-	-	-	-
Increase/Decrease of revaluation of investment	-	-	-	-
Currency transaction differences	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-
Net profit for the year	-	-	1,349,793,068	1,349,793,068
Bonus shares	500,000,000	-	(500,000,000)	-
Cash dividend	-	-	(500,000,000)	(500,000,000)
Statutory reserve	-	-	-	-
Balance as at 31 December 2022	7,880,000,000	-	3,064,552,625	10,944,552,625

The annexed notes 1 to 42 and Annexure A, B, C, D, E, F, G and H form an integral part of these financial statements.

Company Secretary

Executive Director & CEO

Director

Director

Chairman

Infrastructure Development Company Limited
LIQUIDITY STATEMENT (ASSET AND LIABILITY MATURITY ANALYSIS)

As at 31 December 2023

Particulars	Up to 01 month (Taka)	1 - 3 months (Taka)	3 - 12 months (Taka)	1 - 5 years (Taka)	More than 5 years (Taka)	Total (Taka)
Assets						
Cash in hand (including balance with Bangladesh Bank)	3,012,984,309	-	-	-	-	3,012,984,309
Balance with other banks and financial institutions	7,851,095,597	17,361,375,000	-	1,641,694,416	-	26,854,165,013
Money at call and short notice	1,100,000,000	-	-	-	-	1,100,000,000
Investments	-	-	83,333,333	166,666,668	-	250,000,001
Loans and advances	448,770,599	3,555,400,949	13,164,406,682	51,112,428,448	23,740,587,944	92,021,594,622
Fixed assets including land, building, furniture and fixture	30,985,584	36,686	3,882,616	19,434,709	106,398,718	160,738,313
Other assets	1,399,128	18,871,804	1,230,675,861	93,899,637	-	1,344,846,431
Non-banking assets	-	-	-	-	-	-
Total assets	12,445,235,217	20,935,684,439	14,482,298,493	53,034,123,878	23,846,986,662	124,744,328,689
Liabilities						
Borrowings from Government of Bangladesh	-	2,564,838,419	9,858,901,624	36,792,682,289	49,569,668,807	98,786,091,139
Deposits	-	-	-	-	-	-
Other accounts	-	-	-	-	-	-
Provision and other liabilities	26,606,643	947,532,550	2,511,459,281	6,224,321,283	4,422,157,310	14,132,077,067
Total liabilities	26,606,643	3,512,370,969	12,370,360,906	43,017,003,572	53,991,826,116	112,918,168,206
Net Liquidity Gap	12,418,628,575	17,423,313,470	2,111,937,587	10,017,120,306	(30,144,839,454)	11,826,160,483



Infrastructure Development Company Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. Background

1.1 Legal status and nature of the company

The Infrastructure Development Company Limited ("IDCOL" or the "Company"), a non-banking financial institution, was incorporated in Bangladesh on May 14, 1997 as a government owned public limited company under the Companies Act 1994. The Company was licensed by Bangladesh Bank as a non-bank financial institution (NBF) on January 5, 1998. The registered office of the Company is located at UTC Building, Level-16, 8 Panthapath, Kawran bazar, Dhaka -1215.

1.2 Principal activities

Since inception, IDCOL has been playing a major role in bridging the financing gap for developing medium and large-scale infrastructure and renewable energy projects in Bangladesh. The Company now stands as the market leader in private sector energy and infrastructure financing in Bangladesh. The primary objective of the Company is to promote significant participation of the private sector in investment and operation, ownership and maintenance of new infrastructure facilities.

Infrastructure projects

IDCOL is a government-owned financing organization that offers long-term financial support for private sector infrastructure projects to meet the increasing demand for infrastructure development in the country. IDCOL collaborates with multiple development partners and multilateral banks to jointly finance large-scale infrastructure projects. Focusing on the priority sectors of the Government of Bangladesh, IDCOL helps facilitate funding for these projects. Over the years, IDCOL has played a pioneering role in changing the country's infrastructure, particularly in the private power generation sector. In recent years, IDCOL has extended its financing not only in Power Plant projects but also in other promising ventures including Port, Economic Zones, LNG Terminals, Steel Manufacturing etc. IDCOL's investment scope in infrastructure covers various areas including industries that support infrastructure, economic zones, social infrastructure, hotels and tourism, ports, gas infrastructure, water supply and sewage systems, telecommunications, information and communication technology, toll roads and bridges, shipyards, shipbuilding, mass transportation systems, infrastructure backward linkages and urban environmental services. As of 31 December 2023 IDCOL'S Infrastructure projects portfolio stands at over BDT 92 billion.

IDCOL's commitment to promoting private sector investment in infrastructure has resulted in the mobilization of significant co-financing, both in terms of equity and loans, from both local and foreign sponsors, banks, non-banking financial institutions, and development financial institutions for infrastructure projects. Leveraging its experience in working with international lenders for long-term USD financing, IDCOL has been able to secure funds for various local projects from the global market. In 2023, IDCOL made investments across a diverse range of sectors including Economic Zones, steel, ceramics, textiles, pharmaceuticals, education (universities), hospitality (hotels), and glass manufacturing, among others. Additionally, collaborating with multiple foreign Development Finance Institutions (DFIs) and commercial banks has not only strengthened IDCOL's lending capacity but also solidified its reputation as a reliable co-financier among foreign lenders.

IDCOL extends beyond just financing, having broadened its offerings to include arranging and advisory services. The Company facilitates syndicated loan facilities from both local and international markets to fund substantial projects, aligning with its commitment to support private sector infrastructure financing. Since its inception, IDCOL has been arranging loans, earning a distinguished reputation as a leading arranger, particularly in the power sector.

Renewable Energy Projects

Under renewable energy program, IDCOL is implementing projects in four major areas- solar home systems (SHS), domestic biogas plants, improved cook stoves (ICS), solar roof top, and small-scaled renewable energy based power plants.

IDCOL started its SHS Program in 2003 with an initial target to finance 50,000 SHSs with financial assistance from the World Bank and Global Environment Facility (GEF). Subsequently, a number of development partners participated in the program by providing refinancing and grant support. IDCOL provides soft loans and grants as well as necessary technical assistance under the program. IDCOL'S SHS Program has been acclaimed as the largest off-grid renewable energy program in the world having installation of more than 4.13 million SHSs in the remote areas of the country. It has brought significant changes in lives in remote rural areas of Bangladesh through providing access to basic electricity.

IDCOL has been implementing Biogas Program in Bangladesh since 2006. Initially, the program started as National Domestic Biogas and Manure Program (NDBMP) with the support from SNV, Netherlands Development Organization and KfW, German Development Bank. In 2012, the World Bank also joined to support the program under its Household Energy Initiatives. With the support from KfW and the World Bank, IDCOL restructured the Program in 2013. Under this program, IDCOL has a revised target to install 100,000 domestic size biogas plants in Bangladesh by 2029 out of which more than 68,000 biogas plants have already been installed

IDCOL launched the 'Improved Cook Stove (ICS) Program' in May 2013 with the initial target to install 1 million ICSs across the country by 2018. Under the program, IDCOL provides institutional development grant and technical assistance to its partner organizations (POs). IDCOL'S principal objective is commercialization of ICS, which would allow the ICS market to develop and flourish after the completion of the Program. Till December 2023, a total of 4.1 million ICS have been installed under the Program.

Besides, IDCOL has been financing various small-scaled renewable energy projects including solar PV based irrigation pumps, solar PV based micro-grid projects, biomass gasification based power projects, biogas based power plants, solar powered solution for telecom BTS etc. In addition, IDCOL is exploring the financing of more biogas and biomass based power projects in near future. IDCOL has a target to finance 300 MWp rooftop solar by 2025 and 10,000 solar irrigation pumps by 2030. In addition, IDCOL is exploring opportunities of financing waste to energy and wind projects in near future.

Under grid tied project, IDCOL disbursed an amount of USD 20 million and BDT 105.71 crore to Intraco Solar Power Ltd. 30 MW (AC) project. In addition, IDCOL is working to develop 225 MW pipeline projects that are expected to be disbursed in upcoming years.

Corporate advisory services

IDCOL provides a wide range of fee-based advisory services with project advisory, capacity building, financial advisory, government advisory, climate consulting and transaction advisory as its focus areas. IDCOL is currently engaged in advisory assignments in Malawi by the Ministry of Energy, Government of Malawi as Fund Manager of the Off Grid Market Development Fund (OGMDF) of the World Bank; USAID Bangladesh Advancing Development and Growth through Energy (BADGE) Project; in Ethiopia by the Ministry of Water & Energy (MoWE) of the Government of Ethiopia as Grant Administration Support Consultant (GASC) of the Access to Distributed Electricity and Lighting in Ethiopia (ADELE) project of the World Bank and Skills for Employment Investment Program (SEIP) under Finance Division (Tranche 3). IDCOL earlier provided advisory services to the UK Department of Business, Energy and Industrial Strategy (BEIS); Skills for Employment Investment Program (SEIP) under Finance Division; Rural Energy Agency of Tanzania; Loughborough University of UK; Climate Vulnerable Forum-Vulnerable 20 Group (CVF-V20); UNDP; Power Cell; Bangladesh Power Development Board; IRENA and Acron Infrastructure Services Ltd and Food and Agriculture Organization (FAO) Bangladesh. In addition, IDCOL has provided training and capacity building services to 1,600 professionals in Bangladesh and hosted 179 international delegates as part of 18 delegations for their experience sharing program on Renewable Energy.

1.3 Resources

IDCOL has access to resources provided by the World Bank (WB), Asian Development Bank (ADB), Japan International Cooperation Agency (JICA), German Development Bank (KfW), Department for International Development (DFID), Islamic Development Bank (IDB), German Development Cooperation (GIZ), United States Agency for International Development (USAID), SNV-Netherlands Development Organization, French Development Agency (AFD), Green Climate Fund (GCF), Asian Infrastructure Investment Bank (AIIB) and the Government of Bangladesh (GoB) to place in projects across a range of infrastructure and renewable energy projects.

2. Significant accounting policies and basis of preparation

2.1 Basis of accounting

Same disclosed accounting policies and methods of computation have been followed in preparation of the Financial Statements as were applied in the preparation of the financial statements of IDCOL as at and for the year ended 31 December 2023. In addition, some applicable policies have been disclosed during the year, which were being followed in earlier years as well.

The financial statements of the Company have been prepared under historical cost convention in accordance with generally accepted accounting principles as laid down in the International Financial Reporting Standards (IFRS) applicable to the Company. The reported financial statements, i.e. Balance Sheet, Profit and Loss Account, Statement of Changes in Equity and Cash Flow Statement were prepared by capturing the transactions of Infrastructure Development Company Limited.

The financial statements of project accounts are being maintained and prepared separately showing movement of funds, i.e. loans and grants received from various development partners, lenders, etc., realization of principal and interest from borrowers, loan and grants disbursed to borrowers, repayment of loans to development partners, lenders, etc. These project accounts are maintained separately by IDCOL and Receipts and Payments Statement of each such project is prepared separately, and audited and reported separately by an independent auditor. These amounts are not reflected in the Company's financial statements, except for those disclosed in note # 40 to the Company's financial statements. The accumulated movement of funds from the inception as well as the current and the previous year's movements of fund of these projects are shown in note # 40.

2.2 Statement of compliance

The financial statements of IDCOL are prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Finance Company Act 2023 the rules and regulations issued by Bangladesh Bank and the Companies Act, 1994. In case any requirement of the Finance Company Act 2023, and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs, the requirements of the Finance Company Act 2023, and provisions and circulars issued by Bangladesh Bank shall prevail.

2.3 Other comprehensive income

IFRS: As per IAS 1 elements of Other Comprehensive Income (OCI) can be presented in a separate statement i.e. Other Comprehensive Income or can be included in a single Statement of Comprehensive Income.

Bangladesh Bank: Bangladesh Bank has issued templates of financial statements vide DFIM Circular # 11 dated December 23, 2009 which would strictly be followed by NBFIs. The templates of financial statements issued by Bangladesh Bank do not permit to include Statements of Other Comprehensive Income (OCI) nor the elements of Other Comprehensive Income in the statements of Comprehensive Income.

2.4 Non banking assets

IFRS: IFRSs/IASs provide no requirement to disclose non-financial institutional assets separately under non-banking assets head on the face of the balance sheet.

Bangladesh Bank: DFIM Circular-11 dated December 23, 2009 provides the requirement to disclose non-banking assets separately on the face of the balance sheet.

2.5 Current/ Non-current distinction

IFRS: 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.

Bangladesh Bank: Bangladesh Bank has issued templates of financial statements vide DFIM Circular # 11 dated December 23, 2009 which would be followed by NBFIs. In Bangladesh Bank provided templates, there is no current and non current segregation of assets and liabilities.

**2.6 Fees, Commission and Brokerage**

IDCOL is a specialized NBFIs focusing on renewable energy, infrastructure finance and energy efficiency projects and working persistently to achieve the development objective of the Government. Unlike other conventional banks and FIs, IDCOL's investment strategy is focused on operating in niche market. IDCOL provides loans both in local currency (BDT) and US dollar. IDCOL's pricing for Loans is different for different types of products, which are not always in congruence with the market rate. For some products, IDCOL's interest rate is lower than market interest rate. Very often these lendings are sourced from several multilateral and bi-lateral organizations under which IDCOL has to pay commitment fees as per the agreement. Considering the special nature of fund sources that require commitment charges on the borrowed fund, as well as its special and concessionary lending operations, IDCOL is collecting fees from some loans which are not permissible under DFIM circular no. 1, dated 03 April 2018. However, Upon submission of explanation, Bangladesh Bank granted exemption from said circular vide letter number DFIM(P) 1052/27/2020-1683, dated: 23 September 2020 with effect from 2021.

2.7 Cash flow statement

IFRS: Statement of Cash Flows can be prepared using either direct method or 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.

Bangladesh Bank: As per DFIM circular no. 11 of 23 December 2009, cash flow is the mixture of direct and indirect methods. Money at call on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

2.8 Provision for loans and advances

IFRS: As per IFRS 9 "Financial Instruments", an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses.

Bangladesh Bank: As per DFIM Master Circular no. 04 dated 26 July 2021, a general provision at 0.25% to 5% under different categories of unclassified loan (good/standard loans) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances.

Loan classification status during the year ended 31 December 2023 has been determined as per DFIM Circular Letter No. 13 dated 28 June 2022, DFIM Letter: 1052/27/2022-21 dated 2 January 2022, DFIM Circular Letter No 33 dated 19 December 2021 and DFIM Master Circular no. 04 dated 26 July 2021.

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.

As per DFIM circular letter no 33 dated 19 December 2021, 2% additional provision has been reserved against accounts availing deferral facility.

2.9 Cash and cash equivalent

IFRS: Cash equivalents 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 three months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits shall 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: Some cash and cash equivalent items which include 'money at call on short notice', are not shown as cash and cash equivalents.

2.10 Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified at amortised cost as per IFRS 9 "Financial Instruments" and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

Bangladesh Bank: As per DFIM Master Circular no. 04 dated 26 July 2021, 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.

2.11 Financial instruments: presentation and disclosure

IFRS: IFRS 7 require specific presentation and disclosure relating to all financial instruments.

Bangladesh Bank: As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 7. As such some disclosure and presentation requirements of IFRS 7 have not been made in the accounts.

2.12 Presentation of intangible asset

IFRS: An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.

Bangladesh Bank: There is no regulation for intangible assets in DFIM circular no. 11 of 23 December 2009.

2.13 Income Tax

Current tax: Provision for income tax has been made at best estimate keeping in view the provisions of Income Tax Act 2023 and amendments made thereto from time to time. Current tax liability of the Company is computed applying the following tax rates:

- Regular business tax rate: 40%
- Dividend income: 20%

Deferred tax: A deferred tax asset has been recognized in accordance with IFRS for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible 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. However, no deferred tax asset has been recognized for any deductible temporary difference against lease, loans and advances as per DFIM circular No. 7, dated 31 July 2011 of Bangladesh Bank.

2.14 Off-balance sheet items

IFRS: 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.

Bangladesh Bank: As per DFIM circular no. 11 of 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.

2.15 Valuation of Investments in quoted and unquoted shares

IFRS: As per requirements of IFRS 9 "Financial Instruments" classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit and loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the period-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank: As per FID circular No. 08 dated 03 August 2002, investments in quoted shares and unquoted shares are revalued at the year or period 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.

2.16 Use of estimate and judgments

The preparation of these financial statements in conformity with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and Bangladesh Bank guidelines requires management to make judgment, estimates and assumptions that affect the application of accounting policies such as provision for loans and advances. Estimates and underlying assumptions are reviewed on an ongoing basis.

2.17 Functional and presentation currency

These financial statements are using the currency of the primary economic environment in which the Company operates (the functional currency) and presentation currency is Bangladesh Taka which is also the functional currency of the Company.

2.18 Revenue recognition

Revenue is only recognized when it meets the following five steps model framework as follows:

- i) Identify the contract(s) with a customers;
- ii) Identify the performance obligations in the contract;
- iii) Determine the transaction price;
- iv) Allocate the transaction price to the performance obligations in the contract;
- v) Recognize revenue when (or as) the entity satisfies a performance obligation.

Interest income from loans and other sources is recognized following accrual basis of accounting.

2.19 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is charged monthly in straight line method. Depreciation on additions to fixed assets is charged in full for the month of addition, and no depreciation is charged for the month in which an asset is disposed. Depreciation rates are aligned with Laws of the Land along with IAS/IFRS. The following rates of depreciation are applied:

Category of assets	Rate of depreciation
Office space	10%
Furniture, fixture and decoration	10%
Computer and computer equipment	25%
Office equipment	10%
Vehicle	20%
Software Bangladeshi made software	50%
Software Imported	10%

2.20 Accounting for grant

Accounting for grant has been made in accordance with International Accounting Standards (IAS) - 20 "Accounting for Government Grants and Disclosure of Government Assistance". Grant has been recognized as income to the extent of depreciation on grant funded assets.

2.21 Foreign currency transactions (Exchange fluctuations and gains or losses)

Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the date of statement of financial position are translated into taka at the exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognized in profit and loss account as per IAS 21: the effects of changes in foreign exchange rates.

2.22 Write-off

A loan write off – as it applies to individual borrowers - simply meaning taking off the amount from the Balance Sheet against which provision has already been made for a reduction in the value of an asset or earnings by the amount of an expense or loss. When businesses file their income tax return, they are able to write off expenses incurred to run the business and subtract them from their revenue to determine their taxable income. Recovery of debts written off provided for its credited revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances.

**2.23 Earnings per share (EPS)**

As per IAS - 33, the Company presents its basic earnings per share (EPS) for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. The calculation has been provided in Note 33.

2.24 Related party disclosure

As per International Accounting Standards (IAS 24), 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. All transactions were carried out in the ordinary course of business on an arm's length basis. Related party transactions have been provided in Note 38.

2.25 Employee benefitsDefined contribution plan (provident fund)

The Company operates a contributory provident fund scheme where employees contribute 10% of their basic salary with equal contribution by the Company. The provident fund is considered as defined contribution plan being managed by a Board of Trustees.

As per Financial Reporting Council notification # 179/FRC/FRN/notification/2020/2 dated 07 July 2020, an amount of Tk. 198,702 was forfeited from contributory provident fund during the period 1 January 2022 to 31 December 2022 and was repatriated to IDCOL during FY 2023.

Defined benefit plan (gratuity fund)

The Company operates a funded gratuity scheme, provision in respect of which is made annually covering all permanent employees. The employees gratuity fund is being considered as defined benefit plan. During FY 2023, an amount of Tk. 1,388,196 was transferred to the trustee fund. Details are given in note 11.3.

2.26 Internal Audit

Internal Audit function plays a crucial role in ongoing assessment and maintenance of internal control, risk management and governance in the organization. Internal audit team conducts audit in all partner NGO's and IDCOL regional offices. Internal audit use standard approach to determine their respective work plan and actions.

2.27 Fraud and forgeries

To prevent fraud and forgeries internal audit team acts independently as the first contact point/information unit. As a counteractive course of action, preventive and corrective measures are recommended to the operation unit to take necessary action. All fraud related issues are recorded in the fraud register in a systematic manner for future reference.

