

Industrial and Infrastructure Development Finance Company Ltd.

(Draft prospectus of the company not yet approved by Regulatory body.)

(If there is any contrary information please communicate with DSE through e-mail: listing@dsebd.org)

Disclaimer:

The contents of this presentation are entirely based on disclosures made by the company. Therefore, DSE does not assume any responsibility on the authenticity of the facts and figures presented thereof.

Brief Overview of the Company

1. Date of Incorporation : December 19, 2000
2. Commencement of Operation : May 2001
3. Authorized Capital : Tk. 1000 million.
4. Paid up Capital : Tk. 321.06 million (Pre IPO) including Bonus Share for the year 2007.

Details of the Issue

Description	Ordinary Shares	Face Value In Taka	Offer Price/ share (Tk.)	Capital in Taka
Pre-IPO Placement	–	–	–	–
Public Offering	500,000	100	100	50,000,000

History of Paid up Capital

(Capital in Million)

Year	Authorized Capital (million Tk.)	Issued, Subscribed and Paid-up Capital (million Tk.)	Rate of Increase (%)	Sources of Capital
2001	1000.00	141.00	-	-
2002	1000.00	141.00	-	-
2003	1000.00	141.00	-	-
2004	1000.00	162.15	15%	Bonus Shares
2005	1000.00	194.58	20%	Bonus Shares
2006	1000.00	233.50	20%	Bonus Shares
2007	1000.00	256.85	10%	Bonus Shares
After 2007	1000.00	321.06	25%	Bonus Shares

Paid up Capital after IPO (considering 25% stock for the year 2007)

Particulars	Ordinary Shares	Face Value (Tk.)	Capital in Taka
Pre-IPO Paid up capital	3,210,570	100	321,057,000
IPO	500,000	100	50,000,000
Paid up capital after IPO	3,710,570	100	371,057,000

Board of Directors:

Sl.	Name of Individual Directors	Designation	Directorship/Sponsorship/Ownership with other Companies
1	Mr. Md. Matiul Islam	Chairman	<ul style="list-style-type: none"> Vice Chairman , Credit Rating Agency of Bangladesh (CRAB) Ltd.
2	Mr. M. Syeduzzaman Representative of Bank Asia Ltd.	Vice Chairman	<ul style="list-style-type: none"> Chairman, Bank Asia Limited., BOC Ltd. Chairman, Credit Rating Agency of Bangladesh (CRAB) Ltd.
3	Mr. Neaz Ahmed Representative of Southeast Bank Ltd.	Director	
4	Mr. Fazle Hasan Abed Representative of BRAC Bank Ltd.	Director	
5	K. Mahmood Sattar Nominated by The City Bank Ltd.	Director	<ul style="list-style-type: none"> Nominee Director, Unique Hotel & Resorts Ltd.
6	Md Abdur Rahman Sarker Nominated by National Bank Ltd.	Director	
7	Serajuddin Ahmed Chowdhury (S.A. Chowdhury) Nominated by Sonali Bank	Director	
8	Mr. M. Haider Chowdhury Representative of National Life Insurance Co. Ltd.	Director	<ul style="list-style-type: none"> Chairman , National Housing Finance & Investment Ltd.
9	Mr. Ghulam Rahman Representative of Eastland Insurance Co. Ltd.	Director	
10	Mr. S. M. Aminur Rahman Representative of Janata Bank	Director	
11	Arif Quadri Nominated by One Bank Ltd.	Director	

Share Holdings of the Company:

Sl. No.	Name of Sponsors	Percentage of total securities owned
1	Sonali Bank	7.0922%
2	Janata Bank	Do
3	Investment Corporation of Bangladesh	Do
4	Arab Bangladesh Bank Ltd.	Do
5	Bank Asia Ltd.	Do
6	BRAC Bank Ltd.	Do
7	The City Bank Ltd.	Do
8	Mutual Trust Bank Ltd.	Do
9	National Bank Ltd.	Do
10	One Bank Ltd.	Do
11	Southeast Bank Ltd.	Do
12	Eastland Insurance Company Ltd.	Do
13	National Life Insurance Company Ltd.	Do
14	Pragati Insurance Ltd.	Do
15	Md. Matiul Islam	0.7092%
	Total	100%