2.28 Disclosure on compliance of international financial reporting standard (IFRS)

Name of the standards	Ref.No.	Compliance status
First-time Adoption of Bangladesh Financial Reporting Standards	IFRS-1	Not applicable
Share Based Payment	IFRS-2	Not applicable
Business Combinations	IFRS-3	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS-5	Applied
Exploration for and Evaluation of Mineral Resources	IFRS-6	Not applicable
Financial Instruments: Disclosures	IFRS-7	Applied with some departures (note 2)
Operating Segments	IFRS-8	Not applicable
Financial instruments	IFRS-9	Applied with some departures (note 2)
Consolidated Financial Statements	IFRS-10	Not applicable
Joint Arrangements	IFRS-11	Not applicable
Disclosure of Interests in Other Entities	IFRS-12	Not applicable
Fair Value Measurement	IFRS-13	Applied with some departures (note 2)
Regulatory Deferral Accounts	IFRS-14	Not applicable
Revenue form Contracts with Customers	IFRS-15	Applied
Leases	IFRS-16	Applied
Insurance Contracts	IFRS-17	Not applicable
Presentation of Financial Statements	IAS-1	Applied with some departures (note 2)
Inventories	IAS-2	Not applicable
Statement of Cash Flows	IAS-7	Applied with some departures (note 2)
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Applied
Events After the Reporting Period	IAS-10	Applied
Construction Contracts	IAS-11	Not applicable
Income Taxes	IAS-12	Applied
Property, Plant and Equipment	IAS-16	Applied

Name of the standards	Ref.No.	Compliance status
Employee Benefits	IAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS-20	Applied
The Effects of Changes in Foreign Exchange Rates	IAS-21	Applied
Borrowing Cost	IAS-23	Not applied*
Related Party Disclosures	IAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	Not applicable
Separate Financial Statements	IAS-27	Not applicable
Investments in Associates	IAS-28	Not applicable
Financial Reporting in Hyperinflationary Economies	IAS-29	Not applicable
Financial Instruments: Presentation	IAS-32	Applied with some departures (note 2)
Earnings per Share	IAS-33	Applied
Interim Financial Reporting	IAS-34	Applied
Impairments of Assets	IAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied
Intangible Assets	IAS-38	Applied
Financial Instruments: Recognition and Measurement	IAS-39	Applied with some departures (note 2)
Investment Property	IAS-40	Not applicable
Agriculture	IAS-41	Not applicable

***Not applied as there were no relevant transaction.**

The Company has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2023 have been considered. However, these amendments have no material impact on the financial statements of the Company.

2.29 Basis of measurement

The financial statements have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

2.30 Events after the reporting period

Events after the reporting period: As per IAS 10 "Events after the reporting period", all material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed in note 37.

2.31 Going concern

The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

2.32 Reporting period

These financial statements have been prepared for the period from 1 January 2023 to 31 December 2023.

2.33 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;
- vi) Comparative information in respect of the preceding period; and
- vii) Statement of financial position at the beginning of preceding period for retrospective restatement.

Treatment adopted as per Bangladesh Bank

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) Cash flows statement;
- iv) Statement of changes in equity;
- v) Statement of liquidity; and
- vi) Notes, comprising significant accounting policies and other explanatory information.

2.34 **Number of employees**

During the year under audit, there were 403 (2022: 411) employees employed for the full period which includes 8 (2022: 9) employees for less than full period at a remuneration of Taka 3,000 and above per month.

2.35 **Workers' profit participation and welfare fund (WPPF)**

Establishment of Workers' Profit Participation and Welfare Fund (WPPF) is a matter of Banking and Financial Institutions Sector as a whole. Ministry of Finance through its letters no. 53.00.0000.311.22.002.17-130 dated February 14, 2017 and no. 53.00.0000.311.22.002.17-140 dated February 25, 2018 expressed its opinion that Chapter 15 on "Participation in Company Profits by Workers" in the Bangladesh Labor Act 2006 and amendments made therein on July 22, 2013 should not be applicable for Banks and Financial Institutions and requested to the Ministry of Labor and Employment to take necessary steps in this regard as well as not to apply the said chapter of Labor Act 2006 for Banks and Financial Institutions. Therefore, like other Banks and Financial Institutions, IDCOL did not recognize the WPPF.

2.36 **Exemptions and waivers**

Financial Institutions Division (currently known as Department of Financial Institutions and Market) of Bangladesh Bank vide its letter no FID(L)1053/69/4 dated 05 January 1998 had granted IDCOL exemption from several sections of the Financial Institutions Act-1993 considering its special operational nature as a specialized financial institution. However, IDCOL complies with circulars and directives issued by Bangladesh Bank from time to time in order to ensure uniformity of supervision and governance in the financial services industry.

2.37 **Risk management**

In IDCOL, a well-structured and proactive risk management system is working within the Company to address and manage the risks relating to credit, market, liquidity and operations along with the guidelines for managing core risks of financial institutions issued by the Bangladesh Bank (Central Bank), vide FID circular No. 10 dated September 18, 2005.

Credit risk

Credit risk is being managed through a framework set by policies and procedures developed by the management and approved by the IDCOL board. The approval process contributes in mitigating credit risk. Every proposal is reviewed by Credit Risk Management Unit, Credit Risk Management Committee, Credit Committee and Board of Directors as a part of risk governance in IDCOL. Moreover, IDCOL has a Credit Risk Manual implemented in accordance with guideline provided by Bangladesh Bank.

The responsibility is clearly segregated between origination of business and approval of the transaction in order to maintain the independence and integrity of the credit decision-making process. The project appraisal team after completing their detailed due diligence of the project submits the completed project appraisal report to Credit Risk Management (CRM) department. After the risk assessment of CRM, the project is submitted to CRM committee headed by CEO and comprising of functional unit heads. Once approved by the CRM Committee, it goes to Credit Committee for their review and approval and final approval obtained from the IDCOL Board.

Market risk

Market risk arises from the fluctuation of returns caused by the macroeconomic factors that affect the overall performance of the financial market and organization as well. The Asset Liability Management Committee reviews the market trend of interest rates and matches the interest risks of the assets so that it can meet its obligations without making any losses. It also ensures that IDCOL has appropriate capital to cover potential losses from exposures to changes in interest rates. IDCOL management makes sure that lending and borrowing currency will always be same so that Company does not have to bear any foreign currency risk.

Liquidity risk

IDCOL has established strategies, policies and practices to manage liquidity risk in accordance with the risk tolerance and to ensure sufficient liquidity. The Asset Liability Management Committee (ALCO) of IDCOL actively monitors and controls liquidity risk exposures.

Operational risk

Managing operational risks requires timely and accurate information as well as a strong control culture. To do so, IDCOL has established an internal control & compliance unit to address operational risks and to frame and implement policies to encounter such risks. IDCOL also provides training for capacity building of the employees, ensures active participation of the senior management in identifying and mitigating key operational risks, maintains proactive communication between our revenue-producing units and our independent control and support functions and has built a network of systems throughout the firm to facilitate the collection of data used in analyzing and assessing our operational risk exposure.

Money laundering risk

A separate Central Compliance Unit (CCU) of IDCOL has been established which is responsible for managing money laundering risks following guidance notes on Prevention of Money Laundering and Terrorist Financing issued by Bangladesh Bank.

Information technology and communication risk

IDCOL has a full-fledged department which ensures adequate IT and MIS infrastructure and its security. It streamlines the management information systems with the strategic direction of the Company while mitigating the risks associated with incorrect deployment and use of information technology.

	Notes	Amount in Taka													
		31-Dec-2023	31-Dec-2022												
3 Cash															
Cash in hand	3.1	8,756	15												
Balance with Bangladesh Bank and its agent bank	3.2	3,012,975,553	111,035,053												
		3,012,984,309	111,035,068												
3.1 Cash in hand															
Local Currency		8,756	15												
Foreign Currencies		-	-												
		8,756	15												
3.2 Balance with Bangladesh Bank and its agent bank															
Bangladesh Bank balance in local currency		1,722,123	1,647,355												
Bangladesh Bank balance in foreign currency		3,011,253,430	109,387,698												
		3,012,975,553	111,035,053												
3.2.1 Balance with Bangladesh Bank and its agent bank															
		<table border="1"> <thead> <tr> <th colspan="2">Amount in JPY</th> <th colspan="2">Exchange Rate per JPY</th> </tr> <tr> <th>2023</th> <th>2022</th> <th>2023</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>3,882,983,147</td> <td>148,584,214</td> <td>0.7755</td> <td>0.7362</td> </tr> </tbody> </table>		Amount in JPY		Exchange Rate per JPY		2023	2022	2023	2022	3,882,983,147	148,584,214	0.7755	0.7362
Amount in JPY		Exchange Rate per JPY													
2023	2022	2023	2022												
3,882,983,147	148,584,214	0.7755	0.7362												
Bangladesh Bank balance in foreign currency		3,011,253,430	109,387,698												
		3,011,253,430	109,387,698												
As on 31 December 2023, an amount of JPY 3,882,983,147 (Equivalent of BDT 3,011,253,430) has been maintained with Bangladesh Bank Imprest Account under JICA BD P-109 credit line.															
3.3 Cash reserve ratio (CRR)															
Required reserve @ 2.5% of average balance of term deposit		-	-												
Actual reserve		-	-												
Surplus		-	-												
3.4 Statutory liquidity ratio (SLR)															
Required reserve @ 5% of average liabilities excluding funds from banks/FIs		-	-												
Actual reserve held		-	-												
Surplus		-	-												
Total surplus		-	-												
As per Bangladesh Bank notice FID(G) 1051/circular 2/10, dated 22 October 1997, IDCOL is exempted from complying with section 9 (Statutory Reserve) and section 19 (maintaining liquid assets) of the Financial Institutions Act, 1993 [section 8 (Statutory Reserve) and section 9 (maintaining liquid assets) of the Finance Company Act, 2023]. As such, maintenance of a Statutory Reserve, Cash Reserve Ratio (CRR) or Statutory Liquidity Ratio (SLR) is not required for IDCOL.															
3.5 Capital adequacy ratio (CAR)															
Under the section 6 of Financial Institutions Act, 1993 [section 8 of Finance Company Act, 2023], Bangladesh Bank shall prescribe the minimum capital of every financial institution. And as per the Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions (DFIM Circular No. 14/2011) that has come into force from 1 January 2012; Financial Institutions are required to maintain a CAR of minimum 10%.															
To be noted that IDCOL being a state-owned development financial organization has a goal to ensure economic prosperity through sustainable and environment friendly investments in the infrastructure and renewable energy sectors of Bangladesh. To achieve the development objective of the Government, IDCOL is exempted from several sections of FI Act 1993; i.e. minimum capital requirement for Financial Institutions (Section 6, as per Bangladesh Bank notice FID(G) 1051/circular 2/10, dated 22 October 1997). Nevertheless IDCOL currently maintains the minimum capital prescribed under section 6 sub-section (1) and DFIM Circular No. 14/2011. As on 31 December 2023, Capital Adequacy Ratio was 19.25%.															
Core capital (Tier-1)/Shareholders' equity															
Paid-up capital		8,380,000,000	7,880,000,000												
Share premium		-	-												
Statutory reserve		-	-												
General reserve		-	-												
Dividend equalization reserve		-	-												
Retained earnings		3,446,160,483	3,064,552,625												
Non-controlling interest		-	-												
A) Sub total		11,826,160,483	10,944,552,625												



	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
Supplementary capital (Tier - II)			
General provision (Unclassified loans up to specified limit + SMA + off Balance sheet exposure)		821,079,854	617,241,329
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		821,079,854	617,241,329
C) Total eligible capital (A+B)		12,647,240,337	11,561,793,954
D) Total risk weighted assets		65,686,388,326	55,692,806,320
E) Required capital based on risk weighted assets (10% of D)		6,568,638,833	5,569,280,632
F) Surplus (C-E)		6,078,601,505	5,992,513,322
Capital adequacy ratio (%) (C / D)		19.25%	20.76%
4 Balance with other banks and financial institutions			
Inside Bangladesh			
<u>Local currency</u>			
Current and short-term deposits in local currency	4.1	614,976,185	1,014,118,439
Fixed deposits in local currency	4.2	6,647,694,416	8,373,194,416
		7,262,670,601	9,387,312,855
<u>Foreign currency</u>			
Current and short-term deposits in foreign currency	4.3	3,358,119,412	53,034,272
Fixed deposits in foreign currency	4.4	16,233,375,000	20,513,100,000
		19,591,494,412	20,566,134,272
Outside Bangladesh		-	-
		26,854,165,013	29,953,447,128
4.1 Current and short-term deposits in local currency			
Janata Bank PLC.	4.1.1	462,842,535	724,421,346
The City Bank PLC.	4.1.2	1,533,851	3,908,639
Prime Bank PLC.	4.1.3	7,152,913	6,922,893
National Credit and Commerce Bank PLC.	4.1.4	3,181,301	3,176,962
National Bank PLC.	4.1.5	387,915	389,841
Islami Bank Bangladesh PLC.	4.1.6	189,340	182,989
Agrani Bank PLC.	4.1.7	126,441,282	257,958,639
Eastern Bank Ltd.	4.1.8	845,786	832,574
Standard Chartered Bank	4.1.9	172,809	6,073,464
Dhaka Bank PLC.	4.1.10	12,228,454	10,251,094
		614,976,185	1,014,118,439
4.1.1 Janata Bank PLC.			
<u>Accounts under development partner funded projects</u>			
IDA -5158-BD : REREDP-II		1,410,941	49,172,658
IDA -5514-BD : Additional Financing REREDP-II		1,837,102	89,076,695
IDB -151-BD		32,173	7,641,646
JICA BD P-90		-	-
JICA BD P-109		49,942,760	293,214,738
KFW-PUREP		5	1,002
AFD Loan no. CBD 1026-01-W		-	-
SEIP-Tranche 3		1,183,113	-
AIB Loan no. L0344A		4,111,307	-
<u>Company accounts</u>			
STD Account		404,325,134	285,314,606
		462,842,535	724,421,346

	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
4.1.2 The City Bank PLC.			
<u>Accounts under development partner funded projects</u>			
KfW - 2006.65.612 -NDBMP		517	136,187
<u>Company accounts</u>			
Imprest account		1,533,333	3,772,452
		1,533,851	3,908,639
4.1.3 Prime Bank PLC.			
<u>Company accounts</u>			
Salary account		494	495
<u>Accounts for Regional Offices</u>			
Barisal		389,687	385,192
Bogura		597,750	500,501
Chattogram		387,749	394,773
Dhaka		1,132,324	1,174,673
Faridpur		367,719	353,200
Rangpur		591,999	576,844
Thakurgaon		796,681	751,374
Rajshahi		445,047	392,868
Kushtia		692,265	654,218
Jashore		583,308	582,328
Jamalpur		383,101	389,891
Khulna		393,194	384,994
Mymensingh		391,595	381,541
		7,152,913	6,922,893
4.1.4 National Credit and Commerce Bank PLC.			
<u>Revolving fund account under projects</u>			
PPIDF: ADB 2453-BAN (SF)		2,790,935	2,790,935
<u>Accounts for regional offices</u>			
Brahmanbaria (Cumilla)		195,225	196,348
Noakhali		195,141	189,679
		3,181,301	3,176,962
4.1.5 National Bank PLC.			
<u>Accounts for regional office</u>			
Sylhet (Sunamganj)		387,915	389,841
		387,915	389,841
4.1.6 Islami Bank Bangladesh PLC.			
<u>Accounts for regional office</u>			
Borguna		189,340	182,989
		189,340	182,989
4.1.7 Agrani Bank PLC.			
<u>Accounts under development partner funded projects</u>			
IDA-6202		8,439,541	8,409,337
IDA-6363		100,215,481	249,095,453
TF0A7640		17,786,260	453,849
		126,441,282	257,958,639
4.1.8 Eastern Bank PLC.			
<u>Revolving fund account under projects</u>			
P-075 : JICA		845,786	832,574
		845,786	832,574
4.1.9 Standard Chartered Bank			
<u>Company account</u>			
Salary account		172,809	6,073,464
		172,809	6,073,464



	Notes	Amount in Taka					
		31-Dec-2023	31-Dec-2022				
4.1.10 Dhaka Bank PLC.							
Revolving fund account under projects							
P-090 : JICA		10,002,956	9,901,739				
Accounts under development partner funded projects							
KfW-REP		2,225,497	349,355				
		12,228,454	10,251,094				
4.2 Fixed deposits in local currency							
BD Finance		-	144,000,000				
Dhaka Bank PLC.		774,500,000	870,000,000				
EXIM Bank PLC.		774,500,000	880,000,000				
FAS Finance & Investment Limited		290,000,000	290,000,000				
First Finance Limited		300,000,000	300,000,000				
GSP Finance Company (Bangladesh) Limited		42,986,416	42,986,416				
IFIC Bank PLC.		774,000,000	880,000,000				
International Leasing and Financial Services Limited		290,000,000	290,000,000				
Mutual Trust Bank PLC.		750,000,000	840,000,000				
NCC Bank PLC.		320,000,000	880,000,000				
Premier Leasing & Finance Limited		350,000,000	350,000,000				
Prime Bank PLC.		-	211,500,000				
Prime Finance & Investment Limited		286,500,000	286,500,000				
Social Islami Bank PLC.		-	490,000,000				
Southeast Bank PLC.		633,000,000	-				
The City Bank PLC.		80,000,000	-				
Trust Bank PLC.		420,000,000	879,000,000				
Union Capital Limited		82,208,000	82,208,000				
United Commercial Bank PLC.		480,000,000	657,000,000				
		6,647,694,416	8,373,194,416				
4.3 Current and short-term deposits in foreign currency							
Janata Bank PLC.		1,068,830,236	45,322,577				
Commercial Bank of Ceylon PLC. (PPIDF-1 revol. USD)		2,289,289,175	7,711,695				
		3,358,119,412	53,034,272				
4.3.1 Details of current and short-term deposits in foreign currency							
		Amount in USD		Exchange rate per USD			
		2023	2022	2023	2022		
Janata Bank PLC.		9,761,007	448,738	109.50	101.00	1,068,830,236	45,322,577
Commercial Bank of Ceylon PLC. (PPIDF-1 revol. USD)		20,906,750	76,353	109.50	101.00	2,289,289,175	7,711,695
						3,358,119,412	53,034,272
4.4 Fixed deposits in foreign currency							
Fixed deposit receipt with:							
Janata Bank PLC.	4.4.1					16,233,375,000	20,513,100,000
						16,233,375,000	20,513,100,000
4.4.1 Details of fixed deposits in foreign currency							
		Amount in USD		Exchange rate per USD			
		2023	2022	2023	2022		
Janata Bank PLC.		148,250,000	203,100,000	109.50	101.00	16,233,375,000	20,513,100,000
						16,233,375,000	20,513,100,000

	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
4.5 Maturity grouping of balance			
On demand		3,973,095,597	1,067,152,712
Up to one month		3,878,000,000	18,915,800,000
More than one month but less than three months*		17,361,375,000	8,199,800,000
More than three months but less than one year*		-	45,000,000
More than one year but less than five years*		1,641,694,416	1,725,694,416
More than five years		-	-
		26,854,165,013	29,953,447,128
* Less than three months, less than one year and less than five years imply up to three months, up to one year and up to five years respectively.			
5 Money at call and short notice			
		1,100,000,000	880,000,000
		1,100,000,000	880,000,000
Janata Bank PLC.		750,000,000	880,000,000
NCC Bank PLC.		350,000,000	-
		1,100,000,000	880,000,000
6 Investments			
Investment in Summit LNG Terminal Co. (Private) Limited Preference shares			
25,000,000 outstanding shares with a face value of Tk. 10 per share		250,000,001	333,333,334
		250,000,001	333,333,334
6.1 Maturity grouping of investments			
On demand		-	-
Upto one month		-	-
More than one month but less than three months		-	-
More than three months but less than one year		83,333,333	83,333,333
More than one year but less than five years		166,666,668	333,333,334
More than five years		-	-
		250,000,001	416,666,667
7 Loans and advances			
Inside Bangladesh			
Long-term finance	7.1	90,988,839,308	73,305,735,351
Short term financing	7.2	632,600	1,363,780
Interest receivable on loans and advances	7.3	1,032,122,714	719,360,964
		92,021,594,622	74,026,460,095
Outside Bangladesh		-	-
		92,021,594,622	74,026,460,095
7.1 Long-term finance			
Opening balance at January 01		73,305,735,351	74,527,402,697
Add: Disbursement made during the year		24,929,378,421	9,100,718,846
Add: Interest capitalization during the year		111,632,331	63,557,752
		98,346,746,103	83,691,679,295
Less: Realization during the year		(9,140,847,425)	(13,145,823,802)
Less: Written-off/waived during the year		(308,473,963)	(1,729,916,206)
Less: Disbursement Reversal		-	-
Add: Forex gain/ (Loss)		2,091,414,592	4,489,796,064
Closing balance at December 31		90,988,839,308	73,305,735,351
7.1.1 Sector wise disclosure of long term finance			
Infrastructure loan	7.1.1.1	73,776,138,973	59,364,509,984
Renewable energy project	7.1.1.2	17,164,719,575	13,891,409,538
Employee car loan		10,005,714	13,363,747
Employee home loan		37,975,046	33,526,335
		90,988,839,308	73,302,809,604



	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
7.1.1.1 Infrastructure loan			
Infrastructure finance (IF)		37,761,952,161	35,249,722,981
Industrial and energy efficiency financing (IEEF)		20,380,512,248	18,795,744,055
Public private partnership (PPP)		15,633,674,565	5,319,042,948
		73,776,138,973	59,364,509,984
7.1.1.2 Renewable energy project			
Battery recycling		115,966,825	147,954,306
Bio electricity		294,018,155	307,380,740
Biogas program		37,250,275	50,425,197
Solar grid-tied project		3,850,023,378	565,348,692
Solar home systems		9,160,200,587	9,807,071,853
Solar irrigation project		1,132,387,031	1,299,648,491
Solar mini grid project		211,494,124	331,082,475
Solar rooftop project		2,363,379,200	1,382,497,784
		17,164,719,575	13,891,409,538
7.2 Short term financing			
Opening balance at January 01		1,363,780	1,553,395
Add: Disbursement made during the year		-	-
		1,363,780	1,553,395
Less: Realization during the year		(731,180)	(189,615)
Closing balance at December 31		632,600	1,363,780
7.2.1 Short term financing			
Biogas program		632,600	1,363,780
		632,600	1,363,780
7.3 Interest receivable on loans and advances			
Interest receivable on infrastructure loan	7.3.1	952,366,297	670,361,052
Interest receivable on renewable energy loan	7.3.2	79,756,417	48,999,912
		1,032,122,714	719,360,964
7.3.1 Interest receivable on infrastructure loan			
Infrastructure finance (IF)		429,693,796	269,436,170
Industrial and energy efficiency financing (IEEF)		443,706,446	379,507,428
Public private partnership (PPP)		78,966,055	21,417,454
		952,366,297	670,361,052
7.3.2 Interest receivable on renewable energy loan			
Battery recycling		103,413	3,088,566
Bio electricity		10,910,864	12,447,988
Biogas advance facility		9,801	33,801
Biogas project		1,257,702	1,024,674
Solar grid-tied project		15,192,207	329,786
Solar irrigation project		36,020,564	20,282,367
Solar mini grid project		3,999,002	8,314,286
Solar rooftop project		12,262,864	3,478,443
		79,756,417	48,999,912
7.4 Large loan disclosure			
BSRM Steels Limited (BSRMSL)		5,641,511,852	2,325,222,657
BRAC University (BRACU)		4,502,934,119	2,001,068,076
Grameen Shakti (GS)		3,919,542,524	4,153,787,708
Confidence Power Bogura Limited (CPBL)		3,605,957,218	3,555,182,012
Kushiara Power Company Limited (KPCL)		3,548,361,894	4,328,048,784
Confidence Power Rangpur Limited (CPRL)		3,515,799,312	3,367,481,207
Premier Cement Mills Limited (PCMP)		3,403,322,312	-

Notes	Amount in Taka	
	31-Dec-2023	31-Dec-2022
Doreen Hotels and Resorts Ltd. (DHRL)	3,292,366,292	3,114,477,953
Intraco Solar Power Limited (ISPL)	3,261,871,984	-
Rural Services Foundation (RSF)	2,629,836,282	2,629,747,670
Regent Energy and Power Limited (REPL)	2,520,019,197	2,537,039,207
Feni Lanka Power Limited (FLPL)	2,399,942,406	2,473,341,066
Karim Tex Limited (KTL)	2,370,569,158	-
Meghna Cement Mills Limited (MCML)	2,219,837,189	2,514,286,324
Sena Kalyan Sangstha (SKS)	2,129,553,769	2,717,229,475
Bengal Hotels & Resorts Limited (BHRL)	2,101,235,811	-
Akij Glass Industries Limited (AGIL)	1,981,255,341	-
Crown Cement PLC (CCP)	1,810,300,041	-
Karnaphuli Power Limited (KPL)	1,777,179,116	1,963,520,282
Ace Alliance Power Limited (AAPL)	1,696,199,356	1,814,058,267
Zodiac Power Chittagong Limited (ZPCL)	N/A	1,884,057,724
City Navigations Limited (CNL)	N/A	1,761,916,255
DBL Industrial Park Limited (DIPL)*	N/A	1,701,713,555
Summit Barisal Power Limited. (SBPL)	N/A	1,673,597,773
Midland East Power Limited (MEPL)	N/A	1,585,758,840
Seven Circle (Bangladesh) Limited (SCBL)	N/A	1,404,355,230
	58,327,595,178	49,505,890,064

*The above list represents the top 20 large loans based on the outstanding closing balance as on the respective fiscal years. Some of the loan accounts that appeared on the list of top 20 large loans in the previous year were omitted during the current year as those are no longer large loans based on the outstanding balance as at 31 December 2023. However, outstanding balances of such accounts at the end of FY 2023 are BDT 1,673,920,264, BDT 1,021,695,843, BDT 1,582,936,868, BDT 1,518,161,895, BDT 1,546,503,699, and BDT 1,203,952,643 in the cases of Zodiac Power Chittagong Limited (ZPCL), City Navigations Limited (CNL), DBL Industrial Park Ltd. (DIPL), Summit Barisal Power Ltd. (SBPL), Midland East Power Limited (MEPL) and Seven Circle (Bangladesh) Limited (SCBL) respectively.

7.5 Particulars of loans, advances and leases

a) Loan considered good in respect of which the FI is fully secured	15,479,422,611	8,549,730,047
b) Loan considered good in respect of which the FI is partially secured	76,542,172,012	65,476,730,047
c) Loan considered good for which the FI holds no other security than the debtor's personal security.	-	-
d) Loan considered good for which the FI holds no other security than the debtor's personal security.	-	-
e) Loan considered good and secured by the personal security of one of more parties in addition to the personal security of the debtors.	-	-
f) Loan adversely classified for which no provision is created.	-	-
	92,021,594,622	74,026,460,094
g) Loan due by directors or officers of the FI or any of them either separately or jointly with any other persons.	47,980,760	46,890,082
h) Loan due by companies and firms in which the directors of the FI have interest as directors, partners or managing agent or in case of private companies as members.	-	-
i) Maximum total amount of advances including temporary advances made at any time during the year to directors and managers or officers of the FI or any of them either separately or jointly with any other persons.	1,236,464	19,135,917
j) Maximum total amount of advances including temporary advances made at any time during the year to the companies or firms in which the directors of the FI have interest as directors partners or managing agents or in case of private companies as members.	-	-
k) Due from other Bank/FI companies.	-	-
l) Classified loans advances and leases.	-	-
(i) Classified loans, advances and leases on which interest has not been charged	10,969,543,255	7,540,087,671
(ii) Provision kept against bad loans, advances and leases	7,370,158,709	2,285,696,215
(iii) Interest credited to Interest Suspense Account	982,640,547	875,549,977
	19,322,342,511	10,701,333,863
m) Cumulative amount of written off loans, advances and leases		
Opening Balance	4,838,636,542	3,207,943,230
Amount written off during the year	308,473,963	1,729,916,245
Amount received from written off loans and leases during the year	(5,292,990)	(99,222,933)
Balance of written off loans, advances and leases	5,141,817,515	4,838,636,542

**i) Break down of written off loans, advances and leases**

FY	Amount written off	Amount recovered	Balance
2016	144,576,027	1,597,600	142,978,427
2017	-	3,863,000	139,115,427
2018	-	10,692,822	128,422,605
2019	1,824,647,718	6,514,578	1,946,555,745
2020	1,178,822,808	10,286,352	3,115,092,201
2021	98,154,676	5,303,647	3,207,943,230
2022	1,729,916,245	99,222,933	4,838,636,542
2023	308,473,963	5,292,990	5,141,817,515
Total	5,284,591,437	142,773,922	

Notes	Amount in Taka	
	31-Dec-2023	31-Dec-2022
7.6 Maturity grouping of loans and advances		
On demand	-	-
Upto one month	448,770,599	264,191,715
More than one month but less than three months*	3,555,400,949	3,093,402,582
More than three months but less than one year*	13,164,406,682	10,702,955,369
More than one year but less than five years*	51,112,428,448	41,445,385,000
More than five years	23,740,587,944	18,520,525,428
	92,021,594,622	74,026,460,094

* Less than three months, less than one year and less than five years imply up to three months, up to one year and up to five years respectively.

7.7 Disclosure for significant concentration

a) Advances to allied concerns of Directors	-	-
b) Advances to Chief Executive and other executives	47,980,760	46,890,082
c) Advances to customer groups:		
Bio-electricity	304,919,369	319,828,231
Biogas program	39,150,576	52,847,347
Economic Zone	3,584,316,489	2,186,227,536
Environmental Services	579,312,716	652,599,560
Industrial Energy Efficiency	21,681,221,481	15,670,945,713
Infrastructure Backward Linkage Industry	10,607,017,293	7,668,992,241
IT & Telecommunication	99,906,028	100,406,027
Port	14,321,611	20,182,523
Power & Energy	28,144,756,728	30,551,226,920
SHS program	9,160,200,632	9,807,071,148
Social/ Tourism Infrastructure	10,133,732,450	3,335,334,437
Solar BTS	-	-
Solar grid-tied	3,865,215,587	565,678,479
Solar Irrigation	1,168,407,602	1,322,856,747
Solar Mini-grid	215,493,357	339,397,010
Solar rooftop	2,375,641,941	1,385,976,092
	92,021,594,622	74,026,460,094

7.8 Geographical Location - wise Loans and Advances

Inside Bangladesh		
Dhaka Region	42,818,577,946	30,488,223,399
Chattogram Region	19,177,157,245	17,751,333,682
Khulna Region	3,665,565,306	4,168,944,376
Rajshahi Region	5,205,193,382	4,517,225,652
Barisal Region	3,547,536,559	3,817,703,528
Rangpur Region	9,004,851,782	5,701,886,333
Sylhet Region	7,298,265,377	6,178,413,535
Mymensingh Region	1,304,447,024	1,402,729,590
	92,021,594,622	74,026,460,094
Outside Bangladesh	-	-
	92,021,594,622	74,026,460,094

	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
7.9 Classification of loans and advances			
Unclassified			
Standard		71,608,606,827	62,496,422,849
Special Mention Account		9,443,444,540	3,989,949,573
		81,052,051,367	66,486,372,422
Classified*			
Sub-Standard		-	887,177,724
Doubtful		505,903,692	3,914,814,695
Bad or loss		10,463,639,563	2,738,095,252
		10,969,543,255	7,540,087,671
		92,021,594,622	74,026,460,094

7.9.1 Particulars of required provision for loans and advances

Status	Base for provision	Rate (%)	2023	2022
General provision				
Standard loans/ advances	71,049,867,103	1%	710,498,671	594,573,965
Standard loans/ advances (DFIM circular no. 33 applied)	-	2%	116,861,724	117,882,803
Interest receivable on standard loan	558,739,510	1%	5,587,395	3,382,021
Special mention account (SMA)	9,410,090,573	5%	470,504,529	210,984,293
	81,018,697,186		1,303,452,319	926,823,082
Specific provision				
Sub-standard	-	20%	-	150,246,824
Doubtful	416,040,883	50%	208,020,441	1,623,357,130
Bad/loss	7,370,158,709	100%	7,370,158,709	2,285,696,215
	7,786,199,591		7,578,179,150	4,059,300,169
Total provision required at 31 December			8,881,631,469	4,986,123,250
Provision for SHS Loans			33,120,749	2,333,480,238
Total provision kept (note 31)	88,804,896,777		8,914,752,218	7,319,603,488

DFIM vide letter no. DFIM(C)1054/30/2022-54 dated 3 January 2022 required IDCOL to ensure maintenance of 100% provision for writing off of SHS loans against waiver application. In previous years, IDCOL reported this provision amount under the head "voluntary provision for loans and advances" which has been renamed as "provision for SHS loans", as per the direction of Bangladesh Bank. Detail break-down is given in note 31.2.2.

Movement of provision for loans and advances

Opening balance at January 01	7,319,603,488	4,596,040,890
Provision made during the year:		
Regulatory requirement	4,068,415,259	2,753,478,843
Provision for SHS loans	(2,164,792,566)	1,700,000,000
	1,903,622,693	4,453,478,843
Adjustment during the year:		
Release of statutory provision against loan write off	(172,907,040)	(128,941,670)
Release of provision for SHS loans against loan write off	(135,566,923)	(1,600,974,575)
Closing balance at December 31	8,914,752,218	7,319,603,488

During the reporting period, an amount of Tk. 308,473,963 has been written off against waiver application under IDCOL SHS program. Out of this total, an amount of Tk. 172,907,040 has been released from statutory provision and an amount of Tk. 135,566,923 has been released from voluntary provision.



	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
7.10 Net Loans and advances			
Closing outstanding balance		92,021,594,622	74,026,460,095
Less: Interest suspense	11.3.1	(537,992,613)	(540,507,906)
Provision for loans and advances	31	(8,914,752,218)	(7,319,603,488)
Net loans and advances		<u>82,568,849,791</u>	<u>66,166,348,700</u>
7.11 Disclosure of disbursement of loan from development partner funded projects during the year			
IDCOL has been implementing various development partner funded projects i.e. WB, ADB, JICA, KfW, AFD, AIIB etc. A separate books of accounts are maintained under these projects where detailed receipts, payments and utilization under the projects are reported. Disclosures of loan disbursed from various development partner funded projects during the year are given below:			
A.	REREDP-II funded by IDA (Credit # 5158)	Annex - A	
	a) Refinancing to partner organizations (POs)		-
	b) Loan to other renewable projects		47,372,066
			<u>47,372,066</u>
			<u>24,715,771</u>
	REREDP-II funded by IDA (Credit # 5514)	Annex-A	
	a) Refinancing to partner organizations (POs)		-
	b) Loan to other renewable projects		74,231,993
			<u>74,231,993</u>
			-
	REREDP-II funded by IDA (Credit # 6202)	Annex-A	
	a) Refinancing to partner organizations (POs)		-
	b) Loan to other renewable projects		8,171,665
			<u>8,171,665</u>
			-
B.	SREP funded by IDA (Credit # 6363)	Annex-B	
	a) Loan for rooftop PV projects		446,307,778
			<u>446,307,778</u>
			<u>340,132,599</u>
	SREP funded by IDA (Credit # TF0A7640)	Annex-B	
	a) Loan for RFFF establishment		167,113,354
			<u>167,113,354</u>
			<u>81,236,240</u>
C.	PPIDF funded by ADB (Loan No. 3554-BAN)	Annex-C	
	Loan to large infrastructure projects (LIP)		-
			-
	PPIDF funded by ADB (Loan No. 3555-BAN)	Annex-C	
	Refinancing to POs under renewable energy project (REP)		-
			-
	PPIDF funded by ADB (Loan No. 4254-BAN)	Annex-C	
	Loan to large infrastructure projects (LIP)		4,824,137,076
			<u>4,824,137,076</u>
			-
D.	Energy Efficiency funded by JICA (Loan# BD-P90)	Annex-D	
	Refinancing to participating organizations (POs)		-
	Loan to energy efficiency projects		114,625,590
			<u>114,625,590</u>
			<u>967,919,900</u>
	Energy Efficiency funded by JICA (Loan# BD-P109)	Annex-D	
	Refinancing to participating organizations (POs)		-
	Loan to energy efficiency projects		1,879,683,516
			<u>1,879,683,516</u>
			<u>1,082,314,900</u>
E.	REP project funded by KfW	Annex-E	
	Loan to C&I grid-connected PV plants and off-grid RE projects		745,353,689
			<u>745,353,689</u>
			<u>342,643,268</u>

	Notes	Amount in Taka		
		31-Dec-2023	31-Dec-2022	
F.	SUNREF project funded by AFD Loan for energy efficiency, renewable energy and environmental performance projects	Annex-F	4,393,316,173	681,217,897
			4,393,316,173	681,217,897
G.	Multi sector lending facility funded by AIIB Loan to sponsors under Multi- Sector on lending facility	Annex-G	3,227,148,677	-
			3,227,148,677	-
	Total		15,919,289,912	3,528,352,241
7.12	As per DFIM Circular No. 08 dated 17 August 2021 and FRC letter (Ref. no-178/FRC/APR/2021/28(17)) dated 21 December 2021, IDCOL is required to obtain and preserve audited financial statements for loans and advances sanctioned/renewed to public interest entity. IDCOL obtained and preserved audited financial statements in its loan files for 100% loans and advances sanctioned/renewed to public interest entity during FY 2023			
8	Assets including land, building, furniture and fixtures			
	Fixed assets including land, building, furniture and fixtures	Annex-I	160,738,313	116,465,064
	Right-Of-Use Asset	Annex-I	-	17,115,688
			160,738,313	133,580,753
8.1	Fixed assets including land, building, furniture and fixtures			
	Cost			
	Opening balance at January 01		272,762,014	248,046,447
	Add: Purchased during the year		62,376,805	34,403,965
	Less: Disposal during the year		(18,573,540)	(7,212,361)
	Less: Transfer to held for sale		-	(2,476,036)
	Closing balance at December 31		316,565,280	272,762,014
	Depreciation			
	Opening balance at January 01		156,296,951	150,437,690
	Add: Charged during the year		14,938,261	14,941,956
	Less: Adjustment during the year		(15,408,244)	(6,606,660)
	Less: Transfer to held for sale		-	(2,476,036)
	Closing balance at December 31		155,826,967	156,296,951
	Written down value at December 31		160,738,313	116,465,064
	Details of fixed assets are given in Annexure -H			
8.2	Right-Of-Use Asset			
	Recognition			
	Opening balance at January 01		53,989,882	39,937,158
	Add: Recognized during the year		21,000,874	14,052,724
	Less: Disposal during the year		(74,990,756)	-
	Closing balance at December 31		-	53,989,882
	Depreciation			
	Opening balance at January 01		36,874,194	24,649,377
	Add: Charged during the year		6,274,461	12,224,817
	Less: Adjustment during the year		(43,148,655)	-
	Closing balance at December 31		-	36,874,194
	Written Down Value at December 31		-	17,115,688
9	Other Assets			
	Advances, deposits and prepayments	9.1	20,868,634	38,749,834
	Advance income tax	9.2	1,141,302,888	934,281,709
	Advance VAT	9.3	9,120,339	9,120,339
	Accounts receivables	9.4	89,307,034	79,579,979
	Interest receivable on fixed deposit (FDR) and call money lending		82,303,087	120,832,276
	Interest receivables on Investments		1,944,450	2,592,597
	Deferred tax asset	9.5	-	-
	Non current asset held for sale	9.6	-	-
			1,344,846,431	1,185,156,733

All the assets recorded in "other assets" category are non income generating assets.



	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
9.1 Advances, deposits and prepayments			
Advance			
Advance for ICS Program		102,420	220,802
Advance for other RE projects		36,921	81,328
Advance for SEIP T3		4,762,344	-
Advance for SHS project		397,160	1,680,651
Advance for travelling		676,301	3,795,901
Advance NDBMP project expense		84,024	1,691
Advance under KfW REP		6,106,719	13,789,534
Advance, deposit and prepayments		916,464	8,182,769
Directors remuneration		120,000	-
Other advance		1,026,000	7,348,261
Rental advance		6,640,281	3,648,898
		20,868,634	38,749,834
9.2 Advance income tax			
Opening balance at January 01		934,281,709	887,132,875
Add: Advance tax (Including TDS) paid during the year		1,076,538,678	1,481,757,716
Less: Adjustment with Provision for Tax		(869,517,499)	(1,434,608,883)
Closing balance at December 31		1,141,302,888	934,281,709
9.3 Advance VAT			
Balance at January 01		9,120,339	9,120,339
Add: Advance VAT paid during the year		-	-
Less: Adjustment with Provision for VAT		-	-
Balance at December 31		9,120,339	9,120,339
9.4 Accounts receivables			
Receivable from Malawi under advisory program		7,218,297	4,670,743
Receivable from CER fund		-	20,600,372
Receivable from GCF Fund		-	144,772
Receivable from AFD		3	4,365,809
Receivable from SEIP		2,968,789	
Receivables from KfW-REP -Biogas subsidy		47,068,500	17,594,500
Fees and other receivable from advisory services		53,843	14,394
Other receivables		2,914,971	1,055,525
Receivable under RE projects	9.4.1	29,082,630	31,133,865
		89,307,034	79,579,979
9.4.1 Receivable under RE projects			
Receivables under IDA 5158 HE		91,505	-
Receivables under IDA 5514 AF		1,336,207	1,749,324
Receivables under IDA 6202 TA for HE		12,834,053	15,426,715
Receivables under IDA 6202 TA for AE		4,613,891	8,444,185
Receivables under IWMI		826,521	44,706
Receivables under SREP		9,380,453	5,468,935
		29,082,630	31,133,865
9.5 Deferred tax asset	Annex-H		
Opening balance at January 01		-	2,924,330
Provision/(reversal) during the year		-	(2,924,330)
Settlement during the year		-	-
Closing balance at December 31		-	-

9.6 Non current asset held for sale

Opening balance at January 01	-	-
Addition during the year	-	-
Disposed during the year	-	-
Closing balance at December 31	-	-

IDCOL Board of Directors in its 298th meeting held on 29 December 2022 decided to dispose a total number of 392 non current asset as scrap. Out of this total, a number of 59 units of computers having a written down value of BDT nil at the time of disposal are still in use which are subsequently expected to be disposed within June 2024 upon replacement. Therefore, as per IFRS 5, these assets are kept as held for sale.