Performance at a Glance:

(Tk. In million)

Particulars	31-12-2003	31-12-2004	31-12-2005	31-12-2006	31-12-2007
Operating Revenue	239.17	326.76	399.90	421.53	772.07
<i>Growth</i>		36.62%	22.38%	5.41%	83.16%
Operating Expenses	181.81	243.66	341.21	317.58	629.70
<i>Growth</i>		34.02%	40.04%	-6.93%	98.28%
Operating Profit	57.36	83.10	58.69	103.95	142.37
<i>Growth</i>		44.87%	-29.37%	77.12%	36.96%
Profit after tax	49.64	58.78	49.23	72.53	84.44
<i>Growth</i>		18.41%	-16.25%	47.33%	16.42%
Total Assets	2171.60	4958.34	2741.44	4138.96	6589.33
<i>Growth</i>		128.33%	-44.71%	50.98%	59.20%
Net Assets	200.55	259.33	308.57	381.10	437.52
<i>Growth</i>		29.31%	18.99%	23.51%	14.80%
NAV per share	142.23	159.93	158.58	163.21	170.34
<i>Growth</i>		12.44%	-0.84%	2.92%	4.37%
Post IPO NAV per share (Diluted), and also considering 25% stock for 2007	54.05	69.89	83.16	102.71	117.91
<i>Growth</i>		29.31%	18.99%	23.51%	14.80%
EPS	35.21	36.25	25.30	31.06	32.88
<i>Growth</i>		2.97%	-30.21%	22.77%	5.84%
Post IPO EPS (Diluted), and also considering 25% stock for 2007	13.38	15.84	13.27	19.55	22.76

Particulars	31-12-2003	31-12-2004	31-12-2005	31-12-2006	31-12-2007
Shareholders Equity	200.55	259.33	308.57	381.10	437.52
No. of Shares	1410000	1621500	1945800	2334960	2568456
ROE	24.75%	22.67%	15.95%	19.03%	19.30%
ROA	2.29%	1.19%	1.80%	1.75%	1.28%
Net Profit Margin	20.76%	17.99%	12.31%	17.21%	10.94%
Asset Utilization	11.01%	6.59%	14.59%	10.18%	11.72%
Equity Multiplier	10.83	19.12	8.88	10.86	15.06
Short-term Debt	1418.54	3866.81	1334.71	1390.35	2636.70
Long-term Debt	538.54	790.26	1054.40	2287.53	3374.86
Total Debt	1957.08	4657.07	2389.11	3677.88	6011.56
Total Debt to Total Asset	90.12%	93.92%	87.15%	88.86%	91.23%
STD to Total Capital	65.32%	77.99%	48.69%	33.59%	40.01%
LTD to Total Capital	24.80%	15.94%	38.46%	55.27%	51.22%
Interest Expense	167.22	226.68	319.5	283.08	582.51
EBIT	224.84	309.79	378.24	387.03	724.88
Time Interest Earned Ratio	1.34	1.37	1.18	1.37	1.24

USE OF PROCEEDS

The public issue is in compliance of Bangladesh Bank's Directive. The proceeds of the present issue are planned to be utilized for financing company's operational activities in the course of normal business.

RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

Every investment decision involves risks. While some risks can be averted, others are beyond our control, which may result in loss of income with adverse impact on capital investment before making any investment decision; Investor should take the risk factors into consideration. Investor are, therefore, encouraged to seek independent financial advice. Major such risk factors are described in brief as under:

(a) Interest Rate Risk

The Company makes lease and term financing generally structured at fixed and variable rates for specified time period. Up-trend of interest rates of borrowing could squeeze or eliminate the spread, or result in a negative spread, and hence, may have a material adverse effect on the Company's business, financial condition and operating results.

Management Perception

The consequences of unusual and abrupt increase in borrowing rate cannot always be avoided. However, the company tries to minimize the negative consequences through revision of the lending rates to the extent possible.

(b) Exchange Rate Risk

The company as of now has no foreign borrowing.