10 Borrowings from other banks, financial institutions and agents

Abbreviations

ADB : Asian Development Bank
AFD : French Development Agency
AIIB : Asian Infrastructure Investment Bank
BB : Bangladesh Bank
BKEI : Brick Kiln Efficiency Improvement
IDA : International Development Association (The World Bank)
IDB : Islamic Development Bank
IPFF II : Investment Promotion and Financing Facility II
KfW : German Development Bank
NDBMP : National Domestic Biogas and Manure Programme
PPIDF : Public-Private Infrastructure Development Facility
PSIDP : Private Sector Infrastructure Development Project
REREDP : Rural Electrification and Renewable Energy Development Project
REP : Renewable Energy Program
SCF : Strategic Climate Fund
SREP : Scaling Up Renewable Energy Project

Inside Bangladesh

Unsecured long-term loans from the Government of Bangladesh

IDA financing under PSIDP- (Credit# 2995)	10.1	7,570,023,587	7,729,423,587
IDA financing under REREDP	10.2	18,871,572,062	20,894,619,740
ADB financing under PPIDF (Credit # 2453, 2454, 3045, 3046, 3554 & 3555)	10.3	43,490,635,161	40,059,745,655
IDB financing under REP (Credit # 151)	10.4	463,331,024	547,343,674
KfW financing under NDBMP (Credit # 2006.65.612)	10.5	207,903,577	259,879,471
JICA financing (Credit #BD P-75, BD P-90 and BD P-109)	10.6	14,596,776,508	10,716,635,941
BB financing under BKEI project	10.7	280,588,827	338,580,721
AFD financing under CBD 1026-1-W	10.8	6,254,334,069	1,861,017,897
BB financing under IPFF-II Project	10.9	1,253,944,745	472,944,596
WB financing under SCF	10.10	288,382,523	115,048,160
IDA financing under SREP	10.11	956,507,709	705,985,836
KfW financing under REP	10.12	1,302,091,346	556,737,657
AIIB financing Credit #L0344A	10.13	3,250,000,000	-
		98,786,091,139	84,257,962,935

Outside Bangladesh

		-	-
		98,786,091,139	84,257,962,935

10.1 IDA financing under PSIDP (Credit # 2995)

Opening balance at January 01	7,729,423,587	8,053,323,587
Add: Drawdown made during the year	-	-
	7,729,423,587	8,053,323,587
Less: Repayment made during the year	(159,400,000)	(323,900,000)
Closing balance at December 31	7,570,023,587	7,729,423,587



	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
10.2 IDA financing under REREDP			
IDA credit # 4643	10.2.1	2,301,436,789	2,684,052,093
IDA credit # 3679	10.2.2	2,347,832,700	2,530,532,700
IDA credit # 5013	10.2.3	4,944,261,037	5,562,293,665
IDA credit # 5158	10.2.4	5,595,344,969	6,168,881,361
IDA credit # 5514	10.2.5	3,489,134,444	3,748,343,123
IDA credit # 6202	10.2.6	193,562,123	200,516,798
		18,871,572,062	20,894,619,740
10.2.1 IDA credit # 4643			
Opening balance at January 01		2,684,052,093	3,066,667,397
Add: Drawdown made during the year		-	-
		2,684,052,093	3,066,667,397
Less: Repayment made during the year		(382,615,304)	(382,615,304)
Closing balance at December 31		2,301,436,789	2,684,052,093
10.2.2 IDA credit # 3679			
Opening balance at January 01		2,530,532,700	2,641,132,700
Add: Drawdown made during the year		-	-
		2,530,532,700	2,641,132,700
Less: Repayment made during the year		(182,700,000)	(110,600,000)
Closing balance at December 31		2,347,832,700	2,530,532,700
10.2.3 IDA credit # 5013			
Opening balance at January 01		5,562,293,665	6,180,326,293
Add: Drawdown made during the year		-	-
		5,562,293,665	6,180,326,293
Less: Repayment made during the year		(618,032,628)	(618,032,628)
Closing balance at December 31		4,944,261,037	5,562,293,665
10.2.4 IDA credit # 5158			
Opening balance at January 01		6,168,881,361	6,765,074,048
Add: Drawdown made during the year		47,372,066	24,715,771
		6,216,253,427	6,789,789,819
Less: Repayment made during the year		(620,908,458)	(620,908,458)
Closing balance at December 31		5,595,344,969	6,168,881,361
10.2.5 GoB Loan REREDP-II (AF) - IDA 5514			
Opening balance at January 01		3,748,343,123	4,083,367,461
Add: Drawdown made during the year		74,231,993	-
		3,822,575,116	4,083,367,461
Less: Repayment made during the year (adjustment)		(333,440,672)	(335,024,338)
Closing balance at December 31		3,489,134,444	3,748,343,123
10.2.6 GoB Loan REREDP-II (AF II) - IDA 6202			
Opening balance at January 01		200,516,798	192,345,133
Add: Drawdown made during the year		-	8,171,665
		200,516,798	200,516,798
Less: Repayment made during the year (adjustment)		(6,954,675)	-
Closing balance at December 31		193,562,123	200,516,798
10.3 ADB financing under PPIDF (Loan # 2453 & 2454)			
ADB credit # 2453 -REP BDT	10.3.1	3,207,861,069	3,682,590,106
ADB credit # 2453 -SMIP BDT	10.3.2	193,166,909	221,753,540
ADB credit # 2454 -LIP USD	10.3.3	4,648,932,000	4,902,580,400
ADB credit # 3045 -OCR BDT	10.3.4	1,902,750,000	2,029,600,000
ADB credit # 3045 -OCR USD	10.3.5	5,748,750,000	5,656,000,000

	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
ADB credit # 3046 -SF	10.3.6	537,750,411	573,585,509
ADB credit # 3554 -OCR BDT	10.3.7	9,333,333,400	10,000,000,000
ADB credit # 3554 -OCR USD	10.3.8	12,264,000,000	12,120,000,000
ADB credit # 3555 -COL	10.3.9	829,954,295	873,636,099
ADB credit # 4254 -OCR BDT	10.3.10	3,181,637,076	-
ADB credit # 4254 -OCR USD	10.3.11	1,642,500,000	-
		43,490,635,161	40,059,745,655
10.3.1 ADB credit # 2453 -REP			
Opening balance at January 01		3,682,590,106	4,112,598,292
Add: Drawdown made during the year			
		3,682,590,106	4,112,598,292
Less: Repayment made during the year		(474,729,037)	(430,008,186)
Closing balance at December 31		3,207,861,069	3,682,590,106
10.3.2 ADB credit # 2453 -SMIP			
Opening balance at January 01		221,753,540	247,647,227
Add: Drawdown made during the year			
		221,753,540	247,647,227
Less: Repayment made during the year		(28,586,631)	(25,893,687)
Closing balance at December 31		193,166,909	221,753,540
10.3.3 ADB credit # 2454 -LIP USD			
Opening balance at January 01		4,902,580,400	4,638,965,760
Add: Drawdown made during the year		-	-
		4,902,580,400	4,638,965,760
Less: Repayment made during the year		(629,956,800)	(503,325,020)
Add: Fair value adjustment (exchange loss)		376,308,400	766,939,660
Closing balance at December 31		4,648,932,000	4,902,580,400
10.3.4 ADB credit # 3045 -OCR BDT			
Opening balance at January 01		2,029,600,000	2,156,450,000
Add: Drawdown made during the year		-	-
		2,029,600,000	2,156,450,000
Less: Repayment made during the year		(126,850,000)	(126,850,000)
Closing balance at December 31		1,902,750,000	2,029,600,000
10.3.5 ADB credit # 3045 -OCR USD			
Opening balance at January 01		5,656,000,000	5,045,600,000
Add: Drawdown made during the year		-	-
		5,656,000,000	5,045,600,000
Less: Repayment made during the year		(367,500,000)	(318,500,000)
Add: Fair value adjustment		460,250,000	928,900,000
Closing balance at December 31		5,748,750,000	5,656,000,000
10.3.6 ADB credit # 3046 -SF			
Opening balance at January 01		573,585,509	609,420,607
Add: Drawdown made during the year		-	-
		573,585,509	609,420,607
Less: Repayment made during the year		(35,835,098)	(35,835,098)
Closing balance at December 31		537,750,411	573,585,509
10.3.7 ADB credit # 3554 - OCR BDT			
Opening balance at January 01		10,000,000,000	10,000,000,000
Add: Drawdown made during the year		-	-
		10,000,000,000	10,000,000,000
Less: Repayment made during the year		(666,666,600)	-
Closing balance at December 31		9,333,333,400	10,000,000,000



	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
10.3.8 ADB credit # 3554- OCRUSD			
Opening balance at January 01		12,120,000,000	10,355,500,000
Add: Drawdown made during the year		-	-
		12,120,000,000	10,355,500,000
Less: Repayment made during the year		(867,999,913)	-
Add: Fair value adjustment (exchange loss)		1,011,999,913	1,764,500,000
Closing balance at December 31		12,264,000,000	12,120,000,000
10.3.9 ADB credit # 3555 COL			
Opening balance at January 01		873,636,099	873,636,099
Add: Drawdown made during the year		-	-
		873,636,099	873,636,099
Less: Repayment made during the year		(43,681,804)	-
Closing balance at December 31		829,954,295	873,636,099
10.3.10 ADB credit # 4254- OCRBDT			
Opening balance at January 01		-	-
Add: Drawdown made during the year		3,181,637,076	-
		3,181,637,076	-
Less: Repayment made during the year		-	-
Closing balance at December 31		3,181,637,076	-
10.3.11 ADB credit # 4254- OCRUSD			
Opening balance at January 01		-	-
Add: Drawdown made during the year		1,642,500,000	-
		1,642,500,000	-
Less: Repayment made during the year		-	-
Add: Fair value adjustment (exchange loss)		-	-
Closing balance at December 31		1,642,500,000	-
10.4 IDB financing under REP (Credit # 151)			
Opening balance at January 01		547,343,674	631,356,324
Add: Drawdown made during the year		-	-
		547,343,674	631,356,324
Less: Repayment made during the year		(84,012,650)	(84,012,650)
Less: Fair value adjustment		-	-
Closing balance at December 31		463,331,024	547,343,674
10.5 KfW financing under NDBMP (Credit # 2006.65.612)			
Opening balance at January 01		259,879,471	259,879,471
Add: Drawdown made during the year		-	-
		259,879,471	259,879,471
Less: Repayment made during the year		(51,975,894)	-
Closing balance at December 31		207,903,577	259,879,471
10.6 JICA financing under REDP (Credit # P 75 & P 90)			
JICA credit # P 75	10.6.1	4,875,405,701	5,385,239,677
JICA credit # P 90	10.6.2	3,698,508,257	3,956,754,767
JICA credit # P 109	10.6.3	6,022,862,550	1,374,641,496
		14,596,776,508	10,716,635,941
10.6.1 JICA financing under REDP (Credit # P 75)			
Opening balance at January 01		5,385,239,677	5,895,073,654
Add: Drawdown made during the year		-	-
		5,385,239,677	5,895,073,654
Less: Repayment made during the year		(509,833,976)	(509,833,977)
Add: Fair value adjustment		-	-
Closing balance at December 31		4,875,405,701	5,385,239,677

	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
10.6.2 JICA financing under REDP (Credit # P 90)			
Opening balance at January 01		3,956,754,767	3,728,429,439
Add: Drawdown made during the year		-	223,838,085
		3,956,754,767	3,952,267,524
Less: Repayment made during the year		(263,484,502)	-
Add: Fair value adjustment		5,237,992	4,487,243
Closing balance at December 31		3,698,508,257	3,956,754,767
10.6.3 JICA financing under REDP (Credit # P 109)			
Opening balance at January 01		1,374,641,496	-
Add: Drawdown made during the year		4,647,832,755	1,374,641,496
		6,022,474,251	1,374,641,496
Less: Repayment made during the year		-	-
Add: Fair value adjustment		388,298	-
Closing balance at December 31		6,022,862,550	1,374,641,496
10.7 BB Financing under BKEI project			
Opening balance at January 01		338,580,721	394,263,755
Add: Drawdown made during the year		-	-
		338,580,721	394,263,755
Less: Repayment made during the year		(57,991,894)	(55,683,034)
Closing balance at December 31		280,588,827	338,580,721
10.8 AFD Financing under CBD 1026-1-W			
Opening balance at January 01		1,861,017,897	1,179,800,000
Add: Drawdown made during the year		4,393,316,172	681,217,897
		6,254,334,069	1,861,017,897
Less: Repayment made during the year		-	-
Closing balance at December 31		6,254,334,069	1,861,017,897
10.9 BB Financing under IPFF-II Project			
Opening balance at January 01		472,944,596	493,113,888
Add: Drawdown made during the year		822,273,788	-
		1,295,218,384	493,113,888
Less: Repayment made during the year		(41,273,639)	(20,169,292)
Closing balance at December 31		1,253,944,745	472,944,596
10.10 WB financing under SCF			
Opening balance at January 01		115,048,160	22,513,552
Add: Drawdown made during the year		173,334,363	92,534,608
		288,382,523	115,048,160
Less: Repayment made during the year		-	-
Closing balance at December 31		288,382,523	115,048,160
10.11 IDA financing under SREP			
Opening balance at January 01		705,985,836	71,292,913
Add: Drawdown made during the year		250,521,873	634,692,923
		956,507,709	705,985,836
Less: Repayment made during the year		-	-
Closing balance at December 31		956,507,709	705,985,836
10.12 KfW financing under REP			
Opening balance at January 01		556,737,657	214,094,389
Add: Drawdown made during the year		745,353,689	342,643,268
		1,302,091,346	556,737,657
Less: Repayment made during the year		-	-
Closing balance at December 31		1,302,091,346	556,737,657



	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
10.13 AIB financing Credit #L0344A			
AIB financing Credit #L0344A BDT	10.13.1	1,060,000,000	-
AIB financing Credit #L0344A USD	10.13.2	2,190,000,000	-
		3,250,000,000	-
10.13.1 AIB financing Credit #L0344A BDT			
Opening balance at January 01		-	-
Add: Drawdown made during the year		1,060,000,000	-
		1,060,000,000	-
Less: Repayment made during the year		-	-
Closing balance at December 31		1,060,000,000	-
10.13.2 AIB financing Credit #L0344A USD			
Opening balance at January 01		-	-
Add: Drawdown made during the year		2,170,000,000	-
		2,170,000,000	-
Less: Repayment made during the year		-	-
Less: Fair value adjustment		20,000,000	-
Closing balance at December 31		2,190,000,000	-
10.14 Maturity-wise grouping			
On demand		-	-
Upto one month		-	-
More than one month but less than three months*		2,564,838,419	2,421,827,738
More than three months but less than six months*		3,153,637,705	2,974,758,858
More than six months but less than one year*		6,705,263,920	6,267,917,645
More than one year but less than five years*		36,792,682,289	32,625,276,662
More than five years but less than ten years*		37,353,873,396	29,265,339,713
More than ten years		12,215,795,411	10,702,842,320
		98,786,091,139	84,257,962,936
* Less than three months, less than six months, less than one year, less than five years and less than ten years imply up to three months, up to six months, up to one year, up to five years and up to 10 years respectively.			
11 Other Liabilities			
Payables	11.1	628,804,790	676,087,084
Accrued expenses	11.2	1,215,196	1,942,013
Interest payable to GoB	11.3	811,854,117	701,911,586
Provision for income tax	32	1,516,340,411	869,517,499
Employees' gratuity fund	11.4	-	-
Interest suspense account	11.5	579,196,929	582,312,222
Provision for loans and advances	31.3	8,914,752,218	7,319,603,489
Provision for short term investment	31.4	1,641,694,416	1,200,000,000
Grant fund received from development partners	11.6	35,147,726	39,097,893
Lease liability	11.7	-	15,137,252
Deferred tax liability	11.8	2,730,973	14,385,946
Unearned Revenue		-	-
Provisions for other assets	31.5	100,000	262,275
Provisions for off balance sheet items	31.6	240,292	240,292
		14,132,077,067	11,420,497,550
11.1 Payables			
Certified Emission Reductions (CERs) Proceeds		162,172,903	207,824,138
Initial deposit under REREDP (Loan # IDA - 5158)		1,407,563	48,779,629
Initial deposit under REREDP (Loan # IDA 5514)		1,723,893	88,106,482
Initial deposit under REREDP (Loan # IDA 6202)		8,332,301	8,332,301
Other payables		97,908,336	43,290,156

	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
Payable to IDCOL staffs		12,795	12,795
Penalty for ICS		5,612,000	2,472,000
Provision for SEIP T3 expense		212,066	-
REREDP PO's deposit (Loan # 3679)		190,893,541	187,891,716
Retention from POs under KFW REP program		4,957,500	3,776,500
Retention from POs under WB GCF 4774 ICS Program		97,795,963	37,718,988
Retention HE IDA 5158 ICS		18,180	18,180
Retention HE IDA 6202 ICS		50,555,895	40,574,315
Security deposit from POs under NDBMP project		6,640,863	6,729,863
SHS maintenance expenses -Disaster		560,020	560,020
VAT and Tax Payable		973	1
		628,804,790	676,087,084
11.2 Accrued expense			
CSR expense		393,850	683,350
Legal and professional fees		-	805,000
Audit fees		821,346	453,663
		1,215,196	1,942,013
11.3 Interest payable to GoB			
Interest payable to GoB- PPIDF I	11.3.1	97,214,069	77,014,441
Interest payable to GoB - REREDP I and REREDP II	11.3.2	9,307,628	10,462,894
Interest payable to GoB - IDB Credit # 151		7,332	9,811
Interest payable to GoB - JICA	11.3.3	86,325,720	167,653,863
Interest payable to GoB - PPIDF II	11.3.4	145,031,024	115,806,596
Interest payable to GoB - PPIDF III	11.3.5	368,953,767	313,029,250
Interest payable to GoB - PPIDF III (T-2)	11.3.6	32,250,298	-
Interest payable to GoB - BB BKEI Project		2,825,296	7,840,152
Interest payable to GoB - AFD CBD 1026		7,718,188	3,317,659
Interest payable to GoB- SCF TF0A7640		-	797,861
Interest payable to GoB- IDA 6363		1	4,260,586
Interest payable to GoB- KfW REP		4,007,306	1,665,659
Interest payable to GoB- IPFF II		794,295	52,812
Interest payable to GoB- AIIB	11.3.7	57,419,192	-
		811,854,117	701,911,586
11.3.1 Interest payable to GoB - PPIDF			
Payable against Credit # 2453 -IEEF BDT		2,843,844	3,326,302
Payable against Credit # 2454 -IF USD		94,370,225	73,688,139
		97,214,069	77,014,441
11.3.2 Interest payable to GoB - REREDP I and II			
Payable against Credit # 4643		104,144	121,454
Payable against Credit #5013		120,159	135,179
Payable against Credit # 5158		7,153,044	8,097,184
Payable against Credit # 5514		146,876	229,433
Payable against Credit # 6202		1,783,404	1,879,643
		9,307,628	10,462,894
11.3.3 Interest payable to GoB - JICA			
Payable against Credit #JICA BD P-75		7,425,594	8,184,058
Payable against Credit #JICA BD P-90		28,900,592	148,503,485
Payable against Credit #JICA BD P-105		49,999,535	10,966,321
		86,325,720	167,653,863
11.3.4 Interest payable to GoB - PPIDF II			
Payable against Credit # 3045-OCR BDT		28,012,709	30,444,000



	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
Payable against Credit # 3045-OCR USD		116,695,724	85,012,142
Payable against Credit # 3046-SF		322,590	350,454
		145,031,024	115,806,596
11.3.5 Interest payable to GoB - PPIDF III			
Payable against Credit # 3554-OCR BDT		112,671,934	122,997,857
Payable against Credit # 3554-OCR USD		248,950,573	182,168,672
Payable against Credit # 3555-COL		7,331,261	7,862,722
		368,953,767	313,029,250
11.3.6 Interest payable to GoB - PPIDF III (Tranche-2)			
Payable against Credit # 4254-OCR BDT		26,955,535	-
Payable against Credit # 4254-OCR USD		5,294,763	-
Payable against Credit # 4255-COL		-	-
		32,250,298	-
11.3.7 Interest payable to GoB - AIIB			
Payable against Credit #L0344A BDT		12,484,443	-
Payable against Credit #L0344A USD		44,934,749	-
		57,419,192	-
11.4 Employees' gratuity fund			
Opening balance at January 01		-	-
Add: Provision made during the year		1,388,196	27,030,706
		1,388,196	27,030,706
Less: Settlement made during the year (Transfer to BoT)		(1,388,196)	(27,030,706)
Closing balance at December 31		-	-
11.5 Interest suspense account			
Opening balance at January 01		582,312,222	356,005,143
Add: Amount transferred to "Interest Suspense" A/c during the year		982,640,547	875,549,977
		1,564,952,769	1,231,555,120
Less: Transferred to Income during the year		(985,755,840)	(649,242,898)
Amount written off during the year		-	-
		579,196,929	582,312,222
11.5.1 Interest suspense account			
Interest on loans and advances	11.5.1.1	537,992,613	540,507,906
Interest on short-term investment*	11.5.1.2	41,204,316	41,804,316
		579,196,929	582,312,222
*IDCOL made short term investment to different banks and non bank financial institutions (NBFIs) based on satisfactory credit ratings as per the short term investment policy. However, some of the NBFIs are struggling to pay back at maturity dates due to their ongoing liquidity crisis. Therefore, considering the ongoing liquidity crisis and adverse impact of COVID-19 on financial market, interest accrued on FDRs maintained with some of the FIs has been transferred to interest suspense account as per IAS 37.			
11.5.1.1 Interest suspense account- loans and advances			
Opening balance at January 01		540,507,906	306,820,271
Add: Amount transferred to "Interest Suspense" A/c during the year		982,640,547	875,549,978
		1,523,148,453	1,182,370,249
Less: Transferred to Income during the year		(985,155,840)	(641,862,343)
Amount written off during the year		-	-
		537,992,613	540,507,906
11.5.1.2 Interest suspense account- short-term investment			
Opening balance at January 01		41,804,316	49,184,872
Add: Amount transferred to "Interest Suspense" A/c during the year		-	-
		41,804,316	49,184,872
Less: Transferred to Income during the year		(600,000)	(7,380,556)
Amount written off during the year		-	-
		41,204,316	41,804,316

	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
11.6 Grant Fund received from development partners			
Opening balance at January 01 (Written Down Value)		39,097,893	39,991,285
Add: Assets received during the year		3,618,686	7,767,994
		42,716,578	47,759,279
Less: Amortization/disposal made during the year		(7,568,853)	(8,661,386)
Closing balance at December 31 (Written Down Value)		35,147,726	39,097,893
Development partner wise disclosures of cumulative grant assets			
Grant assets received from:			
The World Bank		111,766,594	113,510,924
SNV - Netherlands Development Organization		2,190,953	2,370,678
KFW-NDBMP		558,192	953,712
SEIP		2,908,581	-
Total value at cost (a)		117,424,320	116,835,314
Accumulated amortization:			
The World Bank		79,481,973	74,446,815
SNV - Netherlands Development Organization		2,185,953	2,365,678
KFW-NDBMP		558,192	924,928
SEIP		50,478	-
Total amortization (b)		82,276,596	77,737,421
Written down value (a - b)		35,147,724	39,097,893
11.7 Lease Liability			
Opening Balance as at Jan 01		15,137,252	12,454,630
Add: Addition during the year		16,200,874	12,056,192
Less: Adjustment during the year		(31,338,126)	(9,373,570)
Closing Balance as at Dec 31		-	15,137,252
11.8 Deferred tax liability	Annex-H		
Opening balance at January 01		14,385,946	-
Provision/(reversal) during the year		(11,654,974)	14,385,946
Settlement during the year		-	-
Closing balance at December 31		2,730,973	14,385,946
12 Paid-up Capital			
Authorized capital			
100,000,000 Ordinary shares @ Tk. 100 each		10,000,000,000	10,000,000,000
Issued, subscribed and paid-up capital			
83,800,000 shares @ Taka 100 each		8,380,000,000	7,880,000,000

Details of shareholding position of the company

Name of shareholders	No. of shares as at 31 December 2023	No. of shares as at 31 December 2022	Paid up capital as at 31 December 2023	Paid up capital as at 31 December 2022
Economic Relations Division (ERD), Ministry of Finance, Government of the People's Republic of Bangladesh	83,799,000	78,799,000	8,379,900,000	7,879,900,000
Mr. Md. Shahriar Kader Siddiky	450	50	45,000	5,000
Ms. Sharifa Khan	-	450	-	45,000
Dr. Ahmad Kaikaus	-	50	-	5,000
Mr. Abu Hena Md. Rahmatul Muneem	50	50	5,000	5,000
Ms. Fatima Yasmin	-	50	-	5,000
Mr. M. Tofazzel Hossain Miah	50	50	5,000	5,000
Mr. Tapon Kanti Ghosh	50	50	5,000	5,000
Mr. Md. Habibur Rahman	50	50	5,000	5,000



Name of shareholders	No. of shares as at 31 December 2023	No. of shares as at 31 December 2022	Paid up capital as at 31 December 2023	Paid up capital as at 31 December 2022
Dr. Md. Khairuzzaman Mozumder	50	-	5,000	-
Mr. Mohammad Salahuddin	50	-	5,000	-
Mr. Md. Mostafizur Rahman	50	-	5,000	-
Ms. Nihad Kabir	50	50	5,000	5,000
Mr. Abdul Haque	50	50	5,000	5,000
Mr. A. K. M. Nurul Fazal Bulbul	50	50	5,000	5,000
Mr. Alamgir Morshed	50	50	5,000	5,000
	83,800,000	78,800,000	8,380,000,000	7,880,000,000

12.1 Statutory Reserve

As per Bangladesh Bank notice FID(G) 1051/circular 2/10, dated 22 October 1997, IDCOL is exempted from complying with section 9 (Statutory Reserve) of the Financial Institutions Act, 1993 [section 8 of the Finance Company Act, 2023]. As such, maintenance of a Statutory Reserve is not required for IDCOL.

	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
13 Retained earnings			
Opening Balance as at Jan 01		3,064,552,625	2,714,759,557
Add: Prior year adjustments	13.1	-	-
Add: Net profit for the year		1,581,607,858	1,349,793,068
Less: Payment of dividend			
- Bonus shares		(500,000,000)	(500,000,000)
- Cash dividend		(700,000,000)	(500,000,000)
Less: Statutory Reserve		-	-
		3,446,160,483	3,064,552,625
14 Income Statement			
Income			
Interest and similar income	15	6,634,087,091	5,202,632,873
Investment income	17	32,685,185	41,018,519
Fees and commission	18	120,824,414	192,027,382
Other Operating income	19	1,664,231,863	3,441,399,013
		8,451,828,553	8,877,077,787
Expenses			
Interest on deposits and borrowings	16	2,473,022,093	1,405,674,854
Administrative expenses	20-27	319,400,624	298,683,298
Other operating expenses	29	106,906,783	157,655,755
Depreciation on assets	28	21,212,728	27,166,775
		2,920,542,228	1,889,180,682
		5,531,286,325	6,987,897,105
15 Interest income			
Interest on loans and advances	15.1	5,960,694,169	4,176,437,683
Interest on balance with other banks & financial institutes	15.2	673,392,922	1,026,195,190
		6,634,087,091	5,202,632,873
15.1 Interest Income on loans and advances			
Interest on Infrastructure loan	15.1.1	5,607,628,335	3,954,143,078
Interest on Renewable Energy Project loan	15.1.2	350,948,268	220,129,711
Interest on employee car loan & home loan		2,117,566	2,164,894
		5,960,694,169	4,176,437,683
15.1.1 Interest Income on Infrastructure loan			
Interest income-Infra-IF		3,471,016,952	2,356,774,115
Interest income-Infra-IEEF		1,353,690,456	1,107,846,134
Interest income-Infra-PPP		782,920,927	489,522,830
		5,607,628,335	3,954,143,078
15.1.2 Interest Income on Renewable Energy Project loan			
Interest on Battery recycling		10,727,394	12,712,136
Interest on Bio electricity		10,846,954	10,481,943

	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
Interest on Biogas advance facility		-	-
Interest on Biogas project		1,231,839	2,571,296
Interest on Solar grid-tied project		155,710,416	41,541,185
Interest on Solar irrigation project		58,910,513	100,380,613
Interest on Solar mini grid project		17,677,422	17,155,168
Interest on Solar rooftop project		95,843,730	35,287,370
		350,948,268	220,129,711
15.2 Interest on balance with other bank & FIs			
Interest on short term bank deposit		9,717,084	20,526,393
Interest on fixed deposit	15.2.1	595,267,907	1,002,039,033
Interest on money at call and short notice		68,407,931	3,629,764
		673,392,922	1,026,195,190
15.2.1	Due to the downward trend of the business and liquidity crisis of some NBFIs over the years, there is significant uncertainty about the inflow of economic benefits from interest on FDR. Hence, interest income from some FDR with NBFIs were left aside in computation of interest income on fixed deposit in such cases where it is probable that such income may not flow to the company.		
16 Interest on deposits, borrowings etc.			
Borrowing cost under REREDP	16.1	67,250,701	48,746,743
Borrowing cost under PPIDF	16.2	2,033,140,090	1,185,079,164
Borrowing cost under JICA	16.3	104,172,654	78,974,937
Borrowing cost under IDB		201,082	233,314
Borrowing cost under BB	16.4	58,209,267	31,070,640
Borrowing cost under AFD		111,707,344	52,405,117
Borrowing cost under AIIB	16.5	75,744,809	-
Borrowing cost under KfW		22,596,147	9,164,939
		2,473,022,093	1,405,674,854
16.1 Borrowing cost under REREDP			
Interest against Credit # 4643		891,944	1,026,573
Interest against Credit # 5013		1,005,394	1,122,200
Interest against Credit # 5158		25,874,502	28,601,722
Interest against Credit # 5514		4,514,455	4,649,380
Interest against Credit # 6202		6,291,063	6,352,496
Interest against Credit # 6363		23,022,439	5,731,889
Interest against Credit # TF0A7640		5,650,904	1,262,483
		67,250,701	48,746,743
16.2 Borrowing cost under PPIDF			
Borrowing cost under PPIDF (Credit # 2453 & 2454)	16.2.1	305,939,435	149,332,023
Borrowing cost under PPIDF II (Credit # 3045 & 3046)	16.2.2	454,780,222	263,501,759
Borrowing cost under PPIDF III (Credit # 3554 & 3555)	16.2.3	1,183,607,698	772,245,383
Borrowing cost under PPIDF III Tranche-2 (Credit # 4254 & 4255)	16.2.4	88,812,735	-
		2,033,140,090	1,185,079,164
16.2.1 Borrowing cost under PPIDF (Credit # 2453 & 2454)			
Interest against Credit # 2453 -SMIP (IEEF)		10,460,488	11,843,010
Interest against Credit # 2453 -REP		-	-
Interest against Credit # 2454 -LIP		295,478,947	137,489,013
		305,939,435	149,332,023
16.2.2 Borrowing cost under PPIDF II (Credit # 3045 & 3046)			
Interest against Credit # 3045 - OCR BDT		99,383,452	105,796,424
Interest against Credit # 3045 - OCR USD		354,252,498	156,487,666
Interest against Credit # 3046 -SF		1,144,272	1,217,669
		454,780,222	263,501,759



	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
16.2.3 Borrowing cost under PPIDF III (Credit # 3554 & 3555)			
Interest against Credit # 3554 - OCR BDT		400,585,189	415,694,449
Interest against Credit # 3554 - OCR USD		757,173,800	329,977,839
Interest against Credit # 3555 - SF		25,848,709	26,573,095
		1,183,607,698	772,245,383
16.2.4 Borrowing cost under PPIDF III Tranche-2 (Credit # 4254 & 4255)			
Interest against Credit # 4254 - OCR BDT		83,517,972	-
Interest against Credit # 4254 - OCR USD		5,294,763	-
Interest against Credit # 4255 - SF		-	-
		88,812,735	-
16.3 Borrowing cost under JICA (Credit # P 75, P 90 & P 109)			
Interest against Credit # P 75		27,565,827	30,253,582
Interest against Credit # P 90		37,573,613	37,755,034
Interest against Credit # P 109		39,033,214	10,966,321
		104,172,654	78,974,937
16.4 Borrowing cost under BB			
Interest against BB Brick Klin Energy Project- KABL		10,077,105	12,076,969
Interest against BB Brick Klin Energy Project- Piya		3,999,859	4,784,142
Interest against BB Brick Klin Energy Project- NGBL		1,585,733	1,617,805
Interest against BB IPFF II Project- MIEZL		19,531,366	12,591,724
Interest against BB IPFF II Project- BEZL		23,015,204	-
		58,209,267	31,070,640
16.5 Borrowing cost under AIIB (Credit #L0344A BDT and USD)			
Interest against Credit # L0344A- BDT		22,259,999	-
Interest against Credit # L0344A- USD		53,484,810	-
		75,744,809	-
17 Investment income-Preference Share Inv			
Investment income-Preference Share Inv		32,685,185	41,018,519
		32,685,185	41,018,519
This refers to the dividend income against investment in preferred stock. As per Finance Act 2023, 20% tax is applicable to the said investment income.			
18 Commission, fees, exchange and brokerage			
Fees income from renewable energy project	18.1	120,000	100,000
Fees income from infra project	18.2	68,885,238	178,515,471
Income from advisory services		51,819,176	13,411,911
		120,824,414	192,027,382
18.1 Fees income from renewable energy project			
Fees for GCF project		-	-
Enlistment of RE equipment		120,000	100,000
		120,000	100,000
18.2 Fees income from infra project			
Participation & arrangement fees		15,205,200	9,801,136
Loan application, processing & documentation fees		1,508,611	505,000
Due diligence fees		19,176,389	18,305,951
Waiver, cancellation & prepayment fees		125,816	119,650,642
Upfront fees		9,000,000	14,137,095
Agency & monitoring Fees		23,869,222	16,115,647
		68,885,238	178,515,471

	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
19 Other operating income			
Exchange gain	19.1	1,625,815,507	3,309,198,141
Gain on disposal of fixed assets		553,796	-
Gain on derecognition of Right of Use assets		761,703	-
Deferred income (grant income)		7,568,853	8,661,386
Others		29,532,004	123,539,486
		1,664,231,863	3,441,399,013
19.1 Exchange gain			
Realized exchange gain		195,534,186	5,041,753
Unrealized exchange gain		1,430,281,320	3,304,156,388
		1,625,815,507	3,309,198,141
<p>The aforesaid net unrealised exchange gain has been originated due to translation of monetary assets and liabilities at the closing exchange rate. Due to the significant variation in closing exchange rates between 31 December 2022 and 2023, the amount is substantially higher. As the Company's foreign currency denominated assets (primarily cash at bank) are higher than the foreign currency liabilities (borrowings), due to the depreciation of functional currency (BDT) net exchange gain has been originated.</p> <p>Since the unrealised exchange gain/loss is not subject to income tax, and in future due to movement in exchange rates the unrealised amount would always change, no deferred tax has been recognised on this balance. Any tax implication will be considered at the time of any such exchange gain/loss is realized.</p>			
20 Salary and allowances			
Salary and allowances		199,964,019	224,585,341
Gratuity		1,388,196	25,412,927
		201,352,215	249,998,268
21 Rent, taxes, insurance and electricity etc.			
Rent		5,169,163	2,664,132
Insurance premium		3,927,492	3,969,432
Electricity & utilities		1,093,727	1,146,226
Holding & land tax		700,953	238,367
		10,891,335	8,018,157
22 Professional & legal expenses			
Legal expenses		9,257,513	1,661,706
Professional fees	22.1	68,209,726	7,144,745
		77,467,239	8,806,451
22.1 Professional fees			
Consultancy under JICA Projects		62,653,832	4,844,876
Consultancy under KfW Projects		3,905,644	-
Other professional fees		1,650,251	2,299,870
		68,209,726	7,144,745
23 Postage, stamp, telecommunication, etc.			
Postage and courier		119,802	166,274
Telephone, fax and e-mail		4,410,329	3,902,740
		4,530,131	4,069,014
24 Stationery, printing, advertisements, etc.			
Printing and stationeries		2,170,463	2,230,693
Marketing, promotion & business dev. Exp.		3,726,428	8,267,607
Advertisement		5,480,962	3,708,526
		11,377,853	14,206,826
25 Chief Executive's salary and benefits			
Salary		4,800,000	4,029,300
Allowances		4,235,456	3,100,810
Bonus		800,000	2,519,100
Company's contribution to provident fund		480,000	366,667
		10,315,456	10,015,877



	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
26 Directors' fees			
Honorarium for attending board meetings		2,703,381	2,816,711
Incidental expenses for attending meeting		286,668	298,332
		2,990,049	3,115,043
27 Auditors' fees		476,346	453,663
		476,346	453,663
28 Depreciation and repair of company's assets			
Depreciation of company's assets	28.1	14,938,267	14,941,958
Depreciation on Right-of-use asset	28.2	6,274,461	12,224,817
		21,212,728	27,166,775
28.1 Depreciation of Company's assets			
Office space		-	-
Furniture & fixture		4,744,784	3,960,875
Interior decoration		1,185,669	2,414,942
Computer & computer equipment		2,367,045	2,129,460
Other office equipment		4,051,452	3,973,387
Software		773,597	139,640
Vehicle		1,815,720	2,323,654
		14,938,267	14,941,958
28.2 Depreciation on Right-of-use asset			
Rented Office Space		6,274,461	12,224,817
		6,274,461	12,224,817
29 Other operating expenses			
AGM and other meeting expenses		1,970,073	2,489,900
Bank and other charge		6,246,371	7,852,552
Books and periodicals		9,470	31,107
Car maintenance -reimbursement		11,035,000	12,011,000
Conveyance and travelling expense		1,467,185	1,740,886
Corporate advisory service expense		6,432,512	-
Credit rating expenses		215,000	268,750
CSR activities expenses		8,311,754	10,750,000
Entertainment		3,012,754	2,668,405
Fees to regulatory authorities		152,018	56,628
IT & automation expense		982,313	565,736
Leave fare assistance		12,326,060	9,472,723
Lease interest expense		388,989	304,099
Loss on disposal of fixed assets		-	294,244
Litigation cost & court fees		1,724,783	1,171,590
Maintenance and utility of UTC building		2,382,491	2,382,494
Membership subscription fees		383,333	255,555
Monitoring expense		871,561	4,729,177
Office supplies and maintenance		3,436,127	2,257,428
Operations and logistics		3,036,596	2,700,368
Other office expenses		23,000	-
Payment to intern & adhoc employees		60,000	-
Recruitment cost		1,970,293	2,720,060
Repair and maintenance		1,770,535	1,870,764
Retreat and review meeting exp		7,308,442	7,237,689
Seminar, workshop & roadshows		-	1,839,069
Special event expense		2,492,189	-
Stamps and duties		53,394	18,307
SPF, gratuity fund and other audit fee		345,000	115,000
Training and exposure visit		252,727	471,994
Tuition fee reimbursement		117,900	27,713
Vehicle fuel & maintenance expense		8,631,824	8,514,343
Expenses under TR/KABITA	29.1	19,497,090	72,838,175
		106,906,783	157,655,755

	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
29.1 Operating Expenses under TR/KABITA			
Salary & allowances		8,350,099	55,319,274
Physical verification expenses		9,460,829	14,818,010
Advertisement and promotion		-	-
Monitoring expenses		27,600	37,950
Technical audit		-	-
Meeting & entertainment expenses		132,302	512,965
Travelling & conveyance		87,840	242,271
Operation & logistics		1,438,420	1,907,705
		19,497,090	72,838,175
30 Charges on loan losses		-	-
		-	-
31 Provision for loans and advances, short term investment and other than loans			
Provision for loans and advances	31.3	8,914,752,218	7,319,603,489
Provision for short-term investment	31.4	1,641,694,416	1,200,000,000
Provision for other assets	31.5	100,000	262,275
Provision for off balance sheet items	31.6	240,292	240,292
		10,556,786,926	8,520,106,056
31.1 Movement of provision for loans and advances, short term investment and other than loans			
Opening balance at January 01		8,520,106,056	5,512,629,804
Provision made for the year		6,076,714,264	5,050,150,619
Provision released during the year		(3,731,559,431)	(312,758,161)
Provision charged during the year		2,345,154,833	4,737,392,458
Less. Written off/waived		(308,473,963)	(1,729,916,206)
Closing balance at December 31		10,556,786,926	8,520,106,056
31.2 Break-up of provision for loans and advances			
Statutory provision	31.2.1	8,881,631,469	4,986,123,250
Provision for SHS Loans	31.2.2	33,120,749	2,333,480,238
		8,914,752,218	7,319,603,488
31.2.1 Statutory provision			
General provision		1,186,590,595	808,940,279
Special provision (as per DFIM circular no.33)		116,861,724	117,882,803
Specific provision		7,578,179,150	4,059,300,169
		8,881,631,469	4,986,123,250
31.2.2 Provision for SHS Loans			
Provision for SHS Loans kept as per DFIM letter no. DFIM(C)1054/30/2022-54		-	603,656,174
Voluntary provision kept for SHS loans		33,120,749	1,729,824,064
		33,120,749	2,333,480,238
DFIM vide letter no. DFIM(C)1054/30/2022-54 dated 3 January 2022 required IDCOL to ensure maintenance of 100% provision for writing off of SHS loans against waiver application. In previous years, IDCOL reported this provision amount under the head "voluntary provision for loans and advances" which has been renamed as "provision for SHS loans as per DFIM letter no. DFIM(C)1054/30/2022-54", as per the direction of Bangladesh Bank.			
31.3 Movement of provision for loans and advances			
Opening balance at January 01		7,319,603,489	4,596,040,890
Provision made for the year		5,635,019,848	4,750,150,619
Provision released during the year		(3,731,397,156)	(296,671,814)
Provision charged during the year		1,903,622,692	4,453,478,805
Less. Written off/waived		(308,473,963)	(1,729,916,206)
Closing balance at December 31	31.2	8,914,752,218	7,319,603,489
31.3.1 Movement of provision for loans and advances- statutory provision			
Opening balance at January 01		4,986,123,250	2,361,586,077
Provision made for the year		5,635,019,848	3,050,150,619
Provision released during the year		(1,566,604,589)	(296,671,815)
Provision charged during the year		4,068,415,259	2,753,478,804
Less. Written off/waived		(172,907,040)	(128,941,631)
Closing balance at December 31		8,881,631,469	4,986,123,250



	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
31.3.2 Movement of provision for loans and advances- provision for SHS Loans			
Opening balance at January 01		2,333,480,238	2,234,454,813
Provision made for the year		-	1,700,000,000
Provision released during the year		(2,164,792,565)	-
Provision charged during the year		(2,164,792,565)	1,700,000,000
Less. Written off/waived		(135,566,923)	(1,600,974,575)
Closing balance at December 31		33,120,750	2,333,480,238
31.4 Movement of provision for short term investment			
Opening balance at January 01		1,200,000,000	900,000,000
Provision made for the year		441,694,416	300,000,000
Provision released during the year		-	-
Provision charged during the year		441,694,416	300,000,000
Less. Written off/waived		-	-
Closing balance at December 31		1,641,694,416	1,200,000,000
		As per the recommendation of Bangladesh Bank, since 2019, IDCOL has been maintaining provision for short-term investment in various financial institutions considering their liquidity crisis to mitigate default risk.	
31.5 Movement of provision for other assets			
Opening balance at January 01		262,275	16,348,622
Provision made for the year		-	-
Provision released during the year		(162,275)	(16,086,347)
Provision charged during the year		(162,275)	(16,086,347)
Less. Written off/waived		-	-
Closing balance at December 31		100,000	262,275
31.6 Movement of provision for off-balance sheet items			
Opening balance at January 01		240,292	240,292
Provision made for the year		-	-
Provision released during the year		-	-
Provision charged during the year		-	-
Less. Written off/waived		-	-
Closing balance at December 31		240,292	240,292
31.7 Break-up of provision made during the year			
General provision		380,001,875	(13,199,488)
Special provision (as per DFIM circular no.33)		(1,021,078)	(130,195,005)
Specific provision		3,689,434,462	4,497,847,872
Provision for SHS loans		(2,164,792,566)	99,025,425
Voluntary provision on short term investment		441,694,416	300,000,000
Provision for other assets		(162,275)	(16,086,347)
Provision for off-balance sheet		-	-
		2,345,154,834	4,737,392,457
32 Provision for income tax			
Opening balance at January 01		869,517,499	1,434,584,285
Add: Provision made during the year		1,516,340,412	869,517,499
		2,385,857,910	2,304,101,783
Less: Settlement of previous year's tax liabilities		(869,517,499)	(1,434,584,285)
Closing balance at December 31		1,516,340,411	869,517,499

	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
Tax expenses			
Deferred tax (income)/ expense	Annex-H	(11,654,974)	17,310,276
Current tax expense		1,516,340,412	869,517,499
Tax payment for appeal FY 2017 (AY 2018-19)		-	10,000,000
Prior year tax		99,838,196	3,883,805
		1,604,523,634	900,711,580

Prior year tax was related settlement of final tax for FY 2017 (AY 2018-19) as per final assessment order by the DCT.