(c) Industry Risk

Entry of a new competitor may increase the market competition and may adversely affect the profitability of IIDFC.

Management Perception

The Company enjoys a better image than many other NBFIs and is trying to diversify into areas of non-funding business. Being one of the new NBFIs with a low investment base, IIDFC has limited access to call money market.

(d) Market and Technology Related Risk

The financial market in Bangladesh is very competitive. Entering of new entities into the market is increasing the competitiveness of the market. On the other hand there are some companies with more resources, including better images; broader products range etc. which is favorable to hold the greater market share. Technology plays a vital role in the service based industry. Developed technology can obsolete the old service/product strategy.

Management Perception

Financial Institution is a fast growing industry in the country, which has witnessed a substantial growth rate. Because of the composition of its Board of Directors, the company enjoys better image and has higher access to investment funds. The management of the company keeps itself up-to-date on technological advancement.

(e) Potential or existing government regulations

The Company operates under the specific guidelines laid down by the Bangladesh Bank, Securities and Exchange Commission (SEC) and other regulatory bodies. Any abrupt change of the guide lines/policies formulated by the Bangladesh Bank, SEC or the regulatory bodies may affect the business of the company adversely.

Unless the regulatory authorities take any adverse policies, which may materially affect the industry as a whole, the business of the company is not likely to be adversely affected.

(f) Potential Changes in global or national policies

The performance of the company may be affected by the political and economical instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

Management Perception

The Company can prosper in a situation of political stability and congenial business environment. Political turmoil and the disturbance are bad for the economy and so also the company.

(g) Operational Risk

(i) A leasee or borrower of the company may default in mitigating its lease or loan obligations. As a result, the company may be in difficulty to enforce its remedies. The company's inability to collect receivable in due dates or to repossess lease assets in event default by a leasee is likely to affect the cash

flow, with adverse impact on the company's business, financial conditions and operating results.

Management Perception

The Management of the Company follows a systematic client selection and project appraisal process for making any investment decision, accompanied by meticulous follows up and monitoring, which reduce the risk of default to a great extent. Moreover, the Company has a separate lease monitoring and recovery department, which pursues the overdue clients in a systematic manner.

(ii) The Company's lending business is dependant on availability of fund. If the company finds it difficult to get adequate fund to meet its requirement then its business performance will be affected. The company's inability of getting fund at a competitive price is a possible risk to be addressed.

Management Perception

The company borrows funds from different sources viz, the credit line from commercial banks, customers and institutional deposits, money market etc. The Management of the company is working hard to explore new sources of fund, such as securitization, bond market and other cheaper sources pf fund.

Comparative Performance (as on 31-12-2007)

In this section the performance of the Industrial and Infrastructure Development Finance Company Ltd. (IIDFCL) is compared with that of ILFSL (Year of Listing 2007), Premier Leasing (Year of Listing 2005), BIFC (Year of Listing 2006) and IPDC (Year of Listing 2006) as on 31-12-2007.

Particulars	IIDFC	ILFSL	Premier Leasing	BIFC	IPDC
Profit after tax (Tk. in Million)	84.44	117.76	45.06	77.30	133.46
Paid-up Capital (Tk. in Million)	321.06 (Pre-IPO) 371.06 (Post IPO)	230.00	305.04	293.38	647.86
ROE	19.30%	17.06%	11.55%	18.67%	8.13%
ROA	1.28%	1.39%	1.54%	2.97%	1.85%
EPS (Tk.)	32.88	51.20	14.77	26.35	20.60
Total Assets (Tk. in Million)	6589.33	8482.26	2925.73	2603.85	7195.32
Total Debts	6011.56	7792.07	2532.61	2189.72	5521.47
Net Asset Value per Share (Tk.)	170.34	300.08	127.89	141.16	253.36
Total Debt to Total Assets Ratio	91.23%	91.86%	86.56%	84.10%	76.74%
Face Value (Tk.)	100	100	100	100	100
Issue Price (Tk.)	100	225	100	100	200
Market Price	-	824.25	200.00	243.50	332.00
P/E Ratio	-	16.10	13.54	9.24	16.12
Commencement of Operation	2001	1996	2001	1998	1983