Reconciliation of effective tax rate	2023		2022	
	Taka	%	Taka	%
Tax on profit before taxes	1,274,452,597	40.00%	900,201,860	40.00%
<u>Adjustment of tax effect for</u>				
Provision for non-deductible expenses	1,344,846,660	42.21%	2,272,161,710	36.26%
Adjustment/provision released during the year	(986,106,298)	-30.95%	(1,619,083,292)	-19.83%
Tax on investment income	6,537,037	0.21%	8,203,704	0.48%
Adjustment for loan write off during the year	(123,389,585)	-3.87%	(691,966,482)	-1.61%
Other adjustments (net)	-	0.00%	-	0.00%
Effective tax rate	1,516,340,412	47.59%	869,517,500	55.30%

33 Earnings per share (EPS)

Profit attributable to ordinary shareholders

	Amount in Taka	
	31-Dec-2023	31-Dec-2022
Net profit for the year	1,581,607,858	1,349,793,068
Ordinary shares at January 01, 2022	78,800,000	78,800,000
Bonus shares issued during 2023	5,000,000	5,000,000
Total number of shares at December 31-Restated	83,800,000	83,800,000
Weighted average number of ordinary shares	83,800,000	83,800,000
Earnings per share	18.87	16.11

Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2023 as per International Accounting Standard (IAS)-33. According to IAS-33, EPS for the period ended 31 December 2022 was restated for the issuance of bonus shares (for 2022) in 2023.

34 Net asset value (NAV) per share

Net asset (total asset - total liabilities) (A)	11,826,160,483	10,944,552,625
Weighted average number of ordinary shares (B)	83,800,000	83,800,000
NAV per share (A/B)	141.12	130.60

Since the Company has issued 5,000,000 bonus shares of Tk. 100 each during the year 2023, weighted average number of shares outstanding for the NAV computation has been retrospectively adjusted for the effect of the bonus issue. As such the NAV calculation for 2023 and 2022 has been based on the new number of shares of 83,800,000. Before adjusting the bonus share NAV of 2022 was Tk.138.89 per share.

35 Net operating cash flows per share (NOCFPS)

Net cash flows from operating activities (A)	(15,235,903,714)	2,216,455,504
Total number of ordinary shares outstanding (B)	83,800,000	83,800,000
Net operating cash flows per share (NOCFPS) (A/B)	(181.81)	26.45

Since the Company has issued 5,000,000 bonus shares of Tk. 100 each during the year 2023, weighted average number of shares outstanding for the NOCFPS computation has been retrospectively adjusted for the effect of the bonus issue. As such the NOCFPS calculation for 2023 and 2022 has been based on the new number of shares of 83,800,000. Before adjusting the bonus share NOCFPS of 2022 was Tk. 28.13 per share.

36 Debt service coverage ratio (DSCR)

Profit/(Loss) before provision & tax		5,531,286,326	6,987,897,106
Depreciation and repair of company's assets	28	21,212,728	27,166,775
Interest on deposits, borrowings etc	16	2,473,022,093	1,405,674,854
Realization during the year	7.1	9,140,847,425	13,145,823,802
Cash available for debt Service (CADS) (A)		17,166,368,572	21,566,562,537



	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
Interest payment	16	2,473,022,093	1,405,674,854
Principal payment (repayment made during the year)		6,554,430,175	4,501,191,672
Debt Service (B)		9,027,452,268	5,906,866,526
Debt service coverage ratio (DSCR) (A/B)		1.90	3.65

37 Events after the reporting period

Proposed dividend: The Board of Directors in its 317th meeting held on 19 September 2024 has recommended cash dividend amounting Tk. 500,000,000 and stock dividend amounting Tk. 500,000,000 for the year ended 31 December 2023 for placement before the shareholders for approval on 27th AGM of the Company.

38 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 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 2023 were as follows:

Name of the related party	Nature of transaction	Relationship	Balance at Jan 01	Addition during the year	Adjustment during this year	Balance at Dec 31
Senior Management Officials	Loan	Top Officials	12,779,407	-	3,448,629	9,330,778

Loans to Senior Management includes car loan and home loan extended under IDCOL Employee Car Loan Facility and IDCOL Home Loan Facility, respectively. As at 31 December 2023, loans amounting to Tk. 9,330,778 are outstanding with the Deputy CEO & CFO and the Head of Renewable Energy Investment.

39 Other contingent liability

Contingent liability has been presented in accordance with IAS-37 to reflect the probable liability that may arise due to claim of Value Added Taxes (VAT) by the National Board of Revenue (NBR). IDCOL appealed before the Appellate Tribunal of the board and the honorable tribunal has set aside and annulled all the claims demanded by the VAT authority vide order no. "নথি নং-সিইভিটি/কেইস (আইটি)-১৯৯/১৮ তারিখঃ ০২/০৭/২০২০". In this order the honorable tribunal has also instructed the commissioner, customs, excise & VAT Commissionerate, Dhaka (South) to reassess the VAT by giving opportunities to all the relevant parties. Accordingly a committee has been formed by the commissioner, customs, excise & VAT Commissionerate, Dhaka (South) office vide letter no. নথি নং-৪/মুসক/৮ (২৮)করফাঁকি/বিচার/১৮/৯৩৪ (০৭), তারিখ ৭/১২/২০২০ including various relevant officers in order to reassess the VAT claim and settle the issue.

40 Accumulated movement of funds under projects

Fund inflow

Long term loans

	31-Dec-2023	31-Dec-2022
Loan from IDA under PSIDP	6,210,400,000	6,210,400,000
Loan from IDA under REREDP	3,722,482,411	3,719,480,586
Loan from KfW under solar program	5,230,801	5,230,801
Loan from KfW under NDBMP	259,879,471	259,879,471
	10,197,992,683	10,194,990,858

Grants received for project implementation

Grant from World Bank (GEF, IDA, GPOBA) under REREDP	3,866,931,321	3,866,931,321
Grant from KfW under solar program	1,178,943,726	1,178,943,726
Grant from KfW under RE program*	850,222,566	768,995,880
Grant from GIZ under solar program	1,075,300,229	1,075,300,229
Grant provided under JICA-REDP	172,980,423	172,980,423
Grant provided under JICA-EE& EC	254,945,366	220,065,163
Grant provided under ADB-PPIDF	256,712,855	256,712,855
Grant provided WB under USAID	512,818,301	512,818,301
Grant provided WB under BCCRF	787,321,789	787,321,789
Grant provided by DFID	1,893,556,814	1,893,556,814
Grant provided by SREPGen	171,120,011	171,120,011
Grant received under IDA 5158 (HE)	572,800,231	572,800,231
Grant received under IDA 5158 (AE)	382,416,445	382,416,445
Grant received under IDA 5514 (AF)	588,520,901	548,520,901
Grant received under IDA 6202 (HE)	1,959,283,872	1,677,381,808
Grant received from AFD	19,327,300	19,327,300

Notes	Amount in Taka	
	31-Dec-2023	31-Dec-2022
Grant received under GCF Trust Fund # 0B4774	1,263,460,594	604,660,260
Grants received under GCF FP150	73,488,952	-
Grant received under SREP TF0A7640	55,412,498	28,554,586
Grant from KfW under NDBMP	520,094,670	520,094,670
	16,455,658,863	15,258,502,713
<u>Principal repayment and interest received from projects</u>		
Principal repaid by the projects financed under PSIDP	6,694,860,108	6,694,860,108
Principal repaid by the projects financed under REREDP	4,335,478,341	3,996,380,165
Interest paid by the projects financed under PSIDP	6,888,299,083	6,888,299,083
Interest paid by the projects financed under REREDP	1,327,910,160	1,327,910,160
	19,246,547,692	18,907,449,516
Interest from bank accounts	68,590,150	66,276,969
Exchange gain from bank accounts	630,766,889	413,701,360
	46,599,556,277	44,840,921,416
Fund outflow		
<u>Loans and advances</u>		
Projects financed under PSIDP	6,210,400,000	6,210,400,000
Loan to POs under REREDP	3,715,065,945	3,715,065,945
Loan to POs under KfW funded solar program	5,230,801	5,230,801
Loan to POs under KfW funded NDBMP	227,578,344	227,578,344
	10,158,275,090	10,158,275,090
<u>Grants utilized for project implementation:</u>		
World Bank (GEF, GPOBA & IDA) grants provided to POs under REREDP	2,855,959,380	2,855,959,380
World Bank (GEF, GPOBA & IDA) grants used for project under REREDP	739,098,620	739,098,620
KfW grants provided to POs under solar program	954,587,290	954,587,290
KfW grants used for project under solar program	210,758,222	210,758,222
KfW grants used for project under REP	850,222,566	768,995,880
GIZ grants provided to POs under solar program	902,664,924	902,664,924
GIZ grants used for project under solar program	147,676,979	147,676,979
ADB grants provided to POs under PPIDF	201,917,025	201,917,025
ADB grants used for project under PPIDF	54,845,950	54,845,950
JICA grants used for project under REDP	171,083,341	171,083,341
JICA grants used for project under EE& EC	255,066,538	220,186,335
USAID grants provided to POs under REREDP	425,256,649	425,256,649
USAID grants used for project under REREDP	87,561,652	87,561,652
BCCRF grants provided to sponsors under REREDP	708,195,019	708,195,019
BCCRF grants used for project under REREDP	79,126,771	79,126,771
DFID grants provided to POs under RE	1,787,626,245	1,787,626,245
DFID grants used for project under RE	109,260,118	109,260,118
Grants provided to Pos under AFD	641,471,556	632,379,113
Grants provided to POs under IDA 5158 (HE)	271,503,477	271,500,394
Grants used for project under IDA 5158 (HE)	382,416,445	382,416,445
Grants used for project under IDA 5158 (AE)	366,255,360	366,255,360
Grants used for project under IDA 5514 (AF)	380,080,731	340,080,731
Grants Provided to POs under IDA 6202 (HE)	907,930,833	779,032,948
Grants used for project under IDA 6202 (HE)	817,793,813	610,434,255
Grants used for project under TA0A7640	45,412,499	18,554,587
Grant used under GCF Trust Fund # 0B4774	984,132,969	484,497,312
Grants used under GCF GCF FP150	2,169,502	-
Grants provided to POs under SREPGen	171,120,011	171,120,011



	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
KfW grants provided to POs under NDBMP		356,556,300	356,556,300
KfW grants used for project under NDBMP		146,484,845	146,484,845
		16,014,235,628	14,984,112,699
<u>On lending by IDCOL from reflows:</u>			
Projects financed from reflows under PSIDP		8,819,566,118	8,819,566,118
Projects financed from reflows under REREDP		2,641,132,700	2,641,132,700
		11,460,698,818	11,460,698,818
Debt service of IDA loans		5,694,192,977	5,195,930,624
Refund, tax and charges		75,469,640	73,353,511
Balance at bank	40.4	3,196,684,125	2,968,550,674
		46,599,556,277	44,840,921,416
40.1 Movement during the year			
Fund inflow			
<u>Long term loans:</u>			
Loan from IDA under PSIDP		-	-
Loan from IDA under REREDP		3,001,825	4,403,650
Loan from KfW under solar program		-	-
Loan from KfW under NDBMP		-	-
		3,001,825	4,403,650
<u>Grants received for project implementation:</u>			
Grant from World Bank (GEF, IDA, GPOBA) under REREDP		-	-
Grant from KfW under solar program		-	-
Grant from KfW under RE program		81,226,686	157,760,980
Grant from GIZ under solar program		-	-
Grant provided under JICA-REDP		-	-
Grant provided under EE & EC		34,880,203	-
Grant provided under ADB-PPIDF		-	-
Grant provided WB under USAID		-	-
Grant provided WB under BCCRF		-	-
Grant provided by DFID		-	-
Grant provided by SREPGen		-	-
Grant received under IDA 5158 (HE)		-	190,274
Grant received under IDA 5158 (AE)		-	-
Grant received under IDA 5514 (AF)		40,000,000	87,410,010
Grant received under IDA 6202		281,902,064	366,072,610
Grant received from AFD		-	-
Grant received under GCF Trust Fund # 0B4774		658,800,334	489,660,260
Grants received under GCF FP150		73,488,952	-
Grant received under SREP TF0A7640		26,857,912	18,554,586
Grant from KfW under NDBMP		-	-
		1,197,156,151	1,119,648,720
<u>Principal repayment and interest received from projects:</u>			
Principal repaid by the projects financed under PSIDP		-	-
Principal repaid by the projects financed under REREDP		339,098,176	383,748,115
Interest paid by the projects financed under PSIDP		-	-
Interest paid by the projects financed under REREDP		-	-
		339,098,176	383,748,115
Interest from bank accounts		2,313,181	1,629,490
Exchange gain from bank accounts		217,065,529	388,164,240
		1,758,634,862	1,897,594,216

Notes	Amount in Taka	
	31-Dec-2023	31-Dec-2022
Fund outflow		
<u>Loans and advances:</u>		
Projects financed under PSIDP	-	-
Loan to POs under REREDP	-	-
Loan to POs under KfW funded solar program	-	-
Loan to POs under KfW funded NDBMP	-	-
	-	-
<u>Grants utilized for project implementation:</u>		
World Bank (GEF, GPOBA & IDA) grants provided to POs under REREDP	-	-
World Bank (GEF, GPOBA & IDA) grants used for project under REREDP	-	-
KfW grants provided to POs under solar program	-	-
KfW grants used for project under solar program	-	-
KfW grants used for project under REP	81,226,686	157,760,980
GIZ grants provided to POs under solar program	-	-
GIZ grants used for project under solar program	-	-
ADB grants provided to POs under PPIDF	-	-
ADB grants used for project under PPIDF	-	-
JICA grants used for project under REDP	-	-
JICA grants used for project under EE& EC	34,880,203	-
USAID grants provided to POs under REREDP	-	-
USAID grants used for project under REREDP	-	-
BCCRF grants provided to sponsors under REREDP	-	-
BCCRF grants used for project under REREDP	-	-
DFID grants provided to POs under RE	-	-
DFID grants used for project under RE	-	-
Grants provided to POs under AFD	9,092,443	10,234,857
Grants provided to POs under IDA 5158 (HE)	3,083	181,800
Grants used for project under IDA 5158 (HE)	-	-
Grants used for project under IDA 5158 (AE)	-	-
Grants used for project under IDA 5514 (AF)	40,000,000	87,410,010
Grants Provided to POs under IDA 6202 (HE)	128,897,885	115,209,410
Grants used for project under IDA 6202 (AE & HE)	207,359,558	218,020,044
Grants used for project under TA0A7640	26,857,912	15,173,748
Grant used under GCF Trust Fund # 0B4774	499,635,657	484,497,312
Grants provided to POs under SREPGen	-	-
Grants used under GCF GCF FP150	2,169,502	-
KfW grants provided to POs under NDBMP	-	-
KfW grants used for project under NDBMP	-	-
KfW grants used for project under NDBMP	-	-
	1,030,122,929	1,088,488,160
<u>On lending by IDCOL from reflows:</u>		
Projects financed from reflows under PSIDP	-	-
Projects financed from reflows under REREDP	-	-
	-	-
Debt service of IDA loans	498,262,353	286,572,762
Refund, tax and charges	2,116,130	2,533,919
Balance at bank	228,133,450	519,999,375
	1,758,634,861	1,897,594,216



	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
40.2	The World Bank (IDA) have provided loan under the Agency & Administration Agreement signed between the GoB and IDCOL. This loan is being used for providing loans/refinance to eligible borrowers and/or Participating Organizations (POs) under various infrastructure and renewable energy projects. The Development Credit Agreement (DCA) and the Agency and Administration Agreement (AAA) under the PSIDP provide that proceeds (interest & principal) in BDT against the loan extended are to be deposited in the Taka denominated Repayment Account and proceeds received in USD are to be deposited in the Dollar denominated Repayment Account. According to the DCA and AAA under the REREDP, proceed in BDT (97% of interest and 100% of principal) are to be deposited in the Taka denominated Repayment Account. The DCA and the AAA under these projects provide that after meeting the GoB's debt service obligations, the balance in the repayment accounts shall be used by IDCOL to meet its operating expenses and future lending operations, subject to approval of the Government. The AAA also states that funds credited to the repayment accounts shall not form part of the Government's normal budgetary resources. The Finance Division of the Ministry of Finance also issued an operational guideline in this regard.		
40.3	The development partners provide two types of grants, for purchase of SHS: the buy-down grant to lower initial investment cost of SHS (Grant A), and the institutional development grant for institutional development of POs (Grant B). Both the components of grants decline as market expands and becomes commercially viable. In addition to grants for POs, development partners also provide grants for project implementation cost which includes; monitoring, supervision, marketing, physical verification of SHS, technical audit, capacity building of POs, consultants' fees, etc. As per the project agreement executed between the Development Partners and IDCOL, IDCOL is responsible to channel the sub-grants from the designated accounts maintained under each project.		
40.4	Disclosure for balance at bank accounts maintained under projects (Separately accounted for each project and also audited separately by an independent auditor. Not reflected in the financial statements of the Company except for the disclosures made in this note 40).		
	Bangladesh Bank Repayment account in USD under IDA Credit# 2995-BD	2,796,314,757	2,579,249,228
	Bangladesh Bank Repayment account in BDT under IDA Credit# 2995-BD	20,523	20,523
	Bangladesh Bank Repayment A/c in BDT under IDA Credit# 3679-BD	29,970	156,192,321
	Commercial Bank of Ceylon account # 2809007305 under SREPGEN	-	1,141
	Janata Bank CONTASA account # 36002256 under IDA 5158 (HE)	2,402	6,398
	Agrani Bank CONTASA A/C # 0200012858680 under IDA 6202 (HE)	39,618,755	93,750,077
	Janata Bank CONTASA A/C # 0100226810247 under GCF Trust Fund #0B4774	279,227,617	120,113,378
	Janata Bank A/C #0100219078514 under AFD	7,837	9,168,081
	Agrani Bank CONTASA Account #0200015912769 under SREP #TF0A7640	10,104,557	10,049,527
	Agrani Bank A/C #0200020342562 under GCF_FP150	71,357,708	-
		3,196,684,125	2,968,550,674

41 Exchange rate

In consolidated movement of funds, amounts are cumulative and foreign currencies (USD) are converted into equivalent Bangladesh Taka applying exchange rates of BDT 109.50/USD, BDT 0.7755/JPY, prevailing at December 31, 2023 and 101.00/USD, BDT 0.7362/JPY prevailing at December 31, 2022.

42 General

- Figures in these notes and the accompanying financial statements have been rounded off to the nearest Taka.
- Previous year's figures have been rearranged, where necessary, to conform to current year's presentation.
- Cash flow statement rearranged, due to reclassification of loans and advances to operating activities from investing activities.

Company Secretary

Executive Director & CEO

Director

Director

Chairman

Annexure - A

Infrastructure Development Company Limited

SCHEDULE OF LOAN DISBURSEMENT FROM REREDP-II PROJECT

Funded by IDA (Credit # 5158, # 5514 and Credit # 6202)

For the year ended 31 December 2023

(A) Loan to other RE Projects (Cat-1) under IDA Credit # 5158

SL #	Name of sponsors	2023		2022	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	Bengal Renewable Energy Limited	-	16,986,480	-	-
2	Dutch Dairy Limited	-	30,385,586	-	-
3	Gazi Renewable Energy Limited	-	-	108	4,648,429
4	Npolymer Construction Limited	-	-	63	20,067,342
Sub Total (A)		-	47,372,066	171	24,715,771

(B) Loan to other RE Projects (Cat-1) under IDA Credit # 5514

SL #	Name of sponsors	2023		2022	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	Sympa Solar Power Limited	-	74,231,993	-	-
Sub Total (B)		-	74,231,993	-	-

(C) Loan to other RE Projects (Cat-1) under IDA Credit # 6202

SL #	Name of sponsors	2023		2022	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	Bright Green Energy Foundation	-	-	5	8,171,665
Sub Total (C)		-	-	5	8,171,665

Grand Total (A+B+C)

- 121,604,059 176 32,887,436

Loan to other renewable projects

This represents the amount extended under for financing of Solar PV based small scaled power plants and irrigation pumps under Remote Area Power Supply System.



Infrastructure Development Company Limited

SCHEDULE OF LOAN DISBURSEMENT FROM SREP PROJECT

Funded by IDA (Credit # 6363 and Credit # TF0A7640)

For the year ended 31 December 2023

(A) Loan to Rooftop PV projects (Cat-2) under IDA Credit # 6363

SL #	Name of sponsors	2023		2022	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	AKH Knitting & Dyeing Limited	-	-	-	43,928,000
2	GPH Renewable Energy Limited	-	-	-	114,460,606
3	Janata Jute Mills Limited	-	-	-	36,933,662
4	Hatil Complex Limited	-	8,108,973	-	45,950,846
5	Mega Yarn Dyeing Mills Limited	-	-	-	13,465,028
6	NAAFCO Pharma Limited	-	3,475,117	-	19,692,328
7	Joules Power Limited	-	96,215,490	-	-
8	Rancon Infrastructures and Engineering Limited	-	15,936,005	-	5,313,386
9	Kazi Farms Limited	-	-	-	53,963,746
10	Akij Polymer Industries Limited	-	36,102,125	-	-
11	Rising Industries limited	-	55,100,000	-	-
12	Thai-Foils & Polymer Industries Limited	-	89,471,000	-	-
13	Transcom Beverages Limited	-	86,919,300	-	-
14	Walton Hi-Tech Industries PLC.	-	54,979,768	-	-
15	Fakhruddin Textile Mills Limited	-	-	-	6,424,997
Sub Total (A)		-	446,307,778	-	340,132,599

(B) Loan for REFF establishment (Cat-1) under Credit # TF0A7640

SL #	Name of sponsors	2023		2022	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	AKH Knitting & Dyeing Limited	-	-	-	13,872,000
2	GPH Renewable Energy Limited	-	-	-	36,145,455
3	Mega Yarn Dyeing Mills Limited	-	-	-	4,252,114
4	NAAFCO Pharma Limited	-	1,097,405	-	6,218,630
5	Rancon Infrastructures and Engineering Limited	-	5,032,423	-	1,677,911
6	Kazi Farms Limited	-	-	-	17,041,183
7	Akij Polymer Industries Limited	-	11,400,671	-	-
8	Hatil Complex Limited	-	17,071,522	-	-
9	Walton Hi-Tech Industries PLC	-	17,362,032	-	-
10	Thai-Foils & Polymer Industries Limited	-	28,254,000	-	-
11	Transcom Beverages Limited	-	27,448,200	-	-
12	Rising Industries Limited	-	17,400,000	-	-
13	Janata Jute Mills	-	11,663,262	-	-
14	Joules Power Limited	-	30,383,840	-	-
15	Fakhruddin Textile Mills Limited	-	-	-	2,028,947
Sub Total (B)		-	167,113,354	-	81,236,240
Grand Total (A+B)		-	613,421,133	-	421,368,839



Annexure - C

Infrastructure Development Company Limited

SCHEDULE OF LOAN DISBURSEMENT FROM PPIDF PROJECT

Funded by ADB (Loan # 3554, 3555, 4254 and 4255)

For the year ended 31 December 2023

Refinancing to POs under Renewable Energy Project (Loan # 3555 -Special Operation)

SL #	Name of Participating Organizations	2023		2022	
		No. of Plant	Amount (Taka)	No. of Plant	Amount (Taka)
		-	-	-	-
	Sub Total (A)	-	-	-	-

Loan to Large Infrastructure Projects (Loan # 3554 -Ordinary Operation)

Name of Sponsor	Amount (USD)	Amount (Taka)	Amount (USD)	Amount (Taka)
		-	-	-
Sub Total (C)	-	-	-	-

Loan to Large Infrastructure Projects (Loan # 4254 -Ordinary Operation)

Name of Sponsor	Amount (USD)	Amount (Taka)	Amount (USD)	Amount (Taka)
1 Bengal Hotel & Resorts Limited	-	632,981,600	-	-
2 BRAC University	-	2,548,655,476	-	-
3 Karim Tex Limited	15,000,000	1,642,500,000	-	-
Sub Total (C)	15,000,000	4,824,137,076	-	-
Grand Total (A+B+C)	15,000,000	4,824,137,076	-	-





Infrastructure Development Company Limited

SCHEDULE OF LOAN DISBURSEMENT FROM RED & EECFPF PROJECT

Funded by JICA (Loan # BD-P 75, P 90 and P 109)

For the year ended 31 December 2023

Refinancing to Participating Organizations (POs)

IDCOL has extended refinancing facility to the POs to the extent of 70%-80% of outstanding loans provided by the PO to the customers/households against installation of SHS. These POs, selected by IDCOL in due process, were found eligible during the audit to receive the refinancing facility as per the project agreements, during the audit.

(A) Disbursement detail under Solar Irrigation program

SL #	Name of PO	2023		2022	
		Pumps (Units)	Amount (Taka)	Pumps (Units)	Amount (Taka)
	None	-	-	-	-
	Sub-total (A)	-	-	-	-

This represents the amount extended under for financing of solar irrigation pumps under Remote Area Power Supply System. IDCOL has extended refinancing facility to the POs to the extent of 30% of outstanding loans provided by the PO to the customers against installation of Irrigation Plant. These POs, selected by IDCOL in due process, were found eligible during the audit to receive the refinancing facility as per the project agreements.

(B) Disbursement detail under Solar Minigrid program

SL #	Name of PO	2023		2022	
		Pumps (Units)	Amount (Taka)	Pumps (Units)	Amount (Taka)
	None	-	-	-	-
	Sub-total (B)	-	-	-	-
	Total under Other Renewable Energy program (A+B)	-	-	-	-

Loan to Energy Efficiency Projects (Loan # JICA BD-P-90)**(C) Disbursement detail under Infrastructure Project**

SL #	Name of PO	2023		2022	
		Units	Amount (Taka)	Units	Amount (Taka)
1	Samuda Power Limited	-	96,100,000	-	118,900,000
2	Shanta Holdings Limited	-	-	-	804,908,350
3	Snowtex Sportswear Limited	-	-	-	44,111,550
4	Premier Cement Mills PLC	-	18,525,590	-	-
	Sub-total (C)	-	114,625,590	-	967,919,900

Loan to Energy Efficiency Projects (Loan # JICA BD-P-109)**(D) Disbursement detail under Infrastructure Project**

SL #	Name of PO	2023		2022	
		Units	Amount (Taka)	Units	Amount (Taka)
1	Envoy Textiles Limited	-	-	-	405,770,002
2	Samuda Power Limited	-	-	-	85,000,000
3	BRAC University	-	159,799,626	-	591,544,898
4	Premier Cement Mills PLC	-	246,474,410	-	-
5	Crown Cement PLC	-	650,462,318	-	-
6	Akij Glass Industries Limited	-	362,180,000	-	-
7	The ACME Laboratories Limited	-	460,767,162	-	-
	Sub-total (D)	-	1,879,683,516	-	1,082,314,900
	Grand Total (A+B+C+D)	-	1,994,309,106	-	2,050,234,800



Annexure - E

Infrastructure Development Company Limited

SCHEDULE OF LOAN DISBURSEMENT FROM KFW REP PROJECT

Funded by KfW

For the year ended 31 December 2023

(A) Loan for C&I grid-connected PV plants and off-grid RE projects

SL #	Name of sponsors	2023		2022	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	AKH Knitting & Dyeing Limited	-	2,519,672	-	55,280,328
2	Fakhruddin Textile Mills Limited	-	2,638,961	-	53,720,668
3	Hatil Complex Limited	-	10,669,702	-	60,461,640
4	Janata Jute Mills Limited	-	5,162,356	-	43,434,568
5	Kazi Farms Limited	-	10,650,740	-	60,354,190
6	Khantex Fashions Limited	-	-	-	7,120,263
7	Mega Yarn Dyeing Mills Limited	-	-	-	17,717,143
8	Naafco Pharma Limited	-	6,581,444	-	23,902,037
9	Rancon Infrastructures & Engineering Limited	-	-	-	6,991,298
10	Snowtex Outerwear Limited	-	633,329	-	13,661,133
11	Akij Polymer Industries Ltd. (APIL)	-	47,502,797	-	-
12	GPH Renewable Energy Limited	-	150,606,061	-	-
13	Joules Power Limited	-	126,599,330	-	-
14	K. A. Design Limited	-	4,854,997	-	-
15	Rising Industries Limited	-	72,500,000	-	-
16	Thai Foils & Polymer Industries Ltd.	-	117,725,000	-	-
17	Transcom Beverages Limited	-	114,367,500	-	-
18	Walton Hi-Tech Industries PLC.	-	72,341,800	-	-
Sub Total (A)		-	745,353,689	-	342,643,268
Grand Total (A)		-	745,353,689	-	342,643,268





Infrastructure Development Company Limited

SCHEDULE OF LOAN DISBURSEMENT FROM SUNREF PROJECT

Funded by AFD

For the year ended 31 December 2023

(A) Loan to Sponsors for financing of energy efficiency, renewable energy and environmental performance projects

SL #	Name of sponsors	2023		2022	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	Comfit Composite Knit Limited	-	12,496,222	-	681,217,897
2	Esquire Knit Composite Limited	-	627,057,493	-	-
3	Bengal Hotels and Resorts Limited	-	1,367,018,400	-	-
4	Premier Cement Mills PLC	-	1,190,000,000	-	-
5	BRAC University	-	1,196,744,058	-	-
	Sub Total (A)	-	4,393,316,173	-	681,217,897
	Grand Total (A)	-	4,393,316,173	-	681,217,897



Annexure - G

Infrastructure Development Company Limited

SCHEDULE OF LOAN DISBURSEMENT (CREDIT NO.-L0344A)

Funded by AIIB

For the year ended 31 December 2023

Loan to Sponsors under Multi- Sector on lending facility

SL #	Name of Sponsor	2023		2022	
		Amount (USD)	Amount (Taka)	Amount (USD)	Amount (Taka)
1	Intraco Solar Power Limited	20,000,000	2,170,000,000	-	-
2	Intraco Solar Power Limited	-	1,057,148,677	-	-
Sub Total (A)		20,000,000	3,227,148,677	-	-
Grand Total (A)		20,000,000	3,227,148,677	-	-





Infrastructure Development Company Limited

DEFERRED TAX ASSETS

For the year ended 31 December 2023

Particulars	Carrying amount on balance sheet date	Tax base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
Year: 2023			
Fixed assets including land, building, furniture and fixtures	160,738,313	153,570,588	7,167,725
Right of use asset	-	-	-
Lease Liability	-	-	-
Gratuity Provision	-	-	-
General provision other than loans	340,292	-	(340,292)
Total temporary difference	161,078,605	153,570,588	6,827,433
Applicable tax rate			40.0%
Deferred Tax (Asset)/ Liability (see note: 9.5) (A)			2,730,973
Particulars	Carrying amount on balance sheet date	Tax base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
Year: 2022			
Fixed assets including land, building, furniture and fixtures	116,465,064	78,019,194	38,445,870
Right of use asset	17,115,688		(17,115,688)
Lease Liability	15,137,252		15,137,252
General provision other than loans	502,567	-	(502,567)
Total temporary difference	149,220,572	78,019,194	35,964,866
Applicable tax rate			40.0%
Deferred Tax (Asset)/Liability (see note: 9.5) (B)			14,385,947
Movement of Deferred Tax Liability (B-A)			(11,654,974)

Infrastructure Development Company Limited

SCHEDULE OF FIXED ASSETS

as at 31 December 2023

Annexure - I
Amount in Taka

Particulars of Assets	Cost				Rate	Depreciation			Accumulated at 31 Dec 2023	Attributable to Asset sold or written off	Attributable to Asset held for sale	Written down value as at 31 Dec 2023
	Balance at 1 Jan 2023	Additions	Disposal/ written off	Transfer to held for sale		Balance as at 31 Dec 2023	Change for the year	Disposal				
Office space	19,412,311	-	-	-	19,412,311	10%	16,335,407	-	-	16,335,407	-	3,076,904
Furniture and fixture	41,004,380	11,894,867	1,070,017	-	51,829,230	10%	23,280,204	4,744,781	882,293	27,142,693	187,724	24,686,537
Interior decoration	23,977,634	-	-	-	23,977,634	10%	22,362,245	1,185,666	-	23,547,911	-	429,723
Computer & computer equipment	34,287,092	1,371,605	2,439,335	-	33,219,362	25%	27,827,131	2,367,045	2,421,252	27,772,924	18,083	5,446,438
Other office equipment	41,307,812	2,801,508	5,844,641	-	38,264,678	10%	18,877,695	4,051,446	4,017,438	18,911,702	1,827,203	19,352,976
Software	11,698,266	250,000	-	-	11,948,266	10%-50%	6,331,060	773,601	-	7,104,661	-	4,843,605
Vehicle	58,372,065	-	9,219,547	-	49,152,518	20%	41,283,205	1,815,721	8,087,261	35,011,665	1,132,286	14,140,853
Land	20,681,034	-	-	-	20,681,034	0%	-	-	-	-	-	20,681,034
Construction in Process- IDCOL Green Tower	22,021,417	46,058,826	-	-	68,080,243	0%	-	-	-	-	-	68,080,243
Balance as on 31 Dec 2023	272,762,011	62,376,805	18,573,540	-	316,565,276		156,296,946	14,938,261	15,408,244	155,826,963	3,165,296	160,738,313
Balance as on 31 Dec 2022	248,046,443	34,403,965	7,212,361	2,476,036	272,762,011		150,437,686	14,941,956	6,606,660	156,296,946	605,701	116,465,065
Right-of-use assets												
Office Space (Rent)	53,989,882	21,000,874	74,990,756	-	-		36,874,194	6,274,461	43,148,655	-	-	-
Balance as on 31 Dec 2023	53,989,882	21,000,874	74,990,756	-	-		36,874,194	6,274,461	43,148,655	-	-	-
Balance as on 31 Dec 2022	39,937,158	14,052,724	-	-	53,989,882		24,649,377	12,224,817	-	36,874,194	-	17,115,688



Annexure - I
Amount in Taka

Particulars of Assets	Cost			Rate	Depreciation			Accumulated at 31 Dec 2023	Attributable to Asset sold or written off	Attributable to Asset held for sale	Written down value as at 31 Dec 2023
	Balance at 1 Jan 2023	Additions	Disposal/ written off		Transfer to held for sale	Balance as at 31 Dec 2023	Charge for the year				
Office space	19,412,311	-	-	-	19,412,311	10%	-	16,335,407	-	-	3,076,904
Furniture and fixture	25,129,250	9,576,786	837,311	-	33,868,725	10%	664,487	15,636,599	172,825	-	18,232,126
Interior decoration	11,802,397	-	-	-	11,802,397	10%	385,892	11,491,460	-	-	310,937
Computer & computer equipment	9,730,996	181,000	1,508,950	-	8,403,046	25%	933,919	6,699,558	18,083	-	1,703,489
Other office equipment	10,718,278	2,691,508	3,978,053	-	9,431,732	10%	1,034,724	3,832,897	1,579,214	-	5,598,835
Software	2,867,749	250,000	-	-	3,117,749	10%-50%	297,917	2,515,666	-	-	602,083
Vehicle	33,563,265	-	9,219,547	-	24,343,718	20%	1,656,780	17,038,781	1,132,286	-	7,304,937
Land	20,681,034	-	-	-	20,681,034	0%	-	-	-	-	20,681,034
Construction in Process- IDCOL Green Tower	22,021,417	46,058,826	-	-	68,080,243	0%	-	-	-	-	68,080,243
Balance as on 31 Dec 2023	155,926,697	58,758,120	15,543,861	-	199,140,955		7,632,296	73,550,367	2,902,408	-	125,590,589
Balance as on 31 Dec 2022	131,155,977	26,635,971	1,865,251	-	155,926,697		6,749,350	78,559,531	136,921	-	77,367,166

Particulars of Assets	Cost			Rate	Depreciation			Accumulated at 31 Dec 2023	Attributable to Asset sold or written off	Attributable to Asset held for sale	Written down value as at 31 Dec 2023
	Balance at 1 Jan 2023	Additions	Disposal/ written off		Transfer to held for sale	Balance as at 31 Dec 2023	Charge for the year				
Office space	-	-	-	-	-	10%	-	-	-	-	-
Furniture and fixture	14,251,758	-	173,206	-	14,078,552	10%	1,383,082	8,682,811	158,306	-	4,170,965
Interior decoration	12,175,237	-	-	-	12,175,237	10%	799,775	11,256,677	-	-	118,785
Computer & computer equipment	23,500,212	710,105	545,090	-	23,665,227	25%	1,423,115	19,514,743	545,090	-	3,272,460
Other office equipment	30,343,177	-	1,736,139	-	28,607,039	10%	2,994,267	13,464,110	1,496,313	-	13,644,974
Software	8,431,739	-	-	-	8,431,739	10%-50%	475,685	3,714,533	-	-	4,241,521
Vehicle	24,808,800	-	-	-	24,808,800	20%	158,942	17,813,943	-	-	6,835,916
Land	-	-	-	-	-	0%	-	-	-	-	-
Construction in Process- IDCOL Green Tower	-	-	-	-	-	0%	-	-	-	-	-
Balance as on 31 Dec 2023	113,510,924	710,105	2,454,434	-	111,766,594		7,234,865	74,446,817	2,199,709	254,725	32,284,622
Balance as on 31 Dec 2022	112,203,200	7,767,994	4,135,572	-	113,510,924		8,166,518	72,303,987	3,698,990	2,324,698	39,064,107

Annexure - I
Amount in Taka

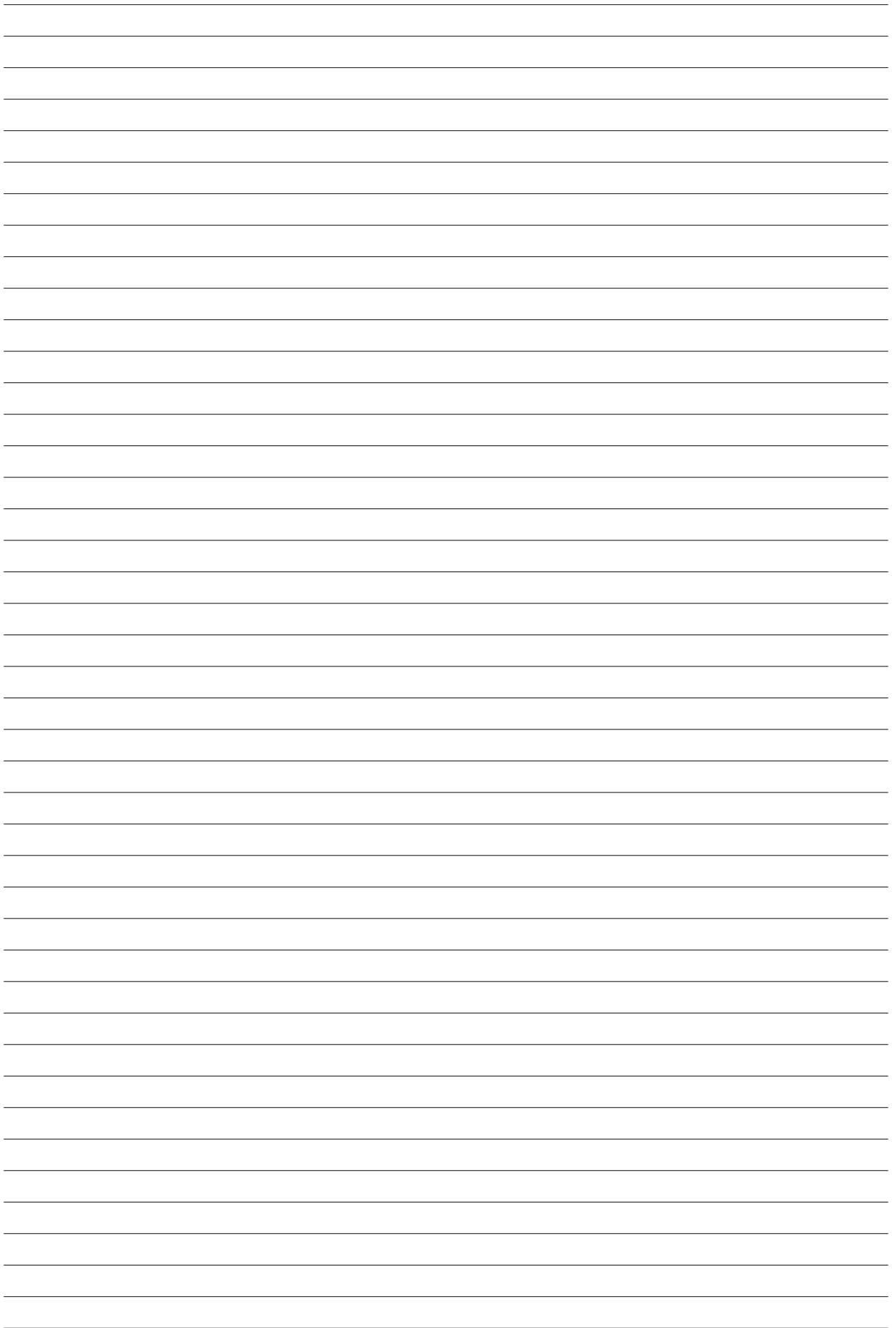
SNV-Netherlands Development Organisation

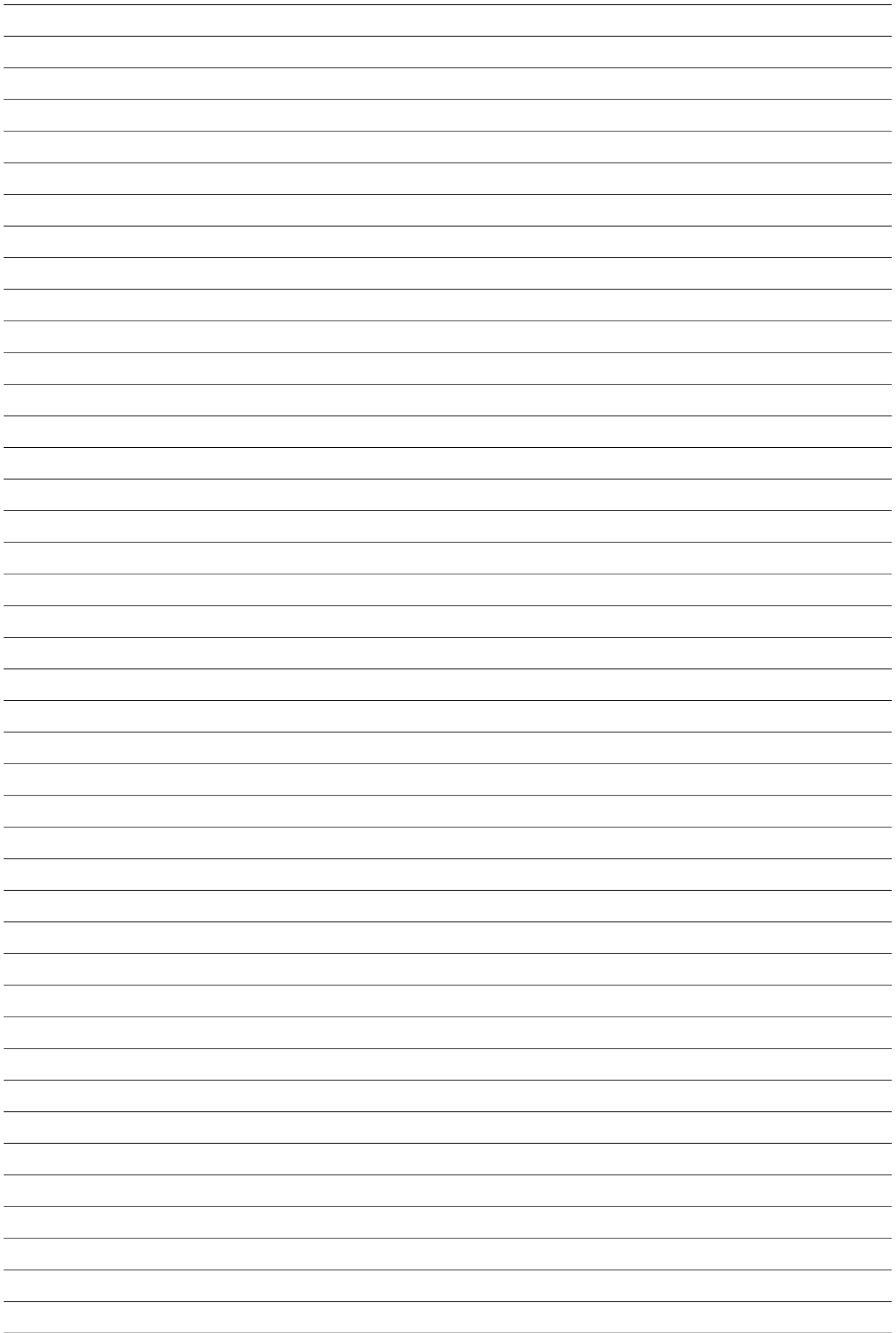
Particulars of Assets	Cost				Depreciation				Attributable to Asset sold or written off	Attributable to Asset held for sale	Written down value as at 31 Dec 2023	
	Balance at 1 Jan 2023	Additions	Disposal/ written off	Transfer to held for sale	Balance as at 31 Dec 2023	Rate	Accumulated at 1 Jan 2023	Charge for the year				Disposal
Office space	-	-	-	-	-	10%	-	-	-	-	-	-
Furniture and fixture	1,623,372	-	59,500	-	1,563,872	10%	1,619,372	-	59,500	-	1,559,872	4,000
Interior decoration	-	-	-	-	-	10%	-	-	-	-	-	-
Computer & computer equipment	291,578	-	102,375	-	189,203	25%	291,578	-	102,375	-	189,203	-
Other office equipment	56,950	-	17,850	-	39,100	10%	55,950	-	17,850	-	38,100	1,000
Software	398,778	-	-	-	398,778	10%-50%	398,778	-	-	-	398,778	-
Vehicle	-	-	-	-	-	20%	-	-	-	-	-	-
Land	-	-	-	-	-	0%	-	-	-	-	-	-
Construction in Process- IDCOL	-	-	-	-	-	0%	-	-	-	-	-	-
Green Tower	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on 31 Dec 2023	2,370,678	-	179,725	-	2,190,953		2,365,678	-	179,725	-	2,185,953	5,000
Balance as on 31 Dec 2022	3,644,259	-	1,122,243	151,338	2,370,678		3,605,358	1,703	1,090,045	151,338	2,365,678	5,000
KfW												
Office space	-	-	-	-	-	10%	-	-	-	-	-	-
Furniture and fixture	-	-	-	-	-	10%	-	-	-	-	-	-
Interior decoration	-	-	-	-	-	10%	-	-	-	-	-	-
Computer & computer equipment	764,305	-	282,920	-	481,385	25%	764,305	-	282,920	-	481,385	-
Other office equipment	189,407	-	112,600	-	76,807	10%	160,623	20,622	104,437	-	76,807	8,163
Software	-	-	-	-	-	10%-50%	-	-	-	-	-	-
Vehicle	-	-	-	-	-	20%	-	-	-	-	-	-
Land	-	-	-	-	-	0%	-	-	-	-	-	-
Construction in Process- IDCOL	-	-	-	-	-	0%	-	-	-	-	-	-
Green Tower	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on 31 Dec 2023	953,712	-	395,520	-	558,192		924,928	20,622	387,357	-	558,192	8,163
Balance as on 31 Dec 2022	1,043,007	-	89,295	-	953,712		989,837	24,386	89,295	-	924,928	28,784

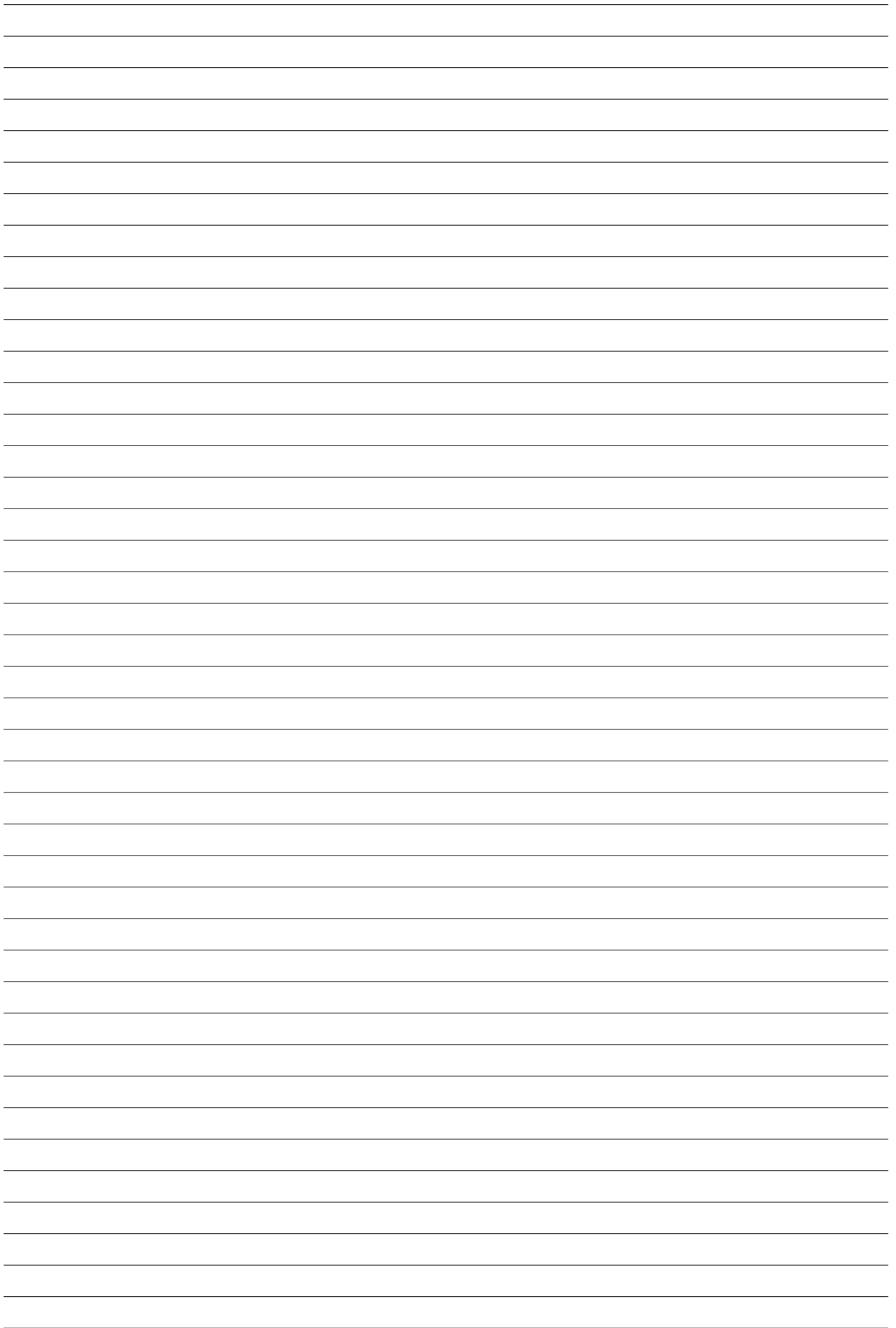


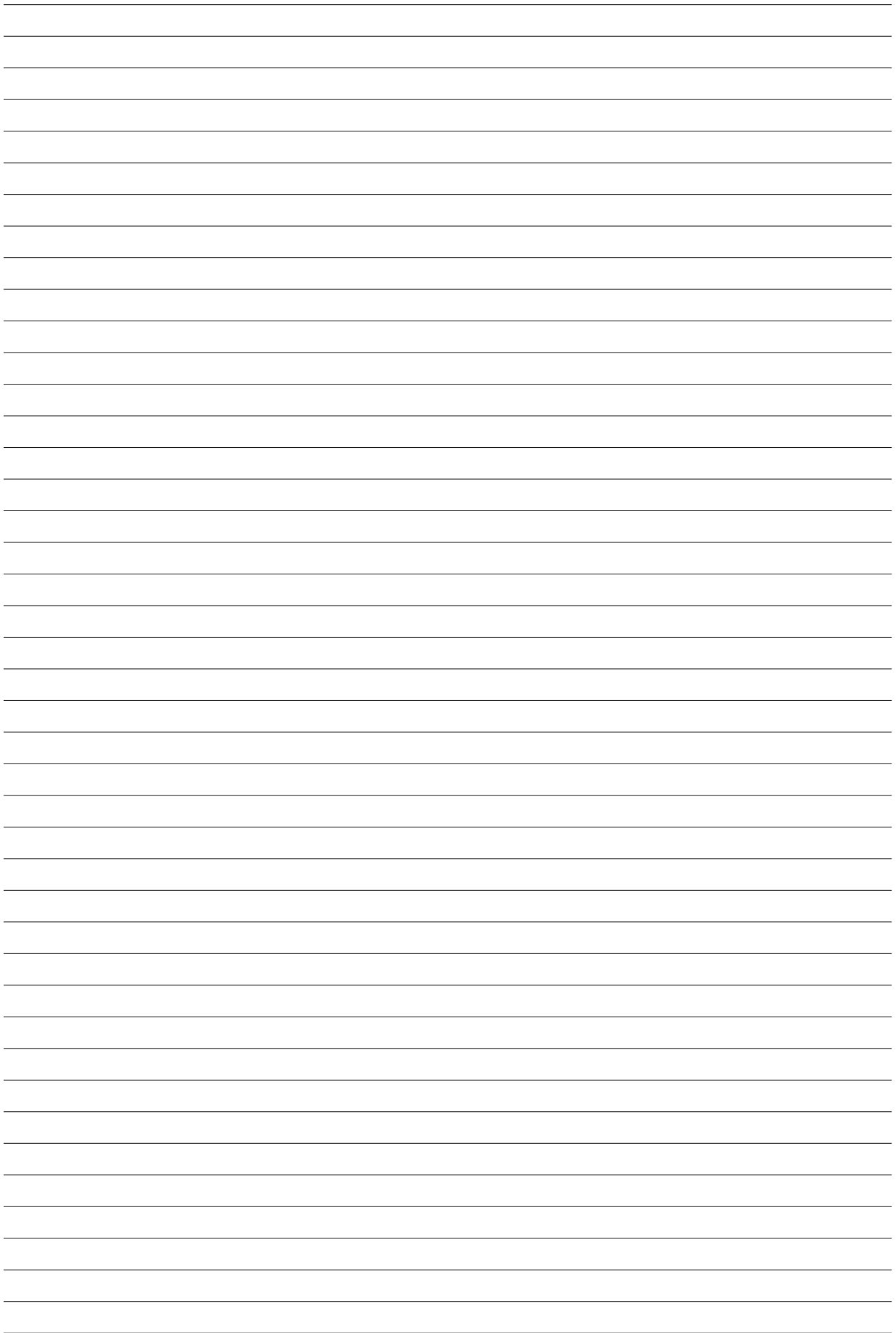
Annexure - I

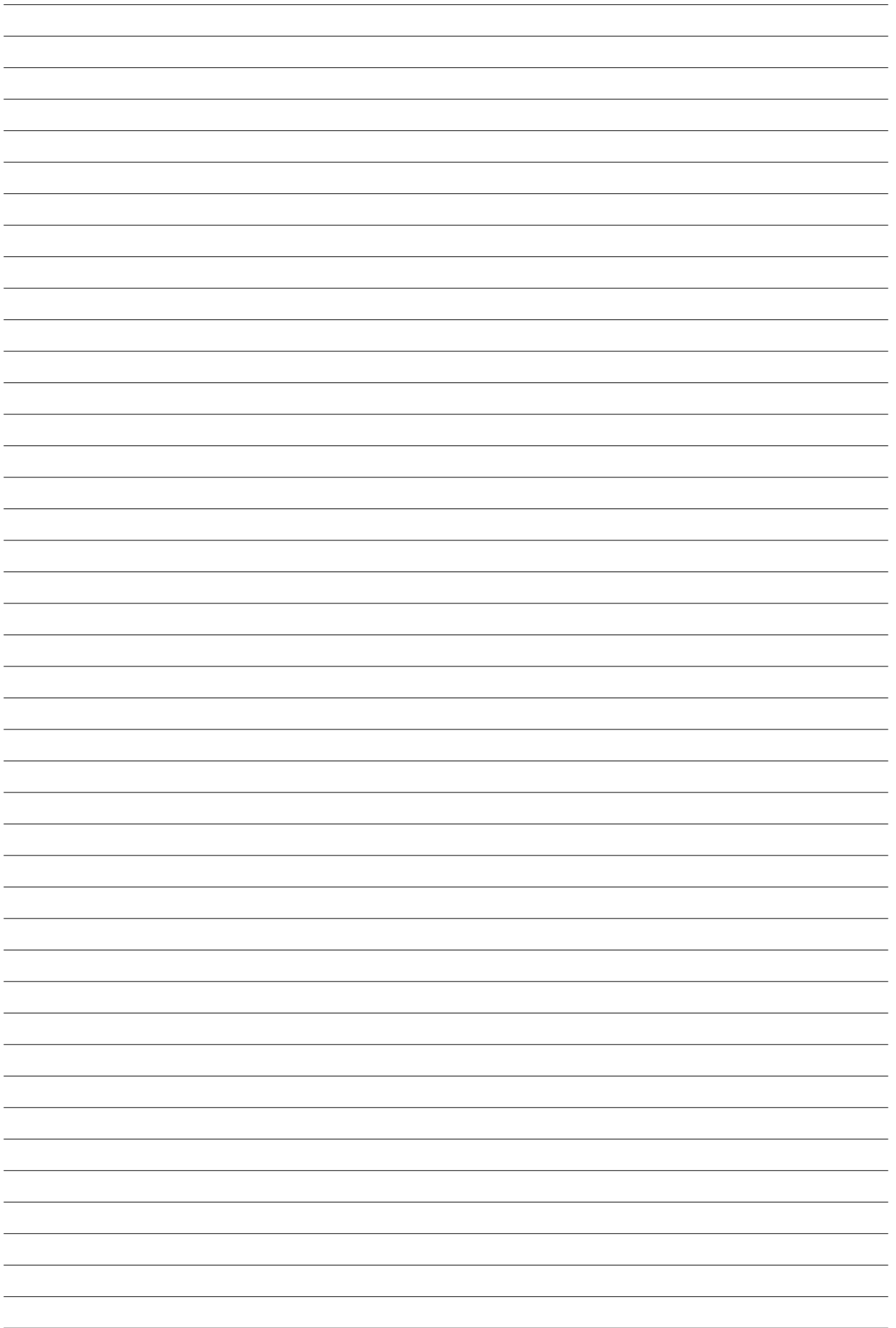
SEIP	Amount in Taka													
	Cost				Depreciation			Attributable						
Particulars of Assets	Balance at 1 Jan 2023	Additions	Disposal/ written off	Transfer to held for sale	Balance as at 31 Dec 2023	Rate	Accumulated at 1 Jan 2023	Charge for the year	Disposal	Held for sale	Accumulated at 31 Dec 2023	Attributable to Asset sold or written off	Attributable to Asset held for sale	Written down value as at 31 Dec 2023
Office space	-	-	-	-	-	10%	-	-	-	-	-	-	-	-
Furniture and fixture	-	2,318,081	-	-	2,318,081	10%	-	38,635	-	-	38,635	-	-	2,279,446
Interior decoration	-	-	-	-	-	10%	-	-	-	-	-	-	-	-
Computer & computer equipment	-	480,500	-	-	480,500	2.5%	-	10,010	-	-	10,010	-	-	470,490
Other office equipment	-	110,000	-	-	110,000	10%	-	1,833	-	-	1,833	-	-	108,167
Software	-	-	-	-	-	10%-50%	-	-	-	-	-	-	-	-
Vehicle	-	-	-	-	-	20%	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	0%	-	-	-	-	-	-	-	-
Construction in Process- IDCOL Green Tower	-	-	-	-	-	0%	-	-	-	-	-	-	-	-
Balance as on 31 Dec 2023	-	2,908,581	-	-	2,908,581		-	50,478	-	-	50,478	-	-	2,858,102
Balance as on 31 Dec 2022	-	-	-	-	-		-	-	-	-	-	-	-	-











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